MTN Group

 *Statement*

 15 July 2019

**MTN STATEMENT - B-BBEE COMMISSION ENQUIRY INTO MTN ZAKHELE FUTHI**

MTN Group “Limited (MTN) takes note of the Black Economic Empowerment Commission’s (Commission) announcement that **MTN’s voluntary remedial actions have addressed concerns raised by the Commission regarding MTN’s Zakhele Futhi scheme.** We appreciate the Commission’s acknowledgement that “On the basis of the cooperation demonstrated by MTN, the Commission issued its final findings which included remedial recommendations to be implemented by MTN, which in the view of the Commission will address the concerns raised.”

MTN remains confident that the MTNZF scheme meaningfully advances empowerment, conforms to the relevant B-BBEE legislation applicable to MTN, promotes the ultimate objectives of that legislation, and that the terms and structure of the MTNZF scheme are reasonable and commercially justifiable.

However, MTN recognizes that empowerment is a journey and remains committed to advancing transformation, and it is in that spirit that in engagements with the Commission, MTN in good faith voluntarily offered to effect certain enhancements to the MTNZF scheme, which were materially in line with the issues the Commission had raised.

MTN has been at the forefront of empowerment in the ICT sector for the last twenty years, with the Group’s MTN Zakhele (MTNZ) scheme delivering approximately R3,25 billion in net value to around 92,000 B-BBEE shareholders. MTN has consistently demonstrated its commitment to the principles of broad-based BEE through a number of initiatives and empowerment transactions, but not limited launching the MTN Zakhele Futhi (MTNZF) scheme in 2016 (which was structured on a similar basis as MTNZ, with some 88,000 B-BBEE individuals and 785 B-BBEE groups participating. MTNZ held, and MTNZF currently holds, approximately 4% of MTN’s issued share capital.

Both of MTN’s schemes were implemented by way of transparent public offers and in line with similar schemes implemented by other major JSE-listed companies.

**ENDS**