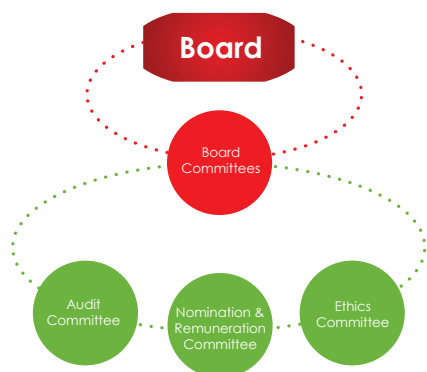


How We are Managed

Good governance is the foundation from which we build and sustain value. We are unchanged about our objective to ensure ethical management and responsible control. In our operations we weigh up risk and reward and at the same time balancing the interests of our stakeholders while fulfilling our obligations.

It is important to us to keep in mind that there is much more to this business than just a focus on the bottom line. We are taking sustainability issues to the heart of the business and we are committed to delivering on the issues material to our stakeholders.

Board of Directors



Executive Committee



Ethics

We are committed to ensuring that ethics and integrity become part of day-to-day business in Safaricom.

Ethics Committee was setup to coordinate and steer the ethics management process in the company. The committee's mandate is to be the oversight body with regard to matters of ethics and integrity and in particular on matters that touch on the established Code of Conduct.

We are focused on getting our business partners and suppliers to contractually agree to comply with our ethical purchasing requirements, including anti-corruption measures and health and safety.



Governance

Good governance is fundamental to business sustainability, business integrity and to maintaining investors' trust in the Company. We foster a culture that values and rewards the highest ethical standards and personal and corporate integrity. We continue to make sure that our governance structures support effective decision-making and robust control, and are aligned to changing requirements as well as local and international best practice. The Company expects all its directors and employees to act with honesty, integrity and fairness. The Company strives to act in accordance with the laws of Kenya and observes and respects the cultures of the Kenyan people.



Risk Management

At Safaricom, risk management is everyone's responsibility. Risk management continues to be embedded in our operations.

It encompasses the scrutiny and proactive oversight of a number of key elements, including Revenue Assurance and Fraud, Enterprise Risk, Anti-money Laundering and Security.

In the year we restructured the Risk Management and Internal Audit functions to be independent sections and thereby put in place more structures to identify, monitor and manage our risks effectively.



Remuneration

Our remuneration policy aims to attract and retain leaders of the highest calibre, while making sure that our executives are compensated according to their performance.

This is measured not only in terms of financial and strategic delivery but also how faithfully they apply our business principles of Speed, Simplicity and Trust and includes;

- Annual pay increase awarded to executive directors in line with overall employee pay increases.
- Share allocation programs for senior management.