

SAFARICOM STATEMENT REGARDING ALLEGATIONS ON CORPORATE GOVERNANCE

Following recent reports in the media regarding a leaked draft KPMG Report authored for Safaricom Limited, we would like to state the following:

- 1) Safaricom takes its corporate responsibilities very seriously and the business operates under a strict Code of Conduct, which has a zero tolerance position on corruption or any other unethical or inappropriate activities.
- 2) As a responsible company, from time to time Safaricom seeks the views of external experts to ensure that compliance and governance processes are effectively implemented. In this regard, I commissioned KPMG to conduct a study of a number of projects we have undertaken in the recent past. In that regard, KPMG prepared a draft Report for consideration by Safaricom which was illegally made public.
- 3) The Report was in its initial formation; therefore the content, summaries and proposed findings therein were subject to further discussion and clarification by the parties. As such, the contents of that draft Report are not conclusive and we caution against any premature conclusions being drawn on the basis of this unfinished Report.
- 4) For the avoidance of doubt, the draft Report makes it clear that – while there are internal process improvements required – there is absolutely no evidence that any individuals or organisations benefited inappropriately from any of Safaricom's commercial agreements.
- 5) Unfortunately, as stated previously, the draft Report was illegally obtained and leaked to the public. Safaricom has reported this matter to the Directorate of Criminal Investigations for investigation and we await their findings.
- 6) We believe a proactive and routine corporate governance initiative is now being used to create negative perception and execute reputation attacks on Safaricom. We firmly believe the individuals behind this seek to intimidate, blackmail and extort Safaricom. We will not allow this to happen.

For the last 15 years, Safaricom has worked hard to ensure that our business complements the growing profile of the Kenyan corporate sector. We have proactively adopted world-class corporate governance standards and embedded them in our day-to-day activities.

Besides being an anchor member of the UN Global Compact's local chapter, building a more ethical business remains a key element of my personal agenda.

I wish to assure our stakeholders that we remain committed to upholding the strong values they have come to associate with our brand.

Bob Collymore
Chief Executive Officer
Safaricom Ltd.

