

# Code of governance principles

Governance element	Principle(s)	Vodacom Group practice
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## 1. Ethical leadership and corporate citizenship

<b>Responsible leadership</b>	1.1 The Board should provide effective leadership based on an ethical foundation	The Board has put in place appropriate structures and processes to ensure that business is conducted in an ethical manner, taking into account the impact of the organisation's business on the economy, society and the environment, and balancing the interest of its diverse stakeholders.
<b>Ethical foundation</b>	1.2 The Board should ensure that the company is and is seen to be a responsible corporate citizen	<p>To inculcate an ethical culture, Vodacom has implemented an Ethics management programme, further details of which are provided under King III Principle 1.3 below. We have communicated our Code of Conduct to all staff and provided online training on our Code of Conduct to all staff. The Code of Conduct gives employees basic guidance on how to implement the business principles, and refers them to more detailed policies and guidelines for business behaviour. These documents cover a range of topics, from declarations of interests, to the receiving and giving of gifts and hospitality. Vodacom employees have a duty to report any suspected breaches of the Code and other company policies.</p> <p> <a href="#">Refer to the sustainability report.</a></p> <p>Vodacom has implemented an anti-corruption programme and requires all its employees and business partners to abide by anti-corruption laws in the conduct of Vodacom's business.</p> <p> <a href="#">Refer to anti-corruption programme in the sustainability report.</a></p> <p>Through the Vodacom Foundation, Vodacom has contributed to various social development projects in the areas of Mobile Education, Mobile Health and Vodacom Change the World.</p> <p> <a href="#">Refer to the sustainability report.</a></p> <p>Vodacom has implemented various initiatives and programmes to ensure that we promote and protect the environment, and maintain the health and safety of our people, suppliers and the general public. To this end Vodacom has implemented or engaged in the following initiatives:</p>

## Code of governance principles continued

Governance element	Principle(s)	Vodacom Group practice
<p style="text-align: center;">1. Ethical leadership and corporate citizenship continued</p>		
<p><b>Ethical foundation</b> continued</p>	<p>1.2 The Board should ensure that the company is and is seen to be a responsible corporate citizen continued</p>	<ul style="list-style-type: none"> <li>a) a health and safety programme;</li> <li>b) monitoring and reporting on our resource consumption;</li> <li>c) participation in the Carbon Disclosure Project and have set targets to reduce our carbon footprint;</li> <li>d) obtained ISO 14001 certification;</li> <li>e) recently set up an environmental management review committee/ working group;</li> <li>f) developed an innovation centre that identifies opportunities for Vodacom to operate in a more environmentally friendly manner.</li> </ul> <div style="margin-top: 10px;">  <p>Refer to the sustainability report.</p> </div> <p>Vodacom has a stakeholder relations function whose role is to proactively manage stakeholder relations.</p> <div style="margin-top: 10px;">  <p>Refer to the sustainability report.</p> </div> <p>Vodacom Group has a Social and Ethics Committee that maintains oversight on various sustainability and good corporate citizenship matters.</p> <div style="margin-top: 10px;">  <p>Refer to the sustainability report.</p> </div>
	<p>1.3 The Board should ensure that the company's ethics are managed effectively</p>	<p>Vodacom Group has implemented an ethics management programme called Ethics Along the Way.</p> <p>→ The Group Social and Ethics Committee and Audit Committees of our operating companies provide oversight of the Ethics Along the Way programme. We conduct Ethics, People and Reputation Surveys, and review information from internal investigations and disciplinary actions to assess key ethics risks. These risks are managed as part of our risk management strategies. During the course of the year, Vodacom pursued a Doing What's Right Campaign which encapsulated the following key areas:</p> <ul style="list-style-type: none"> <li>→ Code of conduct;</li> <li>→ Health and Safety;</li> <li>→ Competition Law training; and</li> <li>→ Anti-bribery.</li> </ul>

Governance element	Principle(s)	Vodacom Group practice
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## 1. Ethical leadership and corporate citizenship continued

<b>Ethical foundation</b> continued	1.3 The Board should ensure that the company's ethics are managed effectively continued	<p>The ethics department also provides advice to employees on general ethics topics such as giving and receiving gifts and conflicts of interest.</p> <p>To facilitate the handover and continued implementation of the programme to the Boards and management of the individual operating companies, ethics committees have been established in our International mobile operations in the DRC, Lesotho, Mozambique and Tanzania as well as Vodacom Business Africa in Nigeria. The membership of these committees includes both management and employees. The committees review the results of ethics risk assessments and other risk indicators, assist in highlighting and implementing key ethics-related policies and procedures, and bring concerns and complaints to the attention of the respective company. The managing directors of these companies have also appointed employees as 'ethics champions' to further raise the profile of, and encourage adherence to, business ethics.</p> <div data-bbox="762 990 868 1099" style="border: 1px solid #00a6c9; padding: 5px; display: inline-block;">  </div> <p>Refer to the sustainability report.</p> <p>We have aligned our policies with those of Vodafone and we have implemented Vodafone's policy compliance programme.</p> <p>The Vodacom whistle-blowing hotline continues to be promoted further across business.</p>
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## Code of governance principles continued

Governance element	Principle(s)	Vodacom Group practice
		
<b>2. Board and directors</b>  <b>Role and function of the Board</b>	<p>2.1 Vodacom is committed to the highest standards of business integrity, ethics and professionalism. The Board recognises the need to conduct the business in accordance with the principles of the King Code of Corporate Practices and Conduct (King III). These principles include discipline, independence, responsibility, fairness, social responsibility, transparency and the accountability of directors to all stakeholders</p>	<p>2.1.1 A Board charter has been adopted, detail the responsibilities of the board. These include:</p> <ul style="list-style-type: none"> <li>→ oversight of the Group' strategic direction;</li> <li>→ approving major capital projects, acquisitions or divestments;</li> <li>→ exercising objective judgement on the Group's business affairs independent from management;</li> <li>→ ensuring that appropriate governance structures, policies and procedures are in place;</li> <li>→ ensuring the effectiveness of the Group's internal controls;</li> <li>→ reviewing and evaluating the Group's risks;</li> <li>→ approving the annual budget and operating plan;</li> <li>→ approving the annual and interim financial results and shareholder communications;</li> <li>→ approving the senior management structure, responsibilities and succession plans; and</li> <li>→ responsibility for technology governance.</li> </ul> <p>2.1.2 The Board holds a minimum of four meetings, two teleconferences and a strategy session every year. Special Board meetings are convened when necessary.</p> <p>2.1.3 The Board has delegated to management the responsibility of dealing with stakeholder relationships in a proactive and constructive manner. A Stakeholder policy was approved by the Social and Ethics Committee in 2012. This policy and related initiatives and activities are more fully reported in the sustainability report.</p> <div data-bbox="735 1312 844 1420" style="border: 1px solid #00a6c9; padding: 5px; display: inline-block;">               vodacom         </div> <p>Refer to the sustainability report.</p> <p>2.1.4 The Board leads and manages the business on a going concern and sustainable basis; long-range plans are developed and reviewed annually.</p>

Governance element	Principle(s)	Vodacom Group practice
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## 2. Board and directors continued

<b>Role and function of the Board</b> continued	2.2	A strategy session is held annually where the Board either approves any new strategic direction or re-affirms the current strategy	2.2.1, 2.2.2, 2.2.3 In analysing the strategic direction and objectives of the business, the Board: → Ensures that the strategy is aligned with Vodacom's purpose and value drivers, and takes into account the legitimate interests and expectations of stakeholders. → Satisfies itself that the strategy and business plan are not encumbered by risks that have not been properly examined. → Strives to ensure that the strategy will result in a sustainable outcome.
	2.3	The Board should provide effective leadership based on an ethical foundation	Refer to 1.1 above.
	2.4	The Board should ensure that the company is and is seen to be a responsible corporate citizen	Refer to 1.2 above.
	2.5	The Board should ensure that the company's ethics are managed effectively	Refer to 1.3 above.
	2.6	The Board should ensure that the company has an effective and independent audit committee	Each year at the annual general meeting the Board nominates three independent directors, who are suitably qualified to take on the role of audit committee members. Shareholders have the right at the annual general meeting to vote on the appointment of such an audit committee. Vodacom's Audit Committee is known as the Audit, Risk and Compliance Committee.
	2.7	The Board should be responsible for the governance of risk	The management and review of risk is embedded in the Board charter and forms part of a formal process which includes both systems and risk management. A disciplined approach has been adopted together with policies, related internal controls, compliance and governance processes entrenched within Vodacom.
	2.8	The Board should be responsible for information technology (IT) governance	As an ICT company, technology is core to Vodacom's business and forms part of the governance structures, policies and procedures.

## Code of governance principles continued

Governance element	Principle(s)	Vodacom Group practice
<p style="text-align: center;">∨</p> <h3>2. Board and directors continued</h3>		
<b>Role and function of the Board</b> continued	2.9 The Board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	Promoting adherence with regulations and laws applicable to the business across its various jurisdictions is a key focus area for the Group. The legal compliance programme includes: <ul style="list-style-type: none"> <li>→ policies and a compliance management framework which sets target dates for full compliance with legal obligations, for implementing internal controls, and for managing the implementation and monitoring of the framework together with compliance owners;</li> <li>→ anti-money laundering (AML) compliance in respect of the M-Pesa mobile money transfer product and general AML reporting across Vodacom such as airtime purchases/usage and transaction monitoring; and</li> <li>→ anti-corruption, money laundering and terrorist financing (anti-CMT) compliance.</li> </ul>
	2.10 The Board should ensure that there is an effective risk-based internal audit	The internal audit function has a defined charter, as approved by the Audit, Risk and Compliance Committee. The charter conforms to the International Standards for the Professional Practice of Internal Auditing and Code of Ethics as set out by the Institute of Internal Auditors (IIA).  The Group's audit methodology and planning follows a risk-based approach. The internal audit plan is compiled annually in co-operation with Vodafone and is approved by the Audit, Risk and Compliance Committee in March of every year and communicated to executive management. Special assignments may also be conducted upon request with appropriate arrangements made to ensure that these do not compromise the achievement of the overall audit plan for the year.
	2.11 The Board should appreciate that stakeholder's perception affect the company's reputation	Vodacom's brand and reputation is of paramount importance to the Board. The Social and Ethics Committee, a committee of the Board, focuses on efforts in relation to: <ul style="list-style-type: none"> <li>→ maintaining good relations with consumers;</li> <li>→ maintaining good relations with employees;</li> <li>→ protecting the environment and promotion of health and safety in the workplace;</li> <li>→ preventing and combating bribery and corruption.</li> </ul>
	2.12 The Board should ensure the integrity of the company's integrated report	Vodacom appointed EY who conducted a limited assurance on Vodacom's 2016 integrated report.



Refer to the sustainability report.

Governance element	Principle(s)	Vodacom Group practice
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## 2. Board and directors continued

Role and function of the Board continued	Principle(s)	Vodacom Group practice
2.13	The Board should report on the effectiveness of the company's system of internal controls	<p>Internal controls comprise systematic measures, policies, procedures and business rules adopted by management to provide reasonable assurance in safeguarding assets, prevention and detection of error, accuracy and completeness of accounting records, and reliability of annual financial statements of all entities within the Group. In addition, Vodafone Group Plc ('Vodafone') is required to comply with Section 404 of the Sarbanes-Oxley Act ('SOX') due to its listing on the NASDAQ stock exchange. With combined efforts between the Group and Vodafone, specific processes were identified that had to be brought in line with SOX requirements as part of the Group's South African SOX compliance efforts.</p> <p>During the year, management revisited the accounting judgements applied in accounting for finance deals, which resulted in the restatement of certain lines in the consolidated annual financial statements (Note 21). Management has adequately responded to the restatement and with the exception of the aforementioned, concluded that the internal controls over financial reporting as at 31 March 2016 were effective. The internal audit function is governed by the internal audit charter, as approved by the ARC Committee. The internal audit function serves management and the Board by performing independent evaluations of the adequacy and effectiveness of the Group's internal controls, financial reporting mechanisms and records, information systems and operations.</p>
2.14	The Board and its directors should act in the best interests of the Company	This is required in terms of company law and every effort is made to ensure there are no conflicts. Where any conflict has arisen, the director concerned has excused himself, left the meeting and has not participated in the discussion nor the vote.
2.15	The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act	This has not yet arisen but Board members are aware of their responsibilities in terms of the Companies Act.
2.16	The Board should elect a Chairman of the Board who is an independent non-executive director. The CEO of the company should not also fulfil the role of Chairman of the Board	The roles of CEO and Chairman are separate. The Chairman is an independent director.

## Code of governance principles continued

Governance element	Principle(s)	Vodacom Group practice
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### 2. Board and directors continued

<b>Role and function of the Board</b> continued	2.17 The Board should appoint the Chief Executive Officer and establish a framework for the delegation of authority	Vodacom has a CEO who has responsibility for the day-to-day operational requirements and acts with a framework of a delegation of authority which is reviewed on a regular basis.
	2.18 The Board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	Vodacom has a unitary board of 12 directors. Five directors, including the Chairman, are independent non-executive directors. Five are non-executive directors and two are executive directors. Although the majority are non-executive directors, half of our non-executive directors are not independent as recommended by King III as they represent Vodafone. However, the Board is satisfied that the balance of power and objectivity on the Board is sufficient and does not require additional independent voices.
	2.19 Directors should be appointed through a formal process	Vodacom has a Nomination Committee where the identification and evaluation of potential candidates for appointment to the Board forms part of its mandate. The authority to appoint directors, however, remains a function of the Board and shareholders, where necessary.
	2.20 The induction of and ongoing training and development of directors should be conducted through formal processes	On appointment, directors undergo an induction programme which deals with their duties and responsibilities, and provides education on Vodacom's business. Directors are kept updated on developments in the business through site visits and 'deep dives' into various aspects of the business. This forms part of the work plan for the board which gets approved in March of every year.
	2.21 The Board should be assisted by a competent, suitably qualified and experienced Company Secretary	Vodacom appointed Ms Sandi Linford as its Group Company Secretary in December 2008. Directors have access to the advice and relevant services of the Company Secretary who is responsible to the Board for ensuring compliance with procedures and applicable statutes and regulations.
	2.22 The evaluation of the Board, its committees and the individual directors should be performed every year	Vodacom conducted a Board evaluation during the year. The outcome of this evaluation is more fully reported in the 2016 integrated report.
	2.23 The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	The Board has appointed the following committees: <ul style="list-style-type: none"> <li>→ Executive Committee</li> <li>→ Audit, Risk and Compliance Committee</li> <li>→ Remuneration Committee</li> <li>→ Nomination Committee</li> <li>→ Social and Ethics Committee</li> </ul> All committees operate under a Board-approved terms of reference (charter) which is updated from time to time.



Refer to the corporate governance statement.



Refer to the corporate governance statement.

Governance element	Principle(s)	Vodacom Group practice
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## 2. Board and directors continued

<b>Role and function of the Board continued</b>	2.24 A governance framework should be agreed between the Group and its subsidiary Boards	The Board has approved a delegation of authority which includes its subsidiary companies.
	2.25 Companies should remunerate directors and executives fairly and responsibly	The Remuneration Committee, in consultation with executive management, ensures that the group's directors and executives are fairly rewarded for their contribution, in line with the remuneration policy. This is more fully outlined in the remuneration report   Refer to the remuneration report in the integrated report.
	2.26 Companies should disclose the remuneration of each individual director and prescribed officer	This is fully disclosed in the remuneration report.   Refer to the remuneration report in the integrated report.
	2.27 Shareholders should approve the company's remuneration policy	A resolution is put to shareholders at the annual general meeting for shareholders to vote on the remuneration policy. This is set out in the notice of the annual general meeting   Refer to the notice of annual general meeting in the integrated report.

## 3. Audit committees

<b>Membership and resources of the audit committee</b>	3.1 The Board should ensure that the company has an effective and independent audit committee	The members of the Audit, Risk and Compliance (ARC) Committee were appointed by shareholders at the annual general meeting held on 16 July 2015. The members are DH Brown (Chairman), BP Mabelane, PJ Moleketi and are categorised as independent directors.
<b>Membership and resources of the audit committee</b>	3.2 Audit committee members should be suitably skilled and experienced independent non-executive directors	The board believes that the members of the ARC Committee are suitably qualified for their roles:  <b>DH Brown</b> – David was appointed as CEO of Coal of Africa Limited effective from February 2014. He was previously the non-executive Chairman from August 2012 and then the executive Chairman. He is a former non-executive director of Edcon Holdings Limited as well as the former Chairman of the Edcon Audit and Risk Committee. He is the former CEO of Impala Platinum Holdings Limited (Implats) and was Chairman of Impala Platinum Limited and Zimplats Holdings Limited, the two major operating subsidiaries within the Implats Group. David was CEO from 2006 to 2012 and before that he served as Chief Financial Officer from 1999. Prior to that, David worked in the Information Technology sector for four years and for the Exxon Mobil Corporation in Europe for five years. He served his articles with EY. David was appointed to the Vodacom Group Board in January 2012.

## Code of governance principles continued

Governance element	Principle(s)	Vodacom Group practice
<b>Membership and resources of the audit committee</b> continued	3.2 Audit committee members should be suitably skilled and experienced independent non-executive directors	<p><b>BP Mabelane</b> – Priscillah is currently the Retail Operations Director of BP Oil UK Limited, a position she has held since August 2015. Prior to this she was the Chief Financial Officer of BP Southern Africa (BPSA), Prior to joining BPSA, Priscillah was the Executive Director of Finance at the Airports Company of South Africa (ACSA), responsible for the development and implementation of financial strategies for the Group. She has held senior management roles in a number of large companies. These include Ernst &amp; Young where she was a Tax Director, Eskom Holdings Limited where she held various roles in Finance, Tax and General Management. She also served as a Non-Executive Director at ACSA. Priscillah was appointed to the Vodacom Group Board in December 2014.</p> <p><b>PJ Moleketi</b> – Jabu is the non-executive Chairman of Brait SA and the Development Bank of South Africa. He is a former Deputy Minister of Finance (2004-2008) and former MEC of Financial and Economic Affairs in the Gauteng Provincial Government (1994-2004). He is a director of several companies listed on the JSE Limited. Jabu was appointed to the Vodacom Group Board in November 2009.</p>
	3.3 The audit committee should be chaired by an independent non-executive director	The current Chairman, Mr DH Brown is categorised as an independent director.
	3.4 The audit committee should oversee integrated reporting	This forms part of the ARC Committee mandate.
	3.5 The audit committee should ensure that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities	<p>In November 2011, the ARC Committee approved the Combined Assurance Framework. The combined assurance model identifies the risk areas affecting the Group and maps the level of assurance being provided by the different lines rolled out into the business to improve the assessments regarding the levels of assurance provided.</p> <p> PG ifc</p> <p>Vodacom's 2016 integrated report.</p>
	3.6 The audit committee should satisfy itself of the expertise, resources and experience of the company' finance function	The ARC Committee has concluded that the finance function is adequately resourced with technically competent individuals and is effective.
	3.7 The audit committee should be responsible for overseeing of internal audit	The head of internal audit reports to the ARC Committee.
	3.8 The audit committee should be an integral component of the risk management process	This forms part of the ARC Committee Charter.

Governance element	Principle(s)	Vodacom Group practice
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### 3. Audit committees continued

<b>Membership and resources of the audit committee</b> (continued)	3.9 The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	This forms part of the ARC Committee Charter.
	3.10 The audit committee should report to the board and shareholders on how it has discharged its duties	A report on the activities of the ARC Committee forms part of the audited consolidated annual financial statements.



Refer to the ARCC report in the consolidated annual financial statements

### 4. The governance of risk

<b>The Board's responsibility for risk governance</b>	4.1 The Board should be responsible for the governance of risk	This forms part of the Board charter.
	4.2 The Board should determine the levels of risk tolerance	This is reviewed by the Board on an annual basis.
	4.3 The risk committee or audit committee should assist the Board in carrying out its risk responsibilities	The Board has appointed the ARC Committee to assist with its risk responsibilities.
<b>Management's responsibility for risk management</b>	4.4 The Board should delegate to management the responsibility to design, implement and monitor the risk management plan	Vodacom has appointed a Chief Risk Officer who assists in identifying, assessing and recording the strategic risks facing the Group and, where appropriate, monitors mitigating actions.

## Code of governance principles continued

Governance element	Principle(s)	Vodacom Group practice
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### 4. The governance of risk continued

<b>Risk assessment</b>	4.5	The Board should ensure that risk assessments are performed on a continual basis	4.5, 4.6, 4.7, 4.8, 4.9, 4.10 Management continuously develops and enhances its risk and control procedures basis, aiming to improve risk identification, assessment and monitoring. The directors consider business risks when setting strategies, approving budgets and monitoring progress against budgets. Risks are managed at three distinct levels – Risk Management Committees, the Risk Group and line management. The Group Risk Management Committee (GRMC) – which meets four times a year and which is chaired by the Chief Risk Officer – has been in existence for ten years. Current membership comprises the Group Executive Committee members, the Chief Risk Officer 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 strategically high and critical risks and to present these risks to the Group Board yearly; and → to oversee and monitor the various projects and structures designed to manage specific identified risks for example Business Continuity Management.
	4.6	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	
<b>Risk response</b>	4.7	The Board should ensure that management considers and implements appropriate risk responses	
<b>Risk monitoring</b>	4.8	The Board should ensure continual risk monitoring by management	
<b>Risk assurance</b>	4.9	The Board should receive assurance regarding the effectiveness of the risk management process	
<b>Risk disclosure</b>	4.10	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	



The major strategic risks identified during the year are detailed on page 20 of the integrated report.

Governance element	Principle(s)	Vodacom Group practice
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## 5. The governance of information technology

5.1	The Board should be responsible for information technology (IT) governance	This is embedded in the Board charter.
5.2	IT should be aligned with the performance and sustainability objectives of the Company	As an ICT company, technology is core to the business of Vodacom.
5.3	The Board should delegate to management the responsibility for the implementation of an IT governance framework	A Board approved technology governance framework is in place as well as a Technology Governance Charter. The Board has delegated to management the responsibility for the implementation of technology governance. The CEO is responsible for managing technology governance.
5.4	The Board should monitor and evaluate significant IT investments and expertise	Vodacom has a capital expenditure review board which reviews and considers capital expenditure investment, including investment in technology. A summary of investments considered by the capital expenditure board is reviewed by the ARC Committee as and when investments in technology are required.
5.5	IT should form an integral part of the company's risk management	This is embedded in Vodacom's risk management programme; risks are reviewed on a quarterly basis at the Risk Management Committee meetings.
5.6	The Board should ensure that information assets are managed effectively	Technology assets are managed through the auspices of the office of the Chief Technology Officer who has responsibility to manage technology assets effectively.
5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities	This is embedded in the Board charter.

## Code of governance principles continued

Governance element	Principle(s)	Vodacom Group practice
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### 6. Compliance with laws, rules, codes and standards

<p>6.1 The Board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards</p>	<p>Compliance with laws, standards and codes forms part of Vodacom's key business principles.</p> <div data-bbox="735 618 844 725" style="border: 1px solid black; padding: 5px; display: inline-block;">  </div> <p>Refer to the sustainability report.</p>
<p>6.2 The Board and each individual director should have a working understanding of the effect of the applicable laws, rules codes and standards on the company and its business</p>	<p>Vodacom has a dedicated legal and regulatory division that assists the Board in its understanding of applicable laws, rules and codes as these effect the business of Vodacom.</p>
<p>6.3 Compliance risk should form an integral part of the company's risk management process</p>	<p>This forms part of the Board Charter – See 4 above.</p>
<p>6.4 The Board should delegate to management the implementation of an effective compliance framework and processes</p>	<p>A Chief Officer: Legal and Regulatory has been appointed; he and his team assist with the management and implementation of an effective compliance framework. This includes:</p> <ul style="list-style-type: none"> <li>→ engaging with the various communications administrations and regulatory authorities;</li> <li>→ advising and assisting the organisation with applications for new licences and overseeing compliance with licence conditions and obligations;</li> <li>→ commenting on communications legislation and other laws relevant to the industry;</li> <li>→ monitoring, developing and providing awareness training on policies and procedures to ensure compliance with laws, regulations, codes and various standards applicable to the Group's operating companies; and managing the legal compliance programme, which includes anti-corruption, money laundering and terrorist financing (anti-CMT) compliance.</li> </ul>

Governance element	Principle(s)	Vodacom Group practice
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## 7. Internal audit

<b>The need for and role of internal audit</b>	7.1 The Board should ensure that there is an effective risk-based internal audit	Please see 2.10 above.
<b>Internal audit's approach and plan</b>	7.2 Internal audit should follow a risk based approach to its plan	Please see 2.10 above.
	7.3 Internal audit should provide a written assessment of the effectiveness of the Company's system of internal controls and risk management	Please see 2.13 above.
	7.4 The audit committee should be responsible for overseeing internal audit	The Head of Internal Audit reports to the Audit, Risk and Compliance Committee and has unrestricted access to the Chairman of the Audit, Risk and Compliance Committee.
	7.5 Internal audit should be strategically positioned to achieve its objectives	The Head of Internal Audit is positioned at a senior executive level and has unrestricted access to the CEO and CFO.

## 8. Governing stakeholder relationships

	8.1 The Board should appreciate that stakeholders' perceptions affect a company's reputation	Please see 2.11 above.
	8.2 The Board should delegate to management to proactively deal with stakeholder relationships	The Chief of Corporate Affairs has responsibility for the management and implementation of the stakeholder framework.
	8.3 The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company	 <a href="#">Refer to the sustainability report.</a>

## Code of governance principles continued

Governance element	Principle(s)	Vodacom Group practice
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### 8. Governing stakeholder relationships continued

	8.4 Companies should ensure the equitable treatment of shareholders	This is also a JSE requirement and every effort is made to treat all shareholders equitably. Related party transactions with the controlling shareholder, Vodafone, are handled at Board level where the Vodafone representatives on the Board are precluded from voting. The Board is mindful of the JSE Listings Requirements concerning related party transactions.
	8.5 Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	 <p>Refer to the sustainability report</p>
<b>Dispute resolution</b>	8.6 The Board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible	This forms part of Vodacom's legal and regulatory processes.

### 9. Integrated reporting and disclosure

<b>Transparency and accountability</b>	9.1 The Board should ensure the integrity of the company's integrated report	<p>EY were appointed in FY2016 to provide an independent limited assurance on Vodacom's 2016 integrated report.</p> <p> <b>PG 76</b></p> <p>EY's report may be found in the 2016 integrated report</p> <p>It is the intention to appoint a service provider to provide a limited assurance report for the 2016 integrated report.</p>
	9.2 Sustainability reporting and disclosure should be integrated with the company's financial reporting	 <p>Refer to the integrated report.</p>
	9.3 Sustainability reporting and disclosure should be independently assured	This has not yet taken place and remains under review by management.