

MINUTES OF THE FIFTEENTH ANNUAL GENERAL MEETING HELD IN THE BYTES CONFERENCE CENTRE, BYTES BUSINESS PARK, BLOCK C, HALFWAY GARDENS, MIDRAND, JOHANNESBURG, ON FRIDAY 30 JULY 2010 AT 11:00

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PRESENT: MP Moyo (Chairman)  
PJ Uys (CEO)  
RA Shuter (CFO)  
MS Aziz Joosub (MD Vodacom SA)  
T Boardman (Director)  
M Joseph (Director)  
TM Mokgosi-Mwantembe (Director)

Shareholders as per attendance register

IN ATTENDANCE: SF Linford (Secretary)  
I van Schoor (Computershare Investor Services (Proprietary) Limited)  
P Smit (Deloitte & Touche)

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10.01 Quorum

The Chairman welcomed those present at the meeting and the necessary quorum being present, declared the meeting duly constituted. It was noted that 46 shareholders holding 1 392 239 783 ordinary shares were represented in person or by proxy at the meeting. This represented 93.57% of the total issued ordinary share capital of the company.

10.02 Notice of meeting

The notice convening the meeting was taken as read.

10.03 Auditors' Report

The Auditors' Report which formed part of the audited annual financial statements of the company for the year ended 31 March 2010 was taken as read.

10.04 Voting

The Chairman noted that in terms of the company's articles of association, voting in respect of the business put to the meeting shall be by way of poll only. The Chairman outlined briefly the procedure to be followed in respect of electronic voting.

10.05 Annual Financial Statements

Mr Rosenberg raised the following queries in regard to the Annual Report and Annual Financial Statements for the year ended 31 March 2010:

- M-PESA and its launch;
- Reference to governance in the Chairman's statement;
- Operational performance;
- The R 800 million contract (CEO's review);
- Acting / permanent positions;

- Reward and recognition – describe what is meant by this;
- Number of special board meetings;
- Arbitration DRC;
- Assumption (page 131);
- Unresolved tax matters; and
- Worst case scenario in respect of legal contingencies.

Management responded as follows:

- M-PESA

It was noted that the launch of M-PESA would take place in September 2010. In response to a question concerning a banking licence, it was further noted that Vodacom had partnered with Nedbank to deal with the regulatory issues. Vodacom intended to make use of distributor outlets in the channel that already handle cash to overcome security issues. A commission fee would be deducted upfront as and when transactions occurred.

- Governance

The Chairman advised that this related to press and media reports concerning the KPMG forensic report, restraint of trade issues relating to the previous chief executive officer, and speculation concerning the shareholding relationship in the DRC. The Chairman confirmed that the KPMG report had been dealt with by the then previous Board and shareholders. The current Board did not believe it was necessary to re-do their work but had reviewed the recommendation and was satisfied that there had been progress in this regard. Insofar as the previous chief executive officer was concerned, it had been a business imperative to enter into a restraint of trade agreement with him which prevented him from joining Telkom and other competitors. This restraint of trade agreement would expire in March 2011.

There were a number of challenges in the DRC, particularly with the uncertainty within the regulatory environment and with the shareholders. The Chairman noted that as reported in the press, an arbitration process had been initiated with Vodacom's partners in the DRC.

- Operational performance

Vodacom had experienced a difficult year in financial 2010 where the impact of the economic recession had been felt. The implementation of RICA had a negative impact on gross connections but good progress had been made since implementation with registrations where gross connections have improved. Towards the latter half of the financial year, revenue came under pressure following the reduction in mobile termination rates. Good progress had been made in maintaining margins. A cost reduction programme had been initiated. Vodacom was expected to achieve its stated objective of a R500 million reduction in costs by the end of the 2011 financial year.

Vodacom had actively pursued the converged services market and secured a three year R800 million contract for ICT services. Broadband and data were key focus growth areas for Vodacom where investment would be made as well as making services in this market more affordable to customers.

- Acting / permanent positions

The Chairman confirmed that the Nominations Committee took the matter of succession planning very seriously and the bench strength of the company was reviewed regularly to ensure that the right people with the right competencies were in the right jobs.

- Reward and recognition – desired behaviours

The Chairman advised that targets set by Remuneration Committee had to be clear and aligned with the objectives of the business such as cash generation and market share.

- Special Board Meeting

The Chairman reminded the meeting that just before Vodacom was listed, there had been a last minute attempt by certain external parties to prevent the listing, where Vodacom and others had to appear in court on Sunday 17 May 2009. This resulted in the board being required to meet at extraordinary times and dates.

- Arbitration DRC

The Chairman confirmed that the arbitration process in Brussels had only just been initiated and would be difficult at this early stage to give an indication of the outcome.

- Assumptions (page 131)

Mr Shuter noted that the assumptions were in respect of finance year 2009 / 2008 concerning the phantom share scheme. He explained that as the benefit was being done away the assumptions for 2010 were not required.

- Unresolved tax matters

Mr Shuter replied that unresolved tax matters related primarily to the DRC and Tanzania for which Vodacom was adequately provided for.

- Worst case scenario in respect of legal contingencies

Mr Shuter confirmed that no provision had been raised as the litigation concerned had been considered as spurious.

The annual financial statements of the company and the group for the year ended 31 March 2010 were adopted. 40 shareholders holding 1 388 810 926 (99.75%) ordinary shares voted in favour of the adoption of the annual financial statements while one shareholder holding 51 020 ordinary shares voted against, with 4 shareholders holding 3 377 837 ordinary shares abstaining.

**10.06** Re-election of directors

10.06.1 **IT WAS RESOLVED THAT** Mr P Bertoluzzo be and is hereby appointed as a director of the company. 40 shareholders holding 1 390 804 023 (99.90%) ordinary shares voted in favour of Mr P Bertoluzzo's re-election as a director while two shareholders holding 1 428 266 ordinary shares voted against, with 4 shareholders holding 7 494 ordinary shares abstaining.

10.06.2 **IT WAS RESOLVED THAT** Mr PJ Moleketi be and is hereby appointed as a director of the company. 40 shareholders holding 1 390 797 598 (99.90%) ordinary shares voted in favour of Mr PJ Moleketi's re-election as a director while two shareholders holding 1 434 691 ordinary shares voted against, with 4 shareholders holding 7 494 ordinary shares abstaining.

10.06.3 **IT WAS RESOLVED THAT** Mr RA Shuter be and is hereby appointed as a director of the company. 40 shareholders holding 1 390 804 023 (99.90%) ordinary shares voted in favour of Mr RA Shuter's re-election as a director while two shareholders holding 1 428 266 ordinary shares voted against, with 4 shareholders holding 7 494 ordinary shares abstaining.

10.06.4 **IT WAS RESOLVED THAT** Mr MS Aziz-Joosub be and is hereby appointed as a director of the company. 40 shareholders holding 1 390 803 756 (99.90%) ordinary shares voted in favour of Mr MS Aziz-Joosub's re-election as a director while two shareholders holding 1 428 533 ordinary shares voted against, with 4 shareholders holding 7 494 ordinary shares abstaining.

10.06.5 **IT WAS RESOLVED THAT** Mr RC Snow be and is hereby appointed as a director of the company. 32 shareholders representing 1 368 785 779 (98.32%) ordinary shares voted in favour of Mr RC Snow's re-election as a director while 10 shareholders holding 23 446 510 ordinary shares voted against, with 4 shareholders holding 7 494 ordinary shares abstaining.

**10.07 Reappointment of Auditors**

**IT WAS RESOLVED THAT** Deloitte & Touche be and are hereby re-appointed as auditors to the company until the conclusion of the next annual general meeting. 42 shareholders representing 1 392 181 131 (99.99%) ordinary shares voted in favour of the re-appointment of Deloitte & Touche as auditors while one shareholder holding 51 020 ordinary shares voted against, with three shareholders holding 7 632 ordinary shares abstaining.

**10.08 Non-executive directors' remuneration**

**IT WAS RESOLVED THAT** an increase of 5% in the level of non-executive directors' fees be and is hereby approved from 01 August 2010 as follows:

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Chairman of the Board	1 050 000
Members of the Board	232 000
Chairman of the Audit Committee	210 000
Members of the Audit Committee	105 000
Chairman of the Remuneration Committee	183 750
Members of the Remuneration Committee	105 000
Chairman of other committees	105 000
Members of other committees	52 500

The annual fee payable to the Chairman of the Board is inclusive of any committee fees. No fees are payable for any special meetings that could be convened.

39 shareholders holding 1 391 969 749 (99.98%) ordinary shares voted in favour of the increase in the level of the non-executive directors' fees, while two shareholders holding 4 829 ordinary shares voted against, with three shareholders holding 265 205 ordinary shares abstaining.

**10.09 Remuneration report**

**IT WAS RESOLVED THAT** the remuneration report which formed part of the 2010 annual report be and is hereby approved. 25 shareholders holding 1 347 275 099 (96.77%) ordinary shares voted in favour of the approval of the remuneration report, while 16 shareholders holding 44 694 756 ordinary shares voted against, with 269 928 ordinary shares abstaining.

#### 10.10 Special Resolution – Share repurchase

**IT WAS RESOLVED THAT** the company, or any of its subsidiaries, be and they are hereby authorised, by way of a general authority, to acquire ordinary shares in the company, subject to the provisions of the Companies Act, 1973, as amended, and the Listings Requirements of the JSE Limited ('the JSE'), provided that:

- (a) the general authority granted to the directors shall be valid only until the company's next annual general meeting and shall not extend beyond 15 (fifteen) months from the date of this resolution;
- (b) any general purchase by the company and/or any of its subsidiaries of the company's ordinary shares in issue shall not in aggregate in any one financial year exceed 20% (twenty percent) of the company's issued ordinary share capital at the time that the authority is granted;
- (c) no acquisition may be made at a price more than 10% (ten percent) above the weighted average of the market value of the ordinary share for the 5 (five) business days immediately preceding the date of such acquisition;
- (d) the repurchase of the ordinary shares are effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter party (reported trades are prohibited);
- (e) the company may only appoint one agent at any point in time to effect any repurchase(s) on the company's behalf;
- (f) the company or its subsidiary may not repurchase ordinary shares during a prohibited period;
- (g) the general authority may be varied or revoked by special resolution of the members prior to the next annual general meeting of the company; and
- (h) should the company or any subsidiary cumulatively repurchase, redeem or cancel 3% (three percent) of the initial number of the company's ordinary shares in terms of this general authority and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter in terms of this general authority, and announcement shall be made in terms of the Listings Requirements of the JSE."

29 shareholders holding 1 357 039 653 (97.47%) ordinary shares voted in favour of a general authority for the company, or any of its subsidiaries to purchase up to 20% (twenty percent) of the company's issued ordinary share capital at the time the authority is granted, while 14 shareholders holding 35 192 765 ordinary shares voted against with three shareholders holding 7 365 ordinary shares abstaining.

#### 10.11 Thanks and appreciation

The Chairman, with the indulgence of the meeting, expressed his appreciation and thanks to:

- The men and women of Vodacom Group Limited for their continued loyalty and valuable contribution to the group during the past year;

- The executive team for their leadership and determination in a challenging year; and
- Fellow board members for their ongoing valuable counsel and guidance.

He also took the opportunity in expressing his appreciation to the many shareholders, customers and suppliers who had continued to demonstrate their confidence in the group.

**10.12** Closure

There being no further business to discuss, the Chairman thanked the members for their attendance and contribution and declared the meeting closed.

Signed as correct on this 13<sup>th</sup> day of January 2011.

  
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CHAIRMAN