Welcome to possibility
Governance highlights

MTN strives to maintain and enhance sound governance practices which are reflective of prevailing international governance trends and the evolving legislative landscape in South Africa. These practices are founded on values of responsibility, accountability, fairness and transparency.

During 2011, the key focus was the ongoing review of the MTN Group corporate governance framework in line with King III, the JSE Listings Requirements and the Companies Act. The review was conducted with the assistance of independent advisers.

In pursuit to achieve alignment of the Group’s practices with King III, the Companies Act, the JSE Listings Requirements, the Group through the mandate of the audit committee engaged PricewaterhouseCoopers Inc to undertake a review of MTN’s Integrated Report for 2010 in relation to the disclosure framework applied therein. This exercise was performed with a view to highlighting disclosure gaps in the 2010 Integrated Report and to highlight best practice disclosure requirements that could be considered in the 2011 reporting cycle. Some of the areas of improvements identified include the following:

<table>
<thead>
<tr>
<th>The reasons for the removal, resignations or retirement of directors:</th>
<th>• MTN now discloses the reasons for resignation of directors (refer to page 8).</th>
</tr>
</thead>
<tbody>
<tr>
<td>The board should state that appraisals of the board and its committees have been conducted and should provide an overview of the results of the performance assessment and action plans to be implemented, if any:</td>
<td>• The board appraisal disclosure is made in the 2011 Integrated Report (refer to page 52–53).</td>
</tr>
<tr>
<td>To the extent that an independent non-executive director may serve longer than nine years, a statement indicating that the director’s independence or character and judgement had been assessed and was not considered to be affected or impaired by the length of service should be included in the Integrated Report:</td>
<td>• A statement has been made on page 5 regarding the independence of two independent non-executive directors who have served more than nine years on the board.</td>
</tr>
<tr>
<td>The board should disclose the nature of its dealings with its stakeholders and the outcomes of these dealings:</td>
<td>• A disclosure in this regard is made on page 9.</td>
</tr>
<tr>
<td>Remuneration of executive and non-executive directors and the three highly paid employees who are not directors:</td>
<td>The remuneration of the executives and non-executive directors is disclosed in the Remuneration Report. The latter report includes the aggregated remuneration of the top three earners*.</td>
</tr>
</tbody>
</table>

*The Remuneration Report also discloses the aggregated remuneration of prescribed officers.

A Governance Assessment Toolkit was also acquired from the Institute of Directors Southern Africa for a desktop assessment of the Group’s position in relation to compliance and alignment to the dynamic governance landscape in which the Group operates.
In our commitment to sound governance and the investment made to achieve sound governance, the compliance achievements during the year under review are set out below.

**Key compliance achievements**

<table>
<thead>
<tr>
<th>Social and ethics committee</th>
<th>The committee has been established, and the inaugural meeting was held in early 2012. The committee’s terms of reference were adopted by the board in the first quarter of 2012.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing board committees</td>
<td>The board has reviewed and approved a new structure of board committees, which was implemented in the first quarter of 2012. Refer to the Governance structure on page 3. All committees’ terms of reference have been reviewed and adopted by the board in the first quarter of 2012.</td>
</tr>
<tr>
<td>Board charter</td>
<td>The charter is under review for adoption in 2012.</td>
</tr>
<tr>
<td>Review of governance policies</td>
<td>Amongst others, the following policies were reviewed: The insider trading policy has been split into two: (a) the insider trading policy to ensure that the Group is compliant with all applicable laws and regulations governing insider trading, and (b) the share dealing policy which ensures more rigorous restrictions on dealings by directors and the company secretary of MTN and its major subsidiaries. These policies will be tabled for adoption in 2012. Other policies that were revised in anticipation of adoption in 2012 were the code of ethics, those relating to prescribed officers, board appointments, independent professional advice and disclosure.</td>
</tr>
<tr>
<td>Prescribed officers</td>
<td>Prescribed officers have been designated and the policy is being finalised for adoption by the board in 2012. The members of the executive committee (Exco) have been designated as prescribed officers. These designations will be reviewed on an ongoing basis.</td>
</tr>
<tr>
<td>Alignment of memorandum of incorporation with the Companies Act</td>
<td>The board has constituted a sub-committee charged with the responsibility of reviewing the current memorandum of incorporation for alignment with the Companies Act.</td>
</tr>
<tr>
<td>Lead independent director (LID)</td>
<td>Although the chairman of the board is an independent non-executive director, for the first time a lead independent non-executive director of MTN was appointed with effect from 14 March 2011. The position was created to further embed the culture of independence of the board of directors especially in instances of perceived conflict of interest.</td>
</tr>
<tr>
<td>Educating directors, prescribed officers and other relevant staff on the provisions of the Companies Act, King III and JSE Listings Requirements</td>
<td>Numerous sessions were held during 2011 to educate and familiarise directors and officers with the Companies Act and other governance instruments. The sessions were facilitated by independent external advisers and management.</td>
</tr>
</tbody>
</table>

Although MTN has made significant progress to ensure that King III principles are applied, the following principles were not fully applied:

<table>
<thead>
<tr>
<th>Principle 2.19 – Directors should be appointed through a formal process:</th>
<th>Although MTN’s appointment of directors is transparent and considered by the full board, it does not have a formal policy in this regard. A formal policy will be introduced in 2012.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle 2.25 – Shares and options should not vest or be exercisable within three years from date of grant:</td>
<td>The vesting periods for all MTN’s performance share plan (PSP) awards vest after three years. However, the vesting period for June 2011 PSP awards to certain category of employees who qualified for allocations as at November 2010, was reduced to a once-off 30 months.</td>
</tr>
</tbody>
</table>
Governance structure

As stated above the board took cognisance of a need to review the mandate of its current committees given new developments in the corporate governance and legislative arenas. One of the pertinent points for noting is that MTN Group is required, in terms of the Act, to establish a social and ethics committee.

This section provides an overview of the revised governance structure of MTN Group. Some of the elements of the revised structure are replicated in major subsidiaries. The governance structures of other subsidiaries across the Group are being reviewed in order to align them with the revised operating model which was announced in March 2012.

Audit committee: AF van Biljon, NP Mageza, MJN Njeke, JHN Strydom, J van Rooyen
Risk management, compliance and corporate governance committee: J van Rooyen, KP Kalyan, NP Mageza, MLD Marole, MJN Njeke, JHN Strydom
Nominations committee: MC Ramaphosa, A Harper, AT Mikati, AF van Biljon
Social and ethics committee: KP Kalyan, NP Mageza, MLD Marole, JHN Strydom, J van Rooyen
Remuneration and human resources committee: A Harper, AT Mikati, MC Ramaphosa, JHN Strydom
Executive committee (previously known as Group executive committee): RS Dabengwa, CM de Faria, JA Desai, S Fakie, A Farroukh, B Goschen, PD Norman, NI Patel, KW Pienaar, J Ramadan, I Sehoole, KL Shuenyane
Group tender committee: WA Nairn, A Farroukh, F Laher, NI Patel, J Ramadan, I Sehoole

The mandate of the former risk management and compliance committee has been broadened to include corporate governance function. The latter function previously resided with the former nomination, remuneration, human resources and corporate governance committee.

The nomination function previously resided with the former nomination, remuneration, human resources and corporate governance committee. This function now resides with a standalone committee and the membership thereof mirrors that of the remuneration and human resources committee.

The remuneration and human resources committee became a standalone committee following the restructuring of the former nomination, remuneration, human resources and corporate governance committee.

The social and ethics committee is a new committee established pursuant to the requirements of the Companies Act and Regulations published thereunder.

The Group operations committee is a new sub-committee of Group executive committee (exco) and was formed pursuant to the operating model changes announced in March 2012. The committee replaces the former technical and commercial committees. The purpose of the committee is to consider all Group operational matters in an endeavour to drive operational excellence on all day-to-day functional initiatives, in a fair, honest, transparent and equitable manner.
Board overview and governance

Board overview
The MTN Group has a unitary board structure comprising a majority of independent non-executive directors. The board considers eight out of the ten non-executive directors to be independent.

The roles and duties of the non-executive chairman and the Group president and CEO are, separated and clearly defined. This division of responsibilities ensures a balance of authority and power, with no individual having unrestricted decision-making powers.

Directors play a critical role as board representatives on the various board committees and ensure that the Company’s interests are served by impartial, objective and independent views that are separate from those of management and shareholders.

The MTN Group board retains full and effective control over the Group and is responsible, inter alia, for the adoption of strategic plans, the monitoring of operational performance and management, and the development of appropriate and effective risk management policies and processes. The full extent of the board’s responsibilities is contained in an approved board charter. The directors are of the opinion that they have adhered to the terms of reference as detailed in the board charter for the financial year under review.

Chairman
The board is chaired by MC Ramaphosa. No individual board member has unfettered powers in respect of decision-making. Responsibility for managing the board and executive responsibility for the conduct of the business are differentiated. Accordingly, the roles of the chairman of the board and the chief executive officer are separate. The chairman is responsible for leadership of the board, ensuring its effectiveness in all aspects of its activities and setting its agenda. The chairman is also responsible for ensuring that the directors receive accurate, timely and clear information. The chairman also ensures effective communication with shareholders and facilitates the effective contribution of non-executive directors in particular and ensures constructive relationships between executive and non-executive directors.

The board, on the advice and recommendation of the executive committee (Exco), is responsible for setting the strategic direction of the Company. Annually, the board considers, debates and adopts with or without amendments, a strategic plan presented by Exco.

Group president and chief executive officer (GP & CEO)
RS Dabengwa is the GP & CEO and is responsible for the day-to-day management of the Group, supported by Exco, which he chairs. The GP & CEO provides leadership to the executive team in running the business, co-ordinates proposals developed by the executive committee for consideration by the board, and also develops the Company’s strategy for consideration and approval by the board.

Lead independent director (LID)
Although the chairman of the board is an independent non-executive director, during the reporting period an independent non-executive director of MTN was appointed LID, with effect from 14 March 2011. The position of LID is new at MTN and was created to further embed the culture of independence of the board of directors especially in instances of perceived conflict of interest.

Group company secretary
The company secretary is a central source of information and advice to the board and within the Company on matters of ethics and good governance. Together with the investor relations department, the company secretary provides a direct communication link with investors and liaises with the Company’s share registrars on all issues affecting shareholders. The company secretary assists the board in its deliberations, drawing the attention of members to their legal duties and ensuring, together with the executive directors and senior management, that decisions of the board are properly implemented.

This office also communicates and monitors compliance, among others, with the Group trade embargo policy, ensuring that no employee, executive director or non-executive director is allowed to deal in the Company’s securities during prohibited periods. The company secretary provides the board as a whole and directors individually with guidance on the discharge of their responsibilities. Appointment and removal of the company secretary are matters for the board as a whole.

The company secretary ensures that in accordance with pertinent legislation, the proceedings and affairs of the board and its members, the Company itself and, where appropriate, the owners of securities in the Company are properly administered. The company secretary ensures compliance with the rules and Listings Requirements of the JSE Limited. The company secretary also assists in developing the annual board plan, administers the long-term incentive schemes and ensures compliance with the statutory requirements of the Company and its subsidiaries.

The company secretary is not a director of the Group and has an arm’s length relationship with the board and the directors.
The board charter
The board charter regulates and details the following key matters:

- Board leadership, and defines the separate responsibilities of the chairman and the chief executive as well as the role of the lead independent director
- Board composition, procedures, pre-requisites and competencies for membership, size and composition of the board
- Balance of powers
- The role and responsibilities of the board
- Matters specifically reserved for the board, of a financial, administrative and manpower nature
- Board committees' governance
- Evaluation and performance of board and its committees
- Relationship with stakeholders.

The board charter stipulates that the operation of the board and the executive responsibility for the running of the Company’s business should be two key and separate tasks and that there should be a clear division of responsibilities at the head of the Company to ensure a balance of power and authority, ensuring that no individual or block of individuals has unfettered powers of decision-making or can dominate the board’s decisions.

Board appointments and rotation
The nominations committee considers and recommends the new appointments to the board for appointment. The directors undergo a formal induction programme which outlines their fiduciary duties and provides an in-depth understanding of the Group and its operations.

Directors are subject to retirement by rotation at least once every three years and avail themselves for re-election, in accordance with the company’s memorandum of incorporation.

Independence of directors
Determination of independence is guided by the King Code on Governance for South Africa, the Companies Act, the JSE Listings Requirements and corporate common practice.

The board of directors, in the period under review, adopted a policy in line with common practice and King III that a non-executive director who has served a nine-year term should be subject to a rigorous annual re-appointment process.

Board effectiveness and evaluation
The questionnaire-based evaluation of the board, its committees and individual directors was performed during the year under review. The evaluation was undertaken internally and covered the size, composition of the board; directors’ induction and development effectiveness and independence of the chairman; relationship of the board and management; stakeholder relation; board meetings; effectiveness of committees; skills needed at the board; visible corporate governance; and peer evaluation.

The overall outcome of the evaluation was positive and the board is satisfied with the independence of the independent non-executive directors including of the chairman and the LID who have each served on the board for at least nine years. Although the evaluation results were satisfactory, the areas for improvement were identified and these include, amongst others enhancement of board composition by considering appointment of members with industry background; director selection and appointment; director development; succession planning at board level. The areas of improvement are being addressed by the chairman, LID and the company secretary.

The board evaluation by an external service provider is performed every two years and such an external evaluation will be undertaken in 2012.

Succession planning
Board succession is being addressed. The board through the nominations committee is performing a comprehensive assessment of skills base in the current board of directors. This would facilitate board succession planning to ensure that the board has the requisite skills for transitioning in the next three to five years.

During 2011 an executive succession list was considered and supported by the board through the former nomination, remuneration, human resources and corporate governance committee.

Board committees
The MTN Group board recognises that it is ultimately accountable and responsible for the performance and affairs of the Group and that the issue of delegated authorities to board committees and management in no way absolves the board and its directors from the obligation to carry out their fiduciary duties and responsibilities. All board committees operate under written terms of reference approved by the board. All committee chairpersons also provide the board with a report on recent committee activities.

Board committees are permitted to take independent outside professional advice as and when deemed necessary. The office of the Group secretary provides support and secretarial services to each of the board committees. Membership of board committees comprises independent and non-executive directors only, with the exception of the executive and steering committee and the Tier II tender committee, which is primarily committees of an operational nature and so
Board overview and governance continued

comprised of senior management. There is full disclosure and transparency from these committees to the board. The membership and attendance of the committees are set out on page 8. Each committee’s authority and the discharge of its responsibilities are directed by a charter.

In-camera meetings
During the period under review most of the board meetings and some committee meeting were preceded by an in-camera meeting of non-executive directors.

Special ad hoc board committees
In certain instances, the board constituted special board committees which are granted the necessary authority to deal with the salient matters under special projects and to allow for a more detailed consideration of issues. Special committees may consist of different directors depending on the expertise required to resolve any special matters under review by the committee.

Each committee’s authority and the discharge of its responsibilities are directed by a charter.

The committees are as follows:
• Audit committee
• Risk management, compliance and corporate governance committee
• Nominations committee
• Remuneration and human resources committee
• Social and ethics committee
• Tender committee
• Executive committee

The board is satisfied that the board committees set out in detail below have effectively discharged their responsibilities as contained in their respective terms of reference during the year under review. The committees’ profiles are detailed as follows.

Group audit committee
The audit committee is a statutory committee and also has duties delegated to it by the board. The audit committee is appointed annually by the board as required by the Companies Act. The audit committee assists the board in discharging its duties relating to the safeguarding of assets, the operation of adequate financial systems and control processes, and the preparation of financial statements and related financial reporting in compliance with all applicable legal requirements and accounting standards. The audit committee activities report as required by the Companies Act is set out on page 86–87 of the integrated report. Membership of the committee and attendance at meetings is set out on page 8. The audit committee has a majority of independent non-executive directors who are financially literate as recommended by King III. The committee’s chairman attended the annual general meeting during the year under review.

The executive directors, as well as internal and external audit representatives (the Company auditors), attended all committee meetings as permanent attendees. The committee chairman also attends Group risk management and compliance committee meetings. The head of business risk management/internal audit (BRM) and external auditors have unrestricted access to the committee and its chairman. The committee chairman also meets regularly with the head of business risk management. BRM reports to the GP & CEO and to the chairman of the Group audit committee as well as to the risk management and compliance committee. BRM’s performance is reviewed annually by the committee. Audit committees exist in each Group operation and significant risk and audit matters relating to operations are regularly reported to the Group audit committee. The non-executive chairpersons of subsidiary audit committees do meet formally with the Group audit committee annually or more often as required. Members of the Group audit committee do periodically visit selected subsidiary operations so as to enhance their understanding of the Group’s overall financial control environment. Audit workshops are held annually to consider and agree on audit plans for all operations for the year ahead and to review the effectiveness of the overall internal audit function. The audit committee operates in line with a charter as approved by the board and fulfils its corporate governance and statutory duties as applicable.

In-camera meetings
The main meetings of the committee are preceded by an in-camera session of non-executive members only and are concluded by a separate in-camera session with the following key invitees:
• Management
• Internal audit
• External audit.

External audit
The joint external auditors provide an independent assessment of key accounting and information systems and controls in the Group. The auditors are appointed by the board on the recommendation of the Group audit committee and ratified by shareholders. The external auditors’ performance and independence is regularly monitored by the Group audit committee and formally assessed annually. Non-audit work performed is authorised in advance by the chairman of the audit committee to ensure that there is no conflict of interest and that the work is within the scope of that permitted. The audit partners are rotated every five years.

Financial director who served over the period under review
During the period under review, Mr. Ni Patel served as Group chief financial officer. The audit committee reviewed the performance of the Group chief financial officer and was satisfied.
that he has the necessary expertise and experience to fulfill this role and has performed appropriately during the year under review.

**Reporting and accountability**

The chairman of the committee accounts to the board for its activities and makes recommendations to the board regarding the adoption of the annual and interim financial statements and any other matters arising from the above responsibilities. The chairman of the committee is required to attend the annual general meeting to answer questions concerning matters falling within the ambit of the committee.

**Meetings**

The committee meets not less than four times per year and the quorum is three members present.

**Group risk management, compliance and corporate governance committee**

The risk management and compliance committee was established to improve the efficiency of the board and assist it in discharging its duties with regard to identifying, considering and monitoring risks impacting the Company and ensure compliance with prevailing legislation and other statutory requirements including voluntary corporate governance frameworks. The committee is also responsible for the sustainability framework and sustainability reporting for the MTN Group.

A close working relationship exists between the risk management and compliance committee and the audit committee. Three non-executive directors serving on the audit committee also serve on the risk management and compliance committee. This ensures that overlapping responsibilities are dealt with in an efficient manner. The committee is responsible for performing the following functions:

**Compliance**

- To periodically review issues relevant to the board’s oversight responsibilities, including compliance with the relevant laws and governance standards;
- Review compliance with all local and foreign legislation and regulatory body requirements applicable to the Company including but not limited to the following:
  - Companies Act
  - JSE Listings Requirements
  - Governance frameworks
  - Safety and health legislation
  - Employment equity
  - Security Services Act
  - Taxation legislation.

During the year under review, the committee assessed the Company’s compliance with all statutory and other voluntary governance codes and was satisfied that it had complied with requirements. The committee is constituted of independent and non-executive directors only and details of attendance and membership of the committee are set out on page 8.

**The human resources and remuneration committee**

The committee is constituted as a committee of the board of directors in respect of all duties assigned to it by the board.

The committee oversees the formulation of a remuneration philosophy and human resources strategy to ensure that the Company employs and retains the best human capital possible relevant to its business needs; maximises the potential of its employees.

**Nominations committee**

The committee is constituted as a committee of the board of directors in respect of all duties assigned to it by the board.

The committee has been constituted to improve the efficiency of the board in discharging its duties relating to the nomination of board members and senior management. It make recommendations to the board on the composition of the board and board committees and to oversee the development of directors. In line with the JSE’s requirement, the committee is chaired by the chairman of the board.

**Social and ethics committee**

The committee is constituted as a statutory committee of the Company in respect of its statutory duties in terms of sections 72(4) and (5) of the Companies Act, 2008, read with regulation 43 of the Companies Regulations, 2011. It is also a committee of the board in respect of all other duties assigned to it by the board.

The committee is responsible for monitoring the Company’s activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to environmental, social and economic development, including the Company’s standing in terms of the goals.

**Group tender committee**

The Group tender committee’s primary objective is to promote a sustainable and fair tender culture and to ensure that tender policies are applied consistently, always bearing in mind best business practices to develop all markets and promote economic development.

The committee is chaired by an independent non-executive director. The committee’s charter, which is approved by the board and reviewed periodically, aims to promote an effective, transparent and independent procurement and tender evaluation process. Due to the fact that the committee only reviews high-level tenders the meetings are convened as the need arises. Various lower-level tender committees are in place Group-wide to ensure that all other tenders are reviewed with the same level of efficiency.
Executive committee (Exco)
This committee facilitates the effective control of the Group’s operational activities in terms of its delegated authority approved by the board. It is responsible for recommendations to the board on the Group’s policies and strategies and for monitoring their implementation in line with the board’s mandate. The committee is assisted by three regional vice presidents (VPs) who communicate and co-ordinate the policies and strategies of the committee to the various subsidiary operations. The committee meets at least monthly and additionally as required. The committee is chaired by the GP & CEO. The committee constituted the Group operations committee which is chaired by the Group chief technology and information officer. The profile of the executive committee is set out on pages 20 and 21 of the integrated report. The board has a diversity of talent, expertise and experience. This is put to good use through various carefully structured board committees and is partly reflected by the number of board and committee meetings held during the year under review. These are presented in the following table:

<table>
<thead>
<tr>
<th>Directors</th>
<th>Scheduled board meetings attended</th>
<th>Special board meetings attended</th>
<th>Audit Meetings attended</th>
<th>Risk Meetings attended</th>
<th>NRHR &amp; CG Meetings attended</th>
<th>Ad hoc committees Meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent non-executives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MC Ramaphosa</td>
<td>4/4</td>
<td>5/6</td>
<td></td>
<td></td>
<td></td>
<td>4/4</td>
</tr>
<tr>
<td>DDB Band+</td>
<td>1/1</td>
<td>1/1</td>
<td></td>
<td></td>
<td></td>
<td>1/1</td>
</tr>
<tr>
<td>KP Kalyan</td>
<td>4/4</td>
<td>6/6</td>
<td>Member</td>
<td>4/4</td>
<td></td>
<td>4/4</td>
</tr>
<tr>
<td>MJN Njeke</td>
<td>4/4</td>
<td>5/6</td>
<td>Member</td>
<td>4/4</td>
<td></td>
<td>4/4</td>
</tr>
<tr>
<td>AF van Biljon</td>
<td>4/4</td>
<td>6/6</td>
<td>Chairman</td>
<td>4/4</td>
<td></td>
<td>3/4</td>
</tr>
<tr>
<td>J van Rooyen</td>
<td>4/4</td>
<td>6/6</td>
<td>Member</td>
<td>4/4</td>
<td></td>
<td>4/4</td>
</tr>
<tr>
<td>A Harper++</td>
<td>4/4</td>
<td>5/6</td>
<td>Chairman</td>
<td>4/4</td>
<td></td>
<td>1/1</td>
</tr>
<tr>
<td>MLD Marole</td>
<td>4/4</td>
<td>5/6</td>
<td>Member</td>
<td>4/4</td>
<td></td>
<td>1/1</td>
</tr>
<tr>
<td>NP Mageza</td>
<td>4/4</td>
<td>5/6</td>
<td>Member</td>
<td>4/4</td>
<td></td>
<td>7/8</td>
</tr>
<tr>
<td><strong>Non-executives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AT Mikati</td>
<td>4/4</td>
<td>6/6</td>
<td></td>
<td></td>
<td></td>
<td>4/4</td>
</tr>
<tr>
<td>JHN Strydom</td>
<td>4/4</td>
<td>6/6</td>
<td>Member</td>
<td>4/4</td>
<td></td>
<td>8/8</td>
</tr>
<tr>
<td><strong>Executives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PF Nhleko+++</td>
<td>1/1</td>
<td>1/1</td>
<td>Invitee</td>
<td>Invitee</td>
<td>Invitee</td>
<td>8/8</td>
</tr>
<tr>
<td>RS Dabengwa</td>
<td>3/4</td>
<td>5/6</td>
<td>Invitee</td>
<td>Invitee</td>
<td>Invitee</td>
<td>3/4</td>
</tr>
<tr>
<td>NI Patel</td>
<td>4/4</td>
<td>5/6</td>
<td>Invitee</td>
<td>Invitee</td>
<td>Invitee</td>
<td>4/4</td>
</tr>
</tbody>
</table>

* Resigned on 11 March 2011 in order to reduce his directorships/workload.
** Succeeded DDB Band as chairman of NRHR & CG.
+++ Resigned on 31 March 2011 following expiry of term of contract of employment.

Group tender committee members (including independent non-executive chairman)

<table>
<thead>
<tr>
<th>Member</th>
<th>Committee member since</th>
<th>Scheduled meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>WA Nair</td>
<td>08/2010</td>
<td>6/6</td>
</tr>
<tr>
<td>RS Dabengwa*</td>
<td>05/2004</td>
<td>3/6</td>
</tr>
<tr>
<td>A Farroukh</td>
<td>09/2011</td>
<td>1/6</td>
</tr>
<tr>
<td>F Laher</td>
<td>10/2011</td>
<td>4/6</td>
</tr>
<tr>
<td>NI Patel</td>
<td>11/2009</td>
<td>6/6</td>
</tr>
<tr>
<td>J Ramadan</td>
<td>06/2007</td>
<td>6/6</td>
</tr>
<tr>
<td>I Sehoole</td>
<td>12/2010</td>
<td>6/6</td>
</tr>
</tbody>
</table>

*Resigned as a member on 7 October 2011 by virtue of the fact that the Group president & CEO is not eligible to serve on the Group tender committee. RS Dabengwa’s membership of the committee was in his capacity as the former Group chief operating officer.
Regulatory compliance
The MTN Group encompasses operations in 21 countries in Africa, Europe and the Middle East, holding companies in at least three other jurisdictions. In keeping with its vision and strategy, the Group subscribes, and applies the principles contained in the Code of Corporate Practices and Conduct recommended by the King Report on Governance for South Africa 2009 (King III).

In other jurisdictions where the Company operates, governance developments are monitored on an ongoing basis to ensure that local regulatory requirements are complied with. The board monitors compliance by means of committee reports, which include information on any significant interaction with key stakeholders, including regulators, and through the activities of locally based audit and risk committees and internal auditors.

The board of directors endeavours to ensure that all operations comply with these corporate governance principles and the requirements of global best practices. Likewise, the board places strong emphasis on implementing high standards of reporting, financial and risk management.

The Company’s corporate governance systems are designed to exceed minimum compliance levels and continue to evolve to meet the expectations of all stakeholders.

Delegation of authority and risk management
The ultimate responsibility for the Group’s operations rests with the board. The board retains effective control through a well developed governance structure of board committees that specialise in specific areas of the business. Necessary authorities have been delegated to the GP & CEO to manage the day-to-day business affairs of the Company. The Group executive and steering committee assists the GP & CEO in discharging his duties and the duties of the board when it is not in session. However, in terms of statute and the Company’s constitution, certain matters are reserved for board and/or shareholder approval. The delegation of authority is reviewed periodically to ensure it remains aligned and relevant in relation to the rapid growth of the Company.

Memorandum of incorporation
The general powers of the directors are set out in the Company’s memorandum of incorporation. They have further unspecified powers and authorities in respect of matters which may be exercised and dealt with by the Company, which are not expressly reserved to the members of the Company in general meetings.

Code of conduct
The MTN Group is committed to promoting the highest standards of ethical behaviour among its directors, management and employees. In accordance with this objective and in the interests of good corporate governance, the code of conduct is subject to review annually and is cascaded down to all operations.

Stakeholder communication
MTN strives to have transparent, open and clear communication with all of its relevant stakeholders. It is the policy of the Company, where practical, to ensure that financial and non-financial information is timeously and accurately disseminated to relevant stakeholders. To communicate Group strategy and performance, regular presentations are made by executive directors and senior management to institutional investors, analysts and the media. A corporate website (http://www.mtn.com) communicates the latest Group financial and operational data, as well as relevant historical information. The MTN Group encourages shareholders to attend the annual general meeting, which provides an opportunity for shareholders to raise pertinent questions and to interact with directors. A summary of the proceedings of all general meetings and the outcome of voting on items of business are posted on the website immediately following the AGM.

Communication with various stakeholders has always been an important feature of MTN’s corporate governance practices. To this end, various communication channels have been utilised to engage employees and other stakeholders by the corporate affairs and investor relations departments. Briefs were also issued to employees to keep them abreast of major developments within the Company.

During 2011, the Group president and chief executive officer and Group chief finance officer conducted road shows after the Company announced the interim and final year end results to engage with various stakeholders including investors and financial analysts. Similar stakeholder engagements were undertaken by the chairman and the LID.

Sponsor
MTN fully understands the role and responsibilities of the sponsor as described in the JSE Listings Requirements. MTN has a sound relationship with its sponsor and considers that they have discharged their responsibilities with due care and skill.