

### **PIC's position on the recent developments at MTN**

09 November 2015

PRETORIA -The Public Investment Corporation (PIC) has noted the resignation of MTN's Group Chief Executive Officer, Mr Sifiso Dabengwa, early this morning.

Whilst the PIC acknowledges that Mr Dabengwa's resignation is the noble thing to do in the current circumstances, the PIC is of the view that a lot more people need to take collective responsibility for the fine that was imposed on MTN Nigeria for alleged failure to comply with regulatory requirements in that country.

In this regard, there still remain questions as to the role of the Board of Directors, which is charged with exercising fiduciary responsibilities for the benefit of shareholders. In particular, we question the role of the risk and compliance function within MTN. Could risk and compliance have not foreseen that there were instances of noncompliance, which could lead to penalty? What actions were taken to address noncompliance and mitigate possible fallout?

The PIC further notes the appointment of Mr Phuthuma Nhleko to act as an executive chairman until Mr Dabengwa's replacement has been found. The PIC will be requesting a meeting with the newly appointed executive chairman to understand exactly how he plans to turn things around for the benefit of shareholders.

The PIC is of the view that the current challenges need to be dealt with immediately to ensure that MTN complies with laws and regulations wherever it operates to ensure long term sustainability of the company.

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