



**Improving  
everyday life for  
millions of people...**





# Our board

- A Audit committee
- R Risk committee
- S Naspers social, ethics and sustainability committee
- P Projects committee
- N Nomination committee
- H Human resources and remuneration committee
- Executive
- Non-executive
- Independent non-executive
- \* Chair



### Koos Bekker

68, South African and Dutch

#### Non-executive chair

Koos Bekker is the non-executive chair of the board. He led the founding team of the M-Net/MultiChoice pay-television business in 1985 and led its international expansion. He was also a founder of MTN, the multinational mobile telecommunications company. In 1997, he became chief executive of Naspers and headed the transition to the internet until 2014. A year later, he was appointed 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 from Columbia University, New York. Koos and his wife Karen also created the estates Babylonstoren in the Cape and The Newt in Somerset in the United Kingdom.



### Bob van Dijk

48, Dutch

#### Chief executive and executive director

Bob van Dijk is our chief executive and an executive director. He was appointed chief executive of Naspers in April 2014. He joined the group as Allegro group chief executive officer in August 2013 and was promoted to chief executive officer of global transactions ecommerce in October 2013. He has over 15 years of general management experience in online growth businesses globally, spanning the online marketplaces, online classifieds and retail segments. Prior to that he was a founder of an online financial derivatives marketplace. In June 2020, Bob was appointed to the board of Booking Holdings Inc. at its annual general meeting. He started his career at McKinsey & Company, focusing on mergers and acquisitions, and media. He holds an MBAHons from Insead and MSc (cum laude) in econometrics from Erasmus University, Rotterdam.



### Basil Sgourdos

51, South African and Greek

#### Financial director and executive director

Basil Sgourdos is our financial director and an executive director. He was appointed financial director of Naspers in July 2014. He worked at PricewaterhouseCoopers Inc. from 1989 to 1994. He then joined Naspers as finance manager of the South African operations division in MultiChoice before being appointed chief financial officer of Naspers's investment in United Broadcasting Corporation plc, listed on the stock exchange of Thailand, where he remained for 10 years. He then spent two years in Amsterdam as general manager of video-entertainment business development globally before becoming financial director of MIH Holdings Proprietary Limited in January 2009. He held this position until his current appointment. He is a qualified South African chartered accountant and holds a BCom from the University of the Witwatersrand and BAccHons from the University of South Africa.



### Hendrik du Toit

59, South African and British

#### Lead independent non-executive director

Hendrik du Toit is an independent non-executive director. Hendrik is founder and chief executive officer of Ninety One. He entered the asset management industry in 1988 and joined Investec Group in 1991, founding Investec Asset Management which rebranded to Ninety One in 2020. He also served as joint chief executive officer of the Investec Group from October 2018 until the demerger and listing of Ninety One in March 2020. Hendrik is a World Benchmarking Alliance ambassador. Previously, he served as a non-executive director of the Industrial Development Corporation of South Africa. He has also served on the advisory boards of the Sustainable Development Solutions Network, the expert board of HM Treasury's Belt and Road Initiative, the UN business and human security initiative, the Impact Investing Institute and commissioner of the Business and Sustainable Development Commission. Hendrik holds an MPhil in economics and politics of development from Cambridge University and an MCom in economics (cum laude) from Stellenbosch University.



### Emilie Choi

42, American

#### Independent non-executive director

Emilie Choi is an independent non-executive director. She serves as chief operating officer at Coinbase Inc., the world's largest regulated cryptocurrency exchange. She oversees operations in seven countries across three continents. Since joining Coinbase in early 2018, she has overseen more than 10 acquisitions and 50 venture investments. Prior to that, she spent over eight years at LinkedIn Corporation as vice president of corporate development and led all M&A deals in the company's history, including its biggest deal to date, Lynda, as well as leading a number of joint ventures in China. She has also worked in corporate development and strategy roles at Warner Bros Entertainment Inc. and Yahoo Inc. She serves on the board of ZipRecruiter Inc., a marketplace for jobseekers and employers. She holds an MBA from the Wharton School of the University of Pennsylvania and a BA in economics from Johns Hopkins University.



### Don Eriksson

76, South African

#### Former independent non-executive director

Don Eriksson served as an independent non-executive director for a number of years. He is chair of Oakleaf Insurance Company Limited and Renosa Insurance Company Limited. On 11 June 2020, he retired from the board of MultiChoice Group and other MultiChoice companies. He served on the council of the Institute of Directors of South Africa (IoDSA) for a number of years and is an honorary life member. He is also a trustee for the Discovery Health Medical Scheme. 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 and holds a certificate in the theory of accountancy from the University of the Witwatersrand. He retired from the Naspers and Prosus boards and committees effective from 1 April 2021.



### Angelien Kemna

63, Dutch

#### Independent non-executive director

Angelien Kemna is an independent board member and chair of the audit committee of Friesland Campina, senior independent board member of AXA Investment Managers and independent director and member of the audit committee of AXA Group and independent board member and chair of the risk committee of NIBC Holding. She was previously a member of the executive board of APG Group in the Netherlands, first as chief investment officer and then chief finance and risk officer. In addition, she was part-time professor in corporate governance at Erasmus University, Rotterdam. She holds an MSc in operations research and a PhD in finance from Erasmus University. She was a visiting scholar at Sloan School MIT (Boston, USA).

Angelien has been nominated for appointment as a non-executive director of Prosus at the annual general meeting to be held on 24 August 2021.



### Manisha Girotra

51, Indian

#### Independent non-executive director

Manisha Girotra is an independent non-executive director. She is the chief executive officer of Moelis India. She has over 25 years of investment banking experience, with cross-border M&A expertise across a range of industries. Prior to Moelis & Company, she was chief executive officer and country head of UBS AG in India, managing its investment bank, commercial bank, markets, equity research and wealth management divisions. Before that, she was head of North India of Barclays Bank plc. She began her investment banking career at ANZ Grindlays in London. She serves on the boards of Ashok Leyland Limited and Jio Payments Bank Limited. She holds a BAHons in economics from St Stephen's College, India and a masters in economics from the Delhi School of Economics.



### Craig Enenstein

52, American

#### Independent non-executive director

Craig Enenstein is an independent non-executive director. He is also the chief executive officer of Corridor Capital LLC, an operationally intensive private equity firm focused on the lower-middle market. Founded by Craig in 2005, Corridor Capital is based in Los Angeles, USA. He is a member of the Wharton School of the University of Pennsylvania executive board. He holds an MBA in finance from the Wharton School of Business of the University of Pennsylvania, MA in international studies from the Lauder Institute, University of Pennsylvania and a BA from the University of California, Berkeley.



# Our board continued

<b>A</b> Audit committee
<b>R</b> Risk committee
<b>S</b> Naspers social, ethics and sustainability committee
<b>P</b> Projects committee
<b>N</b> Nomination committee
<b>H</b> Human resources and remuneration committee
<b>●</b> Executive
<b>●</b> Non-executive
<b>●</b> Independent non-executive
* Chair



**Rachel Jafta**  
60, South African  
**Independent non-executive director**

Rachel Jafta is an independent non-executive director. She is a professor in 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, chair of the Cape Town Carnival Trust, member of the management committee of the Bureau for Economic Research at Stellenbosch University and member of the international advisory board of Fundação Dom Cabral Business School, Brazil. She was appointed chair of the Media24 board in April 2013 and chairs its nomination committee. She is also a director of Naspers Beleggings (RF) Limited. She holds an MCom and a PhD from the University of Stellenbosch.



**Nolo Letele**  
71, South African  
**Non-executive director**

Nolo Letele is a non-executive director. He 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 MultiChoice's West African regional general manager. In 1999, he was appointed chief executive officer 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 MultiChoice South Africa. He is currently non-executive chair. He has won several awards including Media Man of the Year in 2001 (Saturday Star-Business Report); Media Owner of the Year in 2003 (Financial Mail Adfocuz); and the Lifetime Africa Achievement Prize for media development in Africa (Millennium Excellence Foundation). He holds a BScHons in electronic engineering from the University of Southampton.



**Ying Xu**  
57, Chinese  
**Independent non-executive director**

Ying Xu is an independent non-executive director. She is the president of Wumei Technology Group (Wumei or Wumart), a technology-driven retailer in China. Deeply engaged in the retail business for 15 years, she has strong insight and knowledge of consumers in China, especially in online and offline retail. Prior to joining Wumei, she was vice president of LG (a joint venture) at Tianjin International Trust & Investment. She holds a BA in English from Tianjin University, China and an MBA from Meinders School of Business, Oklahoma City University, US.



**Roberto Oliveira de Lima**  
70, Brazilian  
**Independent non-executive director**

Roberto Oliveira de Lima is an independent non-executive director. He developed his career at 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 was chair and chief executive officer of Credicard Group (a Citigroup company), chief executive officer of Vivo S.A., the largest mobile telecommunications company in Brazil (a Telefónica SA and Portugal Telecom company), chair of Publicis Brazil and president of Natura S.A. He was previously a board member of Edenred S.A. in France, Pão de Açúcar S.A. (Casino), Natura S.A. and BR Distribuidora (Petrobras company) in Brazil. He is a board member of RNI Negócios Imobiliários S.A. and AES Tietê SA. In April 2019, he left the board of Telefónica Brasil S.A. after 14 years, having served six of those years as president and chief executive officer and eight years as a board member as well as quality and services committee member. He holds a BA and an MA in business management from Fundação Getúlio Vargas in Brazil and an MA from Institut Supérieur des Affaires at Jouy en Josas, France.



**Debra Meyer**  
54, South African  
**Independent non-executive director**

Debra Meyer is an independent non-executive director. She is a 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 University and the Gordon Institute of Business Science, University of Pretoria and regularly contributes to several newspapers and magazines. She serves as a trustee or board member for a number of organisations. She is also a director of Naspers Beleggings (RF) Limited. She holds an 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.



**Steve Pacak**  
66, South African  
**Non-executive director**

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



**Mark Sorour**  
59, South African  
**Non-executive director**

Mark Sorour is a non-executive director. He joined the Naspers group in 1994, leading business development and corporate finance globally. After assignments in Hong Kong and Amsterdam, he was responsible for all global investment activities as the Naspers group chief investment officer. In March 2018, he retired after over 20 years with the Naspers group but remained on the board as a non-executive director. He is a qualified South African chartered accountant.



**Ben van der Ross**  
74, South African  
**Independent non-executive director**

Ben van der Ross is an independent non-executive director. He was chair of Strategic Real Estate Management Proprietary Limited, managers of the Emira Property Fund. He served on the boards of, among others, Distell Limited, FirstRand Limited, Lewis Group Limited, Pick n Pay Holdings Limited and MMI Holdings Limited. He is also a director of Naspers Beleggings (RF) Limited. He is an attorney of the High Court of South Africa and holds a diploma in law from the University of Cape Town.



**Cobus Stofberg**  
70, South African and Dutch  
**Non-executive director**

Cobus Stofberg is a non-executive director. He was a member of the founding team of the M-Net/MultiChoice pay-television business in 1985. He served as chief executive officer of the group from 1997 to 2011 and has been instrumental in the expansion of the Naspers group. Prior to joining M-Net, he was a partner at Coopers & Lybrand (now PricewaterhouseCoopers Inc.). He is a qualified South African chartered accountant and holds a BComLaw and LLB from Stellenbosch University and BCompHons from the University of South Africa.



# Naspers group governance framework

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



**Board**  
Supported  
by company  
secretary/  
governance  
framework



**Board committees**  
Supported  
by company  
secretary/  
governance  
framework



**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
- ML

**Underlying  
framework  
foundation**

Values

Code of business ethics  
and conduct

Strategy

Various charters  
and policies

Good  
governance guidelines



# Governance for a sustainable business



**Koos Bekker**  
Chair: Naspers

'We are committed to ensuring high standards of corporate governance are maintained around the group.'

## This section is structured as follows:

### Overview of governance at Naspers

Provides a high-level view of governance in the group and key focus areas this year.

### The board and committees

Details of the composition and roles of the board and its committees together with meeting attendance.

### Culture, ethics and compliance

The importance of culture and how it is led from the top. Ethics and compliance are fundamental to strong governance.

### Relations with shareholders and investors

Includes the annual general meeting.

## Overview of governance at 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 ethical organisational 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.

### Listing and regulatory environment

Naspers has a primary listing on the JSE Limited (JSE) and a secondary listing on A2X Markets in South Africa. It is therefore subject to the JSE Listings Requirements, guidelines in the King IV Report on Corporate Governance for South Africa, 2016 (King IV™)<sup>1</sup>, as well as legislation for publicly listed companies in South Africa. Naspers has a secondary listing of its American Depositary Receipts (ADRs) on the London Stock Exchange (LSE). In addition, Prosus N.V. (Prosus) has bonds that are listed on Euronext Dublin.

### Governance structure

The governance structures of Naspers and Prosus substantially mirror each other. Naspers and Prosus have an identical one-tier board structure of executive and non-executive directors. Executive directors are responsible for the group's day-to-day management, which includes formulating its strategies and policies and setting and achieving its objectives. Non-executive directors supervise and advise executive directors. Each director has a duty to the company to properly perform their assigned duties and to act in its corporate interest.

## Improved chief executive and financial director assurance process

We recognise the value of an integrated approach to assurance and compliance. The adopted governance, risk and compliance framework is the basis for how we manage governance.

As part of this framework, this year we embarked on a process to strengthen our CEO/CFO certification in order to ensure that business practices and procedures are aligned to what the group expects of its subsidiaries. This revised process ensures that assurance can be obtained from the businesses and segments in the group regarding the manner and extent to which they comply with the group's governance standards.

The CEO/CFO certification broadly covers areas such as financial, tax, culture of ethics and compliance, sustainability, risk management, health and safety, technology and information governance, assurance, internal audit, internal controls, stakeholders and remuneration – each of these being key areas of focus for the group.

This revised process, together with the other formalised reporting obligations, gives assurance to the group chief executive and financial director to allow them to make the statements required in terms of the revised JSE Listings Requirements.

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



## Overview of governance at Naspers continued

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

The board's projects, audit, risk, human resources and remuneration, nomination, and social, ethics and sustainability 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 board on matters of corporate governance.

### How we integrate governance into our business

We recognise the value of an integrated approach to assurance and compliance. The adopted governance, risk and compliance framework is the basis for how we manage governance.

This 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.

Our subsidiaries, associates and investees (non-controlled entities) are required to comply with applicable law and regulation. A risk-based legal compliance programme (including anti-bribery and anti-corruption) has been implemented as per this framework in all subsidiaries.

In applying our capital allocation strategy we look very carefully at the risks relating to the countries and the sectors in which we invest. We undertake a review of potential investee companies and their founders and/or major shareholders; it is important for us to know with whom we are doing business. Our traditional due diligence looks at the commercial and financial position of the investee but also covers legal (including intellectual

property, privacy and litigation) and tax aspects of their business. This is supplemented by contact between our team and the founder(s) and their management teams that help us to understand the culture of the investee. More recently, for acquisitions of majority ownership stakes in larger businesses, we are formally assessing the investee's ethics and legal compliance framework and HR policies against our own framework and policies to see what actions (if any) will need to be taken for the investee to meet our minimum requirements if we were to be successful in acquiring them. The governance frameworks of investee companies differ depending on their scale and maturity: some are simply too small or at too early a stage to have a fully built and mature governance and compliance framework. In each case, however, we believe that our contact with the founders and management team and our additional due diligence help us to understand the purpose and culture of the company. In the coming year we plan to include a more explicit sustainability assessment in our investment decision-making process (which is implicit in our current process).

Our largest associate companies, many of which are of significant size, have adopted their own appropriate governance standards. Three of these companies have a listing on a leading stock exchange and therefore need to comply with both local law and the requirements of the relevant exchange and this is reflected in the standards that they adopt. If members of our team serve on the boards of investees then they are sometimes able to help shape the investee's governance standards. They do this by sharing the governance standards that we have adopted on relevant topics and offering support to the associate companies through trainings or workshops and generally sharing our knowledge and expertise. Periodically teams of employees of the Company and associates meet to discuss governance standards and share their experiences.

### 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 social, ethics and sustainability committee receives reports on stakeholder management across the group - refer to the social, ethics and sustainability committee report in the full governance report.

An overview of our stakeholders and stakeholder engagement appears on pages 25 of the integrated annual report.

● Read more on page 25 of the integrated annual report.

### Sustainability

We take our responsibility seriously and are fully committed to identifying and focusing on our goals under our board-approved group sustainability plan. The group's commitment to sustainability, our framework and progress made are dealt with in the Sustainability review on page 72 of the integrated annual report.

● Read more on page 72 of the integrated annual report.

To support the board in fulfilling its governance role, the risk committee and the Naspers social, ethics and sustainability committee (which also considered sustainability aspects pertaining to the Prosus group) report on sustainability matters at each scheduled board meeting. Subsequent to the year-end, Prosus established its own sustainability committee.

### Group governance framework

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

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

The group has a governance committee comprising the segment chief executive officers (CEOs), chief financial officers (CFOs) of Naspers, Prosus and Media24, as well as the global head of company secretariat and governance, Naspers company secretary, global head of sustainability, group general counsel, global compliance lead and head of risk and audit. The committee was tasked to ensure the 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.



## Overview of governance at Naspers continued

Details of the enterprisewide risk management framework (including principal risks) appear on pages 63 to 71 of the integrated annual report. Furthermore, the board’s responsibility statement which relates to risk management appears on page 3 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 2021.

All board and board committee charters and policies are aligned with the South African Companies Act, 2008 (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 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

In the 2021 financial year, we continued to implement recommended or alternative practices to demonstrate the application of King IV’s principles for the group. In addition, subsequent to the listing of Prosus, Prosus’s policies were updated to be aligned with the Dutch Corporate Governance Code and are, therefore, also closely aligned to King IV.

Focus areas for the year included additional reporting to our board committees and board on how we implement good corporate governance in the group in light of King IV and the Dutch Corporate Governance Code and improved corporate governance disclosures in the integrated annual report.

Governance of information and technology, particularly data privacy and cybersecurity, remain focus areas. We increased our focus on sustainability this year and will continue to do so.

## Focus areas this year

### Strategy

Review the group’s strategy, three-year plan and budget.

[Read more on page 18\\*](#)

Continue to address the discount and unlock value through the Prosus on-market Naspers N ordinary share purchase programme of up to US\$3.63bn and the on-market Prosus ordinary share N repurchase programme of up to US\$1.37bn from Prosus’s free-float shareholders.

Focus on future investment and value creation in the portfolio.

[Read more on page 21\\*](#)

### Financial

Review the group’s performance and results.

[Read more on page 62\\*](#)

### Governance and sustainability

Continued application of King IV practices.

Execution of the board-approved group sustainability plan, reflecting our focus on specific sustainability goals.

Continued focus on our strategy to live up to our sustainability commitments.

[Read more on page 73\\*](#)

### People and learning

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

[Read more on page 79, 82 and 83\\*](#)

### Covid-19

Continue to review the work done to protect employees and other stakeholders, and manage potential impacts for the business.

[Read more on page 81 and 83\\*](#)

\*of the integrated annual report.

## The board and committees

### Long-term value creation and strategy

The board ensures that a culture of business ethics and conduct aimed at long-term value creation is promoted to underpin the group's activities as a responsible corporate citizen. This includes adopting values and a code of business ethics and conduct, leading by example, and monitoring implementation to make the required disclosures on incorporation, compliance and effectiveness. In this regard the board is responsible for group performance by steering and providing strategic direction to the company, taking responsibility for the adoption of a view on long-term value creation and aligned 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.

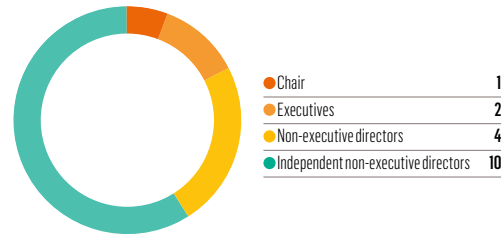
For more information on the group's strategic approach please refer to page 18 of the integrated annual report.

### Composition

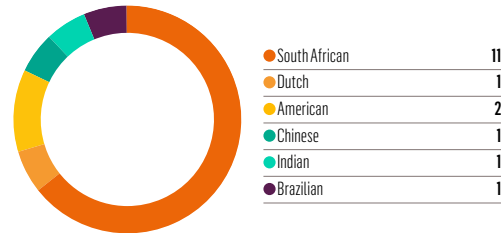
Details of directors at 31 March 2021 are set out on pages 99 and 100 of the integrated annual report.

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 decision-making and authority, the roles of chair and chief executive are separate.

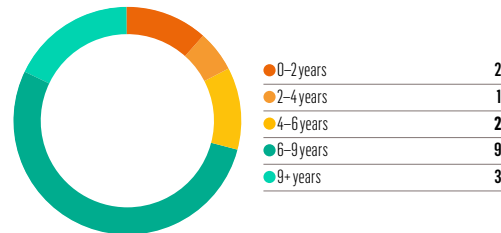
### BOARD COMPOSITION (NUMBER OF DIRECTORS)



### NATIONALITIES



### TENURE AS A DIRECTOR



At 31 March 2021, the board comprised ten independent non-executive directors, four non-executive directors, a chair and two executive directors, as defined under the JSE Listings Requirements and King IV. Four directors (24%) are from previously disadvantaged groups and five directors (29%) 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.

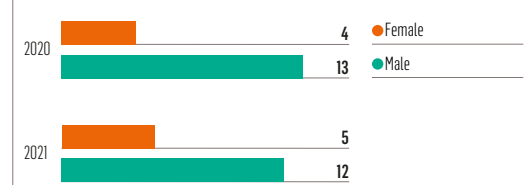
As set out in the board diversity policy, the board recognises the importance of gender diversity and aims to achieve 30% female (and male) representation. Over the past three years all new appointments of directors have been women. Subsequent to year-end, at the time of writing this report, one third of the non-executive directors are women. This demonstrates the board's ongoing commitment to transformation in line with its board diversity policy.

The group 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.

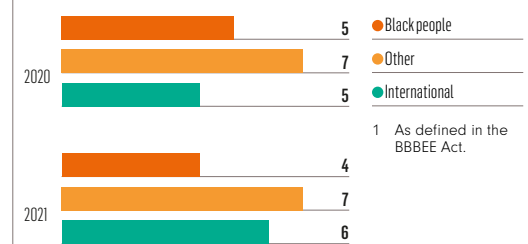
These differences will be considered in determining the optimum composition of the board and when possible will be balanced appropriately. All board appointments are made on merit, in the context of skills, experience, diversity, independence and knowledge, that the board as a whole requires to be effective.

The nominations 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.

### GENDER DIVERSITY (NUMBER OF DIRECTORS)



### RACIAL DIVERSITY (NUMBER OF DIRECTORS)



1 As defined in the BBBEE Act.

### 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:

- Determining what business we are building, what we offer users and key objectives.
- Ensuring and monitoring that a culture of business ethics and conduct aimed at long-term value creation is promoted to underpin the group's activities as a responsible corporate citizen. This includes adopting values and a code of business ethics and conduct, leading by example, and monitoring implementation to make the required disclosures on incorporation, compliance and effectiveness.



## The board and committees continued

The board acknowledges that the group's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process. In this regard the board is responsible for the following:

- Group performance by steering and providing strategic direction to the company, taking responsibility for the adoption of a view on long-term value creation and aligned 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.
  - Oversee that assessments of the negative impacts of the group's activities in the total environment in which the group operates are conducted and addressed responsibly. The board must be alert to the general viability of the organisation with regard to its reliance on the resources it uses or affects, its solvency and liquidity, and its status as a going concern.
  - Consider and, if appropriate, declare the payment of dividends to shareholders.
  - Evaluate the viability of the company and the group as a going concern, such evaluation to be properly recorded.
  - Determine the selection and orientation of directors.
  - Appoint the chief executive, who reports to the board, as well as the financial director, and ensure that succession is planned.
- Establish board committees, including appointing its members, as and when appropriate, with clear terms of reference and responsibilities to promote independent judgement and assist with balance of power and effective discharge of its duties.
- 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, and make the required annual disclosures in terms of King IV, as applicable.
- Govern risk in a way that supports the group in setting and achieving its strategic objectives through a structured, appropriate and effective enterprisewide risk management and internal control systems, which allow the board to set tolerance levels from time to time and annually assess the risk management and internal control system.
- Ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and of the company's external reports.
- Ensure that 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.
- Engage the external auditor based on the recommendation of the audit committee.
- Define levels of delegation in respect of specific matters, with appropriate authority delegated to board committees and management.
- Monitoring the whistleblower process, including appropriate and independent investigations, and adequate follow-up of recommended remedial actions. The board is assisted by the risk, audit and the social, ethics and sustainability committees, with regular feedback provided by the committees to the board. In addition, executive board members should inform the chair of the board without delay of any signs of actual or suspected material misconduct or irregularities in the company or the group.
- Governing compliance with applicable laws and adopted rules, codes and standards in a way that supports the group being ethical and a good corporate citizen.
- Governing technology and information in a way that supports the group setting and achieving its strategic objectives.
- Ensuring that the group remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes.
- Adopting 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 engagement with those stakeholders.
  - Determining the company's communication policy.
  - Proactively engaging with shareholders and ensuring shareholders are treated equitably.
  - Ensuring dispute resolution mechanisms and processes are adopted and implemented as part of the overall management of stakeholder relationships.
- Overseeing the preparation of and approving the company's financial statements (for adoption by shareholders), interim, provisional and integrated reports (as reviewed by the audit committee) and ensuring the integrity and fair presentation thereof. The board should ensure integrity and quality of external reports and set the direction for how assurance of these should be approached and addressed where appropriate. External reports should enable stakeholders to make informed assessments of the group's performance and its prospects.
- Reviewing and assessing annually the charters of the group's significant subsidiary companies' boards and reviewing their annual assessment of compliance with their charters to establish if the board can rely on the work of the subsidiary companies' boards.
- Reviewing annually the charters of the committees of the board.
- Annually evaluating performance and effectiveness of the company secretary (delegated to the human resources and remuneration, and nomination committees).
- Delegation of certain responsibilities to board committees assists the board with effective discharge of the board's duties. The board remains ultimately responsible for such delegated responsibilities, other than specific statutory responsibilities, such as those of the audit and social, ethics and sustainability committees as set out in the South African Companies Act. These committees report to shareholders at the annual general meeting regarding how they have discharged their duties in terms of the South African Companies Act.



## The board and committees continued

### Roles and responsibilities

#### The chair

The chair, Koos Bekker, is a non-executive director. Hendrik du Toit was appointed to act as lead independent 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 at the same time being aware of individual duties of board members.
- Ensuring a balanced composition and proper functioning of the board and its committees.
- Ensuring a culture of openness and accountability within the board.
- In conjunction with the chief executive, representing the board in respect of communication with shareholders, other stakeholders and, indirectly, the general public.
- Assisted by the board, its committees and the boards and committees of the company's 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 on an ongoing basis with other board members on any matter of concern to him/her, including managing conflicts of interests.
- In consultation with the group'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 that board members are properly informed about 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 that 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.
- Chairing the general meetings and ensuring general meetings proceed in an orderly and efficient manner and ensuring the proper conduct of business at meetings to promote a meaningful discussion at the meetings.
- Ensuring that the directors discuss the reports provided by the committees to the board.
- With the assistance of the company secretary, ensuring all directors follow their induction and training programmes.
- Pre-clearing all dealings in Naspers shares and/or Prosus shares by directors of the companies and their major subsidiaries.

#### 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 group, except for his appointment to the board of Booking.com.

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, determination 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 about the performance of the company.

- Establishing an 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 that the company complies with relevant laws, corporate governance principles, business ethics and appropriate best practice and, if not, that the failure to do so is justifiably explained.

#### Lead independent director

The responsibilities of the lead independent director are as follows:

- Leading in the absence of the chair.
- Serving as a sounding board for the chair.
- Acting as an intermediary between the chair and other members of the board, if necessary.
- Dealing with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate.
- Strengthening independence of the board if the chair is not an independent non-executive member of the board.
- Chairing discussions and decision-making by the board on matters where the chair has a conflict of interest.
- Leading the performance appraisal of the chair.

#### 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.

#### 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.

#### Company secretary

With effect from 25 August 2020, Gillian Kisbey-Green stepped down as company secretary and was appointed global head: company secretariat and governance and remains group company secretary of Prosus. Lynelle Bagwandeen was appointed as company secretary in her stead. Lynelle has held similar positions in several listed JSE companies. In addition, she has been a director of the Chartered Governance Institute of Southern Africa since 2018 and president of this institution since June 2021. With more than 10 years' JSE-listed company experience, Lynelle has strong insight into the regulatory and governance framework in South Africa. She holds a BSc from the University of Witwatersrand, an LLB (summa cum laude) and an LLM from the University of KwaZulu-Natal, is a fellow of the Chartered Governance Institute of Southern Africa and also an admitted attorney of the High Court of South Africa.

The company secretary, Lynelle Bagwandeen, 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 persons noted above whose functions and responsibilities include (as appropriate):

- 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.

The performance and independence of the company secretary are evaluated annually.



## The board and committees continued

As required by JSE Listings Requirement 3.84(h), the board has determined that the company secretary, an admitted attorney with more than 10 years of JSE-listed company 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.

### Board meetings and attendance

The board meets at least four times per year, or more as required. The projects committee attends to matters that cannot wait for the next scheduled meeting. The board held nine 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.

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

The chairs of the social, ethics and sustainability, human resources and remuneration, and nomination committees are 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 set out alongside and the names of the members who were in office during the financial year, as well as details of the committee meetings attended by each of the members, are shown in the table on page 109 of the integrated annual report.

● [Read more on page 109 of the integrated annual report.](#)

### Indemnification

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. As contemplated in the memorandum of incorporation and our insurance programme, indemnities have been issued by Naspers to its directors.

### Board committees

#### Projects committee

The projects 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.

#### 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.

### 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 a majority independent non-executive directors and was chaired by Don Eriksson until he retired on 1 April 2021. Following his retirement, Steve Pacak, a non-executive director, took over the role of chair. The board considers Steve to be independent of mind and judgement in his conduct as chair of the committee.

### 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 Enenstein.

### 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 enterprisewide 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 was chaired by Don Eriksson and, following his retirement, the committee is chaired by Steve Pacak.

### Social, ethics and sustainability committee

The primary objective of the social, ethics and sustainability 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 was chaired by Don Eriksson. Debra Meyer has taken over the role of chair for this committee following Don Eriksson's retirement.



## The board and committees continued

Directors	Date first appointed to the board	Date last appointed to the board	Board	Projects committee	Audit committee	Human resources and remuneration committee	Nomination committee	Risk committee	Social, ethics and sustainability committee	Category
JP Bekker	17 April 2015	23 August 2019	10*	1*		5	4			Non-executive
B van Dijk	1 April 2014	29 August 2014	10	1				4	3	Executive
V Sgourdos	1 July 2014	29 August 2014	10	1				4	3	Executive
EM Choi	21 April 2017	21 August 2020	7			5		3		Independent non-executive
HJ du Toit <sup>1</sup>	1 April 2016	24 August 2018	10				3			Independent non-executive
CL Enenstein	16 October 2013	24 August 2018	10			5*	4			Independent non-executive
DG Eriksson <sup>2</sup>	16 October 2013	21 August 2020	10		5			4	3	Independent non-executive
M Girotra	1 October 2019	21 August 2020	10		5					Independent non-executive
RCC Jafta <sup>3</sup>	23 October 2003	21 August 2020	10	1	5		4*	4	3	Independent non-executive
AGZ Kemna <sup>4</sup>	15 April 2021	15 April 2021	-							Independent non-executive
FLN Letele	22 November 2013	23 August 2019	9						3	Non-executive
D Meyer	25 November 2009	23 August 2019	10						3*	Independent non-executive
R Oliveira de Lima	16 October 2013	24 August 2018	10			5	4			Independent non-executive
SJZ Pacak <sup>5</sup>	15 January 2015	23 August 2019	10	1	4 *			4*		Non-executive
TMF Phaswana <sup>6</sup>	23 October 2003	25 August 2017	-							Independent non-executive
MR Sorour <sup>7</sup>	15 January 2015	21 August 2020	10	1						Non-executive
JDT Stofberg	16 October 2013	23 August 2019	9						3	Non-executive
BJ van der Ross <sup>8</sup>	12 February 1999	23 August 2019	10		-			-	3	Independent non-executive
Y Xu <sup>9</sup>	26 June 2020	21 August 2020	7							Independent non-executive
MI Davidson									3	Executive
<b>Total meetings held</b>			<b>10</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>3</b>	

1 Appointed as lead independent director on 1 April 2020.

2 Retired as a director with effect from 1 April 2021.

3 Appointed as a projects committee member on 1 April 2020.

4 Appointed to the audit committee with effect from 15 April 2021.

5 Appointed to the audit committee with effect from 21 August 2020.

6 Retired as a director with effect from 1 April 2020.

7 Appointed as a projects committee member on 24 April 2020.

8 Resigned from the audit and risk committees and appointed as a member of the social, ethics and sustainability committee on 24 April 2020.

9 Appointed to the board with effect from 26 June 2020.

## The board and committees continued

### Evaluation

The nominations committee carries out the evaluation process, which is not externally facilitated, on an annual basis.

As part of the review, the performance of the board and its committees, as well as the performance of the chair of the board, are considered against their respective mandates in terms of the board charter and the charters of its committees. The committees perform self-evaluations against their charters for consideration by the nominations committee and the board.

For the FY21 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 agreed 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 board is satisfied that the evaluation process improves its performance and effectiveness.

Furthermore, the independence of each director was evaluated. The board determined that although some directors had served as members for nine years or longer, they all demonstrated 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.

The 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. The results of the board

evaluation indicated that board members, collectively and individually, effectively discharged their governance role. There were no remedial actions identified.

### 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 exposed to the main markets in which the group operates as well as 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.

### Conflicts of interest

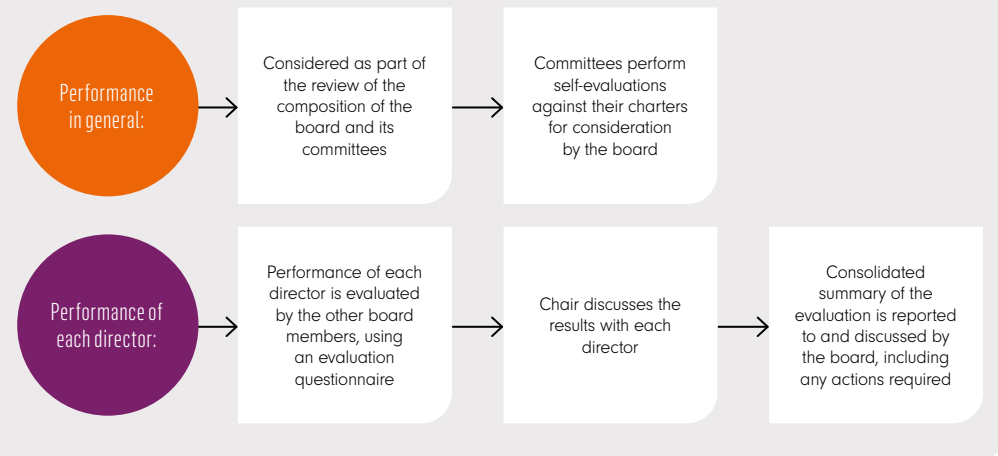
Potential conflicts are appropriately managed to ensure candidate and existing directors have no conflicting interests between their obligations to the company and their personal interests. All directors are required to declare personal interests on an annual basis. Declaration of directors' interests 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 decision-making 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.

Furthermore, the board complies, to the best of its knowledge, with the Companies Act and its memorandum of incorporation and monitors such compliance on an ongoing basis.

### Board evaluation process



## Culture, ethics and compliance

### Culture

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 corporate values are approved by the board and our subsidiaries adopt values aligned to our expectations, tailored for their business environment.

Our values as an organisation are reflected in our culture. These values, at the core of our strategy, and the code of business ethics and conduct (the Code) are the guiding principles for all of our actions as an organisation.

### Our culture reflects

At heart, we are entrepreneurs.

- We push for performance in everything we do – it's good for the group, 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 our thinking.

Read more about our culture on page 29 and also in our People section on page 81 of the integrated annual report.

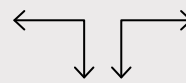
## Reinforcing a healthy corporate culture

### Measuring our culture through employee engagement

- Through the employee engagement survey

### Remuneration and culture

- Assisted by the human resources and remuneration committee
- Approach to pay-equality
- D&I



### Risk management

- Assisted by the risk committee
- Risk appetite reviewed annually by the board

### Ethics and compliance

- Assisted by the risk and social, ethics and sustainability committees
- Code of business ethics and conduct
- Via designated ethics officers
- Through the whistleblowing policy and via OpenLine
- Through the legal compliance framework

### Ethics and compliance

The Code is available on [www.naspers.com/about/policies](http://www.naspers.com/about/policies). 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.

The social, ethics and sustainability committee is responsible for overseeing and reporting on business ethics in the 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, ethics and sustainability 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.

We are committed to conducting our business on the basis of complying with the law, with integrity and with proper regard for ethical business practices. We expect 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.

### ETHICS AND COMPLIANCE KPIS:

# 3

legal compliance officers appointed

# 100%

of subsidiaries with localised anti-bribery and anti-corruption policies implemented

### Our approach

The board sets the 'tone at the top', guiding business values and the culture of ethics and compliance. The board endorses the Code which sets out what we as a group expect from all employees and stakeholders. Management is responsible for creating a culture aimed at long-term value creation for the group and ensuring ethical business standards are integrated into the group's strategies and operations.

Non-compliance with laws and regulations, including anti-bribery and anti-corruption and other similar laws, could expose the group to legal liability and negatively impact the group's reputation, business, financial condition, as well as the communities in which we operate. We are committed to conducting business in compliance with the law, with integrity and with regard for ethical business practices, as described in the Code and group policies (including the anti-bribery and anti-corruption policy). From a governance perspective, it is expected that we execute demonstrable and effective compliance management.

In order to execute effective and demonstrable compliance management, we developed and communicated a compliance framework that sets out minimum standards required throughout the group. Based on this framework, subsidiaries are expected to implement a programme which is 'fit for purpose' and focused on the risks that relate to their business. To ensure implementation of these compliance programmes, three legal compliance officers have been appointed across the Naspers group.



## Culture, ethics and compliance continued

If the group conducts business in countries that may present increased corruption risks and where the group's businesses interact with government entities/officials, we expect that subsidiaries should, at a minimum, have processes in place to cover the following risk areas, as part of their anti-bribery and anti-corruption compliance programmes:

- gifts, hospitality, travel and entertainment
- conflicts of interest
- charities/charitable donations, political contributions and sponsoring of activities
- contact with government officials
- third-party vetting and due diligence, and
- accurate books and record keeping.

100% of the subsidiaries have reported implementing a localised anti-bribery and anti-corruption policy.

### During the year

In 2020, responsibility for the topic of ethics was transferred to the newly named ethics and compliance function for further enhancement and embedding. To ensure the continued progress in managing ethics and compliance risks:

- We benchmarked various ethics initiatives with input from international guidelines, industry best practices and external advice in order to incorporate ethics into the existing compliance framework (resulting in a combined ethics and compliance framework).
- We developed additional standards and guidance in order to support businesses in furthering their local implementations of ethics and compliance.
- We have provided ongoing communication and training to employees globally to raise awareness around the Code and the related group policies.
- We improved group compliance monitoring and reporting through data and technology.

Through these monitoring activities and numerous touchpoints with subsidiaries, we have noted that businesses have continued to make good progress in implementing and adapting the ethics and compliance framework locally.

In this financial year, group ethics and compliance was notified about five potential ethics and compliance-related incidents or investigations (these allegations related to incidents in scope of the compliance framework):

- two of these incidents were substantiated and remediated in the appropriate subsidiary
- one incident was not substantiated, and
- two allegations are still under investigation.

The Naspers board, risk committee and social, ethics and sustainability committee exercise oversight of ethics and compliance and the management of these risks across the group.

### In the future

We continue to develop our ethics and compliance strategy to align with observations from monitoring activities, emerging risks, regulatory changes and best practices. Going forward, group ethics and compliance will continue to raise ethics and compliance awareness across the group. A key area of focus for the upcoming financial year will be strengthening our speak-up programme, as part of the ethics and compliance framework.

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.

### Encouraging whistleblowing through OpenLine

The group whistleblower platform is an important component of the group's ethics and compliance initiatives. Under the global whistleblower policy, 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 whistleblower facility (OpenLine) is a safe platform for employees to report suspected misconduct in the workplace, with the option to have their identity protected or to remain completely anonymous. All stakeholders can report suspected unethical behaviour and wrongdoing anonymously or confidentially.

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

#### COUNT OF REPORTS BY FINANCIAL YEAR



#### INVESTIGATION OUTCOME



The OpenLine facility is independently managed by Navex Global (a global ethics and fraud hotline service provider).

The risk and audit function oversees the effective operation of OpenLine and, with compliance and human resources functions, ensures employees are sufficiently aware of its existence. The risk and audit function also monitors that reports are dealt with and independently investigated in line with the whistleblower policy. Where appropriate, risk and 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, ethics and sustainability committee also receives regular reports on whistleblower activity and ethics performance around the group.

## Culture, ethics and compliance continued

This year there were 95 reports, compared to 35 the year before.

79 reports were reviewed, triaged and investigated, where warranted. Once the investigation process is concluded, reports are closed and feedback is provided to reporters. 17 reports are in progress, with relevant management and investigation teams, with oversight by the group risk and audit function. 72% of these reports are human resources-related. These reports are investigated by our in-country human resources specialist, with oversight by the group human resources function. 22% are related to internal controls and were investigated and monitored by our internal audit function.

We have also received several reports from customers which indicate OpenLine is available to broader stakeholders across the globe.

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 27.

### Information and technology governance

Information and technology (I&T) governance is integrated into 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 risk and audit, and our legal compliance function.

The group's subsidiaries are required to act in line with the company's 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

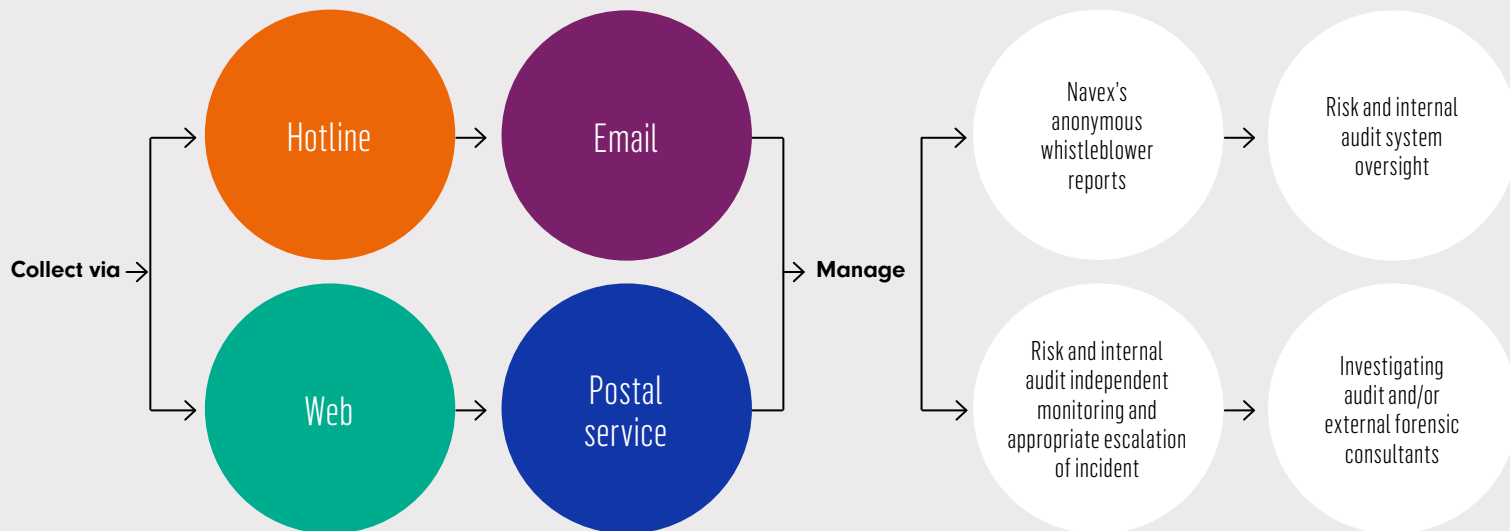
businesses to respond to disruption is in-scope for risk and audit, bearing in mind the perspective of our customers and end users.

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. The social, ethics and sustainability 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. Risk and 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 risk and audit's assurance plans.

To support the board in fulfilling its governance role, the risk committee receives reports on I&T management – refer to the risk committee report on page 27.

### OpenLine process flow



### In the future

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

For data acquisition and data processing undertaken in the context of our central ML 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 ML and AI 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.



## Culture, ethics and compliance continued

### Cybersecurity and data privacy

The Cybersecurity and technology resilience section on page 77 of the integrated annual report articulates our commitment to ensuring strong cybersecurity. Refer to the Data privacy and protection section on pages 75 of the integrated annual report for our commitment, approach and progress made.

● Read more on page 75 and 77 of the integrated annual report.

### Internal control systems

Our system of internal controls in all material subsidiaries and joint ventures under Naspers's control aims to prevent or detect risks materialising and to mitigate any adverse consequences. The system provides reasonable assurance on achieving company objectives. This includes the integrity and reliability of the financial statements; safeguarding and maintaining accountability of its assets; and to detect fraud, potential liability, loss and material misstatements while complying with regulations. The directors representing Naspers on boards of entities where the company does not have a controlling interest, seek assurance that significant risks are managed and systems of internal control are effective.

Management, with assistance from risk and audit, regularly reviews risks and the design and operating effectiveness of internal controls seeking opportunities for improvement. The external auditor considers elements of the internal controls system and communicates deficiencies when identified.

The board reviewed the effectiveness of controls on key risks for the year ended 31 March 2021. This assurance was obtained principally through a process of management self-assessment, including formal confirmation via representation letters by executive management. Consideration was also given to other input, including reports from risk and audit, compliance and the risk management process. Where necessary, programmes for corrective actions have been initiated and progress is being monitored.

While we work towards continuous improvement of our processes and procedures regarding internal controls, systems and financial reporting, no major failings have occurred to the knowledge of the directors during the review period.

### Risk and audit

A risk and audit function is in place for the group that aims to provide world-class support, including assurance, insights, solutions and ideas to help management protect and enhance value. The head of risk and audit reports to the chair of the audit committee, with administrative reporting to the financial director.

Our core competency lies in our risk-based IT and business process assurance work, the foundation of our department. We provide management with assurance on their risk management efforts, while realising where they are in terms of growth and maturity. In addition to the traditional assurance work, we provide risk support through an evolving portfolio of innovative consulting services and we are steadily moving beyond projects into ad hoc and continuous support for businesses. This includes the development of risk communities, in which risk specialists from all our businesses and associates can share ideas and lessons learned. In FY21, we continued to rapidly grow our inhouse teams based in Dubai, Amsterdam, Cape Town and Hong Kong. With the energetic and highly motivated talent on board, we can serve our global companies with quicker and more relevant results.

Intermittently (at least once every five years), the group's risk and audit submits itself to an external quality review by a qualified independent assessor to assess its conformance with the International Professional Practice Framework (IPPF) of the Institute of Internal Auditors. Such a review was concluded most recently in March 2021, resulting in the assessment rating 'Generally Conforms' to the commonly accepted standards for professional practice as defined in the IPPF. This is the highest rating achievable for such an assessment.

Among other aspects, risk and audit is responsible for providing a statement annually on the effectiveness of the group's governance, risk management and control processes to the board of directors and, to the audit committee specifically, of the results of its review of financial controls. In its periodic reports to the audit committee, risk and audit represents that the function continues to meet the commonly accepted standards for professional practice as defined in the IPPF standards and that it 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 the 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.



## Relations with shareholders and investors

### 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. 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 full-year 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.

### Annual general meeting

Naspers held its 106<sup>th</sup> annual general meeting in August 2020. Shareholders were encouraged to attend the annual general meeting and to ask questions at or in advance of the meeting.

In 2021, Naspers shall hold an annual general meeting. The external auditor is welcomed to the annual general meeting and is entitled to address the meeting. As questions asked at the Naspers annual general meeting tend to focus on business-related matters, governance and the remit of our board committees, the chief executive and the chief financial officer and the chairs of our board committees shall attend the Naspers annual general meeting.

The annual general meeting for Naspers will be held, in accordance with the notice of the annual general meeting contained in the integrated annual report.

### Required majorities

Resolutions are usually adopted at Naspers general meetings by an absolute majority of votes cast, unless there are other requirements under the applicable laws or Naspers's memorandum of incorporation.

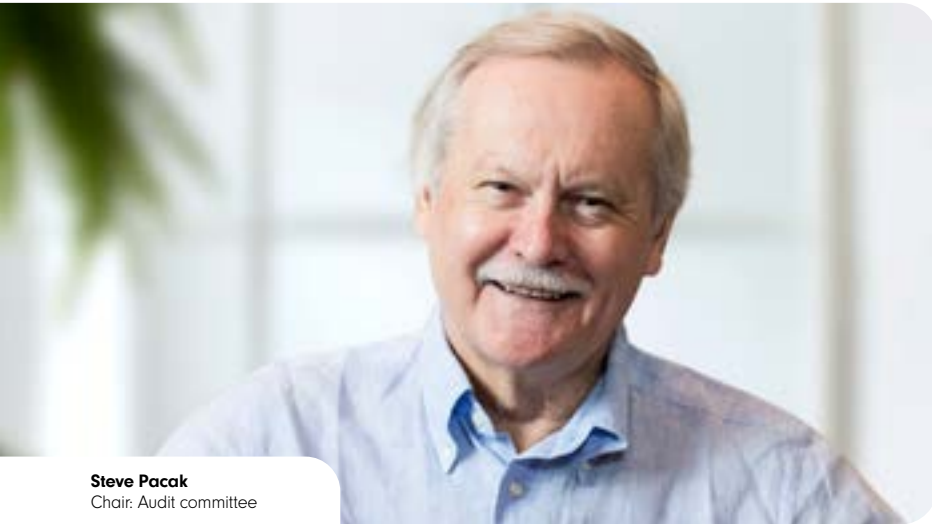
### Right to hold and transfer shares

Naspers's constitutional documents place no limitations on the right to hold or transfer Naspers and/or Prosus ordinary listed shares. There are no limitations on the right to hold or exercise voting rights on the ordinary listed shares of Naspers imposed by South African law.

More information on the Naspers control structure can be found on page 186.

The full governance report can be found on [www.naspers.com](http://www.naspers.com).

# Report of the audit committee



**Steve Pacak**  
Chair: Audit committee

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

## Members of the committee

- SJZ Pacak (chair)<sup>1</sup>
- DG Eriksson<sup>2</sup>
- M Girotra
- RCC Jafra<sup>3</sup>
- B van der Ross<sup>4</sup>
- AGZ Kemna<sup>5</sup>

<sup>1</sup> Appointed to the audit committee with effect from 21 August 2020 and as the chair of the committee with effect from 1 April 2021.  
<sup>2</sup> Retired with effect from 1 April 2021.  
<sup>3</sup> Will resign with effect from 25 August 2021.  
<sup>4</sup> Resigned with effect from 24 April 2020.  
<sup>5</sup> Appointed with effect from 15 April 2021.

I am pleased to present the report of the audit committee (the committee) for the year ended 31 March 2021. The committee submits this report, as required by section 94 of the South African Companies Act 71 of 2008 (the Act).

### Members of the audit committee and attendance at meetings

This committee, previously chaired by Don Eriksson, comprises independent non-executive directors. Don Eriksson retired as a board member with effect from 1 April 2021 and Steve Pacak has been appointed to take over the role of chair of this committee. 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 committee meetings attended by each of the members are shown on page 109 of the integrated annual report.

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 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 South African Companies Act, are as follows:

- Annually review and assess the charters of the group's significant subsidiaries' audit committees and review their annual assessment of compliance with their charters to establish if the 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 reporting these findings to the board.
- Review and approve for presentation to and approval by the board, the company's integrated annual report, director reports, annual financial statements, interim and provisional reports and summarised consolidated financial statements and any other company press releases with material financial or internal control impacts.
- Disclose in the integrated annual report significant matters that the committee has considered in relation to the annual financial statements and how these were addressed by the committee.

## Key focus areas during the year

- Discharging its functions in terms of its charter.
  - Assessing the impact of changes to accounting standards.
  - Mandatory audit firm rotation.
  - Ensuring group reporting meets JSE Listings Requirements and any other requirements which arise due to Naspers's listings.
  - Implementing the King IV recommendations.
- Review the documented assessment of the viability of the company and the group on a going-concern basis, making recommendations to the board relating thereto. The committee should be alert to the general viability of the company and the group with regard to its reliance and effects on the total resources it uses and affect, its solvency and liquidity, and its status as a going concern.
  - Receive the external auditor's reports directly from the external auditor, including the receipt and review of reports, which furnish, in a timely fashion, information relating to:
    - critical accounting policies and practices to be used in the preparation of the financial statements
    - alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the external auditor's preferred treatment
    - the external auditor's internal quality control procedures (such reports to be received annually), describing any material issues raised by the most recent internal quality control review or peer review of the external auditor, (such reports to be received annually), or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, in respect of one or more independent audits carried out by the external auditor and any steps taken to deal with any such issue



## Report of the audit committee continued

- a written statement in respect of relationships between the external auditor and the company, which the audit committee will use to investigate any relationships disclosed therein that may impact the external auditor's objectivity and independence, and take appropriate action to oversee the external auditor's independence
- confirmation of the external auditor's continued registration with the JSE
- other material written communications between the external auditor and management, and
- other required disclosures to the audit committee by the external auditor.
- Annually review external audit and disclose the committee's views on the quality of the external audit and independence, when required, 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 regular rotation as required by applicable regulations.
- Present the committee's conclusions in respect of the nomination for appointment as 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 with regard to non-audit services performed by the external auditor. Approve non-audit services provided by the external auditor in accordance with the 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.
- Based on the information provided by the various assurance providers, evaluate the effectiveness of internal financial controls and disclose the committee's views in the Naspers integrated annual report 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 must 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.
- Oversee the internal audit function and assist the board in fulfilling the following responsibilities:
  - Setting the direction for internal audit arrangements needed to provide objective and relevant assurance that contributes to the effectiveness of governance, risk management and control processes.
  - Ensuring 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.
  - Confirming the appointment or dismissal of the head of the group's internal audit function and periodically reviewing his or her performance.
  - Monitoring that internal audit follows an approved risk-based internal audit plan, reviews the organisational risk profile regularly and proposing adaptations to the internal audit plan accordingly.
  - Ensuring internal audit provides a statement annually as to the effectiveness of the company's governance, risk management and control process.
  - Ensuring the internal audit function is subject to an external, independent quality review every five years.
  - Obtaining confirmation annually from the head of the group's internal audit function that internal audit conforms to a recognised industry code of ethics.
- Evaluate and disclose the audit committee's views on the effectiveness of the head of internal audit and the arrangements for internal audit, as well as approving the annual internal audit plan and any material changes thereto.
- Review internal audit's and the risk committee's reports to the committee.
- Review procedures to ensure that the requirements of the relevant stock exchanges are complied with.
- Review Naspers practices in light of the King IV Code on Corporate Governance for South Africa, as amended from time to time, and make specific disclosures recommended by the King IV Code.
- Monitor compliance with the board-approved group levels of authority.
- Related party transactions:
  - Within the confines and requirements of the South African Companies Act, approve all related party transactions between US\$5m and US\$50m (in excess of US\$50m only the board to approve) (except those between wholly owned, direct and indirect subsidiaries of Naspers which would be reviewed in the context of accounting disclosure requirements) as defined by the JSE and IAS 24 *Related Party Disclosures* (IAS 24).
  - All related party transactions as defined by IAS 24 to a value of less than US\$5m must be brought to the attention of the audit committee at the most convenient meeting closest to when the transaction is concluded.
  - Furthermore, the audit committee will review, approve and recommend to the board for approval material related party transactions outside the ordinary course of business, or on terms other than normal market terms, as required by the relevant laws and regulations.
- Evaluate:
  - legal matters which 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 in respect of the completion of all unfinished matters reported by the internal and external auditors.
- Establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal control, auditing matters, risk management and management or other fraudulent activities, including procedures for confidential, anonymous reporting by employees in respect of questionable matters.
- Annually evaluate the performance of and appropriateness of the expertise and experience of the financial director and the finance function. The results of the review to be disclosed in the integrated annual report.
- Compile a report to be inserted in the financial statements, describing how the 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.
- Assist the board in fulfilling the following responsibilities:
  - Ensuring that 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 decision-making by management, the board and its committees, and
    - supporting the integrity of external reports.
  - Ensuring that a combined assurance model is applied that incorporates and optimises the various assurance services and functions so that, taken as a whole, these support the objectives for assurance.
  - Ensuring 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.
  - Disclosing in the integrated annual report the arrangements in place for combined assurance and the committee's views on its effectiveness.
  - Executing assignments commissioned by the board.

Some responsibilities of this committee may also be a responsibility of the company's risk committee.



## Report of the audit committee continued

### Key focus areas during the year

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

- Discharging its functions in terms of its charter.
- Assessing the impact of changes to accounting standards.
- Ensuring group reporting meets JSE Listings Requirements and any other requirements which arise due to Naspers's listings.
- Implementing the King IV recommendations.

### Financial statement reporting issues

- The 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, and
  - an assessment of whether the consolidated and company annual financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the group's position and performance, business model and strategy.

The significant judgements and issues and conclusions reached/actions taken by the committee in relation to the 2021 annual financial statements are outlined on page 21.

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 company financial statements on pages 23 to 26 of the annual financial statements.

### Internal audit

The committee has oversight of the group's consolidated and company's annual financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring that the group's risk and 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 risk and audit reports functionally to the chair of the committee and administratively to the financial director. An assessment of the effectiveness of the risk and audit function, as well as the head of risk and audit, is performed annually by the committee. Based on the assessment, the committee is of the opinion that the risk and audit function, as well as the head of risk and 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 internal financial controls of the company and its investments are effective. Although the committee was apprised of certain areas in which control improvements are recommended, have started or have been completed, after consideration it is of the opinion that none of these imply a material weakness in financial control of the company and its subsidiaries 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 106 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 27 to the annual financial statements on page 111.

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 the representations 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 their performance against their 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.



## Report of the audit committee continued

Significant reporting matters	Conclusions reached/actions taken
<p><b>Applicable to the consolidated financial statements</b></p> <p><b>Impairment testing of goodwill and other intangible assets</b> The group's net asset value includes significant amounts of goodwill and intangible assets (refer to notes 6 'Goodwill' and 7 'Other intangible assets' in the consolidated financial statements).</p> <p>These balances are tested at least annually for impairment at the level of individual cash-generating units (CGUs). The recoverable amounts of the CGUs were based on either the fair-value estimates by reference to recent funding rounds or market transactions (where applicable) or value in use estimates using discounted cash flow models. This process involves complex calculations and the exercise of critical management judgement regarding assumptions and estimates.</p> <p>The outbreak of the Covid-19 pandemic is a triggering event for potential impairment. The impairment assessments took into account the impact of the pandemic on business plans and forecasts used in determining the recoverable amounts.</p>	<p>The 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 committee reviewed this reporting in terms of the consistent application of management's testing methodology, the achievability of business plans and forecasts based on current and past performance, 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 committee reviewed the external auditor's reporting on impairment testing and the valuations used for this purpose. The committee also received detailed written feedback from management on how valuation principles, areas of judgement and forecasts have been impacted by Covid-19.</p> <p>Consequently, the 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><b>Share-based payments</b> The group has a number of share-based compensation schemes (refer to note 45 'Equity compensation benefits' of the consolidated financial statements). The share-based payments arising therefrom involve complex valuations and the use of critical management judgement regarding assumptions, the classification of the schemes and estimates.</p>	<p>The 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.</p> <p>The committee noted the report of the human resources and remuneration committee will be tabled at the Naspers board meeting in August and will detail the results of these reviews as per the normal process. The committee noted that these valuations and the underlying assumptions are used for the accounting of share-based payments.</p> <p>The committee also reviewed the accounting and disclosure of share-based payments in the annual financial statements.</p> <p>As a result, the committee concluded that that accounting and disclosure of share-based payments in the consolidated annual financial statements is appropriate.</p>
<p><b>Equity-accounted investments – Tencent Holdings Limited (Tencent)</b> Equity-accounted investments (refer to note 10 'Investments in associates' and 11 'Investments in joint ventures' in the consolidated financial statements) 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 note 2 'Principal accounting policies' and note 10 'Investments in associates' in the consolidated financial statements.</p>	<p>The committee received feedback from the group's representatives on the committees of Tencent and other significant equity-accounted investments. The 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 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 committee was satisfied with the adjustments made and the critical judgements applied by management.</p>
<p><b>Significant reporting matters</b></p> <p><b>Applicable to Naspers separate financial statements</b></p> <p>There are no significant reporting matters in respect of the separate financial statements.</p>	<p><b>Conclusions reached/actions taken</b></p>



## Report of the audit committee continued

### Mandatory auditor rotation

In June 2017, the Independent Regulatory Board for Auditors (IRBA) issued a rule prescribing that auditors of public interest entities in South Africa must comply with mandatory audit firm rotation with effect from 1 April 2023.

Therefore, following a lengthy and considered tendering process, it was decided that Naspers would appoint Deloitte as the external auditor to take over from FY24.

### 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 committee has satisfied itself that the financial director has appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skill set 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.

### 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 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.

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 at [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 2022 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 and any other requirements which arise due to Naspers's listings.
- Implementing King IV recommendations.
- Overseeing the mandatory audit firm rotation process.

- Focusing 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.

### Steve Pacak

Chair: Audit committee

19 June 2021

## Auditor rotation

External audit tender process:

MARCH – SEPTEMBER 2020

SEPTEMBER 2020 – MARCH 2021

APRIL – AUGUST 2021

1 APRIL 2022 – MARCH 2023

APRIL 2023

### Preparation

- Audit committee to agree on audit tendering process and approach
- Commence formal tender process with pre-proposal market-assessment process

### Tender

- Determine shortlist
- Finalise audit tendering process
- Presentations by audit firms against predefined decision criteria and recommendation

### Proposal and decision

- Change of auditor approved by audit committee
- Communication of proposed new auditor for approval for the year ended 31 March 2024

### Transition

- Year of shadowing of new auditor commences

### Commencement

- New auditor in place

## Audit transitional plans

The proposed new auditor, Deloitte, will work with the outgoing auditor to ensure a smooth transition. This includes:

- Liaising with the outgoing auditor during the 2023 audit cycle and shadowing key audit meetings and processes.
- Meeting key members of the Naspers senior management team and segments.
- The committee will monitor transition.
- Transitioning out of services that would not be allowed under auditor independence rules.

# Report of the human resources and remuneration committee



**Craig Enenstein**  
Chair, Human resources and remuneration committee

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

## Members of the committee

- CL Enenstein (chair)
- JP Bekker
- EM Choi
- R Oliveira de Lima
- TMF Phaswana<sup>1</sup>

<sup>1</sup> Retired as a director with effect from 1 April 2020.

I am pleased to present the human resources and remuneration committee's report for the year ended 31 March 2021. 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.

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

We are committed to ensuring 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 the implementation thereof, through non-binding advisory votes, at the 2021 annual general meeting.

## Key focus areas during the year

- Ensuring that the group 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.
- 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.

## 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 South African 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 109 of the integrated annual report.



## Report of the human resources and remuneration committee continued

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:

- With respect to Naspers, determine and approve the Naspers remuneration policy, which must be tabled at each Naspers annual general meeting of Prosus for a non-binding advisory vote by shareholders.
- Prepare for inclusion in the Naspers integrated report (in accordance with applicable South African laws and King IV recommendations) 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. With respect to Naspers, the remuneration policy and implementation report must be tabled at each Naspers annual general meeting for a separate non-binding advisory vote by shareholders.
- Make recommendations to the non-executive directors on the remuneration of executive directors and 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 Naspers board for final approval by the shareholders at an annual general meeting. Non-executive remuneration must be approved by shareholders in advance.
- Fulfil delegated responsibilities with regard to share-based incentive plans, eg the appointment of trustees.
- Make recommendations to the board regarding the appointment of the executive directors.
- Review incidents of unethical behaviour by senior managers and the executive directors of the company.
- Review annually the company's code of ethics and code of business conduct.
- Review annually the committee's charter and, if appropriate, recommend, for approval by the board, required amendments thereto.
- Approve amendments to Naspers group's share-based incentive plans.
- Perform a formal annual evaluation of whether the committee has fulfilled its responsibilities in terms of its charter and reporting 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 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 the group 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.
- Reconfirming the shareholding requirement for the chief executive.
- Amending the design of executive remuneration by introducing PSUs to the blend of longer-term incentives granted to senior management 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 explicit 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 116 to 143 of the integrated annual report.

### Craig Enenstein

Chair: Human resources and remuneration committee

19 June 2021



# Report of the nomination committee



**Rachel Jafta**  
Chair, Nomination committee

'The right balance of skills, knowledge and experience on the board helps us deliver the best possible outcomes for our stakeholders.'

## Members of the committee

- RCC Jafta (chair)
- JP Bekker
- HJ du Toit
- CL Enenstein
- R Oliveira de Lima

I am pleased to present the nomination committee's report for the year ended 31 March 2021. 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 South African 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 109 of the integrated annual report.

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, taking into account the relevant provisions of the applicable laws
  - 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

## Key focus areas during the year

- Assessing the composition of the board with regard 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.

- the appropriate mix of executive, non-executive and independent non-executive members
- the need for a sufficient number of 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 listings requirements of the JSE and any other exchange 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 annually the board and the individual directors to make disclosures in the integrated annual report of Naspers as required by King IV. This includes a recommendation to the board about the reappointment of directors who retire by rotation at the annual general meeting every year on the basis of those directors'



## Report of the nomination committee continued

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 and making the necessary disclosures in the Naspers integrated annual report.

- Formally evaluate every year the performance of the chair of the board and make the necessary recommendations to the board in this regard.
- Review the allocation of roles and associated responsibilities, composition and effectiveness of committees of the board collectively and make recommendations to the board with regard to:
  - 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 reporting 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 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 independence assessment of Rachel Jafta who has served on the board for 17 years, Ben van der Ross, who has served on the board for 22 years, and Debra Meyer, who has served on the board for 11 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 decision-making processes.
- Whether the directors' interests, position, association or relatives were likely to influence unduly or cause bias in decision-making 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, 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 2021, 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

19 June 2021

## Board diversity policy

As set out in the board diversity policy, the board recognises the importance of gender diversity and aims to achieve 30% female (and male) representation.

1/3

of the board's non-executive directors are women



6

nationalities



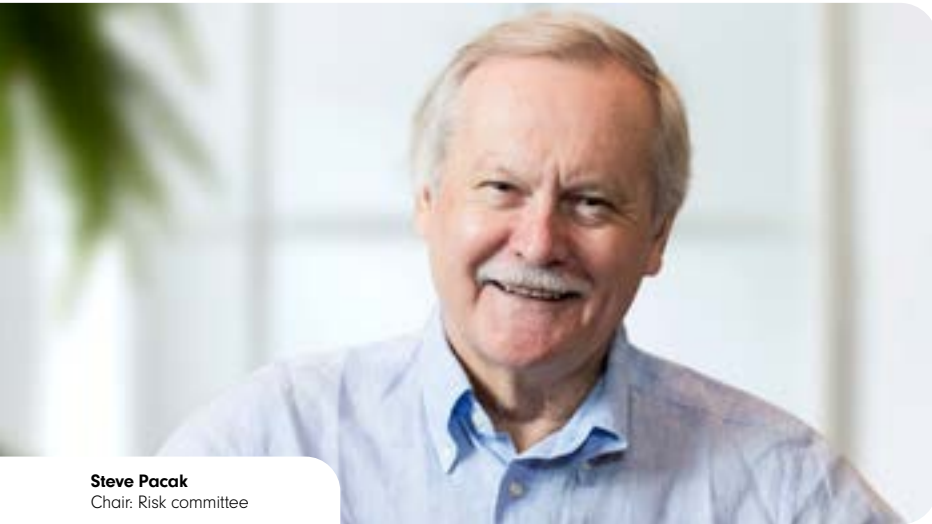
## Board appointments procedure

Board composition is central to the effective leadership of the group:





# Report of the risk committee



**Steve Pacak**  
Chair, Risk committee

'Rigorous and consistent risk  
management is critical to  
our success.'

## Members of the committee

- SJZ Pacak (chair)<sup>1</sup>
- EM Choi
- DG Eriksson<sup>2</sup>
- RCC Jafta
- V Sgourdos
- B van Dijk
- B van der Ross<sup>3</sup>

<sup>1</sup> Appointed as the chair of the committee with effect from 1 April 2021.

<sup>2</sup> Resigned with effect from 1 April 2021.

<sup>3</sup> Resigned with effect from 24 April 2020.

I am pleased to present the risk committee's report for the year ended 31 March 2021.

### Purpose

The purpose of the risk committee is to assist the board to discharge its responsibilities regarding the governance of risk and opportunities, 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.

Included in the integrated annual report on page 63 of the integrated annual report we set out in the risk and opportunities report a detailed explanation of the group's approach to risk.

### 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. Don Eriksson, previously chair of the committee, retired as a board member with effect from 1 April 2021 and Steve Pacak has been appointed to take over the role of chair of this committee. 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 109 of the integrated annual report.

All risk committee members served on the committee for the full financial year. The committee held four 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.

## 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 group is considered via the enterprisewide risk management process.
- Particularly focusing on data privacy and cybersecurity, sustainability and tax.

## 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 must be reviewed annually.
- Monitor the implementation of the risk management policy and plan, ensuring that an appropriate enterprisewide risk management system and process is in place with adequate and effective risk management processes that include strategy, ethics, operations, reporting, compliance, IT and sustainability.
- Make recommendations to the board concerning 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.

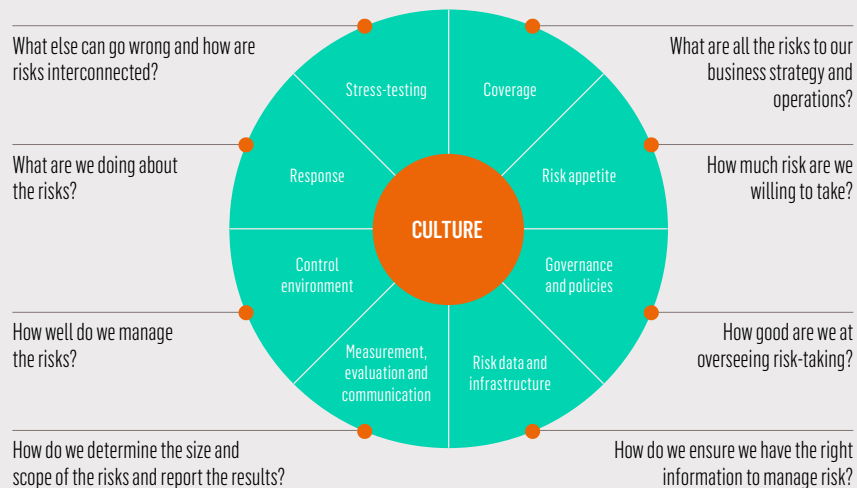
## Report of the risk committee continued

- Exercise ongoing oversight of risk management and ensure that the following results are achieved:
  - Assessing risks and opportunities emanating from the total environment in which the group operates and resources that the group uses and affects.
  - Assessing the opportunity together with potentially 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.
  - Integrating and embedding risk management in the business activities and culture of the group.

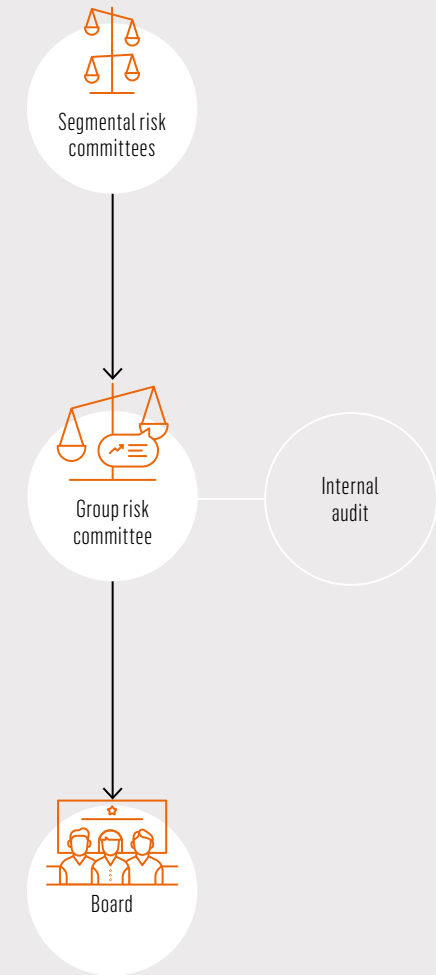
- Ensure that risk management assessments are performed regularly by management.
- Ensure that an overall statement to the board about the effectiveness of the group's governance and system of risk management and internal control is issued by internal audit and reviewed prior to the submission to the board by this committee, to enable the board to annually assess the risk management and control systems and processes.
- Review and approve the legal compliance policy and recommend such policy to the board for approval.
- Oversee compliance and, in particular, doing so in such a way that it results in the following:
  - 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.
  - 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, doing 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.
  - Compliance with relevant laws.
- Oversee the management of information and, in particular, doing 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.
  - The continual monitoring of security of information.
- Oversight of the management of technology and, in particular, doing 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.

### Enterprisewide risk management: Having the right culture is key



### Risk management





## Report of the risk committee continued

- 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 concerning risk management, information and technology management and compliance management that is to be included in the integrated annual report, ensuring it is timely, comprehensive and relevant.
- Review and assess annually the charters of the group’s significant subsidiary companies’ risk committees and review their annual assessment of compliance with their charters to establish if the committee can rely on the work of the subsidiary companies’ risk committees.
- Perform a formal annual evaluation of whether the committee has fulfilled its responsibilities in terms of its charter, reporting 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 risk committee to ensure that PayU management receives external independent advice and acts 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 group is considered.

Risk and 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 75 of the integrated annual report.

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 the 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 65 to 71 of the integrated annual report.

### Steve Pacak

Chair: Risk committee

19 June 2021

# Report of the social, ethics and sustainability committee



**Debra Meyer**  
Chair, Social, ethics and sustainability committee

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

## Members of the committee

- D Meyer (chair)<sup>1</sup>
- DG Eriksson<sup>2</sup>
- RCC Jaffa
- FLN Letele
- V Sgourdos
- JDT Stofberg
- B van Dijk
- MI Davidson
- BJ van der Ross<sup>3</sup>

I am pleased to present the social, ethics and sustainability committee's report for the year ended 31 March 2021, where we outline how the committee has discharged its responsibilities as set out in section 72 of the South African Companies Act 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, ethics and sustainability 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

<sup>1</sup> Appointed chair with effect from 16 April 2021.  
<sup>2</sup> Resigned with effect from 1 April 2021.  
<sup>3</sup> Appointed with effect from 24 April 2020.

## Key focus areas during the year

In respect of Naspers, Prosus 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, ethics and sustainability 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.

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 four independent non-executive directors, two non-executive directors, the chief executive, the financial director and the chief executive of Media24. The committee held three meetings during the past financial year. Don Eriksson, previously chair of the committee, retired as a board member with effect from 1 April 2021 and Debra Meyer has been appointed to take over the role of chair of this committee.

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 109 of the integrated annual report.

### Responsibilities

The committee's responsibilities cover Naspers, Prosus and the group's South African subsidiaries Media24, AutoTrader, 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:

- The company's activities, having regard to any relevant legislation, and other legal requirements or prevailing codes of best practice, in respect of matters relating to:
  - Social and economic development, including the company's standing in terms of the goals and purposes of:
    - the 10 principles set out in the United Nations Global Compact Principles
    - the OECD (Organisation for Economic Co-operation and Development) recommendations regarding corruption
  - the Employment Equity Act, and
  - the Broad-based Black Economic Empowerment Act.
- Good corporate citizenship, including the company's:
  - promotion of equality, prevention of unfair discrimination and reduction of corruption



## Report of the social, ethics and sustainability committee continued

- contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed
- record of sponsorship, donations and charitable giving
- the environment, health and public safety, including the impact of the company's activities and of its products or services and
- consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws, and
- Labour and employment, including:
  - the company's standing in terms of the International Labour Organization Protocol (ILO) on decent work and working conditions, and the company's employment relationships and its contribution toward the educational development of its employees.
- Matters within its mandate that are brought to the attention of the Naspers board as the occasion requires.
- The reporting, through one of its members, to the shareholders at the company's annual general meeting on the matters within its mandate.

In addition to the committee's statutory responsibilities above, which only apply to Naspers and its South African subsidiaries, the committee is responsible for the following in relation to Naspers and Prosus and their subsidiaries:

- Overseeing and reporting on organisational ethics, responsible corporate citizenship, sustainability and stakeholder relationships in relation to the Naspers group, taking into account specific disclosures and best practice as recommended by King IV.
- Assisting the boards to develop and supervise implementation of the long-term value-creation strategy, by bringing to the boards' attention to stakeholder interests, relevant sustainability aspects and matters relating to business ethics and culture and whistleblowing.

The committee must 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.

### Key focus areas during the year

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

- Stakeholder interests and relevant sustainability aspects and matters relating to business ethics and culture, and whistleblowing.
- Performance against employment equity plans.
- Performance regarding BBEE as measured against the Department of Trade and Industry's (DTI's) generic BBEE 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 ILO 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.

In respect of the 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.
- The group's social, ethics and sustainability 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 72 and our stakeholder overview is provided on page 25 of the integrated annual report.

- Management of the group's whistleblower programme, including global roll out and participation, nature of reports, management of reports and outcome of investigations. More information on the OpenLine is on page 13.
- 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 13. This includes information on designation of ethics officers, the 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 page 25 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 group.

### Key focus areas going forward

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

Management will continue to improve reporting techniques with regard to how it reports to the committee on responsible corporate citizenship and sustainability, using reporting frameworks such as the six capitals reporting framework and the United Nations Sustainable Development Goals (UN SDGs). Accordingly, the group 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 30 of this report. The board concurred with this assessment.

### Debra Meyer

Chair: Social, ethics and sustainability committee

19 June 2021