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MTN Syria

Corporate Services Division – Corporate Affairs Department

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Corporate Profile

MTN Syria is a public shareholding company, registered and incorporated in the Syrian Arab Republic, and provides distinguished telecommunication services to the Syrian community since 2002 **(*)**. The company is a 71.48% owned subsidiary of Investcom Mobile Communications LTD, which is in turn totally owned by MTN Group Limited. Another main shareholder of MTN Syria is Teleinvest Limited, an internationally operating investment company, with 24.49% of the shares. The remaining shares are owned by individual investors.

MTN Syria's operational activities are based on a Build-Operate-Transfer contract (BOT) with the Syrian Government, represented by the Syrian Telecommunications Establishment (STE). The contract articles constitute the obligations and responsibilities of both contracting partners (MTN Syria and STE), and define the coordination and regulatory mechanisms of the operation, cascaded down to legal, technical, and commercial aspects. Among other commercial terms, the contract stipulates a yearly adapted revenue share for STE, its value started at 20% in 2002 and reached 50% of the gross revenue, applicable since 2009.

We at MTN-Syria believe in innovation and exploring new growth opportunities. We recognize that the best way to achieve our ambitious targets is to understand our customers' needs with all country specific characteristics, and to respond to these needs and expectations. Our vision is to maintain the leading position we have in Syria, and to extend our excellency on the products side by offering outstanding customer service.

MTN Syria services span a diversified portfolio ranging from traditional voice communications to High Speed Packet Access (HSPA) based data services. Our customer's base, which we are proud to serve, is constituted of individual consumers as well as corporate and business partners, who get tailored solutions that fulfill their demands and needs. Early this year, our voice and basic data services were covering 99% of the population. In addition, our subscribers in the major cities already enjoy high speed internet access, facilitated by a modern and state-of the- art 3G network.

As we are committed to assure our existing and potential subscribers the maximum possible products availability, MTN Syria maintains a widely spread and efficient sales and distribution network, comprising almost 60,000 points of sale, managed by MTN and 8 exclusive distributors. Furthermore, a well-structured sub dealers network (exclusive and nonexclusive) facilitates a high flexible supply process even in very low populated areas.

A dedicated corporate-accounts team is in place to get closer to our business customers, and to develop specific telecommunications and IT solutions for them. The team represents a "center of excellence" and undergoes ongoing

training and people-development programs to sharpen and hone their skills across the wide area of both advanced technologies and business aspects. It is our utmost priority to maintain a partnership-based and sustainable relationship with each of our clients within this evolving segment, and we are convinced that achieving this objective is only possible by providing highest quality products and exceptional support.

Our services are designed, provided, and maintained by the consolidated efforts of more than 1,300 highly qualified and motivated employees, who share the common goal of attaining subscribers' trust and satisfaction. Each of these employees is an expert in her/his field and has a tailored training and development plan to cope with the steadily changing technical and business challenges in the telecommunications field.

MTN Syria's commitment to its stakeholders and customers implies an organic and coherent unity with the country and the Syrian community. In keeping with this fundamental understanding, MTN Syria is strongly present as sponsor, initiator, and partner of many important and diversified initiatives, covering health, education, sport, and environment related projects.

(*) The company was first branded as Investcom (94), in 2005, the name was changed to areeba. In 2007, a strategic merger between Investcom and MTN Group was completed.

Strategic Framework of MTN Syria' Sustainability

Basically, our operating context is shaped by:

- Global and local issues in business and society,
- Our socio-economic landscape,
- Environmental pressures and,
- Commercial opportunities.

As an information and telecommunication company operating in a developing economy in Syria, we continue to learn from the experience of our peers regionally and globally. In many cases we set the trend, given the unique opportunities and challenges we face in the Syrian market.

It is fair to say that MTN Syria has played a fundamental role in the economic and social development in Syria. Numerous studies show that the effects of mobile telephony on economic growth are already significantly stronger in the developing countries than in developed markets: greater wireless\ 3G internet access and services as mobile banking has already proved to be key drivers of development.

In realizing our responsibility as an operator in a developing country, our sustainability journey is about harnessing unique business opportunities that address some of the social and environmental challenges in the Syrian market. It is

also about the management of risk, while driving innovation and developing our business in a way that creates lasting value for all our stakeholders, inside and outside of MTN Syria.

In order to do business in a way that makes a meaningful economic, environmental and social difference in the Syrian market, we need to remain mindful of our current context:

- MTN Syria operates under B.O.T contract from regulatory authorities; constraints on pricing with increasing rate of revenue-sharing, while focusing and continuing to invest in new infrastructure is an ongoing feature of business for all network providers Pressure to keep communication prices down while counting.
- Increasing guidelines and requirements around energy use, greenhouse gas emissions, water and the impact of environments on society, with little economic resources to cope with these complex challenges.

In Following of MTN Group way…

**Why MTN Cares about Sustainability:**

For MTN, sustainability is about the way we conduct our core business. We work to integrate economic, environmental and social issues into our product development, how we run our network and how we manage the different needs of our people, customers, investors and the communities in which we operate. Through this commitment, we aim to protect and create value for our stakeholders.

Our commitment to sustainability is driven by the following realities:

- We operate in some of the most environmentally and economically vulnerable countries in the world, and our customers are drawn from these markets.
- Affordable and widespread access to telecommunication and information services is a catalyst for socio-economic development.
- Consumers, communities and governments expect businesses to operate in a way that reduces harm and negative impacts and helps build socially, economically and environmentally sustainable communities.
- We know that integrating sustainability and core business activities can help save costs over the short and long term and help us earn revenue from new applications of ICT services.

MTN Group's Sustainability Vision:

Our vision is to implement socially and environmentally responsible practices within our operations and our core business in support of MTN's ICT growth.
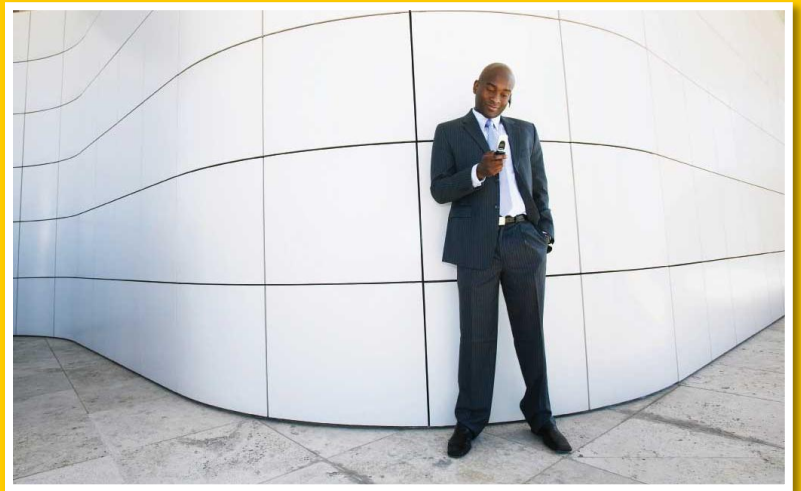
MTN Group's Sustainability Model:

In order to formulate MTN's sustainability projects and priorities, we use the forum for the Future's Five Capitals model. Using this model helps us determine the environmental and social impact of our financial decisions.

- The model provides a basis for understanding sustainability in terms of the economic concept of wealth creation or "capital". For example, within MTN we know that to make profit (financial capital), we rely on digital literacy (social capital) so that people know how to use mobile phones, and energy (natural capital) which is used to power mobile phones and networks.
- This model helps us to see what we're dependent on to keep our business successful. It is also helps us to focus our efforts, and keep us aware of the bigger issues in the environment we operate in.
- The model helps us to make trade-off decisions where we need to. These have to do with our focus, our efforts or some of our projects.
- A sustainable organization will maintain and where possible, enhance these stocks of capital assets, rather than deplete or degrade them.
- Therefore we use this model to determine the important or material environmental and social issues that can help us survive economically and that we can influence (example: MTN is unable to influence healthy oceans and affordable housing and therefore we don't focus on these issues).

Governance Structure

MTN Syria aspires to promote best-inclass governance practices, in order to attain the highest level of transparency, accountability and integrity. MTN Syria recognizes this commitment as a cornerstone of creating value for its stakeholders in a sustainable way. The CEO, together with the Board of Directors (termed "Board" in the following), manage the day-to-day affairs of the company according to a well structured and efficient governance system. They ensure that all strategies, policies and resolutions are sustainably implemented and maintained. Furthermore, the Board places strong emphasis on complying with the highest standards of financial reporting as well as business risk management.

The Board is responsible for the adoption of strategic plans, monitoring of operational performance, as well as the determination of policies and processes to ensure the integrity of the company's risk management system. The Board also meets with the executive management on regular basis to debate and agree on proposed strategic steps, and to consider long-term opportunities and challenges facing the operation. The Board responsibilities are set out in the

approved company's charter. The Board delegates required authorities to the CEO to manage the operational tasks, and to ensure that Board strategies, policies and resolutions are sustainably implemented

Executive Committee

In discharging his duties and the duties of the Board, the CEO is assisted by the Executive Committee (EXCO), which is constituted of the executive team members. It facilitates the effective control of the company's operational activities in conformity with the delegated authorities from the Board and the CEO. The EXCO is responsible for providing recommendations to the Board on company policies and strategies, and monitoring their implementation in line with the Board's requirements and directions. The committee meets at least monthly, and additionally as required.

Management committees and control functions

MTN Syria's Board is assisted in discharging its duties by specialized committees and control functions, in particular:

Audit and risk management committee (Audit & Risk):

The audit and risk management committee is established to assist the Board in discharging duties related to the safeguarding of assets, the operation of adequate financial systems, the implementation of control processes, and the preparations of financial statements and reports in compliance with all applicable legal requirements and accounting standards. The committee provides a forum for discussing business risk and business control issues, and for developing relevant recommendations for the Board.

Constitution: In accordance with sound corporate governance practices, the audit and risk management committee is formed by four Board members.

Nomination, Remuneration and Human Resources committee (REMCO):

This committee assumes total responsibility for establishing the overall principles that determine the remuneration of the executive team and senior management. The REMCO sets all essential remuneration components based on recommendations from independent surveys and consultants. Furthermore, the REMCO determines on behalf of the Board the company's overall human resources strategies and ensures alignment with MTN operational and strategic planning.

Constitution: The REMCO committee is formed by three Board members including the Group President.

CAPEX & Technology Committee:

This committee is responsible for setting the network & information technology strategic directions. Its main role is to manage and recommend short and long-term information technology policies and projects. In addition, it reviews priorities for the development of systems and applications, monitors CAPEX spending, and approves capital requests. This committee has approval power over all major milestones and key deliverables of all capital projects.

Constitution: The CAPEX & Technology committee operates with eight permanent members (CEO "chairman", COO, CIO, CTO, CFO, CPM-GM, BRM-GM and Company Secretary). Functional specialists are represented on ad-hoc basis (when needed).

Commercial Committee:

The objectives of the commercial committee cover the review of premarketing and commercial launch strategies, sales forecasts, and market analysis. Furthermore, the committee monitors budgeting and business plan preparations, corporate and consumer strategies, as well as product management and reporting. It also recommends commercial policies, and reviews priorities for business development and optimization.

Constitution: The committee is formed by the following members (CEO "chairman", COO, CMO, Sales GM, CCGM, BRM-GM, Strategic Marketing SM and Company Secretary).

Tender Committee:

The primary objective of the tender committee is to promote a sustainable and fair tender culture, and to ensure that tender policies are applied consistently. The committee ensures that procurement of goods and services is commercially and legally sound, and conducted in a fair, transparent, and equitable manner.

Constitution: Depending on the planned investment, the committee meets in different formations (Tiers), each consisting of a chairman and at least four other members.

External Audit:

MTN Syria's external auditor provides an independent assessment of key accounting, as well as information and control systems. The auditor is appointed by the Board on the recommendation of the Audit and Risk management committee, and ratified by shareholders. The company auditor's performance and independence is regularly monitored by the Audit Committee, and formally assessed annually. The non-audit work is periodically reviewed to ensure that no conflict of interest exists, or that any impairment of auditor independence is identified. The audit partners are rotated every four years.

Business Risk Management:

With the evolution of corporate governance within the MTN Group, and the implementation of the Combined Assurance Methodology (CAM) as per King III; MTN Syria embraced the Business Risk Management function which represents today one of the best business practices at both strategic and operational levels. The purpose of Business Risk Management is not only to minimize the effects of risk on the company's capital and earnings, it expands to include the

process of preventing eventual risks associated with accidental losses as well as the financial, strategic and operational risks.

Internal Audit:

The Internal Audit is positioned as a strategic function that conducts risk based internal audits and provides written assessment on the company's system of internal control, including internal financial controls. The function's role is to provide assurance of the effectiveness of the internal control systems and the governance of risk through formal dedicated management processes.

Revenue Assurance:

The Revenue Assurance function acts as business advisor to the company. The function's main goal is the proactive identification of vulnerabilities in the revenue cycle, and opportunities existing in the business set-up to enhance revenue as well as margins. To achieve its objectives, the Revenue Assurance function monitors the key business activities, and ensures an accurate evaluation/validation of marketing and sales initiatives. Furthermore, it highlights revenue enhancement and/or cost saving opportunities, and ensures completeness and accuracy of the revenue cycle through all network nodes, charging systems, and accounting tools.

Governance of Sustainability

How sustainability is governed at MTN Group

Within Group, Sustainability is governed as follow:

- MTN Group Board accountable for sustainable business practice.
- Group Board delegated responsibility to Group Risk Management, Compliance & Corporate Governance Committee (quarterly).
- Group Chief Officer: Human Resources and Corporate Affairs responsible for Sustainability, reports to Group Exco (monthly) and Group Risk Management, Compliance & Group Chief Officer: Human Resources and Corporate Affairs (ongoing).
- Group Sustainability function works with sustainability champions appointed by the CEO, MD or Group Executive for Corporate Affairs or appointed by other executive or general manager function within some Opcos (Operating Companies – example: MTN Syria).

How Sustainability is governed within Opcos:

For all intents and purposes, governance within MTN Syria is in-process to be finalized and signed off by Group and MTN Syria's Corporate Services GM. This imperative is subject to discussion with the Group Executive and pertinent organizational design functions.

Key Focus Areas of our Sustainability

Together with MTN Group, we've streamlined our sustainability approach into three areas that feature our understanding and our associated projects:

- Assuming **Eco-Responsibility**:
    o Energy cost and carbon management.
    o Network Environmental Impact.
- Generating **Sustainable Economic Value**:
    o Broadband.
    o Digital Divide.
    o Smart Solution.
    o Investing in our employees.
- Advancing growth of **Sustainable Societies**:
    o Customer Safety.
    o Employee Safety.
    o Anti-Corruption.
    o Human Rights and Privacy.
    o Enterprise Development.
    o CSI "Corporate Social Investments".
    o Staff Volunteering.

Stakeholder Management

Stakeholder engagement is an umbrella term that covers the full range of MTN efforts to understand and involve stakeholders in its activities and decisions. For instance, we at MTN Syria have realized that the role of stakeholder engagement practitioners was evolved during the past decade and today we're looking at how we can:

- Facilitating and guiding the company's engagement to enhance achievement of business objectives.
- Establishing and maintaining suitable engagement platforms, and advising on the company's participation in stakeholder-initiated engagement platform.
- Structuring the discourse with stakeholder on behalf of the company.
- Conveying stakeholder sentiments on the company to be considered in decision-making.

Our Goals

- **Primary:**

  "Manage the media as a channel to reach MTN Syria audience, markets and stakeholders". Engage key MTN Syria stakeholders to build trust and promote the company's interest through structured engagement programs and systems.

- **Secondary:**
  - Identify, analyze and prioritize which stakeholders are material to our operations.
  - Plan for specific results or outcomes from stakeholder engagement.
  - Establish and manage a network of efficient and effective internal engagement platforms.
  - Work closely with leadership to improve the quality of stakeholder engagement to improve the relationship and level of trust between MTN Syria and priority stakeholders.
  - These goals are set to enable MTN Syria of enhancing its reputation, building high-quality relationship with key stakeholders and respond adequately to issues and materials concerns.

What Approach

Certain guidelines that come in line with MTN Group are followed in two main areas: "The Identification of Priority Stakeholders" and "Stakeholder Mapping\ most appropriate placement: Bystander, Follower, Shaper or Influencer".

Engagement planning is then done according to the stated objectives, ensuring that engagement activities and interventions address the objectives adequately:

What level of engagement ("Remain Passive", "Monitor", "Inform", "Transact", "Consult", "Involve", "Collaborate" or "Empower").

What method, technique and platform ("One-on-one meetings", "Online engagement mechanisms", "Involving stakeholders in investigating issues, drafting reports and policies", "Focus groups", "Public meetings", "Surveys", "Stakeholders advisory or assurance panels", "Multi-stakeholder forum" or "Multi-stakeholder alliances, partnership, voluntary initiatives, or joint projects").

Management Statement… Our Ethical Stand…

Across the country, the interface between our business and the both of government and public is under intense scrutiny. MTN Syria isn't only complies with the relevant laws, regulations or social values of Syria, but it also behaves in such a way that all of its interactions with government and public can be clearly seen as beyond reproach:

- Our engagements with government and public are conducted in a transparent and ethical manner.
- When sometimes it feels wrong, the engagement or interaction might be stalled till seeking an integrated advisory that can flow from MTN Group management.
- Proper records of interactions with government and public are kept to provide comprehensive reporting.

These above are conducted with the following integrity pledge in mind:

We promote honest and constructive engagement with our host government and public at all levels.

We consults widely with people who are affected by our business operations and we proceeds in our dealings with government and public in a transparent and ethical way.

We don't offer, promise or provide money or anything of material value, or otherwise seek to exercise improper influence in our governmental or public relationships with the intention of obtaining a license, contract or any other specific benefit or any improper advantages in the conduct of business.

We remain cautious of the areas might bring corruption risk.

Commitment to Civilization

Corporate Social Investment Strategy

- CSI strategy designed to be a reflection of MTN Syria corporate priorities.
- Programmatic emphasis on innovation and technology.
- Increased attention to impact, results, and the end-user beneficiary experience.

Objectives

- Social investment should be seen as a strategic complement to core business.
- Intrinsic Value: Simply, as a company, MTN Syria cares about the livelihoods and well-being of the societies in which it works.
- Enhance Reputation: Build public confidence and goodwill.
- Long-term Commitment: Social investment reinforces business commitment and visa-versa.
- Build the MTN Brand: Present and reinforce positive image of MTN Syria for current, potential, and future customers.
- Employee Relations: Improve job satisfaction, enhance internal reputation as a company that cares.
- Growth and Loyalty: Carry the MTN brand to new customers and contribute to potential future growth.
- Risk Management: Improve social and regulatory license to operate; promote healthy, stable societies that protect and add value to business investment.

Investment Principals

- Industry Leadership: CSI investment portfolios and operations must seek to enhance MTN Syria' position as a responsible corporate citizen.
- Sustainability/Durability: Developmental change comes slowly so we should seek out longer term investment opportunities and potentially long-lasting partnerships, rather than short-term branding opportunities.
- Prioritize Innovation: We should identify and prioritize projects that make creative use of technology to solve social development problems, and mobile technology in particular.
- Developmentally Sound: We must work according to international best practice, and the unique needs of specific beneficiaries.
- Value for Beneficiaries: Investments must be results-driven, impact-oriented, and seek to optimize developmental value for end-user beneficiaries

- Partnership: Add value to investments by cultivating and leveraging partnerships with communities, government entities, international and corporate donors, and non-governmental organizations.

CSI Programs Strategy Overview:

- Investment portfolios will be targeted, focusing on specific interventions in three sectors: Education, Health, Enterprise development and National Priority Areas (NPAs).
- Education is MTN Syria core priority area, and other investments should seek to reinforce education objectives.
- By being specific about targeted interventions, MTN Syria seeks to leverage scale to achieve significant development impact.
- Cross-cutting emphasis on promoting projects that produce innovative, technology-driven solutions. Especially projects that could be brought to scale with MTN Syria service, technology or infrastructure.

This Year…

2012 was marked with exceptional events and difficult conditions. Our stakeholders (customers, employees, and the Syrian community in total) were exposed to adverse and serious challenges. Consequently, MTN Syria was subjected to the same challenges as well. Hence, serious constraints have limited our ability to in-place the rich CSI Calendar that we wish, nevertheless, the below milestones were observed, in prime:

Signing-off a long-term MoU with Damascus University – Faculty of Information Technology Engineering, Started by establishing an "Information Lab":

- Covering the whole financial cost.
- Procuring and setting-up the equipment in addition to the internet connectivity.
- Providing the technical support and\ or the hands-on training for several telecommunication researches.

Launching the "E-Library" in "MTN Cancer Research Center":

The E-library includes 14 computer stations equipped with high speed internet access to enable students and researchers to access HINARI Online (Health Internetwork access to Research Initiative); set up by the World Health Organization ten years ago to provide specialists with access to one of the world's largest collections of biomedical and health literature.

Through this E-Library, practitioners, researchers and students will have access to timely, relevant, high quality scientific information including 8,500 journals and 7,000 E-books that will assist them in evidence-based health care and to conduct high-quality research.".

This will ultimately lead to the ability to perform various statistical researches on cancer cases, and then move on to the development of the first comprehensive map illustrating cancer cases in Syria.

Setting-up a long-term agreement (Strategic Partnership) with a leading NGO on the national level,

TRUST "the Syria Trust for Development":

Established 2001 to empower individuals and communities in Syria to fulfill their role in building their society and shaping their future. The TRUST works on supporting and incubating local initiatives, encouraging active citizenship, entrepreneurship and volunteerism, building capacities, sharing knowledge, and establishing partnerships with individuals and civil society organizations to advocate development issues, and expand the space and role of civil society in planning and decision making in the country.

Recent support given by MTN Syria was about:

- Providing a fixed monetary support as yearly-contribution.
- Providing non-monetary contribution (GSM, 3G, and VPN free service).
- Participating in certain activities (volunteers from our staff or our business experience).

Sponsorship of OASIS 500, by SEYA "Syrian Young Entrepreneurs Association",

A leading local NGO on the national level:

The Syrian Young Entrepreneurs Association SYEA is a civil non-profit institution, works on improving the leadership capacities of young people in Syria, and supporting them in launching their own projects that make them employers instead of job seekers. The association works on four levels which are: deepening entrepreneuring culture and breaking the psychological barriers, providing the required info and expertise to launch and work projects out, building the supporting entrepreneurship network, and financing entrepreneurial activities. Since foundation in year 2004, SYEA has become one of the main references about entrepreneurship in Syria.

Recent support given by MTN Syria was about:

- Financial contribution to sponsor the travel expenses and accommodation of three Syrian candidates were participated in a workshop facilitated in Jordan by SEYA in the aim of enriching talents and skills of those young people in order to embark the future opportunities.

Miscellaneous Charities were given away for:

- Association of Prisoners' Families.
- Public Elementary School of Martyrs' Children.
- Rehabilitation of a public school administrated by Al-ANA'AM Association.
- School bags for unfortunate children.

MTN Syria People

We at MTN Syria consider the caliber of our people as key differentiator in the increasingly demanding communications sector. To achieve our strategic objectives and to sustain our business, we need appropriately skilled and motivated employees, who enjoy their work. MTN Syria's people must be encouraged to develop their careers; furthermore, they must be offered opportunities to hone their skills to meet the needs of the evolving business. We consider this as a fundamental prerequisite to maintain and grow our leadership position, enhance our operational efficiency, and ultimately increase the returns to our shareholders.

MTN Syria strives to be an employer of choice and to retain key skills, its philosophy to achieve this target is to employ

experienced individuals who share and relate to MTN's brand values that are shared with all operations in the Group. These brand values are constituted of a "can do" attitude; innovation; leadership; relationships; and integrity. The first value, a 'can do' approach, refers to the entrepreneurial spirit on which MTN's business is based. MTN people are positive, they will find solutions to problems; they are energetic and motivated to succeed. The second value, innovation, underscores the importance MTN gives to inventiveness. MTN continues to develop new ways of doing things. Creating an environment conducive to innovation is critical. MTN's leadership value refers to the Group's visionary plans for the industry and the markets in which it operates. MTN understands the importance of sound relationships with its numerous stakeholders. It endeavors to treat everyone fairly and with respect and to coordinate its efforts with its stakeholders toward a common goal. MTN's integrity value means the Group acts honestly, guided by strong ethics in all operations.

"The MTN Deal"

A Group initiative representing a revised employee value proposition. 'The MTN Deal' is a mutual commitment between employees and MTN; it is a pledge to better understand employees, develop career opportunities and improve the

employment offering beyond reward and recognition. It has five key components aimed at attracting, engaging, and retaining appropriate talent. These are:

- Brand strength: This is one of the main features that attract people to work at MTN. It is supported by the Group's commitment to social responsibility programs, which enrich and improve the lives of the communities in which it operates.
- A leadership brand: MTN created a profile of what it considers to be the attributes of an effective and successful leader at MTN. This profile is aligned with the Group's talent management process and programs.
- Investing in MTN's talent: MTN offers various career development courses. The Group is working to enable employees to better understand the opportunities available within MTN to hone their skills. Operating companies across the footprint have started hosting 'trade fairs' to give employees an idea of the development opportunities available.
- A globally diverse culture: MTN's employees come from more than 55 different nationalities. The Group sees strength in diversity and is developing global communication tools and social networking platforms aimed at sharing and connecting employees across operations.
- Total reward and recognition: This is a holistic reward and recognition framework with various common components, although it is customized by individual operations to incorporate local priorities.

Recruitment and Selection

Through maintaining our high recruitment standards and focusing on head count optimization, we continue to attract and retain talents. Hiring new employees is an essential process that requires a thorough understanding of organization needs, both today and in the future, therefore a well-defined recruitment policy that embodies internal recruitment and equal opportunity approaches is implemented. Another strategic shift was also implied on the basis of motivating and developing high performance employees through promotions, which are part of our retention plan for high performing calibers.

Equitable labor practices

Our recruitment policy reinforces our focus on eliminating all prejudice to gender, ethnic origin, marital status, religion, age and physical handicap in filling vacant positions.

Pay and benefits

As an integral part of MTN's reward offering, permanent employees are offered a variety of both monetary and non-monetary benefits. A key component of attracting and retaining the best caliber employees is competitive compensation in relation to the labor market. Across all operations, we have no salary differentiation based on employee demographics such as gender, race, age or any similar characteristics. The rewarding team maintains the knowledge of labor code/law affecting compensation and benefit plans, which results into ensuring compliance with regulations, while developing functional business plans, policies, and procedures that support company initiatives and strategies.

Investing in talents

MTN Syria largely invests in many internal, in-house, local, abroad and external training courses to build competencies and capabilities of its staff. Moreover, the company provides a wide variety of tools and learning solutions that range from MTN Academy customized programs and Instructor-led Training, to personal learning solutions.

Enhancing the Culture of Recognition and Appreciation

Our environment fosters highly competitive recognition programs where stars performances are rewarded and recognized, while lack of commitment is transparently confronted. The "*Y'ello* Stars" initiative gives employees a chance to appreciate and recognize the work of others.

Incentive Scheme

Since we believe that building a culture of recognition can boost employee engagement, creativity, and dynamism, MTN Syria adopted a short-term incentive scheme across the company to motivate and retain capable employees by rewarding them for their superior performance on a regular basis.

Group Cultural Audit Survey

GCA is an annual group-wide survey that measures employees' perception of a wide range of business and staff motivation related dimensions such as Employee Engagement, Performance Management, Goals & Objectives and Communication. Survey results are deeply analyzed to develop an action plan tackling challenges and developing areas of strength.

Total Reward and Recognition
Achieving performance excellence

Our Performance

Products and Services

We believe that the starting point of our service provision mandate is a segmented approach, based on a deep understanding of our customers' particular needs. This is indispensible for achieving their satisfaction, as well as for an optimal response to their expectations and demands. In line with this framework, MTN Syria set a focus on a regionally adapted and segmented offerings roadmap. A variety of new concepts have been rolled out for the first time in the market with considerable success.

Our customers appreciated the new concepts and responded positively to all of them. We have witnessed a considerable increase of air time recharge and consumption when we offered our prepaid subscribers in "Al Swaidaa" and "Al Qunaitra" free mobile-to-mobile calls during the low network utilization period. This was a win-win service for both MTN Syria and the customers, as the offer was linked to a predefined minimum recharge amount. Moreover, it helped to acquire a lot of important knowledge about our subscribers' usage profiles. As a further example, we offered new subscribers in "Al Hasaka" very attractive tariffs for local calls, aiming at boosting acquisition in this low penetrated province. Like in other provinces, the subscribers responded positively to this initiative and we gained advanced knowledge about their specific expectations and preferences.

When reporting achievements in the products and services field, strategic projects deserve a special elaboration. The launch of the "life time validity" and the "conversion from monetary units to SYP" for prepaid subscribers are undoubtedly two major projects that fundamentally changed the customer life cycle and the basic tariffing structure. Both transformation projects led to a more transparent pricing and spending, and helped to simplify the user's control over his line status.

On the postpaid side, we continued to enhance our value proposition through the launch of numerous offers, combining aggressiveness with market tailored packages. The variety of postpaid tariff plans was enriched through the introduction of new bundles targeting a wider subscriber base, and opening the opportunity for more flexible and tailored spending. The "Twin Offer" represented one of the new market concepts, it offered two golden numbers at the price of one, in addition to a 25% discount on the calls between both lines or GSM numbers for the entire subscription life.

Also, we intensified our efforts to accelerate the penetration and spread of 3G-based data services. Attractive offers were designed and rolled out, targeting segments with high potential for data usage (e.g. students) with tailored packages. Furthermore, a prepaid consumption-basis was introduced into the market to enhance the service penetration, and to reach a wider users spectrum. Moreover, new bundles were created to enhance the overall portfolio.

Our range of business products and services has been extended. Highlights are the "Push to Talk (PTT)" service that offers simplex voice communications at reduced tariffs, and the "Virtual Private Network (VPN)" feature, which allows corporate, against a monthly subscription, to benefit from free of charge calls within their communities. In addition, MTN Syria widened its range of ICT products through the launch of ADSL-based fixed data services. This step was an important one to satisfy our client's needs and to strengthen MTN Syria's position in the market as a "double player".

Sales and Distribution

As part of our commitment to assure an "everywhere and at all times" availability of our products, we strengthened and optimized our sales channels structure and efficiency. This was achieved by several initiatives, driven by focusing on quality, efficiency, and customer satisfaction. For instance, we integrated new partners and points-of-sales (POS) into our sales force, meanwhile our subscribers can approach one of over 60,000 assorted outlets and points of sales to buy our products.

The investments we executed in electronic payment and recharge solutions added a considerable value to the sales process, and facilitated a faster and easier access to our products. Thanks to these investments, our subscribers are now able to settle their bills or to recharge their accounts via ATMs, selected banks, as well as simply by contacting one of MTN Syria's points of sales. Moreover, we introduced the International Airtime Top-up (IAT) service, allowing our prepaid subscribers to perform recharges while being abroad.

Also, the commission scheme to our distributors was subject to carefully designed modifications to put more emphasis on value and quality of the sales process.

Customer Care

At MTN Syria, we place our customers at the focus point of our work. Consistently providing a differentiated scale of customer care is an indispensible objective for us while we ensure through dedicating two third of the total head count to serve our customers in an excellent manner.

we further optimized our customer service quality by re-designing our processes; and implementing best practice customer service mechanisms. In addition, focused efforts were spent to maximize our efficiency, allowing us to serve more subscribers within a shorter time. This made it possible to welcome more than 6.5 million visits at our Customer Service Centers (CSCs).

Due to the more and more maturing corporate segment, we introduced a further segmentation of our services, tailored and adapted to the different needs of our segmented subscribers' base. A special force was established to serve large accounts and corporate customers, with the aim of transforming our customer care for these clients into a business partnership and reliable cooperation. Higher efficiency, and consequently higher customer satisfaction was the driver for this segmented approach.

Technology and Network Quality

Our commitment to be a pioneer in introducing the latest up-to-date technologies serves a major objective: It is delivering an ultimate mobile experience to our subscribers. In line with this understanding, we continued our systematic investments in all technical fields.

Several activities took place to expand our 3G network, thus the population coverage was considerably enhanced. At the same time, new 2G sites were added to respond to increased 2G capacity demands and to provide the service in untapped and very low penetrated areas.

Due to various marketing offers and usage stimulation initiatives, as well as to the increase of the subscriber base, the traffic grew and carried without any negative impact on the main network performance indicators.

Last year was the commencement of our strategic network renovation project. The project that lasts for 3 years and will lead to a complete transformation of our radio network into a future oriented infrastructure, which is ready for 3G enhancements as well as for a later 4G deployment. Furthermore, innovative new network features will be implemented allowing optimizing the quality of our voice and data services, and enhancing the customer experience.

In addition to the above, several enhancements were applied to our transmission network to provide more capacity for the expected growth in data traffic.

In Closing…

Driven by our full commitment to Syria we recognize the importance of maintaining our ideal position as a leading example of Corporate Citizenship in the Syrian community:

- Our overall strategy includes carrying out social contributions tailored to the needs of local communities and formulating a Quality Code of Conduct.
- A zero tolerance approach to fraud and corruption supported by anonymous tipoff services is in place (internally).
- Strict anti-fraud' practices are in-place against any external threat might occur in the course of company dealership with customers, suppliers or any other business stakeholder using the latest technologies that are empowered by an advanced infrastructure, and also supported by both internal and external audit techniques.
- Equality and diversity of our human capital are codified in policy.
- While working within the centralized group procurement structures, opportunities to supply stationery, furniture, office and training suppliers, and some IT device and software services is given to local business first to support growth of local employment.

Indeed, we are aiming at improving the quality of life for different and specific segments of the Syrian people, in addition, we want to be a promoter of pioneer programs in the educational sector. At the same time, we focus on being continuously engaged with the commonly social interests of the Syrian society.

End of the Report