

# Notice of annual general meeting

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## 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 sub-register 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 licences 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 or to vote by proxy
- A proxy form for use by shareholders holding Telkom ordinary shares in certificated form or recorded in sub-registered electronic form in "own-name".

## Notice of annual general meeting

**Notice is hereby given to the shareholders of the company (shareholders) that the 24th annual general meeting of the shareholders (annual general meeting or AGM) will be held at JSE Limited, No. 1 Exchange Square, No. 2 Gwen Lane, Sandton on Wednesday, 24 August 2016 at 10:00, 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 71 of 2008, as amended (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, 22 July 2016; 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, 19 August 2016.

### 1. Presentation of annual financial statements

The audited consolidated 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 2016, have been distributed as required and will be presented to shareholders.

The complete set of the audited consolidated annual financial statements, together with the directors' report, the audit committee report and the external auditors' report, are available in pdf form on the Telkom website at [www.telkom.co.za/ir](http://www.telkom.co.za/ir)

### 2. Social and ethics committee

Feedback will be given on matters within the mandate of the social and ethics committee, in accordance with Regulation 43(5)(c) of the Companies Regulations, 2011 (Companies Regulations).

## Ordinary resolutions

### 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:

Mr J Mabuza  
Mr N Kapila  
Mr I Kgaboesele  
Ms K Mzondeki

All the above directors are eligible and available for re-election. Their profiles appear on pages 51 and 52 of the integrated report. The board recommends the re-election of these directors.

### 3. Ordinary resolution number 1

Re-election of Mr J Mabuza as a director  
RESOLVED THAT Mr J Mabuza, who retires by rotation in terms of the memorandum of incorporation, be and is hereby re-elected as a director of the company.

### 4. Ordinary resolution number 2

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, be and is hereby re-elected as a director of the company.

### 5. Ordinary resolution number 3

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, be and is hereby re-elected as a director of the company.

### 6. Ordinary resolution number 4

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, 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 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.



# Notice of annual general meeting

## 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 of the company pursuant to ordinary resolution number 3.

## 8. Ordinary resolution number 6

Election of Ms K Mzondeki as a 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 of the company pursuant to ordinary resolution number 4.

## 9. Ordinary resolution number 7

Election of Mr L von Zeuner as a 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.

## 10. Ordinary resolution number 8

Election of Ms T Dinga as a member of the audit committee

RESOLVED THAT Ms T Dinga 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.

## 11. Ordinary resolution number 9

Election of Mr R Tomlinson as a member of the audit committee

RESOLVED THAT Mr R Tomlinson 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 51 and 52 of the integrated report.

## Explanatory notes in respect of ordinary resolutions numbers 5 to 9

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.

## 12. Ordinary resolution number 10

Re-appointment of auditors

RESOLVED THAT Ernst & Young Inc. be and are hereby re-appointed as auditors of the company until the conclusion of the next annual general meeting.

## 13. Ordinary resolution number 11

Appointment of joint auditors

RESOLVED THAT Nkonki Inc. be and are hereby appointed as joint auditors with Ernst & Young Inc. of the company until the conclusion of the next annual general meeting.

## Explanatory notes in respect of ordinary resolution number 10 and 11

In compliance with section 90 of the Companies Act read with section 92 (3) of the Companies Act, Ernst & Young Inc. and Nkonki Inc. are recommended by the Audit Committee to be appointed as joint auditors for the financial year ending 31 March 2017 and until the conclusion of the next annual general meeting.

## 14. Ordinary resolution number 12

General authority for directors to allot and issue and/or grant options over 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 26 347 435 (twenty-six million three hundred and forty-seven thousand four hundred and thirty-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 12

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 hold may be waived), subject to the approval of JSE, the provisions of the Listings Requirements and the Companies Act. 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 26 347 435 (twenty-six million three hundred and forty-seven thousand four hundred and thirty-five) 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. The number of shares to be issued in terms of ordinary resolution number 11 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 shares 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 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.

## 15. 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 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

### 16. 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 10% (ten 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 is effected through the order book operated by JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);



# Notice of annual general meeting

- 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, i.e. not subject to variation, and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The issuer must instruct an independent third party, which makes its investment decisions in relation to the issuer's securities independently of, and uninfluenced by, the issuer, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- 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 10% (ten 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 2016;
- 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.

In terms of the Companies Act and 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.

For the purpose of considering the special resolution and in compliance with paragraph 11.26 of the Listings Requirements, the information listed below is included, at the places indicated:

- Major shareholders – refer to page 109 of the consolidated annual financial statements;
- Share capital of the company – refer to page 76 of the consolidated annual financial statements;
- The directors, whose names are set out on pages 51 and 52 of the integrated 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.



## Material changes

Other than the facts and developments as may have been reported in the integrated report, there have been no material changes in the affairs or financial position of the company and its subsidiaries as reported at 3 June 2016 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 26 August 2015, 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.

## 17. 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 11 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 26 347 435 (twenty-six million three hundred and forty-seven thousand four hundred and thirty-five) ordinary shares;
- any ordinary shares issued under this authority must be deducted from the number of ordinary shares set out above;
- 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; and
- 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 11 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 percent (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 percent (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.

This is an ordinary resolution in terms of the Listings Requirements but 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.

# Notice of annual general meeting

## 18. 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 24 August 2016:

	Annual retainer fee R	Meeting attendance fee R	Special meeting attendance fee R
<b>Telkom SA SOC Limited board</b>			
Chairperson	1 250 000	-	23 400
Ordinary board member	366 000	-	17 500
International board member	505 408	-	17 500
<b>Audit committee</b>			
Chairman		55 150	23 400
Member		33 725	17 500
<b>Risk committee</b>			
Chairman		50 000	23 400
Member		30 000	17 500
<b>Social and ethics committee</b>			
Chairman		50 000	23 400
Member		30 000	17 500
<b>Nominations committee</b>			
Chairman		44 350	23 400
Member		30 000	17 500
<b>Remuneration committee</b>			
Chairman		50 000	23 400
Member		30 000	17 500
<b>Investment and transactions committee</b>			
Chairman		46 046	23 400
Member		30 000	17 500

## 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 paid to the non-executive directors for the year ending 31 March 2016 and is of the view that, in the best interest of the company, there should be no increase to the remuneration. However and notwithstanding the consideration by and the view of the board, the remuneration payable to non-executive directors 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 2016 are set out on page 181 of the integrated report.

## 19. 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 and the Companies Act, 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:

- 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
- 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.

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 officers, 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. Shareholders should note that any such financial assistance would not entail the making of any cash advances by the company to the participants in the Employee FSP in the form of loans or otherwise.



# Notice of annual general meeting

## Voting and proxies

All ordinary resolutions will, in terms of the Companies Act, require the support of more than 50 percent 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 been approved by ordinary resolution achieved by a 75 percent 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 percent 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 (012) 311 2115 by Monday, 22 August 2016 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 10:00 on Monday, 22 August 2016. 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 09:30, 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**  
**E Motlhamme**  
 Group company secretary  
 11 July 2016

**Registered Office**  
 61 Oak Avenue  
 Highveld  
 Centurion 0157  
 South Africa  
 (Private Bag X881, Pretoria 0001)

**Transfer secretaries**  
 Computershare Investor Services (Pty) Ltd  
 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.

# Form of proxy for the annual general meeting

## 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)

**(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 JSE Limited, No. 1 Exchange Square, No. 2 Gwen Lane, Sandton on Wednesday, 24 August 2016 at 10:00

A dematerialised shareholder who is not an "own-name" registered shareholder, must inform it/his/her Central Securities Depository Participant (CSDP) or broker of it/his/her intention to attend the annual general meeting and request its/his/her CSDP or broker to issue it/him/her with the necessary documentation to attend the annual general meeting in person and vote or provide their CSDP or broker with it/his/her voting instructions should it/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 it/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 JSE Limited, No. 1 Exchange Square, No. 2 Gwen Lane, Sandton on Wednesday, 24 August 2016 at 10:00 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:

# Form of proxy for the annual general meeting

Resolution	For	Against	Abstain
<b>Ordinary resolutions</b>			
<b>Ordinary resolution number 1:</b> Re-election of Mr J Mabuza as a director			
<b>Ordinary resolution number 2:</b> Re-election of Mr N Kapila as a director			
<b>Ordinary resolution number 3:</b> Re-election of Mr I Kgaboesele as a director			
<b>Ordinary resolution number 4:</b> Re-election of Ms K Mzondeki as a director			
<b>Ordinary resolution number 5:</b> Election of Mr I Kgaboesele as a member of the audit committee subject to his re-election as a director of the company pursuant to ordinary resolution number 3			
<b>Ordinary resolution number 6:</b> Election of Ms K Mzondeki as a member of the audit committee subject to her re-election as a director of the company pursuant to ordinary resolution number 4			
<b>Ordinary resolution number 7:</b> Election of Mr L von Zeuner as a member of the audit committee			
<b>Ordinary resolution number 8:</b> Election of Ms T Dinga as a member of the audit committee			
<b>Ordinary resolution number 9:</b> Election of Mr R Tomlinson as a member of the audit committee			
<b>Ordinary resolution number 10:</b> Re-appointment of Ernst & Young Inc. as auditors of the company			
<b>Ordinary resolution number 11:</b> Appointment of Nkonki Inc. as joint auditors			
<b>Ordinary resolution number 12:</b> General authority for directors to allot and issue and/or grant options over ordinary shares			
<b>Endorsement of the remuneration policy</b>			
<b>Special resolutions</b>			
<b>Special resolution number 1:</b> Repurchase of shares			
<b>Special resolution number 2:</b> Authority to directors to issue equity securities for cash			
<b>Special resolution number 3:</b> Determination and approval of the remuneration of non-executive directors			
<b>Special resolution number 4:</b> 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).			

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.)

**Please read the notes on the reverse side hereof.**  
 Unless otherwise directed the proxy will vote as he/she thinks fit.

Signed at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_ 2016

Signature of shareholder \_\_\_\_\_

assisted by (where applicable) \_\_\_\_\_

# 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 10:00 on Monday, 22 August 2016. 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 09:30, 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

61 Oak Avenue  
Highveld  
Centurion 0157  
(Private Bag X881, Pretoria 0001)

## Chairman of the Annual General Meeting

Telkom