

# Report of the audit committee

## Report in terms of section 270A(1)(f) of the Companies Act, No 61 of 1973, as amended

The MTN Group audit committee (the committee) has adopted comprehensive terms of reference and an outline of such is detailed in the corporate governance report. The committee has conducted its work over the year and discharged all of its responsibilities in accordance with these terms of reference. The committee is pleased to present below its report in terms of section 270A(1)(f) of the Companies Act, No 61 of 1973, as amended, for the financial year ended 31 December 2009.

The committee was formally reappointed by the board during the year. The composition and biographical details of committee members are set out on page 98 of book 1. The members' fees are included in the table of directors' emoluments and related payments on page 26.

## Execution of functions of the audit committee

The committee has executed its duties and responsibilities in accordance with its terms of reference as they relate to the MTN Group's accounting, internal auditing, internal control and financial reporting practices.

The committee performed the following activities during the year under review:

- Considered the effectiveness of the internal audit function and monitored adherence to the annual internal audit plan;
- Received and reviewed reports from both internal and external auditors concerning the effectiveness of the internal control environment, systems and processes;
- Reviewed the reports of both internal and external auditors detailing their concerns arising out of their audits and requested appropriate responses from management;
- Reviewed the processes in place for the reporting of concerns and complaints relating to accounting practices, internal audit, contents of the Company's financial statements, internal controls and any related matters. The committee can confirm that there were no such complaints of substance during the year under review;
- Reviewed the report prepared by internal audit regarding the risk management processes in the Company and the extent to which such have been embedded within each operating division;
- Reviewed and approved the MTN policy for non-audit services that can be provided by the external auditors. This policy sets out those services that may not be provided by the external auditors and the required authorisation process for those services that the external auditors may provide. The policy further sets out limitations and approvals required for the employment of current and former employees of the external auditors;
- Approved the external auditors' fees for 2009 and the budgeted fees for the 2010 financial year;
- Considered the independence and objectivity of the external auditors and ensured that the scope of additional services provided did not impair their independence;
- Approved the non-audit-related services performed by the external auditors in the year in accordance with the policy established and approved by the board.

In addition, in order to execute his responsibilities, the chairman of the Group audit committee:

- met separately over the course of the year with management, and with both internal and external auditors;
- attended the Group risk management and compliance committee meetings held during the year under review.

After assessing the requirements set out in section 270A(5)(a-d) of the Companies Act, the committee is satisfied with the independence and objectivity of the external auditors, and recommends the reappointment of the joint external auditors at the next annual general meeting.

The audit committee has evaluated the financial statements of MTN Group Limited for the year ended 31 December 2009 and, based on the information provided to the audit committee, considers that the Group complies with the Companies Act, as amended, International Financial Reporting Standards (IFRS) and the Listings Requirements of the JSE.

In compliance with the JSE Listings Requirement 3.84(h), the committee reviewed the performance, appropriateness and expertise of the Group finance director, Mr RD Nisbet, who resigned on 30 September 2009, and was satisfied with his expertise and experience.

Mr NI Patel was appointed to the board in the capacity of Group finance director on 27 November 2009, succeeding Mr Nisbet. The committee has satisfied itself that Mr Patel has the appropriate expertise and experience to fulfil this role and has performed appropriately over the period of his appointment.



**AF van Biljon**  
Audit committee chairman  
10 March 2010