

BLUE LABEL TELECOMS LIMITED
(Registration No 2006/022679/06)

CONDITIONAL SHARE PLAN (“CSP”)

(Forfeitable Share Plan initiated 2008, revised 2022
and which plan shall forthwith be referred to as the Conditional Share Plan)

TABLE OF CONTENTS

1.	<u>INTRODUCTION</u>	<u>3</u>
2.	<u>INTERPRETATION</u>	<u>3</u>
3.	<u>THE CSP</u>	<u>10</u>
4.	<u>OPERATION OF THE CSP.....</u>	<u>10</u>
5.	<u>CSP LIMITS</u>	<u>11</u>
6.	<u>MAKING OF AWARDS.....</u>	<u>13</u>
7.	<u>REVIEW OF PERFORMANCE CONDITIONS AND VESTING</u>	<u>15</u>
8.	<u>SETTLEMENT OF AWARDS.....</u>	<u>16</u>
9.	<u>MALUS</u>	<u>17</u>
10.	<u>CESSATION OF EMPLOYMENT AND DEATH 14.1(h).....</u>	<u>18</u>
11.	<u>CHANGE OF CONTROL 14.1(g).....</u>	<u>19</u>
12.	<u>VARIATION IN SHARES 14.3.....</u>	<u>20</u>
13.	<u>FURTHER CONDITIONS</u>	<u>21</u>
14.	<u>DISCLOSURE IN ANNUAL FINANCIAL STATEMENTS 14.8.....</u>	<u>22</u>
15.	<u>AMENDMENTS AND TERMINATION 14.2</u>	<u>22</u>
16.	<u>DOMICILIUM AND NOTICES</u>	<u>24</u>
17.	<u>DISPUTES</u>	<u>26</u>
18.	<u>GOVERNING LAW</u>	<u>26</u>

1. **INTRODUCTION**

1.1 The purpose of the Blue Label Telecoms Limited CSP is to attract, retain and reward selected Employees of the Employer Companies who are able to contribute to the trade of the Employer Companies and to stimulate the personal involvement of these Employees in the Employer Companies, thereby encouraging their continued service with the Employer Companies. 14.1

1.2 The CSP comprises of one instrument, namely Conditional Shares, which may be subject to the satisfaction of Performance Condition(s) and which are subject to continued employment, in line with the Company's approach for performance-related incentives.

1.3 Conditional Shares are rights to acquire Shares on a future Vesting Date and which will include Dividend Equivalents. Participants therefore hold rights to Shares and will only become shareholders of the Company when the Shares are Settled to them subsequent to the Vesting Date.

1.4 Notwithstanding the fact the Shares are only Settled to Participants subsequent to the Vesting Date, the Company may, in accordance with the JSE Listings Requirements make arrangements to acquire Treasury Shares for future Settlement to Participants of the CSP.

1.5 In line with governance requirements, Awards may be subject to Malus and/or Clawback to be applied as follows: all unVested Awards shall be subject to Malus (in terms of these Rules) while the Market Value of the Shares as at the Vesting Date may be subject to Clawback (if applicable, as may be specified and regulated in terms of the Company's remuneration policy).

2. **INTERPRETATION**

- 2.1 In these Rules, unless inconsistent with the context, the following words and expressions shall have the following meanings:
- 2.1.1 “Auditors” the auditors of the Company from time to time;
- 2.1.2 “Award” an award of a specified number of Conditional Shares to an Employee subject to the conditions contained in these Rules;
- 2.1.3 “Award Date” the date on which an Award is made to an Employee as specified in the Award Certificate, irrespective of the date on which the Award is actually accepted or Settled:
- 2.1.4 “Award Certificate” the certificate contemplated in Rule 6.3;
- 2.1.5 “Board” the board of directors for the time being of the Company, or any committee thereof (including the Remuneration Committee) to or upon whom the powers of the board in respect of this CSP are delegated or are conferred in terms of the Company’s Memorandum of Incorporation and law, provided that the members of such Remuneration Committee shall not, at any time, hold any executive office with any Employer Company; 14.4
- 2.1.6 “Business Day” any day on which the JSE is open for the transaction of business;
- 2.1.7 “Capitalisation Issue” the issue of shares on capitalisation of the Company’s profits and/or reserves including the

Company's share premium account and capital redemption reserve fund;

- 2.1.8 "Clawback" recovery of cash from a Participant representing the Market Value of the Shares comprising an Award (or a portion thereof, as may be applicable) as at the Vesting Date, due to the discovery of a Trigger Event, as may be specified and regulated in terms of the Company's remuneration policy;
- 2.1.9 "Companies Act" the Companies Act, 71 of 2008;
- 2.1.10 "Company" Blue Label Telecoms Limited, a public company duly incorporated and registered in accordance with the laws of the Republic of South Africa (registration number: 2006/022679/06);
- 2.1.11 "Company Secretary" the secretary of the Company from time to time;
- 2.1.12 "Conditional Share" a conditional right to acquire Shares on a future Vesting Date and which will include Dividend Equivalents, by virtue of an Award, subject to the conditions contained in these Rules;
- 2.1.12.1 "Control" circumstances, as contemplated in International Financial Reporting Standard 10, and as validated by the Auditors as and when required, in which an investor has all three of the following elements: i) power over the Company, ii) exposure or rights to variable returns from its involvement with the Company and iii) the ability to

use its power over the Company to affect the amount of the investor's returns;

- 2.1.13 "CSP" the Blue Label Telecoms Limited Conditional Share Plan constituted by these Rules, as amended from time to time, and the terms and conditions contained in the Award Certificate;
- 2.1.14 "Dividend Equivalents" additional Shares (or the cash equivalent thereof), to be Settled (or paid if delivered in cash) by virtue of an Award which shall be equal to the normal dividends that the Company would have paid in respect of each Share represented by the Conditional Shares Awarded, from the Award Date to the Vesting Date, multiplied by the number of Vested Conditional Shares and Settled subsequent to the Vesting Date;
- 2.1.15 "Employee" a person eligible for participation in the CSP, namely an officer or employee, including any director holding salaried employment or office, of any Employer Company, as determined from time to time by the Board in its absolute discretion but excluding any non-executive directors; **14.1(a), 14.5**
- 2.1.16 "Employer Company" any company in the Group as determined from time to time by the Board in its absolute discretion;
- 2.1.17 "Financial Year" the financial year of the Company which currently runs from 1 June to 31 May each year;
- 2.1.18 "Group" the Company and its direct and indirect subsidiaries

2.1.25	“Performance Period”	the period within which a Performance Condition is to be satisfied, as stated in the Award Certificate;
2.1.26	“Prohibited Period”	a closed period as defined in the JSE Listings Requirements applicable to the Company from time to time and any period when there exists any matter which constitutes unpublished price sensitive information in relation to the Company’s securities;
2.1.27	“Purchase Programme”	a purchase programme as defined in the JSE Listings Requirements, and which is operated in accordance with the provisions of the JSE Listings Requirements;
2.1.28	“Retirement”	in relation to an Employee, normal retirement age as determined by the Company or with approval of the Board, prior to the normal retirement age;
2.1.29	“Rights Issue”	the offer of any securities of the Company to all ordinary shareholders of the Company pro rata to their holdings;
2.1.30	“Rules”	these rules as amended from time to time by the Board, and subject to shareholder approval where specifically stated herein;
2.1.31	“Settlement”	delivery of the required number of Conditional Shares to which a Participant is entitled pursuant to the Vesting of an Award, as contemplated in Rule 8.3, and “Settle”

shall be construed accordingly;

- 2.1.32 “Settlement Date” the date on which Settlement shall occur;
- 2.1.33 “Share” an ordinary share in the Company;
- 2.1.34 “Treasury Shares” as defined in the JSE Listings Requirements;
- 2.1.35 “Trigger Event” an event, set out in the Award Letter, that may, if it is discovered prior to the Vesting Date of an Award, result in Malus and/or Clawback, it being recorded as a guideline, the Trigger Events will be contained in the Company’s annual remuneration report published to all shareholders for each Financial Year;
- 2.1.36 “Vest” an Award no longer being subject to restrictions of risk of forfeiture as determined according to these Rules, with “Vesting” and “Vested” bearing corresponding meanings;
- 2.1.37 “Vesting Date” the date on which Vesting occurs, as set out in the Award Certificate; and
- 2.1.38 “Vesting Period” the period calculated from the Award Date over which an Award will Vest, and which period will be set out in the Award Certificate.

2.2 The headings in these Rules are inserted for reference purposes only and shall in no way govern or affect the interpretation hereof.

- 2.3 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect shall be given to it as if it were a substantive provision.
- 2.4 Unless the context indicates otherwise, an expression that denotes any gender includes the others; a natural person includes a created entity (corporate or unincorporated) and the singular includes the plural, and *vice versa* in each case.
- 2.5 References in these Rules to any statutory provisions include a reference to those provisions as amended or replaced from time to time and include any regulations made under them.

3. **THE CSP**

- 3.1 The CSP shall be applicable to all Awards made on or after the approval of the CSP by shareholders. These Rules shall govern the CSP.
- 3.2 No Participant shall have any claim concerning the Awards, except in accordance with the provisions of these Rules and the terms and conditions set out in the Award Certificate.
- 3.3 Acceptance of the Award Certificate by a Participant in accordance with the provisions of Rule 6.3.2 and 6.3.3 shall be regarded as an acknowledgement by the Participant that he agrees that these Rules, including any alteration to these Rules and the terms and conditions set out in the Award Certificate, shall be binding upon him.

4. **OPERATION OF THE CSP**

- 4.1 The Employer Company will periodically recommend to the Board which Employees it intends to incentivise by the making of Awards whereupon the Board shall periodically make an Award to the Employee concerned, subject to the provisions of 4.2 below.
- 4.2 The Board is responsible for the governance pertaining to the CSP. It shall therefore be in the absolute discretion of the Board to decide who will participate in the CSP, the quantum

of the Awards to be made to the Participants and all other issues relating to the governance of the CSP, including whether a particular Award shall be subject to Malus and/or Clawback.

- 4.3 The Employer Companies will, however, remain responsible to procure the Conditional Shares required to Settle, in terms of the CSP, the Participants employed by them on the Vesting Date.

5. **CSP LIMITS**

5.1 **Overall Company Limit** 14.1(b), 14.12

- 5.1.1 The aggregate number of Shares which may be used to Settle Vested Awards over the life of this CSP shall not exceed 91,365,587 ordinary Shares representing 10% (ten percent) of the issued Shares of the Company as at 24 November 2022.

- 5.1.2 In determining the number of Shares Settled for the purposes of Rule **Error! Reference source not found.**, the following shall be included:

5.1.2.1 Treasury Shares which have been utilised in Settlement; and

5.1.2.2 the actual number of new Shares issued by the Company in Settlement. 14.12

- 5.1.3 In determining the number of Shares Settled for the purposes of Rule **Error! Reference source not found.**, Shares purchased in the market pursuant to Rule 8.3.1 in contemplation of Settlement will be excluded from the limit. For the avoidance of doubt, where the Company has set Treasury Shares aside for purposes of Settling Awards, only the number of Shares that eventually Vest and are Settled are included in the limit; and any such Treasury Shares that are not used in Settlement shall revert to the CSP in terms of the limit contemplated in Rule 5.1.1 and be available for Settlement of future Vested Awards. 14.3(f)

5.2 **Individual limit** 14.1(c)

- 5.2.1 Subject to 5.3, the maximum number of Shares in aggregate which may be used in

Settlement of Vested Awards to any Participant in terms of this CSP shall not exceed 9,136,558 Shares, representing 1% (one percent) of the issued Shares of the Company as at 24 November 2022. In the event of a discrepancy between the number of Shares and the percentage of issued Shares it represents, the number of Shares shall prevail over the stated percentage. **14.1(c), 14.3(b).**

5.3 Adjustments related to limits 14.3(a), (b), (c), (d) and (e)

5.3.1 The Board must, where required, adjust the number of Shares stated in Rule **Error! Reference source not found.** (without the prior approval of shareholder in a general meeting), to take into account a sub-division or consolidation of Shares. Such adjustment to the number of Shares should reflect entitled to the same proportion of the equity capital as that to which Participants were previously entitled. **14.3(a)**

5.3.2 The Board may, where required, adjust the number of Shares Stated in Rule 5.2.1 (without the prior approval of shareholders of the Company in a general meeting) to take into account a Capitalisation Issue, a special dividend, a Rights Issue or a reduction in capital of the Company. Such adjustments to the number of Shares should reflect entitlement to the same proportion of the equity capital as that to which individual Participants were previously entitled. **14.3(b)**

5.3.3 The issue of Shares as a consideration for an acquisition, and the issue of Shares for cash or a vendor consideration placing, will not be regarded as a circumstance that required any adjustment to the limits stated in Rules 5.1 and 5.2. **14.3(c)**

5.3.4 The Auditors, or other independent advisor acceptable to the JSE, will confirm to the JSE in writing that any such adjustment made in terms of Rules 5.3.1 and/or 5.3.2 has been properly calculated on a reasonable and equitable basis, in accordance with the Rules. **14.3(d)**

5.3.5 Any adjustments made in terms of Rules 5.3.1 and/or 5.3.2 must be reported upon in the Company's financial statements in the year during which the adjustment is made. 14.3(e)

6. **MAKING OF AWARDS**

6.1 **Eligibility and criteria for Awards**

6.1.1 All Employees are eligible to participate in the CSP, but the Board will ultimately determine which Employees will receive an Award. Selection to participate in any singular Award does not give rise to any right or expectation of participation in any future Award.

6.1.2 The basis upon which Awards are made shall take into account, inter alia, the performance and level of the Employee, the Employee's guaranteed pay and grade. 14.1(f)

6.1.3 The Vesting of Awards may be subject to the achievement of Performance Conditions set by the Board.

6.2 **Time when Awards may be made**

The Board may, on behalf of any Employer Company, make an Award to an Employee of such Employer Company at any time, provided such Award is made after the CSP has been approved by shareholders and such Award is not made:

6.2.1 during a Prohibited Period; or

6.2.2 on a day upon which there are any restrictions on the making of an Award to the Employee imposed by statute, order, regulation or directive, or by any code adopted by the Company based on the provisions contained in the King Report on Corporate Governance (as amended from time to time), relating to the dealings in securities by directors and/or the JSE Listings Requirements. 14.1, 14.9(d), 14.9(e)

6.3 **Contents of Award Certificate**

6.3.1 The Award Certificate shall be in writing and shall specify the terms of the Award including:

6.3.1.1 the name of the Employee;

6.3.1.2 the number of Conditional Shares comprising the Award;

6.3.1.3 the Award and Vesting Date; and

6.3.1.4 the Performance Condition(s);

6.3.1.5 the Vesting Period and Performance Period; and

6.3.1.6 any other relevant terms and conditions, including without limitation, whether the Award shall be subject to Malus and/or Clawback (and if so, specify the Trigger Events thereto).

6.3.2 An Award shall:

6.3.2.1 be personal to the Employee to whom it is addressed and all rights thereunder shall not be capable of cession, sale, transfer or encumbrance; and

6.3.2.2 indicate that the Employee must accept the Award in writing within the period specified in the Award Certificate (being a period of not more than 30 (thirty) days after the date of the delivery of the Award Certificate).

6.3.3 Any written acceptance of the Award Certificate shall be in the form prescribed by the Board and be submitted to the Company Secretary at the Company's registered office in South Africa, within the period specified in Rule 6.3.2.2, failing which the Award will be deemed to have been declined.

6.3.4 Subject to Rule 6.3, Awards will take effect from the Award Date, or such other date as stated in the Award Certificate, but may not be awarded retrospectively. 14.13

6.4 Conditional Shares are Settled after the Vesting Date. A Participant will not be entitled to any shareholder rights prior to the Settlement Date. Following the Settlement Date,

Participants shall have voting and dividend rights and the Shares shall rank pari passu with the existing issued Shares. 14.1(e)

6.5 An Award may not be disposed of ceded, transferred or otherwise encumbered.

6.6 Save for securities transfer tax, which the Employer Company may recover from the Participant at the time of Settlement, the Participant will not be required to pay any consideration whatsoever for an Award. The method of recovering the securities transfer tax will be agreed between the Employer Company and the Participant, failing such agreement being reached, the Employer Company may withhold such amount required from the Participant's salary or other payments due to the Participant from the Employer Company. 14.1(d)(i)

7. **REVIEW OF PERFORMANCE CONDITIONS AND VESTING**

7.1 If imposed for a specific Award, as soon as reasonably practicable after the end of the Performance Period in relation to an Award, the Board shall review the Performance Condition(s) as specified in the Award Certificate.

7.2 The level of achievement of the Performance Condition(s) as set out in the Award Certificate (for example: threshold, target or at an out-performance level) will determine the number of Conditional Shares that Vest for each Participant. The Board shall calculate the number of Conditional Shares that Vest for each Participant and shall notify each Participant of this fact accordingly.

7.3 If the Board is satisfied that the Performance Condition has not been fulfilled, the Awards subject to Performance Conditions shall not Vest and the Participant shall be notified of such fact accordingly and of the reason that the Performance Condition was not fulfilled. No consideration will be payable to the Participant in respect of forfeited Awards. The effect of an Award of Conditional Shares Vesting will be that the number of Vested Conditional

Shares (including Dividend Equivalents) will be Settled to Participants in accordance with these Rules.

8. **SETTLEMENT OF AWARDS**

8.1 Following the Vesting of an Award the relevant Employer Company shall within 30 (thirty) days of the Vesting Date procure the Settlement of that number of Vested Conditional Shares to the Participant in accordance with the Settlement methods described in Rule 8.3.

8.2 The number of Shares to be Settled to the Participant upon Vesting of an Award of will be calculated by reference to the formula:

$$A = (B \times C) + D$$

Where:

A = the number of Shares, rounded to the nearest whole number, to which a Participant is entitled as a result of Vesting;

B = the number of Conditional Shares Awarded;

C = Performance Condition outcomes, expressed as a percentage; and

D = Dividend Equivalents (to the extent applicable). For the avoidance of doubt, Dividend Equivalents may also be paid in cash.

8.3 Awards may be Settled using any one or a combination of the following settlement methods:

8.3.1 *Settlement by market purchase of Shares:* the Employer Company will, if so instructed by the Board, incur an expense by making a cash contribution to a third party equal in value to the required number of Shares in Settlement of the Award on the basis that the third party will acquire the required number of Shares on the market as agent for and on behalf of the Employer Company concerned, for the purpose of discharging such Employer Company's obligation to deliver Shares to the Participants in accordance with the provisions of these Rules or [14.9\(c\)](#)

8.3.2 *Settlement by use of Treasury Shares:* to the extent an Employer Company holds Treasury Shares, it shall be entitled to utilise such number of Treasury Shares it holds as is equivalent to the Shares to be Settled in respect of Participants employed by it, to discharge its obligations to effect Settlement to such Participants; or the relevant Employer Company will incur an expense by making a cash contribution to any Subsidiary of the Company which holds Treasury Shares on the basis that the Subsidiary will deliver to Participants, for and on behalf of the Employer Company, the number of Shares required for the purpose of discharging the Employer Company's obligation to effect Settlement to that Participant. The cash contribution which the Employer Company will make to the Subsidiary will be the higher of: i) the Market Value per Share; or ii) an amount equal to the cost incurred by the Subsidiary in acquiring the Treasury Shares.

8.3.3 *Settlement by subscription for Shares:* the Employer Company will, if so instructed by the Board, incur an expense by making a cash contribution to a third party equal in value to the subscription price of the Shares concerned, on the basis that the third party, as agent for and on behalf of the Employer Company concerned, will subscribe for new shares to be allotted and issued by the Company for the purpose of discharging such Employer Company's obligation to deliver Shares to the Participants in accordance with the provisions of these Rules.

9. **MALUS**

9.1 Notwithstanding any other provision in these Rules, should a Trigger Event occur and be discovered at any time before the Settlement of an Award to which the Board has specified that Malus applies, the Board may, in its discretion, reduce the Award in whole or in part (including, for the avoidance of doubt, to nil), in accordance with the provisions of these Rules, read in conjunction with the Award Certificate and any relevant provisions of the remuneration policy.

9.2 Whenever a reduction is made, the relevant Award or portion thereof, as relevant, shall be treated as having immediately been forfeited. No consideration shall be payable to the Participant.

10. **CESSATION OF EMPLOYMENT AND DEATH** 14.1(h)

10.1 **Resignation or dismissal**

If a Participant's employment with any Employer Company terminates by reason of his resignation or dismissal on grounds of misconduct, poor performance or proven dishonest or fraudulent conduct (whether such cessation occurs as a result of notice given by him or otherwise or where he resigns to avoid dismissal on ground of misconduct, poor performance or proven dishonest or fraudulent conduct) before the Vesting Date, the Awards are forfeited, except to the extent that the Board shall determine otherwise in its discretion.

10.2 **Retirement**

If, before the Vesting Date, a Participant Retires from any Employer Company, the Participant shall be entitled to the same rights and be subject to the same conditions under this CSP as if he had continued to be an Employee, unless the Board in its absolute discretion determines otherwise.

10.3 **Retrenchment, death, ill health, disability or any other reason**

If a Participant's employment with any Employer Company terminates prior to the Vesting Date, by reason of retrenchment, death, ill health, disability or for any other reason other than listed in 10.1 or 10.2, a pro-rata portion of the Award, or such greater portion as the Board may determine in its absolute discretion, shall Vest and be Settled on the date of cessation of employment or the date of death or as soon as practical thereafter. The pro-rata portion of the Award that will Vest, unless the Board determines otherwise, shall reflect the number of months served since the Award Date to the date of termination of employment

relative to the total number of months in the Vesting Period and the extent to which the Performance Condition has been satisfied. The balance of the Awards not Vesting as aforesaid will lapse.

10.4 For the purposes of this Rule 10, a Participant will not be treated as ceasing to be an Employee of an Employer Company if, on the same date on which he ceases to be an Employee of an Employer Company, he is employed by another Employer Company.

11. **CHANGE OF CONTROL 14.1(g)**

11.1 In the event of a change of Control of the Company occurring prior to a Vesting Date, at the Board's discretion, a portion of the unVested Awards shall Vest and be Settled. The pro-rated portion of the unVested Award to Vest shall reflect the number of months served from the Award Date until the date of change of Control relative to the number of months in the Vesting Period and the extent to which the Performance Condition has been satisfied. The portion of any Award which does not Vest upon the date of change of Control will continue to be subject to the terms of the Award Certificate relating thereto, unless the Board, in its absolute discretion, determines that the terms of the Award Certificate are no longer appropriate, in which case the Board shall take such other action as may be deemed required.

11.2 If there is an internal reconstruction or other event which does not involve any change in the ultimate Control of the Company, or if any other event happens which may affect Awards, including the Shares ceasing to be listed on the JSE, the Board may take such action as it considers appropriate to protect the interests of Participants, including converting Awards into awards in respect of shares in one or more other companies, provided the Participant is not in a worse position as he was prior to such event occurring. 14.1(g)

11.3 If the Company is placed into liquidation for purposes other than reorganisation, Awards

shall ipso facto lapse as from the liquidation date. No consideration shall be payable to Participants in this instance. 14.1(e)

11.4 In the event of an Employer Company (other than the Company), ceasing to be a member of the Group, the Board may take such action as it considers appropriate in respect of the forfeiture or accelerated Vesting of the Awards previously made to employees of that Employer Company.

12. **VARIATION IN SHARES 14.3**

12.1 Subject to Board discretion, in the event of a Rights Issue, Capitalisation Issue, unbundling or any other corporate action or other event affecting the shares of the Company or in the event of the Company making distributions including a distribution in specie or a payment in terms of section 46 of the Companies Act (other than a dividend paid in the ordinary course of business out of distributable reserves) prior to the Vesting Date Participants shall not be entitled to participate in these events like ordinary shareholders but shall continue to participate in this CSP, however the Board may vary the number of Conditional Shares comprised in the Award to take account of any variation in the Shares of the Company, to ensure that the Participant is not disadvantaged.

12.2 The Board shall notify the Participants of any adjustments which are made under this Rule 12. Where necessary, in respect of any such adjustments, the Auditors, acting as experts and not as arbitrators and whose decision shall be final and binding on all persons affected thereby, shall confirm to the Board in writing that these are calculated on a reasonable basis in accordance with the Rules. The Auditors shall, in addition, confirm in writing to the JSE whether these adjustments were calculated in accordance with the Rules. Any adjustments made will be reported upon in the Company's annual financial statements in the year during which the adjustment is made. 14.3(d) and 14.3(e)

12.3 The issue of Shares as a consideration for an acquisition, the issue of Shares for cash and a vendor consideration placing will not be regarded as a circumstance requiring adjustment in terms of this Rule 12. **14.3(c)**

13. **FURTHER CONDITIONS**

13.1 Any Employer Company may withhold any amounts from a Participant's cash salary or make such arrangements, including that a number of the Conditional Shares to be Settled on the Vesting Date shall be sold by the Participant and the proceeds be submitted to the Employer Company, as are necessary to meet any liability to taxation or any other liabilities and costs in respect of the Award.

13.2 If the acquisition, disposal, Vesting or Settlement of Shares would be in contravention of any restrictions imposed by a Prohibited Period relating to dealings in securities by Participants or the JSE Listings Requirements, the acquisition, disposal, Vesting or Settlement of Shares will be delayed until there would be no such contravention.

13.3 The rights of Participants under this CSP are determined exclusively by these Rules and the terms and conditions contained in the Award Certificate. The Participant has no right to compensation or damages or any other sum or benefit in respect of his ceasing to participate in the CSP or in respect of any loss or reduction of any rights or expectations under this CSP in any circumstances, except as otherwise set out in these Rules.

13.4 Application will be made by the Company for a listing of Shares, as soon as possible after the issue of Shares, in the event that the Company elects to settle the Awards by issuing new Shares in terms of Rule 8.3.3.

13.5 Shares held as Treasury Shares for purposes of the CSP shall not have votes of the Company taken into account for JSE Listing Requirements resolution approval purposes at

general/annual general meetings. Such Shares shall also not be taken into account for purposes of determining categorisations as detailed in Section 9 of the Listings Requirements of the JSE. **14.10**

13.6 In the event that the Company decides to acquire Shares in eventual Settlement of Awards prior to the Vesting Date, such Shares will only be acquired once a Participant or group of Participants to whom they will be Settled has been formerly identified. **14.9(a)**

13.7 The Company acknowledges that paragraphs 3.63 – 3.74 (director dealings) of the JSE Listings Requirements will apply to any dealings by the Company relating to the CSP **14.9(d)**

13.8 Shares intended for use in Settlement of Awards may not be purchased during a Prohibited Period, unless a Purchase Programme is in place and the Company has instructed an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by the Company, prior to the commencement of the Prohibited Period to execute the Purchase Programme. **14.9(e)**

13.9 In the event that Shares are purchased during a Prohibited Period in accordance with the provisions of a Purchase Programme, an announcement must be made pursuant to paragraphs 3.63 – 3.74 (director dealings) of the JSE Listings Requirements, which will include a statement confirming that the purchase was made pursuant to a Purchase Programme. **14.9(f)**

14. **DISCLOSURE IN ANNUAL FINANCIAL STATEMENTS 14.8**

The Company shall disclose in its annual financial statements the number of Shares that may be utilised for purposes of the CSP at the beginning of the accounting period and changes in such number during the accounting period and the balance of securities available for utilisation for purposes of the CSP at the end of the accounting period.

15. **AMENDMENTS AND TERMINATION** 14.2

15.1 Subject to clause 15.2 and the JSE Listing Requirements, the Board may at any time, alter, vary or add to these terms and conditions as it thinks fit. Amendments to these Rules may only affect Awards which have already been made if they are to the advantage of Participants, subject to the JSE Listings Requirements.

15.2 The provisions relating to:

15.2.1 eligibility to participate in the CSP;

15.2.2 the basis for determining Awards;

15.2.3 the aggregate number of Shares subject to the CSP;

15.2.4 the aggregate number of Shares that may be used for the purposes of Awards in respect of an individual Employee or Participant;

15.2.5 the amount, if any, payable upon acceptance of an Award;

15.2.6 the adjustment of Awards in the event of a variation of Shares of the Company;

15.2.7 the voting, dividend and other rights attaching to the Shares of the CSP, including those arising upon a liquidation of the Company;

15.2.8 the limitations on benefits or maximum entitlements;

15.2.9 the procedure to be adopted in respect of the Vesting of Awards in the event of a change of Control, or a cessation of employment; and

15.2.10 the terms of this clause 15.2;

may not be amended without the prior approval by ordinary resolution of 75% (seventy-five percentage) of the shareholders of the Company in general meeting, excluding all the votes attached to all Shares owned and controlled by existing Participants and which have been acquired in terms of the CSP. 14.1

15.3 The Board may make minor amendments to benefit the administration of the CSP, to comply with or take account of the provisions of any proposed or existing legislation or to obtain or maintain favourable, taxation or regulatory treatment of any company in the Group or any

present or future Participant, subject to the approval of the JSE, where necessary.

16. **DOMICILIUM AND NOTICES**

16.1 The parties choose domicilium citandi et executandi for all purposes arising from this CSP, including, without limitation, the giving of any notice, the payment of any sum, the delivery of shares, the serving of any process, as follows:

16.1.1 the Company, the Board, the RemCom: The address and telefax number of the Registered Office of the Company from time to time, it being recorded that as at the date of the approval of the Scheme the Registered Office of the Company is:

Physical address: 75 Grayston Drive, Morningside Ext. 5,
Sandton, 2196

Postal address: P O Box 652261, Benmore, 2010

Facsimile: +27 11 523 3031

16.1.2 Employer Company(ies): The address, telefax number and electronic address from time to time reflected as being a nominated recipient of the Registered Office of the Employer Company(ies) from time to time

16.1.3 each Participant: The physical address, telefax number and electronic address from time to time reflected as being his address, telefax number and/or electronic address in the Employer Company's payroll system from time to time.

16.2 Any of the above persons shall be entitled from time to time, by written notice to the other, to vary its domicilium to any other physical address within the Republic of South Africa and/or its facsimile number and/or (in the case of a Participant) his electronic address; provided in the case of a Participant such variation is also made to his details on the

Employer Company's payroll system.

- 16.3 Any notice given and any delivery or payment made by any of the above persons to any other which:
- 16.3.1 is delivered by hand during the normal business hours of the addressee at the addressee's domicile for the time being shall be rebuttably presumed to have been received by the addressee at the time of delivery;
 - 16.3.2 is delivered by courier during the normal business hours of the addressee at the addressee's domicile for the time being shall be rebuttably presumed to have been received by the addressee on the third day after the date of the instruction to the courier to deliver to the addressee;
 - 16.3.3 is posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's domicile for the time being shall be rebuttably presumed to have been received by the addressee on the seventh day after the date of posting.
- 16.4 Any notice given that is transmitted by electronic mail and/or facsimile to the addressee at the addressee's electronic address and/or facsimile address (as the case may be) for the time being shall be presumed, until the contrary is proved by the addressee, to have been received by the addressee on the date of successful transmission thereof.
- 16.5 Any notice or other document given to any Participant pursuant to the CSP may be delivered to him or sent by post to him at his home address according to the records of the Employer Company or such other address as may appear to the Board to be appropriate. Notices or other documents sent by post will be deemed to have been given 7 days following the date of posting if sent by post.

16.6 Any notice or document given to the Employer Company pursuant to the CSP may be delivered to it or sent by post to its registered office marked for the attention of the company secretary of the Employer Company, or such other address as may be specified by the Employer Company and the documents will not be deemed to have been received before actual receipt by the company secretary of the Employer Company.

17. **DISPUTES**

Any dispute arising under the CSP shall be referred to the decision of an appropriate expert, nominated by the Board for that purpose, who shall act as an expert and not as an arbitrator and whose decision shall in the absence of manifest error be final and binding upon all persons affected thereby.

18. **GOVERNING LAW**

South African law governs the CSP. All Employer Companies and Participants submit to the jurisdiction of the South African courts as regards any matter arising under the CSP.

This CSP was duly adopted at the general meeting of Blue Label Telecoms Limited held at [Insert] on [Insert] and the Rules were available for inspection for at least 14 days prior to the general meeting at the Company's registered office. 14.7

Chairman of the General Meeting