Circular to Shareholders regarding the proposed
4% MTN BEE Transaction and the ESOP

including:

• an Initial Specific Issue of MTN Shares to BIC, the vehicle created to effect the BIC Public Offer;
• potential Additional Specific Issues of MTN Shares to BIC during the Empowerment Period;
• an approximate 0.1% specific issue of MTN Shares to Eligible MTN ESOP Employees;
• Future Specific Repurchases of MTN Shares from BIC;
• the giving of financial assistance, pursuant to section 38(2A) of the Companies Act, in connection with the subscription and acquisition of MTN Shares by BIC and in connection with the ESOP;
  and incorporating:
• a notice of General Meeting of MTN Shareholders; and
• a form of proxy (yellow) (for use by Certificated Shareholders and own name Dematerialised Shareholders only).

28 July 2010

Any prospective investor with questions in relation to the BIC Public Offer is invited to contact the MTN call centre on 083 173 (menu option 7).
CORPORATE INFORMATION AND ADVISERS

Group secretary and Registered Office of MTN
Ms S B Mtshali
ACIS, HDip. (Company Law)
216, 14th Avenue
Fairland, Roodepoort, 2195
South Africa
(Private Bag X9655, Cresta, 2118)

South African Transfer Secretaries
Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor, 70 Marshall Street
Johannesburg, 2001
South Africa
(PO Box 61051, Marshalltown, 2107)

Independent lead sponsor
Deutsche Securities (SA) (Proprietary) Limited
(A non-bank member of the Deutsche Bank Group)
(Registration number 1995/011798/07)
3 Exchange Square
87 Maude Street, Sandown, 2196
South Africa
(Private Bag X9933, Sandton, 2146)

Merchant bank, transaction sponsor, co-debt arranger and co-funder
Rand Merchant Bank
(A division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
South Africa
(PO Box 786273, Sandton, 2146)

Co-debt arrangers and co-funders
Absa Capital
(A division of Absa Bank Limited)
(Registration number 1986/004794/06)
3rd Floor (3W2), Absa Towers North
180 Commissioner Street
Johannesburg, 2001
South Africa
(PO Box 8054, Johannesburg, 2000)

Nedbank Capital
(A division of Nedbank Limited)
(Registration number 1951/000009/06)
135 Rivonia Road
Sandown, 2196
South Africa
(PO Box 1144, Johannesburg, 2000)

Nedbank Corporate
(A division of Nedbank Limited)
(Registration number 1951/000009/06)
135 Rivonia Road
Sandown, 2196
South Africa
(PO Box 1144, Johannesburg, 2000)

Independent Expert
KPMG Services (Proprietary) Limited
(Registration number 1999/012876/07)
KPMG Crescent, 85 Empire Road
Parktown, 2193
Johannesburg
South Africa
(Private Bag 9, Parkview, 2122)

Joint Independent Reporting Accountants and Auditors
PricewaterhouseCoopers Inc.
Chartered Accountants (SA)
Registered Accountants and Auditors
(Registration number 1998/012055/21)
2 Eglin Road
Sunninghill, 2157
South Africa
(Private Bag X36, Sunninghill, 2157)

SizweNtsaluba VSP Inc.
Registered Auditors
(Registration number 2002/021048/07)
20 Morris Street East
Woodmead, 2191
South Africa
(PO Box 2939, Saxonwold, 2132)

Legal and tax adviser to MTN
Webber Wentzel Attorneys
10 Fricker Road
Illovo Boulevard, Illovo, 2196
South Africa
(PO Box 61771, Marshalltown, 2107)

American Depositary Receipt (ADR) Program
Cusip No. 62474M108 – ADR to ordinary share 1:1

Depositary: The Bank of New York Mellon Inc
101 Barclay Street
New York NY 10286, USA

Attorneys to BIC
Prinsloo, Tindle & Andropoulos Inc
(Registration number 1998/021593/21)
1st Floor
17 Fricker Road
Illovo Boulevard, Illovo, 2196
South Africa
(PO Box 55024, Northlands, 2196)

Legal advisor to the co-debt arrangers and co-funders
Edward Nathan Sonnenbergs Inc
(Registration number 2006/018200/21)
150 West Street
Sandton, 2196
South Africa
(PO Box 783347, Sandton, 2146)

Copies of this Circular, in English only, may be obtained from the Transfer Secretaries, whose address is set out above.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORPORATE INFORMATION AND ADVISERS</td>
<td>Inside front cover</td>
</tr>
<tr>
<td>ACTION REQUIRED BY SHAREHOLDERS</td>
<td>2</td>
</tr>
<tr>
<td>IMPORTANT DATES AND TIMES</td>
<td>3</td>
</tr>
<tr>
<td>DEFINITIONS AND INTERPRETATIONS</td>
<td>4</td>
</tr>
<tr>
<td>CIRCULAR TO SHAREHOLDERS</td>
<td>14</td>
</tr>
<tr>
<td>1. Introduction</td>
<td>14</td>
</tr>
<tr>
<td>2. Purpose of this Circular</td>
<td>14</td>
</tr>
<tr>
<td>3. Rationale for and principles of the MTN BEE Transaction</td>
<td>14</td>
</tr>
<tr>
<td>4. Salient details of the MTN BEE Transaction and the ESOP</td>
<td>15</td>
</tr>
<tr>
<td>5. MTN Black Public Invitations</td>
<td>21</td>
</tr>
<tr>
<td>6. Relationship Agreement</td>
<td>22</td>
</tr>
<tr>
<td>7. Conditions Precedent</td>
<td>26</td>
</tr>
<tr>
<td>8. Fairness opinion</td>
<td>26</td>
</tr>
<tr>
<td>9. Cost of the MTN BEE Transaction and the ESOP</td>
<td>27</td>
</tr>
<tr>
<td>10. Pro forma financial effects of the MTN BEE Transaction and the ESOP</td>
<td>27</td>
</tr>
<tr>
<td>11. Adequacy of capital</td>
<td>28</td>
</tr>
<tr>
<td>12. Interested party and non-public shareholder</td>
<td>29</td>
</tr>
<tr>
<td>13. MTN Shareholder approvals</td>
<td>29</td>
</tr>
<tr>
<td>14. Incorporation</td>
<td>30</td>
</tr>
<tr>
<td>15. General business description</td>
<td>30</td>
</tr>
<tr>
<td>16. Prospects</td>
<td>30</td>
</tr>
<tr>
<td>17. Financial information</td>
<td>31</td>
</tr>
<tr>
<td>18. Material change</td>
<td>32</td>
</tr>
<tr>
<td>19. Litigation statement</td>
<td>32</td>
</tr>
<tr>
<td>20. Information relating to Directors</td>
<td>32</td>
</tr>
<tr>
<td>21. Major Shareholders</td>
<td>34</td>
</tr>
<tr>
<td>22. Consents</td>
<td>34</td>
</tr>
<tr>
<td>23. Directors’ responsibility statement</td>
<td>34</td>
</tr>
<tr>
<td>24. Documents available for inspection</td>
<td>35</td>
</tr>
<tr>
<td>Annexure 1 Unaudited pro forma income statement and balance sheet</td>
<td>36</td>
</tr>
<tr>
<td>Annexure 2 Joint Independent Reporting Accountants’ Report on the unaudited pro forma financial information of MTN</td>
<td>39</td>
</tr>
<tr>
<td>Annexure 3 Fairness opinion on the MTN BEE Transaction</td>
<td>41</td>
</tr>
<tr>
<td>Annexure 4 Price history of MTN Shares on the JSE</td>
<td>44</td>
</tr>
<tr>
<td>Annexure 5 Information on Directors</td>
<td>46</td>
</tr>
<tr>
<td>Annexure 6 Corporate Governance</td>
<td>53</td>
</tr>
<tr>
<td>NOTICE OF GENERAL MEETING OF MTN SHAREHOLDERS</td>
<td>56</td>
</tr>
<tr>
<td>Form of proxy (yellow)</td>
<td>Attached</td>
</tr>
</tbody>
</table>
This Circular is important and requires your immediate attention.

The definitions and interpretations commencing on page 4 of this Circular also apply to this section on action required by Shareholders.

Please take careful note of the following provisions regarding the action required by Shareholders.

If you are in any doubt as to what action to take, please consult your CSDP, Broker, attorney, banker or other professional advisor immediately.

If you have disposed of all of your MTN Shares, this Circular should be handed to the purchaser of such shares or the Broker, banker or other agent who disposed of your MTN Shares on your behalf.

1. ACTION REQUIRED BY SHAREHOLDERS REGARDING THE GENERAL MEETING

A General Meeting will be held to consider and, if deemed fit, pass the resolutions required to implement the MTN BEE Transaction and the ESOP. A notice convening the General Meeting is attached to and forms part of this Circular.

Please take careful note of the following provisions relating to the action required by Shareholders regarding the General Meeting.

1.1 If you have Dematerialised your MTN Shares, other than with “own name” registration:

1.1.1 Attendance and representation at the General Meeting

In accordance with the mandate between you and your CSDP/Broker, you must advise your CSDP/Broker if you wish to attend the General Meeting and your CSDP/Broker will issue the necessary letter of representation to you to enable you to attend and vote at the General Meeting.

1.1.2 Voting at the General Meeting

1.1.2.1 If you do not obtain a letter of representation, your CSDP/Broker should contact you to ascertain how you wish to cast your vote at the General Meeting and thereafter will cast its vote in respect of your MTN Shares in accordance with your instructions.

1.1.2.2 If you have not been contacted by your CSDP/Broker, it would be advisable for you to contact your CSDP/Broker and furnish it with your voting instructions.

1.1.2.3 If your CSDP/Broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP/Broker.

1.1.2.4 DO NOT complete the attached form of proxy (yellow).

1.2 If you have not Dematerialised your MTN Shares or if you have Dematerialised your MTN Shares with “own name” registration

Voting and attendance at the General Meeting

1.2.1 You may attend the General Meeting in person and may vote at the General Meeting. Alternatively, you may appoint a proxy or proxies (who need not be members of the Company) to attend the General Meeting and vote in your stead.

1.2.2 You may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy (yellow) in accordance with the instructions it contains and return it to the Transfer Secretaries to be received by no later than 14:00 on Wednesday, 18 August 2010.

If you wish to dematerialise your MTN Shares, please contact your CSDP/Broker.
IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this Circular also apply to this section on important dates and times.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Circular and Notice of General Meeting posted to Shareholders on</td>
<td>Wednesday, 28 July</td>
</tr>
<tr>
<td>Last day for receipt of forms of proxy for the General Meeting by 14:00 on</td>
<td>Wednesday, 18 August</td>
</tr>
<tr>
<td>General Meeting to be held at the Registered Office of MTN at 14:00 on</td>
<td>Friday, 20 August</td>
</tr>
<tr>
<td>Results of the General Meeting released on SENS on</td>
<td>Friday, 20 August</td>
</tr>
<tr>
<td>Results of the General Meeting published in the South African press on</td>
<td>Monday, 23 August</td>
</tr>
</tbody>
</table>

Notes:
1. These dates and times are subject to change. Any change will be published on SENS and in the South African press.
2. All times given in this Circular are local times in South Africa.
DEFINITIONS AND INTERPRETATIONS

Unless the context indicates otherwise:
– reference to the singular shall include the plural and vice versa;
– words and expressions denoting one gender include the other;
– words and expressions denoting natural persons include legal persons and associations of persons; and
– the words and expressions in the first column have the meanings stated opposite them in the second column.

“A BFC Investors” the holders of the A BFC Pref Shares, being initially FirstRand Bank Limited (acting through its Rand Merchant Bank Division), Deptfn Investments (Proprietary) Limited (a wholly-owned subsidiary of Nedbank Limited) and United Towers (Proprietary) Limited (a wholly owned subsidiary of Absa Bank Limited), following subscription therefor under the BFC Pref Subscription Agreement. The A BFC Investors may change from time to time as existing holders sell their position to others;

“A BFC Pref Shares” the “A” class senior cumulative redeemable non participating preference shares in the issued share capital of BFC, carrying such terms as are to be provided for in the BFC memorandum and articles of association pursuant to the BFC Pref Subscription Agreement;

“A BIC Pref Shares” the “A” class cumulative redeemable non participating preference shares in the issued share capital of BIC, carrying such terms as are to be provided for in the BIC memorandum and articles of association pursuant to the BIC Pref Subscription Agreement;

“Account Bank” the entity appointed as such from time to time under the Account Bank and Agency Agreement, initially being Absa Bank Limited (acting through its Absa Capital division);

“Account Bank and Agency Agreement” the agreement entitled “Account Bank and Agency Agreement” concluded between MTN, the BFC Investors, BFC, BIC, the Preference Share Agent and other agents of BIC, BFC and/or the BFC Investors (including the Security Custodian, the BIC Administrator, the BFC Administrator, the Account Bank and the Calculation Agent, as defined therein) on 12 July 2010 pursuant to which inter alia the roles and responsibilities of various agents of BFC, BIC and the BFC Investors are regulated;

“Additional Specific Issues” the issues for cash to BIC at any time during the Empowerment Period of up to the same number of MTN Shares that are repurchased from BIC pursuant to an exercise of the NVF Call Option, such issues for cash being at the Market Value per MTN Share as at the date of exercise of the NVF Call Option;

“Alpine Trust” Alpine Trust (Master’s reference number IT4765/03), a trust established for the benefit of current and former MTN employees that has now unwound;

“Articles” articles of association of the Company as registered with CIPRO;

“Asonge Share Scheme” the National Empowerment Fund’s Asonge Share Scheme which opened on 23 July 2007 and aimed to sell approximately 11.7 million MTN Shares to black individuals and savings and/or investment groups at a discount;

“Authority” any government or governmental, administrative, fiscal or judicial authority, body, court, department, commission, tribunal, registry or any state owned, controlled or legislatively constituted authority which principally performs public governmental or regulatory functions and/or which is responsible for applying national security, foreign investment, exchange control, telecommunications, merger control or other competition or antitrust legislation or regulations, in South Africa, including without limitation the Independent Communications Authority of South Africa;
“B BFC Investors” the holders of the B BFC Pref Shares, being initially FirstRand Bank Limited (acting through its Rand Merchant Bank Division), Depfin Investments (Proprietary) Limited (a wholly-owned subsidiary of Nedbank Limited) and United Towers (Proprietary) Limited (a wholly-owned subsidiary of Absa Bank Limited) following subscription therefor under the BFC Pref Subscription Agreement. The B BFC Investors may change from time to time as existing holders sell their position to others;

“B BFC Pref Shares” the “B” class cumulative redeemable non participating preference shares in the issued share capital of BFC, initially carrying such terms as are to be provided for in the BFC memorandum and articles of association pursuant to the BFC Pref Subscription Agreement;

“B BIC Pref Shares” the “B” class cumulative redeemable non participating preference shares in the issued share capital of BIC, initially carrying such terms as are provided for in the BIC memorandum and articles of association pursuant to the BIC Pref Subscription Agreement;

“B Security Account” the bank account to be maintained by BIC into which certain sums are required under the Transaction Agreements to be paid in respect of the B BFC Pref Shares;

“BEE” black economic empowerment;

“BEE Act” the Broad-Based Black Economic Empowerment Act, No. 53 of 2003, and any regulations and codes of good practice published thereunder (including the Codes), as amended;

“BEE Legislation” each and all of: (i) the BEE Act; (ii) any codes of good practice and/or transformation charters issued under sections 9 and/or 12 of the BEE Act applicable to MTN SA Group; (iii) any communications sector legislation (including the Electronic Communications Act, No. 36 of 2005) and any regulations published under such legislation and any Licence conditions made pursuant to such legislation from time to time, as applicable to MTN SA Group and (iv) any other charter, law, condition of a material licence, regulation or (mandatory or voluntary) practice pursuant to which ownership and/or control by Black People in the MTN SA Group is measured or a requirement relating thereto is imposed on it, or its rights, interests and/or obligations are affected thereby whether directly or through its customers;

“BEE Participants” individually and collectively (as the context may dictate), the Black Public, who are eligible to subscribe for and directly and beneficially own BIC Ordinary Shares pursuant to the BIC Public Offer, or are thereafter permitted to own BIC Ordinary Shares in terms of the provisions of the Relationship Agreement;

“BEE Status” in relation to a Black Group, the Black Group’s percentage ownership and percentage economic interest by Black People (by shareholding, membership, beneficiary interest and/or other comparable interest, as the case may be having regard to the juristic nature of the relevant Black Group) and the Black Group’s percentage representation by Black People at board or trustee or other similar governing body, as measured under the BEE Legislation and, in relation to a natural person, whether or not that person qualifies as a Black Person;

“BFC” Newshelf 1041 (Proprietary) Limited (registration number 2009/023961/07), a private company incorporated in accordance with the laws of South Africa, the special purpose vehicle to facilitate the third party preference share funding for the MTN BEE Transaction;

“BFC Investors” the A BFC Investors and the B BFC Investors;

“BFC Pref Shares” the A BFC Pref Shares and the B BFC Pref Shares;

“BFC Pref Subscription Agreement” the preference share subscription agreement entitled “BFC Preference Share Subscription Agreement” concluded between BFC, the Preference Share Agent and the BFC Investors on 12 July 2010 in terms of which the BFC Investors will subscribe for, and BFC will allot and issue to the BFC Investors, the BFC Pref Shares;
“BIC” or “Black Investment Company” Aralia Investments Limited (registration number 2010/004693/06), to be renamed MTN Zakhele Limited, a public company incorporated in accordance with the laws of South Africa, the special purpose vehicle created to effect the BIC Public Offer and related aspects of the MTN BEE Transaction;

“BIC Board” the board of directors of BIC, as constituted from time to time;

“BIC Constitutional Documents” the memorandum and articles of association of BIC (including the memorandum of incorporation contemplated under the New Companies Act);

“BIC Discharge Date” the date on which all the BIC Pref Shares have been redeemed in full and all post redemption contingent indemnity amounts, if any and as determined in accordance with the BIC Pref Subscription Agreement, have been paid into the relevant BIC bank accounts over which the BFC Investors have a security interest;

“BIC Ordinary Share(s)” ordinary shares having a par value of R0.01 in the issued share capital of BIC;

“BIC Ordinary Shareholders” registered holders of BIC Ordinary Shares, from time to time;

“BIC Ords Subscription Agreement” the ordinary share subscription agreement entitled “BIC Ordinary Share Subscription Agreement” concluded between BIC and MTN on 12 July 2010 in terms of which MTN will subscribe for, and BIC will allot and issue to MTN, the BIC Underwrite Shares (if any);

“BIC Pref Shares” the A BIC Pref Shares and the B BIC Pref Shares;

“BIC Pref Subscription Agreement” the preference share subscription agreement entitled “BIC Preference Share Subscription Agreement” concluded between BFC, BIC and the Preference Share Agent on 12 July 2010 in terms of which, inter alia, BFC will subscribe for, and BIC will allot and issue to BFC, the BIC Pref Shares;

“BIC Public Offer” the public offering in terms of which the Black Public will be invited to subscribe for and beneficially own BIC Ordinary Shares, subject to the qualification criteria of such offer as set out in the Prospectus to be published in respect of the offer, as described in paragraph 5.2 of this Circular;

“BIC Underwrite Shares” such BIC Ordinary Shares as MTN, in MTN Board’s discretion, may elect to subscribe for under the BIC Ords Subscription Agreement to enable BIC to increase the equity raised in the event of a shortfall being raised under the BIC Public Offer, in order to increase the ultimate size of the MTN BEE Transaction, up to a maximum of 49% of the issued BIC Ordinary Shares (fully diluted), as more fully described in paragraph 5.3 of this Circular;

“Black Company” a company incorporated in accordance with the laws of South Africa which is a “BEE controlled company” and a “BEE owned company” (or comparable term) as defined from time to time under the BEE Legislation, which definitions, as at the Last Practicable Date, are summarised as follows for convenience: a company having a shareholding in which one or more Black Person/s:

- beneficially owns or own, on an effective flow-through basis (as such term is contemplated in the Codes and which, for the avoidance of doubt, excludes measurement utilising the modified flow-through principle), more than 50% of the ordinary shares or other equity interest of such company; and

- is or are entitled to, on an effective flow-through basis (as such term is contemplated in the Codes and which, for the avoidance of doubt, excludes measurement utilising the modified flow-through principle), more than 50% of all economic interest in relation to such ordinary shares or other equity interests of such company; and

- controls or control, on an effective flow-through basis (as such term is contemplated in the Codes and which, for the avoidance of doubt, excludes measurement utilising the modified flow-through principle), more than 50% of all exercisable voting rights in relation to the ordinary shares and/or other equity interests of such company, exercisable by members in general meeting or otherwise,

and a reference to “company” shall be applied appropriately to a close corporation or other such incorporated entity;
“Black Entities” (i) a vesting trust; (ii) a broad-based ownership scheme and (iii) an unincorporated entity or association, including a partnership, joint venture, syndicate or stokvel, in each case under (i) to (iii) as may be determined from time to time (generally or in relation to any particular Black Entity or category of Black Entities) by MTN in its sole discretion as an entity which qualifies under the BEE Legislation (and the Codes in particular) for recognition and measurement or ownership, economic interest and control by Black People such that the MTN SA Group may claim recognition of such ownership, economic interest and control under the BEE Legislation as being held by a majority of Black People;

“Black Groups” Black Companies and Black Entities;

“Black People” or “Black Person” “black people” (or comparable term) as defined from time to time under the BEE Legislation; provided that where the BEE Legislation contains more than one definition of “black people” (or comparable term) and such definitions are not the same, then the term “black people” shall mean (and be restricted to) the class of persons who satisfy the relevant criteria in every such definition. As at the date of this Circular (by way of summary and without in any way being construed as an interpretation of the Codes), “Black People” are defined under the BEE Act read with Schedule 1 of the Codes, as being African, Coloured (including Chinese) and Indian persons who are natural persons and who: (a) are citizens of South Africa by birth or descent; or (b) are citizens of South Africa by naturalisation before the commencement date of the Constitution of the Republic of South Africa, Act 200 of 1993 (“Interim Constitution”); or (c) became citizens of South Africa after the commencement date of the Interim Constitution, but who, but for the apartheid policy that had been in place prior to that date, would have been entitled to acquire citizenship by naturalisation prior to that date. “Black” shall have a similar meaning when used as an adjective;

“Black Public” Black People and Black Groups;

“Broker” any person registered as a “broking member (equities)” in terms of the Listings Requirements and in accordance with the provisions of the Securities Services Act, No. 36 of 2004, as amended;

“BSTC” or “BIC Ordinary Share Transfer Committee” MTN or such committee/s or third party/ies or third party agent/s as MTN may nominate from time to time to consider and approve or decline any proposed transfer of BIC Ordinary Shares and, accordingly, to regulate, or procure the regulation of, the registration of any such transfer of BIC Ordinary Shares;

“Business Day” any day other than a Saturday, Sunday or public holiday in South Africa;

“Calculation Agent” the entity appointed as such from time to time under the Account Bank and Agency Agreement, initially being Absa Bank Limited (acting through its Absa Capital division);

“Call Event” the events and circumstances described as such in paragraph 6.6 of this Circular;

“Call Option Agreement” the call option agreement entitled “Call Option Agreement” concluded between MTN, the BFC Investors and the Preference Share Agent on 12 July 2010 pursuant to which MTN is entitled, but not obliged, to acquire the unredeemed preference shares held by the BFC Investors in BFC upon the occurrence of certain potential default trigger events, illegality events and increased cost adjustment events arising in terms of the third party preference share funding of the MTN BEE Transaction;

“Call Reference Price” the value of BIC Ordinary Shares on the relevant date/s and from time to time as agreed in writing between BIC and MTN or otherwise determined in accordance with the provisions of the Relationship Agreement, which determination shall, inter alia: (a) include a discount for no or limited liquidity of 10% (but not more than that) and (b) shall value the MTN Shares held by BIC (while such shares are listed on the JSE) at the VWAP;

“Call Shares” such number of BIC Ordinary Shares as are subject to a Call Event as set out in paragraph 6.6 of this Circular;
“Certificated MTN Shares” MTN Shares which are not Dematerialised, title to which is represented by a share certificate or other Documents of Title;

“Certificated Shareholders” holders of Certificated MTN Shares;

“CIPRO” the Companies and Intellectual Property Registration Office;

“Circular” this circular to MTN Shareholders dated 28 July 2010 regarding the MTN BEE Transaction and the ESOP, and all annexures and attachments hereto;

“Closing Date” the “Closing Date” as defined in the Implementation Agreement and which is anticipated to be approximately five Business Day after the fulfilment or waiver, as the case may be, of the majority of the suspensive conditions listed in the Transaction Agreements concluded regarding each element of the MTN BEE Transaction (on the basis that the remaining limited specified suspensive conditions will be fulfilled or waived within two Business Days thereafter), which Closing Date must occur on or before 30 November 2010;

“Codes” the Codes of Good Practice on Broad-Based Black Economic Empowerment issued by the Minister of Trade and Industry on 9 February 2007 in terms of section 9 of the BEE Act;

“Companies Act” the Companies Act, No. 61 of 1973, as amended;

“CSDP” a person that holds in custody and administers securities or an interest in securities, and that has been accepted in terms of section 34 of the Securities Services Act, No. 36 of 2004, as amended, by a central securities depository as a participant in that central securities depository;

“Custodian” a person appointed from time to time by MTN and/or BIC, as directed by MTN, to fulfil the functions assigned to it under the Relationship Agreement;

“Dematerialised” the process by which Certificated MTN Shares are to be converted into or held in electronic form as uncertificated securities under Strate for trading on the JSE;

“Dematerialised MTN Shares” MTN Shares which have been incorporated into the Strate system and which are no longer evidenced by physical Documents of Title;

“Dematerialised Shareholders” holders of Dematerialised MTN Shares;

“Directors” or “MTN Directors” the directors of MTN from time to time;

“Documents of Title” valid share certificate(s), certificated transfer deed(s), balance receipts or any other Documents of Title acceptable to MTN in respect of MTN Shares;

“EBITDA” earnings before interest, tax, depreciation and amortisation;

“Effective Date of the BIC Public Offer” the date on which BIC Ordinary Shares are allotted and issued to BEE Participants under the BIC Public Offer, which is intended to be the Closing Date;

“Effective Date of the ESOP” a date to be set by the MTN Board, but which is intended to coincide with the Closing Date;

“Eligible BIC Ordinary Shareholders” (i) any BEE Participant who is acceptable to MTN in its sole discretion to become a BIC Ordinary Shareholder, such acceptance to be recorded in writing pursuant to any decision made by the BSTC and (ii) such other persons as are permitted from time to time (and for the period so permitted) under the Relationship Agreement to hold BIC Ordinary Shares;

“Eligible MTN ESOP Employees” South African citizens or permanent residents who have been employed by MTN or one of its South African subsidiaries for a continuous period of at least one year as at the date designated by the MTN Board as the date on which the ESOP is to commence, which date is intended to coincide with the Closing Date, and who are level 1 or 2 category employees that do not participate in any other existing share scheme within the MTN Group (i.e. excluding management and directors);

“Empowerment Period” a period of six years commencing on the Effective Date of the BIC Public Offer and ending on the sixth anniversary of the Effective Date of the BIC Public Offer;
“ESOP” the proposed employee share ownership plan established (subject to MTN shareholder approval) on or about 12 July 2010 for the benefit of the Eligible MTN ESOP Employees;

“ESOP Rules” the written employee share ownership plan entitled “Rules of the MTN Broad-Based Employee Share Scheme” which governs the ESOP and pursuant to which MTN will issue ESOP Shares to Eligible MTN ESOP Employees;

“ESOP Shares” the aggregate of 400 MTN Shares to be issued to each Eligible MTN ESOP Employee in terms of the ESOP Rules (subject to a maximum value per Eligible MTN ESOP Employee of R50,000);

“First Ranking Guarantee” the first ranking guarantee between BIC (as guarantor), the A BFC Investors and Absa Bank Limited (as Preference Share Agent) pursuant to which BIC unconditionally and irrevocably guarantees the payment of all amounts required and/or scheduled or intended to be paid by BFC to the A BFC Investors in respect of the A BFC Pref Shares;

“Future Specific Repurchases” repurchases from time to time by MTN of MTN Shares from BIC up to the then Maximum NVF Call Option Shares on the exercise by MTN of an NVF Call Option at R0.0001 per MTN Share (par value);

“General Meeting” the general meeting of Shareholders to be held at 14:00 on Friday, 20 August 2010, at the Registered Office of MTN;

“GEPF” the Government Employees Pension Fund, created in terms of the Government Employees Pension Law Proclamation, 21 of 1996;

“IFRS” International Financial Reporting Standards;

“Implementation Agreement” the agreement entitled “Implementation Agreement” entered into between, inter alia: MTN, BIC, BFC, the Preference Share Agent, the Account Bank, the Security Custodian (as defined therein), the Calculation Agent and the BFC Investors on 12 July 2010, which agreement provides, inter alia, for the implementation before and on the Closing Date of the Implementation Agreement and certain of the other Transaction Documents (as defined therein) and matters related thereto, the making by MTN of the MTN Donation to BIC and giving by MTN of the MTN Indemnity;

“Inception Total Share Cover Ratio” the total share cover ratio measured as the market value of MTN Shares to be held by BIC at the 5-day volume weighted average price measured three Business Days prior to the Closing Date plus the overraise, divided by the difference in value between the issue price of the BIC Pref Shares and the MTN Subordinated Loan as described in paragraph 4.4.2, if any;


“Independent Expert” or “KPMG” KPMG Services (Proprietary) Limited (registration number 1999/012876/07), a private company duly incorporated in South Africa;

“Initial NVF Balance” an amount calculated as the difference between: (i) the Transaction Share Price multiplied by the Tranche 1 Subscription Shares and (ii) the subscription price paid by BIC in respect of the MTN Tranche 1 Subscription Shares;

“Initial Specific Issue” the issue of MTN Shares for cash by MTN to BIC on the Closing Date comprising the MTN Tranche 1 Subscription Shares and the MTN Tranche 2 Subscription Shares;

“Joint Independent Reporting Accountants” PricewaterhouseCoopers Inc. (registration number 1998/012055/21) and SizweNtsaluba VSP (registration number 2002/021048/07), Registered Auditors;

“JSE” a company duly registered and incorporated with limited liability under the company laws of South Africa (registration number 2005/022939/06), licensed as an exchange under the Securities Services Act, No. 36 of 2004;

“King Code” the King Code on Corporate Governance for South Africa, as amended from time to time;
“Last Practicable Date” 20 July 2010, being the last practicable date prior to finalisation of this Circular;

“Licence(s)” any licence or other form of regulatory right or permission issued or granted by or under any Authority, including telecommunications licences issued pursuant to the Electronic Communications Act, No. 36 of 2005;

“Listings Requirements” the Listings Requirements of the JSE, as amended from time to time;

“Market Value” as at a Reference Date, the VWAP as at the 1st Business Day prior to such date; provided that if at any time such calculation is not able to be performed due to the MTN Shares not being listed or being suspended from listing at any time during the relevant period, the Market Value shall be determined by the statutory auditors for the time being of MTN or an independent financial institution or advisory firm with an office in South Africa nominated for this purpose by MTN, in each case acting as experts and not as arbitrators;

“Maximum NVF Call Option Shares” at any particular Reference Date, a number of MTN Shares (fractions rounded down) equal to the NVF Balance as at the day immediately preceding the Reference Date divided by the Market Value of the MTN Shares as at the Reference Date;

“Minimum Investment Period” a period of three years commencing on the Effective Date of the BIC Public Offer and ending on the third anniversary of the Effective Date of the BIC Public Offer;

“MTN” or “the Company” MTN Group Limited (registration number 1994/009584/06), a limited liability public company duly incorporated in South Africa, whose ordinary shares are listed on the JSE;

“MTN BEE Transaction” or “Transaction” MTN's proposed new BEE transaction or series of transactions given effect to under the Transaction Agreements pursuant to which, inter alia: (i) BIC will issue BIC Ordinary Shares to qualifying members of the Black Public pursuant to the BIC Public Offer and (ii) BIC will acquire and/or subscribe for MTN Shares, up to a maximum of 4% of the issued share capital of MTN (fully diluted, based on the issued shares as at the Last Practicable Date), using a combination of equity funding raised in the BIC Public Offer (and, if applicable, equity raised from MTN through its subscription for BIC Underwrite Shares), vendor facilitation through the MTN Donation, the Notional Vendor Finance, an MTN Subordinated Loan (if applicable) and third party preference share funding;

“MTN Board” the board of directors of MTN from time to time;

“MTN Donation” a cash donation up to a maximum of R1.294 billion by MTN to BIC in order to enable BIC to acquire MTN Shares and to fund certain obligations of BIC under the MTN BEE Transaction;

“MTN Group” MTN and its associates and subsidiaries, including joint ventures where appropriate, from time to time;

“MTN Indemnity” the indemnity given by MTN in favour of the BFC Investors in terms of which MTN indemnifies each BFC Investor for all and any Break Costs (as defined in the Implementation Agreement) which any BFC Investor incurs or sustains as a consequence of any of the steps in the Implementation Process (as defined) not being completed (other than as a result of a breach of a Finance Document by BFC or a BFC Investor);

“MTN Nigeria” MTN Nigeria Communications Limited (registration number RC395010), a private company incorporated in Nigeria which is a subsidiary of MTN;

“MTN SA Group” each and all of: (i) MTN South Africa, MTN Service Provider (Proprietary) Limited and MTN Business Solutions (Proprietary) Limited and each of its and their South African subsidiaries from time and (ii) any other South African operating subsidiary of any of MTN, Mobile Telephone Networks Holdings (Proprietary) Limited and/or MTN International (Proprietary) Limited designated in writing by MTN to BIC from time to time;

“MTN Shares” ordinary shares with a par value of R0.0001 each in the share capital of MTN;

“MTN South Africa” Mobile Telephone Networks (Proprietary) Limited (registration number 1993/001436/07), a private company incorporated in South Africa which is a subsidiary of MTN;
“MTN Subordinated Loan” a potential initial subordinated loan from MTN (or certain permitted subsidiaries) to BIC on the Closing Date as more fully described in paragraph 4.4.2 of this Circular;

“MTN Tranche 1 Subscription and Call Option Agreement” the subscription and call option agreement entitled “MTN Tranche 1 Subscription and Call Option Agreement” entered into or between MTN and BIC on 12 July 2010 in terms of which, inter alia, BIC will subscribe for, and MTN will issue and allot to BIC, the MTN Tranche 1 Subscription Shares at their par value of R0.0001 each and BIC will grant to MTN the NVF Call Option;

“MTN Tranche 1 Subscription Shares” a maximum of 31,716,333 MTN Shares to be issued to BIC, at their par value of R0.0001 each, for an aggregate subscription price of up to R3,171.64, comprising the NVF Base Shares and, if applicable, the NVF Top-up Shares;

“MTN Tranche 2 Subscription Agreement” the subscription agreement entitled “MTN Tranche 2 Subscription Agreement” entered into between MTN and BIC on 12 July 2010 in terms of which, inter alia, BIC will subscribe for, and MTN will issue and allot to BIC, the MTN Tranche 2 Subscription Shares at the Transaction Share Price;

“MTN Tranche 2 Subscription Shares” a maximum of 12,045,412 MTN Shares to be issued to BIC at the Transaction Share Price, for an aggregate subscription price of up to R1.294 billion;

“MTN Underwrite Option” a right (but no obligation) which MTN has under the BIC Ords Subscription Agreement to subscribe for the BIC Underwrite Shares;

“NACA” nominal annual compounded annually;

“NACM” nominal annual compounded monthly;

“Newshelf” Newshelf 664 (Proprietary) Limited (registration number 2001/025418/07), a private company incorporated in South Africa;

“New Companies Act” the Companies Act, No. 71 of 2008, as amended;

“Newshelf Structure” the approximately 13% shareholding which the Alpine Trust, through Newshelf, held in MTN prior to 26 May 2009;

“Newshelf Unwind” the transaction implemented on 26 May 2009 whereby MTN acquired Newshelf from the Alpine Trust, settled all outstanding obligations in Newshelf to PIC and repurchased and cancelled the MTN Shares owned by Newshelf;

“Notice of General Meeting” the notice of a general meeting of MTN Shareholders to be held on Friday, 20 August 2010, which forms part of this Circular;

“NVF” or “Notional Vendor Finance” the notional funding provided by MTN to BIC in connection with the MTN BEE Transaction, represented by the Initial NVF Balance, and which arises from the issue by MTN to BIC of the MTN Tranche 1 Subscription Shares at their par value of R0.0001 per MTN Share;

“NVF Balance” an amount representing the outstanding balance from time to time of the Notional Vendor Finance, being the Initial NVF Balance escalating at 85% of Prime, as reduced from time to time by any exercise of the NVF Call Option, as more fully described in paragraph 4.9 of this Circular;

“NVF Base Shares” a maximum of 29,912,900 MTN Shares to be issued to BIC in terms of the MTN Tranche 1 Subscription and Call Option Agreement at their par value of R0.0001 each, for an aggregate subscription price of up to R2,991.29;

“NVF Call Option” the call options granted to MTN (and/or its nominee/s and/or its cessionaries, as applicable) by BIC in the MTN Tranche 1 Subscription and Call Option Agreement, in terms of which MTN (and/or its nominee/s and/or its cessionaries, as applicable) have been provided with a right to acquire a variable number of MTN Shares held by BIC at a price of R0.0001 per MTN Share (such variable number of MTN Shares being the Maximum NVF Call Option Shares, as defined);

“NVF Call Option Trigger Date” the later of: (A) the first Business Day on or after the sixth anniversary of the Closing Date or such later date and/or dates as: (a) MTN may from time to time notify BIC in writing prior to such sixth anniversary (or then current NVF Call Option Trigger Date, if later than the sixth anniversary), such date notified by MTN however not being later than the later of: (i) six months from the sixth anniversary of the Closing Date and (ii) six months after the BIC Discharge Date, and/or (b) MTN and BIC may agree in writing and (B) the BIC Discharge Date (or such earlier date as MTN and the Preference Share Agent may agree in writing);
“NVF Top-up Shares” a maximum of 1,803,433 MTN Shares to be issued to BIC in terms of the MTN Tranche 1 Subscription and Call Option Agreement at their par value of R0.0001 each for a maximum aggregate subscription price of R180.35, should MTN elect to increase the Notional Vendor Finances in the circumstances described in paragraph 4.4.2;

“PIC” the Public Investment Corporation Limited (registration number: 2005/009094/06), a public company created in terms of the Public Investment Corporation Act, No. 23 of 2004 and incorporated in accordance with the company laws of South Africa, acting as the authorised representative of GEPF. PIC and/or GEPF held 383,823,654 MTN Shares at the Last Practicable Date;

“PIC Sale Agreement” the sale and purchase agreement entitled “PIC Share Acquisition Agreement” entered into between GEPF (represented by PIC) and BIC in terms of which GEPF agrees to sell to BIC, and BIC agrees to purchase from GEPF, the PIC Sale Shares;

“PIC Sale Shares” a maximum of 35,155,609 MTN Shares to be sold by PIC to BIC at the PIC Sale Shares Purchase Price pursuant to the provisions of the PIC Sale Agreement;

“PIC Sale Shares Purchase Price” the aggregate purchase price for the PIC Sale Shares, being the sum of: (a) the Transaction Share Price multiplied by the number of PIC Sale Shares (“the Base Purchase Price”) plus (b) interest on the Base Purchase Price calculated daily at 7.39% NACA as from 10 July 2010 to the Closing Date (including the first date but excluding the last date);

“Preference Share Agent” the entity appointed as such from time to time as the agent of the holders of the BIC Pref Shares and the BFC Investors pursuant to the terms of the Transaction Agreements, initially Absa Bank Limited (acting through its Absa Capital division);

“Prime” means the rate of interest (NACM) from time to time published by the Prime Rate Reference Bank as its prime overdraft lending rate (a certificate from any manager of that bank, whose appointment or authority need not be proved, as to the prime rate at any time and the usual way in which it is calculated and compounded at such time, in the absence of manifest or clerical error, shall be final and binding on the relevant parties);

“Prime Rate Reference Bank” if and for so long as such is a bank registered as such in South Africa and quotes a prime lending rate, the principal Gauteng offices of First National Bank (a division of FirstRand Bank Limited); or, failing it, The Standard Bank of South Africa Limited; or, failing it, Absa Bank Limited; or, failing it, such other bank as the statutory auditors of MTN may specify from time to time;

“Prospectus” the prospectus to be issued by BIC in relation to the BIC Public Offer;

“Reference Date” any particular date in relation to the NVF Call Option;

“Registered Office of MTN” the registered office of MTN which is 216, 14th Avenue, Fairland, Roodepoort, 2195, South Africa;

“Relationship Agreement” the agreement entitled “Relationship Agreement” concluded between BIC and MTN on 12 July 2010 and to which the BIC Ordinary Shareholders will become parties pursuant to the BIC Public Offer regulating, inter alia, the rights and obligations of these parties relating to the holding of MTN Shares by BIC and the holding of BIC Ordinary Shares by the BIC Ordinary Shareholders;

“RICA” the Regulation of Interception of Communications and Provision of Communication-Related Information Act, No. 70 of 2002, as amended;

“Second Ranking Guarantee” the second ranking guarantee between BIC (as guarantor), the B BFC Investors, and Absa Bank Limited (as Preference Share Agent), pursuant to which BIC unconditionally and irrevocably guarantees the payment of all amounts required and/or scheduled or intended to be paid by BFC to the B BFC Investors in respect of the B BFC Pref Shares;
"Second Reversionary Pledge and Cession" is the second reversionary pledge and cession agreement entitled "Second Reversionary Pledge and Cession" concluded between MTN and BIC on 12 July 2010 pursuant to which, inter alia, MTN is granted security over the MTN Shares, bank accounts and other assets held by BIC, ranking behind the security held by the BFC Investors over such collateral, as security for the obligations that may be owing from time to time by BIC to MTN pursuant to the Transaction Agreements.

"SENS" Securities Exchange News Service of the JSE;

"Shareholders" or "MTN Shareholders" registered holders of MTN Shares, from time to time;

"South Africa" the Republic of South Africa;

"Strate" Strate Limited (registration number 1998/022242/06), a public company registered and incorporated in South Africa, and the electronic settlement system used by the JSE to settle trades;

"Subordination and Undertaking Agreement" the agreement entitled "MTN Subordination and Undertaking Agreement" concluded between MTN, the BFC Investors, BFC, BIC and the Preference Share Agent on 12 July 2010 pursuant to which, inter alia, MTN subordinates its claims against BIC and BFC in favour of the claims against such companies by the BFC Investors, and MTN is granted the right, but not the obligation, to advance subordinated loans to BIC to enable BIC to restore certain financial covenant ratios and MTN provides certain representations, warranties and undertakings to the BFC Investors;

"Total Share Cover Ratio" is as set out and more fully described in the terms of the BIC Pref Shares, but essentially comprising, at the time of calculation, the value of the MTN Shares held by BIC (plus specified cash reserves in the cash float account of BIC, if any), divided by; the redemption amount of the BIC Pref Shares minus the credit balances in certain specified BIC accounts;

"Trading Day" means any day that is a trading day on the JSE and does not include a day on which trading on the JSE is scheduled to close prior to its regular weekday closing time;

"Transaction Agreements" collectively the Implementation Agreement, the Relationship Agreement, the MTN Tranche 1 Subscription and Call Option Agreement, the MTN Tranche 2 Subscription Agreement, the BIC Ords Subscription Agreement, the PIC Sale Agreement, Call Option Agreement, the Account Bank and Agency Agreement, the Subordination and Undertaking Agreement, Secondary Reversionary Pledge and Cession and the Finance Documents (as defined in the BIC Pref Subscription Agreement);

"Transaction Share Price" R107.46 per MTN Share, calculated using the 20 Trading Day volume weighted average price of an MTN Share to 9 July 2010;

"Transfer Secretaries" Computershare Investor Services (Proprietary) Limited (registration number 2004/003647/07), a limited liability private company duly incorporated in South Africa; and

"VWAP" with reference to any date ("the Calculation Date"), the 20 Trading Day volume weighted average price of an MTN Share, calculated as the sum of the value of the MTN Shares traded on each Trading Day less, should an MTN dividend "last day to trade" occur during the 20 Trading Day period, the value of the dividend (being the dividend per share multiplied by the number of shares traded during the "cum" divided trading period portion of the 20 Trading Day period), divided by the sum of the volume of the MTN Shares traded on each Trading Day over the 20 Trading Day period ended on and including the close of trading on the Calculation Date such VWAP to be calculated and rounded to the 5th decimal place (i.e. the 6th decimal place rounded up if greater than 5 and rounded down if less than 5).
MTN Group Limited
(Incorporated in the Republic of South Africa)
(Registration number 1994/000958/06)
Share code: MTN  ISIN: ZAE000042164
(“MTN” or “the Company”)

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION

MTN Shareholders are referred to the announcement by MTN relating to the MTN BEE Transaction and the ESOP released on SENS on Thursday, 15 July 2010 and published in the press on Friday, 16 July 2010.

Since its incorporation in South Africa in 1994, MTN has been at the forefront of empowerment and remains fully committed to the principles of broad-based BEE. MTN also embraces the principles of BEE enshrined in the Codes.

A key pillar of BEE is black equity ownership. Through a comprehensive strategy, MTN intends to maintain core BEE targets set out in the Codes in relation to its South African businesses. The proposed MTN BEE Transaction is designed to provide long-term, sustainable benefits to the BEE Participants during the Empowerment Period. The MTN BEE Transaction is anticipated to equate to 4% of MTN’s issued ordinary share capital on a fully diluted basis, but may be scaled down depending on the level of equity raised from the BEE Participants. MTN’s South African operations comprise 22.9% of the value of MTN (based on MTN’s South African operations relative contribution to MTN’s EBITDA for the year ended 31 December 2009). Therefore, on an illustrative basis, using EBITDA contribution as a simple proxy for value, a BEE transaction in respect of 4% of MTN’s issued ordinary share capital will effectively equate to 29.1% of MTN’s South African operations (after adjusting for 40% mandated investments in MTN in terms of the Codes and assuming 100% flow-through black ownership in the MTN BEE Transaction). When combined with previous BEE initiatives the effective indirect ownership in MTN’s South African operations would be beyond 30%.

In addition to the MTN BEE Transaction, MTN will also issue approximately 0.1% of its issued ordinary share capital on a fully diluted basis to Eligible MTN ESOP Employees pursuant to the implementation of the ESOP. Management and directors of MTN will not participate in the ESOP.

2. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to provide Shareholders with relevant information relating to the MTN BEE Transaction and the ESOP in order to enable them to make an informed decision as to whether or not they should vote in favour of the resolutions to be proposed at the General Meeting in relation to such transactions. The resolutions are set out in the Notice of General Meeting.

3. RATIONALE FOR AND PRINCIPLES OF THE MTN BEE TRANSACTION

BEE is integral to the ethos of MTN and MTN believes that broad-based BEE participation is important to its future success as a Group.

MTN has been guided primarily by the following principles in structuring the MTN BEE Transaction:

- the vesting (through BIC) of full voting and economic rights to the BEE Participants from inception;
- achieving a sustainable and robust BEE transaction at a realistic economic cost (inclusive of any dilution) to Shareholders;
- broadening MTN’s South African BEE ownership by structuring the MTN BEE Transaction through an offer to the Black Public. This initiative will augment the many initiatives to date including most recently, the Asonge Share Scheme facilitated by the National Empowerment Fund in 2007; and
- acting as far as possible within the letter and spirit of the Codes and their requirements for the empowerment of South African businesses.
4. **SALIENT DETAILS OF THE MTN BEE TRANSACTION AND THE ESOP**

4.1 **Background**

Until December 2008, MTN in South Africa obtained the majority of its equity ownership points in terms of the Codes through the Newshelf Structure. The Newshelf Structure was established independently of MTN and was always scheduled to unwind in December 2008. In May 2009, MTN Shareholders approved the Newshelf Unwind, the purpose of which was to:

- facilitate the orderly unwind of the Newshelf Structure; and
- reduce the total number of MTN Shares in issue in anticipation of the MTN BEE Transaction.

The net effect of the Newshelf Unwind was a reduction in the number of MTN Shares in issue of approximately 1.6%.

The MTN BEE Transaction was not implemented immediately following the Newshelf Unwind due to the severe constraints in the financial markets at that time. The MTN Board is now of the view that market conditions have improved sufficiently in order to implement the MTN BEE Transaction.

4.2 **MTN BEE Transaction structure**

MTN intends to implement the proposed MTN BEE Transaction by means of: (i) the BIC Public Offer; and (ii) the acquisition of and subscription for MTN Shares by BIC. BIC will apply the proceeds of the subscription price of the BIC Pref Shares (i.e. the preference share funding raised by it), the equity raised in the BIC Public Offer, any equity raised by it from MTN in respect of the MTN Underwrite Option (see paragraph 5.3), the MTN Donation and the Notional Vendor Finance from MTN to: (a) acquire the PIC Sale Shares and (b) subscribe for new MTN Shares to be issued by MTN. The MTN BEE Transaction size is anticipated to be 4% of MTN's issued ordinary share capital on a fully diluted basis (calculated as at the Last Practicable Date), but may be scaled down should public subscriptions under the BIC Public Offer not be sufficient to allow for this. To the extent that the equity raised from the Black Public in the BIC Public Offer does not exceed R833.1 million, the MTN BEE Transaction will at MTN's election not be implemented.

The MTN BEE Transaction will be implemented on the Closing Date via a series of interlinked steps outlined below:

**Step 1** BIC undertakes the BIC Public Offer in respect of BIC Ordinary Shares to raise up to R1.618 billion of equity capital. The capital raising exercise is anticipated to be concluded by BIC within the next three months;

**Step 2** MTN makes the MTN Donation to BIC;

**Step 3** BIC subscribes for the MTN Tranche 1 Subscription Shares at par value pursuant to the MTN Tranche 1 Subscription and Call Option Agreement;

**Step 4** BIC subscribes for the MTN Tranche 2 Subscription Shares at the Transaction Share Price pursuant to the MTN Tranche 2 Subscription Agreement;

**Step 5** BFC raises preference share funding of up to R2.16 billion from the BFC Investors in the form of the BFC Pref Shares;

**Step 6** BIC raises preference share funding of up to R2.16 billion from BFC in the form of the BIC Pref Shares; and

**Step 7** BIC purchases the PIC Sale Shares from PIC at the PIC Sale Shares Purchase Price pursuant to the PIC Sale Agreement.

(Note: These steps are summarised on the basis that the BIC Public Offer is fully subscribed, and that no adjustments are made as contemplated in paragraphs 4.4.2, 4.4.3 and 5.3 below. Step 1 occurs prior to the Closing Date.)

The issue of the MTN Tranche 1 Subscription Shares at par value represents a discount of approximately 100% to the 30-day VWAP of an MTN Share to 9 July 2010, being the date the Transaction Share Price and PIC Sale Shares Purchase Price was finalised, and the issue of the MTN Tranche 2 Subscription Shares at the Transaction Share Price represents a premium of 1.1% to the 30-day volume weighted average traded price of an MTN Share to 9 July 2010.
At the end of the Empowerment Period, BIC will be obliged to settle all funding outstanding under the BIC Pref Shares at that date and, subject to such amounts being duly paid and following the exercise by MTN of the NVF Call Option and full discharge by BIC of its obligations to MTN thereunder, the remaining MTN Shares held by BIC will be unencumbered and available for distribution to BIC Ordinary Shareholders if so elected by BIC.

4.3 Transaction funding

<table>
<thead>
<tr>
<th>Sources of funds</th>
<th>R’m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity from BIC Public Offer</td>
<td>1,618</td>
</tr>
<tr>
<td>A BIC Pref Shares</td>
<td>1,440</td>
</tr>
<tr>
<td>B BIC Pref Shares</td>
<td>720</td>
</tr>
<tr>
<td>MTN Donation</td>
<td>1,294</td>
</tr>
<tr>
<td>Notional Vendor Finance 3</td>
<td>3,214</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,286</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses of funds</th>
<th>R’m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upfront costs and overraise²</td>
<td>189</td>
</tr>
<tr>
<td>PIC Sale Shares at Transaction Share Price</td>
<td>3,589</td>
</tr>
<tr>
<td>MTN Tranche 1 Subscription Shares (reflecting the Initial NVF Balance)³</td>
<td>3,214</td>
</tr>
<tr>
<td>MTN Tranche 2 Subscription Shares at the Transaction Share Price</td>
<td>1,294</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,286</strong></td>
</tr>
</tbody>
</table>

Notes:
1. Excludes the possible MTN Subordinated Loan and/or other funding adjustments as detailed in paragraph 4.4.2 below, and assumes that the BIC Public Offer is fully subscribed and no such funding adjustments are made.
2. An overraise of R50 million will be held in a BIC cash float account in accordance with the Transaction Agreements.
3. MTN Tranche 1 Subscription Shares are issued at par value but the Initial NVF Balance is calculated with reference to the Transaction Share Price.

4.4 Salient details of the Funding terms

BIC has concluded the relevant agreements to secure the requisite funding, subject to the fulfilment of the applicable conditions, some of which are mentioned in paragraph 7 below, to the advance of the funding thereunder.

4.4.1 A BFC Pref Shares and B BFC Pref Shares

The BFC Pref Shares have been raised in the market from the BFC Investors, through a competitive bidding process. The proceeds of the BFC Pref Shares will be applied by BFC in subscribing for the A BIC Pref Shares and the B BIC Pref Shares from BIC. The salient terms of the BIC Pref Shares mirror those of the BFC Pref Shares. The A BFC Pref Shares (maximum R1,440 million) will be redeemed six years after issue and earn a fixed dividend equal to 110% of the interpolated swap curve on the day before the Closing Date until 30 April 2013 and thereafter a floating dividend rate of 77% of Prime NACM (converted to an NACA rate). The B BFC Pref Shares (maximum R720 million) will be redeemed six years after issue and earn a floating dividend rate of 88% of Prime NACM (converted to an NACA rate). As a condition precedent to advancing the preference share funding, the Inception Total Share Cover Ratio is required to be at least 2.9 times.
The terms of the BFC Pref Shares are more fully summarised in the table below:

<table>
<thead>
<tr>
<th></th>
<th>A BFC Pref Shares</th>
<th>B BFC Pref Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount:</td>
<td>R1,440 million</td>
<td>R720 million</td>
</tr>
<tr>
<td>Issuer:</td>
<td>BFC</td>
<td>BFC</td>
</tr>
<tr>
<td>Final Redemption Date:</td>
<td>Six years after issue</td>
<td>Six years after issue</td>
</tr>
<tr>
<td>Dividend payment dates:</td>
<td>Dividends are paid on the issue date of the preference shares, on 30 April of each year during the term of the preference shares and at any other time and manner prescribed in the Transaction Agreements</td>
<td>Dividends are paid on the issue date of the preference shares, and thereafter are expected to be accumulated and paid on final redemption at the end of the six years and at any other time and manner as prescribed in the Transaction Agreements</td>
</tr>
<tr>
<td>Preference Share Dividend Rate:</td>
<td>A fixed dividend equal to 110% of the forward curve on the day before the Closing Date until 30 April 2013 and thereafter a floating dividend rate of 77% of Prime NACM (converted to an NACA rate)</td>
<td>88% of Prime NACM (converted to an NACA rate)</td>
</tr>
<tr>
<td>Redemption profiles:</td>
<td>Bullet (with provision for earlier redemption at the times and in the manner prescribed in the Transaction Agreements)</td>
<td>Rolled up bullet (with provision for earlier redemption at the times and in the manner prescribed in the Transaction Agreements)</td>
</tr>
<tr>
<td>Security ranking:</td>
<td>1st (other than B Security Account)</td>
<td>2nd (other than B Security Account)</td>
</tr>
<tr>
<td>Security package:</td>
<td>• BIC will issue the First Ranking Guarantee to the A BFC Investors in respect of the amounts expected to be received by them.  &lt;br&gt;• BIC will issue the Second Ranking Guarantee to the B BFC Investors in respect of the amounts expected to be received by them.  &lt;br&gt;• The First Ranking Guarantee and the Second Ranking Guarantee will be limited to the proceeds received on realisation (net of costs) of the assets of BIC which are given as security for the obligations of BIC under the First Ranking Guarantee and the Second Ranking Guarantee, respectively, at the time of realisation.  &lt;br&gt;• As security for its obligations under the First Ranking Guarantee, BIC will pledge and cede its right, title and interest in and to the MTN Shares, all bank accounts held by BIC from time to time and its reversionary interests in and to the B Security Account and all proceeds of realisation (net of costs) of such assets to the A BFC Investors.  &lt;br&gt;• As security for its obligations under the Second Ranking Guarantee, BIC will cede its right, title and interest in and to the B Security Account and will cede its reversionary interest in and to the MTN Shares, all bank accounts held by BIC from time to time and all proceeds of realisation (net of costs) of such assets to the B BFC Investors.  &lt;br&gt;• BIC will provide a second ranking reversionary cession in respect of such assets and bank accounts to MTN as security for its obligations under the Transaction Agreements.</td>
<td>&lt;br&gt;• No voting except in the case of certain voting events (including any default trigger event) when 95% of the votes will, to the extent possible at law, be held by the A BFC Investors, or, to the extent that the A BFC Pref Shares have been fully redeemed, the B BFC Investors.</td>
</tr>
</tbody>
</table>
Key covenants:

- **Inception Total Share Cover Ratio** will be at least 2.9 times, as a condition precedent to advancing the preference share funding.

- **Trigger event share cover** of 2.0 times if MTN’s consolidated total net borrowings: adjusted consolidated EBITDA is below 2.0 times and 2.5 times if MTN’s consolidated total net borrowings: adjusted consolidated EBITDA is at or above 2.0 times.

- **Discussion event share cover** of 2.2 times if MTN’s consolidated total net borrowings: adjusted consolidated EBITDA is below 2.0 times and 2.75 times if MTN’s consolidated total net borrowings: adjusted consolidated EBITDA is at or above 2.0 times.

4.4.2 **Subordinated loans and/or funding scaling**

As stated in paragraph 4.4.1 above, if the Inception Total Share Cover Ratio falls below 2.9 times cover, then the BFC Investors will not advance the required third party preference share funding to BFC and through it to BIC. To ensure that the Inception Total Share Cover Ratio is met, MTN is entitled, but not obliged, to: (i) advance the MTN Subordinated Loan to BIC at a market-related interest rate and on such further terms as are to the satisfaction of the MTN Board; and/or (ii) increase the Notional Vendor Finance (by electing to include all or some of the NVF Top-up Shares as part of the MTN Tranche 1 Subscription Shares); and/or (iii) increase the Notional Vendor Finance (as described) and decrease the amount of the third party preference share funding and/or (iv) elect that the MTN BEE Transaction will not proceed; in each case under (i) to (iii) in an amount or amounts (as the case may be) at least sufficient to enable BIC to meet the Inception Total Share Cover Ratio. During the term of the MTN BEE Transaction, if the relevant Total Share Cover Ratio falls below certain levels (which levels are calculated with reference to MTN's consolidated total net borrowings to adjusted consolidated EBITDA), then MTN is entitled, but not obliged, to advance a subordinated loan (top-up option) to BIC at a market-related interest rate and on such further terms to the satisfaction of the MTN Board (exercised in line with its fiduciary duties) to restore such Total Share Cover Ratio to the required minimum levels. The security provided for the subordinated loan will be the same as that provided for the other obligations to MTN, being the Second Reversionary Pledge and Cession. This Total Share Cover Ratio top-up option is permitted no more than twice over the term of the MTN BEE Transaction and no more than once in any 12-month period, unless otherwise agreed with the BFC Investors.

The terms of any subordinated loan, which, based on the above, may be advanced over the term of the BEE Transaction, will be agreed between the relevant parties at that time.

4.4.3 **MTN subordination**

In terms of the Subordination and Undertaking Agreement, MTN has agreed to subordinate its claims against BIC and BFC in favour of the claims against such companies by BFC and the BFC Investors. MTN's claims against BIC under the various Transaction Agreements (including under any subordinated loan agreement and under the MTN Tranche 1 Subscription and Call Option Agreement) are therefore limited by the subordination provisions for so long as there remain amounts outstanding to BFC and/or the BFC Investors.

These subordination provisions impact, among others, the nature and timing of MTN's ability to exercise the NVF Call Option and the amounts in respect of which such option can be exercised, including as described in paragraph 4.9 below.

BIC has provided certain undertakings to MTN as detailed in paragraph 6.1 below, which will help protect the assets in BIC.

4.4.4 **NVF Call Option**

Indivisibly with and as a condition for the subscription by BIC for the MTN Tranche 1 Subscription Shares, BIC irrevocably grants to MTN the NVF Call Option to purchase from it (and to require BIC to sell and deliver to MTN) at a price of R0.0001 per MTN Share a variable number of MTN Shares equal in number to the Maximum NVF Call Option Shares (as calculated from time to time under the MTN Tranche 1 Subscription and Call Option Agreement) (fractions rounded down).

Except in the limited circumstances described in paragraphs 4.9.2 and 4.9.3 below, the NVF Call Option is exercisable by MTN on or after the NVF Call Option Trigger Date, as described in paragraph 4.9.1 below. MTN shall be entitled to: (i) exercise its rights under the NVF Call Option through one or more nominees and/or (ii) cede and/or delegate to any person all or any part of its rights and/or obligations to a third party thereunder.
4.5 **Acquisition by BIC of the PIC Sale Shares from PIC**

In terms of the implementation agreement entered into between MTN, Newshelf, PIC and the Trustees of the Alpine Trust on or about 26 March 2009 as part of the Newshelf Unwind, MTN and PIC agreed to discuss in good faith the potential participation by PIC in the MTN BEE Transaction, including, *inter alia*, the possibility of PIC undertaking to make available for sale MTN Shares owned by PIC to facilitate the MTN BEE Transaction.

Subsequently, BIC and PIC have entered into the PIC Sale Agreement. In terms of the PIC Sale Agreement, PIC undertakes to make available for sale and to sell the PIC Sale Shares to BIC at the PIC Sale Shares Purchase Price. The actual number of MTN Shares acquired by BIC from PIC will ultimately be determined with reference to the equity capital raised during the BIC Public Offer (including, if applicable, the MTN Underwrite Option (as described in paragraph 5.3 below)), the preference share funding raised by BIC and the transaction and related costs payable by BIC.

The sale will be implemented on the Closing Date following, *inter alia*, the closing of the BIC Public Offer and the allocation of shares subscribed for thereunder, and the series of prior steps described in paragraph 4.2 above. The PIC Sale Agreement is conditional on the Implementation Agreement becoming unconditional in accordance with its terms.

4.6 **ESOP**

The ESOP has been structured in terms of section 8B of the Income Tax Act. MTN is establishing the ESOP for the benefit of Eligible MTN ESOP Employees. The ESOP will be effective from a date to be set by the MTN Board, but which is intended to coincide with the Closing Date. Participation in the ESOP is being facilitated by MTN and Eligible MTN ESOP Employees will not be required to contribute any equity to participate. Eligible MTN ESOP Employees will be entitled to full voting and dividend rights and will be granted an allocation of 400 MTN Shares each (scaled back if the value, at implementation of the ESOP, exceeds R50,000 per Eligible MTN ESOP Employee). With limited exceptions (e.g. death), participants in the ESOP will be required to hold the MTN Shares awarded to them under the ESOP for a period of at least five years. (The MTN Shares awarded, will be issued in certificated form and the share certificates thereto will be required to be lodged with the Company Secretary of MTN, as a way of ensuring that the Eligible MTN ESOP Employees do not dispose of their MTN Shares during the 5-year period.) The implementation of the ESOP will not be conditional upon the implementation of the MTN BEE Transaction and Eligible MTN ESOP Employees will be issued the ESOP Shares directly and not through BIC.

Based on current employee figures available, the indicative number of MTN Shares that will be issued pursuant to the ESOP is 1,417,600 MTN Shares, which equates to a value of R152 million based on the Transaction Share Price.

4.7 **Estimated economic cost**

The estimated economic cost of implementing the MTN BEE Transaction for MTN and its Shareholders is estimated to be approximately R2,277 million. This represents approximately 1.1% of the market capitalisation of MTN as at the Last Practicable Date (c. R212 billion). This figure was calculated with reference to the requirements of IFRS, including IFRS 2 – Share-based Payment and AC 503 – Accounting for Black Economic Empowerment (BEE) Transactions.

Of the R2,277 million, approximately R983 million 0.5% arises from the provision of Notional Vendor Finance by MTN to BIC and the balance of approximately R1,294 million 0.6% represents the facilitation cost associated with the MTN Donation.

These estimates assume that no additional amounts, subordinated loans or additional Notional Vendor Finance are made available for under paragraph 4.4.2 above or paragraph 5.3 below.

In addition, the economic cost to MTN Shareholders of implementing the ESOP is approximately R152 million, or approximately 0.1% of the market capitalisation of MTN.

Transaction costs of approximately R126 million, as a result of the MTN BEE Transaction and the ESOP, will also be incurred.

4.8 **Specific issues of MTN Shares to BIC and the ESOP**

4.8.1 **Initial Specific Issue of MTN Shares to BIC**

MTN will issue a maximum of 43,761,745 MTN Shares for cash to BIC as set out below:

- a maximum of 29,912,900 MTN Shares (the NVF Base Shares) will be issued at their par value of R0.0001 each for a maximum aggregate subscription price of R2,991.29, on the terms and conditions of the MTN Tranche 1 Subscription and Call Option Agreement;
• a maximum of 1,803,433 MTN Shares (the NVF Top-up Shares) at their par value of R0.0001 each for a maximum aggregate subscription price of R180.35 on the terms and conditions of the MTN Tranche 1 Subscription and Call Option Agreement, should MTN elect to increase the Notional Vendor Finance if the Inception Total Share Cover Ratio is not at least 2.9 as per paragraph 4.4.2 above and issue NVF Top-up Shares as described in paragraph 4.4.2 above (the NVF Base Shares and NVF Top-up Shares comprising the MTN Tranche 1 Subscription Shares); and

• a maximum of 12,045,412 MTN Shares (the MTN Tranche 2 Subscription Shares) will be issued at the Transaction Share Price on the terms and conditions of the MTN Tranche 2 Subscription Agreement.

The actual number of MTN Shares to be issued and allotted to BIC pursuant to the MTN Tranche 1 Subscription and Call Option Agreement and the MTN Tranche 2 Subscription Agreement will be determined with reference to the equity capital raised from the BIC Public Offer and, if applicable, from MTN under the MTN Underwrite Option and the relevant Inception Total Share Cover Ratio (see paragraph 4.4.2 above).

The number of MTN Tranche 1 Subscription Shares ultimately issued by MTN (subject to the maximums above) will determine the Notional Vendor Finance and set the Initial NVF Balance, being such number of MTN Shares multiplied by the Transaction Share Price (less the aggregate par value) and determine from time to time the number of MTN Shares which MTN may re-acquire at par value under the NVF Call Option.

4.8.2 **Additional Specific Issues to BIC during the Empowerment Period**

In terms of the MTN Tranche 1 Subscription and Call Option Agreement, BIC will be required at various times to offer to MTN an early exercise of all or part of the NVF Call Option, in which event, MTN shall have the right (but no obligation) to exercise all or any part of the NVF Call Option, as described in paragraph 4.9.2 below. During the Empowerment Period, pursuant to the exercise of the NVF Call Option, MTN may require BIC to subscribe for the same number of MTN Shares as will be acquired from BIC pursuant to the exercise of the NVF Call Option. Such subscriptions by BIC for further MTN Shares shall be for cash at the then Market Value per MTN Share. Alternatively, MTN may require BIC to acquire an equivalent number of MTN Shares in the open market or from third parties. These alternatives allow BIC's shareholding in MTN to be maintained throughout the Empowerment Period, while at the same time reducing MTN's Notional Vendor Finance. Please refer to paragraphs 4.9.2 and 4.9.3 below for additional details.

4.8.3 **Specific Issue of MTN Shares under the ESOP**

The implementation of the ESOP will result in MTN issuing a maximum, dependant on the MTN Share Price, of 400 MTN Shares at their par value of R0.0001 to each Eligible MTN ESOP Employee under the ESOP. The total number of MTN Shares to be issued under the ESOP will be determined only on the Effective Date of the ESOP (at which date the relevant Eligible MTN ESOP Employees will be finally known). Based on employee figures available as of the Last Practicable Date, the indicative number of MTN Shares that will be issued pursuant to the ESOP is 1,417,600 MTN Shares, which equates to a value of R152 million based on the Transaction Share Price, and approximately 0.1% of MTN's issued ordinary share capital.

4.9 **Future specific repurchases of MTN Shares**

4.9.1 **Repurchases of MTN Shares after the NVF Call Option Trigger Date**

MTN will exercise the NVF Call Option (or part thereof) on the NVF Call Option Trigger Date. MTN may also exercise the NVF Call Option at such time or times prior to the NVF Call Option Trigger Date as may be permitted pursuant to paragraphs 4.9.2 and 4.9.3 below. (Flexibility is also provided for MTN to exercise the NVF Call Option after the NVF Call Option Trigger Date, if BIC agrees.)

Where MTN exercises the NVF Call Option in respect of fewer shares than the then current Maximum NVF Call Option Shares, the NVF Balance will be reduced by an amount equal to the number of NVF Call Option Shares so acquired by MTN multiplied by the VWAP on the date of exercise of the NVF Call Option, and the NVF Call Option (correspondingly resized with a reduced NVF Balance and reduced Maximum NVF Call Option Shares) will continue to be exercisable by MTN. The MTN Shares repurchased by MTN will be cancelled as required under the Companies Act and delisted.

4.9.2 **Early exercise of the NVF Call Option**

BIC shall be entitled, and in certain circumstances (when BIC has sufficient funds and the funds have not, in accordance with the Finance Documents (as defined in the BIC Pref Subscription Agreement), been used to settle its obligations to BFC), required, from time to time prior to the NVF Call Option Trigger Date to offer MTN an early exercise of all or part of the NVF Call Option. Following receipt of a notice from BIC offering to MTN the opportunity to exercise the NVF Call Option prior to the NVF Call Option Trigger Date, MTN shall have the right (but no obligation) to exercise all (or, as applicable,
part) of the NVF Call Option, subject to the limits offered by BIC. These limits include the cash that BIC has available and is permitted to apply under the various cash flow waterfalls under the financing documents, the maximum amount by which the NVF Balance is permitted to be reduced under the relevant preference share funding agreements and the date on or by which MTN must elect in writing whether or not to exercise all (or relevant part) of the NVF Call Option.

In this event, during the Empowerment Period, MTN may also require BIC to rebalance the number of MTN Shares held by it by either acquiring MTN Shares in the open market or by subscribing for cash for an equal number of MTN Shares as were acquired by MTN pursuant to its exercise of the NVF Call Option. In the latter instance, as described in paragraph 4.8.2 above, the additional shares will be issued by MTN at the same Market Value for an MTN Share as will be used in calculating the amount by which the NVF Balance was decreased (i.e. the then 20-day VWAP of an MTN Share).

4.9.3 Acceleration of the right to exercise the NVF Call Option

MTN shall have the right (but no obligation), on written notice to BIC, to exercise the NVF Call Option (or any part thereof) at any time while there exists an unremedied acceleration event (which events include (i) an unremedied breach by BIC of any of the undertakings and warranties in the MTN Tranche 1 Subscription and Call Option Agreement, (ii) any other unremedied material breach of any of the terms, conditions, warranties, representations or undertakings contained in the MTN Tranche 1 Subscription and Call Option Agreement and (iii) any acceleration of the funding owing by BIC following an event of default). The representations and warranties provided by BIC in terms of the MTN Tranche 1 Subscription and Call Option Agreement cover substantially the same subject matter as that contained in the BIC Pref Subscription Agreement and are given with a key purpose of preserving the ringfenced status and balance sheet of BIC for the period during which the NVF Call Option remains exercisable.

5. MTN BLACK PUBLIC INVITATIONS

5.1 Introduction

The Black Public could ultimately hold an equity interest of up to 4% of MTN's issued ordinary share capital on a fully diluted basis (measured as at the Last Practicable Date) through their holding of BIC Ordinary Shares through the BIC Public Offer. It is anticipated that the BIC Public Offer will be launched on or about Monday, 30 August 2010. Prospectuses containing the details of the BIC Public Offer will be made available at post office branches and MTN outlets around South Africa to members of the Black Public who wish to participate. Presently, the BIC Public Offer is expected to close on or about Thursday, 14 October 2010, with a period of approximately six weeks thereafter to finalise the allocations. Any changes to the proposed dates will be announced on SENS and in the South African press.

5.2 Terms for participation by the Black Public

BEE Participants will be invited to subscribe for BIC Ordinary Shares at a price of R20.00 per BIC Ordinary Share. The minimum subscription required for participation in the BIC Public Offer is R2,000 (i.e. 100 BIC Ordinary Shares), with no maximum on subscriptions. The basis of allocation of BIC Ordinary Shares by BIC to the Black Public is required to be satisfactory to MTN having regard to the allocation methodology and/or guidelines established by the MTN Board, any allocation methodology and/or guidelines set out in the Prospectus and MTN's interest in being able to optimise its BEE rating under the BEE Legislation in respect of BIC's shareholding in MTN. It is presently envisaged that, as no maximum has been set per BEE Participant investing in the BIC Public Offer, and in order to ensure the broadest possible base of BEE Participants, the allocation of BIC Ordinary Shares to the Black Public will be made from the bottom up, starting with applications for the least number of BIC Ordinary Shares and with a priority for Black People (i.e. individuals).

Should the BIC Public Offer be oversubscribed and applications for BIC Ordinary Shares in the BIC Public Offer accordingly exceed 80.9 million BIC Ordinary Shares, BIC will use its discretion in allocating BIC Ordinary Shares to applicants. Applicants who are allocated fewer shares than the number they applied for, will be refunded the excess amount of the payment made at the time of their applications (together with interest thereon). Black employees and directors of MTN will be eligible to participate in the BIC Public Offer; however no preferential treatment will be given to employees or directors of MTN. Black individuals who are customers of MTN who have complied with RICA requirements will receive preferential allocation in the allocation process in the event of oversubscription.

With limited exceptions in the event of death, insolvency or liquidation (as applicable), BEE Participants will be required to hold their shares in BIC for the Minimum Investment Period, where after they will be entitled to trade with other members of the Black Public until the end of the Empowerment Period. After the Empowerment Period, there will be no restrictions on the trading of BIC Ordinary Shares.

Participants that are found to have misrepresented their BEE Status or otherwise fail to qualify as part of the Black Public (or commit other material defaults during the Empowerment Period) will be forced to sell their BIC Ordinary Shares to MTN, or persons identified by it, at a discounted price as further described in paragraph 6.6 below.
5.3 **MTN Underwrite Option**

In the event that the equity raised in the BIC Public Offer does not exceed R424.9 million, the MTN BEE Transaction will not be implemented. In the event that the capital raised from the Black Public pursuant to the BIC Public Offer is greater than R424.9 million but less than R833.1 million, and if so directed by the MTN Board, in order to facilitate the MTN BEE Transaction, MTN (or its nominee) through the MTN Underwrite Option has the right, but no obligation, in terms of the BIC Ords Subscription Agreement to subscribe for such number of BIC Ordinary Shares (the BIC Underwrite Shares) that would enable BIC to raise the shortfall up to R408.2 million, or such lesser number as it may elect. The intention is that MTN will thereafter sell or place these shares with qualifying BEE Participants in due course.

The MTN Underwrite Option therefore provides MTN with the flexibility to manage the outcome of the MTN BEE Transaction in the event that the required equity cannot be raised immediately.

5.4 **Voting in MTN**

BIC will hold the relevant MTN Shares acquired by it pursuant to the MTN BEE Transaction, and will – subject to the Transaction Agreements – be entitled to exercise the voting rights on such MTN Shares. BIC Ordinary Shareholders will, in turn, be entitled to vote at general meetings of BIC in proportion to their respective shareholdings. (The holder/s of the BIC Pref Shares shall also be entitled to exercise voting rights at general meetings of BIC in the limited circumstances referred to in paragraph 4.4.1 above.) The BIC board of directors will comprise five directors, two of whom will be appointed by MTN. The remaining three directors will be independent of MTN and will be appointed or (in the case of a director who was appointed to fill a vacancy) confirmed by the BIC shareholders. Directors who are appointed by the BIC board to fill a vacancy in their number will retain office only until (i) removed by the BIC shareholders by ordinary resolution or (ii) the next annual general meeting of BIC, unless the appointment is confirmed by the shareholders at such annual general meeting.

6. **RELATIONSHIP AGREEMENT**

The salient terms of the Relationship Agreement are as follows:

6.1 **General undertakings by BIC**

BIC irrevocably and unconditionally undertakes, during the Empowerment Period (to the extent that and for so long as it holds any MTN Shares or any other form of equity interest, directly or indirectly, in the MTN SA Group), to MTN that, save as MTN may otherwise permit by prior written consent, it shall, *inter alia*:

- comply in all respects with the provisions of the Transaction Agreements to which it is a party;
- not issue any BIC Ordinary Shares to BEE Participants pursuant to the BIC Public Offer unless such BEE Participants agree to be bound by the provisions of the Relationship Agreement and the BIC Constitutional Documents, in such capacity, in a form and on terms to the reasonable satisfaction of MTN;
- issue BIC Ordinary Shares pursuant to the BIC Public Offer only to Black Participants;
- be a Black Company on the Effective Date of the BIC Public Offer;
- not cease to be a Black Company at any time during the Empowerment Period;
- subject to the provisions of the Transaction Agreements, at all times during the Empowerment Period procure that:
  - save to the extent permitted in terms of the Relationship Agreement, all BIC Ordinary Shares shall be owned by BEE Participants;
  - save to the extent permitted in terms of the Relationship Agreement, the majority of all of the voting rights in BIC shall be exercisable, directly or indirectly, by Black People; and
  - in excess of 50% of the directors of BIC (who shall be entitled to in excess of 50% of the voting rights of directors at meetings of the BIC Board) shall be Black People;
- to co-operate with MTN and to take such steps as are reasonably open to it to procure and/or enforce compliance by the BIC Ordinary Shareholders of their obligations under the Relationship Agreement and the BIC Constitutional Documents;
- procure and warrant that during the Empowerment Period, the BIC Ordinary Shares shall only be transferable to Eligible BIC Ordinary Shareholders as provided for in the Relationship Agreement;
- not apply for or take steps to wind up BIC (voluntarily or involuntarily) or be deregistered or be subject to any judicial management or business rescue provisions or otherwise cease to be a juristic entity and have control over its business and affairs;
- not register the transfer of any BIC Ordinary Shares, and to procure that no transfer is registered, unless: (i) MTN consents thereto in writing or unless permitted in accordance with the provisions of the Relationship Agreement (as summarised in paragraph 6.3 below) and (ii) the transfee has agreed to be bound by the terms of the Relationship Agreement and the BIC Constitutional Documents by executing a deed of adherence in a prescribed form or other form and on terms to the reasonable satisfaction of MTN; and
• provide such documents and other evidence as may reasonably be requested by MTN from time to time to prove to MTN BIC's compliance with its undertakings, if proof is so required by MTN, and as and when so required from time to time.

6.2 BIC Ordinary Shareholder undertakings

Each BIC Ordinary Shareholder irrevocably and unconditionally undertakes in favour of each of MTN and BIC, *inter alia* that, save with MTN's prior written consent:

• during the Empowerment Period, it shall not sell or encumber its BIC Ordinary Shares, other than as permitted under the Relationship Agreement;

• in respect of any permitted transfer of BIC Ordinary Shares, it shall: (i) co-operate fully with the BSTC in respect of such transfer; (ii) thoroughly check that the transferee is, and at the time of transfer will be, an Eligible BIC Ordinary Shareholder and (iii) ensure that the transferee has agreed to be bound by the terms of the Relationship Agreement and the BIC Constitutional Documents by executing a deed of adherence in a prescribed form or other form and on terms to the reasonable satisfaction of MTN;

• if it is a Black Group, during the Minimum Investment Period:
  – (i) in respect of BIC Ordinary Shares acquired by it under the BIC Public Offer, it shall remain a Black Group and shall maintain its BEE Status at not less than the level set out in its application form for such BIC Ordinary Shares under the BIC Public Offer; and
  – (ii) in respect of BIC Ordinary Shares acquired by it subsequent to the BIC Public Offer, it shall maintain its BEE Status at not less than the level approved by the BSTC on such acquisition;

• if it is a Black Group, upon the conclusion of the Minimum Investment Period and for the remainder of the Empowerment Period, it shall continue to qualify as a Black Group;

• it will immediately notify MTN and BIC of any Call Event (please see paragraph 6.6 below for further details) in respect of itself (or of any matter, fact, event or circumstance which, following the giving of notice and no further steps being taken by the recipient of the notice will give rise to a Call Event in respect of itself);

• it will not: (i) perform any act or refrain from performing any act within its power or control or of which it is capable; or (ii) attempt to procure or propose (other than where it is specifically required by law or by a court of law to so procure or propose), any resolution; or (iii) exercise any right as a shareholder in BIC in any way; or (iv) enter into any arrangement, transaction or agreement or (v) otherwise take any action whatsoever or procure the taking of any actions, which (alone or taken together with the acts, omissions or votes of any other person) will or is reasonably likely to (or which, following the giving of notice and no further steps being taken by the recipient of the notice, will or is reasonably likely to) result in BIC breaching the provisions of the Relationship Agreement; and

• it will, where so requested by MTN or BIC, exercise such rights as it has as a BIC Ordinary Shareholder to vote in favour of any resolution or take such other action as will itself (or with such other affirmative votes and/or actions by other BIC Ordinary Shareholders) as may be necessary or reasonably required to procure that the provisions of the Relationship Agreement are complied with by BIC.

6.3 Restriction on Sale or Encumbrance of BIC Ordinary Shares

Subsequent to the Effective Date of the BIC Public Offer, unless otherwise agreed between MTN and BIC, all BIC Ordinary Shares shall be required to be evidenced by way of share certificates, which shall be deposited with and retained by the Custodian.

6.3.1 During the Minimum Investment Period

With limited exceptions for death and involuntary liquidation/sequestration, no BIC Ordinary Shareholder shall at any time during the Minimum Investment Period sell or encumber any BIC Ordinary Share held by it.

6.3.2 After the Minimum Investment Period

In acknowledgement and furtherance of the MTN SA Group's imperative to procure and maintain an optimal BEE rating under the BEE Legislation, each of the BIC Ordinary Shareholders agree and undertake in favour of MTN that, upon the conclusion of the Minimum Investment Period and for the remainder of the Empowerment Period: (i) no BIC Ordinary Shareholder shall encumber any BIC Ordinary Share held by it and (ii) BIC Ordinary Shares shall be transferable only to Eligible BIC Ordinary Shareholders as set out below:

• the BSTC shall consider and verify any proposed transfer of ownership (including beneficial ownership) of BIC Ordinary Shares, and shall accordingly regulate, or procure the regulation of, the registration of such transfer. (If for any reason and for so long as the BSTC is not or ceases to be constituted, then the roles assigned to it will be performed by BIC.).
• MTN, acting through the BSTC, shall use good faith endeavours after the Minimum Investment Period to facilitate the creation of a trading market for the purpose of facilitating trading in BIC Ordinary Shares, subject at all times to the restrictions imposed upon the transfer of ownership of such shares in terms of the Relationship Agreement and the BIC Constitutional Documents;

• after the Minimum Investment Period and for the remainder of the Empowerment Period, BIC Ordinary Shares may only be transferred to and be beneficially held by Eligible BIC Ordinary Shareholders, subject always to the prior written approval of the BSTC (which approval shall not be unreasonably withheld or delayed) pursuant to its consideration of the proposed transfer and subject to its verification of the BEE Status of the proposed transfereee;

• no BIC Ordinary Shares shall be transferred where, in the opinion of the BSTC, such transfer will or might reasonably result in a breach of any of the provisions of the Relationship Agreement and/or the BIC Constitutional Documents; and

• to the extent that, and for whatever reason (whether intentionally, negligently or accidentally), and for so long as any BIC Ordinary Share is transferred to or held by any person who is not an Eligible BIC Ordinary Shareholder (“the Non-qualifying Shareholder”), such BIC Ordinary Share shall result in such Non-qualifying Shareholder being deemed, on the date on which such BIC Ordinary Share was transferred to such Non-qualifying Shareholder:
  – to have ceded to MTN or its nominee all rights to any dividend, distribution, or payment or other economic benefit by virtue of the holding of that BIC Ordinary Share; and
  – to have ceded to MTN or its nominee/s any voting rights attaching to such BIC Ordinary Share pursuant to this Agreement or the BIC Constitutional Documents and to have irrevocably appointed MTN or its nominee as proxy for the voting of such voting rights.

6.4 Death

6.4.1 Death of a Black Person

In the event of the death, during the Empowerment Period, of a BIC Ordinary Shareholder who is a Black Person during the Empowerment Period, the executor of the deceased BIC Ordinary Shareholder’s estate shall be entitled to transfer the relevant BIC Ordinary Shares to such BIC Ordinary Shareholder’s heir, provided that such person is an Eligible BIC Ordinary Shareholder (as approved by the BSTC).

If the heir is not an Eligible BIC Ordinary Shareholder, the heir and/or the executor shall be permitted (and obligated) to transfer the relevant BIC Ordinary Shares to an Eligible BIC Ordinary Shareholder (as approved by the BSTC) within a period of 120 days from the date of death.

Failure by the deceased BIC Ordinary Shareholder’s executor to comply with the above provisions shall result in a Call Event. Please see paragraph 6.6 below for further details in relation to a Call Event.

6.4.2 Death of a member of a Black Group

In the event of the death of a shareholder, member, participant and/or beneficiary of a Black Group which is a BIC Ordinary Shareholder, as a result of which:

• during the Minimum Investment Period, the BIC Ordinary Shareholder fails to maintain its BEE Status or no longer qualifies as a Black Group; or

• after the Minimum Investment Period, but during the Empowerment Period, the BIC Ordinary Shareholder fails to qualify as a Black Group,

then, the BIC Ordinary Shareholder shall have a period of 120 days to remedy the breach caused by such death or to transfer the BIC Ordinary Shares held by it to and Eligible BIC Ordinary Shareholder (as approved by the BSTC).

Failure by the BIC Ordinary Shareholder to comply with the above provisions, or the breach caused by the death has not otherwise been remedied within 120 days from the date of the death in question, shall result in a Call Event. Please see paragraph 6.6 below for further details in relation to a Call Event.

6.5 Involuntary sequestration/liquidation

6.5.1 Involuntary sequestration of a Black Person

In the event of a BIC Ordinary Shareholder who is a Black Person being involuntarily sequestrated (whether provisionally or finally) during the Empowerment Period, the BIC Ordinary Shares held by such sequestrated BIC Ordinary Shareholder shall be permitted and required to be transferred by the BIC Ordinary Shareholder and/or the trustees of such BIC Ordinary Shareholder’s estate to an Eligible BIC Ordinary Shareholder (as approved by the BSTC) within a period of 120 days from the date of provisional or final sequestration (whichever is earlier), unless the sequestration order is set aside within 120 days.
Failure by the BIC Ordinary Shareholder and/or the BIC Shareholder’s trustee to comply with the above provisions shall result in a Call Event. Please see paragraph 6.6 below for further details in relation to a Call Event.

6.5.2 Involuntary liquidation of a Black Group

In the event that a BIC Ordinary Shareholder which held BIC Ordinary Shares as a Black Group is involuntarily liquidated (whether provisionally or finally), and as a result of which:

• during the Minimum Investment Period, it fails to maintain its BEE Status or no longer qualifies as a Black Group, as the case may be; or
• after the Minimum Investment Period, but during the Empowerment Period, it no longer qualifies as a Black Group,

then the BIC Ordinary Shareholder (and/or its liquidator) shall have a period of 120 days to remedy the breach caused by such events or to transfer the BIC Ordinary Shares held by it to an Eligible BIC Ordinary Shareholder (as approved by the BSTC), unless the liquidation order is set aside within such 120-day period.

Failure by the BIC Ordinary Shareholder and/or its liquidator to comply with the above provisions shall result in a Call Event. Please see paragraph 6.6 below for further details in relation to a Call Event.

6.6 Call Option in favour of MTN

A “Call Event” shall arise in respect of a BIC Ordinary Shareholder, if, at any time during the Empowerment Period, the BIC Ordinary Shareholder:

• has misrepresented or misstated its/his/her BEE Status; or
• has made a fraudulent, untrue or inaccurate statement in the application form submitted to BIC in terms of the BIC Public Offer or in any supporting documents, or if any information contained in the application form submitted to BIC in terms of the BIC Public Offer cannot be verified to MTN’s satisfaction; or
• has made a fraudulent, untrue or inaccurate statement in respect of any transfer of BIC Ordinary Shares, or in any documents supporting such transfer, or any information provided to the BSTC in respect of any transfer of BIC Ordinary Shares cannot thereafter be verified to MTN’s satisfaction; or
• has made a fraudulent, untrue or inaccurate statement in respect of any other documentation or information submitted to MTN, BIC and/or the BSTC, as may be required under the Relationship Agreement, or any such information cannot be verified to MTN’s satisfaction; or
• commits an act, or there arises an event or circumstance (howsoever arising) constituting or resulting in a breach by or in respect of such BIC Ordinary Shareholder (and/or the BIC Ordinary Shares held by it) of key provisions of the Relationship Agreement (including those summarised in paragraphs 6.2, 6.3, 6.4 and 6.5 above), and fails to remedy any such breach within the time period (if any) provided or, if no such express remedy period is provided, within 30 days of receiving written notice from MTN or BIC to do so (or such additional period as MTN may agree to in writing).

If and for so long as the Call Event persists, MTN shall be entitled, but not obliged, by giving written notice to the relevant BIC Ordinary Shareholder to that effect to require such BIC Ordinary Shareholder to sell to MTN all its BIC Ordinary Shares, or such number thereof as MTN may elect (“Call Shares”) and the BIC Ordinary Shareholder shall be obliged to sell the Call Shares to MTN (or its nominee). The Call Shares shall be acquired by MTN at a price equal to:

• the Call Reference Price, in relation to a failure to transfer the relevant BIC Ordinary Shares following the death of a BIC Ordinary Shareholder who is a Black Person; or
• at a 10% discount to the Call Reference Price, in relation to the death of a member of a Black Group, and the involuntary sequestration of a Black Person; or
• at a 40% discount to the Call Reference Price in respect of the involuntary liquidation of a Black Group; or
• in other instances, at a discount ranging between 70% and 40% of the Call Reference Price, depending on whether the relevant Call Event occurs between the first and second years, the third and fourth years or the fifth and sixth years of the Empowerment Period.

The Call Reference Price, and resulting sale under the call option, will be effected with effect from the date of the Call Event or the date on which MTN exercises its call option rights, as MTN may determine.

MTN shall, on written notice to BIC from time to time, be entitled to: (i) exercise its rights pursuant to the above provisions through one or more nominees and/or (ii) cede to any person all or any part of its rights and/or delegate its obligations to a third party pursuant to the above provisions.
6.7 **BIC Ordinary Shares held by MTN or its nominees**

If MTN and/or its nominee/s and/or subsidiary/ies designated in writing by MTN for this purpose at any time become the beneficial and/or registered holder/s of any BIC Ordinary Shares, for whatever reason, including as envisaged under paragraphs 6.6 and/or 5.3 above, MTN and/or its nominee/s and/or its subsidiary/ies shall hold such BIC Ordinary Shares as “Warehousing BIC Shareholders” and are not subject to the restrictive provisions of the Relationship Agreement and the BIC Constitutional Documents regulating the transfer of BIC Ordinary Shares and the restrictions upon the holding of such shares only by Black Participants.

6.8 **MTN representation on the BIC Board**

During the Empowerment Period, MTN shall be entitled to appoint, remove and replace two of the five directors to the BIC Board (and their alternatives), one of which must at all times be a Black Person.

7. **CONDITIONS PRECEDENT**

The implementation of the proposed MTN BEE Transaction is subject to the fulfilment or (where permitted) waiver of, inter alia, the following conditions precedent by no later than 30 November 2010:

- subscriptions in terms of the BIC Public Offer are at least R424.9 million;
- the opening of bank accounts into and out of which the initial MTN BEE Transaction proceeds will flow on and immediately prior to the Closing Date;
- BIC opening a securities account with a CSDP acceptable to the BFC Investors, in which the dematerialised MTN Shares held by BIC will be recorded;
- signing of the Transaction Agreements on behalf of each of the parties thereto;
- fulfilment or waiver of all the suspensive conditions to the Transaction Agreements as provided for in the relevant Transaction Agreements;
- MTN being satisfied that the conditions precedent to subscriptions under the preference share funding agreements have been met or waived (other than any condition precedent relating to mechanical implementation steps which are required to be effected prior to implementation of the preference share funding agreements in accordance with the Implementation Agreement);
- BIC having adopted a new memorandum and articles of association in a form and substance satisfactory to MTN;
- BIC approving by special resolution the entry into and due performance by it of its obligations under the relevant Transaction Agreements;
- the board of directors of each of BIC and BFC approving the signature and implementation of the Transaction Agreements to which they are a party;
- the requisite majority of MTN Shareholders approving all the resolutions required to effect the MTN BEE Transaction (as set out in the Notice of General Meeting);
- the special resolutions having been duly registered by the Registrar of Companies;
- the MTN Board having passed a resolution in which it furnishes the confirmations contemplated in section 38(2A)(a) of the Companies Act as well as those contemplated in section 44(3)(b) of the New Companies Act;
- the JSE having consented to the admission to listing of the MTN Tranche 1 Subscription Shares and the MTN Tranche 2 Subscription Shares in terms of the MTN Tranche 1 Subscription and Call Option Agreement and the MTN Tranche 2 Subscription Agreement;
- BIC not being in unremedied breach of any of the warranties or undertakings given by BIC to MTN in terms of the Transaction Agreements or its undertakings in the Implementation Agreement; and
- if the New Companies Act comes into operation or will come into operation as contemplated in section 225 of the New Companies Act at any time prior to the Closing Date, MTN not having delivered a notice recording that it is of the view that the BIC Public Offer is or may be adversely affected by the coming into operation of the New Companies Act.

8. **FAIRNESS OPINION**

A fairness opinion on the terms and conditions of the MTN BEE Transaction may be required in terms of the Listings Requirements as the Directors of MTN, who may participate in the BIC Public Offer, may – through BIC – be issued MTN Shares which equate to an effective interest in MTN exceeding 0.25%. MTN has appointed KPMG as the independent expert to provide such opinion. The opinion of the Independent Expert is contained in Annexure 3.

The MTN Board has considered the terms and conditions of the MTN BEE Transaction and the opinion of the Independent Expert and is of the opinion that the MTN BEE Transaction is fair insofar as Shareholders are concerned.
The MTN Board therefore recommends that Shareholders vote in favour of the MTN BEE Transaction and the ordinary and special resolutions to be proposed at the General Meeting to give effect thereto. In respect of their personal holdings in MTN, the relevant MTN Board members intend to vote their MTN Shares in favour of the MTN BEE Transaction and the ordinary and special resolutions to be proposed at the General Meeting.

9. **COST OF THE MTN BEE TRANSACTION AND THE ESOP**

The estimated cost (excluding VAT) of the MTN BEE Transaction and the ESOP to MTN is set out below:

<table>
<thead>
<tr>
<th>Service</th>
<th>Service provider</th>
<th>Amount (R’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchant bank and transaction sponsor</td>
<td>RMB</td>
<td>17,500</td>
</tr>
<tr>
<td>Sponsor fees</td>
<td>Deutsche Securities</td>
<td>50</td>
</tr>
<tr>
<td>Legal and tax advisory fees</td>
<td>Webber Wentzel</td>
<td>4,000</td>
</tr>
<tr>
<td>Independent Expert</td>
<td>KPMG</td>
<td>475</td>
</tr>
<tr>
<td>Joint Independent Reporting Accountants and Auditors</td>
<td>PricewaterhouseCoopers</td>
<td>350</td>
</tr>
<tr>
<td>Joint Independent Reporting Accountants and Auditors</td>
<td>SizweNtsaluba VSP</td>
<td>350</td>
</tr>
<tr>
<td>Transfer secretaries</td>
<td>Link Market Services^</td>
<td>20,000</td>
</tr>
<tr>
<td>JSE documentation inspection fees</td>
<td>JSE Issuer Services</td>
<td>45</td>
</tr>
<tr>
<td>JSE listing fees</td>
<td>JSE Issuer Services</td>
<td>369</td>
</tr>
<tr>
<td>Publishing and printing</td>
<td>Ince (Pty) Limited</td>
<td>18,500</td>
</tr>
<tr>
<td>Marketing</td>
<td>MTN Marketing</td>
<td>30,000</td>
</tr>
<tr>
<td>Project management</td>
<td>QuestCo (Pty) Limited*</td>
<td>5,000</td>
</tr>
<tr>
<td>Distribution</td>
<td>South African Post Office</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>125,639</strong></td>
</tr>
</tbody>
</table>

^ A portion of these costs may be recovered from BIC over the course of the Empowerment Period.

* QuestCo is a boutique advisory firm which has provided project management services to MTN in respect of the MTN BEE Transaction.

10. **PRO FORMA FINANCIAL EFFECTS OF THE MTN BEE TRANSACTION AND THE ESOP**

The table below sets out the unaudited pro forma financial effects of the MTN BEE Transaction and the ESOP on, inter alia, MTN’s net asset value per share, tangible net asset value per share, basic earnings per share, fully diluted basic earnings per share, headline earnings per share and adjusted headline earnings per share, based on the most recently published audited results of MTN for the year ended 31 December 2009.

The unaudited pro forma financial effects are based on the assumptions set out below and should be read in conjunction with the unaudited pro forma income statement and balance sheet (Annexure 1) and the report of the Joint Independent Reporting Accountants and Auditors (Annexure 2).

The unaudited pro forma financial information is the responsibility of the Directors and was prepared for illustrative purposes only and may not, because of its nature, fairly present MTN’s financial position, changes in equity and results of its operations or cash flows. It does not purport to be indicative of what the financial results would have been, had the MTN BEE Transaction and the ESOP been implemented on a different date.

The MTN BEE Transaction and the ESOP will result in an increase in the weighted average number of shares in issue which has a direct impact on the marginal decrease in net asset value per share. The impact on earnings is largely attributable to the once-off, non-cash IFRS 2 Share-based payment charges in respect of the MTN BEE Transaction and the ESOP as explained in the notes below. The financial effects have been calculated using the Transaction Share Price and are based on the calculation date of 9 July 2010.

The pro forma financial effects exclude the possible impact of the MTN Subordinated Loan, MTN Underwrite Option and other funding adjustments as detailed in paragraphs 4.4.2 and 5.3 above, and assume that the BIC Public Offer is fully subscribed for a 4% Transaction size.
The unaudited pro forma financial effects of the MTN BEE Transaction and the ESOP are set out in the table below:

<table>
<thead>
<tr>
<th>For the year ended 31 December 2009</th>
<th>Before</th>
<th>After (^{7})</th>
<th>Change ((%))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net asset value per share(^{1})</td>
<td>cents</td>
<td>3,797.9</td>
<td>3,763.7</td>
</tr>
<tr>
<td>Tangible net asset value per share(^{1})</td>
<td>cents</td>
<td>1,770.8</td>
<td>1,751.3</td>
</tr>
<tr>
<td>Basic earnings per share(^{2,3})</td>
<td>cents</td>
<td>791.4</td>
<td>648.6</td>
</tr>
<tr>
<td>Diluted earnings per share(^{2,4})</td>
<td>cents</td>
<td>781.5</td>
<td>632.5</td>
</tr>
<tr>
<td>Headline earnings per share(^{2,5})</td>
<td>cents</td>
<td>803.2</td>
<td>660.3</td>
</tr>
<tr>
<td>Adjusted headline earnings per share(^{2,6})</td>
<td>cents</td>
<td>754.3</td>
<td>611.8</td>
</tr>
<tr>
<td>Weighted average number of shares in issue</td>
<td>millions</td>
<td>1,851.3</td>
<td>1,864.7</td>
</tr>
<tr>
<td>Weighted average diluted number of shares in issue</td>
<td>millions</td>
<td>1,860.3</td>
<td>1,894.5</td>
</tr>
<tr>
<td>Number of shares in issue</td>
<td>millions</td>
<td>1,840.5</td>
<td>1,854.0</td>
</tr>
</tbody>
</table>

Notes and assumptions:

1. Net asset value per share is computed by dividing total equity attributable to ordinary shareholders by the weighted average number of shares in issue. Tangible net asset value per share is equal to the total equity attributable to ordinary shareholders minus the sum of Goodwill and Other intangible assets divided by the weighted average number of shares in issue.

2. Earnings are reduced by the estimated transaction costs of R126 million and the impact of the IFRS 2 charges (Share-based Payment – BEE Expense) of R2,429 million in respect of:
   - the MTN Donation of R1,294 million and the Notional Vendor Finance provided to BIC for the subscription for approximately 30 million shares at par value, resulting in an IFRS 2 charge of R983 million. These charges arose as a result of the discount on the MTN Shares provided by MTN to BIC, and is non-recurring; and
   - the MTN Shares, valued at R152 million, issued to Eligible MTN ESOP Employees in terms of the ESOP.

3. Basic earnings per share is computed by dividing net earnings attributable to ordinary shareholders by the weighted average number of shares in issue.

4. Diluted earnings per share is computed by dividing net earnings attributable to ordinary shareholders by the weighted average diluted number of shares in issue.

5. Headline earnings is calculated in terms of Circular 3/2009 on Headline Earnings issued by The South African Institute of Chartered Accountants. Headline earnings per share is computed by dividing headline earnings attributable to ordinary shareholders by the weighted average number of shares in issue.

6. Adjusted headline earnings, as published in MTN’s most recently published annual results for the year ended 31 December 2009, is calculated based on headline earnings adjusted for the effects of the reversal of the impact of the Put option in respect of a subsidiary (R905 million). Adjusted headline earnings per share is computed by dividing adjusted headline earnings attributable to ordinary shareholders by the weighted average number of shares in issue.

7. The financial effects assume that the MTN BEE Transaction and the ESOP took place to its full extent on 1 January 2009 for the purposes of the earnings effects and as at 31 December 2009 for the purposes of the Balance Sheet effects.

8. The net effect of the MTN BEE Transaction and the ESOP on MTN is the IFRS 2 charge (Share-based Payment – BEE Expense) of R2,429 million in respect of the issue of new MTN Shares at a discounted value to BIC, as well as the issue of new shares to Eligible MTN ESOP Employees. In addition transactions costs of approximately R126 million will be incurred.

11. ADEQUACY OF CAPITAL

The Directors undertake that, to the extent it is still required by the Listings Requirements and the Companies Act, they will not implement the repurchase as contemplated in special resolution 1 of the Notice of General Meeting while this specific authority is valid, unless:

- the Company, in the case of a prohibited period as defined by the Listings Requirements, announces the full details of the repurchase (including the dates and quantities of the securities to be traded) prior to the commencement of the prohibited period;
- it complies with the Companies Act, the Listings Requirements and the Articles of the Company;
- the Company and MTN Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of such repurchase;
- the assets of the Company and MTN Group will exceed the liabilities of the Company and MTN Group for a period of 12 months after the date of such repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited annual Group financial statements;
- the Company and MTN Group will have adequate share capital and reserves for ordinary business purposes for a period of 12 months after the date of such repurchase;
- the working capital of the Company and MTN Group will be adequate for ordinary business purposes for a period of 12 months after the date of such repurchase; and
- upon proceeding with the repurchase, the Company’s Independent Lead Sponsor has confirmed, in writing to the JSE, the adequacy of the Company and MTN Group’s working capital for the purposes of undertaking such repurchase.
An announcement will be released on SENS in the event that the specific repurchase as contemplated in paragraph 4.9 above takes place, complying with paragraph 11.25 of the Listings Requirements, as amended, and including a statement as to the source of funds to be utilised.

12. INTERESTED PARTY AND NON-PUBLIC SHAREHOLDER

PIC is an interested party in relation to the MTN BEE Transaction, as BIC will acquire MTN Shares from PIC. All components of the MTN BEE Transaction are interconditional and therefore, the sale of the PIC Sale Shares will not happen if the other components of the MTN BEE Transaction do not take place. The shareholding of PIC will therefore be taken into account in determining a quorum at the General Meeting, but the voting rights attaching to PIC’s MTN Shares will not be taken into account in determining the results of the voting at such meeting in relation to the resolutions proposed in connection with the MTN BEE Transaction.

PIC is also regarded as a non-public shareholder for Listings Requirements purposes.

13. MTN SHAREHOLDER APPROVALS

The MTN BEE Transaction and the ESOP require the passing of ordinary and special resolutions by Shareholders in General Meeting.

The initial issues of the MTN Shares to BIC as envisaged in paragraph 4.8 above constitute specific issues of shares for cash in terms of the Listings Requirements and, as such, require the passing of an ordinary resolution by a 75% majority vote of Shareholders in General Meeting, excluding any related parties and their associates (including deemed related parties) participating in the specific issue of shares for cash. In addition, the vote of PIC (in its capacity as duly authorised agent of GEPF) and/or the GEPF (as principal) will be excluded in the interests of good governance and as directed by the JSE, as although they are not classified as a related party in terms of the Listings Requirements, they are an interested party in relation to the MTN BEE Transaction.

The additional issues of the MTN Shares to BIC as envisaged in paragraph 4.8.2 above constitute specific issues of shares for cash in terms of the Listings Requirements and, as such, require the passing of an ordinary resolution by a 75% majority vote of Shareholders in General Meeting, excluding any related parties and their associates (including deemed related parties) participating in the specific issue of shares for cash. In addition, the vote of PIC (in its capacity as duly authorised agent of GEPF) and/or the GEPF (as principal) will be excluded in the interests of good governance and as directed by the JSE, as although they are not classified as a related party in terms of the Listings Requirements, they are an interested party in relation to the MTN BEE Transaction.

The authority for the Future Specific Repurchase/s of MTN Shares requires the passing of a special resolution by Shareholders in General Meeting, excluding any related parties and their associates (including deemed related parties) participating in the Future Specific Repurchase/s of MTN Shares. In addition, the vote of PIC (in its capacity as duly authorised agent of GEPF) and/or the GEPF (as principal) will be excluded in the interests of good governance and as directed by the JSE, as although they are not classified as a related party in terms of the Listings Requirements, they are an interested party in relation to the MTN BEE Transaction.

The giving of financial assistance, pursuant to section 38(2A) of the Companies Act, directly and indirectly, in connection with the subscription and acquisition of MTN Shares by BIC (including, in connection with MTN’s subscription for the BIC Underwrite Shares, if any, and the advance by MTN of the MTN Subordinated Loan, if any) requires the passing of a special resolution by Shareholders in General Meeting. In addition, the vote of PIC (in its capacity as duly authorised agent of GEPF) and/or the GEPF (as principal) will be excluded in the interests of good governance and as directed by the JSE, as although they are not classified as a related party in terms of the Listings Requirements, they are an interested party in relation to the MTN BEE Transaction.

The issue of the MTN Shares pursuant to the ESOP as envisaged in paragraph 4.8.3 above constitutes a specific issue of shares for cash in terms of the Listings Requirements and, as such, requires the passing of an ordinary resolution by a 75% majority vote of Shareholders in General Meeting, excluding any related parties and their associates (including deemed related parties) participating in the specific issue of shares for cash. Further, the giving by MTN of any financial assistance in connection with the issue of its shares pursuant to the ESOP requires the passing of a special resolution by Shareholders in General Meeting, pursuant to section 38(2A) of the Companies Act.

The Notice of General Meeting is included in this Circular. The General Meeting will be held in the Auditorium, Phase II, Level 0, 216, 14th Avenue, Fairiland, Roodepoort, 2195, South Africa on Friday, 20 August 2010 at 14.00.
14. INCORPORATION

MTN was incorporated in South Africa on 23 November 1994 under the name Investment Facility Company Two Six Five (Proprietary) Limited. On 22 June 1995, it changed its name to M-Cell (Proprietary) Limited. M-Cell (Proprietary) Limited was subsequently converted into a public company with effect from 14 July 1995 and listed on the JSE in August 1995 under the name M-Cell Limited. On 14 October 2002, the Company changed its name from M-Cell Limited to MTN Group Limited. The MTN Shares are listed on the Main Board of the JSE under the “Industrial – Telecommunications” sector.

15. GENERAL BUSINESS DESCRIPTION

MTN is a multi-national telecommunications group and leading provider of communication services, offering cellular network access and business solutions. MTN operates in 21 countries across Africa and the Middle East. As at the end of May 2010, MTN recorded approximately 128 million subscribers across its operations.

16. PROSPECTS

The activities of MTN have for many years been guided by its vision to be a leader in telecommunications in emerging markets supported by the following key strategic pillars:

- participating in the consolidation of the emerging markets telecoms sector and reducing the concentration of MTN’s earnings;
- leveraging MTN’s existing footprint and intellectual capacity; and
- pursuing convergence and operational evolution.

MTN has delivered on this strategy through the numerous organic and acquisitive opportunities it has invested in to date. However, the MTN Board recognises that as the sector continues to mature there are a limited number of value accretive consolidation opportunities left within emerging market telecoms. MTN Group has also invested heavily in infrastructure across all its operations over the past few years. Therefore, the level of capital expenditure investments in infrastructure is anticipated to be lower as emerging markets enter a phase of higher penetration. As a consequence of the sector evolution and MTN’s anticipated future cash generation, going forward, the MTN Board is able to more easily balance its growth aspirations with that of ensuring improved short-term returns to Shareholders.

Accordingly, while it will continue to evaluate and consider value accretive opportunities, the MTN Group will increase its focus on the following issues:

- optimising efficiencies including infrastructure sharing, standardisation of systems and processes, rationalisation of suppliers, cost management and cash optimisation;
- monitoring infrastructure investments to ensure appropriate levels of capacity and quality of service, incorporating continued investment in fibre and cable requirements to service evolving voice and data requirements;
- continued engagement with regulatory authorities in the development and refinement of the telecommunications sector in its markets;
- investigating options to meaningfully improve cash returns to Shareholders; and
- conclusion of the MTN BEE Transaction.

MTN is well-positioned in its markets to compete within a changing competitive and regulatory landscape with a strong focus on cost management as pressure on the revenue line increases.

Given the above, the MTN Board is investigating options to meaningfully improve cash returns to MTN Shareholders and envisages the declaration of a dividend at the interim stage as part of a sustainable strategy towards improving the annual dividend payout ratio to MTN Shareholders.
### 17. FINANCIAL INFORMATION

#### 17.1 Authorised and issued share capital

**Issued share capital before the implementation of the MTN BEE Transaction and the ESOP**

The table below shows, at the Last Practicable Date, the authorised and issued share capital of MTN, before and after the implementation of the MTN BEE Transaction and the ESOP:

<table>
<thead>
<tr>
<th>Before implementation of the MTN BEE Transaction and the ESOP</th>
<th>R’m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Authorised</strong></td>
<td></td>
</tr>
<tr>
<td>2,500,000,000 MTN Shares of R0.0001 each</td>
<td>*</td>
</tr>
<tr>
<td><strong>Issued</strong></td>
<td></td>
</tr>
<tr>
<td>1,840,620,497 MTN Shares of R0.0001 each</td>
<td></td>
</tr>
<tr>
<td>Share premium</td>
<td>40,133</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>40,133</td>
</tr>
</tbody>
</table>

All of the issued MTN Shares are listed on the JSE.

**After implementation of the MTN BEE Transaction and the ESOP**

<table>
<thead>
<tr>
<th>After implementation of the MTN BEE Transaction and the ESOP</th>
<th>R’m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Authorised</strong></td>
<td></td>
</tr>
<tr>
<td>2,500,000,000 MTN Shares of R0.0001 each</td>
<td>–</td>
</tr>
<tr>
<td><strong>Issued</strong></td>
<td></td>
</tr>
<tr>
<td>1,883,996,409 MTN Shares of R0.0001 each^</td>
<td></td>
</tr>
<tr>
<td>Share premium</td>
<td>41,427</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>41,427</td>
</tr>
</tbody>
</table>

* Less than R1 million.

^ Assuming 4% MTN BEE Transaction and no adjustments as contemplated in paragraphs 4.4.2, 4.4.3 and 5.3 or in relation to Future Specific Repurchases.

There are no treasury shares.

213,866,898 MTN Shares were issued to PIC pursuant to the Newshelf Unwind on 25 May 2009. No other issues of shares for cash have taken place in the previous three years other than for purposes of the MTN share schemes, details of which are disclosed in the table below:

<table>
<thead>
<tr>
<th>Date</th>
<th>Issued to</th>
<th>Number</th>
<th>Strike price R</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/07/2007</td>
<td>S L Botha</td>
<td>200,000</td>
<td>16.81</td>
</tr>
<tr>
<td>30/11/2007</td>
<td>A R Bing</td>
<td>6,670</td>
<td>56.83</td>
</tr>
<tr>
<td>30/11/2007</td>
<td>B G Gouldie</td>
<td>22,050</td>
<td>56.83</td>
</tr>
<tr>
<td>05/12/2007</td>
<td>B G Gouldie</td>
<td>33,124</td>
<td>71.00</td>
</tr>
<tr>
<td>02/04/2008</td>
<td>P D Norman</td>
<td>100,000</td>
<td>134.20</td>
</tr>
<tr>
<td>14/10/2008</td>
<td>R S Dabengwa</td>
<td>160,000</td>
<td>105.96</td>
</tr>
<tr>
<td>01/12/2008</td>
<td>K W Pienaar</td>
<td>372,360</td>
<td>40.50</td>
</tr>
<tr>
<td>01/12/2008</td>
<td>K W Pienaar</td>
<td>12,440</td>
<td>40.50</td>
</tr>
<tr>
<td>12/12/2008</td>
<td>P D Norman</td>
<td>50,000</td>
<td>99.00</td>
</tr>
<tr>
<td>22/12/2008</td>
<td>P F Nhleko</td>
<td>1,993,700</td>
<td>99.00</td>
</tr>
<tr>
<td>22/12/2008</td>
<td>P F Nhleko</td>
<td>103,280</td>
<td>105.56</td>
</tr>
<tr>
<td>25/03/2009</td>
<td>S L Botha</td>
<td>100,000</td>
<td>107.21</td>
</tr>
<tr>
<td>01/04/2009</td>
<td>R D Nisbet</td>
<td>39,480</td>
<td>106.42</td>
</tr>
<tr>
<td>01/04/2009</td>
<td>P D Norman</td>
<td>50,000</td>
<td>105.07</td>
</tr>
<tr>
<td>02/04/2009</td>
<td>S B Mtshali</td>
<td>10,600</td>
<td>111.60</td>
</tr>
<tr>
<td>07/04/2009</td>
<td>R D Nisbet</td>
<td>613,080</td>
<td>105.60</td>
</tr>
<tr>
<td>15/04/2009</td>
<td>S L Botha</td>
<td>250,000</td>
<td>107.57</td>
</tr>
<tr>
<td>08/05/2009</td>
<td>C de Faria</td>
<td>69,720</td>
<td>112.05</td>
</tr>
<tr>
<td>12/05/2009</td>
<td>Z Bulbulia</td>
<td>60,720</td>
<td>108.63</td>
</tr>
<tr>
<td>01/10/2009</td>
<td>S B Mtshali</td>
<td>10,600</td>
<td>128.50</td>
</tr>
<tr>
<td>01/10/2009</td>
<td>J Ramadan</td>
<td>69,720</td>
<td>128.50</td>
</tr>
<tr>
<td>08/10/2009</td>
<td>K W Pienaar</td>
<td>20,760</td>
<td>129.05</td>
</tr>
<tr>
<td>13/10/2009</td>
<td>S L Botha</td>
<td>200,000</td>
<td>124.01</td>
</tr>
<tr>
<td>13/10/2009</td>
<td>K W Pienaar</td>
<td>9,330</td>
<td>124.01</td>
</tr>
<tr>
<td>24/11/2009</td>
<td>C de Faria</td>
<td>69,720</td>
<td>118.50</td>
</tr>
<tr>
<td>24/11/2009</td>
<td>J Ramadan</td>
<td>69,720</td>
<td>118.60</td>
</tr>
</tbody>
</table>
17.2 **Trading history**

A trading share price history of MTN Shares on the JSE is set out in Annexure 4.

18. **MATERIAL CHANGE**

There has been no material change in the financial or trading position of MTN and MTN Group since the publication of the audited annual results for the year ended 31 December 2009, save for what has been publicly disclosed.

19. **LITIGATION STATEMENT**

The Directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had, in the twelve months preceding the date of this Circular, a material effect on the financial position of MTN and MTN Group.

20. **INFORMATION RELATING TO DIRECTORS**

20.1 **Directors**

<table>
<thead>
<tr>
<th>Name</th>
<th>Function</th>
<th>Business address</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MTN</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matamela Ramaphosa¹ (57)</td>
<td>Independent non-executive director and chairman</td>
<td>18 Acacia Road, Chislehurston Sandton, 2196, South Africa</td>
</tr>
<tr>
<td>Douglas Band² (66)</td>
<td>Independent non-executive director</td>
<td>5 Inanda Lane, The Inandas 58 Rivonia Road, Sandton, 2196 South Africa</td>
</tr>
<tr>
<td>Koosum Kalyan¹ (55)</td>
<td>Independent non-executive director</td>
<td>Apartment 22, 55 Ebury Street London, SW1W, United Kingdom</td>
</tr>
<tr>
<td>Jan Strydom¹ (71)</td>
<td>Non-executive director</td>
<td>Block C, Waterkloof Park, corner Julius Jeppe Street and Dely Road Waterkloof 0181, South Africa</td>
</tr>
<tr>
<td>Allan van Biljon¹ (63)</td>
<td>Independent non-executive director</td>
<td>26 Lystanwold Road, Saxonwold, 2196 South Africa</td>
</tr>
<tr>
<td>Ntabankulu Njeke¹ (51)</td>
<td>Independent non-executive director</td>
<td>Silver Unicorn Trading 33 (Pty) Limited 33 Ballyclare Drive, Bryanston, 2191 South Africa</td>
</tr>
<tr>
<td>Jeffrey van Rooyen¹ (60)</td>
<td>Independent non-executive director</td>
<td>130 Western Services Road Building 11A, Woodlands Office Park Woodmead, 2191, South Africa</td>
</tr>
<tr>
<td>Dawn Marole¹ (50)</td>
<td>Independent non-executive director</td>
<td>Nelson Mandela Square, 2nd Floor West Tower, Sandton, 2196, South Africa</td>
</tr>
<tr>
<td>Peter Mageza¹ (55)</td>
<td>Independent non-executive director</td>
<td>6 Kintamani, 34 Point Road Bryanston, 2191, South Africa</td>
</tr>
<tr>
<td>Alan Harper³ (53)</td>
<td>Independent non-executive director</td>
<td>5th Floor, 55 Baker Street London W1U BAN, United Kingdom</td>
</tr>
<tr>
<td>Azmi Mikati² (37)</td>
<td>Non-executive director</td>
<td>Najila Ktour Street, Socam Building Beirut 2039 – 2004, Lebanon</td>
</tr>
<tr>
<td>Phuthuma Nhleko¹ (50)</td>
<td>Executive director: MTN president and chief executive officer</td>
<td>216, 14th Avenue, Fairland Roodepoort, 2195, South Africa</td>
</tr>
<tr>
<td>Nazir Patel¹ (53)</td>
<td>Executive director: MTN finance director</td>
<td>216, 14th Avenue, Fairland Roodepoort, 2195, South Africa</td>
</tr>
<tr>
<td>Raymond Dabengwa¹ (52)</td>
<td>Executive director: MTN chief operating officer</td>
<td>216, 14th Avenue, Fairland, Roodepoort, 2195, South Africa</td>
</tr>
<tr>
<td>Name</td>
<td>Title</td>
<td>Address</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Paul Heinamann(1)(69)</td>
<td>Independent non-executive director and chairman</td>
<td>19 Westbourne Road, Bryanston, 2061 South Africa</td>
</tr>
<tr>
<td>Rhidwaan Gasant(1)(51)</td>
<td>Independent non-executive director</td>
<td>19 Monterey Drive, Bel Ombre Constantia, 7806, South Africa</td>
</tr>
<tr>
<td>Nosiphe Molope(1)(46)</td>
<td>Independent non-executive director</td>
<td>446 Rigel Avenue, South Erasmusrand, 0181, South Africa</td>
</tr>
<tr>
<td>Imogen Mkhize(1)(47)</td>
<td>Independent non-executive director</td>
<td>5 Phillip Walk, Beverley Gardens Randburg, 2194, South Africa</td>
</tr>
<tr>
<td>Zithulele Cindi(1)(60)</td>
<td>Independent non-executive director</td>
<td>7th Floor, Unity House 100 Plein Street, Johannesburg, 2001 South Africa</td>
</tr>
<tr>
<td>Antony Taylor(1)(63)</td>
<td>Independent non-executive director</td>
<td>33 Valley Road, Kenilworth Cape Town, 7708, South Africa</td>
</tr>
<tr>
<td>Phuthuma Nhleko(1)(50)</td>
<td>Non-executive director</td>
<td>216, 14th Avenue, Fairland Roodepoort, 2195, South Africa</td>
</tr>
<tr>
<td>Nazir Patel(1)(53)</td>
<td>Executive director: MTN finance director</td>
<td>216, 14th Avenue, Fairland Roodepoort, 2195, South Africa</td>
</tr>
<tr>
<td>Sifiso Dabengwa(1)(52)</td>
<td>Non-executive director</td>
<td>216, 14th Avenue, Fairland Roodepoort, 2195, South Africa</td>
</tr>
<tr>
<td>Susan Botha(1)(46)</td>
<td>Non-executive director</td>
<td>216, 14th Avenue, Fairland Roodepoort, 2195, South Africa</td>
</tr>
<tr>
<td>Paul Norman(1)(45)</td>
<td>Non-executive director</td>
<td>216, 14th Avenue, Fairland Roodepoort, South Africa</td>
</tr>
<tr>
<td>Karel Pienaar(4)(52)</td>
<td>Non-executive director</td>
<td>216, 14th Avenue, Fairland Roodepoort, South Africa</td>
</tr>
<tr>
<td>Zunaid Bulbulia(1)(41)</td>
<td>Executive director and chief financial officer</td>
<td>216, 14th Avenue, Fairland Roodepoort, South Africa</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pascal Dozie(3)(71)</td>
<td>Non-executive director and chairman</td>
<td>14A Club Road, Ikoyi, Lagos, Nigeria</td>
</tr>
<tr>
<td>Joseph Solan(4)(66)</td>
<td>Non-executive director</td>
<td>9412 Tobin Circle, Potomac MD, 20854, USA</td>
</tr>
<tr>
<td>Gbenga Oyebode(3)(51)</td>
<td>Non-executive director</td>
<td>c/o Aluko and Oybode 35 Moloney Street, Lagos Island Lagos, Nigeria</td>
</tr>
<tr>
<td>Babatunde Folawiyo(3)(50)</td>
<td>Non-executive director</td>
<td>40C Agodogba Crescent Parkview Estate, Ikoyi, Lagos, Nigeria</td>
</tr>
<tr>
<td>Chief Victor Odili(3)(75)</td>
<td>Non-executive director</td>
<td>27B Bishop Oluwole Street Victoria Island, Lagos, Nigeria</td>
</tr>
<tr>
<td>Fatima Jakoet(1)(50)</td>
<td>Independent non-executive director</td>
<td>53 Rokey Road, Rondebosch East 7780, Cape Town, South Africa</td>
</tr>
<tr>
<td>Ahmed Dasuki(3)(51)</td>
<td>Non-executive director</td>
<td>15 Goriola Street, Apartment 17 Victoria Island, Lagos, Nigeria</td>
</tr>
<tr>
<td>Col. Mohammed Bello(3)(68)</td>
<td>Non-executive director</td>
<td>9B Karimu Kotun Street Victoria Island, Lagos, Nigeria</td>
</tr>
<tr>
<td>Raymond Dabengwa(1)(52)</td>
<td>Non-executive director</td>
<td>216, 14th Avenue, Fairland Roodepoort, 2195, South Africa</td>
</tr>
<tr>
<td>Christian de Faria(5)(58)</td>
<td>Non-executive director</td>
<td>Plots 17 and 19, 9th – 12th Floor Ridge Towers, Sixth Avenue Ridge Accra, Ghana</td>
</tr>
<tr>
<td>Phuthuma Nhleko(1)(50)</td>
<td>Non-executive director</td>
<td>216, 14th Avenue, Fairland Roodepoort, 2195, South Africa</td>
</tr>
<tr>
<td>Nazir Patel(1)(53)</td>
<td>Executive director: MTN finance director</td>
<td>216, 14th Avenue, Fairland Roodepoort, 2195, South Africa</td>
</tr>
<tr>
<td>Paul Norman(1)(45)</td>
<td>Non-executive director</td>
<td>216, 14th Avenue, Fairland Roodepoort, South Africa</td>
</tr>
<tr>
<td>Ahmad Farroukh(6)(49)</td>
<td>Executive director and chief executive officer</td>
<td>Golden Plaza Building, Falomo, Ikoyi Lagos, Nigeria</td>
</tr>
<tr>
<td>Andrew Bing(1)(46)</td>
<td>Executive director and chief financial officer</td>
<td>Golden Plaza Building, Falomo, Ikoyi Lagos, Nigeria</td>
</tr>
</tbody>
</table>
Notes:
1. South African
2. Lebanese
3. Nigerian
4. British
5. French
6. Canadian

A brief résumé for each Director is included in Annexure 5.

20.2 **Shareholdings of the Directors**

As of 31 December 2009, the Directors held the following beneficial interests, either directly or indirectly, in the issued share capital of the Company:

<table>
<thead>
<tr>
<th>Directors</th>
<th>Beneficial Direct Shares</th>
<th>Beneficial Indirect Shares</th>
<th>Associates Interests Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P F Nhleko</td>
<td>3,349,986</td>
<td>0.182</td>
<td>–</td>
</tr>
<tr>
<td>N I Patel</td>
<td>7,587</td>
<td>0.000</td>
<td>–</td>
</tr>
<tr>
<td>R S Dabengwa</td>
<td>1,414,818</td>
<td>0.077</td>
<td>–</td>
</tr>
<tr>
<td>R D Nisbet*</td>
<td>2,659,618</td>
<td>0.145</td>
<td>–</td>
</tr>
<tr>
<td><strong>Non-executive</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D D B Band</td>
<td>14,023</td>
<td>0.001</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,446,032</td>
<td>0.405</td>
<td>–</td>
</tr>
</tbody>
</table>

* Resigned on 30 September 2009

**Note:** This table excludes options held through the share incentive schemes that have not been exercised.

There have been no other changes in the interests of the Directors between the end of the preceding financial year and the date of this Circular.

20.3 **Variation of remuneration**

There will be no variation in the remuneration receivable by any of the Directors as a consequence of the implementation of the MTN BEE Transaction and the ESOP.

20.4 **Directors’ interests in transactions**

The Directors have no interests in any transactions effected by MTN during the current or immediately preceding financial year or during an earlier financial year, which remain in any respect outstanding or unperformed.

21. **MAJOR SHAREHOLDERS**

As at the Last Practicable Date, the following persons (other than Directors) are, directly or indirectly, beneficially interested in 5% or more of the issued share capital of MTN:

<table>
<thead>
<tr>
<th>Beneficial MTN Shareholder</th>
<th>Number of shares</th>
<th>Percentage of shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEPF*</td>
<td>383,823,654</td>
<td>20.84</td>
</tr>
<tr>
<td>M1 Limited</td>
<td>183,152,564</td>
<td>10.03</td>
</tr>
</tbody>
</table>

* Managed through various asset, investment and fund managers.

22. **CONSENTS**

The Merchant Bank, transaction sponsor, co-debt arrangers and co-funders, legal advisor to the co-debt arrangers and co-funders, attorneys to BIC, independent lead sponsor, Independent Expert, legal and tax advisers and Joint Independent Reporting Accountants and Auditors to MTN have consented in writing to act in the capacities stated and to their reports, if any, and their names being included in this Circular and have not withdrawn their consents prior to publication of this Circular.

23. **DIRECTORS’ RESPONSIBILITY STATEMENT**

The Directors, whose names appear in paragraph 20.1 above, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading, and all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements.
24. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies of such documents, will be available for inspection at the Registered Office of MTN during normal office hours from Wednesday, 28 July 2010 up to and including the date of the General Meeting:

- a signed copy of the Circular;
- MTN’s Articles and memorandum of association;
- written consents from the Merchant Bank, transaction sponsor, co-debt arrangers and co-funders, legal advisor to the co-debt arrangers and co-funders, attorneys to BIC, independent lead sponsor, Independent Expert, legal and tax advisers and Joint Independent Reporting Accountants and Auditors to MTN for the inclusion of their names and reports, where applicable, in this Circular in the form and context in which they appear;
- the independent fairness opinion included as Annexure 3 to this Circular;
- the Joint Independent Reporting Accountants’ report on the financial effects of the MTN BEE Transaction included as Annexure 2 to this Circular;
- the Transaction Agreements to which MTN is a party;
- the BIC Pref Subscription Agreement;
- the ESOP Rules;
- summary of service agreements with Directors entered into during the last three years; and
- the audited financial statements for the years ended 31 December 2007 to 31 December 2009.

By order of the MTN Board

S B MTSHALI
MTN Group Secretary
28 July 2010

Registered Office
216, 14th Avenue
Fairland, Roodepoort, 2195
South Africa
(Private Bag X9955, Cresta, 2118)
UNAUDITED PRO FORMA INCOME STATEMENT AND BALANCE SHEET

The unaudited pro forma financial information of MTN below is based on the most recently published audited annual results of MTN for the year ended 31 December 2009, and was prepared in order to provide the illustrative financial effects of the MTN BEE Transaction and the ESOP, assuming that the MTN BEE Transaction and the ESOP were implemented on 1 January 2009 for the purposes of the pro forma income statement and on 31 December 2009 for the purposes of the pro forma balance sheet. The unaudited pro forma financial information is based on the assumptions set out below.

The unaudited pro forma financial information is the responsibility of the Directors and was prepared for illustrative purposes only and may not, because of its nature, fairly present MTN's financial position, changes in equity and results of its operations or cash flows. It does not purport to be indicative of what the financial results would have been, had the MTN BEE Transaction and the ESOP been implemented on a different date.

The MTN BEE Transaction and the ESOP will result in an increase in the weighted average number of shares in issue which has a direct impact on the marginal decrease in net asset value per share. The impact on earnings is largely attributable to the once-off, non-cash IFRS 2 Share-based Payment charges in respect of the MTN BEE Transaction and the ESOP as explained in the notes below. The financial effects have been calculated using the Transaction Share Price and are based on the calculation date of 9 July 2010.

The pro forma financial effects exclude the possible impact of the MTN Subordinated Loan, MTN Underwrite Option and other funding adjustments as detailed in paragraphs 4.4.2 and 5.3 of this Circular, and assume that the BIC Public Offer is fully subscribed for a 4% Transaction size.
## Condensed income statement

<table>
<thead>
<tr>
<th>R’ millions</th>
<th>For the year ended 31 December 2009 (Note 2)</th>
<th>Adjustments (Note 3)</th>
<th>Pro forma year ended 31 December 2009 (Note 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct network operating costs</td>
<td>111,947</td>
<td>(15,925)</td>
<td>111,947</td>
</tr>
<tr>
<td>Cost of handsets and other accessories</td>
<td>(6,297)</td>
<td>(6,297)</td>
<td>(6,297)</td>
</tr>
<tr>
<td>Interconnect and roaming</td>
<td>(15,166)</td>
<td>(15,166)</td>
<td>(15,166)</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>(5,843)</td>
<td>(152)</td>
<td>(5,995)</td>
</tr>
<tr>
<td>Selling, distribution and marketing expenses</td>
<td>(14,649)</td>
<td>(14,649)</td>
<td>(14,649)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(8,004)</td>
<td>(2,403)</td>
<td>(10,407)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(14,475)</td>
<td>(14,475)</td>
<td>(14,475)</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(5,810)</td>
<td>(5,810)</td>
<td>(5,810)</td>
</tr>
<tr>
<td>Share of results of associates after tax</td>
<td>(5)</td>
<td>(5)</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>Profit before income tax</strong></td>
<td>25,773</td>
<td>(2,555)</td>
<td>23,218</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(8,612)</td>
<td>(8,612)</td>
<td>(8,612)</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>17,161</td>
<td>(2,555)</td>
<td>14,606</td>
</tr>
<tr>
<td>Attributable to:</td>
<td>17,161</td>
<td>(2,555)</td>
<td>14,606</td>
</tr>
<tr>
<td>Equity holders of the Company</td>
<td>14,650</td>
<td>(2,555)</td>
<td>12,095</td>
</tr>
<tr>
<td>Minority interests</td>
<td>2,511</td>
<td>2,511</td>
<td>2,511</td>
</tr>
</tbody>
</table>

### Earnings per ordinary share (cents)
- **Attributable to equity holders of the Company**
  - Basic | 791.4 | 648.6 |
  - Diluted | 781.5 | 632.5 |
- **Headline earnings per ordinary share (cents)**
  Attribution to equity holders of the Company | 803.2 | 660.3 |
- **Adjusted headline earnings per ordinary share (cents)**
  Attribution to equity holders of the Company | 754.3 | 611.8 |
- **Dividends per share (cents)**
  Attribution to equity holders of the Company | 181.0 |
- **Weighted average shares in issue (millions)**
  Attribution to equity holders of the Company | 1,851.3 | 1,864.7 |

### Notes:
1. The unaudited pro forma income statement for the year ended 31 December 2009 reflects MTN Group’s pro forma financial results after accounting for the MTN BEE Transaction and the ESOP. The following assumptions have been applied:
   - MTN will contribute a cash donation of R1,294 million to BIC which will enable BIC to subscribe for and acquire approximately 12 million MTN Shares and fund certain obligations under the MTN BEE Transaction. The fair value of the shares granted was determined by reference to the cash value of the MTN Donation provided to BIC. This will result in an IFRS 2 charge to the income statement equal to the fair value of the MTN Donation.
   - MTN will provide Notional Vendor Finance to BIC in order for BIC to subscribe for approximately 30 million MTN Shares, with a current market value of R3,214 million. These shares will be issued at par value. The fair value of the call option on these shares was determined using a Monte Carlo simulation. The net result will be an IFRS 2 charge of R983 million to the income statement and a corresponding entry to equity. These shares will initially be recorded in a share-based payment (IFRS 2) equity reserve until the Notional Vendor Finance is settled after which it will be recorded in share capital and premium. EPS will not include the Notional Vendor Finance shares whilst DEPS will.
   - MTN will issue 400 MTN Shares to each Eligible MTN ESOP Employee. Assuming 3,544 Eligible MTN ESOP Employees, this equates to 1,417,600 MTN Shares, or R152 million based on the Transaction Share Price; and
   - the net effect of the MTN BEE Transaction and the ESOP is that the total number of MTN Shares in issue will increase by 0.7%; whilst an IFRS 2 charge (Share-based Payment – BEE Expense) of R2,429 million and transaction cost of R126 million will be charged to the income statement in respect of the discounted shares (MTN Donation and Notional Vendor Finance) provided to the BIC and the implementation of the ESOP.
2. Extracted from the MTN audited results for the year ended 31 December 2009.
3. Earnings are reduced by the following once-off charges:
   - an IFRS 2 charge (Share-based Payment expense) of R1,294 million in respect of the MTN Donation provided to BIC;
   - an IFRS 2 charge (Share-based Payment expense) of R983 million in respect of the Notional Vendor Finance provided to BIC;
   - an IFRS 2 charge (Share-based Payment expense) of R152 million in respect of the shares issued to the Eligible MTN ESOP Employees; and
   - Transaction costs of R126 million.
# Condensed balance sheet

<table>
<thead>
<tr>
<th>R’millions</th>
<th>For the year ended 31 December 2009 (Note 2)</th>
<th>Adjustments (Note 3)</th>
<th>Pro forma year ended 31 December 2009 (Note 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>110,213</td>
<td>–</td>
<td>110,213</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>67,541</td>
<td>–</td>
<td>67,541</td>
</tr>
<tr>
<td>Goodwill and other intangible assets</td>
<td>37,526</td>
<td>–</td>
<td>37,526</td>
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<tr>
<td>Other non-current assets</td>
<td>5,146</td>
<td>–</td>
<td>5,146</td>
</tr>
<tr>
<td>Current assets</td>
<td>46,024</td>
<td>(126)</td>
<td>45,898</td>
</tr>
<tr>
<td>Bank and cash</td>
<td>23,999</td>
<td>(126)</td>
<td>23,873</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>742</td>
<td>–</td>
<td>742</td>
</tr>
<tr>
<td>Other current assets</td>
<td>21,283</td>
<td>–</td>
<td>21,283</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>156,237</td>
<td>(126)</td>
<td>156,111</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>72,866</td>
<td>(126)</td>
<td>72,740</td>
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<tr>
<td>Share capital and reserves</td>
<td>70,309</td>
<td>(126)</td>
<td>70,183</td>
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<td>Issue of shares to SPV – Donation</td>
<td>1,294</td>
<td>–</td>
<td>1,294</td>
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<tr>
<td>Issue of shares to ESOP</td>
<td>152</td>
<td>–</td>
<td>152</td>
</tr>
<tr>
<td>Share-based payment reserve – Notional vendor financing</td>
<td>983</td>
<td>–</td>
<td>983</td>
</tr>
<tr>
<td>Retained income – Impact of IFRS 2 charge</td>
<td>(2,555)</td>
<td>–</td>
<td>(2,555)</td>
</tr>
<tr>
<td>Minority interest</td>
<td>2,557</td>
<td>–</td>
<td>2,557</td>
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<tr>
<td><strong>Non-current liabilities</strong></td>
<td>28,426</td>
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<td>Long-term borrowings</td>
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<td>Deferred Tax and other non-current liabilities</td>
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<tr>
<td><strong>Current liabilities</strong></td>
<td>54,945</td>
<td>–</td>
<td>54,945</td>
</tr>
<tr>
<td>Non-interest bearing liabilities</td>
<td>39,094</td>
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<td>39,094</td>
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<tr>
<td>Interest bearing liabilities</td>
<td>15,851</td>
<td>–</td>
<td>15,851</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>156,237</td>
<td>(126)</td>
<td>156,111</td>
</tr>
<tr>
<td>Weighted average shares in issue (millions)</td>
<td>1,851.3</td>
<td>1,864.7</td>
<td></td>
</tr>
<tr>
<td>Net asset value per share (cents)</td>
<td>3,797.9</td>
<td>3,763.7</td>
<td></td>
</tr>
<tr>
<td>Tangible net asset value per share (cents)</td>
<td>1,770.8</td>
<td>1,751.3</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

1. The unaudited pro forma balance sheet as at 31 December 2009 reflects MTN Group’s pro forma position after accounting for the MTN BEE Transaction and the ESOP, based on the following assumptions:
   - the MTN BEE Transaction and the ESOP were effective as at 31 December 2009 for the purposes of the balance sheet;
   - MTN will contribute a cash donation of R1,294 million to BIC which will enable BIC to subscribe for and acquire approximately 12 million MTN Shares and fund certain obligations under the MTN BEE Transaction. The fair value of the MTN Shares granted was determined by reference to the cash value of the MTN Donation provided to BIC. This will result in an IFRS 2 charge to the income statement equal to the value of the MTN Donation;
   - MTN will provide Notional Vendor Finance to BIC in order for BIC to subscribe for approximately 30 million MTN Shares, with a current market value of R3,214 million. These shares will be issued at par value. The fair value of the call option on these shares was determined using a Monte Carlo simulation. The net result will be an IFRS 2 charge of R983 million to the income statement and a corresponding entry to equity. These shares will initially be recorded in a share-based payment (IFRS 2) equity reserve until the Notional Vendor Finance is settled after which it will be recorded in share capital and premium; and
   - the net effect of the BEE Transaction and the ESOP is that the total number of MTN Shares in issue will increase by 0.7%.
2. Extracted from the MTN audited results for the year ended 31 December 2009.
3. Share capital and premium is increased by R1,446 million, share-based payment (IFRS 2) reserve by R983 million and retained income is reduced by R2,555 million as a result of the MTN BEE Transaction, the ESOP and Transaction costs.
JOINT INDEPENDENT REPORTING ACCOUNTANTS’ REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF MTN

"The Directors
MTN Group Limited
216, 14th Avenue
Fairland
2195

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS’ REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF MTN GROUP LIMITED (“MTN” OR “THE COMPANY”)

INTRODUCTION
MTN is issuing a circular to its shareholders ("the Circular") regarding a proposed Black Economic Empowerment ("BEE") transaction ("the MTN BEE Transaction") and establishment of an Employee Share Ownership Plan ("ESOP").

At your request and for the purposes of the Circular, to be dated on or about 28 July 2010, we present our report on the unaudited pro forma balance sheet, income statement and financial effects ("the unaudited pro forma financial information") of MTN presented in paragraph 10 and Annexure 1 to the Circular.

The unaudited pro forma financial information has been prepared in accordance with the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the MTN BEE Transaction and ESOP might have affected the reported historical financial information presented, had the MTN BEE Transaction and ESOP been undertaken at the commencement of the period or date of the unaudited pro forma balance sheet and the income statement being reported on.

DIRECTORS’ RESPONSIBILITIES
The Directors of MTN are responsible for the compilation, contents and presentation of the unaudited pro forma financial information contained in the Circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the unaudited pro forma financial information contained in the Circular has been properly compiled on the basis stated; the basis is consistent with the accounting policies of MTN; and the pro forma adjustments are appropriate for the purposes of the unaudited pro forma financial information disclosed in terms of the JSE Listings Requirements.

REPORTING ACCOUNTANTS’ RESPONSIBILITIES
Our responsibility is to express our limited assurance conclusion on the unaudited pro forma financial information included in the Circular. We conducted our assurance engagement in accordance with ISAE 3000 (Revised): International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Guide on Pro Forma Financial Information issued by The South African Institute of Chartered Accountants. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

SOURCES OF INFORMATION AND WORK PERFORMED
Our procedures consisted primarily of comparing the unadjusted financial information of MTN with the source documents, considering the pro forma adjustments in light of the accounting policies of MTN, considering the evidence supporting the pro forma adjustments and discussing the adjusted unaudited pro forma financial information with the Directors of MTN in respect of the MTN BEE Transaction and ESOP that is the subject of the Circular.

In arriving at our conclusion, we have relied upon financial information prepared by the Directors and management of MTN and other information from various public, financial and industry sources.
While our work performed has involved an analysis of the historical financial information and other information provided to us, our limited assurance engagement does not constitute either an audit or review of any of the underlying financial information in accordance with the International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

CONCLUSION

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe, that:

• the unaudited pro forma financial information has not been properly compiled on the basis stated;
• such basis is inconsistent with the accounting policies of MTN; and
• the adjustments are not appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to Sections 8.17 and 8.30 of the JSE Listings Requirements.

Yours faithfully

PricewaterhouseCoopers Inc
Director: S Sooklal
Accredited Auditor
2 Eglin Road
Sunninghill, 2157, South Africa
(Private Bag X36, Sunninghill, 2157)

SizweNtsaluba VSP
Director: A Mashifane
Accredited Auditor
20 Morris Street East
Woodmead, 2191, South Africa
(PO Box 2939, Saxonwold, 2132)
FAIRNESS OPINION ON THE MTN BEE TRANSACTION

Annexure 3

The Directors
MTN Group Limited
216, 14th Avenue
Fairland
Roodepoort
2195

21 July 2010

Dear Sirs

INDEPENDENT FAIRNESS OPINION IN RESPECT OF MTN GROUP LIMITED’S PROPOSED BLACK ECONOMIC EMPOWERMENT (“BEE”) TRANSACTION, I.E. “THE MTN BEE TRANSACTION” OR “THE TRANSACTION”

Introduction

In an announcement published by MTN Group Limited (“MTN” or “the Company”) on 15 July 2010, Shareholders were advised that through a comprehensive strategy, MTN intends to maintain BEE targets set out in the Codes in relation to its South African businesses. The proposed MTN BEE Transaction is designed to provide long term, sustainable benefits to all BEE Participants and will run for a duration of six years. The MTN BEE Transaction is anticipated to equate to 4% of MTN’s issued share capital on a fully diluted basis, but may be scaled down depending on demand.

MTN will also issue 0.1% of its issued share capital on a fully diluted basis to the ESOP, for the benefit of Eligible MTN ESOP Employees.

Using EBITDA contribution as a proxy for value, the Transaction at 4% of the issued share capital has been estimated to result in effective BEE shareholding of approximately 29.1% in MTN SA Group. MTN has the option to scale the Transaction size down in the event that demand from the Black Public is lower than expected.

• In the event that the capital raised from the Black Public pursuant to the BIC Public Offer is greater than R424.9 million but is less than R833.1 million and if so directed by the MTN Board, MTN has the right to subscribe for such number of BIC Ordinary Shares that would enable BIC to raise the shortfall up to R408.2 million (the “MTN Underwrite Option”). To the extent that the equity raised from the Black Public does not exceed R424.9 million, the MTN BEE Transaction will not be implemented.

The MTN BEE Transaction will be effected as follows:

• the Black Public will participate in the MTN BEE Transaction by investing in the equity (BIC Ordinary Shares) of BIC, a newly established special purpose vehicle;
• BIC’s 4% equity investment in MTN will comprise of a maximum of 35,155,609 MTN Shares acquired from the Public Investment Corporation (“the PIC”) at the PIC Sale Shares Purchase Price and a maximum of 43,761,745 MTN Shares issued to BIC by MTN as follows:
  – a maximum of 12,045,412 MTN Shares will be acquired by BIC from MTN at the Transaction Share Price and will be funded through a cash donation from MTN, i.e. an equity incentive (“MTN Tranche 2 Subscription Shares”); and
  – a maximum of 31,716,333 MTN Shares will be acquired by BIC from MTN at their par value of R0.0001 each and will comprise the notional vendor financing (“NVF”) invested by MTN in BIC (“MTN Tranche 1 Subscription Shares”).

The PIC Sale Shares Purchase Price is the sum of: (a) the Transaction Share Price (being R107.46 per MTN Share) multiplied by the number of PIC Sale Shares (“the Base Purchase Price”) plus (b) interest on the Base Purchase Price calculated daily at 7.39% NACA as from 10 July 2010 to the Closing Date (including the first date but excluding the last date).

• In addition to the investments by MTN (equity incentive and NVF) and the equity raised in the BIC Public Offer from the BEE Participants, BIC will fund its investment in MTN Shares through 3rd party senior and mezzanine funding:
  – the 3rd party funding, of up to R2.16 billion will be raised from the subscription for BIC Pref Shares by BFC; and
  – BFC capital will be raised from BFC Investors who shall subscribe for BFC Pref Shares;
• the BEE Participants will be locked into their BIC ordinary shareholding for a period of three years, after which they will be free to trade with other BEE Participants or eligible BIC Ordinary Shareholders for a further three-year period; and
• the MTN BEE Transaction will unwind after six years and the remaining MTN Shares held by BIC will be available to be distributed to the BEE Participants, if so elected by BIC, subject to the settlement of all outstanding BIC funding and the exercise by MTN of the NVF Call Option.

Full details of the Transaction are contained in the circular to MTN Shareholders (“the Circular”) to be dated on or about 28 July 2010, in which a copy of this letter will be included.

Unless stated otherwise all the terms contained herein have the same meaning ascribed to them in the definitions and interpretations section of the Circular.
Scope
An independent fairness opinion has been requested by the MTN Board.

KPMG has been appointed by the MTN Board as the independent professional expert to advise on whether the terms and conditions of the MTN BEE Transaction are fair to the Shareholders of MTN.

This independent fairness opinion may be required in terms of the JSE Listings Requirements as the MTN Directors, who may participate in the BIC Public Offer, may – through BIC – be issued MTN Shares which equate to an effective interest in MTN exceeding 0.25%.

Responsibility
Compliance with the JSE Listings Requirements is the responsibility of the MTN Board. Our responsibility is to report on the terms and conditions of the proposed MTN BEE Transaction.

Definition of the terms “fair”
A transaction will generally be considered fair to a company's shareholders if the benefits received by the shareholders as a result of the transaction are equal to, or greater than, the costs thereof.

The assessment of fairness is primarily based on quantitative issues. In this case, the Transaction may be considered fair if the quantifiable benefits to MTN Shareholders resulting from the Transaction, represented by the estimated loss of equity value which would result should the Transaction not be successfully implemented, are considered to be equal to, or greater than, the costs thereof, represented essentially by the costs associated with the provision of the NVF from MTN to BIC, the value of any discount between the fair value of an MTN Share and the Transaction Share Price, and the facilitation costs associated with the MTN Donation.

Information utilised and procedures performed
In arriving at our opinion we have undertaken the following procedures in evaluating the fairness of the Transaction:

• considered the rationale for the Transaction and Transaction size based on discussions with the management of MTN and its advisers;
• obtained an understanding of the structure and terms and conditions of the Transaction. In particular we considered the following:
  – discussions held amongst stakeholders in agreeing on the terms of the Transaction; and
  – the legal agreements drafted in respect of the Transaction;
• considered the historical performance of MTN with reference to its audited financial statements for the financial periods ended 31 December 2008 and 2009, the published subscriber numbers for the quarter ended 31 March 2010 and forecast performance to 30 June 2010;
• held discussions with the directors and management of MTN to establish its strategy and business outlook and considered such other matters as we consider necessary;
• reviewed the five-year business plan for MTN and the basis of the assumptions therein. This review included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on discussions with management;
• based on the above, performed a desktop valuation of MTN Shares. The discounted cash flow methodology was the primary valuation methodology employed in respect of the valuation, taking into account the liquidity/marketability discounts implied by the lock-in period. In addition:
  – sensitivity analyses were performed considering key assumptions in arriving at a valuation range. Key value drivers to the valuation included revenue growth (driven by data volume and subscriber numbers), EBITDA margins and the discount rate;
  – the discounted cash flow methodology was supported by market-based valuation methodologies; and
  – we also considered the market pricing of MTN Shares including liquidity, recent transactions, analyst reports and market movements;
• compared the desktop valuation above of an MTN Share to the Transaction Share Price;
• considered the cost implications of the NVF provided to BIC. In this regard we particularly took into account:
  – the terms and conditions in respect of the NVF Call Option granted to MTN by BIC in respect of the MTN Tranche 1 Subscription Shares; and
  – the BIC funding model with respect to the dividend policy and the terms and conditions of the BIC Pref Shares and the NVF; and
  – the valuation of the option that has, in effect, been granted by MTN to BIC in respect of the MTN Shares that will be available for distribution to BEE Participants after the MTN BEE Transaction is unwound. This valuation was performed using a recognised option pricing model, the Geometric Brownian Motion method with Monte Carlo simulations;
• considered the “costs” of the MTN BEE Transaction to MTN, represented essentially by the costs associated with the provision of the NVF from MTN to BIC as quantified above and the facilitation costs associated with the MTN Donation. These costs were also compared to market norms;
• considered the implications of the Codes on the business of MTN, as well as the regulatory environment and, in particular, MTN's licensing requirements in respect of BEE;
• based on the above, considered the quantifiable benefits to MTN SA Group and hence, MTN, of implementing the Transaction, as well as an assessment of the potential business risk, impact on cash flows and, hence, equity value of not successfully implementing the Transaction. This quantification was undertaken by way of adjustments to the cash flows of MTN SA Group’s operations and hence, MTN Group; and
• considered any other anticipated effects of the Transaction to the extent that they represent additional net quantifiable costs or benefits to the shareholders.

Based on the above quantification of the costs and the benefits of the MTN BEE Transaction, we considered if the quantifiable benefits resulting from the Transaction were equal to or greater than the costs thereof.

Opinion
KPMG has considered the terms and conditions of the proposed Transaction and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Transaction are fair to the MTN shareholders.

Our opinion is necessarily based upon the information available to us up to 20 July 2010, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the proposed Transaction have been or will be timeously fulfilled and/or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Limiting conditions
This opinion is provided to the MTN Board in connection with and for the purposes of the proposed Transaction. This opinion is prepared solely for the MTN Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights. This opinion does not purport to cater for each individual shareholder’s perspective, but rather that of the general body of MTN Shareholders. Should an MTN Shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual MTN Shareholder’s decision as to whether to vote in favour of any transaction may be influenced by his particular circumstances. The assessment as to whether or not the MTN Board decides to recommend the Transaction is a decision that can only be taken by the MTN Board.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of MTN, by reference to publicly available or independently obtained information. While our work has involved an analysis of, inter alia, the annual financial statements, and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

Where relevant, the forecasts of MTN relate to future events and are based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of MTN will correspond to those projected. Where practicable, we compared the forecast financial information to past trends and third party estimates as well as discussing the assumptions inherent therein with the management of MTN. On the basis of these enquiries and such other procedures we consider appropriate to the circumstances, we believe that the forecasts have been prepared with due care and consideration.

We have also assumed that the Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of MTN and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in respect of the Transaction will be legally enforceable.

Independence
In terms of Schedule 5.1(a) of the JSE Listings Requirements, we confirm that we have no direct or indirect interest in MTN Shares or the proposed Transaction.

Furthermore, we confirm that our professional fees, payable in cash, are not contingent upon the success of the proposed Transaction.

Consent
We consent to the inclusion of this letter and the reference to our opinion in the Circular to be issued to the Shareholders of MTN in the form and context in which it appears.

Yours faithfully

NEERAJ SHAH
Director – Corporate Finance
KPMG Services (Proprietary) Limited
KPMG Crescent
85 Empire Road
Parktown, 2193
# Annexure 4

## PRICE HISTORY OF MTN SHARES ON THE JSE

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<tr>
<th>Quarterly</th>
<th></th>
<th></th>
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<th></th>
<th></th>
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<tr>
<td></td>
<td>High (cents)</td>
<td>Low (cents)</td>
<td>Close (cents)</td>
<td>Value (R'000)</td>
<td>Volume (shares)</td>
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<td><strong>2008</strong></td>
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<td>June</td>
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<td>12,450</td>
<td>80,401</td>
<td>559,605,440</td>
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<td>10,030</td>
<td>11,500</td>
<td>60,319</td>
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<td>December</td>
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<td>7,325</td>
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<td>55,956</td>
<td>563,849,002</td>
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<td><strong>2009</strong></td>
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<td>March</td>
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<td>8,181</td>
<td>10,500</td>
<td>45,386</td>
<td>467,621,446</td>
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<td>10,000</td>
<td>11,831</td>
<td>50,004</td>
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<td>September</td>
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<td>11,686</td>
<td>12,215</td>
<td>44,671</td>
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<td>December</td>
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<td>10,852</td>
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<td>63,212</td>
<td>528,100,273</td>
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<td><strong>2010</strong></td>
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<tr>
<td>March</td>
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<td>10,482</td>
<td>11,200</td>
<td>52,567</td>
<td>467,512,135</td>
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* Last Practicable Date.

Source: I-Net Bridge
INFORMATION ON DIRECTORS

MTN

M C RAMAPHOSA (57) BProc, LLD (HC)
Independent non-executive director and Chairman


Previously chairman of the Constitutional Assembly and was the only chairman of the specially formed Black Economic Empowerment Commission. He was also a member of parliament, secretary general of the ANC and secretary of the National Union of Mine Workers. Cyril is currently on the national executive committee of the ANC and has also received several honorary doctorates.

Business address: 18 Acacia Road, Chislehurston, Sandton, 2196, South Africa

D D B BAND (66) BCom, CA(SA)
Independent non-executive director


Previously served as managing director of CNA Gallo Limited, CEO of The Argus Holdings Group and chairman and CEO of the Premier Group Limited.

Business address: 5 Inanda Lane, The Inandas, 58 Rivonia Road, Sandton, 2196, South Africa

K P KALYAN (55) BCom (Law) (Hons) Economic, Senior Executive Management Programme
Independent non-executive director


Koosum is currently Executive Chairman at EdgoMerap in London. Prior to that she was Senior Business Development Manager at Shell International Exploration and Production, Pty Ltd in London, General Manager, Corporate, for Shell Southern Africa, Senior Economist at the Chamber of Mines and Economist at the Electricity Commission of Victoria, Melbourne, Australia. Graduate lecturer at University of Durban Westville.

Business address: Apartment 22, 55 Ebury Street, London, SW1W, United Kingdom

J H N STRYDOM (71) MCom (Acc), CA(SA)
Non-executive director

Other directorships include: various companies in the MTN Group, the Public Investment Corporation Limited, Growthpoint Properties Limited, Cardinal Investments (Pty) Limited, Janrit Beleggings (Pty) Limited, Milaeson Eiendomme (Pty) Limited, Solly Investments (Pty) Limited, Union Discounting Corporation (Pty) Limited and Woody Sue Beleggings (Pty) Limited.

Jan is a registered Chartered Accountant and a founding partner of Strydoms Incorporated Chartered Accountants (SA), a firm specialising in business valuations, litigation support and forensic investigations. He is now a professional consultant to Strydoms. He is also a senior member of the Special Income Tax Court for taxation appeals.

Business address: Block C, Waterkloof Park, corner Julius Jeppe Street and Dely Road, Waterkloof, 0181, South Africa
A F VAN BILJON (63) BCom, CA(SA), MBA
Independent non-executive director

Other directorships include: various companies in the MTN Group, Hans Merensky Holdings (Pty) Limited, St Augustine College of South Africa, Chairman and trustee of Standard Bank Group Retirement Fund and Liberty Group Pension and Provident Funds. Alan held the position of group financial director with Truworths Limited. The Greatermans Checkers Group, Sun International and Standard Bank Group Limited from 1975 to 2002. In 2002, he established a specialised financial services company under the name of Van Biljon & Associates.

Business address: 26 Lystanwold Road, Saxonwold, 2196, South Africa

M J N NJEKE (51) BCom, BCompt (Hons), CA(SA), H Dip Tax Law
Independent non-executive director

Other directorships include: various companies in the MTN Group, Lengau Logistics (Pty) Limited, ArcelorMittal SA, Ivolve Procurement & Rental Partner, Metropolitan Health Group, Metropolitan Holdings Limited, NM Rothschild and Sons (SA) (Pty) Limited, PSU Revenue Management trading as PSU International, RTG Fleet Services (Pty) Limited, Resilient Property Income Fund Limited, Serengeti Properties (Pty) Limited, Salvage Management and Disposal (SMD), Sameh Properties and Silver Unicorn Trading. Johnson served as a partner at PricewaterhouseCoopers and is a past chairman of The South African Institute of Chartered Accountants.

Business address: Silver Unicorn Trading 33 (Pty) Limited, 33 Ballyclare Drive, Bally Oaks Office Park, Bryanston, 2191, South Africa

J VAN ROOYEN (60) BCom, BCompt (Hons), CA(SA)
Independent non-executive director

Other directorships include: various companies in the MTN Group, various companies in the Uranus Group, Pick n Pay Stores Limited, Exxaro Resources Limited and a Trustee of the International Accounting Standards Committee Foundation. Jeff is a founder member and CEO of Uranus Investment Holdings (Pty) Limited and previously served as CEO of the Financial Services Board. He is also a founder member and former president of the Association for the Advancement of Black Accountants (ABASA) and was chairperson of the Public Accountants and Auditors Board in 1995.

Business address: 130 Western Services Road, Building 11A, Woodlands Office Park, Woodmead, 2191, South Africa

D MAROLE (50) BCom (Acc), Dip Tertiary Education, MBA, Executive Leadership Development Programme
Independent non-executive director

Other directorships include: currently an Non-Executive Director at African Bank Investments Limited, Incwala Resources, (Pty) Limited, Eyomhlaba Investment Holdings Limited, Hlumisa Investment Holdings Limited, Richards Bay Titanium (Pty) Limited, Richards Bay Mining (Pty) Limited, JP Morgan SSA and DEMA Incwala Investment. Dawn's career history, primarily in the financial services sector dates back to 1983. She is a member of the Policy Board for financial services and regulations as an adviser to the Minister of Finance. She is the current chairperson of POWA (People Opposing Women Abuse).

Business address: Nelson Mandela Square, 2nd Floor West Tower, Sandton, 2196, South Africa

N P MAGEZA (55) FCCA (Fellow of The Association of Chartered Certified Accountants)
Independent non-executive director

Other directorships include: The Bidvest Group Limited, Remgro Limited, SAPPI Limited and Rainbow Chicken Limited. Peter is a Fellow of the Association of Chartered Certified Accountants (ACCA) United Kingdom, and was until June 2009, Absa Executive Director and Group Chief Operations Officer. Prior to this he had extensive experience in the financial/banking arena.

A HARPER (53) (British) BA (Hons)
Independent non-executive director

Other directorships include: Eaton Venture LLP, Tovo Europe Limited, Venture Partnership Foundation Limited and Golden Years Holidays Plc.

Alan previously served as Group Strategy and New Business Director for Vodafone Plc, member of the Executive Committee of the Vodafone Group, board member of the GSM Association, Chairman of Vodafone Ventures and Chairman of the Board of Trustees of the Vodafone UK Foundation.
A T MIKATI (37) (Lebanese) BSc  
Non-executive director

Other directorships include: various companies in the MTN Group, CEO of M1 Group Limited (an international investment group with a strong focus on the telecommunications industry), director on various companies in the M1 Group as well as EZ-Link, B-Pro Limited, B-Jet Limited, Horizon Global Services, IMC, Mint Trading, Unioil and Fanconndale Group.

Azmi founded T-One, a telecoms company providing long distance services between the United States and other international destinations.

Business address: Najila Ktour Street, Socam Building, Beirut 2039-2004, Lebanon

P F NHLEKO (50) BSc (Civil Eng), MBA  
Executive director: Group President and chief executive officer

Other directorships include: various companies in the MTN Group, director of Newshelf 664 (Pty) Limited and Engen Limited. Co-Founder and Non-Executive chairman of Worldwide African Investments Holdings (Pty) Limited, the GSMC association and Trustee of the Alpine Trust.


Business address: 216, 14th Avenue, Fairland, Roodepoort, 2195, South Africa

N I PATEL (53) BCom, BCompt (Hons), CA(SA)  
Executive director: Group finance director

Other directorships include: various companies in the MTN Group.

Business address: 216, 14th Avenue, Fairland, Roodepoort, 2195, South Africa

R S DABENGWA (51) BSc (Eng), MBA  
Executive director: MTN Group chief operating officer

Other directorships include: Director of various companies in the MTN Group, Newshelf 664 (Pty) Limited, Long Street Property Development (Pty) Limited, Salamax 765 (Pty) Limited and Tsiya Group (Pty) Limited.

Prior to joining MTN, he was employed by Eskom as an Executive Director responsible for sales, customer service, electrification and distribution technology. Prior to Eskom he worked as a consulting electrical engineer in the building services industry and in the mining and railway sectors.

Business address: 216, 14th Avenue, Fairland, Roodepoort, 2195, South Africa

MTN SOUTH AFRICA

P L HEINAMANN (69) AMP (INSEAD); FSRM (SA)  
Independent non-executive director and Chairman


Paul started in the insurance broking industry in 1960 and in 1976 joined what is now known as Alexander Forbes Limited. He is a past non-executive Chairman of Alexander Forbes Limited and past President of the South African Insurance Brokers Association and Insurance Institute of South Africa.

Business address: 19 Westbourne Road, Bryanston, 2191, South Africa

R GASANT (51) BCompt (Hons), CA(SA), CIMA (SA)  
Independent non-executive director

Other directorships include: Various MTN companies, Ethanol Africa (Pty) Limited, Energy Africa Limited, Engen Petroleum Limited, Gencor UK Limited.

Since 2005 Rhidwaan has served on the Minerals and Energy Ministerial appointed Committee investigating fuel shortages in South Africa, and more recently has acquired an interest in Krew Investments South Africa (Pty) Limited, a Cape Town-based International Logistics and BEE investment holding company, where he is an Executive Director.

Business address: 19 Monterey Drive, Bel Ombre, Constantia, 7806, South Africa
C W N Molope (46) BSc (Medical Sciences), B. Compt, B. Compt Hons (CTA), CA(SA)

Independent non-executive director

Other directorships include: Illovo Sugar Limited, Nampak Limited, PetroSA (Pty) Limited, State Information Technology Agency (Pty) Limited and Breakeven (Pty) Limited.

Nosipho has been an employee of the Financial Services Board, Zungu Investments Company (Pty) Limited (Zico), Viamax (Pty) Limited (a subsidiary of Transnet), Wipcapital (Pty) Limited, Akulalwa Corporate Advisors (Pty) Limited, Fisher Hoffman Sithole and FNB Card Division.

Business address: 446 Rigel Avenue, South Erasmusrand, 0181, South Africa

I N Mkhize (47)

Independent non-executive director


Imogen was the Managing Director at Lucent Technologies South Africa. She has extensive leadership and management experience in both the corporate and non-profit sectors. She has also held the positions of Executive Chairman of the Zitek Group, which she founded in 2000, Senior Manager at Nedcor, Executive Director of the Association of Black Accountants, Senior Management Consultant at Andersen Consulting and a Programmer and Business Analyst.

Business address: 5 Phillip Walk, Beverley Gardens, Randburg, 2194, South Africa

Z N A Cindi (60)

Independent non-executive director

Other directorships include: Community Growth Management Company and directorships on various other organisations, including two JSE listed companies, which focus on socially responsible investments, Unity Incorporation (the custodian of sustainable development funds in South Africa) and Setsing Financial Services (Pty) Limited.

Zithulele has fifteen years of trade union experience as an Educator, Trustee and Chief Administrator for the Black Electrical and Electronics Workers Union and the Metal and Electrical Workers Union of S.A. He has over ten years experience with Socially Responsible Investments with the Community Growth Fund (CGF), the first SRI fund in the country, and 8 years board membership of Unity Incorporation as CEO.

Zithulele is also a board member of the African Institute for Corporate Citizenship, the Industrial Ministry and the UNEP – African Task Force on sustainable banking and Financial Initiatives.

Business address: 7th Floor, Unity House, 100 Plein Street, Johannesburg, 2001, South Africa

A J Taylor (63) (BA) (Social Anthropology) (Wits) Post-graduate Diploma in Market Research and Advertising (Unisa)

Independent non-executive director

Other directorships include: Truworths Limited, Truworths Swaziland Limited, Truworths Namibia Limited and Pepkor Retail Limited.

Anthony has been employed in the retail industry for the past 40 years having worked for Edgars, Foschini Group and Truworths. From 1998 until his retirement in June 2007, Anthony was the deputy CEO of Truworths Limited, with line responsibility for operations, visual display, architecture, risk and property. Additional positions held within Truworths include: Chairman of the risk committee, transformation committee and trustee of all social trusts.

Business address: 33 Valley Road, Kenilworth, Cape Town, 7708, South Africa

S L Botha (46) BEcon (Hons)

Non-executive director

Other directorships include: various companies in the MTN Group and Tiger Brands Limited.

Santie was an executive director at Absa Bank Limited. She was awarded marketer of the year in 2002 by the Marketing Federation of South Africa. Previously she also worked for Unilever (UK) for six years.

Business address: 216, 14th Avenue, Fairland, Roodepoort, 2195, South Africa
P D NORMAN (45) MA (Psych)
Non-executive director

Other directorships include: Various companies in the MTN Group.

Paul has been an executive at MTN since 1997. He has spent over 12 years in the field of human resources and has worked extensively in the transport and telecommunications industries. He was awarded HR Practitioner of the Year in 2004 by the Institute of People Management.

Business address: 216, 14th Avenue, Fairland, Roodepoort, 2195, South Africa

K W PIENAAR (52) BSc (Elec & Electron Eng), PrEng
Executive and Managing Director

Karel was a director of various companies in the MTN Group. He started his career at Telkom SA Limited. Subsequently, he held executive positions at Elex Electronic Limited and MultiChoice, where he was instrumental in the start-up of MTN in 1994.

He served as CEO of MTN Nigeria during the first year of its start-up phase.

Business address: 216, 14th Avenue, Fairland, Roodepoort, 2195, South Africa

Z BULBULIA (41) BCom, BCompt (Hons), CA(SA)
Executive director and chief financial officer

Other directorships include: various companies in the MTN Group.

Zunaid is the Financial Director for MTN South Africa (Finance, Distribution and Optimisation division). He is the chairman of the audit committee of MTN Zambia and is a member of the audit committee of MMMSA (Pty) Limited. Zunaid is also the chairman of the MTN Retirement Fund of Trustees and principal officer for MTN and MTN South Africa.

Business address: 216, 14th Avenue, Fairland, Roodepoort, 2195, South Africa

MTN NIGERIA

Dr P DOZIE, OON (71)
Non-executive director and Chairman

Other directorships include: Diamond Group Advisory Board, New Nigeria Foundation, Johnnic Communications (WA) Limited and Chairman of the Board of Trustees of the African Development Foundation.

Pascal is a seasoned economist, econometrician, consultant and banker and one time Director of the Central Bank of Nigeria and President of the Nigerian Stock Exchange. He is a founding member of the Advisory Board of the Lagos Business School and for over six years has served as the Founding Chairman of the Nigerian Economic Summit Group.

Business address: 14A Club Road, Ikoyi, Lagos, Nigeria

J SOLAN (66)
Non-executive director

Joseph is presently a consultant to the International Finance Corporation (IFC), Washington, DC. Previously, as Senior Manager, Portfolio and Credit, Global Information and Communication Technologies, he managed IFC’s global portfolio of loans and equity investments in the telecommunications, technology and media sectors. He had prior responsibilities in 31 Group (an investment institution in the UK), British Steel Corporation International, Imperial and Chemical Industries Ltd. He was a former Director of Lattelekom SIA, Latvia and Celtel International.

Business address: 9412 Tobin Circle, Potomac, MD, 20854, USA

G OYEBODE, MFR (51)
Non-executive director

Other directorships include: Access Bank Plc, Okomu Oil Palm Company Plc and Board of Crusader Insurance Plc (all listed on the Nigerian Stock Exchange).

Gbenya is the Managing Partner of Aluko & Oyebode and has extensive experience in project finance, corporate law, energy and natural resources, telecommunications and aviation law. Mr. Oyebode is a Fellow of the Chartered Institute of Arbitrators (UK). He is also a member of the Nigerian Bar Association, the American Bar Association, the American Society of International Law and the International Bar Association (IBA). He is actively involved as a Council Member of the IBA’s Section on Energy, Environment, Natural Resources and Infrastructure Law (SEERIL).

Business address: c/o Aluko & Oyebode, 35 Moloney Street, Lagos Island, Lagos, Nigeria
B FOLAWIYO (50) BSc Economics, LLM
Non-executive director


Babatunde obtained a BSc in Economics from the London School of Economics (L.S.E.) in 1980. After graduating from L.S.E with a LLB in 1984 he obtained a LLM from the University College, London and was called to the Bar of England and Wales (Honourable Society of the Inner Temple). On his return to Nigeria, Mr Folawiyo qualified for the Nigerian Bar and went into practice with Messrs Ogunsanya & Ogunsanya. During this period, he worked evenings at the Yinka Folawiyo Group of Companies. By 1989, he became the Group Executive Director, a position he holds to date.

Business address: 40C Agodogba Crescent, Parkview Estate, Ikoyi, Lagos, Nigeria

Chief V ODILI, OON (75)
Non-executive director

Chief Victor Odili incorporated the Aeromaritime Nigeria Limited and became its Chairman in 1975. He then ventured into ownership, management and operation of ships with the incorporation of Brawal Shipping Nigeria Limited and Brawal Lines Limited. Apart from his shipping interests, Chief Odili has been active in Nigeria's banking and manufacturing sectors with significant interests in a number of local banks and industries. Chief Odili is actively involved in politics and during the Second Republic served as a Senator representing one of the senatorial constituencies in Rivers State. He is a pioneer member of the Board of Trustees of the Peoples Democratic Party.

Business address: 27B Bishop Oluwole Street, Victoria Island, Lagos, Nigeria

F JAKOET (50) CA(SA)
Independent non-executive director

Other directorships include: various companies in the MTN group, SA Mint Company (Pty) Limited, SA Bank Note Company (Pty) Limited, Metropolitan Holdings Limited, Abathwa Capital Holdings (Pty) Limited, SAB – T Ubuntu Holdings Limited, Qualsa Healthcare (Pty) Limited, Impala Platinum Holdings Limited.

Fatima is a Chartered Accountant and a Member of The South African Institute of Chartered Accountants (SAICA). She is the Independent Non-executive Director for MTN West and Central Africa (WECA) Region. She is also Chairperson of Audit and Risk Committee and a member of the HR Committee of some of the MTN WECA operating companies. She possesses in-depth experience in various facets of large corporate business, from both a strategic and operational perspective, has experience with industrial relations, transformation and employment equity issues and is an advocate of competition and free-market principles.

Business address: 53 Rokeby Road, Rondebosch East, 7780, Cape Town, South Africa

A DASUKI (51)
Non-executive director


Mallam Ahmed Dasuki is an architect by profession and has worked with the Federal Ministry of Works & Housing, Godwin & Hopewood Associates and Archi Plan Associates. He was a Partner at PII Construction, Founding Partner of Triad Associates, and the Principal Partner of Triad Consultants. Mr Dasuki also has interests in several other companies including IBTC Chartered Bank Limited, IBTC Pensions Manager Limited, Interglobal Limited, Philips Project Centre, Tinapa Business Resort and SASPV Limited (Mauritius).

Business address: 15 Goriola Street, Apartment 17, Victoria Island, Lagos, Nigeria

Col M S BELLO, OON (68)
Non-executive director

Other directorships include: Chairman of the Boards of Law Union & Rock Insurance Plc, Amni International Petroleum Development Co. Limited.

Col. Mohammed SaniBello attended the Nigerian Military Training College and the Royal Military Academy, Sandhurst, England. He was commissioned an officer in 1965. Col. Bello retired from the Nigerian Army in 1979 after an illustrious career. He was subsequently appointed Nigerian High Commissioner to Zimbabwe 1984 to 1986.

Business address: 9B Karimu Kotun Street, Victoria Island, Lagos, Nigeria
C DE FARIA (58)
Non-executive director

Other directorships include: Director on various companies in the MTN Group.

Christian is currently Senior Vice President Commercial and Innovation within the MTN Group. He was previously the CEO of PT Excelcomindo Pratama, known as XL, the largest mobile operator in Indonesia. During his 18-month tenure as CEO, the company grew its subscribers from 3.1 million to 9 million. Before joining XL, he was CEO of Telekom Malaysia, responsible for international strategy. He successfully contributed to the divestment in African and concluded acquisitions for the group as well as being involved in the rapid growth of investments in Sri Lanka, Bangladesh and Cambodia.

Business address: Plots 17 and 19, 9th – 12th Floor, Ridge Towers, Sixth Avenue Ridge, Accra, Ghana

A FARROUKH (49) MBA, American Institute of Certified Public Accountants (AICPA), New York State Institute of Certified Public Accountants, Lebanese Institute of Certified Public Accountants
Executive director and chief executive officer (MTN Nigeria Communications Limited)

Other directorships include: Electronic Funds Transfer Operations Nigeria Limited, XS Broadband Limited and Spacetel Guinea-Bissau S.A.

Ahmed is currently Acting Vice President for the WECA (West and Central Africa) Region. Ahmad brings a wealth of experience in the telecommunications industry to MTN Nigeria. Prior to MTN Nigeria, he held the position of Regional Manager, West Africa of Investcom LLC for a period of 10 years, covering the Investcom LLC’s GSM operations across Benin, Liberia, Guinea Bissau and Guinea Conakry. Investcom LLC was incorporated into the MTN Group, following the company’s acquisition by the MTN Group in 2006. He also previously served as the Managing Director of Areeba, Ghana.

Business address: Golden Plaza Building, Falomo, Ikoyi, Lagos, Nigeria

A BING, (46) BCompt (Hons), CA(SA)
Executive director and chief financial officer (MTN Nigeria Communications Limited)

Other directorships include: Electronic Funds Transfer Operations Nigeria Limited and XS Broadband Limited.

Andrew has been with the MTN Group since 1994. He was appointed MTN Nigeria’s Chief Financial Officer in November 2006. Prior to this appointment, he worked as the Company’s General Manager, Financial Planning. He has held various positions within MTN South Africa and in 1997 was transferred to the International Business Development Team and was involved in the winning of licences in Uganda, Rwanda, Swaziland and Cameroon. As Bid Manager, he led the team that successfully won the Nigeria GSM licence at auction. He was transferred to Nigeria in August 2001.

Business address: Golden Plaza Building, Falomo, Ikoyi, Lagos, Nigeria
The MTN Group Limited subscribes to high ethical standards and principles of corporate governance. This has been an important feature of the business since the Company's foundation. The Company's corporate governance system is the cornerstone of its primary objective of creating value for its stakeholders in a sustainable way, in the context of the triple bottom line.

Whilst the MTN Board is satisfied that the MTN Group has made every practical effort to comply with the requirements of King II, Listings Requirements and the Companies Act in all material aspects, the MTN Board has already started addressing the challenges posed by the King III Report recommendations of the updated and revised King Report on Governance for South Africa 2009 (King III) and the much awaited New Companies Act. The MTN Board also confirms that the Company complies with the Listings Requirements and various other legislative requirements.

The MTN 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 and CGC).
- Tender Committee.

All board committees operate under written terms of reference approved by the MTN Board.

The MTN Group structure is largely replicated in MTN subsidiaries and associates. In smaller entities, the audit committee assumes responsibilities of the risk management and compliance committee.

The MTN Board operates within the guidelines of a regularly reviewed MTN Board charter, which prescribes that the MTN 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 MTN Board and the chairman of the nomination, remuneration, human resources and corporate governance committee in consultation with MTN's Group Secretary.

Delegation of authority

The ultimate responsibility for MTN's operations rests with the MTN Board. The MTN Board retains effective control through a well-developed governance structure of board committees which specialise in certain areas of the business, which is partly reflected by the number of board and committee meetings held during the period. Certain authorities have been delegated to the MTN Group president and CEO to manage the day-to-day business affairs of the Company. The MTN executive and steering committee assists the MTN Group president and CEO in discharging his duties and the duties of the MTN 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.

The Executive and Steering Committee

The committee, chaired by Phuthuma Nhleko (MTN Group president and CEO), is responsible for strategic and operational matters including day-to-day management of the business of MTN in terms of its delegated authority approved by the Board. This committee facilitates the effective control of all of MTN's operational activities, acting as a medium of communication and co-ordination between the various business units, MTN subsidiary companies and the Board. It is also responsible for recommendations to the MTN Board on MTN's policies and strategies and monitoring their implementation in line with the MTN 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 meets at least monthly and additionally as required.

MTN Audit Committee

The 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 MTN Board in discharging its responsibilities to safeguard MTN'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. Four out of five or majority of committee members are independent non-executive directors. In terms of the charter the committee meets at least five times per year (the committee met six times during the 2009 financial year). The committee chairman also attends meetings of the risk management and compliance committee as a permanent attendee. The MTN Group president and CEO, the MTN Group finance director, the MTN Group chief operating officer as well as 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 (chaired by independent non-executive directors) exist in each MTN operation and significant risk and audit matters relating to operations are regularly reported to the MTN audit committee. The non-executive chairpersons of subsidiary audit committees are also invited to meet with the MTN audit committee annually. The committee was formally re-appointed by the MTN Board during the 2009 financial year and was confirmed by Shareholders at the annual general meeting held on 15 July 2010.

In-camera meetings: The main meetings of the committee are preceded by an in-camera session of non-executive members only and concluded by separate in-camera sessions with the following key invitees:
• Management.
• Internal auditors.
• External auditors.

Internal audit and forensic services: MTN’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 MTN. The function reports to the MTN Group president and CEO and to the chairman of the MTN 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 MTN audit committee. Key issues falling under the scope of the audit committee or internal auditor are also reviewed at MTN 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.

External audit: The joint external auditors provide an independent assessment of key accounting and information systems and controls in MTN and express an independent opinion on the annual financial statements. The auditors are appointed by the MTN Board on the recommendation of the MTN audit committee and ratified by MTN Shareholders. The external auditors’ performance and independence is regularly monitored by the MTN 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 and, in compliance with the Corporate Laws Amendment Act, the audit committee is appointed each financial year.

MTN Risk Management and Compliance Committee

The MTN risk management and compliance committee’s primary mandate is reviewed annually by the MTN 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 MTN. The committee is mostly constituted by independent non-executive directors and is chaired by Jeff van Rooyen. The committee chairman is also a member of the audit committee. The committee meets at least four times during each financial year and during the 2009 financial year met four times.

MTN Nomination, Remuneration, Human Resources and Corporate Governance Committee (NRHR and CGC)

The committee’s mandate, which is reviewed annually by the MTN Board, defines its key responsibilities as outlined below:
• Reviews the size, structure and composition of the MTN Board.
• Conducts an annual assessment of the MTN Board’s performance.
• Conducts an annual assessment of the chairman’s as well as the MTN president and CEO’s performance.
• Sets criteria for the nomination of directors and committee members of the MTN Board.
• Identifies, evaluates and nominates candidates for appointment to the Board to fill vacancies as they arise. The process of identifying directors is done in consultation with external experts.
• Reviews and determines the remuneration of executive directors.
• Reviews and approves MTN’s policy on executive remuneration.
• Reviews and approves MTN policies on corporate governance.
• Monitors MTN Group’s compliance with the King Code and other relevant legislation.
• Makes recommendations to the MTN 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.
•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 MTN Board and ratified by MTN Shareholders.
• Monitors and reviews compliance with employment equity practices.

The expertise of the Group Financial Director is assessed as part of the Group Board and Committee evaluations where all the executive and non-executive Directors are assessed. In addition, the competence of the Group’s financial and accounting functions, which includes the duties, responsibilities and performance of the Group Financial Director, are considered annually by the Audit Committee as part of its review of the financial statements and related controls. The Audit Committee does support the appropriateness and experience of the Group Finance Director with specific reference to the operations of the MTN Group.

The committee is constituted of independent non-executive directors only and is chaired by Doug Band. The committee meets at least four times during each financial year and during the 2009 financial year met five times.

The table below provides a summary of the members of the respective statutory MTN Board committees:

<table>
<thead>
<tr>
<th>Directors</th>
<th>Audit</th>
<th>Risk</th>
<th>NRHR and CGC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent non-executive</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>M C Ramaphosa <em>(Chairman)</em></td>
<td></td>
<td></td>
<td>Member</td>
</tr>
<tr>
<td>D D B Band</td>
<td></td>
<td></td>
<td>Member <em>(Chairman)</em></td>
</tr>
<tr>
<td>K P Kalyan</td>
<td>Member</td>
<td></td>
<td>Member</td>
</tr>
<tr>
<td>M J N Njeke</td>
<td>Member</td>
<td>Member</td>
<td></td>
</tr>
<tr>
<td>A F van Biljon <em>(Chairman)</em></td>
<td></td>
<td>Invitee</td>
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<tr>
<td>J van Rooyen</td>
<td>Member</td>
<td>(Chairman)</td>
<td></td>
</tr>
<tr>
<td>D Marole</td>
<td></td>
<td>Member</td>
<td></td>
</tr>
<tr>
<td>P Mageza</td>
<td>Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A Harper</td>
<td></td>
<td></td>
<td>Member</td>
</tr>
<tr>
<td><strong>Non-executive</strong></td>
<td></td>
<td></td>
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<tr>
<td>J H N Strydom</td>
<td>Member</td>
<td>Member</td>
<td></td>
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<tr>
<td>A T Mikati</td>
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<td></td>
<td>Member</td>
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<tr>
<td><strong>Executive</strong></td>
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<tr>
<td>P F Nhleko</td>
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<td>N Patel</td>
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<tr>
<td>R S Dabengwa</td>
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</tbody>
</table>

**MTN Tender Committee**

The primary objective of the MTN Tender Committee 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 charter, which is approved by the MTN 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. The committee is chaired by Dawn Marole, an independent non-executive Chairman. The current committee chairman will be replaced by another independent chairman due to her appointment to the MTN Board.
NOTICE OF GENERAL MEETING OF MTN SHAREHOLDERS

In addition to the definitions contained in this Notice of General Meeting, the definitions and interpretations commencing on page 4 of this Circular also apply to this Notice and the ordinary and special resolutions proposed hereunder. Terms defined in one proposed resolution, and used in another proposed resolution, shall bear the same defined meanings in both such resolutions.

Notice is hereby given that a general meeting of ordinary shareholders of MTN (“General Meeting”) will be held at 14:00 South African time on Friday, 20 August 2010 at the Company’s Registered Office, the Auditorium, Phase II, Level 0, 216, 14th Avenue, Fairland, Roodepoort, South Africa, for the purposes of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions set out in this Notice of General Meeting:

ORDINARY RESOLUTION 1
Approval of various transactions in relation to the MTN BEE Transaction

“Resolved that, subject to this resolution being passed in accordance with the Listings Requirements of the JSE Limited ("Listings Requirements") (and, for the avoidance of doubt, with the requisite majority of affirmative votes being achieved excluding any votes cast by persons whose votes are to be excluded as set out at the base of this resolution), the entry into and, subject to the passing and registration (if applicable) of special resolution 1, special resolution 2, ordinary resolution 2, ordinary resolution 3 and ordinary resolution 4, which are proposed hereafter, implementation by the Company of the following agreements and the transactions set out in such agreements are approved:

• the implementation of the MTN BEE Transaction, being a black economic empowerment transaction pursuant to which, inter alia: (i) Aralia Investments Limited (to be renamed “MTN Zakhele Limited”) (“BIC”) will issue BIC Ordinary Shares to qualifying members of the Black Public pursuant to a public offering (“BIC Public Offer”), and in terms of which, to the extent the equity raised in the BIC Public Offer is insufficient, the MTN Board may (but shall not be obligated to) subscribe for such number of BIC Ordinary Shares as the MTN Board may determine (“BIC Underwrite Shares”), subject to a maximum, such that the BIC Underwrite Shares do not exceed 49% of the fully diluted issued BIC Ordinary Share capital following the implementation of the BIC Public Offer and (ii) BIC will acquire MTN Shares, up to a maximum of 4% of the issued share capital of the Company, fully diluted (based on the issued shares as at the Last Practicable Date), using a combination of equity funding raised in the BIC Public Offer (and equity raised from MTN through its subscription for BIC Underwrite Shares, if applicable), vendor funding and facilitation through the MTN Donation, the Notional Vendor Finance, an MTN Subordinated Loan (if applicable) and third party preference share funding;

• the Relationship Agreement, being the agreement entitled “Relationship Agreement” entered into between BIC and MTN on 12 July 2010 and to which the BIC Ordinary Shareholders will become parties pursuant to the BIC Public Offer regulating, inter alia, the rights and obligations of these parties relating to the holding of MTN Shares by BIC and the holding of BIC Ordinary Shares by the BIC Ordinary Shareholders;

• the MTN Tranche 1 Subscription and Call Option Agreement, being the subscription and call option agreement entitled “MTN Tranche 1 Subscription and Call Option Agreement” entered into between MTN and BIC on 12 July 2010 in terms of which, inter alia, BIC will subscribe for, and MTN will issue and allot to BIC, the MTN Tranche 1 Subscription Shares at their par value of R0.0001 and BIC will grant to MTN the NVF Call Option;

• the MTN Tranche 2 Subscription Agreement, being the subscription agreement entitled “MTN Tranche 2 Subscription Agreement” entered into between MTN and BIC on 12 July 2010 in terms of which, inter alia, BIC will subscribe for, and MTN will issue and allot to BIC, the MTN Tranche 2 Subscription Shares at the Transaction Share Price;

• the BIC Ords Subscription Agreement, being the ordinary share subscription agreement entitled “BIC Ordinary Share Subscription Agreement” concluded between BIC and MTN on 12 July 2010 in terms of which MTN will subscribe for, and BIC will allot and issue to MTN, the BIC Underwrite Shares (if any);
• the Implementation Agreement, being an agreement entitled “Implementation Agreement” entered into between, *inter alia*, MTN, BIC, BFC, the Preference Share Agent, the Account Bank, the Calculation Agent and the BFC Investors on 12 July 2010, which agreement provides, *inter alia*, for the implementation before and on the Closing Date and certain of the other Transaction Documents (as defined therein) and matters related thereto, the making by MTN of the MTN Donation to BIC and the giving by MTN of the MTN Indemnity;

• the Subordination and Undertaking Agreement, being an agreement entitled “MTN Subordination and Undertaking Agreement” concluded between MTN, the BFC Investors, BFC, BIC and the Preference Share Agent on 12 July 2010 pursuant to which, *inter alia*, MTN subordinates its claims against BIC and BFC in favour of the claims against such companies by the BFC Investors, and MTN is granted the right, but not the obligation, to advance subordinated loans to BIC or BFC to enable BIC to restore certain financial covenant ratios and MTN provides certain representations, warranties and undertakings to the BFC Investors;

• the Call Option Agreement, being a call option agreement entitled “Call Option Agreement” concluded between MTN, the BFC Investors and the Preference Share Agent on 12 July 2010 pursuant to which MTN is entitled, but not obliged, to acquire the unredeemed preference shares held by the BFC Investors in BFC upon the occurrence of certain potential default trigger events, illegality events and increased cost adjustment events in accordance with the terms of the third party preference share funding of the MTN BEE Transaction;

• the Account Bank and Agency Agreement, being an agreement entitled “Account Bank and Agency Agreement” concluded between MTN, the BFC Investors, BFC, BIC, the Preference Share Agent and the agents of BIC, BFC, MTN and/or the BFC Investors (being the Security Custodian, the BIC Administrator, the BFC Administrator, the Account Bank and the Calculation Agent, as defined therein) on 12 July 2010 pursuant to which, *inter alia*, the roles and responsibilities of various agents of BIC, BIC, MTN and the BFC Investors are regulated; and

• the Second Reversionary Pledge and Cession, being a second reversionary pledge and cession agreement entitled “Second Reversionary Pledge and Cession” concluded between MTN and BIC on 12 July 2010 pursuant to which, *inter alia*, MTN is granted security over the MTN Shares, bank accounts and other assets held by BIC, ranking behind the security held by the BFC Investors over such collateral, as security for the obligations that may be owing from time to time by BIC to MTN pursuant, *inter alia*, to the Transaction Agreements;

(for the purposes of these resolutions, the Subordination and Undertaking Agreement, the Call Option Agreement, the Account Bank and Agency Agreement, the Second Reversionary Pledge and Cession, the Relationship Agreement, the MTN Tranche 1 Subscription and Call Option Agreement, the MTN Tranche 2 Subscription Agreement, the BIC Ords Subscription Agreement and the Implementation Agreement being the *MTN Transaction Agreements*). This ordinary resolution 1 is intended to have continuing effect under the New Companies Act (once such Act comes into force) and, to the extent so required, is expressly passed separately and divisibly to include the grant of such authority as may be required under and in accordance with the New Companies Act.*

In terms of the Listings Requirements, the passing of this ordinary resolution 1 requires a simple majority of the votes cast by MTN Shareholders present in person or represented by proxy at the General Meeting, excluding any votes cast by any related parties and their associates. In addition, the vote of the PIC (in its capacity as duly authorised agent of GEPF) and/or the GEPF (as principal) will be excluded in the interests of good governance and as directed by the JSE, as although they are not classified as a related party in terms of the Listings Requirements, they are an interested party in relation to the MTN BEE Transaction.

**SPECIAL RESOLUTION 1**

**Authority for specific repurchase**

“Resolved that, subject to this resolution being passed in accordance with the Listings Requirements (and, for the avoidance of doubt, with the requisite majority of affirmative votes being achieved excluding any votes cast by persons whose votes are to be excluded as set out in the paragraph headed “Reason for and effect of special resolution 1” below) and the passing and registration (if applicable) of ordinary resolution 1, special resolution 2, ordinary resolution 2, ordinary resolution 3, and ordinary resolution 4, the Company be and is hereby authorised, as a specific authority, to purchase at R0.0001 per MTN Share (fractions of a cent rounded up after aggregation) a variable number of MTN Shares held from time to time by BIC as calculated and effected pursuant to, and on the terms and conditions of, the MTN Tranche 1 Subscription and Call Option Agreement and in accordance with section 85 of the Companies Act, the New Companies Act and paragraph 5.69 of the Listings Requirements, in each case as and where applicable. This special resolution 1 is intended to have continuing force and effect under the New Companies Act (once such Act comes into force) and, to the extent so required and as permitted by applicable law, is expressly passed separately and divisibly to include the grant of such authority as may be required under the New Companies Act to give effect to the subject matter hereof.”

**Directors’ undertaking**

The Directors undertake that, to the extent it is required by the Listings Requirements and the Companies Act, they will not implement the repurchase as contemplated in special resolution 1 unless:

• the Company will, after the repurchase, still comply with the shareholder spread requirements set out in Section 3.37 of the Listings Requirements;
• the repurchase complies with the relevant provisions of the Companies Act, the New Companies Act (once such Act comes into force), the Listings Requirements and the articles of association of the Company;
• the Company and the MTN Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of such repurchase;
• the assets of the Company and the MTN Group will exceed the liabilities of the Company and the MTN Group for a period of 12 months after the date of such repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited annual MTN Group financial statements;
• the Company and the MTN Group will have adequate share capital and reserves for ordinary business purposes for a period of 12 months after the date of such repurchase; and
• the working capital of the Company and the MTN Group will be adequate for ordinary business purposes for a period of 12 months after the date of such repurchase.

Reason for and effect of special resolution 1

The reason for and effect of special resolution 1, if passed, is to authorise the Company by way of a specific authority to acquire its own issued shares in the circumstances and on the terms and conditions contemplated in the MTN Tranche 1 Subscription and Call Option Agreement. This authority is to be effective under the Companies Act, the New Companies Act and paragraph 5.69 of the Listings Requirements, in each case as and where applicable.

In terms of the Listings Requirements, the passing of this special resolution requires the votes of any related parties and their associates participating in the specific repurchase to be excluded when determining whether the special resolution has been passed by the requisite majority. In addition, the vote of the PIC (in its capacity as duly authorised agent of GEPF) and/or the GEPF (as principal) will be excluded in the interests of good governance and as directed by the JSE as, although they are not classified as a related party in terms of the Listings Requirements, they are an interested party in relation to the MTN BEE Transaction.

SPECIAL RESOLUTION 2

Sanctioning of financial assistance

Resolved that, in terms of section 38(2A)(b) of the Companies Act, and subject to this resolution being passed in accordance with the Listings Requirements (and, for the avoidance of doubt, with the requisite majority of affirmative votes being achieved excluding any votes cast by persons whose votes are to be excluded as set out in the paragraph headed “Reason for and effect of special resolution 2” below) and to the passing and registration (if applicable) of ordinary resolution 1, special resolution 1, ordinary resolution 2, ordinary resolution 3, and ordinary resolution 4, the Company hereby sanctions, to the extent required, any financial assistance given or construed to be given by the Company to BIC or other persons in respect of or in connection with the transactions set out or contemplated in the MTN Transaction Agreements and/or under the MTN BEE Transaction (“Relevant Matters”), including: (i) the payment by the Company to BIC of the MTN Donation; (ii) the issue of the MTN Tranche 1 Subscription Shares to BIC under the MTN Tranche 1 Subscription and Call Option Agreement; (iii) the potential provision on the Closing Date should the need arise, for an MTN Subordinated Loan (being a subordinated loan to be made by the Company (or certain permitted subsidiaries) to BIC in order to restore the Inception Total Share Cover Ratio to the required level of 2.9, all as contemplated in the Implementation Agreement, read together with the BIC Pref Subscription Agreement, at a market-related interest rate and on such further terms to the satisfaction of the MTN Board; (iv) the potential provision after the Closing Date should the need arise for further subordinated loans to be made by the Company (or certain permitted subsidiaries) to BIC in order to restore the Total Share Cover Ratio to the required level reflected in the Subordination and Undertaking Agreement at a market-related interest rate and on such further terms to the satisfaction of the MTN Board; (v) to the extent applicable, the subscription by the Company for the BIC Underwrite Shares on the terms of the BIC Ords Subscription Agreement; (v) the giving by MTN of the MTN Indemnity; (vi) the incurrence by the Company of various costs and expenses in relation to the making of the BIC Public Offer and the implementation of the MTN BEE Transaction (including but not limited to legal fees, printing and distribution costs, marketing and project management costs) and (vii) the potential future exercise by the Company of its right under the Call Option Agreement to acquire the BFC Prefs Shares (or any of them) on the terms of such agreement, subject to:

• the Directors, having considered the provisions of the relevant financial assistance and having had regard to all relevant factors, including (without limitation) accounting for any contingent liabilities which may arise to the Company, including any contingent liability which may result from giving the assistance contemplated in the Relevant Matters, being satisfied that, in relation to any financial assistance given by the Company to BIC or other persons as contemplated in section 38(2A) of the Companies Act, and as contemplated in the New Companies Act (notwithstanding that the New Companies Act is not yet in force):
  • subsequent to the transactions contemplated in the Relevant Matters, the consolidated assets of the Company fairly valued will be more than its consolidated liabilities; and
  • subsequent to providing the assistance, and for the duration of the transaction, the Company will be able to pay its debts as they become due in the ordinary course of business; and
  • immediately after providing the financial assistance under the transactions contemplated in the Relevant Matters, considering all reasonably foreseeable financial circumstances of the Company at that time:
- the aggregate assets of the MTN Group, as fairly valued, would equal or exceed the aggregate liabilities of the MTN Group; and
- it appears that MTN will be able to pay its debts as they become due in the ordinary course of business for a period of twelve months after the date on which this test is considered; and
- the terms under which the financial assistance is proposed to be given under the Relevant Matters are fair and reasonable to the Company.

This special resolution 2 is intended to have continuing force and effect under the New Companies Act (once such Act comes into force) and, to the extent so required and as permitted by applicable law, is expressly passed separately and divisibly to include the grant of such authority as may be required under the New Companies Act to give effect to the subject matter hereof.

**Reason for and effect of special resolution 2**

The reason for special resolution 2 is to sanction any financial assistance given or which may be construed to be given by the Company in respect of the transactions and related matters described in the resolution, thereby authorising such transactions and related matters under applicable law. The effect of special resolution 2 is that any financial assistance given by the Company in respect of the transactions and related matters described in the resolution will be sanctioned and the provisions of section 38 of the Companies Act complied with (to the extent applicable), and – to the extent so required – a continuing authority granted under the New Companies Act (once such Act comes into force) and its provisions complied with.

The vote of the PIC (in its capacity as duly authorised agent of GEPF) and/or the GEPF (as principal) will be excluded in the interests of good governance and as directed by the JSE, as although they are not classified as a related party in terms of the Listings Requirements, they are an interested party in relation to the MTN BEE Transaction.

**ORDINARY RESOLUTION 2**

**Initial Specific Issue of shares for cash**

“Resolved that, subject to this resolution being passed in accordance with the provisions of the Listings Requirements (and, for the avoidance of doubt, with the requisite majority of affirmative votes being achieved excluding any votes cast by persons whose votes are to be excluded as set out in the paragraph headed “Reason for and effect of ordinary resolution 2” below), and subject to the passing and registration (if applicable) of ordinary resolution 1, special resolution 2, ordinary resolution 3 and ordinary resolution 4, up to 43,761,745 MTN Shares be and are placed under the control of the Directors under ordinary resolution 2, a variable number of MTN Shares up to the number of MTN Shares acquired from BIC from time to time pursuant to an exercise, after the Closing Date, and during the Empowerment Period by the Directors under ordinary resolution 2, a variable number of MTN Shares up to the number of MTN Shares acquired from BIC from time to time pursuant to an exercise, after the Closing Date, and during the Empowerment Period by the Directors under ordinary resolution 2, a variable number of MTN Shares up to the number of MTN Shares acquired from BIC from time to time pursuant to an exercise, after the Closing Date, and during the Empowerment Period by the Directors under ordinary resolution 2, a variable number of MTN Shares up to the number of MTN Shares acquired from BIC from time to time pursuant to an exercise, after the Closing Date, and during the Empowerment Period by the Directors under ordinary resolution 2, a variable number of MTN Shares up to the number of MTN Shares acquired from BIC from time to time pursuant to an exercise, after the Closing Date, and during the Empowerment Period by the Directors under ordinary resolution 2, a variable number of MTN Shares up to the number of MTN Shares acquired from BIC from time to time pursuant to an exercise, after the Closing Date, and during the Empowerment Period by the Directors under ordinary resolution 2, a variable number of MTN Shares up to the number of MTN Shares acquired from BIC from time to time pursuant to an exercise, after the Closing Date, and during the Empowerment Period by the Directors under ordinary resolution 2, a variable number of MTN Shares up to the number of MTN Shares acquired from BIC from time to time pursuant to an exercise, after the Closing Date, and during the Empowerment Period by the Directors under ordinary resolution 2, a variable number of MTN Shares up to the number of MTN Shares acquired from BIC from time to time pursuant to an exercise, after the Closing Date, and during the Empowerment Period by the Directors under ordinary resolution 2, a variable number of MTN Shares up to the number of MTN Shares acquired from BIC from time to time pursuant to an exercise, after the Closing Date, and during the Empowerment Period by

**Reason for and effect of ordinary resolution 2**

The reason for and effect of ordinary resolution 2 is to authorise under applicable law the specific issue of up to 43,761,745 MTN Shares to BIC (comprising up to 31,716,333 MTN Shares at R0.0001 per MTN Share and up to 12,045,412 MTN Shares at the Transaction Share Price) pursuant to, and on the terms and conditions of, the MTN Tranche 1 Subscription and Call Option Agreement and the MTN Tranche 2 Subscription Agreement on or about the Closing Date. This ordinary resolution 2 is intended to have continuing force and effect under the New Companies Act (once such Act comes into force) and, to the extent so required and as permitted by applicable law, is expressly passed separately and divisibly to include the grant of such authority as may be required under the New Companies Act to give effect to the subject matter hereof.

**ORDINARY RESOLUTION 3**

**Additional Specific Issue of shares for cash**

“Resolved that, subject to this resolution being passed in accordance with the provisions of the Listings Requirements (and, for the avoidance of doubt, with the requisite majority of affirmative votes being achieved excluding any votes cast by persons whose votes are to be excluded as set out in the paragraph headed “Reason for and effect of ordinary resolution 3” below), and subject to the passing and registration (if applicable) of ordinary resolution 1, special resolution 2, ordinary resolution 2 and ordinary resolution 4, in addition to the shares placed under the control of the Directors under ordinary resolution 2, a variable number of MTN Shares up to the number of MTN Shares acquired from BIC from time to time pursuant to an exercise, after the Closing Date, and during the Empowerment Period by
MTN (or its nominees or cessionaries) of the NVF Call Option, up to a maximum of 31,716,333 MTN Shares, be and are placed under the control of the Directors to allot and issue for cash to BIC pursuant to, and on the terms and conditions of, the MTN Tranche 1 Subscription and Call Option Agreement. This ordinary resolution 3 is intended to have continuing force and effect under the New Companies Act (once such Act comes into force) and, to the extent so required and as permitted by applicable law, is expressly passed separately and divisible to include the grant of such authority as may be required under the New Companies Act to give effect to the subject matter hereof.”

Reason for and effect of ordinary resolution 3

The reason for and effect of ordinary resolution 3 is to authorise the specific issue of up to 31,716,333 MTN Shares to BIC as required by Section 5.51 of the Listings Requirements and to place up to 31,716,333 MTN Shares under the control of the Directors during the Empowerment Period in terms of section 221 of the Companies Act for the further purposes of the future potential issues by the Company of MTN Shares under MTN Tranche 1 Subscription and Call Option Agreement following an exercise of the NVF Call Option thereunder, so as to be able to maintain the number of MTN Shares held by BIC during the Empowerment Period. In terms of Section 5.51 of the Listings Requirements, ordinary resolution 3 must, to be valid, be approved by a 75% majority of the votes cast by MTN Shareholders held by BIC (or its nominees or cessionaries) of the NVF Call Option, up to a maximum of 31,716,333 MTN Shares, be and are placed under the control of the Directors to allot and issue for cash to BIC pursuant to, and on the terms and conditions of, the MTN Tranche 1 Subscription and Call Option Agreement. This ordinary resolution 3 is intended to have continuing force and effect under the New Companies Act (once such Act comes into force) and, to the extent so required and as permitted by applicable law, is expressly passed separately and divisible to include the grant of such authority as may be required under the New Companies Act to give effect to the subject matter hereof.”

ORDINARY RESOLUTION 4

Authority to give effect to ordinary resolutions 1, 2 and 3 and special resolutions 1 and 2

“Resolved that, subject to this resolution being passed in accordance with the Listings Requirements (and, for the avoidance of doubt, with the requisite majority of affirmative votes being achieved excluding any votes cast by persons whose votes are to be excluded as set out in the paragraph headed “Reason for and effect of ordinary resolution 4” below), the MTN Board (and any one or more Directors or other person or persons as the MTN Board may designate from time to time) be and hereby be caused to do what is necessary to implement the ordinary resolutions and special resolutions set out above which are approved by MTN Shareholders. In addition, the vote of the PIC (in its capacity as duly authorised agent of GEPF) and/or the GEPF (as principal) will be excluded in the interests of good governance and as directed by the JSE, as although they are not classified as a related party in terms of the Listings Requirements, they are an interested party in relation to the MTN BEE Transaction.

Reason for and effect of ordinary resolution 4

The reason for and effect of ordinary resolution 4 is to authorise the MTN Board (and any one or more Directors of the MTN Board or other person or persons as the MTN Board may designate from time to time) to do what is necessary to implement the ordinary resolutions and special resolutions set out above which are approved by MTN Shareholders. In addition, the vote of the PIC (in its capacity as duly authorised agent of GEPF) and/or the GEPF (as principal) will be excluded in the interests of good governance and as directed by the JSE, as although they are not classified as a related party in terms of the Listings Requirements, they are an interested party in relation to the MTN BEE Transaction.

ORDINARY RESOLUTION 5

Approval of the ESOP and of the resulting Specific Issue of shares for cash thereunder

“Resolved that, subject to this resolution being passed in accordance with the provisions of the Listings Requirements (and, for the avoidance of doubt, with the requisite majority of affirmative votes being achieved excluding any votes cast by persons whose votes are to be excluded (if any) as set out in the paragraph headed “Reason for and effect of ordinary resolution 5” below), and subject to the passing and registration of special resolution 3: (a) the establishment of the written employee share ownership plan entitled “Rules of the MTN Broad-Based Employee Share Scheme” (“ESOP Rules”) pursuant to which, inter alia, MTN will issue 400 MTN Shares to each Eligible MTN ESOP Employee (subject to a maximum value per Eligible MTN ESOP Employee of R50,000) and implementation by the Company thereof is approved; (b) MTN Shares be and are placed under the control of the directors to allot and issue for cash to Eligible MTN ESOP Employees such number thereof (up to a maximum of 400 MTN Shares per Eligible MTN ESOP Employee at R0.0001 per MTN Share) pursuant to, and on the terms and conditions of, the ESOP Rules and (c) the MTN Board (and any one or more Directors of the MTN Board or other person or persons as the MTN Board may designate from time to time) be and is hereby authorised to take all such steps and sign all such documents on behalf of the Company as may reasonably be required to give effect to and implement this resolution. This ordinary resolution 5 is intended to have continuing force and effect under the New Companies Act (once such Act comes into force) and, to the extent so required and as permitted by applicable law, is expressly passed separately and divisible to include the grant of such authority as may be required under the New Companies Act to give effect to the subject matter hereof.”
Reason for and effect of ordinary resolution 5

The reason for and effect of ordinary resolution 5 is: (i) to approve the ESOP; (ii) to authorise the specific issue of MTN Shares to Eligible MTN ESOP Employees pursuant to the ESOP as required by paragraph 5.51 of the Listings Requirements and to place the relevant MTN Shares under the control of the Directors in terms of section 221 of the Companies Act and (iii) to authorise the MTN Board (and any one or more Directors of the MTN Board or other person or persons as the MTN Board may designate from time to time) to do what is necessary to implement the resolution. In terms of paragraph 5.51 of the Listings Requirements, ordinary resolution 4 must, to be valid, be approved by a 75% majority of the votes cast by MTN Shareholders present in person or by proxy or represented at the General Meeting, excluding any related parties and their associates (including deemed related parties) participating in the specific issue of shares for cash.

SPECIAL RESOLUTION 3
Sanctioning of financial assistance in connection with the ESOP

“Resolved that, in terms of section 38(2A)(b) of the Companies Act, and subject to this resolution being passed in accordance with the Listings Requirements (and, for the avoidance of doubt, with the requisite majority of affirmative votes being achieved excluding any votes cast by persons whose votes (if any) are to be excluded as set out in the paragraph headed “Reason for and effect of special resolution 3” below) and to the passing of ordinary resolution 5, the Company hereby sanctions, to the extent required, any financial assistance given or construed to be given by the Company to the Eligible MTN ESOP Employees or other relevant person in respect of or in connection with the ESOP and the transactions contemplated thereunder, subject to:

- the Directors, having considered the provisions of the relevant financial assistance and having had regard to all relevant factors, including (without limitation) accounting for any contingent liabilities which may arise to the Company, including any contingent liability which may result from giving the assistance contemplated in in respect of the ESOP, being satisfied that, in relation to any financial assistance given by the Company to the Eligible MTN ESOP Employees or other person as contemplated in section 38(2A) of the Companies Act, and as contemplated in the New Companies Act (notwithstanding that the New Companies Act is not yet in force):
  - the aggregate assets of the MTN Group, as fairly valued, would equal or exceed the aggregate liabilities of the MTN Group; and
  - it appears that MTN will be able to pay its debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date on which this test is considered; and
  - the terms under which the financial assistance is proposed to be given under the ESOP are fair and reasonable to the Company.

This special resolution 3 is intended to have continuing force and effect under the New Companies Act (once such Act comes into force) and, to the extent so required and as permitted by applicable law, is expressly passed separately and divisible to include the grant of such authority as may be required under the New Companies Act (including section 44 thereof) to give effect to the subject matter hereof.”

Reason for and effect of special resolution 3

The reason for special resolution 3 is to sanction any financial assistance given or which may be construed to be given by the Company in respect of the transactions described in the resolution, thereby authorising such transaction under applicable law. The effect of special resolution 3 is that any financial assistance given by the Company in respect of the transactions described in the resolution will be sanctioned and the provisions of section 38 of the Companies Act complied with (to the extent applicable).

VOTING

The Directors decided in 2006 that, in order to reflect more accurately the views of all MTN Shareholders and best practice, all resolutions and substantive decisions at the annual general meeting/general meeting were to be put to a vote on a poll, rather than being determined simply on a show of hands. MTN has a large number of shareholders and it is not possible for them all to attend such meetings. In view of this and because voting on resolutions at annual general meetings of MTN is regarded as high importance, putting all resolutions to a vote on a poll takes account of the wishes of those shareholders who are unable to attend the General Meeting in person, but who have completed a form of proxy (yellow). A vote on a poll also takes into account the number of MTN Shares held by each MTN Shareholder, which the MTN Board believes is a more democratic procedure. At this General Meeting all resolutions will again be put to vote on a poll.
Voting at this General Meeting will be undertaken electronically. An electronic voting handset will be distributed before the start of such meeting to all Shareholders who attend in person and are eligible to vote. The Transfer Secretaries will identify each Shareholder’s individual shareholding so that the number of votes that each Shareholder has at the General Meeting will be linked to the number of votes which each Shareholder will be able to exercise via the electronic handset. MTN Shareholders who have completed and returned forms of proxy will not need to vote using a handset at the General Meeting unless they wish to change their vote.

The vote of the PIC (in its capacity as duly authorised agent of GEPF) and/or the GEPF (as principal) will be excluded (with respect to ordinary resolutions 1, 2, 3 and 4 and special resolutions 1 and 2) in the interests of good governance and as directed by the JSE as, although they are not classified as a related party in terms of the Listings Requirements, they are an interested party in relation to the MTN BEE Transaction.

Equity securities held by a share trust or scheme will not have their votes at the General Meeting taken into account for the purposes of resolutions proposed in terms of the Listings Requirements.

PROXIES

Each Shareholder is entitled to appoint one or more proxies (who need not be a Shareholder of the Company) to attend, speak and vote in his/her stead. A form of proxy (yellow) is attached for completion by Certificated Shareholders and Dematerialised Shareholders with “own name” registration who are unable to attend the General Meeting in person and who wish to vote at the General Meeting. Forms of proxy must be lodged with the Transfer Secretaries of the Company, or be posted to them to be received by them not later than 14:00 on Wednesday, 18 August 2010.

Certificated Shareholders and/or Dematerialised Shareholders with “own name” registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the General Meeting to the exclusion of their appointed proxy should such Shareholder wish to do so. Dematerialised Shareholders, other than with “own name” registration, must inform their CSDP or broker of their intention to attend the General Meeting and obtain the necessary authorisation from their CSDP or broker to attend the General Meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the General Meeting in person. This must be done in terms of the agreement entered into between such shareholder and the CSDP or broker concerned.

By order of the MTN Board

S B MTSHALI
Group Secretary
28 July 2010

Principal place of business
216, 14th Avenue
Fairland, Roodepoort, 2195
South Africa
(Private Bag X9955, Cresta, 2118)
FORM OF PROXY

IMPORTANT: If you are in doubt as to how to deal with this form of proxy, you should consult your Central Securities Depository Participants ("CSDP"), broker, attorney, accountant, banker or other professional adviser without delay.

This form of proxy should be read in its entirety, together with the Circular to MTN Shareholders dated 28 July 2010. Words and expressions defined in the Circular shall have the same meanings in this form of proxy, unless the context otherwise requires.

For use at the General Meeting of Shareholders of MTN on Friday, 20 August 2010 at 14:00 at the Company's Registered Office, the Auditorium, Phase II, Level 0, 216, 14th Avenue, Fairland, Roodepoort, South Africa for the purposes of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions set out in this notice of General Meeting.

If you are an MTN Shareholder entitled to attend and vote at the General Meeting you can appoint a proxy or proxies to attend, vote and speak in your stead. A proxy need not be a shareholder of the Company.

This form of proxy is only for use by Shareholders who have not Dematerialised their MTN Shares or who have Dematerialised their MTN Shares with "own name" registration or who are nominees of CSDP or brokers on the sub-registers of the Company.

Shareholders who have Dematerialised their MTN Shares with a CSDP or broker, other than "own name" registration, must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the General Meeting or the Shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between such shareholder and the CSDP or broker concerned.

I/We* (BLOCK LETTERS)

of (address) (BLOCK LETTERS)

Telephone (work) ( ) Telephone (home) ( )

being a holder(s) of ordinary shares in the Company appoint (see note 1):

1. or failing him/her/her,

2. or failing him/her/her,

3. the Chairman of the General Meeting,

as my/our proxy to act for me/us at the General Meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof and to vote for or against the ordinary and special resolutions or to abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 3): Insert an 'X' or the number of ordinary shares you wish to vote

<table>
<thead>
<tr>
<th>Ordinary resolution 1</th>
<th>Approval of various transactions relating to the MTN BEE Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>In favour of</td>
<td>Against</td>
</tr>
<tr>
<td>Special resolution 1</td>
<td>Specific repurchase/s of shares</td>
</tr>
<tr>
<td>Special resolution 2</td>
<td>Sanctioning of financial assistance in connection with the MTN BEE Transaction</td>
</tr>
<tr>
<td>Ordinary resolution 2</td>
<td>Initial Specific Issue of shares to BIC for cash</td>
</tr>
<tr>
<td>Ordinary resolution 3</td>
<td>Additional Specific Issues of shares to BIC for cash</td>
</tr>
<tr>
<td>Ordinary resolution 4</td>
<td>Authority to give effect to ordinary resolutions 1, 2 and 3 and special resolutions 1 and 2</td>
</tr>
<tr>
<td>Ordinary resolution 5</td>
<td>Approval of the ESOP and the specific issue of shares under the ESOP for cash and authority to give effect to the resolution</td>
</tr>
<tr>
<td>Special resolution 3</td>
<td>Sanctioning of financial assistance in connection with the ESOP</td>
</tr>
</tbody>
</table>

Signed at on 2010

Signature/s

Assisted by me (where applicable)

Please read the notes on the reverse hereof.
Notes:

1. A Shareholder is entitled to appoint one or more proxies (none of whom need be a Shareholder of the Company) to attend, speak and vote or abstain from voting in the place of that Shareholder at the General Meeting.

2. A Shareholder may therefore insert the name of a proxy or the names of two alternative proxies of the Shareholder’s choice in the space provided, with or without deleting the words “the Chairman of the General Meeting”. The person whose name appears first on this form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.

3. A Shareholder’s instructions to the proxy must be indicated by the insertion of an “X” in the appropriate box. Failure to comply with the above will be deemed to authorise the Chairman of the Company or failing him the Chairman of the General Meeting, if the Chairman is the authorised proxy, to vote in favour of the resolutions at the General Meeting, or any other proxy to vote or abstain from voting at the General Meeting as he/she deems fit, in respect of the Shareholder’s total holding.

4. The completion and lodging of this form of proxy will not preclude a Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.

5. In case of joint holders, the vote of the most senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders, for which purpose seniority will be determined by the order in which the names appear on the Company’s register of Shareholders in respect of the joint holding.

6. If a Shareholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the General Meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.

7. The Chairman of the General Meeting may reject or accept any form of proxy which is completed and/or received, otherwise than in accordance with these notes.

8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company’s Transfer Secretaries or waived by the Chairman of the General Meeting.

9. Any alteration or correction to this form of proxy must be initialled by the signatory/ies, other than the deletion of alternatives.

10. Forms of proxy must be lodged with or posted to the Company, c/o Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 14:00 on Wednesday, 18 August 2010.