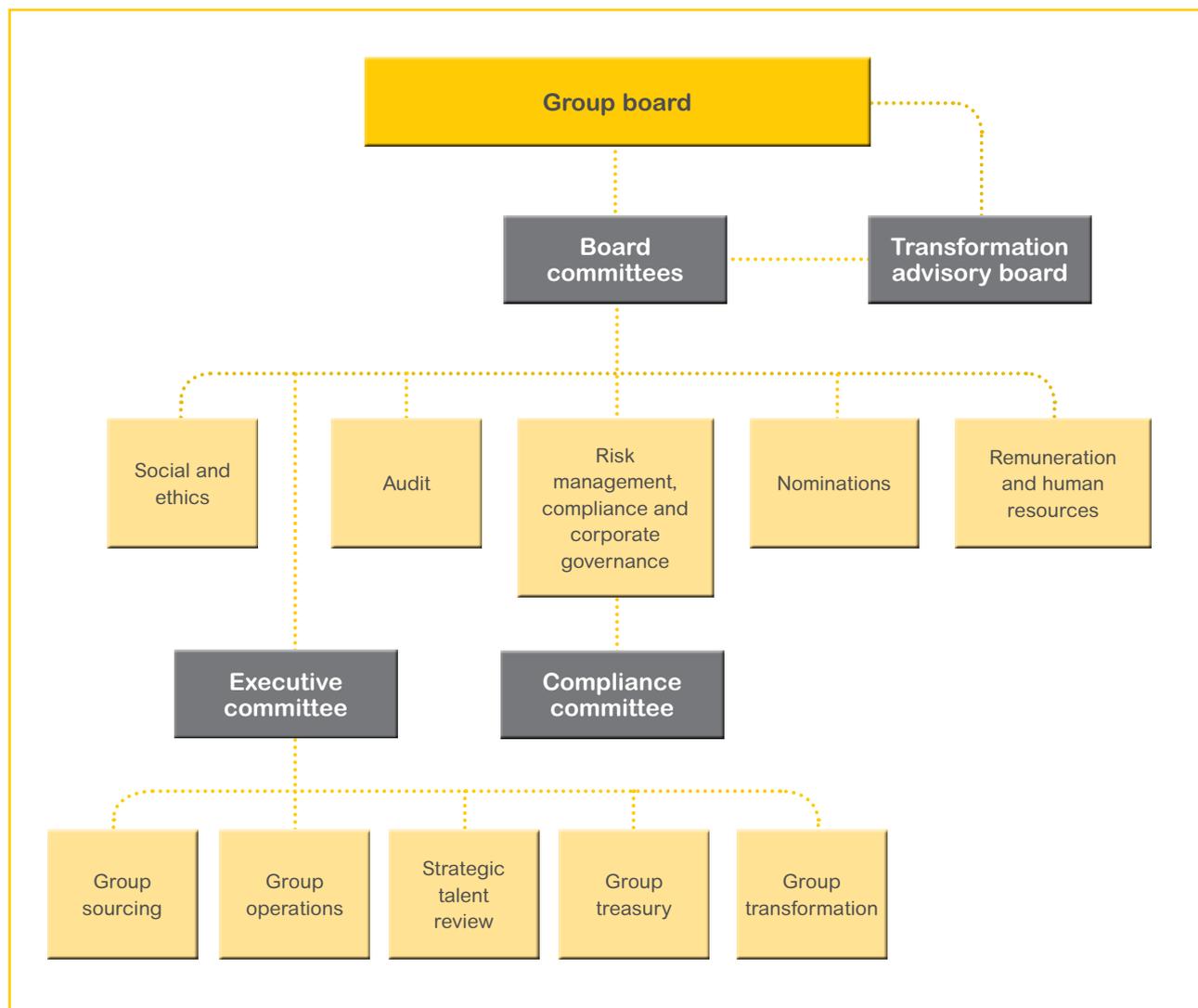


How we are governed to create value

We are committed to good corporate governance, which is the overarching framework of our operations. In 2016 we continued to work to ensure that our policies and practices promoted good governance and ethics in all areas of our business. This assists in ensuring that we deliver on our strategy and address our material issues.

Governance structure



Application of the King III principles and the introduction of King IV principles

In 2016, we continued to focus on the application of and adherence to the King III principles, and also commenced preparations for adopting the King IV Code. We are satisfied that we substantially applied the King III principles. For more information on the application of King III, see .

Key board actions in 2016

<p>Agreed to settle the MTN Nigeria fine imposed by the Nigerian Communications Commission.</p>	<p>On 10 June 2016, we announced that the matter had been resolved with the Federal Government of Nigeria. The cautionary on trading in MTN securities and the prohibited period for trading in MTN securities imposed on directors and employees were lifted.</p>
<p>Established a compliance structure and constituted a compliance committee.</p>	<p>A new compliance structure came into effect. We recorded good progress in the implementation of the compliance framework and appointed a number of compliance officers. The compliance committee held its inaugural meeting in March 2016, and monitored compliance throughout the year.</p>
<p>Established a Group regulatory structure.</p>	<p>We established a regulatory office and appointed an executive for regulatory affairs and public policy. The office works closely with the legal function, the regional vice-presidents and the opco regulatory teams to shape regulatory outcomes.</p>
<p>Established the Group transformation board and implemented the transformation for accelerated results programme, also known as “IGNITE”.</p>	<p>IGNITE is about shaping the future of MTN, by proactively introducing special measures to accelerate our business and financial performance. These measures are designed to make our organisation more agile, and our business more sustainable, efficient, innovative and profitable. The programme is driven and monitored under the guidance of the Group transformation board.</p>
<p>Established a formal Group ethics office.</p>	<p>Although the implementation of the ethics programme has been ongoing since 2013, in 2016 the Company formed a formal Group ethics office with a dedicated ethics resource. This structure is also replicated in MTN South Africa and MTN Nigeria.</p>
<p>Appointed new directors to the MTN Group board and MTN South Africa board.</p>	<p>We expanded the commercial and industry experience on both the MTN Group board and MTN South Africa board to improve the Group’s risk and governance profile.</p>
<p>Appointed new executives:</p> <ul style="list-style-type: none"> • Group president and CEO • Group CFO • Group COO • Regional vice-president: SEA† • Vice-president: mergers and acquisitions. 	<p>Following on from the change in the operating model, in 2016, we made a number of changes to the executive team. We expect that the appointment of new executives and the expansion of the roles of others, together with the appointment of additional non-executive directors on the board, will strengthen management, enhance governance and aid strategy.</p>
<p>Reviewed pertinent governance policies.</p>	<p>We continued to review our policies and processes with the view of ensuring that they are in line with changes in the regulatory, compliance and governance landscape.</p>
<p>Implemented the King IV readiness programme.</p>	<p>With the launch of the King IV Report on Corporate Governance, we took strides to ensure that we are able to “apply and explain” the 17 new principles of the report. This continues into 2017.</p>
<p>Introduced a new BEE scheme.</p>	<p>Transformation and empowerment are at the core of MTN’s ethos. We launched MTN Zakhele Futhi Limited in South Africa, a R9,9 billion empowerment scheme holding approximately 4% equity in MTN Group.</p>

† Excluding South Africa; subject to contractual restraints which have now ended.

Leadership

Role of the board

The board of directors' key purpose is to ensure the wellbeing of the Company, while endeavouring to create value for all our stakeholders. As set out in the King IV Code, the board's primary role is to carry out the following:

- Steer and set strategic direction.
- Approve policy and planning.
- Oversee and monitor.
- Ensure accountability.

Board appointments and resignations

The Company acknowledges that an effective board must have the expertise and competence to promptly and appropriately address current and emerging issues to ensure the delivery of our strategy. Accordingly, in 2016 after certain directors retired, the board appointed new members with relevant academic qualifications, technical expertise and industry knowledge and who enhance the board's diversity.

Following the resignation of Johnson Njeke and Jan Strydom on 25 May 2016, the board appointed Paul Hanratty, Stan Miller and Nkululeko Sowazi as directors with effect from 1 August 2016. These appointments were conducted through a formal and transparent process.

The Company also identified Rob Shuter for appointment as Group president and CEO with effect from 13 March 2017 and Ralph Mupita as Group chief financial officer with effect from 3 April 2017. Once the Group president and CEO commences his term in office, the executive chairman will step down from his executive role and revert to his role as the non-executive chairman of the Group.

Retirement of directors

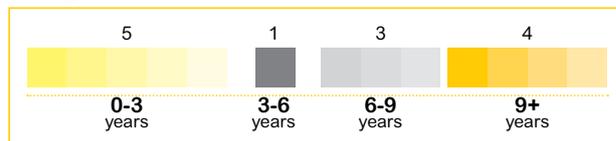
In line with the Companies Act, the Company's memorandum of incorporation requires new directors to be subject to an election at the first annual general meeting following their appointment. Directors are also subject to retirement every three years, subject to an evaluation conducted by the board, assisted by the nominations committee.

Directors who have served on the board for a period in excess of nine years retire at every annual general meeting and are re-elected following a review of their independence and objectivity in carrying out their duties.

Accordingly, nine directors will be eligible for election and re-election at the forthcoming AGM.

This ensures that shareholders have the opportunity to exercise their vote with regard to whether the Company has appointed the most appropriate directors to meet the best interests of the Company.

Length of tenure of directors



Succession planning

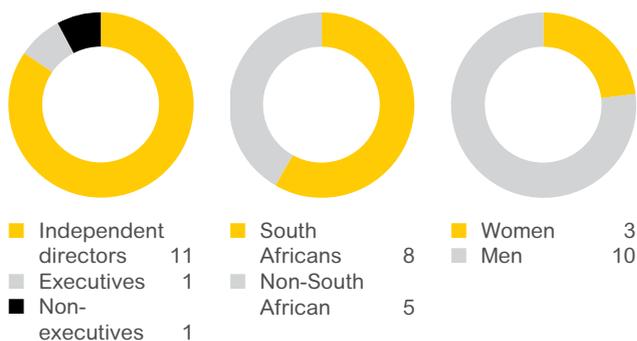
Following the outcomes of the board evaluation, the board, through the nominations committee, performs a comprehensive assessment of the skills set of the current board of directors. This facilitates board succession planning and ensures that the board has the requisite skills for transitioning into the years ahead. In 2016, the Company undertook the process of evolving the composition of the board and the Company believes that the board has the necessary skills to fulfil its role.

Diversity and composition of the board

The Company acknowledges that diversity gives the board the benefit of different perspectives and ideas. The Group has a unitary board, consisting of executive and non-executive directors who represent a broad spectrum of demographic attributes and characteristics. To promote objectivity and reduce the possibility of conflict of interests, the majority of directors are independent non-executive directors. The competence and views of individual directors, as well as their interaction during board meetings, allows strategic oversight. Since gender is one of attributes that contribute to a balanced composition of the board, the board is focused on improving the representation of women on the board and introducing new skill sets to achieve the board's objectives.

Board diversity

Board independence Nationalities Gender representation



(As at 2 March 2017)

Board committees

The board has delegated its authority to various board committees with the mandate to deal with governance issues and report to the board on their activities on a quarterly basis.

Each committee operates under terms of reference which set out roles and responsibilities, composition and scope of authority. These are reviewed on an

annual basis. For a full appreciation of the terms of reference, see the governance report on the MTN website.

During the year under review, each committee had a number of key duties and responsibilities and the board is satisfied that the committees effectively discharged their responsibilities in accordance with their respective terms of reference.

Board committees' activities

Committees	Activities in 2016	Priorities for 2017
Audit committee KC Ramon (chairman) NP Mageza MJN Njeke (resigned 25 May 2016) A Mikati (appointed 25 May 2016, resigned 4 August 2016) P Hanratty (appointed 4 August 2016) J van Rooyen	<ul style="list-style-type: none"> Safeguarded the assets of the Group. Performed monitoring and oversight over financial systems and controls. Ensured the preparation of financial statements. Reviewed and was satisfied with the competence and performance of the Group CFO and acting Group CFO and the finance function. Reviewed the independence and objectivity of the joint external auditors. Reviewed the competence and performance of the Group business risk officer. 	Continue to: <ul style="list-style-type: none"> Provide oversight of the provision of non-audit services by joint external auditors. Ensure compliance with King IV principles. Perform monitoring and oversight of financial systems and controls. Review independence and objectivity of joint external auditors. Review competence and performance of Group CFO and finance function. Enhance disclosure of monitoring and compliance with environmental laws, findings on non-compliance and sanctions thereof. Disclose arrangements for governing and monitoring stakeholder relationships. More information on the audit committee is set out in the audit committee report in the  .
Nominations committee PF Nhleko (chairman) [#] A Harper AT Mikati NL Sowazi (appointed 4 August 2016) AF van Biljon (lead independent director) JHN Strydom (resigned 25 May 2016)	<ul style="list-style-type: none"> Ensured a formal and transparent board nomination and election process (guided by our director appointment policy) in the appointment of new directors. Conducted an independence review on the directors serving the board for a period in excess of nine years. Conducted an in-depth independence review on the chairman. Evaluated and recommended the retiring directors and audit committee members for re-election. Evaluated the performance of the Group secretary and the secretarial function. Ensured that the appointment of a suitable Group president and CEO and the Group CFO was finalised through a formal and transparent process. Ensured that the effectiveness of the board was enhanced. 	<ul style="list-style-type: none"> Review diversity of the board, by implementing an approved policy on the diversity of the board. Ensure that gender diversity is a priority as required by the JSE.
Remuneration and human resources committee A Harper (chairman) AT Mikati PF Nhleko JHN Strydom (resigned 25 May 2016) NL Sowazi (appointed 4 August 2016) J van Rooyen	<ul style="list-style-type: none"> Ensured that MTN's remuneration strategies and policies are designed to attract, motivate and retain quality employees, directors and senior management committed to achieving the overall goals of the Company. Benchmarked MTN's remuneration against competitor companies. Recommended the advisory note on the remuneration philosophy which was ultimately reviewed by shareholders. Recommended the submission to the board and the annual general meeting the remuneration of the chairman and members of the board and a no-fee increase for non-executives. 	<ul style="list-style-type: none"> Retain key employees. Continue to enhance succession planning. Ensure that MTN obtains suitable talent for the changing business environment.

[#] Although Mr Nhleko remained as chairman, Mr van Biljon led the nomination committee's discussions throughout the year because Mr Nhleko was a non-independent director.

Committees	Activities in 2016	Priorities for 2017
Risk management, compliance and corporate governance committee NP Mageza (chairman) KP Kalyan S Kheradpir MLD Marole SP Miller (appointed 4 August 2016) MJN Njeke (resigned 25 May 2016) JHN Strydom (resigned 25 May 2016)	<ul style="list-style-type: none"> Identified, considered and monitored risks impacting the Company. Ensured due process for compliance with prevailing legislation and other statutory requirements, including voluntary corporate governance frameworks is followed. Continued to monitor the management of new and emerging risks. The committee was also involved in monitoring the corporate governance framework, including regulatory and listings requirements and business practices, with the objective of maintaining and strengthening risk management in the organisation. Reviewed the Group's business continuity strategy and processes. Reviewed the Group's insurance programme. Participated in the risk mitigation process by reviewing the Company's risk appetite and risk tolerance thresholds. Ensured greater focus on IT governance and cyber security. 	<ul style="list-style-type: none"> Continue to monitor MTN's regulatory compliance. Continue to focus on IT security. Enhance business continuity at MTN. Monitor the risk management and internal control systems. Review the combined assurance model.
Social and ethics committee KP Kalyan (chairman) NP Mageza MLD Marole J van Rooyen	<ul style="list-style-type: none"> Performed an oversight and monitoring role in partnership with other committees to ensure that MTN is a good corporate citizen and that MTN business is conducted in an ethical and properly governed manner. Performed an oversight role over the implementation of the ethics management programme. Took responsibility for the sustainability framework and sustainability reporting for the MTN Group. Placed greater focus on monitoring the MTN Foundations and other CSI initiatives. Performed an oversight and monitoring role over the rollout of the stakeholder management plan. 	<ul style="list-style-type: none"> Implement ethics risk mitigating interventions and measure impact. Continue to emphasise empowerment of employees towards ethical conduct, using differentiated means to reach and engage all staff. Further certification of ethics officers to ensure a sound knowledge and practice base for ethics management, as our ethics challenges become more pronounced. Facilitate easy and immediate access to policy-based guidance in ethically challenging situations for all employees. Implement ethics risk mitigation impact measurements across the Group. Participate in the Coalition for Ethical Operations to promote ethical business.

Meetings attendance register 2016

Names	Scheduled board (7)	Special board (14)	Audit (4)	Nomina- tions (5)	Remco (5)	Risk (4)	Social and ethics (4)
PF Nhleko ^{&}	7	12	4	5	5		
PB Hanratty [^]	3	6	1				
A Harper	7	13		5	5		
KP Kalyan	7	14				4	4
S Kheradpir	6	5				1	
NP Mageza	7	12	4			4	4
SP Miller [^]	3	5				1	
MLD Marole	7	14				4	4
AT Mikati	7	14	1	5	5		
MJN Njeke [†]	3	4	2			2	
NL Sowazi [^]	2	5		1	2		
KC Ramon	7	13	4				
JHN Strydom [†]	3	5		3	2	2	
AF van Biljon	7	14		5			
J van Rooyen	7	12	4		5		3
BD Goshen ^{~@}	5	6	1		2	0	

[^] Appointed 1 August 2016.

[†] Resigned 25 May 2016.

[~] Resigned 30 September 2016.

[@] By invitation to committee meetings.

[&] By invitation to audit committee.

New directors joined the board on 1 August 2016, and were appointed to committees on 4 August 2016.

The role of the chairman and lead independent director

During the year, the executive chairman provided leadership and sound judgement and was instrumental in ensuring that the deliberation of issues and the strategic decisions of the board were aligned with the Company's vision, values and objectives.

As the chairman took on an executive role, the board also relied strongly on the lead independent director (LID) for objectivity and guidance, should a situation have arisen where the impartiality of the chairman was impaired or there was a perceived conflict of interest. The LID played a leading role in the nominations committee as the chairman of the nominations committee was not independent.

Delegation of authority

While the board plays an oversight role over the Company, the executive chairman and his executive management are empowered to manage and lead the business on a day-to-day basis, guided by an approved delegation of authority. MTN's delegated structures, which include the board committees, encourage and promote open discussion which enhances the board's monitoring function over all areas of the Company.

Director development

In order to ensure that all directors on both the board and committees of the Company are adequately equipped with the latest information and knowledge relating to MTN's business and to continuously support them in their role as directors, the Company provides ongoing training relating to general management, corporate governance, any updates in laws and regulations and best practices affecting the business. In 2016, we provided the board with a more robust and interactive training programme which tackled various governance matters directly linked to managing the business's key priorities. In 2017 the Company plans to continue with the training and further entrench the culture of director development.

Group secretary

Directors engage with the Group secretary regularly for governance and regulatory advice. She also ensures the proper administration of the board and adherence to sound ethical practices.

The performance of the Group secretary, as well as her relationship with the board, is assessed on an

annual basis by the nominations committee and the board. The assessment considers the competency, qualifications and experience of the Group secretary and whether she maintains an arm's length relationship with the board. For the reporting period the board is satisfied that she is suitably qualified and her relationship with the board is adequate to ensure her independence from director influence or conflict of interest.

Directors' dealings

The Company continued to enforce closed periods prohibiting trading in shares by directors, senior executives and employees in terms of the Company's share dealing and insider-trading policies. The closed periods are effective from the end of the interim and annual reporting periods until the financial results are disclosed on SENS. All directors trading in shares require the prior approval of the chairperson of the board.

Conflicts of interest

A director or prescribed officer is prohibited from using his or her position with respect to MTN or confidential company information obtained by him or her relating to the Company, in order to achieve a financial benefit for himself or herself or any related third party.

Furthermore, a director or prescribed officer is obliged to make certain disclosures regarding any conflict of interest he or she may have when such conflict arises. Directors and prescribed officers who have declared a conflict of interest in certain transactions, have voluntarily recused themselves from participating in any manner with regard to those transactions.

Business practices and ethics

In 2016, the board continued to strive to ensure that ethics is the foundation of how the Company operates and that corporate governance best practices were entrenched. Accordingly, the directors recognise their responsibility to set the tone from the top, by avoiding instances of conflict of interest and having the interests of the Company at the forefront of all decision making.

Despite a few setbacks, each operating company continues to strive to further entrench ethics through a systemic methodology. Each company is supported by ethics champions who provide effective guidance, encourage employees to report all instances of fraud through the whistle-blowing hotline and ensure that the Company's ethics are

How we are governed to create value continued

efficiently implemented and reported to the Group's social and ethics committee on a quarterly basis.

The Company also continues to safeguard the interests of stakeholders, such as the community, employees, customers and suppliers, by monitoring the Company's activities with regard to social and economic development, corporate citizenship, consumer relationships, the environment, health and public safety and labour and employment matters.

Monitoring, oversight and risk

The Company's corporate governance structure ensures effective internal controls and monitors the management of significant matters. The audit committee, as well as the risk management, compliance and corporate governance committee provide an environment in which challenging issues can be considered and monitored.

The strategic and operational risk management framework of the Company focuses on various risks that could affect MTN's customer experience, operational agility, cost competitiveness and stakeholder confidence. This is done through a robust risk methodology that analyses not only what the Company does, but also how it is done, to achieve sustainable economic viability, make the most of market opportunities and serve a rapidly changing market.

Subsequent to the challenges faced by the Company in the past two years, the board has enhanced the proficiency of the risk management process and will continue to guide MTN towards better risk mitigation, through ascertaining and appreciating significant risks, investing resources in alleviating existing risks that are critical to the Company and driving the risk accountability and ownership through management.

Performance management

The board stresses the importance of promoting a healthy workplace environment which includes ethics and compliance through established policies based on the values of integrity, leadership, innovation, relationships and "can do" as well as the vital behaviours. It promotes targeted results in a transparent and systematic manner that strives to ensure that the Company's employees are productive, provide efficient services and demonstrate the required knowledge, skills,

behaviour, competencies and engagement to perform their duties to the best of their ability.

Like any organisation, there are instances of unsatisfactory employee performance, however, we endeavour to address such issues expeditiously through internal company procedures in line with the disciplinary process and our performance management system.

Disclosure, reporting and transparency

Disclosure, reporting and transparency are fundamental components of our corporate governance framework to provide accountability to stakeholders and support them in making informed decisions.

MTN endeavours to be transparent, especially regarding material issues. We continue to review our policies and procedures that govern the provision of timeous, correct and complete information to stakeholders, in a manner which gives all stakeholders equal access to information and ensures that there is no stakeholder that is treated favourably over others. The Company has also re-emphasised that all matters must be provided to stakeholders in compliance with the law and applicable regulations.

MTN Group strives to accurately, consistently and fairly disclose material, or price-sensitive information about the Company and its performance, in a readily understandable language, to stakeholders, the public and regulators.

Stakeholder engagement

The board values MTN's stakeholders and endeavours to take their concerns and interests into account when making business decisions. This not only enables the Group to anticipate and manage risk effectively, but also assists in the identification of new business opportunities and in establishing solid MTN relationships with stakeholders. It also makes it easier for MTN to deliver on its objectives and benefit from ideas for products or services that address stakeholder needs, and at the same time allows the Company to reduce costs and maximise value. In order to ensure greater accountability, the Company has a stakeholder-conscious governance model which places emphasis on dialogue and responding to stakeholder concerns and interests.

Our anonymous tip-off line is
anonymous@tip-offs.net and +27 83 123 7867

Who is responsible

Our board of directors

The board is responsible 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 available in the board charter. At 2 March 2017, the board comprised:

1. PF Nhleko (56)

Executive chairman
BSc (Civil Eng), MBA
Appointed: 28 May 2013, became executive chairman November 2015

Board committee membership:



Other directorships: Chairman of various companies in MTN Group, chairman of Phembani Group (Pty) Limited, Afrisam (South Africa) (Pty) Limited, Blue Falcon 179 Trading (Pty) Limited.

Skills, expertise and experience: Strategic leadership and finance.

2. P Hanratty (55) (Irish)

Independent non-executive director
BBusSc (Hons), Fellow of Institute of Actuaries, Advanced Management Programme (Harvard)

Appointed: 1 August 2016

Board committee membership:



Other directorships: Director of various companies in MTN Group.

Skills, expertise and experience: Financial services.

3. A Harper (60) (British)

Independent non-executive director
BA (Hons)

Appointed: 1 January 2010

Board committee membership:



Other directorships: Director of various companies in MTN Group, Azuri Technologies Limited and Gigabit Fibre Limited.

Skills, expertise and experience: Telecommunications.

4. KP Kalyan (61)

Independent non-executive director
BCom (Law) (Hons) Economics, Senior Executive Management Programme (London Business School)

Appointed: 13 June 2006

Board committee membership:



Other directorships: Director of various companies in MTN Group, non-executive chairman of Edgo Merap. Non-executive director of AOS Orwell Energy, Aker Solutions, Anglo American South Africa and Petmin Mining. Non-executive senior adviser of Boston Consulting Group. Member of the Thabo Mbeki Foundation Advisory Council.

Skills, expertise and experience: Economics, energy, infrastructure and corporate governance.

5. S Kheradpir (56) (American)

Independent non-executive director
Doctorate in Electrical Engineering

Appointed: 8 July 2015

Board committee membership:



Other directorships: Director of various companies in MTN Group. CEO and chairman of Coriant International Group, a global leader in packet-optical networking.

Skills, expertise and experience: Business leadership and transformational change, operations, technology and engineering.

6. NP Mageza (62)

Independent non-executive director
FCCA

Appointed: 1 January 2010

Board committee membership:



Other directorships: Director of various companies in MTN Group, Remgro Limited, Sappi Limited, RCL Group and Ethos Private Equity Limited.

Skills, expertise and experience: Accounting, banking and finance.

7. MLD Marole (56)

Independent non-executive director
BCom (Acc), Dip Tertiary Education, MBA, Executive Leadership Development Programme

Appointed: 1 January 2010

Board committee membership:



Other directorships: Director of various companies in MTN Group, South African Post Office (SoC) Limited, Richards Bay Mining (Pty) Limited, Santam Limited, Resilient Properties Income Fund and the Development Bank of Southern Africa.

Skills, expertise and experience: Financial services, risk and corporate governance.

KEY

Symbol for "chairman of . . ."

-  Nominations committee
-  Remuneration and human resources committee
-  Social and ethics committee
-  Risk management, compliance and corporate governance committee
-  Audit committee

Symbol for "member of . . ."

-  Nominations committee
-  Remuneration and human resources committee
-  Social and ethics committee
-  Risk management, compliance and corporate governance committee
-  Audit committee



8. AT Mikati (44) (Lebanese)

Non-executive director
BSc

Appointed: 21 July 2006

Board committee membership:



Other directorships: Director of various companies in MTN Group, CEO of M1 Group Limited (an international investment group focusing on telecoms), director of various companies in M1 Group and director of Orascom Construction Limited. He also serves on the boards of the Children Cancer Centre, the International College and Columbia University board of visitors.

Skills, expertise and experience: Telecommunications.

9. SP Miller (58) (Belgian)

Independent non-executive director Intermediate diploma from the Institute of Certified Bookkeepers (SA), Diploma in law and administration. Various executive programme courses (UCT Business School)

Appointed: 1 August 2016

Board committee membership:



Other directorships: Director of various companies in MTN Group, executive chairman of AINMT AB Sweden, CEO of Leaderman NV (Belgium), Leaderman SA (Lux), non-executive director of MTS OJSC Russia.

Skills, expertise and experience: Telecommunications and media.

10. KC Ramon (49)

Independent non-executive director BCompt, BCompt (Hons), CA(SA), Senior Executive Programme (Harvard)

Appointed: 1 June 2014

Board committee membership:



Other directorships: Director of various companies in MTN Group, AngloGold Ashanti Limited, chairman of the CFO forum and deputy chair of the Financial Reporting Standards Council of South Africa.

Skills, expertise and experience: Accounting, finance and general management.

11. NL Sowazi (53)

Independent non-executive director MA

Appointed: 1 August 2016

Board committee membership:



Other directorships: Director of various companies in the MTN Group. Chairman of Kagiso Tiso Holdings and Synchem Group. Director of Grindrod Limited, IQ Business Holdings and Tiso Blackstar SE (UK). Co-founder trustee of the Tiso Foundation and Washington-based Housing for HIV Foundation.

Skills, expertise and experience: Investment management, business leadership.

12. AF van Biljon (69)

Lead independent non-executive director BCom, CA(SA), MBA

Appointed: 1 November 2002

Board committee membership:



Other directorships: Director of various companies in MTN Group, chairman and trustee of Standard Bank Group Retirement Fund.

Skills, expertise and experience: General business, accounting and finance.

13. J van Rooyen (66)

Independent non-executive director BCom, BCompt (Hons), CA(SA)

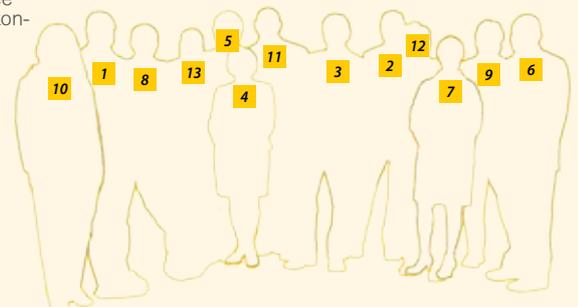
Appointed: 18 July 2006

Board committee membership:



Other directorships: Director of various companies in MTN Group, various companies in Uranus Group, Pick n Pay Stores Limited and Exxaro Resources Limited.

Skills, expertise and experience: Accounting and finance.



Who is responsible continued

Our executive committee

The executive 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. It meets at least monthly, and more often as required. At 2 March 2017, it was made up of:

1. **Phuthuma Nhleko**[∞] (56)
Executive chairman
BSc (Civil Eng), MBA
Executive since November 2015 until new CEO joins in March 2017
2. **Gunter Engling**[‡] (43)
Acting Group chief financial officer
CA(SA), BAcc, BA (Hons)
Executive since October 2016
3. **Michael Fleischer** (56)
Group chief legal counsel
BProc, Advanced Tax Certificate, admitted as attorney of the High Court of South Africa
Executive since 2014
4. **Ismail Jaroudi** (45)
Group vice-president for Middle East and North Africa
BA, Executive Education Certificate, Harvard Business School
Executive since 2015
5. **Godfrey Motsa** (43)
Group vice-president for South and East Africa
BCom, MBA
Executive since January 2017
6. **Ferdi Moolman** (53)
Chief executive officer: MTN Nigeria
CA(SA), BCom, BCompt (Hons), Theory of Accounting Diploma
Executive since 2015
7. **Paul Norman** (51)
Group chief human resources and corporate affairs officer
MA (Psych), MBA
Executive since 1997
8. **Mteto Nyati** (52)
Chief executive officer: MTN South Africa
BSc (Mech Eng), Yale World Fellow
Executive since 2014
9. **Jens Schulte-Bockum** (50)
Group chief operating officer
MA(SocSci)
Executive since January 2017

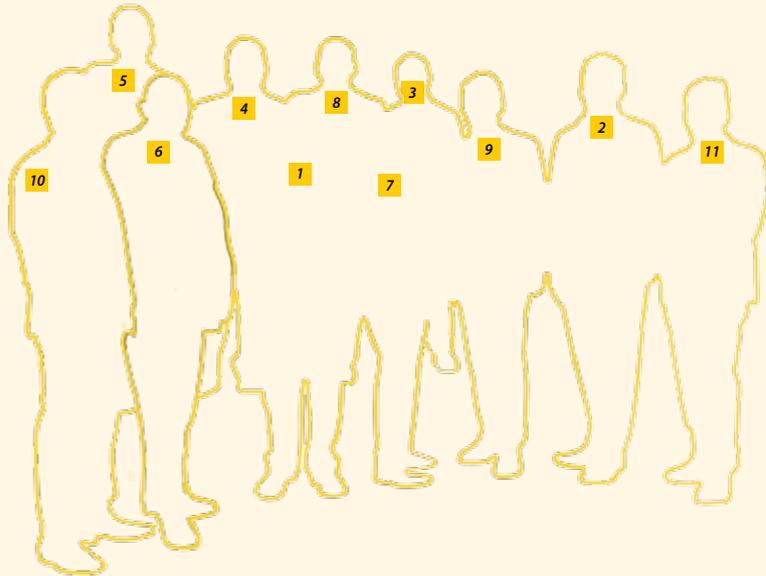


10. Karl Toriola (44)

Group vice-president for West and Central Africa
BSc (Elec Eng), MSc (Comm Systems), General Management Programme, Harvard Business School
Executive since 2015

11. Stephen van Coller (50)

Group vice-president for strategy and M&A
CA(SA), ACMA (UK), BCom (Hons), Higher Diploma in Accounting
Executive since October 2016



∞ To step down on 13 March 2017, when Rob Shuter assumes role of Group president and CEO.

¥ To step down on 3 April 2017, to be succeeded by Ralph Mupita.

For full CVs see .

Application of the King III Principles

The table below is a reference to each of the King III principles and how, in broad terms, they have been applied or explained by MTN Group in compliance with the JSE Listings Requirements.

	King III principle	Status	Application of the principle by the Group
1.	Ethical leadership and corporate citizenship		
1.1	The board should provide effective leadership based on an ethical foundation	Applied	The ethical tone of the Group is set by the board and is cascaded down to management who is tasked with embedding the ethical values and standards throughout the Group. In order to ensure that ethics are adequately addressed, an ethics task team has been constituted by the social and ethics committee to roll out the Group-wide ethics management programme. The programme involves the implementation of long-term systemic interventions which essentially include ensuring the establishment of proper ethics governance structures, ethics resources and leadership commitment. The social and ethics committee reports to the board on progress of the intervention and other activities around ethics.
1.2	The board should ensure that the Company is and is seen to be a responsible corporate citizen	Applied	The Group, through the activities of the social and ethics committee, endeavours to act responsibly within every geographical area in which it operates. The Group aims to adhere to and comply with all laws and regulations within the societies where it operates and is also actively involved in CSI and sustainability initiatives which aim to uplift the surrounding communities.
1.3	The board should ensure that the Company's ethics are managed effectively	Applied	The board has delegated the social and ethics committee, in conjunction with management and the ethics task team, to ensure that the Group's ethics are managed effectively. The social and ethics committee provides oversight on all ethics related matters and reports to the board on all its activities.
2.	Boards and directors		
2.1	The board should act as the focal point for and custodian of corporate governance	Applied	One of the board's core areas of focus is corporate governance; the board, through the Group secretary, receives guidance and regularly deliberates on governance matters through the risk, compliance and corporate governance committee. In 2016 the board attended a Development Session which focused on corporate governance related matters.

Application of the King III Principles continued

	King III principle	Status	Application of the principle by the Group
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable	Applied	The board retains full and effective control over the Group and provides strategic direction and leadership. The board also deliberates on the sustainability challenges faced by the Group, the adoption of strategic plans, the monitoring of operational performance and the development of appropriate and effective risk management policies and processes. In order to perform this function, the board holds annual strategy sessions with management to deliberate on and approve key strategic plans, taking into account risk and sustainability.
2.3	The board should provide effective leadership based on an ethical foundation	Applied	See principle 1.1.
2.4	The board should ensure that the Company is and is seen to be a responsible corporate citizen	Applied	See principle 1.2.
2.5	The board should ensure that the Company's ethics are managed effectively	Applied	See principle 1.3.
2.6	The board should ensure that the Company has an effective and independent audit committee	Applied	See principle 3.1.
2.7	The board should be responsible for the governance of risk	Applied	See principle 4.1.
2.8	The board should be responsible for information technology (IT) governance	Applied	See principle 5.1.
2.9	The board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards	Applied	See principle 6.1.

Application of the King III Principles continued

	King III principle	Status	Application of the principle by the Group
2.10	The board should ensure that there is an effective risk-based internal audit function	Applied	See principle 7.1.
2.11	The board should appreciate that stakeholders' perceptions affect the Company's reputation	Applied	See principle 8.1.
2.12	The board should ensure the integrity of the Company's integrated report	Applied	See principle 9.1.
2.13	The board should report on the effectiveness of the Company's system of internal controls	Applied	The board's assessment and report on the effectiveness of the Company's systems and internal controls is included in the Director's Report in the Annual Financial Statements.
2.14	The board and its directors should act in the best interests of the Company	Applied	The board is required to act in good faith in all instances. The board and its committees are evaluated annually to ensure that directors always act in the best interest of the Company and are well informed of their duty to exercise a degree of care, skill and diligence. Furthermore, all directors participate in periodic director development sessions. Directors are also requested to declare any conflicts of interest they may have in any particular transaction and/or decision deliberated on at board meetings.
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the Company is financially distressed as defined in the Act	Not applicable	This principle is accepted by the board and will be applied as envisaged should the eventuality ever arise.
2.16	The board should elect a chairman of the board who is an independent non-executive director. The CEO of the Company should not also fulfil the role of chairman of the board	Not applied	Since 9 November 2015, Phuthuma Nhleko was appointed as executive chairman for an interim period. Alan van Biljon is serving as the Company's lead independent director as the chairman is not independent. In 2016, the new Group President & CEO was announced (Rob Shuter). Phuthuma will revert to his position as chairman from 13 March 2017.

Application of the King III Principles continued

	King III principle	Status	Application of the principle by the Group
2.17	The board should appoint the chief executive officer and establish a framework for the delegation of authority	Applied	In 2016, the executive chairman, appointed by the board, carried out the duties of the Group President and CEO. This arrangement was intended for an interim period until the newly appointed CEO commences in his role in March 2017. The delegation of authority remains in place.
2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	Applied	At the end of 2016, the board comprised of 13 directors, of which 11 directors were independent non-executive directors, one was a non-executive director and one was an executive director. All the non-executive directors are subjected to an annual independence review, which is aimed at ensuring that they have an independent mind even though they are not considered independent.
2.19	Directors should be appointed through a formal process	Applied	A formal policy on the appointment of directors and the Group secretary has been adopted and is applied.
2.20	The induction and ongoing training and development of directors should be conducted through formal processes	Partially applied	Although a formal policy has not been approved, the Group secretary is responsible for the induction and ongoing training of directors and carries out this function through a structured process which involves regular engagements with the directors, with the assistance of external advisers where necessary.
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary	Applied	The board has evaluated the performance of the Group secretary and has concluded that she has the skills, competencies and appropriate qualifications to fulfil her role.
2.22	The evaluation of the board, its committees and the individual directors should be performed every year	Applied	The board conducts an internal evaluation of itself and its committees annually and is subjected to an external performance appraisal every two years.
2.23	The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	Applied	<p>The board has constituted the following committees, which attend to the business of the board and report on how each committee has discharged its duties:</p> <ul style="list-style-type: none"> • Risk management, compliance and corporate governance committee • Remuneration and human resources committee • Nominations committee • Audit committee • Social and ethics committee <p>The Group's governance structure and composition is addressed in detail as set out on page 1 of this report.</p>

Application of the King III Principles continued

	King III principle	Status	Application of the principle by the Group
2.24	A governance framework should be agreed between the Group and its subsidiary boards	Applied	Most of the elements of the governance structure are replicated in major subsidiaries in order to maintain good governance throughout the Group. The subsidiaries receive assistance and guidance on matters relating to governance from the Group Company Secretarial and the Group president and CEO.
2.25	Companies should remunerate directors and executives fairly and responsibly	Applied	Directors and executives are remunerated through a remuneration policy which is reviewed and endorsed by the shareholders at each annual general meeting. The remuneration policy applies common principles and practices for the remuneration of executives and directors. The remuneration and human resources committee ensures that the Group's remuneration policy is aligned with the Group's strategy and goals. Remuneration is structured to be competitive and is benchmarked against global competitors. More details on the remuneration policy can be found in the remuneration report in the integrated report.
2.26	Companies should disclose the remuneration of each individual director and prescribed officers	Applied	The remuneration of each individual director and prescribed officers is disclosed in the integrated report.
2.27	Shareholders should approve the Company's remuneration policy	Applied	The remuneration policy is outlined in the remuneration report and is approved through a non-binding advisory vote by shareholders at each annual general meeting.
3.	Audit committees		
3.1	The board should ensure that the Company has an effective and independent audit committee	Applied	The Group audit committee comprises independent non-executive directors who are elected by shareholders at the annual general meeting. The committee meets at least once every quarter and derives its mandate from approved terms of reference which incorporate the statutory requirements.
3.2	Audit committee members should be suitably skilled and experienced independent non-executive directors	Applied	Audit committee members are appointed to the committee based on their skills, competencies and expertise and are regularly subjected to a performance and independence evaluation.
3.3	The audit committee should be chaired by an independent non-executive director	Partially applied	KC Ramon is the chairman of the Group audit committee. However, not all of the operations' audit committees are chaired by independent non-executive directors.

Application of the King III Principles continued

	King III principle	Status	Application of the principle by the Group
3.4	The audit committee should oversee integrated reporting	Applied	The audit committee reviews, contributes to and recommends the integrated report to the board for approval.
3.5	The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	Applied	The audit committee and the risk management, compliance and corporate governance committee have approved the combined assurance methodology which has been implemented across the Group. A co-ordinated and integrated approach is utilised in development of the combined assurance methodology which is at an advanced stage in the areas of risk management, forensics and internal audit.
3.6	The audit committee should satisfy itself of the expertise, resources and experience of the Company's finance function	Applied	The audit committee reviews the performance of the Group chief financial officer and/or the Group acting chief financial officer and the Group finance function annually, and is satisfied with the skills and expertise of the Group chief financial officer/acting Group chief financial officer and the Group finance function.
3.7	The audit committee should be responsible for overseeing internal audit	Applied	The audit committee oversees internal audit and receives regular reports on the status of the Group's internal audits.
3.8	The audit committee should be an integral component of the risk management process	Applied	The audit committee, in conjunction with the risk management, compliance and corporate governance committee, plays an integral part in the risk management process and receives regular reports on the status of risk management. In order to ensure that there is adequate integration and knowledge-sharing between the two committees, the chairman of the audit committee attends the risk management, compliance and corporate governance committee meetings by invitation and there is also common membership in the composition of the two committees.
3.9	The audit committee is responsible for recommending the appointment of external auditors and overseeing the external audit process	Applied	The audit committee reviews and deliberates on the performance of the joint external auditors and concludes with a recommendation that the joint external auditors be re-appointed by the shareholders at the annual general meeting.
3.10	The audit committee should report to the board and shareholders on how it has discharged its duties	Applied	The audit committee reports to the board and compiles a report annually on how it has discharged its duties. This report is contained in the Annual Financial Statements and a summary of the activities of the audit committee is included in the integrated report.

	King III principle	Status	Application of the principle by the Group
4.	The governance of risk		
4.1	The board should be responsible for the governance of risk	Applied	<p>The board is responsible for the governance of risk through formal processes including various sub-committees of the Board</p> <p>The top risks have been identified by the board and are being closely managed and prioritised. These risks are revised periodically as the risks and strategy changes. Business risk management reports are submitted to the board on its oversight of the top risks through the Group risk management, compliance and corporate governance committee.</p>
4.2	The board should determine the levels of risk tolerance	Applied	The board has approved numerous risk statements to support MTN's risk appetite together with tolerances to support the achievement of strategic objectives.
4.3	The risk committee or audit committee should assist the board in carrying out its risk responsibilities	Applied	The Group risk management, compliance and corporate governance committee, the Group audit committee and Group social and ethics committee carry out the risk responsibilities and these committees fulfil this mandate by scheduling regular meetings and an annual workshop to receive feedback on performance against the identified risks.
4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan	Applied	The board has delegated this responsibility to the Group President and CEO and the executive committee. The executive committee is responsible for establishing the risk management process at Group and its operating entities, with the objective of implementing an enterprise-wide approach to identify, assess, communicate and manage risk.
4.5	The board should ensure that risk assessments are performed on a continual basis	Applied	Risk assessments are performed at various levels in the organisation at predefined frequencies. The board receives regular reports on the identification and management of risks through its various sub-committees.
4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	Applied	MTN's risk management frameworks guide the operation of our business units that manage the risk on a day to day basis. During the year, we undertook training and awareness interventions to improve the consistent application of various risk frameworks across the organisation. Emerging risks are identified and reported quarterly to the Group risk management, compliance and corporate governance committee.

Application of the King III Principles continued

	King III principle	Status	Application of the principle by the Group
4.7	The board should ensure that management considers and implements appropriate risk responses	Applied	MTN's risk management frameworks clearly articulates the method for developing appropriate risk responses. Furthermore a risk escalation mechanism has been implemented to ensure timely and efficient remediation of risks. The aggregation of total risk is conducted qualitatively and the Group risk management, compliance and corporate governance committee assesses the acceptability of the Group's consolidated risk profile.
4.8	The board should ensure continual risk monitoring by management	Applied	The Group has a dedicated business risk management unit which reports pertinent matters and identified risks to the audit committee and the risk management, compliance and corporate governance committee on a quarterly basis.
4.9	The board should receive assurance regarding the effectiveness of the risk management process	Applied	Internal audit on an annual basis concludes and reports on the internal control environment that manages the risks of the organisation at a granular level.
4.10	The board should ensure that there are processes in place enabling complete, timely, accurate and accessible risk disclosure to stakeholders	Applied	Reporting of key risks facing MTN is done at various forums and levels internally before presenting to the various oversight governing bodies. Overall risk profile of the organisation is disclosed annually through the integrated report.
5.	The governance of information technology		
5.1	The board should be responsible for information technology (IT) governance	Applied	The board has delegated the management of IT governance to management. Management drives and promotes the efficient, effective, secure and acceptable use of the network, technology and information across the Group, and thereby also adopts and applies the requirements and recommendations provided by King III. The risk management, compliance and corporate governance committee is responsible for the oversight of IT governance. In 2016 a new Group chief technology officer was appointed who is tasked with the responsibility of the IT unit, leading IT design, development and operations across the MTN Group.

Application of the King III Principles continued

	King III principle	Status	Application of the principle by the Group
5.2	IT should be aligned with the performance and sustainability objectives of the Company	Applied	Management ensures that all IT and network-related projects are aligned to a defined project management methodology and oversees the integration of the IT and network strategies to the business strategy objectives and the IT sustainability plan.
5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework	Applied	Management, through its committees, oversees the development and implementation of an IT and network governance framework, incorporating both the strategic and operational aspects of these components.
5.4	The board should monitor and evaluate significant IT investments and expenditure	Applied	Management, through its committees, assists the board by monitoring IT and network investments and provides oversight on all activities relating to IT expenditure. A report on significant expenditure which includes IT investment is presented at executive committee meetings. The risk management, compliance and corporate governance committee plays an oversight role on all IT governance matters. Management reports quarterly to this committee on how it has discharged its duties.
5.5	IT should form an integral part of the Company's risk management	Applied	IT and cyber security has been identified as one of the principal risks and is therefore a major part of the risk management process and is a standing item on the risk management, compliance and corporate governance committee agenda.
5.6	The board should ensure that information assets are managed effectively	Applied	Information security and management is an essential component of the Group's core business, particularly with the promulgation of the Protection of Personal Information Act in South Africa. Formal processes are being implemented to improve the management of the Group IT and network assets.
5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities	Applied	IT risk is a standing item on the risk management, compliance and corporate governance committee. This committee ensures that the Company IT risks are monitored and adequately mitigated. Regular feedback is provided to the board.
6.	Compliance with laws, rules, codes and standards		
6.1	The board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards	Applied	The Group compliance committee together with the risk management compliance and corporate governance committee play a primary role in coordinating compliance and ensuring that the Group complies with the prevailing legislation, codes and standards. Group legal has also embarked on an initiative to co-ordinate the monitoring of compliance throughout the Group.

Application of the King III Principles continued

	King III principle	Status	Application of the principle by the Group
6.2	The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business	Applied	<p>The board is regularly informed of changes in applicable laws and regulations by Group Legal and Group Company Secretarial with the assistance of external advisers. The audit committee and the risk management, compliance and corporate governance committee also receive regular insights and updates on applicable laws.</p> <p>During the year the Company recorded good progress in the implementation of an internal compliance framework and appointed a number of compliance officers across all the regions.</p>
6.3	Compliance risk should form an integrated part of the Company's risk management process	Partially applied	Compliance risk does not form part of the combined assurance model, however, it is addressed and managed as part of the risk management process throughout the Group. The process of establishing a dedicated compliance function is still in progress.
6.4	The board should delegate to management the implementation of an effective compliance framework and processes	Applied	See principle 6.1 and 6.2.
7.	Internal audit		
7.1	The board should ensure that there is an effective risk-based internal audit	Applied	<p>The Company's internal audit assurance is guided by an extensive and proactive risk-based assessment. Internal audit coverage is extended to all operations and is integrated with the enterprise risk framework in accordance with the internal audit methodology which is approved by the board.</p> <p>Furthermore, MTN's internal audit has adopted a combined assurance model as a co-ordinated approach to all assurance activities. A quarterly report on the activities of internal audit is submitted to the board through the risk management, compliance and corporate governance committee and the audit committee. Both report to the board.</p>
7.2	Internal audit should follow a risk-based approach to its plan	Applied	The Group's internal audit plans are risk based. Risks are determined by the type of risk, which allows for a more controlled approach to managing risk levels.

Application of the King III Principles continued

	King III principle	Status	Application of the principle by the Group
7.3	Internal audit should provide a written assessment of the effectiveness of the Company's system of internal control and risk management	Applied	A written assessment of the effectiveness of the system of internal control is provided by internal audit. A statement on the status of the Group's internal controls is contained in the audit committee report and the directors' report in the Annual Financial Statements.
7.4	The audit committee should be responsible for overseeing internal audit	Applied	The audit committee is responsible for and oversees internal audit and receives regular reports on progress throughout the Group.
7.5	Internal audit should be strategically positioned to achieve its objectives	Applied	Internal audit is strategically positioned to achieve its objectives and reports directly to the audit committee and functionally to the Group president and CEO.
8.	Governing stakeholder relationships		
8.1	The board should appreciate that stakeholders' perceptions affect a Company's reputation	Applied	The gap between stakeholders' perceptions and the performance of the Company is monitored and managed through ongoing engagement with all significant stakeholders in order to enhance or protect the Company's reputation.
8.2	The board should delegate to management to proactively deal with stakeholder relationships	Applied	Management develops strategies, policies and programmes for the management of the relationship with each identified stakeholder grouping.
8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company	Applied	Management develops strategies, policies and programmes for the management of the relationship with each identified stakeholder grouping.
8.4	Companies should ensure the equitable treatment of shareholders	Applied	The Group understands the importance of sound relationships with shareholders and endeavours to treat all shareholders fairly and ensure that they have adequate access to financial information and other relevant reports.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	Applied	The board has been intimately involved in communication to our stakeholders regarding issues that could affect the Group's reputation. The Group has dedicated individuals that manage the relationship with stakeholders.

Application of the King III Principles continued

	King III principle	Status	Application of the principle by the Group
8.6	The board should ensure disputes are resolved as effectively, efficiently and expeditiously as possible	Applied	All major disputes are escalated to senior management and to the board and efforts are made wherever possible to resolve disputes effectively and expeditiously.
9.	Integrated reporting and disclosure		
9.1	The board should ensure the integrity of the Company's integrated report	Applied	The board reviews, contributes and approves the content of the integrated report.
9.2	Sustainability reporting and disclosure should be integrated with the Company's financial reporting	Applied	The Group reports on sustainability and includes such in the integrated report.
9.3	Sustainability reporting and disclosure should be independently assured	Partially applied	Aspects of sustainability reporting are independently verified in accordance with a formal assurance process that has been established. The intention is to extend the independent verification scope in the years ahead.