

Corporate governance

The MTN Group Limited, a company incorporated in South Africa and listed on the JSE, encompasses operations in 21 countries in Africa and the Middle East. In keeping with its vision and strategy, the MTN Group subscribes to the principles contained in the Code of Corporate Practices and Conduct recommended by King II. In addition, the board of directors endeavours to ensure that all operations comply with these principles and the requirements of global best practices. Likewise, the board places strong emphasis on achieving the highest standards of reporting, financial and risk management.

The directors share equally in the responsibilities for directing and managing the company's affairs. However, the Group president and CEO, together with the executive team, manages the day-to-day affairs of the company and ensures that board strategies, policies and resolutions are sustainably implemented and managed.

During the year, the unitary board remained unchanged and the board believes its composition and skills are sufficient to lead the company effectively and efficiently.

In March 2008, two independent non-executive directors resigned from the board due to excessive commitments and hence the board composition has changed post year-end. These changes are reflected on page 103 of this report.

The MTN Group board governance structure

The MTN Group board is assisted in discharging its duties through the following committees:

- Audit committee (Audit)
- Risk management and compliance committee (Risk)
- Nomination, remuneration, human resources and corporate governance committee (NRHR & CGC)
- Tender committee

This structure is largely replicated in MTN subsidiaries and associates. In smaller entities, the audit committee assumes responsibilities of the risk management and compliance committee. A summary of the MTN Group board and committee structure is outlined on page 103.

Directors	Age	Appointment	Audit	Risk	NRHR & CGC
Independent non-executives					
MC Ramaphosa (Chairman)	55	Oct 2001			Member
DDB Band**	64	Oct 2001	Member		Chairman
KP Kalyan	53	Jun 2006			Member
MJN Njeke	49	Jun 2006	Member	Member	
MA Ramphele*	60	Jun 2006		Member	
ARH Sharbatly (Saudi Arabian)	63	Jun 2006			
AF van Biljon	60	Nov 2002	Chairman		
J van Rooyen	58	Jul 2006	Member	Chairman	
PL Woicke (German)*	65	Jun 2006		Member	Member
Non-executives					
AT Mikati (Lebanese)	35	Jul 2006			
JHN Strydom	69	Mar 2004	Member		
Executives					
PF Nhleko	48	Jul 2001			
RS Dabengwa	50	Oct 2001			
RD Nisbet	52	Oct 2001			

*Subsequent to year-end these members resigned from the board and have withdrawn from the respective committees.
 **Refer to audit committee members on page 108.

The board operates within the guidelines of a regularly reviewed board charter, which prescribes that the board is also responsible for the evaluation, at least annually, of its own and its committees' performance and these evaluations are overseen by the chairman of the board and the chairman of the nomination, remuneration, human resources

and corporate governance committee in consultation with the Group secretary.

Delegation of authority

The ultimate responsibility for the Group's operations rests with the board. The board retains effective control through a well-developed governance structure of board

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committees which specialise in certain areas of the business. Certain authorities have been delegated to the Group president and CEO to manage the day-to-day business affairs of the company. The Group executive and steering committee assists the Group president and CEO in discharging his duties and the duties of the board when it is not in session. However, in terms of statute and the company's constitution, together with the revised delegation of authority, certain matters are still reserved for board and/or shareholder approval.

Induction programme

Continuing induction occurs annually and the induction programme is reviewed from time to time to ensure its effectiveness when inducting new board and committee members. New directors are inducted into the organisation via the Group secretarial office.

Group secretary

Sibongile Mtshali is the Group secretary and the board is aware of her duties in fulfilling her role as both compliance and governance officer of the MTN Group.

This office also communicates and monitors compliance, among others, with the Group

trade embargo policy, ensuring that no employee, executive director or non-executive director is allowed to deal in the Company's securities during prohibited periods.

Remuneration philosophy

The nomination, remuneration, human resources and corporate governance committee is responsible for, among other matters, the remuneration framework of the MTN Group and recommends to the board for approval strategic matters relating to remuneration. This would include non-executive directors' remuneration which is proposed by executive directors to the board, and is ultimately approved by shareholders.

Risk management philosophy

Details of the risk management philosophy appear on page 113 of the risk management report. The risk management and compliance committee is responsible for the risk management framework of the MTN Group and recommends to the board for approval matters relating to risk management strategies and policies.

Details of the risk management and compliance committee appear on page 109 of the corporate governance report.

Board meetings

A summary of the attendance of directors at board and/or committee meetings for the period 1 January 2007 to 31 March 2008 is outlined in the following tables:

Independent non-executive directors	Meetings attended *	Attendance record
MC Ramaphosa	11/12	91%
DDB Band	11/12	91%
KP Kalyan	12/12	100%
MJN Njeke	10/12	83%
MA Ramphele	7/12	58%
ARH Sharbatly	2/12	16%
AF van Biljon	11/12	91%
J van Rooyen	11/12	91%
PL Woicke	7/12	58%
Non-executive directors		
AT Mikati	12/12	100%
JHN Strydom	12/12	100%
Executive directors		
PF Nhleko	12/12	100%
RS Dabengwa	12/12	100%
RD Nisbet	12/12	100%

**Included in these meetings are five routine meetings and seven special board meetings of which three meetings began with an in-camera session of non-executive directors only.*

Special committee

In certain instances, the board is required to consider special projects which may result in additional meetings. In such cases, the board constituted special project committees which are granted the necessary authority to deal with salient matters under such projects, with final recommendations being approved by the board.

Special committees may consist of different directors depending on the expertise required to resolve any special matters under review by the committee.

In the period under review, special committee meetings were held on 21 February, 26 March, 26 April, 3 July, 3 September and 4 October 2007 to review special business.

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Executive and steering committee

The committee, led by Phuthuma Nhleko, is responsible for strategic and operational matters including day-to-day management of the business of MTN Group in terms of its delegated authority approved by the board of directors.

This committee facilitates the effective control of all the Group's operational activities, acting as a medium of communication and co-ordination between the various business units, Group subsidiary companies and the board. It is also responsible for recommendations to the board on the Group's policies and strategies and monitoring their implementation in line with the board's mandate. The committee is further assisted by three regional vice presidents who act as a medium of communication and co-ordinate the policies and strategies of the committee to the various subsidiary operations.

The committee is constituted as follows:

PF Nhleko (Chairman)
RS Dabengwa (Group COO)
RD Nisbet (Group finance director)
C de Faria (regional vice president of the West and Central Africa region – WECA)
J Ramadan (regional vice president of the Middle East and North Africa region – MENA)
T Lowry (regional vice president of the South and East Africa region – SEA)

SL Botha (Group executive – marketing)
S Fakie (Group executive – business risk management)
KW Pienaar (Group chief technology and information officer)
PD Norman (Group executive – human resources)
PN January-Bardill (Group executive – corporate affairs and MTN spokesperson)
KL Shuenyane (Group executive – mergers and acquisitions).

Ms I Charnley resigned from the MTN Group, in her capacity as a member of the committee and as a Group executive, on 30 June 2007.

Board statutory committees

Specific responsibilities have been delegated to several board committees with clearly defined terms of reference approved and reviewed by the board annually. The committee's profiles are detailed as follows:

Group audit committee

The Group audit committee is guided by its terms of reference, dealing with membership, structure and levels of authority and the following duties and responsibilities:

- The committee assists the board in discharging its responsibilities to safeguard the Group's assets and to ensure that proper accounting records are maintained.

- It also oversees financial reporting processes and ensures compliance with accounting policies, and legal requirements and reviews internal control procedures.
- It interacts with and evaluates the effectiveness of external and internal audit processes.
- The committee recommends to the board the appointment of external auditors and reviews and approves non-audit work performed by the external auditors.

The committee is chaired by Alan van Biljon (independent non-executive director). The Group president and CEO, the Group finance director, the Group chief operating officer, internal and external audit representatives attend all committee meetings as permanent attendees.

The head of business risk management and external auditors have unrestricted access to the committee and its chairman.

Audit committees exist in each Group operation and significant risk and audit matters relating to operations are regularly reported to the Group audit committee. The non-executive chairpersons of subsidiary audit committees are also invited to meet with the Group audit committee annually.

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

- Management
- Internal audit
- External audit.

Internal audit and forensic services

The MTN Group's internal audit function is supported by similar audit functions in most operations. The internal auditor is mainly responsible for providing assurance on the adequacy and effectiveness of internal controls in the Group. The function reports to the Group president and CEO and to the chairman of the Group audit committee as well as the risk management and compliance committee.

Subsidiary audit committees are similarly structured and operations have access to the chairman of their Group audit committee. Key issues falling under the scope of the audit committee or internal auditor are also reviewed at Group level, if required.

Internal audits are performed on a risk-based audit approach to ensure that assurances can be given on the mitigation of inherently high risks.



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External audit

The joint external auditors provide an independent assessment of key accounting and information systems and controls in the Group and express an independent opinion on the annual financial statements. The auditors are appointed by the board on the recommendation of the Group audit

committee and ratified by shareholders.

The external auditors' performance and independence is regularly monitored by the Group audit committee. The non-audit work performed is periodically reviewed to ensure no conflict of interest exists, or auditor independence impairment occurs. The audit partners are rotated every five years.

Details of attendance by members of the Group audit committee for the period 1 January 2007 to 31 March 2008 are set out below:

Names of members	Meetings attended**	Attendance record
Independent non-executive directors		
AF van Biljon (Chairman)	8/8	100%
DDB Band*	7/8	87,5%
MJN Njeke	6/8	75%
J van Rooyen	8/8	100%
Non-executive director		
JHN Strydom	8/8	100%

*DDB Band resigned from the committee with effect from January 2008.

**Two of the eight meetings reflected above were held post year-end.

Group risk management and compliance committee

The Group risk management and compliance committee's primary mandate is reviewed annually by the board. The mandate details its key functions and responsibilities.

Significant risks and compliance matters are monitored by the committee which provides strategic direction in this regard. The committee is also responsible for the sustainability framework and sustainability reporting for the MTN Group.

The committee is constituted of independent non-executive directors only and details of attendance by members of the Group risk management and compliance committee for the period 1 January 2007 to 31 March 2008 are set out below:

Names of members	Meetings attended**	Attendance record
J van Rooyen (Chairman)	4/4	100%
MA Ramphela*	2/4	50%
MJN Njeke	4/4	100%
PL Woicke*	2/4	50%

*Following their resignation from the MTN Group board in March 2008, M Ramphela and PL Woicke have been withdrawn from the committee.

**One of the four meetings reflected above was held post year-end.

Group nomination, remuneration, human resources and corporate governance committee (NRHR&CGC)

The committee's mandate, which is reviewed annually by the board, defines its key responsibilities as outlined below:

- Reviews the size, structure and composition of the board.
- Conducts an annual assessment of the board's performance.
- Conducts an annual assessment of the chairman's as well as the Group president and CEO's performance.
- Sets criteria for the nomination of directors and committee members of the board.
- Identifies, evaluates and nominates candidates for appointment to the board to fill vacancies as they arise.
- Reviews and determines the remuneration of executive directors.
- Reviews and approves the Group's policy on executive remuneration.
- Reviews and approves Group policies on corporate governance.
- Monitors the Group's compliance with King II and other relevant legislation.
- Makes recommendations to the board on annual salary increases and performance-related bonus awards.
- Reviews and approves performance-related incentive schemes, performance criteria and measurements, including share scheme allocations to executive directors and senior staff.

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- Reviews and approves new remuneration methodologies for the management team including, but not limited to, incentive schemes, benefit funds and benefits related to salary-sacrifice options.
- Reviews philosophy regarding fees payable to non-executive directors, based on recommendations from the executive directors (as a separate process from executive remuneration reviews) which is for confirmation by the board and ratified by shareholders.
- Monitors and reviews compliance with employment equity practices.

The committee is constituted of independent non-executive directors only and details of attendance by members of the NRHR&CGC committee for the period 1 January 2007 to 31 March 2008 are set out below:

Names of members	Meetings attended**	Attendance record
DDB Band (Chairman)	5/5	100%
KP Kalyan	5/5	100%
MC Ramaphosa	5/5	100%
PL Woicke*	3/5	60%

*Following his resignation from the MTN Group board in March 2008, PL Woicke has been withdrawn from the committee.
 **One of the five meetings reflected above was held post year-end.

Group tender committee

The Group tender committee's primary objective is to promote a sustainable and fair tender culture and to ensure that tender policies are applied consistently; always bearing in mind best business practices to develop all markets and promote economic development. Similar tender committees exist in all major operations. The committee's

charter, which is approved by the board and reviewed annually, aims to promote an effective, transparent and independent procurement and tender evaluation process. The committee, however, only reviews high-level tenders as the need arises. Various lower-level tender committees are in place to ensure that all other tenders are reviewed with the same level of efficiency.

Details of the committee's constitution and attendance by members of meetings of the Group tender committee during the period 1 January 2007 to 31 March 2008 are set out below:

Names of members	Meetings attended	Attendance record
D Marole (Independent non-executive chairman)	2/2	100%
RS Dabengwa	1/2	50%
C de Faria	2/2	100%
RD Nisbet	2/2	100%
T Lowry (appointed in July 2007)	1/1	100%
J Ramadan	—	0%
C Wheeler	2/2	100%

Code of conduct

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

Shareholder communication

It is the policy of the company, where practical, to ensure that material information is timeously and accurately disseminated.

The MTN Group encourages shareholders to attend the annual general meeting, which provides an opportunity for shareholders to raise pertinent questions.

Regular presentations by executive directors and senior management are made to institutional investors, analysts and the media to communicate Group strategy and performance.

A corporate website (<http://www.mtn.com>) communicates the latest Group financial and operational data, as well as relevant historical information.

To ensure effective and efficient voting at the company's annual general meeting to be held on 19 June 2008, an electronic solution provided by the company's transfer secretaries will be used to conduct all voting.

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Environmental code

The MTN Group is committed to and endeavours to comply in all respects with applicable environmental legislation. It also ensures that all compliance matters are adhered to and endeavours to comply with all relevant ISO standards. The code of conduct prescribes strict policies on environmental matters.

Sustainability reporting

A sustainability review appears on pages 86 to 99 of this report.

Sponsor

The corporate sponsor is Merrill Lynch, appointed in compliance with the JSE Listings Requirements.

Going concern

The board has considered and recorded the facts and assumptions on which it relies to conclude that the Group will continue to operate as a going concern.