

Corporate governance statement

Statement of compliance

Vodacom is committed to the highest standards of business integrity, ethics and professionalism.

The King IV report on Corporate Governance for South Africa 2016, released on 1 November 2016, advocates an outcomes-based approach, and defines corporate governance as the exercise of ethical and effective leadership towards the achievement of the following governance outcomes:

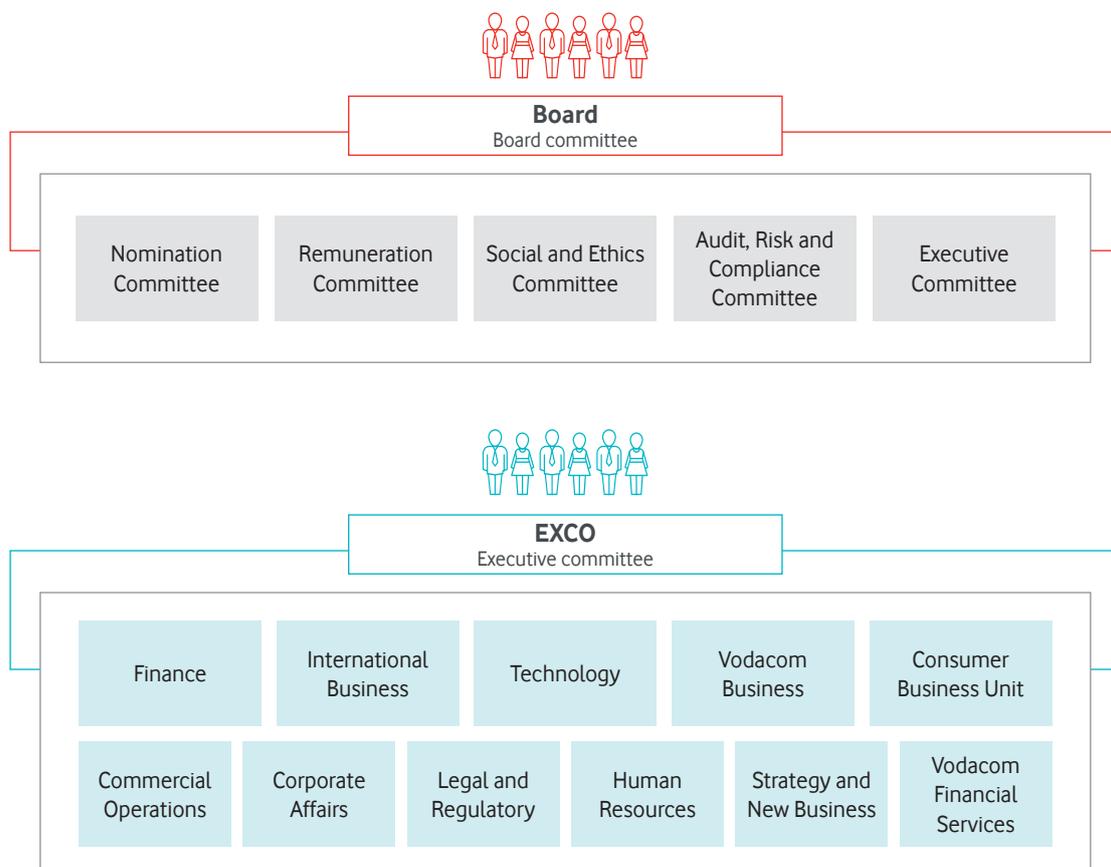
- ❖ Ethical culture;
- ❖ Good performance;
- ❖ Effective control; and
- ❖ Legitimacy.

The application of King IV is on an apply and explain basis and the practices underpinning the principles espoused in King IV are entrenched in many of the Group's internal controls, policies and procedures governing corporate conduct. The Board is satisfied that in the main, Vodacom has applied the principles set out in King IV, the detail of which is set out below and outlined in King IV principles schedule.

 For details of King IV principles go to www.vodacom.com.

Corporate governance structure

The following diagram shows the Group's governance structures as at 31 March 2019:



Ethical leadership

The Board accepts collective responsibility for defining how ethics and ethical behaviour should be implemented in Vodacom. This includes setting out the conduct of individual Board members to ensure that they act with integrity, competence, responsibility, accountability, fairness and transparency. These characteristics set the tone from the top to support an ethical culture within Vodacom.

Board leadership and committees

Board

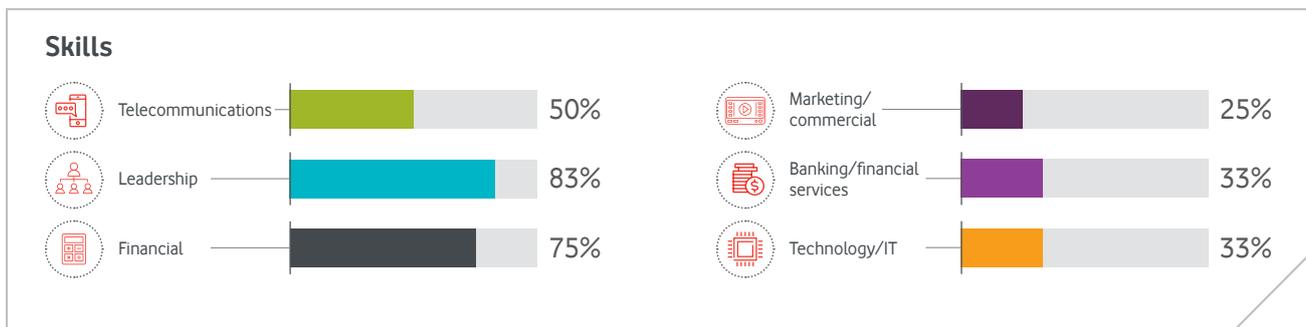
Vodacom has a unitary Board of 12 directors, of whom five (including the Chairman) are independent non-executive directors, six are non-executive (but not independent as they represent Vodafone), and two are executive directors. King IV recommends that the governing body (Board) should comprise the appropriate balance of knowledge, skills, experience, diversity and

independence for it to discharge its governance role and responsibilities objectively and effectively. The Board is satisfied that the balance of knowledge, skills, experience, and diversity on the Board is sufficient and does not require additional independent voices. The Board acknowledges the requirement for race and gender representation in its membership. Vodacom has adopted a formalised policy on the promotion of race and gender diversity at Board level. The Nomination Committee regularly reviews Board and Committee succession to ensure we have the right skills, continuity and experience for the future. The Board has an agreed process and policy in place for appointing directors. The Board has evaluated the performance of the Chief Executive Officer through the Nomination Committee and is satisfied with the outcome of the evaluation. The Board has delegated to the Chief Executive Officer to oversee that the key management functions are headed by individuals with necessary competence and authority and adequate resources.



Board composition

Vodacom has a unitary board of 12 directors with skills and experience attributed as follows:



Accountability

The Board takes overall responsibility for Vodacom’s success. Its role is to exercise leadership and sound judgement in directing Vodacom to achieve sustainable growth and act in the best interests of shareholders.

In line with best practice, the roles of Chairman and Chief Executive Officer are separate. The Chairman is responsible for leading the Board, while the Chief Executive Officer is responsible for the operational management of the Group.

The Board charter details the responsibilities of the Board, which include:

- ❖ Oversight of the Group’s strategic direction;
- ❖ Approving major capital projects, acquisitions or divestments;

- ❖ Exercising objective judgement on the Group’s business affairs, independent from management;
- ❖ Ensuring that appropriate governance structures, policies and procedures are in place;
- ❖ Ensuring the effectiveness of the Group’s internal controls;
- ❖ Reviewing and evaluating the Group’s risks;
- ❖ Approving the annual budget and operating plan;
- ❖ Approving the annual and interim financial results and shareholder communications;
- ❖ Approving the senior management structure, responsibilities and succession plans; and
- ❖ Information and technology governance.

Directors

Vodacom's memorandum of incorporation specifies that non-executive directors have no fixed term of appointment. Executive directors are subject to standard employment terms and conditions and a six-month notice period. Directors are subject to retirement by rotation and re-election by shareholders at least once every three years. Any director appointed to fill a temporary vacancy must retire at the first annual general meeting following their appointment.

Chairman

The memorandum of incorporation requires the Board to re-elect the Chairman yearly, in line with King IV. Mr Jabu Moleketi was re-elected on the anniversary of his appointment in July 2018.

His re-election as Chairman of the Board will be considered at the July 2019 annual general meeting.

Independent advice

The Board recognises that there may be occasions where directors consider it necessary to take independent professional advice. This is done at the Company's expense according to an agreed procedure.

Board meetings

The Board holds a minimum of four meetings, three teleconferences and a strategy session every year. Special Board meetings are convened when necessary. One special Board meeting was convened during the year.

The table below records the attendance of directors at Board meetings for the year.

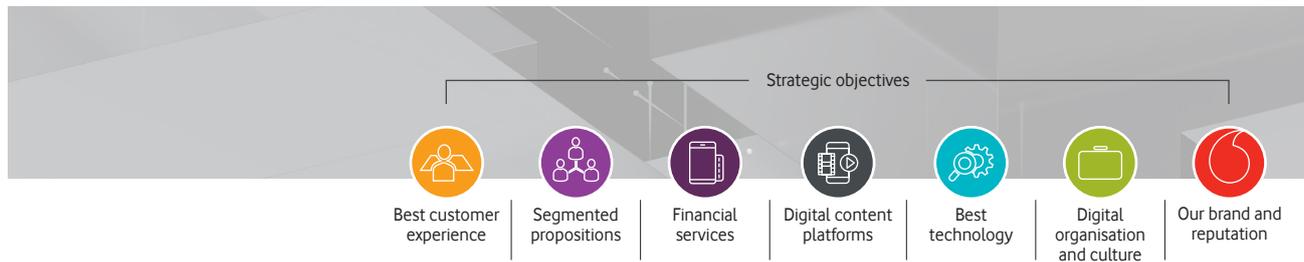
Name of director	12 May 2018	8 June 2018 Special	18 July 2018 Telecon	21 Sep 2018	9 Nov 2018 Telecon	6 Dec 2018	23 Jan 2019 Telecon	28 March 2019
PJ Moleketi	✓	✓	✓	✓	x	✓	✓	✓
Ms Aziz Joosub	✓	✓	✓	✓	✓	✓	✓	✓
T Streichert	✓	✓	✓	✓	✓	✓	✓	✓
JWL Otty	✓	✓	✓	✓	✓	✓	✓	✓
V Badrinath	✓	x	✓	✓	✓	✓	✓	✓
DH Brown	✓	✓	✓	✓	✓	✓	✓	✓
M Joseph	✓	✓	✓	✓	x	✓	✓	✓
BP Mabelane	✓	✓	✓	✓	✓	✓	✓	✓
SJ Macozoma	✓	✓	✓	✓	✓	✓	✓	✓
M Pieters ¹	✓	✓	✓	–	–	–	–	–
TM Mokgosi-Mwantembe ²	✓	✓	✓	✓	✓	✓	–	–
RAW Schellekens ³	✓	✓	✓	✓	✓	✓	–	–
S Sood ⁴	–	–	✓	✓	✓	✓	✓	✓
P Mahanyele-Dabengwa ⁵	–	–	–	–	–	–	✓	✓
T Reisten ⁶	–	–	–	–	–	–	✓	✓
F Bianco ⁷	–	–	–	–	–	–	✓	✓

Notes:

1. M Pieters resigned on 18 July 2018.
2. TM Mokgosi-Mwantembe resigned on 31 December 2018.
3. RAW Schellekens resigned on 31 December 2018.
4. S Sood appointed on 18 July 2018.
5. P Mahanyele-Dabengwa appointed on 1 January 2019.
6. T Reisten appointed on 1 January 2019.
7. F Bianco appointed as alternate director to M Joseph on 1 January 2019.

Corporate governance statement continued

The Board takes overall responsibility for Vodacom's success. Its role is to exercise leadership and sound judgement in directing Vodacom to achieve sustainable growth and act in the best interests of shareholders. The Board's key focus areas during the year included:



Focus areas	Risk	Strategy
Regulatory matters in SA (ECA Bill, Spectrum)		
<ul style="list-style-type: none"> ❖ Engaged with the regulator and other stakeholders. ❖ Participated in forums with the ministry and industry. ❖ Made numerous submissions and proposals. 	<ul style="list-style-type: none"> • Priority markets review. • Adverse regulatory and political pressure. • Unstable economic and market conditions. • Non-compliance with laws and regulations. 	
BEE deal		
<ul style="list-style-type: none"> ❖ Completed the largest BEE transaction in the ICT sector. <ul style="list-style-type: none"> ❖ Ensured a balanced good deal for investors, with maximum benefit for Vodacom Group. 	<ul style="list-style-type: none"> • Non-compliance with laws and regulations. 	
End-User and Subscriber Service Charter Regulations		
<ul style="list-style-type: none"> ❖ Engaged with the regulator, resulting in revisions to the charter. ❖ Ensured compliance with the charter. ❖ Adapted all billing and customer facing systems for the changes. ❖ Approved proactive changes to drive higher customer take up of bundle offers. 	<ul style="list-style-type: none"> • Adverse regulatory and political pressures. • Non-compliance with laws and regulations. 	
Succession – Board/CEO/CFO/Exco		
<ul style="list-style-type: none"> ❖ Approved Board and Exco changes. 		
Cyber threats		
<ul style="list-style-type: none"> ❖ Undertook full threat assessment. ❖ Removed all vulnerabilities. ❖ Ensured continual monitoring and implementation of controls. 	<ul style="list-style-type: none"> • Cyber security threats. • Technology failure. 	
USA/China trade relations		
<ul style="list-style-type: none"> ❖ Revised the vendor strategy – dual vendors, at least, to limit the impact on business. ❖ Undertook consistent monitoring of the situation in conjunction with Vodafone. 	<ul style="list-style-type: none"> • Adverse regulatory and political pressure. 	
'Please Call Me'		
<ul style="list-style-type: none"> ❖ Recused the CEO from all discussions since April 2016. ❖ Ensured that the Board was kept up to date on the progress. 	<ul style="list-style-type: none"> • Adverse regulatory and political pressures. 	
DRC – challenging economic and political conditions		
<ul style="list-style-type: none"> ❖ Engaged with regulator and other stakeholders. ❖ Made numerous submissions and proposals. 	<ul style="list-style-type: none"> • Adverse regulatory and political pressures. 	
Regulatory matters in the International markets (Taxes, Traffic monitoring)		
<ul style="list-style-type: none"> ❖ Engaged with regulator and other stakeholders. ❖ Participated in forums with the ministry and industry. ❖ Made numerous submissions and proposals. 	<ul style="list-style-type: none"> • Adverse regulatory and political pressures. • Non-compliance with laws and regulations. 	
Financial services and Digital content platforms strategy		
<ul style="list-style-type: none"> ❖ Approved the addition of the sixth pillar of the strategy. ❖ Approved the creation of positions on Exco to elevate importance of the area. ❖ Tracked performance of business units against the strategy. 	<ul style="list-style-type: none"> • Market disruption. 	
Water savings (shortages in Cape Town)		
<ul style="list-style-type: none"> ❖ Approved water saving measures internally and alleviated water shortages in schools. 		
International markets		
<ul style="list-style-type: none"> ❖ Deep dive into certain markets in the International portfolio. ❖ Monitored the improvement plan for Vodacom Tanzania. 	<ul style="list-style-type: none"> • Adverse regulatory and political pressures. • Unstable economic and market conditions. 	

Board committees

The non-executive directors contribute their extensive experience and knowledge to the Board's committees. All committees operate under Board-approved terms of reference, which are updated from time to time to stay abreast of developments in corporate law, King IV, the Listings Requirements of the JSE Limited and governance best practice.

Executive Committee

During the year, the Executive Committee included the Chief Executive Officer (Chairman), Chief Financial Officer, Chief Human Resources Officer, Chief Officer: Corporate Affairs, Chief Operating Officer: International Business, Chief Technology Officer, Chief Officer: Legal and Regulatory, Chief Officer: Strategy and New Business, Chief Officer: Consumer Business Unit, Chief Officer: Vodacom Financial Services, Chief Officer: Commercial Operations and Chief Officer: Vodacom Business.

The committee is responsible for managing the Group's operations, developing strategy and policy proposals for the Board's consideration, and implementing the Board's directives. It has a properly constituted mandate and terms of reference.

The committee's other responsibilities include:

- ❖ Leading executives, management and employees;
- ❖ Developing the strategy of the Group;
- ❖ Developing the annual budget and business plans for the Board's approval; and
- ❖ Developing, implementing and monitoring policies and procedures, internal controls, governance, risk management, ethics and authority levels.

Audit, Risk and Compliance Committee

Current members: DH Brown (Chairman), BP Mabelane, SJ Macozoma.



Further details of the activities of the Audit, Risk and Compliance Committee can be found in its report in the audited consolidated annual financial statements at www.vodacom.com.

Remuneration Committee

Current members: P Mahanyele-Dabengwa (Chairman), V Badrinath, DH Brown, F Bianco.

The Remuneration Committee, in consultation with executive management, ensures that the Group's directors and senior executives are fairly rewarded for their individual contributions to overall performance and in line with Vodacom's remuneration policy.

Following the resignation of Ms Thoko Mokgosi-Mwatembe from the Board at end December 2018, Ms Phuti Mahanyele-Dabengwa was appointed as Chairman of the Remuneration Committee with effect from January 2019. Similarly Mr Francesco Bianco replaced Mr Ronald Schellekens who also resigned at the end of December 2018.

The membership of the Remuneration Committee does not comply fully with King IV or the JSE Listings Requirements, which advocate a majority of independent non-executive directors. Of the non-executive directors on the committee, only half are independent. Phuti Mahanyele-Dabengwa, the Chairman of the

committee, and David Brown are independent non-executive directors. The Board is satisfied that Vodacom's representation on this committee is appropriate given the valuable contribution of the Vodacom directors. Vivek Badrinath, who is the Vodacom Regional CEO for Africa, Middle East and Asia Pacific (AMAP), has oversight over Vodacom, and Francesco Bianco is the Vodacom AMAP Human Resources Director. Both provide useful insights to the performance of the Chief Executive Officer and senior management. This assists with the evaluation of performance for reward purposes. To address non-compliance with the JSE Listings Requirements, it was agreed with the JSE that the Chairman of the committee would have a casting vote in the event of any deadlock or dispute that could arise. The mandate of the committee was revised accordingly. The Chief Executive Officer and Chief Human Resources Officer attend the meeting by invitation. The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

In the year, the Remuneration Committee met four times with attendance as follows:

Name of director	9 May	12 Sep	11 Jan	27 Mar
	2018	2018	2019 Special	2019
TM Mokgosi-Mwatembe ¹	✓	✓	–	–
P Mahanyele-Dabengwa ²	–	–	✓	✓
V Badrinath	✓	✓	✓	✓
DH Brown	✓	✓	✓	✓
RAW Schellekens ³	✓	✓	–	–
F Bianco ⁴	–	–	✓	✓

Notes:

1. TM Mokgosi-Mwatembe resigned on 31 December 2018.
2. P Mahanyele-Dabengwa appointed as Chairman on 1 January 2019.
3. RAW Schellekens resigned on 31 December 2018.
4. F Bianco was appointed on 1 January 2019.



More detail on the activities of the Remuneration Committee can be found in the remuneration report at www.vodacom.com.

Nomination Committee

Current members: PJ Moleketi (Chairman), V Badrinath, SJ Macozoma, F Bianco.

The Nomination Committee's duties include identifying and evaluating suitable potential candidates for appointment to the Board, as well as candidates for the position of Chief Executive Officer and Chief Financial Officer. The authority to appoint directors remains a function of the Board. The committee also makes recommendations on the composition of the Board in terms of the mix of skills, size and the number of committees required, and it reviews and approves executive succession.

Following the resignation of Ms Thoko Mokgosi-Mwatembe from the Board at the end of December 2018, Mr Saki Macozoma was appointed as member of the Nomination Committee with effect from January 2019. Similarly Mr Francesco Bianco replaced Mr Ronald Schellekens who also resigned at the end of December 2018.

The membership of the Nomination Committee does not comply fully with King IV or the JSE Listings Requirements,

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which advocate a majority of independent non-executive directors. Of the non-executive directors on the committee, only half are independent. Jabu Moleketi, the Chairman of the committee, and Saki Macozoma are independent non-executive directors. The Board is satisfied that Vodafone's representation on this committee is appropriate given the valuable contribution of the Vodafone directors. Vivek Badrinath, who is the Vodafone Regional CEO for AMAP, has oversight over Vodacom, and Francesco Bianco is the Vodafone AMAP Human Resources Director. Both provide useful insights to the performance of the Chief Executive Officer and other senior management. This assists with the review of the succession plans for management. To address non-compliance with the JSE Listings Requirements, it was agreed with the JSE that the Chairman of the committee would have a casting vote in the event of any deadlock or dispute that could arise. The mandate of the committee was revised accordingly. The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

In the year, the Nomination Committee met four times with attendance as follows:

Name of director	9 May 2018	21 Sep 2018	6 Dec 2018	27 Mar 2019
PJ Moleketi	✓	✓	✓	✓
V Badrinath	✓	✓	✓	✓
TM Mokgosi-Mwantembe ¹	✓	✓	✓	–
SJ Macozoma ²	–	–	–	✓
RAW Schellekens ³	✓	✓	✓	–
F Bianco ⁴	–	–	–	✓

Notes:

1. TM Mokgosi-Mwantembe resigned on 31 December 2018.
2. SJ Macozoma appointed on 1 January 2019.
3. RAW Schellekens resigned on 31 December 2018.
4. F Bianco was appointed on 1 January 2019.

The committee's key focus areas during the year included:

- ❖ Succession planning in respect of the senior leadership team;
- ❖ Reviewing the composition and mix of skills of the Board;
- ❖ Succession planning of the CEO and CFO; and
- ❖ Board succession.

Social and Ethics Committee

Current members: SJ Macozoma (Chairman), PJ Moleketi, MS Aziz Joosub, V Badrinath.

Following the resignation of Mr RAW Schellekens from the Board at the end of December 2018, Mr V Badrinath was appointed as a member with effect from 1 January 2019. Key executives attend meetings by invitation but have no vote, including the Chief Risk Officer, Group Company Secretary (Ethics Officer), Chief Human Resources Officer, Chief Officer: Corporate Affairs, Chief Officer: Legal and Regulatory, Chief Officer: Strategy and New Business and Chief Officer: Commercial Operations.

As required by the Companies Act, No 71 of 2008 (as amended) and King IV, this committee oversees and monitors Vodacom's activities in relation to:

- ❖ Social and economic development including the principles of the United Nations Global Compact, broad-based Black Economic Empowerment (BBBEE), Employment Equity

- and the Organisation for Economic Co-operation and Development's (OECD) recommendations on corruption;
- ❖ Good corporate citizenship which includes promotion of equality, prevention of unfair discrimination, corporate social responsibility, ethical behaviour and managing environmental impacts;
- ❖ Consumer relations;
- ❖ Labour and employment including skills development; and
- ❖ Safety, health and environmental issues.

The Social and Ethics Committee met four times during the year with attendance as follows:

Name of director	4 May 2018	14 Sep 2018	31 Oct 2018	6 Mar 2019
SJ Macozoma	✓	✓	✓	✓
PJ Moleketi	✓	✓	✓	✓
RAW Schellekens ¹	✓	✓	✓	–
MS Aziz Joosub	✓	✓	✓	✓
V Badrinath ²	–	–	–	x

Notes:

1. RAW Schellekens resigned on 31 December 2018.
2. V Badrinath was appointed on 1 January 2019.

The committee's key focus areas during the year included:

- ❖ Noting the impact of the South African Government's National Integrated ICT Policy White Paper;
- ❖ Monitoring of the Vodacom "Doing what's Right" programme;
- ❖ Driving BBBEE in Vodacom South Africa;
- ❖ Monitoring of relations with consumers;
- ❖ Monitoring of good relations with employees and achieving employment equity;
- ❖ Promoting and protecting the environment, health and safety;
- ❖ Preventing and combating bribery and corruption;
- ❖ Being a good corporate citizen, particularly our efforts at protecting and advancing human rights, promoting equality and preventing unfair discrimination; and
- ❖ Extending the reach and impact of our values and ethics through our business partners and supply chain.



More detail on the activities of the Social and Ethics Committee can be found in the Sustainability report at www.vodacom.com.

Board evaluation

A comprehensive Board evaluation was conducted during the year, facilitated by an external service provider. Overall consensus was that the Board is working well, has a good mix of directors and that there is a high commitment to work in the best interest of Vodacom. Actions for the Board include:

- ❖ Visit to a Vodacom operating company; and
- ❖ Improvement in the succession planning for the Chief Executive Officer, Chief Financial Officer and Group Company Secretary.

Company Secretary

All directors have access to the advice and services of the Group Company Secretary, Sandi Linford, who is responsible to the Board for ensuring compliance with procedures and applicable statutes and regulations. For the Board to function effectively, all directors have full and timely access to information that helps them perform their duties properly. This includes corporate announcements,

investor communications and information about developments that may affect Vodacom and its operations. Directors have full access to management as required.

The Group Company Secretary is responsible for director training. The Group Company Secretary and Chief Executive Officer induct new directors, which includes briefings on their fiduciary and statutory responsibilities as well as on the Group's operations as required.

Share dealings

Vodacom has a share dealing policy requiring all directors, senior executives and the Group Company Secretary to obtain prior written consent from either the Chairman or Chief Executive Officer to deal in Vodacom Group shares. The Chairman has to obtain prior written clearance from the Chairman of the Audit, Risk and Compliance Committee. Closed periods are implemented as per the JSE Listings Requirements, during which the Group's directors, executives and employees are not allowed to deal in Vodacom Group shares. Additional closed periods are enforced should Vodacom be subject to any corporate activity requiring a cautionary announcement.

Stakeholder relationships

Stakeholder engagement

The Board has delegated to management the responsibility to deal with stakeholder relationships in a proactive and constructive manner. There is an approved stakeholder policy in place.



The initiatives and activities for the year are more fully reported in the Sustainability report incorporating the Social and Ethics Committee report at www.vodacom.com.

Shareholder relations

Vodacom proactively communicates its strategy and activities to shareholders through a planned investor relations programme which includes:

- ❖ Formal presentations of annual and interim results;
- ❖ Briefing meetings with major institutional shareholders after the release of results; and
- ❖ Hosting investor and analyst sessions.

Risk management

Management continuously develops and enhances its risk and control procedures to improve risk identification, assessment and monitoring. The Board considers business risks when setting strategies, approving budgets and monitoring progress against budgets.

A division reporting to the Chief Risk Officer assists in identifying, assessing and recording the risks facing the Group and, where appropriate, monitors mitigating actions.

Risks are managed at three distinct levels: Risk Management Committees (RMCs), the Risk Management Divisions and line management.

The Group Risk Management Committee (GRMC), which meets four times a year, is chaired by the Chief Risk Officer and also comprises the Group Executive Committee members and the Managing Directors of each of the local markets.

The two main functions of the GRMC are to:

- ❖ filter and approve the list of the principal risks and to present these risks to the Board annually; and
- ❖ oversee and monitor the various projects and structures designed to manage specific identified risks, for example Business Continuity Management.

The GRMC also acts as the RMC for Vodacom South Africa. The RMC in each subsidiary is chaired by its respective Managing Director and also comprises the other Executive Committee members of the local operation. The mandate of each committee is identical to that of the GRMC.

Key risks are identified and managed at three levels within the Group, namely: operational, tactical and principal level. Principal risks are categorised as key strategic risks to the Company. Principal risks are made up of the following:

- ❖ Internal tactical risks, those internal risks that will prevent the Group from achieving its short-term strategic objectives; and, if applicable
- ❖ External tactical or macro risks, those risks that are external in nature and normally affect the long-term strategic objectives of the Company.

Risks are periodically reviewed and updated throughout the company. Principal risks are reported to the respective RMCs, Audit, Risk and Compliance Committee's and are reviewed by the relevant boards.



The key risks that are currently being managed by the Group are detailed in the Risk report in the Integrated report at www.vodacom.com.

The following projects were initiated in 2018/19:

- ❖ Conducted a risk culture survey for the Vodacom Group of companies.
- ❖ Increased the risk awareness and communication throughout the organisation; and
- ❖ Improved engagement, risk identification and accountability at executive risk workshops.

The planned areas of future focus to risk include:

- ❖ Improving risk reporting using various tools;
- ❖ Continue with the plans to maintain and improve risk culture throughout the Group;
- ❖ Further improve communication of the organisation's risk appetite/tolerance throughout the Company; and
- ❖ Identifying other areas of improvement within the risk management process.

Internal control

Management implements appropriate internal controls to provide reasonable assurance on safeguarding assets, preventing and detecting errors, the accuracy and completeness of accounting records, and the reliability of financial statements. Internal audit provides independent, objective assurance of the system of internal controls within the Group.

Internal audit

The internal audit function operates under a defined charter, as approved by the Audit, Risk and Compliance Committee. The charter conforms to the International Standards for the

Corporate governance statement continued

Professional Practice of Internal Auditing and Code of Ethics as set out by the Institute of Internal Auditors and Vodacom Group Limited.

The audit methodology is based on a risk-based audit approach. The internal audit plan is compiled annually (in conjunction with Vodafone) and is approved by the Group Audit, Risk and Compliance Committee during March of every year and communicated to executive management. Special assignments may also be conducted on request with appropriate arrangements made to ensure that these do not compromise the achievement of the overall audit plan for the year.

Internal audit conducts the following types of audit:

- ❖ Financial systems audits;
- ❖ Business process audits; and
- ❖ Information technology (including network elements) audits.

Compliance

The Group actively works to comply with laws, regulations and policies applicable across its various jurisdictions. The legal and regulatory compliance programme includes a compliance management framework which sets target dates for full compliance with legal obligations, guidelines for the implementation of internal controls, and manages the implementation and monitoring of the framework together with compliance owners. High risk compliance areas such as competition law, anti-corruption, anti-money laundering and terrorist financing and privacy law are emphasised. The policy compliance programme fulfils functions similar to the legal and regulatory compliance programme under the Vodafone high and medium risk policies and policy standards, a number of which generally complement and correlate directly with relevant laws in most markets where the Group has a presence.

The legal, regulatory and compliance team - headed by the Chief Officer: Legal and Regulatory - has a dedicated function for overseeing, executing and monitoring the Group's various compliance policies and programmes. The team is responsible for:

- ❖ Providing commercial-level legal support, including drafting commercial agreements and providing strategic legal advice and guidance to business in its entirety;
- ❖ Managing litigation and utilising alternative dispute resolution mechanisms – such as mediation and arbitration – to find solutions to disputes involving the Company;
- ❖ Engaging various government and regulatory authorities across all our markets on public policy and regulatory concerns;
- ❖ Advising and assisting the organisation with acquisitions of new licences and overseeing compliance with licence conditions and obligations;
- ❖ Commenting on any proposed legislation, both original and subordinate, and other laws relevant to our industry and impacting the company; and
- ❖ Monitoring, developing and raising awareness on policies and procedures to ensure compliance with laws, regulations, codes of good practice and various prescripts applicable to the Group's operating companies.

Regulatory and compliance developments during 2019, included:

- ❖ Enforcement of subscriber registration regulations in, Mozambique and Tanzania;

- ❖ Proposed amendments to communications sector specific legislations in the DRC, South Africa and Tanzania;
- ❖ Regulations on licence fees and taxes;
- ❖ Award of spectrum licences in Lesotho, Mozambique and Tanzania;
- ❖ Re-issue of the 2G service licence in Mozambique;
- ❖ Applications for mobile money licences in Lesotho and Tanzania;
- ❖ Interconnection regulations in all markets;
- ❖ Market reviews and price regulations in all markets;
- ❖ SADC and EAC international roaming regulations;
- ❖ Competition law compliance;
- ❖ Cybercrimes and cyber security consultations in South Africa, the DRC, Lesotho and Tanzania;
- ❖ National security regulatory requirements;
- ❖ Overseeing the Group's anti-corruption, money laundering and terrorist financing programme; and
- ❖ Maintaining legal and policy standards; and compliance programmes and frameworks.

The planned areas of future focus relating to compliance include:

- ❖ Compliance with all laws affecting our operations in all markets where the company has a presence;
- ❖ Customer registration, as set out in relevant National Security laws, generally applicable in most markets where the Group has a presence;
- ❖ Competition law and policy compliance; and
- ❖ Privacy laws and policy compliance.

Ethics programme

Vodacom adheres to the highest ethical standards wherever we operate to ensure our business activities do not have a material negative impact on economies, societies and the environment. The Group's ethics programme includes: conducting periodic company risk assessments; formulating appropriate risk management strategies; publishing and championing our values and ethical codes of conduct; providing awareness training and advice to employees; maintaining registers for gifts and entertainment and declarations of interests; and ultimately enforcing these policies and processes.

While the general programme is supported by a specialist function at Group level, Managing Directors and senior executives are responsible for establishing and chairing local ethics committees that tailor and guide the implementation of the programme in their respective companies. The respective audit and social and ethics committees in the Group companies monitor implementation.



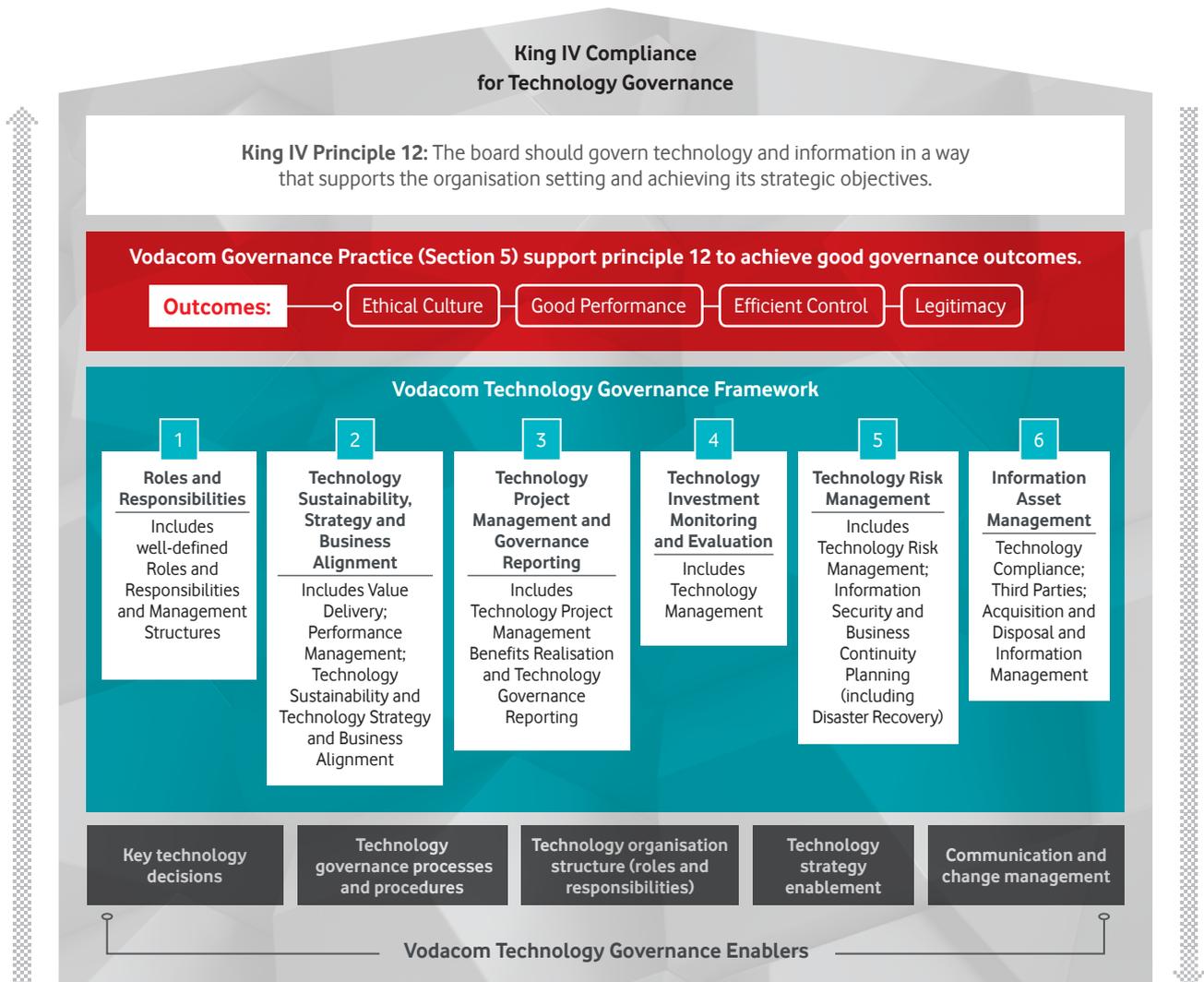
A detailed code of conduct which can be found at www.vodacom.com/company-structure.php forms part of the overall employee policies within Vodacom.

All executives and employees are required to maintain the highest ethical standards to ensure that Vodacom's business practices are conducted in a manner that is above reproach. The Vodacom code of conduct sets out 10 business principles that provide a reference for ethical behaviour in the Group.

Technology and information governance

In line with King IV, technology and information governance forms part of our governance structures, policies and procedures. It forms part of the Group's strategic and business processes and is managed by the Chief Technology Officer.

The Vodacom Technology Governance Framework and Charter, which are mapped to the IT governance principles of King IV, have continued to be reinforced in the organisation. Each framework element is substantiated through demonstrable processes to align technology strategy and business needs, deliver value and manage performance, and to strengthen information security management, information management, risk management, business continuity management and compliance.



Vodacom Technology Governance Framework

Our attention in the past year has focused on putting mechanisms in place to ensure independent assurance of services provided by outsourced providers, and moving towards compliance of the Protection of Personal Information (PoPI) Act. King IV acknowledges the rapid advances in technology and its potential to result in significant disruption, opportunity and risks. King IV recommends practices to assist the governing body with technology and information governance. The Board will consider the need to receive periodic independent assurance on the effectiveness of the organisations technology and information arrangements including outsourced services.

The key areas of focus during the period included:

- ❖ Technology security, more specifically cyber security;
- ❖ Independent assurance of outsourced services; and
- ❖ Protection of Personal Information Act.

The planned areas of future focus relating to information and technology governance include:

- ❖ Mature King IV alignment and application;
- ❖ Continued focus on independent assurance of wider outsourced services; and
- ❖ Continued focus on cyber security.