

# **MTN GROUP LIMITED**

and subsidiary, Mobile Telephone Network Holdings Limited

## **BOARD CHARTER**



APPROVED

LED

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APPROVED

## A. APPROVAL

This document has been approved by the Board on 30 November 2023.

## B. ABBREVIATIONS

Term	Description
ESG	Environment, Social and Governance
MOI	Memorandum of Incorporation

## C. DOCUMENT CONTROL

Department	Date last approved	Version
Group Secretariat	1 March 2017	2.3
Group Secretariat	6 March 2019	2.6
Group Secretariat	10 March 2020	3.0
Group Secretariat	9 March 2021	4.0
Group Secretariat	25 November 2021	5.0
Group Secretariat	30 November 2022	6.0
Group Secretariat	30 November 2023	7.0

## BOARD CHARTER

### 1. PREAMBLE

- 1.1. MTN Group Ltd (“**Company**”) is committed to upholding good corporate governance in its dealings with shareholders and other stakeholders identified as being relevant to the business of the Company and its subsidiaries (collectively the “**Group**”).
- 1.1.1. This board charter shall constitute and form an integral part of each board member’s appointment letter to the board of directors.
- 1.1.2. The board is the focal point for, and custodian of, corporate governance, by managing its relationship with management, the shareholders and other relevant stakeholders of the Company and the Group along sound corporate governance principles.
- 1.1.3. The board is ultimately accountable and responsible for the performance and affairs of the Company and the Group and seeks to create enduring stakeholder value in a responsible and ethical manner.
- 1.1.4. Furthermore, this board charter forms part of the governance practices which are required under the King “Report on Corporate Governance for South Africa 2016” (“**King**”) and describes some of the key powers and responsibilities assumed by the members of the board.
- 1.1.5. The Charter captures the principles of OECD and ISO 37000 on good corporate governance.
- 1.1.6. This board charter is subject to the provisions of the Companies Act, 2008 (“**2008 Act**”), the Company’s Memorandum of Incorporation, Johannesburg Stock Exchange Listings Rules, Financial Market Act, Group Delegation of Authority and any other applicable law or regulatory provision.
- 1.1.7. The Statutory Group Audit Committee (“GAC”) and Group Social, Ethics, and Sustainability Committee (GSESCo) shall be the Statutory Committees for Mobile Telephone Networks Holdings Limited and MTN International Proprietary Limited. All other Group Committees shall provide oversight roles to Mobile Telephone Networks Holdings Limited and MTN International

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Proprietary Limited to the extent that we prevent personal financial conflicts of interest. The acceptance of directorship should follow the established protocol to mitigate the risks of over boarding, conflicts of interest, red flags, also avoid controversies, etc.

## 2. PURPOSE

The purpose of this board charter is to provide guidance as to how business is to be conducted by the board in accordance with the international principles of good corporate governance. The board charter sets out the specific roles and responsibilities to be discharged by the board members collectively and individually with effective counsel from the Group Company Secretariat.

## 3. BELIEF

MTN is a belief-driven organisation, in that, everyone deserves the benefit of a modern connected life.

## 4. STRATEGIC INTENT

The Ambition 2025 Strategic Intent is to leading digital solutions for Africa's progress.

## 5. OBJECTIVES

The objectives of this board charter are to ensure that all board members:

- 5.1 are aware of their duties, roles and responsibilities, as well as the provisions of various legislation and regulations affecting their conduct.
- 5.2 take steps to ensure that the principles of good corporate governance are applied in all their dealings in respect of and on behalf of the Group.
- 5.3 take deliberate steps to ensure that the international principles of sound governance are considered and applied by all companies and subsidiaries in all the markets where MTN operates.
- 5.4 promote the pursuit of the Company's purpose of shared value within the confines of good corporate governance, the interest of communities which the company affects and the best interests of the Company's shareholders.
- 5.5 promotes the interest of the Company above their own and brings judgement and independence of the mind.

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- 5.6 should foster high performing board, and is expected to prepare adequately for the meetings, to understand the complex issues of MTN Group, and add value through informed probing of the logic and decision-making.
- 5.7 if the authority of the Board is not enunciated in any document, the Board reserves its powers until such authority is explicitly granted.
- 5.8 If any conflict arises between any governance document and the provisions of this Charter, the provisions of the Charter ought to prevail.

## 6. AUTHORITY OF THE BOARD

The board of directors is elected by the shareholders. The business and affairs of the Company shall be managed under the direction of and shall vest with the board, which has the authority to exercise all of the powers and perform any of the functions of the Company, except to the extent that the Memorandum of Incorporation of the Company or the 2008 Act provides otherwise. The Board has authority to delegate certain powers to the Group President and CEO through the Decision-Making Framework.

## 7. BOARD LEADERSHIP

- 7.1. There are two key tasks at the top of a company, namely the execution of its duties by the board and the executive responsibility for the running of the company's business. There should be a clear division of responsibilities at the head of the company to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.
- 7.2. The board should provide effective and ethical leadership and vision to the Company in a responsible way that will enhance stakeholder value, embrace integrated thinking in a way that preserves the environment by placing focus on reducing carbon emissions, promote diversity, equity and inclusion, good governance and ensure the Company's long-term sustainability.
  - 13.2.1 Board members must be fully prepared for Committee meetings, to provide appropriate and constructive input on matters discussed.
- 7.3. The board should individually and collectively act in good faith and assume collective responsibility for steering the Company and setting its strategic direction.

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13.3.1 In the execution of their duties, Board members must apply the "Standards of conduct of directors" as set out in section 76 of the Companies Act, 2008 ("the Act") and "Director's personal financial interests" as set out in section 75 of the Act.

13.3.2 Should consider cybersecurity risks in every business decision being taken.

13.3.3 Empower the company secretariat to maintain its independence, objectivity, and arm's length relationship with management and the board.

7.1. Foster protection of Board information by Group Company Secretary for the purposes of the Company and the Group, provided information is sought to deliver functional objectives, duties and responsibilities. The Company Secretary is empowered to assess the required Board information and release it only for the purposes of performance of such functional duties. The information to be released will be to facilitate the achievement of such objectives, scope, and duties.

## **8. SIZE OF THE BOARD**

The role of the board as the focal point of governance is essential to the success of the Company, therefore the Company should be led by a board that should direct, govern and be in effective control of the Company. The board must be large enough to ensure a wide range and balance of skills, competencies, professional, independence, diversity and industry knowledge in order to discharge its governance role and responsibilities objectively and effectively. The size of the board should however be such that the common purpose, involvement, participation, harmony and sense of responsibility of the board members are not jeopardised. Unless the Memorandum of Incorporation of the Company provides otherwise, the minimum number of directors shall be not less than four. There is no maximum limit on the number of directors that may be appointed to the board.

## **9. COMPOSITION OF THE BOARD**

9.1. The Company has a unitary board, consisting of executive and non-executive directors.

9.2. The board must comprise a majority of non-executive directors, and of such directors, a majority must be independent non-executive directors in order to promote objectivity and to reduce the possibility of conflict of interests.

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- 9.3. Diversity should be upheld by the board in its membership in order to promote better decision-making and effective governance, among others, experience, age, culture, race, gender, skills and knowledge.
  
- 9.4. As a minimum, two executive directors should be appointed to the board being the Group President and CEO and the Group Chief Financial Officer.
  
- 9.5. An executive director is an individual who -
  - 9.5.1. is involved in the day-to-day management of the Company; and/or
  - 9.5.2. is a full-time salaried employee of the Company or its subsidiaries.
  - 9.5.3. A non-executive director is an individual who -
    - 9.5.4. is not involved in the day-to-day management of the Company; and/or
    - 9.5.5. is not a full-time salaried employee of the Company or its subsidiaries.
    - 9.5.6. An independent non-executive director is an individual who -
      - 9.5.7. is not a representative of a shareholder who has the ability to control or significantly influence management or the board;
      - 9.5.8. does not have a direct or indirect interest in the Company (including any holding company or subsidiary thereof) which exceeds five per cent of the Group's total number of shares in issue; if a direct or indirect interest in the Company exists, it is required to be less than five per cent of the Group's total number of shares in issue and the value of such should not be material to the director's personal wealth;
      - 9.5.9. has not been employed by the Company or the Group, in any executive capacity, or appointed as the designated auditor or partner in the Group's external audit firm, or senior legal adviser, for the preceding three financial years;
      - 9.5.10. is not a member of the immediate family of an individual who is, or was in any of the past three financial years, employed by the Company or the Group in an executive capacity;

- 9.5.11. is not a professional advisor to the Company or the Group, other than as a director;
  - 9.5.12. is free from any business or other relationship (contractual or statutory) which could be seen by an objective outsider to materially interfere with the individual's capacity to act in an independent manner, such as being a director of a material customer or supplier to the Company; or
  - 9.5.13. does not receive remuneration contingent upon the performance of the Company.
- 9.6. Procedures for appointments to the board should be formal and transparent and be matters for the board as a whole to consider, assisted where appropriate by the Directors Affairs and Governance Committee in order to identify suitable candidates for election by shareholders.
- 9.7. The Group President and CEO and the Group Chief Financial Officer ("CFO") are executive members of the board.
- 9.8. There must be an appropriate division of duties and responsibilities on the board, identifying key roles and performance standards for board members and ensuring that board members clearly understand these functions.
- 9.9. Members of management can be board members. However, management should understand that board membership is not necessary or a prerequisite for any higher management position in the Company. Where management is appointed to the board, care must be taken to separate their managerial responsibilities from those as directors of the Company.
- 9.10. Qualifications for membership should include the following attributes -
- 9.10.1. a knowledge and understanding of the conduct of the business of the Group and of the laws and regulations that govern its activities;
  - 9.10.2. knowledge of the responsibilities of a director;
  - 9.10.3. the ability to make sensible and informed business decisions and recommendations;

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- 9.10.4. an entrepreneurial talent for contributing to the creation of shareholder value;
  - 9.10.5. the ability to ask difficult questions and probe issues;
  - 9.10.6. high ethical standards and integrity in personal and business dealings;
  - 9.10.7. sound practical sense;
  - 9.10.8. the ability to see the broader picture and perspective;
  - 9.10.9. total commitment to furthering the interest of all stakeholders of the Company and to achieving the Company's goals.
- 9.11. Members are expected to keep themselves informed on changes and trends in the business and in the Company's environment and markets.
- 9.12. Members shall keep themselves informed on changes and trends in the economic, political, technological, social and legal climate generally.
- 9.13. Key competencies required for non-executive directors should be -
- 9.13.1. an ability to contribute effectively to the board's deliberations ;
  - 9.13.2. an ability to communicate effectively;
  - 9.13.3. an ability to demonstrate a wide and unfettered perspective on issues;
  - 9.13.4. organisational and strategic awareness;
  - 9.13.5. capacity to provide invaluable strategic counsel unlocking substantial organisational value;
  - 9.13.6. financial literacy;
  - 9.13.7. an ability to constructively collaborate as part of a team towards the successful performance of the Company.

## 10. BALANCE OF POWERS

- 10.1. Every board member must be afforded the opportunity to play a full and constructive role in its affairs to act in good faith and for the proper purpose for the Company and Group.
- 10.2. Directors act jointly - no director has any authority to severally perform any act on behalf of the Company or the board unless specifically authorised or requested by the Board or as authorised nominees of the Board. Directors are jointly accountable for the decisions of the Board.
- 10.3. A board member should be prepared to express a dissenting view with colleagues on the board, and bring the benefit of their particular knowledge, experience, skills and abilities.
- 10.4. A board member should be sufficiently prepared to make well thought contribution to the decisions about the affairs of the Company and be encouraged to contribute in the construction of the agenda to ensure that matters of importance or concern are included on the agenda and are highlighted.
- 10.5. If a board member is in doubt as to whether a proposed course of action is consistent with his or her fiduciary duties and responsibilities, then that course of action should not be supported.
- 10.6. The board should have a clear balance of power and authority to ensure that no one director has unfettered powers of decision - making.

## 11. PERIOD OF OFFICE

The Memorandum of Incorporation will determine a director's period in office. In terms of the Memorandum of Incorporation (except to the extent that the contract of appointment of a director who has been appointed for a fixed period provides otherwise)

- 11.1.1. all board members appointed by the board to fill a vacancy will only hold office until the next annual general meeting, at which they will retire but may become available for re-election;

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- 11.1.2. All directors are subject to retirement by rotation and re-election by shareholders at least once every three years in accordance with the provisions thereof.
- 11.1.3. Any Director holding office for an aggregate period in excess of 9 (nine) years since his/her first election or appointment, shall retire from office at the next Annual General Meeting (notwithstanding that he/she may have retired from office at the previous Annual General Meeting) and will undergo a vigorous assessment and evaluation every year after the nine years to determine their independence and to ensure the member exercises objective judgement. Such evaluation results and or report shall be tabled at the shareholders meeting and be considered by the shareholders for re-election of that director.
- 11.2. Termination of a director's service/employment contract will result in his or her resignation from the board.
- 11.3. Executive directors are at liberty to accept one other board appointment, provided that the appointment is not in conflict with the business of the Group and will not detrimentally affect their contribution as board members. All board appointments, for both executive and non-executive directors, must first be discussed with and sanctioned by the Chairman, or if the Chairman is the person considering the acceptance of other board appointments, he should discuss the matter with and obtain the sanction of the LID who is a non-executive director. Such appointment should be tabled and assessed by the Directors Affairs and Governance Committee following submission by the Group Company Secretary.
- 11.4. The suggested retirement age for an executive director is 60 years of age and for a non-executive director is 75 years of age.

## 12. ROLE OF THE BOARD

- 12.1. It is the duty of the board to determine the Company's purpose and values, to approve the strategy to achieve its purpose and to ensure its values are implemented. It should also ensure that procedures and practices are in place which will protect and safeguard the Company's assets and reputation as it has a duty to exercise care, skill and diligence and to act in good faith in the interest of the Company.

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- 12.2. The board recognises that in order to remain effective, it must induct, develop or remove board members as necessary from time to time. Incompetent or unsuitable board members should be removed, taking relevant legal and other matters into consideration. In practice, the Chairman will usually play a lead part in such issues. The shareholders, in accordance with the protocols governing the Company, could also play a role in this instance.
- 12.3. The board should recognise that today's business environment is volatile, uncertain complex and ambiguous and will embrace agile approach to achieve business resilience.
- 12.4. The board is explicitly responsible for the stewardship of the Company and in discharging its obligations, the board should assume responsibility for the following: –
  - 12.4.1. challenge itself whether they have the appropriate governance processes to enable the timely review and implementation of a robust strategy across the short- mid-, and long-term time horizons.
  - 12.4.2. oversight to ensure critical scenario plans, stress testing and contingency planning. retain full and effective control over the Company and monitor management in its implementation of board plans and strategies;
  - 12.4.3. ensure that ESG forms integral part of the company strategy, targets are set and progress is monitored for the long-term the sustainability of the Group, stakeholders and environment.
  - 12.4.4. shall commit to, act and communicate diversity goals and progress.
  - 12.4.5. ensure that ethical standards developed by the board are integrated into the Company's strategies and operations and that there is effective compliance with relevant laws and regulations, audit and accounting principles, and the Company's own governing documents including policies;
  - 12.4.6. act above and beyond the minimum requirements and benchmarks for both South African and international best practices;
- 12.5. act responsibly in regard to the Company's relevant stakeholders, with appreciation that stakeholders' perceptions affect the Company's reputation;

- 12.5.1. be aware of, and commit to, the underlying principles of good governance, *inter alia*, by -
- 12.5.2. ensuring that the Company has an effective and independent audit committee;
- 12.5.3. being responsible for the governance of risk and ensuring complete, timely, relevant, accurate and accessible risk disclosure to relevant stakeholders;
- 12.5.4. being responsible for information technology (IT) governance;
- 12.5.5. being responsible for compliance governance;
- 12.5.6. ensuring that the Company complies with applicable laws and regulations and has regard to non-binding rules, codes and standards;
- 12.5.7. ensuring that there is an effective risk-based internal audit function, which includes an annual written assessment of the effectiveness of the Company's system of internal control and risk management;
- 12.5.8. act in the best interests of the Company by ensuring that individual directors:
  - 12.5.8.1. -adhere to legal standards of conduct;
  - 12.5.9. are permitted to take independent advice in connection with their duties following an agreed procedure;
  - 12.5.10. disclose real or perceived conflicts to the board and deal with them accordingly; and
  - 12.5.11. deal in the Company's securities only in accordance with the policy adopted by the board;
    - 12.5.11.1. consider business rescue proceedings or other turnaround mechanisms as soon as the Company becomes financially distressed;
  - 12.5.12. define levels of materiality, reserving specific powers to itself and delegating other matters with the necessary written authority to management; and

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- 12.5.13. approve specific financial and non-financial objectives and policies proposed by management.
- 12.5.14. Having regard to its role, the board will direct and supervise the management of the business and affairs of the Company including -
- 12.5.15. appreciating that strategy, risk, performance and sustainability are inseparable in the governance of the organisation and to give effect to this by –
- 12.5.16. contributing to and approving the strategy;
- 12.5.17. satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management;
- 12.5.18. identifying key performance and risk areas, as well as the associated performance and risk indicators and measures;
- 12.5.19. having reasonable confidence that the strategy will result in favourable sustainable outcomes;
- 12.5.20. considering sustainability as a business opportunity in framing strategy formulation;
- 12.5.21. establishing policies to strengthen the performance of the Company;
- 12.5.22. monitoring and evaluating management's performance;
- 12.5.23. Protecting the Company's financial position and the ability to meet its debts and other obligations when they fall due, by ensuring that steps necessary to this end are taken by management;
- 12.5.24. ensuring that the integrated business report presents a fair and reasonable reflection of the results and affairs of the Company and the Group, conforms with applicable laws and regulations and integrates sustainability reporting and disclosure with financial reporting;
- 12.5.25. ensuring that the Company adheres to high standards of ethics and is seen to be a responsible corporate citizen with exemplary corporate behaviour, by having regard to not only the financial aspects of the business of the

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Company, but also to the impact that business operations have on the environment and the society within which it operates;

- 12.5.26. ensuring that the Company has appropriate risk management and regulatory compliance policies and procedures in place;
- 12.5.27. ensuring regular review of business objectives and strategy, and ensuring that the strategy results in sustainable outcomes, and remain consistent with the long term interests of the Company.
- 12.5.28. delegation of authorities for capital expenditure and the review of investments, capital and funding proposals that require board approval;
- 12.5.29. succession planning processes for the management team;
- 12.5.30. processes for meeting, reporting and other disclosure requirements; and
- 12.5.31. processes for the review of the above on a regular basis.
- 12.5.32. Ensure that the group design, establish governance framework, policy that aligns to the complexity of the group including ensuring proper governance and oversight in all markets where MTN operates.
- 12.5.33. The day-to-day running of the business will be the responsibility of management.

- 12.6. Each individual director shall:

be committed and dedicate sufficient time to the company in order to discharge her/his fiduciary responsibilities as a director. Each member shall consider the number of external board membership he/she has, to ensure that he/she is not overstretched and that she/he can exercise fiduciary oversight with due diligence..

- 12.7. exercise ethical leadership, business judgment and act with integrity in the utmost good faith and honesty in all their dealings with or on behalf of the company and act independently of any outside fetter or instruction.
- 12.8. act in line with modern trends worldwide, not only exhibit the degree of skill and due care and diligence and take reasonable diligent steps as may be

reasonably expected from persons of their skill and experience (which is the traditional legal formulation), but also exercise both the care and skill any reasonable person would be expected to show in looking after their own affairs.

- 12.9. treat any confidential matters relating to MTN, learned in their capacity as directors, as strictly confidential and to not divulge them to anyone without the express written authority of the company.
  
- 13. **The board has delegated certain functions to its committees without abdicating responsibility. These Committees are supported by a future-fit secretarial function that should be appropriately resourced to discharge its statutory duties.**
  
- 14. **MATTERS RESERVED FOR THE BOARD**

The following matters shall be reserved for the decision of the board, on the basis of any recommendation as may be made from time to time by the committees of the board and the relevant statutory committees read together with the Group Board Decision Making Framework-

#### **14.1. *Governance and Organisation (Statutory and Administrative)***

- 14.1.1. Granting of general signing authorities pursuant to the Memorandum of Incorporation of the Company – e.g., authority to sign share certificates, authority to authenticate documents affecting constitution of the Company, resolutions passed by the Company or Directors, etc.
  
- 14.1.2. Incorporation of a new company by MTN Group (excluding the incorporation of a subsidiary of Platform/ OpCo).
  
- 14.1.3. Appointment, removal or replacement of Company Secretary.

#### **14.2. *Governance and Organisation (Share and Capital Distribution)***

- 14.2.1. Any decision to list the Company's shares (Holding, subsidiary or associate company) on any stock exchange or any decision to terminate Group listing or suspension of trading activities.
  
- 14.2.2. Recommendation to shareholders of any increase, reduction or alteration to share capital.

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- 14.2.3. Allotment, issue or other disposal of shares/ derivatives/ futures of the Company (except for shares allotted under any share incentive scheme).
- 14.2.4. Approval of terms and conditions of any rights issues, public offers, capital issues or issues of convertible securities (incl. shares or convertible security issues for acquisitions).
- 14.2.5. Issue Circulars/ Prospectuses, Listing Particulars, Rights Offers or takeover / merger documents.
- 14.2.6. Dividend Policy / Guideline determination and Dividend declaration.
- 14.2.7. Share Buy-backs .
- 14.2.8. Shareholding agreements (such as variation of rights attached to shares) including substantial/material amendments thereto.

**14.3. *Governance and Organisation (Financial Reporting)***

19.3.1 Annual Financial Statements

- 14.3.1. Financial reporting

19.3.2.1 Valuation of unlisted investments .

19.3.2.2 Declaration of dividends and forfeiture of unclaimed dividends .

19.3.2.3 Interim Reports .

19.3.2.4 Integrated Annual report (incl. sustainability).

**14.4. *Strategy and Development (Strategy)***

- 14.4.1. Group strategy, medium term guidance, business plans and consolidated annual budgets.
- 14.4.2. Subsequent material changes in strategic direction (spend above the approved budget or extraordinary spend).

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14.4.3. Pursuit of new operating licence bids and "maximum commercial consideration" (including approval for amounts outside of pre-approved funding limits).

14.4.4. Any acquisition across the Group of new businesses and/or disposals of existing businesses (including disposal of material assets) (Core/ Non-core/ Joint Ventures).

**14.5. *Strategy and Development (Funding and Debt Levels)***

14.5.1. Request shareholder funding and/or additional debt .

14.5.2. Define / Implement Group debt structure and set gearing levels.

**14.6. *Talent Management and Remuneration (Remuneration)***

14.6.1. Approval and/or amendment of share incentive scheme/ long-term incentive policies and/or plans (LTI).

14.6.2. Approval and/or amendment of Board member's fees.

14.6.3. Approval of Rules and amendments to Pension and Provident Funds having a material effect on the actuarial assets/liabilities (decisions reserved for Trustees).

**14.7. *Talent Management and Remuneration (Appointments and Retrenchments)***

14.7.1. Appointments to Group CEO and Group CFO.

14.7.2. Termination and terms of separation for Group CEO and Group CFO.

14.7.3. Ex-gratia payments to Group EXCO, Tier I CEOs and Platform CEOs > \$ 1m.

14.7.4.

**14.8. *Funding and Commitments (Funding)***

14.8.1. Raising of borrowing facilities outside approved limits.

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14.8.2. Structure and terms of borrowing facilities: (Long Term Borrowings >1 year) > \$ 150m.

14.8.3. Special arrangements outside the ordinary course of business for transactions involving the repatriation or movement of funds from sanctioned countries / Forex restricted countries.

14.8.4. Loan covenants (outside of treasury policy).

**14.9. *Funding and Commitments (Guarantees or financial commitments )***

14.9.1. Guarantees or financial commitment > \$ 150m.

**14.10. *Funding and Commitments (Security (e.g., pledge, lien, charge, etc.)***

14.10.1. Providing Security to third party (e.g., pledge, lien, charge, hypothecating, encumbering assets etc.) > \$ 50m.

**14.11. *Finance and Commercial (Tender process)***

14.11.1. All sourcing across the Group (Including Technology and infrastructure procurement) >\$ 150m.

**14.12. *Finance and Commercial (Tender process)***

14.12.1. CAPEX outside of the business plan (applicable to all entities within the MTN Group)\* >\$ 50m.

14.12.2. Multi-year Capital Projects (2 years+) outside business plan > \$ 150m.

14.12.3. Operating expenses outside business plan (applicable to all entities within the MTN Group) (single event)\* > \$ 30m.

**14.13. *Finance and Commercial (Appointment of professional service providers)***

14.13.1. Special advisors providing services of a sensitive nature/ potential high business continuity or reputational risk impact (e.g., Risk, legal, compliance or regulatory) (applicable to all entities within the MTN Group) >\$ 10m.

**14.14. *Finance and Commercial (Sponsorships and Donations)***

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- 14.14.1. Sponsorships (Group, multi-country, within borders) (applicable to all entities within the MTN Group) >\$ 25m.
- 14.14.2. Donations (applicable to all entities within the MTN Group – excluding Foundation donations) > \$ 5m.
- 14.14.3. Sensitive Sponsorship and Sensitive donations (such as political donations).

**14.15. *Finance and Commercial (Other Expenditure)***

- 14.15.1. Non-discretionary expenditure imposed by country authorities (tax, regulatory or other) outside the legal framework. >\$ 50m.

**14.16. *Legal, Risk Management and Audit (Legal)***

- 14.16.1. Prosecution, defense or settlement with Authorities of legal proceedings, where material or not in the ordinary course of business (applicable to all entities within the MTN Group).
- 14.16.2. Material legal action (including waivers) where there is both financial and reputational impact (applicable to all entities within the MTN Group) > \$ 25m.
- 14.16.3. Any actions by MTN against its Directors and Officers (applicable to all entities within the MTN Group).
- 14.16.4. Defend any actions against Group Board Directors and Officers (including Securities claims).

**14.17. *Legal, Risk Management and Audit (Risk)***

- 14.17.1. Annual sign-off of Group Annual risk appetite (Group-wide).

**14.18. *Legal, Risk Management and Audit (Appointment of External Auditors and responsible persons)***

- 14.18.1. Appointment, removal or replacement of external auditors.
- 14.18.2. Appointment of responsible persons as required by legislation.
- 14.18.3.

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#### **14.19. Human Capital**

- 14.19.1. the appointment of, terms of reference and changes in the composition of its Committees; the Group Social, Ethics, and Sustainability Committee, Directors Affairs and Governance Committee, Group Human Capital and Remuneration Committee, Group Risk Management & Compliance Committee, Group Audit Committee, Group Finance and Investment Committee and such other committees as the board may appoint from time to time. The board shall only propose nominees to the statutory Group Audit Committee as well as the Social, Ethics and Sustainability Committee for election by the shareholders, in accordance with the requirements of the 2008 Act and King code;

#### **15. THE CHAIRMAN – ROLE AND FUNCTION**

- 15.1. The Chairman is responsible for representing the board to the shareholders and indirectly to the general public.
- 15.2. The Chairman shall be independent and avoid conflict.
- 15.3. The Chairman is responsible for ensuring the integrity and effectiveness of the governance processes of the board.
- 15.4. The Chairman is responsible for ensuring the effectiveness of the governance processes, systems of the boards of subsidiaries where MTN operates.
- 15.5. The Chairman is responsible for maintaining regular dialogue with the Group President and CEO over important operational matters. In addition, the Chairman will make him/herself available to the Group President and CEO to provide counsel and advice where appropriate and will consult with the remainder of the board promptly over any matter that gives him or her cause for major concern.
- 15.6. The Chairman will preside over and act as facilitator at meetings of the board to ensure that appropriate discussion takes place and that no member, whether executive or non-executive, dominates discussion and that relevant opinion among members is forthcoming. The Chairman will ensure that discussions result in logical and understandable outcomes.

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- 15.7. The Chairman plays a crucial role in ensuring that the board is properly led. The Chairman is responsible, primarily, for the working of the board and for ensuring that all relevant issues are on the agenda and that all available information on an issue is placed before the board.
- 15.8. The Chairman will annually be subjected to a rigorous independence evaluation.
- 15.9. The Chairman is responsible for –
  - 15.9.1. ensuring that decisions are taken where required, consensus is reached and a resolution is formally passed;
  - 15.9.2. setting the ethical tone for the board and the Company;
  - 15.9.3. providing overall leadership to the board without limiting the principle of collective responsibility for board decisions, while at the same time being aware of the individual duties of board members;
  - 15.9.4. identifying and participating in the selection of directors through the Directors Affairs and Governance Committee. Overseeing a formal succession plan for the board, Group President and CEO and Group CFO supported by the Group Company Secretary;
  - 15.9.5. Overseeing a formal succession plan for Group Secretary.
  - 15.9.6. formulating (with the Group President and CEO and Company Secretary) the yearly work plan for the board against agreed objectives and playing an active part in setting board agendas;
  - 15.9.7. managing conflicts of interest in accordance with all applicable legal requirements (wording from the Act) ;
  - 15.9.8. acting as the link between the board and management and particularly between the board and the Group President and CEO and Company Secretary.
  - 15.9.9. being collegial with board members and management while at the same time maintaining an arm's length relationship.

- 15.9.10. ensuring that directors play a full and constructive role in the affairs of the Company and taking a lead role in the process for removing non-performing or unsuitable directors from the board.
- 15.9.11. ensuring that complete, timely, relevant, accurate, honest and accessible information is placed before the board to enable directors to reach an informed decision;
- 15.9.12. mentoring directors so as to develop skills and enhance their confidence (especially those new to the role) and encouraging all directors to express their opinions and make an active contribution at meetings. The mentoring role is encouraged to maximise the potential of the board.
- 15.9.13. ensuring that all directors are made aware of their responsibilities through a tailored induction program as contemplated in clause 26 and ensuring that a formal program of continuing professional education is adopted at board level as contemplated in clause 27a;
- 15.9.14. ensuring that good relations are maintained with the Company's major shareholders and its strategic stakeholders as well as presiding over shareholders' meetings;
- 15.9.15. building and maintaining stakeholders' trust and confidence in the Company.

## **16. LEAD INDEPENDENT DIRECTOR**

- 16.1. A lead independent director may be designated by the board from the ranks of the independent non-executive directors to assume the role of the Chairman when the Chairman and Deputy Chairman are unable to act in such capacity because of a lack of independence or conflict of interest.
- 16.2. The term of the lead independent director's appointment will depend on the circumstances of the Company and could either be an ongoing appointment or one of limited duration for so long as the actual or perceived lack of independence or conflict of interest endures.
- 16.3. The lead independent director shall –

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- 16.3.1. provide leadership, advice and assistance to the Chairman and the remainder of the board, without detracting from or undermining the authority of the Chairman, so as to ensure effective corporate governance in managing the affairs of the Company;
- 16.3.2. chair the board meetings which deal with the succession of the Chairman and the Chairman's performance appraisal.
- 16.3.3. consider questions relating to possible conflicts of interest or breaches of any codes applicable to the Chairman as such questions arise.

## **17. THE GROUP PRESIDENT AND CEO**

- 17.1. The board will link the Company's governance and management functions through the Group President and CEO.
- 17.2. The board will appoint the Group President and CEO (following recommendation by the Directors Affairs and Governance Committee, which will determine the conditions of employment of the Group President and CEO) and evaluate the performance of the Group President and CEO on an annual basis supported by the Group Company Secretary.
- 17.3. The task of the Group President and CEO is to lead the business and to implement the policies and strategies adopted by the board.
- 17.4. All board authority conferred on management is delegated through the Group President and CEO, so that the authority and accountability of management is considered to be the authority and accountability of the Group President and CEO, in so far as the board is concerned. The approval of the board is required to the levels of sub-delegation immediately below the Group President and CEO through the Group Decision Making Framework.
- 17.5. The board will agree with the Group President and CEO the specific results to be achieved that are directed toward the Company's goals. This will usually take the form of an annual performance contract in terms of which the Group President and CEO is authorised to make any decision and take any action within management limitations, directed at achieving the Company's goals.

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- 17.6. Only decisions of the board, acting as a body, are binding on the Group President and CEO. Decisions or instructions of individual members, officers or committees are not binding, except in those instances where the board gives specific authorisation or where the Group Audit Committee and Social and Ethics Committee are afforded the relevant power in terms of the 2008 Act.
- 17.7. The Group President and CEO is accountable to the board for the achievement of the Company's goals and for the observance of the management limitations.
- 17.8. At each of the board meetings, the board should expect to receive from or through the office of the Group President and CEO -
  - 17.8.1. the operational and other management reports;
  - 17.8.2. such assurances as the board considers necessary to confirm that the management limitations and agreed authorities are being observed.
- 17.9. The Group President and CEO is required to act within all specific authorities delegated to him by the board.
- 17.10. The Group President and CEO is required not to cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics.
- 17.11. In allocating the capital and resources of the Company, the Group President and CEO is required to adhere to the Company's goals.
- 17.12. The Group President and CEO is required not to cause or permit any action without taking into account their potential health, safety, environmental and political consequences and their effect on long-term stakeholder value.
- 17.13. In financing the Company, the Group President and CEO is required not to cause or permit any action that is likely to result in the Company becoming financially embarrassed.
- 17.14. The assets of the Company are required to be adequately maintained and protected and not unnecessarily placed at risk. In particular, the Company must be operated with a comprehensive system of internal control (and the board should report on the effectiveness thereof), and assets or funds must not be

received, processed or disbursed without controls that, as a minimum, are sufficient to meet standards acceptable to the Company's external auditors. One of the tools used as a framework, is an asset management plan for both on and off-balance sheet assets. In managing the risks of the Company, the Group President and CEO is expected not to cause or permit anyone to substitute their own risk preferences for those of the shareholder body as a whole.

- 17.15. The Group President and CEO is required not to permit employees and other parties working for the Company to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.
- 17.16. The Group President and CEO is required not to cause or permit payments to be made or rewards given, unless they are in return for contributions towards the purposes of the business and are proportional to the extent that the contribution in question has furthered such purposes.
- 17.17. The Group President and CEO is responsible for –
  - 17.17.1. recommending the senior management team and ensuring performance appraisals for them;
  - 17.17.2. developing the Company's strategy for consideration and approval by the board;
  - 17.17.3. developing and recommending to the board business plans and annual budgets that support the Company's long-term strategy;
  - 17.17.4. monitoring and reporting to the board the performance of the Company and its conformance with compliance imperatives;
  - 17.17.5. establishing an organisational structure for the Company which is necessary to enable execution of its strategic planning;
  - 17.17.6. setting the tone in providing ethical leadership and creating an ethical environment;
  - 17.17.7. ensuring that the Company complies with all relevant laws, regulations and corporate governance principles; and

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- 17.17.8. ensuring that the Company applies all recommended best practices and, if not, that the failure to do so is justifiably explained.

## 18. GROUP CHIEF FINANCIAL OFFICER (CFO)

- 18.1. The board will appoint the Group CFO (following recommendation by the Group Directors Affairs and Governance Committee supported by the Group Company Secretary, which will determine the conditions of employment of the Group CFO.
- 18.2. The Group CFO reports directly to the Group President and CEO.
- 18.3. The Group CFO has the responsibility for the overall financial planning and management of the group and such other duties and responsibilities which may be reasonable required to be performed by the Group CFO from time to time and which are suitable to its executive position.
- 18.4. The Group CFO is the executive directly responsible for the leadership and management of the Company's finance and accounting functions and is, as such, responsible for –
  - 18.4.1. the Company's business planning, budgeting and forecasting processes;
  - 18.4.2. the integrity of the Company's accounting systems, internal controls, cash management, the signatories and discretionary authorities and managing the relationship with the external auditors;
  - 18.4.3. the Company's financial and business reporting, tax planning, estimating and reporting, and regulatory reporting;
  - 18.4.4. managing relationship with the Company's bankers and other creditors;
  - 18.4.5. capital planning and structure and the raising of equity and/or debt to fund the Company's operations;
  - 18.4.6. performing a financial analysis function, which addresses business analysis, operational efficiency and organisational modelling;
  - 18.4.7. the identification assessment and management of the Company's business risk;

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- 18.4.8. the procurement, reporting and administration of the Company's insurance coverage;
- 18.4.9. the management liaison with the Group Audit and Group Risk Committees;
- 18.4.10. assist the Group President and CEO in –
  - 18.4.10.1. developing and implementing programmes to enhance the profile and image of the group nationally and internationally;
  - 18.4.10.2. representing the Company in dealings with government and regulatory bodies;
  - 18.4.10.3. maintaining relationships with outside agencies and strategic partners;
  - 18.4.10.4. maintaining a policy of ongoing communication with investors and representatives of the investment community;
- 18.4.11. meet regularly and as required with the Group President and CEO to review material issues and to take reasonable steps to ensure that the Group President and CEO is provided in a timely manner with all the information required to fulfil his or her obligations; and
- 18.4.12. meeting regularly and work effectively with the Company's senior management team.
- 18.4.13. in the event of a vacancy created by the departure of a CFO the board may appoint the acting CFO for business continuity, but the acting role shall not constitute membership of the board subject to the JSE approval.

## 19. COMPANY SECRETARY

- 19.1. The Company Secretary has a key role to play in ensuring that board procedures are followed and reviewed regularly and has the responsibility in law to ensure that all board members are made aware of and provided with guidance as to their duties, responsibilities and powers.
- 19.2. The board must consider and satisfy itself, on an annual basis, on the competence, qualifications and experience of the Company Secretary. The

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board must confirm this by reporting to shareholders in its annual report that the board has executed this responsibility.

- 19.3. the Company Secretary should maintain an arms-length relationship with the board of directors and management. The Company Secretary should not be a director.
- 19.4. The Company Secretary is responsible for ensuring that the applicable rules and regulations for the conduct of the affairs of the board are complied with and for all matters associated with the functions of the board or otherwise required for its efficient operation. The Company Secretary should ensure that the board and board committees' terms of reference are kept up to date.
- 19.5. The Company Secretary must at all times maintain statutory books in accordance with current legal requirements.
- 19.6. In addition to the statutory duties of the Company Secretary, he or she must provide the board as a whole and the board members individually with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Company.
- 19.7. The Company Secretary must send board members information relating to the Company as needed.
- 19.8. The Company Secretary must keep abreast of and inform the board of current governance thinking and practice.
- 19.9. All board members must have access to the advice and services of the Company Secretary, for the purposes of the board's affairs and the business of the Company.
- 19.10. The Company Secretary will be accountable to either the Chairman or the Group President and CEO; however, he or she will need to ensure a sound working relationship with both in order to be effective.
- 19.11. The Company Secretary should provide a central source of guidance and advice to the board, and within the Company, on matters of good governance and related changes in legislation.

- 19.12. The Company Secretary should ensure that the board is aware of its fiduciary duties, duties of care and skill, and to act in good faith in the interest of the Company.
- 19.13. The Company Secretary is responsible for –
- 19.13.1. assisting the Group Directors Affairs and Governance Committee in ensuring that the procedure for the appointment of directors is properly carried out;
  - 19.13.2. assisting in the proper induction, orientation, ongoing training and education of directors, including assessing the specific training needs of directors and executive management in their fiduciary and other governance responsibilities;
  - 19.13.3. ensuring the proper compilation and timely circulation of board papers and for assisting the board and committees with drafting of annual work plans;
  - 19.13.4. obtaining appropriate responses and feedback to specific agenda items and matters arising from earlier meetings in board and board committee deliberations. The Company Secretary's role should also be to raise matters that may warrant the attention of the board;
  - 19.13.5. ensuring that the proceedings of board and committee meetings are properly recorded and that minutes of meetings are circulated to the directors in a timely manner, after the approval of the Chairman of the board or relevant board committee, and that the minutes are kept in terms of section 73(6) of the 2008 Act, as amended and
  - 19.13.6. assisting the board with the yearly evaluation of the board, its individual directors, committees and senior management.
  - 19.13.7. Must retain its independence, objectivity, and arms-length relationship .
  - 19.13.8. The function must be appropriately resourced and supported to deliver on its Statutory and Regulated Mandate.
  - 19.13.9. The function must be empowered to deliver on its mandate without any limitations or compromise.

- 19.13.10. The company secretary should ensure that the secretariat function across the markets where MTN operates is sufficiently resourced with competent and skilled people to ensure effective oversight by the Board and Committees of the subsidiaries.

## **20. INFORMATION REQUEST PROTOCOL**

the Company Secretary is responsible to ensure that there is data sovereignty, control and protection of Company information including Board confidential information.

- 20.1.1. Access to information relating to proceedings of the Board shall follow agreed protocol to enable achievement of the intended objective. All legally privileged information is subject to strict control.

## **21. DECLARATION OF PERSONAL FINANCIAL INTERESTS**

- 21.1. Directors shall at all times observe the legal requirements in respect of the declaration of their personal financial interests and do everything reasonably possible to avoid a conflict of interest in the execution of their duties and responsibilities to the Company.
- 21.2. Any possible conflict of interest shall at all times be declared (in the manner prescribed by law, if applicable, and in the Memorandum of Incorporation of the Company) as soon as a director becomes aware of the conflict (and in any event prior to the consideration of the matter to which the conflict relates, at any board meeting) and the director concerned shall not participate in a discussion or vote on the subject matter and will, if so required in terms of the 2008 Act, leave the meeting immediately after making the requisite disclosure.

## **22. INDUCTION AND DEVELOPMENT OF NEW DIRECTORS**

- 22.1. New board members with no or limited board experience should be developed and receive education through mentorship programmes to inform them of their duties, including fiduciary duties, responsibilities, powers and potential liabilities as directors.
- 22.2. On their first appointment to the board, incoming members will have the benefit of a formal induction programme, meeting both the specific needs of the Company and the individual director. This induction will be aimed at deepening

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their understanding of the Company, its operations, the business environment and markets in which the Company operates, and sustainability issues relevant to its business, so that any new director may make the maximum contribution as quickly as possible.

- 22.3. As part of the induction programme, the members will receive a folder / board pack as well as copies of previous minutes of board, Exco and committee meetings, and Company information, and will meet members of senior management and be advised of their respective duties and responsibilities.
- 22.4. A checklist, dealing with at least the following items, can be utilised as part of the induction programme -
  - 22.4.1. knowledge of the Company (ownership, board structure, membership and processes);
  - 22.4.2. knowledge of the business (business processes, corporate strategies, organisation, management and people);
  - 22.4.3. knowledge of the financials (annual accounts, directors' reports, trends of the key financial ratios and financial performance); and
  - 22.4.4. expectations on appointment (discussion with the Chairman as regards the role, why nominated, potential contributions, particular knowledge, etc.).

## **23. CONTINUING PROFESSIONAL DEVELOPMENT OF DIRECTORS**

Continuing professional development programmes should be implemented to ensure that directors receive regular briefings on matters relevant to the business of the Company, changes in risks and laws applicable to the business of the Company, including accounting standards and policies, and the environment in which it operates.

## **24. SUCCESSION PLANNING**

### **24.1. Board**

- 24.1.1. The board itself is responsible for selecting its own members and for recommending them for election by the shareholders led by the Chairman of the board.

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- 24.1.2. The board may delegate the screening process involved to the Group Directors Affairs and Governance Committee, with direct input from the Chairman and the Group President and CEO.
- 24.1.3. The assessment of the board should include issues of judgment, diversity, age and skills, demographics and all in the context of the perceived needs of the board at that point of time.
- 24.1.4. Board continuity, subject to performance and eligibility for re-election, is imperative, taking into account requirements for the rotation of board members.

#### **24.2. Management**

- 24.2.1. There should be an annual report by the Group President and CEO to the Group Directors Affairs and Governance Committee on succession planning and on the Company's programme for management development, and this committee will in turn appraise the board.
- 24.2.2. The Group President and CEO's recommendations for his successor should be available for consideration by the board should this become necessary.
- 24.2.3. If the Group President and CEO resigns, he should submit his resignation to the board at the same time. Whether the individual continues to serve on the board is a matter for discussion at that time with the new Group President and CEO and the board.

### **25. BOARD GOVERNANCE**

#### **25.1. Board procedures**

- 25.1.1. The conduct of board members will be consistent with their duties and responsibilities to the Company and indirectly to the shareholders.
- 25.1.2. The members will always act within the limitations imposed by the board on their activities from time to time.
- 25.1.3. Directors' responsibilities and limitations are set out in the Memorandum of Incorporation and the Companies Act, 2008, the Financial Markets Act,

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2012, the Listings Requirements of the JSE, King and board and/or shareholders' resolutions.

- 25.1.4. The board shall be disciplined in carrying out its role, with the emphasis on strategic issues and policy.
- 25.1.5. The board's discussions will be open and constructive. The Chairman will seek consensus but may, where considered necessary, call for a vote. Discussions and records will remain confidential, unless a specific decision is made by the board to the contrary.
- 25.1.6. The board has sole authority over its agenda. Any board member may request an addition of an item to the agenda. The agenda is exercised through the Chairman.
- 25.1.7. The board members are entitled to have access, at reasonable times, to all relevant Company information and to management.
- 25.1.8. The board members are expected to strictly observe the provisions of the law, the Memorandum of Incorporation and the Listings Requirements of the JSE applicable to the use and confidentiality of Company information.
- 25.1.9. At each board meeting the board shall consider -
  - 25.1.9.1. an operational report from the Group President and CEO;
  - 25.1.9.2. a report from the Group CFO;
  - 25.1.9.3. reports on the activities of the Company's individual business units;
  - 25.1.9.4. specific proposals for capital expenditure and acquisitions; and
  - 25.1.9.5. major issues and opportunities for the Company.
- 25.1.10. As and when appropriate at a board meeting (unless the meeting has been constituted to address a particular issue), there should be a report from the relevant Chairman/s of the board and/or statutory committees of the Company, which the board shall consider.

- 25.1.11. There should be a written procedure agreed by the board for directors in the furtherance of their duties, to take independent professional advice, at the Company's expense.
- 25.1.12. At intervals of not more than one year, the board will -
  - 25.1.12.1. review and evaluate the present and future strengths, weaknesses and opportunities of the Company. Comparisons with competitors, locally and internationally, and best practice are important elements of this process;
  - 25.1.12.2. review and approve the Company's financial objectives, plans and actions and significant allocation and expenditure, while considering how a proper "balanced scorecard" and "triple bottom line" (economic, social and environmental performance) approach may be applied;
  - 25.1.12.3. review the Company's goals;
  - 25.1.12.4. review the strategies for achieving the Company's goals;
  - 25.1.12.5. approve the annual budget;
  - 25.1.12.6. approve the annual and half-yearly financial statements, annual report and reports to shareholders;
  - 25.1.12.7. consider and, if appropriate, declare or recommend the payment of dividends;
  - 25.1.12.8. review the board's composition, structure and succession;
  - 25.1.12.9. review the Company's audit requirements;
  - 25.1.12.10. review the performance of, necessity for, and composition of board committees;
  - 25.1.12.11. approve the remuneration of non-executive directors for submission to shareholders;

- 25.1.12.12. approve the Chairman's remuneration for submission to shareholders;
- 25.1.12.13. review remuneration policies and practices in general, including superannuation and incentive schemes for management;
- 25.1.12.14. set the levels of risk appetite and tolerance. The board must monitor that risks taken are within these tolerance levels;
- 25.1.12.15. review risk assessment policies and controls, including compliance with legal and regulatory requirements;
- 25.1.12.16. review the Company's code of conduct and ethical standards;
- 25.1.12.17. examine shareholder and client relations.

## 26. BOARD COMMITTEES

- 26.1. Delegating authority to board committees or management does not in any way mitigate or dissipate the discharge by board members of their duties and responsibilities.
- 26.2. Board committees will be formed only when it is efficient or necessary to facilitate efficient decision-making.
- 26.3. Delegation is formal and involves the following -
  - 26.3.1. the establishment and approval of terms of reference for each committee of the board;
  - 26.3.2. an annual review of the committees' terms of reference;
  - 26.3.3. the appropriate constitution of committees with due regard to the skills required by each committee; and
  - 26.3.4. the establishment of a framework for the Decision Making Framework to management.

- 26.4. There should be transparency and full disclosure, within reasonable limits, from the board committees to the board, except where the board has mandated the committee otherwise.
- 26.5. Board committee members will observe the same rules of conduct and committees the same procedures as the board, unless the board determines otherwise.
- 26.6. Board committees will only speak or act for the board when so authorised. The authority conferred on a board committee will not derogate from the authority delegated to the Group President and CEO.
- 26.7. The board has six standing committees, namely the Group Directors Affairs and Governance Committee, Group Human Capital and Remuneration Committee, the Group Risk Management and Compliance Committee, Directors Affairs and Governance Committee, Group Finance and Investment Committee and an Ad Hoc Strategy Execution Committee. The Group Audit Committee, as well as the Social, Ethics and Sustainability Committee shall (despite being statutory committees), constitute committees of the board in respect of all duties assigned to them by the board in addition to their statutory duties in terms of the 2008 Act.
- 26.8. The board through its Directors Affairs and Governance Committee will, from time to time, review the governance framework and structure of the committees in pursuit of effective oversight of the operations of the business in order to achieve the company's visons, mission and strategic goals.
- 26.9. The purpose and membership of the standing committees are as follows -

  - 26.9.1. Members of a Committee must be a member of the Board.
  - 26.9.2. Should ensure effective collaborative through cross-membership between Committees
  - 26.9.3. The Group Directors Affairs and Governance Committee consists only of non-executive directors, the majority of whom must be independent. Membership of Directors Affairs and Governance Committee shall consist of chairmen of Board Committees. The Chairman of the board should chair the

committee. The committee's primary objective is to ensure that the right calibre of management and board members is recruited and retained and ensure the committees of the board are reflective of the complexity, size and nature of the business. The Committee should also be accountable for effective corporate governance.

- 26.9.4. the Group Human Capital and Remuneration Committee consist only of non-executive directors, the majority of whom must be independent. The committee's objective is to ensure that the general human resources practices are formulated and monitored. The committee should also review the overall remuneration of the group to ensure that board members and senior executives are appropriately remunerated for their contribution to the group's operating and financial performance, review and approve performance related incentive schemes, performance criteria and measurements, share incentive schemes, benefit funds and salary sacrifice options;
- 26.9.5. The Group Risk Management and Compliance Committee consists of non-executive directors and should be chaired by a non-executive director, other than the Chairman of the board. The committee's objective is to ensure that the Company has a clearly defined risk management and compliance strategy with appropriate supporting processes and structures. The committee's primary function is to identify and where possible, quantify risk exposures and ensure adequate reporting to the board. The committee reviews group compliance with all applicable rules, regulations and ethical standards for the Company's directors, executives and employees, including corporate governance issues and practices. The Committee is also responsible for formulating and monitoring corporate governance policies and practices for the Group in relation to Risk and Compliance.
- 26.9.6. The Group Finance and Investment Committee consists of non-executive directors and should be chaired by a non-executive director, other than the Chairman of the board. The Committee's objective is to ensure that there is a clearly defined investment framework aligned with the Company's strategy.
- 26.9.7. The Group Social, Ethics and Sustainability Committee is constituted as a statutory committee of the Company and it consists of non-executive

directors. The Committee is responsible for monitoring the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of common practice, with regard to matters relating to the environmental, social and ethics, and economic development as contemplated in sections 72(4) and (5) of the Companies Act, 2008 read with regulation 43 of the Companies Regulations, 2011. The Committee is also responsible for formulating and monitoring corporate governance policies and practices for the Group in relation to Social and Ethics matters.

- 26.9.8. The Group Audit Committee consists of non-executive directors and should be chaired by a non-executive director, other than the Chairman of the board. The Committee's objective is to ensure that there is a clearly defined framework for effective systems of control to safeguard the assets of the company, safeguarding integrity of financial reporting, oversight of the external and internal audit functions.
- 26.9.9.
- 26.9.10. The Board should review the Committee's Chairmanship every three (3) years or at the discretion of the Board.
- 26.9.11.

## 27. CORPORATE GOVERNANCE

- 27.1. Corporate governance involves structures and processes that should ensure that the following is achieved -

  - 27.1.1. leadership;
  - 27.1.2. balance of power;
  - 27.1.3. protection of legitimate stakeholder interests and expectations;
  - 27.1.4. strategic conversation;
  - 27.1.5. strategic direction;
  - 27.1.6. risk and performance management;

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- 27.1.7. ethical tone at the top; and
- 27.1.8. statutory and regulatory compliance
- 27.1.9. effective and adequate internal controls.

To this end, the board is ultimately responsible for ensuring that adequate and effective processes of corporate governance are established and maintained.

- 27.2. These processes shall be consistent with the nature, complexity and risk inherent in the Company's activities.
- 27.3. The processes shall respond to changes in the Company's environment and conditions.
- 27.4. The board may appoint supporting committees to assist with its responsibilities.
- 27.5. The board or an appointed committee shall monitor the effectiveness of the processes.
- 27.6. The board should approve levels of authority to be delegated to the Group President and CEO and first line reports.
- 27.7. At least one director sitting on the operating boards of major subsidiaries should be an independent non-executive.
- 27.8. The board should from time to time agree on those matters at subsidiary company level that require specific approval from the board in addition to any requisite approval at subsidiary level. These should only be matters where the board has decided that such authority should reside with the board itself in terms of authorities laid down by the board.
- 27.9. The corporate governance implementation process is to be assessed and documented at least once a year.
- 27.10. The external auditors will assess and review the corporate governance process annually, including management of risk.
- 27.11. A director shall not be a board member of more than 4 external public listed entities.

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27.12. The Board will establish the governance principles to ensure effective and proper governance processes are consistently entrenched across the MTN operations.

## 28. MANAGEMENT OF RISKS

- 28.1. The board is responsible for the total process of risk management and for the effectiveness of the process. Management is accountable to the board for designing, implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the Company.
- 28.2. The board must ensure that the process to identify the business risks, as well as key performance indicators affecting the ability of the Company to achieve its strategic purpose and objectives, is appropriate.
- 28.3. The board must ensure that appropriate systems are in place to effectively manage the identified risks, measure their impact and to proactively manage them.
- 28.4. The board shall ensure effective governance of risks associated with cybersecurity, privacy issues related to digital transformation and remote work, arising from geopolitical risks and data sovereignty laws as prescribed by jurisdictions in which the Company operates and the changing regulatory environment.
- 28.5. The board must ensure the protection of the Company's assets and reputation.
- 28.6. The board, assisted by management, will compile a list of risks relevant to the group and ensure that such are monitored and addressed by management and that regular reports are submitted to the board on the management of such risks, as well as other matters considered by the board to be appropriate.

## 29. REWARD SYSTEM

- 29.1. The board will determine the level of remuneration paid to members within limitations imposed by shareholders, where applicable.
- 29.2. Directors should be remunerated fairly and responsibly. Levels and make-up of remuneration should be sufficient to attract and retain the right calibre of

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members needed to run the Company successfully, but the Company should avoid paying more than is necessary for this purpose.

- 29.3. Subject to the requisite shareholder approval, non-executive members will be paid a board appointment fee and attendance fees, as well as additional fees for serving on board committees and for serving as Chairman of a board committee. Additionally, members will be reimbursed for any special services rendered as members.
- 29.4. The Chairman will be paid a level of fees appropriate to his or her office.
- 29.5. The board will review remuneration annually after taking independent advice and submit such for the requisite shareholder approval.
- 29.6. Executive members will receive no fees but will be paid as employees of the Company in accordance with their contracts of employment. Their remuneration will be disclosed in the annual report but does not require prior shareholder approval.
- 29.7. A proportion of the executive directors' remuneration for service as employees should be structured so as to link rewards to corporate and individual performance.
- 29.8. A formal and transparent procedure must be established for developing policy on executive remuneration and for fixing the remuneration packages of individual executives, taking into account the result of the non-binding advisory vote of shareholders and their view on the remuneration policy adopted and its implementation.
- 29.9. No board member will be involved in the board process of deciding his own remuneration.
- 29.10. Remuneration for service as directors should be paid to the non-executive directors quarterly in arrears.
- 29.11. The board should report to the shareholders on remuneration and this should be included in the annual report and financial statements.

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### **30. PERSONAL LOANS OR EXTENSION OF CREDIT**

The Company will not make any personal loans or arrange external credit to directors or executive officers, except as part of any share incentive scheme approved by the shareholders.

### **31. PROFESSIONAL OR BUSINESS SERVICES PROVIDED BY DIRECTORS**

- 31.1. Non-executive directors should, as a general rule, not provide any professional business services of an ongoing nature to the Company.
- 31.2. The Company may, for the purpose of a special assignment, engage the services of a non-executive director with a specific field of expertise.
- 31.3. The terms of the engagement must be competitive, clearly defined and recorded and all legal requirements with regard to disclosure must be complied with.

### **32. BOARD MEETINGS**

#### **32.1. Frequency**

- 32.1.1. Meetings of the board will be held at such time and at such venue as the board deems appropriate but the board must hold sufficient scheduled meetings to discharge all of its duties as set out in this board charter, subject to a minimum of at least four meetings a year.
- 32.1.2. Meetings in addition to those scheduled may be held at the instance of a board member.
- 32.1.3. The Chairman of the board may meet with the Group President and CEO, Group CFO and/or Company Secretary prior to a board meeting to discuss important issues and agree on the agenda.

#### **32.2. Quorum**

The quorum necessary for the board, unless and until otherwise fixed in the Company's Memorandum of Incorporation, shall be a majority of the board members for the time being in office.

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### **32.3. Attendance**

- 32.3.1. Board members will use their best endeavours to attend all scheduled board meetings, including meetings called on an *ad hoc* basis for special matters. Board members are expected to participate fully, frankly and constructively in board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the board table. Board members who are unable to attend shall advise the Chairman at the earliest date and confirm such advices in writing, with reasons, to the Company Secretary.
- 32.3.2. Members of the executive and senior management, assurance providers and professional advisors may be invited to attend the Board meetings either by standing invitee or on an ad-hoc basis to provide pertinent information and insights in their areas of responsibility.
- 32.3.3. The Company Secretary is the secretary to the board.
- 32.3.4. If the nominated Chairman of the board is absent from a meeting, the members present must elect one of the members present to act as Chairman.
- 32.3.5. Meetings of the Committee may be conducted by any electronic communication facility. One or more members may participate in a meeting by teleconference or videoconference, or telepresence or such other means as may be appropriate from time to time.

### **32.4. Agendas**

- 32.4.1. The board must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual plan must ensure proper coverage of the matters laid out in this board charter: the more critical matters will need to be attended to each year while other matters may be dealt with on a rotation basis over a three-year period. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.
- 32.4.2. A detailed agenda, together with supporting documentation, will be prepared prior to the meeting for approval by the Chairman.

- 32.4.3. The board members must be thoroughly prepared for the meetings by reviewing the agenda and supporting meeting papers so as to be able to provide appropriate and constructive input on matters for discussion.
- 32.4.4. The Company Secretary must circulate the agenda and other meeting papers to the board members at least one week prior to the meeting.

### **33. SHARE DEALINGS BY BOARD MEMBERS**

- 33.1. Board members may hold shares in the Company as, in many cases, this helps to increase the focus of board members on Company performance and share value and therefore be in the interests of all shareholders.
- 33.2. When buying or selling shares, members must strictly observe the provisions of the Memorandum of Incorporation, the JSE's Listings Requirements, the Financial Markets Act, the Company's own internal rules and policies and all relevant legislative or regulatory procedures and should follow any procedural recommendations prescribed from time to time.

### **34. BOARD EVALUATION AND PERFORMANCE**

- 34.1. The board shall annually evaluate its own performance, and its own processes and procedures, to ensure that they are not unduly complex and are designed to assist the board in effectively fulfilling its role. An outside independent consultant may be retained to assist with this process.
- 34.2. The Chairman, or a sub-committee appointed by the board, should appraise the performance of the Group President and CEO at least annually. The results of such appraisal should be considered by the Human Resources & Remuneration Committee, to guide it in its evaluation of the performance and remuneration of the Group President and CEO.
- 34.3. The evaluation of the Group President and CEO should be based on objective criteria, including performance of the business, accomplishment of long-term strategic objectives, development of management, etc. The assessment will be considered in the course of deliberations when considering the compensation of the Group President and CEO.
- 34.4. Directors should be assessed both individually and collectively as a board.

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- 34.5. The Chairman should ensure that the directors know that they will be the subject of a review, the criteria used for assessment and the procedure that will be followed.
- 34.6. The Lead Independent Director should appraise the performance of the Chairman.

**35. BOARD'S RELATIONSHIP WITH SHAREHOLDERS AND RELEVANT STAKEHOLDERS**

- 35.1. The board will use its best endeavours to familiarise itself with issues of concern to its relevant stakeholders and should strive to achieve the appropriate balance between the legitimate interests and expectations of the various relevant stakeholder groupings in its decision-making in the best interests of the Company.
- 35.2. The board will regularly evaluate economic, political, social and legal issues and any other relevant external matters that may influence or affect the development of the business or the interests of relevant stakeholders and, if thought appropriate, will take outside expert advice on these matters.
- 35.3. The Company should be ready, where practicable, to enter into dialogue with its institutional shareholders based on a mutual understanding of objectives.
- 35.4. The board should use the AGM to communicate with private investors and encourage their participation.
- 35.5. Each item of special business included in the notice of AGM must be accompanied by sufficient information or explanatory material to enable a shareholder who is entitled to vote on the proposed resolution to determine whether to participate in the meeting and to seek to influence the outcome of the vote on such proposed resolution. At the AGM or any other shareholders meeting, the Chairman should provide reasonable time for discussion.
- 35.6. The board should establish a tactical and strategic approach to engage significant stakeholders and mandate any member of the Board or committee where appropriate and as and when requested by GP&GCEO.

### 36. ANNUAL REVIEW

This board charter shall be reviewed by the board annually or as and when necessary to ensure that it remains relevant to the business objectives of the Company and up to date with legislative and regulatory requirements. The review process shall be initiated by the Company Secretary in consultation with the Chairman of the board.

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