



**MTN Zakhele Futhi (RF) Limited  
Summarised Annual Financial Statements  
for the year ended 31 December 2020  
and Notice to the AGM**



---

## INDEX

---

The reports and statements set out below comprise the annual financial statements presented to the shareholders.

<b>Index</b>	<b>Page</b>
Board of directors	2 – 3
Chairperson's report	4 – 5
Summarised statement of profit or loss	6
Summarised statement of other comprehensive income	6
Summarised statement of financial position	7
Summarised statement of changes in equity	8
Summarised statement of cash flows	9
Notes to the summarised annual financial statements	10 – 16
Notice of the annual general meeting	17 – 23
Explanatory notes to resolutions proposed at the annual general meeting of the Company	24 – 36
Appendix to the notice of the annual general meeting	37
Summary of applicable rights contained in section 58 of the Companies Act	38
How to participate in the annual general meeting	39
Form of proxy	40
Notes to form of proxy	41
Administration	Inside back cover

### **Preparer**

Siyabonga Zokoza  
Senior Financial Officer: Central Finance – Nedbank Limited

### **Supervised by**

Jaynesh Padayachy CA(SA)  
Senior Financial Manager: Central Finance – Nedbank Limited

Please visit <https://www.mtnzakhelefuthi.co.za/home/AGM> for the Zulu and Sotho versions of this document, which will be available on the website by 20 August 2021.

---

## BOARD OF DIRECTORS

---

### **Belinda Mapongwana (47)**

*Bachelor of Social Science (UCT), Bachelor of Laws (UCT), Master of Laws (International Business Law) (Vrije Universiteit, Amsterdam), Postgraduate Certificate in Compliance Management (UCT)*

Independent Non-executive Director (Appointed: 22 June 2020; Appointed as Independent Non-executive Chairperson on 16 September 2020)

Member of the Audit, Risk & Compliance Committee (Appointed: 9 April 2021)

Belinda is currently the non-executive director of Nordex Energy SA, TUHF Limited, TUHF Holdings Limited, TUHF Equity Proprietary Limited, and Prosirius Proprietary Limited.

She is an admitted attorney with over 15 years post-admission experience. She specialises in all aspects of mergers and acquisition transactions, corporate commercial law, compliance, risk and corporate governance. She spent some time in New York where she worked on several mergers and acquisitions, private equity and structured finance transactions. Belinda has experience in compliance and risk management having worked in investment banks in Johannesburg, New York and London.

Belinda is the founder of Mapongwana Attorneys Inc. a 100% black woman-owned boutique law firm that offers specialist legal services in corporate and commercial law. Belinda is also the Chairperson of the Nordex Education Trust and a member of the UNISA Council.

### **Sindisiwe N Mabaso Koyana (51)**

*CA(SA), BComm (Natal), Post Graduate Diploma in Accounting (Natal)*

Non-executive Director (Appointed: 6 June 2017; Resigned as Independent Non-executive Chairperson on 16 September 2020)

Sindi is currently the Chairperson of African Women Chartered Accountants (AWCA) Investment Holding Company and the Chairperson of the Advanced Group of Companies. She is the founder member and former President of the African Women of Chartered Accountants. Her other board positions include that of a non-executive director for MTN Group Limited, Toyota South Africa Motors (Pty) Ltd and Sun International Limited.

Sindi is a Chartered Accountant by profession with experience in financial management, auditing and governance in both the public and private sector. She is a renowned leader and champion in growth and development of young women. She has been named by The Financial Mail as one of the top 20 most powerful business women in South Africa and was a finalist for the Business Woman of the Year Award in 2004. In 2013 she was nominated by The CEO Magazine as the most Influential Women in Business and Public Sector.

### **Edward Pitsi (37)**

*CA(SA), Masters in Finance (University of Pretoria), EMBA (INSEAD)*

Independent Non-executive Director (Appointed: 22 June 2020)

Member of the Audit, Risk & Compliance Committee (Appointed: 16 September 2020)

Edward is currently a non-executive director of Ethos Mid-Market Fund I Proprietary Limited, Autozone Holdings Proprietary Limited, Kevro Holdings Proprietary Limited, Gammatek Holdings Proprietary Limited and Synerlytic Holdings Proprietary Limited.

Edward is the Managing Partner at Ethos Mid-Market Fund which holds 4.05% of the MTN Zakhele Futhi issued ordinary share capital. Prior to joining Ethos, he worked in the Acquisition and Leveraged Finance team at Barclays Africa Group after completing his articles at PriceWaterhouseCoopers. He has investment experience across various sectors including but not limited to TIC, Technology and Connectivity, Automotive, Industrials and Business Services.

---

## BOARD OF DIRECTORS (continued)

---

### **Grant G Gelink (71)**

*CA(SA), BComm, BCompt (Hons)*

Non-executive Director (Appointed: 9 June 2017)

Chairman of the Audit, Risk & Compliance Committee (Appointed: 9 June 2017)

Grant is a non-executive director of FirstRand Limited, Grindrod Limited, Allied Electronics Limited and Rain Group Holdings Proprietary Limited.

He was the chief executive of Deloitte & Touche from 2006 to 2012. His vast experience at Deloitte spans over 26 years and includes being Lead Client Service Partner across a number of different industries servicing clients such as Barloworld, Imperial Holdings, Murray & Roberts, Nedbank, Sappi, South African Airways and Transnet.

### **Manana Nhlanhla (68)**

*BSc and Masters in Information Science*

Non-executive Director (Appointed: 22 June 2020)

Member of the Audit, Risk & Compliance Committee (Appointed: 16 September 2020; Resigned: 9 April 2021)

Manana is a non-executive director of Mion Holdings Proprietary Limited, RCL Foods Limited, Manyoro Limited, Prospect Resources Limited (Australia), Vunani Fund Managers Limited and Zimbabwe Crocodiles Limited.

She is a former university lecturer in Information Science. Over the past 20 years Manana has been involved in leading Mion Holdings, a private equity company that owns 8.2% of the shares in MTN Zakhele Futhi. Under Mion Holdings Manana runs KALIPA Foundation which sponsors education and Trustee of the Do-More-Foundation started by RCL Foods.

### **Sonja De Bruyn (49)**

*LLB (Hons), MA: Economic Policy Management, SFA (UK), Harvard Executive Program*

Non-executive Director (Appointed: 6 June 2017; Resigned: 22 June 2020)

Member of the Audit, Risk & Compliance Committee (Appointed: 9 June 2017; Resigned: 22 June 2020)

Sonja is a non-executive director of RMB/RMI Holdings, Discovery Holdings Limited and Remgro. Sonja is also the Chairperson of Ethos Mid-Market Fund I GP Proprietary Limited.

Sonja is the founder and principal partner of investment, advisory and funding management firm Identity Capital Partners. She commenced her career in investment banking in 1997, working on mergers and acquisitions, privatisations, IPOs and financings, ultimately becoming a vice-president of Deutsche Bank. She was appointed as executive director of Women's Development Bank Investment Holdings from 2002 to 2007. She was previously a trustee of the National Empowerment Fund and member of the Presidential Working Group on BEE. Sonja has been awarded and recognised by the Black Management Forum and the Association of Black Securities and Investment Professionals. She is an Alumni Young Global Leader of the World Economic Forum.

---

## CHAIRPERSON'S REPORT

---

### Introduction

In 2016 MTN Group Limited set up MTN Zakhele Futhi (RF) Limited (**MTN Zakhele Futhi** or **the Company**), a vehicle for qualifying black South Africans to invest in MTN Group Limited (**MTN Group** or **MTN**), a leading emerging markets telecoms service provider.

MTN Zakhele Futhi has an approximate 4% shareholding in MTN Group. This investment is the Company's only asset. The Company also administers the associated funding of this investment – being the preference shares subscribed for by third party debt providers and a notional vendor finance facility obtained from MTN Group.

On 25 November 2019, MTN Zakhele Futhi listed on the BEE Segment of the JSE marking the end of the "Minimum Investment Period". The listing provides shareholders with the ability to trade their shares between qualifying black people and black groups on the open market during the remaining Empowerment Period (which ends on 23 November 2024).

80.6% of the shareholders hold fewer than 500 ordinary shares showing the true broad-based nature of the scheme.

### Impact of Covid-19

On 15 March 2020 the President of the Republic of South Africa declared South Africa to be in a "National State of Disaster" due to the increasing impact of the Covid-19 virus in South Africa. The Covid-19 pandemic has had an unprecedented global impact to which MTN Zakhele Futhi has not been immune. As with those shares listed on the global stock exchanges, the prices of shares on the JSE, and the shares of MTN and MTN Zakhele Futhi, were adversely impacted. Although a significant recovery has been seen in the MTN share price since the outbreak of the pandemic, it has not yet consistently reached those levels seen during the 2019 financial year.

The 2020 financial year has been a challenging year for MTN Zakhele Futhi. For the first time in recent history, MTN Group announced that no interim dividend would be paid for the six-month period ended 30 June 2020, having a direct impact on MTN Zakhele Futhi's liquidity. An advance of R15,0 million was received from Mobile Telephone Networks Holdings Limited during September 2020 to enable the Company to meet its short-term commitments until the anticipated receipt of a year-end dividend from MTN.

On 10 March 2021 MTN announced that as a result of uncertainties around cash upstreaming from Nigeria, the timing of their asset realisation programme proceeds and the impact of Covid-19, it was suspending their dividend policy and would not be declaring a final dividend for the financial year ended 31 December 2020. As MTN Zakhele Futhi's only material investment and asset consists of MTN Shares, the Company is entirely dependent on the receipt of dividends from MTN. The suspension of MTN's dividend policy has therefore had a significant impact on the ability of MTN Zakhele Futhi to continue as a going concern and created material uncertainty around this assumption.

We would like to thank MTN and MTN Holdings for their continued commitment to support MTN Zakhele Futhi and its shareholders through the further provision of additional financial assistance up to the amount of R75,0 million to enable the Company to meet its cash requirements for the next 12-month period.

The amounts provided by MTN Holdings to address the liquidity issues being faced by MTN Zakhele Futhi have negatively impacted the gearing in the Company due to the interest-bearing nature of all funding provided by MTN Holdings. The MTN Zakhele Futhi board will continue with their efforts to protect the investment made by its shareholders.

### Changes to the MTN Zakhele Futhi board

The 2020 financial year saw the resignation of Sonja De Bruyn who was appointed to the MTN Zakhele Futhi board in June 2017. We would like to thank her for her wise counsel and invaluable contribution to the board over the years and wish her well for her future endeavours.

The MTN Zakhele Futhi board followed a rigorous recruitment process, which commenced at the end of the 2019 financial year, prior to appointing myself, Edward Pitsi and Manana Nhlanhla during June 2020. Sindi Mabaso-Koyana resigned as chairperson of the MTN Zakhele Futhi board on 16 September 2020 but continues in her role as non-executive director on the board. I would like to thank Sindi for all the guidance and support during my transition period and look forward to working with this dynamic group of people who bring different skills and expertise to the MTN Zakhele Futhi board.

### Financial performance

The Company's financial performance is based entirely on the MTN Group share price and any dividend declared and received from MTN Group during the year.

---

## A STATEMENT FROM YOUR CHAIRPERSON (continued)

---

At 31 December 2020, the Company recognised a profit after taxation of R145,9 million (2019: R38,0 million loss). The profit is attributable to the dividend received from MTN Group in April 2020 being significantly greater than the loss on the re-measurement of the derivative financial instrument. The loss on the re-measurement of the derivative financial instrument is largely due to the further decline in the MTN Group share price from R82,49 at 31 December 2019 to R60,19 at 31 December 2020.

The decline in the MTN Group share price since the prior financial year also resulted in a fair value loss of R1 139,8 million (2019: R332,8 million) being recognised in the statement of comprehensive income.

### Repayment and refinancing of MTN Zakhele Futhi's debt

During April 2020, the Company received R272,8 million (2019: R399,5 million) in dividend income from MTN Group and was able to repay debt in excess of the budgeted repayment schedule. This income was used firstly to pay the Company's permitted operational costs and tax with the remainder of the dividend income being used to pay dividends owing to the preference shareholders and to reduce the capital portion of the debt owing to the preference shareholders.

R212,6 million of the dividend income was applied towards the early redemption of the preference shares on 15 April 2020. This will ultimately result in a reduction of dividends payable on the preference shares over the life of these instruments.

At the onset of the transaction, the preference shares were redeemable after five years from the date of issue, being 23 November 2022. During December 2020 the holders of the preference shares agreed to extend this date by a further 12 months, requiring the preference shares to be redeemed after six years from date of issue. The extension of the redemption date of the preference shares has had a positive effect on the liquidity issues faced by the Company during the year.

### Shareholder support

Effective and efficient shareholder communication is essential to ensure that shareholders are kept up to date. The Company will continue to use SMS communication as their main means of communication. Notices of the Annual General Meetings will be sent by email, SMS or post to all registered shareholders. To enable MTN Zakhele Futhi to effectively communicate with shareholders and maintain up to date records, shareholders are requested to notify the MTN Zakhele Futhi Administrator of all changes to their SMS contact details, postal address, status and banking details by calling the designated Call Centre on **083 900 6863** between 08h00 and 17h00 Mondays to Fridays. Agents will log their call and take them through the process and documentation needed to effect such changes. Shareholders are encouraged to familiarise themselves with the information published from time to time on the MTN Zakhele Futhi website by visiting [www.mtnzakhelefuthi.co.za](http://www.mtnzakhelefuthi.co.za).

Shareholders, even those not wishing to trade their MTN Zakhele Futhi shares, are asked to register their trading accounts and can elect to use either the facilitated (through Nedbank Private Wealth) or independent trading processes. We once again encourage all our shareholders to make sound investment decisions when electing to sell, hold or buy their MTN Zakhele Futhi shares in order to maximise the true value of their investment.

### Prospects

Due to the nature and purpose of MTN Zakhele Futhi, its prospects are aligned with the prospects of the MTN Group. The MTN Zakhele Futhi board will continue with their efforts to provide support and value to its shareholders.

### Annual General Meeting

Given the Covid-19 pandemic, our concern for the health and safety of our stakeholders and the regulations that remain in place restricting public gatherings the Company will once again hold its annual general meeting through electronic means and shareholders will not be able to attend this meeting in person.

We would like to encourage shareholders to attend the annual general meeting to be held virtually on Tuesday, 7 September 2021 at 11h30. Further details of how to access this electronic meeting are set out in the Notice to the AGM.

### Appreciation

While the 2020 financial year has been challenging for MTN Zakhele Futhi, we remain optimistic and are encouraged by the support we have received from MTN.

I would like to thank my fellow board members, all our stakeholders and partners for their commitment and support to ensure that MTN Zakhele Futhi is a valuable investment for its shareholders.

### Belinda Mapongwana

*Chairperson*

10 August 2021

**Summarised statement of profit or loss**  
for the year ended 31 December 2020  
(As extracted from the audited financial statements)

	Notes	31 December 2020 R'000	31 December 2019 R'000
Dividend income	5	272 766	399 544
Directors emoluments		(1 037)	(768)
Other operating expenses		(15 445)	(36 320)
<b>Operating profit</b>		<b>256 284</b>	<b>362 456</b>
Finance income		818	3 364
Finance costs incurred on financial liabilities measured at amortised cost		(31 246)	(99 717)
Loss on re-measurement of the derivative financial instrument		(79 735)	(303 210)
<b>Profit/(loss) before taxation</b>		<b>146 121</b>	<b>(37 107)</b>
Income tax expense		(229)	(942)
<b>Profit/(loss) for the year</b>		<b>145 892</b>	<b>(38 049)</b>
<b>Basic and diluted earnings per share (cents)</b>	14	<b>182,81</b>	<b>215,85</b>

**Summarised statement of comprehensive income**  
for the year ended 31 December 2020  
(As extracted from the audited financial statements)

	31 December 2020 R'000	31 December 2019 R'000
<b>Profit/(loss) for the year</b>	<b>145 892</b>	<b>(38 049)</b>
<b>Other comprehensive loss – items that may not be reclassified to profit or loss:</b>	<b>(1 139 847)</b>	<b>(332 754)</b>
Loss on re-measurement of the investment in equities	(1 139 847)	(332 754)
Deferred tax on the re-measurement of the investment in equities	–	–
<b>Total comprehensive loss for the year</b>	<b>(993 955)</b>	<b>(370 803)</b>

**Summarised statement of financial position**  
at 31 December 2020  
(As extracted from the audited financial statements)

	Notes	31 December 2020 R'000	31 December 2019 R'000
<b>Assets</b>			
<b>Non-Current Assets</b>			
Investment in equities	6	3 076 564	4 216 411
		<b>3 076 564</b>	<b>4 216 411</b>
<b>Current Assets</b>			
Current tax receivable		2	5
Cash and cash equivalents		6 578	18 240
Cash and cash equivalents – restricted funds		3 350	3 566
Other receivables		879	1 160
		<b>10 809</b>	<b>22 971</b>
<b>Total Assets</b>		<b>3 087 373</b>	<b>4 239 382</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital		2 468 336	2 468 336
Reserves		(2 597 457)	(1 377 875)
Accumulated profit		1 179 892	954 265
		<b>1 050 771</b>	<b>2 044 726</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings	8	922 340	1 165 613
Derivative financial instrument	7	1 080 510	1 000 775
Deferred tax		–	–
		<b>2 002 850</b>	<b>2 166 388</b>
<b>Current Liabilities</b>			
Borrowings	8	12 702	22 165
Advance from MTN		15 266	–
Other liability		2 860	3 566
Trade and other payables		2 924	2 537
		<b>33 752</b>	<b>28 268</b>
<b>Total Liabilities</b>		<b>2 036 602</b>	<b>2 194 656</b>
<b>Total Equity and Liabilities</b>		<b>3 087 373</b>	<b>4 239 382</b>

**Summarised statement of changes in equity**  
for the year ended 31 December 2020  
(As extracted from the audited financial statements)

	Share capital R'000	Investment in equities reserve R'000	Other reserves* R'000	Total reserves R'000	Accumulated profit/(loss) R'000	Total equity R'000
<b>Balance at 1 January 2019</b>	<b>2 468 336</b>	<b>(44 343)</b>	<b>(697 568)</b>	<b>(741 911)</b>	<b>689 104</b>	<b>2 415 529</b>
Loss for the year	–	–	–	–	(38 049)	(38 049)
Other comprehensive loss	–	(332 754)	–	(332 754)	–	(332 754)
<b>Total comprehensive loss for the year</b>	<b>–</b>	<b>(332 754)</b>	<b>–</b>	<b>(332 754)</b>	<b>(38 049)</b>	<b>(370 803)</b>
Transfer between reserves**	–	–	(303 210)	(303 210)	303 210	–
<b>Balance at 31 December 2019</b>	<b>2 468 336</b>	<b>(377 097)</b>	<b>(1 000 778)</b>	<b>(1 377 875)</b>	<b>954 265</b>	<b>2 044 726</b>
<b>Balance at 1 January 2020</b>	<b>2 468 336</b>	<b>(377 097)</b>	<b>(1 000 778)</b>	<b>(1 377 875)</b>	<b>954 265</b>	<b>2 044 726</b>
Profit for the year	–	–	–	–	145 892	145 892
Other comprehensive income	–	(1 139 847)	–	(1 139 847)	–	(1 139 847)
<b>Total comprehensive loss for the year</b>	<b>–</b>	<b>(1 139 847)</b>	<b>–</b>	<b>(1 139 847)</b>	<b>145 892</b>	<b>(993 955)</b>
Transfer between reserves**	–	–	(79 735)	(79 735)	79 735	–
<b>Balance at 31 December 2020</b>	<b>2 468 336</b>	<b>(1 516 944)</b>	<b>(1 080 513)</b>	<b>(2 597 457)</b>	<b>1 179 892</b>	<b>1 050 771</b>

\*The other reserve account is used to record the losses and gains recognised on the re-measurement of the derivative financial instrument.

\*\* The transfer between reserves arises in respect of the loss on re-measurement of the derivative financial instrument that was recorded in profit and loss. The amount transferred is net of the related deferred tax.

**Summarised statement of cash flows**  
for the year ended 31 December 2020  
(As extracted from the audited financial statements)

	<b>31 December 2020 R'000</b>	<b>31 December 2019 R'000</b>
<b>Cash flows from operating activities</b>		
Cash used in operations	(16 807)	(37 611)
Dividends received	272 766	399 544
Interest income received	818	3 364
Finance costs paid	(70 592)	(105 403)
Tax paid	(226)	(946)
<b>Net cash from operating activities</b>	<b>185 959</b>	<b>258 948</b>
<b>Cash flows from financing activities</b>		
Redemption of cumulative redeemable non-participating preference shares	(212 620)	(276 892)
Receipt of advance from MTN	15 000	–
Cash refunded to unsuccessful participants	(217)	(199)
<b>Net cash from financing activities</b>	<b>(197 837)</b>	<b>(277 091)</b>
<b>Cash at the beginning of the year</b>	<b>21 806</b>	<b>39 949</b>
<b>Total cash movement for the year</b>	<b>(11 878)</b>	<b>(18 143)</b>
<b>Total cash at the end of the year</b>	<b>9 928</b>	<b>21 806</b>

**Notes to the summarised financial statements**  
for the year ended 31 December 2020  
(As extracted from the audited financial statements)

**1. General information**

MTN Zakhele Futhi (RF) Limited was incorporated as a public company under the laws of the Republic of South Africa on 21 June 2016.

The company is incorporated as the special purpose investment vehicle to effect MTN Group Limited's 2016 Broad Based Black Economic Empowerment ("BBBEE") scheme.

**2. Basis of preparation**

The summarised financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS"), the presentation and disclosure requirements of IAS 34: Interim Financial Reporting, and the interpretation of these standards as adopted by the Independent Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the South African Companies Act, 71 of 2008 as amended and the Listings Requirements of the JSE Limited ("JSE") relating to Asset Backed Securities.

**3. Accounting policies**

The accounting policies adopted are described in the annual financial statements. During the period under review, the Company adopted all the IFRS and interpretations that were effective and deemed applicable to the Company. The adoption of these standards did not have a material impact on the annual financial statements.

The accounting policies are consistent with those of the prior financial period.

**4. Contingent liabilities and commitments**

There is no reimbursement to any third party for potential obligations of the company that have not been accrued for at year end. The company did not have any contingent liabilities at year end.

**5. Dividend income**

The total dividend income received by MTN Zakhele Futhi from MTN Group Limited during the financial year was R272 765 592 (2019: R399 543 966).

**6. Investment in equities**

The investment consists of 51 114 213 (2019: 51 114 213) MTN Group Limited shares. The total investment together with the derivative financial instrument (refer note 7) comprises approximately 4% of MTN Group's issued share capital.

The shares were acquired for cash at a price of R4 593 511 342 on 23 November 2016.

The fair value of the investment is based on a quoted market price of R60,19 (2019: R82,49) per share as listed on the JSE Limited at 31 December 2020. The total loss recorded in other comprehensive income for the current financial year is R1 139 846 950 (2019: R332 754 527).

	<b>31 December 2020 R'000</b>	<b>31 December 2019 R'000</b>
<b>Balance at the beginning of the year</b>	<b>4 216 411</b>	<b>4 549 165</b>
Loss on re-measurement of the investment in equities	(1 139 847)	(332 754)
<b>Balance at the end of the year</b>	<b>3 076 564</b>	<b>4 216 411</b>

**Notes to the summarised financial statements continued**  
for the year ended 31 December 2020  
(As extracted from the audited financial statements)

**7. Derivative financial instrument**

As part of the implementation of the MTN Group BBBEE scheme, MTN Zakhele Futhi obtained Notional Vendor Finance ("NVF") to facilitate the purchase of MTN Group shares. MTN Group issued 25 721 165 NVF shares to MTN Zakhele Futhi at a total subscription price of R2 572 on 23 November 2016. MTN Group has a call option against MTN Zakhele Futhi in respect of the shares included in the NVF facility.

The notional outstanding debt at a given point in time is dependent on the dividends generated by MTN Group during the life of the option. The structure therefore represents a path dependent option. The Monte Carlo simulation was applied as the valuation technique, which is in line with the standard market practice.

The valuation of the option at year end was a liability of R1 080 509 393 (2019: R1 000 774 652). The significant inputs into the model at the end of the year were as follows:

- the market price of MTN Group shares of R60,19 (2019: R82,49);
- the NVF balance of approximately R4 531 million (2019: R4 255 million);
- volatility of 47.08% (2019: 37.34%);
- a dividend yield of 11.59% (2019: 8.18%);
- an expected option life of 8 years from inception (2019: 8 years); and
- an annual risk-free rate of 4.31% (2019: 6.91%).

	<b>31 December 2020 R'000</b>	<b>31 December 2019 R'000</b>
Balance at the beginning of the year	<b>(1 000 775)</b>	<b>(697 565)</b>
Fair value adjustments recorded in profit or loss	(79 735)	(303 210)
<b>Fair value at the end of the year</b>	<b>(1 080 510)</b>	<b>(1 000 775)</b>

**8. Borrowings**

The below borrowings have been indirectly secured through the back-to-back preference shares issued by Jabisan 04 (RF) Proprietary Limited ("Jabisan 04"). MTN Zakhele Futhi issued cumulative redeemable non-participating preference shares, on 23 November 2016, at an issue price of R1 000 per preference share to Jabisan 04. The preference shares were redeemable after 5 (five) years from the issue date i.e. 23 November 2021. During December 2020 the holders of the cumulative redeemable preference shares agreed to extend the scheduled redemption date by a period of 12 months i.e. to the date which is 6 (six) years from the issue date. The preference shares are now redeemable on 23 November 2022.

The transaction costs capitalised to the borrowings relate to the arrangement fees that were directly attributable to the issue of the preference shares.

The preference shares are classified as debt instruments (financial liabilities) as they are mandatorily redeemable to the holders by no later than 23 November 2022.

The extension to the scheduled redemption date is not considered to be a substantial modification. The original liability has therefore not been derecognised and a modification gain has been recognised in the profit or loss.

The MTN Zakhele Futhi preference shares accrue preference share dividends at a Dividend Rate of 75% of the South African prime rate expressed as a simple rate of interest (compounded on each scheduled preference dividend date). The preference share dividends accrued (in arrears) are payable annually on 30 April and 30 September over the term of the preference shares, or such earlier date as many be agreed in writing by MTN Zakhele Futhi and the Preference Share Agent at least 5 (five) business days prior to 30 September of any year during the term of the preference shares.

The MTN Zakhele Futhi preference shares are subject to a trigger event if the one-day VWAP of the MTN shares is R38 or less. This trigger event was revised during the year, with the consent of the MTN Zakhele Futhi shareholders, the preference shareholders, the company and MTN, from a one-day VWAP of R50 to a one-day VWAP of R38.

**Notes to the summarised financial statements continued**  
for the year ended 31 December 2020  
(As extracted from the audited financial statements)

**8. Borrowings (continued)**

On 15 March 2020 the President of the Republic of South Africa declared South Africa to be in a "National State of Disaster" due to the increasing impact of the Covid-19 virus in South Africa. The outbreak of Covid-19 across the world had an unprecedented global impact, causing the prices of shares globally to decline significantly.

As is customary, the third-party funding documents require the MTN share price to remain above certain set cover levels and price thresholds (share covenants), which enable the funders to accelerate their repayment should these share covenants be triggered. Due to the impact of Covid-19, certain of these thresholds were triggered in March 2020.

MTN Zakhele Futhi is structured robustly and is supported by MTN in multiple ways. Over the eight-year life of the scheme, the potential for unforeseen, but material and sudden, movements in market prices was provided for, and a mechanism was included in the Transaction Documents to enable MTN to voluntarily take over the third-party funding in these circumstances, through the exercise of an option to purchase the preference shares. On 26 March 2020, in co-ordination with the third-party funders, and in continued support of MTN Zakhele Futhi, MTN voluntarily entered into an agreement with the holders of the preference shares to exercise its call option to acquire the preference share funding. Under the exercise of the call option, MTN would have acquire the preference shares on and with effect from immediately after the next scheduled priority of payments, which was anticipated to be 15 April 2020.

Following further discussion with the third-party funders after the subsequent increase in the MTN share price, MTN issued a call option revocation notice prior to the scheduled priority of payments, which it was agreed to and accepted by the third-party funders.

There are no continuing trigger events and MTN Zakhele Futhi is in compliance with its debt covenant requirements at year end.

	<b>31 December 2020 R'000</b>	<b>31 December 2019 R'000</b>
Balance at the beginning of the year	<b>1 187 778</b>	<b>1 470 356</b>
Capitalisation of transaction costs	(504)	–
Redemption of non-participating preference shares (redeemed at a par value of R1 000)	(212 620)	(276 892)
Interest paid on cumulative redeemable non-participating preference shares	(70 592)	(105 403)
Gain on IFRS 9 modification adjustment	(19 521)	–
Accrued interest at the effective interest rate	50 501	99 717
	<b>935 042</b>	<b>1 187 778</b>

**9. Related parties**

**Relationships:**

Preference shareholder:	Jabisan 04 (RF) Proprietary Limited
Shareholder of preference shareholder:	BFC2 Owner Trust
Provider of Notional Vendor Finance:	MTN Group Limited
Provider of advance:	Mobile Telephone Network Holdings Limited
Non-executive directors:	Sindisiwe Mabaso-Koyana
	Sonja De Bruyn <sup>(1)</sup>
	Grant Gelink
	Belinda Mapongwana <sup>(2)</sup>
	Edward Pitsi <sup>(2)</sup>
	Manana Nhlanhla <sup>(2)</sup>

<sup>(1)</sup> Resigned 22 June 2020

<sup>(2)</sup> Appointed 22 June 2020

**Notes to the summarised financial statements continued**  
for the year ended 31 December 2020  
(As extracted from the audited financial statements)

9. **Related Parties (continued)**

	31 December 2020 R'000	31 December 2019 R'000
<b>Related party balances:</b>		
<b>Preference share liability</b>		
Jabisan 04 (RF) Proprietary Limited	956 347	1 187 778
<b>Advance received</b>		
Mobile Telephone Network Holdings Limited	15 000	–
<b>Ordinary share capital held by related party</b>		
MTN Group Limited	365 540	365 540
<b>Related party transactions:</b>		
<b>Dividends received from related parties</b>		
MTN Group Limited	(272 766)	(399 544)
<b>Interest paid to related parties</b>		
Jabisan 04 (RF) Proprietary Limited	70 592	105 403
<b>Interest payments accrued in respect of related parties</b>		
Mobile Telephone Network Holdings Limited	266	–
<b>Expenses paid on behalf of related parties</b>	<b>1 075</b>	<b>956</b>
Jabisan 04 (RF) Proprietary Limited	1 075	956
BFC2 Owner Trust	–	–
<b>Remuneration of the board of directors – directors' fees*</b>	<b>1 037</b>	<b>768</b>
Sindisiwe Mabaso- Koyana	287	397
Sonja De Bruyn <sup>(1)</sup>	78	165
Grant Gelink	232	206
Belinda Mapongwana <sup>(2)</sup>	159	–
Edward Pitsi <sup>(2)</sup>	147	–
Manana Nhlanhla <sup>(2)</sup>	134	–

(1) Resigned on 22 June 2020.

(2) Appointed on 22 June 2020.

\* VAT (at a rate of 15%) is charged by the non-executive directors where applicable.

The directors do not consider the key service providers to be “key management personnel” as defined in IAS 24, *Related Party Disclosure*.

10. **Events after the reporting period**

On 10 March 2021 MTN announced that it was suspending payment of a final dividend for the financial year ended 31 December 2020. As MTN Zakhele Futhi's only material investment and asset consist of MTN Shares this has a direct impact on the company's liquidity and its ability to pay scheduled payments owing to the third-party funders and operational costs as they become due and payable. The MTN Zakhele Futhi directors approached MTN to request additional funds to be made available to MTN Zakhele Futhi to address its immediate liquidity shortfall.

In order to assist the company in meeting its liquidity shortfall Mobile Telephone Networks Holdings Limited agreed to provide an advance of up to R75,0 million and MTN issued a letter of comfort to MTN Zakhele Futhi on 16 April 2021.

On 9 April 2021 Manana Nhlanhla resigned as a member of the Audit, Risk and Compliance Committee and has been replaced by Belinda Mapongwana. Manana continues to serve as a non-executive director of the Company.

No other significant events have occurred between the reporting date and 23 April 2021 that require adjustment or disclosure.

**Notes to the summarised financial statements continued**  
for the year ended 31 December 2020  
(As extracted from the audited financial statements)

**11. Fair value measurement**

In terms of IFRS 13, *Fair Value Measurements*, financial instruments that are measured in the statement of financial position at fair value require disclosure of the fair value measurements by level in terms of the following fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable from the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. that is, unobservable inputs).

The fair value of the investment in equities financial asset is based on the MTN Group share price, as listed on the JSE. The fair value of the derivative financial instrument is based on a valuation model. The input to this model includes the MTN Group share price, which is an observable input in the market. Other inputs include interest rates on the borrowings, which inputs are not observable in the market.

The table below presents the Company's assets and liabilities that are measured at fair value.

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
<b>31 December 2020</b>				
<b>Recurring fair value measurement</b>				
Investment in equities	3 076 564	–	–	3 076 564
Derivative financial instrument	–	–	(1 080 510)	(1 080 510)
<b>Amortised cost measurement</b>				
Other receivables	–	190	–	190
Cash and cash equivalents	–	9 928	–	9 928
Borrowings	–	(1 012 152)	–	(1 012 151)
Advance from MTN	–	(15 266)	–	(15 266)
Other payables	–	(2 924)	–	(2 924)
Other liability	–	(2 860)	–	(2 860)
<b>31 December 2019</b>				
<b>Recurring fair value measurement</b>				
Investment in equities	4 216 411	–	–	4 216 411
Derivative financial instrument	–	–	(1 000 775)	(1 000 775)
<b>Amortised cost measurement</b>				
Other receivables	–	667	–	667
Cash and cash equivalents	–	21 806	–	21 806
Borrowings	–	(1 205 318)	–	(1 205 318)
Other payables	–	(2 537)	–	(2 537)
Other liability	–	(3 566)	–	(3 566)

There were no transfers between level 1, 2 or 3 during the financial year.

**12. Going Concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Mobile Telephone Networks Holdings Limited advanced an amount of R15,0 million to MTN Zakhele Futhi on 22 September 2020 to assist the company in meeting its immediate liquidity shortfall. This advance was provided to assist the company in meeting its operational obligations until the intended receipt of the next dividend from MTN, which was anticipated to be declared in March 2021.

**Notes to the summarised financial statements continued**  
*for the year ended 31 December 2020*  
(As extracted from the audited financial statements)

**9. Going Concern (continued)**

On 10 March 2021 MTN announced that it has suspended the dividend policy and anticipates communicating a revised medium-term dividend policy when it announces its FY 2021 results in March 2022. As MTN Zakhele Futhi's only material investment and asset consists of MTN Shares this has a direct impact on the company's liquidity including its ability to pay scheduled payments owing to the third-party funders and operational costs as they become due and payable. Subsequent to the announcement by MTN, the MTN Zakhele Futhi directors approached MTN to request additional funds to be made available to MTN Zakhele Futhi to address its immediate liquidity shortfall.

The original Finance Documents do not make general provision for MTN to advance additional funds to MTN Zakhele Futhi for all its required purposes. The MTN Subordination and Undertaking Agreement does not specifically allow for funds to be advanced to MTN Zakhele Futhi for any purpose other than to assist with the payment of operational costs. On 12 March 2021 MTN Zakhele Futhi, together with MTN, sent a request to the third-party funders to allow the MTN Subordination and Undertaking Agreement to be amended to allow the company to receive sufficient funds from MTN to address its liquidity issues. Confirmation was subsequently received from the funders and the MTN Subordination and Undertaking Agreement has been amended to allow for funds received from MTN or an MTN group company to be utilised by MTN Zakhele Futhi to pay both scheduled payments owing to the third-party funders and operational and other costs as they become due and payable.

The directors have assessed the going concern assumption after consideration of the following:

- The receipt of a letter of support from MTN indicating their intention to support MTN Zakhele Futhi in the event that it faces any further liquidity challenges. Although this letter should not in any way be construed as a guarantee of support or firm undertaking by MTN, MTN demonstrated their willingness to exercise their call option and acquire the preference share funding when the trigger events relating to the preference share funding were triggered in March 2020.
- MTN Group, through its subsidiary Mobile Telephone Networks Holdings Limited, has agreed to advance an amount of up to R75,0 million to MTN Zakhele Futhi to enable it to meet its cash requirements for the next 12-month period.
- Should cash resources once again become strained, the company's directors would consider the possibility of requesting the postponement of future preference share dividends. This would assist in providing MTN Zakhele Futhi with improved liquidity to meet its obligations.
- The preference share funding redemption date has been extended by a further 12-month period to November 2022. The third-party funding is therefore not repayable within the next 12-month period.

Based on the above, the directors have concluded that a material uncertainty exists around the application of the going concern assumption for the company over the next 12-month period. The material uncertainty arises due to the significant reliance required to be placed on MTN in order for MTN Zakhele Futhi to be considered liquid and solvent.

**13. Independent audit**

These summarised financial results set out on pages 6 to 16 are based on the Annual Financial Statements for the year ended 31 December 2021 audited by the Company's independent auditors, SizweNtsalubaGobodo Grant Thornton Inc., who have performed their audit in accordance with the International Standards on Auditing. A full copy of their unmodified audit report (containing a material uncertainty relating to going concern) is available for inspection at the Company's registered office, or on request. The audit report is also available within the audited annual financial statements. The summarised financial statements have been derived from the Company's annual financial statements and are consistent in all material aspects.

The directors take full responsibility for the preparation of the summarised financial statements and that the financial information has been correctly extracted from the underlying annual financial statements.

**Notes to the summarised financial statements continued**  
for the year ended 31 December 2020  
(As extracted from the audited financial statements)

**14. Basic and diluted earnings per share**

	<b>31 December 2020 R'000</b>	<b>31 December 2019 R'000</b>
Number of ordinary shares in issue at year end ('000)	123 417	123 417
Weighted average number of shares ('000)	123 417	123 417
Profit/(loss) for the year	145 892	(38 049)
Adjusted for:		
– Loss on remeasurement of the derivative financial instrument		
<b>Profit attributable to shareholders</b>	<b>225 627</b>	<b>265 161</b>
Basic and diluted earnings per share (cents)	<b>182,81</b>	<b>215,85</b>

There are no items included in the calculation of profit attributable to shareholders which are required to be excluded in terms of circular 2/2015, Headline Earnings, in the calculation of headlines earning per share.

**15. Availability of full set of audited financial statements**

The full set of audited financial statements and the unmodified audit report from SizweNtsalubaGobodo Grant Thornton Inc, thereon:

- can be accessed on the following website: [www.mtnzakhelefuthi.co.za](http://www.mtnzakhelefuthi.co.za);
- are available at the Company's registered office; or
- will be sent to you by ordinary post if you request this from Nedbank Limited, acting through its Share Scheme Administration division, whose details appear under the administration section on the inside back cover.



## **MTN Zakhele Futhi (RF) Limited**

Incorporated in the Republic of South Africa

(Registration number 2016/268837/06)

JSE share code: MTNZF

ISIN: ZAE000279402

LEI: 378900429C4F73B1BE74

("MTN Zakhele Futhi" or "the Company")

---

## NOTICE OF THE ANNUAL GENERAL MEETING

---

**This document is important and requires your immediate attention.**

**If you are in any doubt about what action you should take, consult your broker, central securities depository participant ("CSDP"), legal adviser, banker, financial adviser, accountant or other professional adviser immediately.**

Included in this document are:

- The notice of the annual general meeting ("**AGM**"), setting out the resolutions to be proposed at the meeting, together with explanatory notes.
- Guidance notes on how to participate in the AGM electronically which can be found on pages 39 to 43. There are also guidance notes if you wish to attend and vote at the meeting (for which purpose the virtual meeting connection information is included) or to vote by proxy which can be found on page 45 of this notice.
- A proxy form for use by shareholders holding MTN Zakhele Futhi shares in certificated form or recorded in sub-registered electronic form in "own name".

If you have disposed or otherwise transferred all your shares in MTN Zakhele Futhi, please forward this notice of AGM, proxy form and accompanying documents, to the purchaser or transferee of such shares or the broker, banker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

**This document is available in English, Zulu and Sotho on the Company's website at – <https://www.mtnzakhelefuthi.co.za/home/agm> under the section titled "Notice to Annual General Meetings"**

**Shareholders are kindly advised that with the COVID-19 Regulations currently in place, social distancing is paramount and the rules of lockdown must be adhered to. Physical attendance will not be possible, and the AGM will only be accessible through electronic communication, as permitted by the JSE Limited ("JSE") and the provisions of the Companies Act, No. 71 of 2008, as amended ("Companies Act") and the Company's memorandum of incorporation, as amended ("MOI").**

### **Notice to shareholders**

Notice is hereby given to shareholders of MTN Zakhele Futhi as at the record date of Friday, 30 July 2021 that, the AGM of the Company will be held entirely by way of electronic communication as contemplated in section 63(2)(a) of the Companies Act at <https://mtnzakhelefuthi.virtual-meetings.online/login> on Tuesday, 7 September 2021 at 11:30 (South African time), to: (i) consider and, if deemed fit to pass, with or without modification, the following ordinary and special resolutions, in the manner required by the Companies Act, as read with the Listings Requirements ("**Listings Requirements**") of the JSE and the MOI: and (ii) deal with such other business as may lawfully be dealt with at the AGM.

The board of directors of the Company ("**Board**") has, in accordance with section 62(3)(a), read with section 59 of the Companies Act, determined that shareholders recorded in the Company's securities register as at the voting record date of Friday, 27 August 2021 are entitled to participate in and vote at the AGM. Accordingly, the last day to trade in the Company's shares in order to be recorded in the securities register to be entitled to participate in and vote at the AGM will be Tuesday, 24 August 2021.

Due to: (i) the COVID-19 outbreak in South Africa, its status as an ongoing pandemic and its declaration as a "national disaster" in terms of the Disaster Management Act, No. 57 of 2002, as amended (and accordingly, the restrictions imposed thereby on public gatherings), and the subsequent declaration by President Cyril Ramaphosa of a nation-wide lockdown;

---

## NOTICE OF THE ANNUAL GENERAL MEETING (continued)

---

and (ii) the MOI of MTN Zakhele Futhi allowing the Company to hold its general meetings and AGMs (as the case may be) entirely by way of electronic communication as contemplated in section 63(2)(a) of the Companies Act, the Board has, in the circumstances, determined that it is necessary, prudent and preferable that the upcoming AGM be held entirely by way of electronic participation, and not by way of a physical meeting. Accordingly, the AGM will only be accessible through electronic communication, as permitted by the JSE and in accordance with the provisions of the Companies Act and the MOI. Shareholders will have the opportunity to cast their votes electronically through the iProxy platform prior to the meeting, or send in their proxy forms, or to participate and/or vote online, using their smartphone, tablet or computer, subject to the provisions applicable to dematerialised shareholders without own-name registration. Please refer to pages 39 to 42 of this notice of AGM for details on how to participate in the meeting. The iProxy platform will be available from 09:00 on 17 August 2021.

Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Any such charges will not be for the account of the JSE, the Company or any service provider retained for purposes of hosting and/or facilitating the electronic AGM. None of the JSE, the Company or any such service provider can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder from participating in and/or voting at the AGM.

### Identification of meeting participants

Shareholders are further advised that in terms of section 63(1) of the Companies Act, any person (including proxies) attending or participating at the AGM must present reasonably satisfactory identification before being entitled to attend or participate in and vote at the AGM. The Company has retained the services of Ince Proprietary Limited to provide the voting platform and the webcast, and to validate (in consultation with the Company and, in particular, the Company's transfer secretaries, Nedbank Limited (acting through its Share Scheme Administration business unit), and your CSDP) each shareholder's entitlement to participate in and/or vote at the AGM, before providing you with the necessary means to access the AGM and the associated voting platform.

Shareholders are advised, and strongly encouraged, to participate in the AGM electronically and, for administrative ease, to make use of the online proxy platform as outlined in this notice ahead of the meeting, subject to the provisions applicable to dematerialised shareholders without own-name registration.

### AGENDA

#### 1. Presentation of annual financial statements

The audited annual financial statements of the Company (as approved by the Board), including the directors' report, the audit, risk and compliance committee report and the external auditors' report for the year ended 31 December 2020, have been distributed to shareholders as required and are hereby presented to shareholders at this AGM as required in terms of section 61(8)(a) of the Companies Act.

The complete annual financial statements are set out on pages 19 to 53 of the annual report which is available on the Company's website at [www.mtnzakhelefuthi.co.za/investor-relations](http://www.mtnzakhelefuthi.co.za/investor-relations) under the section titled Annual and Interim Financial Statements.

*When reading the resolutions below, please refer to the explanatory notes for the AGM resolutions on page 24.*

#### 2. ORDINARY RESOLUTIONS

##### 2.1 Ordinary resolution numbers 1.1 to 1.2

##### ***Re-election of directors retiring by rotation***

Mr Gelink and Ms Mapongwana retire by rotation in terms of clause 24.7 of the MOI, which requires not less than one-third of the directors to retire at each AGM. Mr Gelink and Ms Mapongwana, being eligible, offer themselves for re-election

**Ordinary resolution number 1.1:**

***Re-election of Grant Gelink as a director***

Grant Gelink is an independent non-executive director and serves as chairman of the Company's audit and risk committee. The full biography of the director is set out on page 3 of this notice.

**"Resolved that,** Grant Gelink, who retires by rotation and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company."

**Ordinary resolution number 1.2:**

***Re-election of Belinda Mapongwana as a director***

Belinda Mapongwana is an independent non-executive director and serves as chairman of the Company's board. The full biography of the director is set out on page 2 of this notice.

**"Resolved that,** Belinda Mapongwana, who retires by rotation and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company."

*The percentage of voting rights required for ordinary resolution numbers 1.1 to 1.2 to be adopted is more than 50% (fifty percent) of the voting rights exercised on each resolution.*

**2.2 Ordinary resolution numbers 2.1 to 2.3**

***Election of Audit and Risk Committee Members***

**Ordinary resolution number 2.1:**

**"Resolved that,** subject to the passing of ordinary resolution number 1.1, Grant Gelink be and is hereby elected as a member of the audit and risk committee with effect from the end of this meeting in terms of section 94(2) of the Companies Act, until the conclusion of the next AGM."

**Ordinary resolution number 2.2:**

**"Resolved that,** Edward Pitsi be and is hereby elected as a member of the audit and risk committee with effect from the end of this meeting in terms of section 94(2) of the Companies Act, until the conclusion of the next AGM."

**Ordinary resolution number 2.3:**

**"Resolved that,** subject to the passing of ordinary resolution number 1.2, Belinda Mapongwana be and is hereby elected as a member of the audit and risk committee, with effect from the end of this meeting in terms of section 94(2) of the Companies Act, until the conclusion of the next AGM."

*The percentage of voting rights required for ordinary resolution numbers 2.1 to 2.3 to be adopted is more than 50% (fifty percent) of the voting rights exercised on each resolution.*

**2.3 Ordinary resolution number 3**

***Re-appointment of external auditors***

**Ordinary resolution number 3.1:**

**"Resolved that,** SizweNtsalubaGobodo Grant Thornton Inc. be and is hereby re-appointed as auditor of the Company to hold office with effect from the conclusion of this meeting until the conclusion of the next AGM of the Company, with Nhlanhla Sigasa as the designated auditor."

*The percentage of voting rights required for ordinary resolution number 4 to be adopted is more than 50% (fifty percent) of the voting rights exercised on this resolution.*

NOTICE OF THE ANNUAL GENERAL MEETING (continued)

3. SPECIAL RESOLUTIONS

3.1 Special resolution number 1

***Proposed remuneration payable to non-executive directors***

"Resolved that (i) in terms of the Companies Act and clause 26 of the MOI and subject to the terms thereof, the directors' remuneration, with effect from the date of passing of this resolution, be as set out below:

<b>MTN Zakhele Futhi (RF) Limited board</b>			
	<b>Annual retainer fee (ZAR)</b>		<b>Attendance fee (ZAR) (per meeting)</b>
	<b>Proposed quarterly fee</b>	<b>Total annually</b>	<b>Proposed attendance fee (per meeting)</b>
Chairperson	31 585	126 340	49 748
Member	13 810	55 240	27 619

*\*It is anticipated that the board will meet quarterly.*

<b>MTN Zakhele Futhi (RF) Limited audit and risk committee</b>			
	<b>Annual retainer fee (ZAR)</b>		<b>Attendance fee (ZAR) (per meeting)</b>
	<b>Proposed quarterly fee</b>	<b>Total annually</b>	<b>Proposed attendance fee (per meeting)</b>
Chairperson	N/A	N/A	21 763
Member	N/A	N/A	15 040

*\*It is anticipated that the audit and risk committee will meet at least twice per year to align with the interim and year-end audit results, and only attendance fees will be paid.*

<b>MTN Zakhele Futhi (RF) Limited – Special Assignments/Projects per day/Ad hoc work</b>	
<b>Daily/hourly rate (ZAR) unless otherwise stated</b>	<b>Proposed</b>
Special assignment or project per day	12 039
Ad hoc work, including on special assignments and projects and, including telecom meetings (hourly rate)	1 505

(ii) In accordance with clause 26.2 of the MOI, the directors may be paid all reasonable expenses in travelling (including hotels) to and from meetings of the directors and shareholders, and the members of the Board committees shall be entitled to all reasonable expenses in travelling (including hotels) to and from meetings of the members of the board committees."

The proposal set out in special resolution number 1, is in line with the remuneration paid to non-executive directors and other non-executive office bearers of other South African companies and this represents an increase of 3.5% on last year's fees. The Board has sanctioned the proposal.

The proposed revised remuneration is considered to be fair and reasonable and in the best interests of the Company.

*The percentage of voting rights required for special resolution number 1 to be adopted shall be at least 75% of the votes cast by all shareholders present in person, or represented by proxy, at the AGM.*

### 3.2 Special resolution number 2

#### ***Proposed amendments to the memorandum of incorporation of the Company***

**"Resolved that** the existing memorandum of incorporation of the Company ("**MOI**") be and is hereby amended and substituted in its entirety with a new MOI ("**New MOI**"), being an amended version of the existing MOI which has been approved by a resolution of the board of the Company and initialled by the chairperson of the board for purposes of identification, and which reflects (for reference purposes only) the effective amendments to the existing MOI in tracked text format, with this resolution taking effect in accordance with the provisions of the Companies Act but not earlier than the conclusion of the meeting in which this resolution is passed."

The salient features of the New MOI are set out in the explanatory notes to this notice of AGM commencing on page 24. The complete, New MOI reflecting the amendments made pursuant to this special resolution number 2 (including a full version which, for ease of reference, identifies the amendments in tracked text format in the existing MOI, including Annexe A (Rights, terms and privileges attaching to the MTN Zakhele Futhi Preference Shares)) is available for inspection on the Company's website, together with (i) the amendments made or to be made to the memorandum of incorporation of Jabisan 04 (RF) Proprietary Limited (which entity provides back to back preference shares to the Company) and (ii) the Refinancing Agreement between, amongst others, the Company, the existing preference share funders and MTN ("**Refinancing Agreement**"), which regulates implementation of the Refinancing (defined below) and includes as annexures thereto the material agreements which are impacted by such Refinancing, at <https://www.mtnzakhelefuthi.co.za/home/agm> and titled "**MTN Zakhele Futhi MOI – 2021 Amendments**". This version of the New MOI is also available for inspection, subject to Covid-19 restrictions and protocols, at the Company's registered office at Nedbank, 135 Rivonia Road, Sandown, Johannesburg, 2193 or from the Sponsor's offices at Ground Floor, Golden Oak House, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2021.

The percentage of voting rights required for special resolution number 2 to be adopted shall be (i) as a special resolution under the Companies Act 71 of 2008, as amended, 75% of the voting rights exercised on special resolution number 2 by all holders of shares in the Company (all classes voting), and additionally (ii) at least 65% of the voting rights exercised on special resolution number 2 by holders of ordinary shares in the Company. It is noted that the contractual consent of both the agent of the holders of the preference shares of the Company and MTN is required and has been obtained (or will, prior to the date of this AGM, be obtained) for the purposes of these amendments to the MOI. The JSE Limited ("**JSE**") has also approved the proposed amendments to the MOI.

### 3.3 Special resolution number 3

#### ***Financial Assistance pursuant to section 44 of the Companies Act***

**"Resolved that** subject to compliance with the requirements of the Companies Act and the MOI, the board of the Company may authorise the Company to provide any and all financial assistance required to be provided by the Company pursuant to or in connection with the Refinancing Agreement, the other Finance Documents (such documents collectively referred to as the "**Relevant Documents**") and/or the transactions contemplated therein, to any person, for all purposes required under section 44 of the Companies Act, including 44(3)(a)(ii) of the Companies Act, such authority to endure for a period of two years from the date of this resolution."

Special resolution number 3 authorises the board of the Company to grant security and/or other financial assistance to any person, including but not limited to the holders of the third party preference shares and MTN in connection with the Refinancing and the Relevant Documents, which may result in the Company providing direct or indirect financial assistance within the meaning of section 44 of the Companies Act. The above resolution authorises the board of the Company to grant such potential financial assistance, subject to compliance with the requirements of the MOI and the Companies Act.

The percentage of voting rights required for special resolution number 3 to be adopted shall be (i) as a special resolution under the Companies Act 71, 75% of the voting rights exercised on special resolution number 3 by all holders of shares in the Company (all classes voting), and additionally (ii) at least 65% of the voting rights exercised on special resolution number 3 by holders of ordinary shares in the Company.

---

## NOTICE OF THE ANNUAL GENERAL MEETING (continued)

---

### **Operative time of resolutions**

Other than expressly provided otherwise, all resolutions will be immediately operative once approved by the requisite majority of shareholders.

### **Voting procedures**

Voting at the AGM will be undertaken electronically. An electronic voting service will be available that will enable all eligible shareholders who attend to vote at the meeting, subject to the provisions applicable to dematerialised shareholders without own-name registration. Voting on all resolutions will be conducted by way of a poll. The registrars will identify each shareholder's individual shareholding so that the number of votes that each shareholder has at the meeting will be linked to the number of votes which each shareholder will be able to exercise at the meeting. Shareholders who have completed and returned forms of proxy, including any proxy completed and returned via the online proxy platform will not need to vote at the meeting. The voting process for shareholders who elect to participate electronically is detailed in the online shareholder's guide on page 39. Shareholders are encouraged to participate and use the form of proxy or the online voting service to ensure all shareholders' votes are counted, subject to the provisions applicable to dematerialised shareholders without own-name registration.

### **Voting and proxies**

Certificated shareholders and dematerialised shareholders who hold their shares with "own-name" registration entitled to attend and vote at the meeting may appoint one or more individuals as proxies to attend, participate and vote in their stead. A proxy does not have to be a shareholder of the Company but must be an individual. The appointment of a proxy will not preclude the shareholder who appointed that proxy from attending the AGM and participating and voting in person thereat to the exclusion of any such proxy. A form of proxy for use at the meeting is attached and must be submitted by all individuals attending as proxies, together with a certified copy of the SA ID of the shareholder and the proxy.

The duly completed instrument appointing a proxy and the authority, if any, under which it is signed must be lodged by shareholders with the Company's transfer secretaries, Nedbank Limited, acting through its Share Scheme Administration business unit, registration number: 1951/000009/06, at 135 Rivonia Road, Sandown, Johannesburg, 2193 or by email at email address: ssa-zakhelefuthi@Nedbank.co.za prior to the commencement of the meeting to be held at 11:30 (South African time) on Tuesday, 7 September 2021 and for administrative convenience shareholders are requested to lodge all such documents by no later than 11:30 (South African time) on Monday, 6 September 2021. The name and address details of the transfer secretaries are given on the back of the proxy form.

The attention of shareholders is directed to the additional notes contained in the form of proxy included in this notice on page 45.

The attached form of proxy is provided to shareholders for their convenience. Shareholders are not obliged to use the attached form and may appoint a proxy in writing under section 58 of the Companies Act. A summary of the provisions of this section is included in the appendix to the notice of AGM.

Dematerialised shareholders without own-name registration must instruct their CSDP, broker or nominee as to how they wish to vote. The voting instructions must reach the CSDP, broker or nominee in sufficient time to allow the CSDP, broker or nominee to advise the Company or the Company's transfer secretaries, Nedbank Limited (acting through its Share Scheme Administration business unit) of their instructions by no later than 11:30 on 6 September 2021, for administrative convenience.

Dematerialised shareholders without own-name registration who wish to attend, participate electronically in and/or vote at the AGM are required to first contact and/or instruct their CSDP, broker or nominee to issue them with the necessary letters of representation in terms of the custody agreement entered into between the dematerialised shareholder and their CSDP, broker or nominee to do so and following the procedure above. For administrative convenience, shareholders are requested to lodge the letters of representation with the Company's registrars by no later than 11:30 on 6 September 2021.

By order of the Board

**Belinda Mapongwana**

Chairperson: Board of directors

10 August 2021

**Business address and registered office**

135 Rivonia Road  
Sandown  
Johannesburg  
2193

**Transfer secretaries and shareholder communication**

Nedbank Limited, acting through its Share Scheme  
Administration business unit  
(Registration number: 1951/000009/06)  
135 Rivonia Road  
Johannesburg, 2193  
Tel: +27 83 900 6863  
Email: ssa-zakhelefuthi@Nedbank.co.za

---

## EXPLANATORY NOTES TO THE RESOLUTIONS PROPOSED AT THE ANNUAL GENERAL MEETING OF THE COMPANY

*for the year ended 31 December 2020*

---

For any assistance or information, please phone Nedbank Limited, acting through its Share Scheme Administration business unit on +27 83 900 6863.

### **Re-election of directors retiring by rotation at the AGM – ordinary resolution number 1.1 to 1.2**

Clauses 24.7 and 24.8 of the MOI, *inter alia*, require one-third of the directors (including MTN Nominated Directors), to retire from office at the conclusion of each AGM and for those directors, being eligible for re-election, to be re-elected by shareholders. Grant Gelink and Belinda Mapongwana having retired by rotation in terms of the MOI and, being eligible, offer themselves for re-election as a director of the Company. Their biographical details are set out on page 2 and 3.

### **Election of the audit committee – ordinary resolution numbers 2.1 to 2.3**

Section 94 of the Companies Act, requires, among other things, that at each AGM of a public company the shareholders appoint an audit committee comprising at least three members who are non-executive directors of the company. Regulation 42 of the Companies Regulations, 2011 requires that, at least one-third of the members of a Company's audit committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management. The Board has reviewed the composition of the audit and risk committee against the requirements of the Companies Act and has confirmed that the committee complies with the relevant regulatory requirements and that the members have the necessary knowledge, skills and experience to enable the committee to perform its duties in terms of these requirements. The Board therefore recommends the election of the members proposed in ordinary resolution numbers 2.1 to 2.3.

### **Re-appointment of external auditors – ordinary resolution number 3**

Section 90(1) of the Companies Act requires a public company to appoint an auditor each year at its AGM. The audit and risk committee considered the independence of the external auditors during the year and assessed the skills, reporting and overall performance of SizweNtsalubaGobodo Grant Thornton Inc. (as external auditors) and has satisfied itself that the external auditors comply with the requirements of section 90(2) and 90(3) of the Companies Act and section 22 of the Listings Requirements, and accordingly recommends their reappointment as the Company's external auditors.

### **Remuneration payable to directors – special resolution number 1**

In terms of sections 66(8) and (9) of the Companies Act, the Company may remunerate its directors for their services as directors only in accordance with a special resolution approved by the shareholders within the previous two years. In terms of clause 26.1 of the MOI, the directors are entitled to such remuneration as the shareholders of the Company in general meeting may from time to time determine, but subject to the limits on administration costs applicable to the Company under clause 3 of Annexe A to the MOI, and the Transaction Documents (as defined in the MOI). In addition, in terms of clause 26.2 of the MOI, the directors shall be paid all reasonable expenses in travelling (including hotels) to and from meetings of the directors and shareholders, and the members of the board committees shall be entitled to all reasonable expenses in travelling (including hotels) to and from meetings of the members of the board committees.

Special resolution number 1 is proposed in order to comply with the requirements of the Companies Act and the MOI. The rates referred to in this special resolution number 1 have been selected to ensure that the remuneration of directors remains competitive in order to enable the Company to retain and attract persons of the calibre, appropriate capabilities, skills and experience required in order to make meaningful contributions to the Company.

---

EXPLANATORY NOTES TO RESOLUTIONS PROPOSED AT THE ANNUAL GENERAL MEETING OF THE COMPANY (continued)  
for the year ended 31 December 2020

---

**Proposed amendments to the memorandum of incorporation of the Company – special resolution number 2**

Capitalized words and phrases used in this explanatory note below having the same meaning as defined terms in the New MOI, unless otherwise defined below or in this notice of AGM or indicated to the contrary.

The amendments to the MOI arise primarily in the context of the proposed refinancing of the preference share funding currently provided to Jabisan 04 (RF) Proprietary Limited ("**BFC2**") in terms of which, on the refinancing date, which is anticipated to be 30 September 2021 ("**Refinancing Date**") ("**Refinancing**"):

- (i) Nedbank Limited, through its wholly owned subsidiary, Depfin Investments Proprietary Limited ("**Depfin**"), wishes to exit as a preference share funder to BFC2;
- (ii) the existing preference share funding provided to BFC2 by United Towers Proprietary Limited ("**United Towers**"), FirstRand Bank Limited, acting through its Rand Merchant Bank division ("**RMB**") and MMI Group Limited ("**MML**") (MML, United Towers, RMB and MML referred to as the "**BFC2 Refinancing Investors**") will remain in place, subject to certain amendments to the commercial terms of such preference shares;
- (iii) subject to the Refinancing Agreement (as defined below) becoming unconditional in accordance with its terms, the BFC2 Refinancing Investors will subscribe, in aggregate, for 383 939 additional cumulative redeemable preference shares in BFC2, which will have the same terms and conditions as the existing preference shares in BFC2 ("**BFC2 Tranche 2 Preference Shares**");
- (iv) BFC2 may only use the proceeds of the BFC2 Tranche 2 Preference Shares to voluntarily redeem, in the sole and absolute discretion of the director of BFC2, the preference shares currently held in BFC2 by Depfin;
- (v) as Depfin will no longer be a preference share funder to BFC2, RMB will replace Nedbank Limited (acting through its Corporate and Investment Banking division) ("**Nedbank**") as the Preference Share Agent, Calculation Agent, Preference Share Custodian and Account Bank and FirstRand Bank Limited acting through RMB Custody and Trustees Services ("**RMB Custody and Trustees Services**") will replace Nedbank (acting through its Nedbank Investor Services business unit) ("**Nedbank Investor Services**") as the Security Custodian. Nedbank's remaining roles in the transaction will be limited to providing services as the BIC2 Administrator and the BFC2 Administrator; and
- (vi) it is noted that the costs of the abovementioned Refinancing of circa R10 million (inclusive of VAT) will be borne by the Company (and include a participation fee payable to the BFC2 Refinancing Investors of 0.30% of the aggregate issue price of the preference shares held by them after the Refinancing, Securities Transfer Taxes of circa R959 848, legal fees of circa R4 198 807 and corporate advisory fees of circa R1 223 888).

As the BFC2 preference share funding is back to back with the preference share funding made available by BFC2 to BIC2, as a result of the Refinancing, there are amendments required to be made to the terms of the BIC2 Preference Shares. Such amendments required to be made to the terms of the BIC2 Preference Shares, as well as a proposed change to be made to the existing MOI are categorized as follows:

**(A) Refinancing Amendments (Key Commercial Terms)**

These amendments reflect the key commercial terms of the Refinancing and consequential commercial agreements reached between the parties to the Finance Documents and are set out in Table A below. These amendments operate in conjunction with recent amendments to the Finance Documents, concluded during April 2021, which enable MTN (or an MTN Acceded Nominee) to advance additional subordinated loan funding to the Company to support cash shortfalls in the Company in the context of the Company's obligation to pay (1) Taxes (2) BIC2 Administration Costs (3) BIC2 Costs and Indemnity Amounts and (4) BIC2 Scheduled Preference Dividends. In addition to the R15,000,000 advance made by MTN Holdings to the Company during September 2020, the first of such subordinated loans were advanced by MTN Holdings in April 2021 and announced on the Stock Exchange News Service of the JSE on 23 April 2021, as a result of liquidity challenges experienced by the Company in April 2021 arising from the announcement by MTN in March 2021 that it was suspending payment of a final dividend for FY2020, as well as its dividend policy (and having regard to the fact that the Company's only material asset is its holding of ordinary shares in MTN, with the result that the Company's liquidity requirements are dependent on dividends paid by MTN.)

---

EXPLANATORY NOTES TO RESOLUTIONS PROPOSED AT THE ANNUAL GENERAL MEETING OF THE COMPANY (continued)  
for the year ended 31 December 2020

---

**(B) Refinancing Amendments (Consequential Changes)**

These amendments arise as a consequence of the Refinancing Amendments (Key Commercial Terms) and are set out in Table B below.

**(C) Agency Role Amendments**

These amendments arise as a result of the fact that RMB will replace Nedbank as the Preference Share Agent, Calculation Agent, Preference Share Custodian and Account Bank and RMB Custody and Trustees Services will replace Nedbank Investor Services as the Security Custodian and are set out in Table C below. The day to day administration functions of the Company and certain of the administrative functions of BFC2 will remain with Nedbank Limited (acting through its share scheme administration services division).

**(D) General Amendments (Updates and Typographical)**

These amendments are relatively minor and (a) reflect an update to certain definitions and other provisions to reflect agreements which have been entered into or amended, or transactions which have been implemented since the original MOI was adopted in 2016 and as amended on or about 15 June 2020 and 3 August 2020 respectively and (b) correct minor typographical errors and/or omissions and are set out in Table D below.

**(E) Board Meeting Quorum Amendment**

This amendment reflects an amendment to the quorum of directors required for meetings of directors and are set out in Table E below and is not related to the Refinancing.

Special resolution number 2 would have the effect of amending the Company's memorandum of incorporation and substituting the New MOI in its place. The rationale for the proposed amendments set out in the New MOI is to implement each of the category of amendments described in (A) to (E) above.

**TABLE A: REFINANCING AMENDMENTS (KEY COMMERCIAL TERMS)**

Item No.	Affected clause of Annexure A (Rights, terms and privileges attaching to the MTN Zakhele Futhi Preference Shares) of the MOI	Content
1.	Clause 1.3.28 (definition of BFC2 Permitted Enforcement Action)	To align this definition with the equivalent definition in the MTN Subordination and Undertaking Agreement to provide for the ability for MTN or an MTN Acceded Nominee to take additional enforcement action against BFC2 in circumstances in which MTN or the MTN Acceded Nominee holds the BFC2 Preference Shares as a result of an exercise of the Call Option and to include any BFC2 Enforcement Action which is taken against BFC2 by MTN or any MTN Acceded Nominee, in its capacity as holder of BFC2 Preference Shares, in respect of any MTN BFC2 Preference Shareholder Claim, pursuant to a decision having been duly taken to do so by the relevant BFC2 Preference Shareholders in accordance with the relevant provisions of the Interfunder Agreement as a BFC2 Permitted Enforcement Action.
2.	Clause 1.3.53 (definition of BIC2 Discharge Date)	To provide for the definition of "BIC2 Discharge Date" to be the later of (i) the date on which the last BIC2 Preference Share is fully, finally and irrevocably redeemed in full in accordance with these BIC2 Preference Share Terms; and (ii) if, in accordance with the provisions of the BIC2 Preference Share Subscription Agreement, the Company is required to pay any amounts contemplated in clause 14 thereof into the BIC2 Security Account, the date on which any and all such amounts have been paid in full by BIC2 into the BIC2 Security Account.

<b>Affected clause of Annexure A</b> (Rights, terms and privileges attaching to the MTN Zakhele Futhi Preference Shares) of the <b>MOI</b>		
<b>Item No.</b>		<b>Content</b>
3.	Clause 1.3.58 (definition of BIC2 Dividend Rate Percentage) read with clause 1.3.57 (definition of BIC2 Dividend Rate)	To reduce the BIC2 Dividend Rate (and therefore the cost of funding) from 75% of the Prime Rate to 72.5% of the Prime Rate with effect from 30 September 2021 if the Refinancing is implemented.
4.	Clause 1.3.42 A (definition of BIC2 Accumulated Preference Dividends) and Clause 2.1.1 (BIC2 Scheduled Preference Dividends)	To provide for a definition of BIC2 Accumulated Preference Dividends as the accumulation of BIC2 Preference Dividends (i.e. BIC2 Accumulated Preference Dividends) will be permitted in certain circumstances, to amend the operative clause dealing with the calculation and payment of BIC2 Preference Dividends to include the right of the holders of BIC2 Preference Shares to receive BIC2 Accumulated Preference Dividends, and to create a mechanism, and set out the conditions, for the accumulation of BIC2 Scheduled Preference Dividends, being that if, on any BIC2 Scheduled Preference Dividend Date occurring after 30 September 2021, immediately after the proposed application of the Priority of Payments on such BIC2 Scheduled Preference Dividend Date: (i) all or such part of the BIC2 Scheduled Preference Dividends that have accrued in respect of the BIC2 Preference Shares up to and as at such BIC2 Scheduled Preference Dividend Date were not paid; and (ii) the non-payment of all or such part of the BIC2 Scheduled Preference Dividends would not result in the Maximum Roll-Up Amount (as defined below) being exceeded, then the Company is entitled to elect, by delivering written notice to the Preference Share Agent and the BIC2 Administrator not less than 10 (ten) Business Days' prior to such BIC2 Scheduled Preference Dividend Date, to accumulate all or such part of such BIC2 Scheduled Preference Dividends that have accrued in respect of the BIC2 Preference Shares up to and as at such BIC2 Scheduled Preference Dividend Date, provided that the Maximum Roll-Up Amount is not exceeded on such BIC2 Scheduled Dividend Date (immediately after the application of the applicable Priority of Payments on such date). In such circumstances, the BIC2 Accumulated Preference Dividends shall not be required to be declared and paid on such BIC2 Scheduled Preference Dividend Date, but shall instead be required to be declared and paid in full on the immediately succeeding BIC2 Scheduled Preference Dividend Date. The Company shall only be entitled to make such election once in any financial year.
5.	Clause 1.3.73 (definition of BIC2 Permitted Enforcement Action)	To align this definition with the equivalent definition in the MTN Subordination and Undertaking Agreement to provide for the ability for MTN or an MTN Acceded Nominee to take additional enforcement action against BIC2 in circumstances in which MTN or the MTN Acceded Nominee holds the BFC2 Preference Shares as a result of an exercise of the Call Option and to include any BIC2 Enforcement Action which is taken against the Company by MTN or any MTN Acceded Nominee, in its capacity as holder of BFC2 Preference Shares, in respect of any MTN BFC2 Preference Shareholder Claim, pursuant to a decision having been duly taken to do so by the relevant BFC2 Preference Shareholders in accordance with the relevant provisions of the Interfunder Agreement as a BIC2 Permitted Enforcement Action.

EXPLANATORY NOTES TO RESOLUTIONS PROPOSED AT THE ANNUAL GENERAL MEETING OF THE COMPANY (continued)  
for the year ended 31 December 2020

Item No.	Affected clause of Annexure A (Rights, terms and privileges attaching to the MTN Zakhele Futhi Preference Shares) of the MOI	Content
6.	Clause 1.3.90 (definition of BIC2 Scheduled Redemption Date)	To provide that the scheduled redemption date for the BIC2 Preference Shares is: (i) if the Refinancing is implemented on 30 September 2021 in accordance with the terms of the Refinancing Agreement, 23 November 2024 (or such later date or dates as agreed to in Writing by the Preference Share Agent); or (ii) if the Refinancing is not implemented on 30 September 2021 in accordance with the terms of the Refinancing Agreement, the current scheduled redemption date of 23 November 2022 (or such later date or dates as agreed to in writing by the Preference Share Agent).
7.	Clause 1.3.175A (definition of Maximum Roll-Up Amount)	To provide for a definition of " <b>Maximum Roll-Up Amount</b> " as follows: on any Priority of Payments Date, and immediately after the application of the applicable Priority of Payments on such Priority of Payments Date, an amount equal to 105% (one hundred and five percent) of the aggregate BIC2 Issue Price of the BIC2 Unredeemed Preference Shares plus all accrued and/or accumulated BIC2 Preference Dividends in respect of the BIC2 Unredeemed Preference Shares.
8.	Clause 1.3.229 (definition of Refinancing)	To provide for a definition of " <b>Refinancing</b> " as follows: subject to the Refinancing Agreement becoming unconditional in accordance with its terms, the arrangement pursuant to which BFC2 proposes to issue certain additional BFC2 Preference Shares to MML, RMB and United Towers on 30 September 2021 and to use the proceeds from the issue of such additional BFC2 Preference Shares to voluntarily redeem, in the absolute and sole discretion of the director of BFC2, the BFC2 Preference Shares held by Depfin on 30 September 2021.
9.	Clause 1.3.229A (definition of Refinancing Agreement)	To provide a definition of " <b>Refinancing Agreement</b> " as follows: the written agreement entered into or to be entered into between, <i>inter alios</i> , the Company, BFC2, MTN, MTN Holdings and the BFC2 Refinancing Investors, in terms of which, <i>inter alia</i> , (i) the Refinancing is implemented on 30 September 2021 and (ii) certain Finance Documents are amended and restated, on the terms and subject to the conditions therein.
10.	Clause 1.3.229B (definition of Refinancing Date)	To provide a definition of " <b>Refinancing Date</b> " as being 30 September 2021, subject to the Refinancing Agreement becoming unconditional in accordance with its terms.
11.	Clause 2.1.3 – To provide for a BIC2 Margin Dividend if a further Refinancing occurs, or a Disposal occurs.	To provide for a BIC2 Margin Dividend to be payable if (i) the Refinancing is implemented on 30 September 2021 and (ii) and the Company at any time after 30 September 2021 redeems all of the BIC2 Preference Shares and pays the BIC2 Redemption Amount per BIC2 Preference Share with funding raised pursuant to another refinancing (i.e. other than the Refinancing which is anticipated to occur on 30 September 2021) as follows: a BIC2 Margin Dividend of 2% if the other refinancing or Disposal occurs in the first 12 months after the Refinancing Date; a BIC2 Margin Dividend of 1% if the other refinancing or Disposal occurs in the period of 12 to 24 months after the Refinancing Date and no BIC2 Margin Dividend if the other refinancing or Disposal occurs thereafter.

<b>Affected clause of Annexure A</b> (Rights, terms and privileges attaching to the MTN Zakhele Futhi Preference Shares) of the <b>MOI</b>		
<b>Item No.</b>	<b>MOI</b>	<b>Content</b>
12.	Clause 2.1.6.3 (Specific provisions applicable to certain BIC2 Adjustment Events)	To provide that, when applying the formula for application of the BIC2 Adjustment Event, that the BIC2 Dividend Rate Percentage shall not be decreased to a BIC2 Dividend Rate Percentage which is less than (i) prior to 30 September 2021, the BIC2 Dividend Rate Percentage prevailing at the Issue Date; and (ii) on and from 30 September 2021, the BIC2 Dividend Rate Percentage prevailing on 30 September 2021.
13.	Clause 2.1.6.4 (Reciprocity)	To limit potential decreases to the BIC2 Dividend Rate Percentage to a BIC2 Dividend Rate Percentage which is not less than (i) prior to the Refinancing Date, the BIC2 Dividend Rate Percentage prevailing at the Issue Date; and (ii) from the Refinancing Date, the BIC2 Dividend Rate Percentage prevailing on the Refinancing Date and to provide that that the formula set out in clause 2.1.6.3.3 (Specific provisions applicable to certain BIC2 Adjustment Events) shall be applied with reference to any BIC2 Adjustment Event described in clause 2.1.6.2.3.7 (BIC2 Adjustment Events) occurring which requires that the BIC2 Dividend Rate be decreased.
14.	Clause 1.3.270 (definition of Trigger Event Call Option Period)	To increase the Trigger Event Call Option Period for certain BFC2 Potential Trigger Events from 1 Business Day to 2 Business Days or 3 Business Days, as the case may be.
15.	Clause 2.3 (BIC2 Trigger Events)	To amend clause 2.3.1.15 (Total Share Cover Ratio), clause 2.3.1.23 (Permitted Action) and clause 2.3.1.31 (VWAP of the MTN Shares), to increase the remedy periods for these BIC2 Potential Trigger Events by an additional 1 Business Day (so that there is now a 2 Business Day remedy period for each of these BIC2 Trigger Events). To amend clause 2.3.1.24 (Insolvency Events) to provide for a 2 Business Day remedy period for all BIC2 Potential Trigger Events arising from Insolvency Events. To amend clause 2.3.1.25 (Listing of MTN), clause 2.3.1.26 (Trading in MTN Shares) and clause 2.3.1.37 (Volatility Protection Share Cover Ratio) to increase the remedy period for these BIC2 Potential Trigger Events by 2 Business Days (so that there is now a 3 Business Day remedy period for each of these BIC2 Trigger Events).
16.	Clause 1.3.9 (definition of Administration Costs) read with clause 3.1.1 (Pre BIC2 Trigger Event Priority of Payments)	To amend the Pre BIC2 Trigger Event Priority of Payments to clarify that, when referred to in this priority of payments, Taxes and Administration Costs are determined, at the discretion of BIC2 or BFC2, with reference to the (i) immediately succeeding 12 month period or (ii) the period up to the next Priority of Payments Date.
17.	Clause 3.2 (preamble to Special Priority of Payments) and clause 3.2.2 (Special Priority of Payments)	To amend the cross reference to the BIC2 Preference Share Subscription Agreement to reflect that the Indemnified Amount and/or the SARS Amount may be payable under cause 14 (and not only 14.11) of that agreement.

EXPLANATORY NOTES TO RESOLUTIONS PROPOSED AT THE ANNUAL GENERAL MEETING OF THE COMPANY (continued)  
for the year ended 31 December 2020

<b>Item No.</b>	<b>Affected clause of Annexure A</b> (Rights, terms and privileges attaching to the MTN Zakhele Futhi Preference Shares) of the <b>MOI</b>	<b>Content</b>
18.	Clause 3.3.2	To amend the cross reference to the BIC2 Preference Share Subscription Agreement to reflect that the Indemnified Amount and/or the SARS Amount may be payable under cause 14 (and not only 14.11) of that agreement are payable at this item in the Post Trigger Event Priority of Payments).
19.	Preamble to clause 3.3 (Post Trigger Event Priority of Payments)	To provide that this Post Trigger Event Priority of Payments applies only for so long as a BIC2 Trigger Event is Continuing.
20.	Clause 3.3.3 (Post Trigger Event Priority of Payments)	To amend the cross reference to the BIC2 Preference Share Subscription Agreement to reflect that the balance remaining of the BIC2 Total Proceeds shall be applied to paying amounts payable under clause 14 (and not only clause 14.11) of that agreement.

**TABLE B: REFINANCING AMENDMENTS (CONSEQUENTIAL CHANGES)**

<b>Item No.</b>	<b>Affected Clause of the MOI</b>	<b>Content</b>
1.	Clause 1.3.9	Definition of Administration Costs.
2.	Clause 1.3.9.2 A (definition of Administration Costs)	To include any and all fees, costs and expenses (plus VAT thereon) incurred in connection with or pursuant to the Refinancing.
3.	Clause 1.3.23	Definition of BFC2 Collection Account.
4.	Clause 1.3.30 (definition of BFC2 Preference Shareholders)	Changes arising from the Refinancing specifically new preference shares to be issued pursuant to the Refinancing.
5.	Clause 1.3.32	Definition of BFC2 Preference Share Subscription Agreement.
6.	Clause 1.3.34 A	Definition of BFC2 Refinancing Investors.
7.	Clause 1.3.47	Definition of BIC2 Arrear Dividends.
8.	Clause 1.3.55.1. A	Definition of BIC2 Dividend Date.
9.	Clause 1.3.58	Definition of BIC2 Dividend Rate Percentage.
10.	Clause 1.3.76	Definition of BIC2 Preference Dividends.
11.	Clause 1.3.84	Definition of BIC2 Redemption Amount.
12.	Clause 1.3.86	Definition of BIC2 Reversionary Account Cession.
13.	Clause 1.3.87	Definition of BIC2 Reversionary Pledge and Cession.
14.	Clause 1.3.137 (definition of Finance Documents)	To include the Refinancing Agreement, the Refinancing Fees Letter and the RMB Agency Fees Letter as additional Finance Documents.
15.	Clause 1.3.152	Definition of Indemnified Amount.
16.	Clause 1.3.153	Definition of Indemnity Period.
17.	Clause 1.3.157	Definition of Insolvency Event.

<b>Item No.</b>	<b>Affected Clause of the MOI</b>	<b>Content</b>
18.	Clause 1.3.216	Definition of Prime Rate.
19.	Clause 1.3.219	Definition of Professional Advisors.
20.	Clause 1.3.229 (B)	Definition of Refinancing Date.
21.	Clause 1.3.229 (C)	Definition of Refinancing Fees Letter.
22.	Clause 1.3.233	Definition of Return.
23.	Clause 1.3.265	Definition of Transaction.
24.	Clause 2.3.1.21	Change from use of "Subject Share" to "Subject Shares".
25.	Clause 2.1.6.1.4	Change of the reference to clause 2.1.6.2.4 to clause 2.1.6.2.3.6 and change of the reference to clause 2.1.6.2.5 to clause 2.1.6.2.3.7.

**TABLE C: AGENCY ROLE AMENDMENTS**

<b>Item No.</b>	<b>Affected Clause of the MOI</b>	<b>Content</b>
1.	Annexe A heading	Change of the word "Privilegies" to "Privileges".
2.	Clause 1.3.1	Definition of Account Bank.
3.	Clause 1.3.22	Definition of BFC2 Administrator.
4.	Clause 1.3.45	Definition of BIC2 Administrator.
5.	Clause 1.3.213	Definition of Preference Share Agent.
6.	Clause 1.3.214	Definition of Preference Share Custodian.
7.	Clause 1.3.236 B	Definition of RMB Agency Fees Letter.
8.	Clause 1.3.244	Definition of Security Custodian.
9.	Clause 1.3.256	Definition of Subject Shares Custody Agreement.

EXPLANATORY NOTES TO RESOLUTIONS PROPOSED AT THE ANNUAL GENERAL MEETING OF THE COMPANY (continued)  
for the year ended 31 December 2020

**TABLE C: AGENCY ROLE AMENDMENTS**

<b>Item No.</b>	<b>Affected Clause of the MOI</b>	<b>Content</b>
1.	Cover page	The dates of the prior and current amendment to the MOI are summarized.
2.	Clause 15.2.3	Capitalise the word "Should".
3.	Clause 19.3	Add the word "including".
<b>Affected clause of Annexure A</b>		
Rights, terms and privileges attaching to the MTN Zakhele Futhi Preference Shares) of the <b>MOI</b>		
1.	Clause 1.2A	Addition of the meaning of a reference to the terms "Finance Document" and "Transaction Document".
2.	Clause 1.3.2	Definition of Account Bank and Agency Agreement.
3.	Clause 1.3.20 (and the equivalent definition in the clause in the main body of the MOI)	Definition of BFC2.
4.	Clause 1.3.21	Definition of BFC2 Adjustment Event.
5.	Clause 1.3.26	Definition of BFC2 Owner Trust.
6.	Clause 1.3.31	Definition of BFC2 Preference Shares.
7.	Clause 1.3.33	Definition of BFC2 Priority of Payments.
8.	Clause 1.3.41	Definition of BIC2 or the Company.
9.	Clause 1.3.42	Definition of BIC2 Account Cession.
10.	Clause 1.3.50	Definition of BIC2 Consideration Shares.
11.	Clause 1.3.56.1	Addition of "and".
12.	Clause 1.3.66	Definition of BIC2 Loan Account Cession.
13.	Clause 1.3.72	Definition of BIC2 Ords Subscription Agreement.
14.	Clause 1.3.74	Definition of BIC2 Pledge and Cession.
15.	Clause 1.3.75	Definition of BIC2 Potential Trigger Event.
16.	Clause 1.3.77	Definition of BIC2 Preference Shareholders.
17.	Clause 1.3.78	Definition of BIC2 Preference Shares.
18.	Clause 1.3.79	Definition of BIC2 Preference Share Subscription Agreement.
19.	Clause 1.3.80	Definitions of BIC2 Proposed Payment.
20.	Clause 1.3.81	Definition of BIC2 Provisions Account.
21.	Clause 1.3.82	Definition of BIC2 Public Offer Account.
22.	Clause 1.3.83	Definition of BIC2 Public Offer Amount.

<b>Item No.</b>	<b>Affected Clause of the MOI</b>	<b>Content</b>
23.	Clause 1.3.93	Definition of BIC2 Subordinated Loan Agreements.
24.	Clause 1.3.95	Definition of BIC2 Subscriptions Account.
25.	Clause 1.3.96	Definition of BIC2 Tax Provisions Account.
26.	Clause 1.3.97	Definition of BIC2 Top-Up Loan Account.
27.	Clause 1.3.107	Definition of Calculation Agent.
28.	Clause 1.3.108	Definition of Call Option Agreement.
29.	Clauses 1.3.110	Definition of Call Option Exercise Notice.
30.	Clause 1.3.112	Definition of Call Option Notice.
31.	Clause 1.3.113	Definition of Call Option Strike Price.
32.	Clause 1.3.116	Definition of Companies Act.
33.	Clause 1.3.123 A	Definition of Depfin.
34.	Clause 1.3.129 (A)	Definition of Dividend Payment Share Cover Ratio.
35.	Clause 1.3.132	Definition of Effective Date.
36.	Clause 1.3.134	Definition of Fees Letter.
37.	Clause 1.3.136	Definition of Final Capital Structure Documents.
38.	Clause 1.3.139	Definition of Financial Indebtedness.
39.	Clause 1.3.141	Definition of Financial Markets Act.
40.	Clause 1.3.143	Definition of First Ranking Guarantee.
41.	Clause 1.3.147	Definition of Implementation Agreement.
42.	Clause 1.3.151	Definition of Increased Costs.
43.	Clause 1.3.154	Definition of Initial Administration Contingency Amount.
44.	Clause 1.3.158	Definition of Interfunder Agreement.
45.	Clause 1.3.159	Definition of Issue Date.
46.	Clause 1.3.164	Definition of JSE Trading Platform Agreements.
47.	Clause 1.3.176 (A)	Definition of MML.
48.	Clause 1.3.180	Definition of MTN Account Cession.
49.	Clause 1.3.80A	Definition of MTN BFC2 Preference Share Claims.
50.	Clause 1.3.185	Definition of MTN Limited Recourse Guarantee.
51.	Clause 1.3.187	Definition of MTN Loan Transfer and Cession Agreement.
52.	Clause 1.3.191	Definition of MTN Subordination and Undertaking Agreement.
53.	Clause 1.3.193	Definition of MTN Tranche 1 Initial Subscription Shares.

EXPLANATORY NOTES TO RESOLUTIONS PROPOSED AT THE ANNUAL GENERAL MEETING OF THE COMPANY (continued)  
for the year ended 31 December 2020

Item No.	Affected Clause of the MOI	Content
54.	Clause 1.3.194	Definition of MTN Tranche 1 Subscription and Call Option Agreement.
55.	Clause 1.3.195	Definition of MTN Tranche 2 Subscription Agreement.
56.	Clause 1.3.197	Definition of MTN Tranche 3 Subscription Agreement.
57.	Clause 1.3.200	Definition of MTN Zakhele Reinvestment Offer.
58.	Clause 1.3.201	Definition of MTN Zakhele Unwinding Scheme.
59.	Clause 1.3.204	Definition of Nedbank Agency Fees Letter.
60.	Clause 1.3.205	Definition of New Empowerment Transaction Closing Date.
61.	Clause 1.3.206	Definition of NIS
62.	Clause 1.3.215	Definition of Preference Shares Custody Agreement.
63.	Clause 1.3.222	Definition of Public Offer.
64.	Clause 1.3.230	Definition of Relationship Agreement.
65.	Clause 1.3.231	Definition of Repurchase Agreement.
66.	Clause 1.3.236 A	Definition of RMB.
67.	Clause 1.3.239	Definition of Sanctions Authority.
68.	Clause 1.3.240	Definition of Sanctions List.
69.	Clause 1.3.249	Definition of Signature Date.
70.	Clause 1.3.257 (Subject Shares Securities Account) (and consequential changes to the use of this defined term in clauses 7.1.1.2.1.7 of the main section of the MOI and the following clauses of Annexe A: 1.3.129A (Dividend Payment Share Cover Ratio); 1.3.256 (Subject Shares Custody Agreement); 1.3.263.1 (Total Share Cover Ratio); 1.3.275 (Volatility Protection Share Cover Ratio); 2.3.1.20 (BIC2 Trigger Events); 7.1.1.2.1.7)	Definition of Subject Shares Securities Account.
71.	Clause 1.3.263	Definition of Total Share Cover Ratio.
72.	Clause 1.3.267	Definition of Transaction Fees.
73.	Clause 1.3.271 A	Definition of United Towers.
74.	Clause 1.3.275	Definition of Volatility Protection Share Cover Ratio.
75.	Clause 2.1.6.1.3	Change of the reference to clause 2.1.6.2.6 to clause 2.1.6.2.3.8.

<b>Item No.</b>	<b>Affected Clause of the MOI</b>	<b>Content</b>
76.	Clause 2.1.6.3.1	Change of the reference to clauses 2.1.6.2.4 and 2.1.6.2.5 to clause 2.1.6.2.3.6 and 2.1.6.2.3.7.
77.	Clause 2.1.6.3.2	Change of the reference to clause 2.1.6.2.4 and 2.1.6.2.5 to clause 2.1.6.2.3.6.
78.	Clause 2.1.6.3	Change of the reference to clause 2.1.6.2.4 to clause 2.1.6.2.3.6 and change from the reference to clause 2.1.6.2.5 to clause 2.1.6.2.3.7.
79.	2.1.6.4.3	Change of the reference to clause 2.1.6.5 to clause 2.1.6.4.
80.	Clause 2.1.6.6	Change of the reference to clause 2.1.6.7 to clause 2.1.6.6.; and addition of " BIC2" and " the".
81.	Clause 2.1.7.2.7	Addition of "and".
82.	Clause 2.2.1.1.1	Addition of "and".
83.	Clause 2.2.2.7.2	Change of the reference to clause 2.1.6.4 to clause 2.1.6.3.5.
84.	Clause 2.3.1.23	Deletion of "day" and addition of "Days".
85.	Clause 3.1.1	Addition of "in each case as at such date and for either (i)the immediately succeeding 12 (twelve) month period or (ii) the period up to the next BIC2 Priority of Payments Date, as determined by BIC2, in its discretion".
86.	Clause 3.2	Deletion of "2.2 and" and "2.2" and addition of "(b)(ii)" and "(b)(ii) or 4.7(i)".
87.	Clause 3.2.6	Addition of "and".

EXPLANATORY NOTES TO RESOLUTIONS PROPOSED AT THE ANNUAL GENERAL MEETING OF THE COMPANY (continued)  
for the year ended 31 December 2020

**TABLE E: BOARD MEETING QUORUM AMENDMENT**

<b>Item No.</b>	<b>Affected clause of Annexure A</b> (Rights, terms and privileges attaching to the MTN Zakhele Futhi Preference Shares) of the <b>MOI</b>	<b>Content</b>
1.	Clause 32.7	The quorum for a Director's meeting is amended from 2 Directors present and voting throughout the meeting to a quorum of the majority of the Directors present and voting throughout the meeting.

Please note that the full version of the proposed amendments to the MOI (ie the New MOI, including Annexure A (Rights, terms and privileges attaching to the MTN Zakhele Futhi Preference Shares)), which has been approved by the JSE Limited, should be read in its entirety for full appreciation of the contents thereof. The complete copy of the New MOI, including all such amendments (including a version which, for ease of reference, identifies such amendments in tracked text format in the existing MOI), is available for inspection on the Company's website, together with (i) the amendments to be made to the memorandum of incorporation of BFC2 (which entity provides back to back preference shares to the Company) and (ii) the Refinancing Agreement, which regulates implementation of the Refinancing and includes as annexures thereto the material agreements which are impacted by such Refinancing, at <https://www.mtnzakhelefuthi.co.za/home/agm> and titled "**MTN Zakhele Futhi MOI - 2021 Amendments**". This version of the full MOI is also available for inspection, subject to Covid-19 restrictions and protocols, at the Company's registered office at Nedbank, 135 Rivonia Road, Sandown, Johannesburg, 2193 or from the Sponsor's offices at Ground Floor, Golden Oak House, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2021.

**Financial Assistance pursuant to section 44 of the Companies Act – special resolution number 3**

The Company will be required to grant security and other financial assistance to various parties, including but not limited to the holders of the preference shares and MTN, in connection with the Refinancing and the Relevant Documents which may result in the Company providing financial assistance within the meaning of section 44 of the Companies Act. Special resolution number 3 is to authorise the board of the Company to grant such financial assistance.

Section 44 of the Companies Act provides, among other things, that such direct or indirect financial assistance must be provided only pursuant to a special resolution of shareholders, adopted within the previous two years, which approved such financial assistance either for the specific recipient or generally for a category of potential recipients and the specific recipient falls within that category and the board must be satisfied that (i) immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test provided for section 4 of the Companies Act, as amended; and (ii) the terms under which the financial assistance is proposed to be given is fair and reasonable to the Company.

---

## APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

*for the year ended 31 December 2020*

---

### **Important notes about the AGM**

#### **Date and time**

**The meeting will be held virtually** on 7 September 2021 at <https://mtnzakhelefuthi.virtual-meetings.online/login> and will begin promptly at 11:30 (South African time).

Shareholders can attend the AGM by accessing the online facility and will need to register prior to the meeting, subject to the provisions applicable to dematerialised shareholders without own-name registration. Details on how to attend through electronic means can be found on page 39 of this notice.

#### **Translation services**

Kindly note that the meeting will be translated into Zulu and Sotho. This document is available in Zulu and Sotho on the Company's website at <https://www.mtnzakhelefuthi.co.za/home/agm> and under the section titled "**Notice to Annual General Meetings**" from 20 August 2021.

#### **Enquiries**

Any shareholders having difficulties or queries in regard to the AGM or the above are invited to contact Nedbank Limited, acting through its Share Scheme Administration business unit, on +27 83 900 6863. Calls will be monitored for quality control purposes.

The results of the AGM will be posted on the Securities Exchange News Services ("**SENS**") as soon as is practicable after the AGM.

---

## SUMMARY OF APPLICABLE RIGHTS ESTABLISHED IN SECTION 58 OF THE COMPANIES ACT NO 71 OF 2008, AS AMENDED

---

For purposes of this summary, the term "shareholder" shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, speak and vote at a shareholders meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder.
3. Except to the extent that the memorandum of incorporation of a company provides otherwise –
  - 3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder; and
  - 3.2 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders meeting.
4. Irrespective of the form of instrument used to appoint a proxy –
  - 4.1 the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company; and
  - 4.2 should the instrument used to appoint a proxy be revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the relevant company.
5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date –
  - 5.1 stated in the revocation instrument, if any; or
  - 5.2 upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.
6. Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's memorandum of incorporation to be delivered by such company to the shareholder must be delivered by such company to –
  - 6.1 the shareholder, or
  - 6.2 the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation of the relevant company or the instrument appointing the proxy provide otherwise.
8. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy –
  - 8.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
  - 8.2 the company must not require that the proxy appointment be made irrevocable; and
  - 8.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.

---

## HOW TO PARTICIPATE IN THE ANNUAL GENERAL MEETING

---

Certificated and dematerialised own name registered shareholders may follow the process outlined below.

Dematerialised shareholders without own name registration who wish to attend, participate electronically in and/or vote at the AGM are required to first contact and/or instruct their CSDP, broker or nominee to issue them with the necessary letters of representation in terms of the custody agreement entered into between the dematerialised shareholder and their CSDP, broker or nominee to do so before accessing the online facility and following the procedure below. For administrative convenience, shareholders are requested to lodge the letters of representation with the Company's registrars by no later than 11:30 on 6 September 2021.

Dematerialised shareholders without own name registration who do not wish to attend the AGM must instruct their CSDP, broker or nominee as to how they wish to vote. The voting instructions must reach the CSDP, broker or nominee in sufficient time to allow the CSDP, broker or nominee to advise the Company or the Company's transfer secretaries, Nedbank Limited (acting through its Share Scheme Administration business unit) of their instructions by no later than 11:30 on 6 September 2021, for administrative convenience. Dematerialised shareholders without own-name registration who do not wish to attend the AGM must not complete the Form of Proxy.

Due to the concerns around COVID-19, we encourage shareholders to make use of the iProxy service to cast their votes prior to the AGM, or to participate in and/vote at the AGM online using their smartphone, tablet or computer.

**Shareholders who are unable to attend** the AGM can, through the online facility, prior to the commencement of the AGM, vote on the resolutions set out on page 18 by:

- completing and returning the Form of Proxy attached to this notice on page 40; or
- appointing a proxy to attend in their stead; or
- casting their votes electronically through the iProxy or USSD platform.

Shareholders are referred below for details on how to register for the AGM and submit their Form of Proxy.

---

Submit their Form of Proxy by using the easy-to-operate online facility to appoint a proxy to vote at the AGM on their behalf.



### AGM

Click <https://mtnzakhelefuthi.virtual-meetings.online/login>

The online guide is available to download and may be accessed at <https://www.mtnzakhelefuthi.co.za/home/agm> from 17 August 2021

The online facility will be available from **09:00 on Tuesday 17 August 2021**; or



Complete the Form of Proxy using their mobile device by dialling **\*120\*37374#** to appoint a proxy to attend the AGM.

The USSD guide is available to download and may be accessed at <https://www.mtnzakhelefuthi.co.za/home/agm> from 17 August 2021

The USSD facility will be available from **09:00 on Tuesday 17 August 2021**; or



Complete the Forms of Proxy that are contained in the Notice of AGM

These forms appear on pages 40 of the Notice of AGM document

---

**Shareholders can also attend** the AGM by accessing the online facility and will need to log on at <https://mtnzakhelefuthi.virtual-meetings.online/login> using their SA ID number and the One Time Pin that has been provided to them.

To be completed by certificated shareholders and dematerialised shareholders with 'own- name' registration only.



## MTN Zakhele Futhi (RF) Limited

Incorporated in the Republic of South Africa

(Registration number 2016/268837/06)

JSE share code: MTNZF

ISIN: ZAE000279402

LEI: 378900429C4F73B1BE74

("MTN Zakhele Futhi" or "the Company")

## FORM OF PROXY

For use at the annual general meeting ("AGM") to be held virtually at <https://mtnzakhelefuthi.virtual-meetings.online/login> at 11:30 (South African time) on 7 September 2021. For assistance in completing the proxy form, please contact Nedbank Limited, acting through its Share Scheme Administration business unit on +27 83 900 6863. A shareholder (including certificated shareholders and dematerialised shareholders with 'own- name' registration) entitled to attend and vote at the AGM may appoint one or more proxies to attend, vote and speak in his/her/its stead at the AGM. A proxy need not be a shareholder of the Company but must be an individual.

I/We

ID number/registration number

of

being a shareholder/shareholders of the above-mentioned Company do hereby appoint

\_\_\_\_\_

or failing him/her

\_\_\_\_\_

or failing him/her

the chairperson of the Company or failing her the chairperson of the meeting as my/our proxy to vote for me/us and on my/our behalf at the AGM of the Company to be held virtually at <https://mtnzakhelefuthi.virtual-meetings.online/login> on 7 September 2021 at 11.30 for the purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment or postponement thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name as follows:

Ordinary resolutions	For	Against	Abstain
Ordinary resolution number 1.1: Re-election of Grant Gelink as a director			
Ordinary resolution number 1.2: Re-election of Belinda Mapongwana as a director			
Ordinary resolution number 2.1: Election of Grant Gelink as a member of the audit and risk committee			
Ordinary resolution number 2.2: Election of Edward Pitsi as a member of the audit and risk committee			
Ordinary resolution number 2.3: Election of Belinda Mapongwana as a member of the audit and risk committee			
Ordinary resolution number 3: Re-appointment of independent auditors			
Special resolutions			
Special resolution number 1: Remuneration payable to directors			
Special resolution number 2: Amendments to the memorandum of incorporation of the Company			
Special resolution number 3: Financial Assistance pursuant to s44 of the Companies Act			

\*\*Mark with an X whichever is applicable. Unless otherwise directed, the proxy will vote or abstain as he/she thinks fit in respect of the shareholder's total holding. The proxy may also vote or abstain in respect of any other business proposed at the meeting as he/she thinks fit.

**Any shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and to vote in his/her stead. The proxy so appointed need not also be a shareholder but must be an individual.**

Please read the notes on the reverse side hereof.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2021

Full name(s) \_\_\_\_\_ (in block letters)

Signature(s) \_\_\_\_\_

Address \_\_\_\_\_

Assisted by (guardian) \_\_\_\_\_ date \_\_\_\_\_

If signing in a representative capacity, see notes to proxy on the reverse side hereof.

**Please note that a proxy/ies attending the meeting on behalf of a registered shareholder will not be entitled to vote on behalf of the shareholder unless they are accompanied by this duly completed form.**

### **Notes to form of proxy**

1. Only shareholders who are registered in the register, or in the sub-register of the Company under their 'own-name' on the relevant record date for the meeting may complete a proxy form or alternatively attend the meeting. Beneficial owners who are not the registered holder and who wish to attend the meeting in person may do so by requesting the registered holder, being their Central Security Depository Participant (CSDP), broker or nominee, to issue them with a letter of representation in terms of the custody agreements entered into with the registered holder. Letters of representation must be lodged with the company's registrars by no later than 11:30 on 6 September 2021.
2. Beneficial owners who are not the registered holder and who do not wish to attend the meeting in person must provide the registered holder, being the CSDP, broker or nominee, with their voting instructions. The voting instructions must reach the registered holder in sufficient time to allow the registered holder to advise the company or the company's registrar of their instructions by no later than 11:30 on 6 September 2021 for administrative convenience.
3. A shareholder may insert the name of a proxy or the names of two alternative proxies of his/her/its choice in the space/s provided, with or without deleting "the chairman of the general meeting", but any such deletion or insertion must be initialled by the shareholder. Any insertion or deletion not complying with the foregoing will be deemed not to have been validly effected. The person whose name stands first on the proxy form and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairman of the AGM.
4. A shareholder's instructions to the proxy must be indicated by the insertion of an "X" or the relevant number of votes exercisable by that shareholder in the appropriate box provided. An "X" in the appropriate box indicates the maximum number of votes exercisable by that shareholder. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she/it deems fit in respect of the entire shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her/its proxy, but the total of the votes cast and in respect of which abstention is recorded, may not exceed the maximum number of votes exercisable by the shareholder or by his/her proxy. The proxy may also vote or abstain in respect of any other business proposed at the meeting as he/she/it thinks fit.
5. The proxy shall (unless this sentence is struck out and countersigned) have the authority to vote, as he/she deems fit, on any other resolution which may validly be proposed at the meeting, including in respect of any proposed amendment to the above resolutions. If the foregoing sentence is struck out, the proxy shall be deemed to be instructed to vote against any such proposed additional resolution and/or proposed amendment to an existing resolution as proposed in the notice to which this form is attached.
6. To be effective, completed proxy forms and the authority, if any, under which it is signed must be lodged at the Company's South African transfer secretaries at the address, fax number or email address stipulated below prior to the time appointed for the holding of the meeting and shareholders are requested to lodge all such documents by no later than 11:30 on 6 September 2021.
7. The completion and lodging of this proxy form will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat instead of any proxy appointed in terms hereof.
8. The chairman of the AGM may reject or accept any proxy form which is completed and/or received other than in compliance with these notes.
9. Any alteration to this proxy form, other than a deletion of alternatives, must be initialled by the signatory.
10. Documentary evidence establishing the authority of a person signing this proxy form in a representative or other legal capacity must be attached to this proxy form, unless previously recorded by the Company or waived by the chairperson of the AGM.
11. Where there are joint holders of shares:
  - 11.1 any one holder may sign the proxy form; and
  - 11.2 the vote of the senior shareholder (for which purpose seniority will be determined by the order in which the names of the shareholders appear in the Company's register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholders.
12. A minor must be assisted by his/her parent or legal guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
13. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.

### **Office of the transfer secretaries**

Nedbank Limited, acting through its Share Scheme Administration business unit  
Registration number 1951/000009/06)  
135 Rivonia Road  
Sandton, 2196

Tel: +27 83 900 6863

E-mail: ssa-zakhelefuthi@Nedbank.co.za

---

## ADMINISTRATION

---

### Company information

(Incorporated in the Republic of South Africa)  
(Registration number: 2016/268837/06)  
JSE share code: MTNZF  
ISIN: ZAE000279402  
LEI: 378900429C4F73B1BE74

### Postal address

PO Box 1144  
Johannesburg  
2000

### Registered address

135 Rivonia Road  
Sandown, 2196  
Johannesburg

### Board of directors

BL Mapongwana (independent non-executive chairperson)  
SN Mabaso-Koyana (non-executive director)  
GG Gelink (independent non-executive director)  
ET Pitsi (independent non-executive director)  
MM Nhlanhla (non-executive director)

### Office of the transfer secretaries

Nedbank Limited, acting through its Share Scheme Administration business unit  
(Registration number 1951/000009/06)  
135 Rivonia Road  
Sandton, 2196  
Tel: +27 83 900 6863  
Email: ssa-zakhelefuthi@Nedbank.co.za

### Company Sponsor

Tamela Holdings Proprietary Limited  
Ground Floor, Golden Oak House  
Ballyoaks Office Park, 35 Ballyclare Drive  
Bryanston, 2021

### Company secretary

Nedbank Limited, acting through its Group Secretariat  
135 Rivonia Road  
Sandown  
Johannesburg, 2196

### Auditors

SizweNtsalubaGobodo Grant Thornton Inc.  
20 Morris Street East  
Woodmead, 2191  
PO Box 2939, Saxonwold, 2132

### Attorneys

Webber Wentzel  
90 Rivonia Road, Sandton, Johannesburg, 2196  
PO Box 61771, Marshalltown, 2107

