In Africa, every valley can be Silicon Valley. Everywhere you go, any dream can become a reality, with over 560 million Africans covered by a high-speed digital highway. When you can reach out to the most isolated people amongst you, and connect them from village to village, from nation to nation and from there to the world, you go. When you can use technology to teach, where books can't reach, we all go. When 30 million people who could never bank before, now have a bank in their pocket, they go. Every day, MTN is inspired by the unstoppable spirit of the people we serve. That's why, We're good together.
Celebrating 25 years
In 2019, we marked 25 years in the business: two and half decades of astonishing achievements and sometimes considerable challenges; connecting people, embracing diversity and creating sustainable economic value.

From a single operation in South Africa offering simple voice and SMS in 1994, we have grown to 21 operations across Africa and the Middle East, offering our 251m subscribers a wide range of voice, data, digital, fintech, enterprise and wholesale services.

Inspired to continue to transform lives, in 2020 we are recapturing the pioneering spirit that built MTN all those years ago, determined to be bolder, faster, together.

SDG icons used in this report:
Of the 17 Sustainable Development Goals, those on which we have the greatest impact are highlighted below. We view sustainability as an integral part of MTN’s value creation journey.

Links to the pillars of our BRIGHT strategy:
- Best customer experience
- Returns and efficiency focus
- Ignite commercial performance
- Growth through data and digital
- Hearts and minds
- Technology excellence

* Copyright and trademarks are owned by the Institute of Directors Southern Africa NPC and all of its rights are reserved.
Throughout this report we also use the following symbol:

* Constant currency and after taking into account pro forma adjustments.

For a detailed explanation of this and other financial definitions, see page 44.

The forward-looking financial information disclosed in this integrated report has not been reviewed or audited or otherwise reported on by our external joint auditors.
This integrated report is MTN Group Limited’s primary communication to all stakeholders and aims to enable them to make an informed assessment of our performance and prospects.

Scope and boundary
Our material matters, as well as our strategy, form the anchor of the report and determine its content. This report reviews MTN’s strategy and business model, risks and opportunities and operational and governance performance, covering the period 1 January to 31 December 2019.

Financial and non-financial data from our subsidiaries are fully consolidated. This report gives commentary, performance measures and prospects for the group’s two main operations in South Africa and Nigeria which make up two thirds of the business, as well as its three regions: SEAGHA (Southern and East Africa and Ghana), WECA (West and Central Africa) and MENA (Middle East and North Africa), which collectively make up the other third.

In assessing the issues that materially impact value creation we have looked beyond the financial reporting boundary to provide for the material interests of relevant stakeholders, and to address the significant risks, opportunities and impacts associated with our activities over the short term (less than three years), medium term (three to five years) and long term (beyond five years). The structure and layout of this report draw on the International Integrated Reporting Council’s (IIRC) guidance.

We provide supplementary information in associated reports, including that on sustainability and the full set of annual financial statements (AFS) on MTN’s website.

Approval by the board
MTN’s board of directors acknowledges its responsibility to ensure the integrity of the integrated report. The board has applied its collective mind and, in its opinion, this integrated report addresses all material matters and offers a balanced view of MTN’s strategy and how it relates to the organisation’s ability to create value in the short, medium and long term. The report adequately addresses the use of, and effects on, the capitals and the manner in which the availability of these capitals is impacting on MTN’s strategy and business model. We, as the board, believe that this report has been prepared in accordance with the IIRC’s <IR> Framework.

Financial information
We apply International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and Interpretations as issued by the IFRS Interpretations Committee. We comply with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council. We also comply with the JSE Listings Requirements and the requirements of the South African Companies Act of 2008. In parts of this report, we include data on MTN Irancell as it is a large operation. However, under IFRS, this business is equity accounted for.

Non-financial information
We use local and global standards and guidelines to compile non-financial information. These include the JSE Listings Requirements, the Companies Act of 2008, the King Report on Corporate Governance for South Africa 2016 (King IV™), the IIRC’s guidelines, the FTSE/JSE Responsible Investment Index, the United Nations Global Reporting Initiative Standards and the CDP standard. Non-financial information on certain aspects of the business has been assured by PricewaterhouseCoopers and is identified by LA. The assurance statement is available online. MTN’s definitions of the KPIs assured is included in the glossary section of this report.

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Mcebisi Jonas
Chairman

Khotso Mokhele
Lead independent director

Rob Shuter
Group president and CEO

Ralph Mupita
Group chief financial officer

Paul Hanratty
Independent non-executive director

Shayan Kheradpir
Independent non-executive director

Peter Mageza
Independent non-executive director

Dawn Marole
Independent non-executive director

Azmi Mikati
Non-executive director

Stanley Miller
Independent non-executive director

Vincent Rague
Independent non-executive director

Christine Ramon
Independent non-executive director

Lamido Sanusi
Independent non-executive director

Nkunku Sowazi
Independent non-executive director

Swazi Tshabalala
Independent non-executive director
Forward-looking information

Opinions and forward-looking statements expressed in this report represent those of the company at the time. Undue reliance should not be placed on such statements and opinions because by nature, they are subjective to known and unknown risk and uncertainties and can be affected by other factors that could cause actual results and company plans and objectives to differ materially from those expressed or implied in the forward-looking statements.

Neither the company nor any of its respective affiliates, advisers or representatives shall have any liability whatsoever (based on negligence or otherwise) for any loss howsoever arising from any use of this report or its contents or otherwise arising in connection with this presentation and do not undertake to publicly update or revise any of its opinions or forward looking statements whether to reflect new information or future events or circumstances otherwise.
MTN is an emerging market mobile operator with a clear vision to lead the delivery of a bold, new digital world to our 251m customers. We are inspired by our belief that everyone deserves the benefits of a modern connected life.

Ours is one of the most admired brands in Africa and is also among the most valuable African brands. MTN is one of the largest companies listed on the JSE in Johannesburg, with a market capitalisation of R155bn at the end of 2019 – the year in which we celebrated our 25th anniversary. We were established in South Africa at the dawn of democracy in 1994 as a leader in transformation. Since then, we have grown by investing in sophisticated communication infrastructure and by harnessing the talent of our diverse team of more than 19 000 people across 21 operations in Africa and the Middle East.

As part of our asset realisation programme (ARP) we have decided to sell down some of our shareholding in subsidiaries and sell non-strategic assets:

- \(\text{▲} \) Localisations
- \(\neq \) Not long-term strategic investments

For more details of our ARP, see page 38.
A compelling investment case

Our markets are growth markets. Our company is a growth company. Our infrastructure and investments, our established and leading position as well as the characteristics of our markets, which include their favourable demographics, are all aligned to deliver a very exciting growth story.

Guided by our clear BRIGHT operational strategy, we are optimising efficiencies, capex and cash flow, which will all ultimately translate into attractive returns for shareholders.

Strong position in the right markets
- High growth MEA region
- In three of four largest economies
- Top two position in all markets

Exciting demographic opportunity
- Fast growing youthful population
- Low data, fintech and digital adoption
- Enterprise and wholesale opportunity

A clear strategy

B
Best customer experience

R
Returns and efficiency focus

I
Ignite commercial performance

G
Growth through data and digital

H
Hearts and minds

T
Technology excellence

Attractive return profile
- Demographics drive revenue
- Efficiencies improve margins
- Smart capex moderates investment

Well positioned for the long term
- Portfolio optimisation
  - Localisations and selling non-strategic assets
  - Listed MTN Nigeria and Jumia; sold interests in ATC
- Sustainable leverage
- Progressive dividend policy

Our investment case is underpinned by a strong and experienced management team (go to page 70), which is executing on our ambitions following robust governance practices and high standards of business ethics (go to page 60) within an enhanced risk and regulatory framework (go to page 26).
Based on this solid foundation, we are building a digital operator, to operate at the intersection of three complementary industry trends – those of the evolving telco, the fintech player and the digital player.

- The evolving telco transforms a business built for consumer voice to one which offers mobile internet, becoming a scale player in data and competes in enterprise and wholesale services.
- The fintech player leverages the infrastructure built for prepaid voice to offer mobile financial services focusing on the two-thirds of the population who are not formally banked.
- The digital player makes the most of rapidly expanding internet adoption to offer a wide range of digital services, including instant messaging, social media, music, gaming and video services.

By building the digital operator, we are able to access six distinct pools of revenue – voice, data, digital, fintech, enterprise and wholesale (page 08) – using a single network (built for voice but repurposed for data, enterprise, wholesale, fintech and digital), a single distribution (established as an informal agent network but repurposed for agency banking) and a single registration (set up for SIM card registration but repurposed to quickly activate mobile financial services).

The services and ambitions of the digital operator fit neatly into the centre of our BRIGHT strategy: with our work around voice, enterprise and wholesale the focus of our ‘I’ pillar to ignite commercial performance, and the activities related to scaling up data, digital and fintech services being central to our ‘G’ pillar of growth through data and digital.
Our geographic footprint is wide, stretching over 21 markets on two continents. As a result, robust operational oversight is critical. We secure this through a management structure (see page 70) that reflects almost equal contributions of around a third to group earnings of each of our operations in South Africa and Nigeria and that of our regions – SEAGHA, WECA and MENA – combined.

In 2019, the group reported EBITDA of R64bn (2018: R48bn) and an EBITDA margin of 42,3% (2018: 34,3%). Capex totalled R26,3bn (2018: R28,1bn) on an IAS 17 basis.
Service revenue | EBITDA margin | Capital expenditure
---|---|---
18,8%* | 28,0% | R1,9bn
R8,9bn | 31,6%^ | R1,9bn

**MENA (including Iran)**
72,9m subscribers
28,9m data users

**SEAGHA**
48,5m subscribers
15,9m data users

**South Africa**
28,9m subscribers
14,1m data users

**Service revenue** | **EBITDA margin** | **Capital expenditure**
---|---|---
+21,7%* | 20,5%* | R5,0bn
R26,8bn | 18,4%^ | R5,0bn

**MTN Group Limited Integrated Report 2019**

01 All about MTN
02 How we create value
03 Strategic and financial review
04 Governance and remuneration

---

35m group active MoMo users

95m group active data users

**R26,3bn**
group capex

**42,3%^**
group EBITDA margin

**+9,8%**
group service revenue

---

* IFRS reported
Our market context

As an emerging market operator, the environment in which we work is complex, presenting unique challenges as well as exciting and valuable opportunities. By considering our market context, we are better able to determine our material matters, the impact that these have on our business model and how best to respond.

Political, regulatory and economic environment

- Prolonged war and conflicts are impacting Syria, Yemen, Afghanistan and South Sudan, making operations in these countries difficult. US-Iran tensions have increased.
- Elections are planned for 2020 in many markets, including Ghana, Ivory Coast, Iran and Cameroon.
- Despite the start of phase 1 of the US-China trade deal, international trade tensions remain amid a trend towards increasing protectionism.
- Across our footprint the regulatory environment is complex and dynamic and governments are focused on ensuring increasing internet connectivity and digitising their societies.
- Economic recovery is evident in some markets, but there remains a sharp divergence between countries. Many of our markets report higher-than-average GDP growth and an expanding middle class with growing income and purchasing power, supported by the rapid urbanisation of a young population.
- COVID-19 pandemic is disrupting economic activity and markets across the world.
- The levels of unemployment and poverty across our footprint remain high. This translates into ARPUs that are low: less than US$5 a month across sub-Saharan Africa. This means that we need to ensure that our services are affordable.
- Currency volatility continues to be a feature of many of our markets.
- In South Africa, interruptions to the electricity supply continue to disrupt economic activity and mean that we face additional costs related to alternative power solutions.
- SIM registration remains an important feature of regulation, but the requirements differ from country to country.
- Tax and regulatory pressures continue to mount.

Social and technology environment

- Population across our markets is 670m and is forecast to grow to 733m in the next three years, supporting our case for expansion of the subscriber base. This is a youthful population, with two-thirds of people under the age of 24 and ‘born digital and mobile’, making them fast adopters of digital services.
- Society is transitioning into the ‘fourth industrial revolution’, with increasing levels of financial and communications inclusion as well as greater connectedness to the global economy.
- Consumer behaviour is changing, supported by the greater digital connectivity and the increasing adoption of social media.
- 80% of the population still does not use formal banking channels and there is a low level of digital payment penetration.
- Low levels of television penetration – only one in three households owns a TV, supporting the case for mobile as a device to view video and advertising.
- Internet penetration of around 23%, and only one in five people use instant messaging.
- The availability of spectrum is linked to changes in policy and the renewal of licences.
- Operators remain largely dependent on certain key reputable vendors.
- GDP growth and an expanding middle class with growing income and purchasing power, supported by the rapid urbanisation of a young population.
- COVID-19 pandemic is disrupting economic activity and markets across the world.
- The levels of unemployment and poverty across our footprint remain high. This translates into ARPUs that are low: less than US$5 a month across sub-Saharan Africa. This means that we need to ensure that our services are affordable.
- Currency volatility continues to be a feature of many of our markets.
- In South Africa, interruptions to the electricity supply continue to disrupt economic activity and mean that we face additional costs related to alternative power solutions.
- SIM registration remains an important feature of regulation, but the requirements differ from country to country.
- Tax and regulatory pressures continue to mount.

MTN Group Limited Integrated Report 2019
We have developed our **BRIGHT strategy** and our **investment case** to ensure that we are **well positioned** to **deliver growth and unlock value** from the **opportunities** as well as **mitigate** the **risks**.

### GDP growth (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2020 forecast (before impact of COVID-19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTN Group</td>
<td>2.3</td>
<td>2.6</td>
</tr>
<tr>
<td>South Africa</td>
<td>0.8</td>
<td>1.2</td>
</tr>
<tr>
<td>Nigeria</td>
<td>2.1</td>
<td>2.5</td>
</tr>
<tr>
<td>Ghana</td>
<td>7.1</td>
<td>6.6</td>
</tr>
<tr>
<td>Cameroon</td>
<td>3.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>7.3</td>
<td>7.4</td>
</tr>
<tr>
<td>Uganda</td>
<td>1.3</td>
<td>1.3</td>
</tr>
</tbody>
</table>

**Source:** Trading Economics. MTN estimates.

### Inflation (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2020 forecast (before impact of COVID-19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTN Group</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>South Africa</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Nigeria</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Ghana</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Cameroon</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Uganda</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

**Source:** Trading Economics. MTN estimates.

---

**Competitive landscape**

- Mobile network operators compete through aggressive pricing, targeted propositions and segmented offerings but assist in driving up data revenue
- As we move towards our ambition of becoming a digital operator, there is more competition for customers as well as competition for the talent and skills required to develop the digital products and services we increasingly offer
- MTN has been steadily winning market share, growing this to a group blended rate of 44.2% in 2019 from 40.7% in 2017.
Considering our **market context**, and the **material matters** that this presents, we have identified **six distinct growth opportunities** which we are **pursuing simultaneously**, across the **consumer, enterprise and wholesale segments**.

### What we are doing to address the opportunities

**MTN’s future focus**
- Ultra-rural site roll out
- Personal pricing with AI
- Multi-product selling
- Distribution transformation

**MTN’s 2019 performance**
- Revenue: +4,2% to R82,1bn
- Revenue: +22,4% to R35,1bn
- Revenue: -39,6% to R2,4bn*#  

*Declined as a result of VAS optimisation which is now fully implemented across our markets

**Market size 2022**
- Consumer: R225bn
- Enterprise: R310bn
- Wholesale: R30bn

**Where market growth is on the curve**
- **Maturing, large pool**
  - Organic market CAGR: ~3%Δ
- **Inflection to explosive growth**
  - Organic market CAGR: ~20%Δ
- **Unique emerging market opportunity**
  - Organic market CAGR: ~25% Δ

Δ Organic market CAGR (2018 – 2021)
These growth opportunities are the focus of the ‘I’ and the ‘G’ of our BRIGHT strategy (see page 03). The curves are a view of the current adoption levels.

MTN’s 2019 performance

- Revenue +27.0% to R10.1bn

  • Scale in large markets
  • Open API for merchants
  • Launch of mobile wallet interoperability
  • Advanced services

- Revenue +8.4% to R13.3bn

  • Scale up enterprise sales
  • Segmented products
  • SME channel strategy
  • Drive MTN way of selling

- Revenue +63.2% to R4.7bn

  • Wet and dry build
  • Third-party sales engine
  • YelloConnect platform
  • National roaming sales

Transformational opportunity

- ~25% Δ

SME and converged services

- ~10% Δ

Explosive traffic growth

- ~25% Δ

MTN’s future focus

- Ultra-rural site roll out
- Personal pricing with AI
- Multi-product selling
- Distribution transformation
- 3G/4G national coverage
- Service bundling
- Smartphone acceleration
- Price transformation
- Build our own OTT services
- Expand platform capabilities
- Build on partnerships
- Local content
- Scale up enterprise sales
- Segmented products
- SME channel strategy
- Drive MTN way of selling
- Wet and dry build
- Third-party sales engine
- YelloConnect platform
- National roaming sales
They say if you want to go fast, go alone, but if you want to go far, go together.

1994
A year after securing a licence, the first call was made on the MTN network, the year Nelson Mandela became South Africa's first democratically elected president.

1994
- Launched prepaid solution PayAsYouGo
- Won licences in Uganda, Rwanda and Swaziland
- Became the first cellular network in Africa to get ISO 14001 rating for environmental management

1997
Began our international expansion

2000
- Acquired Camtel Mobile in Cameroon
- Launched MTN South Africa Foundation to manage CSI fund

2001

2019
- Celebrated 25 years in business
- Listed MTN Nigeria
- Launched Ayoba instant messaging

2019
- Listed MTN Ghana
- Developed affordable 3G smart feature phone
- Created MusicTime!
- Set up Mowali
- Established MTN GlobalConnect

2015
- MTN Nigeria acquired Visafone, along with a 4G licence

2016
- Exchanged shares in INT Towers for additional shareholding in IHS Holding Limited
- Reached 217m subscribers

2017
- Launched BRIGHT strategy

2018

2019
MTN Nigeria acquired 4G spectrum

2019
25 years of doing good

MTN Group Limited Integrated Report 2019
• Listed in UNEP’s Global Top 50 companies for sustainability reporting

• Reached 40m subscribers
• Took over Investcom in US$5.5bn deal, increasing presence to 21 countries from 11
• Launched employee volunteer programme ‘21 days of Y’ello Care’

• Reached 100m subscribers

2002 2004 2005 2006 2007 2009

Became the first operator in South Africa to offer GPRS

MTN Group Limited Integrated Report 2019
Creating value - #GoodTogether

With Africa being a young continent, young Africans want to experience a modern, digital, connected life. We are doing everything we can to make this a reality by leading the delivery of a bold, new digital world in ways that are relevant to our customers. MTN is committed to brightening lives every day by being a responsive, customer and community-focused company.

Named most admired brand by Brand Africa 100

Brightening our customers’ lives

Extended our network coverage (population coverage)

- 78% Nigeria: 3G
- 98% South Africa: 3G
- 44% Nigeria: 4G

Added sites:
- 4G: 10,895
- 3G: 5,795
- 2G: 4,699

#1 network
NPS in 14 markets

Launched US$20 MTN smartphone

Distributed 675,000 affordable low cost smartphones

Deployed 1,387 ultra rural sites

Over 480m Africans covered by our high-speed network

Network coverage

MTN Group Limited
Integrated Report 2019

Reduced the effective price per MB of data by 34% in 2019

Reached 2m monthly active users, live in 12 markets

Launched Mobile Money in South Africa and Afghanistan

Launched MTN Homeland, facilitating money and airtime transfers from Europe to Africa and parts of the Middle East

Ayoba

Mobile Money is better money. Growing network. On any device.
Through the MTN Foundations we **work together** with communities to create opportunities to advance growth and development by supporting health and education initiatives and national development priorities. We are also working hard to deliver the **best customer experience** in voice, data, digital and financial services so that consumers across our footprint continue to choose us as their **most admired and preferred brand**.

Across the continent and **beyond** we play a vital role in providing IT services and scholarship programmes. All of this is a direct result of the work we do each day as well as a number of **innovations** that support greater digital and financial inclusion. It is the collective, positive impact we as MTNers have on the countries and communities in which we operate – and this is something we can all be **proud of**.

### Brightening our societies

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Installed “We’re good together”</strong> initiative**</td>
<td>Provided 35m Africans access to financial services – <strong>enabling financial inclusion</strong> with 9 200 transactions a minute worth US$96bn in 2019 through MTN Mobile Money</td>
</tr>
<tr>
<td><strong>Investing R50bn in South Africa over the next five years to roll out digital infrastructure, networks, connectivity and speed highways</strong></td>
<td>Listed MTN Nigeria and committed capital investment of US$1,6bn in Nigeria over the next three years</td>
</tr>
<tr>
<td><strong>Spent R189,5m on corporate social investment</strong></td>
<td>Investing R26,3bn capex across our markets</td>
</tr>
<tr>
<td><strong>Partnered with Internet Watch Foundation to make the internet a safer place for children, blocking 2m URLs</strong></td>
<td>R30bn tax contributions</td>
</tr>
<tr>
<td><strong>MTN Nigeria first mobile network operator in West Africa to test 5G</strong></td>
<td>517 000 MoMo agents</td>
</tr>
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<td>Level 2 BEE contributor status in South Africa</td>
</tr>
</tbody>
</table>

### Brightening our employees’ lives

<table>
<thead>
<tr>
<th>Developments</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Improved staff morale, with highest engagement score yet</strong></td>
<td>Trained 3 million people in digital literacy</td>
</tr>
<tr>
<td><strong>37% women employees</strong></td>
<td>10 998 ethics eLearning courses completed by staff</td>
</tr>
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<td><strong>517 000 MoMo agents</strong></td>
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MTN Group Limited Integrated Report 2019
How we create value using the six capitals
Transforming the stocks of capital through our activities

We create value by developing and distributing a range of innovative and reliable communication products and services. We depend on various resources and relationships, known as the six capitals, to do this.

**Inputs**

- **Human**
  - The motivation, skills, safety and diversity of our employees, contractors, partners and suppliers

- **Manufactured**
  - Our networks; 2G, 3G and 4G base stations and fibre; electronic devices; public infrastructure

- **Financial**
  - Debt and equity financing; cash generated from operations and investments

- **Intellectual**
  - Our culture; our know-how; proprietary and licensed technology; procedures and processes

- **Social and Relationship**
  - Trusted relationships with customers, communities, governments and regulators, suppliers, trade unions, industry bodies and civil rights groups

- **Natural**
  - Spectrum, energy and land

**SDGs**

1. **No Poverty**
2. **Zero Hunger**
3. **Good Health and Well-being**
4. **Quality Education**
5. **Gender Equality**
6. **Clean Water and Sanitation**
7. **Affordable and Clean Energy**
8. **Decent Work and Economic Growth**
9. **Industry, Innovation and Infrastructure**
10. **Responsible Consumption and Production**
11. **Climate Action**
12. **Life on Land**
13. **Peace, Justice and Strong Institutions**
14. **Partnerships for the Goals”**

**How we do business**

Our business model is informed by our vision, purpose, values and governance, and supports the delivery of our BRIGHT strategy:

- **Best customer experience**
  - Lead market in NPS
  - Reduce monthly churn
  - Achieve best brands in markets

- **Returns and efficiency focus**
  - Improve ROIC/ROE
  - Report top-quartile TSR
  - Stabilise leverage
  - Improve EBITDA margin

- **Ignite commercial performance**
  - Grow subscribers to 300m
  - Grow market share
  - Growing voice revenue
  - Grow enterprise and wholesale revenue

- **Growth through data and digital**
  - Achieve 200m data subscribers
  - Achieve 100m digital subscriptions, including 60m for MTN Mobile Money

- **Hearts and minds**
  - Lead market in employee NPS
  - Improve employee engagement
  - Enhance reputation
  - Ensure effective risk and compliance practices

- **Technology excellence**
  - Lead market in network NPS
  - Increase efficiency of customer-facing systems
  - Increase population coverage
  - Improve network quality

We ensure our agility by continuously assessing our market context (pages 06 and 07) and our material matters (pages 18 and 19).
We require inputs of each capital to deliver on our strategy, advance some of the UN SDGs and generate value for all stakeholders. When making decisions on allocating capital, we consider the trade-offs between the capitals, and seek to maximise positive outcomes and limit negative impacts.

**Outputs**

**Outcomes in 2019**

19 288 employment opportunities

Improved **employee culture**

Rolled out 4 699 2G, 5 795 3G and 10 895 4G sites

**EBITDA** of R64,1bn (IFRS reported)

Declared **total dividend** of 550 cps

Promoted investment and economic growth through digital and financial inclusion

Spent R189,5m in **social investment**

Leading NPS in 12 markets

MTN South Africa BEE contributor status improved to **level 2**

Paid R30,5bn in total tax contributions

Enhanced **sustainable societies** by conducting business ethically and responsibly

Ensured eco-responsibility by using natural resources conservatively

Avoided 1 855 tonnes of GHG emissions

*A range of consumer, enterprise and wholesale solutions including voice and data access; lifestyle, mobile financial services, entertainment and e-commerce offerings; and business connectivity and communication solutions

2,3m tCO₂e of emissions*
How we sustain value using the six capitals

<table>
<thead>
<tr>
<th>Key capital inputs</th>
<th>Outcomes of our activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>Number of employees</td>
<td>19 288</td>
</tr>
<tr>
<td>Number of contractors</td>
<td>2 695</td>
</tr>
<tr>
<td>Investment in employee training (Rm)</td>
<td>282</td>
</tr>
<tr>
<td>Number of nationalities employed</td>
<td>58</td>
</tr>
<tr>
<td>Gender diversity was little changed, with women making up 37% of the workforce.</td>
<td></td>
</tr>
<tr>
<td>Value of property, plant and equipment (Rbn)</td>
<td>98,3</td>
</tr>
<tr>
<td>Capital expenditure (Rbn)</td>
<td>26,3</td>
</tr>
<tr>
<td>Number of smartphones on our networks (m)</td>
<td>121</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Market capitalisation at year-end (Rbn)</td>
<td>155</td>
</tr>
<tr>
<td>Interest received (Rbn)</td>
<td>1,9</td>
</tr>
<tr>
<td>Net debt (Rbn)</td>
<td>67,9</td>
</tr>
</tbody>
</table>

- Offices and networks in 24 countries.
- Access to public infrastructure.
- Our strong and established brand.
- Our skilled and experienced employees.
- Our partnerships and joint ventures.
- 25 years’ experience of operating in challenging emerging markets.
- Radio spectrum in the 700, 800, 900, 1 800, 2 100, 2 300, 2 600MHz bands.
- Constructive relationships with regulators, customers, trade unions, employees, communities, civil society.
- Ongoing interactions with government and tax authorities.
- Regular engagement with shareholders and the investor community on MTN’s plans and performance.
- MTN South Africa named most valuable brand in the country (Brand South Africa).
- Introduced standardised CVM platforms across 18 opcos.
- Expanded MTN Mobile Money ecosystems to 16 markets.
- Launched customised offers in 11 opcos.
### How we achieved these

- Accessed domestic funding in some of our markets, reducing currency exposures.
- Encouraged diversity to ensure workforce understands customer needs.
- Continuous engagements with employees. As a result flexi working hours implemented in January 2020.
- Focused on capital investments, rolling out sites connecting the unconnected and increasing population coverage, covering 481m people.
- Population coverage increased
  - 3G: 77% from 68% in 2018
  - 4G: 46% from 33% in 2018
- Launched $20 smart feature phone encouraging digital inclusion.
- Maintained capex envelope through smart capex initiatives and re-farming sites.
- Launched “Good together” campaign for brand awareness
- Hired specialist skills in customer value management (CVM)
- Partnered with experts in various fields such as technology and management consultancy
- Expanded fintech and digital offerings in more markets
- Injected significant capex across markets to improve network quality
- Obtained spectrum in markets including Nigeria, Zambia and Rwanda
- Unlocked full usage in Nigeria of 800 MHz spectrum obtained through Visafone acquisition
- Continued to re-farm spectrum in many markets, including South Africa and Iran
- Improved engagements with stakeholders on sustainability matters
- Continued driving efficiencies to ensure our technical infrastructure supports service delivery using the least energy
- Ran campaigns internally increasing sustainability awareness with the organisation
- Enhanced management structures and revised key ethics structures and policies to support regulatory compliance
- Monitored staff morale through annual culture survey
- Extended MoMo services to more people
- Reduced effective data price by 34% and voice rates by 11,3%
- Improved engagements with various regulators resolving key matters

### The trade-offs

- Network expansion increases the stock of manufactured capital while reducing financial capital in the short term. In the medium term, increased manufactured capital will realise value to shareholders. Infrastructure sharing limits the impact on manufactured capital and natural capital.
- Employees in 18 of our 20 operating companies and Manco received bonuses in 2019. This positively affected human capital even though there is an outflow of financial capital.
- Network expansion increases the stock of manufactured capital while reducing financial capital in the short term. In the medium term, increased manufactured capital will realise value to shareholders. Infrastructure sharing limits the impact on manufactured capital and natural capital.
- By applying financial capital, we are able to grow our business, positively impacting manufactured, human and intellectual capital, as well as social and relationship capital. However, through our use of financial capital to build new telecoms infrastructure we may negatively impact the stocks of natural capital.
- Employees in 18 of our 20 operating companies and Manco received bonuses in 2019. This positively affected human capital even though there is an outflow of financial capital.
- Payment for spectrum and the capital outlay required to maintain network puts pressure on financial capital in the short term. However, this creates opportunities for employment in communities, thus increasing social capital. Investments in greener economy initiatives might be expensive in the short term but these create a lasting positive effect on our environments.
- Investment in social and relationship capital reduces our financial capital in the short term. However, this helps close the digital divide and transform society through various skills and enterprise development. Driving localisation and preferential procurement ultimately builds stocks of social, human, intellectual and financial capital.
Material matters have the potential to substantially affect, both positively and negatively, the group’s ability to create value in the short, medium and long term. In so doing, their role in the sustainability of the company, and of its stakeholders, cannot be understated.

Managing material matters
We manage material matters by identifying, prioritising, responding and reporting on them.

Identify
We determine our material matters by considering matters of significant importance to our stakeholders and factors that receive the most management and board attention during the year. These themes take into account:
- The priority interests of our key stakeholders (pages 21 to 24) and the impact of these on our strategy (page 02)
- The group’s top risks and opportunities (pages 27 to 33)
- The context in which we operate (pages 06 and 07)

Prioritise
These central themes then form the basis of discussion at workshops at which representatives of key departments participate. They prioritise the group’s material matters by considering the scale and nature of their impact on business operations, financial performance and interest of our stakeholders. These are then scrutinised and ultimately endorsed by the executive committee and the board.

Respond
We respond to our material matters by putting in place appropriate management actions to capitalise on those factors that offer opportunity for greater value creation as well as interventions to mitigate those which have the potential to disrupt it. We reference our material matters throughout the integrated report.

Report
The telecommunications industry is facing three trends: that of the evolving telco, the fintech player and the digital player (page 03).

Disruptive technologies
New technologies are displacing established ones and – facilitated by greater digital connectivity – this is altering the way businesses operate as well as the way consumers behave.

Opportunities for revenue expansion in fintech and digital in particular, however returns could be impacted given the investment required in new businesses. This investment includes securing sufficient and appropriate spectrum to facilitate greater network rollout to support the wider offering

Erosion of voice revenue and pressure on data-access pricing
Due to technological advances today’s skills will not match the jobs of tomorrow and newly acquired skills may quickly become obsolete

Disruptive technologies such as artificial intelligence, automation and robotics pose greater risks to individuals’ privacy, security and decision-making ability

Complex and dynamic political environments and greater regulatory and compliance requirements
We operate in some countries suffering prolonged war and conflicts and others marked by political and policy uncertainty. In all our markets, the regulatory requirements are growing, for example with regards infrastructure sharing.

Reputational and relationship risks
Requirements may reduce our competitive edge and pressure MTN. revenue and profitability
Greater local participation – including stock exchange listings of local operations, and a further enhancement of in-country hiring and procurement – will support value creation
Greater information security, data sovereignty and privacy requirements as well as more detailed ESG disclosures

Economic environment
Mixed economic growth across our markets, with muted GDP performance in South Africa and Nigeria. Weak operational currencies. Repatriating cash from our diverse markets remains complex and dependent on prevailing legislation as well as sufficient market liquidity.

Pressure on MTN revenue and profitability
Foreign exchange translation losses on rand-reported results
Increased costs due to some expenses denominated in hard currencies
Inability to repatriate cash from Iran
Received R3,7bn in dividends from MTN Nigeria in 2019

Heightened focus on sustainability-related matters
Growing stakeholder expectations of companies’ contribution to the acceleration of climate action and good corporate governance in a manner that preserves and protects people’s basic human rights.

Countries in which MTN operates are most vulnerable to the effects of climate change; managing MTN’s environmental impact is key
Requirement that MTN’s capital allocation is well aligned to sound environmental, social and governance (ESG) practices
The value investors place on MTN, as seen in our share price, could be affected by their perception of our ESG performance and disclosures
Risk of human rights incidents in our countries of operations exist
Corruption compromises states’ ability to fulfil their obligations to promote, respect and protect the human rights of individuals

Growth in data volumes in a decreasing price environment
The economics of the data business are challenging – increasing volumes mean more capex is required while prices fall. Customers are increasingly using data, with digital and fintech supporting adoption.

Our effective voice rate per minute declined 11,3% in 2019
Our effective data rate per megabyte declined 34% in 2019
Efficient capex deployment is key to making a return – capex intensity improved in 2019. 17,5% on IAS 17 basis.

MTN is driving responsible use of environmental resources and alternative energy sources
Protect and create shared value for MTN and our stakeholders through responsible economic, environmental and social practices
Focus on earning the loyalty of our stakeholders through demonstrated ethical behaviour; enhance systems to measure and further progress our ethical culture
Increase our disclosure on our impact on society, human rights and the environments in which we operate

Looking ahead
Opportunities to scale up our digital, fintech and wholesale offerings in support of our digital operator ambition, with even greater disruption of financial services forecast ahead
The greater complexity associated with the convergence of telcos, communications and financial services will require companies to commit more resources including appropriate specialist skills and refined internal controls
A strategic approach to spectrum allocation is essential
Greater focus on lifelong learning that enables people to acquire skills and to reskill and upskill
Adopting a “human-in-command” approach to artificial intelligence that ensures that final decisions affecting individuals are taken by people and privacy choice is within the control of all consumers

Extend progress on further embedding risk management practices, including refining various controls to comply with all the requirements of a digital operator
Continue to elevate stakeholder engagement, proactively identifying and addressing regulatory and geopolitical issues
Further progress localisations in Nigeria and Ghana with the associated benefits
Continued focus on the application and interpretation of dynamic tax legislation
Explore network-sharing deals

Although challenging, the economic environment should trend better over the next three years, with slow GDP recovery and stable inflation in most markets. This outlook could be impacted significantly by the COVID-19 pandemic
A weak rand compared to other operating currencies will support the rand value of earnings, while a strong rand would be dilutive
Improving mix of debt to 60%-40% ZAR/USD

In line with our belief that everyone deserves the benefits of a modern connected life, data prices will continue to fall; driving volumes remains a priority.
“In 2019, the committee encouraged management to develop and embed ethics practices that support greater value creation for all MTN stakeholders. MTN recorded good progress in this regard, with the sharp improvement in the BEE score in South Africa a particular highlight. To ensure a solid foundation, companies’ values, culture and a sense of belonging are critical. MTN lives by its business principles to ensure the group’s continued success. We continue to develop and sustain a diverse and inclusive culture.”

Key focus areas for 2020

- Focus on earning the loyalty of all stakeholders through demonstrated ethical behaviour; entrench ethical leadership throughout MTN through tone from the top; and act against transgressions quickly, decisively and fairly while protecting whistle-blowers
- Approve and embed MTN’s CSI policy across the markets
- Enhance group-wide stakeholder engagement plans incorporating feedback from MTN’s stakeholder perception index
- Embed sustainability framework across MTN’s markets, work to improve MTN’s ranking in the JSE FTSE4Good Index
- Review many of the company’s policies for suitability and relevance
- Oversee further rolling out across the footprint of the “For Good” campaign
- Oversee an ethics risk assessment, to be conducted by an independent contractor
- Prioritise the achievement of level 1 BEE contributors status in South Africa
Driving partnerships for a bright future

Our partnerships have been central to MTN’s success in the last 25 years and will continue to determine the success of the group going forward.

“It is in the core DNA of MTN to do good, to be good and to be for good”

#GoodTogether

Embedding our framework

2019 was an important year for stakeholder engagement at MTN, as we embedded the group stakeholder and reputation management framework across our markets. The framework comprises of:

- A stakeholder and reputation management strategy
- A stakeholder management policy
- A blueprint guideline for implementation, monitoring and evaluation

By having a standardised, consistent and well-governed stakeholder engagement framework, the group was able to maintain its socio-political legitimacy in the markets in which we operate. The strategic objectives of the framework are to be:

1. responsive to issues;
2. build a robust reputation; and
3. foster constructive relationships with stakeholders who have a material impact on, or legitimate interest in, the MTN business.

In 2019, we commissioned an MTN reputation index survey, which enabled us to assess our:

- Performance against reputation drivers
- Responsiveness to stakeholder issues
- Quality of engagement
- Relationship capital

At the core of our approach is stakeholder centricity, allowing us to prioritise stakeholder interests as we make business decisions.

Achieving these objectives required a thorough understanding of what drives our reputation among stakeholders. MTN’s overall reputation improved across the footprint as a result of our efforts to meet the legitimate expectations of all stakeholders.
Stakeholder categories and reputation drivers

- **MTN people**
  - Business performance
  - Fair terms, compensation and incentives
  - Career growth

- **Subscribers/customers**
  - Network performance
  - Fair and transparent billing
  - Customer service

- **Regulators and policy makers**
  - Network performance
  - Compliance
  - Customer service

- **Suppliers/vendors**
  - Business performance
  - Reliable partnerships
  - Fair terms, compensation and incentives

- **Trade partners**
  - Business performance
  - Reliable partnerships
  - Fair terms, compensation and incentives

- **Mobile industry**
  - Leadership and foresight
  - Constructive contribution to the industry
  - Customer service

**Relationships on which we rely to create value** continued
Investment community
- Business and ESG performance
- Corporate governance
- Access to accurate information

Equity partners
- Business performance
- Localisation
- Return on investment (ROI)

Organised business
- Leadership and foresight
- Corporate governance
- Localisation

Government
- Shared value/positive impact on socio-economic development
- Localisation
- Revenue contribution

Civil society
- Shared value/positive impact on socio-economic development
- Corporate governance
- Localisation

Media
- Leadership and foresight
- Localisation
- Access to accurate information
Measuring the impact of our efforts

We recognise that the understanding and support of all our stakeholders underpins the success of our BRIGHT strategy.

By aligning our investment case with stakeholders in-country as well as appreciating various cross-border priorities, our collaboration and cooperation with all our stakeholders improved MTN’s overall reputation in 2019.

This was evidenced by the results of the survey, which showed a marked improvement in the impact of our stakeholder engagement efforts, but also highlighted areas where there is room for improvement. It clearly showed that our work to standardise our approach to stakeholder engagement led to better relationships and consequently a better reputation.

Key reputation index survey results:

- **72%** Quality of engagement
- **73%** Responsiveness
- **74%** Relationship health

What this means:

- **Quality of engagement**: This is related to how well we listen to, and consult with, our stakeholders and enable their informed participation in business matters relevant to them.
  - In the 2019 survey, we achieved an overall score above 72%.
  - The key take-away in terms of room for improvement is that **MTN could be more inclusive by making greater effort to take stakeholder views into account in its decision-making.**

- **Issue management and responsiveness**: Our overall responsiveness is how we understand, acknowledge and comprehensively respond to a stakeholders concerns.
  - In 2019, we scored 73% in this area with wide variations between stakeholders. This is largely due to the expectations that **MTN could make more effort to understand stakeholder realities and priorities from different points of view.**

- **Relationship health**: Robust and healthy relationships are of great importance to us.
  - Our overall score for 2019 was 74%, with high levels of trust and long-term commitment identified as the core characteristics of our relationships.
  - Feedback from our priority stakeholders suggests that there is **room for improvement in the degree to which our stakeholders feel empowered to influence the engagement process and outcomes.**

Looking ahead

We will continue to elevate our stakeholder engagement, using the results from the reputation index survey to develop a proactive plan that addresses the concerns of our material stakeholders. As a result, we will be better able to identify and address regulatory, geopolitical and other threats to the business and its stakeholders.
As the group’s business strategy evolves into new opportunities like fintech, a new universe of risks emerges. While we ensured that we matured our adopted risk-management processes in 2019, the committee’s focus was also on ensuring that the associated risks of this new universe are sufficiently mitigated through the adoption of robust policies as well as operational and governance processes.

Key focus areas for 2020

- Configure and implement a best-practice governance, risk management and compliance software system
- Continue to embed risk appetite and tolerance methodology
- Continue to review and align MTN’s top risks to industry guidance, as well as those impacting our strategy and functions, while remaining sensitive to the dynamics of MTN markets
- Implement a company-wide e-learning system for policies and ethics standards
Our risk philosophy and framework

Our risk strategy
Our risk strategy takes a risk-based approach towards managing risks, capital and our reputation, as well as our compliance with laws and regulations. We want to avoid taking excessive risks that could threaten the financial security of MTN Group in any adverse operating and financial conditions.

Our BRIGHT operational strategy
Our operational strategy, however, also requires strong growth in market share and returns, and we will not be able to achieve this if our risk strategy is too conservative. As a result, our risk strategy ensures that the risks we take are not so great or so concentrated that they could threaten the financial security of the group in very adverse conditions.

Our risk philosophy
Our risk philosophy is to seek risk exposures in markets:
• Where we have the core competence to be a market leader
• Where it meets our risk return aspirations
• Where prudent risk management compensates for adverse market risks.

Key risk indicators
We use these to monitor the changes in risk levels and make suitable adjustments to the mitigating actions.

Our risk tolerances
We use a top-down as well as a bottom-up approach to define as well as continuously refine the tolerances for various classes of risks. We continue to use stress analysis as a tool to refine the tolerances and understand the impact of a combination of risks if they were to materialise simultaneously.

Our risk framework

We articulate our preferences for risk-taking for various classes of risks that impact the achievement of our BRIGHT strategy.

<table>
<thead>
<tr>
<th>Risk preference</th>
<th>Risk type</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Strategic – market</td>
</tr>
<tr>
<td></td>
<td>Strategic – product</td>
</tr>
<tr>
<td>Medium</td>
<td>Strategic – execution</td>
</tr>
<tr>
<td></td>
<td>Strategic – mergers and acquisitions</td>
</tr>
<tr>
<td></td>
<td>Strategic – supplier concentration</td>
</tr>
<tr>
<td></td>
<td>Operational</td>
</tr>
<tr>
<td></td>
<td>Technology</td>
</tr>
<tr>
<td></td>
<td>Regulatory</td>
</tr>
<tr>
<td></td>
<td>Earnings</td>
</tr>
<tr>
<td></td>
<td>Funding</td>
</tr>
<tr>
<td></td>
<td>Currency</td>
</tr>
<tr>
<td>Moderate</td>
<td>Technology – information security</td>
</tr>
<tr>
<td>Low/zero</td>
<td>Tax structuring</td>
</tr>
<tr>
<td></td>
<td>Compliance (including sanctions compliance)</td>
</tr>
<tr>
<td></td>
<td>Liquidity</td>
</tr>
<tr>
<td></td>
<td>Reputational</td>
</tr>
</tbody>
</table>

Risk methodology
This guides our actions to manage the risks on a day-to-day basis. As part of continuously enhancing risk management culture across all levels of decision making, risk and compliance teams, guided by the audit committee, and the risk management, compliance and corporate governance committee, we enhanced the risk appetite framework, with refinement of the principle risk universe, key risk indicators and tolerance levels.

Scenario planning
As part of proactive forward-looking risk management, we have incorporated catastrophic scenario planning exercises into the process. Examples of scenarios considered include: a dramatic depreciation of the key market currency; difficulties in renewal of licence in key markets; failure of a major network supplier; cyber-attack crippling large parts of the network; and technology disruption leading to a more rapid move away from voice to data/digital.
Our top risks

In line with our enterprise risk management and integrated assurance methodologies, we have processes and practices in place across MTN for management to proactively identify and manage risks and opportunities that impact our strategic and operational objectives. Top-down and bottom-up risk management results in a profile of the most material risk issues based on residual risk.

Residual risk considers the likelihood of identified events occurring, the impact should these materialise and the effectiveness of existing mitigation and controls. Top risk profiles are discussed at monthly exco meetings as well as at quarterly meetings of the audit, risk management, compliance and corporate governance committees at the group level. In addition, opco level risks are discussed at opco exco and opco audit and risk committee meetings. At these meetings, changes and new risks are discussed and progress on agreed mitigation actions monitored.

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02 How we create value

03 Strategic and financial review

04 Governance and remuneration

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Top risks to value creation continued

<table>
<thead>
<tr>
<th>Rank</th>
<th>Risk Title and Details</th>
<th>Mitigation and opportunities</th>
</tr>
</thead>
</table>
| 1    | Challenging economic and investment environment in Nigeria | • Continuous stakeholder management and engagement of relevant authorities  
|      | Macroeconomic uncertainty including concerns around currency, rising debt service cost and investor confidence. Internally, the AGF matter was an issue of concern and the pending payment of the bank licence may impact mobile financial services objectives |  
|      |  | • Convert supplier contracts into local currency where financially prudent and negotiating foreign denominated obligations in local currency payments  
|      |  | • Use of available instruments for forex hedging  
|      |  | • Strict compliance to laws and regulations  
| 2    | Political instability and sanctions in MENA region | • Continuously monitor developments across politically and economically sensitive markets with scenario and sensitivity analysis to enhance response capabilities  
|      | Several MENA countries face political instability, armed conflict and geopolitical pressures. Ongoing conflict in Afghanistan, Syria and Yemen cloud prospects for near-term stability. Sudan experienced significant political change with a new military-civilian governing council taking over. In Iran, the collapse of the JCPOA, deepening sanctions and confrontation with the US increased pressure on the economy and industry |  
|      |  | • Ensure sufficient levels of committed funding facilities at group to respond to market stress and maintain the group’s approach of opco self-funding  
|      |  | • Ensure protection of staff and assets and continuity of operations through strong business continuity controls  
|      |  | • Strict compliance with international sanctions laws  
|      |  | • Continuously engage stakeholders  
| 3    | Increasing regulatory and tax pressure | • Continued implementation of our stakeholder management framework with increased oversight from the group  
|      | MTN operates in multiple jurisdictions and must comply with applicable laws and regulations. These include licence obligations, regulatory prescriptions; tax compliance; capital importation and repatriation stipulations; data privacy prescriptions; cross border data flow conditions; quality of service performance indicators; SIM registration and know your customer requirements. Despite our ongoing efforts to comply, these requirements continue to increase and are often elevated by economic conditions in the markets in which we operate. In some cases, the cost of compliance is very high, impacting revenue and profitability |  
|      |  | • Process in place to secure renewal of legacy licences on the best possible commercial, technical and financial terms  
|      |  | • Adherence to localisation and regulation obligations  
|      |  | • Concerted regulatory and industry advocacy  
|      |  | • Strict compliance with laws and regulations and continuous enhancement of compliance testing programmes  
| 4    | Forex volatility and currency weakness | • Stress-testing of business plan against currency volatility to understand impact on revenue, EBITDA, PAT and free cash flow and formulation of response measures including specific mitigation plans for adverse key currency fluctuations  
|      | Inherent volatility and long-term weakening trend of currencies in key markets. Large opco contracts denominated in foreign currency create opex and capex pressure impacting opco liquidity and ultimately group profitability |  
|      |  | • Ensure alignment of hedging policy within risk appetite framework, hedging exposures where feasible and where instruments are available  
|      |  | • Optimise levels of local versus foreign currency debt  
|      |  | • Conversion of contracts into local currencies where possible and financially prudent |
MTN’s performance in 2019

- Implemented enhanced issue and stakeholder management activities
- Ongoing efforts to convert foreign currency contracts to local currency
- Use of cash-backed letters of credit in place of trade lines to reduce forex exposure and obligations on imported equipment
- Withdrawal of AGF case against MTN, which has now been referred to the relevant tax authorities
- Completion of the redemption of preference shares with MTN Group receiving US$315m (about R4.4bn) in December 2019

- Maintained the principle of self-funding for MENA opcos
- Concluded licence renewal negotiations in Yemen and Afghanistan
- Enhanced crisis management by strengthening group and opco teams
- Expedited timelines for implementation of business resilience controls; excellent progress made by Iran and Syria teams
- Ensured consistent use of political and economic scenario analysis as an integral part of the risk management and contingency planning process
- Implemented enhanced issue and stakeholder management activities
- MENA opco staff performed extremely well in the face of severe challenges

- Enhanced structures at, and support from, the group on regulatory and tax issues
- Further developed support frameworks, including stakeholder management which comprises strategy, policy and blueprint for regulatory management
- Completed restructuring of compliance functions
- MTN Nigeria successfully complied with new regulatory directives on subscriber registration
- MTN Afghanistan was formally commended by the regulator for implementation of SIM registration procedures
- MTN Afghanistan’s GSM licence was renewed for 15 years effective from 15 October 2019
- MTN Ghana secured the extension of its 2G licence for 15 years from 2 December 2019
- MTN Rwanda successfully resolved long-standing tax disputes

- Performed stress testing in respect of gearing ratios; and completed stress testing of group business plan for key currency volatility
- Use of cash-backed letters of credit in place of trade lines in order to reduce forex exposure and obligations on imported equipment
- Continued use of hedging instruments for applicable foreign denominated opex and capex
- Achieved 50/50 mix between local and foreign currency denominated debt
<table>
<thead>
<tr>
<th>Rank</th>
<th>2019 Rank</th>
<th>2018 Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational and compliance challenges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>These risks result from the strategic challenge of having decentralised opcos to enhance commercial agility, ethical conduct and the ongoing efforts to standardise and improve internal control maturity. In addition, increasing regulatory requirements, particularly in respect of subscriber registration, mobile financial services and data sovereignty; increase risks of inadvertent non-compliance leading to strained relationships with regulators, reputational damage, and disruption of services and loss of customers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyber and information security risks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyber-attacks continue to increase globally and, if not controlled, new hardware and software vulnerabilities could compromise our customer data confidentiality, integrity and availability, ultimately affecting the performance of our networks and information systems.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier concentration and supply chain disruptions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The telecoms industry depends on certain key suppliers. While we continue to monitor developments relating to Chinese telco suppliers, there is a risk of disruption to operations in the event of a key supplier’s failure or its inability to deliver.</td>
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<tr>
<td>Pressure on holdco leverage from cash upstreaming challenges and debt mix</td>
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<tr>
<td>In addition to generating profitable returns, it is vital for our opcos to generate sufficient cash to fund capital-intensive programmes and repatriate earnings to the group. An inability to repatriate earnings, due to factors such as foreign currency shortage and restrictive forex laws and sanctions, impacts our ability to keep adjusted group leverage stable and increase distributions to shareholders. This may also lead to ineffective management of free cash flows due to an imbalance between revenue growth and capex intensity.</td>
<td></td>
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<tr>
<td>Mitigation and opportunities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Continued focus on reviewing of existing internal policies and procedures as required and the development of new ones.</td>
<td>• Ensure adequate monitoring and reporting on performance against the milestones as defined in the group’s information security plan.</td>
<td></td>
</tr>
<tr>
<td>• Continuous enhancement and implementation of compliance maturity objectives and internal controls improvement plans.</td>
<td>• Continue to strengthen our incident response capability.</td>
<td></td>
</tr>
<tr>
<td>• Ongoing monitoring of key compliance risks in opcos.</td>
<td>• Review and enhance security governance and operational structures.</td>
<td></td>
</tr>
<tr>
<td>• Enhanced control environment in certain business areas, such as MTN Mobile Money.</td>
<td>• Enhance investment in the upgrade of the security environment across the organisation.</td>
<td></td>
</tr>
<tr>
<td>• Further enhanced risk management to the next level of the maturity ladder.</td>
<td>• Enhance/develop new playbooks for common security incidents.</td>
<td></td>
</tr>
<tr>
<td>• Further engagement with regulators to ensure clear, concise and unambiguous regulatory requirements by first line assurance functions.</td>
<td></td>
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</tr>
<tr>
<td>• Implement enhanced supplier risk management strategy.</td>
<td>• Implement enhanced supplier risk management strategy.</td>
<td></td>
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<tr>
<td>• Enhance business resilience.</td>
<td>• Enhance business resilience.</td>
<td></td>
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<tr>
<td>• Enhance crisis management structures.</td>
<td>• Enhance crisis management structures.</td>
<td></td>
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<tr>
<td>• Revise contracts with suppliers and develop contingency plans for high concentration suppliers.</td>
<td>• Revise contracts with suppliers and develop contingency plans for high concentration suppliers.</td>
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<tr>
<td>• Bring forward transfer ownership/title of all critical hardware.</td>
<td>• Bring forward transfer ownership/title of all critical hardware.</td>
<td></td>
</tr>
<tr>
<td>• Continue to monitor geopolitical events that may impact supply chain.</td>
<td>• Continue to monitor geopolitical events that may impact supply chain.</td>
<td></td>
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</tbody>
</table>
MTN’s performance in 2019

- Implemented a revised second and third-line assurance model, with structures that promote greater independence of third line assurance and increased internal consultancy capabilities of second line risk and compliance function
- The process of periodic review of policies and procedures resulted in enhancement of 25 prioritised policies
- Implemented our treat customers fairly programme vigorously, particularly with regard to value-added services
- Developed and rolled out “The MTN Conduct Passport” which emphasises our commitment to our operations and demonstrates the standard of ethics and conduct to be met by individuals employed by MTN, or entities that are engaged in business with MTN
- Assessed state of organisation in so far as our data privacy obligations are concerned; and provided training to opcos
- With respect to ethics, the 2019 group culture audit showed a continuing upward trend in ethical culture with a corporate integrity index score of 79% (up from 76% in 2018)
- Following in the footsteps of MTN Sudan and MTN South Africa, MTN Irancell received The Ethics Institute’s 2019 Ethics Initiative of the Year Award in recognition of its exceptional endeavours to socialise the ethics programme and build an ethical culture in the opco. Organisations from across Africa and the Middle East compete for this award annually

- Met our information security plan targets for 2019, including development of a new information security governance structure
- Launched engagement on basic security skills for MTN workforce as part of a new e-learning platform
- Continued with ongoing security assessments on various MTN systems to proactively identify vulnerabilities requiring remediation

- Developed and implemented contingency plans for Huawei crisis scenarios for all affected opcos, in coordination with Huawei
- Ensured that spare parts are available at any time for a period of six to 12 months
- Developed contingency plans for other key suppliers to ensure minimal disruption
- Developed a supplier risk and concentration strategy framework

- Continued to improve service revenue growth and EBITDA margins
- Raised R14bn as part of the ARP, significantly impacting holdco leverage positively and keeping within target range
- Achieved 50/50 mix between local and foreign currency denominated debt
- Maintained capex intensity within target range
## Top risks to value creation

<table>
<thead>
<tr>
<th>2019 rank</th>
<th>2018 rank</th>
<th>Risk title and details</th>
<th>Mitigation and opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>10</td>
<td><strong>Low economic growth and policy uncertainty in South Africa</strong>&lt;br&gt;Continued debate on various policies creating uncertainty for foreign investment. A volatile rand has a negative impact on MTN Group finance cost, funding headroom and gearing levels, impacting our ability to effectively manage business plans. Policy uncertainty remains an issue as well as continued pressure on the sovereign rating by rating agencies creating pressure on cost of funding.</td>
<td>- Ensure appropriate mix of fixed-floating rate funding and levels of gearing and headroom at group level&lt;br&gt;  - Hedging forex exposures based on rand movements&lt;br&gt;  - Monitor the political landscape and policies of the country and assess their impact on MTN consistently&lt;br&gt;  - Continue to perform stress analysis on business plans</td>
</tr>
<tr>
<td>10</td>
<td>6</td>
<td><strong>Spectrum cost and availability</strong>&lt;br&gt;Non-availability of adequate spectrum has a direct impact on our quality of service and our ability to deliver on our dual-data strategy. Increased cost of spectrum impacts the cost of our products and services and puts pressure on profit margins</td>
<td>- Liaise with regulators on the acquisition of spectrum in line with a defined spectrum strategy&lt;br&gt;  - Enhance governance and compliance&lt;br&gt;  - Increase the efficiency of utilisation of spectrum across all opcos&lt;br&gt;  - Carry out ongoing cost/benefit analysis of spectrum acquisition</td>
</tr>
</tbody>
</table>
MTN's performance in 2019

- Implemented forex hedging strategy
- Maintained holdco leverage and headroom within the target range as at year-end
- Resolved matters in respect of BEE Commission findings
- Conducted ongoing engagement with authorities on matters such as data pricing, spectrum, WOAN, etc

Link to strategy

- Proactively engaged with regulators on the cost and acquisition of spectrum
- Updated our spectrum approach to ensure the acquisition and optimum usage of spectrum
- Release of additional broadband spectrum in Nigeria in relation to Visafone acquisition, potentially enabling expansion of the network to rural and unconnected areas of the country
- MTN Ghana: Renewal of licence to operate and provide 2G mobile services in the 900MHz and 800MHz bands; Acquisition of remainder of 800MHz, as well as 900MHz and 1800MHz that became available post Tigo-Airtel merger.
- MTN Guinea-Conakry: Award of spectrum in 800MHz as well as additional spectrum in 900MHz, 1800MHz, 2100MHz as part of licence renewal negotiations

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The view of our chairman

It was an honour to be appointed chairman of MTN Group in the year in which it celebrated 25 years in the business. Established at the same time as democracy in South Africa, the group's evolution since then has been remarkable. Its ambitions for the next 25 years are equally striking.

From servicing just one market with simple voice and SMS services back in 1994, MTN is now the most valuable African brand, and offers voice, data, digital, fintech, enterprise and wholesale services to more than 250 million subscribers in 21 markets in both Africa and the Middle East.

These markets are expanding fast and their adoption of data, fintech and digital services is still low. The political environment in many of these countries is complex, economic performance is mixed and regulatory complexity is increasing (see page 06). Everywhere, the industry is evolving rapidly; new technologies are disrupting established ones, changing the way businesses operate and consumers behave. Social activism is becoming more widespread, with growing stakeholder expectations of the contribution companies must make to achieve a better and more sustainable future for all.

In this dynamic milieu, MTN is steadfast in its belief that everyone deserves the benefits of a modern connected life. This unites our people across the business, inspiring them to deliver on the group's BRIGHT strategy and work towards greater digital and financial inclusion. In 2019, MTN launched a campaign, “We're good together”, to showcase this work and the collective, positive impact MTN and its people are making in the countries and communities in which we operate (see page 13). The sustainability report also provides more details of MTN’s progress in this regard.

To guide the group in navigating an increasingly complex environment, in the year we established an international advisory board (IAB) (see page 64). I have no doubt that the IAB, which is non-statutory in nature, will assist the group in its work to be a responsible and exemplary corporate citizen as well as an African champion.

Performance

MTN performed well in 2019, with solid operational execution and commercial momentum across most operations, sharply improved financial results and the launch of various innovations, including MTN’s own instant messaging platform Ayoba. The group president and CEO and the group CFO unpack these in detail on the pages that follow.

Governance

2019 was a year of governance changes at MTN. The evolution of the board was not limited to the role of chairman, but included the retirement of three other long-serving directors and the appointment of two new directors, as well as the appointment of a new lead independent director. We said farewell to a long-serving company secretary and welcomed her replacement.

On behalf of the board, I would like to thank Phuthuma Nhleko, Alan Harper, Koosum Kalyan, Jeff van Rooyen and Bongi Mtshali for their invaluable contribution over many years. I wish you all the best for the future. I also welcome Vincent Rague and Lamido Sanusi as new independent non-executive directors and Thobeka Sishuba-Bonoyi as the new company secretary.

In the year ahead we will review our governance framework to ensure that it is properly aligned to MTN's digital operator ambition. We will also review the committees of the board to ensure that they are suitably structured to support the group’s vision, which is to lead the delivery of a bold, new digital world.

Regulatory and legal update

One of the five MTN material matters identified in the year (see page 11) reference the regulatory environment in which it operates. Among key developments in this regard was the listing of MTN Nigeria on the Nigeria Stock Exchange in May 2019, which took the business a step closer to its plans for greater localisation. Its public offering, while dependent on market conditions, is a priority in the year ahead as the group targets a free float of 35% over time from around 21% now. Plans are also afoot for greater localisation of MTN Ghana, following its September 2018 listing on the Ghana Stock Exchange.

The group continues to address a number of other regulatory and legal matters. In January 2020, the attorney general of the Federal Republic of Nigeria (AGF) withdrew a demand for US$2 billion as a claim for back taxes from MTN Nigeria and referred the matter to the tax and customs authorities. Consequently, MTN Nigeria withdrew its legal action against the AGF. The group remains committed to building and maintaining cordial relationships with all regulatory authorities.

In the United States in December 2019, a complaint for violation of the Anti-Terrorism Act was filed on behalf of Americans killed or wounded in Afghanistan between 2009 and 2017. MTN is among the six groups named. The group continues to review the publicly available report and intends to defend its position if necessary, being of the view that MTN conducts its business in a responsible and compliant manner in all territories.

In December 2019, the Competition Commission of South Africa released the results of its two-year data services market inquiry. It made various non-binding recommendations, including reductions in the rates charged for monthly prepaid data bundles and a free “life-line” allocation of data for all customers. MTN continues to engage constructively on the recommendations made by the Commission and remains committed to providing high-quality, affordable data and connectivity to its customers.

Over the last two years, across its footprint, MTN has reduced entry-level data rates by 60%. In 2019 alone, the group reduced the effective price per megabyte by 34%. Radio spectrum is the digital highway upon which mobile operators depend to carry increasing volumes
of mobile data at more cost-effective prices. This is acutely felt in South Africa, which has among the lowest spectrum allocation of all MTN markets. The release of new spectrum in MTN’s home market will greatly assist MTN South Africa’s ability to service more customers with more data traffic at attractive prices that are economic for MTN.

We are very aware of the value of proactive stakeholder engagement across the MTN footprint. In 2019, MTN embedded a new stakeholder and reputation management framework and commissioned an MTN reputation index survey. This showed that MTN’s work to standardise the approach to stakeholder engagement is leading to better relationships and improvements in our reputation.

The group also recorded growing maturity in the governance and management of ethics, and improvements in ethical culture as measured by the group culture audit among employees. MTN will continue to focus on earning the loyalty of stakeholders through proactive engagement and demonstrated ethical behaviour.

We have announced that group president and CEO Rob Shuter will be stepping down from his role at the end of his contract in March next year. I would like to thank Rob for the contribution he has made, and continues to make, to MTN. The board expects to conclude the succession process during the year, enabling a seamless handover.

They say if you want to go fast, go alone, but if you want to go far, go together. For 25 years MTN has worked side by side with communities across its footprint. In the next 25 years, we see closer collaboration and greater shared value as MTN works to further the UN Sustainable Development Goals. It will do this by promoting investment and economic growth through greater digital and financial inclusion, enhancing sustainable societies by conducting business ethically and responsibly, and ensuring eco-responsibility by using natural resources conservatively.

I look forward to being part of that journey and would like to thank MTN’s stakeholders everywhere for their continued support.

Mcebisi Jonas
Chairman
Q & A with the CEO

How do you see the progress of the group over the last few years?

MTN’s evolution in the last three years has been very encouraging. In 2017, we launched our BRIGHT strategy, providing a clear compass for all MTN’s people. It defines the areas we need to focus on to build our business sustainably and create greater shared value. BRIGHT is an integrated, holistic framework that addresses all the key areas of the business from customer experience and employee engagement to reputation, risk management, commercial strategy and financial returns.

The delivery on BRIGHT has been heartening. We have accelerated our commercial momentum, improved our operations, overcome many challenges and delivered on our key priorities.

In the space of three years, we have added 34 million customers to our network, ramped up the number of active data users by 26 million and brought 13 million more people into our active MoMo base. This has been facilitated by our accelerated network expansion: in the past 36 months, 106 million more people in the MTN footprint have access to our data coverage, bringing the total to 481 million.

Leadership in NPS, which measures customer experience and is a leading indicator of growth, has also accelerated. In 2017, MTN was the number 1 network in three markets and by 2019 that had grown to 12 markets. Most MTN operations have also won market share. Driven to deliver a network that is second to none, we have also sharply improved our network NPS. In 2019, MTN boasted #1 network NPS in 14 markets – up from seven in 2017.

Relationships with stakeholders across our markets have improved. Employee motivation in particular has shown steady increases in sustainable engagement measured in our annual group culture audit to our highest score yet in 2019. We have also had a strong drive to enhance and standardise our stakeholder engagement strategy across our footprint.

As the chairman notes, ours are complex and dynamic markets. Since 2017, we have resolved a number of significant challenges, including the dividend and tax issues in Nigeria and a number of licence issues across the markets.

We also made progress on many strategic projects. These include the initial public offering and listing of MTN Ghana on the Ghana Stock Exchange in 2018, and the listing of MTN Nigeria on the Nigerian Stock Exchange in 2019. More recently, we have also unlocked value from our portfolio, securing R14 billion in asset realisations.

Alongside these achievements, we have reported stronger financial results. In 2019, service revenue grew by 9.8%, closing in our medium-term target of double-digit growth, from a rate of 7.2% in 2017. For details of our financial performance in 2019, see the CFO’s Q&A overlap.

Tell us about MTN’s #GoodTogether campaign.

In its 25 years, MTN Group has been a significant contributor to the economies and communities in which we operate. MTN is truly a ‘for good company’ our core business makes a real difference: connecting people, facilitating economic activity, investing in state-of-the-art infrastructure and creating employment opportunities. We also contribute significantly to the national revenues of the countries within which we work. In 2019 our total tax contribution was R30.5 billion.

These are the outcomes of the work we do each day. It is the collective, positive impact MTN people make and of which we can all be proud. #GoodTogether showcases the good that we do: how we are changing lives by improving digital access, driving financial inclusion, empowering and enabling SMEs, creating jobs and getting involved in broad community development initiatives, among many others.

We are committed to operating a business that is sustainable over the long term. The global telecommunications industry has contributed significantly to the UN’s Sustainable Development Goals, and we recognise that still more needs to be done to bridge the digital divide. MTN is committed to playing its part.

You are a member of South Africa’s Presidential Commission on the Fourth Industrial Revolution (4IR). What does this mean for MTN and how does it fit with the group’s digital operator ambition?

It is a great privilege to be included in this important mandate, which is to ensure that South Africa is ready for the future. Part of the work of the commission is to identify policies, strategies and plans needed to position South Africa as a leader in the evolution and development of 4IR. This is very clearly aligned to MTN’s core belief, which is that everyone deserves the benefits of a modern connected life.

We are working to move our customers from a voice-centric world into the world of mobile data, digital services and financial services. Our growth depends on that transition, connecting people to the power of the internet and connecting them to the economy through financial services.

So, it is clear to see the synergies between what we at MTN do and what the Presidential Commission is aiming for.

Digital inclusion, financial inclusion, fourth industrial revolution: these are central topics for the countries we call home. It is inspiring for MTN that we have such alignment between what we need to achieve commercially to succeed, what the real needs of the people in our markets are and what governments are setting out as their objectives. All these are aligned to our ambition to become a digital operator.

So how is MTN doing in becoming a digital operator?

We are making good progress, focused on our goal of achieving the magic ‘300, 200, 100’ targets. This means a customer base of 300 million, 200 million of whom are active data users and 100 million of whom are digital and Mobile Money users.

In 2019, we had 251 million subscribers, 95 million active data users and 35 million MoMo users, so we are moving towards our goal.

MTN operates at the intersection of three significant trends in the industry – that of the evolving telco, the fintech player and the digital player (see page 03). By building the digital operator, we can access six distinct pools of revenue – voice, data, digital, fintech, enterprise and wholesale – by harnessing the key advantages of our mobile networks, extensive distribution and customer registration processes.

Among the main features of our performance in 2019 in support of our digital operator ambition were:

- The additional 18.2 million subscribers and 16.6 million active data users we serve.
- The 7.5 million new active MoMo users we added.
- The US$96.1 billion worth of transactions we processed, at a rate of 9 200 transactions per minute.
- The launch of MoMo in South Africa and Afghanistan, bringing to 16 the number of markets in which we offer these services.
- The securing of a super-agent licence in Nigeria and the 108 000 registered agents we have in that market.
- The expansion of our MusicTime music streaming service to six markets.
- The launch of our instant messaging platform, Ayoba in March 2019 and its expansion to 12 markets and 2 million monthly active users.
What is the outlook for 2020?

As I write, markets across the world are extremely volatile and commodity prices are sliding as panic sets in over the impact of the COVID-19 outbreak on economic activity. While we acknowledge the potential impact of the outbreak on our operations, we continue to monitor developments and are working on contingency plans to mitigate this. The work we have done on strengthening our operations and balance sheet over the last few years will stand us in good stead in a more turbulent operating environment.

Given the progress and momentum we have seen in our commercial, financial and strategic initiatives, we have enhanced our medium-term guidance framework. While we maintain our service revenue, EBITDA margin, capex intensity and ROE targets and capex objectives, we have increased our targets for the next three to five years to secure at least a further R25 billion in asset realisations. We have further revised our medium-term holdco leverage target ratio to ‘below 2,0x’.

Inspired to harness the pioneering spirit that has built MTN over the last 25 years, we remain committed to delivering on our strategy in a more agile way in close collaboration with our many partners, with whom we are #GoodTogether.

We are doing it Bolder. Faster. Together. This is our theme for 2020:
The group delivered a solid set of results for the year, how do you see MTN’s financial performance evolving?

In 2019 we delivered growth and unlocked value by continuing to focus on executing on our BRIGHT strategy. We recorded an encouraging increase in group service revenue of 9,8%, just within reach of our target for the medium term of growth in double digits. We met our guidance of improving EBITDA margins, expanding our EBITDA margin to 42,3%, as well as of reducing our capex intensity, which moderated to 17,5%.

Service revenue growth was supported by growth in voice (4,2%), data (22,4%), fintech (27,0%) and wholesale revenue (63,2%), which was delivered despite challenging macroconditions particularly in South Africa and the Middle East.

Intent on ensuring we have a world-class network, we invested capex of R26 billion^ to achieve full planned roll-out, through a lower-than-guided capex envelope. This was enabled by our smart capex approach and unit price reductions, supporting the lower capex intensity.

We rolled out a total of 5 795 3G and 10 895 4G sites. We are particularly pleased to see operating cash flows growing by 59% over the period.

We delivered approximately R14 billion of asset realisations within the first 12 months of our three-year asset realisation programme (ARP), comparing favourably with our overall target for the period of R15 billion. Among other notable strategic project achievements in the year were the listings of MTN Nigeria on the Nigerian Stock Exchange and Jumia, our e-commerce venture, on the New York Stock Exchange.

In the second half of the year, the ARP was boosted by the finalisation of the necessary processes to redeem MTN Nigeria’s preference shares as well as the conclusion of an agreement to dispose of our 49% equity holdings in ATC Ghana and ATC Uganda. As a result of the significant progress towards meeting our ARP target, we have further enhanced our guidance to approximately R25 billion in asset realisations over the medium term. Making progress with the asset realisations will materially transform the balance sheet, increasing the financial flexibility we have while being true to our capital allocation priorities.

Improving our return on equity (ROE) is another important goal. This increased to 14,3% from 11,5% in December 2018 on an IAS 17 basis, supported by the EBITDA improvement. Taking into account the adoption of IFRS 16, ROE was up at 12,8%.

Over the medium term we will continue to drive value creation using our financial framework. We will grow service revenue by leveraging our strong market positions and benefiting from the demographic dividend and low levels of internet adoption in our markets to grow subscribers and voice revenue and expand data, fintech and digital revenue. We will target continued growth in EBITDA at a higher rate than that of service revenue and a further reduction in capex intensity through price unit efficiencies and our smart capex approach.

Q & A with the CFO

**Q**

MTN made good progress on further strengthening the balance sheet, tell us your plans around MTN’s leverage metrics?

**A**

In 2019, gearing on a consolidated basis was at 1,3x, which compares well with that of our emerging market peers. However, the holding company (holdco) leverage is the one on which MTN focuses and guides as its financing costs and redemptions depend on resources from the operating subsidiaries.

We reduced our holdco leverage to 2,2x in 2019 from 2,3x in 2018 and well within our target range of 2,0x to 2,5x. This demonstrates our commitment to derisking the balance sheet and allowing for a more conservative gearing profile at a time when markets and returns are volatile. It also places us in a good position to take advantage of potentially attractive and value-accruative opportunities. Accordingly, we have enhanced our medium-term target for holdco leverage to below 2,0x.

At the end of 2019, our holdco net debt was R55,3 billion, down more than R2 billion to the lowest level since 2016 and positively impacted by the stronger closing rate of the rand. From 8,3% in 2018, our average cost of debt increased to 9,9% on an IFRS 16 basis and 8,7% on an IAS 17 basis.

Progress on the ARP allowed us to delever through a reduction of US dollar-denominated debt, improving our mix of debt. At year-end, 50% of our head office borrowings were denominated in hard currency, compared with 51,6% at the end of 2018.

By continuing to focus on optimising our rand/dollar holdco debt currency mix we will derisk our forex exposure on our holdco debt portfolio. We will also continue to maximise, where possible, non-recourse debt in our operations with a focus on matching the currency of earnings with the currency of liabilities as a way to reduce forex risk.

Proceeds from the enhanced ARP will support further improvements in holdco leverage over the next three years.
Please provide an update on the capital allocation priorities over the medium term?

Our capital allocation remains clear, our first priority is organic growth: we want to invest in our networks and are confident that we can maintain and even improve our second-to-none network ambition with a capex profile that will moderate over time.

Secondly, we are focused on bringing down the leverage to lower than 2.0x. We will do this in part by ensuring the operations gear up where they can.

As a third priority, we focus on distributions to shareholders: we want to make regular distributions that grow at 10% to 20% per annum.

Fourthly, we will consider potential selective mergers and acquisitions, but for these we have very strict risk and financial criteria: if a very attractive opportunity came along we would apply our minds about whether it could change the structure of the portfolio and mitigate and reduce risk.

The final consideration is of share repurchases and special dividends, which would only be considered when all other capital allocation priorities have been met.

Options to reduce holdco debt and optimise debt mix:

- Improvement of the opcos’ EBIT and free cash flow development
- Upstreaming cash from the opcos
- Moderating capex to support operating cash flow growth
- Realising at least a further R25bn from the ARP in the medium term
- Targeting 60% rand holdco debt in the medium term.

How are you managing risks and forex exposure?

In 2018, we enhanced our risk management model, separating the second and third lines of defence. The second line is made up of risk and compliance functions, while the third comprises internal audit and forensic functions. In 2019, we implemented a revised second and third-line assurance model, with structures that promote greater independence of third-line assurance and increased internal consultancy capabilities of the second-line risk and compliance function.

As part of our work to continuously enhance our risk management culture across all levels of decision making, in 2019 we improved the risk appetite framework, with the refinement of the principle risk universe, key risk indicators and tolerance levels. We give details of our board-approved group risk preferences on page 26.

Proactive, forward looking risk management is essential, and in 2019 we stepped this up, incorporating catastrophic scenario planning exercises into the process.
Looking ahead, what are the focus areas for 2020?

For 2020, we will continue with the momentum that we have gathered over the past three years, executing on our BRIGHT strategy to create greater shared value for all our stakeholders. We will focus on key strategic projects within the ARP, one of them being the initial public offering of MTN Nigeria, which is in line with our commitment to broaden local ownership and increase the free float to 35% over time, market conditions being appropriate.

Our financial framework, informed by our investment case, will result in an improvement in the earnings and cash flow growth profile over time and a growing dividend.

We will further strengthen the balance sheet, reducing gearing through cash upstreaming and acceleration of asset realisations. We will also further improve risk control and compliance.

A big theme for the year ahead is efficiency. We are absolutely committed to running our business in the most efficient way possible. We now have a cost transformation programme running across the markets. We also have a lot of work going into technology, particularly as we modernise our billing and ERP systems as well as our core technology systems, and also focus on digital transformation within the business.

### Capital allocation priorities:

<table>
<thead>
<tr>
<th>01 Organic growth</th>
<th>Invest in capex to improve network, drive EBITDA and cash flow generation. Target capital intensity of 20% to 15% (pre-IFRS 16).</th>
</tr>
</thead>
<tbody>
<tr>
<td>02 Stabilise leverage</td>
<td>Target holdco leverage of below 2,0x.</td>
</tr>
<tr>
<td>03 Return cash to shareholders</td>
<td>Distribute profits in line with our progressive dividend policy, which targets medium-term growth of 10% to 20% off a base of 500 cents per share in 2018.</td>
</tr>
<tr>
<td>04 Selective mergers and acquisitions</td>
<td>Opportunities aligned to the investment case, subject to strict risk and financial criteria.</td>
</tr>
<tr>
<td>04 Share repurchases or special dividends</td>
<td>Only considered when other capital allocation priorities have been met.</td>
</tr>
</tbody>
</table>
**Key financial tables**

**Selected financial results information**

Delivered continued service revenue and EBITDA growth; improved earnings contribution from associates

<table>
<thead>
<tr>
<th></th>
<th>2019 IFRS 16 Rm</th>
<th>2019 IAS 17 Rm</th>
<th>2018 IAS 17 Rm</th>
<th>% change reported</th>
<th>% change constant currency*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>151 460</td>
<td>151 460</td>
<td>134 560</td>
<td>12,6</td>
<td>9,7</td>
</tr>
<tr>
<td>Service revenue(^1)</td>
<td>141 830</td>
<td>141 830</td>
<td>125 430</td>
<td>13,1</td>
<td>9,8</td>
</tr>
<tr>
<td>EBITDA(^*) before once-off items</td>
<td>62 922</td>
<td>53 688</td>
<td>46 855</td>
<td>14,6</td>
<td>13,6</td>
</tr>
<tr>
<td>Once-off items</td>
<td>1 170</td>
<td>1 170</td>
<td>1 391</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA(^*)</td>
<td>64 092</td>
<td>54 858</td>
<td>48 246</td>
<td>13,7</td>
<td>13,6</td>
</tr>
<tr>
<td>Depreciation, amortisation and goodwill impairment</td>
<td>(32 800)</td>
<td>(27 037)</td>
<td>(24 670)</td>
<td>9,6</td>
<td></td>
</tr>
<tr>
<td>Net finance cost(^2)</td>
<td>(15 184)</td>
<td>(9 416)</td>
<td>(8 331)</td>
<td>13,0</td>
<td></td>
</tr>
<tr>
<td>Hyperinflationary monetary gain</td>
<td>787</td>
<td>722</td>
<td>290</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of results of associates and joint ventures after tax</td>
<td>705</td>
<td>722</td>
<td>(527)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>17 600</td>
<td>19 849</td>
<td>15 008</td>
<td>32,3</td>
<td></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(6 908)</td>
<td>(7 580)</td>
<td>(5 430)</td>
<td>39,6</td>
<td></td>
</tr>
<tr>
<td>Profit after tax</td>
<td>10 692</td>
<td>12 269</td>
<td>9 578</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(1 729)</td>
<td>(1 907)</td>
<td>(859)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attributable profit</td>
<td>8 963</td>
<td>10 362</td>
<td>8 719</td>
<td>18,8</td>
<td></td>
</tr>
<tr>
<td>EPS (cents)</td>
<td>499</td>
<td>576</td>
<td>485</td>
<td>18,8</td>
<td></td>
</tr>
<tr>
<td>HEPS (cents)</td>
<td>468</td>
<td>545</td>
<td>337</td>
<td>61,7</td>
<td></td>
</tr>
<tr>
<td>Adjusted HEPS (cents)</td>
<td>597</td>
<td>677</td>
<td>552</td>
<td>22,6</td>
<td></td>
</tr>
<tr>
<td>DPS (cents)</td>
<td>550</td>
<td>550</td>
<td>500</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Service revenue excludes device and SIM card revenue

\(^2\) Net finance costs comprise net interest expense, forex losses and interest on Nigeria fine unwind (2019: R189m; 2018: R812m)

\(^*\) Constant currency view is at 2019 rates and is shown in terms of IAS 17.

\(^\star\) 2019 is adjusted for hyperinflation, tower profits, interest on Nigeria fine, gain on dilution of Jumia and profit on disposal of Travelstart and Amadeus

\(^\star\) 2018 is adjusted for hyperinflation, tower profits, interest on Nigeria fine, Cyprus operational results, gain on dilution of IIG and CBN resolution

**Commentary**

- **Service revenue**: Constant currency growth driven by increases in voice (4,2%), data (22,4%), fintech (27,0%), enterprise (8,4%) and wholesale (63,2%) revenue. Digital declined by 39,6%, with Nigeria and Ghana being the main contributors to this.

- **EBITDA**: Driven by strong operational performance and operating leverage.

- **Net finance cost**: Increase was due to an increase in MTN Nigeria’s debt as well as forex losses in South Sudan.

- **Share of results of associates and joint ventures after tax**: Turnaround was the result of higher profit contribution from MTN Irancell, recommencement of equity accounting for Mascom and Jumia no longer equity accounted for.

- **Income tax expense**: Increase in group effective tax rate, driven by higher withholding tax due to increased cash upstreaming, non-deductible expenses in Sudan, deferred tax assets not recognised and a non-taxable gain on dilution when Jumia listed in April 2019.

- **HEPS**: Operational earnings were strong across most markets. Growth shown as a result of the implementation of IFRS 16, as well as adjustments being made to the impairment of the goodwill amount in 2019 and profit on sale of MTN Cyprus in the prior year.
Selected financial position information

Adoption of IFRS 16, uplift in IHS fair value and recognition of MoMo balances

<table>
<thead>
<tr>
<th></th>
<th>2019 Rm</th>
<th>2018 Rm</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment – Other</td>
<td>98 312</td>
<td>100 581</td>
<td>(2,3)</td>
</tr>
<tr>
<td>Right-of-use asset</td>
<td>44 984</td>
<td>–</td>
<td>100,0</td>
</tr>
<tr>
<td>Intangible assets and goodwill</td>
<td>36 866</td>
<td>40 331</td>
<td>(8,6)</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>45 867</td>
<td>42 898</td>
<td>6,9</td>
</tr>
<tr>
<td>Mobile Money deposits</td>
<td>15 315</td>
<td>12 835</td>
<td>19,3</td>
</tr>
<tr>
<td>Other current assets</td>
<td>60 129</td>
<td>57 431</td>
<td>4,7</td>
</tr>
<tr>
<td>Non-current assets held for sale</td>
<td>838</td>
<td>2 759</td>
<td>(69,6)</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>302 311</td>
<td>256 835</td>
<td>17,7</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>86 100</td>
<td>88 226</td>
<td>(2,4)</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>94 280</td>
<td>85 001</td>
<td>10,9</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>46 327</td>
<td>666</td>
<td>100,0</td>
</tr>
<tr>
<td>Mobile Money liabilities</td>
<td>15 315</td>
<td>12 835</td>
<td>19,3</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>60 289</td>
<td>70 773</td>
<td>(14,8)</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>302 331</td>
<td>256 835</td>
<td>17,7</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>67 920</td>
<td>64 153</td>
<td>6,9</td>
</tr>
</tbody>
</table>

Commentary

- **Right-of-use asset**: The result of the adoption of IFRS 16.
- **Other non-current assets**: Includes investment in IHS, fair valued at R27bn at year-end.
- **Mobile Money balances**: Recognised in line with changes in accounting policy adopted in 2019.
- **Interest-bearing liabilities**: Increased mainly as a result of new bank debt in Nigeria.
- **Other liabilities**: Decreased after we made the final R4.4bn payment of the SIM registration fine in Nigeria.
## Selected cash flow information

### Higher financing activities in flows as a result of draw downs in Nigeria

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash generated from operations</td>
<td>55 197</td>
<td>40 345</td>
<td></td>
<td>36,8</td>
</tr>
<tr>
<td>Dividends received from associates</td>
<td>550</td>
<td>1 942</td>
<td></td>
<td>(71,7)</td>
</tr>
<tr>
<td>and joint ventures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest (paid)/received</td>
<td>(11 818)</td>
<td>(4 871)</td>
<td>(142,6)</td>
<td></td>
</tr>
<tr>
<td>Tax paid</td>
<td>(7 640)</td>
<td>(5 027)</td>
<td>(52,0)</td>
<td></td>
</tr>
<tr>
<td><strong>Cash generated by operating</strong></td>
<td>36 289</td>
<td>32 389</td>
<td></td>
<td>12,0</td>
</tr>
<tr>
<td><strong>activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of property, plant and</td>
<td>(27 040)</td>
<td>(28 196)</td>
<td>4,1</td>
<td></td>
</tr>
<tr>
<td>equipment and intangible assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movement in investments and other</td>
<td>2 498</td>
<td>4 977</td>
<td></td>
<td>(49,6)</td>
</tr>
<tr>
<td>investing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash used in investing activities</strong></td>
<td>(24 542)</td>
<td>(23 219)</td>
<td>(5,7)</td>
<td></td>
</tr>
<tr>
<td>Dividends paid to equity holders of</td>
<td>(9 352)</td>
<td>(11 236)</td>
<td>16,8</td>
<td></td>
</tr>
<tr>
<td>the company</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid to non-controlling</td>
<td>(1 460)</td>
<td>(759)</td>
<td></td>
<td>(92,4)</td>
</tr>
<tr>
<td>interests</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financing activities</td>
<td>6 472</td>
<td>872</td>
<td></td>
<td>NM</td>
</tr>
<tr>
<td><strong>Cash used in financing activities</strong></td>
<td>(4 340)</td>
<td>(11 123)</td>
<td>61,0</td>
<td></td>
</tr>
<tr>
<td><strong>Cash movement</strong></td>
<td>7 407</td>
<td>(1 953)</td>
<td></td>
<td>NM</td>
</tr>
<tr>
<td>Cash and cash equivalents at the</td>
<td>14 967</td>
<td>15 937</td>
<td>(6,1)</td>
<td></td>
</tr>
<tr>
<td>beginning of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of exchange rates and net</td>
<td>(1 382)</td>
<td>1 598</td>
<td></td>
<td>NM</td>
</tr>
<tr>
<td>monetary gain</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash classified as held for sale</td>
<td>615</td>
<td>(615)</td>
<td></td>
<td>NM</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the</strong></td>
<td>21 607</td>
<td>14 967</td>
<td>44,4</td>
<td></td>
</tr>
<tr>
<td><strong>end of the period</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Commentary

- **Cash generated from operations**
  - Impacted by the final payment of R4,4bn in 2019 of the Nigeria SIM registration fine, and higher cash generation from operations.

- **Dividends received from associates and joint ventures**
  - In 2018, this had included the repatriation of dividends from Iran amounting to R1,3bn. No dividends were repatriated from Iran in 2019.

- **Movement in investments and other investing activities**
  - Driven by proceeds from disposal of Travelstart and the sale of the shareholder loan in ATC Ghana joint venture.

- **Other financing activities**
  - Driven by additional debt raised in Nigeria. Also impacted by capital portion of the leases (R3,4bn) that is now included in financing activities as a result of the implementation of IFRS 16.
How we report our numbers

Certain information presented in our results constitutes pro forma financial information. The responsibility for preparing and presenting the pro forma financial information and for the completeness and accuracy of the pro forma financial information is that of the directors of the company. This is presented for illustrative purposes only.

Because of its nature, the pro forma financial information may not fairly present MTN’s financial position, changes in equity, and results of operations or cash flows. The pro forma IAS 17 and constant currency financial information contained in this integrated report has been reviewed by the group’s external auditors and their unmodified limited assurance report prepared in terms of ISAE 3420 is available for inspection at the company’s registered office on weekdays from 09:00 to 16:00. The pro forma financial information should not be confused with non-financial information on certain aspects of the business that has been externally assured (and is identified by [85]).

Certain financial information presented in these consolidated financial results has been prepared excluding the impact of hyperinflation and goodwill and asset impairments, tower profits, the Nigerian regulatory fine (consisting of the remeasurement impact when the settlement was entered into and the finance costs recognised as a result of the unwind of the initial discounting of the liability), gain on dilution of Jumia, impairment of investment in MEIH, gain on Travelstart disposal and impact of the adoption of IFRS 16 ("the pro forma adjustments") and constitutes pro forma financial information to the extent that it is not extracted from the segment disclosure included in the audited summary group financial statements for the year ended 31 December 2019.

This pro forma financial information has been presented to eliminate the impact of the pro forma adjustments from the consolidated financial results to achieve a comparable YoY analysis. The pro forma adjustments have been calculated in terms of the group accounting policies disclosed in the consolidated financial statements for the year ended 31 December 2019, except for the changes in accounting policies as a result of the adoption of the accounting standards effective 1 January 2019.

Constant currency information has been presented to illustrate the impact of changes in currency rates on the group’s results. In determining the change in constant currency terms, the prior financial reporting period’s results have been adjusted to the current period average exchange rates determined as the weighted average of the monthly exchange rates. The measurement has been performed for each of the group’s currencies, materially being that of the US dollar and Nigerian naira. The constant currency growth percentage has been calculated based on the prior year constant currency results compared to the current year results. In addition, in respect of MTN Irancell, MTN Sudan, MTN South Sudan and MTN Syria, the constant currency information has been prepared excluding the impact of hyperinflation. The economies of Sudan, South Sudan and Syria were assessed to be hyperinflationary for the period under review and hyperinflation accounting was applied.

For detailed annual financial statements, please refer to our website.
Key features of 2019

- Considered the activities of the risk committee in as far as monitoring of regulatory risk and macro matters are concerned, this because of our responsibility with regards the impact of these matters on the control environment.
- Completed the process to split and separately define the function of internal audit and forensic services from that of risk management and compliance.
- Conducted various business process deep-dive initiatives to analyse people, systems and process design in the financial control environment. This led to initiatives to strengthen internal financial controls and reinforced a culture of compliance.
- Adopted IFRS 16 and considered the appropriateness of the disclosure of its impact on the 2019 interim and annual results.
- Considered the appropriateness of the change in the accounting policy with respect to the recognition and classification of Mobile Money balances.
- Considered the appropriateness of accounting treatment and disclosures with respect to transactions concluded, Cell C recognition of revenue, legal and uncertain tax exposures and impairment assessments.
- Concluded a tender process for new auditors, in line with mandatory audit firm rotation regulations. We will recommend for shareholder approval at the AGM that Ernst & Young be appointed as one of the new group joint auditors, replacing SNG Grant Thornton for 2021.

Key focus areas for 2020

- Evaluate progress and independent assessment of the implementation of the group’s cloud-based enterprise resource planning system that is expected to improve the overall internal financial control environment.
- Monitor the process to manage the operational risks and strengthen compliance programmes across the group, with a special focus on fintech, data privacy and subscriber ‘know your customer’ requirements.
- Evaluate the rollout of enhanced policies, systems and processes on areas such as credit and treasury management.
- Monitor the rollout of projects to enhance technology controls across the group.
- Monitor progress and evaluate findings from deep-dive process reviews in areas such as procurement and supply chain management, consumer and sales and distribution.
- Review initiatives taken to further enhance the assurance and monitoring capabilities of internal audit and forensic services in context of group’s digital strategy and transformation journey.
- Ensure appropriate planning and transition processes are established for the rotation of audit firms due in 2021.
- Enhance the oversight and evaluation of the external audit function by reviewing audit quality-related indicators of the group’s external auditors against industry benchmarks.

“The group laid the foundation for an improvement in the three lines of defence model by focusing on improvements in key areas of the control environment, separating and redefining the roles of risk management and compliance from those relating to the internal audit function and forensic services, and finalising its recommendations for mandatory audit firm rotation.”

Key focus areas for 2020

- Evaluate progress and independent assessment of the implementation of the group’s cloud-based enterprise resource planning system that is expected to improve the overall internal financial control environment.
- Monitor the process to manage the operational risks and strengthen compliance programmes across the group, with a special focus on fintech, data privacy and subscriber ‘know your customer’ requirements.
- Evaluate the rollout of enhanced policies, systems and processes on areas such as credit and treasury management.
- Monitor the rollout of projects to enhance technology controls across the group.
- Monitor progress and evaluate findings from deep-dive process reviews in areas such as procurement and supply chain management, consumer and sales and distribution.
- Review initiatives taken to further enhance the assurance and monitoring capabilities of internal audit and forensic services in context of group’s digital strategy and transformation journey.
- Ensure appropriate planning and transition processes are established for the rotation of audit firms due in 2021.
- Enhance the oversight and evaluation of the external audit function by reviewing audit quality-related indicators of the group’s external auditors against industry benchmarks.
Here we show our performance against each element of our BRIGHT strategy in 2019, including the performance against specific KPIs of executives with the primary responsibility for delivering on BRIGHT. The remuneration of all executives is dependent on their delivery, to differing degrees, on BRIGHT. For our future focus of each BRIGHT element, see pages 48 to 59. For remuneration see from page 72.

### How we measure success – Our 2020 aspiration

<table>
<thead>
<tr>
<th>B</th>
<th>R</th>
<th>I</th>
<th>G</th>
<th>H</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B</strong>: Lead market NPS</td>
<td><strong>R</strong>: Adjusted ROE</td>
<td><strong>I</strong>: Grow share</td>
<td><strong>G</strong>: Achieve 200 million data subscribers</td>
<td><strong>H</strong>: Lead market in employee NPS and improve employee engagement</td>
<td><strong>T</strong>: Lead market in network NPS</td>
</tr>
<tr>
<td><strong>B</strong>: Achieve best brand in markets</td>
<td><strong>R</strong>: Improve EBITDA margin</td>
<td><strong>I</strong>: Growing voice revenue</td>
<td><strong>G</strong>: Achieve 100 million digital subscriptions, including 60 million for MoMo</td>
<td><strong>H</strong>: Enhance reputation</td>
<td><strong>T</strong>: Increase population coverage</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>How we measure success – Our 2020 aspiration</th>
<th>Performance in 2019</th>
<th>Performance in 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B</strong>: Lead market NPS</td>
<td>#1 in 12 markets</td>
<td>#1 in 9 markets</td>
</tr>
<tr>
<td><strong>B</strong>: Achieve best brand in markets</td>
<td>#1 in 12 markets</td>
<td>#1 in 7 markets</td>
</tr>
<tr>
<td><strong>R</strong>: Adjusted ROE</td>
<td>14,3% (12,8% on IAS 17)</td>
<td>11,5%</td>
</tr>
<tr>
<td><strong>R</strong>: Improve EBITDA margin</td>
<td>42,3% (35,5% on IAS 17)</td>
<td>34,3%</td>
</tr>
<tr>
<td><strong>R</strong>: Stabilise leverage</td>
<td>Holdco leverage 2,2x</td>
<td>Holdco leverage 2,3x</td>
</tr>
<tr>
<td><strong>I</strong>: Grow market share</td>
<td>44,2%</td>
<td>43,4%</td>
</tr>
<tr>
<td><strong>I</strong>: Growing voice revenue</td>
<td>Enterprise: 8,4%* Wholesale: 63,2%*</td>
<td>Enterprise: 8,4%* Wholesale: 63,7%*</td>
</tr>
<tr>
<td><strong>I</strong>: Grow enterprise and wholesale revenue</td>
<td>95 million active data users</td>
<td>79 million active data users</td>
</tr>
<tr>
<td><strong>I</strong>: Achieve 200 million data subscribers</td>
<td>35 million MoMo users 2 million Ayoba monthly active users</td>
<td>27 million MoMo users</td>
</tr>
<tr>
<td><strong>G</strong>: Achieve 200 million data subscribers</td>
<td>80% employee sustainable engagement score 72% quality of engagement, 73% responsiveness, 74% relationship health</td>
<td>78% employee sustainable engagement score</td>
</tr>
<tr>
<td><strong>G</strong>: Achieve 100 million digital subscriptions, including 60 million for MoMo</td>
<td>100% BRM index</td>
<td>Was not measured</td>
</tr>
<tr>
<td><strong>H</strong>: Lead market in employee NPS and improve employee engagement</td>
<td>Implement a revised second and third-line assurance model structures to promote greater independence</td>
<td>Separated second- and third- lines of defence</td>
</tr>
<tr>
<td><strong>H</strong>: Enhance reputation</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>H</strong>: Ensure effective risk and compliance practices</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>T</strong>: Lead market in network NPS</td>
<td>#1 in 14 markets</td>
<td>#1 in 9 markets</td>
</tr>
<tr>
<td><strong>T</strong>: Increase population coverage</td>
<td>3G: 77% and 4G: 46%</td>
<td>3G: 68% and 4G: 33%</td>
</tr>
<tr>
<td>Main executive KPIs in 2019</td>
<td>Executives with primary responsibility</td>
<td>Performance against main KPIs*</td>
</tr>
<tr>
<td>----------------------------</td>
<td>---------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>• High volume journey implementation</td>
<td>Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Ferdi Moolman and Godfrey Motsa</td>
<td>118%</td>
</tr>
<tr>
<td>• Brand health index</td>
<td>Rob Shuter, Jens Schulte-Bockum, Ebenezer Asante, Karl Toriola, Ismail Jaroudi</td>
<td>72%</td>
</tr>
<tr>
<td>• Pro-customer positioning</td>
<td>Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Ferdi Moolman and Godfrey Motsa</td>
<td>120%</td>
</tr>
<tr>
<td>• Cash upstreaming</td>
<td>Ralph Mupita, Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Ferdi Moolman, Godfrey Motsa</td>
<td>96%</td>
</tr>
<tr>
<td>• Raising opco debt</td>
<td>Ralph Mupita</td>
<td>120%</td>
</tr>
<tr>
<td>• Improve adjusted ROE / ROIC</td>
<td>Rob Shuter, Ralph Mupita / Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Ferdi Moolman, Godfrey Motsa</td>
<td>120% / 88%</td>
</tr>
<tr>
<td>• Subscriber growth</td>
<td>Rob Shuter, Jens Schulte-Bockum, Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Paul Norman, Lele Modise, Felleng Sekha, Ferdi Moolman, Godfrey Motsa</td>
<td>103%</td>
</tr>
<tr>
<td>• Enterprise programme</td>
<td>Rob Shuter, Jens Schulte-Bockum, Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Ferdi Moolman, Godfrey Motsa</td>
<td>99%</td>
</tr>
<tr>
<td>• Wholesale programme</td>
<td>Rob Shuter, Jens Schulte-Bockum, Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Ferdi Moolman, Godfrey Motsa</td>
<td>111%</td>
</tr>
<tr>
<td>• Active data subscribers</td>
<td>Rob Shuter, Ralph Mupita, Jens Schulte-Bockum, Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Paul Norman, Lele Modise, Felleng Sekha, Ferdi Moolman, Godfrey Motsa</td>
<td>69%</td>
</tr>
<tr>
<td>• Rich-media subscriptions</td>
<td>Rob Shuter, Jens Schulte-Bockum, Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Ferdi Moolman, Godfrey Motsa</td>
<td>95%</td>
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<tr>
<td>• Active MoMo subscribers</td>
<td>Rob Shuter, Jens Schulte-Bockum, Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Ferdi Moolman, Godfrey Motsa</td>
<td>65%</td>
</tr>
<tr>
<td>• Smartphone growth</td>
<td>Jens Schulte-Bockum, Ferdi Moolman, Godfrey Motsa</td>
<td>107%</td>
</tr>
<tr>
<td>• Employee sustainable engagement</td>
<td>Rob Shuter, Ralph Mupita, Jens Schulte-Bockum, Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Paul Norman, Lele Modise, Felleng Sekha, Ferdi Moolman, Godfrey Motsa</td>
<td>83%</td>
</tr>
<tr>
<td>• Employee diversity</td>
<td>Rob Shuter, Ralph Mupita, Jens Schulte-Bockum, Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Paul Norman, Lele Modise, Felleng Sekha, Ferdi Moolman, Godfrey Motsa</td>
<td>104%</td>
</tr>
<tr>
<td>• Regulatory risk management</td>
<td>Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Felleng Sekha</td>
<td>111%</td>
</tr>
<tr>
<td>• Reputational risk management</td>
<td>Rob Shuter, Felleng Sekha</td>
<td>110%</td>
</tr>
<tr>
<td>• Stakeholder management</td>
<td>Rob Shuter, Ralph Mupita, Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Felleng Sekha</td>
<td>120%</td>
</tr>
<tr>
<td>• Effective risk and compliance practices</td>
<td>Ralph Mupita, Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Ferdi Moolman, Godfrey Motsa</td>
<td>107%</td>
</tr>
<tr>
<td>• Improve control environment</td>
<td>Rob Shuter, Ralph Mupita, Jens Schulte-Bockum, Paul Norman, Lele Modise, Felleng Sekha</td>
<td>108%</td>
</tr>
<tr>
<td>• Legal counsel</td>
<td>Lele Modise</td>
<td>115%</td>
</tr>
<tr>
<td>• Network NPS</td>
<td>Jens Schulte-Bockum, Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Ferdi Moolman, Godfrey Motsa</td>
<td>114%</td>
</tr>
<tr>
<td>• Population coverage</td>
<td>Jens Schulte-Bockum, Ebenezer Asante, Karl Toriola, Ismail Jaroudi, Ferdi Moolman, Godfrey Motsa</td>
<td>110%</td>
</tr>
</tbody>
</table>

* An average of the scores achieved by the executives responsible for delivering on these KPIs
Best customer experience

Improving brand awareness and customer service

At MTN, understanding customer perception is critical to profiling the best customer journey. A happy customer translates into a profitable business. We attain the best customer brand and market leader position by providing quality services and being customer centric in all our endeavours.

2019 performance

We achieved NPS leader position in 12 markets (from nine in 2018) and #1 brand health tracker position also in 12 markets.

This was the result of numerous initiatives, including the redesign of our five most frequent customer journeys across our markets to make them more customer friendly based on the principles of EPIC (easy, personal, in-control and connected).

We also adopted a customer-driven approach of self-service, leveraging digitisation in MTN South Africa and MTN Nigeria. Our increased investments in infrastructure and other capabilities were also aimed at further improving customer service and we made good progress on our work to select customer-facing technology partners for bot and AI assistants.

We launched our #GoodTogether campaign, aimed at changing the narrative about MTN by outlining the contribution we make together in creating brighter lives across our markets. We partner with the people we serve and we are so much more than a business that does good, we are intrinsically a ‘good business’, meaning that everything we do, whether it be our network rollout, our value proposition design, our customer experience focus, our product and services innovation, everything is done to enhance and uplift the lives of the communities and markets we serve.

#1 NPS in:

- Afghanistan
- Cameroon
- Congo-Brazzaville
- Ivory Coast
- Guinea-Bissau
- Iran
- Nigeria
- Rwanda
- South Sudan
- Sudan
- Uganda
- Zambia

I find it easy to get things done with MTN
My service offer perfectly fits my personal needs
I stay in-control and get great value for money
My connection is second to none

2019 main KPIs

- High volume journey implementation
- Brand health index
- Pro customer positioning
Future focus

- Continue to improve our analytical and digital approach to customer experience, enhancing our data-driven understanding of customers. This involves rolling out our ‘voice of the customer’ platform as well as various programmes to gain greater customer insights. By doing this, we will enable MTN to provide the **right services to the right customers via the right channels**.

- Empower our customers using digitisation and technology by providing **standardised self-service options** using customer-facing technology like automation, bots and predictive models (AI assistants).

- Improve our **brand preference** by planning effective campaigns, enhancing digital marketing capabilities and clarifying brand architecture.
Returns and efficiency focus

Translating improved operational performance into returns

We are clear on what we are asked to deliver returns to shareholders while remaining a responsible corporate citizen. When it comes to efficiency, we need to make sure that we extract the benefits of scale in each of our operations, but also leverage the power of MTN Group.

2019 performance

Solid operational execution and commercial momentum across most of our operations resulted in a **9,8% increase in service revenue**, closing in on our medium-term target of double-digit growth, and a **13,6% increase in EBITDA**, despite challenging trading conditions. The group’s **EBITDA margin improved** by 1,2pp and we reduced capex intensity to 17,5%.

Return on equity increased to 14,3% from 11,5% in December for 2018, supported by the improvement in our service revenue performance and operational leverages.

We delivered a pleasing **R14bn in our ARP**, ahead of our medium-term guidance of R15bn over three years. This was boosted by the finalisation of the necessary processes to redeem MTN Nigeria’s preference shares as well as concluding an agreement to dispose of our 49% equity holdings in ATC Ghana and ATC Uganda. **MTN Nigeria listed** on the Nigerian Stock Exchange in the year.

Our holding company **leverage improved** slightly to 2,2x from 2,3x in 2018 and supported by the proceeds of the ARP. If we include the proceeds from the ATC disposals, received in early 2020, the holdco leverage reduces to 1,9x.

We made **progress on reducing our holdco net debt**, improving the mix of debt, and continued to work to optimise the debt capacity of operations, securing facilities in markets including Nigeria and Ivory Coast.

Enhanced medium-term guidance

<table>
<thead>
<tr>
<th>Service revenue</th>
<th>Group Double-digit growth</th>
<th>South Africa Mid-single-digit growth</th>
<th>Nigeria Double-digit growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA margins</td>
<td>Improving margins</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group capex intensity</td>
<td>Reducing intensity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset realisation</td>
<td>&gt; R25 billion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holdco leverage</td>
<td>≤ 2,0x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted ROE</td>
<td>Improving to &gt; 20% from 11,5% in 2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend</td>
<td>Growing 10% to 20% per year</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Future focus

- Delivering more than R25bn from our ARP, which aims to simplify our portfolio, reduce risk and improve returns.
- Realise our enhanced medium-term guidance of:
  - double-digit growth in group service revenue
  - improving EBITDA margins
  - reduced capex intensity measured on an IFRS 16 basis
  - holdco leverage to below 2.0x
  - dividend growth of 10% to 20% per year
  - improved adjusted ROE to more than 20%
- Extend our localisation programmes, including a public offering of MTN Nigeria.

- Service revenue 9.8%*
- EBITDA 13.6%*
- Capex intensity 17.5%

Achieved R14bn of asset realisations

Improved holdco leverage to 2.2x and declared dividend of 550 cps up 10%
Ignite commercial performance

Sustaining voice growth, indexing up in enterprise and leveraging our wholesale business

For MTN, this encompasses creating and optimising natural business opportunities in voice, enterprise and wholesale to grow group revenue and enhance our commercial performance.

2019 performance

We added 18,2m subscribers to a total of 251m subscribers and increased voice revenue by 4,2%* to R82,1bn, recording a 5% increase in minutes of use per subscriber. Our customer value management initiatives contributed 3,1% in Nigeria to voice revenue. We removed legacy tariff plans and used regional pricing to increase adoption and usage.

Enterprise revenue increased by 8,4%* to R13,3bn, supported by growth of 22%* by MTN Nigeria and a stabilisation in the performance of the enterprise business in MTN South Africa. We built solid partnerships with key software players and implemented a customised ‘MTN way of selling’. Another highlight in the year was the establishment of a minimum viable enterprise product portfolio.

Wholesale revenue accelerated by 63,2%* to R4,7bn, driven by national roaming contracts for MTN South Africa, and solid growth in MTN GlobalConnect where we signed up more key customer accounts and grew our application-to-person messaging services through the Y’elloConnect platform. GlobalConnect won the ‘Best African Wholesale Operator’ award at the Telecom Review Summit.

2019 main KPIs

- Subscriber growth
- Enterprise programme
- Wholesale programme

Subscribers by country and region:

- South Africa 11,5%
- Nigeria 25,6%
- SEAGHA 19,3%
- WECA 14,4%
- MENA 29,2%

251m subscribers
Future focus

- Further segment our voice value propositions, focused especially on the home segment
- Build and drive the adoption of direct and digital channels
- Expand enterprise product portfolio and channels, especially direct sales capability, while strengthening enterprise teams
- Expand MTN GlobalConnect by increasing fibre footprint between and within countries, and ensuring a lean operating model and agile organisation.
Growth through data and digital

Driving consumer data, accelerating digital to grow revenue, rapidly scaling fintech and building a fintech ecosystem

Driven to deliver on our ambition, we are extending digital and financial inclusion across our markets. Higher data adoption is a critical enabler of success as we connect the unconnected, making the most of this rapid internet adoption to offer a wide range of digital services, including instant messaging, social media, music, gaming and video. Success in digital hinges on a strong fintech proposition.

2019 performance

We added 16.6m active data users in the year to a total of 95m and grew data revenue by 22,4%* to R35,1bn. This was supported by greater data affordability, with a reduction on 34% in the group effective rate per megabyte, as well as a 46% increase in average usage to 2,8GB per month across our markets. 3G and 4G population coverage increased sharply (see page 58).

Smartphone penetration continued to rise, with the launch of our own US$20 smartphone supporting the rise to 121m smartphones on our network from 105m in 2018.

The number of active MoMo users increased by 7.5m to 35m, increasing fintech revenue by 27,0%* to R10,1bn. Usage rose to 9,200 transactions a minute, bringing the total transaction value for the year to US$96,1bn.

We recorded good progress in our work to develop the fintech ecosystem, launching agent banking in Nigeria and MoMo in South Africa and Afghanistan. In the year we facilitated US$787m in loans through bank partners, recorded 200 000 active merchants on MoMoPay and had 6,2m insurance policyholders.

Despite a decline of 39,6%* to R2,4bn in digital revenue, we made progress on growing digital uptake. We have now fully implemented VAS optimisations across our markets.

The world’s first time-based music streaming service MusicTime! is now live in six markets, and is also available as an OTT offering.

To make sure that Africa does not miss out on the instant messaging revolution, we launched our own instant messaging platform in March 2019. It is now live in 12 markets, has 2m monthly active users and is also available as an OTT offering.
Future focus

• Continue to focus on our CHASE framework to bridge the digital divide in our markets by making data available and affordable to more customers, and in so doing extend SDGs 8 and 17

• Drive the scaling up of Ayoba, targeting 16m monthly active users

• Continue to drive a range of entertainment offerings by building on MusicTime! to expand offerings to different segments

• Rapidly expand our fintech offering by building MoMo in Nigeria and Sudan, supporting greater financial inclusion

• Accelerate fintech ecosystem growth and innovation through Open API, merchant payments and insurance roll out. Continue to develop platforms that will leverage our connectivity and payment capabilities and foster an ecosystem to help drive local innovation.
Hearts and minds

Building a strong team that is healthy and engaged; maturing our risk and regulatory management and compliance

People are the engine that drive change in every organisation. Highly-motivated employees generate greater productivity, offer better customer service and develop innovative offerings. We work to attract and develop the skills we need to deliver on our digital operator ambition, all the while ensuring the highest standards of ethical behaviour. This strategic pillar also focuses on effective management of risk, compliance and regulatory issues.

2019 performance

Our employee NPS increased by 6% and in our annual group culture survey, we recorded an employee sustainable engagement score of 80%, our highest yet. Both these tell us that MTNers are happy, motivated, have a sense of purpose and feel empowered and supported. Gender diversity was little changed, with women making up 37% of total workforce and 28% of management positions.

MTN is an employer of choice. In Careers in Africa’s 2019 survey, we ranked #1 among telcos and #2 across all industries in 2019. The Forbes 2019 Global World’s Best Employers ranked MTN Group as one of the best 500 global employers.

We embedded the group stakeholder and reputation management framework across our markets. We also commissioned an MTN reputation index survey.

Over 1.9m beneficiaries benefited from MTN’s corporate social investment (CSI) initiatives.

We enhanced our risk framework and methodologies in the year and operationalised the risk appetite framework, giving management greater understanding of risk preference along with key risk indicators to monitor risk tolerance levels. We introduced country risk monitoring and identified catastrophic risk scenarios along with high-level mitigations.

The governance and management of ethics matured across the group, benefiting from our enhanced three lines of defence assurance model. It was supported by greater focus on communicating ethical standards, in particular through the launch of the MTN Group conduct passport and the holding of the MTN fraud and ethics awareness week.

Launched child online protection programme through partnership with Internet Watch Foundation (IWF) and blocked over two million child sexual abuse material based URLs.

2019 main KPIs

- Employee sustainable engagement
- Employee diversity
- Regulatory risk management
- Stakeholder management
- Effective risk and compliance practices
- Improved control environment
- Reputational risk management
- Legal counsel

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**Future focus**

- **Roll out initiatives** to help to identify and grow talent and skills as well as advance the workforce. One area for improvement will be around span of control – where we aim to flatten the MTN hierarchy to improve our ability to effect change and execution.

- **Increase the number of women** in management and ensure greater gender diversity, with at least 1% more women in the workforce and 1.5% more in management in the next two years.

- **Maintain our employee of choice status** across our markets and step up work to digitise our HR processes.

- **Focus continuously on talent management** and succession planning.

- **Embed CSI concept** to enable digital skills development for underserved communities, leaving no one behind.

- **Continue to roll out compliance training** and awareness across our markets and strengthen the centre of excellence for all assurance providers in line with revised structures and roles.

- **Resolve outstanding legal and regulatory issues.**

- **Configure and implement a best-practice governance, risk management and compliance software system**, while continuing to embed our risk appetite and tolerance methodology.

- **Consider the results of an ethics risk assessment**, to be conducted by an independent contractor, and implement appropriate recommendations.

- **Embed child online protection programme** across our markets and encourage users to report using IWF portal.

**Employee** 80% sustainable score

**Embedded group stakeholder and reputation management framework**

37% women
Creating a quality technology platform to enable growth

As we realise our ambition of becoming a digital operator, network strength and IT infrastructure are critical differentiators in gaining and maintaining competitive advantage and effectively connecting the unconnected. We are driven to create a network performance that is second to none as well as IT capabilities that serve the needs of our customers and the business in an agile fashion.

2019 performance

We improved our leadership position in network, recording #1 network NPS in 14 markets, up from 10 markets in 2018. This was achieved by rolling out all the capex planned for the year at R26,3bn. Through our smart capex approach, we delivered more with the same amount, recording a capex intensity drop to 17.5% from 19.3%.

A broader population coverage is part of work to achieve greater digital human rights and is in line with our focus on delivering on a number of UN SDGs, in particular SDGs 10, 11, 16 and 17. In the year, we made good progress in this regard, increasing 3G coverage by 45m people and 4G by 69m people. In Nigeria alone, 4G population coverage increased to 44%, and was available in 123 cities.

The group carried 46% more data traffic in the year and 13% more voice billable minutes. The total number of minutes of use for voice increased by 5%.

MTN Nigeria was the first mobile operator in West Africa to trial 5G.

- **Voice**
  - 17 markets improved 2G dropped call rate and 10 markets improved 2G network availability
  - 15 markets improved 3G dropped call rate and seven markets improved 3G network availability
  - Seven markets improved 4G network availability

- **Data**
  - 15 markets improved 3G download speed; four improved 4G download speed
  - Radio access networks have software features for energy efficiency in most opcos
  - Swapping of base stations from indoor to outdoor units, reducing energy consumption, rental opex and capex

- **Digital Fintech**
  - We are building capabilities to support our digital and fintech platforms. We strengthened our analytics and data management capabilities across our markets. MTN South Africa recognised as having the best mobile network quality by MyBroadband
3G population coverage of 77%
(from 68%)

4G population coverage of 46%
(from 33%)

Future focus

- Continue to expand 3G and 4G coverage
- Acquire and secure spectrum
- Expand opex optimisation projects to drive down costs
- Continue network energy efficiency drive and pilot more renewable energy solutions
- Drive 5G readiness
- Continue to build on enterprise value analytics
- Modernisation of our networks
- Continue to build a world-class network
- Drive smartphone penetration
- Deliver on OXyGEN programme which will carry the evolution of MTN to a digital operator
Governance in action

Value creation through robust governance

The board and group executives continue to provide oversight using a combined assurance model which considers the role of management, control functions, internal and external audit and board committees of the subsidiaries using a simplified governance approach in a complex environment as they strive to create maximum shared value.

They do this by delivering on our purpose and ensuring relevance and sustainability of the business model by monitoring the macro environment, the availability and quantity of capital inputs, and stakeholder needs, all of which inform the group’s strategy. This strategy enables MTN to maintain focus in conducting operations underpinned by good governance and at the same time delivering our financial targets. In 2019, the board sought to implement a more agile decision-making mechanism as it progresses in achieving the vision of becoming a global digital operator.

Our governance philosophy and framework

The board remains committed to good governance and international standards of best practice. It is committed to ensuring an unequivocal tone from the top that requires a commitment by all directors and employees to the values of integrity, transparency and uninterrupted oversight over the company. This is to ensure that MTN monitors and addresses all governance issues within its operating units.

We believe that good governance can contribute to living our values through enhanced accountability, strong risk and performance management, transparency and effective leadership.

MTN is committed to the highest standards of governance, business integrity, ethics and professionalism.

Corporate governance is the cornerstone of our business and ensures that we work responsibly.

Governance structure

Governance at MTN is structured in line with best practice and is substantially cascaded down to subsidiaries across the group. Below we map out the committees of the board and of the exco and their respective chairs.

Group board

Mcebisi Jonas

Board committees

Social and ethics
- Koosum Kalyan (Outgoing)
- Nkululeko Sowazi (Incoming)

Audit
- Christine Ramon

Risk management, compliance and corporate governance
- Peter Mageza

Nominations
- Mcebisi Jonas

Remuneration and human resources
- Alan Harper (Outgoing)
- Khotso Mokhele (Incoming)

Finance (ad hoc)
- Paul Hanratty

Executive committee

Rob Shuter

- Group executive
- Group sourcing*
- Group operations
- Talent review, diversity and inclusion
- Group treasury

* Chaired by an independent non-executive director.

Board committees

The board has delegated its authority to well structured committees with the mandate to deal with governance issues and report back 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. In 2019, the terms of reference of all the board committees were enhanced. The efficiency of their terms was considered, relating to the governance trends; international benchmarks and best practices. The board is satisfied that in 2019 the committees effectively discharged their responsibilities (See the reports of the committee chairmen on pages 20, 25, 45 and 72).

In so doing, the board has committed to fulfilling the following responsibilities:

- Delegating the management of MTN to a competent executive management team
- Ensuring that management define and execute a robust strategy process
- Ensuring MTN’s compliance with appropriate laws and rules and appropriate best practices
- Governing disclosures so that stakeholders can assess the performance of the group
- Protecting the interests of MTN’s stakeholders and ensuring fair, responsible and transparent people practices
- Overseeing the combined assurance and control function and ensuring that it informs management’s development and implementation of the strategy
- Ensuring that innovation remains at the heart of MTN
Board charter – collective responsibilities of the board and delegation of authority

In 2019, we enhanced the board charter, clarifying the role of subsidiaries’ boards and their subcommittees, and setting out more clearly the role of the group chairman as well as the group president and CEO. We revised the delegation of authority to promote greater agility in the decision making process of subsidiaries. We see room for further improvements in the levels of authority within the delegation framework to allow for faster and bolder business activity. We are also redesigning the materiality framework to promote better decision making. These changes will align with clear levels of work and a segregation of powers within management, safeguarding accountability and responsibility.

The roles and duties of the chairman and group president and CEO are separate and clearly defined. This division of responsibilities ensures a balance of authority with no individual having unrestricted decision-making powers. While the board plays an oversight role over the company, the group president and CEO 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. The company’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.

Independence of directors

The majority of MTN board members are independent directors, which is in line with King IV™ requirements. Our lead independent director (LID), is in place to consider, review, evaluate and provide oversight over related-party transactions to ensure transactions are fair and in the best interests of MTN. The LID is appointed to guide the board should a situation arise where the chairman may have a conflict of interest.

Board skills

In the past 12 months, we have evolved the company structure by establishing a non-statutory independent advisory board (page 64) and with the appointment of two additional directors with more African as well as international exposure and specific skills and competitive competencies. After a high-level skills assessment and given the understanding of the skills required to deliver on the strategy, the board is clear that it needs to strengthen its digital and fintech competencies as well as sustainability experience. To address this we have contracted a global player to drive the in-depth analysis of the skills required to deliver on our strategy not only in the medium term, but also long term. All board appointments are conducted through a formal and transparent process in consultation with the Nominations committee.

MTN has a unitary board of 15 directors with skills and experience attributed as follows:

<table>
<thead>
<tr>
<th>Skills and experience (%)</th>
<th>Non-executive directors</th>
<th>Executive directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate governance, general management</td>
<td>19</td>
<td>25</td>
</tr>
<tr>
<td>Science, technology, engineering, operations</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>Banking/financial services</td>
<td>50</td>
<td>25</td>
</tr>
<tr>
<td>Telecommunication/media</td>
<td>19</td>
<td>0</td>
</tr>
<tr>
<td>Strategic/business/leadership</td>
<td>19</td>
<td>0</td>
</tr>
<tr>
<td>Economics/treasury</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>Finance, investment management, accounting</td>
<td>38</td>
<td>0</td>
</tr>
<tr>
<td>Risk management</td>
<td>19</td>
<td>0</td>
</tr>
</tbody>
</table>

The majority of MTN board members are independent directors, which is in line with King IV™ requirements.
Governance in action continued

Board diversity and experience
The group has a unitary board, consisting of executive and non-executive directors who represent a broad spectrum of demographic attributes and characteristics. The diverse perspectives of directors allow for proper strategic oversight as well as robust deliberation during board meetings. The board is focused on improving the representation of women on the board and ensuring that an acceptable number of all races/ages and skills are represented on the board.

Gender
Promote an appropriate balance in the views of the board and to improve the representation of women at MTN. The target is to maintain a minimum of four female board directors.

40% Women
60% Men

Race
Maintain a mix of race and cultures representing the stakeholders in the various communities who interact with the company. MTN target is to maintain >50% of historically disadvantaged members.

1 Indian
3 White
9 Black/Coloured
2 Middle Eastern

Nationality
Solicit ideas from various parts of the world and provide the board with a contemporary and global perspective and MTN maintains an appropriate mix of nationalities.

5 Non-South Africans

Age
Ensure that there is a young and dynamic leadership to complement the experience and institutional knowledge of the seasoned directors. MTN maintains an appropriate mix of ages.

Between 40 – 49 yrs: 8
Between 50 – 59 yrs: 2
Between 60 – 69 yrs: 5

Tenure
Ensure that there is an appropriate mix of institutional knowledge and experience and fresh new perspectives. If >nine years on the board, MTN reviews every year and presents to the shareholders at the AGM for re-election.

Tenure of non-executives
0–3 yrs: 7
3–6 yrs: 5
6–9 yrs: 3
>9 yrs: 0

Board evaluation and director development
The board has embarked on a journey of a board evaluation with a difference. This does not only assess the competencies of each individual director, but also evaluates the board as a whole (a unitary board assessment) on a range of elements, including ethical and effective leadership, culture in 2020. We have stepped up the process by having individual interviews with the board chairman-elect, the LID and LID-elect, as well as the chairmen of the board subcommittees. These interviews were conducted by an independent service provider with international experience in dealing with board dynamics. Subsequently, we will develop a questionnaire that will be unique to MTN, considering the risks and complexity of our markets and the environment in which we operate.

To ensure that all directors are adequately equipped with the latest information relating to the business of MTN, the company endeavours to provide ongoing training related to general management, corporate governance, laws and regulations and best practices. In 2020, we plan to host a comprehensive workshop for independent non-executive directors.

Board commitment to ESG
The board has acknowledged the decline in MTN Group’s position on the JSE FTSE4Good Index from a position in the top 30 to one in the top 100. Reversing this decline is a focus for the social and ethics committee in 2020 and management has already identified areas of improvement that will be afforded priority in 2020.
Engaging with the business on strategic matters

Although the board maintains its independence, it is important for it to have a deep understanding of the business by investigating, monitoring and engaging with management on multiple levels:

- In addition to the two executive board members, the other group exco members, with the board, attend various board committees and engage in strategy sessions.
- The board holds two strategy sessions a year – in April and July. During these sessions, the board debates, reviews and approves the strategy framework, group business plan and relevant risk appetites.
- Management prepares a monthly standardised report for the board. This provides directors with comprehensive information on the performance of the business across the BRIGHT KPIs.
- In recent years, we have increased the level of interaction between the board and our stakeholders. We invite board members to select events and the chairman and the LID hold an annual governance roadshow with investors.

AGM

At our last AGM, the board valued the interaction it had with shareholders looking to see a sustainable company rooted in its strategic intent, including that of being a transformative and responsible corporate citizen. The board continues to listen to its stakeholders and strives to engage appropriately.

Directors’ dealings

The company continued to enforce closed periods prohibiting trading in shares by directors, prescribed officers, 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 and any period when the company is trading under a cautionary announcement. Directors are made aware of their obligations in terms of the JSE Listings Requirements.

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. Following the assessment of the group company secretary, the board has applied its collective mind and is satisfied with the competence, suitability and experience of the group company secretary and believes she is duly qualified for the role. While the role of company secretary has matured in several of our markets, this role needs to be redefined with a blueprint that is relevant to our markets, taking into account the environment in which we operate and our complex market segments. The company secretariat plays a key and gatekeeping role to safeguard the assets of MTN. In 2020 the operating model of the company secretarial functions throughout the group will be presented to the Nominations committee to assess and determine whether the function is adequately resourced and equipped.

Retirement of directors

In line with the Companies Act, MTN’s memorandum of incorporation requires new directors to be subject to an election at the first annual general meeting (AGM) 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 of in excess of nine years retire at every AGM and are re-elected following a review of their independence and objectivity in carrying out their duties. Several directors will be retiring at the AGM as a result of having served on the board for an aggregate period in excess of nine years. This process ensures that shareholders have the opportunity to exercise their vote with regard to whether the MTN board has appointed the most appropriate directors to meet the best interests of the company. The directors who will be retiring at the AGM are set out in the notice to the AGM.

Board and company secretary changes

Resignation and appointment of company secretary

In February 2019, the company announced that Bongi Mtshali had reached the group’s mandatory retirement age and would retire as company secretary for MTN Group and its subsidiaries, with effect from 31 March 2019. Thobeka Sishuba-Bonayo was appointed as company secretary of MTN Group and its subsidiaries with effect from 1 April 2019. The board expressed its appreciation for Bongi’s invaluable contribution during her tenure at MTN Group and wished her well.

Appointment and retirement of directors

On 1 July 2019, the board welcomed Lamido Sanusi and Vincent Rague as independent non-executive directors. Since their appointment, the board has benefited immensely from their wealth of experience, diversity of skills and wide regional experience.

On 15 December 2019, Phuthuma Nhleko stepped down from his position as a director and chairman. This, after overseeing an orderly transition of the board, including the establishment of the international advisory board. Mcebisi Jonas was appointed chairman of the board with effect from 15 December 2019.

Khotso Mokhele assumed the responsibilities of LID with effect from 15 December 2019, following the retirement of LID Alan Harper. Jeff van Rooyen and Koosum Kalyan stepped down from the board on 15 December 2019 after an orderly transition and handover.

Peter Mageza and Dawn Marole will step down from the board effective 30 April 2020.

The company wishes the retiring directors well and expresses its appreciation for their invaluable contribution and dedication to MTN over the years. In the year ahead, the board will continue to focus on deepening the skills and experience of the board.

MTN Group Limited Integrated Report 2019
Our international advisory board
In the year we established an international advisory board (IAB) of eminent persons to counsel, guide and support the MTN Group. Non-statutory in nature and without any fiduciary responsibility, the IAB meets twice a year, assisting the group in further developing telecommunications, connectivity and digital inclusion across Africa and the Middle East.

It shares its perspectives on geopolitical matters which impact on Africa’s and the Middle East’s continued development and assists the group in its work of being a responsible and exemplary corporate citizen, sensitising it to the dynamics of the markets in which it operates.

1. His Excellency President Thabo Mbeki, former President of the Republic of South Africa (chair)
2. His Excellency President John Kufuor, former President of Ghana
3. Dr Aisha Abdullahi, former African Union Commissioner for Political Affairs
4. Dr Mohammed ElBaradei, former Director General of the International Atomic Energy Agency
5. Dr Momar Nguer, President of Marketing & Services Total S.A. (France)
6. Phuthuma Nhleko, former Chairman of MTN Group
Our board of directors

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 its strategy.
Our board of directors

1. Mcebisi Jonas *(Born 1960)*
   Chair of arts
   Independent and non-executive director
   Appointed: 13 May 2019
   Scheduled board attendance: 7/7
   Special board attendance: 4/4
   Board committee membership and attendance:
   Special: 2/2 2/2 2/2 2/2 2/2
   Other directorships: Director of various companies in the MTN Group, Northam Platinum Limited and Syngia Limited. One of President Cyril Ramaphosa’s four independent presidential investment envoys tasked with attracting investors to South Africa.
   Skills, expertise and experience: Risk management, finance, investment management, economics and strategic leadership.

2. Phuthuma Nhleko *(Born 1960)*
   Executive director
   Appointed: 1 June 2013
   Retired: 15 December 2019
   Scheduled board attendance: 7/7
   Special board attendance: 4/4
   Board committee membership and attendance:
   Special: 3/3 2/2 2/2 1/1
   Other directorships: Chairman and non-executive director until 15 December 2019 of MTN Group. BSc (Civil Eng), MBA
   Skills, expertise and experience: Strategic leadership and finance.

3. Rob Shuter *(Born 1967)*
   Executive director
   Group president and CEO
   Appointed: 13 March 2017
   Scheduled board attendance: 7/7
   Special board attendance: 4/4
   Board committee membership and attendance:
   Special: 3/3 2/2 2/2 1/1
   Other directorships: Chair of various companies in MTN Group.
   Skills, expertise and experience: Telecommunications and banking.

4. Ralph Mupita *(Born 1972)*
   Executive director
   Group chief financial officer
   BSc Eng (Hons), MBA, CMP
   Appointed: 3 April 2017
   Scheduled board attendance: 7/7
   Special board attendance: 4/4
   Board committee membership and attendance:
   Special: 3/3 2/2 2/2 2/2 2/2 1/1
   Other directorships: Director of various companies in MTN Group. RMB Holdings Limited and Rand Merchant Investment Holdings Limited.
   Skills, expertise and experience: Financial services in emerging markets.

5. Paul Hanratty *(Irish) (Born 1961)*
   Executive director
   Director of Actuaries, Advanced Management Programme (Harvard)
   Appointed: 1 August 2016
   Scheduled board attendance: 7/7
   Special board attendance: 4/4
   Board committee membership and attendance:
   4/4
   Special: 2/2
   Other directorships: Director of various companies in MTN Group, Sanlam Limited, Atlanta Insurance Sanlam Wealth UK, Sanlam Life (UK) and IDM (SA).
   Skills, expertise and experience: Financial services.

6. Alan Harper *(British) (Born 1956)*
   Independent non-executive director
   BA (Hons)
   Appointed: 1 January 2010
   Retired: 15 December 2019
   Scheduled board attendance: 7/7
   Special board attendance: 4/4
   Board committee membership and attendance:
   Special: 3/3 2/2
   Other directorships: Director of various companies in MTN Group. Chairman of Avanti Communications Group plc, Director/Chairman of Patel Hall Limited (UK) and chairman of Azun Technologies Limited.
   Skills, expertise and experience: Telecommunications.

7. Koosum Kalyon *(Born 1955)*
   Independent non-executive director
   BCom (Law) (Hons Economics, Senior Executive Management Programme (London Business School)
   Appointed: 13 June 2006
   Retired: 15 December 2019
   Scheduled board attendance: 7/7
   Special board attendance: 4/4
   Board committee membership and attendance:
   4/4 4/4
   Special: 1/1
   Other directorships: Director of various companies in MTN Group, non-executive director of Anglo-American South Africa, Aker Solutions Oil and Gas. Member of the Invest Africa International Advisory Board, Gorda World International Advisory Board and the Thabo Mbeki Foundation Advisory Board.
   Skills, expertise and experience: Economics, corporate governance, infrastructure, oil and gas/energy and scenario planning.

8. Shaygan Kheradpir *(American) (Born 1960)*
   Independent non-executive director
   Doctorate in Electrical Engineering, Cornell University
   Appointed: 8 July 2015
   Scheduled board attendance: 7/7
   Special board attendance: 4/4
   Board committee membership and attendance:
   4/4
   Special: 1/1
   Other directorships: Director of various companies in MTN Group. Former CTO Verizon, COO Barclays, CEOs Juniper and Coriant.
   Skills, expertise and experience: Business leadership and transformational change, operations, technology and engineering.

9. Peter Mageza *(Born 1954)*
   Independent non-executive director
   FCCA
   Appointed: 1 January 2010
   Scheduled board attendance: 5/7
   Special board attendance: 4/4
   Board committee membership and attendance:
   4/4 3/4 3/4
   Special: 2/2 1/1
   Other directorships: Director of various companies in MTN Group, Remgro Limited, Sappi Limited, RCL Group and Anglo American Platinum Limited.
   Skills, expertise and experience: Accounting, banking and Finance.

KEY
Committee membership and attendance of meetings:
- Board
- Nominations
- Remuneration and human resources
- Audit
- Risk management, compliance and corporate governance
- Social and ethics

Symbols for “chairman of ...”
- Nominations committee
- Remuneration and human resources committee
- Audit committee
- Risk management, compliance and corporate governance
- Social and ethics committee

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Dawn Marole (Born 1960) Independent non-executive director
BCom (Acc), Dip Tertiary Education, MBA, Executive Leadership Development Programme
Appointed: 1 January 2010
Scheduled board attendance: 6/7
Special board attendance: 4/4
Board committee membership and attendance:
Board: 4/4 4/4
Special: 3/3 2/2
Other directorships: Director of various companies in MTN Group, South African Past Office (SoC) Limited, Richards Bay Mining (Pty) Limited, Sanlam Limited, Resilient Properties Income Fund and the Development Bank of Southern Africa and a Member of The Advisory Council of Anglo American South Africa.
Skills, expertise and experience: Financial services, risk and corporate governance.

Azmi Mikati (Lebanese) (Born 1972) Non-executive director BSc
Appointed: 23 July 2006
Scheduled board attendance: 7/7
Special board attendance: 4/4
Board committee membership and attendance:
Board: 4/4 4/4
Special: 3/3 2/2
Other directorships: Director of various companies in MTN Group, CEO of P1 Group Limited (an international investment group focusing on telecoms).
Skills, expertise and experience: Telecommunications.

Stanley Miller (Belgian) (Born 1958) Independent non-executive director
Appointed: 1 August 2016
Scheduled board attendance: 7/7
Special board attendance: 3/4
Board committee membership and attendance:
Board: 4/4
Special: 3/3
He has over 30 years’ experience in the start-up, running and turnaround of companies in both media and telecommunication sectors, internationally.
He is also an experienced INED in listed companies.
Among other executive roles, he served on the board of KPN (Netherlands) and was CEO of KPN Mobile & International 1998 to 2010. He served as INED on the board and committees of MTS OJC (Russia – Moscow and NYSE listed) 2010 to 2019 Retired June 2019.
Other directorships: Director of various companies in MTN Group, CEO Leaderman NV (Belgium), Executive Director AHI SA (Luxembourg).
Skills and experience: Telecom and media internationally. INED listed companies and their committees.

Khotso Mokohe (Born 1955) Lead independent non-executive director
BSc (Agriculture), MSc (Food Science), PhD (Microbiology) and a number of honorary doctorates from various institutions
Appointed: 1 July 2018
Appointed LID: 15 December 2019
Scheduled board attendance: 7/7
Special board attendance: 3/4
Board committee membership and attendance:
Board: 4/4 4/4
Special: 3/3 2/2
Other directorships: Director of various companies in the MTN Group. She is the Vice President and CFO of the African Development Bank.
Skills, expertise and experience: Financial services, risk, treasury and general management.

Jeff van Rooyen (Born 1950) Independent non-executive director
BCom, BCompt (Hons), CA(SA)
Appointed: 18 July 2006
Retired: 15 December 2019
Scheduled board attendance: 7/7
Special board attendance: 4/4
Board committee membership and attendance:
Board: 4/4 4/4
Special: 3/3 2/2
Other directorships: Director of various companies in the MTN Group, chairman of Exxaro Resources Limited, various companies in Uranus Group, Pick n Pay Stores, and former chairman of Financial Reporting Standard Council of South Africa.
Skills, expertise and experience: Accounting and finance.

HH Lamido Sanusi³* (Born 1961) Independent non-executive director
BA, (Hons), Econ/Stats, Executive Development programmes (Harvard) and IMD.
Appointed: 1 July 2019
Scheduled board attendance: 4/7
Special board attendance: 1/4
Board committee membership and attendance:
Board: 2/4 2/4
Special: 2/2
Other directorships: Director of various companies in the MTN Group. Serves as chairman of the Babbageona and Black Rhino Management Services (Pty).
Skills and expertise: Finance, banking and central banking.

Vincent Rouge⁴* (Born 1953) Independent non-executive director
MBA, (Hons), Econ/Stats, Executive development programmes (Harvard) and IMD.
Appointed: 1 July 2019
Scheduled board attendance: 4/7
Special board attendance: 1/4
Board committee membership and attendance:
Board: 2/4 2/4 2/4
Special: 0/3 1/2 2/2
Other directorships: Director of various companies in the MTN Group, City Lodge Hotels Limited, Pan African Infrastructure Fund, UAP/Old Mutual Limited, Jamboree Limited (Independent chairman), Financial Sector Deepening African (Independent chairman), FSD Africa (Investments) Limited, International Advisory Board of Chubb P&C Insurance and as a non remunerated member on the Global Advisory Council of the Darden Business School, USA.
Experience: International investment and corporate finance experience in banking, insurance and infrastructure. Co-founder at Catalyst Principal Partners, a private equity fund manager in Nairobi, where he sits on the Investment Committee and as a director.

¹ Appointed 1 May 2019 (Remuneration and nominations)
² Appointed 1 August 2019 (Audit, remuneration and nominations)
³ Appointed 1 July 2019
⁴ Appointed 1 January 2019
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 strategy and for monitoring its implementation in line with the board’s mandate. It meets at least monthly, and more often as required.
Key features of 2019
For the year under review, the committee is satisfied that it fulfilled its obligations in terms of its mandate. It met six times, including at two special meetings. In discharging its responsibilities as set out in the committee’s terms of reference, some of the key decisions and actions taken by the committee were:

- **Resolution and terms of reference**: passed the written resolution appointing the acting CFO for MTN South Africa on 28 October 2019 to the board of this opco for consideration in accordance with the memorandum of incorporation of the company and the Companies Act.
- Approved the share allocation of the performance share plans (PSP) for 2019 and resolved that the allocation of employee share option plans (ESOP) was approved as per the conditions defined. The short-term incentive (STI) payments for 2018 were supported by a report from PricewaterhouseCoopers (PwC).
- Considered the final proposals for the 2019/2020 annual salary increases and agreed to the recommended increases and additional percentages for high performers with effect from 1 April 2019 for consideration and board approval.
- Supported the proposal for non-executive directors’ fee increases and recommended these to the board for consideration and final approval, which was granted by the shareholders at the AGM.
- Reviewed an update on the development of MTN’s succession planning and noted that a robust process was in place to ensure that potential candidates are well prepared for leadership roles. This was with specific reference to the group president and CEO, opco CEOs and key leadership positions across all operations. The committee noted and resolved the appointment of the new group chief legal counsel and head of digital and fintech.
- Reports of the retirement fund and medical aid were noted, reviewing and confirming their compliance with the revised pension fund regulatory requirements.
- The proposed 2020 performance scorecard of the CEO and opco scorecards was resolved and approved.
- Reviewed the adoption of minimum shareholding requirements (MSR) for the MTN group executive committee. This to be resolved in 2020.
- Reviewed the adoption of a single, total figure of remuneration received and receivable in respect of the financial period, and all the remuneration elements that it comprises, each disclosed at fair value.
- Accepted the extension of malus and clawback for STIs effective 2020.
- Approved the settlement of a three-year service, cash-based incentive in accordance with the applicable addendums to the employment agreements concluded between MTN and Rob Shuter to be settled in March 2020 and Jens Schulte-Backum in January 2020.
- Approved an exceptional PSP award for a newly appointed executive for retention purposes.
- The committee noted and resolved the appointment of the new group chief legal counsel, group chief digital and fintech officer and the group executive investor relations, all of which were approved.

Key Focus areas for 2020
MTN is making certain material changes to the reward framework for executives with the implementation of minimum shareholding requirements, malus and clawback for both long and short-term incentive programmes and agile performance and rewards programmes.

We will continue our journey of digitalised reward processes and improved electronic access to policies and processes. We continually review our pay practices to align with shareholders and we aim to interact transparently with them to achieve this.

We are committed to building and maintaining a strong relationship with our shareholders, based on trust and mutual understanding.
The remuneration committee at a glance

The remuneration committee (remco) has been mandated by the board to independently oversee and approve the remuneration policies and human resource approach for MTN in order to ensure these are fair, consistent and compliant.

In ensuring fair and responsible remuneration by the group, the committee focuses on responsible remuneration practices, ensuring that MTN employs and retains the best human capital possible for its business needs and maximises the potential of its employees.

Committee composition, skills and experience

The committee is chaired by an independent non-executive director with a proven track record and 23 years’ senior leadership experience. The committee comprises independent non-executive directors. The collective skills and experience profile of the group remuneration committee members includes telecommunications, finance, managing businesses in Africa, human capital, remuneration and risk management.

Part 1

Background statement from the chairman of the remuneration committee

This remuneration report focuses on the fixed and variable elements of the prescribed officers’ remuneration and fees paid to non-executive directors. This is in keeping with the commitment to fair, responsible, and transparent remuneration and remuneration disclosure in terms of the Companies Act and JSE Listing Requirements, as prescribed by King IV™, principle 14.

After engaging the board and various stakeholders, in 2019 we continued reviewing our remuneration policy and practices, incentive schemes, performance metrics and measures. This review was necessary to maintain our competitiveness; appropriately reward performance; motivate value-creating behaviours; and to contribute towards attracting and retaining quality staff. The incentive scheme review was aimed at encouraging and supporting business practices consistent with the group’s vision, purpose and strategy, based on company, team and individual performance outcomes.

MTN strives to remunerate employees competitively within the relevant occupational ranges and we benchmark the philosophy applicable for executive management, non-executive directors and other employees against the national and telecommunications industry standards (peer group). This assists us in establishing market-related salary benchmarks while maintaining our attractiveness to ensure a competitive value proposition in remuneration and benefits.

Supported by the market survey data and internal pay ranges through our annual human resource budget reviews, we consider employee performance, knowledge, skills, experience and business affordability to reach an appropriate remuneration figure. We review salaries annually to meet the expectations of our many stakeholders.

Our key focus areas for 2019

We reviewed staff costs-to-revenue ratios and alignment of each subsidiary to approved budgeted ratios. For those markets with hyperinflationary economies this proved challenging and remains an area of focus in 2020.

We continued measuring the extent to which internal pay differentials are equitable, particularly with respect to gender and race, and implementing corrective measures to correct identified anomalies.

In 2018 the committee mandated the internal policy and governance committee, made up of senior executive employees, to ensure that all policies are aligned to the broader organisational goals and properly documented and shared with employees. This committee addressed seven group HR policies in 2019, including reviewing and approving the revised workplace flexibility policy to foster diversity and inclusivity. This policy acts as a critical tool to maintaining employee job satisfaction and quality of life. It enables employees, with the approval of their line manager, to adjust to changing circumstances and assist in balancing work and personal commitments while meeting the business’s performance requirements.
The following table reflects the total spend on employee remuneration and benefits in 2019 and 2018 compared to headline earnings.

<table>
<thead>
<tr>
<th>Distribution statement</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted headline earnings per share (cents) (IAS 17 basis)</td>
<td>667</td>
<td>552</td>
</tr>
<tr>
<td>Payroll costs for all employees (Rbn)</td>
<td>10,6</td>
<td>9,5</td>
</tr>
<tr>
<td>Employee numbers</td>
<td>19 288</td>
<td>18 835</td>
</tr>
</tbody>
</table>

In line with King IV™ and the Listings Requirements, we table the remuneration policy (Part 2) and implementation report (Part 3) for separate non-binding advisory votes by the shareholders at the group’s AGM. This enables shareholders to express their views on the remuneration policies we adopt and the implementation of such policies.

In 2019, more than 75% of shareholders voted in favour of the implementation report. However, we continued our drive to reach out to some of our shareholders in order to understand any concerns regarding our reporting standards. Going forward, where it is necessary, we will extend our invitation in engaging with shareholders through the various mediums so as to address any remuneration governance concerns.

Results of remuneration-related votes at our AGMs:

<table>
<thead>
<tr>
<th></th>
<th>2019 %</th>
<th>2018 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval of the remuneration policy</td>
<td>82,19</td>
<td>93,8</td>
</tr>
<tr>
<td>Implementation of the remuneration policy</td>
<td>78,52</td>
<td>68,17</td>
</tr>
</tbody>
</table>

We remain committed to building and maintaining a strong relationship with our shareholders based on trust and mutual understanding. We continually review our pay practices to align with shareholders and we aim to interact transparently with them to achieve this.

Part 2
Overview of the remuneration philosophy and policy

The remuneration philosophy and policy are key components of the HR strategy and govern the remuneration of executive management (executive directors and prescribed officers), non-executive directors and other employees and fully support the overall business strategy. They establish fair and equitable reward levels that attract, motivate, retain and engage the desired talent to execute business strategy in a sustainable manner over the long term.

In aligning with the recommendations of King IV™, we aim to continue disclosing the main provisions of our remuneration policies including how such remuneration was earned by prescribed officers and non-executive directors as defined by the Companies Act. In terms of the Act, a prescribed officer is a person, who:

(a) exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the company; or

(b) regularly participates to a material degree in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of a company.

All strategic reward decisions are prepared and guided by our executive management team for approval by the group remco. This committee has delegated approval authority at various levels, with its roles and responsibilities outlined on page 60.

Remuneration policy and governance

MTN’s remuneration philosophy is part of an interlinked, holistic and people-oriented talent approach, aiming to support current and evolving business priorities. The competitive talent landscape demands a differentiated reward system, capable of competitively matching pay to performance, delivering fairly without bias, and is flexible yet compliant across all markets.

Our various remuneration policies approved by executive leadership and governed by our group remco, guide the decision-making processes and
operationalisation of all reward matters. It is our intent to deliver a legislatively compliant system aligned with the strategic objectives of the company. Assessed against King IV™ and the amended Listing Requirements, the remuneration policy is based on the following principles:

- **Fair and responsible remuneration**
  MTN aims to ensure that remuneration provided to all employees is internally equitable and externally competitive. All elements of pay are influenced by market survey data and internal pay comparisons. Ensuring fair pay is based on the value of the job relative to other jobs of similar worth, this is aligned to the principle of responsible, fair and equal pay. We regularly review and benchmark our reward components using performance and level of work as a basis for differentiation and the basis for employee reward.

- **An enabler of business strategic objectives**
  MTN’s strategic objectives and our performance-based system through our short and long-term incentives are linked to achieving defined performance measures consistent with shareholder interest over the short and long term. Both short and long-term incentive plans provide motivation for the achievement of positive outcomes measured using a balanced approach combining both financial and non-financial metrics measured across company, team and individual performance.

- **Transparent, consistent remuneration**
  We promote transparent and simplified communication across all levels including external stakeholders and consistency across all operating units, acknowledging differentiation and customisation.

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**Strengthen the culture and core values**
We are a values-based and output-driven organisation. Recognising actions aligned to our vital behaviours is critical to our success.

**Attract, motivate, reward and retain our human capital**
Our optimal pay structure comprises fixed and variable remuneration to drive the right focus both in the short and long term. We remain competitive on both elements and create an appropriate balanced fixed and variable remuneration providing a fair composition for each position. The ratio of fixed to variable differs, with the weighting of variable pay for executive employees being greater. Our pay mix ensures we deliver an effective performance-based reward system where the achievement of stretch targets is remunerated.

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**Our remuneration policy**
MTN’s priority is to align with King IV™. Against this backdrop, MTN’s remuneration policies aim to ensure that we remain relevant, and that we are benchmarked appropriately against best practice to maintain market competitiveness and alignment to our corporate goals.

**Our remuneration structure**
Our total reward policies and structures are designed to attract, engage, retain and motivate our workforce. MTN considers total rewards and strives to achieve an appropriate mix for our employees. The following diagram illustrates our total reward framework. Aligning to the BRIGHT strategy, MTN has implemented a remuneration structure with three key elements:

- **Annual fixed package** which is benchmarked with the general market and industry comparatives (peer group).
- **Variable pay** which consists of short and long-term incentives based on the company’s success in implementing its one-year to three-year objectives.
- **Qualitative programmes**, comprising **recognition and workplace flexibility**.
**Components of our total rewards framework**

Although the head office applies a fixed remuneration package approach, the company accepts variations to the ‘guaranteed pay plus benefits’ approach due to local market conditions in many of the geographies in which we operate. The fixed remuneration approach includes cash and benefits, benefits in kind which, when combined with incentive payments and other non-quantifiable elements such as recognition and workplace flexibility, make up what we term ‘total rewards’.

<table>
<thead>
<tr>
<th>Guaranteed pay and benefits</th>
<th>Variable pay</th>
<th>Non-financial</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Element</strong></td>
<td>Fixed pay</td>
<td>Performance bonus</td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td>Remunerate employees for work performed</td>
<td>Reward employees for the delivery of strategic objectives balancing short-term performance and risk-taking with sustainable value creation</td>
</tr>
<tr>
<td><strong>Determination</strong></td>
<td>• Reflects the general worth of skills compared against the job worth</td>
<td>• Reflects performance during the year, measures outcomes within management control and rewards high performance</td>
</tr>
<tr>
<td></td>
<td>• Based on the premise of an equal level of work for a similar range of pay</td>
<td>• Linked to corporate financial performance, delivery of strategic priorities and individual performance</td>
</tr>
<tr>
<td></td>
<td>• Set with reference to the market 50th percentile and 75th percentile for critical jobs against the general market and our peer groups</td>
<td></td>
</tr>
<tr>
<td><strong>Eligibility</strong></td>
<td>All employees</td>
<td>All employees excluding commission earners</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Remuneration Report continued**

**Total Reward Framework**

- **Attract**
- **Engage**
- **Retain**
- **Motivate**

<table>
<thead>
<tr>
<th><strong>Element</strong></th>
<th><strong>Fixed Pay</strong></th>
<th><strong>Benefits</strong></th>
<th><strong>In kind Benefits</strong></th>
<th><strong>Variable Incentives</strong></th>
<th><strong>Recognition</strong></th>
<th><strong>Workplace Flexibility</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Based on market pay levels and experience</strong></td>
<td>Retirement fund, disability and death plans and medical aid, considering legislation and country practices</td>
<td>Non-cash employer provided which vary by country considering country practices, legislation and requirements</td>
<td>Discretionary long and short term awards based on group, team and individual performance</td>
<td>Driving recognition between employees and departments, both within and across MTN’s operations</td>
<td></td>
<td>Maintaining employee job satisfaction and achieving a balance of demands and quality of life</td>
</tr>
</tbody>
</table>

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**Guaranteed Pay and Benefits**

- **Purpose**
  - Remunerate employees for work performed

**Variable Pay**

- **Purpose**
  - Reward employees for the delivery of strategic objectives balancing short-term performance and risk-taking with sustainable value creation

**Non-financial**

- **Purpose**
  - Through our PSPs and ESOPs, to incentivise employees to take a longer-term outlook of the company performance and in their decision making
  - Alignment to group performance with long-term value creation for shareholders and employees
  - Attract and retain high-performing talent, critical and scarce skills
  - Create a ‘share ownership culture’ PSPs, NSOs and ESOPs
  - Payable in respect of sustained corporate performance over three years
  - Measured against pre-set financial and strategic targets
**Guaranteed pay and benefits**

<table>
<thead>
<tr>
<th>Element</th>
<th>Fixed pay</th>
<th>Performance bonus</th>
<th>Long-term incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component</td>
<td>▪ Basic salary</td>
<td>▪ Company performance</td>
<td>▪ Company performance</td>
</tr>
<tr>
<td></td>
<td>▪ Defined contribution to retirement fund plans</td>
<td>▪ Team performance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Medical aid benefits</td>
<td>▪ Individual performance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Risk benefits, lifestyle, cell phone</td>
<td>▪ Individual performance (where applicable)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Benefits in kind (where applicable)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Changes and awards in 2019**

<table>
<thead>
<tr>
<th>How the pay is set</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Benchmarked against independent survey data from the national market and defined peer group</td>
<td>▪ Set as a percentage of annual fixed pay</td>
<td>▪ Top-up ESOP awards were made to non-management employees during 2019</td>
</tr>
<tr>
<td>▪ Reflects the scope and depth of role, experience required, level of responsibility and individual performance, business affordability, inflation, staff cost and market movement</td>
<td>▪ Employees are rewarded for achieving threshold (90%), at target (100%) and above-target performances</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Below threshold is regarded as poor performance and therefore not incentivised</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Performance measures are weighted by employee category grade</td>
<td></td>
</tr>
</tbody>
</table>

**Performance**

Fully discretionary based on assessment of corporate performance, achievement of defined company, team and individual measures

- Achievement of corporate performance targets up to a maximum of:
  - CEO: 200%
  - CFO and COO: 175%
  - Other prescribed officers: 140%
  - Ordinary executives: 80% – 120%
  - Senior management: 20% to 45%

- Continued employment

**Deferral**

- Not applicable

- No deferral, discretionary bonus cash awards

- Performance shares vest over three years

- Retention shares vest over three years

**Pay for performance**

- Annual increases linked to team and individual performance

- Deliver on the financial, operational and strategic targets as set out in BRIGHT and corporate scorecard

- Targets are weighted

- Return on average capital employed (ROACE)
- Cash flow
- Retention
- Relative total shareholder return (TSR) against a peer group
- Strategic metrics

**Non-financial rewards**

Recognise and celebrate high performance by giving special attention to employee actions, efforts and behaviours in support of our business strategy by reinforcing behaviours that contribute to organisational success.

Our flexible workplace policies enable a diverse and inclusive organisation, which actively supports employees to achieve success professionally and personally.
**Variable incentives**

Our variable incentive payments are based on short and long-term performance. Our short-term incentive framework consists of three elements, with weightings against each element assigned as per the grade level of the employee. Company, team and individual performance are taken into consideration. For our executive leadership, performance is weighted towards company and team performance.

<table>
<thead>
<tr>
<th>Description</th>
<th>Company performance %</th>
<th>Team performance %</th>
<th>Target value on threshold %</th>
<th>Maximum %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group president and CEO</td>
<td>70</td>
<td>30</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>CFO</td>
<td>70</td>
<td>30</td>
<td>100</td>
<td>175</td>
</tr>
<tr>
<td>COO</td>
<td>50</td>
<td>50</td>
<td>100</td>
<td>175</td>
</tr>
<tr>
<td>Tier 1 CEOs and VPs</td>
<td>60</td>
<td>40</td>
<td>70</td>
<td>140</td>
</tr>
<tr>
<td>Functional executives</td>
<td>50</td>
<td>50</td>
<td>70</td>
<td>140</td>
</tr>
</tbody>
</table>

**Company performance (CP)**

The company performance looks at five key categories for executives. These are extracted from the board-approved business plan. They carry equal weighting and are revenue; EBITDA; operating free cash flow; group attributable earnings and competitive performance.

<table>
<thead>
<tr>
<th>Description of objective and link to business strategy</th>
<th>CP measurement</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial element</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A key indicator reflective of the sales performance of</td>
<td>&lt; 90</td>
<td>90 100</td>
</tr>
<tr>
<td>our services with respect to the overall group strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and business objectives.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA is earnings before interest, taxation,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>depreciation and amortisation. In simple terms, it</td>
<td></td>
<td></td>
</tr>
<tr>
<td>is the net income power of the company through its</td>
<td></td>
<td></td>
</tr>
<tr>
<td>operations. Which is, what kind of earnings can a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>company generate if a company had zero debt (no</td>
<td></td>
<td></td>
</tr>
<tr>
<td>interest needs to be paid), no tax burden (does not</td>
<td></td>
<td></td>
</tr>
<tr>
<td>have to pay any kind of taxes) and does not have any</td>
<td></td>
<td></td>
</tr>
<tr>
<td>goods whose value depreciates over time (no</td>
<td></td>
<td></td>
</tr>
<tr>
<td>depreciation or amortisation).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating free cash flow</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Represents the cash generated by the company after</td>
<td></td>
<td></td>
</tr>
<tr>
<td>cash outflows to support operations and maintain its</td>
<td></td>
<td></td>
</tr>
<tr>
<td>capital assets.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group attributable earnings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part of the company’s profit which is ‘attributable’</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to the ordinary shareholders. In other words, after</td>
<td></td>
<td></td>
</tr>
<tr>
<td>the normal operating expenses have been deducted,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>together with finance costs, extraordinary items,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>taxation and preference dividends.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Competitive performance

**Competitive performance** looks mainly at NPS progress, reducing churn and market share gains. The performance score on company performance is determined for the year as a percentage of the actuals achieved relative to the targets set.

### Non-financial element

**Competitive performance** is defined by the following three metrics namely market share, churn and relative net promoter score.

**Market share** represents the percentage of an industry, or market’s total sales that are earned over a specified time. The performance score is measured as follows:

<table>
<thead>
<tr>
<th>Below threshold</th>
<th>Threshold</th>
<th>At target</th>
<th>Above target</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
</tbody>
</table>

**Customer churn** is the percentage or number of subscribers to a service who discontinue their subscriptions to the service within a given time period. The performance score is measured as follows:

<table>
<thead>
<tr>
<th>Below threshold</th>
<th>Threshold</th>
<th>At target</th>
<th>Above target</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
</tbody>
</table>

**Relative customer net promoter score (NPS)** is an index that measures the willingness of customers to recommend a company’s products or services to others. It is used as a proxy for gauging the customer’s overall satisfaction with a company’s product or service and the customer’s loyalty to the brand. The NPS is measured relative to the company’s closest competitor in the market. The performance score is measured as follows:

<table>
<thead>
<tr>
<th>Below threshold</th>
<th>Threshold</th>
<th>At target</th>
<th>Above target</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
</tbody>
</table>

### Team performance (TP)

Team performance is adjudicated against a collection of key performance indicators (KPIs) that look at broader aspects of delivery on the strategy, including cash upstreaming, subscriber growth, active data users, regulatory risk management, network quality etc. Similarly, the performance score for team performance is generated based on the actual performance versus the targets.

### Financial element

**Bonus agreement** is the target relating to value drivers, consisting of operational imperatives to ensure alignment with the wider business strategy BRIGHT. The organisational structures and integrated business model are designed to ensure that all business units contribute to the delivery of the overall business units in delivering the group targets. The performance score is measured as follows:

<table>
<thead>
<tr>
<th>Below threshold</th>
<th>Threshold</th>
<th>At target</th>
<th>Above target</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
</tbody>
</table>

The threshold refers to the minimum performance per objective and not the consolidated achievements of objectives. Refer to page 46 for details.
**Remuneration report continued**

**Long-term incentives 2019**

Long-term incentives in the form of share allocations are awarded to eligible senior leadership. This drives long-term sustainability and performance of the group. Annual allocations are made based on a multiple of the fixed package which would generally vest after three years.

Performance would be adjudicated three years after the allocation based on four equal elements:
1. Total shareholder return of MTN viewed against the MSCI Emerging Market Index.
2. Cumulative operating free cash flows over three years against the approved budget for each year.
3. Retention element.
4. Combination of return on capital measures, black economic empowerment (BEE) and compliance with South African transformation legislation.

The following table sets out the performance metrics, weightings and targets for awards that vested in 2019 and unvested allocations.

<table>
<thead>
<tr>
<th>Performance measure</th>
<th>Description</th>
<th>Weightings for allocations made before 2017</th>
<th>Weightings for allocations made in 2017 onwards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TSR – JSE Top 25 Index</strong></td>
<td>Sliding scale of 100% vesting at the 75th percentile as compared to JSE Industrial 25 comparator group and 25% vesting at the median with straight-line vesting in between the two points. 0% vesting for below the median. TSR will be measured by comparing the 30 day (VWAP) at the beginning and end of the three-year measurement period plus re-invested dividends. TSR must be positive.</td>
<td>37.5% 50%</td>
<td></td>
</tr>
<tr>
<td><strong>TSR – MSCI EM Index¹</strong></td>
<td>Sliding scale of 100% vesting at the 75th percentile as compared to MSCI EM Telecoms Index and 25% vesting at the median with straight-line vesting in between the two points. 0% vesting for below the median. TSR will be measured by comparing the 30 day (VWAP) at the beginning and end of the three-year measurement period plus re-invested dividends. TSR must be positive and to be measured on common currency (ZAR).</td>
<td></td>
<td>25% 25%</td>
</tr>
<tr>
<td><strong>Adjusted free cash flow (AFCF)</strong></td>
<td>Measured on a three-year CAGR calculated as the growth in the average AFCF in the three years preceding the measurement period (01/01/2014 to 31/12/2016) to the average AFCF during the three-year measurement period (01/01/2017 to 31/12/2019), using the following parameters:  • 100% vesting at 10% growth;  • 20% vesting at 6% growth;  • 0% vesting below 6% growth With a sliding scale between each point.</td>
<td>37.5% 50%</td>
<td></td>
</tr>
<tr>
<td><strong>Cumulative operating free cash flow (COFCF)²</strong></td>
<td>Targeted at the sum of the budgeted OFCF established each year for the three-year measurement period; 25% vesting at 90% of the target; stretch of 100% vesting at 110% of the target; sliding scale between each point. Operating free cash flow will be measured on constant currency.</td>
<td></td>
<td>25% 25%</td>
</tr>
<tr>
<td><strong>Return on average capital employed (ROACE)</strong></td>
<td>Defined as the sum of (EBIT/(equity + net debt)) for each year divided by 3. 25% vesting at 90% of budget (kick-in); 100% vesting at 100% of budget; with a straight-line vesting between the kick-in and budget rate.</td>
<td></td>
<td>25% 25%/8.33%</td>
</tr>
<tr>
<td>Performance measure</td>
<td>Description</td>
<td>Weightings for allocations made before 2017</td>
<td>Weightings for allocations made in 2017 onwards</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>---------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Compliance to DTI and ICASA¹</td>
<td>Making all reasonable efforts to ensure that the company is compliant with the relevant targets and codes in terms of labour legislation and/or established by the DTI, and ICASA.</td>
<td>8,33%</td>
<td></td>
</tr>
<tr>
<td>Black economic empowerment (BEE)²</td>
<td>Achievement of the BEE deliverables as set out in employment contracts.</td>
<td>8,33%</td>
<td></td>
</tr>
<tr>
<td>Service/retention³</td>
<td>100% vesting upon remaining with the company for the duration of the award fulfilment period.</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>

¹ MCSI Emerging Markets Telecoms Index measured in common currency, ie ZAR.
² COFCF measured on a constant currency basis at budgeted numbers.
³ Only applicable to group president and CEO, group chief financial officer and group chief operating officer.
⁴ The service element for executives to be reviewed on an annual basis.

Share and STI awards are subject to malus and clawback provisions based on material failure or error that was caused by or ought reasonably to have been prevented by management and negatively impacted the company, gross negligence or fraudulent behaviour.

- **Malus provisions**
  These provisions allow the board to reduce the number of MTN shares awarded to any participant under the PSP scheme in certain circumstances before the settlement of the underlying shares. The adjustment would notably apply where the relevant accounts for any company, business or undertaking where the participant worked or works, or for which he/she was or is directly or indirectly responsible, are found to be materially incorrect or require restatement.

- **Clawback provisions**
  These provisions would apply in respect of a period after the settlement of the underlying shares to the relevant participant and effectively provide MTN with a contractual right to recover an amount of money from a participant in certain similar circumstances as those that apply to the malus provisions, but which arise (or are only disclosed) after settlement.

**Pay mix and potential remuneration**
Executives are remunerated in line with short and long-term business objectives using an optimal mix of fixed pay, benefits, short and long-term incentives. This supports the alignment of strategy and desired individual behaviour. The mix is aimed at ensuring that executives proportionately achieve an optimal balance of remuneration when executing their duties.

This pay mix varies with seniority, with an increasing element of variable pay at senior levels. The group president and CEO and exco members have the largest proportion of total annual package being subject to performance conditions. This is intended to create a significant degree of alignment with shareholder interests, with the aim of driving sustainable value creation over a longer-term period.

King IV™ recommends the disclosure of remuneration elements offered in the organisation and the mix of these. The following graphs illustrate the actual payments made to the group president and CEO and the group CFO for 2019. These values are expressed as a percentage of total cost of employment. No long-term share awards vested over the same period. There was a contracted lump sum payment due to the group CFO payable in October 2019.

The proportion of fixed to performance-based incentives varies between the group president and CEO and the group CFO. Both roles comprise a higher weighting on performance incentives or ‘at risk pay’ and less on the fixed package. While the fixed package does not vary based on individual performance, the variable portion does.
The following graphs illustrate the mix of minimum, on-target and potential maximum compensation for the group president and CEO and the group CFO aligned with the 2019 remuneration policy. All illustrations are expressed as a percentage of annual guaranteed package (GP) based on four performance scenarios being below threshold, at threshold, at target and above target.

**Group president and CEO pay mix**

Note: the 25% LTI minimum is the non-performance-based service element payable once the vesting period is completed. The 24% threshold is the minimum % on the assumption that all the team performance objectives, weighted accordingly, are met at the minimum 80% achievement. If any of the KPIs is below 80%, the calculated minimum bonus % reduces to below 24%. The 24% also assumes that although the company performance threshold has been met, it does not contribute to the actual bonus but is only indicative of declaring a bonus in accordance with the performance bonus rules.
Share appreciation rights scheme (SAR) and share rights scheme (SR)
The SAR and SR schemes were the two schemes in place before the PSP scheme was implemented. The last allocation
under these schemes was made in June 2010. Although the schemes remain active with share balances, no further
awards were made to employees. Each award had a 10-year term, after which the allocation expires. Both the SAR and
SR schemes are measured using the company’s appreciation in the share price.

<table>
<thead>
<tr>
<th>Eligible participants</th>
<th>Date implementation</th>
<th>Performance conditions</th>
<th>Last vesting date</th>
<th>Expiry date</th>
</tr>
</thead>
<tbody>
<tr>
<td>All employees at junior management level and above</td>
<td>2006 – SARS</td>
<td>Share price-based</td>
<td>2013</td>
<td>2018</td>
</tr>
<tr>
<td>2008 – SRP</td>
<td></td>
<td></td>
<td>2015</td>
<td>2020</td>
</tr>
</tbody>
</table>

Both the SARS and SRP were fully vested as at 2017 and are exercisable.

Notional share option (NSO scheme)
The notional share option scheme is our non-equity scheme for non-executive employees (that is, group executive
committee members and other general executives), in managerial and more senior positions in non-listed operations
outside South Africa. Qualifying employees own options and also participate in the growth of the group and its
operations, as applicable.

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Detail</th>
</tr>
</thead>
</table>
| The main objective of the NSO scheme is to encourage an alignment between the individual interests of senior employees and the long-term success of the group. Thus, the scheme’s design rewards managerial and senior employees for the value gain derived from the NSO price per share appreciation between the allocation and vesting dates. | • Share awards are at the discretion of the MTN Group board and the operating entities.  
• Participation is limited to managerial employees and those in more senior positions only in the operations.  
• Employees of MTN Group Management Services, MTN Dubai and MTN South Africa are not eligible to participate in the PSP scheme.  
• Executive employees across the operations are also not eligible to participate as they participate in the PSP scheme.  
• Performance is measured using the group share price and the operation’s EBITDA performance. Thus the NSO scheme is divided into:  
  ◆ Group aligned notional (GAN) share options measured using group share price and  
  ◆ Locally aligned notional (LAN) share options measured using the operation’s EBITDA performance. |

How allocations are determined
The quantum of the awards is based on the future increase in the value of the NSO awards. Allocation multiples of
annual salary are used to determine the annual allocation of NSO to qualifying employees. Awards are made annually
and vest after a three-year period. The detail regarding the allocation multiples and performance measurement are set
out below.

<table>
<thead>
<tr>
<th>Job level</th>
<th>Annual allocation multiple (as a % of salary) for both LAN and GAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>General manager</td>
<td>0,60</td>
</tr>
<tr>
<td>Senior managers</td>
<td>0,40</td>
</tr>
<tr>
<td>Managers</td>
<td>0,20</td>
</tr>
</tbody>
</table>

Share scheme for general and supervisory employees
Employee share ownership plan (ESOP)
During 2010, MTN approved the allocation of shares to its lower-level employees under the company’s broad-based
employee share scheme – employee share ownership plan (ESOP).

The scheme intended to incentivise designated employees and to align them more closely with the activities of the
company with the aim of promoting their continued growth by giving them shares. Participating employees who received
awards under the ESOP scheme had to retain ownership of their shares for a period of five years until December 2015,
when the scheme matured.

During 2016, the board approved a second allocation of shares to designated employees under the 2016 MTN ESOP.
This scheme is managed under a trust. The first allocation of awards was made to qualifying employees on 1 December
2017 with subsequent allocations made every six-month period.
**Termination of employment payments**
The following applies in the event of termination of employment:

<table>
<thead>
<tr>
<th>Incentive</th>
<th>‘Fault terminations’ – resignation, abscondment, early retirement, dismissal</th>
<th>‘No-fault terminations’ – retrenchment, retirement, restructuring, disability, death</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed pay</td>
<td>Paid over the notice period or as a lump sum.</td>
<td>Paid over the notice period or as a lump sum or as per statutory requirement.</td>
</tr>
<tr>
<td>Benefits</td>
<td>Applicable benefits may continue to be provided during the notice period but will not be paid on a lump sum basis.</td>
<td>Benefits will fall away at such time that employment ceases.</td>
</tr>
<tr>
<td>Short-term incentives</td>
<td>No payment will be made, unless incentive payment is due while the employee is serving notice, in which case it will be paid on the last working date.</td>
<td>Any board approved incentive, e.g. annual performance bonus becomes payable on a pro rata basis at the same time as other active employees subject to the incentive policy.</td>
</tr>
<tr>
<td>Long-term incentives</td>
<td>No payment will be made. Only incentives which vest during active employment will be paid out.</td>
<td>Any board-approved incentive, e.g. shares become payable on a pro rata basis at the same time as other active employees subject to the incentive policy. Only shares equivalent to time served between grant and vesting are paid. No adjustment to performance is performed.</td>
</tr>
<tr>
<td>Recognition and other benefits</td>
<td>Formal and informal platform designed to drive recognition between employees and departments, both within and across MTN’s operations.</td>
<td>Other benefits are typically excluded from the fixed package. Including lifestyle benefits, leave of absence, and additional insurance products. Although some of these benefits are not prevalent in all operations, there are country-specific programmes approved and aligned with equivalent South African benefits.</td>
</tr>
</tbody>
</table>

**Changes recommended in 2019**

As approved by the board, MTN will continue to implement the following changes to share incentives in 2020:

**Minimum shareholding requirement**
Adopt this requirement in accordance with King IV™ Principle 14 on corporate governance. Group president and CEO must hold shares with a value equivalent to 250% of annual package, CFO must hold shares representing 175% of annual package and other group exco members must hold shares representing 150% of annual package at the end of a five-year period.

**Malus and clawback**
The implementation of malus provisions in relation to the short-term incentive scheme.

**Our service contracts**
Members of executive management are employed on standard employment contracts, except for the group president and CEO and group chief operating officer, who are both on limited-duration contracts. These employment agreements provide for a notice period of six months by either party or payment by the company in lieu of notice and 12 months restraint of trade. Executives are entitled to standard benefits and participation in the short and long-term incentive schemes, subject to the rules of these schemes.

Employees are required to retire at age 60 and where their service is terminated as no fault terminations (retirement, retrenchment, disability or death) or at the end of the limited-duration contract, any shares awarded will be pro-rated and will vest under normal vesting conditions according to the pre-set vesting dates (subject to company performance over that future period). In the case of resignations and terminations, these will be forfeited.

C Molapisi was appointed to the group exco from 1 April 2020. This was approved by the group remco in March 2020.
<table>
<thead>
<tr>
<th>Group</th>
<th>Employment contract</th>
<th>Extended notice period</th>
<th>Restraint of trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>RA Shuter: Group president and CEO</td>
<td>Employed on 13 March 2017 on a limited-duration employment contract expiring on 12 March 2021. The group board intends to conclude the succession process during 2020 to allow a seamless handover</td>
<td>6 months</td>
<td>12 months</td>
</tr>
<tr>
<td>RT Mupita: Group chief financial officer</td>
<td>Employed 3 April 2017 on a permanent employment contract</td>
<td>6 months</td>
<td>12 months</td>
</tr>
<tr>
<td>J Schulte-Bockum: Group chief operating officer</td>
<td>Employed on 16 January 2017 on a limited-duration employment contract expiring on 15 January 2021. Extended to 31 March 2022</td>
<td>6 months</td>
<td>12 months</td>
</tr>
<tr>
<td>PD Norman: Group chief HR officer</td>
<td>Employed 1 April 1997 on a permanent employment contract</td>
<td>6 months</td>
<td>6 months</td>
</tr>
<tr>
<td>MD Fleischer: Group chief legal counsel</td>
<td>Employed 1 February 2014 on a permanent employment contract. Elected early retirement effective 31 July 2019</td>
<td>6 months</td>
<td>6 months</td>
</tr>
<tr>
<td>FL Sekha: Group chief regulatory and corporate affairs officer</td>
<td>Employed 10 October 2016 on a permanent employment contract</td>
<td>6 months</td>
<td>6 months</td>
</tr>
<tr>
<td>KO Toriola: Vice-president for WECA</td>
<td>Employed 1 November 2006 on a permanent employment contract</td>
<td>6 months</td>
<td>6 months</td>
</tr>
<tr>
<td>I Jaroudi: Vice-president for MENA</td>
<td>Employed 1 January 1992 on a permanent employment contract</td>
<td>6 months</td>
<td>6 months</td>
</tr>
<tr>
<td>ET Asante: Vice-president for SEAGHA</td>
<td>Employed 2 January 2008 on a permanent employment contract</td>
<td>6 months</td>
<td>6 months</td>
</tr>
<tr>
<td>FJ Moolman: CEO: MTN Nigeria</td>
<td>Employed 25 June 2014 on a permanent employment contract</td>
<td>6 months</td>
<td>6 months</td>
</tr>
<tr>
<td>GN Motsa: CEO: MTN South Africa</td>
<td>Employed 1 January 2017 on a permanent employment contract</td>
<td>6 months</td>
<td>6 months</td>
</tr>
<tr>
<td>L Modise: Group chief legal counsel</td>
<td>Employed 12 August 2019 on a permanent employment contract</td>
<td>6 months</td>
<td>6 months</td>
</tr>
</tbody>
</table>

**External appointments**
The group observes sound governance protocols in allowing external directorships to the executive directors and executives across its footprints as the group considers such participation a prudent approach to upskilling executives.

**Non-executive directors’ remuneration**
Non-executive director appointments are made in terms of the company’s memorandum of incorporation (MoI) and confirmed at the first AGM of shareholders after their appointment and then at three-year intervals. Fees reflect the directors’ role and committee membership. A fee applies for any additional special meetings over and above board and committee meetings. In addition to the fees, a single annual retainer, reflective of the role and responsibilities being discharged by a non-executive director, forms part of annual earnings.

Non-executive directors do not participate in any of the company’s short or long-term incentive plans, and they are not employees of the company. MTN provides them with communication devices such as a mobile phone to conduct their duties. The company reimburses them for out-of-pocket expenses, such as travel and accommodation costs, incurred in the execution of their responsibilities.

The committee reviews fees annually, requiring approval from shareholders at the AGM. Recommendations regarding non-executive director emoluments are informed by independent market data considering market practice with reference to the size of the company, time, commitment and responsibilities associated with the roles. As required by King IV™, in the last quarter of 2019, management commissioned DG Capital to benchmark the board, chairpersons and sub-committee fees against selected companies listed on the Johannesburg Stock Exchange (JSE).

The remuneration committee is satisfied that the fee structure for the non-executive directors remains appropriate. Non-executive director emoluments for 2019 are tabulated in Part 3 of this report.
Non-executive director 2020 increases awarded
The total fees which include the annual retainer and meeting attendance for the chairman of the main board were aligned with the comparator group median hence there was no special adjustment required except where the current fees are below the market median.

Board members
The total fees which include the annual retainer and meeting attendance for the members of the main board were aligned with the average of the comparator group, hence there was no special adjustment required except where below the market median.

Thus, the proposed fees structure for 2020 is as follows:

<table>
<thead>
<tr>
<th>Sub-committees</th>
<th>MTN Group board</th>
<th>Non-executive director fees structure for 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Annual retainer fee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>MTN Group Share Trust (Trustees)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chairman</td>
<td>R83 396</td>
<td>R31 276</td>
</tr>
<tr>
<td>International chairman</td>
<td>R36 666</td>
<td>R17 209</td>
</tr>
<tr>
<td>Member</td>
<td>R32 369</td>
<td>R17 024</td>
</tr>
<tr>
<td>MTN Group Share Trust (Trustees)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chairman</td>
<td>R142 725</td>
<td>R53 764</td>
</tr>
<tr>
<td>Member</td>
<td>R3 379</td>
<td>R3 379</td>
</tr>
</tbody>
</table>

Non-binding advisory vote
Shareholders are requested to cast a non-binding advisory vote on Part 2 of this remuneration report.
Part 3
Implementation report
Prescribed officer remuneration
To set the annual fixed package increases for executive management, the group remco considered the average increases to general staff using the relevant market data. On average, executive management and general staff received a 5.5% increase budget.

Special payments
In lieu of extended notice and general restraint of trade
Previously, the company entered into agreements with executive management to align their current employment contracts with the company’s extended notice and restraint of trade policies. Where gaps existed, this resulted in remco approving additional special payments in lieu. The following special payments were made in lieu of a six month extended notice period and a six month general restraint of trade.

<table>
<thead>
<tr>
<th>Prescribed officer</th>
<th>Approved value in respect of notice and restraint</th>
<th>Percentage of benefit payable in 2019</th>
<th>Benefit amount paid in 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>FJ Moolman¹</td>
<td>US$179 106</td>
<td>25% paid in January 25% paid in July 2019</td>
<td>US$91 106</td>
</tr>
<tr>
<td>I Jaroudi¹</td>
<td>US$522 315</td>
<td>25% paid in April 25% paid in October 2019</td>
<td>US$263 745</td>
</tr>
</tbody>
</table>

¹ Value of the payments in US dollar in line with the contract of employment currency.

Sign-on bonus
L Modise received a sign-on bonus as compensation for forfeiture of her shares from the previous employer. The details of this payment are as follows:

<table>
<thead>
<tr>
<th>Prescribed officer</th>
<th>Approved value in respect of sign-on bonus</th>
<th>Percentage of benefit payable in 2019</th>
<th>Benefit amount paid in 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>L Modise</td>
<td>R13 000 000</td>
<td>25% paid in August 2019</td>
<td>R3 250 000</td>
</tr>
</tbody>
</table>

Special cash-settled onboarding incentive
The following table shows special once-off incentives which were awarded to three senior executives during 2017 as compensation of loss of equity in their previous companies. There were no further special awards made in 2019.

<table>
<thead>
<tr>
<th>Incentive grant price</th>
<th>Incentive maturity date</th>
<th>Number of units granted</th>
<th>Value of incentive at grant date</th>
<th>Paid in 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>RA Shuter*</td>
<td>125,09</td>
<td>12/03/2020</td>
<td>327 214</td>
<td>40 931 199</td>
</tr>
<tr>
<td>RT Mupita**</td>
<td>113,10</td>
<td>28/10/2019</td>
<td>446 027</td>
<td>50 445 654</td>
</tr>
<tr>
<td>J Schulte-Bockum***</td>
<td>127,60</td>
<td>15/01/2020</td>
<td>64 423</td>
<td>8 220 375</td>
</tr>
</tbody>
</table>

* Appointed on 13/03/2017. On appointment, RA Shuter was granted a cash-settled share-based payment incentive in lieu of unvested stocks or equity relinquished upon resignation from previous employment. The value of the incentive will be determined based on the market value of 327 214 ordinary listed shares in MTN Group Limited. The incentive will be paid on 12/03/2020.
** Appointed on 03/04/2017. On appointment, RT Mupita was granted a cash-settled share-based payment incentive in lieu of unvested stocks or equity relinquished upon resignation from previous employment. The value of the incentive paid was determined based on the market value of 446 027 ordinary listed shares in MTN Group Limited. The incentive was fully paid on 28/10/2019.
*** Appointed on 16/01/2017. On appointment, J Schulte-Bockum was granted a cash-settled share-based payment incentive in lieu of unvested stocks or equity relinquished upon resignation from previous employment. The 64 423 ordinary listed shares in MTN Group Limited. The incentive will be paid on 15/01/2020.
^ Units are the equivalent of an MTN Group share.
Remuneration report continued

Short-term incentive outcomes for 2019
Company performance actual achievement for 2019
MTN Group Limited

<table>
<thead>
<tr>
<th>Prescribed officer</th>
<th>Designation</th>
<th>Company performance* (Group)</th>
<th>Company performance* (Subsidiaries)</th>
<th>Team performance*</th>
</tr>
</thead>
<tbody>
<tr>
<td>RA Shuter</td>
<td>Group president and CEO</td>
<td>Multiplier range % 0 – 200</td>
<td>134,86 %</td>
<td>Multiplier range % 0 – 200</td>
</tr>
<tr>
<td>RT Mupita</td>
<td>Group chief financial officer</td>
<td>Multiplier range % 0 – 175</td>
<td>124,35 %</td>
<td>Multiplier range % 0 – 175</td>
</tr>
<tr>
<td>J Schulte-Bockum</td>
<td>Group chief operating officer</td>
<td>Multiplier range % 0 – 175</td>
<td>124,35 %</td>
<td>Multiplier range % 0 – 175</td>
</tr>
<tr>
<td>FJ Moolman</td>
<td>CEO – Tier 1 subsidiary</td>
<td>Multiplier range % 0 – 200</td>
<td>134,86 % 0 – 200</td>
<td>105,07 % 0 – 200</td>
</tr>
<tr>
<td>GN Motsa</td>
<td>CEO – Tier 1 subsidiary</td>
<td>Multiplier range % 0 – 200</td>
<td>134,86 % 0 – 200</td>
<td>125,98 % 0 – 200</td>
</tr>
<tr>
<td>PD Norman</td>
<td>Group chief human resources officer</td>
<td>Multiplier range % 0 – 200</td>
<td>134,86 %</td>
<td>Multiplier range % 0 – 200</td>
</tr>
<tr>
<td>L Modise</td>
<td>Group chief legal counsel</td>
<td>Multiplier range % 0 – 200</td>
<td>134,86 %</td>
<td>Multiplier range % 0 – 200</td>
</tr>
<tr>
<td>F Sekha</td>
<td>Group chief regulatory and corporate affairs officer</td>
<td>Multiplier range % 0 – 200</td>
<td>152,04 %</td>
<td>Multiplier range % 0 – 200</td>
</tr>
<tr>
<td>I Jaroudi</td>
<td>VP MENA</td>
<td>Multiplier range % 0 – 200</td>
<td>134,86 % 0 – 200</td>
<td>125,18 % 0 – 200</td>
</tr>
<tr>
<td>ET Asante</td>
<td>VP SEAGHA</td>
<td>Multiplier range % 0 – 200</td>
<td>134,86 % 0 – 200</td>
<td>139,62 % 0 – 200</td>
</tr>
<tr>
<td>KO Toriola</td>
<td>VP WECA</td>
<td>Multiplier range % 0 – 200</td>
<td>134,86 % 0 – 200</td>
<td>104,86 % 0 – 200</td>
</tr>
</tbody>
</table>

*Company performance bonus multiplier is a translation of the actual achieved company performance objectives against budgets.

* Team performance bonus multiplier is a translation of the actual achieved functional objectives against set targets.

Table of performance bonus paid in 2019

<table>
<thead>
<tr>
<th>Prescribed officer</th>
<th>Bonus salary* R000</th>
<th>At target %</th>
<th>At target bonus amount R000</th>
<th>Company performance bonus Company performance bonus amount R000</th>
<th>Company performance weighting %</th>
<th>Team performance bonus Company performance bonus amount R000</th>
<th>Team performance weighting %</th>
<th>Total bonus R000</th>
</tr>
</thead>
<tbody>
<tr>
<td>RA Shuter</td>
<td>20 257</td>
<td>100</td>
<td>20 257</td>
<td>70</td>
<td>134,86 %</td>
<td>19 122</td>
<td>30</td>
<td>8 462</td>
</tr>
<tr>
<td>RT Mupita</td>
<td>10 449</td>
<td>100</td>
<td>10 449</td>
<td>70</td>
<td>124,35 %</td>
<td>9 095</td>
<td>30</td>
<td>4 338</td>
</tr>
<tr>
<td>J Schulte-Bockum</td>
<td>11 024</td>
<td>100</td>
<td>11 024</td>
<td>50</td>
<td>124,35 %</td>
<td>6 854</td>
<td>50</td>
<td>3 165</td>
</tr>
<tr>
<td>FJ Moolman</td>
<td>8 688</td>
<td>70</td>
<td>6 082</td>
<td>60</td>
<td>134,86 %</td>
<td>4 377</td>
<td>40</td>
<td>1 472</td>
</tr>
<tr>
<td>GN Motsa</td>
<td>8 353</td>
<td>70</td>
<td>5 847</td>
<td>60</td>
<td>134,86 %</td>
<td>4 575</td>
<td>40</td>
<td>1 662</td>
</tr>
<tr>
<td>PD Norman</td>
<td>6 921</td>
<td>70</td>
<td>4 844</td>
<td>50</td>
<td>134,86 %</td>
<td>3 266</td>
<td>50</td>
<td>1 328</td>
</tr>
<tr>
<td>L Modise</td>
<td>2 554</td>
<td>70</td>
<td>1 788</td>
<td>50</td>
<td>134,86 %</td>
<td>1 205</td>
<td>50</td>
<td>1 205</td>
</tr>
<tr>
<td>FL Sekha</td>
<td>4 843</td>
<td>70</td>
<td>3 390</td>
<td>50</td>
<td>134,86 %</td>
<td>2 286</td>
<td>50</td>
<td>1 649</td>
</tr>
<tr>
<td>I Jaroudi</td>
<td>10 060</td>
<td>70</td>
<td>7 042</td>
<td>50</td>
<td>134,86 %</td>
<td>5 494</td>
<td>40</td>
<td>1 888</td>
</tr>
<tr>
<td>ET Asante</td>
<td>10 554</td>
<td>70</td>
<td>7 388</td>
<td>60</td>
<td>134,86 %</td>
<td>6 083</td>
<td>40</td>
<td>2 775</td>
</tr>
<tr>
<td>KO Toriola</td>
<td>8 949</td>
<td>70</td>
<td>6 264</td>
<td>60</td>
<td>134,86 %</td>
<td>4 505</td>
<td>40</td>
<td>2 479</td>
</tr>
</tbody>
</table>

* For comparison purposes, all foreign currency denominated salaries have been converted to ZAR common currency using forex rate as at remco approval date.
## Long-term incentives – performance share plan (PSP)

### Long-term incentives awarded during 2019

#### 2019 PSP grant performance conditions

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Performance conditions and weighting</th>
<th>Detail of performance conditions</th>
<th>Vesting profile</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PSP shares issued in 2019</strong></td>
<td>• Total shareholder return (TSR) MSCI EM Index 25%</td>
<td>• TSR MSCI EM index</td>
<td>• TSR</td>
</tr>
<tr>
<td>and vesting in 2022</td>
<td>• Cumulative operating free cash flow (OFCF) 25%</td>
<td>• Cumulative OFCF</td>
<td>• Below threshold – 0% vesting</td>
</tr>
<tr>
<td></td>
<td>• Return on average capital employed (ROACE) 25%</td>
<td>• ROACE</td>
<td>• At threshold – 25% vesting</td>
</tr>
<tr>
<td></td>
<td>• Retention element 25%</td>
<td>• Retention</td>
<td>• Above target – 100% vesting</td>
</tr>
<tr>
<td></td>
<td>• Compliance to DTI and the ICASA^</td>
<td>• Compliance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Black economic empowerment (BEE)^</td>
<td>• BEE</td>
<td>• As per contract of employment</td>
</tr>
</tbody>
</table>

*ROACE has a weighting of 25% for all employees except for the CEO, CFO and COO who have a weighting of 8,33% each.

^ Only applicable to the CEO, CFO and COO with a weighting of 8,33%.

Linear vesting will occur between the levels stated above.

**Note:**
- All shares are subject to linear vesting based on the performance metrics listed above.
- The vesting profiles for Retention, Compliance, and BEE are as per contract of employment.
The PSP awards granted during 2019 are shown below.

### Director

<table>
<thead>
<tr>
<th>Number of awards</th>
<th>LTI as a % of annual fixed package</th>
</tr>
</thead>
<tbody>
<tr>
<td>457 100</td>
<td>200%</td>
</tr>
<tr>
<td>223 300</td>
<td>175%</td>
</tr>
</tbody>
</table>

### Prescribed officer

<table>
<thead>
<tr>
<th>Number of awards</th>
<th>LTI as a % of annual fixed package</th>
</tr>
</thead>
<tbody>
<tr>
<td>216 400</td>
<td>175%</td>
</tr>
<tr>
<td>100 900</td>
<td>125%</td>
</tr>
<tr>
<td>70 600</td>
<td>125%</td>
</tr>
<tr>
<td>120 800</td>
<td>125%</td>
</tr>
<tr>
<td>135 900</td>
<td>125%</td>
</tr>
<tr>
<td>143 200</td>
<td>125%</td>
</tr>
<tr>
<td>117 300</td>
<td>125%</td>
</tr>
<tr>
<td>121 800</td>
<td>125%</td>
</tr>
<tr>
<td>56 200</td>
<td>125%</td>
</tr>
<tr>
<td>93 500</td>
<td>125%</td>
</tr>
</tbody>
</table>

### Long-term incentives vesting in 2019

The performance conditions of the allocation of December 2016 and their evaluation is summarised below.

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Threshold performance</th>
<th>Target performance</th>
<th>Actual achievement</th>
<th>Award condition vesting %</th>
<th>Weighting</th>
<th>Number of shares vested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total shareholder return MSCI EM</td>
<td>Ranking #20</td>
<td>Ranking #11</td>
<td>Ranking #34</td>
<td>0%</td>
<td>25%</td>
<td>-</td>
</tr>
<tr>
<td>Operating free cash flow</td>
<td>90% of target</td>
<td>110% of target</td>
<td>111%</td>
<td>100%</td>
<td>25%</td>
<td>53 400</td>
</tr>
<tr>
<td>Return on average capital employed</td>
<td>90% of target</td>
<td>100% of target</td>
<td>110%</td>
<td>100%</td>
<td>8%</td>
<td>17 800</td>
</tr>
<tr>
<td>Black Economic Empowerment</td>
<td>As per contract</td>
<td>As per contract</td>
<td>100%</td>
<td>100%</td>
<td>8%</td>
<td>17 800</td>
</tr>
<tr>
<td>Compliance</td>
<td>As per contract</td>
<td>As per contract</td>
<td>100%</td>
<td>100%</td>
<td>8%</td>
<td>17 800</td>
</tr>
<tr>
<td>Retention</td>
<td>Employment</td>
<td>Employment</td>
<td>-</td>
<td>100%</td>
<td>25%</td>
<td>53 400</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Threshold performance</th>
<th>Target performance</th>
<th>Actual achievement</th>
<th>Award condition vesting %</th>
<th>Weighting</th>
<th>Number of shares vested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total shareholder return JSE IND</td>
<td>Ranking #13</td>
<td>Ranking #7</td>
<td>Ranking #17</td>
<td>0%</td>
<td>0%</td>
<td>50%</td>
</tr>
<tr>
<td>Adjusted free cash flow+</td>
<td>6% growth</td>
<td>10% growth</td>
<td>-5.6% growth</td>
<td>0%</td>
<td>0%</td>
<td>50%</td>
</tr>
<tr>
<td>Retention</td>
<td>Employment</td>
<td>Employment</td>
<td>N/A</td>
<td>100%</td>
<td>100%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Due to the non-achievement of the threshold on the 2016 PSP shares, there was no payment made for all executives, prescribed officers and directors. Only the 25% retention linked portion was paid to employees.

For the Group president and CEO (RA Shuter), there was a 75% performance achievement. Rob was the first recipient of the share awards under revised performance conditions introduced in December 2017 for all other employees. These changes were approved by the Remco.
How the PSP scheme has performed historically
A summary of the performance of the historic PSP allocations which have vested and settled is displayed below.

<table>
<thead>
<tr>
<th>Grant date</th>
<th>Vesting date</th>
<th>Number of shares granted</th>
<th>Number of shares vested</th>
<th>% of shares vested</th>
</tr>
</thead>
<tbody>
<tr>
<td>29/06/2011</td>
<td>31/12/2013</td>
<td>1 611 200</td>
<td>321 439</td>
<td>20%</td>
</tr>
<tr>
<td>29/12/2011</td>
<td>29/12/2014</td>
<td>1 491 714</td>
<td>304 414</td>
<td>20%</td>
</tr>
<tr>
<td>28/12/2012</td>
<td>28/12/2015</td>
<td>1 960 540</td>
<td>193 806</td>
<td>10%</td>
</tr>
<tr>
<td>20/12/2013</td>
<td>20/12/2016</td>
<td>2 452 200</td>
<td>223 094</td>
<td>9%</td>
</tr>
<tr>
<td>19/12/2014</td>
<td>19/12/2017</td>
<td>2 294 400</td>
<td>191 447</td>
<td>8%</td>
</tr>
<tr>
<td>28/06/2016</td>
<td>28/12/2018</td>
<td>3 793 700</td>
<td>361 199</td>
<td>10%</td>
</tr>
<tr>
<td>28/06/2016</td>
<td>28/12/2018</td>
<td>3 793 700</td>
<td>361 199</td>
<td>10%</td>
</tr>
<tr>
<td>28/12/2016</td>
<td>28/12/2019</td>
<td>5 619 800</td>
<td>493 976</td>
<td>9%</td>
</tr>
<tr>
<td>29/09/2017</td>
<td>29/12/2019</td>
<td>213 600</td>
<td>160 200</td>
<td>75%</td>
</tr>
</tbody>
</table>

Including the 2019 vesting of December 2016 grant (but excluding the September 2017 grant under new conditions), the average vesting of the previous eight grants is 12%. The total vested shares includes the service element which is not linked to company performance.

Long-term incentives – employee share ownership plan (ESOP)
A summary of awards made and outstanding under the ESOP schemes is set out below.

<table>
<thead>
<tr>
<th>Plan</th>
<th>Issue date</th>
<th>Number of participants as at issue date</th>
<th>Number of shares issued</th>
<th>Plan vesting date</th>
<th>Number of shares traded (as at 31/12/2019)</th>
<th>Number of shares outstanding (as at 31/12/2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESOP 2010</td>
<td>01/12/2010</td>
<td>3 461</td>
<td>2 022 720</td>
<td>01/12/2022</td>
<td>3 612</td>
<td>1 816 320</td>
</tr>
<tr>
<td>ESOP 2016</td>
<td>01/12/2017</td>
<td>3 893</td>
<td>203 965</td>
<td>01/06/2023</td>
<td>–</td>
<td>177 410</td>
</tr>
<tr>
<td></td>
<td>01/06/2018</td>
<td>361</td>
<td>152 440</td>
<td>01/06/2023</td>
<td>–</td>
<td>177 410</td>
</tr>
<tr>
<td></td>
<td>28/12/2018</td>
<td>24</td>
<td>28/12/2023</td>
<td>–</td>
<td>139 256</td>
<td></td>
</tr>
<tr>
<td></td>
<td>28/12/2018</td>
<td>185</td>
<td>28/12/2023</td>
<td>–</td>
<td>12 995</td>
<td></td>
</tr>
<tr>
<td></td>
<td>03/06/2019</td>
<td>172</td>
<td>03/06/2024</td>
<td>–</td>
<td>118 584</td>
<td></td>
</tr>
<tr>
<td></td>
<td>02/12/2019</td>
<td>188</td>
<td>02/12/2014</td>
<td>–</td>
<td>149 295</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 670 305</td>
<td>–</td>
<td>3 612</td>
<td>2 413 860</td>
<td></td>
</tr>
</tbody>
</table>

The closing balances exclude forfeited shares as a result of voluntary and involuntary terminations.

For the 2016 ESOP, no shares had vested as at 31 December 2019.

Termination of office payments
King IV™ Principle 14, RP 35 (c) recommends that the implementation report must contain details of payments made as a result of termination of employment for executive management. This must be a separate disclosure, containing the reasons for any payments made on termination of employment or office.

For the 2019 period, there were no payments as a result of termination of employment by a director or prescribed officer.
### Remuneration

<table>
<thead>
<tr>
<th>Names</th>
<th>Salaries R000</th>
<th>Post-employment benefits* R000</th>
<th>Other benefits* R000</th>
<th>Bonuses* R000</th>
<th>Sub-total R000</th>
<th>LTI reflected† R000</th>
<th>Total single figure remuneration R000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RA Shuter</td>
<td>17 305</td>
<td>1 822</td>
<td>1 118</td>
<td>27 584</td>
<td>47 829</td>
<td>10 405</td>
<td>58 234</td>
</tr>
<tr>
<td>RT Mupita</td>
<td>9 152</td>
<td>1 059</td>
<td>42 658</td>
<td>13 433</td>
<td>66 302</td>
<td>–</td>
<td>66 302</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>26 457</td>
<td>2 881</td>
<td>43 776</td>
<td>41 017</td>
<td>114 131</td>
<td>10 405</td>
<td>124 536</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RA Shuter</td>
<td>15 279</td>
<td>1 621</td>
<td>746</td>
<td>25 277</td>
<td>42 923</td>
<td>–</td>
<td>42 923</td>
</tr>
<tr>
<td>RA Mupita</td>
<td>8 243</td>
<td>955</td>
<td>559</td>
<td>12 782</td>
<td>22 539</td>
<td>–</td>
<td>22 539</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23 522</td>
<td>2 576</td>
<td>1 305</td>
<td>38 059</td>
<td>65 462</td>
<td>–</td>
<td>65 462</td>
</tr>
</tbody>
</table>

For the purposes of aligning with the recommendations of King IV™ Corporate Governance Single Figure of remuneration, the below notes refer:

* Retirement contributions paid during the year.
# Includes medical aid, death and disability insurance, executive lifestyle benefits, applicable statutory company contributions and any other special payments made as detailed on page 87.
^ Performance based short-term incentive payments in respect of the applicable financial periods generally payable within three months after year-end.
† LTI reflected is the market value of the contractual share award made in September 2017 and vested in December 2019. The performance achievement of the vested award was approved by the remco on 9 March 2020. The market value is calculated using MTN’s closing share price at the date of approval by remco of R64,95 and is only reflected for the purposes of single figure of remuneration. The actual settlement of the vested shares will be finalised in 2020. Refer to page 90 for details of applicable performance conditions achievement thereof.

### Prescribed officers’ emoluments and related payments

<table>
<thead>
<tr>
<th>Names</th>
<th>Salaries R000</th>
<th>Post-employment benefits* R000</th>
<th>Other benefits* R000</th>
<th>Bonuses* R000</th>
<th>Sub-total R000</th>
<th>LTI reflected† R000</th>
<th>Total single figure remuneration R000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prescribed officers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ET Asante</td>
<td>9 039</td>
<td>723</td>
<td>4 400</td>
<td>8 858</td>
<td>23 020</td>
<td>–</td>
<td>23 020</td>
</tr>
<tr>
<td>MD Fleischer1</td>
<td>4 271</td>
<td>493</td>
<td>2 351</td>
<td>–</td>
<td>7 115</td>
<td>–</td>
<td>7 115</td>
</tr>
<tr>
<td>I Jaroudi</td>
<td>10 080</td>
<td>–</td>
<td>6 892*</td>
<td>8 027</td>
<td>24 999</td>
<td>–</td>
<td>24 999</td>
</tr>
<tr>
<td>L Modise2</td>
<td>2 240</td>
<td>246</td>
<td>3 318*</td>
<td>2 456</td>
<td>8 260</td>
<td>–</td>
<td>8 260</td>
</tr>
<tr>
<td>FJ Moolman</td>
<td>9 615</td>
<td>496</td>
<td>2 878*</td>
<td>8 104</td>
<td>21 093</td>
<td>–</td>
<td>21 093</td>
</tr>
<tr>
<td>GN Motso</td>
<td>7 323</td>
<td>805</td>
<td>703</td>
<td>6 823</td>
<td>15 654</td>
<td>–</td>
<td>15 654</td>
</tr>
<tr>
<td>PD Norman</td>
<td>6 057</td>
<td>699</td>
<td>532</td>
<td>6 850</td>
<td>14 138</td>
<td>–</td>
<td>14 138</td>
</tr>
<tr>
<td>JSchulte-Bockum</td>
<td>9 398</td>
<td>986</td>
<td>497</td>
<td>13 019</td>
<td>23 900</td>
<td>–</td>
<td>23 900</td>
</tr>
<tr>
<td>FL Sekha</td>
<td>4 254</td>
<td>468</td>
<td>591</td>
<td>5 082</td>
<td>10 395</td>
<td>–</td>
<td>10 395</td>
</tr>
<tr>
<td>KO Toriola</td>
<td>8 151</td>
<td>815</td>
<td>3 160</td>
<td>6 984</td>
<td>19 110</td>
<td>–</td>
<td>19 110</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>70 428</td>
<td>5 731</td>
<td>25 322</td>
<td>66 203</td>
<td>167 684</td>
<td>–</td>
<td>167 684</td>
</tr>
</tbody>
</table>

1 Early retirement on 31 July 2019.
* Other benefits includes an amount paid in lieu of forfeited benefits from previous employer.
1 Appointed on 12 August 2019.
2 Includes medical aid and unemployment insurance fund.
* Compensation for loss of office comprises severance, restraint of trade and gratuity pay.
### Equity compensation benefits for executive directors, prescribed officers, company secretary of the MTN Group and directors of major subsidiaries in respect of the performance share plan

<table>
<thead>
<tr>
<th>Award date</th>
<th>Vesting date</th>
<th>Number outstanding at 31 December 2018</th>
<th>Settle- ment date</th>
<th>Exercise price R</th>
<th>Number outstanding as at 31 December 2019</th>
<th>Fair value share price on 31 December 2018</th>
<th>Value of settlements during 2019</th>
<th>Estimated closing fair value on 31 December 2019 R000</th>
</tr>
</thead>
<tbody>
<tr>
<td>RA Shuter+</td>
<td>29/09/2017</td>
<td>213 600</td>
<td>213 600</td>
<td>R64,95</td>
<td>R10 405</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>18/12/2017</td>
<td>200 200</td>
<td>200 200</td>
<td>R89,12</td>
<td>R8 413</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>28/12/2018</td>
<td>436 600</td>
<td>436 600</td>
<td>R89,12</td>
<td>R12 059</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>20/12/2019</td>
<td>–</td>
<td>457 100</td>
<td>R89,12</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>20/12/2022</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>850 400</td>
<td>457 100</td>
<td>R89,12</td>
<td>R27 159</td>
<td></td>
<td></td>
<td>1 307 500</td>
</tr>
<tr>
<td>RT Mupita</td>
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<td>118 300</td>
<td>118 300</td>
<td>R89,12</td>
<td></td>
<td></td>
<td></td>
<td>R4 972</td>
</tr>
<tr>
<td></td>
<td>28/12/2018</td>
<td>190 200</td>
<td>190 200</td>
<td>R89,12</td>
<td></td>
<td></td>
<td></td>
<td>R9 007</td>
</tr>
<tr>
<td></td>
<td>20/12/2019</td>
<td>223 300</td>
<td>223 300</td>
<td>R89,12</td>
<td></td>
<td></td>
<td></td>
<td>R13 169</td>
</tr>
<tr>
<td></td>
<td>20/12/2022</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>308 500</td>
<td>223 300</td>
<td>R89,12</td>
<td></td>
<td></td>
<td></td>
<td>372 100</td>
</tr>
<tr>
<td>PD Norman</td>
<td>29/06/2016</td>
<td>46 100</td>
<td>46 100</td>
<td>–</td>
<td>–</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>28/12/2016</td>
<td>56 300</td>
<td>56 300</td>
<td>–</td>
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</tr>
<tr>
<td></td>
<td>28/12/2017</td>
<td>57 700</td>
<td>57 700</td>
<td>R89,12</td>
<td></td>
<td></td>
<td></td>
<td>R2 132</td>
</tr>
<tr>
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<td>28/12/2018</td>
<td>94 600</td>
<td>94 600</td>
<td>R89,12</td>
<td></td>
<td></td>
<td></td>
<td>R4 298</td>
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<td>–</td>
<td>100 900</td>
<td>R89,12</td>
<td></td>
<td></td>
<td></td>
<td>R9 951</td>
</tr>
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<td>20/12/2022</td>
<td>–</td>
<td>–</td>
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<tr>
<td>Total</td>
<td></td>
<td>254 700</td>
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<td>(46 100)</td>
<td></td>
<td></td>
<td></td>
<td>309 500</td>
</tr>
<tr>
<td>GN Motsa</td>
<td>09/03/2017</td>
<td>66 500</td>
<td>66 500</td>
<td>–</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>18/12/2017</td>
<td>69 700</td>
<td>69 700</td>
<td>R89,12</td>
<td>R2 575</td>
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<tr>
<td></td>
<td>28/12/2018</td>
<td>114 100</td>
<td>114 100</td>
<td>R89,12</td>
<td></td>
<td></td>
<td></td>
<td>R5 384</td>
</tr>
<tr>
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<td>20/12/2019</td>
<td>216 400</td>
<td>216 400</td>
<td>R89,12</td>
<td></td>
<td></td>
<td></td>
<td>R12 859</td>
</tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>331 000</td>
<td>216 400</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
<td>547 400</td>
</tr>
</tbody>
</table>

---

* Resigned 31 October 2018.

* Other benefits include compensation in lieu of employment agreement amendments in respect of revised notice periods and restraints of trade.

* Other benefits include a retention payment made in lieu of forfeiture of performance bonus from previous employer. Payment to be spread over three years ending 31 December 2018.

* Includes medical aid and Unemployment Insurance Fund.
Equity compensation benefits for executive directors, prescribed officers, company secretary of the MTN Group and directors of major subsidiaries in respect of the performance share plan (continued)

<table>
<thead>
<tr>
<th>Award date</th>
<th>Vesting date</th>
<th>Awarded</th>
<th>Settled</th>
<th>Forfeited</th>
<th>Settlement date</th>
<th>Fair value R</th>
<th>Number outstanding at 31 December 2018</th>
<th>Fair value share price on 31 December 2019</th>
<th>Value of settlements during 2019</th>
<th>Estimated closing fair value on 31 December 2019 R000</th>
</tr>
</thead>
<tbody>
<tr>
<td>FL Sekha</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28/12/2016</td>
<td>28/12/2019</td>
<td>27 200</td>
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<td>–</td>
<td>27 100</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>18/12/2017</td>
<td>18/12/2020</td>
<td>40 400</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>40 400</td>
<td>R89,12</td>
<td>–</td>
<td>R1 493</td>
</tr>
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<td>–</td>
<td>–</td>
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<td>–</td>
<td>R3 008</td>
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<td>R89,12</td>
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<td>133 800</td>
<td></td>
<td></td>
<td>204 400</td>
</tr>
<tr>
<td>L Modise</td>
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</tr>
<tr>
<td>20/12/2019</td>
<td>20/12/2022</td>
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<td>93 500</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>93 500</td>
<td>R89,12</td>
<td>–</td>
<td>R4 167</td>
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<tr>
<td>MD Fleischer</td>
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<td></td>
<td></td>
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<tr>
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<td>–</td>
<td>–</td>
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<tr>
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<td>–</td>
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</tr>
<tr>
<td>18/12/2017</td>
<td>18/12/2020</td>
<td>73 000</td>
<td>–</td>
<td>–</td>
<td>(73 000)</td>
<td>–</td>
<td>–</td>
<td>R89,12</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
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<td>29/12/2021</td>
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<td>(155 200)</td>
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<td>–</td>
<td>R89,12</td>
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<tr>
<td>Total</td>
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<td>315 300</td>
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<td>(315 300)</td>
<td>–</td>
<td>–</td>
<td>315 300</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FJ Moolman</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29/06/2016</td>
<td>29/12/2018</td>
<td>44 700</td>
<td>–</td>
<td>–</td>
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<td>–</td>
<td>–</td>
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</tr>
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<td>R89,12</td>
<td>–</td>
<td>R5 130</td>
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<td>–</td>
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<td>–</td>
<td>–</td>
<td>66 100</td>
<td>R89,12</td>
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<td>362 700</td>
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<tr>
<td>29/06/2016</td>
<td>29/12/2018</td>
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<td>–</td>
<td>(2 525)</td>
<td>(57 575)</td>
<td>77 26</td>
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<tr>
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<td>28/12/2019</td>
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<td>(1 371)</td>
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<td>18/12/2020</td>
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<td>(17 966)</td>
<td>–</td>
<td>35 500</td>
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<td>15 009</td>
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<td>PT Sishuba-</td>
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</tr>
<tr>
<td>Bonoyi</td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>20/12/2019</td>
<td>20/12/2022</td>
<td>–</td>
<td>36 800</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>36 800</td>
<td>R89,12</td>
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<td>R1 640</td>
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<tr>
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<td></td>
<td>36 800</td>
<td>–</td>
<td>–</td>
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<td>–</td>
<td>36 800</td>
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</tr>
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</table>
Equity compensation benefits for executive directors, prescribed officers, company secretary of the MTN Group and directors of major subsidiaries in respect of the performance share plan (continued)

<table>
<thead>
<tr>
<th>Award date</th>
<th>Number outstanding of 31 December 2018</th>
<th>Awarded</th>
<th>Settlement</th>
<th>Forfeited</th>
<th>Settlement date</th>
<th>Exercise price R</th>
<th>Number outstanding as at 31 December 2019</th>
<th>Fair value share price on 31 December 2019</th>
<th>Value of settlements during 2019</th>
<th>Value of settlements during 2019 (continued)</th>
<th>Estimated closing fair value on 31 December 2019</th>
<th>R000</th>
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<tbody>
<tr>
<td>28/12/2016</td>
<td>29/12/2018</td>
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<td>–</td>
<td>(60 000)</td>
<td>–</td>
<td>–</td>
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<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>28/12/2016</td>
<td>28/12/2019</td>
<td>89 000</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>89 000²</td>
<td>77 600</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>18/12/2017</td>
<td>18/12/2020</td>
<td>77 600</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>77 600</td>
<td>R89,12</td>
<td>–</td>
<td>–</td>
<td>R2 867³</td>
<td>–</td>
</tr>
<tr>
<td>28/12/2018</td>
<td>29/12/2021</td>
<td>133 700</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>133 700</td>
<td>R89,12</td>
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<td>–</td>
<td>R6 075³</td>
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</tr>
<tr>
<td>20/12/2019</td>
<td>20/12/2022</td>
<td>–</td>
<td>135 900</td>
<td>–</td>
<td>(60 000)</td>
<td>–</td>
<td>135 900</td>
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<td>–</td>
<td>–</td>
<td>R6 056³</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td>360 300</td>
<td>135 900</td>
<td>–</td>
<td>(60 000)</td>
<td>–</td>
<td>436 200</td>
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<td>–</td>
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<td></td>
<td>–</td>
</tr>
<tr>
<td>29/06/2016</td>
<td>29/12/2018</td>
<td>45 800</td>
<td>–</td>
<td>–</td>
<td>(45 800)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>28/12/2016</td>
<td>28/12/2019</td>
<td>55 900</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>55 900¹</td>
<td>78 000</td>
<td>–</td>
<td>–</td>
<td>R2 882⁴</td>
<td>–</td>
</tr>
<tr>
<td>18/12/2017</td>
<td>18/12/2020</td>
<td>78 000</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>78 000</td>
<td>R89,12</td>
<td>–</td>
<td>–</td>
<td>R6 248⁵</td>
<td>–</td>
</tr>
<tr>
<td>28/12/2018</td>
<td>29/12/2021</td>
<td>137 500</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>137 500</td>
<td>R89,12</td>
<td>–</td>
<td>–</td>
<td>R6 361⁶</td>
<td>–</td>
</tr>
<tr>
<td>20/12/2019</td>
<td>20/12/2022</td>
<td>–</td>
<td>143 200</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>143 200</td>
<td>R89,12</td>
<td>–</td>
<td>–</td>
<td>R6 361⁶</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>317 200</td>
<td>143 200</td>
<td>–</td>
<td>(45 800)</td>
<td>–</td>
<td>414 600</td>
<td></td>
<td>–</td>
<td>–</td>
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<td>–</td>
</tr>
<tr>
<td><strong>I Jaroudi</strong></td>
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<td></td>
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<td></td>
<td></td>
<td>–</td>
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<td>–</td>
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<tr>
<td><strong>ET Asante</strong></td>
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<td></td>
<td>–</td>
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<td>–</td>
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<tr>
<td><strong>S Ntsele²</strong></td>
<td></td>
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<td></td>
<td>–</td>
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<td>–</td>
</tr>
<tr>
<td><strong>KO Toriola</strong></td>
<td></td>
<td></td>
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<td></td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
</tr>
<tr>
<td><strong>S Perumal⁷</strong></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
</tr>
</tbody>
</table>

1. Refers to the units forfeited under the long term incentive scheme, Performance Share Plan (PSP) based on the achievement of the award performance conditions. This includes any units forfeited as a result of termination of employment before vesting dates.

2. This is the number of PSP units where performance conditions were achieved and equivalent units settled. Exercising generally occurs within three months from end of year under review. 2015 and 2016 PSP awards vested in December 2018 and 2019 respectively.

3. The fair value relates to the PSP units granted in September 2017 which vested in December 2019. Performance for this settlement was measured from January 2017 to December 2019. The share price of ZAR 64.95 quoted on the date of approval of the performance conditions has been used. For all other participants, vested PSP units were lapsed effective December 2019 subsequent to remco approval in March 2020.

4, 5, 6. The estimated 2019 year-end fair values have been disclosed on the basis of actuals, forecasts and budgets for the respective reporting periods. To calculate the fair value, a 30 day VWAP fixed closing share price of 2019 financial year has been applied without adjustment for other years. Actual details have not been published as they are commercially sensitive.

7. Ceased to be a director of a major subsidiary on 1 November 2019.

8. Appointed as a director of a major subsidiary on 1 November 2019.
### Schedule of unvested/outstanding awards and cash flow on settlement

<table>
<thead>
<tr>
<th>Award date</th>
<th>Incentive maturity date</th>
<th>Number outstanding at 31 December 2018</th>
<th>Accrued/settled during 2019</th>
<th>Number outstanding at 31 December 2019</th>
<th>Settlement date during 2019</th>
<th>Settlement price during 2019</th>
<th>Value of settlements during 2019 R000</th>
<th>Value of settlements during 2019 R000</th>
<th>Estimated closing fair value on 31 December 2019 R000</th>
</tr>
</thead>
<tbody>
<tr>
<td>RA Shuter</td>
<td>13/03/2017 12/03/2020</td>
<td>327 214</td>
<td>327 214</td>
<td>327 214</td>
<td>R89,12</td>
<td>R29 162</td>
<td>327 214</td>
<td>327 214</td>
<td>R29 162</td>
</tr>
<tr>
<td>RT Mupita</td>
<td>03/04/2017 28/10/2019</td>
<td>446 027</td>
<td>446 027</td>
<td>–</td>
<td>28/10/2019</td>
<td>R94,28</td>
<td>R42 051</td>
<td>–</td>
<td>R42 051</td>
</tr>
<tr>
<td>J Schulte-Bockum</td>
<td>16/01/2017 15/01/2020</td>
<td>64 432</td>
<td>64 432</td>
<td>64 432</td>
<td>R89,12</td>
<td>R5 742</td>
<td>64 432</td>
<td>64 432</td>
<td>R5 742</td>
</tr>
</tbody>
</table>

* This settlement was not a share previous award but a cash-settled onboarding incentive awarded at appointment date. Fair value is calculated only for 2019 period. There are no performance conditions for the award. The payment is reflected under the single figure of remuneration as full and final settlement of the incentive.
### Non-executive directors’ fees

<table>
<thead>
<tr>
<th>Date appointed</th>
<th>Retainer* R000</th>
<th>Attendance* R000</th>
<th>Special board R000</th>
<th>Strategy session R000</th>
<th>Ad hoc work R000</th>
<th>Total R000</th>
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<tbody>
<tr>
<td>01/06/2018</td>
<td>441</td>
<td>498</td>
<td>25</td>
<td>203</td>
<td>115</td>
<td>1 282</td>
</tr>
<tr>
<td>28/05/2013</td>
<td>3 480</td>
<td>1 110</td>
<td>35</td>
<td>599</td>
<td>115</td>
<td>5 339</td>
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<tr>
<td>01/08/2016</td>
<td>1 323</td>
<td>806</td>
<td>30</td>
<td>376</td>
<td>34</td>
<td>2 569</td>
</tr>
<tr>
<td>01/01/2010</td>
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<td>868</td>
<td>21</td>
<td>376</td>
<td>231</td>
<td>2 839</td>
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<td>13/06/2006</td>
<td>437</td>
<td>695</td>
<td>35</td>
<td>203</td>
<td>–</td>
<td>1 370</td>
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<tr>
<td>08/07/2015</td>
<td>1 328</td>
<td>911</td>
<td>30</td>
<td>376</td>
<td>–</td>
<td>2 645</td>
</tr>
<tr>
<td>01/01/2010</td>
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<td>631</td>
<td>35</td>
<td>203</td>
<td>20</td>
<td>1 453</td>
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<td>2 641</td>
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<tr>
<td>01/07/2018</td>
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<td>463</td>
<td>25</td>
<td>203</td>
<td>–</td>
<td>1 022</td>
</tr>
<tr>
<td>01/07/2019</td>
<td>691</td>
<td>614</td>
<td>9</td>
<td>251</td>
<td>17</td>
<td>1 582</td>
</tr>
<tr>
<td>01/06/2014</td>
<td>441</td>
<td>553</td>
<td>35</td>
<td>203</td>
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<td>1 272</td>
</tr>
<tr>
<td>01/07/2019</td>
<td>681</td>
<td>590</td>
<td>9</td>
<td>251</td>
<td>9</td>
<td>1 540</td>
</tr>
<tr>
<td>01/08/2016</td>
<td>404</td>
<td>578</td>
<td>35</td>
<td>203</td>
<td>–</td>
<td>1 220</td>
</tr>
<tr>
<td>01/06/2018</td>
<td>331</td>
<td>361</td>
<td>15</td>
<td>136</td>
<td>–</td>
<td>843</td>
</tr>
<tr>
<td>18/07/2006</td>
<td>462</td>
<td>774</td>
<td>35</td>
<td>203</td>
<td>76</td>
<td>1 550</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15 574</td>
<td>12 011</td>
<td>466</td>
<td>4 754</td>
<td>684</td>
<td>33 489</td>
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</tbody>
</table>

*** Appointed as Chairman on 15 December 2019.
+ Received fees of R873 799 for services rendered on the International Advisory Board.
* Retainer and attendance fees include fees for board and committee representation and meetings.
@ Fees paid to AngloGold Ashanti Limited.
** Resigned on 15 December 2019.
^^^ Fees paid to Captrust Investments Proprietary Limited.

### Non-binding advisory vote on the implementation report

This report is subject to a non-binding advisory vote by shareholders at the 21 May 2020 AGM. Shareholders are requested to cast a non-binding advisory vote on the implementation as contained in Part 3 of this report.
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>2G</td>
<td>Second generation digital mobile communications standard that allows for voice calls and limited data transmission</td>
</tr>
<tr>
<td>3G</td>
<td>Third generation mobile communications standard allowing mobile phones, computers and other portable mobile devices to access the internet wirelessly</td>
</tr>
<tr>
<td>4G/LTE</td>
<td>Fourth generation or long-term evolution mobile communications standard allowing wireless internet access at a much higher speed than 3G</td>
</tr>
<tr>
<td>AFCF</td>
<td>Adjusted free cash flow</td>
</tr>
<tr>
<td>AFS</td>
<td>Annual financial statements</td>
</tr>
<tr>
<td>AGF</td>
<td>Attorney General of the Federal Republic of Nigeria</td>
</tr>
<tr>
<td>AI</td>
<td>Artificial intelligence</td>
</tr>
<tr>
<td>ARP</td>
<td>Asset realisation programme</td>
</tr>
<tr>
<td>ARPU</td>
<td>Average revenue per user</td>
</tr>
<tr>
<td>BRIGHT</td>
<td>Our strategy</td>
</tr>
<tr>
<td>BCM</td>
<td>Business continuity management</td>
</tr>
<tr>
<td>BEE</td>
<td>Black economic empowerment</td>
</tr>
<tr>
<td>CAGR</td>
<td>Compound annual growth rate</td>
</tr>
<tr>
<td>Capex</td>
<td>Capital expenditure</td>
</tr>
<tr>
<td>Capex intensity</td>
<td>Capex divided by revenue</td>
</tr>
<tr>
<td>CBN</td>
<td>Central Bank of Nigeria</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief executive officer</td>
</tr>
<tr>
<td>CEX</td>
<td>Customer experience</td>
</tr>
<tr>
<td>CFO</td>
<td>Chief financial officer</td>
</tr>
<tr>
<td>Churn</td>
<td>Average number of disconnections in a period divided by average monthly customers during the period</td>
</tr>
<tr>
<td>CRM</td>
<td>Crisis risk management</td>
</tr>
<tr>
<td>CSI</td>
<td>Corporate social investment</td>
</tr>
<tr>
<td>COO</td>
<td>Chief operating officer</td>
</tr>
<tr>
<td>CP</td>
<td>Company performance</td>
</tr>
<tr>
<td>CVM</td>
<td>Customer value management</td>
</tr>
<tr>
<td>EPS</td>
<td>Earnings per share</td>
</tr>
<tr>
<td>ESOP</td>
<td>Employee share ownership plan</td>
</tr>
<tr>
<td>Exco</td>
<td>Executive committee</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Earnings before interest (which includes gains and losses on foreign exchange transactions), tax, depreciation and amortisation and is also presented before recognising the following items: impairment of goodwill, loss on derecognition of long-term loan receivable, net monetary gain resulting from application of hyperinflation and share of results of joint ventures and associates after tax.</td>
</tr>
<tr>
<td>EP</td>
<td>Employee performance</td>
</tr>
<tr>
<td>Fintech</td>
<td>Includes MTN Mobile Money, ecommerce, insurance, airtime lending and data monetisation streams</td>
</tr>
<tr>
<td>Forex</td>
<td>Foreign exchange</td>
</tr>
<tr>
<td>GHG</td>
<td>Greenhouse gas</td>
</tr>
<tr>
<td>GSMA</td>
<td>The GSM Association</td>
</tr>
<tr>
<td>HEPS</td>
<td>Headline earnings per share</td>
</tr>
<tr>
<td>Holdco</td>
<td>Holding company</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards</td>
</tr>
<tr>
<td>IIRC</td>
<td>International Integrated Reporting Council</td>
</tr>
<tr>
<td>IPO</td>
<td>Initial public offering</td>
</tr>
<tr>
<td>IoT</td>
<td>Internet of Things</td>
</tr>
<tr>
<td>ISP</td>
<td>Internet service provider</td>
</tr>
<tr>
<td>ITU</td>
<td>International Telecommunication Union</td>
</tr>
<tr>
<td>JCPOA</td>
<td>Joint Comprehensive Plan of Action</td>
</tr>
<tr>
<td>JSE</td>
<td>Johannesburg Stock Exchange</td>
</tr>
<tr>
<td><strong>King IV™</strong></td>
<td>Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved</td>
</tr>
<tr>
<td>KPI</td>
<td>Key performance indicators</td>
</tr>
<tr>
<td>KYC</td>
<td>Know your customer; a process to identify and verify customer identity</td>
</tr>
<tr>
<td>LA</td>
<td>Limited assurance</td>
</tr>
<tr>
<td>LTI</td>
<td>Long-term incentive</td>
</tr>
<tr>
<td>M&amp;A</td>
<td>Mergers and acquisitions</td>
</tr>
<tr>
<td>Manco</td>
<td>MTN’s group management company</td>
</tr>
<tr>
<td>MENA</td>
<td>Middle East and North Africa</td>
</tr>
<tr>
<td>MFS</td>
<td>Mobile financial services</td>
</tr>
<tr>
<td>Modernised</td>
<td>Subscribers who have successfully activated their SIM cards and participated in a revenue-generating event</td>
</tr>
<tr>
<td>MoMo</td>
<td>MTN Mobile Money</td>
</tr>
<tr>
<td>MOU</td>
<td>Minutes of use</td>
</tr>
<tr>
<td>NM</td>
<td>Not measurable</td>
</tr>
<tr>
<td>NPS</td>
<td>Net promoter score</td>
</tr>
<tr>
<td>Opco</td>
<td>Our operating companies</td>
</tr>
<tr>
<td>Open API</td>
<td>A publicly available programming interface</td>
</tr>
<tr>
<td>Opex</td>
<td>Operating expenditure</td>
</tr>
<tr>
<td>OTT</td>
<td>Over the top services</td>
</tr>
<tr>
<td>QoS</td>
<td>Quality of service</td>
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<tr>
<td>RAN</td>
<td>Radio access network</td>
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<tr>
<td>RMS</td>
<td>Rich-media services</td>
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<tr>
<td><strong>ROE</strong></td>
<td>Return on equity</td>
</tr>
<tr>
<td>ROI</td>
<td>Return on investment</td>
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<tr>
<td>ROIC</td>
<td>Return on invested capital</td>
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<tr>
<td>SAICA</td>
<td>South African Institute of Chartered Accountants</td>
</tr>
<tr>
<td>SARS</td>
<td>Share appreciation rights scheme</td>
</tr>
<tr>
<td>SDG</td>
<td>Sustainable Development Goals</td>
</tr>
<tr>
<td>SEAGHA</td>
<td>Southern and East Africa and Ghana region</td>
</tr>
<tr>
<td>SIM</td>
<td>Subscriber identity module</td>
</tr>
<tr>
<td>SLA</td>
<td>Service level agreement</td>
</tr>
<tr>
<td>SME</td>
<td>Small and medium enterprise</td>
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<tr>
<td>SMS</td>
<td>Short message service</td>
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<tr>
<td>SOHO</td>
<td>Small office/home office</td>
</tr>
<tr>
<td>SRP</td>
<td>Share rights plan</td>
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<tr>
<td>TCF</td>
<td>Treat customers fairly policy</td>
</tr>
<tr>
<td>TP</td>
<td>Team performance</td>
</tr>
<tr>
<td>TSR</td>
<td>Total shareholder return</td>
</tr>
<tr>
<td>UC</td>
<td>Unified communications</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>USSD</td>
<td>Unstructured supplementary service data</td>
</tr>
<tr>
<td>VAS</td>
<td>Value-added services</td>
</tr>
<tr>
<td>VP</td>
<td>Vice-president</td>
</tr>
<tr>
<td>WECA</td>
<td>West and Central Africa</td>
</tr>
</tbody>
</table>
## Definitions for non-financial data

<table>
<thead>
<tr>
<th>KPI</th>
<th>Criteria</th>
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</table>
| **Group employee culture survey result: sustainable engagement percentage** | The MTN Group employee culture survey is conducted annually across each of the MTN Group's operating countries (referred to as opcos), and within the MTN Group head office (management company referred to as manco). The survey reviews Sustainable Engagement across three major components:  
  - **Engagement**: measuring the rational connection, emotional attachment and motivational aspect of Engagement  
  - **Enablement**: measuring if employees have an appropriate level of support in their work environment to ensure they are capable of doing their jobs well  
  - **Energy**: measuring employees' wellbeing to ensure people have capacity to perform at their best |
| **Group whistle-blower hotline data: number of fraud incidents reported and reviewed** | The anonymous tip-offs line is managed by a third party, who collects the tip-offs and reports to MTN. MTN is responsible for the investigation of the tip-off. The tip-off items received include fraudulent tip-offs and other administrative matters. An incident is regarded as received when the call is logged on the anonymous tip-offs line, evaluated by the contracted third party to eliminate dropped calls, prank calls and other non-events. Formal whistle-blowing reports are issued to MTN through the Deloitte Tip-offs Anonymous website. |
| **Net promoter score percentage for MTN South Africa, MTN Nigeria, and other key markets** | Net promoter score (NPS) measures customers' experience with a brand through a simple question:  
  "On a scale of 0 to 10, how likely would you be to recommend MTN to a friend or family member?"  
  Responses of nine or 10 are considered 'promoters' while responses of seven or eight are considered 'passives'. Any score of six or below is considered to be a 'detractor'. Each country's NPS is calculated by subtracting the percentage of 'detractors' from the percentage of 'promoters'. Combined scores of multiple operations are calculated by weighting responses according to subscriber base within each operation. |
| **Group total tax contribution: ZAR** | Tax-related payments made during the 1 January 2019 to 31 December 2019 period which relate to:  
  1. Taxes borne through the operation of the company, including:  
     - Corporate income tax.  
     - Product and indirect taxes such as:  
       - Custom duties.  
       - Excise duties.  
       - Value added tax (borne).  
       - Other indirect taxes (e.g. but not limited to, country-specific taxes on services).  
     - People and payroll taxes such as:  
       - Unemployment insurance fund levy.  
       - Occupational injuries and diseases levy.  
       - Skills development levy.  
       - Pay-as-you-earn settlements.  
     - Withholding taxes.  
     - Property taxes.  
     - Stamp duty.  
     - Operating licence fees.  
     - Other government-specific levies (e.g. but not limited to local government permits, motor vehicle permits, property and municipal levies, registration fees and other government levies).  
  2. Taxes collected on behalf, and paid over, to the tax authorities, including:  
     - Product and indirect taxes such as:  
       - Value added tax (net of VAT collected by, and VAT refunded to, MTN).  
     - People and payroll taxes such as:  
       - Pay-as-you-earn.  
       - Other employee taxes.  
     - Unemployment insurance fund levy.  
     - Withholding taxes such as:  
       - Dividends tax. |