#WearItForMe

MTN Group Limited

Integrated Report for the year ended 31 December 2020

Leading digital solutions for Africa's progress

Contents

Throughout this report we use the *symbol:
* Constant currency and after taking into account *pro forma* adjustments.
For a detailed explanation of this and other financial definitions, see page 41.

The forward-looking financial information disclosed in this Integrated Report has not been reviewed or audited or otherwise reported on by our external joint auditors.

MTN's belief is that everyone deserves the benefits of a modern connected life.

COVID-19 led to a 'new normal' of working and learning from home and this laid bare the extent of the digital and financial divide across the world. We remain committed to bridging this divide, furthering digital and financial inclusion and advancing the attainment of the United Nations Sustainable Development Goals through our core business activities and our support to governments, communities and customers. The UN SDGs target a sustainable society with a plan to end poverty, protect the planet and ensure equality for all by 2030.

We view sustainability as an integral part of MTN's value-creation journey. The SDGs on which we have the greatest impact are highlighted below:

Our online reports:

- **AFS** Annual Financial Statements
- **CDP** Carbon Disclosure Project
- **GRI** Global Reporting Initiative
- **IR** Integrated Report
- **KIV** King IV™ᴬ application
- **SR** Sustainability Report
- **TAX** Tax Report

2025 strategic priorities:

- Build the largest and most valuable platforms
- Drive industry-leading connectivity operations
- Create shared value
- Accelerate portfolio transformation

Our material stakeholders:

- MTN people
- Subscribers/customers
- Investment community
- Civil society
- Governments and regulators

Other icons:

- www.mtn.com
- LA Limited assurance obtained
- 5Y Five-year review
- COVID-19

About this report

This Integrated Report is MTN Group Limited's primary communication to all stakeholders and aims to enable them to make an informed assessment of our performance and prospects.

For everyone, 2020 was a year of unprecedented uncertainty and challenges because of the spread of COVID-19. Our report recognises this and is dedicated to all those whose lives have been disrupted, whose livelihoods have been taken away and who have been robbed of loved ones by the pandemic. The report's design endeavours to show that at a time of darkness, MTN did what it could to bring light to our people, our communities and society at large.

Changes in reporting and enhancements

As COVID-19 affected all parts of our business, we refer to it throughout the report. We also have a dedicated section on COVID-19 on page 15. Two other new sections are on our outlook on page 16, and on our key issues on page 31. To address investor concerns on remuneration, we provide a more detailed remuneration report in line with best practice and benchmarks.

Throughout our report, we detail our new strategy: **Ambition 2025**.

Basis for preparation

Our report reflects integrated thinking at MTN: it is prepared by senior managers under the supervision of the Group Executive: Investor Relations, reporting to the Acting Group CFO. In determining the content, we assess the issues that materially impact our ability to create and preserve value, as well as those that could erode value. We look at these over **three time horizons**:

- The short term (less than three years).
- The medium term (three to five years).
- The long term (beyond five years).

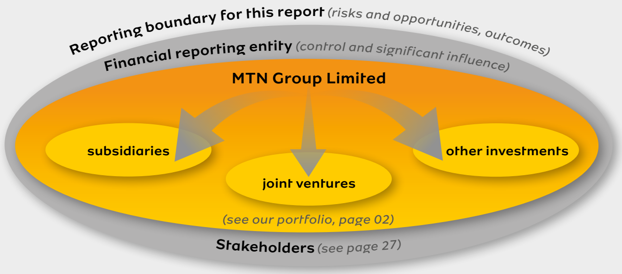
For information about these issues, we draw in the first instance on our monthly standardised reports prepared by management across the Group and submitted to the Board. These include details of our operating context, our strategic performance, our stakeholder engagement, as well as risks and opportunities. The budget plan and repositioned **Ambition 2025** strategy, approved by the Board in November, also inform the process to determine content. The reporting team interviews executive management and engages with certain non-executive directors for their input. Details of the materiality determination process as well as the material matters are on page 21.

The report is scrutinised by the Group CEO and Executive Committee, and then presented to the Audit Committee for review, before being recommended to the Board of Directors for review and approval.

Controls and combined assurance

The Board ensures an effective control environment which supports the integrity of our information. We use a combined assurance model which considers the role of management, control functions, internal and external audit and Board committees. For 2020, we assessed our controls to be adequate and effective.

Scope and boundary



The material matters, as well as our strategy – BRIGHT in place at the start of the year as well as **Ambition 2025** adopted at the end of the year – form the anchor of the report.

The report endeavours to tell the MTN value-creation story clearly and concisely. It explains who we are and where we operate, the context in which we work, our governance and business model, our strategy and investment case, our risks and opportunities, as well as our operational and financial performance in the period 1 January to 31 December 2020. Financial and non-financial data from our subsidiaries are fully consolidated. Please see note 11 of the AFS for restatements arising from a voluntary accounting policy change related to the release of foreign currency translation reserves.

The report gives commentary, performance and prospects for our main operations: MTN Nigeria and MTN South Africa, which make up two-thirds of the business, as well as our three operating regions, which make up the other third. In 2020, the regions were:

- SEAGHA (Southern and East Africa and Ghana).
- WECA (West and Central Africa).
- MENA (Middle East and North Africa).

In early 2021, we made changes to the make-up of the regions. Details are on page 03.

The structure and layout of this report, dated 23 April 2021, draw on the International Integrated Reporting Council's (IIRC) guidance, including many of the recommendations of the January 2021 version of the <IR> Framework. The 2019 IR was published on 31 March 2020.

Non-financial information on certain aspects of the business has been assured by PricewaterhouseCoopers and is identified by LA. The assurance statement is online. MTN's definition of the KPIs assured is included in the glossary section.

We provide supplementary information on our website in associated reports, the icons of which appear on the contents page.

Our suite of reports complies with the following reporting standards:

The IIRC's <IR> Framework	IR AFS
Companies Act, No 71 of 2008 (as amended)	IR AFS
JSE Listings Requirements	IR AFS
FTSE/JSE Responsible Investment Index	SR
King IV™^	IR AFS SR
International Financial Reporting Standards (IFRS)	IR AFS
UN Global Reporting Initiative (GRI)	SR GRI
UN Sustainable Development Goals	SR IR
Carbon Disclosure Project	SR CDP

Approval by the Board and Acting Group CFO

MTN's Board of Directors acknowledges its responsibility to ensure the integrity of the Integrated Report. We, as the Board, believe that this report has been prepared in accordance with the IIRC's <IR> Framework. We are of the opinion that it addresses all material matters and offers a balanced view of MTN's repositioned strategy and how it relates to the organisation's ability to create and preserve value in the short, medium and long term, as well as how it relates to efforts to prevent instances where value is eroded. The report adequately addresses the use of, and effects on, the capitals and the way the availability of capitals is impacting MTN's strategic repositioning.

Mcebisi Jonas
Chairman

Khotso Mokhele
Lead independent director

Ralph Mupita
Group CEO

Sugentharen Perumal
Acting Group CFO

Tsholofelo Molefe
Group CFO

Paul Hanratty

Shaygan Kheradpir

Azmi Mikati

Sindi Mabaso-Koyana

Nosipho Molope

Noluthando Gosa

Stan Miller

Vincent Rague

Lamido Sanusi

Nkunku Sowazi

Swazi Tshabalala

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Who we are

MTN is an emerging market mobile operator at the forefront of technological and digital changes. Inspired by our belief that everyone deserves the benefits of a modern connected life, we provide a diverse range of voice, data, digital, fintech, wholesale and enterprise services to more than 280 million customers in 21 markets.

We were established in South Africa at the dawn of democracy in 1994 as a leader in transformation. Since then, we have grown by investing in sophisticated communication infrastructure, developing new technologies and by harnessing the talent of our diverse team of people to now offer services to communities across Africa and the Middle East. MTN Group Limited is a publicly owned entity whose shares are traded on the JSE. At end-2020 our market capitalisation was R108 billion.

Belief statement: "Everyone deserves the benefits of a modern connected life"

Strategic intent: Ambition 2025 "Leading digital solutions for Africa's progress"

2025 Strategic priorities

- Build the largest and most valuable platforms
- Drive industry-leading connectivity operations
- Create shared value
- Accelerate portfolio transformation

Vital enablers

- Leading customer experience
- Best talent, culture and future skills
- Value-based capital allocation
- ESG at the core
- Technology platforms second to none

Values

- Leadership
- Innovation
- Relationships
- Integrity
- Can do

Our portfolio

MTN South Africa (%)	MTN Nigeria (%)	SEAGHA (%)	WECA (%)	MENA (%)	Associates, JVs and other investments (%)
100	78,8 ▲	85,5 MTN Ghana ▲	70 MTN Cameroon	75 MTN Syria	29 IHS Group ≠
		96 MTN Uganda ▲	58,8 MTN Côte d'Ivoire	82,8 MTN Yemen	50 Middle East Internet Holding ≠
		80 MTN Rwanda ▲	75 MTN Benin	100 MTN Afghanistan	29,5 Iran Internet Group ≠
		100 MTN South Sudan	75 MTN Guinea-Conakry	85 MTN Sudan	50 aYo
		89,8 MTN Zambia ▲	100 MTN Guinea-Bissau	49 MTN Irancell	
		30 MTN eSwatini	100 MTN Congo-Brazzaville		
		53,3 Mascom Botswana	60 LonestarCell MTN Liberia		

▲ Localisations
≠ Not long-term strategic assets
Exiting in an orderly manner over the medium term
Equity accounted

Please refer to page 17 for our portfolio transformation.

Delivering on our *Y'ello* Hope promise during the pandemic

Y'ello Hope

Our position

Leading emerging market operator

- Large registered customer base of **280m** subscribers
- **19 295** skilled MTNers
- **114m** active data users
- Strong foothold in instant messaging: **5,5m** active ayoba users
- Unparalleled service, registration and cash distribution network: **46m** active MoMo users
- Africa's largest fixed & mobile network: capex of **R28,6bn^**
- Reduced debt with a healthy liquidity position
- Built API platform and analytics engine
- #1 or #2 across 21 operations in Africa and the Middle East
- Most valuable African brand worth **US$3,3bn^^**

^ IAS 17 capex

^^ Brand Finance Africa 150 (October 2020)

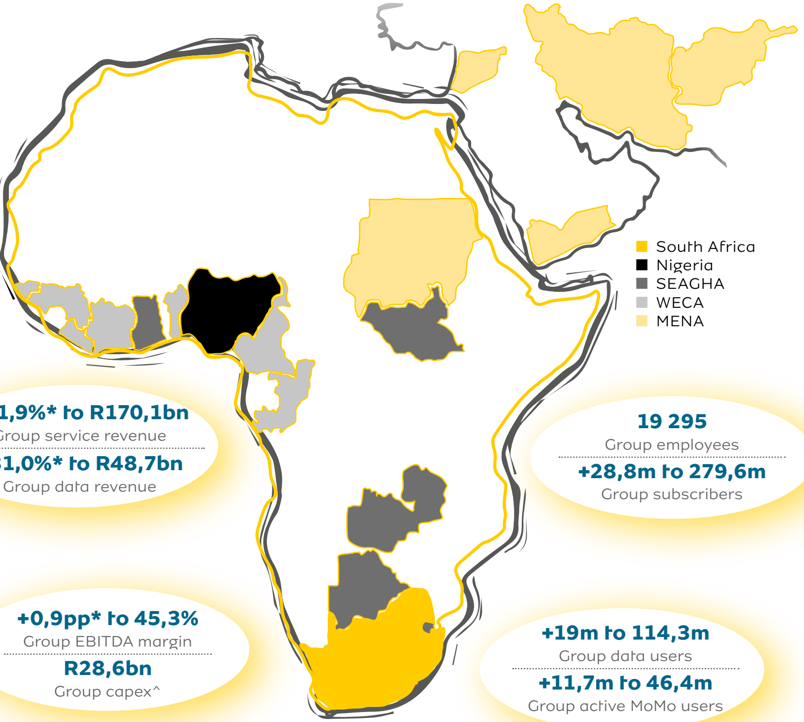
Where we operate and how we performed

Our geographic footprint is wide, stretching over 21 markets on two continents, therefore robust operational oversight is critical. We secure this through a management structure that reflects almost equal contributions of around a third to group earnings of each of our operations in South Africa and Nigeria and that of our regions – SEAGHA, WECA and MENA – combined.

A summary of our performance starts on page 43.

In the year we made changes to the operating structure, as well as to the executive team (page 60). Effective 1 January 2021, MTN Ghana became part of the Group's WECA region and MTN's SEAGHA region became known as the Southern and East Africa (SEA) region.

In 2020, the Group reported EBITDA of R81,3 billion (2019: R64,2 billion) and an EBITDA margin of 45,3% (2019: 42,3%). Capex totalled R28,6 billion (2019: R26,3 billion) on an IAS 17 basis.



+11,9%* to R170,1bn
Group service revenue
+31,0%* to R48,7bn
Group data revenue

19 295
Group employees
+28,8m to 279,6m
Group subscribers

+0,9pp* to 45,3%
Group EBITDA margin
R28,6bn
Group capex^

+19m to 114,3m
Group data users
+11,7m to 46,4m
Group active MoMo users

^ Based on IAS 17 * Constant currency

South Africa#

#2 operator

Population	58,8m	Service revenue	R37,0bn
Subscribers	32,0m	Data revenue	R14,6bn
Data subscribers	15,7m	EBITDA margin	39,0%
Employees	6 058#	Capex	R7,5bn

Nigeria

#1 operator

Population	204,7m	Service revenue	R57,7bn
Subscribers	76,5m	Data revenue	R14,4bn
Data subscribers	32,6m	EBITDA margin	50,9%
Employees	2 715	Capex	R12,7bn

SEAGHA

Population	117,9m	Service revenue	R33,7bn
Subscribers	57,3m	Data revenue	R8,4bn
Data subscribers	20,6m	EBITDA margin	49,4%
Employees	3 229	Capex	R6,1bn

WECA

Population	91,8m	Service revenue	R27,4bn
Subscribers	39,2m	Data revenue	R6,6bn
Data subscribers	13,6m	EBITDA margin	31,2%
Employees	2 365	Capex	R3,4bn

MENA

Population	212,5m	Service revenue	R10,4bn
Subscribers	74,6m	Data revenue	R3,5bn
Data subscribers	31,9m	EBITDA margin	32,2%
Employees	4 928	Capex	R1,6bn

Includes MTN Irancell

 # South Africa numbers include MTN SA, MTN head office and Business Solutions

Service revenue

by top opcos and regions (%)

R170,1bn
(2019: R141,8bn)

South Africa	21,8%
Nigeria	33,9%
SEAGHA	19,8%
WECA	16,1%
MENA	6,1%
Head offices including GlobalConnect	0,5%

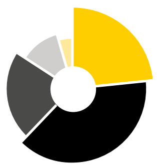
Excluding hyperinflation contribution of 1,7%.

by services offered (%)

Voice	53,6%
Data	28,0%
Digital	1,8%
Fintech	8,0%
Wholesale	2,5%
Other	4,4%

Excluding hyperinflation contribution of 1,7%.

EBITDA^



R81,3bn
(2019: R64,2bn)

South Africa	23,6%
Nigeria	39,2%
SEAGHA	22,3%
WECA	11,4%
MENA	4,5%

^ CODM EBITDA – see glossary for definition.

The view of our Chairman

If ever there was a year when MTN Group was required to step up, it was 2020. The spread of COVID-19 across the globe led to widespread human suffering and enormous damage to lives and livelihoods. The pressure from the pandemic on economies and employment profoundly impacted the communities we serve across our markets. Life changed for us all.

Affordability was acutely challenged and MTN played its part to mitigate this for our customers through various initiatives. From a more encouraging perspective for our business, the demand for our data and digital services accelerated, dramatically pushing up data traffic. MTN worked hard to ensure that its networks continued to provide market-leading speed and reliability. Supply chains were disrupted, initially deferring network site rollouts. With heightened currency and commodity price volatility, cash upstreaming was delayed.

Stepping up

As the pandemic spread to MTN markets, the Group responded swiftly, creating a dedicated response team reporting to the Board's Risk Committee. Priority was given to MTN's people, customers, communities as well the business – notably network resilience amid the heightened demand, and our Group-wide expense efficiency programme to safeguard the business against the impacts of a weakening macroeconomic environment.

Strict safety protocols were put in place, and most employees adapted quickly to working from home. Among the Group's 19 295 employees, infections were limited to 1 404. Tragically, 10 employees succumbed to the virus. We mourn their loss and extend our sincere condolences to their colleagues, families and friends.

Management established the MTN Global Staff Emergency Fund for employees, and ***Y'ello*** Hope packages for other stakeholders. (see SR). Among the Group's many initiatives, MTN worked with host nations to support the Africa COVID Communications and Information Platform and launched the #WearItForMe mask campaign to encourage people everywhere to protect each other.

In a unique public/private partnership in early 2021 the Group led the way in donating US$25 million to the African Union's vaccination programme to secure COVID-19 vaccines for the continent's health workers, including in our markets. We are, and will remain, focused on the sustainability of the communities and markets we serve, as this lies at the core of everything we do.

Improving performance, suspending the dividend

Despite the upheaval and challenging economic conditions, the Group reported a solid operational and financial performance (see pages 43 to 45). This was driven by the resilience of MTN people, along with the enhanced business model in place over the past few years. Service revenue grew by 11,9%* to R170,1 billion and adjusted headline earnings per share rose 52% to 877 cents.

However, delayed upstreaming of cash from MTN Nigeria, along with uncertainty over the timing of proceeds of the Group's asset realisation programme (ARP) and other COVID-19 impacts, highlighted the importance of deleveraging our balance sheet more quickly. This, guided by our capital allocation framework (see page 40), informed our resolution to suspend the 2020 interim and final dividends, as well as the dividend policy.

The Board anticipates communicating a revised medium-term dividend policy in March 2022 and expects a final dividend for 2021 of at least 260 cents per share. On assessment of the progress on cash upstreaming from Nigeria, ARP delivery and COVID-19 impacts, we will consider returning any excess cash to shareholders through special dividends or share buybacks after the release of 2021 results.

Repositioning the strategy

In August 2020, MTN announced plans to focus on African operations and exit the Middle East in an orderly manner over the medium term (see page 31). This decision was not taken lightly, considering the many stakeholders who rely on MTN in the region.

The view of our Chairman continued

The Group also completed a comprehensive review of its strategy and adopted **Ambition 2025**: 'Leading digital solutions for Africa's progress'. This strategy is aimed to drive accelerated growth and faster deleveraging, positioning MTN for greater relevance ahead.

With a strategic priority to 'create shared value', there is a step-change in MTN's ESG positioning. Among many features, this includes a commitment to accelerate digital and financial inclusion, increase trust among stakeholders and work towards achieving net zero emissions by 2040 (see SR). This is in addition to the Group's pledge to provide greater disclosure on issues such as digital human rights and follows the publishing of MTN's first Transparency Report in 2020.

Regulatory and legal update

Evolving regulatory and compliance requirements across our markets as well as complex litigations remained material matters for the Group in the year. The implications of these on MTN's ability to create value, as well as the Group's strategic response are on pages 21 to 25, with details on the specific key issues on page 31.

Honing governance

In 2020, MTN reviewed its governance framework to ensure that it is properly aligned to the new strategy. This led to the establishment of the Directors Affairs and Governance Committee as well as the Risk Management and Compliance Committee, replacing the Nominations Committee and the Risk Management, Compliance and Corporate Governance Committee.

In April 2020, we bade farewell to three long-serving non-executive directors – Peter Mageza, Dawn Marole and Koosum Kalyan. September saw the departure of Group President and CEO Rob Shuter, and the appointment of Group CFO Ralph Mupita to the CEO position. Christine Ramon stepped down as a non-executive director at the end of September 2020, and Sindi Mabaso-Koyana joined, and assumed the chair of the Audit Committee in October.

Towards the end of 2020, Tsholofelo Molefe was appointed Group Chief Financial Officer (GCFO), taking up the role on 1 April 2021, when she joined the Board, along with two new non-executive directors – Nosipho Molope and Noluthando Gosa. On behalf of the Board, I would like to thank all those directors who departed in the year for their valuable contribution and welcome all the new directors.

Outlook and appreciation

Over the past year, COVID-19 brought into sharper focus the digital divide, particularly in MTN's markets. As well as managing the risks accompanying the ongoing pandemic, the Group remains alive to the opportunities it presents, particularly accelerated digitalisation.

With the rollout of vaccinations in many parts of the world – including those funded by MTN to inoculate Africa's healthcare workers against COVID-19 – economies are starting to recover from the devastation caused by the pandemic in 2020.

Sub-Saharan economies are forecast to grow modestly in 2021, but the extent of this expansion will depend on the ability of these markets to secure and dispense vaccines swiftly and so achieve the population immunity that will allow for a return to a more normal world. The agility and resilience of MTN and of its people will remain key.

Movements in commodity prices – also largely a function of the world's recovery from the pandemic – and the availability and value of the currencies of the markets in which MTN operates will continue to have an important bearing on the ability of the Group to upstream cash from operating companies.

However, with the adoption of the revised strategy (page 10), in the year ahead, MTN is well positioned to drive greater digital and financial inclusion in Africa while delivering a stronger all-round performance. As we move ahead in hope, we look forward to continuing to work together to create a better, more inclusive world. I would like to thank all MTN's stakeholders for their continued support – we are #GoodTogether.

Q & A with the CEO

Q What were some of the highlights of 2020?

A We cannot talk about the highlights without first reflecting on the trauma of 2020 and the pandemic that defined it. Our business was also profoundly impacted, and to the end of February 2021, MTN reported 1 404 COVID-19 infections and mourned the loss of 10 MTN employees across our markets. I would like to extend my sincere condolences to those who lost friends, colleagues and loved ones to COVID-19.

As the Chairman has outlined in his report, the Group was quick to respond to the many challenges brought about by the pandemic. Key among our interventions were the MTN Global Staff Emergency Fund, the ***Y'ello*** Hope packages for our customers and communities and contributions to various government-led initiatives. Together, these provided approximately R1,8 billion in value to stakeholders. We were also very pleased to be able to donate US$25 million in support of the African Union's COVID-19 vaccination programme.

Through the many challenges, including tough trading conditions, we delivered solid commercial momentum across our markets which is reflected in our strong financial results. Beyond this, MTN remained alive to the opportunities presented by the pandemic, particularly the accelerated need for digitalisation evidenced in the greater adoption and usage of our services. This, in turn, played a part in shaping our repositioned strategy: **Ambition 2025**.

The year also highlighted the incredible resilience of MTN's business model and people, as well as the important responsibility that we have to assist in facilitating and driving digital and financial inclusion across our markets.

Q How was MTN able to remain resilient?

A The pandemic led to restrictions on people's movements in most of our markets and these were generally most severe during April 2020. MTN's agility and responsiveness saw us transform quickly. In mid-March 100% of our people were in the office and within weeks no more than 10% were. By quickly rolling out various communication and collaborative tools as part of our work-from-home programme, staff across our markets were able to work remotely, thereby ensuring the continuity of our operations.

Responsiveness to the needs of our customers was also very important. To accommodate the transition to work, learn and entertain from home, we ramped up our digital channels as a service alternative for customers to purchase airtime and access our products and services seamlessly. We also zero-rated educational websites and reduced or zero-rated transaction fees on Mobile Money (MoMo) in support of our customers through the challenges presented by COVID-19.

As our core connectivity services became more critical, our priority was to safeguard the capacity and resilience of our networks. We were able to ensure this by implementing various measures, including building up an inventory of equipment and critical spares. The resilience of MTN's networks, the headroom available on these networks and the allocation of temporary additional spectrum in South Africa in particular enabled the Group to meet the 110% surge in data traffic in the year.

The work we had done over the past few years to ensure balance sheet strength and resilience positioned us well to weather the volatility. During 2020, we fast-tracked and closed R18,2 billion in funding to mitigate refinance risks around upcoming maturities. We maintained a prudent approach to liquidity management and a focus on cash preservation and at year-end, our Holdco liquidity headroom stood at R41,0 billion.

Q Tell us about Ambition 2025.

A We are very excited about **Ambition 2025** at MTN, not only in the way that the strategy will support the socioeconomic progress of Africa but also in the way that we will be able to reveal and crystallise the value that we believe is embedded in our core business.

We are enthusiastic about the opportunities presented in our markets to win in digital services and accelerate growth – **Ambition 2025** has been developed to seize on these. In sub-Saharan Africa there are 800 million people who are still not connected to the mobile internet. COVID-19 has

Q & A with the CEO continued

clearly displayed the accelerated need for digitalisation and we expect that by 2025 the number of mobile internet users in this region will grow to 475 million from around 272 million now.

Another critical element of **Ambition 2025** is to deliver a faster deleveraging of the Holdco balance sheet. This will provide the Company with greater financial flexibility to take advantage of the attractive growth opportunities that we have identified. Our ARP is a key part of our objective to accelerate our Holdco deleveraging and reduce the level of US dollar debt in particular. In terms of our work to simplify and reduce the risk profile of the Group, we are also driving a transformation of our portfolio that will focus on our pan-African strategy with an orderly exit from the Middle East over the medium term.

As mentioned, **Ambition 2025** provides opportunities to unlock value within the MTN Group. We want to reveal and crystallise the value that we see as inherent in the Group, particularly in our infrastructure assets and our platforms. In this respect, we have commenced a structural separation of some of these businesses that will enable us to manage them better and accelerate their growth through selective strategic partnerships and investment where it makes sense. We are very energised about the future and delivering on **Ambition 2025**, which we describe in more detail on page 10.

Q How will achieving Ambition 2025 set MTN apart?

A This is really about our investment case (page 13), which is a compelling African growth story. MTN is Africa's leading connectivity and infrastructure business; we have #1 and #2 positions in all our markets; and our networks are second to none. MTN is a trusted brand across Africa and we have deep expertise and experience in the industry. There are exciting demographic opportunities in Africa: a young population with low internet adoption and penetration. Given the digital acceleration we see, we are very well positioned for the long-term. We believe we can enhance our return profile, underpinned by a strong risk and regulatory framework, as well as a very disciplined capital allocation framework that informs the decisions we make.

With our industry-leading and scale connectivity business as a base, we will build the largest and most valuable platforms business that is distinctly African and set MTN apart as a growth company, delivering improving returns. We believe that we have a duty to our people, customers and communities to continue to lead from the front in providing digital solutions by speeding up the development of our products and services. This embodies our belief statement and strategic intent.

Q Tell us about making 'ESG at the core' a key part of your priorities.

A One of the focus areas within the strategic priorities is to place ESG at the core. We aim to make a meaningful contribution to sustainable societies across the markets in which we operate.

In addition to raising the visibility of shared value through the business and being the partner of choice of nation states for socioeconomic development, we target a step-change in the ESG positioning of the Group to stakeholders. This will place the Group as a leader in ESG and drive the ongoing improvement in stakeholders' trust in MTN and in our reputation.

In 2020 we made good progress in ESG. Eco-responsibility is an important area of focus and we have set some challenging ambitions for ourselves in, for instance, targeting a 47% reduction in absolute emissions (tCO_2e) for scopes 1, 2 and 3 by 2030 and net zero by 2040. This is part of our Group-wide Project Zero initiative.

We continue to work towards creating more sustainable societies by continuing to address the gaps in access to connectivity. In 2020, we extended our network, which now covers more than 500 million people and we improved the affordability of our services by further reducing our average data tariff by a third and our effective voice tariff by 15%. We continued to advance financial inclusion and recorded transactions worth US$152 billion on our MoMo. In terms of diversity and inclusion, we increased the representation of women on the Group Board to 33% and women at senior management level to 29%.

Our work on continuously improving governance was reflected in an increase in reputation and trust with stakeholders and captured in our reputation index score of 79%. We continued to participate meaningfully in the development of the economies and markets we serve. In 2020, we invested more than R50 billion in overall expenditure on networks in support of fixed investment in our markets and contributed more than R35 billion in taxes.

The SR gives details of all these developments, and I urge you to read it for more information.

Q What does the future hold for MTN?

A We are very excited about this next chapter and evolution of the MTN story and we have already started to execute on our exciting strategy, **Ambition 2025**. At the heart of our ambition is to continue leading the drive for digital and financial inclusion in Africa, aligning to the development agendas of nation states, and being their partner of choice for socioeconomic development.

There are far too many Africans who remain unconnected to the internet and we want to play our part in supporting digital and financial inclusion. We truly believe that we can be a successful force for good and continue to support Africa's progress.

Our market context

The world is in a period of unprecedented uncertainty, brought about by the spread of COVID-19. The environment in which we operate is complex, presenting exceptional challenges as well as exciting opportunities. By considering our market context, we are better able to determine our material matters; to understand the impact these have on our business model; and to develop and execute our repositioned strategy by leveraging off our competitive advantages. We are also able to better align our priorities to those of our stakeholders and, in particular, to the development agendas of nation states as we strive to create greater shared value. In this way, we can reposition the business for growth and greater relevance ahead.

For details of the ways in which we are responding to these factors, see page 10 where we discuss how our repositioned strategy is making the most of the opportunities.

Political, regulatory and economic environment

- COVID-19 is placing strain on governments, hurting economies, exacerbating inequality and putting a pause on reforms. A return to higher growth in our markets is expected albeit amid higher inflation and unemployment, challenging affordability. A global slowdown could change this, particularly in commodity-reliant economies where hard currency is scarce and local currencies are depreciating.
- In many markets the overall quality of governance is improving.
- Economic nationalism and deglobalisation are on the rise with more protectionism evident. A new US administration may reduce trade tensions, with implications for network equipment vendors, but this remains to be seen.
- Prolonged conflicts continue, impacting Middle East markets in particular.
- Regulations are dynamic. Governments are intent on increasing connectivity and digitising societies. Data sovereignty and privacy are topical.

Relevant material matters: MM1 MM4 MM5 MM6

Link to strategy:

Relevant risks: 1 2 3 4 5 9

Social and technology environment

- Populations across our markets are youthful: two-thirds are under 24 and born digital and mobile, making them fast adopters.
- Lockdown restrictions accelerated the transition to work and learn from home, with greater digitalisation resulting in growth in data traffic, progressing digital and financial inclusion. The lockdowns have sown greater social discord and many markets have insufficient resources for an appropriate medical response.
- More than 65% of Africans are financially un- or under-served. The need for mass market digital financial products and commerce remains unaddressed.
- Over 60% of Africans are not connected to the internet. The cost of data is a barrier to the uptake of social apps and digital advertising is nascent. Less than a third of Africans use the most popular instant messaging platforms.
- Spectrum is often constrained. Rapid growth in data traffic requires an increase in the African fibre footprint.
- Africa's enterprise services market is small, as is the API market: accessing APIs is slow and costly for developers.
- Operators rely on a handful of reputable network equipment vendors. Some are the subject of US-China trade tensions.
- Stakeholders increasingly demand that corporates disclose their impact on people and the planet.

Relevant material matters: MM2 MM3 MM8

Link to strategy:

Relevant risks: 6 7

Competitive landscape

- Mobile operators continue to compete through aggressive pricing, targeted propositions and segmented offerings. Increasingly, network performance is a competitive advantage and so is population coverage. Access to spectrum is vital.
- Mobile operators have built extensive transmission networks to accommodate the explosion in traffic, allowing them to compete with fixed providers in consumer and enterprise. The market continues to consolidate.
- The rise of OTT players has been enabled by widespread smartphone adoption. OTT services are impacting voice and SMS revenue but assist in driving data revenue. Banks are expanding their mobile offers.
- Competition for customers is heated, as is competition for the talent required to develop digital services.
- MTN has grown subscriber market share, from a blended 41% in 2017 to 46% in 2020.
- Competition is no longer restricted to mobile services, it references broader connectivity and infrastructure, the 'platforms' of our repositioned strategy.
- Expectations are for a more competitive market.

Relevant material matters: MM7 MM8

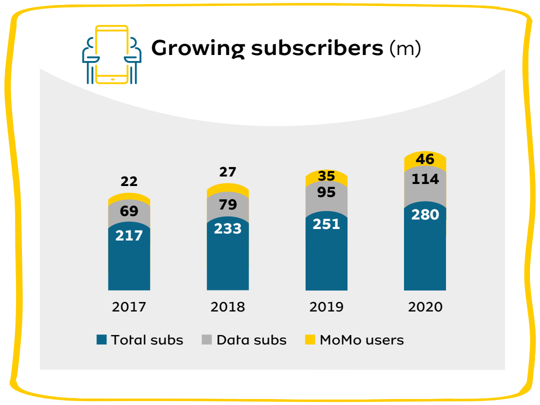
Link to strategy:

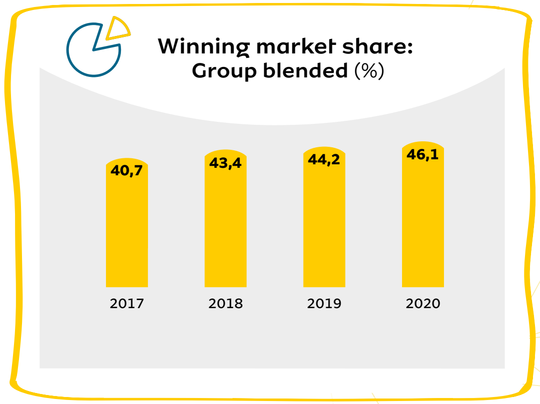
Relevant risks: 8 10

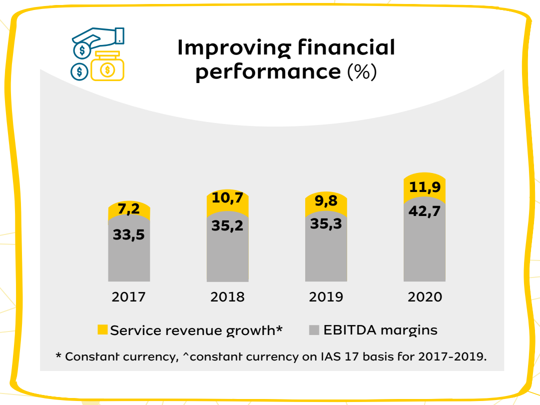
Repositioning our strategy

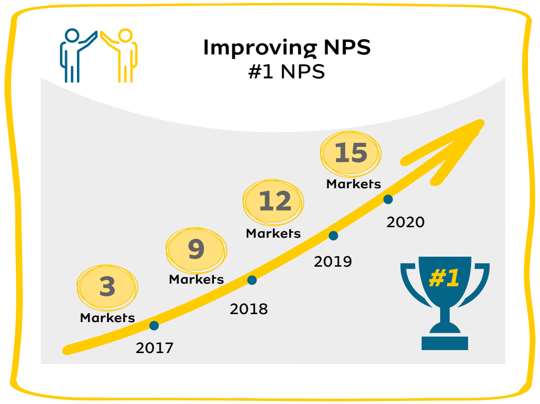
MTN has always had an ambitious and pioneering spirit. For more than a quarter of a century, we have played a bold and prominent role in accelerating Africa's development. When we started our journey, it was our ambition to brighten lives through the power of connectivity, and this continues to be a priority for us. Africa is young, dynamic and ambitious. We see an opportunity to continue harnessing the power of MTN – not only through our brand strength, our footprint and best-in-class connectivity infrastructure, but by offering technology platforms that are second to none, through **Ambition 2025**, our integrated platform strategy. This is an evolution from the BRIGHT strategy, which enabled us to lead the race to connect Africa and its people, towards accelerating and delivering a range of platforms to further digitise the lives of all.

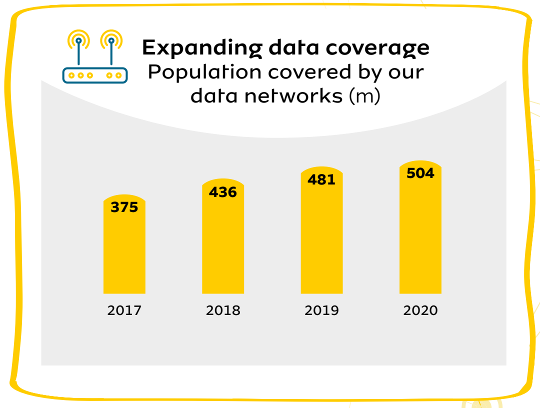
MTN journey thus far – A foundation of commercial and operational excellence

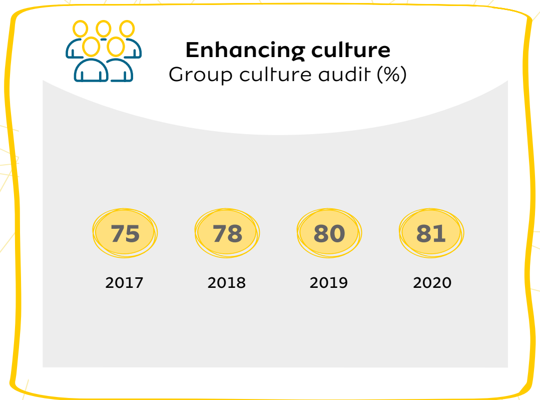












Repositioning our strategy continued

In November 2020 we completed a comprehensive review of our strategy, resulting in a repositioning of the business for sustained growth and greater relevance to 2025. MTN has built strong core operations, which are underpinned by the largest fixed and mobile network in Africa; a large, connected, registered customer base; an unparalleled registration and distribution network, as well as one of the strongest brands in our markets. This is our starting point.

In the wake of COVID-19, the challenges of reducing the Group's risk profile and Holdco leverage have been brought into sharper focus. The pandemic has also highlighted the opportunities presented by the shift in the global operating environment. These factors inform the case for change and the need to revise our strategy. In light of the digital acceleration taking place globally, MTN recognises the opportunity to win in digital services in our markets as customers come online for the first time. In so doing, there is also an opportunity for MTN to align our priorities more closely with the development agendas of our operating markets.

Our revised strategy, **Ambition 2025**, is anchored in building the largest and most valuable platform business with a clear focus on Africa. This will rest on a scale connectivity and infrastructure business, making use of both mobile and fixed access networks across the consumer, enterprise and wholesale segments. The implementation of this growth strategy will be accelerated though selective partnerships and leveraging MTN's brand as the most trusted and valued in Africa, while it will be supported and funded through enhanced cost and capex efficiencies. The execution of **Ambition 2025** is embodied in four clear strategic priorities. We have identified five vital enablers to assist in operationalising our strategy.

The case for change

Challenges

- Reducing the Group's risk profile
- US dollar debt level at Holdco

Opportunities

- Take advantage of the short window of opportunity to win in digital services as customers come online for the first time.
- The global operating environment is shifting in the wake of COVID-19 – de-globalisation and digital acceleration.
- MTN is well positioned to partner with nation states in socioeconomic progress.
- Reveal and crystallise value.

Ambition 2025

Belief statement: "Everyone deserves the benefits of a modern connected life"

Strategic intent: Ambition 2025 "Leading digital solutions for Africa's progress"

2025 Strategic priorities:

- Build the largest and most valuable platforms
- Drive industry-leading connectivity operations
- Create shared value
- Accelerate portfolio transformation

Vital enablers:

- Leading customer experience
- Best talent, culture and future skills
- Value-based capital allocation
- ESG at the core
- Technology platforms second to none

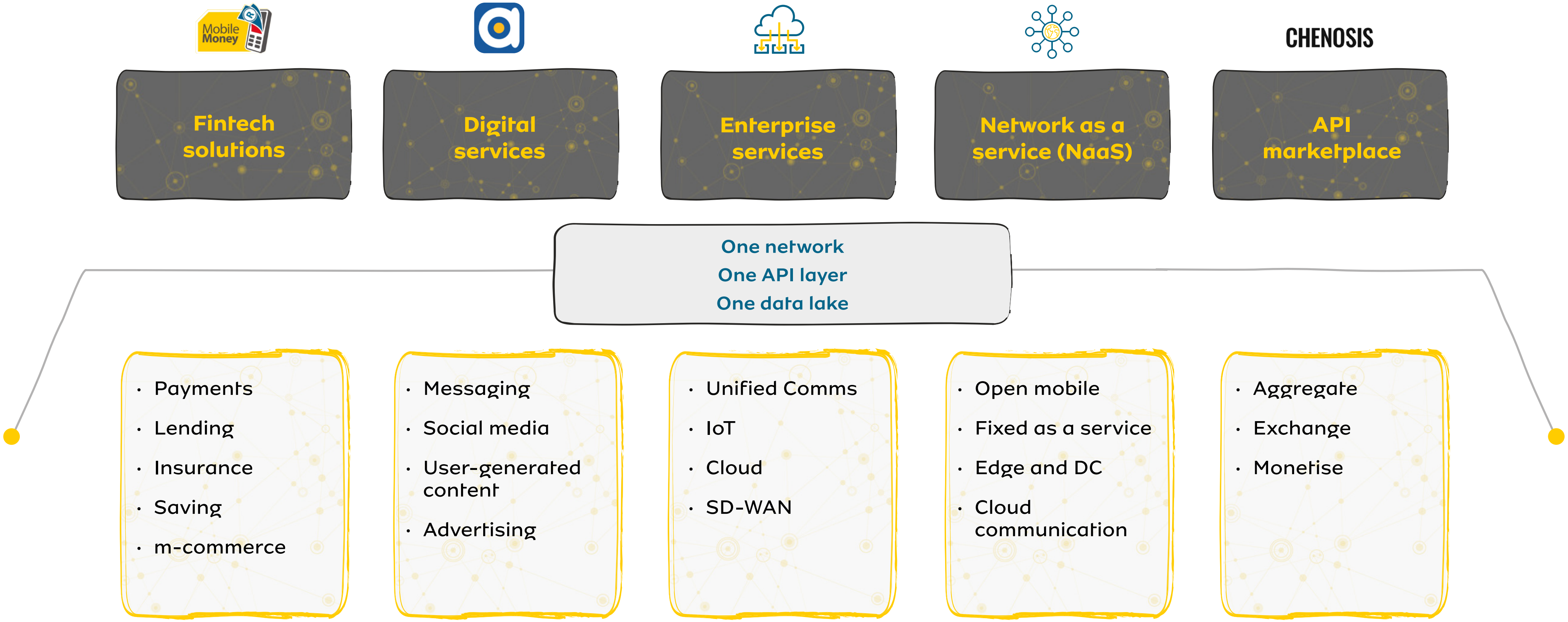
Values: Leadership | Innovation | Relationships | Integrity | Can do

Repositioning our strategy continued

Growth platforms, underpinned by Africa's largest connectivity network

As part of **Ambition 2025**, we want to build five scale platform businesses on top of a very strong connectivity network. The platforms are at different levels of maturity, with – at one end – the fintech platform, which is relatively mature, and – at the other end – the API marketplace, Chenosis, which we launched last year.

- **Fintech solutions** – We have built a scale fintech business, but we have ambitions to double the size of the platform over the next three to five years and broaden the product proposition, moving from payments to lending to insurance to savings.
- **Digital services** – We see the opportunity for mobile commerce where the fintech business intersects with our ayoba business.
- **Enterprise services** – In recent years we have focused on connectivity: building and indexing up on enterprise. With increasing industrial IoT – workloads moving to the cloud – we see opportunity to create a significant and scale enterprise business.
- **NaaS** – We see opportunity to improve the economics of our businesses across markets by extending our well-invested networks to support #3 or #4 players in certain markets.
- **API marketplace** – We look to aggregate APIs and ultimately monetise them over time.



Repositioning our strategy continued

The platform strategy is about creating solutions that not only address opportunities, but also tackle the challenges of the continent. This enhanced platform strategy centres around four strategic priorities. Here we unpack our strategy, together with our ambitions that we are projecting forward over the next three to five years:

Priorities	Objectives	Ambition 2025
Build the **largest** and most **valuable platforms**	• Pivot from a 'product' to 'platform' play • Selective partnerships to accelerate growth • Fintech | Digital | Enterprise | NaaS | API marketplace	• **100m** MoMo users • **100m** ayoba users • **#1** NaaS platform in Africa
Drive **industry-leading** connectivity operations	• Doubling of consumer mobile data • 'Own the home' • Leading FibreCo in Africa • Digital transformation | Step-change in efficiencies and service levels	• **+200m** active data users • **+10m** home broadband users • **+US$500m** investment over medium term • **R5bn** of expense savings | #1 NPS
Create **shared value**	• Step-change in ESG positioning of the Group • Broad-based ownership and inclusion across markets • Sentiment shift through stakeholder management efforts	• **Top quartile** environmental, social and governance (ESG) ratings • Broad-based **ownership and inclusivity** achieved • Reputation Index **≥75%**
Accelerate portfolio **transformation**	• Execute on ARP and reduction of leverage • Middle East exit | Selective expansion in SSA • Reveal and crystallise value of infrastructure assets and platforms	• ARP proceeds **>R25bn** • Holdco leverage **≤1,5x** • Structural **separation** of infrastructure assets and platforms

Investment case – a compelling African growth story

Africa's growing appetite for digital services for entertainment, financial and commercial needs provides a massive opportunity for telcos like MTN to capture the digital service opportunity. We believe we are well placed to provide owned digital services and facilitate access to third-party digital services. MTN has built a strong set of capabilities and competitive advantages.

Our strategic repositioning highlights the Group's key differentiators as well as our plan to take advantage of the various opportunities. Our markets are growth markets. Our company is a growth company: our infrastructure and investments, our established and leading position, as well as the characteristics of our markets – which include their favourable demographics – are all aligned to deliver a very exciting growth story, creating and preserving value for all our stakeholders. We are optimising efficiencies, capex and cash flow, which will all ultimately translate into attractive returns.

Africa's leading and scale connectivity and infrastructure business

#1 or #2 subscriber share in all our markets

'Second to none' and well-invested networks

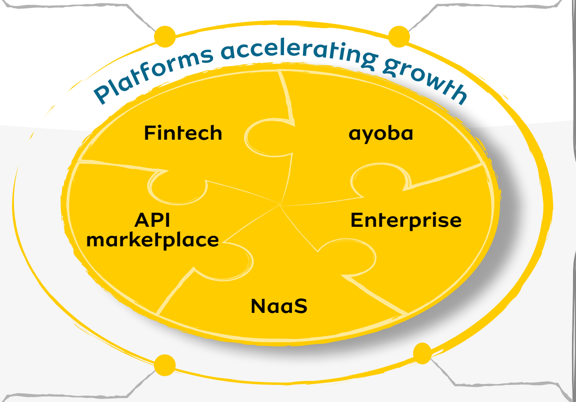
Enterprise, wholesale and infrastructure sharing opportunities

Exciting demographic opportunity

Fast-growing, youthful population

Low data, fintech and digital adoption

Partner in socioeconomic development of our regions



Well positioned for the long term

Digital acceleration of Africa

Portfolio optimisation to enhance risk/return profile

Exposing value in infrastructure assets and platforms

Attractive return profile

Platforms accelerating growth

Attractive cashflow and ROE profile

Accelerated deleveraging of Holdco balance sheet

Enhanced risk and regulatory framework

Disciplined capital allocation

Creating and preserving value – #GoodTogether

Our belief that everyone deserves the benefits of a modern connected life drives everything that we do. We work to preserve and create value for all our stakeholders, and limit instances in which value is eroded. Typically, the traditional measure of value creation for companies has been their financial results – revenue and profits. For 2020, MTN reported:

Revenue of R179,4bn **Profits of R19,6bn**

While these continue to be important, there are many other ways that we measure the value we create. Here we provide a snapshot, with details on pages 18 and 19.

Customers

- Achieved #1 network NPS in **15 markets**
- Named most valuable African brand, worth **US$3,3bn**
- Extended our network coverage, covering **504m people**
- Cut the effective data price per MB by **32,9%**

Extended our data population coverage (%)

	South Africa	Nigeria	SEAGHA	WECA	MENA
3G	99%	80%	81%	81%	48%
4G	96%	60%	59%	53%	37%

- Cut the effective **voice tariff** by **15%**
- Deployed **1 330** ultra-rural sites
- Launched **5G** in South Africa

Governments and society

Supported fight against **COVID-19** (see SR)

Contributed **R35,1bn** in taxes LA

Promoted local ownership:
sold **8%** of MTN Zambia to National Pension Scheme Authority

Facilitated innovation:
launched Chenosis African API marketplace

Furthered transformation:
MTN South Africa reached **level 1** B-BBEE contributor status

Uplifted through our CSI spend of **R168m**

Supported youth employment:
900 YES4Youth interns in South Africa

Progressed digital and financial inclusion by

- Recording **12 400** MoMo transactions/minute worth **US$152bn**
- Signing up **5,5m** customers across 16 markets to ayoba
- **>R28bn^** spend on networks
- Empowered **280k** Nigeria distribution agents to become MoMo agents
- Strong distribution agent network **~5m**

^ IAS 17

Employees

- **Improved** staff morale with highest sustainable engagement score yet
- Paid **R12,6bn** in wages and salaries
- Invested **R136m** in skills
- Increased percentage of female MTNers to **29%** at senior management level

Providers of financial capital

- A **compelling** investment case for Africa
- **17,0%** return on equity
- **R7,1m** paid in interest to debt funders

Navigating through and responding to COVID-19

The spread of COVID-19 in early 2020 led to lockdowns in most of our markets, slowing down economic activity and restricting people's movement. Restrictions were most severe in April 2020 after which they began to ease. However, this state of flux and uncertainty continued for the rest of the year, and indeed well into 2021. Everyday life changed for everyone, impacting lives and livelihoods, and health and wellbeing.

External environment

GDP growth decline and volatile currencies

- **Q1** – Reduced commodity prices negatively impact growth and foreign exchange.
- **Q2** – US, EU, UK peaked and economies opened up. Infections in Africa grew sharply with many lockdowns affecting economies.
- **Q3-Q4** – 2nd wave in US and EU, with some economies going back into lockdown.
- **Q1 21** – Vaccinations begin. Economies start to recover.

Telecommunications industry

- Considered as an essential service.
- People spent more time at home working, entertaining and educating, resulting in a surge of data usage.
- Increase in data traffic and data revenue, enterprise revenue.
- Pressure on voice revenue.

Refer to page 08 for our market context and pages 21 to 25 for our material matters

MTN acted swiftly to address various challenges resulting from the crisis:

	Impacts	Managing the crisis	Future focus
Social (Our people and communities)	• Economic slowdown • Lockdowns • Health and wellbeing	• ***Y'ello*** Hope packages • Work from home • Safety measures	• Agile working • Support staff and communities • US$25m donated in support of AU's vaccination programme
Commercial (including our customers)	• Affordability pressure • Lower transactions • Shift from voice to data	• Digital channels ramped up • Zero-rated sites and discounts on mobile financial services • Innovative offerings – university deals	• Accelerated digitalisation • Stimulate usage • Home connectivity
Network and supply chain	• Site rollout delayed • Data payload surges • Supply chain disruption	• Focus on resilience and capacity • Capacity investments/ spectrum • Built 12-month buffer	• Resumption of rollout • Modernisations/spectrum • Supply chain management
Funding and liquidity	• Cash upstreaming delayed • Currency volatility • Volatile capital markets	• Built financial resilience • Cash conservation and liquidity headroom • 2020 refinancing completed	• ARP readiness for execution • Cash upstreaming from Nigeria • Reducing leverage and US$ debt

For details, including stakeholders' perception of our response, see SR
Also refer to our governance section page 51, risk section page 33 and remuneration section page 63 for COVID-19 impacts.

Internal environment

Ensuring business continuity and seamless communication

A COVID-19 response project team was put together to manage risks and ensure that we continue to create value and assist stakeholders

COVID-19 across our footprint

Cases in MTN footprint

Infections: 4 319 560

Deaths: 125 969

Cases in MTN

Infections: 1 404

Deaths: 10

Opcos with the most cases

- South Africa
- Iran
- Ghana
- Cameroon
- Nigeria

Our outlook

As we move into 2021, sub-Saharan markets are coming out of contraction into modest growth. This growth is going to be impacted by COVID-19 if there are third waves, and by the speed of the vaccine rollout across markets to create the herd immunity that will enable us to move back into a normal cycle. Currencies and commodities are important in how they impact the economies and how we translate cash back to the Group.

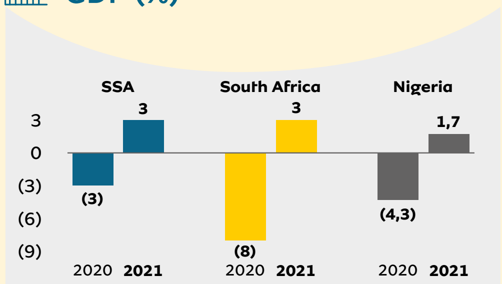
In 2021 mobile and digital acceleration will continue. We believe that this is going to be fairly sustained as we have a huge population base that is still not connected to the internet and there is still scope to drive our services more broadly, not just connectivity but the services that sit on top of connectivity. We remain cautiously optimistic as we look ahead, and the caution is around how COVID-19 impacts countries. Our business is ready and well invested to be able to capture growth.

Our target over the next five years is to grow our total subscriber base to **300 million**, our mobile data users to **200 million** data subscribers and our home broadband users to **10 million**. This objective forms the connectivity foundation upon which we aim to leverage our platform ambition, in terms of which we aim to scale our MoMo and ayoba user bases to **100 million**.

We will continue to invest in the capacity and resilience of our networks as well as scaling our platforms to drive accelerated growth in our business. Our guidance for capex in 2021 is R29,1 billion, which is a slight increase of 1,8% on our 2020 capex.

Macro context in 2021

GDP (%)



Currencies and commodities

	2020	2021F
Average rand/US$:	R16,46/US$	R15,23/US$
Average naira/US$:	N382,28/US$	N445,55/US$
Brent crude US$:	US$41,3/bbl	US$50,0/bbl

COVID-19

Emerging from 2nd wave of infections, potential for **3rd wave**?

AU securing vaccines through **COVAX** facilities with 670m doses secured for 2021

Infections reported of **2,7m**, deaths of 71k as at 28 February 2021^
– **2,6%** case fatality rate vs **2,2%** global case fatality rate

Source: Johns Hopkins (excludes Reunion and Western Sahara). ^SSA

Mobile and digital acceleration

800m people in sub-Saharan Africa (SSA) still not connected to mobile internet

SSA mobile internet users to grow to **475m** by 2025 from **272m** in 2019

SSA smartphone penetration to grow to **65%** by 2025 from **50%** in 2020

Source: GSMA

Our outlook continued

Enhanced medium-term guidance

Although there remains some uncertainty around the effects of COVID-19, we are committed to delivering on our medium-term guidance. In the context of **Ambition 2025**, we have amended the guidance framework to align with our refreshed strategic priorities.

KPI	Previous target	Enhanced target
Service revenue	Group: Double-digit growth South Africa: Mid-single-digit growth Nigeria: Double-digit growth	**Group:** Low-to-mid teens growth **South Africa: Mid-single-digit growth** **Nigeria:** Mid-teens growth
EBITDA margins	Improving margins	–
Group capex intensity	Reducing intensity	–
Accelerate fintech platform growth	–	>20% service revenue contribution
Holdco leverage	<2,0x	**<1,5x**
Asset realisation	>R25bn	**>R25bn**
Adjusted RoE	Improving to >20%, from 11,5% in 2018	**>20%**

Portfolio transformation

MTN's ARP, launched in March 2019 and enhanced in March 2020, aims to reduce debt, simplify our portfolio, reduce risk and improve returns. After delivering capital of R15 billion in 2019, in 2020 we aimed to deliver another R25 billion. In 2020, we sold our 18,9% stake in Jumia Technologies AG and transferred 8% holding of MTN Zambia to the National Pension Scheme Authority. In early 2021, we announced an agreement to sell our stake in BICS. We resolved to focus on our African assets, announcing that we would exit the Middle East in an orderly manner in the medium term.

E-commerce portfolio
- Continue to explore exit options for remaining assets in 'Digital group'.
  - MEIH
  - IIG

Tower Co investments
- IHS
  - R27,2bn
- Exploring SA tower sale and leaseback.

Localisation and other
- MTN Nigeria, further 14% sell-down.
- MTN Ghana, further 12,5% sell-down.
- MTN Rwanda listing by introduction.
- MTN Uganda localisation.

Steady progress on ARP, slowed by market volatility
> R25bn targeted over the medium term

Pan-African focus
- Exit the Middle East in an orderly manner over the medium term.
- Exploring Ethiopia opportunity.

Simplifying the portfolio and focusing on pan-African strategy

Creating and preserving value through our business model

Transforming the stocks of capital through our activities

We create and preserve value by developing and distributing a range of innovative services. We depend on various resources and relationships, known as the six capitals, to do this. We require inputs of each capital to deliver on our strategy, advance some of the UN SDGs and generate value for our stakeholders. When making decisions on allocating capital, we consider the trade-offs between the capitals and seek to maximise positive outcomes and limit instances in which value is eroded. We seek to grow inclusively, responsibly and sustainably.

SDGs

Inputs

Natural (SDGs 12, 13)
Spectrum, energy and land

Financial (SDGs 8, 17)
Debt and equity financing; cash generated from operations and investments

Intellectual (SDG 9)
Our culture; our know-how; proprietary and licensed technology; procedures and processes

Human (SDG 8)
The motivation, skills, safety and diversity of our employees, contractors, partners and suppliers

Manufactured (SDG 9)
Our networks; 2G, 3G, 4G and 5G base stations and fibre; electronic devices; public infrastructure

Social (SDGs 4, 5, 10, 17)
Trusted relationships with customers, communities, governments and regulators, suppliers, trade unions, industry bodies and civil rights groups

Our business model

Our five-step business model is informed by our belief, our strategic intent and our values.
It is underpinned by our governance and supports the delivery of our strategy.

Step 1. We secure access to the appropriate spectrum, licences and technologies based on a thorough **value-based capital allocation** process

Step 2. We attract, develop and retain the **best talent, culture and future skills,** which we combine with the resources acquired in step 1 to create, build and operate technology platforms that are second to none

Step 3. We **drive industry-leading connectivity operations** and **build the largest and most valuable platforms, creating shared value** for communities by advancing digital and financial inclusion

Step 4. This is achieved through the sale and distribution of our differentiated products and services which provide the **leading customer experience** in the market, leveraging Africa's #1 brand

Step 5. With **ESG at the core**, and while **accelerating our portfolio transformation**, we provide **leading digital solutions for Africa's progress**

Outputs

Services:

- **Communication** (voice, data, SMS).
- **Fintech** (MoMo payments, lending, insurance, saving, m-commerce).
- **Digital** (ayoba instant messaging, social media, user-generated content, advertising, video, music, gaming).
- **Enterprise** (Unified communications, IoT, Cloud, SD-WAN).
- **NaaS** (wholesale roaming, fibre railroads).
- **Chenosis** (API marketplace to aggregate, exchange and monetise APIs).

Waste
2,1 million tonnes carbon emissions

Key outcomes

COVID-19
10 deaths
1 404 infections

Supported **fight against COVID-19** (page 15)

Level 1 B-BBEE status at MTN South Africa, MTN Group – level 3

Named **most valuable African brand**, worth **US$3,3bn**

Suspended 2020 dividend and dividend policy

Contributed R35,1bn in taxes LA (R30,5bn)

Facilitated innovation by launching Chenosis

Committed to achieve net zero emissions by 2040

19 295 employees (19 288)

Furthered **sustainable** societies through **ethical** and **responsible** conduct

Ensured **eco-responsibility** by using natural resources conservatively

Rolled out 11 696 3G and 4G sites (16 690). 1 330 sites powered by renewable energy

Progressed digital and financial inclusion

Numbers in brackets are for 2019

We ensure our agility by continuously assessing our market context (page 08) and our material matters (page 21)

Value creation

Sustaining value using the six capitals

Inputs | Outcomes | How we achieved these | The trade-offs

Human capital

Inputs

	2020	2019
Number of employees	19 295	19 288
Those who are contractors and temporary employees (%)	16	16
Investment in employees (Rm)	136	282
Number of nationalities	58	58
Gender diversity (women)	38%	37%

Outcomes

	2020	2019
Staff costs (Rbn)	12,6	10,6
Voluntary staff turnover (%)	5,6	5,3
Employee engagement (%)	81	80
Time spent on employee development (total hours)	898 300	571 445
Global staff care emergency fund (Rm)	21	N/A

How we achieved these

- Restructured Board and management, improving diversity.
- General headcount freeze.
- Implemented WFH.
- Invested in targeted online training and development.
- Encouraged diversity to ensure workforce understands customer needs.

The trade-offs

- Tragic loss of 10 MTNers after 1 404 COVID-19 infections negatively impacted all capitals.
- Cost-cutting measures implemented that supported financial capital, but affected training and staff morale (social capital negatively).
- Bottlenecks in certain teams as result of headcount freeze negatively affecting social capital.
- WFH increased traffic on our network, negatively impacting natural capital.
- Allocated financial resources to staff care emergency fund to assist with COVID-19 pressures, improving social capital.

Manufactured capital

Inputs

	2020	2019
Value of property, plant equipment (Rbn)	100,6	98,3
Capital expenditure (IFRS 16) (Rbn)	33,0	32,9
Number of smartphones (m)	140	121

Outcomes

	2020	2019
2G sites rolled out	2 435	4 699
3G sites rolled out	3 342	5 795
4G sites rolled out	8 354	10 895
Depreciation (Rbn)	29,9	27,3
Impairment of assets (Rbn)	1,1	0,3

How we achieved these

- Accelerated digital transformation due to COVID-19 restrictions.
- Focused on capital investments, spending R33 billion rolling out sites connecting the unconnected and increasing population coverage, covering 504 million people.
- Population coverage increased:
  - 3G: 84% from 77%.
  - 4G: 61% from 46%.
- Continued with smart capex initiatives and re-farming sites.

The trade-offs

- Lockdown restrictions negatively impacted capex deployment especially in the first half, affecting financial capital negatively.
- Network expansion increases the stock of manufactured capital while reducing financial capital in the short term.
- In the medium term, increased manufactured capital will realise value to shareholders.
- Infrastructure sharing limits the impact on manufactured capital and natural capital.

Financial capital

Inputs

	2020	2019
Market cap (Rbn)	108	155
Interest received (Rm)	1,3	1,1
Net debt (Rbn)	49,7	67,9

Outcomes

	2020	2019
EBITDA (Rbn)	81,3	64,2
Profit after tax (Rbn) – restated prior year	19,7	10,8
Cash generated from operations	58,5	36,3
Net debt to EBITDA ratio	0,8	1,2
Net interest paid (Rbn)	7,1	6,9
Headline earnings per share (cents)	749	468
Adjusted headline earnings per share (cents)	877	579

How we achieved these

- Accessed domestic funding in some markets, reducing currency exposure.
- Continued to maintain and improve Group liquidity levels.
- Achieved R4,3 billion in asset realisations.
- Funds used to reduce debt and improve debt mix. Debt mix now 52:48 ZAR:USD/Euro.
- Suspended dividend in 2020.

The trade-offs

- Human capital negatively impacted by cost-cutting initiatives.
- Social capital impacted by decision not to declare dividend but financial capital improved as funds will be used to reduce gearing.
- We were unable to repatriate funds from MTN Nigeria affecting natural, social and manufactured capital.
- Improved social capital through donation initiatives undertaken.
- Improved human capital by setting up staff care emergency fund.

Intellectual capital

Inputs

- Our strong and established brand.
- Our skilled and experienced employees.
- Our partnerships and joint ventures.

Outcomes

	2020	2019
Goodwill and intangible assets (Rbn)	39,1	36,9

- Named most valuable African brand worth US$3,3bn.

How we achieved these

- Launched 'WearItForMe' campaign for brand awareness.
- Hired specialist skills in CVM.
- Partnered with experts in various fields such as technology and management consultancy.
- Expanded fintech and digital offerings in more markets.
- Injected significant capex across markets to improve network quality.

The trade-offs

- Continued investment in our digital and fintech offerings reduces financial capital.
- Ongoing improvements on remuneration policy, addressing shareholder concerns and retaining future-fit employees impacted social and financial capital positively.

Sustaining value using the six capitals continued

Inputs

- Radio spectrum in the 700, 800, 900, 1800, 2100, 2300, 2600MHz bands.

	2020	2019
Gigajoules of energy used (GJ)	20	22

Outcomes

- Committed to net zero GHG emissions by 2040.
- Committed to 47% absolute average reduction by 2030 (science based target).

Outputs

	2020	2019
Carbon emissions (million tonnes)	2,1	2,3
GHG emissions avoided (tCO_2e)	156 996	28 889[2]
Number of new alternative energy sites	300	684
E-waste recycled (tonnes)	31	784

How we achieved these

- **South Africa:** Obtained temporary 700MHz, 800MHz, 2600MHz and 3500MHz spectrum to carry additional traffic during pandemic. Used temporary 3500MHz to launch 5G in major metros.
- **Uganda:** Obtained additional 1.8MHz of 900MHz, making re-farming to UMTS900 possible.
- **Zambia:** Obtained temporary spectrum in 2100MHz during pandemic.
- **Eswatini:** Obtained 5MHz in 900MHz and 10MHz in 1800MHz.
- **South Sudan:** Secured 10MHz in 800MHz. Negotiated rearranging the 1800MHz allocation to prevent fragmentation.
- **Ghana:** Obtained additional 900MHz and 1800MHz which fell above respective spectrum caps after the Airtel Tigo merger. Obtained 5MHz of temporary 2600MHz spectrum during pandemic.
- **Guinea-Conakry:** Started negotiations with regulator on licence renewal (which will see significant expansion of spectrum reserves).
- **Congo-Brazzaville:** Obtained 10MHz of 800MHz earmarked for 4G.
- **Syria:** Both operators had to give up 900MHz spectrum to make this available for a new entrant.
- **Afghanistan:** Assisted regulator with preparations for auction for additional 1800, 2100 and 2600MHz spectrum.
- Improved engagements with stakeholders on sustainability matters.
- Continued driving efficiencies to ensure our technical infrastructure supports service delivery using the least energy.

The trade-offs

- Payment for spectrum and the capital outlay required to maintain network puts pressure on financial capital in the short term. However, this creates opportunities for employment in communities, thus increasing social capital.
- Investments in greener economy initiatives might be expensive in the short term but these create a lasting positive effect on our environments and improve social capital.

	2020	2019
Zero-rated traffic (educational and school websites)	108,6TB	N/A
COVID-19 government-initiated SMSes sent to customers (bn)	3	N/A
Donated to six countries – government relief funds (Rm)	58	N/A
Donated in support of AU's vaccination programme (US$m)	25	N/A

- Constructive relationships with regulators, customers, trade unions, employees, communities and civil society.
- Ongoing interactions with government and tax authorities.
- Regular engagement with shareholders and the investor community on MTN's plans and performance.

	2020	2019
Total tax contribution (Rbn) LA	35,1	30,5
CSI spend (Rm)	168,0	189,5
B-BBEE status in South Africa	Level 1	Level 2
Calls to whistle-blower line LA	188	132
MoMo active subscribers (m)	46,4	34,6
Net Promoter Score (NPS) LA percentages:		
South Africa	48	37
Nigeria	57	62
Other key markets	43	34

- Donated US$25m in support of the African Union's programme to secure COVID-19 vaccines for member states.
- Contributed R168m (CSI spend) and provided ongoing support through the MTN Global Staff Emergency Fund for employees; ***Y'ello*** Hope packages for our customers, communities and other stakeholders as well as through contributions through MTN foundations and government-led initiatives.
- Enhanced management structures and revised key ethics structures and policies to support regulatory compliance.
- Monitored staff morale through annual culture survey.
- Extended MoMo services to more people.
- Reduced effective data price by 32,9% and voice rates by 15%.
- Improved engagements with various regulators resolving key matters.

- Donation initiatives will reduce financial capital but have positive lasting impact on all capitals in the long run.
- Programmes aimed at assisting staff will positively affect all capitals as engaged staff are more productive.
- Investment in fintech and digital offerings reduces financial capital however it increases digital and financial inclusion in our communities and transforms society through various skills and enterprise development.
- Driving localisation and preferential procurement ultimately builds stocks of social, human, intellectual and financial capital.

Material matters impacting value creation

Our material matters are those that could substantially affect the Group's ability to create value in the short, medium and long term. As such, their role in the sustainability of the Company, and of its stakeholders, cannot be overstated. For 2020, MTN's material matters were revised as part of the repositioning of our strategy, aligning them to **Ambition 2025: *Leading digital solutions for Africa's progress***.

The outlook has been articulated under strategic priorities (see page 12) clearly mapping short-term, medium-term and long-term objectives. Globally, 2020 was shaped by the spread of COVID-19 and its pervasive impact on lives and livelihoods. The effect of the pandemic, therefore, presents a common thread affecting each of MTN's material matters.

Managing material matters

We manage material matters by identifying, prioritising, responding and reporting on them.

Identify

We determine our material matters by considering matters of significant importance to our stakeholders and factors that receive the most management and Board attention during the year. These themes take into account:

- The priority interests of our key stakeholders (pages 27 to 30) and the impact of these on our strategy (page 10)
- The Group's top risks and opportunities (pages 33 to 38)
- The context in which we operate (page 08)

Prioritise

These central themes then form the basis of discussion at workshops at which representatives of key departments participate.

They **prioritise** the Group's material matters by considering the scale and nature of their impact on business operations, financial performance and interest of our stakeholders. These are then scrutinised and ultimately endorsed by the CFO, CEO, the Executive Committee and then the Board.

Respond

We **respond** to our material matters by putting in place appropriate management actions to capitalise on those factors that offer opportunity for greater value creation as well as interventions to mitigate those which have the potential to disrupt it. We reference our material matters throughout the Integrated Report.

Report

We **report** on the material matters identified to all our stakeholders, both internal and external.

Workshop participants

- Investor Relations
- Strategy
- Internal Audit
- Treasury
- Risk
- Company Secretary
- Human Resources
- M&A
- Regulatory and Corporate Affairs
- Technology

CFO review → CEO review → Exco review and endorsement → Board review and endorsement

Material matters impacting value creation continued

Here we list the eight material matters identified in the year. Although we have numbered them, this does not reflect the relative importance of each of the material matters, as we recognise that these positions may change during the year. We include the strategic priority icons relevant to each material matter.

Key:
ST – Short term | MT – Medium term | LT – Long term

MM1 Challenging economic environment

Economic activity declined sharply as the pandemic spread, disrupting consumer spending and creating significant volatility. Local currencies weakened.

Implications for value

- Lockdowns led to increased demand for our services, supporting MTN's resilient performance in 2020, but longer term, the pandemic could harm economies and exacerbate unemployment, putting pressure on consumer spending and MTN revenue and profits.
- A weak rand compared to other operating currencies will support the rand value of earnings, while a strong rand will be dilutive. However, the reverse is true for the impact on liabilities.
- Higher costs as some expenses are denominated in hard currencies.

Strategic response and opportunity

- Repositioned our strategy.
- Prioritised efficiency at all costs.
- Improved our debt mix to 52%:48% rand:dollar.

Outlook

- Economies should trend better over the medium term, with slow GDP recovery and stable inflation, however, much depends on how quickly countries can vaccinate their people and recover from COVID-19. **(MT)**
- Future-fit our operating model by redefining how we work, drive our commercial activities and provide stewardship. This is to ensure the agility and resilience for a world that is changing fast. **(ST, MT, LT)**
- Accelerate South African and Nigerian delivery. **(ST, MT, LT)**
- Structure the business for value. **(MT, LT)**

MM2 COVID-19 business interruptions

COVID-19 lockdown restrictions required urgent measures be put in place to mitigate severe business disruption.

Implications for value

- We tragically lost 10 employees to the virus, after 1 404 infections.
- COVID-19 demonstrated just how fundamentally important our services – communications and digital technologies – are.
- Accelerated digitalisation and de-globalisation provided opportunities for revenue expansion in data, digital and fintech. However, some markets reported network quality issues and a decrease in call volumes.

Strategic response and opportunity

- Launched a comprehensive COVID-19 response plan.
- Enabled 70-100% of employees to WFH.
- Secured emergency spectrum in South Africa, Ghana and Zambia to meet additional demand.
- Repositioned our strategy to consider accelerated digital uptake and increased data usage, along with shift in customer expectations and global political and economic changes.

Outlook

- Drive superior customer experience. **(ST, MT, LT)**
- Drive dominance in home connectivity. **(LT)**
- Improve our efficiencies and put digital at the core. **(ST, MT, LT)**
- Returns could be impacted by the investment required, including to secure spectrum. **(ST)**

Material matters impacting value creation continued

MM3 Disruptive technologies

New technologies continued to displace established ones and altered the way businesses operate and consumers behave.

Implications for value

- By supporting growing digital needs, we can double the number of our customers who access the internet. But spectrum availability and affordability are key.
- There is a short window of opportunity to win in digital services as customers come online for the first time.
- Although we continue with 5G and open RAN trials, market immaturity and low affordability mean mass adoption remains uncertain.
- By building the best API platform, we facilitate better interaction between customers, suppliers and developers. This will generate profit for MTN and support nation states' agendas.
- Today's skills will not match the jobs of tomorrow and new skills may quickly become obsolete.
- AI, automation and robotics pose risks to individuals' privacy and security.

Strategic response and opportunity

- Adopted repositioned strategy, recognising that platforms are the future, driving innovation and growth.
- Prioritised building the largest and most valuable platform business in Africa.
- Acknowledged that value-based capital allocation is key to making a return and reducing our effective rates to increase adoption.

Outlook

- Entrench position as largest fibre player in Africa. **(MT)**
- Build technology platforms that are second to none and implement value-based capital allocation. **(ST, MT, LT)**
- Scale up our digital, fintech and wholesale offerings in support of our **Ambition 2025**. **(ST, MT, LT)**

MM4 Dynamic geopolitical environment

Some of our markets continued to suffer from conflict and others were marked by political and policy uncertainty. In some, corruption remained a challenge. However, the overall quality of governance improved. Globally, there was a move towards greater protectionism.

Implications for value

- The markets in which we operate offer many opportunities, however political instability in some markets disrupts business and our ability to create value.
- US/China trade tensions impact suppliers of network equipment, making it more difficult to source the necessary supplies to some markets.
- An orderly exit from the Middle East will reduce our reputational and relationship risks.

Strategic response and opportunity

- Decided to exit the Middle East in an orderly manner over the medium term, to focus on pan-African business and classified MTN Syria as an asset held for sale.

Outlook

- Plan to exit our investments in Syria, Afghanistan and Yemen. **(MT)**

Material matters impacting value creation continued

MM5 Evolving regulatory and compliance requirements

In all our markets, regulatory requirements increased. Ghana's regulator declared MTN a significant market power. Nigeria's regulator suspended the sale of new SIMs while it conducted an industry audit.

Implications for value

- Some requirements may reduce our competitive edge and put pressure on our revenue and profitability.
- Greater local participation – such as stock exchange listings of local operations and more in-country hiring and procurement – will support value creation for all stakeholders.
- Greater information security, data sovereignty and privacy requirements as well as more detailed ESG disclosures, will ultimately support greater shared value.

Strategic response and opportunity

- Complied with numerous COVID-19 regulations, including in some markets the need to zero-rate access to educational and government websites.
- Implemented measures to assist communities cope with the pandemic, including providing ***Y'ello*** Hope packages to the value of R1,8 billion (see SR)
- Improved cost efficiencies, protecting employment of our people and sustainability of the business.
- Progressed localisation in Zambia, improved SA's B-BBEE status to level 1.

Outlook

- Entrench position of MTN as the partner of choice for nation states across our markets. **(MT)**
- Sell down a further 12,5% of MTN Ghana. **(ST)**
- Progress other localisations. **(MT)**

MM6 Complex litigations

Concerns remained over specific risk events, including the accusation that MTN violated US anti-terrorism laws in Afghanistan.

Implications for value

- Our reputation is at stake, as even though these cases may be dismissed, news that MTN has been sued raises concerns among our many stakeholders, undermining trust.
- It creates a market overhang in MTN stock: investors put off buying shares based on the belief the price will remain under pressure.
- COVID-19 lockdowns may create a backlog on the court's roll, further delaying resolution.

Strategic response and opportunity

- Adopted strategic repositioning to focus on pan-African markets and the strategic priority to create shared value, with ESG at the core.

Outlook

- Continue to conduct our business in a responsible and compliant manner in all territories and will defend our position where necessary. **(ST, MT, LT)**
- Entrench the position of MTN as the leading partner for our nation state hosts and communities. **(MT)**

Material matters impacting value creation continued

MM7 Balance sheet resilience

Our Holdco balance sheet continued to be a reason for the disconnect between the value investors ascribed to MTN and the operational progress made.

Implications for value

- Inability to repatriate cash from Iran and difficulty in upstreaming cash from Nigeria limit our ability to pay dividends and reduce debt.
- Limited forex availability and market illiquidity in many opcos hampered funding of essential products and services.
- Downgrade to South Africa's sovereign credit rating impacted MTN Group's rating, pushing up the cost of debt.
- By strengthening our balance sheet, we create flexibility that enables us to grow faster and pursue the many opportunities identified.

Strategic response and opportunity

- Announced plan to exit the Middle East in an orderly manner over the medium term.
- Fast-tracked and closed R18,2 billion in funding to mitigate refinance risk.
- Sold stake in Jumia for net proceeds of R2,3 billion.
- Sold 8% of MTN Zambia for R178 million.
- Announced deal to sell BICS shareholding for R1,8 billion in 2021.

Outlook

- Deliver on the ARP, maintain capex envelope. **(MT)**
- Use ARP proceeds to reduce dollar debt. **(ST, MT)**
- Target additional ARP proceeds of at least R25 billion and Holdco leverage of around 1,5x. **(MT)**
- Sell remaining investments in infrastructure and e-commerce. **(MT)**
- Ensure efficiency at all costs – deliver margin and ROE improvement. **(ST, MT, LT)**
- Target Holdco debt mix of 60:40 rand/dollar. **(MT)**

MM8 Greater focus on ESG

Companies continued to be expected to contribute more to climate action and ensure that corporate governance protects people's human rights. In the past, MTN has been reactive in managing its reputation and has not made its value creation work particularly visible.

Implications for value

- The countries in which we operate are most vulnerable to the effects of climate change. Some of them are also particularly susceptible to human rights incidents and corruption.
- The value investors ascribe to MTN, reflected in our share price, is affected by their perception of our ESG performance and our disclosures. If this is not considered sufficient, the share price remains low and our opportunity to create shared value is limited.
- By increasing our disclosure, we earn the trust of stakeholders, supporting our operations, and furthering our work to create greater shared value.

Strategic response and opportunity

- Introduced 'create shared value' as a strategic priority, facilitated by the vital enabler of 'ESG at the core'.
- Continued to prioritise ethical behaviour.
- Published our first Transparency Report.
- Engaged on various ESG aspects affecting the business such as ad hoc requests to switch off the internet impacting digital human rights.
- Raised the visibility of our shared value work, particularly through the COVID-19 response programme under ***Y'ello*** Hope and #WearItForMe campaign.
- Improved reputation index score to 79%.

Outlook

- Continue to assist governments in fighting the spread of COVID-19, raising awareness of the need to keep wearing masks. Donated, in early 2021, US$25 million to vaccinate African health workers. **(ST)**
- Drive responsible use of environmental resources; greater use of alternative energy **(MT)**
- Work towards achieving net zero emissions by 2040. **(LT)**
- Increase our disclosure on our impact on society, human rights and the environment. **(ST)**
- Become nation states partner of choice for socioeconomic development. **(ST)**
- Enhance our stakeholder engagement. **(ST)**
- Focus efforts of MTN foundations on youth empowerment. **(ST)**

Social and Ethics Committee Chair's review

Chairman
Nkunku Sowazi

"MTN continues to evolve its response to ensure that it caters for the shifting dynamics brought about by the COVID-19 pandemic and the need to realise a more sustainable society. In 2020, the committee fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act, with no material non-compliance."

Members	Attendance at applicable meetings
Nkunku Sowazi	4/4
Peter Mageza^	1/1
Stan Miller	4/4
Khotso Mokhele	3/4
Lamido Sanusi	3/4

By invitation: Group President and CEO, Group Chief Regulatory and Corporate Affairs Officer, Group Chief Human Resources Officer, Group Business Risk Officer
^ Resigned 15 April 2020

Key features of 2020

- Revised the committee's terms of reference to enhance its oversight role in relation to evolving market conditions and global best practice.
- Launched ***Y'ello*** Hope COVID-19 response, prioritising our people, customers and communities as well as our business.
- Entrenched MTN's sustainability framework: completed revision of digital human rights policy and due diligence approach, launched first Transparency Report.
- Conducted ethics risk assessment which led to revision of MTN's ethics strategy to improve MTN's ethical culture maturity and address our ethical behaviour risks and ethics management risks.
- Pledged our commitment to achieve net zero emissions by 2040 to contribute to minimising the effects of climate change.
- Addressed socioeconomic challenges at scale by implementing a B-BBEE strategy, which led to MTN South Africa achieving level 1 B-BBEE contributor status and MTN Group achieving level 3.
- Drove a diverse and inclusive culture, implemented female and culture capacity building programmes. This led to highest recorded score for Group culture audit.
- Entrenched MTN's stakeholder management framework: achieved greater stakeholder participation in annual reputation index survey and improved reputation score.
- Finalised MTN's corporate social investment framework and policy, supporting 23,8 million beneficiaries, mainly youth and women.

Mandate: The Social and Ethics Committee performs an oversight and monitoring role to ensure that MTN's business is conducted in an ethical and properly-governed manner. The committee's responsibilities include:

- Holding the Group President and CEO accountable for MTN's ethics performance.
- Monitoring activities regarding legislation and codes of good practice.
- Ensuring good corporate citizenship, stakeholder management and the promotion of equality.
- Overseeing the prevention of unfair discrimination, fraud, bribery and corruption.
- Deterring human rights violations.
- Contributing to community development, including sustainability and ESG matters.
- Overseeing meaningful B-BBEE and employment equity.

Key focus areas for 2021

- Placing ESG at the core of our strategy.
- Embedding ethical behaviour across MTN through our ethics strategy using the results of our ethics risk assessment.
- Addressing material stakeholder issues and continuously improving our reputation index survey score.
- Progressing our unique public-private partnership with the AU to accelerate immunisation of Africa's health workers.
- Promoting local ownership and participation in MTN's business and supply chain by driving the development of localisation across our markets.
- Enhancing our understanding and response to digital human rights (DHR) by conducting DHR impact assessment.
- Improving MTN Group B-BBEE contributor status to level 1 over three years.
- Entrenching diversity and inclusion by improving entry targets for leadership, succession, technology hiring and differently abled hiring.
- Driving MTN's Project Zero to realise targets across our markets.

Relationships on which we rely to create value

Standardised, consistent and well-governed stakeholder engagement that creates and preserves value for our stakeholders is a business imperative for the MTN Group. For this reason, the Group has been on a journey towards achieving greater consistency, governance and impact in its stakeholder management.

Aligned with the MTN strategy, the MTN Group stakeholder and reputation management strategy was approved by the Board in 2018. In serving the Group's strategic intent, it distinguishes between 10 stakeholder categories based on their stake in the Company. In this section we provided the views of our material stakeholders. Within our strategic repositioning, strategic priorities inform stakeholder management efforts in all our markets. They are to drive the Company's reputation, respond promptly to stakeholder issues, and build relationships. These strategic priorities also inform the key performance indicators (KPIs) we use to evaluate the impact of our efforts on stakeholder perceptions. (Refer to page 10 for our strategic priorities.)

Working in tandem with the strategy team, the MTN Group stakeholder engagement policy standardises stakeholder engagement practices across all markets. The policy ensures good governance, adherence to the King IV™ principles for stakeholder management, and sets minimum standards for effective stakeholder engagement. Within the framework of the strategy and policy, operating companies identify, and map key stakeholders in their markets, plan their engagement proactively, and keep record of all official engagements.

Measuring the effectiveness of our engagement, and the accumulated impact on stakeholder relations and corporate reputation

MTN relies on stakeholder feedback as part of everyday engagement, supplemented with mechanisms to survey stakeholders such as the Group Culture Audit (GCA), NPS tracking and the Reputation Index Survey (RIS).

The 2020 RIS surveyed 4 572 stakeholder representatives in 20 markets (highest recorded number of respondents to date), answering four questions:

01 Stakeholders' assessment of MTN's reputation

02 Stakeholders' rating of their relationship with MTN and their level of trust in the brand

03 Stakeholders' experience of MTN's engagement, including perceptions on how MTN showed up during the COVID-19 pandemic

04 The issues that matter most to stakeholders

Each material stakeholders' rating of the relationship with MTN is shown as below:

can improve | healthy | strong

Stakeholders also rated how MTN showed up in its response to COVID-19, this is indicated with the icon below:

Refer to page 15 for MTN's response to COVID-19.

Top-line results: 2020 Reputation Index Survey

MTN reputation = 79%
Quality of engagement = 74%
Responsiveness on issues = 74%

Stakeholder relationships = 71%
Trust in MTN = 73%

Relationships on which we rely to create value continued

Governments and regulators

Provide enabling environment for value creation and access to licences and spectrum.

Frequency: Ongoing through meetings and forums

80,62

73,80/100

Stakeholders' sentiment on how we engage

- Positive sentiments on COVID-19 relief efforts and investments made to alleviate the negative impacts of the pandemic were welcomed by governments, given the national response agenda.
- Quality of engagement has improved YoY to 76,11 (2019: 70,35), exceeding our target of 75.
- The government in SA rated our engagement at 85,82 motivated by MTN's proficiency in constructively dealing with disagreements in a manner that safeguards an open relationship and its proactive engagement with the regulator and government about challenges and problems faced.
- Enhanced engagement with government and regulators led to a 10-basis point increase in relationships with authorities, now valued above 75 in our largest markets and three regions.

What matters most to them...

- Compliance with licence obligations, legislation and regulations.
- Network performance.
- Customer service.
- Contribution to state coffers.
- Constructive contribution to Industry.
- Transparency and access to accurate information.
- Reliability as a partner.

Our response to legitimate needs and concerns – creating value

- Involved the relevant government departments in our efforts to enhance network performance and customer service.
- Partnered on matters of national and business interest, formalised partnerships where appropriate and honoured our obligations as a reliable partner to governments in the countries where we operate.
- Maintained the stringent compliance regime, through our three lines of defence and regular reporting.
- Monitored and remained abreast of the strategic intent behind emerging policy and regulatory trends across our footprint.
- Engaged regulators for enhanced mutual understanding on what may appear to be conflicting positions on matters material to government and business sustainability.

Assessment of MTN's reputation

79,41/100

Reputation is driven by high MTN performance on:

- ✓ MTN's contributions to the fiscus, and its positive socioeconomic impact in-country in line with national priorities and SDGs.
- ✓ MTN's response to the COVID-19 pandemic.
- ✓ Compliance to licence obligations, legislation and regulations.

Civil society

Provides the basis from which MTN's services are generated, workforce skills are acquired, and where our business derives its legitimacy.

Frequency: Ongoing, meetings/webinars

71,30

74,06/100

Stakeholders' sentiment on how we engage

- Our quality of engagement improved YoY to 77,41 (2019: 72,43) exceeding our target of 75.
- Trust in the MTN brand weakened YoY by two basis points. This is in line with the 2020 Edelman Trust Barometer's finding that global trust in the telecommunication sector decreased by two points since 2019. Trust in MTN remains well above the global benchmark of 66 in telecommunications, and corresponds with the 75 trust in the technology sector.
- The confidence in MTN's ability to make a positive contribution to the country remains high (80), but "I trust MTN to do what is right" and "MTN does what it says it will do" were nine basis points lower. Citizens are critical of the influence of government on business decisions.

What matters most to them...

- Network quality.
- Contribution to sustainable social development.
- Customer service.
- Contribution to the country's revenue.
- Reliability as a partner.
- Compliance with legislation and regulators.
- Localisation (especially local employment, and opportunities to local businesses).

Our response to legitimate needs and concerns – creating value

- Part of MTN's ***Y'ello*** Hope response, is supporting both public and private sectors in the fight against COVID-19 by focusing on healthcare systems and food security for communities across its footprint.
- MTN invests in programmes targeted at empowering youth to access decent work and become economically active.
- Supporting programmes aligned to National Development Plans of the markets in which we operate.
- Advancing programmes which ensure girls and women have the necessary skills and knowledge to understand, develop content, participate in and benefit fully from ICTs and their applications.

Assessment of MTN's reputation

78,05/100

Reputation is driven by high MTN performance on:

- ✓ Business performance.
- ✓ Compliance.
- ✓ Local employment.
- ✓ Contribution to the state coffers.
- ✓ Positive impact on socioeconomic development.

Relationships on which we rely to create value continued

Investment community

Sustainable and attractive total shareholder returns.

Frequency: Ongoing through investor calls, results presentations and roadshows

78,81

76,48/100

Stakeholders' sentiment on how we engage

- Positive on MTN's COVID-19 relief efforts such as the reductions in transaction fees to support customers with the positive impacts achieved with the temporary additional spectrum granted by government in SA.
- YoY, the investment community's assessment of MTN's quality of engagement and responsiveness to issues were rated 3 and 2 basis points higher, based on the experience of respondents during 2020.
- Identified areas for further improvement include greater stakeholder inclusivity, wider stakeholder consultation and due consideration of stakeholder views when MTN takes decisions.
- Consistent, high quality engagement with the investment community contributed to shift of 10 basis points in the relationship. Improving MTN's corporate reputation will, however, depend on its track record on the areas of performance that matter most to investors.

What matters most to them...

- Business performance and financial results.
- Compliance with licence obligations, legislation and regulations.
- Corporate governance.
- Provision of accurate information to stakeholders.
- Network quality.
- Customer service.

Our response to legitimate needs and concerns – creating value

- Concluded comprehensive review of the Group strategy with a focus on accelerating growth, deleveraging the holding company debt and unlocking value for our stakeholders.
- As part of our ongoing portfolio review, we are exiting the Middle East in an orderly manner over the medium term and focusing in the future on our pan-African strategy.
- Focus on ensuring that our enterprise-wide risk management systems are continuously strengthened and remain resilient as we drive our growth strategy.
- Strategic shift towards positioning MTN as an emerging market leader in ESG.
- While COVID-19 impacts will present ongoing headwinds in 2021, MTN will offer the operational resilience to capitalise on the work-from-home trend, and higher levels of online engagement.

Assessment of MTN's reputation

65,48/100

Reputation is driven by:

✓ Transparency.
✓ The investment community's access to information.
✓ Positive impact through its response to the COVID-19 pandemic.
✓ Perceived performance on corporate governance.

Subscribers/customers

Purchase competitive and reliable products and services.

Frequency: Ongoing through customer care channels

66,36

68,72/100

Stakeholders' sentiment on how we engage

- Customers' experience of MTN's engagement remained flat at around 70 for the Group, though there are exceptions in markets such as Nigeria, Ghana, Cameroon and Rwanda with positive customer sentiment.
- Generally negative sentiment about the lack of MTN's proactive engagement on challenges and problems, access to the right people in MTN to solve enquiries and complaints and MTN's response times.
- Irrespective of MTN's COVID-19 relief efforts such as the reductions in transaction fees to support customers, only 45% of subscribers/customers agreed that MTN provided much needed customer relief during COVID-19.

What matters most to them...

- Network quality/performance.
- Customer service.
- Fair and transparent billing.
- Constructive contribution to industry.

Our response to legitimate needs and concerns – creating value

- As COVID-19 continues to be a factor in people's lives, ayoba's daily lifeline data allocations in most markets will continue to allow users free connections with family and zero-rated access to credible information through special COVID-19 channels.
- MTN will offer the operational resilience and network capacity to accommodate the work-from-home trend, offering higher levels of online engagement – while we continue to achieve our ambition of connecting 200 million people to the power of the internet.

Assessment of MTN's reputation

73,85/100

✓ Reputation is driven by perceptions of MTN's network performance, customer service and fair and transparent billing – none of these drivers achieved ratings above 75.

Relationships on which we rely to create value continued

MTN people

Provide skills required to deliver on our strategy and belief.

Frequency: Ongoing through staff communication channels

81,00

76,48/100

Stakeholders' sentiment on how we engage

- MTN Group Culture Audit (GCA) is an annual survey conducted by our independent third-party Global Employee Survey service providers. The survey assesses employee sentiments on sustainable engagement and net promoter score. In 2020, we remained committed to measure sentiments of our staff.
- **Sustainable engagement** is a targeted measure which evaluates engagement, energy and enablement experienced by staff. In GCA 2020, we achieved a sustainable engagement score of 81pp which is the highest score achieved in MTN. This was also 1pp higher than the previous year and 2pp above global telco benchmarks.
- **Employee net promoter** score (eNPS) as a metric in 2020, measured employee perception of MTN as 'Great Place to Work'. We achieved an eNPS score of 41% which is the highest score achieved in MTN. This was also 7pp higher than the previous year
- The Culture Audit sentiment results indicated that our transformative global people experience, health and engagement actions created a positive impact of on our staff, despite the many unprecedent challenges faced.

What matters most to them...

- Positive impact of leadership, communication and diversity actions.
- Their belief and connection to the goals and objectives of the Company.
- Safeguarding their health and wellbeing.

Our response to legitimate needs and concerns – creating value

- Alleviating work-related pressure due to the effects of the pandemic-led business disruptions.
- Perceived pay-related improvements in markets experiencing hyperinflationary conditions and civil strife.
- Focused on enhancing our digital employee capabilities and agile programmes to enable efficiency.

Assessment of MTN's reputation

81/100

Reputation is driven by:

- ✓ Transparency.
- ✓ Listening to employees.
- ✓ Updates and clear communication.
- ✓ Upskilling.

The key issues we face

At the core of MTN is to do good, to be good and to be for good. Partnerships help us create shared value. We are committed to being transparent with our partners about the key issues we face. These are the issues that are top of mind for our leaders. They affect our ability to create and preserve value and are linked to our material matters (page 21), the concerns of our stakeholders (page 27) and our risks and opportunities (page 33).

Nigeria's suspension of SIM sales

In December 2020, the Nigerian regulator suspended the sale of all new SIM cards by all operators to allow it to audit the subscriber database. It set various deadlines for operators to re-register the national identity numbers of all subscribers.

Our response: MTN Nigeria embraced the opportunity to play a more meaningful role in driving a solution for this issue and a sustainable and more reliable SIM registration process. By 28 February 2021, 37,2m (or 48,7%) of the MTN Nigeria subscriber base had submitted their NINs. These submissions remain subject to verification against the National Identification Management Commission database.

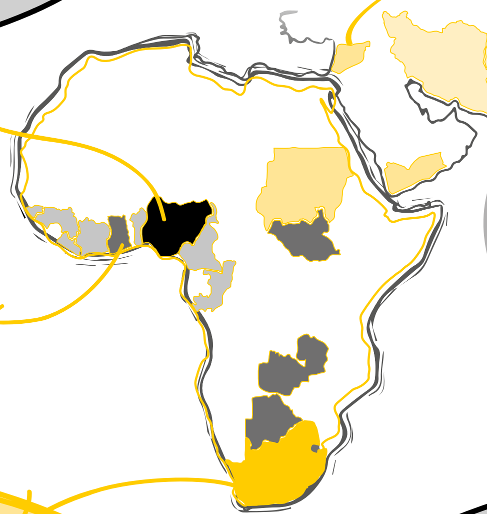
MTN is committed to supporting efforts to create a secure and sustainable digital economy and to comply with all regulations.

Planned exit from the Middle East

In August 2020, we announced plans to exit the Middle East in an orderly manner over the medium term. Over the years, macro pressures and currency devaluation have led to operations in this complex region contributing less than 4% to MTN Group earnings. However, our colleagues in the Middle East continue to make us proud. In February 2021, a Syrian court placed MTN Syria under a judicial guardian after the Syrian Telecoms Authorities filed a lawsuit against the Company.

Our response: We engaged in discussions to sell our 75% stake in MTN Syria. Until such time as we progress this divestiture, and those in Afghanistan and Yemen, the Middle East operations will remain part of the Group. We realise that our decision to exit will have implications for customers in those markets. We are working closely with our key stakeholders to ensure a smooth transition.

MTN is committed to an orderly exit.



Afghanistan anti-terrorism complaint

In December 2019, a complaint for violation of the Anti-Terrorism Act was filed in the US. Families of US soldiers sued MTN for allegedly aiding militant groups in Afghanistan. The complaint alleges that several businesses supported the Taliban by making payments to ensure the protection of infrastructure.

Our response: MTN has deep sympathy for those who have been injured or lost loved ones as a result of the tragic conflict in Afghanistan. MTN is proud of the role it has played in emerging markets, where widening use of mobile has been a major force for good in social, economic and political liberation. MTN has filed a "motion to dismiss" requesting that the court end the lawsuit and grant a judgment in MTN's favour because the court lacks jurisdiction over MTN, which does not operate in the US, and because the complaint does not allege any conduct by MTN that violated the Anti-Terrorism Act.

MTN conducts its business in a responsible and compliant manner in all its territories and intends to defend its position.

MTN Ghana classified an SMP

In June 2020, Ghana's regulator classified MTN Ghana as a significant market power and determined that special regulatory restrictions would be enforced to potentially limit the company's growth, performance, innovativeness, and its competitiveness.

Our response: After numerous engagements, MTN Ghana applied to the courts for a judicial review. Given progress made in further engagements, in October 2020, MTN Ghana withdrew its legal challenge. This paves the way for an amicable resolution. Discussions continue.

MTN Ghana is a responsible market player in a highly competitive market and does not engage in anti-competitive behaviour.

Spectrum

Radio spectrum is the digital highway upon which mobile operators depend to carry increasing volumes of mobile data at more cost-effective prices. South Africa has among the lowest spectrum allocation of all MTN markets.

Our response: COVID-19 led to increased demand on our network across our footprint. MTN motivated regulators to grant additional spectrum temporarily in markets that experienced capacity constraints. We secured additional spectrum in South Africa, Ghana and Zambia. Given the continued high levels of data consumption in South Africa and Zambia, we have sought to secure permanent additional spectrum in auctions in these markets. The release of new spectrum will greatly enhance MTN's ability to service more customers and provide more affordable prices.

MTN is committed to bridging the digital divide and facilitating lower data prices.

5G

There are concerns from some stakeholders regarding the health implications of using 5G technology. There is a misperception that 5G causes cancer, and that 5G-emitted radiation weakens the immune system, enabling COVID-19 to spread.

Our response: MTN works to raise awareness of the fact that there is no reliable scientific evidence of any link between 5G and COVID-19 and we remain focused on our efforts to combat the pandemic and support customers and society. We prioritise the resilience and capacity of our networks, which provide the telecoms services that are vital in the fight against COVID-19 as well as the connectivity that customers need to remain economically active despite lockdown restrictions. 5G mobile technology has undergone extensive research, with numerous studies finding that it has no negative impact on the environment or people. This has been confirmed by leading global experts, including the WHO.

MTN continues to work to raise awareness that there is no scientific evidence of any link between 5G and COVID-19.

Risk Management and Compliance Committee Chair's review

Chairman
Shaygan Kheradpir

"We continued to focus our oversight efforts on the critical strategic and operational risks that impact MTN as new threats and opportunities arise. To this end, the committee approved revised principal risk universe categories to better reflect the changing business direction. The revised risk universe further embedded the use of key risk indicators (KRIs) to monitor delivery of MTN's strategy, to limit the effect of unforeseen events and to respond to opportunities.

As the Company embarks on Ambition 2025, comprehensive risk assessment and analysis was applied to the strategy to proactively understand its impact on the existing risk profile, and to formulate mitigations for new risks.

The risk and compliance (R&C) team coordinated MTN's COVID-19 response, including counter-party risk assessments and stress testing for financial resilience. The committee encouraged reporting from management that reinforced focus on achievement of strategic initiatives and meeting all regulatory and compliance obligations."

Members	Attendance at applicable meetings
Shaygan Kheradpir (chairman)^	4/4
Peter Mageza (previous chairman)	1/1
Paul Hanratty	4/4
Dawn Marole	1/1
Stan Miller	4/4
Lamido Sanusi	3/4

By invitation: Chairman of the Audit Committee, Group President and CEO, Group CFO, Group Business Risk Officer, joint external auditors
^ Assumed role as chairman on 1 April 2020, after previous chairman's retirement

Key activities in 2020

General
- Created Chief Risk Officer position, appointing Ferdi Moolman effective 1 March 2021. This elevates both risk and compliance and internal audit and forensic services to Group Exco.

Enterprise risk management (ERM)
- Reviewed, refined and shared the risk appetite framework with opco risk teams who tabled KRI dashboards to their excos and audit and risk committees for regular monitoring.
- Implemented a maturity model with all opcos with actions to improve risk culture and processes; this was followed up by quality assurance reviews to assess effective implementation.
- Internal Audit conducted a Group ERM audit; achieved an 'effective' rating at level 4 maturity.
- To standardise controls, R&C and Internal Audit developed risk and control matrices for a defined mega and major processes.
- Performed strategic risk assessments on **Ambition 2025** to identify strategy risks and develop mitigations.
- Worked with fintech team to develop metrics for management reporting with key compliance indicators. To support the fintech separation project, a monthly combined assurance forum was introduced to facilitate cross-functional collaboration between assurance providers.
- Introduced country risk monitoring, with a framework that tracks GDP change, currency volatility, public debt, tax regime, sanctions and policy uncertainty parameters to enhance understanding of risk context.
- Identified catastrophic risks scenarios and mitigations.

Compliance
- Enhanced Group compliance monitoring and testing methodology and trained all opcos.
- Substantially completed planned compliance monitoring and testing reviews.

Business resilience
- Approved new Business Continuity and Resilience Policy, covering governance, crisis management, technology, operational, supply chain and information security resilience principles and structures.
- Supported the business supply chain crisis response by coordinating efforts to ensure short- to medium-term contingency built up, including 12-month buffer for critical spares and capacity.

Insurance
- Renewed the insurance programme in difficult market conditions.
- Approved additional funding to increase MTN's cell captive capacity which reduces reliance on conventional insurance for certain asset classes.

Mandate: The Risk Management and Compliance Committee works to improve the efficiency of the Board and assists in discharging its duties. This includes providing oversight on the identification, monitoring and mitigation of existing and emerging risks and compliance matters impacting the company.

Key focus areas for 2021

- Continue to embed risk appetite and tolerance methodology to improve the use of KRIs as early warning indicators.
- Roll out new risk and control matrices to support **Ambition 2025** control standardisation objectives. This enhanced focus on operational risk and bottom-up risk management, covering core operations, seeks to complement top-down strategic risk management, and take ERM at MTN to the next level.
- Continue efforts to take compliance to the next level of maturity and have leading compliance functions within opcos, to drive consistency in compliance management across the Group.
- Operationalise the fintech compliance operating model, including positioning of anti-money laundering officers.
- Continue to develop policies and procedures and implementation of a company-wide e-learning system.

Top risks to value creation

Our top risks

In line with our enterprise risk management and integrated assurance methodologies, we have processes and practices in place across MTN for management to proactively identify and manage risks and opportunities that impact our strategic and operational objectives. Top-down and bottom-up risk management results in a profile of the most material risk issues based on residual risk. Residual risk considers the likelihood of identified events occurring, the impact should these materialise and the effectiveness of existing mitigation and controls.

Top risk profiles are discussed at monthly MTN Group Exco meetings as well as at quarterly meetings of the MTN Group Audit Committee and the Risk Management and Compliance Committee. In addition, opco level risks are discussed at opco exco and opco Audit and Risk Committee meetings. At these meetings, changes and new risks are discussed and progress on agreed mitigation actions monitored.

Principal risk universe and risk appetite

A key component of enterprise risk management entails the use of a focused principal risk universe. In the first instance, the risk universe provides two-tiered risk categorisation that enables uniform mapping of risk issues across all the operating companies for bottom-up integration and consistency. From the top-down perspective, the principal risk universe guides senior management to achieve completeness of risk identification. The principal risk universe is dynamic and is periodically reviewed to reflect changes in strategy, organisation and operations.

The organisation's risk appetite philosophy and statements are operationalised by applying risk preferences to each principal risk. This helps guide the articulation of mitigations and resource planning. Furthermore, key risk indicators (KRIs) with tolerance levels are developed for each principal risk to further embed and operationalise the Board's risk appetite guidance. The following table shows the current universe underpinning enterprise risk management:

Risk category

Strategic	Governance	Financial	Technology	Operational	External
Principal risks					
• Strategy and execution • Regulatory and stakeholders • Products and innovation (telco, digital, fintech) • M&A, divestitures and strategic partnerships	• Compliance • Internal control environment • Fraud and financial crime • Governance • Social and ethics	• Financial markets • Liquidity and funding • Tax • Financial accounting and reporting • Credit risk • Financial performance and returns	• Network • Information technology • Information security	• Supply chain • Sales and distribution • Customer experience • Continuity risk • Human capital • Environmental • Reputation, branding and marketing	• Competition • Legal • Political and macroeconomy

Changes in principal risk universe in 2020:

- At the risk category level, 'Compliance' was renamed 'Governance', to align with the **Ambition 2025** focus on governance and internal control standardisation and enhancement of the Group's repositioned strategy. 'Governance' covers risk issues related to governance, compliance, internal control environment, fraud and financial crime and social and ethics.
- A principal risk for credit was added to the universe, to identify and map risk issues from the evolving fintech business. Credit risk covers all aspects of credit issues including sales and distribution.
- The previous principal risk 'fraud and internal control' was split into 'fraud and financial crime' and 'internal control'; allowing 'fraud and financial crime' to be assigned a low risk preference in line with the Group's zero tolerance for fraud; and 'internal control' a current medium risk preference to reflect the differing levels of internal control maturity across different markets and the overall direction of the repositioned strategy to drive standardisation of controls.

Top risks to value creation continued

Compliance management

In 2020, we enhanced compliance management by implementing a comprehensive programme focused on enhancing key compliance areas for each opco to assist in progressing the opco's level of maturity. The compliance maturity model is an integral component of efforts to establish leading compliance functions within the opcos and drive consistency in compliance management across the Group. In addition, we rolled out a new Group compliance monitoring and testing methodology to ensure standardisation on how our opcos test compliance to regulatory obligations. In 2020, all opcos were trained on the methodology and over 90% of the planned compliance monitoring and testing reviews, which comprises over 4 300 obligations, were completed.

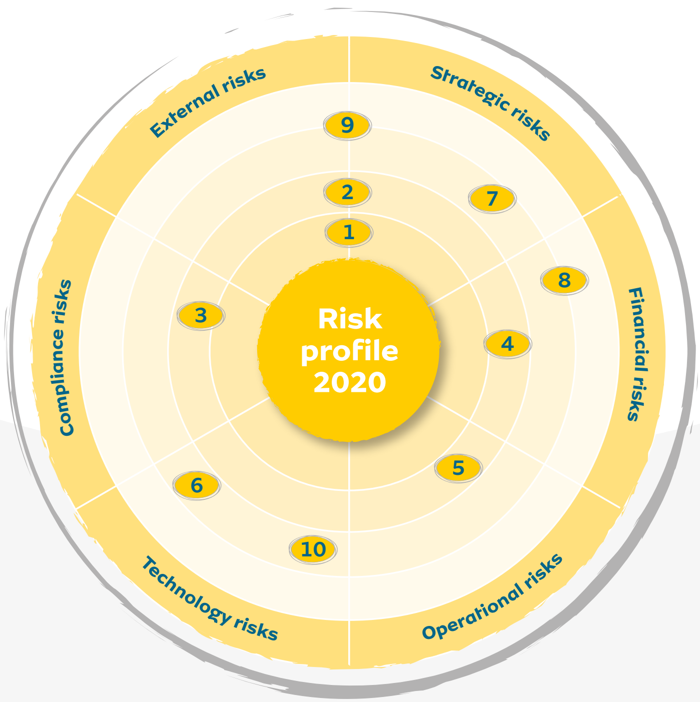
Stress testing and scenario planning

In additional to using risk categories and principal risks to achieve completeness of risk identification, as part of proactive forward-looking risk management, we have incorporated stress testing and catastrophic scenario planning exercises into the process. Stress test scenarios are applied to different elements of the budgeting process at an opco and MTN Group level, with high-level mitigations developed for shock scenarios. Examples of catastrophic scenarios considered include: a dramatic depreciation of key market currency; difficulties in renewal of licences or nationalisation in key markets; failure of a major network supplier; cyber-attack crippling large parts of the network; and technology disruption leading to a more rapid move away from voice to data/digital.

Business resilience

We implemented a business resilience roadmap, with all opcos achieving at least 80% of the plan and all Tier 1 opcos achieving 100%. As part of operational resilience efforts, we implemented work-from-home (WFH) for all employees and increased our call centre redundancies. Governance resilience structures enabled the Group COVID-19 Response Project which comprised six sub-project streams. We performed credit risk deep-dives to identify and manage credit-related risks and carried out robust stress testing to allow for financial resilience during the pandemic. As part of supply chain resilience, short- to medium-term contingency was built-up, including a 12-month buffer for critical spares and capacity.

Risk profile 2020



Rank	Risk description
1	Increasing regulatory and tax pressure.
2	Challenging political, economic and investment environment. Political instability and sanctions in MENA region.
3	Forex volatility and currency weakness.
4	Supplier concentration and supply chain disruptions.
5	Pressure on Holdco leverage from cash upstreaming challenges, debt mix and upcoming maturities.
6	Operational and compliance challenges.
7	Cyber and information security risks.
8	Strategy and execution risks.
9	Tax issues.
10	Spectrum cost and availability.

Top risks to value creation continued

Ranking	Principal risk and risk issues	Mitigation and controls	MTN's performance in 2020
2020 1 2019 3	**Principal risk: Regulatory** **Increasing regulatory and tax pressure** MTN operates in multiple jurisdictions that require compliance with wide-ranging laws and regulations. These include: licence obligations; regulatory prescriptions; sanctions laws; capital importation and repatriation stipulations; data privacy prescriptions; cross-border data flow restrictions; quality of service (QoS) performance indicators; SIM registration and Know Your Customer (KYC) requirements. These requirements continue to increase and are often elevated by economic conditions in the markets in which we operate. During 2020 we saw increased regulatory pressures in key markets in areas such as market dominance, data privacy, subscriber registration and tax.	• Continued implementation of our stakeholder management framework with increased support and assistance from the Group. • Proactive engagement with key stakeholders to secure renewal of operating licences on the best possible commercial, technical and financial terms. • Adherence to localisation and regulation obligations. • Concerted regulatory and industry advocacy. • Strict compliance with laws and regulations and continuous enhancement of compliance testing programmes. • Hands-on support from the Group including advice, guidance and research on key risk issues and events to mitigate risk and ensure the effective resolution of issues. • Continued capacity building and development of tools e.g. playbooks and knowledge share.	• Further developed support frameworks, including stakeholder management which comprises strategy, policy and blueprint for regulatory management. • MTN Afghanistan and MTN Ghana successfully renewed their operating licences and MTN Uganda successfully concluded negotiations. • Successfully lobbied regulators to grant additional spectrum on a temporary basis in markets that experienced capacity constraints arising from pandemic impact. We secured additional temporary spectrum in South Africa, Ghana and Zambia. Given high levels of data consumption in South Africa and Zambia, we sought to secure additional spectrum on a permanent basis in auctions. • Our submissions into proposed legislation and regulations and regimes within our ecosystem were accepted, including in eSwatini, Nigeria, Ethiopia, Zambia, Rwanda, Afghanistan and South Africa.
2020 2 2019 1 2019 2	**Principal risk: Political and macroeconomy** **Challenging political, economic and investment environment in Nigeria** The impact of the pandemic cannot be overlooked, particularly on the political and socioeconomic environment in the markets in which we operate. Macroeconomic uncertainty including concerns around currency devaluation, inflation, rising debt service cost and increased scrutiny and investigations negatively impact investor confidence. **Political instability and sanctions in MENA region** Continuing challenge for MENA opcos dealing with political uncertainty, armed conflict and geopolitical pressures. Ongoing conflict in Afghanistan, Syria and Yemen cloud prospects for near-term stability. For Iran, the final year of the Trump administration saw deepening sanctions and confrontation with the US, which increased pressure on the economy and industry.	• Proactive stakeholder management and engagement of relevant authorities on the impact of the pandemic on the business's operations. • Continuously monitor developments across politically and economically sensitive markets with scenario and sensitivity analysis to enhance response capabilities. • Business resilience measures are in place in each of the opcos. • Use of available instruments for forex hedging. • Strict compliance to laws and regulations. • Ensure sufficient levels of committed funding facilities at Group to respond to market stress and maintain the Group's approach of opco self-funding. • Ensure protection of staff and assets and continuity of operations through strong business continuity controls. • Strict compliance with international sanctions laws.	• Established a Group-wide COVID-19 response project to coordinate mitigation of all categories of risk impacted by the pandemic, especially financial risks. Mitigations included ongoing monitoring of economic developments, credit risk monitoring and financial stress testing. • Implemented enhanced issue and stakeholder management activities. • Supported, where possible, public-private partnerships and government initiatives that help promote the socioeconomic welfare and growth of host countries as part of our nation state agenda. • Enhanced business resilience maturity in line with targets. • Maintained the principle of self-funding for MENA opcos. • Ensured consistent use of political and economic scenario analysis as an integral part of the risk management and contingency planning process. • Implemented enhanced issue and stakeholder management activities. • MENA opco staff performed extremely well in the face of severe challenges. • Formulated an exit plan for MENA region.

Top risks to value creation continued

Ranking	Principal risk and risk issues	Mitigation and controls	MTN's performance in 2020
2020 3 2019 4	**Principal risk: Financial markets** **Forex volatility and currency weakness** Debt financing and capex commitments are often foreign denominated. Inherent volatility and long-term weakening trend of currencies in key markets impact opco and Group profitability. Lack of currency availability in markets such as Nigeria impact cash upstreaming to the Group which, in return has a negative impact on Group liquidity and debt ratios.	• Stress testing of business plan against currency volatility to understand impact on revenue, EBITDA, profit after tax and free cash flow and formulation of response measures including specific mitigation plans for adverse key currency fluctuations. • Ensure alignment of hedging policy within risk appetite framework, hedging exposures where feasible and where instruments are available. • Optimise levels of local versus foreign currency debt at the Holdco. • Maximise local currency debt in opcos to reduce forex risk. • Ensure conversion of large contracts into local currencies where possible and financially prudent. • Repatriation of dividends when possible.	• Performed stress testing in respect of gearing ratios; and completed stress testing of Group business plan for key currency volatility. • Use of cash-backed letters of credit in place of trade lines in order to reduce forex exposure and obligations on equipment importations. • Continued use of hedging instruments for applicable foreign-denominated opex and capex. • Achieved 52%:48% mix on local/foreign-currency-denominated debt. • Maximised rand-denominated debt at Holdco level with increased focus on local debt capital markets. • Continued success of our strategy to raise local currency debt in opcos. Funding transactions closed in Nigeria, Ghana, Uganda, Cameroon, eSwatini and Congo-Brazzaville.
2020 4 2019 7	**Principal risk: Supply chain** **Supplier concentration and supply chain disruptions** The telco industry depends on certain key suppliers. While we continue to monitor developments relating to Chinese telco suppliers, there is a risk of disruption to operations in the event of a key supplier's failure or its inability to deliver.	• Implement enhanced supplier risk management strategy. • Enhance business resilience. • Enhance crisis management structures. • Revise contracts with suppliers and develop contingency plans for high concentration suppliers. • Bring forward transfer ownership/title of all critical hardware. • Continue to monitor geopolitical events that may impact supply chain. • Continue to embed the supplier risk and concentration strategy framework.	• Developed and implemented contingency plans for Huawei crisis scenarios for all affected opcos, in coordination with Huawei. • Set up a task force to review the impact of COVID-19 on our supply chain. As a result, we managed delays and stocked up essential spare parts to keep MTN networks running. • Developed contingency plans to ensure minimal disruption to business operations during multinational lockdown. • Revised the terms in the Supplier Code of Conduct to cover the aspects related to anti-money laundering, sanctions, trade compliance and anti-competitive practices. • Strengthened the supplier onboarding process with addition of information security section covering data breaches and privacy.
2020 5 2019 8	**Principal risk: Liquidity and funding** **Pressure on Holdco leverage from cash upstreaming challenges and debt mix** In addition to generating profitable returns, it is vital for our opcos to generate sufficient cash and have optimal capital structures to fund capital-intensive programmes and repatriate earnings to the Group. An inability to secure debt at the local balance sheet level and repatriate earnings, due to factors such as inadequate market capacity, foreign currency availability and/or restrictive forex laws or sanctions, impacts our ability to keep adjusted Group leverage stable and increase distributions to shareholders. This may also lead to ineffective management of free cash flows due to an imbalance between revenue growth and capex intensity. Execution risk on ARP or an inability to secure sufficient liquidity for upcoming maturities will heighten refinance risk. Outstanding dividend payments from Irancell and Nigeria remain key challenges	• Focus on attaining double-digit growth in constant currency service revenue as well as improving EBITDA margins. • Continue to implement our smart capex agenda. • Proactive management of capex intensity. • ARP proceeds to be used to reduce leverage at the Holdco. • Continued focus on improving foreign to local currency debt mix at the Holdco. • Proactive and continued management of debt portfolio at the Holdco to mitigate refinance risk. • Maximise local currency debt in opco to optimise capital structure. • Optimise excess cash balances in opcos and cash upstreaming to the Group. • Ensure that Holdco leverage remains within the target range.	• Brought Holdco leverage down from 2,9x to 2,2x • Improved the mix of local/foreign-currency-denominated debt at the Holdco. • Maximised rand-denominated debt at the Holdco, with increased focus on local debt capital markets. R18,2 billion in funding closed in 2020 despite challenging market conditions allowing us to refinance and manage maturities in 2021 and beyond. • Continued success of our strategy to raising local currency debt in opcos. Funding transactions closed in Nigeria, Ghana, Uganda, Cameroon, eSwatini and Congo-Brazzaville. • Concluded sale of ATC Ghana, Jumia and BICS. • At 31 December 2020, Holdco liquidity headroom was R41 billion.

Top risks to value creation continued

Ranking	Principal risk and risk issues	Mitigation and controls	MTN's performance in 2020
2020 **6** 2019 5	**Principal risk: Compliance** **Principal risk: Internal control environment** Operational and compliance challenges These risks result from the strategic challenge of standardising internal control maturity across decentralised opcos with very different operating environments which need to be balanced with commercial agility. In addition, ongoing changes in the regulatory environment add pressure to the compliance environment. MTN has made good progress improving and standardising its control environment. Areas of ongoing focus include the fast-growing fintech environment, subscriber registration requirements, credit risk management, information security controls, and more demanding data privacy requirements.	• Continued focus on reviewing existing internal policies and procedures as required and the development of new ones. • Continuous enhancement and implementation of compliance maturity objectives and internal controls improvement plans. • Ongoing monitoring of key compliance risks in opcos. • Advanced risk management practices in most opcos • Further engagement with regulators to ensure clear, concise and unambiguous regulatory requirements by first line assurance functions.	• Established Group Compliance Steering Committee, chaired by the GCFO, to monitor and provide oversight on compliance. It focuses on top compliance and combined assurance risk issues, risk acceptance and escalation and reporting. • Strengthened governance structures at Group with well-functioning Policy Exco and Compliance Committee and Executive Risk and Control Committees in Nigeria and South Africa. • Implemented numerous new policies. • Achieved significant maturity improvements on the ERM and compliance programmes. • Implemented Group compliance monitoring and testing methodology to ensure standardisation on how opcos test compliance to regulatory obligations. • Trained all opcos on the methodology. Completed more than 90% of planned compliance monitoring and testing reviews – comprising over 4 300 obligations.
2020 **7** 2019 6	**Principal risk: Information security** **Cyber and information security risks** Cyber-attacks continue to increase globally and, if not controlled, new hardware and software vulnerabilities could compromise our customer data confidentiality, integrity and availability, ultimately affecting the performance of our networks and information systems.	• Ensure adequate monitoring and reporting on performance against the milestones as defined in the Group's information security plan. • Continue to strengthen our incident response capability. • Continue efforts to strengthen the security control environment. • Review and enhance security governance and operational structures. • Enhance investment in the upgrade of the security environment across the organisation. • Enhance/develop new playbooks for common security incidents. • Implementation of strategic programmes to fast-track implementation of security capabilities. • Enhance security controls and management of third parties.	• Met our information security plan targets for 2020, including development of a new information security governance structure. • Launched executive management campaigns, including engagement on basic security skills for MTN workforce, as part of a new e-learning platform. • Continued with ongoing security assessments, including independent assessments, on various MTN systems to proactively identify vulnerabilities requiring remediation. • Established fintech security compliance management structures. • Successfully deployed various security detection and monitoring solutions. • Defined and deployed additional technical security standards and reference architectures. • Included security annexure in new and/or renewal of third-party contracts.
2020 **8** 2019 new	**Principal risk: Strategy and execution** Operating across diverse markets and a dynamic sector increases risks, such as failing to establish and/or embed a clear vision and direction for the Group; lack of buy-in; and failure to identify and exploit opportunities in chosen markets and domains. From an execution perspective test, the realisation of complex strategic objectives requires robust programme and project management as well as flexible change management.	• An embedded annual strategy and business planning process. • Comprehensive resource allocation and functional KPIs for strategic initiatives are formulated and tracked. • Alignment of individual performance metrics with strategic objectives. • Comprehensive communication plans to rollout strategic intent. • Well established capital projects management.	• Developed comprehensive long-term strategy – **Ambition 2025**. • Established Exco priority programme portfolio consisting of 17 strategic programmes, which align to the updated strategy, which are monitored and tracked on a monthly basis. • Carried out comprehensive risk assessment over **Ambition 2025** and identified appropriate mitigations. • Adapted MTN risk universe to align to new strategy.

Top risks to value creation continued

Ranking	Principal risk and risk issues	Mitigation and controls	MTN's performance in 2020
2020 9 2019 3	**Principal risk: Tax** As a prominent corporate citizen across multiple markets, the Group faces risks such as adverse changes in tax laws and regulations aimed at the sector, that lead to complex tax regimes that require robust programmes and resources to ensure full compliance. Ongoing tax uncertainties in Ghana and Yemen.	• Strongly put arguments with tax authorities supporting our positions on various instances of tax exposures. • Making provisions where deemed necessary. • Issue appropriate guidelines where it is considered that our tax treatment has not been appropriate and requires improvement. • Implement control mechanisms that include documenting all tax planning and reviewing transactions regularly for changes in law and judicial interpretation. • An effective tax risk management system through the application of our robust tax strategy and policy.	• Enhanced structures at, and concerted support from, the Group on regulatory and tax issues. • Participated actively in stakeholder consultations where tax regimes have been proposed to avoid, among others, the incidence of multiple taxation.
2020 10 2019 10	**Principal risk: Network** **Spectrum cost and availability** Non-availability of adequate spectrum has a direct impact on our quality of service and our ability to deliver on our strategy. Increased cost of spectrum impacts the cost of our products and services and puts pressure on profit margins. **Network performance and continuity** Network performance and continuity is paramount to MTN's success and disruptions can have a disastrous impact. During the pandemic this risk was elevated especially due to the risks of supplier disruptions. Adequate capacity planning to ensure MTN meets growing capacity demands is also vital.	• Creating and maintaining an updated Exco-agreed spectrum strategy that recognises traffic growth, technology uptake/maturity and existing and planned customer value propositions. • Enhancing governance and compliance through annual revisions in the MTN Group spectrum policy and performance contracting between opco regulatory and technical heads. • Maximising efficiency of spectrum utilisation through reframing of existing allocations (licence permitting), frequent network hardware and software upgrades and effective handset capability management. • Adequate financial planning to ensure opco capability/readiness to invest in new/further spectrum if and when available. • Extensive quality of service and network uptime measures in place. • Long-term network capacity planning aligned to strategy. • Implementation of a network policy to provide governing principles on the mandatory requirements for all network initiatives and ensure a consistent and standard way of work for networks throughout the Group. • Extensive business resilience controls.	• Our networks performed well during the pandemic. Experienced no major disruptions despite major rise in data demand. Accelerated our investment when lockdown restrictions eased. Continued to expand the capacity of our networks. • Proactively engaged with regulators on the cost and acquisition of spectrum. • Updated our spectrum strategy to ensure the acquisition and optimum usage of spectrum. • MTN Ghana: Renewed licence to operate and provide 2G voice and data services in 900MHz and 1800MHz. Acquired remaining available 800MHz as a wide coverage 4G bearer. Also acquired additional 900MHz and 1800MHz spectrum which became available after spectrum capping was introduced post the Tigo-Airtel merger. • MTN Guinea-Conakry: Awarded spectrum in 800MHz as well as additional spectrum in 900MHz, 1800MHz, 2100MHz as part of licence renewal negotiations. • Participated in industry groups such as ITU, GSMA and GSA to ensure that MTN's strategy finds accommodation inside ITU World Radio Conference agenda items. • Specific focus areas included: home connectivity: ensuring dedicated spectrum resources suitable for non-mobile data traffic; and for the 5G roadmap – conducting in-depth analysis of each opco to identify the tactical approach towards securing ideal 5G bands in timely and affordable manner. • Provided proactive webinars and workshops to selected regulators and policy makers to promote understanding of the vital steps between identification and classification of spectrum bands and the awarding thereof through market-driven processes.

Q & A with the acting CFO

Acting Group Chief Financial Officer
Sugentharen Perumal

Q The Group delivered another strong set of results. Amid COVID-19 uncertainty, how did MTN's financial performance evolve?

A Beyond managing the accompanying risks of COVID-19, we continued to strengthen our commercial, operational and financial position while focusing on the resilience of our networks and the expense efficiency programmes in our markets.

We performed favourably against our medium-term targets, with service revenue growth of 11,9%*. This was driven by the surge in data revenue (+31%*) and data traffic (+110%). Voice revenue (+4,8%*) came under some pressure from COVID-19-related lockdowns, especially during Q2, but recovered in the remainder of the year as restrictions eased. Digital revenue (+27,1%*) was supported by the greater uptake of our services during the year. Wholesale revenue (-12,4%*) was impacted by national roaming effects from MTN South Africa. Fintech revenue grew strongly (+23,9%*), underpinned by the accelerated adoption of mobile financial services.

EBITDA increased by 13,4%* and the Group's EBITDA margin expanded by 0,9pp* to 42,7%*, benefiting from the execution of our expense efficiency programme. The solid result was supported by the pleasing growth in our larger operations as well as a broad-based improvement across all our regions. See page 43 for a summary of our operations performance.

The strong underlying earnings growth and profitability was reflected in the 4,0pp increase in adjusted ROE to 17,0%. Group leverage improved to 0,8x, while Holdco leverage was steady at 2,2x. We saw a further improvement in our capex intensity to 16%, from 17,3%. We capitalised R28,6 billion while rolling out a total of 3 342 3G sites and 8 354 4G sites.

Q How were the 2020 cost efficiencies achieved, and can these be sustained going forward?

A We delivered R2 billion of efficiencies, largely through network savings, a decline in device volumes and costs that reduced during 2020 due to COVID-19, such as travel. MTN South Africa recorded the majority of efficiencies delivered in 2020. Notably, handset volumes are recovering and some of the cost reduction due to the pandemic are likely to reverse, however we remain committed to maintaining and enhancing margins and profitability of the Group.

Q What progress did MTN make on the asset realisation programme (ARP), and what is the Group prioritising in 2021?

A We first announced our ARP and portfolio transformation two years ago, aiming to reduce debt, simplify our portfolio, reduce risk and improve returns. In Q1 of 2020, we disposed of our ATC Ghana and ATC Uganda tower joint ventures for R8,8 billion. These proceeds were part of the initial phase of our ARP target which was R15 billion over three years – this was achieved in the first 12 months.

In difficult market conditions over the past 12 months, we realised a further R4,3 billion of proceeds of our revised target of at least R25 billion in proceeds over the medium term. In H2, we announced our exit from our 18,9% investment in Jumia for proceeds of R2,3 billion and the localisation of 8% of our shareholding in MTN Zambia for proceeds R178 million. In February 2021, we completed our exit from BICS, for net cash proceeds of R1,8 billion.

Q How has MTN managed balance sheet resilience and liquidity as well as risks and forex exposure?

A Our ability to weather the volatility brought about by COVID-19 is demonstrated in the resilience of our balance sheet. During 2020, we fast-tracked and closed R18,2 billion in funding to mitigate refinance risks around upcoming maturities and remained focused on managing liquidity as well as preserving cash.

At year end, our Holdco liquidity headroom was R41,0 billion: R16,4 billion in cash and R24,6 billion in committed, undrawn credit facilities. In an illiquid forex market, cash upstreaming from Nigeria remained challenged: we upstreamed the equivalent of R286 million, with R4,2 billion yet to be repatriated as at 31 December 2020. As stated by the Chairman, this contributed to the suspension of the 2020 dividend as we committed to the accelerated deleveraging of the Holdco balance sheet.

Our focus over the medium-term remains on reducing our exposure to US dollar debt, as well as on improving the funding mix at the Holdco level through greater cash flows from the ARP and portfolio transformation. Our deleveraging strategy will be executed and achieved through:

- Continued solid operational performance and cashflow generation.
- Focus on cash upstreaming from the markets.
- Committed to R25 billion medium-term ARP, which has been slowed by market volatility.
- Liquidity and liability management.

A word from the incoming CFO

Group Chief Financial Officer
Tsholofelo Molefe

Q As the incoming Group CFO, what do you think about MTN's strategic repositioning and how it will enable further growth, financial resilience and efficiency over the medium term?

A Building a robust financial framework that supports MTN's strategic repositioning is of utmost importance. Under **Ambition 2025**, we remain very committed to a value-based approach to capital allocation. Against this backdrop, our disciplined capital allocation framework guides us on how we prioritise our capital to ensure that we get the best possible short- and long-term return while providing our stakeholders a return on their investment.

As we focus on accelerating the growth of our business under our revised strategy, we will prioritise the faster deleveraging of our Holdco and transforming our portfolio. The ARP will remain central to this ambition going forward and, building on the progress outlined earlier, delivery on the material assets in the programme will be key in the short-term. This includes the sale of our 29% shareholding in IHS, which we fair value at R27 billion.

We remain focused on localisations across our markets and have completed the preparatory work for MTN Rwanda's listing by introduction and have announced plans to sell down a further 12,5% of our investment in MTN Ghana. As soon as there is sufficient dollar availability in Nigeria, we will progress with the further localisation of MTN Nigeria.

Our pan-African focus includes an orderly exit from the Middle East over the medium term, with the first phase focused on the consolidated subsidiaries and the second phase relating to the MTN Irancell joint venture. We are committed to executing on the transaction to dispose of our share in MTN Syria to Tele Invest.

In order, to deliver on all our strategic priorities, we need to drive growth and efficiencies in our business, therefore another key focus is targeting further efficiencies. This will contribute to fund future growth while delivering on margin and ROE improvement. At its core, **Ambition 2025** contextualises how we will drive the business forward to take advantage of the digital acceleration trends, capture growth opportunities and reveal the inherent value in our business. This will be underpinned by a clear focus on driving network and operational efficiencies, including digitalising the core and targeting the realisation of efficiencies of at least R5 billion over the medium term off the 2020 base.

We are thus very well positioned for the long term, with an enhanced return profile underpinned by a strong risk and regulatory framework as well as a very disciplined capital allocation framework. **Ambition 2025** is clearly geared to accelerating the Group's de-risking and will position the business to capture the exciting opportunities identified across our markets. We have enhanced our medium-term guidance to reflect this accelerating growth outlook (see page 17) and, in support of this, plan to invest R29,1 billion in our network, fintech and digital services platforms in 2021.

Capital allocation framework

1 ORGANIC GROWTH
Well-invested networks and platforms
Improving capex intensity

2 STABILISE LEVERAGE
Rebalancing the mix to have rand debt making up at least 60% of Holdco net debt

3 RETURN CASH TO SHAREHOLDERS THROUGH DIVIDEND
Anticipate paying a minimum ordinary dividend of 260cps for FY21

4 SELECTIVE MERGERS AND ACQUISITIONS
Opportunities aligned to the investment case, subject to strict risk and financial criteria

5 SHARE REPURCHASES OR SPECIAL DIVIDENDS
Only considered when other capital allocation priorities have been met

Key financial tables and operations performance summary

Income statement

Good operational results across most markets and improved operating leverage

(Rm)	2020	2019	% change reported	% change constant currency*
Revenue	**179 361**	151 460	18,4	10,9
Service revenue[1]	**170 072**	141 830	19,9	11,9
EBITDA before once-off items	**76 692**	62 922	21,9	13,4
Once-off items	**4 619**	1 307		
EBITDA	**81 311**	64 229	26,6	13,4
Depreciation, amortisation and goodwill impairment	**(36 716)**	(32 800)	11,9	4,0
Net finance cost[2]	**(18 233)**	(15 184)	20,1	13,8
Hyperinflationary monetary gain	**1 582**	787		
Share of results of associates and joint ventures after tax	**1 142**	705		
Profit before tax	**29 086**	17 737	64,0	
Income tax expense	**(9 439)**	(6 908)	36,6	
Profit after tax	**19 647**	10 829		
Non-controlling interest	**(2 625)**	(1 729)		
Attributable profit	**17 022**	9 100	87,1	
EPS (cents)	**946**	506	87,0	
HEPS (cents)	**749**	468	60,0	
Adjusted HEPS (cents)	**877**	579	51,5	
DPS (cents)	**–**	550		

[1] Service revenue excludes devices and SIM card revenue.
[2] Actual net finance cost includes unwind of interest on Nigeria fine (2020: R0m; 2019: R189m).
** Constant currency view is shown at 2020 rates and excludes the impact of hyperinflation 2020 is adjusted for the gain on disposal of ATC (R6 136m), loss on disposal of investment in Content Connect Africa (R7m), loss on remeasurement of disposal groups (Syria – R1 113m and BICS – R397m) 2019 is adjusted for gain on dilution of investment in Jumia (R1 039m), gain on disposal of Travelstart (R282m), unwind of interest on Nigeria fine (R211m) and tower profits (R23m).*

COMMENTARY

Service revenue
Constant currency growth driven by increases in voice (4,8%), data (31,0%), fintech (23,9%), digital (27,1%) and enterprise (14,8%). Wholesale declined by 12,4%, with South Africa being the main contributor to this.

EBITDA
Drove cost efficiencies, strong operational performance and operating leverage.

Net finance cost
Increase was driven by increase in forex losses due to the weakening of exchange rates in Sudan and South Sudan.

Share of results of associates and joint ventures after tax
Improvement driven by discontinuation of Jumia which is no longer equity accounted.

Interest expense
Decrease in group effective tax rate, driven by non-taxable gain from disposal of the tower companies.

HEPS
Rand depreciation, good operational performance and improved contribution of profits from associates & JVs, benefiting from non-operational items totalling 128 cents.

Statement of financial position

Weaker closing rate for rand against US dollar

(Rm)	2020	2019	% change
Right-of-use assets	**46 156**	44 984	2,6
Other property, plant and equipment	**100 576**	98 312	2,3
Intangible assets and goodwill	**39 069**	36 866	6,0
Other non-current assets	**49 036**	45 867	7,6
Mobile Money deposits	**28 008**	15 315	80,7
Other current assets	**82 081**	60 129	36,5
Non-current assets held for sale	**4 016**	838	NM
Total assets	**348 942**	302 311	15,4
Total equity	**106 225**	86 100	23,4
Interest-bearing liabilities	**96 249**	94 280	2,1
Lease liabilities	**49 481**	46 327	6,8
Mobile Money payables	**28 008**	15 315	82,9
Other liabilities	**67 895**	60 289	12,6
Non-current liabilities held for sale	**1 084**	–	100,0
Total equity and liabilities	**348 942**	302 311	15,4

COMMENTARY

Other non-current assets
Includes investment in IHS, fair valued at R27,2bn at year-end.

Other current assets
Additional investments in fixed deposits held in Nigeria.

Non-current assets held for sale
MTN Syria and BICS have been classified as held for sale at the end of the year.

Other liabilities
Mainly driven by an increase in BTS accruals and foreign currency denominated creditors in Nigeria.

Key financial tables and operations performance summary continued

Selected cash flow information

Higher financing activities in flows as a result of drawdowns in Nigeria

(Rm)	2020	2019	% change
Cash generated from operations	**78 580**	55 197	42,4
Dividends received from associates and joint ventures	**608**	550	10,5
Net interest (paid)/received	**(12 271)**	(11 818)	(3,8)
Tax paid	**(8 404)**	(7 640)	(10,0)
Cash generated by operating activities	**58 513**	36 289	61,2
Acquisition of property, plant and equipment and intangible assets	**(30 180)**	(27 040)	(11,6)
Movement in investments and other investing activities	**(3 332)**	2 498	(233,4)
Cash used in investing activities	**(33 512)**	(24 542)	(36,5)
Dividends paid to equity holders of the company	**(6 462)**	(9 352)	30,9
Dividends paid to non-controlling interests	**(2 093)**	(1 460)	(43,4)
Other financing activities	**(5 150)**	6 472	(179,6)
Cash used in financing activities	**(13 705)**	(4 340)	(215,8)
Cash movement	**11 296**	7 407	52,5
Cash and cash equivalents at the beginning of the year	**21 607**	14 967	44,4
Effect of exchange rates and net monetary gain	**(2 143)**	(1 382)	(55,1)
Cash classified as held for sale	**(124)**	615	(120,2)
Cash and cash equivalents at the end of the period	**30 636**	21 607	41,8

COMMENTARY

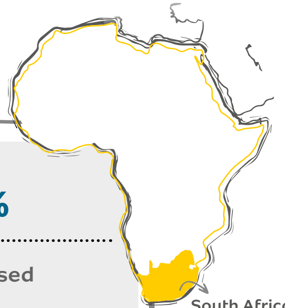
Cash generated from operations
Driven by increased prepayments for capex and operating expenses and working capital outflows of R2,9bn. Delivered growth in operating free cashflow of 117,1%.

Movement in investments and other investing activities
Driven by proceeds from the disposal of Tower companies of R8,8bn and Jumia of R2,3bn. These were offset by additional investments and restricted cash of R6,4bn and the realisation of bonds and treasury bills of R8,1bn in Nigeria.

Other financing activities
Driven by the payment of the capital portion of the leases of R4,9bn.

Key financial tables and operations performance summary continued

MTN South Africa



Service revenue increased by **1,6%**

Data revenue increased by **15,3%**

Fintech revenue increased by **3,0%**

Digital revenue increased by **7,0%**

EBITDA increased by 4,5% to **R17,7bn**

EBITDA margin increased by 1,7pp to **39%**

Capex of **R7,5bn** on IFRS reported basis (R7,2 billion under IAS 17)

MTN SA delivered solid overall performance underpinned by strong commercial and operational execution as well as an acceleration in digital adoption arising from the impacts of the COVID-19 pandemic. This was despite a challenging macro and trading environment and volatility in the national roaming business.

The 1,6% growth in service revenue was supported by the prepaid (up 2,9%) and total postpaid (up 8,6%) businesses, which recovered well from the impact of regulation changes in 2019. Overall service revenue was also boosted by a resilient performance in the broader consumer business unit (CBU) and growth in the enterprise business unit (EBU). The core mobile business grew service revenue by 4,6%. MTN SA's results were impacted by lower revenue in the wholesale business. This arose from discontinuation of the roaming agreement with Telkom and the continuing effects of accounting for Cell C revenue on a cash basis. Excluding the impact of national roaming (both Cell C and Telkom), MTN SA would have recorded service revenue growth of 3,2%. Cell C has remained current with payments on the agreed upon plan.

Total subscribers increased by 3,1 million to 32,0 million on stronger gross additions and improved churn. The main driver was an increase in prepaid customers by 2,4 million, to a base of 25,3 million – the highest level in about two years. Postpaid subscriber numbers increased by 664 000 to 6,8 million, in a highly competitive environment and limited by lockdown restrictions. It was encouraging to note that MTN SA achieved positive net connections for the five months in a row to December 2020. The postpaid subscriber base benefited from short-term university and college deals offered to support students during the height of COVID-19 impacts.

Total **data revenue** grew by 15,3%, supported by a 79% rise in traffic and an increase of 1,5 million in active data subscribers to 15,7 million; the significant traffic growth was supported by ICASA's temporary assignment of high demand spectrum. In the year, the effective data tariff reduced by 35%, due to an increased adoption of mobile broadband deals, student deals and SME deals. MTN SA also implemented data price reductions in line with the agreement reached with the Competition Commission (CompCom) and remains committed to ensuring data affordability for its customers.

The **consumer prepaid** business continued to deliver pleasing and improving results, especially through H2. Service revenue for the year increased by 2,9%, driven by solid commercial execution of customer value management (CVM) initiatives and enhanced distribution. Service revenue slowed from 5,7% in the third quarter to 2,5% in the fourth quarter, impacted mainly by the release of loyalty provisions. The **consumer postpaid** business performed strongly in a highly competitive trading environment, generating solid service revenue growth of 5,3% in the year. This was aided by subscriber growth, well-managed churn and the uptake of Data First offers (Mega Deals campaign). The business has shown pleasing resilience in a challenging environment, however with South Africa now in the midst of a second wave of COVID-19 infections, further macroeconomic challenges and pressure on consumers may present some headwinds to the business.

The **enterprise business** sustained its progress, achieving growth for the fifth consecutive quarter with service revenue up 14,3% for the year. The business benefited from a record number of customer additions, boosted by a surge in data deals as universities facilitated 'learn from home' initiatives and customers required 'work from home' solutions. Some of the deals were on a short-term basis, leading to a slowdown in the fourth quarter because of university churn.

Wholesale revenue declined by 16,4% because of the discontinuation of our roaming agreement with Telkom and the effects of accounting for Cell C revenue on a cash basis. For the year, we recognised R2,0 billion in roaming revenue from Cell C – this was up by 10% on the revenue recognised in the previous year. R414 million of Cell C roaming revenue remained unrecognised at December 2020. These payments are anticipated in 2021 upon successful recapitalisation and will be recognised in 2021. MTN SA commenced phase two of the roaming agreement with Cell C, effective 1 May 2020. The arrangement envisages a three-year transition towards a full national roaming arrangement under which MTN will carry all of Cell C's network traffic.

MTN SA recorded a solid **EBITDA margin** of 39,0%, an improvement of 1,7pp, with EBITDA increasing by 4,5% YoY. In addition to service revenue growth, the margin performance was supported by cost efficiencies and channel optimisation, reductions in device volumes, as well as reductions in device subsidies. Based on an assessment of the prevailing macroeconomic environment, we recorded an additional R371 million provision for expected credit losses under IFRS 9.

The fintech business in SA continued to scale, with 2,5 million registered users and 207 000 active users at year-end. This follows the launch of **Mobile Money** in South Africa in January 2020. The platform continues to grow transactions driven by innovative and relevant solutions. MTN SA's main focus is around distribution, as well as extending cash-in and cash-out points through both formal and informal channels.

In the year, our commitment to transformation and improving access to mobile technology across South Africa resulted in the company achieving the significant milestone of level 1 B-BBEE contributor status.

MTN SA continues to deliver and sustain the best network quality in SA on both customer and independent measures. It has been endorsed as the best network by MyBroadband, Tutela, Open Signal and P3 for more than three years in a row. MTN SA launched 5G in June 2020 being the first in the MTN Group. We have over 150 sites across several spectrum bands in Johannesburg, Cape Town, Pretoria, Durban, Bloemfontein, Centurion, Port Elizabeth and a few towns, with ambitious plans to scale up to more than 1 000 sites upon allocation of 3500MHz high demand spectrum.

Key financial tables and operations performance summary continued

MTN Nigeria

Service revenue increased by **14,6%***

Data revenue increased by **51,7%***

Fintech revenue increased by **27,3%***

Digital revenue increased by **108,1%***

EBITDA grew by 8,6% to **R29,5bn**

EBITDA margin decreased by 3,0pp to **50,9%***

Capex investment of **R12,7bn** on a reported basis (R10,0 billion under IAS 17)

MTN Nigeria delivered considerable growth in its base, connecting 12,2 million new subscribers to its network, which helped to grow its service revenue.

The growth in our subscriber base provided support for **voice** revenue, which accounted for 67,0%* of service revenue and rose by 5,6%*, with an acceleration in growth to 8,9% YoY in H2. This was enabled by our expanded customer acquisition touchpoints, rural telephony initiatives and revamped acquisition offers. The suspension of new SIM registration in mid-December did not have a significant impact on voice revenue as we saw an increased level of activity from the existing base.

Data revenue rose by 51,7%* for the year, maintaining the positive momentum from the effects of COVID-19 lockdowns. The performance in data was enabled by a combination of increased subscribers, usage and ultimately traffic, which was in turn supported by increased network capacity and 4G penetration. Data traffic rose by 126,5% and average usage by 64,0%. MTN Nigeria added approximately 8,2 million new smartphones to the network, bringing smartphone penetration to 45,9% of our base, up from 41,9% in 2019.

Fintech revenue rose by 27,3%* boosted by airtime lending service, MTN Xtratime. MTN Nigeria expanded its MoMo agent network with the addition of more than 280,000 registered agents during the year. This was aided by the conversion of traditional airtime agents in line with the 'one distribution' strategy. Fintech subscribers increased more than eight-fold to 4,7 million, driving higher transaction volume of approximately 51,5 million and core fintech revenue growth of 28,0%.

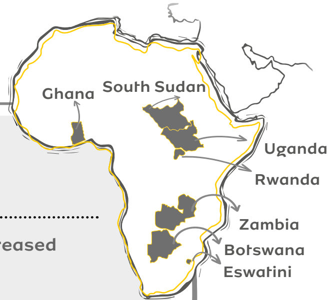
The uptake of **digital** services continued to gain traction with the revamp of MTN Nigeria's portfolio of digital products and services, improved customer journey and increase in the active user base. As a result, digital revenue recorded a growth of 108,1%*. Active users increased to 2,8 million, from 1,6 million in H1 when the definition was revised (to capture only unique paid subscriptions). This was driven mainly by subscriptions for instant messaging platform, ayoba, which rose by 120,9% to 1,4 million.

Enterprise revenue increased by 0,8%*, supported by growth in revenue from devices and fixed connectivity. The economic impact of the COVID-19 lockdown, particularly in Q2, led to a decline in the uptake of products and services by the businesses supported by MTN Nigeria. The recovery in H2 was, however, encouraging as restrictions eased and economic activity began to improve. A further uplift in enterprise revenue is anticipated once the USSD pricing dispute is resolved and outstanding fees are recovered from the banks.

During the period, MTN Nigeria expanded the scope of its service agreement with IHS Holding Limited (IHS) and amended the currency conversion provision for tower services. The changes in the service agreement substantially improve MTN Nigeria's terms and conditions for future network expansion. The contract adjustment included the movement of the reference rate for conversion to Naira from the CBN's official rate to the NAFEX. MTN Nigeria also reviewed the treatment of non-recoverable VAT on lease payments to account for it as an expense over the lease period. These, together with the effects of Naira depreciation, put upward pressure on lease rental costs in the period.

In addition to this, the combined effect of the 2,5% increase in value-added tax (VAT) and COVID-19-related costs led to a 29,2% increase in operating expenses with knock-on effect on EBITDA. This resulted in the EBITDA margin softening by 3,0pp* to 50,9%* with EBITDA rising by 8,6%*.

SEAGHA



Service revenue increased by **18,7%***

Data revenue increased by **29,3%***

Fintech revenue increased by **24,5%***

Digital revenue increased by **1,2%***

MTN's SEAGHA region delivered a healthy performance despite a substantial downturn in economic activity resulting from COVID-19 containment measures. Total subscribers increased by 8,8 million in the year to 57,3 million

MTN Ghana was once again a key driver of the strong performance in SEAGHA, with service revenue growth remaining in the double-digits (up 16,6%*) driven by improved performances across most revenue curves. Voice revenue (up 8,4%*) was supported by an increase in the number of active subscribers, as well as various CVM initiatives, which helped to manage churn and improve usage. The continued robust growth in data revenue (up 21,4%*) was supported by higher active data users and smartphones on the network. The increased usage was partly due to shifts in consumer behaviour amid the COVID-19 pandemic.

The growth in MoMo revenue (up 31,3%*) benefited from various promotions in the year, increased person-to-person (P2P) transactional activity and broader penetration of more advanced services such as retail merchant payments and international remittances. MTN Ghana's EBITDA margin improvement of 2,0pp* to 52,8%* resulted from ongoing cost initiatives and distribution efficiencies.

MTN Uganda increased service revenue by 9,5%*, with positive growth delivered in most of its revenue lines notably, voice (up 3,9%*), data (up 27,8%*) and fintech (up 11,8%*). MTN Uganda's performance was underpinned by increases in the user base and usage, helped by CVM initiatives. EBITDA margin expanded by 2,4pp* to 49,5%*, on higher revenue and effective implementation of cost efficiencies.

The rest of the SEAGHA portfolio also delivered strong results, with MTN Rwanda and MTN Zambia growing at a double-digit rate. Data growth was strong across all opcos, benefiting from increased traffic resulting in part from the effects of COVID-19. Overall, the SEAGHA portfolio excluding MTN Ghana delivered service revenue growth of 20,9%* for the year, and 24,8%* YoY in Q4. Service revenue continued to grow ahead of costs in most markets, driving positive operating leverage. Moving forward, disclosure of the region will change to reflect the new regional operating structure announced during 2020.

Key financial tables and operations performance summary continued

WECA

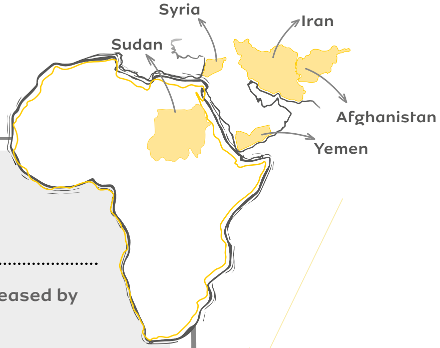
Service revenue increased by
8,8%*

Data revenue increased by
22,6%*

Fintech revenue increased by
29,4%*

Digital revenue increased by
64,6%*

MENA



Service revenue increased by
27,2%*

Data revenue increased by
51,2%*

Fintech revenue increased by
50,5%*

Digital revenue increased by
79,9%*

The WECA region delivered a solid result with growth continuing to significantly outstrip inflation. This was supported by strong double-digit base growth despite the COVID-19 restrictions as well as improved data and fintech activities. Execution of the expense efficiency programme resulted in most WECA opcos improving their EBITDA margins.

MTN Côte d'Ivoire recorded an increase in service revenue of 8,6%*, supported by net additions of 0,8 million following positive net additions for the eighth month in a row to December. This result was also supported by strong revenue growth in data (up 30,1%*) and fintech (up 16,3%*). The EBITDA margin widened by 8,3pp* to 34,7%*.

MTN Cameroon delivered service revenue growth of 6,5%*, with strong growth in data (up 19,7%*), fintech (up 43,6%*) and digital (up 101,8%*). The performance was supported by gains in market share in a difficult operating environment and ongoing conflict in large parts of the country. The EBITDA margin for MTN Cameroon improved by 1,7pp* to 32,1%*.

Overall, excluding MTN Cameroon and MTN Côte d'Ivoire, the WECA markets grew their service revenue by an aggregate of 10,2%*, and 13,3%* YoY in Q4.

Despite persistent geopolitical challenges, the operations within the MENA portfolio delivered a strong performance with a firm EBITDA margin. This was supported by solid growth in data revenue with a 16,3%* YoY increase in active data subscribers (excluding MTN Irancell). The total number of subscribers (excluding MTN Irancell) was 26,0 million.

MTN Syria grew service revenue by 28,9%*, driven by growth in voice (up 12,1%*) and data (up 42,1%*). The EBITDA margin declined by 13,8pp* to 25,0%* as a result of a material devaluation in the local currency, which put pressure on foreign-denominated operational expenditure.

MTN Sudan increased service revenue by 80,8%*, underpinned by growth in voice (up 64,7%*) and data (up 126,3%*) on the back of increase in data bundle prices, active data subscribers and usage. The EBITDA margin expanded by 8,3pp* to 43,2%*, driven by strong growth in revenue.

Audit Committee Chair's review

Chair
Sindi Mabaso-Koyana

"The resilience of the Group's business continuity and its responsiveness to adapt its processes and controls were tested to an extraordinary level. While evaluating, monitoring and mitigating new financial risks brought about by the COVID-19 pandemic, the Group Audit Committee continued to drive its key focus areas set for 2020."

Members	Attendance at applicable meetings
Sindi Mabaso-Koyana•	1/1
Christine Ramon^	4/4
Peter Mageza#	1/1
Swazi Tshabalala	4/5
Paul Hanratty	5/5
Vincent Rague	3/5

By invitation: Group President and CEO, GCFO, Group Business Risk Officer, Group Internal Audit and Forensics Officer and joint external auditors
• Assumed chairmanship 1 October 2020
^ Resigned 30 September 2020
 # Resigned 15 April 2020

AFS The full Audit Committee report is in the AFS.

Key features of 2020

- Reviewed the Group's comprehensive Group-wide project to manage response to the pandemic.
- Evaluated progress and independent assessment of implementation of the Group's enterprise resource planning cloud process that is expected to improve overall internal financial control environment.
- Evaluated rollout of enhanced policies, systems and processes in various focus areas across MTN, including treasury and credit management.
- Monitored rollout of projects to enhance technology controls.
- Monitored progress and evaluated findings and action steps from deep-dive process reviews in areas such as procurement and supply chain management, consumer, and sales and distribution.
- Reviewed initiatives to further enhance assurance and monitoring capabilities of Internal Audit and Forensic Services in light of the Group's strategy.
- Ensured appropriate planning and transition processes for rotation of audit firms commencing in 2021 with Ernst & Young replacing SNG Grant Thornton.
- Enhanced oversight and evaluation of external audit function by reviewing audit quality-related indicators of external auditors against benchmarks.
- Assessed the financial impact of assets held for sale.
- Assessed valuations of underlying businesses in light of COVID-19.
- Assessed the milestones that were critical for the declaration of dividends.

Mandate: The Audit Committee assists the Board in discharging its duties by monitoring the strength of the operational, financial and control processes. These include: internal financial controls; ensuring that assurance services and functions enable an effective control environment; and supporting the integrity of information produced in compliance with legal; and regulatory requirements.

Key focus areas for 2021

- Continue to evaluate progress and independent assessment of implementation of the Group's enterprise resource planning cloud process .
- Monitor transition processes for rotation of audit firms and the effectiveness thereof, as well as oversight and evaluation of external audit function.
- Evaluate the ongoing operational, financial and control risks posed by the pandemic and Group's response and mitigation processes
- Consider financial impact and disclosure of corporate transactions in scope of the Middle East exit plan.
- Consider impact of a growing MoMo business on the control environment and monitor the restructure of MoMo businesses.
- Evaluate progress on consolidation and standardisation of key controls to further enhance overall control environment.
- Maintain focus on enhancement of controls to reduce cyber risks, fraud risks and revenue leakage.
- Evaluate compliance programmes on data privacy across the Group.
- Continue to monitor the impact of the pandemic.

Independent Audit Committee.

Our strategic performance in 2020

In 2020, we continued to deliver on our BRIGHT strategy's clearly defined KPIs. Introduced in 2017, they were designed to build our core business sustainably and strengthen our operations, with the remuneration of all executives dependent on their delivery. The remuneration section from page 84 details the performance of each of the executives with the primary responsibility for delivering on the strategy. Looking ahead we will measure our performance against **Ambition 2025**.

Elements of BRIGHT in place for 2020	Measures of success	Performance 2020 (vs 2019)
Best customer experience	• Lead market NPS • Achieve best brand in markets	#1 in **15** markets (12 markets) #1 in **15** markets (12 markets)
Returns and efficiency	• Adjusted ROE • Improve EBITDA margin • Stabilise leverage	**17,0%** (13,0%) **45,3%** (42,4%) Holdco leverage **2,2x** (2,2x)
Ignite commercial performance	• Grow market share • Growing voice revenue • Grow enterprise and wholesale revenue	**46,1%** (44,2%) **4,8%*** (-4,2%*) Enterprise: **14,8%*** (8,4%*) Wholesale: **-12,4%*^** (63,2%)
Growth through digital and data	• Achieve 200m data subscribers • Achieve 100m digital subscriptions, including 60m for MoMo	**114m** (95m) active data users **46m** (35m) MoMo users and x 5m (2m) ayoba MAUs
Hearts and minds	• Lead market in employee NPS and improve employee engagement • Enhance reputation • Ensure effective risk and compliance practices	**81%** (80%) employee sustainable engagement score LA **74%** (72%) quality of engagement, **74%** (73%) responsiveness, **71%** (74%) relationship health
Technology excellence	• Lead market in network NPS • Increase population coverage	#1 in **12** markets (14 markets) 3G: **84%** (77%) and 4G: **61%** (46%)

^ Impacted by national roaming effects from MTN South Africa

How we will measure our performance against **Ambition 2025**

The case for change and future focus

The achievements of the BRIGHT strategy in the past four years are the foundation for our new strategy – **Ambition 2025**. BRIGHT delivered a sharply improved core business with stronger and more consistent operational performance. **Ambition 2025** provides the focus for the next five years, ensuring that we continue to evolve and stay relevant, harnessing opportunities to create and preserve value for our stakeholders.

The pandemic triggered a shift in the operating environment. Lockdowns catalysed accelerated demand for more flexible and affordable access to digital services, including financial services and entertainment. The work we had already done to prepare for greater digital humanism put us in a good position, but the events of 2020 gave our work a new urgency. What we had expected to evolve in five to ten years' time, is happening today. Page 10 gives details of our updated strategy.

Ambition 2025 rests on four pillars, each with the KPIs necessary to measure our success. The five vital enablers are key to operationalising our strategy, and so come with their own KPIs. Some of the KPIs are new, and some are an evolution of the BRIGHT KPIs where the execution required has been adapted in line with the strategic repositioning.

2025 Strategic priorities

Build the largest most valuable platforms
- Revenue growth: ~15%.
- Platform revenue contribution: >25% (+16pp*).
- 100m ayoba subs.
- 100m fintech subs.
- $0,5bn Enterprise revenue.
- #1 African NaaS platform.
- #1 African API gateway.

Drive industry-leading connectivity and operations
- Market share: >55%.
- 300m subs.
- 200m active data subs.
- 50% data revenue.
- 10m connected home customers.
- >100 000km fibre footprint.

Create shared value
- Shareholding localisation (Nigeria 35%, Ghana 25%, Uganda 24%).
- Continuous growth in contribution to society.

Accelerate portfolio transformation
- >R25bn proceeds.

Vital enablers

Leading customer experience
- Lead market NPS.
- Achieve best brand in markets.

Best talent, culture and future skills
- Lead market in employee NPS and improve employee engagement.

Value-based capital allocation
- Achieve adjusted ROE: >20%.
- Lower capex intensity: <15%.
- Achieve 40% EBITDA margin.
- Maintain ~1,5x Holdco.

ESG at the core
- Achieve reputation index of >75%.
- 47% average reduction in absolute emissions (tCO_2e) for scope 1, 2 and 3 by 2030 and net zero by 2040.
- 77,6% average reduction in energy consumption per subscriber by 2030.

Technology platforms second to none
- Lead market in network NPS.

Our Board of Directors

The Company acknowledges that an effective Board must have the expertise and competence to promptly and appropriately address current and emerging issues to ensure the delivery of its strategy. For detailed profiles of our Board of Directors please refer to our website.

1

Mcebisi Jonas
(Born 1960)
Chairman and independent non-executive director
Appointed: 1 June 2018
Skills: Risk management, finance, investment management, economics and strategic leadership

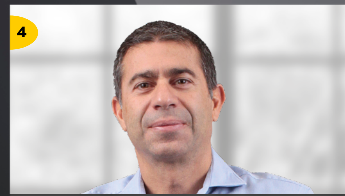
2

Ralph Mupita
(Born 1972)
Group President and CEO
Appointed: CFO 3 April 2017
Appointed: CEO 1 September 2020
BScEng (Hons), MBA, GMP (Harvard).
Skills: Engineering, financial services and telecommunications

3

Dr Khotso Mokhele
(Born 1954)
Lead independent non-executive director
Appointed: 1 July 2018
Appointed LID: 15 December 2019
BSc (Agriculture), MSc (Food Science), PhD (Microbiology) and a number of honorary doctorates from various institutions.
Skills: Science and technology

4



Azmi Mikati
(Born 1972) (Lebanese)
Non-executive director
Appointed: 21 July 2006
BSc Civil Engineering and Engineering Mechanics
Skills: Telecommunications and general business

5

Swazi Tshabalala
(Born 1965)
Independent non-executive director
Appointed: 1 June 2018
MBA, Oxford Fintech Programme.
Skills: Financial services, risk, treasury and general management

6

Nkululeko Sowazi
(Born 1963)
Independent non-executive director
Appointed: 1 August 2016
Master's degree (UCLA).
Skills: Investment management and operations, business leadership.

7

Paul Hanratty
(Born 1961) Irish
Independent non-executive director
Appointed: 1 August 2016
BBusSc (Hons.), Fellow of Institute of Actuaries, Advanced Management Programme (Harvard).
Skills: Financial services

8

Shaygan Kheradpir
(Born 1960) American
Independent non-executive director
Appointed: 8 July 2015
BA, Masters and PhD Electrical Engineering (Cornell)
Skills: Business leadership and transformational change, business operations, technology and engineering

Our Board of Directors continued

9

Stan Miller

(Born 1958) Belgian

Independent non-executive director

Appointed: 1 August 2016
IntDip, Diploma in Law and Administration, Proteus Leadership Program, Private Equity Program
Skills: 30 years of experience in the startup, turnaround and managing of companies in both the Media and Telecom industries globally

10

Lamido Sanusi

(Born 1961) Nigerian

Independent non-executive director

Appointed: 1 July 2019
Bachelor's degree in Economics and a bachelor's degree in Islamic Law.
Skills: Finance, Banking and Central Banking

11

Sindi Mabaso-Koyana

(Born 1969)

Independent non-executive director

Appointed: 1 September 2020
CA(SA), BCom (Hons) (Accounting), Fellow of the Aspen Global Leadership Network, Founder and member of African Women CAs, Member of International Women's Forum. Skills: Finance, Audit, Corporate Governance, Investment Management, Compliance and Risk management

12

Vincent Rague

(Born 1958) Kenyan

Independent non-executive director

Appointed: 1 July 2019
MBA, BA; Hons (Econ/Statistics), Executive development programs at the Harvard Business School, Boston, USA; and IMD, Lausanne, Switzerland.
Skills: International investment and corporate finance experience in banking, insurance and infrastructure., a private equity fund manager based in Nairobi, Kenya where he sits on the Investment Committee and as a director

13

Nosipho Molope

(Born 1964)

Independent non-executive director

Appointed: 1 April 2021
Bachelor of Science, Bachelor of Accounting Science with a Certificate of Theory, CA(SA)
Skills: Telecommunications, packaging, agricultural and petrochemical sectors. Deep level of technical accounting knowledge

14

Noluthando Gosa

(Born 1963)

Independent non-executive director

Appointed: 1 April 2021
BCompt Honours Degree, CTA, BA (Hons) Accounting & Finance, CA(SA)
Skills: Telecommunications, experienced deal maker and businesswoman

15

Tsholofelo Molefe

(Born 1968)

Group Chief Financial Officer

Appointed: 1 April 2021
BCompt Honours Degree, CTA, BA (Hons) Accounting & Finance, CA(SA)
Skills: Telecommunications, banking and financial services, financial strategy, financial management and accounting experience, enterprise risk management and financial controls

Governance in action

Value creation and preservation through robust governance

MTN's directors and executives provide oversight using a combined assurance model which considers the role of management, control functions, internal and external audit and the Board committees of subsidiaries. They use a simplified governance approach in often complex environments as they strive to create and preserve shared value.

MTN is committed to the highest standards of governance, business integrity, ethics and professionalism. Corporate governance is the cornerstone of our business and ensures that we work responsibly as required by the King IV Report.

We deliver on our belief and ensure the relevance and sustainability of our business by monitoring the macro environment, the availability of appropriate capital inputs and our impact on these, as well as the needs of our stakeholders. All of these inform our strategy. This strategy enables MTN to maintain operational focus, underpinned by good governance, and deliver on our financial targets. Our governance processes ensure that we are a sustainable business and that we create and preserve value for ourselves and our stakeholders.

Governance in the wake of COVID-19

As COVID-19 spread, the Board illustrated its leadership by actively engaging on the matter and providing the necessary stewardship to deal with the related uncertainties and emerging risks as well as the opportunities brought about by the pandemic. It met with management several times to provide direction in managing the situation, taking into account all key stakeholders in all the geographies in which MTN operates. From a governance perspective, we made numerous adjustments to enable the Company to be more agile and take decisions swiftly.

The health of all our stakeholders was of paramount importance, and therefore MTN heeded calls for social distancing and adhered to all government regulations. The move to entirely virtual meetings, digital signatures and working from home was challenging but necessary.

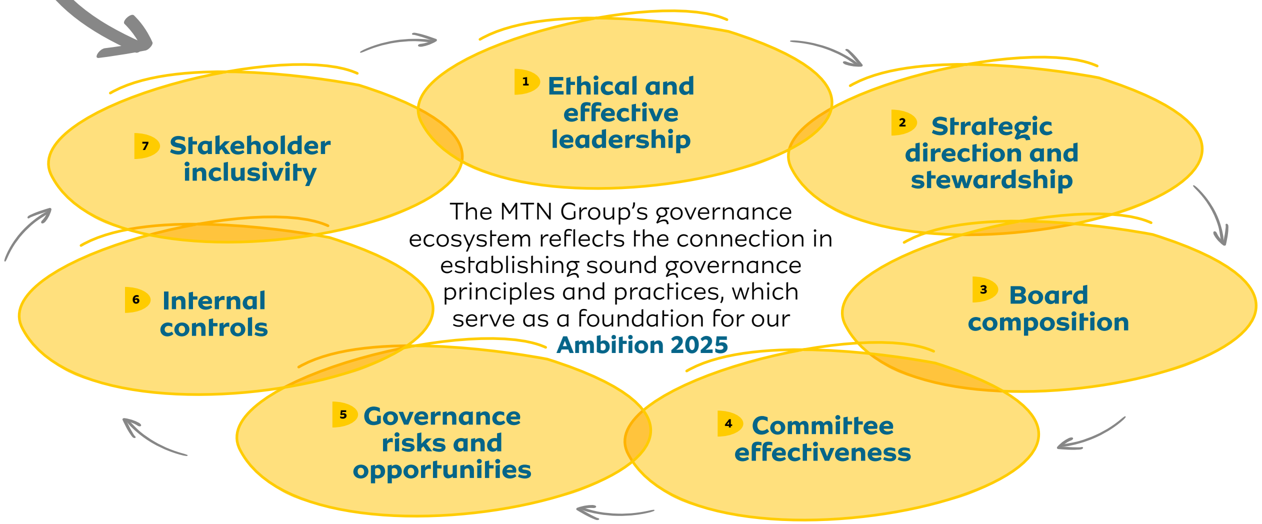
New normal

In addition to health and societal factors, the Board monitored the economic impacts of the pandemic and adjusted and enhanced its operating strategies and governance processes to cope with its effects, while considering the best interests of MTN. The Board believes that MTN is well positioned to overcome the effects of the pandemic.

Our governance philosophy framework, and ecosystem

The Board of Directors remains committed to good governance and international standards of best practice. It is committed to ensuring an unequivocal tone at the top that requires a commitment by all directors and employees to the MTN Group values, including that of integrity. More information on our application of the King IV principles is set out in the King IV assessment Report KIV on the website.

This commitment ensures that MTN monitors and addresses all governance issues within its operating units. Our governance framework facilitates transparency, accountability and sustainability, thereby ensuring success for MTN Group and our stakeholders.



Governance in action continued

Board composition

Although 2020 was challenging in many respects, the year represented a new chapter for the MTN Group Board, with a new Chairman and an opportunity to evolve and refresh the Board's skills and diversity. Details of the make-up of the Board and its committees are set out on page 53. The Board is comfortable that it has the requisite skills and experience across its committees to discharge its fiduciary responsibilities.

As we began 2020, we made a number of changes to the composition of the Board. Some directors, including the Chairman and lead independent director, had stepped down in December 2019. (We reported on these retirements in our 2019 integrated report.) In April 2020, we bade farewell to three other long-serving directors, namely Peter Mageza, Dawn Marole and Koosum Kalyan, all of whom had chaired Board committees.

The 1 September 2020 saw the departure of Rob Shuter, Group President and Chief Executive Officer (GCEO), who had served since March 2017. The Group Chief Financial Officer (GCFO) Ralph Mupita was appointed as the new GCEO effective that date and the Company embarked on a rigorous exercise to fill the GCFO position. In the interim, on the recommendation of the Audit Committee, the Board appointed Sugentharen Perumal as Acting GCFO effective 1 September 2020. Effective 1 April 2021, Tsholofelo Molefe will take up the GCFO role.

Christine Ramon, Chairman of the Audit Committee, stepped down on 30 September 2020. The Board appointed Sindi Mabaso-Koyana as a director and to assume the role of chair of the Audit Committee with effect from 1 October 2020. Azmi Mikati, who has been a member of the Board since July 2006 has indicated that he will not be available for re-election at the next annual general meeting (AGM).

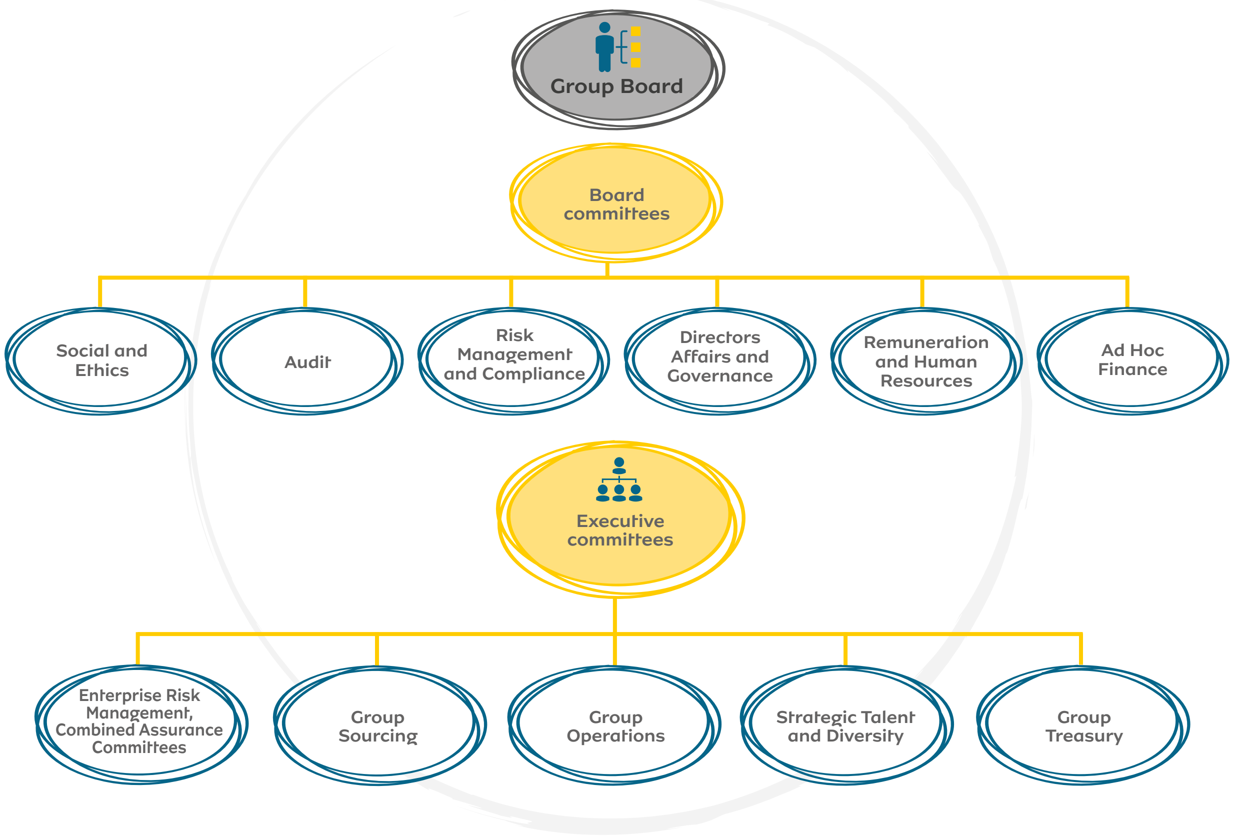
The Board has committed to fulfilling the following responsibilities:

- Delegating the management of MTN to a competent executive management team
- Ensuring that the management team defines and executes a robust strategy process
- Ensuring that MTN complies with its MOI and with appropriate laws, regulations and appropriate best practices
- Governing disclosures so that stakeholders can assess the performance of the Group
- Protecting the interests of MTN's stakeholders and ensuring fair, responsible and transparent people practices
- Overseeing the combined assurance and control function and ensuring that it informs management's development and implementation of the strategy
- Ensuring that innovation remains at the heart of MTN

The Board is comfortable that it has fulfilled the above responsibilities in the best interests of the Company.

Committee effectiveness and oversight

Governance at MTN is structured in line with best practice and is substantially cascaded down to subsidiaries across the Group.



The Board of Directors has several Board committees to whom it delegates its authority with the mandate to deal with governance issues and report back to the Board on a quarterly basis. Each committee operates under terms of reference which set out roles and responsibilities, composition and scope of authority. These are reviewed on an annual basis. The operational governance framework and structure has evolved to align with **Ambition 2025** being the driving force on how the Company's operational governance should be entrenched to drive effective decision making by Group executives.

In 2020, following the departure of several directors, the committees were reviewed extensively. The Directors Affairs and Governance Committee and the Risk Management and Compliance Committee were established, replacing the Nominations Committee and the Risk Management, Compliance and Corporate Governance Committee. The membership of the committees is carefully considered by the recently constituted Directors Affairs and Governance Committee, taking into account the skills and expertise required for each of them.

Governance in action continued

Upholders of governance

Committee membership and attendance

The Board considered the efficiency of each committee's terms relating to trends in governance, international benchmarks and best practice. Following a review, the Board is satisfied that in 2020 the committees effectively discharged their responsibilities.

The Group Executive Committee (Exco) facilitates the effective control of the Group's operational activities in terms of the authority delegated to it by the Board through the Group President and CEO. The Group Exco is responsible for recommendations to the Board on the Group's policies and strategy as well as being responsible for monitoring implementation.

			Committee membership					Attendance	
MTN Group Board Members	Designation	Other directorships	DAGC	AC	RC	REM	S&E	Board	Special Board
Mcebisi Jonas	Independent NED – Chairman	One of four independent Presidential Investment Envoys to attract investors to South Africa. NED at Northam Platinum, BKB and Sygnia Group.	O			Δ		4/4	5/5
Khotso Mokhele	Lead Independent NED	Director of various companies in MTN Group. Chairman of AECI. NED at Hans Merensky Holdings and Delta Zero Corp.	Δ			O	Δ	4/4	5/5
Swazi Tshabalala	Independent NED	Director of various companies in MTN Group. CFO and Acting Senior VP of African Development Bank.	Δ	Δ		Δ		3/4	3/5
Stan Miller	Independent NED	Director of various companies in MTN Group. Executive Chairman of AINMT AB Sweden (Access Industries), CEO of Leaderman NV (Belgium) Leaderman SA (Lux). NED at MTS OJSC Russia.			Δ		Δ	4/4	5/5
Nkululeko Sowazi	Independent NED	Chairman of Bud Chemicals and Minerals, Botswana Soda Ash and Bayport Financial Services South Africa. NED at Bud Group, IQ Business South Africa, Grindrod Ltd and Tiso Blackstar Group SE(UK). Co-founder trustee of Tiso Foundation. Chairman of Housing for HIV Foundation.	Δ			Δ	O	4/4	5/5
Vincent Rague	Independent NED	Director of various companies in MTN Group. NED at City Lodge Hotels, Pan African Infrastructure Fund, UAP/Old Mutual Ltd. Chairman at Jambojet Ltd and FSDAfrica. Member of International Advisory Board of NYSE-listed Chubb P&C Insurance. Member on Global Advisory Council of Darden Business School.	Δ	Δ		Δ		4/4	4/5
Paul Hanratty	Independent NED	Sanlam CEO. Fellow of the Institute of Actuaries.		Δ	Δ			3/4	4/5
Azmi Mikati	NED	Director of various companies in MTN Group. CEO of M1 Group and director of various companies in M1 Group.	Δ			Δ		4/4	5/5
Shaygan Kheradpir	Independent NED	Director of various companies in MTN Group and MTS Group.			O			4/4	5/5
Lamido Sanusi	Independent NED	Director of various companies in MTN Group, Chairman of Babban Gona and Black Rhino Management Services.			Δ		Δ	3/4	5/5
Sindi Mabaso-Koyana^^	Independent NED	Executive Chair of The African Women Chartered Accountants Investments Holdings. NED at MTN Zakhele Futhi, Toyota South Africa, Sun International, Zenex Foundation, Phembani Group and Chairman of Advanced Group. Chair of Sugar Association of SA.		O				1/4	1/5
Nosipho Molope^	Independent NED	On the boards of Engen Limited, EOH Holdings Limited, Old Mutual Limited (jointly with Old Mutual Life Assurance Company (South Africa)), as well as South32 Coal Holdings Proprietary Limited.		Δ	Δ				
Noluthando Gosa^	Independent NED	Director of various companies in MTN Group. Chief Executive Officer of Akhona Group and is serving as a director on various companies where she is a shareholder. She is also a non-executive director of ArcelorMittal SA.		Δ	Δ		Δ		
Ralph Mupita	Executive director – GCEO	Director of various companies in MTN Group.						4/4	5/5
Tsholofelo Molefe^	Executive director– GCFO	Director of various companies in MTN Group. Risk Management and Compliance and Group Audit Committee (Permanent Invitee). Independent non-executive director of Curro Holdings Limited.							

^ Joined 1 April 2021. *^^ Joined 1 September 2020*

Committees
DAGC Directors Affairs and Governance Committee
AC Audit Committee
RC Risk Management and Compliance Committee
REM Remuneration and Human Resources Committee
S&E Social and Ethics Committee

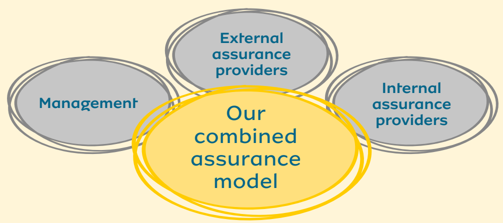
O Committee chair Δ Committee member

For attendance of committee meetings please refer to pages 26, 32 and 46 for committee reports.

Internal controls

The Board and the Group Exco provide governance oversight using a combined assurance model that allows assurance to cascade throughout the Group in a consistent way. This model is implemented through all subsidiary companies to ensure that value is created for shareholders and other stakeholders. The Group Audit Committee is responsible for the oversight of the implementation of combined assurance.

The combined assurance model means there are numerous lines of defence to identify, prevent and mitigate risks and provide independent assurance to both the Group Exco and the Board either through the Group Audit Committee or the Group Risk Management and Compliance Committee. The model is implemented as follows:



Governance in action continued

A competent and diverse Board

Our Board comprises a suitable balance of knowledge, skills, experience, diversity and independence to carry out its governance role and responsibilities objectively and effectively. The details throughout this report give the Board's composition as at 1 April 2021. The Board has a policy evidencing a balance of power, with no individuals yielding unfettered power over the Board as a whole.

Ethical and effective leadership

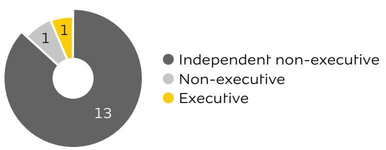
The Board strives to provide effective and ethical leadership to ensure that the Company acts in a responsible manner that will enhance stakeholder value and ensure MTN Group's long-term sustainability. The directors understand that they should individually and collectively exercise their fiduciary duties ethically and in good faith and assume collective responsibility for steering the Company and setting its strategic direction.

Independence of directors

The Board is led by an independent Chairman, Mcebisi Jonas, whose role is separate from that of the Group President and CEO. Most Board members are independent non-executive directors, in line with King IV™ requirements.

A lead independent director (LID), Khotso Mokhele, considers, reviews, evaluates and provides oversight over related-party transactions and ensures transactions are fair and in the best interests of MTN. The LID is also appointed to guide the Board should a situation arise where the Chairman is not available or may have a conflict of interest.

Executive and non-executive directors



Diverse set of skills

The areas identified through our skills assessment process as requiring strengthening are in the digital and fintech space, as well as sustainability. Accordingly, the Board will work to attract and retain more directors with those skills, which are aligned to MTN's growth trajectory.

In 2021 and beyond, MTN intends to cascade its diversity and transformation imperatives to operating entities in a phased approach that will ensure that diversity is embedded throughout the opco boards. To enhance the Board's effectiveness, and in keeping with MTN's growth trajectory, the Board wishes to retain additional skills and expertise in the digital and fintech sectors. This is a key focus for the Board.

Gender and diversity

MTN has a policy on broad Board diversity and understands that the diverse perspectives of directors allow for proper strategic oversight as well as robust deliberation during Board meetings. Therefore, it has always been the intention of the Board to focus on its diversity and transformation imperatives. This would include broad diversity such as improving the representation of women on the Board and ensuring that an acceptable number of all races/ages and skills are represented on the Board.

Having a competent and experienced black African CEO has been a step in the right direction towards MTN's diversity imperatives.

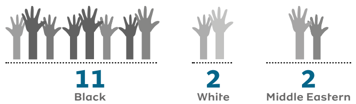
The Company has also been focused on attracting capable and experienced women to the Board.

Therefore, it has always been the intention of the Board to focus on diversity and the aim is to have at least four women on the Board. The appointment of **Sindi Mabaso-Koyana** has been an achievement in this regard. Sindi's appointment also addresses the directives from the B-BBEE Commission to include an independent representative of our B-BBEE shareholders.

In addition to Sindi's appointment, the Company has announced that it has also appointed three other women to the Board. This is as a result of the finalisation of the GCFO recruitment process which has seen the appointment of **Tsholofelo Molefe** effective in April 2021. The Company has also appointed Nosipho Molope and Noluthando Gosa as new independent directors, effective 1 April 2021.

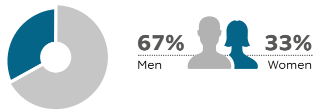
Race

Maintain a mix of race and cultures representing the stakeholders in the various communities who interact with the Company. MTN target is to maintain 50% of historically disadvantaged members.



Gender

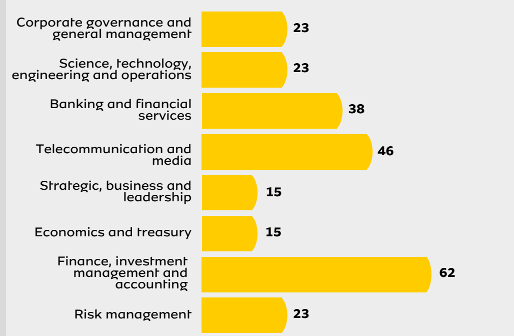
Promote an appropriate balance in the views of the Board and to improve the representation of women at MTN. The target is to maintain a minimum of four female Board directors.



Nationality

Solicit ideas from various parts of the world and provide the Board with a contemporary and global perspective and MTN maintains an appropriate mix of nationalities.

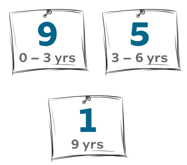
Skills and experience of the Board (%)



Age distribution and tenure

Tenure of non-executives

Ensure that there is an appropriate mix of institutional knowledge and experience and fresh new perspectives. If > nine years on the Board, MTN reviews every year and presents to the shareholders at the AGM for re-election.



Age distribution

Ensure that there is a young and dynamic leadership to complement the experience and institutional knowledge of the seasoned directors. MTN maintains an appropriate mix of ages.

Governance in action continued

Ensuring continued effectiveness and improvement

Board evaluation

In the wake of the various global corporate scandals and macroeconomic challenges, to keep the Board accountable and ensure its efficacy and efficiency, it regularly undergoes a Board evaluation. This is to assess the skills and competencies of individual directors and the efficacy of the Board as a whole on elements that include ethical and effective leadership and culture.

In 2020, international governance institution IMD performed an external Board evaluation.

IMD Board evaluation 2020

The Board evaluation, conducted by IMD, provided confirmation that the MTN Group Board has considerable strengths that serve as a solid basis upon which to build and leverage, including integrity, diversity, industry expertise and the high level of commitment from its directors.

The evaluation highlighted a few observations and findings. MTN believes that effectively communicating these findings indicates MTN's maturity and commitment to embracing a culture of transparency and accountability.

People

Composition: The Board is composed of members with strong overall knowledge of the industry and technical expertise, while the Board's overall skill coverage was considered strong, it was perceived as concentrated, notably in the areas of finance and telecom. It was found that the expertise in fintech, digital and regulatory are potential areas to strengthen the Board's composition.

The Board is looking to retain more skills in the area of fintech and digital.

Diversity: The quality of the MTN Group's Board is enhanced by its diversity in terms of professional background, personality and opinion, however gender diversity should continue to be an area of focus, and has demonstrated impact in several important areas.

With the addition of four female directors, in the recent months, the Board is already addressing diversity to a large extent and will continue to review other factors pertaining to diversity.

Structure

Overall, there is a perception that the current roles (scope), structure (committees) and processes of the Board are well aligned with its responsibilities, however moving with the key strategic areas for MTN, more focus will be placed on upskilling directors on ESG and climate change priorities. A technological committee on the Board should also be considered, since technological discussions would benefit from greater focus and more systematic coverage of specific topics.

This work is already in progress with ESG issues being placed at the core of the strategy and technology discussions being elevated at Board level for review and discussion. In addition, the Board will be upskilled on various technology-related topics.

Processes

Strategy process

The Board's strategic capability was assessed as strong, with a solid ability to set the strategic direction for the organisation. To enhance the process, the Board needs to build a more systematic way of monitoring execution, with a strong focus on strategic alignment among the Group Board and the subsidiary boards.

Subsidiary Governance: There is a need for greater understanding of the governance challenges of each of MTN's top subsidiary boards. The degree of coordination and congruence of the Group Board and its operating company boards could also be further enhanced.

The Group has designed greater opportunities for interactions between the members of the Group Board and the subsidiary boards to increase exchange across the Group with the introduction of the Chairmen's Engagement Forum and the strengthening of existing committee workshops between Group Board members and subsidiary board members.

Board development and training

The Board recognises that in order to remain effective, it must induct, develop and change its members from time to time to suit the Company's needs. Accordingly, the Group Company Secretariat has a structured induction and development programme that seeks to equip new directors with understanding of the strategy and the complexities of the business. The programme also includes ongoing training for all directors on various matters related to their role to assist them to act with due care, skill and diligence. In 2020, we onboarded one new director and Chairman.

By keeping informed of developments in the business and global trends, directors are able to exercise courage in taking appropriate risks and capturing opportunities in a responsible manner and in the best interests of MTN Group.

In 2020, directors adapted well to virtual instead of face-to-face meetings, but this did not compromise the quality of the programmes.

Governance in action continued

Executing on the Board's mandate

The Board meets on a quarterly basis in line with the Group reporting cycle. Each Board meeting follows an agenda that has been set and agreed by the Chairman, CEO and Company Secretary with documents for discussion loaded on a Board pack platform for previewing. Meeting discussions are usually around the current performance, risks and opportunities, governance updates and regulatory matters for consideration, as well as in-depth discussions around execution of the strategy. During the year there were five special Board meetings, one Board strategy session and one budget discussion meeting. The meetings were well attended by Board members.

Strategic direction

The Board held its annual strategy sessions in April and July 2020, where it applied its mind and constructively interrogated proposals presented by management. The COVID-19 pandemic was central to the deliberations. It was clear that there was a need to focus not only on managing the risks of COVID-19, and assisting those in our markets, but to also consider the opportunities created by accelerated digitalisation.

Strategy sessions are an important part of the Board's annual workplan and give direction to the Company's long-term and mid-term strategy. More information on the approved strategy is set out on page 10.

Below is a summary of Board focus areas in 2020. As previously announced, one of the Board's key focus areas in 2020 was the Asset Realisation Programme, which aims to reduce debt, simplify MTN's portfolio, reduce risk, improve returns and realise capital of at least R25 billion over three years.

In addition, the Board also considered the plans and granted its authority to management to divest the Middle East assets, as well exploring the opportunities to expand into other parts of the African continent in markets such as Tanzania and Ethiopia.

Q1

- Approved the 2019 AFS, Integrated Report and notice of AGM.
- Reviewed the Group's performance and key priorities.
- Declared final dividend.
- Approved Board charter and committees' terms of reference.

Q2

- Approved the COVID-19 strategy and proposed implementation.
- Reviewed the Group's performance and key priorities.
- Reviewed and approved ARP.
- Reviewed ESG matters, including sustainability reporting and climate change approach.

Q3

- Approved interim financial results.
- Reviewed and approved MTN Group strategy.
- Reviewed the Group's performance and key priorities.
- Reviewed COVID-19 management.
- Reviewed implementation of localisation plan.
- Reviewed ARP and portfolio review.

Q4

- Approved the budget and strategic business plan.
- Approved appointments to the Board.

Governance in action continued

Focus on ESG – ESG at the core

In 2020, MTN made considerable strides in better understanding the matters pertaining to sustainability and in ensuring that ESG matters are carefully considered in respect of the way the Group operates. The strategic repositioning reflects this – we adopted 'create shared value' as a strategic priority, a vital enabler of which is 'ESG at the core'.

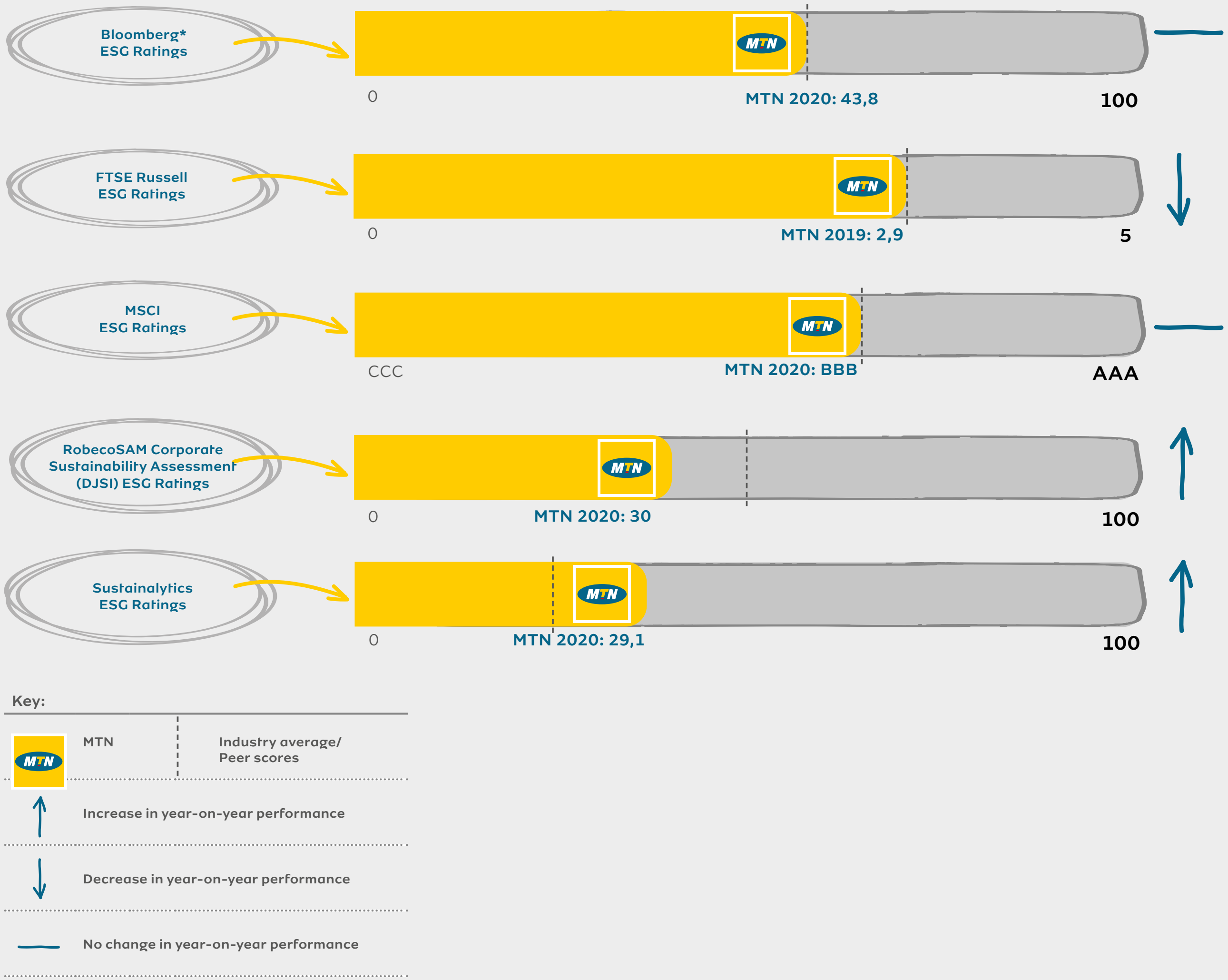
The Board took part in training from the JSE Limited on ESG matters, aiming to assist management in better connecting with global ESG issues linked to the day-to-day operations, strategy and risk profile of the Group. An important development in this respect was the appointment of the Chairman of the Social and Ethics Committee as the Climate Change Director for the Group.

A significant ESG milestone was the publishing of MTN Group's first Transparency Report in October 2020, which was well received. This is in addition to the Group's annual Sustainability Report, which is published every year in March.

The Board has identified strategic areas in MTN's ESG credentials which can be improved upon by focusing on the Group's approved ESG framework, with clearly defined priorities and target dates. This work is ongoing and will progress in 2021.

MTN deems ESG management and performance as an opportunity to implement our vision of creating shared value for all stakeholders through responsible economic, environmental and social practices. MTN's ESG performance is rated by several firms and is an important proxy for stakeholders regarding MTN's management of key ESG topics, including sector-specific matters. During 2020, MTN established a baseline across priority firms that rate MTN's ESG performance, with the aim of developing an action plan to improve our rating in the coming years. MTN's latest scores across these firms are presented below in relation to peer or industry performance. As a critical step to ensuring its progress in the Group, improvement in ESG has been added as a KPI for the Group CEO.

MTN ESG ratings



* Source: Bloomberg LP

Governance in action continued

Listening and responding to our stakeholders

25th Annual General Meeting

As part of our comprehensive response to the pandemic, the Company held its first virtual AGM. It was important to make the change and enhance the way we communicate with our shareholders, within the perimeters of the Companies Act.

Held on 21 May 2020, overall, the AGM was a success but there were also learnings to implement at the next AGM. There is no doubt that such virtual meetings will continue and we will work on those areas that require improvement.

Governance roadshow

In May 2020, the Company held a virtual governance roadshow with shareholders to discuss – among other matters – the 2020 AGM notice and to respond to broader governance concerns.

Group Chairman Mcebisi Jonas and Khotso Mokhele, the Chairman of the Remuneration Committee and Lead Independent Director, attended the roadshow. We were delighted with the broad participation of shareholders. The interactions were constructive and the feedback was well received. We expect to continue to conduct a governance roadshow annually.

Directors' dealings

In keeping up with good corporate governance practices, MTN strives to protect the organisation and its representations by setting out key share dealing processes. MTN must further ensure that these processes are not only watertight, but they must also be transparent. MTN has a policy that enforces closed periods, during which trading in MTN Group shares by directors, senior executives and employees is prohibited. The closed periods run from the end of the interim and annual reporting periods until the financial results are disclosed on SENS. All directors trading in shares require the prior approval of the Chairman of the Board.

Group Secretary

The Board is assisted by a competent and suitably qualified Group Company Secretary, Thobeka Sishuba Bonoyi.

The Group Company Secretary has an arm's length relationship with the Board. Her performance is assessed on an annual basis. Following her assessment in 2020, the Board is satisfied that she has the competency, qualifications and experience to provide the Board with sound governance advisory and stewardship assistance.

To align with the renewed strategy, the Group Company Secretariat function is re-evaluating and improving its operating model across the Group to ensure that the department is fit for purpose, independent and adequately resourced.

Conflicts of interest

MTN recognises that the management of conflicts of interest is of high importance in promoting ethical conduct and in protecting the integrity of MTN decision-making processes.

Accordingly, directors and employees are encouraged to act in a responsible and ethical manner, taking into consideration MTN Group's best interests. They are required to complete a declaration of any declarable interest at the start of each year.

Following the revision of the conflicts of interest policy in 2019, in 2020 the focus was on embedding the policy throughout the Group, with the Board and management setting the tone from the top.

The policy provides guidance and mechanisms for the identification of conflicts of interest and provides measures for the disclosure, mitigation and/or management of such conflicts. The policy also regulates the relationship between MTN and its employees, directors, suppliers and service providers.

There has been significant improvement in the understanding of the process: this has been as a result of the awareness created with the MTN Conduct Passport and the guidance framework provided to employees and rolled out in all operations.
https://www.mtn.com/sustainability/our-positions/

Board appointments

All our Board appointments for 2020 were conducted through a formal and transparent process, guided by an approved policy and assisted by the Directors and Corporate Governance Affairs Committee in consultation with the Group Secretary.

The Director Appointment Policy includes the criteria for appointments and also considers the diversity imperatives for the Company.

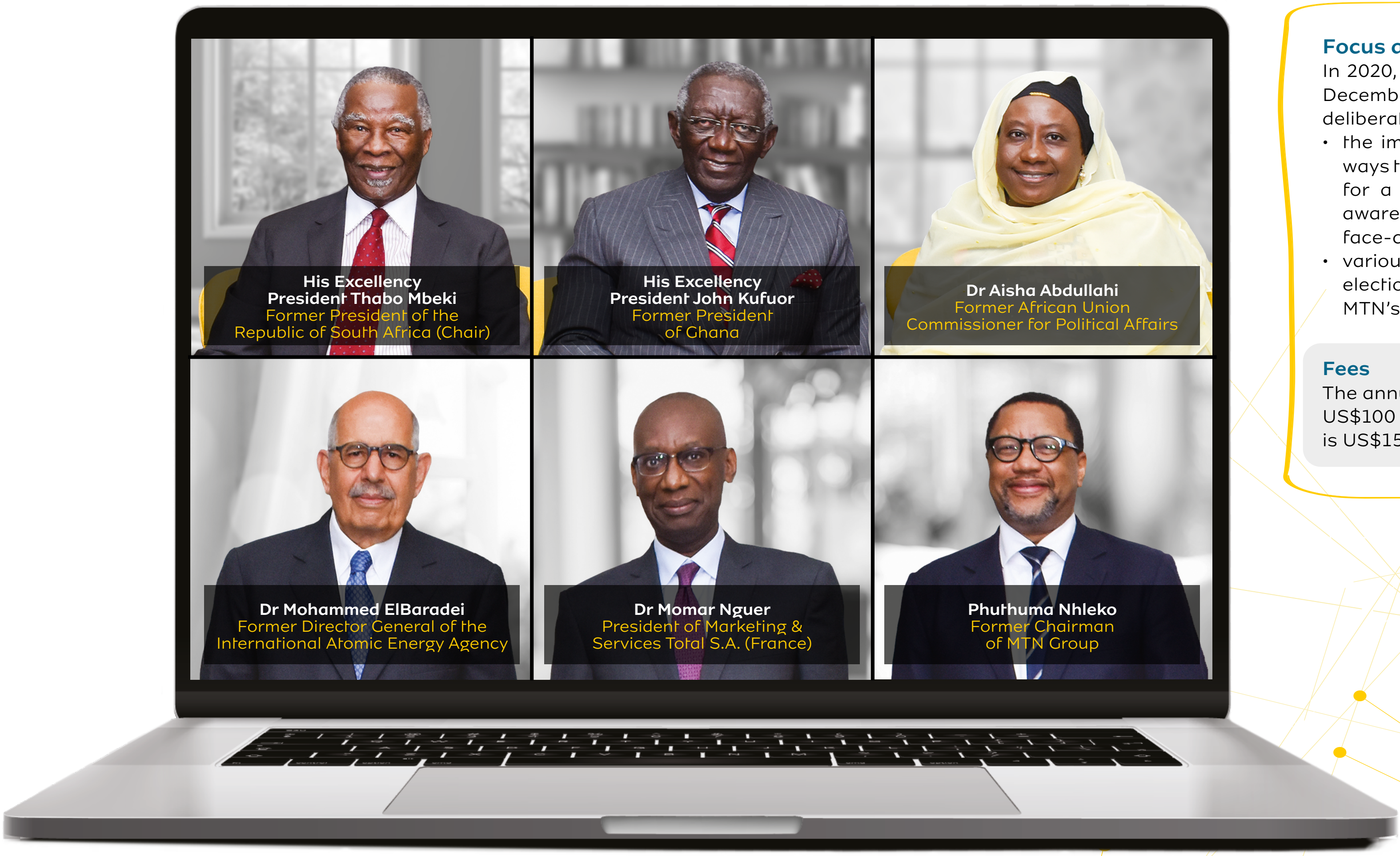
The appointments will be subject to shareholder approval at the forthcoming AGM to be held in May 2021.

Our International Advisory Board

Our International Advisory Board (IAB) was established in 2019 and comprised of eminent persons to counsel, guide and support the MTN Group. Its non-statutory in nature and without any fiduciary responsibility, the IAB meets twice a year, assisting MTN in creating shared value by further developing connectivity and digital and financial inclusion across Africa and the Middle East.

The IAB shares its perspectives on geopolitical matters which impact on the continued development of the regions in which we operate. It also assists MTN in our work to be a responsible and exemplary corporate citizen.

The mandate of the IAB does not include operational matters.



Focus areas in 2020

In 2020, the IAB met twice, virtually, in May and December. Among the key matters on which it deliberated and gave its perspectives were:

- the impact of COVID-19 on our markets and ways to best manage this, including advocating for a campaign – #WearItForMe – to raise awareness about the importance of wearing a face-covering to limit the spread of the virus
- various geopolitical matters, such as the US elections, sanctions in several markets and MTN's strategy to 2025 and beyond.

Fees

The annual fees for each member of the IAB are US$100 000. The fee for the chairman of the IAB is US$150 000.

Our Executive Committee

The Executive Committee facilitates the effective control of the Group's operational activities in terms of its delegated authority approved by the Board. The Executive Committee is responsible for recommendations to the Board on the Group's policies and strategy and for monitoring its implementation in line with the Board's mandate. It meets at least monthly, and more often as required.

A key achievement in 2020 was the improved diversity of Group Exco. Exco now consists of three women, with a fourth set to join in 2021. It also has a mix of nationalities, ages and skills.

Prescribed officers

During the year we reviewed the way in which we identify and appoint prescribed officers. We did this in line with our Prescribed Officer Policy and Regulation 38 of the Companies Act. We defined prescribed officers as those who exercise general executive control over and management of the whole, or a significant portion, of the business and activities of the Company; or those who regularly participate to a material degree, in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of the Company.

Ralph Mupita
(Born 1972)
Group President and CEO
Joined MTN in 2017,
Executive since 2017
Qualifications:
BScEng (Hons), MBA, GMP

Tsholofelo Molefe
(Born 1968)
Group Chief Financial Officer
Joined MTN in 2021,
Executive since 2021
Qualifications: BCompt (Hons), CTA, BA (Hons) Accounting and Finance, CA(SA)

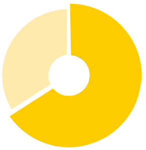
Jens Schulte-Bockum
(Born 1966)
Group Chief Operating Officer
Joined MTN in 2017,
Executive since 2017
Qualifications: MA (SocSci)
Volkswirt – Diploma

Ebenezer Asante
(Born 1977)
Vice-President: SEAGHA
Joined MTN in 2008,
Executive since 2017
Qualifications: BA (Hons) (Econ and Stats), Postgraduate Diploma in Management

Karl Toriola
(Born 1972)
Vice-President: WECA
Joined MTN in 2006,
Executive since 2015
Qualifications:
BSc (Hons) (Elec Eng),
MSc (Comm Systems), GMP

Ismail Jaroudi
(Born 1970)
Vice-President: MENA
Joined MTN in 2006,
Executive since 2015
Qualifications: BA,
Executive Education Certificate

Diversity



Employees by gender

Employees by nationality

Age distribution

35-40	41-45	46-50	>50
1	4	3	7

Group changes:
Ebenezer Asante became VP for WECA effective from 1 January 2021; Yolanda Cuba was appointed VP for SEA, effective 1 January 2021; Serigne Dioum assumed the role of Group Chief Digital and Fintech Officer, joining Exco on 1 January 2021; Kholekile Ndamase was appointed Group Chief M&A and Business Development Officer, joining Exco on 1 January 2021; Karl Toriola became MTN Nigeria CEO effective 1 March 2021; and Ferdi Moolman assumed the new role of MTN Group Chief Risk Officer on 1 March 2021.

Our Executive Committee continued

Godfrey Motsa
(Born 1973)
Chief Executive Officer: MTN South Africa
Joined MTN in 2017,
Executive since 2017
Qualifications: BCom, MBA

Ferdi Moolman
(Born 1963)
Chief Executive Officer: MTN Nigeria
Joined MTN in 2007,
Executive since 2015
Qualifications: CA(SA), BCom, BCompt (Hons), theory of Accounting Diploma

Yolanda Cuba
(Born 1977)
Group Chief Digital and Fintech Officer
Joined MTN in 2020,
Executive since 2020
Qualifications: BCom (Stats), BCom Hons (Acc), MCom, International Executive Programme

Paul Norman
(Born 1965)
Group Chief Human Resources Officer
Joined MTN in 1997,
Executive since 1997
Qualifications: MA (Psych), MBA

Kholekile Ndamase
(Born 1980)
Group Chief M&A and Business Development Officer
Joined MTN in 2016,
Executive since 2021
Qualifications: BSc

Lele Modise
(Born 1978)
Group Chief Legal Counsel
Joined MTN in 2019,
Executive since 2019
Qualifications: BProc (LLB), Masters in Banking Law, Certificate in Securities Law, Certificate in Banking Law and Financial Markets

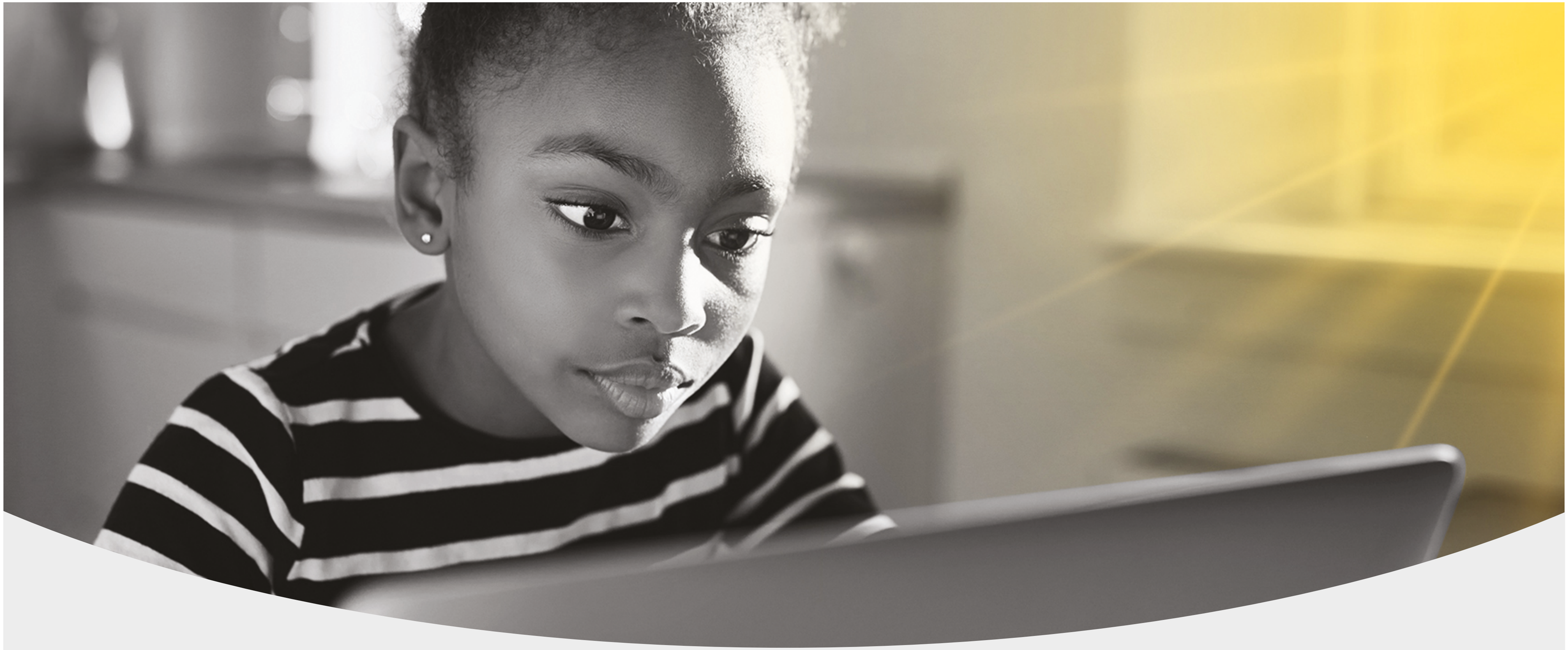
Felleng Sekha
(Born 1967)
Group Chief Regulatory and Corporate Affairs Officer
Joined MTN in 2016,
Executive since 2017
Qualifications: BA (Law), LLB, Postgraduate Diploma in Media and ICT Law

Serigne Dioum
(Born 1974)
Group Chief Digital and Fintech Officer
Joined MTN in 2009,
Executive since 2021
Qualifications: Telecommunications Engineering

Charles Molapisi
(Born 1975)
Group Chief Technology and Information Officer
Joined MTN in 2009,
Executive since 2020
Qualifications: BCom, MBL, Executive Programme

Sugentharen Perumal^
(Born 1979)
Acting Group Chief Financial Officer
Joined MTN in 2014,
Executive since 2020
Qualifications: CA (SA)
BCom – Financial, Accounting, BCom (Hons) – Managerial, Accounting & BCom (Hons) – Accounting

^ *On Exco from 1 September 2020 to 31 March 2021.*



Remuneration report

Remuneration report

Contents

Part I

Part II

Part III

Structure of report

To improve the understanding of remuneration matters, we have amended the structure and content of the report to enhance the clarity of policies.

The report is structured in three parts in line with the guidance of the King IV Report on Corporate Governance™* in South Africa 2016 (King IV).

The Remuneration Committee at a glance

The Group Remuneration and Human Resources Committee (Remco) has been mandated by the Board to independently oversee and approve the remuneration policies and human resource approach for MTN to ensure these are fair, consistent, compliant and provide objective, independent and constructive view of the Company's plans and decisions. The committee is responsible for evaluating and recommending to the Board critical strategic remuneration decisions.

In ensuring fair and responsible remuneration by the Group, the committee comprises six independent non-executive directors (NED). The collective skills and experience profile of the Group Remuneration Committee members includes telecommunications, finance, managing businesses in Africa and the Middle East, human capital, remuneration and risk management.

Remuneration report continued

Incoming Chairman
Dr Khotso Mokhele

Chairman's review

Dear shareholders

On behalf of the Board, I am pleased to present our remuneration report for 2020.

It has been a challenging year for the committee with the COVID-19 pandemic and the duty of supporting our people through its impacts. We have also put a lot of work into ensuring our shareholders' concerns regarding remuneration and disclosures are appropriately addressed.

COVID-19 pandemic

The onset of the COVID-19 pandemic has created unprecedented uncertainty, impacting lives and livelihoods globally. From early 2020, our focus has been to safeguard the health and wellbeing of our employees and their families, while managing the economic and operational challenges facing our business.

In protecting our employees, multiple interventions across our footprint were implemented, including driving awareness of the pandemic. We also established a COVID-19 relief fund to provide support for staff who were impacted by the pandemic and required financial assistance.

It has been a challenging year for the committee, managing the risks and impacts of the COVID-19 pandemic. We also placed a big focus on appropriately addressing the remuneration-related concerns of our shareholders.

COVID-19 relief funds amounting to R21,8 million were raised through the generous voluntary contributions of our staff across the Group, Group Executive members and Group Board Directors. The contribution from Group Board and Group Exco members amounted to R8,7 million.

In addition, as it became evident that ordinary workplace practices were no longer practical, we approved and fully supported flexible and remote work options for employees as applicable and within limits to ensure that essential infrastructure services remained running.

Business performance

From a business perspective, our Group results highlighted resilient performance in difficult trading conditions during the year ended 31 December 2020.

These results were achieved against the backdrop of unprecedented volatility due to COVID-19 as well as ongoing flux in our regulatory and legal environments. Notwithstanding the challenges, MTN continued to progress in driving further digital and financial inclusion, guided by our belief that everyone deserves the benefits of a modern connected life.

Performance, reward and culture

Beyond the business performance, our consistent engagements with employees through various online platforms bore fruit as reflected in the positive sentiments expressed through the global culture audit (GCA) results. We achieved our highest ever perception ratings from employees mainly in the following areas:

- **Sustainable engagement score:** 81 percentage points (pp) (improvement of 1pp from previous year; and 2pp higher than the Global Telco benchmarks)

Members	Attendance at applicable meetings
Mcebisi Jonas	4/4
Khotso Mokhele	4/4
Swazi Tshabalala	3/4
Nkululeko Sowazi	4/4
Vincent Rague	4/4
Azmi Mikati	4/4

- **Pay & benefits score:** 53pp (improvement of 1pp from previous year; reduced gap to 3pp from Global Telco norm)
- **NPS for MTN as a great place to work:** +41% (Improvement of 14pp from previous year)
- **Employee experience of STI:** 2,46 out of 4 (improvement of 1% from the previous year)

Managing staff costs was a particular focus of the business during 2020, in light of COVID-19 effects. We therefore struck a balance between maintaining annual escalations within reasonable ranges, and ensuring that our people are rewarded for their hard work and dedication. No increases were awarded to Group Executive directors, and Group Exco members forfeited their increases.

Paying for performance remained at the core of the Group's philosophy, within the context of business performance. The Board was satisfied with the business financial performance. As a result, the following incentives were declared:

- **Short-term incentive (STI)** – we declared a performance bonus to all of our operations.
- **Long-term incentive (LTI)** – the Board approved the performance assessment of the conditions linked to the share allocation made in December 2017. Although the Group share price remained under pressure, resulting in nil achievement of total shareholder return (TSR) against the MSCI EM comparator group, satisfactory performance was achieved on cash flow and capital returns i.e. return on average capital employed (ROACE). Overall, we achieved 75% performance settlement, compared to 25% in the prior year vesting.

Remuneration report continued

Shareholder engagements

The Remuneration Committee (Remco) took heed of the comments, inputs and feedback from various shareholder institutions received in the 2020 AGM and from other investor engagements undertaken during the year.

As we did not receive the minimum 75% of votes in favour of our remuneration policy and implementation report, we responded by engaging openly with our shareholders on the concerns and feedback. In addition to the Governance roadshow held on 7, 8 and 12 May 2020 – during which the Group Chairman and LID interacted with 13 of MTN's largest institutional shareholders – we also held a follow up meeting on 20 August 2020 that had been announced on the JSE SENS. Over and above discussing the 2020 AGM notice and broader governance issues, the engagements were aimed at identifying any gaps in our remuneration design and disclosures, in order to enhance our remuneration reporting and implementation.

MTN regularly reviews and, where feasible, adopts best practices and responsible remuneration governance based on local and global benchmarking and research. Aided by these engagements with shareholders, I am pleased to report the following enhancements to some of our remuneration elements and policy:

(i) Effective from 1 January 2021, we introduced the minimum shareholding requirement (MSR) standards for members of the Group Exco.
(ii) While the malus and clawback provisions were introduced to our LTI scheme in 2017, we have now introduced similar provisions for our STI scheme as well.
(iii) We revised our LTI performance share plan condition by replacing the return on average capital employed (ROACE) with return on equity (ROE), which is aligned with our medium-term guidance framework.
(iv) Effective from 2021, we redefined our STI revenue performance condition to be measured on service revenue, which is aligned with targets provided in our medium-term guidance framework.
(v) Effective from the December 2020 share allocation, we excluded the non-performance-based retention element as a condition under the performance share plan for our Group Exco members.
(vi) Disclosure enhancements were made on non-executive director (NED) fees and general executive remuneration benchmarking.
(vii) We have increased disclosure detail on both STI and LTI payments by providing a retroactive breakdown of the goals, the achievements against these goals and corresponding payments linked to these goals.

Further details of these improvements are provided on pages 68 and 69 of this report.

The committee is positive that these changes will go a long way to improve shareholder sentiments on remuneration policy, decision-making and implementation. We remain committed to pursuing continuous improvement and innovation in our reward practices as we navigate 2021.

I further wish to give an outline of the key people outcomes for the year.

Gender diversity

The representation of women in the broader business as well as senior leadership is a key focus of the committee and the Board. On this front, we have made steady progress at MTN in recent years and women, made up 51% of all MTN company recruits and 58% of the graduates employed in 2020.

Within our senior management leadership, the representation of women in the top roles (Exco) improved by 19pp to 27%, from 8% in 2018. This figure rises to 29%, with the inclusion of our new GCFO. In our recruitment, we actively pursue improvements in women representation as we strive towards our target.

Leadership

To support the Group's strategy execution, we announced the following appointments:

- Tsholofelo Molefe was appointed as the new GCFO effective 1 April 2021.
- Ebenezer Asante was appointed the WECA Vice-President, effective 01 January 2021.
- Yolanda Cuba was appointed as the SEA Vice-President, effective 1 January 2021.
- Serigne Dioum was appointed as the Group Chief Digital and Fintech Officer, effective 1 January 2021.
- Kholekile Ndamase was appointed as the Group Chief Mergers and Acquisitions and Business Development Officer, effective 1 January 2021.

These executive changes followed the prior announcement of Ralph Mupita's appointment as Group President and CEO, Karl Toriola as CEO designate of MTN Nigeria, and Ferdi Moolman's as Group Chief Risk Officer.

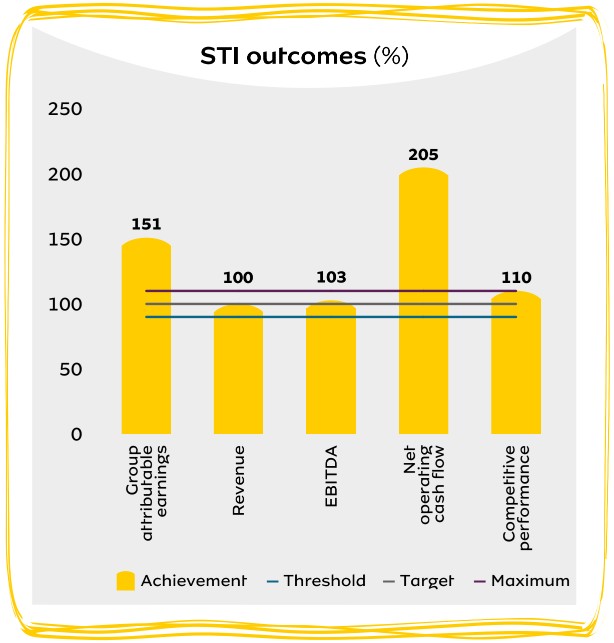
2020 pay reviews

For 2020 pay reviews, we approved 0% increase for executive directors. For non-executive management, an average of 2.5% was approved and for non-management employees an average of 4% was approved. Expatriate employees were allotted 1,11% increase and no increase was awarded for NED fees except for those below the median who were adjusted to the median.

These decisions were not only aligned to our remuneration philosophy but also cognisant of the expectations of our many stakeholders to manage remuneration cautiously amid COVID-19.

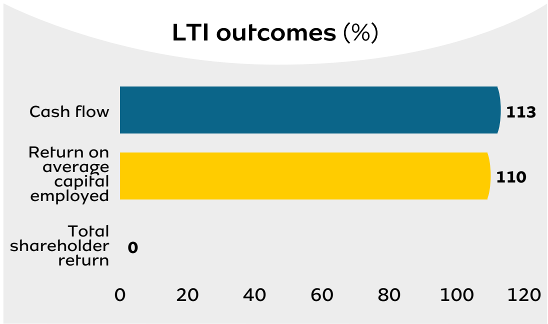
2020 STI outcomes

The Board was satisfied with the 2020 performance outcomes. As such, performance bonuses were paid across all operations. Below highlights the Company performance outcomes used to determine the bonuses paid to Group employees.



Remuneration report continued

2020 LTI outcomes
The allocation of shares made in December 2017 matured in December 2020. An illustration of the performance conditions achievement is illustrated here:



Mandate: The Remuneration and Human Resources Committee oversees the formulation of a remuneration philosophy and human resources approach. The committee ensures that MTN remunerates fairly and transparently. It also ensures that MTN employs and retains the best human capital for its business needs and maximises the potential of its employees.

Overall, the performance outcomes were approved by the committee as a fair and true reflection of the Company. 75% of the shares allocated vested for the then CEO (Rob Shuter), 75% vested for the current CEO (Ralph Mupita), and 75% vested for the COO (Jens Schulte-Bockum). All other employees equally received a 75% vesting of their shares.

I thank you for your support and continued feedback and look forward to future engagements.

Dr Khotso Mokhele
Chair: Group Remuneration and Human Resources Committee (Remco)

23 April 2021

Remuneration report continued

Part I – Overview

Background statement

This remuneration report focuses on the fixed and variable elements of the executive directors and prescribed officers' remuneration as well as fees paid to NEDs. This is in keeping with the commitment to fair, responsible and transparent remuneration and remuneration disclosure in terms of the Companies Act and JSE Listings Requirements, as prescribed by King IV, principle 14.

Shareholder voting

At the 2020 AGM, MTN received a 59,70% non-binding advisory vote on the Company's remuneration policy and 66,80% non-binding advisory vote on the Company's remuneration implementation report, falling short of the requisite 75%.

Votes	For (%)	Against (%)
Remuneration policy		
21 May 2020	59,70	40,30
23 May 2019	82,20	17,80
24 May 2018	93,80	6,20
Implementation report		
21 May 2020	66,80	33,20
23 May 2019	78,52	21,48
24 May 2018	68,17	31,83

As required by King IV and the JSE Listings Requirements, we issued a SENS announcement regarding the outcome of the voting results and invited shareholders to engage with us regarding their concerns. We scheduled collective and individual engagements with relevant shareholders to record first-hand their concerns and objections. Once all the objections were received and understood, all responses were consolidated and a special committee meeting was scheduled to analyse the issues raised with the aim of formulating enhancements to policy and implementation where required.

We developed a formal response and shared this with the shareholders who had expressed concerns.

Report enhancement

Through our ongoing engagement with stakeholders, we have noted concerns raised and made the following enhancements to the remuneration report:

Shareholder concerns and requests	Addressed	Link
1. More transparent KPI disclosure.	Yes	Pages 74, 75, 78, 87-89
2. Benchmarking remuneration decisions.	Yes	Pages 69, 81
3. Linking ROIC to executive remuneration.	Yes	Pages 68 and 78
4. Removal of non-performance-based condition for LTI retention.	Yes	Pages 78 and 89
5. Application of deferral to both STI and LTI.	Yes	Page 69
6. Detail on MTN's minimum shareholding requirements.	Yes	Page 69 and 84
7. Detail on malus and clawback with regard to departing CEO.	Yes	Page 69
8. Restraint of trade implications for outgoing CEO.	Yes	Page 69
9. Remuneration changes amid COVID-19.	Yes	Page 64
10. Bundling of voting on non-executive directors.	Yes	Page 68
11. Rationale for use of different currencies for non-executive directors' fees.	Yes	Page 82
12. Rationale for fee differentiation between non-executive directors and members of the IAB.	Yes	Page 69

Remuneration report continued

Shareholder comment/concern	Remuneration Committee response to query
Long-term incentives Inclusion of a non-performance-based (retention) condition for an LTI performance scheme.	• We have conducted research and benchmarking based on the top JSE-listed companies and found that non-performance-based conditions are not common practice for senior executive employees who need to primarily focus on driving company performance. • Effective from the December 2020 allocation, we have implemented a policy that excludes the retention element in the performance share plan (PSP) allocation for all members of the Group Exco. Refer to page 78 for details of the awards' conditions for year under review.
Disclosure of performance indicators Better transparency in respect of performance targets used for executive remuneration.	• The proposal from shareholders to disclose performance conditions ex-ante (before the fact) was investigated through the benchmarking of other top JSE-listed companies. The committee found that this was not common practice and resolved that disclosing actual budgets and performance targets presents the risk of publicly disclosing sensitive strategic information. • In order to enhance disclosure and transparency on performance against targets, however, the committee resolved that performance conditions would be disclosed ex-post (after the fact) as this information would then be publicly available. Therefore: – For LTIs, once shares are vested, we now disclose the actual three-year budget, the performance against budget and remuneration thereof paid to executives; and – For the STI scheme, we will disclose the broader company performance achievements and corresponding hurdles and remuneration paid thereof. Refer to pages 74 and 78 for more details.
Linking incentives to capital returns Linking return metrics as key KPIs for executive remuneration	• This proposal was considered good practice and found to be common among other companies benchmarked in our research. • The committee resolved to replace the ROACE metric in the LTI PSP scheme with the ROE metric. • Refer to page 78 for details of share allocation conditions made in December 2020.
Non-executive director fees (1/3) Bundled NED proxy voting at the AGM makes it impossible to oppose or support specific underlying resolutions.	• This concern was noted by the committee who resolved to replace the bundled voting methodology with an unbundled voting methodology in the proxy voting.
Non-executive director fees (2/3) Clarity and explanation of why MTN pays different fees for 'local' vs 'foreign' NEDs; including rationale for paying these fees in foreign currency when the Company reports in local currency.	• We wish to clarify that the fee structure on page 82, disclosing both rand and other currencies, is done to accommodate instances where the Company appoints either local or international NEDs. In such circumstances, this approach minimises the need to conduct benchmarks and set fees at each appointment. Each director can only be remunerated under one of the currencies and not both. • To attract international NEDs of the calibre required by MTN, an attractive comparable fee payable to international NEDs as benchmarked against international NEDs at local and foreign peer companies is taken. This differentiation, combined with the conversion to rand, however, may present a different impression.

Remuneration report continued

Shareholder comment/concern	Remuneration Committee response to query
Non-executive director fees (3/3) Rationale behind the fee differentiation between the members of the MTN Group International Advisory Board (IAB) and the Group Board of Directors.	• The IAB was established as a non-statutory body with no fiduciary duties. Its primary purpose is providing global and/or sector-specific perspectives that may enrich the perspectives of the Group and enhance the manner that it conducts its business and in its interactions with its stakeholders. • The IAB's role is not intended to be congruent to the role of the Group Board and therefore the remuneration of the IAB members is not comparable to that of the Group Board. Its remuneration is nonetheless based on international benchmark standards of advisory bodies acting in a capacity similar to that of the IAB.
Malus and clawback provisions Understanding of malus and clawback provisions, including how this applies to CEO departures.	• Whereas the malus and clawback provisions had been in place for the LTI PSP scheme since 2017, it did not apply to STI awards. • The committee approved that these provisions be extended to the STI performance bonus effective for the 2021 plan. A revised policy was approved by the Board. On departure, CEOs will equally be subjected to the malus and clawback provisions.
Minimum shareholding requirement (MSR) Clarity and detail of MTN's minimum shareholding requirements and their implementation.	• Remco reviewed and recommended to the Board for approval the adoption of the MSR for Group Exco members effective from 1 January 2021. • Pursuant to this, the MTN Group Board resolved that the adoption of the MSR for Group Exco members, effective from 1 January 2021, be approved and spread over a period of five years as follows: – Group CEO 250% of annual package – Group CFO 175% of annual package and – Other Group Exco members 150% of annual package.
Remuneration benchmarking Understanding how the executive fixed-to-variable pay mix is benchmarked.	• There were no specific changes to the reporting of the details of the pay mix. However, MTN will review its reporting standards and improve on the reporting of the pay mix going forward. • MTN maintains targeting the 50th percentile of market data as part of its review of executive and employee pay on a periodic basis. Any anomalies are reviewed, and any required action/s taken through internal salary review processes. • We use the information obtained from the Company's approved survey providers to obtain benchmark information.
Restraint of trade Implications of MTN's restraint of trade agreements for the outgoing Group CEO.	• In light of Rob Shuter's move to British Telecom in 2021, MTN reviewed the terms of his contractual restraint of trade agreement. We believe that his future employment will not violate any of these terms, thus there will be no need for any compensation. • In addition, Rob was placed on 'garden leave' from 1 September 2020 to 12 March 2021, further reducing any risk posed to MTN, its employees, customers and suppliers.
Adoption of incentive deferrals Deferral should apply to both STI and LTI to ensure alignment of executives with shareholders.	• The committee has commenced research on this issue, including benchmarking of its prevalence amongst the top JSE listed companies. This work is ongoing and will include a report to be presented to the Board for consideration. • Once this work is completed, the committee will consider it along with its recommendations and pave a way forward which will be duly communicated with shareholders.

Remuneration report continued

Part II – Remuneration philosophy, policy and framework

Policy and Governance Committee

MTN's remuneration policies aim to ensure that we remain relevant, align to recommendations of King IV and that we are benchmarked appropriately against best practice to maintain market competitiveness and alignment to our corporate goals.

In 2018 the committee mandated an Internal Policy and Governance Committee, made up of senior executive employees, to ensure that all policies are aligned to the broader organisational goals and properly documented and shared with employees. In 2020, we approved the following key remuneration decision and policy developments:

Policies and governance

The Board approved 17 Group HR policies in 2020, including reviewing and approving the revised acting, sales incentive, performance bonus, malus and clawback, minimum shareholder requirements, recognition and workplace flexibility policy in response to the evolving world of work.

Long-term incentives

We approved the grant of shares under the performance share plan for employees at managerial level and above. Allocations were made under the revised performance conditions where retention was excluded for Group Exco and ROE replaced the ROACE metric.

The grant of shares under the employee share ownership plan (ESOP) to nominated designated employees was also approved.

Malus and clawback

In 2017, MTN adopted malus and clawback principles for its performance share plan (PSP) scheme. This policy has now been approved by the MTN Board to be extended and applicable to all employees participating under all MTN's long-term incentive schemes and its short-term incentive performance bonus scheme effective from the 2020 financial year.

Malus and/or clawback will be instituted for a trigger event during a participant's employment and remains legally enforceable even after the participant has left the employ of the Company for a period not exceeding ten (10) years from the date of settlement, payment or vesting, as may be applicable.

Minimum shareholding requirements

The Board approved the implementation of minimum shareholding requirements for Group directors (CEO and CFO) and other members of Group Exco based on the following percentages spread over a period of five years:

- Group CEO 250% of annual package;
- Group CFO 175% of annual package; and
- Other Group Exco members 150% of annual package.

Independent external advisers

All strategic reward decisions are prepared and guided by our executive management team for approval by the Group Remco. The committee has delegated approval authority at various levels, with its roles and responsibilities. The Remco contracted the services of PricewaterhouseCoopers (PwC) for independent external advice. The committee is satisfied with its independence and objectivity.

COVID-19

In response to the pandemic, MTN established multiple interventions across its operations. These not only provided financial support but also included programmes to support the wellbeing and safety of employees and their families. Among the many initiatives, MTN implemented the following:

- Established a global staff care fund, funded by voluntary staff donations, for the benefit of employees in need. Contributions amounting to over R21m were received from employees, executives and NEDs. Included in these contributions were salary forfeitures amongst executive and employees.
- The Company amended certain benefits to enable employees to purchase PPE and home office equipment in supporting and facilitating work-from-home.
- At the beginning of the lockdown, around March 2020, MTN immediately extended its work-from-home flexibility programme across its footprint. Alongside this option, in South Africa, MTN increased its data allocation to employees from 30GB to 50GB a month.
- During the lockdown period, when there was limited movement for sales employees in particular, MTN provisionally revised its sales commission targets for lower-level sales employees and reallocated work schedules to ensure employees focused on keeping its core operations functioning.

Remuneration report continued

The remuneration philosophy, policy and framework are key components of the HR strategy and govern the remuneration of executive management (executive directors and prescribed officers), non-executive directors and other employees in support of the overall business strategy.

MTN's remuneration philosophy is part of an interlinked, holistic and people-oriented talent approach, aiming to support our current and evolving business priorities. The competitive talent landscape demands a differentiated reward system, capable of competitively matching pay to performance, delivering fairly without bias, and is flexible yet compliant across all markets.

In aligning with the recommendations of King IV, we aim to continue disclosing the main provisions of our remuneration policies including how such remuneration was earned by prescribed officers and NEDs as defined by the Companies Act. In terms of the Act, a prescribed officer is a person, who:
(a) **exercises general executive control** over and management of the whole, or a significant portion, of the business and activities of the Company; or
(b) **regularly participates** to a material degree **in the exercise of general executive control** over and management of the whole, or a significant portion, of the business and activities of a company.

Our various remuneration policies approved by executive leadership and governed by our Group Remco, guide the decision-making processes and operationalising of all reward matters. It is our intent to deliver a legislatively compliant system aligned with the strategic objectives of the Company.

We review salaries annually with the aim of remunerating employees competitively within the appropriate occupational ranges and benchmarks. This philosophy is applicable to executive management and other employees against the national and telecommunications industry standards. This guides us in establishing market-related salary benchmarks and maintaining our competitiveness in the market with regards to the remuneration and benefits value proposition.

Aligned to the principle of fair and responsible remuneration, we continuously assess the congruence of internal pay differentials, particularly with respect to gender and race, and implementing measures to correct identified anomalies.

For our NEDs, we consider several factors when determining fair and equitable remuneration. These included the size of the organisation, the industry and complexity of the business, the number of meetings the NED is expected to attend, the time commitment required of the NED as well as the level of experience, skill and knowledge the NED brings to the Board. Further principles governing NED remuneration may be found on page 81.

Our remuneration philosophy and policies are supported by both external market surveys and internal pay data gleaned from our annual human resource budget reviews. This enables us to evaluate internal and external parity, employee performance, knowledge, skills, experience and business affordability to reach an appropriate remuneration figure. We continually review staff costs-to-revenue ratios and the alignment of each opco to approved budgeted ratios. For those markets with hyperinflationary economies this has proved to be challenging and remained an area of focus in 2020.

Assessed against King IV and the amended Listings Requirements, the remuneration policy is based on the following principles:

Fair and responsible remuneration	MTN aims to ensure that remuneration provided to all employees is internally equitable and externally competitive. All elements of pay are influenced by market survey data and internal pay comparisons. Ensuring fair pay is based on the value of the job relative to other jobs of similar worth, this is aligned to the principle of responsible, fair and equal pay. We regularly review and benchmark our reward components using performance and level of work as a basis for differentiation and the basis for employee reward.
An enabler of business strategic objectives	MTN's strategic objectives and our performance-based system through our short and long-term incentives are linked to achieving defined performance measures consistent with shareholder expectations over the short and long term. Both short and long-term incentive plans provide motivation for the achievement of positive outcomes measured using a balanced approach combining both financial and non-financial metrics measured across company, team and individual performance.
Strengthen the culture and core values	We are a values-based and output-driven organisation. Recognising actions aligned to our vital behaviours is critical to our success.
Attract, motivate, reward and retain our human capital	Our optimal pay structure comprises fixed and variable remuneration to drive the right focus both in the short and long term. We remain competitive on both elements and create a balanced fixed and variable remuneration providing a fair composition for each position. The ratio of fixed to variable differs, with the weighting of variable pay for executive employees being greater. Our pay mix ensures we deliver an effective performance-based reward system where the achievement of stretch targets is remunerated.
Transparent, consistent remuneration	We promote transparent and simplified communication across all levels including external stakeholders and consistency across all operating units; acknowledging differentiation and customisation.

Remuneration report continued

MTN's rewards framework and components

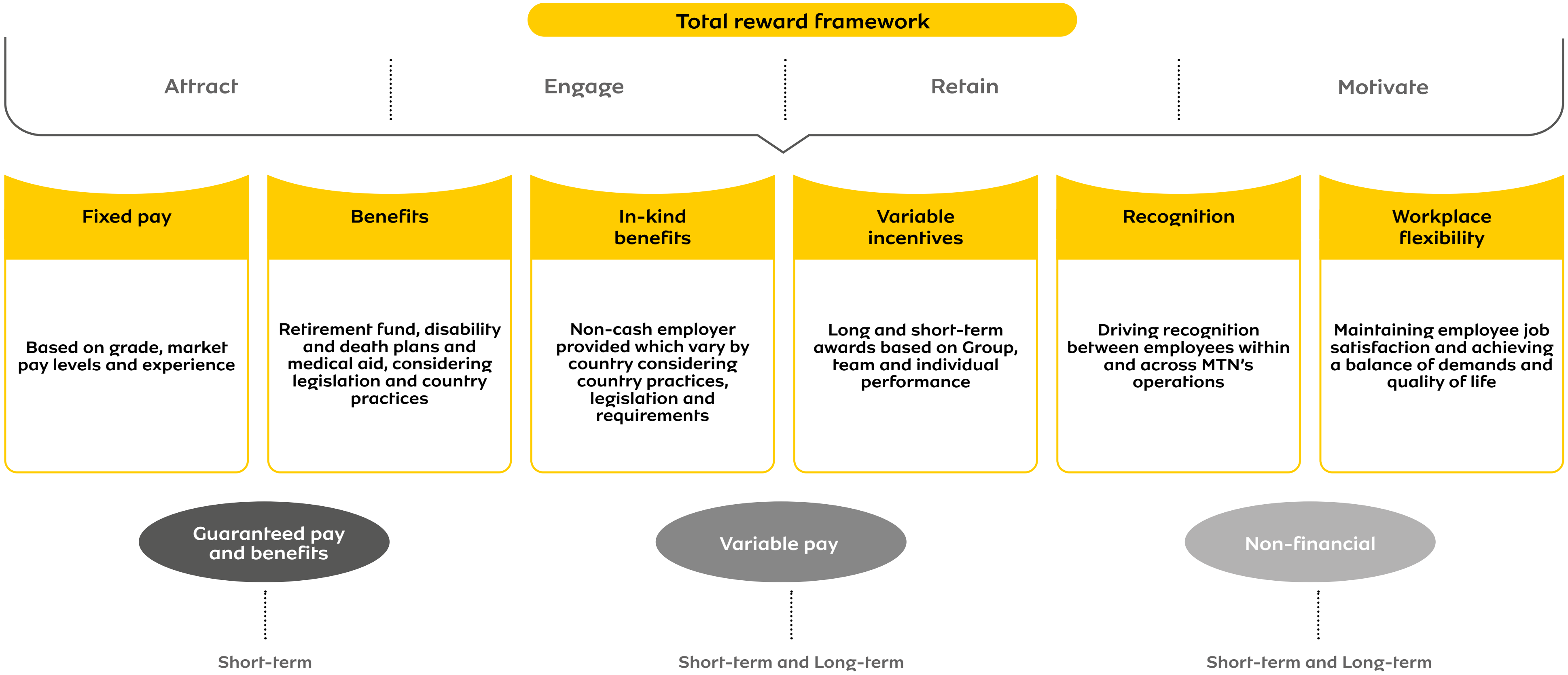
Our total reward policies and structures are designed to attract, engage, retain and motivate our workforce. MTN considers total rewards and strives to achieve an appropriate mix for our employees. The diagram below illustrates our total reward framework.

Components of our total rewards framework

Although South Africa applies a fixed remuneration package approach, the Company accepts variations to the 'fixed pay plus benefits' approach due to local market conditions in many of the geographies in which we operate.

The fixed remuneration approach includes cash and benefits, benefits in kind which, when combined with incentive payments and other non-quantifiable elements such as recognition and workplace flexibility, make up what we term 'total rewards'.

Aligning to the **Ambition 2025**, MTN has implemented a remuneration structure with three key elements:
- Annual fixed package which is benchmarked to the general market and industry comparatives.
- Variable pay which consists of short and long-term incentives based on the Company's success in implementing its objectives.
- Qualitative programmes, comprising recognition and workplace flexibility.



Remuneration report continued

Element	Fixed pay and benefits Fixed pay	Variable pay Performance bonus	Long-term incentive
Purpose	Remunerate employees for work performed	Reward employees for the delivery of strategic objectives balancing short-term performance and risk-taking with sustainable value creation	Reward employees for achievement of the Company's strategic objectives that will maximise shareholder value. These are provided in the form of the performance share plan, employee share option scheme and notional share option plan
Determination	• Defined salary structure, linked to grade which reflects the general worth of skills compared against the job worth internally and externally • Set with reference to the market 50th percentile against the national market and/or defined peer groups (where applicable)	• Reflects performance during the year, measures outcomes within management control and rewards high performance • Linked to corporate financial performance, delivery of strategic priorities and individual performance	• Payable in respect of sustained corporate performance over three years • Measured against pre-set financial and strategic targets
Eligibility	All employees	All employees excluding commission earners, who are incentivised through various commission-based incentive schemes	• PSP – executives, senior leadership and management level in South Africa • NSO – management level in non-South Africa opcos • ESOP – all non-management employees
Component	• Basic salary • Cash allowances (as applicable) • Defined contribution to retirement fund plans • Medical aid benefits • Risk benefits, lifestyle, cell phone • Benefits in kind (where applicable)	• Company performance • Team performance • Individual performance (where applicable)	• Company performance
How the pay is set	• Benchmarked against independent survey data from the national market and defined peer group • Reflects the scope and depth of role, experience required, level of responsibility and individual performance, business affordability, inflation, staff cost and market movement	• Set as a percentage of annual fixed pay • Employees are rewarded for achieving threshold (90%), at target (100%) and above-target performances, capped at 110% for company performance • Below threshold is regarded as poor performance and therefore not incentivised • Performance measures are weighted by employee category grade	• Set as a percentage of annual fixed pay • Annual awards of ordinary and notional shares, linked to corporate performance • The allocation participant's annual salary is linked to continued employment and performance
Financial measures	Individual and team performance measures	• Element 1 – company performance • Element 2 – team performance	
Performance	Distribution of Board-approved budgets, based on individual performance	Based on the assessment of corporate performance, achievement of defined Company, team and individual measures. Up to a maximum of: • CEO: 200%; • CFO and COO: 175%; • Other prescribed officers: 140%	Achievement of corporate performance targets up to a maximum of: • CEO: 200%; • CFO and COO: 175%; • Other prescribed officers: 140%; • Ordinary executives: 100%; • Senior management: 20% to 60% • Continued employment
Deferral	No deferral	• No deferral, bonus cash awards	• Performance shares vest over three years • Retention shares vest over three years for eligible employees
Pay for performance	Annual increases linked to individual performance	• Deliver on the financial, operational and strategic targets as set out in the strategy and corporate scorecard • Targets are weighted	• Return on average capital employed • Cash flow • Retention • Relative total TSR against a peer group • Strategic metrics
Changes in 2020	Phased implementation of talent measures	• 2021 STI changed 'revenue' to 'service revenue' • Individual performance will no longer be applicable from 2021. This change will be rolled out in phases across the Group • Inclusion of malus and clawback to bonus plan	• Changed ROACE to ROE effective December 2020 allocation • 25% non-performance retention element no longer a measure for executive leadership

Non-financial rewards

Recognise and celebrate high performance by giving special attention to employee actions, efforts and behaviours in support of our business strategy by reinforcing behaviours that contribute to organisational success.

Our flexible workplace policies enable a diverse and inclusive organisation, which actively supports employees to achieve success professionally and personally.

Remuneration report continued

Short-term incentives

Annual performance bonus

Except for sales commission employees, all other employees participate in an annual performance-based bonus plan. For executive employees, performance is measured at two levels, namely (i) company performance (element 1) and (ii) team performance (element 2). The third element (i.e. employee performance – element 3) is applicable to general staff, and it is not used for executive employees who are only measured on element 1 and 2.

Company performance

Financial performance

Financial performance looks at four key categories for executives. These are extracted from the Board-approved business plan. They carry equal weighting and are revenue; EBITDA; operating free cash flow; and Group attributable earnings.

		CP measurement				Weighting	
Description of objective and link to business strategy		Below threshold %	Threshold %	At target %	Above target %	Head office %	Subsidiary %
Financial element							
Revenue	A key indicator reflective of the sales performance of our services with respect to the overall Group strategy and business objectives.	< 90	90	100	110	20	25
EBITDA	EBITDA is earnings before interest, taxation, depreciation and amortisation. In simple terms, it is the net income power of the Company through its operations. Which is, what kind of earnings can a company generate if a company had zero debt (no interest needs to be paid), no tax burden (does not have to pay any kind of taxes) and does not have any goods whose value depreciates over time (no depreciation or amortisation).	< 90	90	100	110	20	25
Operating free cash flow	Represents the cash generated by the Company after cash outflows to support operations and maintain its capital assets.	< 90	90	100	110	20	25
Group attributable earnings	Part of the Company's profit which is 'attributable' to the ordinary shareholders. In other words, after the normal operating expenses have been deducted, together with finance costs, extraordinary items, taxation and preference dividends.	< 90	90	100	110	20	

Remuneration report continued

Non-financial performance

Competitive performance looks mainly at net promoter score (NPS) progress, reducing churn and market share gains. The performance score on company performance is determined for the year as a percentage of the actuals achieved relative to the targets set.

Description of objective and link to business strategy		TP measurement: Below threshold %	TP measurement: Threshold %	TP measurement: At target %	TP measurement: Above target %	Weighting: Head office %	Weighting: Subsidiary %
Non-financial element							
Competitive performance	Competitive performance is defined by the following three metrics namely market share, churn and relative NPS.						
Market share	Represents the percentage of an industry, or market's total sales that are earned over a specified time.	While target is at 100%, both threshold and above target % vary per opco				Varies between 8,33% and 12,5% per metric, overall cumulative total for the non-financial element totals 25%.	
Customer churn	Percentage or number of subscribers to a service who discontinue their subscriptions to the service within a given time period.						
Relative customer NPS	NPS is an index that measures the willingness of customers to recommend a company's products or services to others. It is used as a proxy for gauging the customer's overall satisfaction with a company's product or service and the customer's loyalty to the brand. The NPS is measured relative to the Company's closest competitor in the market.	<90	90	100	110		

A bonus is declared by the Group Board when the Board is satisfied that company performance threshold performance levels have at least been achieved.

Team performance (TP)

Team performance is adjudicated against a collection of KPIs that look at broader aspects of delivery on the strategy, including cash upstreaming, subscriber growth, active data users, regulatory risk management, network quality etc. Similarly, the performance score for team performance is generated based on the actual performance versus the targets.

Description of objective and link to business strategy		CP measurement: Below threshold %	CP measurement: Threshold %	CP measurement: At target %	CP measurement: Above target %	Weighting: Head office and subsidiary %
Bonus agreement	The TP target relates to value drivers, consisting of operational imperatives to ensure alignment with the wider business strategy. The organisational structures and integrated business model are designed to ensure that all business units contribute to the delivery of the overall business units in delivering the Group targets.	0	80	100	120	Variable based on employee job level

The threshold refers to the minimum performance per objective and not the consolidated achievements of objectives.

Remuneration report continued

Each executive has a company and team performance weighting assigned to them. For each element performance achievement, there is a corresponding bonus multiplier. The multiplier ranges are illustrated below.

Executive bonus parameters for 2020

Given the significant recent changes to our executive team, here we provide the executive bonus parameters governing the bonus plan:

Designation	Company performance %	Team performance %	Minimum bonus %	On-target bonus %	Maximum bonus %
Group President and CEO	70	30	0	100	200
Group Chief Financial Officer	70	30	0	100	175
Group Chief Operation Officer	50	50	0	100	175
Group Chief Human Resources Officer	50	50	0	70	140
Group Chief Legal Counsel	50	50	0	70	140
Group Chief Regulatory and Corporate Affairs Officer	50	50	0	70	140
Group Chief Fintech and Digital Resources Officer	50	50	0	70	140
Group Chief Technology and Information Officer	50	50	0	70	140
Vice-President for WECA	30/30	40	0	70	140
Vice-President for MENA	30/30	40	0	70	140
Vice-President for SEAGHA	30/30	40	0	70	140
CEO: MTN South Africa	30/30	40	0	70	140

To ensure alignment with the Group's amplified commitment to sustainability and ESG, these performance conditions have been added to the Group President and CEOs short-term KPIs with a 10% weighting. As a component of these KPIs, he will be required to ensure successful execution of #GoodTogether initiatives and integration of ESG at the core of the business as planned and approved by the Board.

The process of determining the incentive award pools from which performance bonuses are paid is illustrated below:

Description of performance criteria

Company performance	• The financial performance targets of the Company are determined in accordance with the strategic themes at the beginning of the year. • A factual findings engagement is performed on these results by an independent body. • The percentage performance achievement against target is translated into a nominal performance-linked scale, adjusted to allow for maximum earning potential.
Team performance	• The strategic themes are translated into priorities to be executed at executive member levels. • Depending on the size of the function, and where applicable, team performance scorecards are further cascaded to below executive levels. • Achievement of each KPI is proportionate and weighted.

Remuneration report continued

How a bonus is calculated

1. For each executive, company performance (CP) and team performance (TP) elements (A) are used as inputs to a bonus calculation.
2. Targets for each element are set at the beginning of the performance cycle and measured at the end of the performance cycle where a corresponding 'nominal/multiplier %' is determined.
3. Company performance as a 'qualifier' for bonus declaration is first assessed for each operation.
4. For each weighted element, there is a job level related on-target and maximum earning potential.

Upon assessment of company performance by the Board, a bonus is either declared or not. If declared:

- **Step 1:** For each element (CP/TP), an on-target bonus amount is calculated as follows:
  On-target bonus (D) = Annual fixed package (A) x On-target % (B) x Element weighting (C).

Example for the CEO (illustrative purposes only)

- Annual fixed package (A): R10m
- On-target bonus % (B): 100%
- Element weighting (C):
  - CP (70%),
  - TP (30%)
- Actual performance: CP (100%); TP (110%)
- Bonus multiplier: CP (100%) TP (200%)

Calculating bonus at target per performance element
In respect of company performance

Annual fixed package (A)	X	On-target bonus % (B)	X	Company performance weighting % (C)	=	On-target bonus amount (D)
R10m		100%		70%		R7m

In respect of team performance

Annual fixed package (A)	X	On-target bonus % (B)	X	Company performance weighting % (C)	=	On-target bonus amount (D)
R10m		100%		30%		R3m

- **Step 2:** Actual performance for each element is measured to determine a bonus nominal/multiplier percentage.

Element	Actual score	Multiplier
Company performance	(Range: 0 – 110%)	100% (Range: 0 – 200%)
Team performance	(Range: 0 – 120%)	200% (Range: 0 – 200%)

- **Step 3:** The total bonus payable will be the on-target bonus amount per element times the element multiplier. In this example, this will be R13m.

Company performance

Target bonus	X	CP Scorecard	=	CP bonus amount
(Salary x on-target percentage) x CP weighting) **R7m**		2020 scorecard multiplier **Example: 100%**		**R7m**

Team performance

Target bonus	X	TP Scorecard	=	TP bonus amount
(Salary x on-target % x PP weighting) **R3m**		2020 scorecard multiplier **Example: 200%**		**R6m**

Long-term incentives 2021

Long-term incentives in the form of share allocations are awarded to eligible senior leadership. This aims to support and drive the long-term sustainability and performance of the Group. Annual allocations are made based on a multiple of the fixed package which would generally vest after three years.

Performance would be adjudicated three years after the allocation based on four elements:
1. Total shareholder return of MTN viewed against the MSCI Emerging Market Index.
2. Cumulative operating free cash flows over three years against the approved budget for each year.
3. Return on average capital employed (changed to ROE with effect from the December 2020 allocation).
4. Retention element (only applicable to non-group Exco employees).
5. Combination of Black economic empowerment (BEE) and compliance with South African transformation legislation. (This applies to the Group President and CEO and Group COO only).

Table on the next pages illustrates the above.

Remuneration report continued

The following table sets out the performance metrics, weightings and targets for awards that vested in 2020 and unvested allocations.

Performance measure	Description	Weightings for allocations made before 2020		Weightings for allocations made in 2020		
		Group CEO, COO and CFO	Group Exco and all other participants	Group CEO and COO	Group Exco	All other participants
TSR – MSCI M Index[1]	Sliding scale of 100% vesting at the 75th percentile as compared to MSCI EM Telecoms Index and 25% vesting at the median with straight-line vesting in between the two points. 0% vesting for below the median. TSR will be measured by comparing the 30-day (VWAP) at the beginning and end of the three-year measurement period plus reinvested dividends. TSR must be positive and to be measured on common currency (rand).	25%	25%	30%	33,33%	25%
Cumulative operating free cash flow (COFCF)[2]	Targeted at the sum of the budgeted OFCF established each year for the three-year measurement period: 25% vesting at 90% of the target; stretch of 100% vesting at 110% of the target; sliding scale between each point. Operating free cash flow will be measured on constant currency.	25%	25%	30%	33,33%	25%
Return on equity[3]	Defined as adjusted headline earnings per share/equity excluding NCI (non-controlling interest) for each year divided by three. There is a 25% vesting at 90% of budget/target (kick-in), a 100% vesting at 100% of budget/target and a straight-line vesting between the kick-in and budget/target rate. (Only applicable for awards from December 2020).	–	–	30%	33,33%	25%
Return on average capital employed[4]	Defined as the sum of (EBIT/(equity + net debt)) for each year divided by three. There is a 25% vesting at 90% of budget (kick-in); a 100% vesting at 100% of budget; and a straight-line vesting between the kick-in and budget rate. (Only applicable for awards up to December 2019).	8,33%	25%	–	–	–
Retention[5]	100% vesting upon remaining with the Company for the duration of the Award Fulfilment Period, unless the participant terminates employment on good terms.	25,00%	25%	–	–	25%
Compliance to DTIC and ICASA[6]	Making all reasonable efforts to ensure that the Company is compliant with the relevant targets and codes in terms of labour legislation and/or established by the DTIC and ICASA.	8,33%	–	5%	–	–
Black economic empowerment (BEE)[6]	Achievement of the BEE deliverables as set out in employment contracts.	8,33%	–	5%	–	–

1. Morgan Stanley Capital International – Emerging Market Index (MSCI EM) measured in common currency i.e. rand.
2. Cumulative operating free cash flow measured on a constant currency basis at budgeted numbers.
3. Return on equity replaces the ROACE and only effective 2020 allocation.
4. Return on average capital employed replaced with return on equity
5. The service element for Group directors and Group Exco members was only approved for 2017, 2018 and 2019 allocations.
6. The compliance and BEE conditions are only applicable to Group CEO and COO for the 2020 allocation in accordance with their employment contracts.

Remuneration report continued

Pay mix and potential remuneration

Executives are remunerated in line with short and long-term business objectives using an optimal mix of fixed pay, benefits, short and long-term incentives. This supports the alignment of strategy and desired individual behaviour. The mix is aimed at ensuring that executives proportionately achieve an optimal balance of remuneration when executing their duties.

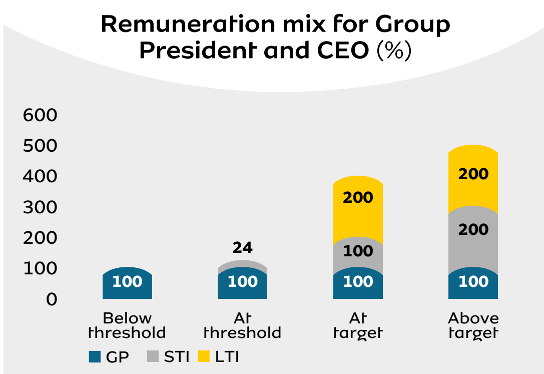
This pay mix varies with seniority, with an increasing element of variable pay at senior levels. The Group President and CEO and Exco members have the largest proportion of total annual package being subject to performance conditions. This is intended to create a significant degree of alignment with shareholder interests, with the aim of driving sustainable value creation over a longer-term period.

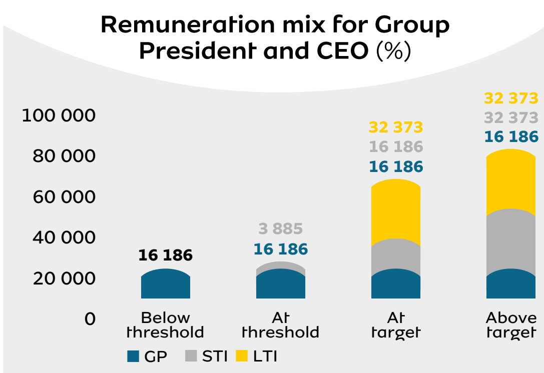
King IV recommends the disclosure of remuneration elements offered in the organisation and the mix of these. The following graphs illustrate the actual payments made to the Group President and CEO and the Group CFO for 2020. These values are expressed as a percentage of total cost of employment.

The proportion of fixed to performance-based incentives varies between the Group President and CEO and the Group CFO. Both roles comprise a higher weighting on performance incentives or 'at risk pay' and less on the fixed package. While the fixed package does not vary based on individual performance, the variable portion does.

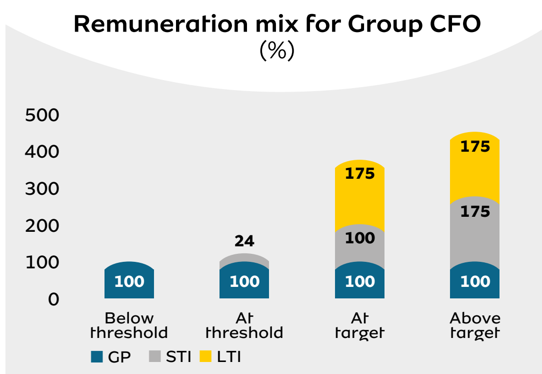
The following graphs illustrate the mix of minimum, on-target and potential maximum compensation for the Group President and CEO and the Group CFO aligned with the 2020 remuneration policy. All illustrations are expressed as a percentage of annual guaranteed package (GP) based on four performance scenarios being below threshold, at threshold, at target and above target.

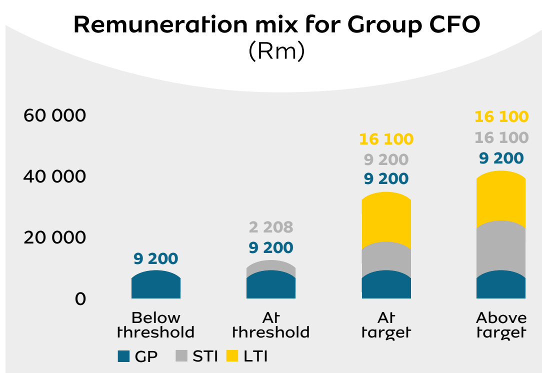
Group President and CEO pay mix





Group CFO pay mix





Note: The 24% threshold is the minimum % on the assumption that all the team performance objectives, weighted accordingly, are met at the minimum 80% achievement. If any of the KPIs is below 80%, the calculated minimum bonus % reduces to below 24%. The 24% also assumes that the although the Company performance threshold has been met, it does not contribute to the actual bonus but is only indicative of declaring a bonus in accordance with the performance bonus rules.

Remuneration report continued

Notional share option (NSO scheme)

The NSO scheme is our non-equity scheme for non-executive employees in managerial and senior positions in non-listed operations outside South Africa. Qualifying employees' own options and participate in the growth of the Group and its operations, as applicable.

Purpose	Detail
The main objective of the NSO scheme is to encourage an alignment between the individual interests of senior employees and the long-term success of the opco. Thus, the scheme's design rewards managerial and senior employees for the value gain derived from the NSO price per share appreciation between the allocation and vesting dates.	• Share awards are at the discretion of the MTN Group Board and the operating entities. • Participation is limited to managerial employees and those in more senior positions only in the operations. • Employees of MTN Group Management Services, MTN Dubai and MTN South Africa are not eligible to participate in the NSO scheme. • Performance is measured using the Group share price and the operation's EBITDA performance. Thus the NSO scheme is divided into: – Group aligned notional (GAN) share options measured using group share price ensuring the operation aligns to the Group strategy; and – Locally aligned notional (LAN) share options measured using the operation's EBITDA performance.

How allocations are determined

The quantum of the awards is based on the future increase in the value of the NSO awards. Allocation multiples of annual salary are used to determine the annual allocation of NSO to qualifying employees. Awards are made annually and vest after three years. The detail regarding the allocation multiples and performance measurement are set out below.

Job level	Annual allocation multiple (as a % of salary) for both LAN and GAN
General manager	0,60
Senior managers	0,40
Managers	0,20

Share scheme for general and supervisory employees

Employee share ownership plan

During 2010, MTN approved the allocation of shares to its lower-level employees under the Company's broad-based ESOP.

The scheme intended to incentivise designated lower-level, non-managerial employees and to align them more closely with the activities of the Company with the aim of promoting their continued growth by giving them shares. Participating employees who received awards under the ESOP scheme had to retain ownership of their shares for a period of five years until December 2015, when the scheme matured.

During 2016, the Board approved a second allocation of shares to designated employees under the 2016 MTN ESOP. This scheme is managed under a trust. The first allocation of awards was made to qualifying employees on 1 December 2017 with subsequent allocations made every six-month period.

Termination of employment payments

The following applies in the event of termination of employment:

Incentive	'Fault terminations' – resignation, abscondment, early retirement, dismissal	'No-fault terminations' – retrenchment, retirement, restructuring, disability, death
Fixed pay	Paid over the notice period or as a lump sum.	Paid over the notice period or as a lump sum or as per statutory requirement.
Benefits	Applicable benefits may continue to be provided during the notice period.	Benefits will fall away at such time that employment ceases.
STIs	No payment will be made, unless incentive payment is due while the employee is serving notice, in which case it will be paid on the bonus pay day.	Any Board-approved incentive, e.g. annual performance bonus becomes payable on a *pro rata* basis at the same time as other active employees subject to the incentive policy.
LTIs	No payment will be made. Only incentives which vest during active employment will be paid out.	Any Board-approved incentive, e.g. shares become payable on a pro rata basis at the same time as other active employees subject to the incentive policy. Only shares equivalent to time served between grant and vesting are paid. No adjustment to performance is performed.
Recognition and other benefits	Formal and informal platform designed to drive recognition between employees and departments, both within and across MTN's operations.	Other benefits are typically excluded from the fixed package. Including lifestyle benefits, leave of absence, and additional insurance products. Although some of these benefits are not prevalent in all operations, there are country-specific programmes approved and aligned with equivalent South African benefits.

Changes recommended in 2021

As approved by the Board, MTN will continue to implement the following changes to share incentives in 2021:

Our service contracts

Members of executive management are employed on standard employment contracts, except for the Group President and CEO and Group COO, who are both on limited-duration contracts. These employment agreements provide for a notice period of six months by either party or payment by the Company in lieu of notice and 12 months restraint of trade. Executives are entitled to standard benefits and participation in the short and long-term incentive schemes, subject to the rules of these schemes.

Employees are required to retire at age 60 and where their service is terminated as no fault terminations (retirement, retrenchment, disability or death) or at the end of the limited-duration contract, any shares awarded will be pro-rated and will vest under normal vesting conditions according to the pre-set vesting dates (subject to company performance over that future period). In the case of resignations and terminations, these will be forfeited.

External appointments

The Group observes sound governance protocols in allowing external directorships to the executive directors and executives across its footprints as the Group considers such participation a prudent approach to upskilling executives.

The following table presents the service contracts for group Exco members.

	Extended notice period	Restraint of trade
CEO	6 months	12 months
Prescribed officers	6 months	6 – 12 months
Executives	6 months	6 months

Remuneration report continued

Non-executive directors' remuneration

Non-executive director appointments are made in terms of the Company's memorandum of incorporation (MOI) and confirmed at the first AGM of shareholders after their appointment and then at three-year intervals. Fees reflect the director's role and committee membership. A fee applies for any additional special meetings over and above Board and committee meetings. In addition to the fees, a single annual retainer, reflective of the role and responsibilities being discharged by a non-executive director, forms part of annual earnings.

Non-executive directors do not participate in any of the Company's short or long-term incentive plans, and they are not employees of the Company. MTN provides them with communication devices such as a mobile phone to conduct their duties. The Company reimburses them for out-of-pocket expenses, such as travel and accommodation costs, incurred in the execution of their responsibilities.

The committee reviews fees annually, requiring approval from shareholders at the AGM. Recommendations regarding non-executive director emoluments are informed by independent market data considering market practice with reference to the size of the Company, time, commitment, and responsibilities associated with the roles.

In the last quarter of 2020, management commissioned DG Capital to benchmark the Board, chairpersons and sub-committee fees against selected companies listed on the Johannesburg Stock Exchange (JSE) and companies operating in the telecoms emerging markets.

Benchmarking of NED fees

The following companies were used to benchmark 2021 NED fees:

South Africa resident NEDs (JSE listed)

1. Absa
2. Amplats
3. Aspen
4. BidCorp
5. Bidvest
6. Capitec
7. Clicks
8. Discovery
9. Exxaro
10. FirstRand
11. Impala Platinum
12. Kumba Iron Ore
13. MultiChoice
14. Nedbank
15. Old Mutual
16. Sanlam
17. Shoprite
18. Sibanye Gold
19. Standard Bank
20. Telkom
21. Tiger Brands
22. Vodacom
23. Woolworths

International emerging markets telcos

Company	Reporting currency
Bharti Airtel	INR, USD
Millicom	USD
Orange™	EUR
VEON	EUR, USD
Vodafone®	GBP

Based on the position of current fees to market median of comparator groups, increases to NED fees were limited to the following:

- Local NED main Board members received a 2% capped adjustment to the market median to reduce the 5,8% gap below the median.
- Local NED audit members received a 2% capped adjustment to the market median to reduce the 2,3% gap below the median.
- Risk Committee Chairman received a 1,5% increase to the median.
- The chairman of Social and Ethics Committee received a 2% capped adjustment to the market median to reduce the 2,5% gap below the median.
- Members of the Nominations Committee received a 2% capped adjustment to the market median to reduce the 3,4% gap below the median.
- International NED members received 0%.

The committee recommended to the Board that the Company continues to maintain the market median as the target fees for local NEDs. For international NEDs, their fees will be pitched considering the international skills profile, thus with a premium to be reviewed from time to time.

Remuneration report continued

Remco decisions made to address AGM concerns

Following feedback from shareholders, Remco reviewed the current practices with respect to the benchmarking of NED fees and other considerations requested by shareholders:

- Remco resolved to adopt a policy where NED fees continue to be targeted around the market median of comparator companies. For the 2021 fee structure, as illustrated above, even if current fees were below the median, it was resolved that increases be capped at 2%.
- Remco supported, where applicable, a premium-based recommendation by DG Capital for international NED members.
- The committee resolved to improve on its disclosure notes regarding disclosing fees both in local currency and foreign currency.

Thus, the proposed fee structure for 2021 is as follows:

	Annual retainer fee 2020	Meeting attendance fee 2020	Total approved fees 2020	Annual retainer fee 2021	Meeting attendance fee 2021	Total proposed fees 2021
MTN Group Board						
Chairman	**R3 000 000**	**R173 500**	**R3 694 000**	R3 000 000	R173 500	R3 694 000
International Chairman	**€ 265 787**	**€ 15 371**	**€327 273**	€ 265 787	€ 15 371	€327 271
Local member	**R235 900**	**R58 950**	**R471 700**	R192 512	R72 156	R481 134
International member	**€ 78 863**	**€ 7 886**	**€110 407**	€ 78 863	€ 7 886	€110 407
Lead independent director	**R303 419**	**R113 724**	**R758 317**	R379 238	R94 769	R758 315
International lead independent director				€ 71 767	€ 17 934	€143 504
Remuneration and Human Resources Committee						
Local Chairman	**R125 567**	**R47 064**	**R313 822**	R125 567	R47 064	R313 823
International Chairman	**€ 11 415**	**€ 4 279**	**€28 529**	€ 11 415	€ 4 279	€28 531
Local member	**R54 983**	**R25 804**	**R158 199**	R54 983	R25 804	R158 199
International member	**€ 5 199**	**€ 2 924**	**€16 895**	€ 5 199	€ 2 924	€16 895
Social and Ethics Committee						
Local Chairman	**R93 829**	**R35 168**	**R234 501**	R95 706	R35 871	R239 191
International Chairman	**€ 8 405**	**€ 3 150**	**€21 007**	€ 8 405	€ 3 150	€21 005
Local member	**R54 983**	**R25 804**	**R158 199**	R54 983	R25 804	R158 199
International member	**€ 4 016**	**€ 1 885**	**€11 555**	€ 4 016	€ 1 885	€11 556
Audit Committee						
Local Chairman	**R172 453**	**R64 637**	**R431 001**	R172 453	R64 637	R431 001
International Chairman	**€ 15 678**	**€ 5 876**	**€39 182**	€ 15 678	€ 5 876	€39 182
Local member	**R72 653**	**R34 097**	**R209 041**	R74 106	R34 779	R213 222
International member	**€ 6 605**	**€ 3 100**	**€19 004**	€ 6 605	€ 3 100	€19 005
Risk Management and Compliance Committee						
Local Chairman	**R142 725**	**R53 764**	**R357 781**	R144 807	R54 548	R363 000
International Chairman	**€ 12 360**	**€ 4 656**	**€30 984**	€ 12 360	€ 4 656	€30 984
Local member	**R67 119**	**R31 641**	**R193 683**	R67 119	R31 641	R193 683
International member	**€ 5 199**	**€ 2 924**	**€16 895**	€ 3 379	€ 3 379	€16 895
Special assignments or projects (per day)						
Local member		**R25 100**	**R100 400**		R25 100	R100 400

Remuneration report continued

	Annual retainer fee 2020	Meeting attendance fee 2020	Total approved fees 2020	Annual retainer fee 2021	Meeting attendance fee 2021	Total proposed fees 2021
International member		**€ 3 500**	**€14 000**		€ 3 500	€14 000
Ad hoc work performed by non-executive directors for special projects (hourly rate)		**R4 400**	**R17 600**		R4 400	R17 600
MTN Group Share Trust (Trustees)						
Local Chairman	**R83 396**	**R31 276**	**R208 500**	R85 064	R31 902	R212 670
International Chairman	**€ 7 581**	**€ 2 843**	**€18 955**	€ 7 581	€ 2 843	€18 953
Local member	**R36 666**	**R17 209**	**R105 502**	R37 399	R17 553	R107 612
International member	**€ 3 333**	**€ 1 564**	**€9 591**	€ 3 333	€ 1 564	€9 589
Sourcing Committee						
Local Chairman	**R83 396**	**R31 276**	**R208 500**	R85 064	R31 902	R212 670
International Chairman	**€ 7 581**	**€ 2 843**	**€18 955**	€ 7 581	€ 2 843	€18 953
Local member	**R48 731**	**R22 867**	**R140 199**	R49 706	R23 324	R143 003
International member	**€ 4 430**	**€ 2 079**	**€12 745**	€ 4 430	€ 2 079	€12 746
Directors Affairs and Governance Committee						
Local Chairman	**R80 000**	**R30 000**	**R200 000**	R81 600	R30 600	R204 000
International Chairman	**€ 7 273**	**€ 2 727**	**€18 182**	€ 7 418	€ 2 782	€18 545
Local member	**R40 629**	**R19 068**	**R116 900**	R41 442	R19 449	R119 239
International member	**€ 3 694**	**€ 1 733**	**€10 627**	€ 3 694	€ 1 733	€10 626

Refer to pages 96 and 97 for actual fees to directors during the year under review.

Non-binding advisory vote
Shareholders are requested to cast a non-binding advisory vote on Part II of this remuneration report.

Remuneration report continued

Part III – Implementation report

This section explains how Remco applied policy principles for the year under review and discloses changes implemented during the year.

Changes made to the implementation report

Following the various engagements with shareholders, including benchmark of our remuneration report, this section has been enhanced for ease of understanding. Notably, the following enhancements were introduced:

- Remuneration details of the executive directors has been disclosed separately to present a single and consolidated view of the total remuneration for the period.
- Details of the performance outcomes for both STI and LTI schemes have been provided to explain the link between performance and reward.

The section is therefore structured as follows:

(a) Highlights of executive directors' remuneration at a glance

With reference to the Group performance outcomes, below is an overview of the remuneration paid to the executive directors of the company.

Highlights of the fixed remuneration and shareholding requirements.

Fixed pay and shareholding

	R Shuter (CEO)	R Mupita (CFO/CEO)
Fixed salary	R18,1m	R11,9m
	↑ 5%	↑ 31%
Retirement	R2,0m	R0,4m
Other benefits	R17,8m	R0,68m

Shareholding effective 2021

Target level as a % of salary

(CEO R Mupita)	(CFO T Molefe)
250%	175%
(CEO R Mupita)	**(CFO T Molefe)**
R32m	R16m

^ increase percentage related to change from CFO to CEO.

Below highlights a view of the 2020 company performance outcomes and short-term incentives paid.

Short-term incentives

2020 annual bonus

R Shuter	R Mupita
R30,1m	R17,7m

2020 bonus scorecard

Earnings (GAE) [Achieved 51% above annual target]	**51%**	↑
Revenue [Achieved the annual target]	**0,3%**	↑
EBITDA [Achieved 3% above annual target]	**3%**	↑
Cash flow [Achieved 5% above annual target]	**5%**	↑
Competitive perf. [Achieved 10% above annual target]	**10%**	↑

Below illustrates the outcomes of the long-term incentive schemes under the PSP scheme and the corresponding share settlements for the year under review.

Long-term incentives

2020 vesting outcomes

R Shuter (75% vesting)	R Mupita (75% vesting)
R13,1m	**R7,5m**

Vesting outcomes

Measures	Outcome	Vesting
TSR	○○○○○	0%
COFCF	●●●●●	100%
ROACE	●●●●●	100%
Retention	●●●●●	100%
BEE^	●●●●●	100%
Compliance^	●●●●●	100%

^ Only applicable to executive directors

The next section provides the details of the remuneration made to the executive directors of the company.

(b) Details of remuneration paid to executive directors

Details of remuneration paid to R Shuter

The following section presents details of the remuneration paid to R Shuter during 2020. The following pay components are provided:

(i) *Overall remuneration details*
(ii) *Short-term incentives*
(iii) *Long-term incentives*

R Shuter served as the Group President and CEO until 31 August 2020. He was replaced by R Mupita effective 1 September 2020. As R Shuter's four-year fixed term contract was terminating in March 2021, he was placed on 'garden leave' for the remainder of his contract period. His remuneration for the year under review is for the eight months served as the Group President and CEO and the four months remuneration earned while on garden leave. As per termination agreement, to support the incoming Group President and CEO, R Shuter continued to serve the balance of his contract until 12 March 2021. His remuneration is therefore for the full year under review.

(i) Overall remuneration details

	Actuals	
R000	**2020**	2019
Fixed remuneration[1]	**18 154**	17 305
Post-employment benefits[2]	**1 997**	1 822
Other benefits[3]	**17 807**	1 118
STI[4]	**30 104**	27 584
LTI[5]	**5 713**	10 405
Total	**73 775**	58 234
LTI's reflected[6]	**13 129**	–
Single figure of remuneration[7]	**86 904**	58 234

Notes
1. *This is the basic fixed cash pay in accordance with contract of employment.*
2. *Refers to company contributions toward the retirement fund.*
3. *Refers to company contributions towards the various benefits programmes such as medical aid and risk benefits. This amount also includes any cash-settled incentives which was approved during his appointment made to him however not related to performance e.g. leave, lifestyle benefits, etc.*
4. *Refers to payments related to the Company's short-term incentive i.e. annual performance bonus for the entire year under review.*
5. *Refers to payments made during the year under review related to the Company's long-term incentives (share schemes). For the shares which vested in December 2019, the performance conditions were partially and resulted in a 75% condition achievement.*
6. *LTI's reflected have been disclosed in order to calculate the single figure of remuneration as per King IV guidelines. The fair market value reflected relates to the shares which vested in December 2020 under the performance share plan scheme. Based on the valuations of the performance conditions, a 75% vesting was achieved. The market value of the vested shares was based on the Group share price of R87,44 as at date of trade in March 2021. Refer to page 89 for the performance conditions related to this vesting.*
7. *The single figure of remuneration includes payments made during the year under review and confirmed market value of long-term incentives which vested and will be settled during 2021.*

(ii) Short-term incentives

R Shuter's annual performance bonus was calculated taking into account the eight-month period he served as the Group President and CEO and the four-month period he served in 2020 while on garden leave.

Below is an illustration of the calculation of the performance bonus paid to R Shuter.

	Period as Group President and CEO (Jan – Aug 2020)	
Performance element	Company	Team
Annual salary (R000)	R20 406	R20 406
Target bonus (%)	100%	100%
Element weighting	70%	30%
Target bonus amount (R000)	R14 285	R6 122
Performance multipllier	166,56%	103,10%
Calculated bonus (R000)	**R23 792**	**R6 312**

(iii) Long-term incentives

Payments made in 2020 relate to the settlement of shares that vested in 2019 and settled in 2020.

Amounts indicated under LTI's reflected [Note 6] relate to the PSP allocation made in December 2017. The performance shares vested in December 2020 with 75% achievement of performance conditions. Refer to page 89 for full details of the performance conditions. The fulfilment of the performance conditions was approved by the Board at the first quarter Remco in 2021 considering the performance over the three-year vesting period. The finalisation and transfer of the vested shares was concluded in April 2021.

Details of share-based settlements made during the year

Award date[1]	No. of shares awarded[2]	No. of shares vested[3]	Vesting %	Value of shares vested[4] R000
18 Dec 17	200 200	150 150	75%	13 129

Notes
1 *The PSPs were awarded in 2017 and vested in Dec 2020, three years after award date.*
2 *The total number of shares awarded was based on three financial performance conditions (TSR, cashflow & ROACE) and three non-financial conditions (Compliance, BEE & retention).*
3 *The performance shares settled are based on the 75% achievement of performance conditions.*
4 *The market value of the vested shares is the Group share price of R87,44 obtained on the date the shares were opted for trading.*

Details of unvested and outstanding share allocations

As at December 2020, R Shuter had two unvested share allocations made under the PSP. The Board agreed that R Shuter's termination be awarded a good leaver status and that the unvested share awards under the PSPs awarded during the fixed period will vest in full (no pro rata) on their respective vesting dates and based on an on-target achievements for all elements.

These are summarised as follows:

Award date	Vesting date	No. of shares awarded^	Estimated market value* R000
28 Dec 18	28 Dec 21	436 600	38 124
20 Dec 19	20 Dec 22	457 100	39 969
Total		**893 700**	**78 093**

Notes
^ *The 2018 and 2019 share allocations both had TSR, cashflow, ROACE, compliance, BEE and service element as approved by the Board. In the 2020 allocation, the service element was not approved and the ROACE was replaced with a ROE metric.*

Valuation on unvested shares*

In valuing the shares that will vest in 2021 and 2022 respectively, the calculated projected values are based on the share price of R87,44. This price is the equivalent price obtained for the shares that vested in 2020 and were settled in 2021. This price is only for valuation purposes of this committed settlement agreement and will be adjusted once the shares have vested and are settled in the respective years. On this basis, the market value of the shares vesting in 2021 and 2022 is R38 million and R40 million respectively.

Remuneration report continued

Details of remuneration paid to R Mupita

This section presents details of the remuneration paid to R Mupita during 2020. The following pay components are provided:

(i) Overall remuneration details.

(ii) Short-term incentives.

(iii) Long-term incentives.

Ralph served as the GCFO until 31 August 2020. Effective 1 September 2020, he was appointed as Group President and CEO, taking over from R Shuter. Accordingly, his remuneration for the year under review has been split into the two periods for ease of understanding.

(i) Overall remuneration details

	2020			
R000	**As CFO**	**As CEO**	**Total**	2019
Fixed remuneration[1]	**6 972**	**4 998**	**11 970**	9 152
Post-employment benefits[2]	**216**	**225**	**441**	1 059
Other benefits[3]	**250**	**430**	**680**	42 658
STI[4]	**9 913**	**7 823**	**17 736**	13 433
LTI[5]	**–**	**–**	**–**	–
Total			**30 827**	66 302
LTIs reflected[6]	**7 537**	**–**	**7 537**	–
Single figure of remuneration[7]			**38 364**	66 302

Notes
1. *This is the basic fixed cash pay in accordance with contract of employment.*
2. *Refers to company contributions toward the retirement fund.*
3. *Refers to company contributions towards the various benefits programmes such as medical aid and risk benefits. This amount also includes any cash payments made to the officer however not related to performance e.g. leave, lifestyle benefits, etc.*
4. *Refers to payments related to the Company's short-term incentive i.e. annual performance bonus. The total bonus paid was split between the period served as the CFO from January to August 2020 and time served as the Group President and CEO from September to December 2020.*
5. *Refers to payments made during the year under review related to the company's long-term incentives (share schemes).*
6. *LTI's reflected have been disclosed to calculate the single figure of remuneration as per King IV guidelines. The fair market value reflected relates to the shares which vested in December. The market value of these shares was based on the Group share price of R84,95 as at date of trade. Refer to page 89 for the performance conditions related to this vesting.*
7. *The single figure of remuneration includes payments made during the year under review and confirmed market value of long-term incentives which vested and will be settled during 2021.*

(ii) Short-term incentives

R Mupita's annual performance bonus was calculated taking into account the eight-month period he served as the GCFO and the four-month period he served as the Group President and CEO.

Below is the calculation of the performance bonus paid to R Mupita.

	Period as CFO (Jan – Aug 2020)		Period as CEO (Sep – Dec 2020)		Total
Performance element	Company	Team	Company	Team	
Annual salary (R000)	R7 396	R7 396	R5 303	R5 303	R12 698
Target bonus (%)	100%	100%	100%	100%	
Element weighting	70%	30%	70%	30%	
Target bonus amount (R000)	R5 177	R2 219	R3 712	R1 591	R12 698
Performance multiplier	149,92%	97,00%	166,56%	103,10%	
Calculated bonus (R000)	**R7 761**	**R2 152**	**R6 183**	**R1 640**	**R17 736**

(iii) Long-term incentives

During 2020, there were no payments made to R Mupita in respect of share settlements [Note 5].

Amounts indicated under LTI's [Note 6] relate to the PSP allocation made in December 2017. The performance shares vested in December 2020 with 75% achievement of performance conditions. Refer to page 87 for full details of the performance conditions. The fulfilment of the performance conditions was approved by the Board at the first quarter Remco in 2021 considering the performance over the three-year vesting period. The finalisation and transfer of the vested shares was concluded in April 2021 and a SENS announcement issued in this respect.

Details of share-based settlements made during the year

Award date[1]	No. of shares awarded[2]	No. of shares vested[3]	Vesting %	Value of shares vested[4]
18 Dec 17	118 300	88 725	75%	R 7 537

Notes
1 *The PSPs were awarded in 2017 and vested in Dec 2020, three years after award date.*
2 *The total number of shares awarded was based on three financial performance conditions (TSR, cashflow and ROACE) and three non-financial conditions (Compliance, BEE and retention).*
3 *The performance shares settled are based on the 75% achievement of performance conditions.*
4 *The market value of the vested shares is the Group share price of R84.95 obtained on the date the shares were opted for trading*

Details of unvested and outstanding share allocations

As at December 2020, Ralph had three unvested share allocations made under the PSP. These are summarised as follows:

Award date	Vesting date	No. of shares awarded^	Estimated market value* R
28 Dec 18	28 Dec 21	190 200	N/A
20 Dec 19	20 Dec 22	223 300	N/A
21 Dec 20	21 Dec 23	530 800	N/A
Total		**944 300**	**N/A**

Notes
^ *The 2018 and 2019 share allocations both had TSR, cashflow, ROACE, compliance, BEE and service element as approved by the Board. In the 2020 allocation, the service element was not approved and the ROACE was replaced with a ROE metric.*
* *The estimated value of the outstanding share allocations cannot be provided as there is still a performance assessment to be made upon vesting.*

Remuneration report continued

(c) Remuneration decisions in respect of salary reviews and performance incentive outcomes

2020 annual salary reviews

Generally, we aim to award annual salary increases to maintain remuneration, taking into consideration cost of living adjustments. In line with MTN's commitment to fair and responsible remuneration, from time to time, we review salaries that fall below the target minimum salary as per the approved pay scales.

The impact of the COVID-19 pandemic has resulted in a more prudent approach in the review and awarding of salary increases across the Group. For the year under review, we granted increases of 2,5% for management and 4% for general staff. This budget decision was based on the following factors:
- Management of staff costs during the COVID-19 crisis
- Inflation projections
- Increases granted by peer-comparator companies
- Salary survey projections

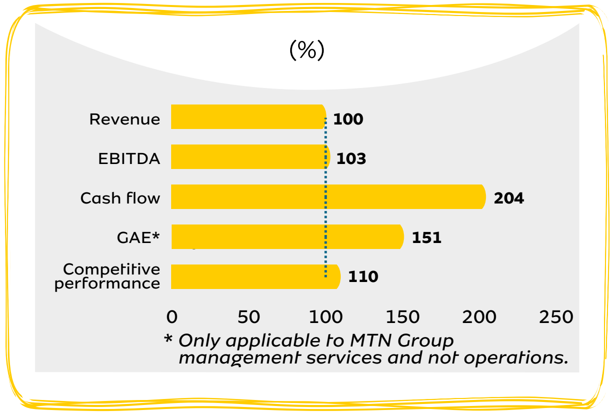
Survey data from these sources are taken into consideration:
- Kornferry
- PwC Remchanel
- Bowmans Reward Advisory Services

2020 performance incentive outcomes

Short-term incentives

The following table shows the extent to which the Company performance element was achieved for the Group. Values presented are consolidated and include the performance of various MTN subsidiaries.

Company performance (element 1)



The Company's financial and non-financial objectives used to measure performance of the year under review were externally audited by PwC and their audit partner.

The Board was satisfied with the performance results as presented and therefore approved that a performance bonus be declared across the group of companies.

All bonus payments for members of the Executive Committee were further audited by PwC and paid as disclosed under each executive's emoluments section.

Performance of teams (element 2)

The table below highlights the team performance objectives assigned to each functional Group Exco member of the Group. Each objective is measured and validated by the Group President and CEO and externally audited by PricewaterhouseCoopers in accordance with the audit agreed upon procedures.

The individual objectives per function are based on a balanced scorecard with shared KPIs as cascaded from the Company strategic objectives.

Summary of team measures and achievements during FY2020:

Item number	Key performance indicator	Number of sub KPIs	Overview of performance rating %: < 90	90 – 99	100 – 109	110 – 119	120+
1	Financial performance	4			●		
2	Legal and regulatory management	9				●	
3	Other operational deliverables	6	●				
4	People and culture	7			●		
5	Risk and compliance management	3				●	
6	Technology	7	●				
7	Marketing and customer experience	2	●				
8	Growth in commercial and digital	8			●		

Remuneration report continued

Link between performance and bonus

Company performance

For the year under review, the Board approved that the five company performance sub-elements illustrated on page 87, were achieved above the kick-in value.

The weighted average performance score for the Company was 134%. The corresponding bonus multiplier were:

- 166,56% for Group President and CEO;
- 149,92% for the Group CFO, COO; and
- 133,28% for all other employees.

The Board was satisfied that the bonus disclosed below was linked to the performance was reflective of the performance outcomes.

Team performance

Equally, for the team performance, a multiplier was determined based on the achievement of the team performance scorecards assigned to each member of the Executive Committee. Accordingly, the Board was satisfied of the audited results per Exco member and the resultant bonus calculation being reflective of the performance outcomes.

How a performance bonus was calculated

The detailed mathematical formula used to calculate a bonus is provided on page 77. A simplified version is that bonuses were calculated using the performance of the Company and teams. For each element and weighting:

- An on-target bonus was determined by multiplying the annual salary by on-target bonus %.
- The on-target bonus amount was modified using a performance-linked multiplier.

Company performance ranges and achievements

	Group President and CEO	Group CFO and COO	Other employees
Performance range			
Range (%)	0 – 110%	0 – 110%	0 – 110%
Actual weighted (%)	133,86%	133,86%	133,86%
Bonus multiplier (nominal)			
Range (%)	0 – 200%	0 – 175%	0 – 150%
Actual multiplier score (%)	166,56%	149,92%	133,28%

Team performance ranges and achievements

	Group President and CEO	Group CFO and COO	Other employees
Performance range			
Range (%)	0 – 120%	0 – 120%	0 – 120%
Actual weighted (%)	110,00%	105,00%	110,00%
Bonus multiplier (nominal)			
Range (%)	0 – 200%	0 –175%	0 – 150%
Actual multiplier score (%)	103,1%	160%	125%

Based on the 2020 Company and team performance, the following performance bonuses were paid to directors and prescribed officers:

Prescribed Officer	2020 bonus R000	2019 bonus R000	Increase %
J Schulte-Bockum	14 576	13 019	12%
I Jaroudi	8 396	8 027	5%
K Toriola	7 279	6 984	4%
E Asante	9 969	8 858	13%
G Motsa	8 435	6 823	24%
F Moolman	7 203	8 104	(11%)
P Norman	8 044	6 850	17%
S Perumal	2 635	2 921	(10%)

Remuneration report continued

Long-term incentives

Vesting of PSP scheme

The allocation of shares made under the PSP scheme in December 2017 vested in December 2020, this period being three years after allocation. This allocation was a conditional award of shares dependent on the following performance conditions: TSR, cash flow, ROACE and retention. For the Group President and CEO, CFO and CFO, they each had additional conditions linked to BEE and compliance to ICASA (all ESG related).

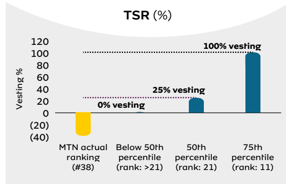
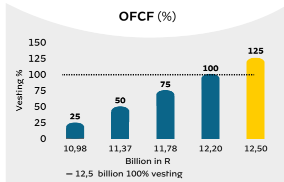
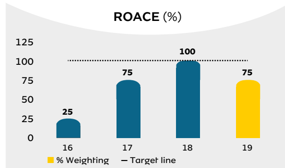
An assessment of the performance conditions was performed. Based on the externally audited results, overall:

- TSR was not achieved owing to the Group's share performance during the measurement period
- The cash flow conditions were partially achieved at 100%.
- The ROACE condition was achieved in full at 100%.

The overall weighted vesting approved by Remco was as follows:

- MTN Group directors: 75%
- MTN Group Exco members: 75%
- Other participants: 75%

The above vesting percentages include the 25% retainer as was approved at allocation. This condition was however not approved for Exco members for the allocation of December 2020.

Award condition	Vesting conditions	Target	Performance achievement		Vesting %
Total shareholder return (MSCI)	**TSR** 100% vesting at the 75th percentile 25% vesting at the median 0% vesting for below the median	75th ranking: 11 Median ranking: 21	Actual ranking: 38		0%
Operating free cash flow (OFCF)	**Cash flow growth** 100% vesting at 110% of target* 25% vesting at 90% of target* 0% vesting below 90% of target*	Minimum: 90% of target* At target: 110% of target*	Actual %: 113%		100%
Return on average capital employed	**Capital returns** 100% vesting at 100% of budget^ 25% vesting at 90% of budget^ 0% vesting below 90% of budget^	Minimum: 90% of target^ At target: 100% of target^	Actual %: 110%		100%
Service/ retention	**Service requirement** Employee must be employed as at the date of vesting	In service at vesting date	In service at vesting date		100%

Note:

During the measurement period (2018 to 2020), the budget or targets for cash flow and ROACE were not disclose as they were commercially sensitive. They have only been disclosed (as below) after the measurement period as they are publicly available:

** Average cash flow target over three-year period was R12,3bn. The actual achievement over three-year measurement period was 13% above target.*

^ Average ROACE budget over three-year period was 18%. The actual achievement over three-year measurement period was 0,7% percentage points higher than target.

Remuneration report continued

Details of share vesting for executives for 2020

	FY2020			FY2019
Executive director	Number of shares allocated in 2017	Number of shares vested in 2020	% vested	% vested
E Asante	**78 000**	**58 500**	**75%**	0%
I Jaroudi	**77 600**	**58 200**	**75%**	0%
F Moolman	**66 100**	**49 575**	**75%**	0%
G Motsa	**69 700**	**52 275**	**75%**	0%
P Norman	**57 700**	**43 275**	**75%**	0%
S Perumal^	**30 800**	**23 100**	**75%**	0%
J Schulte-Bockum	**125 500**	**94 125**	**75%**	0%
K Toriola	**69 100**	**51 825**	**75%**	0%

^ acting Chief Financial Officer

Performance-based share payments related to the year under review were based on the performance outcomes of the award conditions.

Group President and CEO (RA Shuter)
Had six conditions as per employment contract (TSR, ROACE, COFCF, BEE, compliance and retention).

As per Rob's termination agreement, his shares vested 75%.

Group CFO (R Mupita) and COO (J Schulte-Bockum)
- Each had six conditions as per employment contract (TSR, ROACE, COFCF, BEE, compliance and retention)
- Cumulatively, they achieved the following:
  - CFO (75%; 88 724 PSP shares)
  - COO (75%; 94 125 PSP shares)

Other executives
All other executives had four conditions (TSR, ROACE, COFCF and retention).

How the PSP scheme has performed historically

A summary of the performance of the historic PSP allocations which have vested and settled is displayed below:

Grant date	Vesting date	Vested % for general staff	Vested % for executives	Number of shares granted	Number of shares vested^
29/06/2016	29/12/2018	25%	0%	3 763 900	357 968
27/12/2016	28/12/2019	25%	0%	2 363 400	493 976
29/09/2017*	28/12/2019	–	75%	213 600	160 200
18/12/2017	18/12/2020	75%	75%	5 050 900	3 515 671

** grant only applicable to former Group President and CEO in accordance with his contract of employment and revised performance conditions.*
^ calculated as vested percentage of the shares granted less forfeited before vesting date under bad leaver classification.

Including the 2020 vesting of the December 2017 grant, but excluding the grant of Sept 2017 made to the Group President and CEO alone, the average vesting of the previous three grants is 42%.

Changes made to the LTI scheme
Performance share plan
- Exclusion of retention/service (non-performance-based component) for Group directors and Group Exco members effective 2020 PSP allocation.
- Replacement of the ROACE condition with the ROE metric as recommended by shareholders.

Remuneration report continued

(d) Year-on-year comparison of remuneration paid to executive directors and prescribed officers

	Date appointed	Salaries R000	Post-employment benefits R000	Other benefits* R000	Bonuses R000	Subtotal R000	Share gains** R000	Total R000
2020								
Executive directors								
RA Shuter[1, 2]	13/03/2017	18 154	1 997	17 807	30 104	68 062	5 713	73 775
RT Mupita[3]	03/04/2017	11 970	441	680	17 736	30 827	–	30 827
Total		30 124	2 438	18 487	47 840	98 889	5 713	104 602

* *Includes medical aid, expense allowances and unemployment insurance fund.*
** *Pre-tax gains on equity-settled share-based payments.*
[1] *Resigned from being Group President and CEO on 31 August 2020.*
[2] *Other benefits include payment of cash-settled share-based incentives.*
[3] *Ceased to be GCFO on 31 August 2020. Appointed as Group President and CEO on 1 September 2020.*

	Date appointed	Salaries R000	Post–employment benefits R000	Other benefits* R000	Bonuses R000	Subtotal R000	Share gains** R000	Total R000
2019								
Executive directors								
RA Shuter	13/03/2017	17 305	1 822	1 118	27 584	47 829	–	47 829
RT Mupita***	03/04/2017	9 152	1 059	42 658	13 433	66 302	–	66 302
Total		26 457	2 881	43 776	41 017	114 131	–	114 131

* *Includes medical aid and unemployment insurance fund.*
** *Pre-tax gains on equity-settled share-based payments.*
*** *Other benefits include payment of cash-settled share-based incentives.*

Remuneration report continued

(d) Year-on-year comparison of remuneration paid to executive directors and prescribed officers continued

Prescribed officers' emoluments and related payments

2020	Salaries R000	Post-employment benefits R000	Other benefits# R000	Bonuses R000	Subtotal R000	Share gains R000	Total R000
Prescribed officers							
E Asante	10 115	809	4 885	9 969	25 778	–	25 778
I Jaroudi	11 644	953	616	8 396	21 609	–	21 609
F Moolman	8 227	1 633	5 794	7 203	22 857	–	22 857
G Motsa	7 421	816	607	8 435	17 279	–	17 279
P Norman	6 138	675	820	8 044	15 677	–	15 677
S Perumal^	1 759	160	307	4 135	6 361	–	6 361
J Schulte-Bockum@	9 648	1 012	6 078	14 576	31 314	–	31 314
K Toriola	8 474	847	4 871	7 279	21 471	–	21 471
Total	63 426	6 905	23 978	68 037	162 346	–	162 346

Includes medical aid and unemployment insurance fund.
^ *Appointed as acting GCFO on 1 September 2020.*
@ *Other benefits include payment of cash-settled share-based incentives.*

2019	Salaries R000	Post-employment benefits R000	Other benefits# R000	Bonuses R000	Subtotal R000	Share gains R000	Total R000
Prescribed officers							
E Asante	9 039	723	4 400	8 858	23 020	–	23 020
M Fleischer[1]	4 271	493	2 351	–	7 115	–	7 115
I Jaroudi	10 080	–	6 892@	8 027	24 999	–	24 999
L Modise[2]	2 240	246	3 318+	2 456	8 260	–	8 260
F Moolman	9 615	496	2 878@	8 104	21 093	–	21 093
G Motsa	7 323	805	703	6 823	15 654	–	15 654
P Norman	6 057	699	532	6 850	14 138	–	14 138
J Schulte-Bockum	9 398	986	497	13 019	23 900	–	23 900
F Sekha	4 254	468	591	5 082	10 395	–	10 395
K Toriola	8 151	815	3 160	6 984	19 110	–	19 110
Total	70 428	5 731	25 322	66 203	167 684	–	167 684

[1] *Early retirement on 31 July 2019.*
+ *Other benefits include an amount paid in lieu of forfeited benefits from previous employer.*
[2] *Appointed on 12 August 2019.*
Includes medical aid and unemployment insurance fund.
@ *Compensation for loss of office comprises of severance, restraint of trade and gratuity pay.*

Remuneration report continued

(e) Details of share allocations for executive directors and prescribed officers

Award date	Vesting date	Number outstanding as at 31 December 2019	Awarded	Accrued/ settled	Forfeited	Settlement date	Exercise price R	**Number outstanding as at 31 December 2020**
RA Shuter+[1]								
29/09/2017	31/12/2019	213 600	–	(160 200)	(53 400)	27/03/2020	35,66	**–**
18/12/2017	18/12/2020	200 200	–	–	–	–	–	**200 200**
28/12/2018	29/12/2021	436 600	–	–	–	–	–	**436 600**
20/12/2019	20/12/2022	457 100		–	–	–	–	**457 100**
Total		1307 500	–	(160 200)	(53 400)	–	35,66	**1 093 900**
RT Mupita++[2]								
18/12/2017	18/12/2020	118 300	–	–	–	–	–	**118 300**
28/12/2018	29/12/2021	190 200	–	–	–	–	–	**190 200**
20/12/2019	20/12/2022	223 300		–	–	–	–	**223 300**
21/12/2020	21/12/2023	–	530 800					**530 800**
Total		531 800	530 800	–	–	–	–	**1 062 600**
PD Norman								
28/12/2016	28/12/2019	56 300	–	–	(56 300)	–	–	**–**
18/12/2017	18/12/2020	57 700	–	–	–	–	–	**57 700**
28/12/2018	29/12/2021	94 600	–	–	–	–	–	**94 600**
20/12/2019	20/12/2022	100 900		–	–	–	–	**100 900**
21/12/2020	21/12/2023	–	139 100					**139 100**
Total		309 500	139 100	–	(56 300)	–	–	**392 300**
G Motsa								
09/03/2017	28/12/2019	66 500	–	–	(66 500)	–	–	**–**
18/12/2017	18/12/2020	69 700	–	–	–	–	–	**69 700**
28/12/2018	29/12/2021	114 100	–	–	–	–	–	**114 100**
20/12/2019	20/12/2022	121 800		–	–	–	–	**121 800**
21/12/2020	21/12/2023	–	167 800	–	–	–	–	**167 800**
Total		372 100	167 800	–	(66 500)	–	–	**473 400**
J Schulte-Bockum+++								
18/12/2017	18/12/2020	125 500	–	–	–	–	–	**125 500**
28/12/2018	29/12/2021	205 500	–	–	–	–	–	**205 500**
20/12/2019	20/12/2022	216 400		–	–	–	–	**216 400**
21/12/2020	21/12/2023	–	315 800	–	–	–	–	**315 800**
Total		547 400	315 800	–	–	–	–	**863 200**

\+ *Appointed on 13/03/2017. On appointment, RA Shuter was granted a cash-settled share-based payment incentive in lieu of unvested stocks or equity relinquished upon resignation from previous employment. The value of the incentive was determined based on the market value of 327 214 ordinary listed shares in MTN Group Limited. The incentive was paid on 12/03/2020.*

[1] *Resigned from being Group President and CEO on 31 August 2020.*

++ *Appointed on 03/04/2017. On appointment, RT Mupita was granted a cash-settled share-based payment incentive in lieu of unvested stocks or equity relinquished upon resignation from previous employment. The value of the incentive was based on the market value of 446 027 ordinary listed shares in MTN Group Limited. The incentive was paid on 28/10/2019.*

+++ *Appointed on 16/01/2017. On appointment, J Schulte-Bockum was granted a cash-settled share-based payment incentive in lieu of unvested stocks or equity relinquished upon resignation from previous employment. The value of the incentive was determined based on the market value of 64 423 ordinary listed shares in MTN Group Limited. The incentive was paid on 15/01/2020.*

[2] *Ceased to be GCFO on 31 August 2020. Appointed as Group President and CEO on 1 September 2020.*

Remuneration report continued

(e) Details of share allocations for executive directors and prescribed officers continued

Award date	Vesting date	Number outstanding as at 31 December 2019	Awarded	Accrued/ settled	Forfeited	Settlement date	Exercise price R	**Number outstanding as at 31 December 2020**
F Moolman								
28/12/2016	28/12/2019	66 400	–	–	(66 400)	–	–	**–**
18/12/2017	18/12/2020	66 100	–	–	–	–	–	**66 100**
28/12/2018	29/12/2021	112 900	–	–	–	–	–	**112 900**
20/12/2019	20/12/2022	117 300		–	–	–	–	**117 300**
21/12/2020	21/12/2023	–	180 700	–	–	–	–	**180 700**
Total		362 700	180 700	–	(66 400)	–	–	**477 000**
PT Sishuba-Bonoyi								
20/12/2019	20/12/2022	36 800		–	–		–	**36 800**
21/12/2020	21/12/2023	–	52 100	–	–	–	–	**52 100**
Total		36 800	52 100	–	–	–	–	**88 900**
D Molefe#								
20/12/2020	20/12/2023	–	71 300	–	–	–	–	**71 300**
Total		–	71 300	–	–	–	–	**71 300**
I Jaroudi								
28/12/2016	28/12/2019	89 000	–	–	(89 000)	–	–	**–**
18/12/2017	18/12/2020	77 600	–	–	–	–	–	**77 600**
28/12/2018	29/12/2021	133 700	–	–	–	–	–	**133 700**
20/12/2019	20/12/2022	135 900		–	–	–	–	**135 900**
21/12/2020	21/12/2023	–	209 300	–	–	–	–	**209 300**
Total		436 200	209 300	–	(89 000)	–	–	**556 500**

 # Appointed as a director of a major subsidiary on 1 November 2020.

Remuneration report continued

(e) Details of share allocations for executive directors and prescribed officers continued

Award date	Vesting date	Number outstanding as at 31 December 2019	Awarded	Accrued/ settled	Forfeited	Settlement date	Exercise price R	Number outstanding as at 31 December 2020
E Asante								
28/12/2016	28/12/2019	55 900	–	–	(55 900)	–	–	**–**
18/12/2017	18/12/2020	78 000	–	–	–	–	–	**78 000**
28/12/2018	29/12/2021	137 500	–	–	–	–	–	**137 500**
20/12/2019	20/12/2022	143 200		–	–	–	–	**143 200**
21/12/2020	21/12/2023	–	221 600	–	–	–	–	**221 600**
Total		414 600	221 600	–	(55 900)	–	–	**580 300**
K Toriola								
28/12/2016	28/12/2019	55 900	–	–	(55 900)	–	–	**–**
18/12/2017	18/12/2020	69 100	–	–	–	–	–	**69 100**
28/12/2018	29/12/2021	114 000	–	–	–	–	–	**114 000**
20/12/2019	20/12/2022	120 800						**120 800**
21/12/2020	21/12/2023	–	186 200	–	–	–	–	**186 200**
Total		359 800	186 200	–	(55 900)	–	–	**490 100**
S Perumal[1]								
20/12/2019	20/12/2022	56 200	–	–	–	–	–	**56 200**
21/12/2020	21/12/2023	–	79 400	–	–	–	–	**79 400**
Total		56 200	79 400	–	–	–	–	**135 600**

[1] *Appointed as acting GCFO on 1 September 2020.*

Remuneration report continued

(f) Year-on-year comparison of remuneration paid to non-executive directors

	Date appointed	Retainer# R000	Attendance# R000	Special board R000	Strategy session R000	Ad hoc work R000	Total R000
2020							
Non-executive directors							
MH Jonas	01/06/2018	3 190	1 078	686	174	–	5 128
S Mabaso-Koyana^	01/09/2020	136	173	59	–	9	377
PB Hanratty+	01/08/2016	518	403	148	59	54	1 182
S Kheradpir+	08/07/2015	1 572	317	172	132	–	2 193
NP Mageza^^	01/01/2010	163	234	26	59	25	507
MLD Marole^^	01/01/2010	252	540	26	118	25	961
AT Mikati+	18/07/2006	1 678	986	717	152	235	3 768
SP Miller+	01/08/2016	1 441	904	816	132	–	3 293
KD Mokhele	01/07/2018	578	706	310	114	152	1 860
V Rague+	01/07/2019	1 497	1 050	831	132	293	3 803
KC Ramon@^^^	01/06/2014	268	354	203	59	47	931
SLA M Sanusi+	01/07/2019	1 471	371	420	132	204	2 598
NL Sowazi	01/08/2016	434	578	320	59	44	1 435
BS Tshabalala	01/06/2018	445	414	249	59	–	1 167
Total		13 643	8 108	4 983	1 381	1 088	29 203

Retainer and attendance fees include fees for Board and committee representation and meetings.
@ *Fees paid to AngloGold Ashanti Limited.*
^ *Appointed 1 September 2020.*
+ *Fees have been paid in euros.*
^^ *Resigned on 30 April 2020.*
^^^ *Resigned on 30 September 2020.*

Remuneration report continued

(f) Year-on-year comparison of remuneration paid to non-executive directors continued

	Date appointed	Retainer# R000	Attendance# R000	Special board R000	Strategy session R000	Ad hoc work R000	Total R000
2019							
Non-executive directors							
M Jonas***	01/06/2018	441	498	25	203	115	1 282
PF Nhleko+^^^**	28/05/2013	3 480	1 110	35	599	115	5 339
PB Hanratty	01/08/2016	1 323	806	30	376	34	2 569
A Harper**	01/01/2010	1 343	868	21	376	231	2 839
KP Kalyan**	13/06/2006	437	695	35	203	–	1 370
S Kheradpir	08/07/2015	1 328	911	30	376	–	2 645
NP Mageza	01/01/2010	564	631	35	203	20	1 453
MLD Marole	01/01/2010	498	923	35	203	–	1 659
AT Mikati	18/07/2006	1 472	744	31	389	27	2 663
SP Miller	01/08/2016	1 347	892	26	376	–	2 641
KDK Mokhele	01/07/2018	331	463	25	203	–	1 022
V Rague	01/07/2019	691	614	9	251	17	1 582
KC Ramon@	01/06/2014	441	553	35	203	40	1 272
SLA Sanusi	01/07/2019	681	590	9	251	9	1 540
NL Sowazi	01/08/2016	404	578	35	203	–	1 220
BS Tshabalala	01/06/2018	331	361	15	136	–	843
J van Rooyen**	18/07/2006	462	774	35	203	76	1 550
Total		15 574	12 011	466	4 754	684	33 489

*** *Appointed as Chairman on 15 December 2019.*
+ *Received fees of R873 799 for services rendered on the International Advisory Board.*
# *Retainer and attendance fees include fees for Board and committee representation and meetings.*
@ *Fees paid to AngloGold Ashanti Limited.*
** *Resigned on 15 December 2019.*
^^^ *Fees paid to Captrust Investments Proprietary Limited.*

Glossary

2G	Second generation mobile
3G	Third generation mobile
4G/LTE	Fourth generation or long-term evolution mobile communications
AFCF	Adjusted free cash flow
AFS	Annual Financial Statements
AI	Artificial intelligence
API	Application programming interface
ARP	Asset realisation programme
BCM	Business continuity management
B-BBEE	Black economic empowerment
CAGR	Compound annual growth rate
Capex	Capital expenditure
Capex intensity	Capex divided by revenue
CBN	Central Bank of Nigeria
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Churn	Average disconnections in a period divided by average monthly customers
CSI	Corporate social investment
CODM EBITDA	Earnings before finance income and finance costs (which includes gains or losses on foreign exchange transactions and a loss on revision of cash flows from a JV), tax, depreciation and amortisation, and is also presented before recognising the following items: • impairment of JV and goodwill; • net monetary gain resulting from the application of hyperinflation; • share of results of associates and JVs after tax; • hyperinflation; • tower sale profits; • gain on disposal/dilution of investment in associate and JV; • gain on disposal of subsidiary; and • impairment loss on remeasurement of non-current assets held for sale.
COO	Chief Operating Officer
COVID-19	The novel coronavirus
CP	Company performance
CVM	Customer value management
EPS	Earnings per share
ESG	Environmental, social and governance
ESOP	Employee share ownership plan
Exco	Executive Committee
EP	Employee performance
Fintech	Includes MTN Mobile Money, e-commerce, insurance, airtime lending and data monetisation streams
Forex	Foreign exchange
GDP	Gross domestic product
GHG	Greenhouse gas
GSMA	The GSM Association
HEPS	Headline earnings per share
Holdco	Holding company
ICASA	Independent Communications Authority of South Africa
ICT	Information and communication technologies
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IPO	Initial public offering
IoT	Internet of Things
ISP	Internet service provider
ITU	International Telecommunication Union
JSE	Johannesburg Stock Exchange
JV	Joint venture
KPI	Key performance indicators
KYC	Know your customer: a process to identify and verify customer identity
LA	Limited assurance
LTI	Long-term incentive
M&A	Mergers and acquisitions
Manco	MTN's group management company
MB	Megabyte
MENA	Middle East and North Africa
MFS	Mobile financial services
MoMo	MTN Mobile Money
MSR	Minimum shareholding requirement
MOU	Minutes of use
NIN	National identification numbers
NM	Not measurable
NPS	Net promoter score
Opcos	Our operating companies
Opex	Operating expenditure
OTT	Over the top services
QoS	Quality of service
RAN	Radio access network
ROACE	Return on average capital employed
ROE	Return on equity
ROI	Return on investment
ROIC	Return on invested capital
SARS	Share appreciation rights scheme
SDG	Sustainable Development Goals
SEAGHA	Southern and East Africa and Ghana region
SIM	Subscriber identity module
SME	Small and medium enterprise
SMP	Significant market power
SMS	Short message service
SRP	Share rights plan
SSA	Sub-Saharan Africa
TP	Team performance
TSR	Total shareholder return
UN	United Nations
USSD	Unstructured supplementary service data
VP	Vice-president
WECA	West and Central Africa
WFH	Work from home
YoY	Year-on-year

Definitions for assured non-financial data

KPI	Criteria
Group employee culture survey result: sustainable engagement percentage	The MTN Group employee culture survey is conducted annually across each of the MTN Group's operating countries (referred to as opcos), and within the MTN Group head office (management company referred to as manco). The survey reviews Sustainable Engagement across three major components: • **Engagement:** measuring the rational connection, emotional attachment and motivational aspect of Engagement. • **Enablement:** measuring if employees have an appropriate level of support in their work environment to ensure they are capable of doing their jobs well. • **Energy:** measuring employees' wellbeing to ensure people have capacity to perform at their best.
Group whistle-blower hotline data: number of fraud incidents reported and reviewed	The anonymous tip-offs line is managed by a third party, who collects the tip-offs and reports to MTN. MTN is responsible for the investigation of the tip-off. The tip-off items received include fraudulent tip-offs and other administrative matters. An incident is regarded as received when the call is logged on the anonymous tip-offs line, evaluated by the contracted third party to eliminate dropped calls, prank calls and other non-events. Formal whistle-blowing reports are issued to MTN through the Deloitte Tip-offs Anonymous website.
Net promoter score percentage for MTN South Africa, MTN Nigeria, and other key markets	Net promoter score (NPS) measures customers' experience with a brand through a simple question: "On a scale of 0 to 10, how likely would you be to recommend MTN to a friend or family member?" Responses of nine or 10 are considered 'promoters' while responses of seven or eight are considered 'passives'. Any score of six or below is considered to be a 'detractor'. Each country's NPS is calculated by subtracting the percentage of 'detractors' from the percentage of 'promoters'. Combined scores of multiple operations are calculated by weighting responses according to subscriber base within each operation.
Group total tax contribution: R	Tax-related payments made during the 1 January 2020 to 31 December 2020 period which relate to: 1. Taxes borne through the operation of the company, including: • Corporate income tax. • Product and indirect taxes such as: – Custom duties. – Excise duties. – Value added tax (borne). – Other indirect taxes (e.g. but not limited to, country-specific taxes on services). • People and payroll taxes such as: – Unemployment insurance fund levy. – Occupational injuries and diseases levy. – Skills development levy. – Pay-as-you-earn settlements. • Withholding taxes. • Property taxes. • Stamp duty. • Operating licence fees. • Other government-specific levies (e.g. but not limited to local government permits, motor vehicle permits, property and municipal levies, registration fees and other government levies). 2. Taxes collected on behalf, and paid over, to the tax authorities, including: • Product and indirect taxes such as: – Value added tax (net of VAT collected by, and VAT refunded to, MTN). • People and payroll taxes such as: – Pay-as-you-earn. – Other employee taxes. – Unemployment insurance fund levy. • Withholding taxes such as: – Dividends tax.

Administration

MTN Group Limited

Incorporated in the Republic of South Africa

Company registration number: 1994/009584/06
ISIN: ZAE000042164
Share code: MTN

Board of directors

MH Jonas*
RT Mupita[1]
RA Shuter[1] (resigned 31 August 2020)
TBL Molefe[1] (appointed 1 April 2021)
PB Hanratty[2]*
S Kheradpir[3]*
AT Mikati #[4]
SP Miller[5]*
NL Sowazi*
P Mageza* (resigned 30 April 2020)
D Marole* (resigned 30 April 2020)
KC Ramon* (resigned 30 September 2020)
S Mabaso-Koyana* (appointed 1 October 2020)
BS Tshabalala*
KDK Mokhele*
SLA Sanusi[6]*
VM Rague[7]*
NP Gosa* (appointed 1 April 2021)
CWN Molope* (appointed 1 April 2021)

[1] *Executive*
[2] *Irish*
[3] *American*
[4] *Lebanese*
[5] *Belgian*
[6] *Nigerian*
[7] *Kenyan*
* *Independent non-executive director*
\# *Non-executive*

Group secretary

PT Sishuba-Bonoyi
Private Bag X9955, Cresta, 2118

Registered office

216 – 14th Avenue
Fairland
Gauteng, 2195

American depository receipt (ADR) programme

Cusip No. 62474M108
ADR to ordinary share 1:1

Depository: The Bank of New York

101 Barclay Street, New York NY. 10286, USA

MTN Group sharecare line

Toll free: 0800 202 360 or +27 11 870 8206
if phoning from outside South Africa

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Midrand, 2090

Ernest & Young Inc.
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Private Bag x14, Northlands, 2126

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Joint sponsor

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Ground Floor, Golden Oak House, 35 Ballyclare Drive,
Bryanston, 2021

Attorneys

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Date of release: 23 April 2021

Forward-looking information

Opinions and forward-looking statements expressed in this report represent those of the Company at the time. Undue reliance should not be placed on such statements and opinions because by nature, they are subjective to known and unknown risk and uncertainties and can be affected by other factors that could cause actual results and company plans and objectives to differ materially from those expressed or implied in the forward-looking statements.

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