

**CUSTODY ENTITY MANDATE
FOR USE BY PERSONS IN RESPECT OF THE FACILITATED TRADING PROCESS
CUSTODY ENTITY MANDATE TERMS AND CONDITIONS**

1. Definitions and interpretation

1.1 In this Custody Entity Mandate, the following words and phrases shall have the following meanings:

1.1.1 "**Applicable Rules**" means the rules applicable to Participants in terms of the FM Act, the JSE Listings Requirements and the CSD Rules;

1.1.2 "**Application Form**" means:

1.1.2.1 for a Black Person, the form called the "**Application Form (Black People)**" that must be completed and signed as part of the Application Process; and

1.1.2.2 for a Black Group, the form called the "**Application Form (Black Groups)**" that must be completed and signed as part of the Application Process;

1.1.3 "**Application Process**" the process that must be followed to apply for confirmation from the BEE Verification Agent that a person is an Eligible Shareholder;

1.1.4 "**Authorised Representative**" means the individual appointed and authorised by the Black Group in accordance with the Facilitated Trading Process Verification Terms and Conditions to act on behalf of the Black Group;

1.1.5 "**Authorised User**" has the meaning given to this term in the FM Act;

1.1.6 "**BBEE Act**" means the Broad-Based Black Economic Empowerment Act, 53 of 2003 and any regulations and codes of good practice published thereunder (including the Codes), as amended;

1.1.7 "**BEE**" means black economic empowerment;

1.1.8 "**BEE Legislation**" means each and all of:

1.1.8.1 the BBEE Act;

1.1.8.2 any codes of good practice and/or any transformation charters issued under sections 9 and/or 12 of the BBEE Act applicable to the MTN SA Group;

1.1.8.3 any communications sector legislation and any regulations published under such legislation and any license conditions made pursuant to such legislation from time to time, as applicable to the MTN SA Group; and

1.1.8.4 any other charter, law, condition of a material license, regulation or (mandatory or voluntary) practice pursuant to which ownership and/or control by Black People in the MTN SA Group is measured or a requirement relating thereto is imposed on it, or its rights, interests and/or obligations are affected thereby whether directly or through its customers;

1.1.9 "**BEE Listing**" means the listing of the MTN Zakhele Shares as Asset Backed Securities (being specialist securities under the JSE Listings Requirements) on the BEE Segment of the main board of the exchange operated by the JSE, with effect from the BEE Listing Date. Such listed MTN Zakhele Shares will be listed as BEE Securities;

1.1.10 "**BEE Listing Date**" the date on which the BEE Listing happens;

1.1.11 "**BEE Listing Period**" means the period starting on the BEE Listing Date and ending on the earlier of:

1.1.11.1 at 23:59:59 on 24 November 2016; or

1.1.11.2 the date on which the BEE Listing terminates for any reason;

1.1.12 "**BEE Securities**" has the meaning given to this term in the JSE Listings Requirements from time to time;

1.1.13 "**BEE Segment**" has the meaning given to this term in the JSE Listings Requirements from time to time;

- 1.1.14 "BEE Status" means in relation to a Black Group, the Black Group's percentage ownership and percentage economic interest by Black People (by shareholding, membership, beneficiary interest or other comparable interest, as the case may be, having regard to the juristic nature of the relevant Black Group) and the Black Group's percentage representation by Black People at board or trustee or other similar governing body, as measured under the BEE Legislation and, in relation to a natural person, whether or not that person qualifies as a Black Person;
- 1.1.15 "BEE Verification" the verification of an Eligible Shareholder by the BEE Verification Agent to confirm, amongst others, that the Eligible Shareholder has:
- 1.1.15.1 accepted the Facilitated Trading Process Verification Terms and Conditions; and
- 1.1.15.2 signed all documents and contracts, and satisfied or fulfilled any additional steps, required in terms of the Facilitated Trading Process Verification Terms and Conditions,
- and "BEE Verified" has a similar meaning;
- 1.1.16 "BEE Verification Agent" means, during the BEE Listing Period, a person appointed from time to time by MTN and/or MTN Zakhele (with the consent of MTN) to fulfil the functions assigned to it under the Relationship Agreement in respect of performing BEE Verification, initially being Velocity;
- 1.1.17 "BEE Verification Call Centre" means the call centre established and operated by the BEE Verification Agent to provide Application Process and BEE Verification Process services (and respond to related queries) or attend to general queries relating to MTN Zakhele, which can be contacted at the phone number: 083 123 6869;
- 1.1.18 "BEE Verification Process" means the process that an Eligible Shareholder must follow to apply for confirmation from the BEE Verification Agent that such Eligible Shareholder is a Verified Shareholder;
- and "Beneficially Own" and "Beneficially Owned" and "Beneficial Ownership" has a similar meaning;
- 1.1.19 "Black Company" means a company incorporated in accordance with the laws of South Africa which is both a "BEE controlled company" and a "BEE owned company" (or comparable terms) as defined from time to time under the BEE Legislation, and a reference to "company" shall include reference to a close corporation or such other incorporated entity;
- 1.1.20 "Black Entity" means:
- 1.1.20.1 a vesting trust;
- 1.1.20.2 a broad-based ownership scheme; and
- 1.1.20.3 an unincorporated entity or association, including a partnership, joint venture, syndicate or Stokvel,
- in each case under clauses 1.1.20.1 to 1.1.20.3, as may be determined from time to time (generally or in relation to any particular Black Entity or category of Black Entities) by MTN in its sole discretion as an entity which qualifies under the BEE Legislation (and the Codes in particular) for recognition and measurement of ownership, economic interest and control by Black People such that the MTN SA Group may claim recognition of such ownership, economic interest and control under the BEE Legislation as being held by a majority of Black People;
- 1.1.21 "Black Groups" means a Black Company or a Black Entity;
- 1.1.22 "Black Participant" means individually and collectively (as the context may dictate), Black People, Black Companies and Black Entities, who are eligible to directly and beneficially own MTN Zakhele Shares in terms of the provisions of the Relationship Agreement;
- 1.1.23 "Black People" or "Black Person" means "black people" (or comparable term) as defined from time to time under the BEE Legislation; provided that where the BEE Legislation contains more than one definition of "black people" (or comparable term) and such definitions are not the same, then the term "black people" shall mean (and be restricted to) the class of persons who satisfy the

relevant criteria in every such definition. By way of summary and without in any way being construed as an interpretation of the Codes), "Black People" are defined under the BBBEE Act read with Schedule 1 of the Codes, as being African, Coloured (including Chinese) or Indian persons who are natural persons and who: (a) are citizens of South Africa by birth or descent; or (b) are citizens of South Africa by naturalisation before the commencement date of the Constitution of the Republic of South Africa, Act 200 of 1993 ("**Interim Constitution**") or (c) became citizens of South Africa after the commencement date of the Interim Constitution, but who, but for the apartheid policy that had been in place prior to that date, would have been entitled to acquire citizenship by naturalisation prior to that date;

- 1.1.24 "**BSTC**" means MTN or such committees or third parties or third party agents as MTN may nominate to consider whether a person is an Eligible Shareholder and approve or decline any proposed transfer of MTN Zakhele Shares (if for any reason, and for so long as, the BSTC is not or ceases to be constituted, the rights and obligations of the BSTC shall be fulfilled by MTN Zakhele);
- 1.1.25 "**Business Day**" means any day other than a Saturday, Sunday or gazetted national public holiday in the Republic of South Africa;
- 1.1.26 "**Change of Details Form**" means:
- 1.1.26.1 for a Black Person, the form called the "Change of Details Form (Black People)" that we require a Black Person to sign; and
- 1.1.26.2 for a Black Group, the form called the "Change of Details Form (Black Groups)" that we require a Black Group to sign;
- 1.1.27 "**Companies Act**" means the Companies Act, No. 71 of 2008, as amended;
- 1.1.28 "**Codes**" means the Codes of Good Practice on Broad Based Black Economic Empowerment issued by the Minister of Trade and Industry on 9 February 2007 in terms of section 9 of the BBBEE Act;
- 1.1.29 "**CSD**" means an electronic settlement environment for Transactions to be settled and transfer of ownership to be recorded electronically, managed by Strate;
- 1.1.30 "**CSD Rules**" means the rules of the CSD, including any directives issued by the CSD, as amended;
- 1.1.31 "**Custody Entity**" or "**Issuer Nominated Participant**" means Link Investor Services Proprietary Limited, registration number 2011/001308/07, a private company incorporated in South Africa, acting through its nominee, Pacific Custodians Nominees;
- 1.1.32 "**Custody Entity Mandate**" means this Custody Entity Mandate entered into between you and the Custody Entity, in terms of which you become a client of the Custody Entity for the purposes of receiving custody and settlement services through the Transaction Platform;
- 1.1.33 "**Eligible Shareholder**" means (a) any Black Person or Black Group who is accepted to become an MTN Zakhele Shareholder (i) in MTN's (or its nominee, delegatee or agent) sole discretion, such acceptance to be recorded in writing or (ii) pursuant to any decision made by the BSTC (or its nominee, delegatee or agent) in accordance with the Relationship Agreement (unless MTN determines otherwise on written notice to the BSTC in respect of such decision), such acceptance by the BSTC to be recorded in writing, (and in the case of either (i) or (ii), including through the Application Process) and (b) such other persons as are permitted from time to time (and for the period so permitted) under the Relationship Agreement to hold MTN Zakhele Shares;
- 1.1.34 "**Empowerment Compliance Period**" means a period of six years which started on 24 November 2010 and ends at 23:59:59 on 24 November 2016;
- 1.1.35 "**Encumbrance**" in relation to any property, includes any pledge, security cession, charge, hypothecation, lien, subordination, mortgage, option over, right of retention or any other encumbrance whatsoever, or any form of hedging or similar derivative instrument of any nature whatsoever of or over or in respect of that property or class of property (or any part or proceeds thereof), or any lending of that property, and the words "**Encumber**", "**Encumbered**" and "**Encumbering**" shall have corresponding meanings;

- 1.1.36 **"Facilitated Trading Process"** means the process of purchasing, holding and/or selling MTN Zakhele Shares from time to time through the Transaction Platform, in terms of which a Verified Shareholder signs a mandate with the Trading Entity (as a result of which the Trading Entity will provide trading services to you) and this Custody Entity Mandate (as a result of which the Custody Entity will act as the registered holder of your MTN Zakhele Shares and provide custody and settlement services to you);
- 1.1.37 **"Facilitated Trading Process Verification Terms and Conditions"** the terms, conditions, restrictions and limitations applicable to you by virtue of you choosing to purchase, hold and/or sell any MTN Zakhele Shares in terms of the MTN Zakhele Facilitated Trading Process. These terms and conditions are set out in the document titled **"MTN Zakhele (RF) Limited: Facilitated Trading Process Verification Requirements, Terms and Conditions"** which may be obtained from the MTN Zakhele Shareholder Platform Website or by phoning the BEE Verification Call Centre;
- 1.1.38 **"FICA"** means the Financial Intelligence Centre Act, 38 of 2001, as amended;
- 1.1.39 **"FM Act"** means the Financial Markets Act, 19 of 2012, as amended;
- 1.1.40 **"Force Majeure Event"** means an event of fire, lightning, explosion, flood, hurricane, act of God, war, terrorism, civil disorder, epidemics, plagues, strikes; boycotts, and lock-outs of all kinds and go-slows (excluding boycotts, strikes, lock-outs and go-slows by or of the affected Party's own personnel) which were outside of the control of the affected Party or any other event beyond the control of the Party affected by the event, provided in all cases that the affected Party has taken all steps and precautions which could reasonably be expected for it to have taken in order to prevent such act or event occurring and in order to mitigate and minimise the effects of the event and furthermore that the affected Party is not at fault;
- 1.1.41 **"FSB"** means the Financial Services Board, established by section 2 of the FSB Act;
- 1.1.42 **"FSB Act"** means the Financial Services Board Act, 97 of 1990, as amended;
- 1.1.43 **"ICASA"** means the Independent Communications Authority of South Africa, a regulatory body established in terms of section 3 of the Independent Communications Authority of South Africa Act, 13 of 2000, as amended;
- 1.1.44 **"Independent Trading Process"** means the process of purchasing, holding and/or transferring MTN Zakhele Shares from time to time in accordance with the MTN Zakhele BEE Contract;
- 1.1.45 **"Independent Trading Process Verification Terms and Conditions"** means the terms, conditions, restrictions and limitations applicable to you should you choose to purchase, hold and/or transfer any MTN Zakhele Shares in terms of the Independent Trading Process. These terms and conditions are set out in the document titled **"MTN Zakhele (RF) Limited: Independent Trading Process Verification Requirements, Terms and Conditions"** which may be obtained from the MTN Zakhele Shareholder Platform Website or by phoning the BEE Verification Call Centre;
- 1.1.46 **"JSE"** as the context requires, either JSE Limited, registration number 2005/022939/06, a public company incorporated in South Africa and licensed to operate an exchange under the FM Act, or the securities exchange operated by that company;
- 1.1.47 **"JSE Listings Requirements"** means the Listings Requirements of the JSE as amended from time to time;
- 1.1.48 **"JSE Member"** means an equities member, which is a category of Authorised User admitted to membership of the JSE;
- 1.1.49 **"Limited Transfers Process"** means the process of purchasing and/or transferring MTN Zakhele Shares by a Verified Shareholder pursuant to an Off-Market Transfer, as contemplated in the MTN Zakhele Limited Transfers Verification Terms and Conditions;
- 1.1.50 **"Limited Transfers Process Verification Terms and Conditions"** means the terms, conditions, restrictions and limitations applicable to you should you choose to purchase, hold and/or transfer any MTN Zakhele Shares in terms of the Limited Transfers Process. These terms and conditions

are set out in the document titled "**MTN Zakhele (RF) Limited: Limited Transfers Process Verification Requirements, Terms and Conditions**" which may be obtained from the MTN Zakhele Shareholder Platform Website or by phoning the BEE Verification Call Centre;

- 1.1.51 "Loss" means any direct loss and direct damage (including legal fees on an attorney and own client scale), whatsoever and howsoever arising;
- 1.1.52 "MTN" means MTN Group Limited, registration number 1994/009584/06, a public company incorporated in South Africa, whose ordinary shares are listed on the JSE;
- 1.1.53 "**MTN Zakhele**" means MTN Zakhele (RF) Limited, registration number 2010/004693/06, a public company incorporated in South Africa;
- 1.1.54 "**MTN Zakhele BEE Contract**" means the contract referred to in the Independent Trading Process Verification Terms and Conditions;
- 1.1.55 "**MTN Zakhele Shares**" or "**Shares**" means ordinary shares in MTN Zakhele;
- 1.1.56 "**Normal Trading Hours**" means official trading times set by the JSE from time to time;
- 1.1.57 "**On-Market Transfer**" means any sale or purchase of MTN Zakhele Shares reported through an Authorised User;
- 1.1.58 "**Off-Market Transfer**" means any sale, purchase or other transfer of MTN Zakhele Shares not reported through an Authorised User;
- 1.1.59 "**Order to Buy**" means an offer made through the Trading Section of the Transaction Platform to buy MTN Zakhele Shares;
- 1.1.60 "**Order to Sell**" means an offer made through the Trading Section of the Transaction Platform to sell MTN Zakhele Shares;
- 1.1.61 "**Pacific Custodians Nominees**" means Pacific Custodians (Nominees) (RF) Proprietary Limited, registration number 2014/113298/07, a private company incorporated in South Africa;
- 1.1.62 "**Pacific Custodians Nominees Trading Account**" means the trading account maintained by Pacific Custodians Nominees for purposes of settling Transactions in MTN Zakhele Shares executed through the Transaction Platform, the details of which are set out in Annexure "**A**" to this Custody Entity Mandate;
- 1.1.63 "**Partial Transactions**" means a purchase or sale of some but not all of the MTN Zakhele Shares in an Order to Buy or Order to Sell;
- 1.1.64 "**Participant**" means a central securities depository participant, accepted as a participant of the CSD in terms of the FM Act;
- 1.1.65 "**Parties**" means the Custody Entity and you, and "**Party**" shall mean either one of them as the context may require;
- 1.1.66 "**Public Authority**" means:
 - 1.1.66.1 the FSB;
 - 1.1.66.2 ICASA;
 - 1.1.66.3 any government or governmental, administrative, fiscal or judicial authority, body, court, department, commission, tribunal, registry or any state owned, controlled or legislatively constituted authority which principally performs public, governmental or regulatory functions and/or which is responsible for applying national security, foreign investment, exchange control, telecommunications, merger control or other competition or antitrust legislation or regulations, in South Africa; and
 - 1.1.66.4 any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government or any state-owned enterprise in South Africa;
- 1.1.67 "**Relationship Agreement**" means the agreement entitled "**Amended and Restated Relationship Agreement**" concluded between MTN Zakhele and MTN on 29 September 2015 and to which each MTN Zakhele Shareholder is or becomes a party, which agreement regulates, amongst

- others, the rights and obligations of these parties relating to the holding of MTN shares by MTN Zakhele and the holding of MTN Zakhele Shares by the MTN Zakhele Shareholders;
- 1.1.68 "SARS" means the South African Revenue Services;
- 1.1.69 "Securities Account" means a securities account opened and maintained by the Custody Entity as contemplated in clause 5.1 of this Custody Entity Mandate;
- 1.1.70 "Securities Transfer Tax" means the securities transfer tax levied in terms of Securities Transfer Tax Act, 25 of 2007, as amended;
- 1.1.71 "Settlement Account" has the meaning given to this term in clause 6.1 of this Custody Entity Mandate;
- 1.1.72 "Stokvel" means associations of two or more members who contribute funds to the association on a regular basis, the funds of which are paid, in whole or in part, to its members in accordance with its rules, whether on a rotational basis or upon the occurrence of an event or otherwise;
- 1.1.73 "Strate" means Strate Proprietary Limited, registration number 1998/022242/07, a private company incorporated in South Africa;
- 1.1.74 "Supporting Documents" means in relation to the BEE Verification Process and a Change of Details, all documents which you are required to provide. For details on such supporting documents, please refer to the relevant forms at the MTN Zakhele Shareholder Platform Website (www.mtnz.co.za) or the Transaction Platform Website (www.mtnz.tradedesk.co.za) or you may call the BEE Verification Call Centre on 083 123 6869 and request that copies be sent to you;
- 1.1.75 "Trading Entity" means the person designated by MTN Zakhele from time to time to act in such capacity, the Trading Entity currently being Velocity;
- 1.1.76 "Trading Section of the Transaction Platform" means that section of the Transaction Platform owned and operated by the Trading Entity for the purposes of processing Orders in respect of MTN Zakhele Shares through either the Transaction Platform Website or the Transaction Platform Call Centre (as applicable);
- 1.1.77 "Transaction" means a contract of purchase and sale of MTN Zakhele Shares and "Transact" and "Transacting" shall have a corresponding meaning;
- 1.1.78 "Transaction Fees" has the meaning given to this term in clause 13.1;
- 1.1.79 "Transaction Platform" means with regards to the Facilitated Trading Process, the platform established by the Trading Entity and the Custody Entity through which they render trading services and custody and settlement services respectively to Verified Shareholders, which is made up of the Transaction Platform Website and the Transaction Platform Call Centre;
- 1.1.80 "Transaction Platform Account" means, with regards to the Facilitated Trading Process, the record that the Custody Entity keeps of money received from and paid to you and of your activities and Transactions on the Transaction Platform;
- 1.1.81 "Transaction Platform Call Centre" means the call centre established and operated by the Trading Entity and the Custody Entity to provide trading services and custody and settlement services (and respond to related queries), which can be contacted at the phone number: 083 123 6869;
- 1.1.82 "Transaction Platform Website" the online part of the Transaction Platform which is accessible on the internet at: mtnz.tradedesk.co.za;
- 1.1.83 "Transfer Secretaries" means Link Market Services South Africa Proprietary Limited, registration number 2000/007239/07, a private company incorporated in accordance with the laws of South Africa;
- 1.1.84 "VAT" means value added tax levied in terms of the Value-added Tax Act, 89 of 1991, as amended;
- 1.1.85 "Velocity" means Velocity Trade Financial Services Proprietary Limited, registration number 2010/010415/07, a private company incorporated in South Africa;

- 1.1.86 "Verification Form" means, for a Black Group, the form called the "**Verification Form (Black Groups)**" that must be completed and signed as part of the BEE Verification Process;
- 1.1.87 "**Verified Shareholder**" means, during the BEE Listing Period, any Eligible Shareholder which has successfully completed BEE Verification in respect of the Facilitated Trading Process, and whose BEE Verification status has not expired or been withdrawn in accordance with the Facilitated Trading Process Verification Terms and Conditions or the Relationship Agreement;
- 1.1.88 "**you**" or "**your**" or "**yourself**" means you, being a Black Person or Black Group who is an Eligible Shareholder. For Minors, this also includes the Minor or the parent or guardian, except when the situation requires or suggests that we are only referring to the Minor and not also to the parent or guardian.
- 1.2 The clause headings are for convenience only and shall not be taken into account in the interpretation of this Custody Entity Mandate.
- 1.3 Any reference in this Custody Entity Mandate to "person" includes any natural, juristic or quasi-juristic person, including, without limitation, any sole proprietorship, Stokvel, firm, partnership, trust, close corporation, company, undertaking, joint venture, government or public entity, or other incorporated or unincorporated entity or association.
- 1.4 Any reference to any "law", "Act", similar directive or document (including the JSE Listings Requirements) or any part thereof, shall be a reference to such "law", "Act", similar directive or document as interpreted, amended, modified, re-enacted, consolidated or substituted from time to time.
- 1.5 The rule of construction that a contract shall be interpreted against the Party responsible for the drafting or preparation of the contract shall not apply to this Custody Entity Mandate.
- 1.6 Any reference to you shall:
- 1.6.1 if you are liquidated or sequestrated (as the case may be) also apply to and be binding on your liquidator or trustee; or
- 1.6.2 if you are a natural person and die, also apply to and be binding on the executor of your estate and any person to whom your MTN Zakhele Shares are transferred as a result of your death.
- 2. Appointment of Custody Entity**
- 2.1 By entering into this Custody Entity Mandate, you agree to appoint the Custody Entity in its capacity as a Participant to provide custody and settlement services to you in respect of your MTN Zakhele Shares, in accordance with the Applicable Rules, through the Transaction Platform or otherwise (as applicable).
- 2.2 The Parties record and agree that they shall at all times be bound by the Applicable Rules, and must comply with any other statutory requirements having regard to the nature of the client (being you).
- 2.3 In the event of any conflict arising between the provisions of this Custody Entity Mandate and the provisions of the Applicable Rules, then to the extent of such conflict, the provisions of the Applicable Rules shall prevail.
- 2.4 The custody and settlement services referred to in clause 2.1 above will entail, among other things, that:
- 2.4.1 the Custody Entity will open a Securities Account for you in which your MTN Zakhele Shares will be held in custody;
- 2.4.2 the Custody Entity will maintain records of your MTN Zakhele Shares in the manner provided for in, and as required by, the Applicable Rules;
- 2.4.3 your MTN Zakhele Shares will at all times be held in the name of Pacific Custodians Nominees as the registered shareholder for you and on your behalf; and
- 2.4.4 the Custody Entity will, and will procure that Pacific Custodians Nominees will, take such steps as are prescribed in the Applicable Rules and as may be reasonable in the circumstances to protect your MTN Zakhele Shares held by it in custody against theft, loss or destruction.

2.5 You acknowledge and agree that the Custody Entity is under no obligation to accept any MTN Zakhele Share that is not good for delivery or has a defect in relation to your rights, title and interest in respect of such MTN Zakhele Share.

2.6 In the event that any of your MTN Zakhele Shares suffer from any of the defects referred to in clause 2.5 above, the Custody Entity will refuse to record such MTN Zakhele Share in your Securities Account until the relevant defect has been corrected / remedied to the satisfaction of the Custody Entity.

3. **FICA verification**

You undertake to provide the Custody Entity with any and all documentation required by the Custody Entity to enable the Custody Entity to comply with the requirements of FICA before the Custody Entity will provide any custody and settlement services to you in terms of this Custody Entity Mandate.

4. **Encumbrances**

4.1 You warrant in favour of the Custody Entity that any MTN Zakhele Shares deposited with the Custody Entity are and will remain free from any Encumbrances.

4.2 You acknowledge and agree that you may not, at any time during the BEE Listing Period, Encumber your MTN Zakhele Shares or permit your MTN Zakhele Shares to be Encumbered.

4.3 Neither the Custody Entity nor Pacific Custodians Nominees will at any time during the BEE Listing Period, grant, acknowledge, accept or record, in whatsoever form, any Encumbrance over or in respect of your MTN Zakhele Shares (or give any instruction with a view to achieving any of the foregoing).

5. **Securities Account**

5.1 The Custody Entity will in accordance with its standard operating procedures and the Applicable Rules open and maintain a Securities Account in your name to record:

5.1.1 the number and/or nominal value of MTN Zakhele Shares that you may entrust to its custody from time to time; and

5.1.2 all Transactions executed on your behalf through the Transaction Platform in respect of your MTN Zakhele Shares.

5.2 The Custody Entity will under no circumstances give effect to any instruction that will result in a debit balance in respect of any MTN Zakhele Shares held in your Securities Account.

6. **Settlement Account**

6.1 You designate the bank account specified by you in your Application Form, Verification Form (if you are a Black Group) or pursuant to the BEE Verification Process (if you are a Black Person) or any applicable Change of Details form from time to time, as the account into which the Custody Entity will pay all the proceeds arising from Transactions executed in respect of your MTN Zakhele Shares. This account will be referred to as your "**Settlement Account**".

6.2 You may, from time to time, nominate a different bank account as your Settlement Account by completing and giving the Custody Entity a Change of Details Form with the details of the new account that you wish to be used as your Settlement Account.

7. **Your obligation to pre-fund the Pacific Custodians Nominees Trading Account**

7.1 You acknowledge that you are under an obligation to ensure that you deposit sufficient funds into the Pacific Custodians Nominees Trading Account to cover any Transaction (including all Transaction Fees and costs) in respect of MTN Zakhele Shares executed on your behalf by the Trading Entity through the Transaction Platform prior to placing any Order to Buy or Order to Sell with the Trading Entity through the Transaction Platform.

7.2 You will find the details of the Pacific Custodians Nominees Trading Account in Annexure "A" hereto.

7.3 You acknowledge that you are aware of the fact that, in the event that you fail to ensure that there are sufficient funds available in the Pacific Custodians Nominees Trading Account to cover your Transactions (including Transaction Fees and costs) in respect of MTN Zakhele Shares executed on your behalf by the Trading Entity through the Transaction Platform as contemplated in clause 7.1 above, the Custody Entity

will be under no obligation to confirm settlement of the relevant Transactions to Strate and that, in such circumstances, the relevant Transactions will fail.

7.4 Where you have deposited funds into the Pacific Custodians Nominees Trading Account, the Custody Entity will pay interest to you in respect of such funds in accordance with the schedule set out in Annexe C.

8. **Voting**

8.1 You acknowledge and agree that this Custody Entity Mandate is concluded on a non-discretionary basis as regards the Custody Entity exercising any voting rights in respect of your MTN Zakhele Shares. The Custody Entity will procure that Pacific Custodians Nominees will only exercise a vote in respect of your MTN Zakhele Shares on your behalf at any meeting of MTN Zakhele or in respect of any resolution proposed to the shareholders of MTN Zakhele if a completed proxy voting form is received from you 48 hours prior to the relevant date stipulated in the applicable MTN Zakhele circular to shareholders.

8.2 You must obtain letters of representation from the Custody Entity if you wish to attend and vote in respect of your MTN Zakhele Shares at general meetings of MTN Zakhele. The Custody Entity will be available at all general meetings of MTN Zakhele to issue such letters of representation immediately prior to the meeting.

9. **Notification of corporate events and cash dividends**

9.1 Pacific Custodians Nominees shall notify you of all corporate events as required in terms of the Applicable Rules.

9.2 You may elect not to receive notices, reports and circulars. If you elect not to receive notices, reports and circulars, you acknowledge that you understand and accept the implications and consequences of such an election namely that you may not receive pertinent information concerning non-elective events or the payment of dividends or of matters in respect of which you are entitled to exercise your voting rights.

10. **Rematerialization of MTN Zakhele Shares**

10.1 Subject to clause 10.2, you may instruct the Custody Entity in writing to rematerialize your MTN Zakhele Shares at any time in accordance with the Applicable Rules; provided that, during the Empowerment Compliance Period, the share certificates in respect of your MTN Zakhele Shares must be retained by the Transfer Secretaries in accordance with the provisions of the Relationship Agreement.

10.2 The Custody Entity will not be entitled to rematerialise your MTN Zakhele Shares unless it has first received confirmation from the BEE Verification Agent that you are a Verified Shareholder for the purposes of the Independent Trading Process or the Limited Transfers Process. The Custody Entity may only (and will procure that Pacific Custodians Nominees does) transfer your certificated MTN Zakhele Shares to the person who you have selected to provide you with custody and settlement services in respect of your MTN Zakhele Shares and in respect of who you have been BEE Verified; provided that, during the Empowerment Compliance Period, the share certificates in respect of such MTN Zakhele Shares must be retained by the Transfer Secretaries in accordance with the provisions of the Relationship Agreement.

11. **Instructions by you**

11.1 Other than instructions given by you to the Custody Entity through the Transaction Platform Website or the Transaction Platform Call Centre, all instructions given by you to the Custody Entity shall be sent to the Custody Entity at the address set out in clause 28.5 below, or via electronic mail to: CSDP@linkmarketservices.co.za

11.2 All instructions shall be sent in writing, or by any other means as may be approved by the Custody Entity from time to time in writing.

11.3 The Custody Entity shall not be obliged to carry out any instruction that does not comply with this Custody Entity Mandate or Applicable Laws.

- 11.4 On each occasion on which an instruction is given, you will be regarded as having confirmed that you have the necessary authority.
- 11.5 The Custody Entity may record telephonic or electronic conversations with you and your representatives and you agree that such recordings or transcripts thereof may be used as evidence in any dispute with you.
- 11.6 Any instruction duly given by you to the Custody Entity shall, to the extent required, be deemed to be an instruction duly given by you to Pacific Custodians Nominees.

12. **Off-Market Transfers**

- 12.1 Off-Market Transfers are transfers of MTN Zakhele Shares that do not take place in accordance with the Independent Trading Process.
- 12.2 In respect of MTN Zakhele Shares, only the following types of Off-Market Transfers will be allowed:
- 12.2.1 portfolio moves of MTN Zakhele Shares from the Custody Entity to another Participant;
 - 12.2.2 account transfers of MTN Zakhele Shares;
 - 12.2.3 transactions that take place in circumstances where you want to transfer your MTN Zakhele Shares without receiving payment in respect thereof (for example as a gift, in pursuance of a court order, deceased estates, insolvent estates, assets under curatorship); and
 - 12.2.4 corporate action transactions.
- 12.3 In respect of all Off-Market Transfers, the following rules will apply:
- 12.3.1 You will be required to give a transfer instruction to the Custody Entity (if your MTN Zakhele Shares are held in uncertificated form) or the Transfer Secretary (if your MTN Zakhele Shares are held in certificated form) to transfer your MTN Zakhele Shares to a specific, identified transferee.
 - 12.3.2 The Custody Entity or the Transfer Secretary (as the case may be) will need to obtain confirmation from the BEE Verification Agent that the transferee to whom your MTN Zakhele Shares are to be transferred is a Verified Shareholder. If such confirmation is, for whatever reason, not received then the Custody Entity or the Transfer Secretary (as the case may be) will not give effect to an Off-Market Transfer.
 - 12.3.3 If the transferee to whom your MTN Zakhele Shares are to be transferred is confirmed as being a Verified Shareholder, then the Off-Market Transfer will be booked directly into an account with the Custody Entity.
 - 12.3.4 If the transferee to whom your MTN Zakhele Shares are to be transferred is not already a Verified Shareholder, such transferee must complete the Application Process (if applicable) and complete the BEE Verification process (if applicable).
 - 12.3.5 Both you and the prospective transferee must complete and return the required Custody Entity withdrawal form for internal transfers. If, however, an Off-Market transfer is to another Participant or other type of custodian, only you need to complete the withdrawal form referred to above.
 - 12.3.6 In all cases, securities transfer tax levied in respect of Off-Market Transfers must (if applicable) be paid by the persons responsible therefor (ie the transferee of MTN Zakhele Shares).
 - 12.3.7 The fees for which you will be liable in respect of Off-Market Transfers are set out in Annexe C.
 - 12.3.8 You and the person to whom your MTN Zakhele Shares are to be transferred must deposit the relevant transaction fees as well as Securities Transfer Tax (if applicable) into the Pacific Custodians Nominees Trading Account.

13. **Fees and Taxes**

There are fees and taxes for using the Transaction Platform. You will only be charged a fee once a Transaction has occurred. The fees and taxes which you are liable to pay are the following and as set out in the scheduled attached as Annexe C:

- 13.1 **Transaction Fee**
- 13.1.1 You must pay a transaction fee to the Custody Entity. This transaction fee covers both the Custody Entity's and the Trading Entity's costs for the Transaction. The transaction fee which you must pay will be the higher of R150 per day (ie R150 per Transactions for that day) or 0.75% of the value of the Transaction ("**Transaction Fee**").
- 13.1.2 The Transaction Fee is deducted from your Transaction Platform Account each time your Order to Buy or Order to Sell results in a Transaction.
- 13.1.3 These are the only fees for the Transaction, and the Transaction Fee covers all other costs related to this Transaction (including Strate settlement fees, the FSB levy, JSE Member transaction fees, VAT on any of the aforementioned fees and levy, and bank costs for payment of settlement proceeds if you have chosen to be paid out on settlement date after your order results in a Transaction).
- 13.1.4 Examples of how Transaction Fees and taxes are calculated can be seen at Annexe B to this Client Agreement.
- 13.2 **Fees for Partial Transactions**
- 13.2.1 During Normal Trading Hours, the Transaction Fee deducted from your Transaction Platform Account for each Partial Transaction is 0.75% multiplied by the value of the Transaction. If the total Transaction Fee deducted from your Transaction Platform Account during the day for a Partial Transaction is less than R150 then the difference between this total and R150 will be deducted from your Transaction Platform Account after Normal Trading Hours.
- 13.2.2 If only part of the Order to Buy or Order to Sell is cancelled or ends, we still charge the Transaction Fee and taxes on the part of the Order to Buy and the Order to Sell that results in a Transaction.
- 13.2.3 If you cancel your remaining open Order after a Partial Transaction on any following day and there have been no Transactions for this open Order you will not be charged a fee.
- 13.3 **VAT**
- Both the buyer and the seller must also pay VAT on the Transaction Fee only. VAT is not payable on Securities Transfer Tax. VAT is currently calculated at 14% of the Transaction Fee. This percentage is set by government and may change. VAT is deducted from your Transaction Platform Account at the time the Transaction occurs either during the day or if the remainder of the minimum Transaction Fee is applied after the JSE closes in terms of clause 13.2 above.
- 13.4 **Securities Transfer Tax**
- The buyer must also pay an extra tax to the government called Securities Transfer Tax on the transfer of MTN Zakhele Shares. This is currently calculated at 0,25% of the value of the Transaction. This percentage is set by government and may change. The Custody Entity deducts the Securities Transfer Tax from your Transaction Platform Account at the time the Transaction occurs. The Custody Entity pays the Securities Transfer Tax as part of settlement obligations for Strate settlement processes which process facilitates your compliance with your obligations to the South African Revenue Services in this regard. You have no obligations to ensure that your Securities Transfer Tax is paid on any purchase as this is collectively the responsibility of the Custody Entity, Strate and the relevant JSE Member.
- 13.5 **Dividends tax**
- You acknowledge and accept that you are responsible for any and all dividends taxes and agree to submit a written declaration to SARS in respect of any dividend taxes.
- 13.6 **Fees if Orders to Buy or Orders to Sell are cancelled or end**
- No Transaction Fees will be charged if the full Order to Buy or a full Order to Sell is cancelled before a Transaction occurs or if it expires.

14. When the Transaction Fees can increase

14.1 We may increase the Transaction Fees at any time. When we do, we will give notice to you. Transaction Fees will not go up by more than the average percentage increase of the Consumer Price Index ("CPI") in the 12 months before the fee increase date. We use the CPI (or any replacement index) published by Statistics South Africa (or any replacement body). If we increase the fees by more than this, then clause 21 will apply.

14.2 Increases to the Transaction Fees do not apply retrospectively to Transactions. Each time you make a new Order to Buy or Order to Sell, we will inform you of the Transaction Fees and taxes that apply before you confirm the Transaction.

15. We do not give refunds when a Transaction has happened

We do not give any refunds for Transaction Fees, taxes and costs for Transactions that have settled.

16. Transaction Platform Account Information

You can access details of your Transactions and activity on your Transaction Platform Account on the Transaction Platform Website or through the Transaction Platform Call Centre.

17. Sharing of commissions, fees and charges

17.1 You acknowledge and agree that we may share commissions, fees and charges with any entity within the Custody Entity's group or other third parties or receive remuneration from them in respect of Transactions.

17.2 Details of these commissions, fees, charges, remuneration or sharing arrangements will be disclosed in accordance with any requirements of any applicable law.

18. Monthly statements

18.1 The Custody Entity will send you a statement each month with details of your Transactions for that month. If you did not have any Transactions in a month, the Custody Entity will not send you a statement.

18.2 The Custody Entity will send the monthly statement to you by email, unless you ask for it to be sent to you by post when you register to use the Transaction Platform. You can also get a copy of your monthly statements by phoning the Transaction Platform Call Centre and asking for a copy to be sent to you.

18.3 You can also get details of your Transactions and activity on your Transaction Platform Account on the Transaction Platform Website or through the Transaction Platform Call Centre.

19. Call Option in favour of MTN and obligation to transfer MTN Zakhele Shares pursuant thereto

19.1 In terms of the Relationship Agreement, a Call Event will arise in certain specified circumstances. If a Call Event occurs in respect of you, and for so long as it continues, MTN may (but is not obliged) give written notice to you and to the Custody Entity stating that such Call Event has occurred ("**Call Option Notice**"), which notice will require you to sell to MTN or such person as MTN may designate (the "**Call Event Transferee**") all of your MTN Zakhele Shares or such number thereof as MTN in its discretion may elect (the "**Call Shares**"). The Call Option Notice will specify the terms and conditions of such sale as regulated by the provisions of the Relationship Agreement (including, without limitation, the identity of the Call Event Transferee, the relevant purchase price in respect of such sale and the date upon which such sale shall take effect). You have agreed in terms of the Relationship Agreement that in such circumstances, you will sell the Call Shares to the Call Event Transferee upon the specified terms and conditions.

19.2 The Custody Entity acknowledges and accepts that it shall be bound, to the extent applicable, upon receipt of a Call Option Notice from MTN to act in accordance with any instructions therein to give effect to the sale of the Call Option Shares to the Call Event Transferee. In addition, you are obliged, upon receipt of the Call Option Notice from MTN, to instruct the Custody Entity to effect transfer of the MTN Zakhele Shares into an account in the name of the Call Option Transferee.

19.3 Each of the Parties agrees that notwithstanding any provision to the contrary in this Custody Entity Mandate, the Custody Entity shall, notwithstanding that the Call Option Notice is issued by MTN, deem the Call Option Notice to constitute such an instruction by you in accordance with the terms and

conditions set out therein. The Custody Entity hereby acknowledges and agrees that such instruction by MTN in the Call Option Notice shall be deemed to constitute an instruction by you.

20. **Suspending the Transaction Platform**

20.1 **Suspension because of a dispute or illegal activity**

20.1.1 The Custody Entity may temporarily suspend part or all of your use of the Transaction Platform, any Transactions or your Transaction Platform Account in any one or more of these circumstances:

20.1.1.1 if the Custody Entity is required by MTN Zakhele and/or MTN at any time to do so (in which case the Custody Entity will be obliged to do so);

20.1.1.2 if the Custody Entity reasonably believes that your Transaction Platform Account is being used for illegal purposes, including money laundering or fraud;

20.1.1.3 if there is a disagreement between who owns or has authority to transact the MTN Zakhele Shares or access the Transaction Platform; or

20.1.1.4 if you are a Black Group, if there is disagreement about whether an Authorised Representative is still authorised to represent you.

20.2 **Notice before suspension because of a dispute or illegal activity**

The Custody Entity will send you notice that your use of the Transaction Platform will be suspended and, as far as the law allows, give you 10 Business Days to prove whichever of the following apply:

20.2.1 you are the owner of the MTN Zakhele Shares;

20.2.2 you are not using the Transaction Platform for illegal purposes; or

20.2.3 if you are a Black Group, your Authorised Representative is still authorised to represent you, or that a new Authorised Representative has been appointed.

20.3 **Permanent suspension because of a dispute or illegal activity**

If you do not prove the facts above within 10 Business Days, the Custody Entity will suspend your use of the Transaction Platform until you give the Custody Entity the proof that it needs.

20.4 **Suspension because of expiry of BEE Status**

20.4.1 If, the BEE Verification Agent issues written notice to the Custody Entity that you are not an Eligible Shareholder or that the BEE Verification Agent is unable to verify that you are an Eligible Shareholder or that your BEE Verification status has been withdrawn or expired, you or your Authorised Representative will not be able to log onto the Transaction Platform or give instructions through the Transaction Platform Call Centre.

20.4.2 You or your Authorised Representative will also not be able to use the Transaction Platform to buy MTN Zakhele Shares and all your Orders to Buy and Orders to Sell will be suspended, nor shall you or your Authorised Representative be entitled to effect any other transfer of MTN Zakhele Shares. This suspension will endure until the Custody Entity receives written confirmation from the BEE Verification Agent that you are again a Verified Shareholder.

20.5 **Other reasons for suspension**

20.5.1 The Custody Entity may temporarily suspend part or all of your use of the Transaction Platform Website, Transaction Platform Call Centre, the Transaction Platform, any Transactions, your Transaction Platform Account, and the processing of orders to buy or orders to sell if:

20.5.1.1 it is necessary to do maintenance on the Transaction Platform;

20.5.1.2 the Custody Entity becomes aware of any actual, threatened or suspected fraud or any actual, threatened or suspected unauthorised use of the Transaction Platform;

20.5.1.3 the Custody Entity has reasonable grounds to believe that the Transaction Platform is being used negligently, illegally, fraudulently, for money laundering, or in a way that the Custody Entity has not given permission for;

20.5.1.4 the Custody Entity has reasonable grounds to believe that the security of the Transaction Platform may be in danger;

- 20.5.1.5 you do not comply with your duties and even after the Custody Entity has given you 10 Business Days' notice to do so or to fix it (or a shorter period where this is reasonable);
 - 20.5.1.6 you do not comply with your duties and it is reasonable not to first give you notice to do so or to fix it;
 - 20.5.1.7 the Custody Entity becomes aware that any information you have given or that has been given for you is false, inaccurate, invalid, incomplete or misleading;
 - 20.5.1.8 the Custody Entity must do this to comply with the law;
 - 20.5.1.9 a court or the Public Authority tells the Custody Entity to do this; or
 - 20.5.1.10 where another part of this Custody Entity Mandate allows the Custody Entity to implement this suspension.
- 20.5.2 The suspension will continue for so long as the Custody Entity reasonably believes is appropriate. The Custody Entity will send you a notice by SMS if your Transaction Platform Account is suspended for these reasons only if it is reasonably practical to do so.

21. **Changes to this Custody Entity Mandate**

21.1 **We may make changes**

We may make changes to this Custody Entity Mandate at any time. We will let you know what the changes are at least 10 Business Days before they apply. We will let you know of the changes in a shorter time period if:

- 21.1.1 we are required to do so in terms of any applicable law;
- 21.1.2 we are required to do so by any Public Authority; or
- 21.1.3 it is reasonable to give you less than 10 Business Days' notice.

21.2 **Agree to the changes before they apply**

21.2.1 If we make changes to this Custody Entity Mandate, you may choose to either agree to the changes before they apply or to end your use of the Transaction Platform.

21.2.2 If you choose to end your use of the Transaction Platform, any Orders to Buy or Orders to Sell that have not resulted in a Transaction are automatically cancelled.

21.2.3 If you do not agree to the changes to this Custody Entity Mandate before the changes apply, we may suspend your use of the Transaction Platform.

21.2.4 Until you have agreed to the changes to this Custody Entity Mandate, each time you log in to the Transaction Platform Website or contact the Transaction Platform Call Centre, we will give you a chance to agree to the changes.

21.3 **If the changes do not relate to a Transaction**

If the changes we make to this Custody Entity Mandate do not relate to Transactions, we will still settle Orders to Buy and Orders to Sell that you made before we made the changes. But we will not do this if the law or the Public Authority does not allow it.

22. **Termination**

22.1 **Event of Default**

An Event of Default occurs if:

- 22.1.1 you fail to perform or comply with any of your obligations under this Custody Entity Mandate or any Transaction after the Custody Entity has given you 10 Business Days' notice to do so;
- 22.1.2 you are in breach of any applicable law;
- 22.1.3 you have breached this Custody Entity Mandate, the Relationship Agreement, MTN Zakhele's Memorandum of Incorporation or the Facilitated Trading Process Verification Terms and Conditions and have failed to remedy such breach in accordance with the provisions of such document;
- 22.1.4 you are a Black Person and you die or become of unsound mind;
- 22.1.5 you are a Black Group and your members propose or pass a resolution for you to be placed into business rescue, liquidation or winding-up;

- 22.1.6 you have an order granted against or in respect of you, in terms of which you are provisionally or finally wound up, liquidated, dissolved or placed under business rescue
- 22.1.7 your BEE Verification status has expired or been withdrawn.

22.2 **Termination**

- 22.2.1 The Custody Entity shall be entitled to terminate this Custody Entity Mandate:
 - 22.2.1.1 immediately, on written notice to you, at any time, if:
 - 22.2.1.1.1 an Event of Default occurs; or
 - 22.2.1.1.2 if the Custody Entity is required by MTN Zakhele and/or MTN at any time to do so (in which case the Custody Entity will be obliged to do so); or
 - 22.2.1.2 on 60 calendar days' written notice to you, at any time.
- 22.2.2 You shall be entitled to terminate this Custody Entity Mandate, at any time, on written notice to the Custody Entity.
- 22.2.3 Should this Custody Entity Mandate be terminated, you will automatically cease to be a Verified Shareholder for the purposes of the Facilitated Trading Process, and you will no longer be entitled to purchase or sell any additional MTN Zakhele Shares through the MTN Zakhele Facilitated Trading Process.
- 22.2.4 If the Custody Entity:
 - 22.2.4.1 ceases to be a licensed CSDP; or
 - 22.2.4.2 is liquidated or placed under business rescue, whether provisionally or finally,the Custody Entity will advise you in writing within three (3) business thereof. Following receipt of such notice, this Custody Entity Mandate will terminate and you must, in accordance with Strate Rule 5.8.8, inform the Custody Entity within 30 calendar of the name of the new CSDP to which your securities account must be transferred. In order to do so, you must first become a Verified Shareholder for the purposes of the Independent Trading Process or the Limited Transfers Process in respect of such new CSDP.

23. **Force Majeure**

- 23.1 The Custody Entity will not be in default of this Custody Entity Mandate if such default is a result of a Force Majeure Event.
- 23.2 The Custody Entity will use reasonable endeavours to notify you as soon as reasonably practical of the occurrence of a Force Majeure Event.
- 23.3 If a Force Majeure Event arises, the Custody Entity may take whatever steps we deem to be appropriate in the circumstances.

24. **Indemnity by you, limitation and exclusion of Custody Entity's liability**

- 24.1 You hereby irrevocably indemnify the Custody Entity and hold it harmless from any loss, damages or claim of whatsoever nature arising as a result of the Custody Entity acting on e-mail / fax / telephonic instructions received from you or your Authorised Representative.
- 24.2 You hereby indemnify and agree to hold the Custody Entity harmless against all liability, costs, expense or damage incurred by the Custody Entity or its agents arising (whether directly or indirectly) as a result of or in connection with the Custody Entity acting on any forged, fabricated or other inaccurate, invalid or unauthorised documents (including identity document) or instruction received by it in connection with the performance of the Custody Entity's obligations in terms of this Custody Entity Mandate. Notwithstanding anything to the contrary contained in this Custody Entity Mandate, save as set out below, in the event of any conflict between the provisions of this clause and any other clause of this Custody Entity the provisions of this clause shall prevail.
- 24.3 You hereby indemnify and agree to hold the Custody Entity harmless against all liability, costs or expenses incurred by the Custody Entity's agents in connection with the due and proper performance by the Custody Entity of its obligations pursuant to this Custody Entity Mandate.

- 24.4 You accept the risk of loss or damage arising, directly or indirectly, as a result of any failure in, misuse of, or any fraud or misrepresentation due to his failure to give a valid instruction in accordance with the terms of this Custody Entity Mandate.
- 24.5 The Custody Entity shall be liable under this Custody Entity Mandate only for direct damages incurred by you by reason of the Custody Entity's wilful default or negligence and except in the case of fraud shall not in any event be liable for indirect, special or consequential loss or damages of any kind whatsoever.
- 24.6 The Custody Entity shall have no liability for, and you shall hold the Custody Entity harmless and shall indemnify it against, any loss it suffers in the event of claims asserted against it by reason of the occurrence of a Force Majeure event.
- 24.7 You indemnify the Custody Entity against any loss and charges arising from any matter other than gross negligence by the Custody Entity, including electronic mail.
- 24.8 You waive any claim and potential claim against the Custody Entity arising from any matter other than gross negligence by the Custody Entity, including e-mail.
25. **Indemnity by the Custody Entity**
- 25.1 The Custody Entity hereby agree to indemnify you and to hold you harmless from any Loss sustained or incurred by you arising out of or in connection with:
- 25.1.1 any breach of representation or warranty made by the Custody Entity under or in connection with this Custody Entity Mandate; or
- 25.1.2 any failure by the Custody Entity to comply with or perform any of its obligations under or in connection with this Custody Entity Mandate; or
- 25.1.3 any error, corruption or delay in any order (whether oral, written or electronic) which is caused by or attributable to the Custody Entity.
- 25.2 Despite clause 25.1, the Custody Entity will not be obliged to indemnify you against any Loss sustained or incurred directly as a result of your own negligence (including gross negligence) or wilful default or a breach by you of any contract or applicable law.
26. **Insurance**
- The Custody Entity will, to the extent, and if required in terms of the FM Act and the Strate Rules, arrange and maintain insurance cover in respect of any liability which may be incurred by the Custody Entity in connection with this Custody Entity Mandate. The Custody Entity will, on request from you, furnish you with written confirmation of the amount of such insurance cover.
27. **Consent to disclosure of information**
- You agree and hereby give the Custody Entity permission to disclose your name and the number of MTN Zakhele Shares that the Custody Entity holds on your behalf to MTN Zakhele and/or to Strate so that it can comply with its obligations under section 56 of the Companies Act and the rules of Strate, within the time periods required under Companies Act and relevant Strate Rules, as well as to the Trading Entity, the Transfer Secretaries and the JSE from time to time.
28. **Contact details and notices**
- 28.1 **Notices and messages that the Custody Entity may send to you**
- 28.1.1 The Custody Entity may choose to send you notices either by SMS, e-mail or post.
- 28.1.2 There are various notices that the Custody Entity may send you by SMS. These include notices with messages about:
- 28.1.2.1 confirming allocations and payments to and from your Transaction Platform Account;
- 28.1.2.2 confirmation of Transactions that are referred to the BSTC or are accepted or rejected by the BSTC;
- 28.1.2.3 where your use of the Transaction Platform has been suspended or terminated; and
- 28.1.2.4 changes to this Custody Entity Mandate or to the Transaction Fees.

28.1.3 You can ask to receive these notices by e-mail when you register to use the Transaction Platform. If you do not select this option when you register, you can ask for this option at any time after that, through the Transaction Platform Call Centre.

28.2 **Notices and messages to Authorised Representatives and Minors**

28.2.1 If you are a Black Group, the notices that will be sent to you by SMS will be sent to the cell number of your Authorised Representative. Whenever reference is made to sending you an SMS, this refers to an SMS that is sent to your Authorised Representative (if you are a Black Group). A notice that is sent to your Authorised Representative will be treated as if you received it.

28.2.2 If you are a Minor, the notices that will be sent you by SMS will be sent to the cell number of your parent or guardian. Whenever reference is made to sending you an SMS, this refers to an SMS that is sent to your parent or guardian (if you are a Minor). A notice that is sent to your parent or guardian will be treated as if you also received it.

28.3 **Deemed receipt**

28.3.1 When a notice is treated as if you have received it by a certain date and time, it means that the Custody Entity does not have to prove that you did receive it on that date or at that time. If you claim that you did not receive the notice by that date and time you will have to prove it, as far as the law allows. As far as the law allows, the Custody Entity will treat it as if you have received a notice:

28.3.1.1 on the date of delivery, if delivered by hand to your physical address;

28.3.1.2 10 calendar days after posting, if sent by ordinary mail to your postal address;

28.3.1.3 on the date and time of sending, if sent to your fax number during Normal Trading Hours;

28.3.1.4 the next Business Day at the start of Normal Trading Hours, if sent to your fax number outside of Normal Trading Hours;

28.3.1.5 on the date and time of sending, if sent to your email address during Normal Trading Hours;

28.3.1.6 the next Business Day at the start of Normal Trading Hours, if sent to your email address outside of Normal Trading Hours; and

28.3.1.7 on the date and time of sending, if an SMS notice is sent to your cell phone number.

28.4 **Notice actually received**

If you actually receive a notice, it will be valid delivery even if the Custody Entity did not send it to any of your chosen addresses.

28.5 **Address where the Custody Entity agrees to accept legal documents**

28.6 Legal documents include letters of demand, summonses, warrants to attach your property and other legal notices. The Custody Entity agrees to accept legal documents under this Custody Entity Mandate at 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein 2001. This address is known in law as the Custody Entity's *domicilium citandi et executandi*.

28.7 **Change of the Custody Entity's address**

If the Custody Entity wants to change the address where it agrees to accept legal documents, the Custody Entity will tell you in writing by SMS or email or post. The Custody Entity will give you the new address where it agrees to accept legal documents. Any new address must be a physical address in South Africa.

28.8 **Address where you agree to accept legal documents**

28.8.1 If you are a Black Person, you agree to accept any legal documents under this Custody Entity Mandate at the addresses you gave to MTN Zakhele or the BEE Verification Agent when you applied to become a Verified Shareholder. (This address is known in law as your *domicilium citandi et executandi*.) But if you have changed your addresses by giving the Custody Entity a Change of Details Form, you agree to accept any legal documents at the address in the most recent Change of Details Form that you have provided.

- 28.8.2 If you are a Black Group, you agree to accept any legal documents under this Custody Entity Mandate at the addresses you give to the Custody Entity in the Verification Form (Black Groups) that you complete. (This address is known in law as your *domicilium citandi et executandi*.) But if you have changed your addresses by giving the Custody Entity Mandate a Change of Details Form and the required Supporting Documents, you agree to accept any legal documents under this Client Agreement at the address in the most recent Change of Details Form that you have provided.
- 28.9 **Change to your address**
If you want to change the addresses where you agree to accept legal documents, you must tell the Custody Entity in writing by completing and providing a Change of Details Form and required Supporting Documents with the new addresses. Any new address must be a physical address in South Africa.
- 28.10 **Transaction Platform Call Centre and Transaction Platform Website details**
- 28.10.1 Transaction Platform Call Centre details: 083 123 6869
- 28.10.2 Transaction Platform Website address: www.mtnz.tradedesk.co.za
29. **Minors and persons without legal capacity**
- 29.1 **Your parent or guardian acts for you**
- 29.1.1 If you are a Minor:
- 29.1.1.1 your parent or guardian must use the Transaction Platform for you;
- 29.1.1.2 your parent or guardian will be required to register for you;
- 29.1.1.3 only your parent or guardian will be able to access the trading section of the Transaction Platform on your behalf, in particular to give instructions on your behalf; and
- 29.1.1.4 in this Custody Entity Mandate, when reference is made to 'you' or 'your' or 'yourself' or 'I', this means both you, the Minor and also the parent or guardian that uses the Transaction Platform on your behalf, but this does not apply when the situation requires or suggests that we are only referring to the Minor and not also to the parent or guardian.
- 29.1.2 **When you turn 18**
When you turn 18 years old, your parent and guardian will no longer be able to use the Transaction Platform for you. You will need to call the Transaction Platform Call Centre and follow our instructions before you can start using the Transaction Platform.
30. **General**
- 30.1 Each of the provisions of this Custody Entity Mandate is separate and severable and enforceable accordingly. If any such term or condition is or becomes unenforceable for any reason whatsoever, that term or condition is severable from and shall not affect the validity of any other term or condition contained in this Custody Entity Mandate.
- 30.2 The cancellation or other termination of this Custody Entity Mandate shall not affect those provisions of this Custody Entity Mandate which expressly provide that they will operate after such cancellation or other termination or which of necessity must continue to endure after such cancellation or other termination, notwithstanding that the relevant clause may not expressly provide for such continuation.
- 30.3 No indulgence, leniency or extension of time which any Party may give or allow to the other Party in respect of the performance of any obligation hereunder, shall in any way prejudice the Party giving or allowing the indulgence, leniency or extension or preclude such Party from exercising any of its rights an enforcing the obligations of the other Party in terms of this Custody Entity Mandate.
- 30.4 A provision of, or a right created under, this Custody Entity Mandate may not be waived except in writing executed by the party granting the waiver.
- 30.5 The Custody Entity Mandate constitutes the entire agreement between the Parties as to the subject matter hereof and save as may be expressly set out herein, no agreements, representations or warranties between the Parties regarding the subject matter hereof other than those set out herein are binding on the Parties.

Pacific Custodians Nominees Trading Account details	
Bank Name:	Nedbank
Bank Account Name:	Pacific Custodians Nominees RF Trading Account
Bank Account Number:	1110593848
Branch Code:	198-765

Examples of Transaction Fees

Example 1- When the Order to Buy and Order to sell is Transacted in full over one day and the Transaction Fee is more than R150.

If Siphso buys 500 MTN Zakhele Shares from Neo for R50 per share, the total price is R25 000

The costs for Siphso (buyer) are the following:

Cost	How it is worked out	Total
Value of Transaction	500 MTN Zakhele shares x R50 per MTN Zakhele Share	R25 000
Transaction Fee	The higher of R150 and 0.75% of R25 000	R187.50
VAT on Transaction Fee	14% of R187.50	R26.25
Securities Transfer Tax	0.25% of R25 000	R62.50
Total Transaction Costs		R25 276.25

The costs for Neo (the seller) are the following:

Cost	How it is worked out	Total
Transaction Fee	The higher of R150 and 0.75% of R25 000	R187.50
VAT on Transaction Fee	14% of R187.50	R26.25
Total Transaction Costs		R213.75

Example 2

If the Order to Buy the MTN Zakhele Shares took more than a day to complete; for example more than 2 days to complete and each day there was a settlement then a scenario of the fees for the first two days is below for Siphso.

The costs for Siphso (buyer) are the following:

Cost	How it is worked out	Total
Day 1: Value of Order	500 MTN Zakhele Shares x R50 per MTN Zakhele Share	R25 000
Day1: Value of Partial Transaction	40 MTN Zakhele shares x R50 per MTN Zakhele Share	R2 000
Day 1: Transaction Fee:	The higher of R150 and 0.75% of R2 000	R150
Day 1: VAT on Transaction Fee	14% of R150	R21
Day 1: Securities Transfer Tax	0.25% of R2 000	R5
Day 1: Total Transaction Costs		R2 176
Day 2: Value of remaining order	460 MTN Zakhele Shares x R50 per MTN Zakhele Share	R23 000
Day2: Value of Partial Transaction	40 MTN Zakhele shares x R50 per MTN Zakhele share	R 2 000
Day 2: Transaction Fee:	The higher of R150 and 0.75% of R2 000	R150
Day 2: VAT on Transaction Fee	14% of R150	R21
Day 2: Securities Transfer Tax	0.25% of R2 000	R5
Day 2: Total Transaction Costs		R2 176
** 0.75% of R2000 is R15. The higher of R15 and R150 is R150. Therefore the Transaction Fee is R150.		

Example 3– When the Order to Buy and Order to Sell is matched in full and the minimum transaction fee applies (R150)

If Siphso buys 50 MTN Zakhele shares for R40 per share, the total price is R2000.

The cost for Siphso (buyer) are the following:

Cost	How it is worked out	Total
Value of Transaction	50 MTN Zakhele Shares x R40 per MTN Zakhele Share	R2 000
Transaction Fee	The higher of R150 and 0.75% of R2000	R150
VAT on Transaction Fee	14% of R150	R21
Securities Transfer Tax	0.25% of R2 000	R5
Total Transaction Costs		R2 176

The costs for Neo (seller) are the following:

Cost	How it is worked out	Total
Transaction Fee	The higher of R150 and 0.75% of R2 000	R150
VAT on Transaction Fee	14% of R150	R21
Total Transaction Cost		R171
** 0.75% of R2000 is R15. The higher of R15 and R150 is R150. Therefore the Transaction Fee is R150.		

Fee Schedule

	Link costs excluding VAT R.cc	Strate costs excluding VAT R.cc	Total costs including VAT at 14% R.cc
Account administration, maintenance and Custody			
All MTNZ shareholders	Free	N/A	Free
Trading, Transactions, Settlement			
On Exchange Trading and Settlement Fee*	minimum of R150 or 0.75% per settlement per day	Included	TBA
FSB Investor protection levy	Included	N/A	Included
Off Exchange (change of beneficial ownership): per transaction	40.00	45.00	96.90
Account transfer (off market): per transaction	50.00	30.00	91.20
Portfolio move (transfer to or from other CSDP or broker)	64.54	5.46	79.80
Rematerialisation (certificated withdrawal): per share code: per certificate	350.00	500.00	969.00
Dematerialisation	Free	Free	Free
Other and General			
Withdrawal Fees - per withdrawal	10.00	N/A	11.40
EFT Deposits to Pacific Custodians Nominees Bank Account	free	N/A	free
Cash deposits below R 25 000.00 to Pacific Custodians Nominees Bank Account	Flat Fee of 5.00 + 2% of amount deposited	N/A	TBA**
Cash deposit above R 24 999.99 to Pacific Custodians Nominees Bank Account	Flat Fee of 100.00 + 2% of amount deposited	N/A	TBA**
Cheque Deposit Fee	50.00	N/A	57.00

Notes

VAT at 14% will be added to all applicable fees.

* On Exchange Trading & Settlement Fee above include Strate costs, JSE Costs, Investor Protection levy costs, Trading Entity fees and withdrawal costs for shareholders that have chosen the pay-out options for transactions

**TBA: To be advised. The total fee will depend on the size of the transaction or deposit

Interest on cash positive balances: MTN Zakhele shareholders will receive interest of 2% p.a. on positive cash balances on their transaction platform accounts.

Fees above are all subject to change.