

TRAILBLAZERS

EMPOWERDEX

in association with

CITADEL
PRIVATE CLIENT WEALTHCARE

October 2010

Progress made with BBBEE

But challenges remain.

Andreas Sieren

Transformation is a key imperative across many spheres of South African society. Achieving transformation in business has been a particularly challenging process, and despite BEE codes being in place and a swell of groundbreaking work and commitment from the country's corporate sector, difficulties and obstacles remain.

The Trailblazer journey began with a ground-breaking Empowerdex research report in 2004 entitled *Pioneers, Powers and Pundits*, focusing on the achievements of black directors of companies listed on the JSE. Surveys followed in 2006 and 2008, with previous winners including Dr Mamphela Ramphele and Fred Phaswana.

In 2010 it is time again to celebrate the inspirational black business leaders shaping the future of our country. In association with Citadel, the JSE and *Business Times*, Empowerdex, a Johannesburg-based empowerment rating and research agency, recently conducted research on JSE-listed companies to track the progress of black economic empowerment by calculating the degree of influence that various board members exert. Out of about 400 companies listed on the JSE, the research found 3 450 individuals who were on one or more boards of directors.

The research categorised all individuals on the basis of sex and race. The calculation of the degree of influence that directors enjoyed was based on the number of JSE directorships each director holds and the combined market capitalisation of the respective companies.

The measure considers the positions of chief executive officer, executive chairman or managing director. The second indicator measures influence and ranks black directors by the cumulative market capitalisation of the companies on whose boards they sit.

The most common positions on the various boards were chief executive officer (CEO), chief financial officer (CFO), chief operating officer (COO), chairperson, executive director and non-executive director. Most of the positions held were non-executive positions, which was particularly the case among black directors (in terms of BEE).

In 2008, Empowerdex counted 596 JSE-listed black non-executive directorships. In 2010 that number had increased

to 703 directorships. That was due to the inclusion in the survey of companies listed under the Alternative Exchange (Alt-X). Out of the total of 596 directorships in 2008, 408 were black males. That number increased to 434 in 2010.

Figure 1 shows that in 2008, 81% of the top 50 directors on the JSE were Blacks (Africans) and that percentage decreased to 78% in 2010. The Indian population group decreased from 15% in 2008 to 11% in 2010. The Coloured population group was the only group that increased its share from 4% in 2008 to 11% in 2010.

In 2008, 78% of the 50 most influential directors were Africans. This decreased by 6% to 72% in 2010. During the same period, the non-South Africans (all races included) increased from 2% to 4%. The proportion of Indian directors decreased from 14% in 2008 to 10% in 2010. The proportion of Coloured directors increased from 4% to 10% in 2010.

Overall that shows that changes were not very significant, with the percentage of Africans and Indians slightly decreasing, and Coloureds, Whites and non-South African Africans slightly increasing.

Broad-Based Black Economic Empowerment (BBBEE) is a process that contributes to the economic transformation of South Africa and brings about significant increases in the numbers of black people who manage, own and control the country's economy. The policy seeks to increase the number of black people who own and control existing and new enterprises in the key sectors of the economy, the number of new black enterprises and the number of black people in executive and senior management positions. Essentially, the policy is aimed at accelerating the participation of black people at all levels of the economy.

Figure 2 illustrates the progress of black groups (defined by the BBBEE Act) taking on executive and non-executive positions in terms of JSE-listed companies, with the combined market capitalisation including the directorships each director holds. This was based on the top 50 directors (most influential directors).

Executive vs non-executive directors
Despite the improved BBBEE situation, black directors are still lagging behind and taking on more non-executive directorship positions. While the roles of non-executive directors are important in companies, these directors have less decision-making power than executive directors. Non-executive directors play more of an advisory role than executive directors, who are in a position to make decisions.

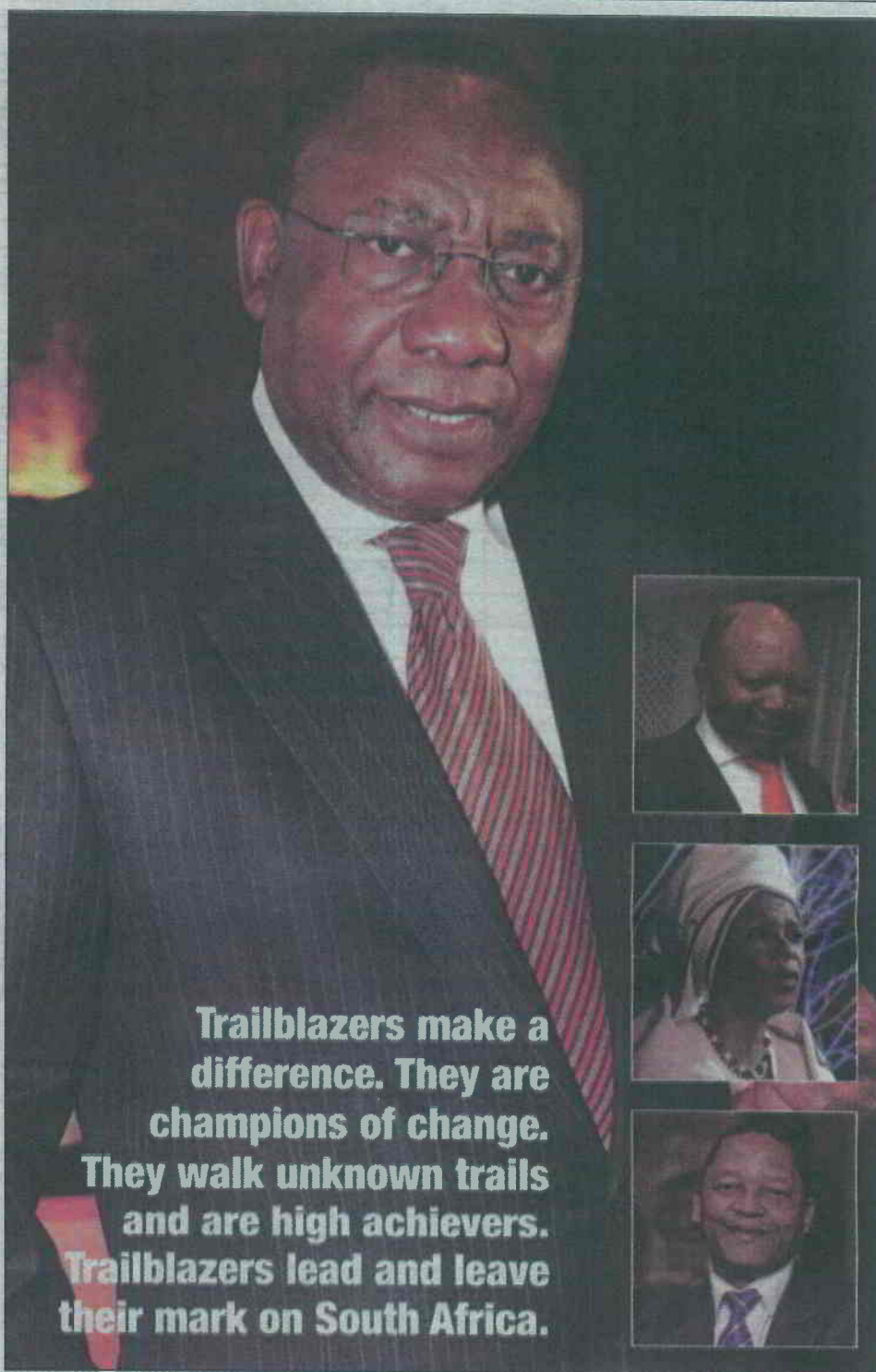
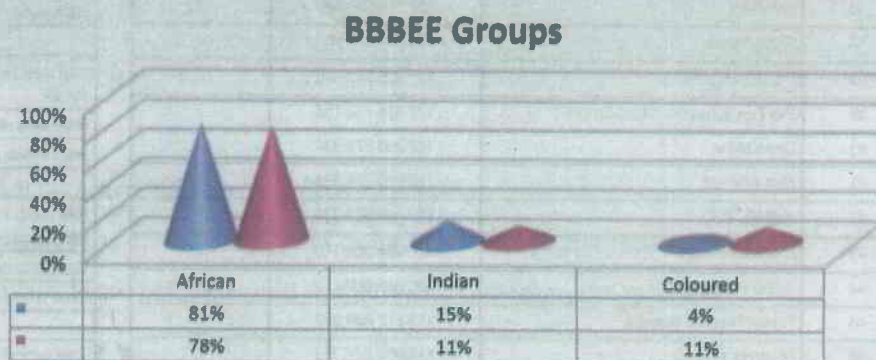


Figure 1: Top 50 directors as defined by the BBBEE Act for 2008 and 2010



Source: Empowerdex 2010

Figure 2: The top 50 most influential directors for 2008 and 2010 according to population group



An executive director is typically tasked with designing, developing and implementing the strategic plans of the company in a cost-effective and time-efficient manner. Furthermore, the executive director is responsible for the day-to-day operation of the company, which includes managing staff and financial affairs. The executive director leads the company and heads the management team. In his actions, the executive director is accountable to the board.

The non-executive director is a member of the board of directors of a company, but is not part of the executive management team. He or she is neither an employee of the company nor affiliated with it in any other way. Non-executive directors typically contribute to the strategy of the company, its performance, assessment of financial statements and risks, and appointment of senior management. They are also custodians of the governance process of a company.

Table 1 shows the most influential directors in terms of their executive and non-executive directorships held in 2010.

Table 1: The top 50 most influential directors for 2010 in accordance with their directorships

Position	Name	Combined JSE Market Cap	No of JSE Directorships
1	Matamela Cyril Ramaphosa	805 347 926 628	8
2	Tshamano Mohau Frederik Fred Phaswana	491 795 831 147	3
3	Dr Mamphela Ramphele	482 424 651 554	3
4	Mfundiso Johnson Ntabankulu Njeke	441 393 711 611	7
5	Koosum Kalyan	365 825 153 436	2
6	Mohammed Valli Moosa	283 409 019 777	5
7	Sonja Emilia Ncumisa Sebotsa	274 949 675 420	4
8	Bongani Nqwababa	272 625 992 069	2
9	Jeffrey Van Rooyen	247 721 897 314	3
10	Nkateko Peter Mageza	244 817 485 865	2
11	Dr Bongani Augustine Khumalo	202 735 514 354	2
12	Thembalihle Hixonia Nyasulu	199 590 721 353	3
13	Dawn Marole	198 688 355 600	1
14	Nazir Patel	198 688 355 600	1
15	Phuthuma Nhleko	198 688 355 600	1
16	Raymond Dabengwa	198 688 355 600	1
17	Imogen Nonhlehla Mkhize	192 601 314 436	2
18	Kgomotso Moroka	188 032 293 638	3
19	Thulani Sikhulu Gcabashe	187 596 997 986	2
20	Saki Macozoma	187 335 897 817	2
21	Chris Nissen	186 745 884 678	2
22	Thoko Martha Mokgosi-Mwantembe	184 924 037 908	3
23	Polelo Lazarus Zim	183 895 207 135	5
24	Dr Mandla SV Gantsho	182 986 432 777	2
25	Christine Kandimathie Ramon	178 801 219 338	1
26	Victoria Nolutha Fakude	178 801 219 338	1
27	Noluthando (Thandi) Dorian Bahedile Orleyn	171 632 907 899	5
28	Dr Khotso Mokhele	162 150 567 665	3
29	Phillip Jabulani Moleketi	160 562 352 554	2
30	Fatima Jakoet	150 660 135 462	4
31	Dr Reuel Khoza	150 513 619 382	3
32	Khehla Cleopas Shubane	150 397 006 959	2
33	Peter Matlare	143 778 267 284	3
34	Dr Notulamo ('Lulu') Gwagwa	143 192 970 004	3
35	Yolanda Zoleka Cuba	136 181 395 763	5
36	Steve Phiri	127 188 930 348	3
37	Sipho Pityana	126 794 376 063	3
38	Prof Wiseman Nkuhlu	125 325 716 446	2
39	Prof Gert Johannes (Jakes) Gerwel	122 888 746 754	2
40	Debra Meyer	122 293 274 334	1
41	Hein Willemsse	122 293 274 334	1
42	Rachel Jafta	122 293 274 334	1
43	Shadwick Bessit	120 985 869 110	1
44	Thabo Mokgatla	120 985 869 110	1
45	Patrice Tlhopane Motsepe	119 812 826 952	3
46	Dr James Motlatsi	119 058 977 383	2
47	Tito Mboweni	118 930 992 376	1
48	Mthandazo Peter Moyo	113 405 404 642	3
49	Dr Deenadaya Len Konar	112 219 531 631	9
50	Paul Nkuna	110 193 310 040	2

Source: Empowerdex 2010

This table illustrates the top 50 most influential directors in terms of their directorships. Mr Ramaphosa took first position this year with eight directorships – all of which are non-executive positions. In 2008 he came in second with four non-executive directorships. Mr Phaswana, who took first position in 2008, is now in second place with three non-executive directorships. In terms of women, Dr Mamphela Ramphele is still in third position, unchanged from 2008. The only executive director was Mr Nqwababa (who was born in Zimbabwe) in position nine, with one executive directorship and one non-executive directorship.

Table 2: The top 30 most powerful directors for 2010

Name	JSE Company	JSE Market Cap
Phuthuma Freedom Nhleko	MTN Group	198 688 355 600
Sizwe Errol Nxasana	First Rand	109 601 586 434
Sipho Abednego Nkosi	Exxaro	39 722 322 926
Nonkululeko Nyembezi-Heita	ArcelorMittal	35 348 144 067
Peter Matlare	Tiger Brands	33 450 508 080
Reuben Joseph September	Telkom	19 269 004 226
Roger Jardine	Aveng	14 454 239 878
Michael Solomon Teke	Optimum Coal Holdings	6 924 120 115
Steve Phiri	Merafe	4 010 629 443
Yolanda Zoleka Cuba	Mvela Group	3 703 008 350
Hugo Nelson	Coronat	3 352 824 349
Murphy Morobe	KGMedia	2 006 877 810
Prakash Desai	Avusa Ltd	1 993 366 252
Benjamin Mophatlane	Business Connexion	1 536 425 935
Ahmed Mahomed	Datacentrix	821 062 732
Jonas Bogoshi	Gijima	814 611 107
Praveen Bajinath	Delta EMD Ltd	631 777 356
Mustaq Ahmed Enus-Brey	Brimstone	595 472 420
Llewellyn Delpoit	Trans Hex	424 205 100
Andile Mazwai	BJM	380 000 000
Ethan Gilbert Dube	Vunani Ltd	369 755 377
Morena Francesco Douglas Makhoana	Litha	325 717 768
Talal Jassim Al-Bahar	IFA	192 025 398
Mohammed Varachia	Simeka	96 322 586
Thabiso Tlelai	The Don Group	73 621 325
Farid Hartnick	Sea Kay Holdings	68 440 991
Mohamed Shaffie Mowzer	Command	42 320 000
Sbu Shabalala	AdaptIT	41 907 140
Abdul Shaheed Mohamed	Total Client	15 605 387
Maslamony Pather	AH-Vest Ltd	9 177 599

Source: Empowerdex 2010

Table 2 shows impressive results when it comes to the most powerful directors of companies listed on the JSE. This was based on the chief executive officers, with the JSE market cap of the company each director directs used to calculate the degree of power. 50% of these directors are Africans, followed by Indians with 37% and Coloureds with 4%.

The most powerful director was Mr Phuthuma Freedom Nhleko, who leads the MTN Group, with a market capitalisation of more than R198 billion. The most powerful woman is Nonkululeko Nyembezi-Heita in fourth position. She heads the ArcelorMittal Group.

Black directorship analysis

Below are some of the basic statistics which show the progress of BEE in terms of increasing the numbers of black directors that manage, own and control businesses in South Africa.

Table 3: JSE Black directorship analysis (2008-2010)

JSE Black directorship analysis (2008-2010)	2008	2010	% Change 2008-2010
Total number of JSE-listed black directorships	714	951	33%
Black male directorships	510	652	28%
Black female directorships	205	299	46%
Total number of black directors on the JSE	487	770	58%
Black male directors	348	526	51%
Black female directors	139	244	76%
Total number of JSE-listed black executive directorships	118	148	25%
Black male executive directorships	102	125	23%
Black female executive directorships	16	23	44%
Total number of black executive directors on the JSE	100	157	57%
Black male executive directors	87	125	44%
Black female executive directors	13	32	146%

Source: Empowerdex 2010

Table 3 shows that the number of black directorships increased from 714 in 2008 to 951 in 2010. This 33% increase can also be attributed to the inclusion of companies listed under the Alt-X. Out of 951 directorships, only 299 were women, which was a promising 46% increase from 2008 to 2010. The number of black male directors increased from 348 in 2008 to 526 in 2010. The percentage change between 2008 and 2010 for black males is 51%, with black female directors standing at 76%. There was a 57% increase of black executive directors on the JSE.

Directory of 100% black-owned business

Andreas Sieren

South Africa's directory of 100% black-owned businesses, *Black Pages*, was unveiled earlier this year by businessman Cyril Ramaphosa. *Black Pages* is an initiative undertaken by Shanduka Black Umbrellas, the successful incubation and mentoring initiative for black-owned SMMEs.

The inaugural issue of *Black Pages* showcases more than 1 000 black-owned businesses from all nine provinces and aims to become the procurement practitioner's definitive directory for sourcing 100% black-owned enterprises.

Says Ramaphosa, executive chairman of the Shanduka Group: "The publication of *Black Pages* is part of the realisation of my lifelong dream of developing black businesses. We believe that *Black Pages* will help grow small businesses and in turn stimulate the economy, as well as assist big businesses with their procurement process. While this initiative is a specific intervention for SMMEs, it will ultimately create jobs as the SMMEs become more successful and employ more people. It is my hope that *Black Pages* will play a part in addressing South Africa's high rate of unemployment."

Black Pages features all of the SMMEs that are part of the Shanduka Black Umbrellas programme in Gauteng and the Western Cape which have undergone a rigorous assessment process prior to inclusion in the programme.

It also carries other black-owned businesses from around the country; however, these have not been appraised, other than confirming the ownership and contact details thereof.

One of the key intentions of the Department of Trade and Industry's Codes of Good Practice is to promote the use of black-owned professional service providers and entrepreneurs as suppliers. Under the Preferential Procurement pillar, companies can receive 20 points for procuring from qualifying black-owned SMMEs.

Most companies in South Africa are familiar with the requirements of BEE legislation. However, South African companies of all sizes are experiencing numerous challenges with achieving all the points available for both enterprise development and preferential procurement.

Yvonne Themba, chairperson of Shanduka Black Umbrellas, says: "It is pleasing to present solutions for both pillars, as Shanduka Black Umbrellas is the third-party entity that can deliver enterprise development initiatives on a company's behalf."

"In addition, by using businesses in *Black Pages*, companies can obtain the difficult 8 of the 20 points that are available by procuring from Qualifying Small Enterprises (QSEs) and Exempted Micro Enterprises (EMEs) that are 50% black-owned and 30% black women-owned."

50 000 copies have been printed. *Black Pages* will be published twice a year. *Black Pages* is also available on line at www.shandukablackpages.co.za.

➔ Most influential director for 2010

Cyril Ramaphosa: committed to development

Ramaphosa holds eight non-executive directorships

Andreas Sieren

Cyril Ramaphosa is founder and chairman of the Shanduka Group, a black-owned and managed investment group with investments in resources, financial services, property, energy and beverages.

In 1982 he took up the position of first general secretary of the National Union of Mineworkers (NUM) after the Council of Unions of South Africa (CUSA) asked him to start a mineworkers union. He was instrumental in building NUM into the most powerful union at the time, with membership rising from 6 000 to 30 000 during his tenure.

In 1991, he was elected secretary general of the African National Congress (ANC) and subsequently became head of the ANC team negotiating the end of apartheid with the National Party government. 1994 saw him become chairman of the Constitutional

Assembly, which negotiated South Africa's first democratic constitution. He moved into the private sector thereafter.

Ramaphosa is joint non-executive chairman of Mondi plc and non-executive chairman of MTN Group Ltd. He is a director on a number of boards of Shanduka's partner companies, including Standard Bank Group, Bidvest Group and Assore Ltd. He is the former chairman of the Black Economic Empowerment Commission (1998-2000) and is a national executive member of the ANC.

Ramaphosa is committed to South Africa's development in the areas of education and enterprise development, and the Shanduka Foundation channels its work in these areas through the initiatives of the Adopt a School Programme and the Shanduka Black Umbrellas. He serves on the Coca Cola Company's International Public Policy Advisory Board (IPPAB) and is a member of the United Nations Global Leadership Group, which advises the secretary general's Special Representative on Business and Human Rights. He also serves on the board of the



Commonwealth Business Council (CBC).

Ramaphosa holds a law degree from the University of South Africa. He has received several honorary doctorates from universities both locally and internationally. He received the Olaf Palme prize in 1987 (Stockholm) and was included in the *Time* 100 annual list of

the 100 most influential people in the world in 2007.

He was awarded the National Order of the Baobab in Silver in 2009 (South Africa) for his contribution to the multiparty negotiations and for convening the Constitutional Assembly to draft the new Constitution.

CONGRATULATIONS,
FROM THOSE WHO KNOW
A THING OR TWO ABOUT
BLAZING NEW TRAILS.

Today's black business leaders have overcome enormous odds to achieve success. They have faced the challenge of blazing new trails; of pioneering meaningful change; establishing new connections and fresh ways of doing business. As the leaders in wealthcare we at Citadel identify with, and wholeheartedly congratulate, those bold men and women who have taken the road less travelled and made it easier for others to follow.

CITADEL

PRIVATE CLIENT WEALTHCARE

Port Elizabeth: 041 394-1300 Johannesburg: 011 722-7600 Pretoria: 012 470-2500 Cape Town: 021 670-9100 Durban: 031 560-7000 www.citadel.co.za

Citadel is an authorised financial services provider. Member of the **PEREGRINE** Group.

US leader an inspiration to SA's black directors

Andreas Sieren

World-famous entrepreneur, motivational speaker and philanthropist, Chris Gardner, joined in the celebration of leading black directors of listed companies at a function hosted by Citadel, Empowerdex, *Business Times* and the JSE in Johannesburg.

Gardner is the owner and CEO of institutional brokerage firm Gardner Rich LLC, a FINRA-registered broker-dealer based in Chicago specialising in servicing public pension funds and Taft-Hartley plans.

Founded by Gardner in 1987, Gardner Rich now competes for business on the basis of execution, price and added value. But it is Gardner's incredible journey to success and the strength of character he

has exhibited throughout his life for which he is most renowned. His childhood was marked by poverty, domestic violence, alcoholism, sexual abuse and family illiteracy.

Garner has spent most of his professional career in the brokerage and investment field. A native of Milwaukee, Wisconsin, his initial position in the securities industry was with Dean Witter Reynolds. Later he became a top producer at Bear, Stearns & Company, first in San Francisco and later in New York.

Gardner has brought an unconventional perspective to the investment business; prior to his positions at Bear, Stearns and Dean Witter, he was a research biologist at the University of California Medical Centre, where he co-authored and published eight articles on the preservation of myocardial high-

energy phosphates. Prior to that, he was enlisted in the US Navy Hospital Corps.

In October 1987, Gardner established Gardner Rich as an institutional brokerage firm specialising in the execution of debt, equity and derivative products transactions. Gardner Rich has grown by focusing on its commitment to provide quality service and excellent trade executions for clients.

The company has been a benefactor to many thousands of students, teachers and other school employees around the nation. Gardner has directed his firm to contribute 10% of all profits to communities where the company does business, and Gardner Rich has donated more than \$1 million to public education institutions. "Our motto is simple," says Gardner. "Equal opportunity also means equal responsibility."

The story of his life was captured in an autobiography, *The Pursuit of Happyness*, which spent over 20 weeks on the *New York Times* Bestseller list. Since then it has been translated into 14 languages and was the inspiration behind the movie of the same name. Will Smith starred as Gardner and received Academy Award, Golden Globe and Screen Actors Guild nominations for his powerful performance. Gardner was an associate producer on the film.

"Gardner's inspirational story is a perfect match for the Trailblazers project, which celebrates the trailblazers of corporate South Africa. Like him, many of them faced a multitude of challenges, prejudice and exclusion before becoming South Africa's leading black executives," says Joe Bester, head of marketing at Citadel.

Empowerment an imperative for Glenrand MIB

As both the moral and business imperatives driving BEE intensify, JSE-listed broker Glenrand MIB stands out among its peers with one of the highest BEE ratings in the insurance sector, according to the authoritative Empowerdex organisation, which has accorded the company a rating of AA (level three contributor) for the third year in succession.

The rating is the latest in a series of achievements for the company on the empowerment front.

The benefits of the commitment that this reflects are extensive for the numerous constituencies and stakeholders that the company serves – clients, who are able to claim 137,5% of their procurement spend by doing business with the company,

shareholders, staff and suppliers, says executive general manager, People & Employer Brand, Pauline Gibbons.

"The company is not resting on its empowerment laurels. Transformation and empowerment are very much mainstream issues at Glenrand MIB, and our CEO, Andrew Chislett, has taken personal responsibility for furthering our goals on this front," she adds.

Those goals are premised on "pillars of transformation", with exco members taking direct responsibility for the processes involved. Moreover, transformation is risk rated and given a financial value.

"That ties empowerment into our corporate strategic objectives and delivery, demonstrating our commitment in this respect and giving structure to the transformation process, inclusive of

social responsibility, employment equity, career path enhancement and upliftment at all levels."

The company is tracking its BBEE components to identify areas for further improvement. The Makgulong Employee Ownership Scheme Trust, which owns 4,5% of the company, has allocated trust shares to black employees; there is a formalised employee equity plan to achieve a demographically representative workforce at all levels; a continuous drive for innovative transformation; growing empowerment of disabled employees; support for black-owned and small enterprises; and extensive community support on numerous fronts.

Gibbons sees BEE as a vital social and business imperative. "A top BEE rating is not just a 'nice-to-have'; it's an essential facet of doing business in

today's South Africa and rightly so," she says. "Moreover, it's notable that the DTT's enhanced BBEE codes have raised the overall bar in that the compliance targets are higher, so we recognise that we simply cannot stand still on this important issue."

"Accordingly, notwithstanding the fact that we have set a high standard for the company and the industry, it's critical that we improve yet further on our BEE achievements and we will continue to devote significant resources to this. In doing so, we are building on a proud tradition of black advancement that began with the original Glenrand MIB group decades ago, well before empowerment became national policy as part of political and economic transformation in post-apartheid South Africa."



Peregrine is proudly associated with South Africa's leading Trailblazers

Congratulations to our inspiring 2010 winners!

Exploring new territory doesn't usually come with directions. That's why you want a clear, calculated understanding of both risk and reward. It's an approach we've navigated with significant success. After all, it's not just about being a high flyer. You also want to go the distance. www.peregrine.co.za

PEREGRINE

WEALTH MANAGEMENT | ASSET MANAGEMENT | HEDGE FUNDS | PRIME BROKING | DERIVATIVES

An Authorised Financial Services Provider

blast 108390

MTN leader ranked SA's most admired

Andreas Sieren

Cellular giant MTN's chief executive officer, Phuthuma Nhleko, was voted the most admired black director of a listed company in South Africa, in a survey by private client wealth manager Citadel – in association with Empowerdex, the JSE and *Business Times* – for its Trailblazers project.

"We asked 50 black directors, ranked by Empowerdex as the most influential in the listed environment, to select the business leader they most admire in that group. Mr Nhleko received the most votes, followed by Dr Mamphela Ramphele," says Dr Joe Bester, Citadel's head of marketing and driver of the Trailblazers project.

"This is the first time since the launch of the project in 2006 that we sought to identify the most admired black director. The top 50 group includes respected executives such as Sonja Sebotsa, Fred Pashwana, Valli Moosa and Cyril Ramaphosa. Clearly Mr Nhleko's successful 10-year tenure at MTN made him stand out in a very select group," Bester adds.

The most influential black director of a listed company is identified through his/her involvement at different companies based on the market capitalisation of the companies. The most powerful is ranked according to the person's shareholding in the company and being in a leading position – for instance as CEO, managing director or executive chairman.

The Trailblazers project was developed to celebrate the trailblazers in black business, and is based on research by leading rating agency and research company Empowerdex.

Comments included in the voting process confirmed Mr Nhleko's stature in the South African business community. "He truly is a phenomenal leader. His superior business acumen has been proven by the way he has led and grown MTN across the African continent and the Middle East. He deserves recognition as the most admired director," commented one supporter.

Another had this to say: "He is the best CEO and director for his humility and leadership, making a South African company one of the fastest-growing internationally."



MTN in R8,1bn BEE transaction

Local black investors to take up to 4% equity ownership in the company.

Andreas Sieren

As part of its ongoing empowerment drive, the MTN Group unveiled a proposed Broad-Based Black Economic Empowerment (BBBEE) transaction to be executed through its South African local listing.

"BEE is integral to the ethos of MTN, and MTN believes that broad-based BEE participation is important to its future success as a group," says Phuthuma Nhleko, MTN president and CEO.

The transaction will further broaden MTN South Africa's effective BEE ownership through a public offer to black individuals and groups, and will reasonably take MTN's effective indirect BEE ownership level in South Africa beyond 30% when combined with MTN's previous BEE initiatives.

The new MTN BEE transaction – to be called MTN Zakhele, invites black South African investors to take up to 4% equity ownership in the listed holding company. The 4% equity, worth approximately R8,1 billion, will give MTN South Africa an additional effective black ownership of up to 29,1%, thus making the new MTN BEE transaction the largest empowerment deal in South Africa's telecommunications sector to date.

Though the MTN Zakhele scheme will be executed through MTN's South African listing, it will give these investors exposure to MTN's diversified operations and growth markets.

"Since its incorporation in South Africa in 1994, MTN has been at the forefront of BEE in South Africa and remains fully committed to the principles of BBBEE to provide long-term and sustainable benefits to its participants. It is for this reason that we have structured the new MTN BEE transaction through an offer to the black public, acting as far as possible within the letter and the spirit of the BBBEE codes and empowerment requirements for South African businesses," says Nhleko.

The new MTN BEE offer opened to the public on 30 August 2010. A prospectus with details of the offer was made available from this date at MTN retail stores and Post Office outlets around the country. Applications for MTN Zakhele shares closed on 14 October 2010.

The transaction is envisaged to run for a period lasting six years, the first three of which

will be a lock-in period, after which participants will be free to trade with other BEE investors.

To participate in the MTN Zakhele empowerment scheme, qualifying investors were required to pay a minimum subscription of R2 000 at R107,46 per MTN share. There was no cap per individual investing in the scheme. All valid share applications will be considered, and a bottom-up allocation process was followed in case of oversubscription of the scheme.

In addition to the Zakhele scheme, MTN issued approximately 0,1% of its issued share capital on a fully diluted basis to an Employee Share Ownership Plan (ESOP). Eligible employees were not required to contribute equity in order to participate in the scheme. The ESOP scheme excluded MTN senior management and directors.

Nhleko says black equity ownership is a key pillar of BEE, and the MTN Zakhele scheme will augment many empowerment initiatives undertaken by MTN to date. These include the Asonge scheme facilitated by the National Empowerment Fund (NEF) three years ago.

Until December 2008, MTN South Africa obtained the majority of its equity ownership points in terms of the BEE codes through a 13% shareholding held by the Alpine Trust (through Newshelf 664) in MTN. When the Newshelf structure was unwound last year, MTN acquired Newshelf from the Alpine Trust and made known its intention to use a portion of MTN shares previously owned by Newshelf (Newshelf Unwind) to facilitate a new MTN BEE transaction.

The implementation of this MTN BEE transaction was delayed due to severe constraints in financial markets at the time of the Newshelf Unwind.

Karel Pienaar, MTN South Africa MD, says the MTN Zakhele empowerment transaction enhances MTN SA's BEE credentials and supplements other areas of the BEE scorecard such as preferential procurement, skills development, employment equity and enterprise development. "MTN has grown exponentially since its incorporation in 1994 and listing on the Johannesburg Securities Exchange in 1996. As the MTN Group continues to expand into other markets, it is important that it retain its South African identity and history. MTN South Africa is therefore proud to facilitate the MTN Zakhele empowerment transaction, which will effectively bring previously disadvantaged South Africans into the mainstream of our economy," says Pienaar.

Implats: a world-leading platinum producer

Impala Platinum Holdings Ltd (Implats), one of the leading producers of platinum globally, supplies around 25% of world production on an annual basis. The company produces some 3,69 million ounces of platinum group metals (PGMs) annually, including 1,74 million ounces of platinum, and employs some 54 000 people across its mines located on the most significant PGM deposits in the world, namely the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe.

In this environment, Implats focuses on cost-effective growth in order to meet the increasing requirement for PGMs. The ramp-up of the Phase 1 expansion at Zimplats to 180 000 ounces of platinum in the last year has laid the foundation for a second expansion, which will take this operation to 270 000 ounces over the next three years. This resource has considerable potential and is one of the pillars of Implats' future production profile. Organic growth from some of the group's other assets, as well as increased recycling of autocatalyst material, will provide other avenues to increase production. The delivery of the current capital projects (16, 17 and 20 Shafts in Rustenburg and the Phase 2 expansion at Zimplats) is equally important in sustaining the production profile.

Implats invests in its employees in order to develop the required skills and leaders from within its ranks, and continues to take advantage of the diversity of its people, embracing the transformation of the business into a truly representative South African company. In terms of Black Economic Empowerment, the company continues to transform in line with the requirements of the Mining Charter for 2014, and is proud to partner with the Royal Bafokeng, who own 13,4% of the company.

David Brown, chief executive officer, remarks: "At Implats we are proud of our performance during the recent economic downturn. Throughout this period we maintained a strong balance sheet, remained cash-positive and continued paying dividends. In the longer term we are well positioned to take advantage of the strong fundamentals for our metals, which are supportive of our growth profile to 2,1 million ounces of platinum by 2014."



IMPLATS
Distinctly Platinum

The premier global platinum investment

www.implats.co.za

The Top 20

Cyril Ramaphosa

Ranking: 1



JSE-listed directorships: 8
Companies: Assore, Bidvest, Mondi Ltd, Mondi plc, MTN Group, Pan African Resource, SAB, Stanbank

Combined JSE market capitalisation: R805,3 billion
Cyril Ramaphosa is the executive chairman of the Shanduka Group. He was a student activist and held leadership positions in community and labour organisations. Widely respected as a skilful negotiator and strategist, Ramaphosa is known for helping to build the National Union of Mineworkers into one of the country's most powerful unions. As a senior official in the ANC, he achieved further recognition by playing a key role in the negotiations that led to the end of apartheid. He also chaired the assembly that drew up a new constitution for South Africa. He left politics and moved to the private sector, where he has been

part of a number of empowerment transactions.

Fred Phaswana

Ranking: 2



JSE-listed directorships: 3
Companies: Anglo Plat, Naspers-N, Stanbank

Combined JSE market capitalisation: R491,89 billion
Fred Phaswana has chaired and directed multinational companies locally and abroad. The size of the companies on whose boards he serves led Empowerdex to rate him as the most influential black director in South Africa in 2008. Phaswana was appointed chairman of Anglo Platinum Ltd in November 2006. He is also chairman of Anglo American South Africa Ltd, Anglo Operations Ltd and Ethos Private Equity Ltd. He serves as a non-executive director on the boards of Naspers Ltd, the Standard Bank Group Ltd, Standard Bank of SA Ltd and Brimstone Investment Corporation Ltd.

Dr Mamphela Ramphela

Ranking: 3



JSE-listed directorships: 3
Companies: Anglo American, GFields, Medi-Clinic

Combined JSE market capitalisation: R482,4 billion
Mamphela Ramphela – academic, activist, businesswoman and author – started her career as a young student activist in the Black Consciousness Movement and the SA Students' Association under the leadership of Steve Biko. She qualified as a medical doctor at the University of Natal in 1972, was elected vice chancellor of the University of Cape Town in 1996 and was also the first South African to hold the position of managing director at the World Bank in Washington. Dr Ramphela is the executive chair of Letsema Circle, and the chair of the Technology & Innovation Agency of South Africa. She is a non-executive director of Medi-Clinic and Business Partners SA, and a trustee of the Nelson Mandela and Rockefeller Foundations.

Mohammed Valli Moosa

Ranking: 6



JSE-listed directorships: 5
Companies: Anglo Plat, Imperial, RAHold, Sanlam, Sun International

Combined JSE market capitalisation: R283,4 billion
Valli Moosa has been a member of parliament, minister of environmental affairs and tourism, and minister of constitutional development. He has chaired the UN Commission on Sustainable Development and represented South Africa in the general assembly of the World Tourism Organisation. Moosa attended the University of Durban-Westville, where he obtained a BSc degree in mathematics and physics in 1978. Moosa is a non-executive director of Sanlam Ltd, Imperial Holdings Ltd, Real Africa Holdings Ltd and Sun International Ltd. He is chairman of Lereko Investment Holdings (Pty) Ltd and a member of the Auditor-General's Advisory Committee.

Sonja Emilia Ncumisa Sebotsa

Ranking: 7



JSE-listed directorships: 4
Companies: Anglo Plat, Discovery, Mr Price, RMB Holdings

Combined JSE market capitalisation: R274,9 billion
Sonja Sebotsa is the principal partner of women's investment and advisory firm Identity Partners. She is a member of the Association of Black Securities and Investment Professionals. She was vice-president in Deutsche Bank's investment banking division. Sebotsa became an executive director at WDB Investment Holdings, dedicated to empowering women through channeling income from investments to poor women through the WDB Trust. She has an LLB (Hons) from the London School of Economics.

Bongani Nqwababa

Ranking: 8



JSE-listed directorships: 2
Companies: Anglo Plat, Old Mutual plc

Combined JSE market capitalisation: R272,6 billion
Nqwababa joined Anglo Platinum as finance director in January 2009. He is the former finance director of Eskom Holdings Ltd. Prior to joining Eskom, he served as treasurer and chief financial officer of Shell Southern Africa. Bongani is currently a non-executive director of Old Mutual plc and chairman of the South African Revenue Service Audit Committee. He trained as an accountant with PricewaterhouseCoopers and holds a BAcc (Honours), University of Zimbabwe CA, Zimbabwe, and MBA, University of Manchester and Wales.

Jeffrey van Róoyen

Ranking: 9

JSE-listed directorships: 3
Companies: Exxaro, MTN Group, Pick n Pay

Combined JSE market capitalisation: R247,7 billion

Mfundiso Johnson Ntabankulu Njeki

Ranking: 4



JSE-listed directorships: 7
Companies: ArcelorMittal, Barloworld, KGMedia, MET Ltd, MTN Group, Resilient, Sasol

Combined JSE market capitalisation: R441,4 billion
Johnson Njeki was previously a partner at PricewaterhouseCoopers and served as chairman of the SA Institute of Chartered Accountants. He is a director of various companies at Kagiso Group and, among others, Lengau Logistics (Pty) Ltd, ArcelorMittal SA, Metropolitan Health Group and Metropolitan Holdings Ltd. Johnson holds a BCom from Fort Hare and a Bachelor of Computer Technology from Unisa.

Koosum Kalyan

Ranking: 5



JSE-listed directorships: 2
Companies: MTN Group, Stanbank

Combined JSE market capitalisation: R365,8 billion
Koosum Kalyan is director of Standard Bank Group, South African Airways, South African Bank Note Company, South African Mint Company, Edgo Merap (London), McDonald Steel, Omega Risk Solutions, and the Tallberg Foundation in Sweden. She is currently chairman of Kgontsi Holdings. Prior to that she was senior business development manager at Shell International Exploration and Production (Pty) Ltd in London, general manager, corporate, for Shell Southern Africa, senior economist at the Chamber of Mines and economist at the Electricity Commission of Victoria, Melbourne, Australia.



JOIN
EMPOWERDEX



Empowerdex, through the continuous strengthening of its technical analyst team, has the capacity to interpret, measure and advise existing and emerging clients on their specific B-BBEE environments and programs.

Utilising in-depth knowledge and understanding of the BEE Codes of Good Practice, Empowerdex offers businesses the opportunity to showcase their BEE initiatives through in-depth verification.

Contact us to find out more Call 011 783 0177 / 011 883 8548 or www.empowerdex.com



Jeff van Rooyen is a founder member and former president of the Association for the Advancement of Black Accountants of Southern Africa. He is the former chairman of the Public Accountants and Auditors' Board and has represented the South African Institute of Chartered Accountants on the Eastern, Central and Southern African Federation of Accountants. He is a founder member of the National Black Business Caucus and a former director of the Small Business Development Corporation. He was formerly chairman of the CA Eden Trust. He has a BComm and a Bachelor of Computer Technology from Unisa.

Nkateko Peter Mageza

Ranking: 10



JSE-listed directorships: 2
Companies: Bidvest, MTN Group
Combined JSE market capitalisation: R244,8 billion
Nkateko Peter Mageza was appointed on August 28, 2009. He is

the former group chief operations officer and executive director of Absa Group Ltd. Mageza started his career within the audit environment at Coopers & Lybrand, and worked as an audit manager within Transnet Ltd's group internal audit services. He became chief executive officer of Autonet in 1995, the road passenger and freight logistics division of Transnet. He is a director of the Bidvest Group Ltd, Remgro Ltd, Sappi Ltd and Rainbow Chickens Ltd. He is a Fellow of the Association of Chartered Certified Accountants (ACCA) UK and was until June 2009 Absa executive director and group chief operations officer. Prior to this he had extensive experience in the financial/banking arena.

Bongani Khumalo

Ranking: 11



JSE-listed directorships: 2
Companies: Anglo Plat, Vunani Ltd
Combined JSE market capitalisation: R202,7 billion
Former adviser to the presidency, Bongani

Khumalo has held positions as executive director and deputy CEO at Eskom, chairman of Transnet, chairman and CEO of Gidani, chairman of the Grey Group, the Graduate School of Business Leadership at Unisa, the Africa Centre for HIV/Aids Management at Stellenbosch University and Electronic Data Systems. He is also a member of the board of Vunani Ltd and an entrepreneur.

Thembalihle Hixonia Nyasulu

Ranking: 12



JSE-listed directorships: 3
Companies: Barloworld, Sasol, Tongaat
Combined JSE market capitalisation: R199,6 billion
Hixonia Nyasulu has

won a number of awards, and was named one of the Top Four Women Business Personalities (Top Women in Business and Government Awards 2005). Her key area of business involvement is Ayavuna Women's Investments, a consortium of 10 professional black women. Nyasulu is a member of JP Morgan Advisory Board, past deputy-chairman of Nedbank Ltd, past director of Tongaat Hulett Group (Pty) Ltd, McCarthy Retail (Pty) Ltd and Anglo Platinum Ltd.

Dawn Marole

Ranking: 13



JSE-listed directorships: 1
Companies: MTN Group
Combined JSE market capitalisation: R198,7 billion
Dawn Marole is member of the risk management and

compliance committee of the MTN Group. She is also director at African Bank, Inewala Resources (Pty) Ltd, Eyomhlaba Investment Holdings Ltd, Hlumisa Investment Holdings Ltd, Richards Bay Titanium (Pty) Ltd, Richards Bay Mining (Pty) Ltd, JP Morgan SSA and DEMA Inewala Investment. Her career history, primarily in the financial services sector, dates back to 1983. She is a member of the policy board for financial services and regulations as an adviser to the Minister of Finance, and is the current chairperson of POWA (People Opposing Women Abuse).

Nazir Patel

Ranking: 13



JSE-listed directorships: 1
Companies: MTN Group
Combined JSE market capitalisation: R198,7 billion
Nazir Patel attends various board committee meetings *ex*

officio. He is director of various companies in the MTN Group. He is a qualified chartered accountant with wide international experience in Europe and the Middle East. Since Nazir joined the MTN Group, he has been responsible for the group financial management and accounting function, has participated in several of the group's mergers and acquisition activities, and serves on a number of MTN's subsidiary boards.

Phuthuma Nhleko

Ranking: 13



JSE-listed directorships: 1
Companies: MTN Group
Combined JSE market capitalisation: R198,7 billion
Phuthuma Nhleko is director of various

companies in the MTN Group, director of Newshelf 664 (Pty) Ltd and Engen Ltd, non-executive chairman of Worldwide African investments Holdings (Pty) Ltd, the GSMC association and trustee of the Alpine Trust. Previously he also held director positions with Johnnic Holdings Ltd, Nedbank Ltd, the Bidvest Group, Tsogo Sun KwaZulu-Natal (Pty) Ltd, Alexander Forbes Ltd and was co-founder of Worldwide African Investments Holding (Pty) Ltd. Prior to joining MTN, he also served at Standard Corporate Merchant Bank.

Raymond Dabengwa

Ranking: 13



JSE-listed directorships: 1
Companies: MTN Group
Combined JSE market capitalisation: R198,7 billion
Raymond Dabengwa holds director positions

with various companies in the MTN Group and Newshelf 664 (Pty) Ltd. Prior to joining MTN, he was employed by Eskom as an executive director responsible for sales, customer service, electrification and distribution technology. Prior to Eskom he worked as a consulting electrical engineer in

the building services industry, and in the mining and railway sectors.

Imogen Mkhize

Ranking: 17



JSE-listed directorships: 2
Companies: M&R Hold, Sasol
Combined JSE market capitalisation: R192,6 billion

Imogen Mkhize, who has an MBA from Harvard, was the first black woman to be appointed to the board of petrochemical giant Sasol. In 2001, the World Economic Forum recognised her as a Global Leader of Tomorrow. Her career history includes senior positions with Andersen Consulting and Nedcor Bank Ltd, past managing director of Lucent Technologies (SA), past executive chairman of the Zitek Group and CEO of the World Petroleum Congress in SA from 2003 to 2006. Mkhize is chairman of Richards Bay Coal Terminal, a member of the Financial Markets Advisory Board, past member of Harvard Business School Global Alumni board and chairman-elect of Rhodes Business School.

Kgomotso Moroka

Ranking: 18



JSE-listed directorships: 3
Companies: Netcare Ltd, Stanbank, Wesizwe
Combined JSE market capitalisation: R188,0 billion
Kgomotso Moroka is an independent non-

executive director of Standard Bank of SA and chair of the board transformation committee of Netcare Ltd. She is also chairman and director of Gobodo Forensic & Investigative Accounting, and a director of Fidelity Security Group, MultiChoice South African Holdings, Network Healthcare Holdings, Schindler Lifts (SA) and South African Breweries.

Thulani Sikhulu Gcabashe

Ranking: 19



JSE-listed directorships: 2
Companies: Imperial, Stanbank
Combined JSE market capitalisation: R187,6 billion
Thulani Sikhule Gcabashe is the retired chief executive of Eskom and is currently

the special advisor to the chairman of Eskom. He was appointed to the board in January 2008 and as chairman on 3 April 2008. He holds directorships with the Standard Bank Group, Standard Bank of SA, Eskom Enterprises (chairman) and Imperial Holdings (vice-chairman).

Saki Macozoma

Ranking: 20



JSE-listed directorships: 2
Companies: LIB Hold, Stanbank
Combined JSE market capitalisation: R187,3 billion
Saki Macozoma holds director positions with the Standard Bank Group, Standard Bank of SA, Andisa Capital (chairman), Business

Trust (co-chairman), Iiso Consulting (chairman), Liberty Group, Liberty Holdings, Safika Holdings (deputy-chairman), Stanlib (chairman), Tutuwa Strategic Holdings 2, and VW SA.



Enriching Lives on many levels

www.implats.co.za