



CONVERGENET HOLDINGS LIMITED

Incorporated in the Republic of South Africa
(Registration number 1998/015580/06)
Share code: CVN ISIN: ZAE000182440
(the "Company")

Dear ConvergeNet Shareholder

NOTICE OF SPECIAL RESOLUTIONS REGARDING AN AMENDMENT TO THE MEMORANDUM OF INCORPORATION AND AN INCREASE IN THE AUTHORISED SHARE CAPITAL OF CONVERGENET HOLDINGS LIMITED ("ConvergeNet" or the "Company") TO BE PROPOSED TO SHAREHOLDERS IN TERMS OF SECTION 60 OF THE COMPANIES ACT, NO. 71 OF 2008, AS AMENDED (the "Companies Act")

Introduction

1. Shareholders are advised that the board of directors of ConvergeNet (the "Board") has resolved to propose that ConvergeNet shareholders consider and, if deemed fit, pass, with or without modification, the special and ordinary resolutions as set out in **Annexure 1** to this letter (the "Resolutions"), by written consent in terms of section 60 of the Companies Act.
2. The Resolutions provide for an amendment to the Company's Memorandum of Incorporation and an increase in the authorised share capital of the Company from 200 000 000 ordinary shares of no par value to 1 000 000 000 ordinary shares of no par value.
3. In terms of section 60 of the Companies Act, a resolution that could be voted on at a shareholders meeting may instead be submitted for consideration to the shareholders entitled to exercise voting rights in relation to the resolution, and be voted on in writing by shareholders entitled to exercise voting rights in relation to the resolution, within 20 (twenty) business days of the resolution being submitted to them.
4. Section 60(2) of the Companies Act further provides that a resolution contemplated in section 60(1) of the Companies Act will have been adopted if it is supported by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or special resolution, as the case may be, at a properly constituted shareholders meeting and, if adopted, such resolution will have the same effect as if it had been approved by voting at a meeting.
5. Section 65(2) of the Companies Act provides that the Board may propose any resolution to be considered by shareholders and may determine whether that resolution will be considered at a meeting, or by vote or written consent in terms of section 60 of the Companies Act. The Board has determined that the Resolutions be considered by the shareholders of the Company by written consent in terms of section 60 of the Companies Act.
6. In terms of paragraph 10.11(h) of Schedule 10 of the Listings Requirements of the JSE Limited, a company may, subject to the provisions of its Memorandum of Incorporation and the Companies Act, propose that certain shareholder resolutions, including an increase in authorised share capital, be passed in accordance with section 60 of the Companies Act.

Action required by shareholders

7. **Shareholders who have dematerialised their shares (other than "own-name" dematerialised shareholders) in terms of the Financial Markets Act, No. 19 of 2012**, should advise their Central Securities Depository Participant ("CSDP") or broker as to what action they wish to take. This must be done in terms of the agreement entered into between them and their CSDP or broker. Shareholders who have dematerialised their shares (other than "own-name" dematerialised shareholders) must not return the form of written consent set out in **Annexure 2** (the "Written Consent") to the Company Secretary. Their instructions must be sent to their CSDP or broker for action.
8. **Certificated shareholders and "own-name" dematerialised shareholders** may indicate, by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided on the Written Consent, how they wish to cast their votes in relation to the relevant Resolutions. Please return a copy of the completed and signed Written Consent to the Company Secretary, Warwick van Breda, within 20 (twenty) business days of the date of receipt hereof at any one of the following addresses:
 - 8.1 Physical address: AfrAsia Corporate Finance Proprietary Limited
Level P3, Oxford Corner
Corner Jellicoe and Oxford Road
Rosebank, Johannesburg
 - 8.2 Postal address: Suite 54, Dixon Street, Cape Town, 8001
 - 8.3 E-mail: warwick@vbreda.com
9. The record date for determining which shareholders are entitled to vote on the Resolutions in terms of the Written Consent shall be Friday, 7 November 2014, being the 7th (seventh) day following the date on which this letter, including the annexures, is posted to shareholders. The salient dates to be considered are as follows:

Record date for determining which shareholders will be entitled to receive this notice	Friday, 17 October 2014
Record date for determining which shareholders are entitled to vote on the Resolutions contained in this notice	Friday, 7 November 2014
Form of Written Consent to be received by the Company Secretary by 12:00 on	Friday, 5 December 2014

Yours faithfully

W van Breda
Company secretary
30 October 2014



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RESOLUTIONS SUBMITTED TO SHAREHOLDERS IN TERMS OF SECTION 60(1) OF THE COMPANIES ACT, NO. 71 OF 2008 (the "Act")

SPECIAL RESOLUTION NUMBER 1: AMENDMENT TO MEMORANDUM OF INCORPORATION

"RESOLVED that the Memorandum of Incorporation of the Company be and is hereby amended as follows:

by the deletion in its entirety of clauses 25.1.6 and 25.1.7, which provides as follows:

"25.1.6 Shareholders resolutions required in terms of the JSE Listings Requirements may not be passed in terms of section 60 of the Act, and must all be passed by way of a meeting of Shareholders;

"25.1.7 Any Shareholders' resolution requiring relevant shareholder approval other than in terms of the JSE Listings Requirements may be held by way of a meeting or may be effected by way of section 60 of the Act;"

and the replacement of such clauses with the following:

"25.1.6 Any Shareholders' resolution requiring relevant shareholder approval may be passed by way of a meeting of Shareholders or, unless the JSE Listings Requirements require otherwise, by way of a written resolution in terms of section 60 of the Act."

Reason for and effect of Special Resolution Number 1

The reason for and effect of Special Resolution Number 1 is to amend the Company's Memorandum of Incorporation to provide for the passing of written resolutions, including certain shareholder resolutions required in terms of the Listings Requirements of the JSE Limited (the "**Listings Requirements**"), in accordance with section 60 of the Companies Act and to the extent permitted in terms of paragraph 10.11(h) of Schedule 10 of the Listings Requirements.

Percentage of voting rights required to approve Special Resolution Number 1

In terms of the Companies Act and the Company's Memorandum of Incorporation, in order for Special Resolution Number 1 to be approved by shareholders, it must be supported by at least 75% of the voting rights exercised on this special resolution.

SPECIAL RESOLUTION NUMBER 2: INCREASE IN AUTHORISED SHARE CAPITAL

"Resolved that, subject to the passing of Special Resolution Number 1, the Company's authorised ordinary share capital of 200 000 000 ordinary shares of no par value be and is hereby increased to 1 000 000 000 ordinary shares of no par value by the creation of an additional 800 000 000 ordinary shares of no par value and that clause 5 of the Company's Memorandum of Incorporation be and is hereby amended to read:

"The authorised share capital of the Company consists of 1 000 000 000 no par value shares."

Reason for and effect of Special Resolution Number 2

The reason for and effect of Special Resolution Number 2 is to increase the Company's authorised ordinary share capital of 200 000 000 ordinary shares of no par value to 1 000 000 000 ordinary shares of no par value, allowing for the allotment and issue of ordinary shares in the Company for possible acquisitions and capital raisings as are allowed for in its Memorandum of Incorporation, but subject to the necessary consents and approvals being in place by ordinary shareholders, the JSE Limited and other regulatory authorities, to the extent required. The issued share capital of the Company will remain unchanged.

Percentage of voting rights required to approve Special Resolution Number 2

In terms of the Companies Act and the Company's Memorandum of Incorporation, in order for Special Resolution Number 2 to be approved by shareholders, it must be supported by at least 75% of the voting rights exercised on this special resolution.

ORDINARY RESOLUTION NUMBER 1 – ENABLING RESOLUTION

"Resolved that any director of the Company and/or the Company Secretary be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of Special Resolution Number 1 and Special Resolution Number 2.

Reason for and effect of Ordinary Resolution Number 1

The reason for Ordinary Resolution Number 1 is to provide the directors and the Company Secretary with the necessary authority to do all such things as may be necessary to implement Special Resolution Number 1 and Special Resolution Number 2.

Percentage of voting rights required to approve Ordinary Resolution Number 1

In terms of the Companies Act and the Company's Memorandum of Incorporation, in order for Ordinary Resolution Number 1 to be approved by shareholders, it must be supported by at least 50% plus one vote of the voting rights exercised on this ordinary resolution.


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FOR USE BY CERTIFICATED SHAREHOLDERS AND "OWN-NAME" DEMATERIALIZED SHAREHOLDERS ONLY

Shareholders who have dematerialised their shares, other than "own-name" dematerialised shareholders, should advise their CSDP or broker as to what action they wish to take. This must be done in terms of the agreement entered into between them and their CSDP or broker. Shareholders, other than "own-name" dematerialised shareholders who have dematerialised their shares, must not return this form of Written Consent. Their instructions must be sent to their CSDP or broker for action.

I/We (please print full names)

of (address)

Telephone number ()

Cellphone number

E-mail address

being the holder(s) of shares in the issued capital of the Company do hereby vote as follows:

		Number of Shares		
		For	Against	Abstain
1.	Special Resolution Number 1 Amendment to Memorandum of Incorporation			
2.	Special Resolution Number 2 Increase in authorised share capital			
3.	Ordinary Resolution Number 1 Enabling resolution			

Please indicate how you wish your votes to be cast in the appropriate box provided.

Signed on this

day of

2014

Signature of member/s

Name in BLOCK LETTERS (full name if signing in a representative capacity)

Assisted by (where applicable)

Notes

1. A person signing this Written Consent in a representative capacity must attach the documentary evidence establishing such authority to this form of Written Consent, unless previously recorded by the Company Secretary.
2. The completed and signed Written Consent and authority (if any) under which it is signed must be either delivered, posted and/or e-mailed to the Company Secretary, Warwick van Breda, within 20 (twenty) business days of the date of receipt hereof, at any one of the following addresses:

Physical address: AfrAsia Corporate Finance Proprietary Limited
Level P3, Oxford Corner
Corner Jellicoe and Oxford Roads
Rosebank, Johannesburg

Postal address: Suite 54, Dixon Street, Cape Town, 8001

E-mail: warwick@vbreda.com

3. A certificated or "own-name" dematerialised shareholder's instructions on the form of Written Consent must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. A certificated or "own-name" dematerialised shareholder is not obliged to use all the votes exercisable by that shareholder, but the total number of votes cast and in respect of which abstention is recorded may not exceed the total number of votes exercisable by the certificated or "own-name" dematerialised shareholder.