



NASPERS

# *Creating value...*



Mumbai, India



# Our board



**Bob van Dijk**  
Chief executive

Bob was appointed chief executive of Naspers in April 2014. He joined the group as Allegro's group chief executive officer in August 2013 and was promoted to chief executive officer of global transactions ecommerce in October 2013. He has 15 years of general management experience in online growth businesses globally, spanning the online marketplaces, online classifieds and retail segments. Prior to his general management career, Bob was a founder of an online financial derivatives marketplace. He started his career at McKinsey, focusing on mergers and acquisitions, and media. Bob has an MBA-Hons from Insead and an MSc (cum laude) in econometrics from Erasmus University, Rotterdam.



**Koos Bekker**  
Chair

Koos led the founding team of the M-Net/MultiChoice (MIH) pay-television business in 1985. He was also a founder of MTN Group Limited, a major telecommunications group in Africa. Koos headed the MIH group in its international and internet expansion until 1997, when he became chief executive of Naspers. He retired from this role in March 2014 and, in April 2015, became non-executive chair of the Naspers board. He holds a BAHons and an honorary doctorate in commerce from Stellenbosch University, an LLB from the University of the Witwatersrand and an MBA degree from Columbia University, New York.



**Basil Sgourdos**  
CFO

Basil was appointed financial director of Naspers in July 2014. As a qualified chartered accountant (SA), he worked at PricewaterhouseCoopers (SA) from 1989 to 1994. He then joined Naspers, initially as finance manager of the South African operations division in MultiChoice and then as chief financial officer of our investment in the Thai-listed United Broadcasting Corporation Plc, where he remained for 10 years. He then spent two years in Amsterdam as general manager of pay-television business development globally before being appointed group chief financial officer of MIH in 2009. He held this position until he became group chief financial officer of the Naspers group. He is a qualified South African chartered accountant with a BCom from the University of the Witwatersrand and a BAcc-Hons from the University of South Africa.



**Don Eriksson**

Don is the chair of Oakleaf Insurance Company Limited, Renasa Insurance Company, NMS Insurance Services and a director of MultiChoice Group Limited. He served on the council of the Institute of Directors of Southern Africa (IoDSA) for a number of years and is an honorary life member; and as a trustee to the Discovery Health Medical Aid. He was a partner at Coopers & Lybrand (now PricewaterhouseCoopers Inc.) and an executive director of the Commercial Union group (CGU Insurance Company (SA) Limited, Commercial Union Life Insurance Company Limited and Sentrasure Limited). He is a qualified South African chartered accountant with a certificate in the Theory of Accountancy from the University of the Witwatersrand.



**Craig Enenstein**

Craig is chief executive officer of Corridor Capital llc, an operationally intensive private equity firm focused on the lower-middle market. Corridor Capital is based in Los Angeles and was founded by Craig in 2005. He holds an MBA in finance from Wharton School of Business, an MA in international studies from the Lauder Institute, University of Pennsylvania and a BA from the University of California, Berkeley.



**Rachel Jafta**

Rachel is a professor of economics at Stellenbosch University. She joined Naspers as a director in 2003 and was appointed a director of Media24 in 2007. She is a member of the South African Economic Society, a director of Econex, chair of the Cape Town Carnival Trust, member of the management committee of the Bureau for Economic Research at Stellenbosch University and a member of the international advisory board of Fundação Dom Cabral Business School, Brazil. She was appointed chair of the Media24 board in April 2013. She is also a director of Nasbel. She holds an MEdcon and PhD from Stellenbosch University.



**Nolo Letele**

Nolo joined M-Net in 1990 and pioneered MultiChoice's expansion outside South Africa. In 1995, he moved to the Republic of Ghana, where he served as West African regional general manager. In 1999, he was appointed chief executive of MultiChoice South Africa Holdings Proprietary Limited, and later served as the MultiChoice group chief executive officer until 2010, when he was appointed executive chair of the MultiChoice South Africa Holdings board. Nolo has won several awards for his contributions to the media industry over the years. He holds an honours degree in electronic engineering (UK).

E	Executive committee
A	Audit committee
R	Risk committee
H	Human resources and remuneration committee
N	Nomination committee
S	Social and ethics committee
<hr/>	
●	Executive
●	Non-executive
●	Independent non-executive

## Our board

continued



**Ben van der Ross**

Ben was chair of Strategic Real Estate Management Proprietary Limited, the managers of the Emira Property Fund. He served on the boards of Distell Limited, FirstRand Limited, Lewis Group Limited, Pick n Pay Holdings Limited and MMI Holdings Limited. He is also a director of Nasbel. He is an attorney of the High Court of South Africa and holds a DipLaw from the University of Cape Town.



**Hendrik du Toit**

Hendrik is chief executive officer of Investec Asset Management and a director of Investec plc and Investec Limited. He is a commissioner of the Global Commission on Business and Sustainable Development. He holds an MPhil in economics and politics of development from Cambridge University, as well as an MCom in economics (cum laude) from Stellenbosch University. Hendrik is currently a member of the Global Business and Sustainable Development Commission.



**Fred Phaswana**  
Lead independent director

Fred joined Naspers as a director in 2003. He is joint chair of the Mondi Group and former chair of The Standard Bank Group and Standard Bank of South Africa Limited. He holds a BA (philosophy, politics and economics) and an MA from the University of South Africa, and BComHons from the University of Johannesburg.



**Cobus Stofberg**

Cobus was a founding member of the M-Net/MultiChoice pay-television business in 1985. He was chief executive officer of the MIH group from 1997 to 2011 and was instrumental in its expansion. Prior to M-Net, he was a partner at Coopers & Lybrand (predecessor of PricewaterhouseCoopers Inc.). He holds a BComLaw and LLB from Stellenbosch University, BComptHons from the University of South Africa and qualified as a chartered accountant (SA).



**Mark Sorour**

Mark joined the Naspers group in 1994, heading up business development and corporate finance globally. Following assignments in Hong Kong and Amsterdam, he returned to Cape Town in 2002 as group chief investment officer responsible for all global investment activities. In March 2018, he retired after more than 20 years with the Naspers group but remained on the board as a non-executive director. He is a qualified South African chartered accountant and holds a BCom and DipAcc from the University of KwaZulu-Natal.



**Debra Meyer**

Debra is professor of biochemistry and executive dean of the faculty of science at the University of Johannesburg. She has completed modules in media strategy and academic leadership at Harvard and GIBS (University of Pretoria) and regularly contributes to several newspapers and magazines. Debra serves as trustee or board member of several organisations. She is also a director of Nasbel. She holds a BSc in biological sciences, a BScHons and MSc in biochemistry from the University of Johannesburg and a PhD in biochemistry and molecular biology from the University of California, Davis (which she attended as a Fulbright scholar).



**Roberto Oliveira de Lima**

Roberto developed his career in companies like Accor S.A., Rhone Poulenc S.A. (now part of Sanofi S.A.) and Compagnie de Saint-Gobain S.A. in the information technology and finance areas. He graduated in public administration and has a postgraduate degree in business management from Fundação Getúlio Vargas in Brazil. He also holds a specialisation in finance and strategic planning from Institut Supérieur des Affaires in France. He was chair and chief executive officer of Credicard Group, chief executive officer of Vivo S.A., the largest mobile telecommunications company in Brazil, chair of Publicis Brazil and president of Natura S.A. He has been a board member of Edenred S.A. in France, Pão de Açúcar S.A. (Casino) and Natura in Brazil since 2011. He is a member of the board of Petrobras Distribuidora S.A., RNI Negócios Imobiliários S.A. and Telefônica Brasil S.A. He holds a BA and MA in business management from Fundação Getúlio Vargas in Brazil and an MA from Institut Supérieur des Affaires at Jouy en Josas, France.



**Emilie Choi**

Emilie leads corporate and business development, business operations and analytics, and ventures businesses for CB Payments Limited and Coinbase UK Limited. Prior to Coinbase, she ran corporate development for LinkedIn and led all its investment activities, including Bizo, Newsie, Bright Pulse, CardMunch, Connected Rapportive, Donnectifier, IndexTank, Lynda and SlideShare, as well as leading the LinkedIn joint venture in China. Before that, she worked in corporate development and strategy roles at Warner Bros Entertainment as well as Yahoo Inc, where she worked on Yahoo's acquisition of Flickr Inc and its investment in Alibaba. Emilie holds an MBA from Wharton School at the University of Pennsylvania and a BA in economics from Johns Hopkins University. She joined the Naspers board as a director in 2017.



**Steve Pacak**

Steve began his career with Naspers at M-Net in 1988 and has held various executive positions in the Naspers group. He is a director of MultiChoice Group, MultiChoice South Africa Holdings, and companies in the wider Naspers group. He was appointed an executive director of Naspers in 1998 and a non-executive director in January 2015. He retired as Naspers's financial director in June 2014, but remained on the board as an alternate non-executive director. Steve is a qualified South African chartered accountant and holds a BAcc from the University of the Witwatersrand.

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# Governance at a glance

## Focus areas this year

### Strategy

Review the group's strategy, five-year plan and budget.

Continue to address the discount and unlock value through the MultiChoice Group unbundling and Euronext listing.

Focus on future investment and value creation in the portfolio.

### Financial

Review the group's performance and results.

### Governance and sustainability

Continued application of King IV practices.

Started the journey to determine which of the United Nations' Sustainable Development Goals (SDGs) are best aligned to our impact areas.

Embed data privacy and cybersecurity throughout the group.

### People and learning

Recognise the importance of machine learning and embed learning throughout the group, including board level.

## BOARD COMPOSITION



Number of directors

● Chair	1
● Executive	2
● Independent non-executive	9
● Non-executive	4

## NATIONALITIES



Number of directors

● South Africa	12
● USA	2
● Brazil	1
● The Netherlands	1

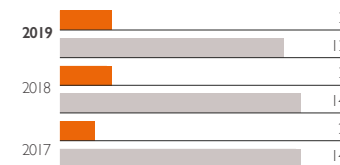
## LENGTH AND TENURE



Number of directors

● 0-2 years	1
● 2-4 years	5
● 4-6 years	6
● 6-9+ years	4

## GENDER DIVERSITY



Number of directors

● Female	3
● Male	13

	Date first appointed in current position	Date last appointed	Seven board meetings held during the year. Attendance:	Category
J P Bekker <sup>(1)</sup>	17 April 2015	25 August 2017	7	Non-executive
E M Choi	21 April 2017	25 August 2017	7	Independent non-executive
H J du Toit	1 April 2016	24 August 2018	5	Independent non-executive
C L Enenstein	16 October 2013	24 August 2018	7	Independent non-executive
D G Eriksson	16 October 2013	24 August 2018	7	Independent non-executive
R C C Jafta	23 October 2003	25 August 2017	7	Independent non-executive
F L N Letele <sup>(2)</sup>	22 November 2013	26 August 2016	7	Non-executive
G Liu <sup>(3)</sup>	1 April 2016	24 August 2018	7	Independent non-executive
D Meyer	25 November 2009	26 August 2016	7	Independent non-executive
R Oliveira de Lima	16 October 2013	24 August 2018	6	Independent non-executive
S J Z Pacak <sup>(1)</sup>	15 January 2015	25 August 2017	7	Non-executive
T M F Phaswana <sup>(1)</sup>	23 October 2003	25 August 2017	7	Independent non-executive
M R Sorour <sup>(4)</sup>	15 January 2015	24 August 2018	7	Non-executive
V Sgourdos <sup>(1)</sup>	1 July 2014	29 August 2014	7	Executive
J D T Stofberg	16 October 2013	26 August 2016	6	Non-executive
B van Dijk <sup>(1)</sup>	1 April 2014	29 August 2014	7	Executive
B J van der Ross	12 February 1999	25 August 2017	7	Independent non-executive

## Notes

<sup>(1)</sup> Members of executive committee.

<sup>(2)</sup> Reclassified as non-executive director on 27 February 2019.

<sup>(3)</sup> Resigned as director on 25 February 2019.

<sup>(4)</sup> Appointed as non-executive director on 1 April 2018.

# Governance for a sustainable business

*“I am pleased to present this year’s governance report. We are committed to ensuring high standards of corporate governance are maintained around the group.”*

**Koos Bekker**  
Chair: Naspers

The board of directors conducts the group’s business with integrity by applying appropriate corporate governance policies and practices. Our aim is to keep abreast of regulatory developments, further enhance our governance standards, monitor and ensure compliance with relevant laws and regulations, and cultivate a thriving organisational ethical culture in the different geographies in which we operate. We also aim to maintain a high standard of reporting and disclosure, keeping in mind the best interests of our stakeholders and disclosing what is relevant and important to the sustainability of the group.

## Introduction

Naspers has a primary listing on the JSE Limited (JSE) and a secondary listing on the A2X exchange in South Africa. It is therefore subject to the JSE Listings Requirements, guidelines in the King IV Report on Corporate Governance<sup>TM(1)</sup> for South Africa, 2016 (King IV), as well as legislation for publicly listed companies in South Africa. Naspers has a secondary listing of its American Depository Receipts (ADRs) on the London Stock Exchange (LSE). In addition, a subsidiary, Prosus N.V. (Prosus) (formerly Myriad International Holdings N.V.), has bonds guaranteed by Naspers and is listed on the Irish Stock Exchange.

The audit and risk committees of the board monitor compliance with the JSE and applicable LSE listings requirements and the Irish Stock Exchange requirements applicable in relation to the Prosus bonds listed on that exchange.

The board’s executive, audit, risk, human resources and remuneration, nomination, and social and ethics committees fulfil key roles in ensuring good corporate governance.

The group uses independent external advisers to monitor regulatory developments, locally and internationally, to enable management

to make recommendations to the Naspers board on matters of corporate governance.

## How we integrate governance into our business

Naspers recognises the value of an integrated approach to assurance and compliance. The adopted governance, risk and compliance framework is the basis for how Naspers manages governance.

The governance framework illustrates how we achieve a sustainable business integrated with governance, assurance, risk management and compliance, in line with legislated requirements and King IV recommendations, and reported through the relevant structures.

## Naspers group governance framework

The Naspers board is the focal point for, and custodian of, the group’s corporate governance systems. The board conducts the group’s business with integrity and applies appropriate corporate governance policies and practices in the group.

The Naspers board, its committees, and the boards and committees of subsidiaries are responsible for ensuring the appropriate principles and practices of King IV are applied and embedded in the governance practices of group companies.

A disciplined reporting structure ensures the Naspers board is fully apprised of subsidiary activities, risks and opportunities. All controlled entities in the group are required to subscribe to the principles of King IV. Business and governance structures have clear approval frameworks.

Naspers has a governance committee comprising the chief financial officers (CFOs) of Naspers, Naspers ecommerce segments and Media24, as well as Naspers’s group company secretary, global governance partner,

group general counsel, global compliance lead and head of internal audit and risk support. The committee was tasked to ensure the Naspers group’s governance structures and framework are employed across the in-scope entities in the group during the financial year. Governance and progress are monitored by the audit and risk committees, and reported to the board.

The composition of committees of the board is reviewed annually and, where required, amended.

Details of the enterprisewide risk management framework appear on pages 52 to 54 of the integrated annual report.

## Our approach to applying King IV and statement by the board

Naspers is required, in terms of the JSE Listings Requirements, to report its application of the principles of King IV. In line with the overriding principle in King IV of ‘apply and explain’, the board, to the best of its knowledge, believes the group has satisfactorily applied the principles of King IV. For a more detailed review of Naspers’s application of King IV, refer to the King IV application report 2019.

All board and board committee charters and policies are aligned with the South African Companies Act requirements and the principles in King IV and the requirements of the JSE Listings Requirements.

King IV advocates a qualitative approach to implementing recommended practices to realise the intended governance outcomes. In line with the King IV recommendations we consider proportionality when we apply corporate governance in the group. This means we apply the practices needed to demonstrate the group’s governance in terms of King IV as appropriate across the group. As the companies in our group are diverse and at different maturity stages, a one-size-fits-all

approach cannot be followed in implementing governance practices. All good governance principles apply to all types and sizes of companies, but the practices implemented by different companies to achieve the principles may be different. Practices must be implemented as appropriate for each company, in line with the overarching good governance principles.

## Our focus areas this year

Last year, we reported on how we aligned with King IV and our approach to apply these principles. In the 2019 financial year, we continued to implement recommended or alternative practices to demonstrate application of King IV’s principles.

Focus areas for the year included additional reporting to our board committees and board on how we implement good corporate governance in the group and improved corporate governance disclosures in the integrated annual report. Governance of information and technology, particularly data privacy and cybersecurity, remained focus areas. We increased our focus on sustainability this year and will continue to do so.

## Sustainability and corporate citizenship

### Our commitment to sustainability

The group’s commitment to sustainable development and corporate citizenship is articulated in its sustainable development policy on [www.naspers.com](http://www.naspers.com). The governance team has been tasked to work with group businesses on sustainability matters and related reporting.

To support the board in fulfilling its governance role, the Naspers social and ethics, and risk committees receive reports on sustainability matters at each meeting – refer to the social and ethics committee report on page 26 and the risk committee report on page 24.

Operating as a responsible business is a global imperative that presents both

opportunities and risks. We focus our investment where we can have the most material impact in addressing big societal needs and building leading companies, empowering people and enriching communities. Corporate citizenship is integral to the way we do business.

In line with this commitment, we support the United Nations’ Sustainable Development Goals (SDGs) and are working to identify and focus on the goals where we can have the greatest positive impact. This is an ongoing journey. To see examples of how our business aligns with the SDGs, refer to page 07.

We recognise that we are on our journey to understand our impact on the environment and the environment’s impact on us. We are working to better understand our responsibility in this space for future reporting and will continuously work to improve the quality of our coverage and data.

In 2019 our emissions (scope 1 and scope 2) totalled 363 485 tonnes of CO<sub>2</sub>e (2018: 87 022 tonnes CO<sub>2</sub>e). As from last year, electricity usage is our largest contributor at 93% of our footprint. In 2019 we expanded our boundaries to include Takealot and Movile. Irdeto, which is part of MultiChoice Group, is the business with the greatest share of our footprint at 47%. The carbon footprint excluded MultiChoice Group for March 2019, as the listing and unbundling of MultiChoice Group took place on 27 February 2019 and 4 March 2019 respectively.

In the future, we will continue to improve reporting to the social and ethics committee on responsible corporate citizenship and sustainable development using appropriate tools such as the six capitals reporting framework and SDGs.

## Note

<sup>(1)</sup> The Institute of Directors in Southern Africa NPC (IoDSA) owns all copyright and trademarks for King IV.

# Governance for a sustainable business

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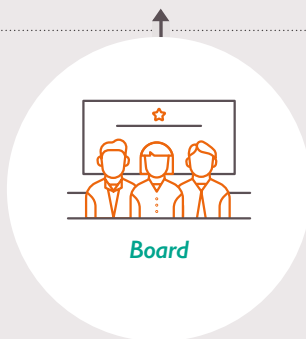
Ultimately we report to stakeholders in the integrated report and other releases



## Naspers group governance framework

### Board

Supported by company secretary/governance framework



### Board committees

Supported by company secretary/governance framework



▶ Read more on page 16



▶ Read more on page 24



▶ Read more on page 20



▶ Read more on page 22



▶ Read more on page 26

### Management and group support functions



#### ▶ Group support functions

- Human resources and remuneration
- Legal and compliance
- Data privacy
- Intellectual property
- Tax
- Public relations
- Corporate communications
- Investor relations
- Internal audit and risk support
- Finance
- Machine learning

Underlying framework foundation

Values

Code of business ethics and conduct

Strategy

Various charters and policies

Naspers good governance guidelines

### Reporting to ensure accountability in these governance areas

Performance against strategy (financial and non-financial: six capitals)

▶ Read more on page 16 of the integrated annual report

Business ethics

▶ Read more on page 07

Responsible corporate citizenship

▶ Read more on page 04

Risk governance

▶ Read more on pages 52 to 54 of the integrated annual report

Technology and information governance

▶ Read more on page 09

Legal compliance governance

▶ Read more on pages 09 to 11

Combined assurance

▶ Read more on page 52 of the integrated annual report

Stakeholder relationship governance

▶ Read more on pages 24 to 29 of the integrated annual report

Group governance

▶ Read more on pages 01 to 11

Remuneration governance

▶ Read more on pages 67 to 71 of the integrated annual report

# Governance for a sustainable business

continued

## Governance progress and milestones



**Aligned charters, policies, processes and practices to King IV**

**Continued application of King IV practices**

**Naspers policies in place**

- Anti-bribery and anti-corruption policy
- Anti-harassment policy
- Code of business ethics and conduct
- Communication policy
- Competition compliance policy
- Group data-privacy policy and human resources data-privacy policy
- Guarantee policy
- Group levels of authority
- Indemnity policy
- Information and technology governance charter
- Internal audit charter
- Investor relations policy
- Legal compliance policy
- Naspers intellectual property guidelines
- Remuneration policy
- Risk management policy
- Sanctions and export controls policy
- Security policy
- Sustainable development policy
- Tax policy
- Trading in securities policy
- Treasury policy
- Whistleblower policy

**Naspers good governance guidelines**

The Naspers good governance guidelines set out the key governance elements subsidiaries need to be observed as part of the Naspers group governance framework. The good governance guidelines consider proportionality, as Naspers's governance approach is proportional to the size, workforce, resources and complexity of activities of the individual businesses, which are at various stages of maturity.

**April 2019 onwards**

**Continued application of King IV practices**

After year-end (31 March 2019), the businesses were required to sign off through an annual sign-off process on the extent of implementation of Naspers guidelines and policies.

**Continuous enhancement**

- Alignment of governance framework and policies to applicable laws, regulations and governance requirements due to Prosus's listing on Euronext Amsterdam.
- Analyse governance and sustainability trends and align where appropriate.

2018

2019

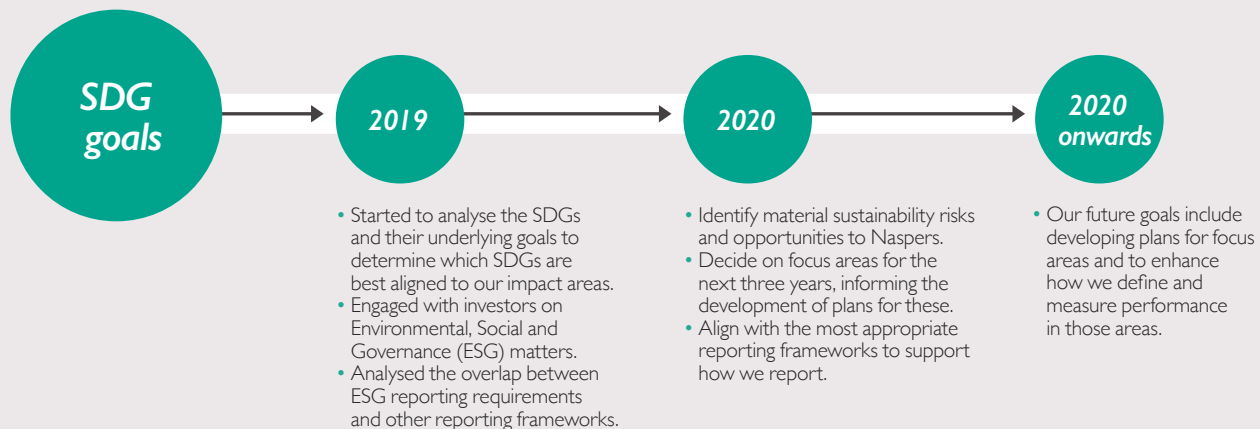
**Ongoing engagement, enhancement and reporting**

- Engagement with business on governance and reporting requirements.
- Support to business to implement policies and principles.
- Regular reporting to Naspers governance committee, board committees and the board on governance matters.
- There is continuous enhancement of our Naspers policies and governance guidelines and our group governance reporting to the board, board committees and in the integrated annual report.

## Governance for a sustainable business

continued

### SUSTAINABILITY AND OUR SDG JOURNEY



### How

*Through research, education, gap analysis consultation and validation with our in-scope businesses and segments, the various Naspers functions, the Naspers CEO and executive, board and board committees.*

*Report on progress to risk, and social and ethics committees and board, and in integrated annual reports.*

### SDG goals

We recognise the importance of the global Sustainable Development Goals, which address global challenges and aim to achieve a sustainable future for all.



### Culture and business ethics

The board recognises that creating value for both shareholders and society in a responsible, efficient and sustainable way requires a healthy business culture. Although we operate a wide range of businesses, we are united behind a common purpose to address big societal needs and help improve the lives of half the world's population over the next few years.

We believe our culture is a key strength of our business and we see the benefits of this in our employees' engagement, retention and productivity. Our Naspers corporate values are approved by the board and our subsidiaries adopt values aligned to our expectations, tailored for their business environment.

### Our culture reflects:

- At our heart, we are entrepreneurs.
- We push for performance in everything we do – it's good for Naspers, our stakeholders and our careers.
- We do the right thing.
- We matter to the communities we serve and, wherever we operate, we hold ourselves to high standards.
- We encourage diversity in our teams and in our thinking.

The group's code of business ethics and conduct is available on [www.naspers.com](http://www.naspers.com). This code applies to all directors and employees in the group. Ensuring that group companies adopt appropriate processes and establish supporting policies and procedures is an ongoing process. We focus on policies and procedures that address key ethical risks, such as conflicts of interest, accepting inappropriate gifts and unacceptable business conduct.

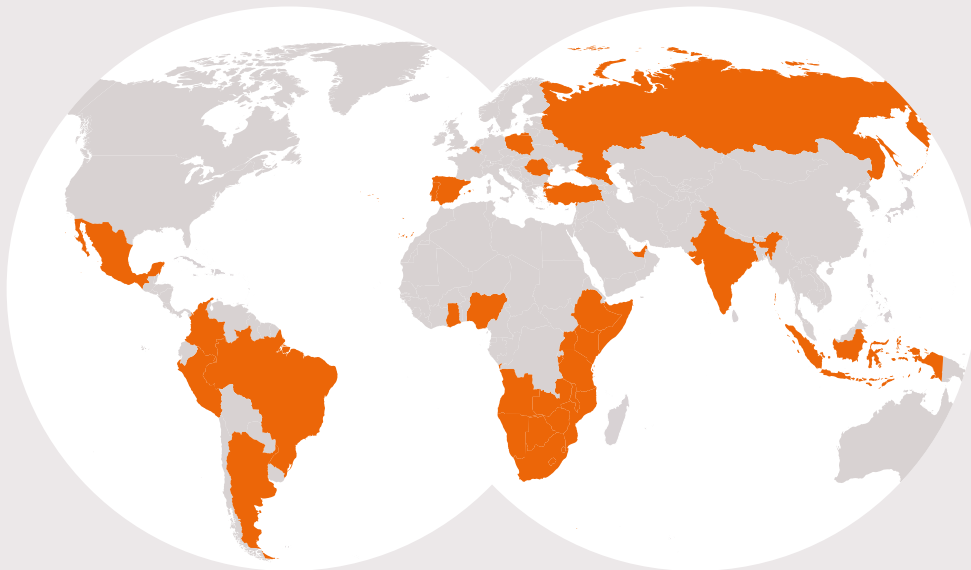
## Governance for a sustainable business

continued

The social and ethics committee is responsible for overseeing and reporting on business ethics in the Naspers group, taking into account specific disclosures and best practice as recommended by King IV. Businesses in our group apply zero tolerance to violations of the code. Appropriate action is taken, including disciplinary, criminal or civil procedures or improving the control environment. Reports are provided to the social and ethics committee to demonstrate this. Unethical behaviour by senior employees is also reported to the human resources and remuneration committee, along with the way the company's disciplinary code was applied.

Naspers is committed to conducting its business on the basis of complying with the law, with integrity and with proper regard for ethical business practices. It expects all directors and employees to comply with these principles and, in particular, to avoid conflicts of interest and not to engage in insider trading, illegal anti-competitive activities, and bribery and corruption.

### OPENLINE OPERATES GLOBALLY



#### Ethics officers

We have 12 designated ethics officers in the group. They serve as central points of contact for advice on ethics-related queries, improprieties, allegations and complaints. They report on related matters to the Naspers ethics officer (who is the central contact for the group). Reports are provided regularly to the social and ethics committee.

Ethics officers' responsibilities include:

- understanding and applying the code of business ethics and conduct, whistleblower policy, and upholding corporate values
- managing internal 'speak-ups' and providing guidance
- assisting with awareness campaigns on the code and whistleblower policy
- maintaining confidentiality on ethics-related matters, and
- maintaining records and reporting on ethics-related matters.

#### Encouraging whistleblowing through OpenLine

Under the global whistleblower policy, Naspers employees are encouraged to report suspected unethical behaviour and matters contrary to the code. Employees enjoy protection when they report such matters in good faith. The Naspers whistleblower facility (OpenLine) is a safe platform for employees to report misconduct in the workplace, with the option to have their identity protected or to remain completely anonymous. All stakeholders can report unethical behaviour and wrongdoing anonymously and confidentially.

#### COUNT OF REPORTS BY FINANCIAL YEAR

2019	33
2018	55

The line operates globally, around the clock, with live answering. In addition, the facility offers the opportunity to report matters through a dedicated website, or through email or postal service.

The OpenLine facility is independently managed by Deloitte Tip-off Anonymous (a global ethics and fraud hotline service provider).

The internal audit and risk support function oversees the effective operation of OpenLine and ensures employees are sufficiently aware of its existence. This function also monitors that reports are dealt with and independently investigated in line with the whistleblower policy. Where appropriate, internal audit and/or external forensic consultants investigate reported matters.

Significant allegations and validated cases of wrongdoing are reported to the audit and risk committees. The social and ethics committee also receives regular reports on whistleblower activity and ethics performance around the group.

This year there were 33 reports, compared to 55 the year before.

#### Creating awareness and training

During the year we created awareness on the code and whistleblower policy throughout the group. Training methods used by subsidiaries included elearning modules on the MyAcademy platform, face-to-face training, presentations and storyboarding for disabled employees.

The Naspers social and ethics committee receives reports on business ethics management and monitoring – refer to the social and ethics committee report on page 26.

#### Future focus

Future focus areas include regular engagement between the group's ethics officers, to share experiences, identify ethics challenges and share best practice. This will establish a Naspers-designated ethics officers' community and assist us in tailoring tools and support.

We also plan to launch an ethics refresher campaign for our in-scope subsidiaries. The campaign will educate employees on ethics learnings, based on principles from our code.

#### Stakeholder relationships

Representatives of our businesses manage various external and internal stakeholder relationships. Our businesses manage their stakeholder relationships using an inclusive approach that balances the needs, interests and expectations of material stakeholders with the best interests of the businesses.

To support the board in fulfilling its governance role, the Naspers social and ethics committee receives reports on stakeholder management across the group – refer to the social and ethics committee report on page 26.

An overview of our stakeholders and stakeholder engagement appears on pages 24 to 29 of the integrated annual report.

## Governance for a sustainable business

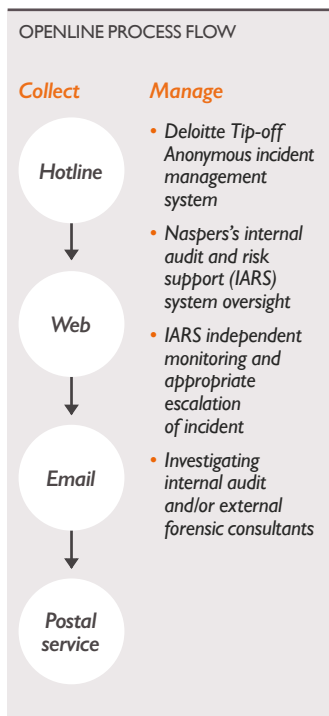
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### Legal compliance

Legal compliance rests with the group general counsel, who is also the chief legal compliance officer. The Naspers board has delegated responsibility for overseeing legal compliance to its risk committee, which receives regular reports from the chief legal compliance officer. Legal compliance is a standing agenda point. Responsibility for legal compliance in each segment rests with their general counsel, who oversees legal compliance for subsidiaries in that segment.

In the 2018 financial year, the group enhanced its legal compliance framework in response to the increased expectations of regulators and stakeholders, and to align the group to market standards.

The legal compliance framework includes anti-bribery and anti-corruption, sanctions and export controls, and competition compliance policies which were reviewed and approved by the Naspers board in June 2017.



#### **This year**

In the 2019 financial year, the group focused on implementing these policies. This included local risk assessments, training and awareness initiatives and the design and implementation of appropriate measures to ensure compliance.



#### **In the future**

Group legal compliance will remain focused on raising compliance awareness across the group. Improvements to the legal compliance framework will be made based on emerging risks, feedback from monitoring activities and a continued focus on third-party risks.

As part of this framework, each segment is required to provide a quarterly legal compliance report to the group legal compliance function. This includes an overview of key compliance risk areas, mitigating measures, key compliance regulatory developments and material compliance incidents and investigations. The group legal compliance function uses these reports to compile a consolidated report that is reviewed by the chief compliance officer and is subsequently provided to the risk committee of the Naspers board.

Assurance on the effectiveness of compliance management is received through a combined assurance model.

There were no material or repeated regulatory penalties, including General Data Protection Regulation (GDPR), sanctions or fines for contraventions of, or non-compliance with, statutory obligations. There were no inspections by environmental regulators that resulted in findings of non-compliance.

To support the board to fulfil its governance role, the Naspers risk committee receives reports on legal compliance – refer to the risk committee report on page 24.

#### **Information and technology governance**

Information and technology (I&T) governance is integrated in the operations of the Naspers businesses. Management of each subsidiary or business unit is responsible for ensuring effective processes on I&T governance are in place.

The risk committee assists the board in overseeing I&T-related matters. I&T governance is a standing point on its agenda, and I&T objectives have been included in its charter. The committee considers the risk register, as well as reports on I&T from internal audit and risk support, and our legal compliance function.

The group's subsidiaries are required to act in line with Naspers good governance guidelines, which detail I&T governance-related matters. Subsidiaries of each major entity are required to submit an annual formal written report on the extent to which they have implemented the principles, and chief executives and chief financial officers sign off on this. Any notable exceptions are summarised and reported to the risk committee.

We continuously look at how we can better integrate people, technologies and processes. During our annual business-planning process, our businesses consider their platform requirements. The platform strategy starts from the business strategy and is translated into technical and process requirements.

Business continuity is included in the group's risk register, which is reviewed and discussed by the risk committee twice a year, and annually by the board. Business resilience is the key objective of our cybersecurity policy. The capability of businesses to respond to disruption is in-scope for internal audit, bearing in mind the perspective of our customers and end users.

## Governance for a sustainable business

continued

Operational boundaries to dealing with I&T are subject to the group's code of business ethics and conduct, and legal compliance policy. Our risk management practices ensure that relevant risks on the ethical and responsible use of I&T are identified and assessed. Our social and ethics committee oversees this area.

We run a privacy programme to ensure that personal data is stored and processed ethically and in compliance with applicable privacy laws, such as the GDPR in Europe. Internal audit provides assurance to management, the audit committee and the board on the effectiveness of I&T governance. The detail of controls to manage identified risks and reduce vulnerability forms the basis of internal audit's assurance plans.

To support the board in fulfilling its governance role, the Naspers risk committee receives reports on I&T management – refer to risk committee report on page 24.

### In the future

Planned focus areas for I&T governance include developing and deploying data-driven technologies (such as machine learning), accounting for cybersecurity and data privacy by design.

For data acquisition and data processing undertaken in the context of our central machine learning team's services to group companies, we have established internal guidelines and contractual measures to ensure compliance with applicable laws and integrating best practice. Ethical use of machine learning and artificial intelligence is a rapidly developing field. We intend to enhance our guidelines in this area over time, based on our learnings and as best practice develops.

### SPOTLIGHT ON DATA PRIVACY

At Naspers, we recognise that privacy is an important value and an essential element of public trust.

We strive to be a trusted company and expect all our businesses to aspire to the same status. We expect each business to implement responsible data-privacy practices in a way that is adapted to its own circumstances, which considers its business model, the cultures of the countries in which it operates, its compliance obligations, and its human and financial resources.

*"For many years we have viewed data privacy as an important strategic area for Naspers, not only in terms of good governance and risk management, but to do the right thing and build trust with our key stakeholders. Accordingly, we have a comprehensive data-privacy governance policy and a privacy programme designed to ensure the vast amount of data across the different businesses within the group is protected and managed."*

**Justin B. Weiss**

*Global head of data privacy; Naspers*

### A groupwide policy

Our policy on data-privacy governance sets out the responsibilities, principles and programmes for ensuring data privacy across the Naspers group. It is designed to define and document how data privacy is managed in the group; to promote best practice; to accommodate the different business models, resources, culture and legal requirements across the group; and to support trust in our businesses' products and services.

### Clear accountability

The critical foundation is to give clear accountability to individual businesses. Each business is directly responsible for managing data privacy in its organisation. This responsibility rests ultimately with the CEOs of each business – they lead in implementing the group's policy and are directly accountable for the data-protection programmes and privacy standards in their organisations.

This approach to data privacy aligns with Naspers's model of decentralised governance and broader belief in encouraging great leaders and businesses to excel. We believe setting the right shared principles and giving businesses the direct responsibility to enact them is the best way to have a greater long-term positive impact. More broadly, we are fostering a culture of data privacy and looking to businesses to ensure privacy by design, where privacy becomes part of the fabric of day-to-day work rather than an add-on.

### Seven data-privacy principles

Each business is expected to respect and implement seven core data-privacy principles. Widely recognised internationally as fair information privacy principles, they are ethical guidelines for the responsible use of data. Critically, they are both universal and able to be applied to the different businesses in the group – from established global players to startups in jurisdictions that may not yet have a data-privacy law.

### SEVEN DATA-PRIVACY PRINCIPLES:

#### 1 Notice

We offer appropriate notice about our data-privacy practices.

#### 2 Individual control

We honour data subjects' choices regarding their personal data.

#### 3 Respect for context

We recognise that data subjects' expectations about fair and ethical use of their personal data is informed by the context in which their data was first collected.

#### 4 Limited sharing

We limit unnecessary personal data sharing with third parties.

#### 5 Retention

We retain personal data only for as long as we need it.

#### 6 Security

We ensure appropriate security.

#### 7 Governments

We engage with governments and data-protection authorities.

### Data-privacy programme

To help businesses put the principles into practice, we have a data-privacy programme designed to scale to their different needs and circumstances. This ensures that our core data-privacy commitment and approach is followed in ways that really work for our businesses. The programme has seven key elements: ensuring executive buy-in; knowing your data; setting policies; training employees; managing vendors and third parties; legal compliance; and reporting.

### Supporting and monitoring

The group's data-privacy office supports and monitors the businesses. Help ranges from guidance on implementing the data-privacy programme, a secondment programme that develops and trains future privacy leaders nominated by companies within the group, and advice on any data-privacy implications of mergers and acquisitions.

Businesses provide regular privacy and security reports to group executives as an integral part of ongoing business reviews. The board's risk committee reviews the data-privacy policy and its implementation annually as part of its oversight and governance responsibilities.

### Implementing enhancements

This year we formalised the appointment of data-protection officers in the businesses. Regular calls and meetings take place with the officers ensuring data-privacy best practice is shared across the group.

We also deployed new technology, including automated data-mapping and record-keeping, to facilitate the requirement to know your data – an increasingly complex challenge in businesses that are growing fast.

In addition, we deployed internal audit resources to verify data privacy to ensure that what is reported to the group matches what is happening in the businesses.

### Doing the best for our customers and the group

Implementation of our data-privacy programme continues to evolve across the businesses in the group. As well as meeting specific requirements, notably the GDPR in the EU, we are driving for comprehensive data-privacy and protection throughout the group, around the world.

## Governance for a sustainable business

continued

Understanding that there is always more to do and more to learn, we never stop striving to ensure good data-privacy practices so that we can do the best for our customers and the group.

### Internal control systems

As part of the overall management of risk, our system of internal controls in all material subsidiaries and joint ventures under Naspers's control aims to prevent or detect any risk materialising and to mitigate any adverse consequences. The group's system of internal controls is designed to provide reasonable assurance on achieving company objectives, including integrity and reliability of the financial statements; to safeguard, verify and maintain accountability of its assets; and to detect fraud, potential liability, loss and material misstatement, while complying with regulations. For those entities in which Naspers does not have a controlling interest, the directors representing Naspers on these boards seek assurance that significant risks are managed and systems of internal control are effective.

All internal control systems have shortcomings, including the possibility of human error or bypassing control measures. Even the best system may provide only partial assurance. In the dynamic environment in which the company operates, management regularly reviews risks and the design of the internal controls system to address these, assisted by the work of and reports from internal audit on the adequacy and operational effectiveness of controls, which may indicate opportunities for improvement. The external auditor considers elements of the internal controls system as part of its audit, and communicates deficiencies when identified.

The board reviewed the effectiveness of controls and combined assurance on key risks for the year ended 31 March 2019. This assurance was obtained principally through a process of management self-assessment, including formal confirmation via representation letters by executive management. In addition, consideration was given to input, including reports from internal audit and the external auditor; compliance and the risk management process. Where necessary, programmes for corrective actions have been initiated.

Nothing has come to the attention of the board, external or internal auditors to indicate any material breakdown in the functioning of internal controls and systems during the review period.

### Internal audit

An internal audit function is in place for the group. The head of internal audit and risk support reports to the chair of the Naspers audit committee, with administrative reporting to the financial director.

Internal audit and risk support provides a statement annually on the effectiveness of Naspers's governance, risk management and control processes to the audit committee. An independent review of internal audit's conformance to international standards for the professional practice of internal auditing and code of ethics (Standards), issued by the international Institute of Internal Auditors, is done at least every five years. The last review was performed by PwC in 2017 with no significant exceptions noted (generally conforms). The head of internal audit and risk support annually confirms to the audit committee that internal audit continues to meet the Standards and has remained independent from management.

### Non-audit services

The group's policy on non-audit services provides guidelines on dealing with audit, audit-related, tax and other non-audit services that may be provided by Naspers's independent auditor to group entities. It also sets out services that may not be performed by the independent auditor.

The audit committee preapproves audit and non-audit services to ensure these do not impair the auditor's independence and comply with legislation. Under our guiding principles, the auditor's independence will be deemed impaired if the auditor provides a service where they:

- function in the role of management of the company, or
- audit their own work, or
- serve in an advocacy role for the company.

### Company secretary

The company secretary, Gillian Kisbey-Green, and David Tudor; group general counsel (and legal compliance officer), are responsible for guiding the board in discharging its regulatory responsibilities.

Directors have unlimited access to the advice and services of the company secretary, whose functions and responsibilities include:

- Playing a pivotal role in the company's corporate governance and ensuring that, in line with pertinent laws, the proceedings and affairs of the board, the company and, where appropriate, shareholders are properly administered.
- Acting as the company's compliance officer as defined in the Companies Act, and is the delegated information officer.
- Monitoring directors' dealings in securities and ensuring adherence to closed periods.
- Attending all board and committee meetings.

In accordance with King IV, the performance and independence of the company secretary is evaluated annually.

As required by JSE Listings Requirement 3.84(h), the board has determined that the company secretary, a chartered accountant (SA) with over 30 years' company secretarial experience, has the requisite competence, knowledge and experience to carry out the duties of a secretary of a public company and has an arm's length relationship with the board. The board is satisfied that arrangements for providing corporate governance services are effective.

### Investor relations

Naspers's investor relations policy can be found on [www.naspers.com](http://www.naspers.com). It describes the principles and practices applied in interacting with shareholders and investors. Naspers is committed to providing timely and transparent information on corporate strategies and financial data to the investing public. In addition, we consider the demand for transparency and accountability on our non-financial (or sustainability) performance. In line with King IV, we recognise that this performance is based on the group's risk profile and strategy, which includes non-financial risks and opportunities.

The company manages communications with its key financial audiences, including institutional shareholders and financial (debt and equity) analysts, through a dedicated investor relations unit. Presentations and conference calls take place after publishing interim and final results.

A broad range of public communication channels (including stock exchange news services, corporate website, press agencies, news wires and news distribution service providers) are used

to disseminate news releases. These channels are supplemented by direct communication via email, conference calls, group presentations and one-on-one meetings. Our policy is not to provide forward-looking information. Naspers also complies with legislation and stock exchange rules on forward-looking statements.

### Closed periods

Naspers would typically be in a closed period on the day after the end of a reporting period (30 September or 31 March) until releasing results. General investor interaction during this time is limited to discussions on strategy and/or historical, publicly available information.

### Analyst reports

To enhance the quantity and quality of research, Naspers maintains working relationships with stockbrokers, investment banks and credit-rating agencies – irrespective of their views or recommendations on the group. Naspers may review an analyst's report or earnings model for factual accuracy of information in the public domain but, in line with regulations and group policy, we do not provide guidance or forecasts.

The board encourages shareholders to attend the annual general meeting, notice of which appears in this integrated annual report, where shareholders have the opportunity to put questions to the board, management and chairs of the various committees.

The company's website provides the latest and historical financial and other information, including financial reports.

## Governance for a sustainable business

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### The board Composition

Details of directors at 31 March 2019 are set out on page 14.

Naspers has a unitary board, which provides oversight and control. The board charter sets out the division of responsibilities. The majority of board members are non-executive directors and independent of management. To ensure that no one individual has unfettered powers of decisionmaking and authority, the roles of chair and chief executive are separate.

At 31 March 2019 the board comprised nine independent non-executive directors, five non-executive directors and two executive directors, as defined under the JSE Listings Requirements and King IV. Four directors (25%) are from previously disadvantaged groups and three directors (19%) are female. These figures are above the average for JSE-listed companies.

The board diversity policy addresses the JSE Listings Requirements for all listed companies to have a policy on how they address gender and race diversity at board level. The board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence. No specific targets have been set in terms of race or gender.

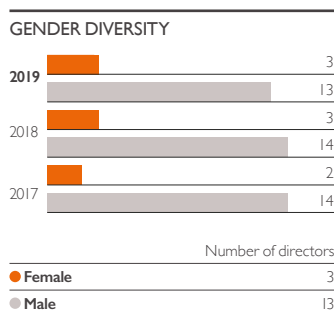
Naspers recognises and embraces the benefits of having a diverse board, and sees diversity at board level as an essential element in maintaining a competitive advantage. A diverse board will include and make good use of differences in the skills, geographical and industry experience, background, race, gender and other distinctions between members of the board. These differences will be considered in determining the optimum composition of the board and when possible will be balanced appropriately. All board appointments are made on merit, in the context of the skills, experience, diversity, independence and knowledge, and the board as a whole requires to be effective.

The Naspers nomination committee reviews and assesses board composition on behalf of the board and recommends the appointment of new directors. This committee also oversees the conduct of the annual review of board effectiveness.

### BOARD COMPOSITION



	Number of directors
● Chair	1
● Executive	2
● Independent non-executive	9
● Non-executive	4



### Role and function of the board

The board serves as the focal point and custodian of corporate governance and has adopted a charter setting out its responsibilities as follows:

- Determine the business we are building, what we offer users and key objectives.
- Ensure and monitor that a culture of business ethics and conduct is promoted to underpin the group's activities as a responsible corporate citizen.
- Provide strategic direction to the company and take responsibility for the adoption of strategy and plans (such strategies and plans to originate in the first instance from management). The board must approve the annual business plan and budget compiled by management, for implementation by management, taking cognisance of sustainability aspects in long-term planning.
- Ongoing oversight of the implementation of the strategy and business plan by management against agreed performance measures and targets. As part of its oversight of performance, the board should:
  - retain full and effective control over the company and monitor management with regard to the implementation of the approved annual budget and business plan, as amended from time to time

- monitor the company's social, environmental and financial performance
- consider and, if appropriate, declare the payment of dividends to shareholders
- evaluate the viability of the company and the group as a going concern, and properly record this evaluation
- determine the selection and orientation of directors
- appoint the chief executive and financial director; and ensure succession is planned
- establish appropriate committees with clear terms of reference and responsibilities
- appoint the chairs of the board and its committees
- ensure the evaluation of performance and effectiveness of directors, the chair; the board as a whole and its committees to support continued improvement in their performance and effectiveness, including succession planning
- ensure the company governs risk in a way that supports the organisation in setting and achieving its strategic objectives through structured, appropriate and effective enterprisewide risk management systems and processes, which allow the board to set tolerance levels from time to time
- ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decisionmaking and of the company's external reports
- ensure there is effective risk-based internal audit, which allows it to report on the effectiveness of the company's system of internal controls in its integrated annual report
- define levels of delegation for specific matters, with appropriate authority delegated to committees and management, and

- govern compliance with applicable laws and adopted rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.
- Govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.
- Ensure the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes.
- Adopt a stakeholder-inclusive approach in the execution of its governance role that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time. This includes:
  - identifying material stakeholders and monitoring management's process of engaging with stakeholders
  - determining the company's communication policy
  - proactively engaging with shareholders and ensuring shareholders are treated equitably, and
  - ensuring dispute resolution mechanisms and processes are adopted and implemented as part of the overall management of stakeholder relationships.
- Oversee preparation and approval of the annual financial statements (for adoption by shareholders), interim, provisional and integrated annual reports (as reviewed by the audit committee) and ensure their integrity and fair presentation.
- Annually review the charters of the group's significant subsidiary companies' boards, and their self-assessment of compliance with these to establish if the Naspers board can rely on the work of the subsidiary companies' boards.
- Review annually the charters of committees of the board.

## Governance for a sustainable business

continued

### The chair

The chair, Koos Bekker, is a non-executive director. Fred Phaswana acts as lead director in all matters where there may be an actual or perceived conflict.

The responsibilities of the chair include:

- Providing overall leadership to the board without limiting the principle of collective responsibility for board decisions, while being aware of individual duties of board members.
- In conjunction with the chief executive, to represent the board in communicating with shareholders, other stakeholders and, indirectly, the general public.
- Assisted by the board, its committees and the boards and committees of subsidiary companies, ensuring the integrity and effectiveness of the governance process.
- Maintaining regular dialogue with the group's chief executive on operational matters and consulting with other board members on any matter of concern.
- In consultation with the company's chief executive and company secretary, ensuring appropriate content and order of the agendas of board meetings and ensuring that members of the board receive documentation promptly.
- Ensuring board members are properly informed on issues arising from board meetings and that relevant information is submitted to the board.
- Acting as facilitator at board meetings to ensure a sound flow of opinions. The chair ensures adequate time is scheduled for discussions, and that they lead to logical and acceptable conclusions.

- Monitoring how the board works together and how individual directors perform and interact at meetings. The chair meets with directors annually to evaluate their performance.
- Preapproving all dealings in Naspers shares by directors of the company and its major subsidiaries (as defined in the JSE Listings Requirements).

### The chief executive

The chief executive reports to the board and is responsible for the day-to-day business of the group and implementing policies and strategies approved by the board. Chief executives of the various businesses assist him in this task. Board authority conferred on management is delegated through the chief executive, against approved authority levels. The board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities. Bob van Dijk is the appointed chief executive. He has no other professional commitments outside the Naspers group. Succession planning for the chief executive is considered annually.

The functions and responsibilities of the chief executive include:

- Developing the company's strategy for consideration and approval by the board.
- Developing and recommending to the board yearly business plans and budgets that support the company's long-term strategy.
- Monitoring and reporting to the board on the performance of the company.

- Establishing an appropriate organisational structure for the company, which is necessary to enable execution of its strategic planning.
- Recommending/appointing the executive team and ensuring proper succession planning and performance appraisals take place.
- Ensuring the company complies with relevant laws, corporate governance principles, business ethics and appropriate best practice and, if not, that failure to do so is justifiably explained.

### Directors

Directors fulfil their governance duties individually and collectively taking into account:

- the role of the board as set out in the charter
- applicable laws, regulations and good governance guidelines, and
- their duties as directors, including fiduciary duties and duty of care and skill.

Directors have unlimited access to the advice and services of the company secretary.

The functions and responsibilities of the company secretary include:

- Playing a pivotal role in the company's corporate governance and ensuring that, in accordance with the pertinent laws, the proceedings and affairs of the board, the company itself and, where appropriate, shareholders are properly administered.
- Acting as the company's compliance officer as defined in the Companies Act and delegated information officer.
- Monitoring directors' dealings in securities and ensuring adherence to closed periods.

In accordance with King IV the performance and independence of the company secretary is evaluated annually.

As required by JSE Listings Requirement 3.84(h), the board has determined that the company secretary, who is a chartered accountant (SA) with more than 30 years' company secretarial experience, has the requisite competence, knowledge and experience to carry out the duties of a secretary of a public company and has an arm's length relationship with the board. The board is satisfied that the arrangements for providing corporate governance services are effective.

### Independent advice

Individual directors may, after consulting with the chair or chief executive, seek independent professional advice, at the expense of the company, on any matter connected with discharging their responsibilities as directors.

### Board meetings and attendance

The board meets at least five times per year, or more as required. The executive committee attends to matters that cannot wait for the next scheduled meeting. The board held seven meetings in the past financial year. Non-executive directors meet at least once annually without the chief executive, financial director and chair present, to discuss the performance of these individuals.

The company secretary acts as secretary to the board and its committees and attends all meetings.

### Board committees

While the whole board remains accountable for the performance and affairs of the company, it delegates certain functions to committees and management to assist in discharging its duties. Appropriate structures for those delegations are in place, accompanied by monitoring and reporting systems.

Each committee acts within agreed, written terms of reference. The chair of each committee reports at each scheduled board meeting.

The chairs of the audit, risk, social and ethics, human resources and remuneration, and nomination committees are independent non-executive directors and are required to attend annual general meetings to answer questions.

The established board committees in operation during the financial year are as follows and the names of the members who were in office during the financial year and the details of the committee meetings attended by each of the members are shown in the table on page 14.

### Executive committee

The executive committee acts on behalf of the board in managing urgent issues when the board is not in session, subject to statutory limits and the board's limitations on delegation. It comprises two non-executive directors, one independent non-executive director plus two executive directors. It is chaired by Koos Bekker.

## Governance for a sustainable business

continued

### Nomination committee

The nomination committee assists the board to determine, and regularly review, the size, structure, composition and effectiveness of the board and its committees, in the context of the company's strategy. The committee comprises a minimum of three non-executive directors, the majority of whom are independent. It is chaired by Rachel Jafta.

The report of the nomination committee is shown on page 22.

### Audit committee

The audit committee seeks to support the board in assessing the integrity of the group's financial reporting, and by providing constructive challenge and oversight of the group's activities and of its audit functions. It comprises only independent non-executive directors and is chaired by Don Eriksson.

The report of the audit committee is shown on page 16.

### Human resources and remuneration committee

The main objective of the human resources and remuneration committee is to fulfil the board's responsibility for the strategic human resources issues of the group, particularly focusing on the appointment, remuneration and succession of the most senior executives. The committee comprises a minimum of three non-executive directors. It is chaired by Craig Eenstein.

The report of the human resources and remuneration committee is shown on page 20.

### Risk committee

The purpose of the risk committee is to assist the board to discharge its responsibilities regarding the governance of risk through formal processes, including an enterprise-wide risk management process and system. The committee comprises a minimum of three independent non-executive directors, as well as the chief executive and financial director. It is chaired by Don Eriksson.

The report of the risk committee is shown on page 24.

### Social and ethics committee

The primary objective of the social and ethics committee is to assist the board in ensuring the company meets its statutory obligations in terms of section 72 and regulation 43 of the Companies Act. The committee is responsible for overseeing and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships in relation to the group, taking into account specific disclosures and best practice as recommended by King IV.

The committee comprises two independent non-executive directors, two non-executive directors, the chief executive and the chief executive of Media24. It is chaired by Don Eriksson.

The report of the social and ethics committee is shown on page 26.

### Attendance at board and committee meetings

	Attendance								Category
	Board	Executive	Audit	Human resources and remuneration	Nomination	Risk	Social and ethics		
J P Bekker	● 7	● 1		5	4				Non-executive
E M Choi	7			5		5			Independent non-executive
H J du Toit	5				3				Independent non-executive
C L Eenstein	7			● 5	4				Independent non-executive
D G Eriksson	7		● 5			● 5	● 4		Independent non-executive
R C C Jafta	7		5		● 4	5	4		Independent non-executive
F L N Letele <sup>(1)</sup>	7						3		Non-executive
D Meyer	7						3		Independent non-executive
R Oliveira de Lima	6			5	4				Independent non-executive
S J Z Pacak	7	1				5			Non-executive
T M F Phaswana	7	1		5	3				Independent non-executive
M R Sorour <sup>(2)</sup>	7								Non-executive
V Sgourdos	7	1				5	(Alternate)		Executive
J D T Stofberg	6						3		Non-executive
B van Dijk	7	1				5	4		Executive
B J van der Ross	7		5			5			Independent non-executive
E Weideman <sup>(3)</sup>							2		Executive
M I Davidson <sup>(4)</sup>							2		Executive
<b>Total meetings held</b>	<b>7</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>4</b>		

#### Notes

<sup>(1)</sup> Reclassified as non-executive director on 27 February 2019.

<sup>(2)</sup> Appointed as non-executive director 1 April 2018.

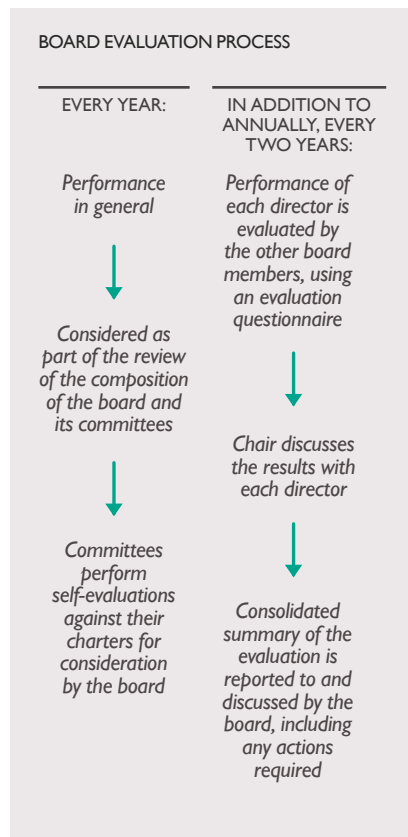
<sup>(3)</sup> Resigned as a member of the social and ethics committee on 30 September 2018.

<sup>(4)</sup> Appointed as a member of the social and ethics committee on 19 November 2018.

● Chair

## Governance for a sustainable business

continued



### Evaluation

The nomination committee carries out the evaluation process, which is not externally facilitated. Until 2018, the board performed an annual formal inhouse self-assessment of its own effectiveness, as well as that of its committees, individual members and its chair. From 2019, this formal process will be changed to every second year in line with King IV's recommendations. Performance in general is considered every year as part of the review of the composition of the board and its committees. The performance of the board and its committees, as well as the chair of the board, against their respective mandates in terms of the board charter and the charters of its committees, is appraised. The committees perform self-evaluations against their charters for consideration by the board.

As part of the 2018 annual formal inhouse self-assessment, the performance of each director was evaluated by the other board members, using an evaluation questionnaire. The chair of the board discussed the results with each director and agrees on any training needs or areas requiring attention by that director. Where a director's performance is not considered satisfactory, the board will not recommend his/her re-election. A consolidated summary of the evaluation was reported to and discussed by the board, including any actions required. The lead independent director leads the discussion on the performance of the chair, with reference to the results of the evaluation questionnaire, and provides feedback to the chair.

The 2018 formal annual evaluation process showed that the board and its committees had functioned well and discharged their duties as per the mandates in their charters. The board is satisfied that the evaluation process is improving its performance and effectiveness. In 2019, the board considered, reflected and discussed the performance of the board, its committees and its chair. The board concluded that it was satisfied with the performance and effectiveness of the board, its committees and the chair.

Furthermore, the independence of each director is evaluated annually. The board determined that although some directors had served as members for nine years or longer, they all demonstrated that they were independent in character and judgement and there were no relationships or circumstances that were likely to affect or could appear to affect their independence.

### Induction and development

An induction programme is held for new members of the board and key committees, tailored to the needs of individual appointees. This involves industry and company-specific orientation, such as meetings with senior management to facilitate an understanding of operations. Board members are also exposed to the main markets in which the group operates and relevant evolving trends in technology and business models. The company secretary assists the chair with the induction and orientation of directors, and arranges specific training if required.

The company will continue with directors' development and training to build on expertise and develop an understanding of the businesses and main markets in which the group operates. During the year board training and development initiatives included artificial intelligence and machine learning, blockchain and bitcoin, development of regulation in relation to technology/internet, global developments and development in certain markets such as India and China.

### Conflicts of interest

Potential conflicts are appropriately managed to ensure candidate and existing directors have no conflicting interests between their obligations to the company and their personal interests. All directors are required to declare personal interests on an annual basis. Declaration of directors' interests is a standing agenda point on the board's agenda. Directors who believe there may be a conflict of interest on a matter are to advise the company secretary and are recused from the decisionmaking process, and the Companies Act process is applied accordingly. Directors must also adhere to a policy on trading in securities of the company.

### Discharge of responsibilities

The board is satisfied that the committees properly discharged their responsibilities over the past year.

# Report of the audit committee

for the year ended 31 March 2019

*“Naspers prides itself on strong financial management that creates long-term value for its stakeholders.”*

**Don Eriksson**

Chair: Audit committee

## Members of the committee

D G Eriksson (chair)  
R C C Jafta  
B J van der Ross

## Key focus areas during the year

The committee's key focus areas during the year included:

- Discharging its functions in terms of its charter.
- Overseeing the mandatory audit firm rotation.
- Assessing the impact of changes to accounting standards.
- Ensuring group reporting meets JSE Listings Requirements.
- Implementing King IV recommendations.

I am pleased to present the report of the audit committee for the year ended 31 March 2019. The audit committee submits this report, as required by section 94 of the South African Companies Act No 71 of 2008 (the Act).

## Members of the audit committee and attendance at meetings

This committee, chaired by Don Eriksson, comprises only independent non-executive directors. All members are financially literate and have business and financial acumen. The committee held five meetings during the past financial year. The chief executive and financial director attend committee meetings by invitation.

The names of the members who were in office during the financial year and the details of the audit committee meetings attended by each of the members are shown on page 14.

The committee has unrestricted access to company information falling within the committee's mandate and will liaise with management on the information it requires to carry out its responsibilities. Both internal and external auditors have unrestricted access to the committee through the chair. The internal and external auditors also have the opportunity at two meetings per year to report to the committee in the absence of management, or when appropriate to do so.

The chair of the board is not a member of the audit committee, but may attend meetings by invitation. Board members are entitled to attend committee meetings as observers. However, non-committee members are not entitled to participate without the consent of the chair; do not have a vote; and are not entitled to fees for attendance.

## Responsibilities

This committee's main responsibilities, in addition to its responsibilities in terms of the Companies Act, are as follows:

- Review and approve for presentation to and approval by the board, the company's integrated annual report, annual financial statements, interim and provisional reports, and any other company press releases with material financial or internal control impacts.
- Disclose in the integrated report significant matters that the audit committee has considered in relation to the annual financial statements, and how these were addressed by the committee.
- Review the viability of the company and the group on a going-concern basis, making relevant recommendations.
- Receive all audit reports directly from the external auditor.
- Annually review the external auditor and disclose the audit committee's views on the quality of the external audit, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators.
- Evaluate the lead partner of the external auditor; who will be subject to rotation as required by regulations.

- Present the committee's conclusions on the external auditor to the board, preceding the annual request to shareholders to approve the appointment of the external auditor.
- Approve the external auditor's terms of engagement and remuneration. Evaluate and provide commentary on the external auditor's audit plans, scope of findings, identified issues and reports.
- Preapprove all audit and audit-related services provided by the external auditor.
- Develop a policy for the board to approve non-audit services performed by the external auditor. Approve non-audit services provided by the external auditor in accordance with this policy.
- Receive notice of reportable irregularities (as defined in the Auditing Profession Act) that have been reported by the external auditor to the Independent Regulatory Board for Auditors.
- Oversee the management of financial and other risks that affect the integrity of external reports issued by the company.
- Evaluate the effectiveness of internal financial controls and disclose the audit committee's views on the effectiveness of the design and implementation of internal financial controls and on the nature and extent of any significant weaknesses in the design, implementation or execution of internal financial controls that resulted in material financial loss, fraud, corruption or error. Such views are to be reported to the board and in the integrated annual report.
- Approve and recommend to the board for approval, the internal audit charter; which must be reviewed annually.

## Report of the audit committee

continued

- Oversee the internal audit function and assisting the board in fulfilling the following responsibilities to:
  - set the direction for internal audit arrangements needed to provide objective and relevant assurance contributing to the effectiveness of governance, risk management and control processes
  - ensure that arrangements for internal audit provide for the necessary skills and resources to address the complexity and volume of risk faced by the company, and that internal audit is supplemented as required by specialists
  - confirm the appointment or dismissal of the head of the group's internal audit function and periodically review his/her performance
  - monitor that internal audit follows an approved risk-based internal audit plan, review the organisational risk profile regularly, and propose adaptations to the internal audit plan accordingly
  - ensure internal audit provides a statement annually as to the effectiveness of the company's governance, risk management and control process
  - ensure the internal audit function is subject to an external, independent quality review every five years, and
  - obtain confirmation annually from the head of the group's internal audit function that internal audit conforms to a recognised industry code of ethics.
- Review internal audit and the risk committee's reports to the audit committee.
- Review procedures to ensure that the requirements of the relevant stock exchanges are complied with.
- Review practices in light of the King IV Code on Corporate Governance and make specific disclosures recommended by the King IV Code.
- Monitor compliance with board-approved group levels of authority.
- Evaluate:
  - legal matters that may affect the financial statements
  - matters of significance reported by the internal and external auditors, and any other parties, including implied potential risks to the group and recommendations on appropriate improvements
  - major unresolved accounting or auditing issues, and
  - progress on completion of matters reported by the internal and external auditors.
- Establish procedures for the receipt, retention and treatment of complaints received on accounting, internal control, auditing matters, risk management and management of other fraudulent activities, including procedures for confidential, anonymous reporting by employees.
- Annually evaluate the performance and appropriateness of the expertise and experience of the financial director and the finance function, and disclose the results in the integrated annual report.
- Compile a report to be inserted in the financial statements, describing how the audit committee carried out its functions and stating whether the committee is satisfied that the external auditor was independent of the company. Include in that report a statement regarding the effectiveness of the internal controls and, specifically, of the internal financial controls.
- Combined assurance to:
  - ensure that the arrangements for assurance services are effective in achieving the following objectives:
    - enabling an effective internal control environment
    - supporting the integrity of information used for internal decisionmaking by management, and the board and its committees, and
    - supporting the integrity of external reports
  - ensure a combined assurance model is applied which incorporates and optimises the various assurance services and functions so that, taken as a whole, they support the objectives for assurance
  - ensure that the combined assurance model is designed and implemented to cover effectively the company's significant risks and material matters through a combination of assurance service providers and functions as is appropriate for the company, and
  - disclose in the integrated report the arrangements in place for combined assurance and the committee's views on its effectiveness. Report to shareholders at the annual general meeting on fulfilling its duties in terms of the Companies Act during the financial year.
- Execute assignments commissioned by the board.
- Annually assess its charter and recommend any required amendments for approval by the board.
- Annually review the charters of significant subsidiaries' audit committees, and review their annual assessment of compliance with these charters to establish if the Naspers committee can rely on the work of the subsidiary companies' committees.
- Perform a formal annual evaluation of whether the committee has fulfilled its responsibilities in terms of its charter and report these findings to the board.
- Review the JSE Limited's report on the proactive monitoring of financial statements.

### Financial statement reporting issues

The audit committee's main responsibility in relation to the group's financial reporting is to review, with both management and the external auditor, the appropriateness of the group's consolidated annual financial statements with its primary focus on:

- The quality and acceptability of accounting policies and practices.
- Material areas where significant judgements have been made, along with any significant assumptions or estimates, or where significant issues have been discussed with or challenged by the external auditor.
- An assessment of whether the consolidated annual financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy.

## Report of the audit committee

continued

The significant judgements and issues and conclusions reached/actions taken by the audit committee in relation to the 2019 annual financial statements are outlined in the table on page 19. The significant judgements and issues are broadly comparable in nature to prior years. Each of these matters was discussed with the external auditor and, where appropriate, has been addressed as a key audit matter in the report on the audit of the consolidated and separate financial statements on pages 20 to 26.

### Internal audit

The audit committee has oversight of the group's consolidated annual financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties.

The committee oversees cooperation between internal and external auditors, and serves as a link between the board of directors and these functions. The head of internal audit reports functionally to the chair of the committee and administratively to the financial director. An assessment of the effectiveness of the internal audit function, as well as the head of internal audit, is performed annually by the committee. Based on the assessment, the committee is of the opinion that the internal audit function, as well as the head of internal audit, is effective.

### Effectiveness of the company's internal financial controls

The committee reports to the board that it is of the opinion that, based on enquiries made and the reports from the internal and external auditors, the risk management processes and systems of internal control of the company and its investments were effective for the year under review. No material weaknesses in financial control of the company and its subsidiaries were reported for the year under review.

### Independence and effectiveness of the external auditor

PricewaterhouseCoopers Inc. (PwC) was reappointed as auditor of the company until the next annual general meeting. PwC has been the auditor of Naspers for 104 years. The committee believes that the auditor has observed the highest level of business and professional ethics. The committee is satisfied that the auditor has at all times acted with unimpaired independence.

Details of fees paid to the external auditor are disclosed in note 29 to the consolidated annual financial statements on page 117. All non-audit services were approved by the committee during the current financial year in accordance with the board-approved policy on non-audit services performed by the external auditor. The partner responsible for the audit is required to rotate every five years. The committee meets with the auditor independently of senior management.

During the year, the audit committee reviewed a representation by the external auditor and, after conducting its own review, confirmed the independence of the auditor. The quality of the external audit was reviewed, focusing on a range of factors considered relevant to audit quality and feedback from PwC on its performance against its own objectives, the committee concluded the external audit to be satisfactory.

It was confirmed that no unresolved issues of concern exist between the group and the external auditor.

### Confidential meetings

Audit committee agendas provide for confidential meetings between committee members and the internal and external auditors.

### Expertise and experience of the financial director and the finance function

As required by JSE Listings Requirement 3.84(h), the audit committee has satisfied itself that the financial director has appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skillset of the finance function met the group's requirements.

Based on an assessment performed annually, the committee is of the opinion that the finance function, as well as the financial director, is effective.

### Integrated combined assurance

The board does not only rely on the adequacy of the internal control embedment process, but considers reports on the effectiveness of risk management activities from the risk committee. The committee ensures that the assurance functions of management as well as internal and external audit are sufficiently integrated and is satisfied with the effectiveness of the arrangements for combined assurance. The various assurance providers to the board comprise the following:

- Senior management and the risk committee consider the company's risk strategy and policy, along with the effectiveness and efficiency thereof. The risk committee also considers the adequacy of risk management strategies, systems of internal control, risk profiles and legal compliance. The audit committee receives assurance from the risk committee that risk management activities are sufficiently addressed and effective.
- The committee considers the systems of internal control, internal and external audit reports and also reviews the independence of the auditor, the extent and nature of audit engagements, scope of work and findings. This committee also reviews the level of disclosure in the consolidated annual financial statements and the appropriateness of accounting policies adopted by management, and jointly with the risk committee considers material issues of fraud and reporting on fraud. The board reviews the performance of the committee against its charter.

## Report of the audit committee

continued

The chair of the committee reports to the board at the board meeting following each committee meeting on matters addressed by the committee at its last meeting.

### Discharge of responsibilities

The committee determined that, during the financial year under review, it had discharged its legal and other responsibilities as outlined in terms of its remit, details of which are included in the full corporate governance report on [www.naspers.com](http://www.naspers.com). The board concurred with this assessment.

### Key focus areas going forward

The committee's key focus for the 2020 financial year include:

- Discharging its functions in terms of its charter.
- Assessing the impact of changes to accounting standards.
- Ensuring group reporting meets JSE Listings Requirements.
- Implementing King IV recommendations.
- Focussing regularly on the group's working capital requirements and ensuring that the group and its subsidiaries continue to operate as going concerns.
- Reviewing and monitoring the accounting for potential mergers, acquisitions and disposal and the conduct of impairment tests.

### Don Eriksson

Chair: Audit committee  
21 June 2019

Significant reporting matter	Conclusions reached/actions taken
<p><i>Accounting for the gain on distribution of MultiChoice Group Limited (MultiChoice Group) and the presentation of the Video Entertainment segment as a discontinued operation</i></p> <p>The group distributed its shares in MultiChoice Group, to shareholders during the current year (refer to note 3<sup>(1)</sup>) as a distribution in specie. As a consequence of the distribution, the group's Video Entertainment segment has been presented as a discontinued operation in the consolidated annual financial statements (refer to note 4<sup>(1)</sup>).</p> <p>The transaction resulted in the recognition of a significant gain on distribution.</p>	<p>The audit committee reviewed the reporting of: (i) the gain recognised on distribution of MultiChoice Group to shareholders, and (ii) the results of the Video Entertainment segment as a discontinued operation.</p> <p>In addition, the audit committee received reporting from management on the calculation of the gain on distribution, including the reclassification of related foreign currency translation and other reserves to the income statement as part of the calculation of the total net gain on distribution.</p> <p>The audit committee was satisfied with the judgements applied by management and the presentation of the distribution transaction and results from discontinued operations in the consolidated annual financial statements.</p>
<p><i>Impairment testing of goodwill and intangible assets</i></p> <p>The group's net asset value includes significant amounts of goodwill and intangible assets (refer to notes 6 and 7<sup>(1)</sup>).</p> <p>These balances are tested at least annually for impairment and this process involves complex calculations and the exercise of critical management judgement regarding assumptions and estimates.</p>	<p>The audit committee received impairment reporting from management including the results of the group's annual impairment testing of goodwill and those assets where indicators of impairment existed. The audit committee reviewed this reporting in terms of the consistent application of management's testing methodology, the achievability of business plans and forecasts based on the Naspers board approval thereof and the critical assumptions applied.</p> <p>In addition, as impairment testing remains a key area of focus for the group's external auditor, the audit committee reviewed the external auditor's reporting on impairment testing.</p> <p>Consequently, the audit committee was satisfied with the appropriateness of the analysis performed by management and the impairment-related disclosures in the consolidated annual financial statements.</p>
<p><i>Share-based payments</i></p> <p>The group has a number of share-based compensation schemes (refer to note 45<sup>(1)</sup>). The share-based payments arising therefrom involve complex valuations and the use of critical management judgement regarding assumptions and estimates.</p>	<p>The audit committee acknowledged that the human resources and remuneration committee reviews the valuations, including assumptions and allocations, of the share-based compensation schemes as well as the various scheme rules. The audit committee noted the report of the human resources and remuneration committee, as tabled at the Naspers board meeting. The audit committee noted that these valuations and the underlying assumptions are used for the accounting of share-based payments.</p> <p>The audit committee also reviewed the accounting and disclosure of share-based payments in the annual financial statements.</p> <p>As a result, the audit committee concluded that accounting and disclosure of share-based payments in the consolidated annual financial statements are appropriate.</p>
<p><i>Equity-accounted investments – Tencent Holdings Limited (Tencent)</i></p> <p>Equity-accounted investments (refer to notes 9 and 10<sup>(1)</sup>) are significant to the consolidated annual financial statements and the group is required to make certain adjustments to the underlying results of investees in respect of any significant transactions that occur between the investees' year-ends and 31 March.</p> <p>These adjustments require the exercise of critical management judgement and are significant in terms of magnitude.</p> <p>Accounting for the group's investment in Tencent was a significant matter due to the significant contribution of the entity to the consolidated results of the group and the fact that Tencent has a year-end that is not coterminous with that of the group.</p> <p>For further information refer to notes 2 and 9<sup>(1)</sup>.</p>	<p>The audit committee received feedback from the group's representatives on the audit committees of Tencent and other significant equity-accounted investments. The audit committee reviewed the reporting of the contribution of equity-accounted investments to the group's results and financial position as part of their review of the consolidated annual financial statements. In addition, the audit committee received reporting from management on significant lag-period adjustments and/or adjustments made to the underlying results of investees to align the investees' accounting policies to those of the group.</p> <p>The audit committee was satisfied with the adjustments made and the critical judgements applied by management.</p>

#### Note

<sup>(1)</sup> All notes refer to the consolidated annual financial statements on [www.naspers.com](http://www.naspers.com).

# Report of the human resources and remuneration committee

*“We aim to attract, motivate and retain the best people to create sustainable shareholder value.”*

## Craig Enenstein

*Chair: Human resources and remuneration committee*

### Members of the committee

C L Enenstein (chair)  
J P Bekker  
E M Choi  
R Oliveira de Lima  
T M F Phaswana

### Key focus areas during the year

- Ensuring that Naspers has a market competitive remuneration policy, structure and tools to attract and retain the world's best talent.
- Considering independent external advice on non-executive directors' fees.
- Improving disclosure of executive remuneration in the integrated annual report in a bid for greater transparency.
- Introducing clawback provisions into the short- and long-term incentives for the chief executive and his direct reports.
- Amending the design of executive remuneration: introducing performance share units (PSUs) to the blend of longer-term incentives that may be awarded, to ensure an even closer alignment between executive remuneration and shareholder outcomes.
- Ensuring succession plans are in place for the chief executive and key positions across the group.

I am pleased to present the human resources and remuneration committee's report for the year ended 31 March 2019. The committee's main objective is to fulfil the board's responsibility regarding the strategic human resources and remuneration aspects of the group.

There is a global shortage of digital talent and we face stiff competition from global, regional and local competitors for talent. While remuneration is not the only basis on which we attract and retain people, it is an important consideration in our industry.

The committee has a charter that encompasses King IV recommendations and is approved by the board.

### Purpose

The purpose of this committee is to fulfil the board's responsibility for the strategic human resources matters of the group, particularly focusing on the remuneration and succession of the most senior executives.

Primary objectives include: promoting superior performance; directing employees' energies to key business goals; achieving the most effective returns for employee spend; and addressing diverse needs across differing cultures.

Naspers's remuneration strategy aims to attract, motivate and retain the best people to create sustainable shareholder value.

Policies and practices align the remuneration and incentives for executives and employees to the group's business strategy.

It is the board, based on the recommendation from the human resources and remuneration committee, that approves the remuneration policy. Implementation is delegated to the Naspers human

resources and remuneration committee. The subsidiary boards follow a similar practice, within the parameters of the Naspers remuneration policy.

We are committed to ensure that the design and structure of our remuneration policy continue to be appropriately aligned to and support our business strategy going forward. The human resources and remuneration committee has endeavoured to improve the remuneration disclosure this year while applying the recommendations of King IV, as appropriate.

Shareholders will be asked to approve the remuneration policy set out in the remuneration report, and implementation thereof, through non-binding advisory votes, at the 2019 annual general meeting.

### Membership and meetings attendance

The committee comprises a minimum of three directors. All of the members of the committee must be non-executive directors, the majority of whom are independent (as defined in terms of the Companies Act and the applicable rules of the JSE and, where appropriate, other international exchanges on which the company's shares are listed).

Board members are entitled to attend committee meetings as observers. However, non-committee members are not entitled to participate without the consent of the chair; do not have a vote; and are not entitled to fees for attendance.

The chair of the committee is an independent non-executive director. The committee held five meetings during the past financial year.

The names of the members who were in office during the financial year and the details of the committee meetings attended by each of the members are shown on page 14.

The committee has unrestricted access to company information falling within the committee's mandate and will liaise with management on the information it requires to carry out its responsibilities.

### Responsibilities

This committee's main responsibilities are to:

- Determine and approve the group's general remuneration policy, which must be tabled at each annual general meeting for a non-binding advisory vote by shareholders.
- Prepare for inclusion in the company's integrated report, an annual remuneration report in three parts: a background statement; an overview of the main provisions of the remuneration policy; and an implementation report that contains details of all remuneration awarded to individual members of the board (executive and non-executive) and prescribed officers during the reporting period. The remuneration policy and implementation report must be tabled at each annual general meeting for a separate non-binding advisory vote by shareholders.
- Review and approve annually the remuneration packages of the most senior executives, ensuring they are appropriate and in line with the remuneration policy.
- Appraise annually the performance of the chief executive.
- Review annually the remuneration of non-executive directors of the board and its committees. The necessary proposals in this regard must be presented to the board for recommendation and final approval by the shareholders at an annual general meeting. Remuneration must be approved by shareholders in advance.

## Report of the human resources and remuneration committee

continued

- Fulfil delegated responsibilities with regard to the Naspers share-based incentive plans, eg the appointment of trustees and compliance officers.
- Approve most senior appointments and promotions of most senior executives.
- Review incidents of unethical behaviour by senior managers and the chief executive of the company.
- Review annually the company's code of business ethics and conduct.
- Review annually the committee's charter and, if appropriate, recommend, for approval by the board, required amendments thereto.
- Approve amendments to the Naspers share-based incentive plans.
- Perform a formal annual evaluation of whether the committee has fulfilled its responsibilities in terms of its charter; and report these findings to the board of directors.
- Review and assess annually the charters of the group's significant subsidiaries' remuneration committees, and review their annual assessment of compliance with their charters to establish if the Naspers committee can rely on the work of the subsidiary companies' committees.
- Evaluate annually the performance of the company secretary, and make the necessary recommendations to the board in this regard.

### Key focus areas during the year

During the financial year, the human resources and remuneration committee focused on:

- Gathering and analysing current and relevant industry reward trends to ensure that Naspers has a market competitive remuneration policy, structure and tools to attract and retain the world's best talent. This included ensuring that the right pay-for-performance mix is applied; ensuring short-term bonuses are measurable and linked to the group's strategy and targets; aligning the terms of the group's various long-term share-based incentive schemes to industry norms, where appropriate to do so; and setting parameters and criteria for allocations of share-based incentives based on individual performance.
- Considering independent external advice on non-executive directors' fees.
- Improving disclosure of executive remuneration in the integrated annual report in a bid for greater transparency.
- Introducing clawback provisions into the short- and long-term incentives for the chief executive and his direct reports.
- Introducing a shareholding requirement for the chief executive.
- Amending the design of executive remuneration by introducing performance share units to the blend of longer-term incentives granted to senior management for the forthcoming 2020 financial year as detailed in the remuneration report.
- Thoroughly reviewing detailed succession plans to ensure plans are in place for the chief executive and key positions across the group that identify successors, taking into account diversity and potential, along with any professional development required.

### Key focus areas going forward

Key focus areas for the year ahead include, but are not limited to:

- Continued engagement with shareholders on remuneration topics.
- Ongoing monitoring of market developments to ensure our remuneration structure allows us to compete globally for talent, and that our offering is compelling, fair and responsible.
- Achieving appropriate mix of longer-term incentives, including those to which performance conditions are attached.

### Remuneration report

Having achieved its objectives for the financial year, the committee sets out the remuneration disclosure in the remuneration report, comprising our overarching remuneration policy for executive directors and non-executive directors and commentary on how it has been implemented during the year. The remuneration report is prepared in accordance with the requirements of King IV. It is divided into three sections (background statement, remuneration policy, and implementation) and is detailed on pages 67 to 71 of the integrated annual report.

### Craig Enenstein

Chair: Human resources and remuneration committee  
21 June 2019

# Report of the nomination committee

*“The right balance of skills, knowledge and experience on the board help us deliver the best possible outcomes for our stakeholders.”*

**Rachel Jafta**

*Chair, Nomination committee*

## Members of the committee

R C C Jafta (chair)  
J P Bekker  
H J du Toit  
C L Enestein  
R Oliveira de Lima  
T M F Phaswana

## Key focus areas during the year

- Assessing the composition of the board with regards to executing its duties effectively.
- Assessing the independence of non-executive directors serving for nine years or longer for consideration by the board.
- Assessing compliance with the committee's charter.
- Reviewing and recommending the audit committee members to the annual general meeting for shareholder approval.
- Assessing the effectiveness of the board, its members and the committees through a board evaluation process.
- Evaluating the performance and independence of the company secretary.

I am pleased to present the nomination committee's report for the year ended 31 March 2019. The committee has a charter approved by the board.

## Purpose

The main objective of the nomination committee is to assist the board to determine, and regularly review, the size, structure, composition and effectiveness of the board and its committees, in the context of the company's strategy.

## Membership and meetings attendance

The committee comprises a minimum of three directors, the majority of whom are independent. All of the members of the committee must be non-executive directors, the majority of whom are independent (as defined in terms of the Companies Act and the applicable rules of the JSE and, where appropriate, other international exchanges on which the company's shares are listed).

The committee held four meetings during the past financial year. The chair of the committee is an independent non-executive director.

The names of the members who were in office during the financial year and the details of the committee meetings attended by each of the members are shown on page 14.

Board members are entitled to attend committee meetings as observers. However, non-committee members are not entitled to participate without the consent of the chair; do not have a vote; and are not entitled to fees for attendance.

This committee has unrestricted access to company information falling within the committee's mandate and will liaise with management on the information it requires to carry out its responsibilities.

## Responsibilities

This committee's main responsibilities are to:

- Review annually the board charter and the committee charter and, if appropriate, recommend, for approval by the board, required amendments thereto.
- Determine for approval by the board:
  - the policy for diversity at board level
  - restrictions on the number of listed company boards on which a director may serve
  - the service period of directors
  - retirement and succession in respect of directors, and
  - a policy governing the seeking of independent professional advice by individual board members.
- Review annually the structure, size and composition of the board and, where appropriate, make recommendations to the board in respect thereof. The following should be taken into account when considering the composition of the board:
  - the appropriate mix of knowledge, skills and experience, including the business, commercial and industry experience, needed to govern the company
  - the appropriate mix of executive, non-executive and independent non-executive members
  - the need for enough members that qualify to serve on the committees of the board
  - the need to secure a quorum at meetings
  - regulatory requirements, and
  - diversity as elaborated on in the board diversity policy.
- Make recommendations to the board with regard to the appointment of new directors. For all nominations in respect of board appointments a 'fit and proper' test must be conducted. Nominated candidates must complete the required declarations in compliance with the JSE Listings Requirements, and that of any other exchanges on which the company's shares are listed, where applicable.
- Identify and nominate candidates to fill board vacancies.
- Approve the role and responsibilities of the chair and the lead independent director and ensure there is a succession plan in place for the position of the chair.
- Formally evaluate every two years, and consider every alternate year, the board and the individual directors to establish whether the service of any director should be terminated. This includes a recommendation to the board about the reappointment of directors who retire by rotation at the annual general meeting every year based on those directors' performance, including attendance at meetings of the board and its committees, as well as the evaluation of independence of directors who have served for more than nine years.
- Formally evaluate every two years, and consider every alternate year, the performance of the chair of the board and make the necessary recommendations to the board in this regard.

## Report of the nomination committee

continued

- Review the allocation of roles and associated responsibilities, composition and effectiveness of committees of the board collectively, and make recommendations to the board about:
  - the continuance (or not) of the service of any director as a member of any committee
  - effective collaboration through cross-membership of committees
  - ensuring adequate coverage of all matters delegated by the board, and
  - ensuring an efficient approach is followed on matters dealt with by more than one committee.
- Perform a formal annual evaluation of whether the committee has fulfilled its responsibilities in terms of its charter, and report these findings to the board of directors.
- Review and assess annually the charters of the group's significant subsidiaries' nomination committees, and review their annual assessment of compliance with their charters to establish if the Naspers committee can rely on the work of the subsidiary companies' committees.
- Evaluate annually the performance and independence of the company secretary, and make the necessary recommendations to the board in this regard.

### Key areas of focus during the year

The duties completed by the committee this financial year include:

- Assessment of the composition of the board to execute its duties effectively.
- Assessment of the independence of non-executive directors serving for nine years or longer for consideration by the board.
- Assessment of compliance with the committee's charter.

- The review and recommendation of the audit committee members to the annual general meeting for shareholder approval.
- Assessment of the effectiveness of the board, its members and the committees through a board evaluation process.
- Evaluation of the performance and independence of the company secretary.

### Assessment of the independence of directors who have served on the board for more than nine years

King IV recommends that the board should annually assess the independence of independent non-executive directors serving for nine years or longer:

An independent assessment of Rachel Jafta and Fred Phaswana, who have served on the board for 15 years, Ben van der Ross, who has served on the board for 19 years, and Debra Meyer, who has served on the board for nine years, was undertaken during the year under review.

In assessing the independence of these directors, the board considered the following factors:

- Formal evaluation of directors' performance, based on the outcome of evaluation questionnaire responses from other board members.
- Interactions at board meetings with fellow directors and management.
- Contributions to discussions at board meetings and in the decisionmaking processes.
- Whether the directors' interests, position, association or relatives were likely to influence unduly or cause bias in decisionmaking when judged from the perspective of a reasonable and informed third party.

- King IV recommendations on independence.
- Requirements of independence in relation to members of audit committees as set out in section 94(4) of the South African Companies Act.

The board determined that these directors demonstrated that they were independent of mind and judgement, and had objectively fulfilled their roles as independent non-executive directors, despite their tenure on the board.

### Key areas of focus going forward

Focus areas for the committee going forward will continue to include, but will not be limited to:

- Assessment of the composition of the board to execute its duties effectively.
- The review and recommendation of the audit committee members to the annual general meeting for shareholder approval.
- Evaluation of the board, including structure, size, composition, balance of skills, and experience and diversity of the board and its committees.
- Assessing the independence of directors, especially those serving for nine years or longer.
- Ensuring there is a succession plan in place for the position of the chair of the board.

### Conclusion

Following the review by the committee for the year ended 31 March 2019, the committee is of the view that, in all material respects, the committee has fulfilled its remit for the financial year. The board concurred.

### Rachel Jafta

Chair, Nomination committee  
21 June 2019

# Report of the risk committee

*“Rigorous and consistent risk management is critical to our success.”*

**Don Eriksson**

*Chair, Risk committee*

## Members of the committee

D G Eriksson (chair)  
E M Choi  
R C C Jafta  
S J Z Pacak  
V Sgourdos  
B van Dijk  
B J van der Ross

## Key focus areas during the year

- Recognising material risks to which the group is exposed and ensuring that the culture, policies and systems are implemented and functioning effectively.
- Implementing and monitoring the processes of risk management and for integrating this into day-to-day activities.
- Ensuring risks are adequately identified, evaluated and managed at the appropriate level in each business, and that their individual and joint impact on the Naspers group is considered via the enterprise risk management process.
- Particularly focusing on data privacy and cybersecurity, sustainability, and tax.

I am pleased to present the risk committee's report for the year ended 31 March 2019. The committee's purpose is to assist the board to discharge its responsibilities with regard to the governance of risk and opportunities through formal processes, including an enterprisewide risk management process and system.

## Purpose

The purpose of the risk committee is to assist the board to discharge its responsibilities regarding the governance of risk through formal processes, including an enterprisewide risk management process and system. Risk governance encompasses both:

- considering the opportunities and associated risks when developing strategy, and
- the potential positive and negative effects of the same risks on the achievement of the group objectives.

We acknowledge that no risk management system, or the combined assurance provided on risk levels and controls, can give us absolute certainty that we fully understand all risks or avoid any failure.

## Meetings and attendance

The committee comprises a minimum of three independent non-executive directors, as well as the chief executive and financial director. The chair of the board may be a member of the committee and may serve as chair of this committee. The chair is Don Eriksson. Board members are entitled to attend committee meetings as observers. However, non-committee members are not entitled to participate without the consent of the chair; do not have a vote; and are not entitled to fees for attendance.

The names of the members who were in office during the financial year and the details of the risk committee meetings attended by each of the members are shown on page 14.

All risk committee members served on the committee for the full financial year. The committee held five meetings during the past financial year:

The committee has unrestricted access to company information falling within the committee's mandate and will liaise with management on the information it requires to carry out its responsibilities.

Members of the committee are individuals with risk management skills and experience.

## Responsibilities

The committee's responsibilities include the following:

- Review and approve a risk management policy and plan developed by management, and recommend such policy and plan to the board for approval. The risk policy and plan are reviewed annually.
- Monitor the implementation of the risk policy and plan, ensuring an appropriate enterprisewide risk management system is in place with adequate and effective processes that include strategy, ethics, operations, reporting, compliance, information and technology, and sustainability.
- Make recommendations to the board on risk indicators, levels of risk tolerance and risk appetite (namely the board's propensity to take appropriate levels of risk) as well as the limit of the potential loss that the group has the capacity to tolerate.

- Monitor that risks are reviewed by management, and that management considers and implements appropriate responses to identified risks, so that they are managed within the levels of risk tolerance and appetite approved by the board.
- Exercise ongoing oversight of risk management and ensure its results in the following:
  - assessing the risks and opportunities emanating from the total environment in which the group operates and resources the group uses and affects
  - assessing the opportunity together with potential negative effects on achieving group objectives
  - assessing the group's dependence on resources
  - designing and implementing appropriate risk responses
  - establishing and implementing business continuity arrangements that allow the group to operate under conditions of volatility, and to withstand and recover from acute shocks, and
  - integrating and embedding risk management in the business activities and culture of the group.
- Ensure risk management assessments are performed regularly by management.
- Ensure an overall statement to the board about the effectiveness of the system and process of risk management is issued by internal audit and reviewed by the committee prior to the submission to the board.
- Review and approve the legal compliance policy and recommend such policy to the board for approval.

## Report of the risk committee

continued

- Oversee compliance and, in particular, do so in such a way that:
  - compliance is understood not only for the obligations it creates, but also for the rights and protections it affords
  - compliance management takes a holistic view of how applicable laws and non-binding rules, codes and standards relate to one another; and
  - the regulatory environment is continually monitored and appropriate responses to changes and developments are formulated.
- Review and approve the information and technology charter and recommend such charter to the board for approval.
- Oversee technology and information management and, in particular, do so in such a way that it results in the following:
  - integration of people, technologies, information and processes across the company
  - integration of technology and information risks into companywide risk management
  - arrangements to provide for business resilience
  - proactive monitoring of intelligence to identify and respond to incidents, including cyber-attacks and adverse social media events
  - management of the performance of, and the risks pertaining to, third-party and outsourced service providers
  - the assessment of value delivered to the company through significant investments in technology and information, including the evaluation of projects throughout their life cycles and of significant operational expenditure
- the responsible disposal of obsolete technology and information in a way that has regard to environmental impact and information security
- ethical and responsible use of technology and information, and
- compliance with relevant laws.
- Oversee the management of information and, in particular, do so in such a way that it results in the following:
  - the leveraging of information to sustain and enhance the company's intellectual capital
  - an information architecture that supports confidentiality, integrity and availability of information
  - the protection of privacy of personal information, and
  - the continual monitoring of security of information.
- Oversee the management of technology and, in particular, do so in such a way that it results in the following:
  - a technology architecture that enables the achievement of strategic and operational objectives
  - the management of the risks pertaining to the sourcing of technology, and
  - monitoring and appropriately responding to developments in technology, including the capturing of potential opportunities and the management of disruptive effects on the company and its business model.
- Review reporting on risk, information and technology, and compliance management that is to be included in the integrated annual report.
- Review annually the charters of the group's significant subsidiary companies' risk committees, and their annual assessment of compliance with these charters to establish if the Naspers committee can rely on the work of these risk committees.
- Perform an annual self-assessment of the effectiveness of the committee, and report these findings to the board.

### Key areas of focus during the year

The committee assists the board in recognising material risks to which the group is exposed and ensuring that the culture, policies and systems are implemented and are functioning effectively.

Management is accountable to the board for implementing and monitoring the processes of risk management and for integrating this into day-to-day activities. The Media24 risk committee reports to the Naspers risk committee. The PayU risk advisory committee reports to the Naspers risk committee to ensure that PayU management receives external independent advice and to act as an independent guardian to the risk committee on PayU-related matters.

An ongoing enterprisewide risk assessment process supports the group. This ensures risks are adequately identified, evaluated and managed at the appropriate level in each business, and that their individual and joint impact on the Naspers group is considered.

Internal audit assists in evaluating the effectiveness of the risk management process, and comments on this in its own assessment report.

During the year the committee reviewed regular updated reports on management of risk, compliance, technology and information, including data privacy, cybersecurity and tax. These reports enabled the committee to discharge its responsibilities in respect of oversight of management of risk and compliance, as well as information and technology management. Sustainability is also now a standing item on the committee's agenda.

Details of how we manage, govern and monitor information and technology, and compliance appear on page 9.

Details of how risk, compliance, and information and technology are managed to result in the objectives recommended by King IV are contained in the King IV application report.

### Key focus areas going forward

An ongoing focus on the management of changes in the risk environment, in particular in relation to legal compliance, tax, sustainability and information, and technology-related risks such as those in relation to cybersecurity, data privacy (specifically implementation of the EU's General Data Protection Regulation) and the use of data-driven technologies.

### Discharge of responsibilities

The committee determined that, during the financial year under review, it had discharged its responsibilities as outlined in terms of its remit. The board concurred with this assessment.

The committee has presented the risk summary in the integrated annual report on pages 52 to 54.

### Don Eriksson

*Chair, Risk committee*

21 June 2019

# Report of the social and ethics committee

*“We made continued progress this year to embed ethics awareness and training throughout the organisation.”*

**Don Eriksson**

*Chair: Social and ethics committee*

## Members of the committee

D G Eriksson (chair)  
R C C Jafta  
F L N Letele  
D Meyer  
V Sgourdos (alternate)  
J D T Stofberg  
B van Dijk  
M I Davidson

## Key focus areas during the year

In respect of Naspers and the South African subsidiaries, the committee reviewed:

- Performance against employment equity plans and performance regarding broad-based black economic empowerment (BBBEE).
- Employment philosophy, labour practices and policies, skills and other development programmes.
- Corporate social investment programmes, including details of donations and charitable giving.
- The progress of addressing the principles of the UN Global Compact and the Organisation for Economic Co-operation and Development (OECD) guidelines.
- Consumer relationships.

In respect of the Naspers group, the committee reviewed:

- The group's social and ethics performance.
- Management of the group's whistleblower programme.
- Ethics, including raising awareness on ethics and management of speak-ups and ethics-related incidents (which do not form part of the whistleblower process).
- Stakeholder relationship management.
- Legal compliance, intellectual property and data privacy relevant from an ethical and social perspective.

I am pleased to present the social and ethics committee's report for the year ended 31 March 2019, where we outline how the committee has discharged its responsibilities as set out in section 72 of the South African Companies Act No 71 of 2008, as amended (the Act), and regulation 43 of the Companies Regulations 2011 (the regulation), issued in terms of the Act and its charter, which was amended in June 2017 to align to the principles of King IV.

## Purpose

The primary objective of the social and ethics committee is to assist the board in ensuring the company meets its statutory obligations in terms of section 72 and regulation 43 of the Companies Act. In addition to the committee's statutory duties, which only apply to the company and its South African subsidiaries, the committee is responsible for overseeing and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships in relation to the group, taking into account specific disclosures and best practice as recommended by King IV.

## Meetings and attendance

The committee comprises the chair of the audit and risk committees, three independent non-executive directors, one non-executive director, the chief executive and the chief executive of Media24. The committee held four meetings during the past financial year. Don Eriksson is the chair.

The names of the members who were in office during the financial year and the details of the committee meetings attended by each of the members are shown on page 14.

## Responsibilities

The committee's responsibilities cover Naspers Limited and the group's South African subsidiaries Media24, Takealot and MIH Treasury Services. Its primary mandate, set out in its charter, is aligned with the committee's statutory responsibilities as set out in the regulation. The committee monitors:

- Social and economic development, including the company's standing in terms of the goals and purposes of the:
  - 10 principles in the United Nations Global Compact Principles
  - OECD recommendations regarding corruption
  - Employment Equity Act, and
  - Broad-based Black Economic Empowerment (BBBEE) Act.
- Good corporate citizenship, including the company's:
  - promotion of equality, prevention of unfair discrimination, and reduction of corruption
  - contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed, and
  - record of sponsorship, donations and charitable giving.
- Environmental, health and public safety matters, including the impact of the company's activities and of its products or services.
- Consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws.

## Key focus areas during the year

In respect of Naspers and the South African subsidiaries, the committee reviewed reports on:

- Performance against employment equity plans.
- Performance regarding BBBEE as measured against the Department of Trade and Industry's (dti's) generic BBBEE scorecard.
- Skills and other development programmes aimed at the educational development of employees.
- Employment philosophy and how it is founded on promoting equality and preventing unfair discrimination.
- Labour practices and policies, and how these compare to the International Labour Organization (ILO) protocol on decent working conditions.
- Corporate social investment programmes, including details of donations and charitable giving.
- The progress of addressing the principles of the UN Global Compact and OECD guidelines.
- Consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws.

These reports enabled the committee to discharge its statutory responsibilities relating to Naspers and its South African subsidiaries.

## Report of the social and ethics committee

continued

In respect of the Naspers group, to support the board to fulfil its governance role, the committee reviewed:

- The responsibilities of the committee and overlap with responsibilities with other board committees, and discharge of responsibilities of board committees holistically.
- Naspers's social and ethics performance, using the six capitals reporting framework, including combined assurance responses.
- Details of how we govern, manage and monitor responsible corporate citizenship and sustainability are on page 04 and our stakeholder overview is provided on page 24 of the integrated annual report.
- Management of the group's whistleblower programme, including global rollout and participation, nature of reports, management of reports and outcome of investigations. More information on the Naspers OpenLine is on page 08.
- Ethics, including raising awareness on ethics and management of speak-ups and ethics-related incidents (which do not form part of the whistleblower process).
- Details of how we govern, manage and monitor business ethics are on page 07. This includes information on designation of ethics officers, the Naspers OpenLine, awareness campaigns across the group on the group's code of business ethics and conduct, and whistleblower policy.
- The reports on raising awareness on the code of business ethics and conduct, and whistleblower policy in the group, demonstrated businesses' commitment to nurturing an ethical business culture.
- The reports on ethics-related incidents demonstrated that businesses in our group apply zero tolerance to violations of the code of business ethics and conduct by taking the necessary action, including improving the control environment or taking disciplinary, criminal or civil action. Examples of ethics-related incidents reported included theft, abuse of company resources, fraud, procurement irregularities and harassment. Businesses demonstrated that they took, and will continue to take, appropriate action in relation to the ethics-related incidents.
- Stakeholder relationship management, including material stakeholders identified by the businesses, how businesses engage with material stakeholders, main issues raised by stakeholders and how businesses responded to, actioned or resolved their stakeholders' main issues.
- Details of how we manage, govern and monitor stakeholder management and our stakeholder overview are provided on pages 24 to 29 of the integrated annual report.
- Management of legal compliance, intellectual property and data privacy relevant from an ethical and social perspective.
- These reports enabled the committee to discharge its responsibilities in relation to business ethics, responsible corporate citizenship, sustainable development and stakeholder relationships in relation to the Naspers group.

### Key focus areas going forward

The committee recognises that the areas within its mandate are evolving and that management's responses too will adapt to changes in the environmental, social and governance agenda.

Management will continue to improve reporting techniques on how it reports to the committee on responsible corporate citizenship and sustainability using reporting frameworks such as the six capitals reporting framework and the SDGs. Accordingly, Naspers will continue to enhance the way it reports on corporate citizenship and sustainability to its stakeholders in the integrated annual report.

### Conclusion

The committee is of the view that the group takes its ethics, social and governance responsibilities seriously.

Appropriate policies, plans and programmes are in place to contribute to management and governance of an ethical business culture, stakeholder relationships, social and economic development and good corporate citizenship.

No substantive non-compliance with legislation and regulation, or non-adherence with codes of best practice, relevant to the areas within the committee's mandate has been brought to its attention. Based on its monitoring activities to date, the committee has no reason to believe that any such non-compliance or non-adherence has occurred.

The committee determined that, during the financial year under review, it had discharged its legal and other responsibilities as outlined in terms of its remit, details of which are included on page 26 of this report. The board concurred with this assessment.

### Don Eriksson

Chair: Social and ethics committee  
21 June 2019



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