

Telkom

Telkom SA SOC Limited

(Incorporated in the Republic of South Africa)

(Registration number 1991/005476/30)

(JSE share code: TKG)

ISIN: ZAE000044897)

("Telkom" or the "Company")

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action that you should take, please consult your broker, Central Securities Depository Participant ("CSDP"), banker, legal adviser, accountant or other professional adviser immediately. If you have disposed of all your shares in Telkom, please forward this notice, together with the attached proxy form, to the purchaser of such shares or the broker, CSDP, banker or other agent through whom such disposal was effected.

Certificated shareholders or dematerialised "own-name" shareholders (those shareholders whose shareholding is recorded in their own-name in the subregister maintained by their CSDP) entitled to attend and vote at the annual general meeting, may appoint one or more proxy or proxies to attend, participate and vote in their stead. A proxy does not have to be a shareholder of the Company. The appointment of a proxy will not preclude the shareholder who appointed that proxy from attending the annual general meeting and participating and voting in person thereat to the exclusion of any such proxy. A form of proxy for use at the annual general meeting is attached.

Dematerialised shareholders (other than dematerialised "own-name" shareholders) must provide their CSDP or broker with their voting instructions or if they wish to attend the annual general meeting in person must request their CSDP or broker to provide them with the necessary Letter of Representation to do so in terms of the custody agreement entered into between the dematerialised shareholders and the CSDP or broker.

For purposes of section 63(1) of the Companies Act, any person attending or participating at the annual general meeting is required to present a reasonably satisfactory identification to the satisfaction of the presiding chairperson. Forms of identification include valid identity documents, driver's licenses and passports.

Included in this document are:

- **The notice of the annual general meeting, setting out the resolutions to be proposed thereat, together with explanatory notes in respect thereof. There are also guidance notes if you wish to attend the annual general meeting (for which purpose the annual general meeting location map is included) or to vote by proxy.**
 - **A proxy form for use by shareholders holding Telkom ordinary shares in certificated form or recorded in subregistered electronic form in "own-name".**
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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to the shareholders of the Company ("Shareholders") that the 22nd Annual General Meeting of the Shareholders ("Annual General Meeting" or "AGM") will be held at Gallagher Convention Centre, Gallagher Grill, 19 Richards Drive, Midrand on Wednesday, 27 August 2014 at 09:00, to conduct the general business of the AGM and to consider and, if deemed fit, pass with or without modification, the below ordinary resolutions and special resolutions as required by the Companies Act, No 71 of 2008 ("the Companies Act") read together with the JSE Limited ("JSE") Listings Requirements ("Listings Requirements").

In terms of section 59(1)(a) and (b) of the Companies Act, the board of directors of the Company ("the Board" or "Directors") have set the record date for the purposes of determining which Shareholders are entitled to:

- receive notice of this Annual General Meeting (being the date on which Shareholders must be recorded as such in the register of Shareholders for the purposes of receiving notice of this Annual General Meeting) as Friday, 25 July 2014; and
- participate in and vote at the Annual General Meeting (being the date on which a Shareholder must be recorded as such in the register of Shareholders for the purposes of being entitled to attend and vote at the Annual General Meeting) as Friday, 22 August 2014.

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The consolidated audited annual financial statements of the Company and its subsidiaries (as approved by the Board), including the directors' report, the Audit Committee report and the external auditors' report for the year ended 31 March 2014, have been distributed as required and will be presented to Shareholders.

The complete set of the consolidated audited annual financial statements, together with the directors' report, the Audit Committee report and the external auditors' report, are set out on pages 101 to 186 of the integrated annual report, in which this notice of Annual General Meeting is included, at the places indicated ("Integrated Annual Report").

2. SOCIAL AND ETHICS COMMITTEE

Feedback will be given by the chairman or another member of the Social and Ethics Committee on matters within the mandate of that committee, in accordance with Regulation 43(5)(c) of the Companies Regulations, 2011 ("Companies Regulations").

Ordinary resolutions

Election and re-election of directors

Ordinary resolutions will be proposed at the Annual General Meeting, as set out in this notice, to re-elect, by way of separate resolutions, the following directors who in terms of the Memorandum of Incorporation retire by rotation with effect from the end of this Annual General Meeting:

Ms K Mzondeki who has served on the Board as a non-executive director.

Ms K Mzondeki is eligible and available for re-election. Her profile appears on page 74 of the integrated annual report. The Board recommends the re-election of Ms K Mzondeki.

Mr L Maasdorp who has served on the Board as a non-executive director.

Mr L Maasdorp is eligible and available for re-election. His profile appears on page 74 of the integrated annual report. The Board recommends the re-election of Mr L Maasdorp.

Mr N Kapila who has served on the Board as a non-executive director.

Mr N Kapila is eligible and available for re-election. His profile appears on page 73 of the integrated annual report. The Board recommends the re-election of Mr N Kapila.

Mr I Kgaboesele who has served on the Board as a non-executive director.

Mr I Kgaboesele is eligible and available for re-election. His profile appears on page 74 of the integrated annual report. The Board recommends the re-election of Mr I Kgaboesele.

3. ORDINARY RESOLUTION NUMBER 1

Re-election of Ms K Mzondeki as a director

RESOLVED THAT Ms K Mzondeki, who retires by rotation in terms of the Memorandum of Incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company.

4. ORDINARY RESOLUTION NUMBER 2

Re-election of Mr L Maasdorp as a director

RESOLVED THAT Mr L Maasdorp, who retires by rotation in terms of the Memorandum of Incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company.

5. ORDINARY RESOLUTION NUMBER 3

Re-election of Mr N Kapila as a director

RESOLVED THAT Mr N Kapila, who retires by rotation in terms of the Memorandum of Incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company.

6. ORDINARY RESOLUTION NUMBER 4

Re-election of Mr I Kgaboesele as a director

RESOLVED THAT Mr I Kgaboesele, who retires by rotation in terms of the Memorandum of Incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company.

Explanatory notes in respect of Ordinary Resolutions Numbers 1 to 4

Ordinary Resolutions numbers 1 to 4 are proposed for the re-election of directors of the Company who retire by rotation in accordance with clause 23.2 of the Memorandum of Incorporation. The re-elections will be conducted at the Annual General Meeting by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, as required under section 68(2) of the Companies Act.

7. ORDINARY RESOLUTION NUMBER 5

Election of Mr I Kgaboesele as a member of the Audit Committee

RESOLVED THAT Mr I Kgaboesele be and is hereby elected as a member of the Audit Committee with effect from the end of this AGM in terms of section 94(2) of the Companies Act, subject to his re-election as a director pursuant to ordinary resolution number 4.

8. ORDINARY RESOLUTION NUMBER 6

Election of Ms K Mzondeki as member of the Audit Committee

RESOLVED THAT Ms K Mzondeki be and is hereby elected as a member of the Audit Committee with effect from the end of this AGM in terms of section 94(2) of the Companies Act, subject to her re-election as a director pursuant to ordinary resolution number 1.

9. ORDINARY RESOLUTION NUMBER 7

Election of Ms F Petersen as member of the Audit Committee

RESOLVED THAT Ms F Petersen be and is hereby elected as a member of the Audit Committee with effect from the end of this AGM in terms of section 94(2) of the Companies Act.

10. ORDINARY RESOLUTION NUMBER 8

Election of Mr L von Zeuner as member of the Audit Committee

RESOLVED THAT Mr L von Zeuner be and is hereby elected as a member of the Audit Committee with effect from the end of this AGM in terms of section 94(2) of the Companies Act.

The profiles of the directors who are standing for election to the Audit Committee are set out on pages 73 to 74 of the integrated annual report.

Explanatory notes in respect of Ordinary Resolutions Numbers 5 to 8

In terms of the Companies Act, the audit committee is a statutory committee elected by the Shareholders at each Annual General Meeting. In terms of the Companies Regulations, at least one-third of the members of a company's audit committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management. The Company has established an Audit Committee which fulfils the functions of an audit committee as contemplated in the Companies Act and the persons nominated to be appointed to the Company's Audit Committee were nominated having considered the requirements of the Companies Act and Companies Regulations referred to herein.

11. ORDINARY RESOLUTION NUMBER 9

Reappointment of Auditors

RESOLVED THAT Ernst & Young Inc. be and is hereby reappointed as auditors of the Company until the conclusion of the next annual general meeting.

Explanatory notes in respect of Ordinary Resolution Number 9

In compliance with section 90 of the Companies Act, Ernst & Young Inc. is recommended by the Audit Committee to be reappointed as auditors for the financial year ending 31 March 2015 and until the conclusion of the next annual general meeting.

12. ORDINARY RESOLUTION NUMBER 10

General Authority for Directors to Allot and Issue Ordinary Shares

RESOLVED THAT, to the extent required by and subject to the Memorandum of Incorporation, and subject to the provisions of the Companies Act and the Listings Requirements, each as presently constituted and as amended from time to time, the unissued ordinary shares in the share capital of the Company be and are hereby placed under the control of the directors of the Company who are authorised to allot, issue and/or grant options over ordinary shares at their discretion, subject to the following

- This authority shall only be valid until the next annual general meeting of the Company but shall not endure beyond the period of 15 (fifteen) months from the date set down for the Annual General Meeting.
- That issues in the aggregate under this authority may not exceed 5% (five percent) of the Company's number of ordinary shares in issue as at the date of the notice of AGM, constituting 26 039 195 (twenty six million and thirty nine thousand one hundred and ninety five) ordinary shares. The number of shares to be issued in terms of this resolution shall not include any shares that may be issued by the Company to employees participating in the Telkom SA SOC Limited Employee Forfeitable Share Plan.

Explanatory notes in respect of Ordinary Resolution Number 10

The Directors wish to be granted authority to allot and issue up to a maximum of 5% (five percent) of the Company's number of ordinary shares in issue as at the date of the notice of AGM, constituting 26 039 195 ordinary shares, as they in their discretion think fit, subject to the provisions of the Memorandum of Incorporation, the Companies Act and the Listings Requirements. In terms of clause 9.3 of the Memorandum of Incorporation, the Shareholders may authorise the Directors to issue unissued shares or grant options over them as the Directors may think fit (with the effect that any pre-emptive rights that Shareholders may hold "fall away"), subject to the approval of JSE, the provisions of the Listings Requirements and the Companies Act. The number of shares to be issued in terms of ordinary resolution number 10 shall not include any shares that may be issued by the Company to participating employees in the Telkom SA SOC Limited Employee Forfeitable Share Plan.

An example of an instance where Directors might use this authority would be in the case of issuing share in respect of an acquisition. It is important to note that Directors would not be allowed to exercise this authority for major issues of shares – those would still require Shareholder approval in terms of section 41(3) of the Companies Act and/or the Listings Requirements (Sections 9 and 10 thereof). Such JSE transactions are classified as category 1 or 2 transactions or related party transactions, as the case may be, and Shareholder approval is mandatory for such transactions. This should provide some measure of comfort to Shareholders in that the general authority granted in terms of this resolution would have limited application and would not enable the Board to enter into major transactions and issue shares without first calling a General Meeting of Shareholders.

As a rule, the Board would use this authority with a great degree of circumspection and only if it comes to the conclusion that an issue of shares was the only course of action available to it in the circumstances, and doing so would be serving the best interests of the Company. The resolution has been tabled for Shareholder approval previously, and Shareholders approved it. Although it had been granted the authority, the Board did not use it as there was no necessity to do so. The Directors however consider it beneficial to obtain the authority to enable the Company to take advantage of any business opportunity that may arise in future.

13. ENDORSEMENT OF THE REMUNERATION POLICY

To endorse, through a non-binding advisory vote, the Company's remuneration policy (excluding the remuneration of the non-executive directors and the members of Board committees for their services as directors and members of committees), as set out in the Remuneration Report contained in the Integrated Annual Report.

Explanatory notes in respect of Endorsement of the Remuneration Policy

In terms of the King Code of Good Governance Principles for South Africa, 2009 ("King III") recommendations, every year, the Company's remuneration policy should be tabled for a non-binding advisory vote at the Annual General Meeting. The essence of this vote is to enable the Shareholders to express their views on the remuneration policies adopted in regard to the remuneration of executive directors and on their implementation. Accordingly, Shareholders are requested to endorse the Company's remuneration policy as recommended in King III.

SPECIAL RESOLUTIONS

14. SPECIAL RESOLUTION NUMBER 1

Repurchase of Shares

RESOLVED THAT, pursuant to the Memorandum of Incorporation, the Company and/or any of its subsidiaries is hereby authorised by way of a general approval to purchase or repurchase, as the case may be, and from time to time ordinary shares issued by the Company from any person, upon such terms and conditions and in such number as the directors of the Company or subsidiary may determine, but in accordance with and subject to the provisions of the Memorandum of Incorporation, the Companies Act and the Listings Requirements, provided that:

- the general authority granted to the directors shall be valid only until the Company's next annual general meeting and shall not extend beyond 15 (fifteen) months from the date of this Special Resolution Number 1;
- any general purchase by the Company of its ordinary shares in issue shall not in aggregate in any one financial year exceed 20% (twenty percent) of the Company's issued ordinary share capital at the time that the authority is granted;
- no acquisition may be made at a price more than 10% (ten percent) above the weighted average of the market value of the ordinary share for the 5 (five) business days immediately preceding the date of such acquisition;
- the repurchase of the ordinary shares are effected through the order book operated by JSE trading system and done without any prior understanding or arrangement between the Company and the counter party (reported trades are prohibited);
- the Company may only appoint one agent at any point in time to effect any repurchase(s) on the Company's behalf;
- the number of shares purchased by subsidiaries of the Company shall not exceed 10% (ten percent) in the aggregate of the number of issued shares in the Company at the relevant times;

- the repurchase of shares by the Company and/or any of its subsidiaries may not be effected during a prohibited period as defined in the Listings Requirements unless the Company has in place a repurchase programme where the dates and quantities of securities to be traded during the period are fixed, ie not subject to variation, and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period;
- The Board resolves that it authorised the repurchase, that the Company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Telkom group;
- the general authority may be varied or revoked by Special Resolution of the Shareholders prior to the next annual general meeting of the Company; and
- should the Company and/or any subsidiary cumulatively repurchase and/or acquire, as the case may be, 3% (three percent) of the initial number of the Company's ordinary shares in terms of this general authority and for each 3% (three percent) in aggregate of the initial number of that class repurchased and/or acquired, as the case may be, thereafter in terms of this general authority, an announcement shall be made in terms of the Listings Requirements.

Any decision by the Directors, after considering the effect of a repurchase, of up to 20% (twenty percent) of the Company's issued ordinary shares, to use the general authority to repurchase shares of the Company, will be taken with regard to the prevailing market conditions and other factors. After considering the effect of a maximum repurchase in terms of this resolution:

- the Company and/or any of its subsidiaries will be able, in the ordinary course of business, to pay its debts for a period of 12 (twelve) months after the date of this notice of the Annual General Meeting;
- the assets of the Company and its subsidiaries will be in excess of the liabilities of the Company and its subsidiaries for a period of 12 (twelve) months after the date of this notice of Annual General Meeting, which assets and liabilities have been valued in accordance with the accounting policies used in the audited financial statements of the group for the year ended 31 March 2014;
- the share capital and reserves of the Company and its subsidiaries will be adequate for the ordinary business purposes for a period of 12 (twelve) months after the date of this notice of Annual General Meeting; and
- the working capital of the Company and its subsidiaries are considered adequate for ordinary business purposes for a period of 12 (twelve) months after the date of this notice of Annual General Meeting.
- The Board will, through the Company's sponsor, provide the JSE with the necessary report on the adequacy of the working capital of the Company and its subsidiaries in terms of the Listings Requirements prior to the commencement of any share repurchase in terms of Special Resolution Number 1.

In terms of the Companies Act and the Listings Requirements, this resolution will require the support of at least 75% (seventy five) of the votes exercised by equity securities holders present or represented by proxy at the Annual General Meeting, for it to be approved.

For the purpose of considering the Special Resolution and in compliance with paragraph 11.26 of the Listings Requirements, the information listed below has been included in the Integrated Annual Report, in which this notice of Annual General Meeting is included, at the places indicated:

- Directors and management – refer to pages 72-75 and 10-13 respectively of the Integrated Annual Report;
- Major Shareholders – refer to page 187 of the Integrated Annual Report;
- Directors' interests in securities – refer to pages 178 of the Integrated Annual Report;
- Share capital of the Company – refer to page 161 of the Integrated Annual Report;

The Directors, whose names are set out on pages 72-75 of the Integrated Annual Report, collectively and individually accept full responsibility for the accuracy of the information contained in this Special Resolution and certify that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement false or misleading and that they have made all reasonable enquiries in this regard.

Litigation statement

In terms of paragraph 11.26 of the Listings Requirements, the Directors, whose names appear on pages 72-75 of the integrated annual report, are not aware of any legal or arbitration proceedings that are pending or threatened, that may have or had in the recent past, being at least the previous 12 (twelve) months, a material effect on the Company's financial position other than those currently disclosed in the most recent financial statements.

Material changes

Other than the facts and developments as may have been reported in the Integrated Annual Report, there have been no material changes in the affairs or financial position of the Company and its subsidiaries as reported at 13 June 2014 and up to the date of this notice.

Explanatory notes in respect of Special Resolution Number 1

This Special Resolution is proposed to allow the Company and/or its subsidiaries by way of a general authority to repurchase and/or acquire shares issued by the Company.

The existing general authority for the Company and/or a subsidiary thereof to repurchase or purchase, as the case may be, shares in the Company, granted by Shareholders at the previous annual general meeting on 27 September 2013, is due to expire at this Annual General Meeting, unless renewed.

The Directors have no specific intention, at present, for the Company or its subsidiaries to repurchase any of the Company's shares but are of the opinion that it would be in the best interests of the Company to extend such general authority and thereby allow the Company or any subsidiary of the Company to be in a position to repurchase or purchase, as the case may be, the shares issued by the Company through the order book of the JSE, should an opportunity present itself where the market conditions and price justify such action. The general authority is also required to enable the Company to perform its settlement obligations to employees participating in the Telkom SA SOC Limited Employee Forfeitable Share Plan.

15. SPECIAL RESOLUTION NUMBER 2

Authority to Directors to Issue Equity Securities for Cash

RESOLVED THAT, to the extent required by and subject to the Memorandum of Incorporation, and subject to the passing of ordinary resolution number 10 and to the provisions of the Companies Act and the Listings Requirements, each as presently constituted and as amended from time to time, the Directors are authorised by way of a general authority, as they in their discretion think fit, to allot and issue ordinary shares in the share capital of the Company for cash, subject to the following

- The general authority granted to the directors shall be valid only until the Company's next annual general meeting and shall not extend beyond 15 (fifteen) months from the date of this Special Resolution Number 2;
- The equity securities must be issued only to persons qualifying as public shareholders, as defined in the Listings Requirements, and not to related parties;
- The equity securities which are the subject of general issues for cash:
 - may not exceed 5% (five percent) of the Company's number of ordinary shares in issue as at the date of the notice of AGM, constituting 26 039 195 (twenty six million and thirty nine thousand one hundred and ninety five) ordinary shares;
 - any ordinary shares issued under this authority must be deducted from the number of ordinary shares set out above; and
 - in the event of a sub-division or consolidation of issued ordinary shares during the period of this authority as contemplated above, the existing authority must be adjusted accordingly to represent the same allocation ratio;
- The maximum discount at which equity securities may be issued is 10% (ten percent) of the weighted average traded price of such equity securities measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities. The JSE should be consulted for a ruling if the Company's securities have not traded in such 30 (thirty) business day period;

Explanatory notes in respect of Special Resolution Number 2

The Directors wish to be granted authority to allot and issue the ordinary shares of the Company that they would be authorised by ordinary resolution number 10 to issue as they in their discretion think fit, for cash from time to time, subject to the provisions of the Memorandum of Incorporation, the Companies Act and the Listings Requirements, in particular section 5.52 of the Listings Requirements. The ordinary shares capable of being issued for cash under this authority effectively represent 5% (five percent) of the number of ordinary shares in issue as at the date of this notice of AGM, which is significantly lower than the maximum 15% (fifteen percent) permitted in terms of the JSE Listings Requirements.

The Directors consider it beneficial to obtain the authority to enable the Company to take advantage of any business opportunity that may arise in future.

In terms of the Listings Requirements, this resolution will require the support of at least 75% (seventy five percent) of the votes exercised by equity securities holders present or represented by proxy at the Annual General Meeting, for it to be approved. Since this is the Company's threshold for special resolutions, the resolution is proposed as a special resolution.

16. SPECIAL RESOLUTION NUMBER 3

Determination and Approval of the Remuneration of Non-executive Directors

RESOLVED THAT in terms of clause 26.1 read with 26.3 and 26.4 of the Memorandum of Incorporation and subject to the terms thereof, and in terms of section 66(9) of the Companies Act, the remuneration of the non-executive directors of the Company for their services as directors of the Company be as set out below with effect from 27 August 2014:

	Annual retainer fee amount	Meeting attendance amount	Special meeting attendance fee amount
Telkom SA SOC Limited			
Chairperson	R1 176 600	–	R22 000
Ordinary Board Member	R344 500	–	R16 500
International	R476 800	–	R16 500
Audit Committee			
Chairman	–	R52 020	R22 000
Member	–	R31 800	R16 500
Risk Committee			
Chairman	–	R50 000	R22 000
Member	–	R30 000	R16 500
Social and Ethics Committee			
Chairman	–	R50 000	R22 000
Member	–	R30 000	R16 500
Nominations Committee			
Chairman	–	R41 840	R22 000
Member	–	R30 000	R16 500
Remuneration Committee			
Chairman	–	R50 000	R22 000
Member	–	R30 000	R16 500
Investment and Transactions Committee			
Chairman	–	R43 440	R22 000
Member	–	R30 000	R16 500

Telkom's Non-executive Directors' (NED) fees were benchmarked and compared with the Market Quartiles. The analysis highlighted that Telkom's NED fees for Board meetings were not aligned with market median. It is important to note that Telkom's NED fees have not increased for the last two years and therefore it is proposed that these fees for Board meetings be increased by 6% which is in line with predicted CPI.

The majority of Telkom's NED fees for Board and Statutory Committees compare favourable with the market median except for the fees of the Audit, Nominations and Investment and Transactions Committees. It is therefore, proposed that the committee fees be increased for these committees as reflected above.

Market fees for special meetings are also substantially higher than our current special meeting fees and the increases as tabled above are recommended by the Board.

The proposed remuneration is considered to be fair, reasonable and in the best interest of the Company and in the interest of retaining and attracting persons of calibre and appropriate capabilities, skills and experience to make meaningful contributions to the Company in fulfilling their roles.

Explanatory notes in respect of Special Resolution Number 3

In terms of sections 66(8) and (9) of the Companies Act remuneration may only be paid to directors for their service as directors in accordance with a Special Resolution approved by Shareholders within the previous two years and if not prohibited in terms of a company's memorandum of incorporation. The remuneration of Directors for their services is determined from time to time by the Directors, taking into account the recommendations of the remuneration committee. Directors shall also be paid travelling, subsistence and other expenses properly incurred by them in the execution of their duties, including attendance of meetings of Directors and of committees of Directors authorised or ratified by Directors.

The Board has considered the remuneration payable to the NEDs for the year ending 31 March 2014 and is of the view that an increase should be effected as outlined in the table above. However and notwithstanding the consideration by and the view of the board, the remuneration payable to NEDs is subject to the approval of Shareholders in terms of the provisions of the Companies Act. Full particulars of remuneration paid to NEDs for the financial year ended 31 March 2014 are set out on page 179.

17. SPECIAL RESOLUTION NUMBER 4

Financial Assistance to Subsidiaries and Other Related Entities and Inter-related Entities and to Directors and Prescribed Officers and Other Persons who may participate in the Telkom SA SOC Limited Employee Forfeitable Share Plan ("Employee FSP").

RESOLVED THAT, to the extent required by the Companies Act, the Board may, subject to compliance with the requirements of the Memorandum of Incorporation, the Companies Act and the Listings Requirements, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance by way of a loan, guarantee, the provision of security or otherwise, to:

1. any of its present or future subsidiaries and/or any other company or entity that is or becomes related or inter-related to the Company for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the Company or a related or inter-related company or entity, or for the purchase of any securities of the company or a related or inter-related company or entity;
2. any of the present or future directors or prescribed officers of the Company or of a related or inter-related company or entity or to any other person who is or may be a participant in the Employee FSP, for the purpose of, or in connection with, the subscription for any securities, issued or to be issued by the Company, or for the purchase of any securities of the Company, where such financial assistance is provided in terms of such scheme;
3. any of its present or future directors for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by the Company, or for the purchase of any securities of the Company, where such financial assistance is provided to enable a director to subscribe for or acquire shares to meet the Company's share ownership requirements for top management, such authority to continue until the forthcoming annual general meeting of the Company.

Explanatory notes in respect of Special Resolution Number 4

Telkom would like the ability to provide financial assistance (by way of loan, guarantee, the provision of security or otherwise), if necessary, to related or inter-related companies and entities. Furthermore, it may be necessary or desirous for Telkom to provide financial assistance to related or inter-related companies and entities to subscribe for options or securities or purchase securities of Telkom or another company related or inter-related to it. Under sections 44 and/or 45 of the Companies Act, Telkom will however require the Special Resolution referred to above to be adopted. In the circumstances and in order to, inter alia, ensure that Telkom's subsidiaries and other related or inter-related companies and entities have access to financing and/or financial backing from Telkom (as opposed to banks), it is necessary to obtain the approval of Shareholders, as set out in Special Resolution Number 4.

The Board has received legal advice to the effect that the Employee FSP does not satisfy the Companies Act's strict requirements, for exemption from having to obtain shareholder approval. As such, any financial assistance (as contemplated in sections 44 and/or 45) to be provided under such scheme may, inter alia, also require shareholder approval by special resolution. Accordingly, Special Resolution Number 4 authorises financial assistance to any of the Directors or prescribed, or to any other person who is or may be a participant in the Employee FSP, in order to facilitate their participation in such scheme.

18. SPECIAL RESOLUTION NUMBER 5

Amendment of provisions in Forfeitable Share Plan : Scheme Allocation

“RESOLVED THAT the Telkom SA SOC Limited Employee Forfeitable Share Plan (“Employee FSP”) be amended by:

18.1 the substitution of clause 5.1 thereof with the following new clause

5.1 Shares available for the Plan

5.1.2 The limit referred to in clause

5.1.3 The limit referred to in clause 5.1.1 shall include Shares

5.1.3.1 allotted and issued by the Company in Settlement of Awards as contemplated in clause 7.2; and

5.1.3.2 held in treasury by any Participating Company that are applied in Settlement of Awards as contemplated in clause 7.1, or in settlement of any other share incentive scheme operated by the Company from time to time (except to the extent that the provisions of any other share scheme adopted subsequently to this Plan provides that Shares are to be excluded from such limit).”

18.2 the deletion of clause 14 in its entirety (with the subsequent clauses being renumbered accordingly).

Explanatory notes in respect of Special Resolution Number 5

At the annual general meeting of the Company held on 27 September 2013, shareholders approved the adoption of the Employee FSP on the basis that aggregate number of Telkom shares which may be allocated thereunder, when added to the total number of Telkom shares which have been allocated previously under the Employee FSP but that have not yet vested, and any Telkom shares allocated to employees under any other share incentive scheme operated by the Company, but that have not yet vested in or been released to the relevant employees in accordance with the terms of the applicable scheme, may not (subject to certain limited exceptions) exceed 26 039 195 (twenty six million and thirty nine thousand one hundred and ninety five) Telkom shares, equating to approximately 5% of the number of issued ordinary shares of the Company as at the date of adoption of the Employee FSP.

The Board had initially proposed that the limit be 52 078 390 (Fifty two million and seventy eight thousand three hundred and ninety) Telkom shares, equating to approximately 10% of the Company’s then issued ordinary share capital, but after the posting of the notice of annual general meeting, Telkom received inputs from shareholders regarding the relevant resolution, pursuant where to the Board decided to limit the scope of the authority by the reduction of such limit to 26 039 195 Telkom shares, equating to approximately 5% of the Company’s then issued ordinary share capital, in order to provide more comfort to the shareholders.

The Board, however, believes it is necessary to exclude Telkom shares that are purchased in the market in settlement of awards under the Employee FSP (and any other share incentive scheme operated by the Company from time to time) from the 26 039 195 Telkom share limit. As such, only where awards are settled through the issue of new Telkom shares or through the use of Telkom shares held in treasury, will the 26 039 195 Telkom share limit apply. This will give greater effect to the purpose of the Employee FSP, which is to

- recognise contributions made by employees at various levels within the Telkom group, and to provide an incentive to advance the group’s interests and improve its financial performance, by affording them the opportunity to receive shares in the Company, thereby aligning their interests with those of shareholders;
- endorse a performance based culture within the Telkom group; and
- enable the Company to attract and retain employees with the competencies required for formulating and implementing the group’s business strategies.

Where awards are settled through the purchase of Telkom shares in the market, the shareholding of shareholders in the Company would not be diluted.

The Employee FSP furthermore provides in clause 14 for the possibility that a participant who has continued to hold the beneficial ownership in any shares that had constituted forfeitable shares prior to vesting date, for at least a year following the vesting of such shares in the participant, could, in the discretion of the Company’s Remuneration Committee, be given one fully paid additional share for each multiple of ten of the shares that had formerly constituted forfeitable shares still held by that participant at such time, provided that the participant has continued to be employed within the Telkom group for the duration of such year. The JSE has however indicated recently that specific shareholder approval would be required to issue additional shares should the additional shares not be issued from the scheme allocation, which makes the option unviable to administer for the Company, amongst others, as shares from the scheme allocation would have to be kept in reserve pending the lapsing of the year after vesting, instead of being applied actively in the incentivisation of employees during the vesting period.

The JSE also recently indicated that, despite its approval of the relevant provision of the Employee FSP in 2013 which allows forfeited shares to be re-awarded as part of the scheme allocation by providing for their exclusion from the scheme allocation limit when forfeited, it requires such provision to be amended as it now seems to interpret the provision to read that shares issued under the Employee FSP but that are forfeited do not revert back to the Employee FSP. Whilst Telkom believes that the JSE correctly approved the relevant provision of the Employee FSP in its current form when the FSP was originally adopted in 2013, it is willing to amend the provision in accordance with the regulator’s requirements.

By the adoption of special resolution number 5:

- new clauses 5.1.2.2 and 5.1.3 would be incorporated into the present clause 5.1 of the Employee FSP, which would enable the exclusion of Telkom shares that are purchased in the market in settlement of awards under the Employee FSP (and any other share incentive scheme operated by the Company from time to time) from the 26 093 195 Telkom share limit, as proposed by the Board;
- clause 14 and the current clause 5.1.2.2, which provides for the awarding of additional shares, would be deleted from the Employee FSP; and

- the current clause 5.1.2.1, which provides shares awarded but which do not vest as a result of the forfeiture or lapsing of awards, may be excluded from the scheme allocation limit (in order that they may be re-awarded), would be deleted from the Employee FSP and the introductory paragraph of clause 5.1.1 would be amended to provide that (subject to, amongst others, clause 5.1.2) the aggregate number of shares which may be allocated under the Employee FSP, when added to:
 - the total number of Shares which have been allocated previously under the Employee FSP but that have not yet vested, except for such shares which had not vested with a participant as a result of the forfeiture or lapsing of the awards; and
 - any shares allocated to employees under any other share incentive scheme operated by the Company, but that have not yet vested in or been released to the relevant employees in accordance with the terms of the applicable scheme, except for such shares which had not vested in or been released to the relevant employees as a result of the forfeiture or lapsing of the relevant awards, may not exceed the scheme allocation limit of 26 039 195 shares.

19. SPECIAL RESOLUTION NUMBER 6

Amendment of the memorandum of Incorporation – substitution of clause 21.29

RESOLVED THAT the Memorandum of Incorporation be amended by the substitution of clause 21.29 thereof in its entirety with the following new clause 21.29:

“21.29. Every resolution of Shareholders is either an Ordinary Resolution or a Special Resolution. An Ordinary Resolution, save to the extent expressly provided in respect of an particular matter contemplated in this MOI, shall require to be adopted with the support of more than 50% (fifty per cent) of the Voting Rights Exercised on the resolution. A Special Resolution shall require to be adopted with the support of at least 75% (seventy five per cent) of the Voting Rights Exercised on the resolution. For so long as the Company is listed on the JSE, if any of the JSE’s Listings Requirements require an Ordinary Resolution to be passed with a 75% (seventy five per cent) majority in respect of any class of listed securities, the resolution shall instead be required to be passed by a special resolution as contemplated in section 65(12) of the Companies Act.”

Explanatory notes in respect of Special Resolution Number 6

Section 65(1) and (8) of the SA Companies Act provide that every resolution of shareholders is either an ordinary resolution or a special resolution and there must be a margin of at least 10 percentage points between the requirement for approval of an ordinary resolution and that of a special resolution. The effect of the proposed amendment will be that where the listings requirements of the JSE Limited provide that approval must be obtained from shareholders by an ordinary resolution with a 75% majority, a special resolution would be proposed to be passed instead as contemplated in section 65(12) of the Companies Act.

20. SPECIAL RESOLUTION NUMBER 7

Amendment of the Memorandum of Incorporation – Substitution of clause 24

RESOLVED THAT the Memorandum of Incorporation be amended by the substitution of clause 24 thereof in its entirety with the following new clause 24:

24. Chairman

The Chairman of the Board (“Chairman”) shall be appointed by the Board for a period of three years at a time, subject to the provisions of clause 23.2. The appointment of the Chairman shall be in accordance with such policies or charters of the Board as may be established and adopted by the Board from time to time. If no policies or charters have been established and/or adopted by the Board regarding appointment of the Chairman, the appointment of the Chairman shall be in accordance with the generally applicable and acceptable standards.

Explanatory notes in respect of Special Resolution Number 7

The Board believes that the appointment of a Board Chairman on an annual basis is disruptive to the implementation of long-term strategies and to the stability and continual effectiveness of the Board.

It is therefore proposed that the Board Chairman be appointed for a three-year term subject to his reappointment as a director, should he be up for retirement by rotation. Such a proposal if approved would enable the Board Chairman to drive strategies initiated during his term effectively and leave these strategies at a point where they are sustainable.

21. SPECIAL RESOLUTION NUMBER 8

Amendment of the Memorandum of Incorporation – Insertion of clause 35.5

RESOLVED THAT the Memorandum of Incorporation be amended by the insertion of clause 35.5 to read:

“35.5. All distributions may be paid by way of electronic fund transfers to the bank accounts of Holders or where applicable the holders of Beneficial Interests.

Explanatory notes in respect of Special Resolution Number 7

In light of the accumulated unclaimed distributions due to the ineffective cheque payment system and cheque fraud, shareholders are requested to approve that all future distributions be paid using the Electronic Funds Transfer (EFT) system of banks.

It is envisaged that the payment of distributions through the EFT system will improve efficiency and effectiveness in distribution payments thereby eliminating the high costs and fraud associated with the cheque system.

22. SPECIAL RESOLUTION NUMBER 9

Amendment of the Memorandum of Incorporation – Substitution of clause 37.8

RESOLVED THAT the Memorandum of Incorporation be amended by the substitution of clause 37.8 in its entirety with the following new clause 37.8:

“37.8 To the extent permitted by the Companies Act and the Listing Requirements

37.8.1 where the Company is required to provide a Person with the annual financial statements of the Company, it shall be sufficient if the Company provides an abridged version of such annual financial statements, provided that the notice shall also include instructions as to how that Person may obtain the complete version of such annual financial statements;

37.8.2 but without detracting from the Company’s obligations as set out in clause 19.5, the Company may, instead of providing its full integrated report to any Person in the manner set out in clause 37.1, publish same on the Company’s website in a manner and form in which it can be conveniently accessed and printed.”

Explanatory notes in respect of Special Resolution Number 9

By the adoption of special resolution number 9, the new subclauses 37.8.2 would be incorporated into the present clause 37.8 of the MOI. Special Resolution Number 9 is proposed in an effort to minimise the considerable costs associated with the printing of its complete integrated report in hard copy and the despatch of same to shareholders through the postage system. Should the MOI be amended as proposed, the Company would still be required to provide shareholders, through the post or by Electronic Communication, with the relevant information prescribed by the Companies Act and/or the Listings Requirements, such as the Company’s abridged annual financial statements, and shareholders would be able to access the complete integrated report, including the full annual financial statements and all relevant reports and disclosures prepared in compliance with King III, on the Company’s website.

VOTING AND PROXIES

All ordinary resolutions will, in terms of the Companies Act, require the support of more than 50% of the voting rights of Shareholders exercised thereon, to be approved.

In terms of the Listings Requirements, the Company may only undertake a general issue for cash where, among other things, such general issue for cash has being approved by ordinary resolution achieving by a 75% majority of the votes exercised thereon. As this is the threshold for the passing of the Company's special resolutions, as set out in the Company's MOI, the general issue for cash resolution is instead proposed to be passed as a special resolution.

The special resolutions will, in terms of the Companies Act, require the support of at least 75% of the total voting rights exercised thereon at the Annual General Meeting, to be approved.

A shareholder is entitled to attend and vote at the Annual General Meeting or may appoint a proxy or proxies to attend, participate, vote or abstain from voting in such shareholder's stead. A proxy need not be a shareholder of the Company.

On a show of hands, every shareholder of the Company who is present in person or represented by proxy at the Annual General Meeting, shall have one vote irrespective of the number of shares he/she/it holds or represents, provided that a proxy will only have one vote irrespective of the number of Shareholders he/she/it represents.

On a poll, every shareholder of the Company who is present in person or represented by proxy or proxies at the Annual General Meeting shall have the number of votes determined in accordance with the voting rights associated with the shares in question.

A Dematerialised Shareholder should furnish his/her/its CSDP or broker with his/her/its instructions for voting at the Annual General Meeting. If a CSDP or broker does not obtain instructions from a holder of the relevant Shares, it will be obliged to act in terms of the mandate furnished to it. A Dematerialised Shareholder, other than an "own-name" Dematerialised Shareholder must NOT complete the attached form of proxy. Unless a Dematerialised Shareholder advises his/her/its CSDP or broker in the manner and time stipulated in the agreement between them that he/she/it wishes to attend the class meeting or send a proxy, the CSDP or broker will assume that he/she/it does not wish to attend the Annual General Meeting or send a proxy. If a Dematerialised Shareholder wishes to attend the Annual General Meeting, he/she/it is required to request that his/her/its CSDP or broker issue the necessary letter of representation to him/her/it to enable him/her/it to attend and vote at the Annual General Meeting.

Shareholders wishing to participate in the meeting through electronic facilities are requested to contact the Company Secretary on +27 12 311 2115 by Monday, 25 August 2014 in order for reasonable access to be arranged.

A person who holds a beneficial interest in any Shares may vote in a matter at the Annual General Meeting, only to the extent that the person holds a proxy appointment in respect of that matter from the registered holder of the relevant Shares.

Dematerialised Shareholders holding Dematerialised Shares in their "own-name", or Certificated Shareholders entitled to attend, participate in and vote at the Annual General Meeting, who are unable to attend the Annual General Meeting and wish to be represented thereat, must complete the attached form of proxy in accordance with the instructions therein and deliver it to the Transfer Secretaries, the details of which are set out below. It is requested that forms of proxy be delivered no later than 09:00 on Monday, 25 August 2014. If such shareholders do not deliver the attached form of proxy to the Transfer Secretaries by the relevant time, they will nevertheless be entitled to lodge it immediately prior to the commencement of the Annual General Meeting in accordance with the instructions therein, with the chairperson of the Annual General Meeting (and shareholders are requested to do so at least by 08:30, which is 30 minutes prior to the time appointed for commencement of the Annual General Meeting).

The completion of the proxy form will not preclude a shareholder from attending the Annual General Meeting.

By order of the Board

Telkom SA SOC Limited

XB Mpongoshe Makasi

Group Company Secretary

28 July 2014

Registered Office

Telkom Towers North
152 Johannes Ram
Pretoria 0002
South Africa
(Private Bag X881, Pretoria 0001)

Transfer Secretaries

Computershare Investor Services (Proprietary) Limited
Ground Floor
70 Marshall Street
Marshalltown 2107
South Africa
(PO Box 61051, Marshalltown 2107)

SUMMARY OF APPLICABLE RIGHTS ESTABLISHED IN SECTION 58 OF THE COMPANIES ACT, 2008 AS AMENDED (“ACT”)

For purposes of this summary, the term “shareholder” shall have the meaning ascribed thereto in section 57(1) of the Act.

1. At any time, a shareholder of a company is entitled to appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, speak and vote at a Shareholders meeting on behalf of the Shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder.
3. Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
 - 3.1. a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder; and
 - 3.2. a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a Shareholders meeting.
4. Irrespective of the form of instrument used to appoint a proxy:
 - 4.1. the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company; and
 - 4.2. should the instrument used to appoint a proxy be revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the relevant company.
5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the relevant shareholder as of the later of the date:
 - 5.1. stated in the revocation instrument, if any; or
 - 5.2. upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Act.
6. Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Act or the relevant company’s Memorandum of Incorporation to be delivered by such company to the shareholder must be delivered by such company to:
 - 6.1. the shareholder; or
 - 6.2. the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation of the relevant company or the instrument appointing the proxy provide otherwise.
8. If a company issues an invitation to Shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 8.1. such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
 - 8.2. the company must not require that the proxy appointment be made irrevocable; and
 - 8.3. the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Act.

Telkom

Telkom SA SOC Limited

(Incorporated in the Republic of South Africa)

(Registration number 1991/005476/30)

(JSE share code: TKG)

ISIN: ZAE000044897)

("Telkom" or the "Company")

FORM OF PROXY FOR THE ANNUAL GENERAL MEETING

(For completion by Certificated Shareholders and own-name Dematerialised Shareholders. Shareholders entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend, vote and speak at the Annual General Meeting in his stead. Such proxy/ies need not be a shareholder/s of Telkom.)

For use at the Annual General Meeting of shareholders of Telkom to be held at Gallagher Convention Centre ,Gallagher Grill, 19 Richards Drive, Midrand on Wednesday, 27 August 2014 at 09:00.

A Dematerialised shareholder who is not an "own-name" registered shareholder, must inform its/his/her Central Securities Depository Participant ("CSDP") or broker of its/his/her intention to attend the Annual General Meeting and request its/his/her CSDP or broker to issue its/him/her with the necessary documentation to attend the Annual General Meeting in person and vote or provide their CSDP or broker with its/his/her voting instructions should its/he/she not wish to attend the Annual General Meeting in person. A Dematerialised shareholder who is not an "own-name" registered shareholder should not use this form of proxy, but must contact its/his/her CSDP or broker as the Company will take no responsibility for shareholders who do not contact their CSDP or brokers timeously.

I/We _____
(name in BLOCK LETTERS)

of _____
(address in BLOCK LETTERS)

Being the holders of ordinary shares in the capital of the Company,

do hereby appoint:

of _____ or failing him/her

of _____

or _____

or failing him/her, the Chairman of the Annual General Meeting as my/our proxy to represent me/us at the Annual General Meeting to be held at Gallagher Convention Centre, Gallagher Grill, 19 Richards Drive, Midrand on Wednesday, 27 August 2014 at 09:00 or at any adjournment thereof, for purposes of considering and if deemed fit, passing with or without modification, the resolutions to be proposed thereat and at each adjournment, as follows:

Resolution	For	Against	Abstain
ORDINARY RESOLUTIONS			
Ordinary Resolution Number 1: Re-election of Ms K Mzondeki as a director			
Ordinary Resolution Number 2: Re-election of Mr L Maasdorp as a director			
Ordinary Resolution Number 3: Re-election of Mr N Kapila as a director			
Ordinary Resolution Number 4: Re-election of Mr I Kgaboesele as a director			
Ordinary Resolution Number 5: Election of Mr I Kgaboesele as a member of the Audit Committee			
Ordinary Resolution Number 6: Election of Ms K Mzondeki as a member of the Audit Committee			
Ordinary Resolution Number 7: Election of Ms F Petersen as a member of the Audit Committee			
Ordinary Resolution Number 8: Election of Mr L von Zeuner as a member of the Audit Committee			
Ordinary Resolution Number 9: Reappointment of Ernst & Young as auditors of the Company			
Ordinary Resolution Number 10: General authority to Directors to allot and issue ordinary shares			
ENDORSEMENT OF THE REMUNERATION POLICY			
SPECIAL RESOLUTIONS			
Special Resolution Number 1: Repurchase of Shares			
Special Resolution Number 2: Authority to Directors to issue Equity Securities for cash			
Special Resolution Number 3: Determination and Approval of the Remuneration of Non-executive Directors			
Special Resolution Number 4: Financial Assistance to Subsidiaries and Other Related Entities or Inter-related Entities and to Directors and Prescribed Officers and Other Persons who may participate in the Employee Forfeitable Share Plan or any other employee share scheme			
Special Resolution Number 5: Amendments to the share scheme			
Special Resolution Number 6: Amendment of the Company's Memorandum of Incorporation – Substitution of clause 21.29			
Special Resolution Number 7: Amendment of the Company's Memorandum of Incorporation – Substitution of clause 24			
Special Resolution Number 8: Amendment of the Company's Memorandum of Incorporation – Insertion of clause 35.5			
Special Resolution Number 9: Amendment of the Company's Memorandum of Incorporation – Substitution of clause 37.8			

and generally to act as my/our proxy at the said Annual General Meeting.

(Please indicate with an "x", in the applicable spaces, how you wish your votes to be cast.)

Unless otherwise directed the proxy will vote as he/she thinks fit.

Signed at _____ this _____ day of _____ 2014

Signature of shareholder assisted by (where applicable) _____

Please read the notes on the reverse side hereof.

NOTES TO PROXY:

1. A certificated shareholder and an "own-name" registered dematerialised shareholder may insert the name of a proxy or the names of proxies of the certificated shareholder's/ "own-name" registered dematerialised shareholder's choice in the space provided, with or without deleting the chairman of the Annual General Meeting. The person whose name stands first on the form of proxy and who is present at the Annual General Meeting shall be entitled to act as proxy to the exclusion of the persons whose names follow.
2. Instructions to the proxy have to be indicated by the insertion of the relevant number of votes exercisable in the appropriate box provided. Failure to comply with this shall be deemed to authorise the chairman of the Annual General Meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions at the Annual General Meeting or the appointed proxy to vote or to abstain from voting at the Annual General Meeting, as he/she deems fit in respect of all the appointer's votes exercisable thereat, or the appointed proxy to vote or to abstain from voting at the Annual General Meeting, as he/she deems fit in respect of all the appointer's votes exercisable by that proxy.
3. The total number of votes for or against the resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the person entitled to vote granting the proxy is entitled.
4. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity has to be attached to this form of proxy, unless previously recorded by the transfer secretaries or waived by the chairman of the Annual General Meeting.
5. The chairman of the Annual General Meeting may reject or accept any form of proxy that is completed and/or received, other than in compliance with these notes.
6. Any alterations or corrections to this form of proxy shall be initialled by the signatory(ies).
7. The completion and lodging of this form of proxy shall not preclude the relevant person entitled to vote from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such person wish to do so.
8. Where there are joint holders of shares:
 - (a) any one holder may sign this form of proxy; and
 - (b) the vote of the senior shareholder (for that purpose, seniority will be determined by the order in which the names of the Shareholders appear in the Company's register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint Shareholders.
9. A minor must be assisted by his/her parent or legal guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
10. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.

It is requested that forms of proxy be lodged with or posted to the transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 09:00 on Monday, 25 August 2014. If forms of proxy are not received by the Transfer Secretaries by the relevant time, they will nevertheless be entitled to be lodged immediately prior to the commencement of the Annual General Meeting in accordance with the instructions therein, with the chairperson of the Annual General Meeting (and are requested to be so lodged at least by 08:30, which is 30 minutes prior to the time appointed for commencement of the Annual General Meeting).

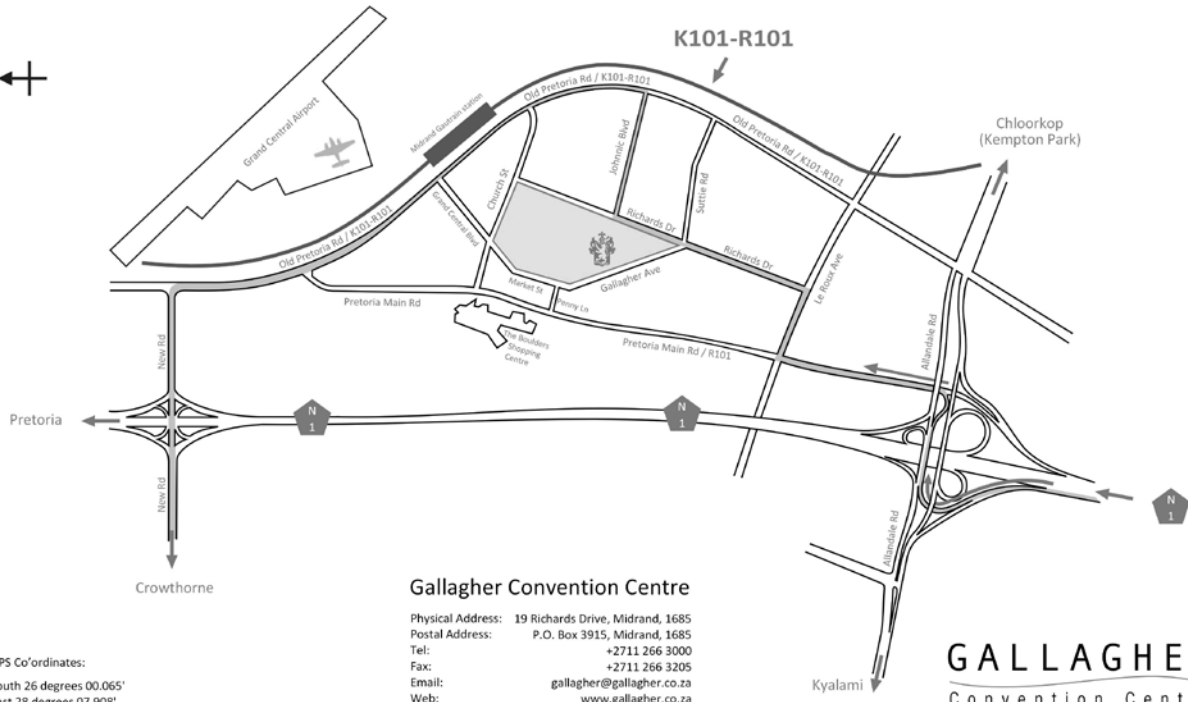
South African transfer secretaries

Computershare Investor Services (Proprietary) Limited
Ground Floor, 70 Marshall Street
Johannesburg, South Africa, 2001
(PO Box 61051, Marshalltown, 2107)

Telkom Registered Office

Telkom Towers North
152 Johannes Ramokhoase Street
Pretoria, 0002
(Private Bag X881, Pretoria, 0001)

Chairman of the Annual General Meeting



Gallagher Convention Centre

Physical Address: 19 Richards Drive, Midrand, 1685
Postal Address: P.O. Box 3915, Midrand, 1685
Tel: +2711 266 3000
Fax: +2711 266 3205
Email: gallagher@gallagher.co.za
Web: www.gallagher.co.za

GPS Co'ordinates:
South 26 degrees 00.065'
East 28 degrees 07.908'



