



8 July 2021

Dear Shareholder

NOTIFICATION IN TERMS OF SECTION 44 and SECTION 45 OF THE COMPANIES ACT NO. 71 OF 2008 (“Act”)

At the Annual General Meeting of Blue Label Telecoms Limited (Blue Label) held on 26 November 2020, the following special resolution was passed by shareholders:

Special resolution number 3 – Approval to grant financial assistance in terms of Section 44 and Section 45 of the Act

Resolved that, the board is authorised, as it in its discretion thinks fit, but subject to compliance with the requirements of the memorandum of incorporation of the Company and the Companies Act, in particular Section 44 and 45 thereof, to grant a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, as contemplated in section 44 of the Act; and/or to a Director of the Company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or member, as contemplated in section 45 of the Act, on the basis that the board shall have the authority to determine at the relevant time whether to make such financial assistance available on an interest free or market-related basis, provided that no such financial assistance may be provided at any time in terms of this authority after the expiry of two years from the date of the adoption of this special resolution number 3.

Pursuant thereto, shareholders are advised that the board of directors resolved that Blue Label provide financial assistance from time to time as follows:

- 9 July 2020 – A loan of R12,000,000 to The Prepaid Company Proprietary Limited, provided from the proceeds of a dividend received from Transaction Junction Proprietary Limited;
- 03 September 2020 – A loan of R11,808,368 to Blue Label Company Proprietary Limited, in order to fulfil its employee share scheme requirements;



- 25 November 2020 – A loan of R8,702,625 to The Prepaid Company Proprietary Limited, provided from the balance of the proceeds of USD575,000 received from the disposal of Blue Label’s Investment in Blue Label Mexico;
- 30 November 2020 – A loan of R6,000,000 to Blue Label Company Proprietary Limited, in order to facilitate its provisional tax requirements;
- 19 January 2021 -Facility guarantee in favour of Firststrand Bank Limited amounting to R31 million relating to inter group borrowings.

Yours sincerely

J van Eden
Company Secretary