



RESTRUCTURING FORUM MEETING

Dear Member,

No specific agenda was distributed to us prior to this meeting, in the main the high level corporate strategy was shared, the strategy relates to Wholesale, Consumer, and Corporate & Enterprise business segments. The revised strategy was informed by the following factors,

- ITC market, Telkom is the leading fixed-line player
- Financial performance – decreasing /declining
- EBITDA margins 21%, of which voice revenue is at 58%
- Overall cost structure increased by 3%
- 14% - 17% CAPEX growth, deploying the right technology & solution
- Retail vs Wholesale split, albeit that the company has functionally separated into a Retail & Wholesale segments (as per **Competition Tribunal Settlement**)
- Enterprise & Wholesale segments, special focus for now.

The company is /will in future embark on either mergers, acquisitions, partnerships or consolidation. Case in point is the merger of portions of the Telkom's RAN (Radio Access Network) with MTN.

Performance management for management (Harry Botha – can be contacted for a more detailed report)

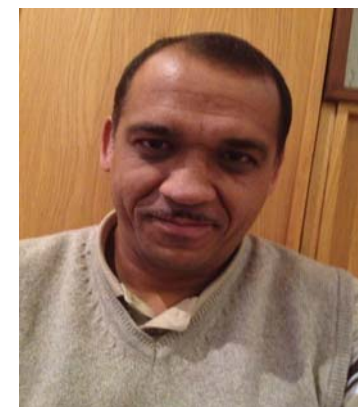
Management restructuring program (i.e. RETRENCHMENT)

- Rationale provided;
- Headcount – 50% of the OPEX budget
- Inefficient based on emerging Telco's (none were mentioned)
- Span of control, desired span of control 6-8 (M5 & upwards)
- Delaying of the M5 & M4 bands

Phase 1

- Improve decision effectiveness, reduce from 11 layers to 8 layers over the next 3 years
- Significant talent & capability
- Inject new talent
- Bargaining unit out of scope
- Will result in a 30% - 40% effectiveness over the next 3 years
- Consultation commence on the 12th May 2014, process to be concluded within

South African communication Union
Michael Hare, President



Hennie van der Westhuizen, National Treasurer



Karriem Abrahams, General Secretary



South African Communication Union

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Funeral Benefit Cover:

Member: R15 000.00

Spouse: R15 000.00

2 months

The broadcast sent yesterday refers to "**Merger of portions of the Telkom RAN (Radio Access Network) & MTN**"

We are very mindful of the challenging economic times and very grateful for the continued support and your value to us as a member. While we have kept the membership increase to a minimum, membership fee will increase from R65,00 to R70,00, affective 01/05/2014

END

Children

14-21 R15 000.00

6-13 R7 500.00

1-5 R3 750.00

0-11months R1 875.00

Stillborn after 28 wks R1 875.00

A spouse in terms of the policy is viewed as your life partner.

To claim the benefits the following information must be provided to the office as a matter of urgency to facilitate speedy payment

- Copy of Death certificate
- Banking details of beneficiary,
- Affidavit as to relation to decease (Daughter, son spouse etc)
- Copies of identity documents of deceased as well as beneficiary

A spouse in terms of the policy is viewed as your life partner.

Member is covered as soon as first payment for membership is deducted from salary, or payment is recieved via debit order.

Payment usually takes 48 to 72 hours.

For a payment of **R30,00** per month, non members not employed in the sectors we organise, can apply for this benefit. This will have to be done via stop order.

SACU members are all covered via their subscription fees of R65,00 per month.