



# *Creating value*

*by improving lives...*



Mumbai, India



# Remuneration at a glance

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

**Craig Enenstein**

*Chair: Human resources and remuneration committee*

## Structure of report

In compliance with the King IV Report on Corporate Governance<sup>(1)</sup> in South Africa 2016 (King IV) the report is split into three sections:

- 1. Background statement:**  
Provides an overview of pay outcomes for FY19 and our approach for FY20.  
[▶ Read more on pages 7 to 13](#)
- 2. Remuneration policy:** Provides information on the components of our executive-pay packages.  
[▶ Read more on pages 14 to 20](#)
- 3. Implementation of remuneration policy:**  
Sets out information on how we implemented our policy for FY20.  
[▶ Read more on pages 21 to 30](#)

## Notes

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

<sup>(2)</sup> On an economic-interest basis adjusted for foreign exchange and M&A. All financial figures in this report are from continuing operations.

Dear Shareholder

On behalf of the board, I am pleased to present our 2019 financial year remuneration report.

Last year we made changes to our remuneration report in order to demonstrate more clearly the link between Naspers's strategy, performance and our remuneration philosophy. We aim to provide a transparent view on executive and non-executive pay, and this year we have refined the report further with this objective in mind.

This year, we successfully unbundled our Video Entertainment (VE) business to our shareholders, unlocking value for them. MultiChoice Group was listed on the JSE Limited's stock exchange on 27 February 2019. We also disposed of our stake in the Indian retail business Flipkart in August 2018. The impact of these transactions on executive remuneration is detailed on page 19.

We are also pleased to report solid financial results for FY19, delivering revenue growth of 29%<sup>(2)</sup> year on year, to US\$19.0bn, trading profit<sup>(2)</sup> growth of 22% year on year to US\$3.3bn, core headline earnings of US\$3bn (up 26% year on year) and free cash flow of US\$120m.

We are grateful to our shareholders for their input, which was considered carefully. We are pleased to see N-shareholder support for our remuneration policy increasing from 24.15% in 2017 to 43.04% in favour of the policy and 52.24% in favour of its implementation in 2018. While the trend is improving, we strive to obtain an even higher level of N-shareholder support over time. In that spirit we have continued to make appropriate changes to our remuneration design and disclosure this year.

We have amended the design of executive remuneration for the forthcoming 2020 financial year. This is detailed in sections 1 and 3. When making executive awards, the committee has considered the need to maximise shareholder value. Details of the cost of our long-term incentives can be found on pages 4 and 5.

This year we introduced clawback provisions on the short-term and long-term incentives for the CEO and his direct reports. In the 2019 financial year, these clawback provisions were not invoked.

We also introduced a shareholding requirement for the CEO, whereby he must hold 10 times his base salary in Naspers shares at all times. Effective 31 March 2019, he has met this requirement.

We plan to introduce performance conditions on a proportion of the long-term incentives granted to senior executives which will vest only after three years. Details can be found on page 28.

We engaged external advisers to provide advice on executive remuneration and the committee is satisfied that they are objective and independent.

## Our strategy drives our pay principles

Across our group, we use technology to provide new and exciting ways for our customers to be informed, educated and to trade online. As one of the largest technology investors in the world, operating in some 80 countries, we focus on high-growth markets and we invest in local empowered teams with an ownership mentality.


Our business moves fast as technology trends and consumer adoption change, and we seek to run businesses that have broad potential, can address big societal needs and can attain market leadership over time.

Our people are at the heart of our success. The driven entrepreneurs with whom we partner, the digital leaders who drive us forward, and the skills our people bring to the group in highly specialised areas (eg, technology, product design, machine learning, digital marketing and many other disciplines) allow us to compete effectively. We operate in a highly competitive global market for this type of talent, and we compete against other world-class companies for the best.

## Our remuneration philosophy

Our remuneration philosophy underpins our group's strategy and enables us to achieve our business objectives. Our commitment to pay for performance and alignment with shareholder value creation drives all our remuneration activities and supports the ownership mentality and spirit of entrepreneurship in our teams around the world. We believe in a level playing field for our people. We strive to pay fairly and responsibly and as much as possible, the structure of our pay is similar, regardless of the seniority of the employee. In the committee's view, the remuneration policy achieved its stated objectives in the year under review.

We endeavour at all times to balance the need to compete globally for the very best talent with the need to pay fairly and responsibly. Our philosophy is underpinned by our desire to perform effectively as a committee, to allow us to deliver fit-for-purpose remuneration systems and to continue engaging our stakeholders.



**Craig Enenstein**

*Chair: Human resources and remuneration committee*

21 June 2019

# Remuneration at a glance

continued

## Our context

### How we add value

We pursue growth by building leading companies that empower people and enrich communities

▶ Read more on page 16 of the integrated annual report

### Underpinned by our active capital allocation and strategy

We ensure that we optimise our portfolio for growth and competitiveness



### Financial summary

	2019 (US\$m)	2018 (US\$m)	% change
Revenue <sup>(1)</sup>	18 990	16 352	29 <sup>(2)</sup>
Trading profit <sup>(1)</sup>	3 304	2 994	22 <sup>(2)</sup>
Dividend per N ordinary share (SA cents) (2019 reflects dividend proposed)	715	650	10

#### Notes

<sup>(1)</sup> Reported on an economic-interest basis. All financial figures are from continuing operations.  
<sup>(2)</sup> In local currency, excluding acquisitions and disposals.

▶ Read more on page 51 of the integrated annual report

## The Naspers approach to remuneration



We believe in **pay for performance**: we are comfortable with bigger rewards for those who make the highest contribution



Remuneration must be **aligned with shareholder outcomes**



Remuneration must incentivise the **achievement** of strategic, operational and financial objectives, in both the short and longer term



We are **consistent**: our reward package elements are broadly the same, regardless of seniority\*



Our reward systems must help us attract and retain the best talent around the world in a **fair and responsible** way

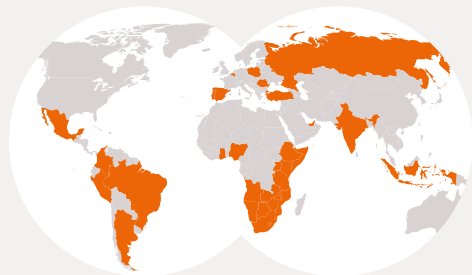
\* Some employees do not receive longer-term incentives.

▶ Read more on pages 14 to 20

## Remuneration at a glance

continued

### Our context: Attracting and retaining the best talent



#### There is a global shortage of digital talent

We fight for talent in each of the countries in which we operate.

To compete for talent, our approach to remuneration must stand up to the high bar set by global tech players such as Facebook, Google, Amazon, Alibaba and Microsoft, as well as other global, local and regional competitors.

- Read more on pages 45 to 47 of the integrated annual report

#### 21<sup>st</sup> century talent: Our reality



**Human capital** is a key competitive advantage in our industry



The global battle for digital **talent** continues – digital talent is scarce in all our markets



We need **creative minds** to explore new frontiers



**Diversity** is essential – we need to provide an inclusive work environment so that many types of people want to work with us

#### Our employee value proposition

Remuneration is only one element of attracting and retaining talent.

Our people seek meaningful jobs with line of sight to business outcomes and the opportunity to learn and grow professionally, in a purpose-driven environment that they enjoy; where they are recognised for a job well done and are paid fairly – in line with personal and company performance.



#### Our approach to fair and responsible pay

Our remuneration systems are:

#### Fair

- Rational: easy to explain
- Equitable: free from discrimination
- Relevant: linked to personal and company performance

#### Responsible

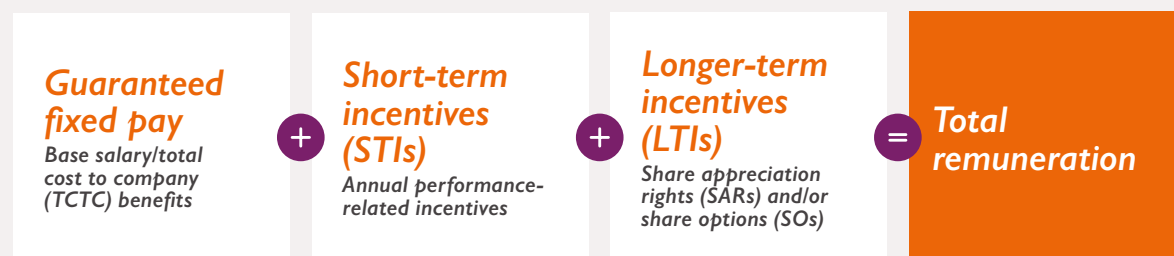
- Independent:** with oversight, top-down via board
- Managed:** all employee pay decisions are properly overseen
- Considered:** judgement is applied; we shy away from formulaic appraisals that could lead to unacceptable outcomes
- Sustainable:** remuneration designed with sustainability in mind

## Remuneration at a glance

continued

### The outcomes

Executive director remuneration for the year ended 31 March 2019



Total single-figure (remuneration) for executive directors for the year ended 31 March

Remuneration type/year	Bob van Dijk				Basil Sgourdos	
	(€'000) <sup>(1)</sup>		(US\$'000)		(US\$'000)	
	2019	2018	2019	2018	2019	2018
Salary/TCTC	1 122	1 079	1 259	1 332	897	862
Pension	75	66	85	81	85	81
Benefits	59	53	66	65	27	27
STIs	987 <sup>(2)</sup>	863	1 108	1 064	1 006	605 <sup>(3)</sup>
LTI plan <sup>(4)</sup>			10 368	9 636	5 460	1 954
<b>Total remuneration</b>			<b>12 886</b>	12 178	<b>7 475</b>	3 529

#### Notes

<sup>(1)</sup> Bob van Dijk is paid in euro. Over the past financial year the euro weakened against the US dollar by almost 10%.

As a result, the FY19 annual salary of the chief executive in US dollars is lower compared to FY18.

<sup>(2)</sup> Achievement of chief executive's STI goals are indicated in the integrated annual report by on pages: 9, 10, 15, 19, 32-33, 35, 37, 39, 48 and 51.

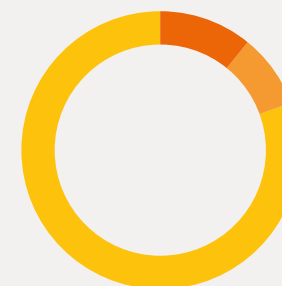
<sup>(3)</sup> Includes an additional variable bonus capped at 25% of TCTC relating to obtaining new general funding.

<sup>(4)</sup> Fair value: represents the estimated value of the option on grant date in accordance with IFRS. The actual value accruing to the executive will depend on the real value created over the term of the option.

Read more on pages 21 to 30

Compensation is mostly 'at risk' and long term

BOB VAN DIJK



	%
Annual fixed pay	10.94
Annual STI (target)	8.59
Annual fair-value LTI	80.47

BASIL SGOURDOS



	%
Annual fixed pay	13.49
Annual STI (target)	13.47
Annual fair-value LTI	73.04

The minimum STI payout is 0% of salary/TCTC.  
The target and maximum STI opportunity are the same.

Read more on pages 21 to 30

# Remuneration at a glance

continued

## Looking forward to FY20

### Salary and short-term incentives

BOB VAN DIJK

#### Base salary

1 April 2020 (US\$'000)	1 April 2020 (€'000)	1 April 2019 (US\$'000)	1 April <sup>(2)</sup> 2019 (€'000)	€% <sup>(3)</sup> change
1 388	1 235	1 259	1 122	10

#### FY20 STI scheme structure

Maximum STI opportunity: 100% base salary



Financial goals:	%
● Revenue	10
● Core headline earnings (including Tencent)	15
● Core headline earnings (excluding Tencent)	15
● Free cash flow	10
	50%

Strategic goals:	%
● Classifieds	10
● Food Delivery	10
● Payments and Fintech	5
● B2C	2.5
● Corporate structure	10
● Diversity and inclusion	5
● Machine learning and artificial intelligence	7.5
	50%

➔ Read more on pages 27 to 30

BASIL SGOURDOS

#### TCTC<sup>(1)</sup>

1 April 2020 (US\$'000)	1 April 2019 (US\$'000)	% change
1 069	1 009	6

#### FY20 STI scheme structure

Maximum STI opportunity: 100% base salary<sup>(4)</sup>



Financial goals:	%
● Core headline earnings (including Tencent)	12.5
● Core headline earnings (excluding Tencent)	12.5
● Free cash flow	25
	50%

Strategic goals:	%
● Structuring	25
● Taxation	10
● Investor relations	5
● Operations	2.5
● Governance, internal audit and risk management	2.5
● Team and talent	5
	50%

#### Notes

- <sup>(1)</sup> Includes pension and other benefits.
- <sup>(2)</sup> Bob van Dijk is paid in euro. Over the past financial year the euro weakened against the US dollar by almost 10%. As a result, the FY19 annual salary of the chief executive in US dollars is lower compared to FY18.
- <sup>(3)</sup> Bob van Dijk received an increase in his base salary of 10%, driven by personal performance (eg, listing and unbundling of MultiChoice Group and divestiture of Flipkart), company performance and base pay levels relative to benchmarks.
- <sup>(4)</sup> An additional variable bonus capped at 25% of TCTC (relating to obtaining new general funding) applies.

### LTI

We have set out below information on the long-term awards to be made during the 2020 financial year:

Name	Naspers N share options (SOs)			Naspers Global Ecommerce share appreciation rights (SARs)			Naspers performance share units (PSUs)
	Number of options	Face value (US\$)	Fair value (US\$)	Number of SARs	Face value (US\$)	Fair value (US\$)	Fair value (US\$)
Bob van Dijk	15 835	3 972 183	1 350 000	436 832	16 031 719	6 075 000	6 075 000
Basil Sgourdos	8 211	2 059 651	700 000	226 505	8 312 743	3 150 000	3 150 000

### Changes for FY20

#### Performance conditions on LTIs<sup>(1)</sup>

The committee intends to introduce performance conditions on a proportion of the LTIs awarded to senior executives in FY20.

The performance share unit (PSU) plan will vest at the end of a three-year period (cliff-vesting) subject to the performance condition set at the time of the grant being achieved. The performance condition for the 2019 grant relates to the three-year CAGR on the Ecommerce SAR scheme, relative to an appropriate equity index. Further details can be found on page 28.

#### Note

- <sup>(1)</sup> Proposed LTI scheme amendments to facilitate the introduction of performance conditions to be tabled at the annual general meeting on 23 August 2019.

Post this allocation and as at 31 March 2020 the fair value of Bob van Dijk's and Basil Sgourdos's share-based incentives will be balanced approximately as follows:

#### THE LTIs OF THE CEO ARE BALANCED BETWEEN ECOMMERCE SEGMENTS AND NASPERS



	%
● Ecommerce SARs	41
● Naspers SOs	42
● Naspers PSUs	17

➔ Read more on pages 27 to 30

#### THE LTIs OF THE CFO ARE BALANCED BETWEEN ECOMMERCE SEGMENTS AND NASPERS



	%
● Ecommerce SARs	50
● Naspers SOs	27
● Naspers PSUs	23

## Remuneration report for the year ended 31 March 2019

continued

### Frequently asked questions

#### What changes were made in FY18 and FY19?

We incorporated shareholder feedback and made important changes to committee composition, policy design elements and disclosures. Key changes:

- Introduced clawback on short- and longer-term incentives for the CEO and direct reports.
- Introduced minimum shareholding requirement for the CEO of 10 times annual salary. In our FY18 and FY19 disclosures we noted that he has met this requirement.
- Implemented a new policy to buy shares on market to offset shareholder dilution from new Naspers SOs issued and SARs schemes settled in Naspers shares.
- For FY20 we will introduce PSUs to the blend of LTIs for senior executives. Shares awarded under this plan will vest in full after three years (cliff-vesting), subject to the participant's ongoing employment and the performance condition being met. The performance condition for the current year's allocations will be the three-year CAGR on the Ecommerce SAR scheme, relative to an appropriate equity index. Further details on the PSU plan can be found on pages 28 and 29. (NB Shareholders will be asked to approve an amendment to the Naspers Restricted Shares Trust deed to facilitate this change).
- In terms of disclosure:
  - clearer link between strategy, performance, remuneration design, and remuneration outcomes
  - for STIs, more information on performance goals and level of achievement, and
  - for LTIs, SARs valuation process and governance, and core index-linked values.

#### Who are the members of the human resources and remuneration committee?

Craig Enenstein (chair), Emilie Choi, Roberto Oliveira de Lima, Fred Phaswana (lead independent director) and Koos Bekker.

#### What on-market purchases have been made by the Naspers share trusts in FY19?

At the beginning of FY19 we announced that to avoid shareholder dilution as a result of employee longer-term incentives, we would implement a share purchase programme. Annual cost was US\$78m in FY19 vs US\$22m in FY18.

#### What impact did the sale of Flipkart have on management's Flipkart-linked SARs?

See page 19.

#### What impact did the unbundling of MultiChoice Group have on management's compensation?

See page 19.

#### Is executive pay linked to closing the discount on net asset value (NAV)?

Pay is linked to the narrowing of the discount experienced on the NAV. Executive directors have substantial exposure to N ordinary shares via their Naspers SOs, aligned with shareholders. They are also incentivised through the Naspers Global Ecommerce SAR Plan on bringing the core businesses to scale and profitability. This is directly in their control and the most suitable way to close the discount. The introduction of PSUs for this year, with a performance condition relating to the Ecommerce assets and therefore excluding Tencent, further strengthens the link between executive pay, closing the discount on NAV and shareholder outcomes.

#### Why does Naspers not disclose the value of the underlying unlisted assets?

Valuations are commercially sensitive: publicly disclosing the value we place on individual assets would compromise our position if we were ever to divest ourselves of those assets (as we have done successfully in the case of Allegro or Flipkart). We do show a view of index-linked valuations progression for our major schemes on page 11.

#### Why does Naspers not show more detail on the STI goals and achievements?

STI goals are reflective of the annual business plan and many goals are representative of a multi-year effort, eg to win new markets or increase our customer base. Showing our competitors our plans is not in the best interest of our shareholders. However we have highlighted in the integrated annual report any metrics or developments that were included in the STI of the chief executive.

#### What is the vesting period within the LTI schemes?

We use four-year phased vesting for SOs and SARs and three-year cliff vesting for PSUs. We compete for talent with global and local companies operating primarily in consumer technology. These peers are moving to shorter vesting periods (usually three to four years with monthly vesting after 12 months). In addition, these companies typically offer restricted stock units (RSUs) to their employees, ie whole shares with no performance conditions. We are more conservative in terms of the vesting scheduled (four years with annual vesting only for SOs and SARs) and

SOs, SARs or PSUs for senior executives. We do not grant RSUs to senior executives (unlike peers), but do grant them to key engineering and specialist talent.

#### How are the values of share schemes calculated?

See page 19.

#### Is there an overachievement capacity in bonus structures?

Generally, this is not the case. Unusually, the bonus target and the maximum are the same. Other companies typically offer upside on bonus targets. We do not. Therefore, there is only negative control, ie the employee has to accomplish everything to reach 100% of the potential payout.

#### Are executives paid relative to benchmarks?

The human resources and remuneration committee decides on executive remuneration packages. In advance, the committee considers data from comparator companies, bearing in mind the size of our business, its complexity and its geographic footprint. The committee views data from Willis Towers Watson (general industry and technology, media and telecommunications surveys), Radford (particularly good for tech) as well as publicly disclosed data for similar companies. However, the committee applies its judgement and considers a number of factors, principally the performance of executives, the results achieved and also the affordability of packages and external benchmarks, in making its determination. Further details on benchmarking on page 15.

#### Were any clawbacks invoked in the past year?

Clawback provisions are in operation for the STIs and LTIs of the CEO and his direct reports from 1 April 2018. None of these provisions were invoked in FY19.

#### Did the CEO meet the shareholding requirement?

The CEO is required to hold 10 times his base salary in Naspers shares at all times and effective 31 March 2019, had met his commitment.

#### Did the committee use its discretion on any compensation matters in FY19?

Yes, on the STI of the CEO. The committee determined that the FY19 STI objective relating to Video Entertainment had been achieved. Video Entertainment was unbundled 26 days before the end of the financial year.

#### Why did Bob van Dijk receive a 10% salary increase?

Bob van Dijk received an increase in his base salary of 10%, driven by personal performance (eg, listing and unbundling of MultiChoice Group and divestiture of Flipkart), company performance and base pay levels relative to benchmarks.

#### Why did Bob van Dijk receive an LTI grant of US\$13.5m (fair value)?

Firstly, fair value is a measurement used to estimate the value of an LTI, when it is granted, for accounting purposes. It does not reflect the eventual realised gain of the participant, which is highly variable and could be zero. The LTI grant for Bob van Dijk is in line with previous awards, and with global consumer tech benchmarks. The award is split 45/45/10 between Ecommerce SARs, Naspers PSUs and Naspers share options. In order for Bob to receive any gains in the Ecommerce SAR plan or Naspers share option plan, value must be created over the term of the share appreciation rights or share options. Further details of the Ecommerce SAR plan can be found on pages 16 to 20. In order for him to receive any gains on the PSUs, the performance condition must be met at the end of the vesting period. Further details about the PSU plan can be found on pages 28 and 29.

# Remuneration report for the year ended 31 March 2019

continued

## I. Background statement: The Naspers approach to remuneration

### Our pay principles

Five principles guide our remuneration approach.

### The Naspers approach to remuneration



We believe in **pay for performance**: we are comfortable with bigger rewards for those that make the highest contribution



Remuneration must be **aligned with shareholder outcomes**



Remuneration must incentivise the **achievement** of strategic, operational and financial objectives, in both the short and longer term



We are **consistent**: our reward package elements are broadly the same, regardless of seniority\*



Our reward systems must help us attract and retain the best talent around the world in a **fair and responsible** way

\* Some hourly-paid employees do not receive longer-term incentives.

In practice, this means that we take into account sectoral, regional and local practices as well as the needs of the business and the calibre of the individual when implementing our pay framework.

The way we structure pay is purposely linked to our strategy and to the delivery of longer-term sustainable growth to our shareholders.

Our pay principles are applied through three key elements and executive pay is heavily weighted towards long-term performance with a significant proportion delivered in SARs, SOs, and with every award subject to individual performance and benchmarked against the companies with which we compete for talent.

Our approach to LTIs ensures that the value of individual internet businesses and the overall performance of the group are considered.

**In the coming year we will add performance share units (PSUs) to the mix of LTIs for executives<sup>(1)</sup>. The performance condition will be the three-year CAGR on the valuation of the Ecommerce SAR scheme (value per share), which excludes Tencent, relative to an appropriate equity index. Further details are available on pages 28 and 29.**

The delivery of sustainable value to our shareholders will depend on the value of our businesses, which will ultimately be reflected in the value of the group as a whole over the longer term. Executives only earn value under our LTI plans when the value of underlying assets or the Naspers share price increases.

When making executive-pay decisions, we consider the individual's performance and the performance of the business, the complexity of the responsibilities of the executive, and the growth trajectory and life cycle stage of the business for which he/she is responsible. We also consider market changes and examine practices at the companies we compete with for talent.

Our remuneration philosophy underpins our group's strategy and enables us to achieve our business objectives. Our commitment to pay for performance and alignment with shareholder value creation drives all our remuneration activities and supports the ownership mentality and spirit of entrepreneurship in our teams around the world. We believe in a level playing field for our people. We strive to pay fairly and responsibly and as much as possible, the structure of our pay is similar, regardless of the seniority of the employee. In the committee's view, the remuneration policy achieved its stated objectives in the year under review.

### Our approach to fair and responsible pay

Our remuneration systems are:

#### Fair

- Rational: easy to explain
- Equitable: free from discrimination
- Relevant: linked to personal and company performance

#### Responsible

- Independent: with oversight; top-down via board
- Managed: all employee pay decisions are properly overseen
- Considered: judgement is applied; we shy away from formulaic appraisals that could lead to unacceptable outcomes
- Sustainable: remuneration designed with sustainability in mind

Note  
<sup>(1)</sup> Proposed LTI scheme amendments to be tabled at the annual general meeting on 23 August 2019.

























# Remuneration report for the year ended 31 March 2019

continued

## Our remuneration structure

We have outlined the three elements of pay for our executive directors below, and the approach is similar for the CEO's direct reports. The same principles are applied to employees across the group.

The human resources and remuneration committee considers that the remuneration policy continues to achieve its objectives of aligning pay with long-term performance of Naspers and shareholder outcomes.

Pay principle	Our pay design links to our pay principles				
	 Pay for performance	 Shareholder alignment	 Incentivisation	 Consistency	 Attract and retain talent
<b>(1) Base salary (or total cost to company (TCTC))</b> <ul style="list-style-type: none"> <li>Base salary = fixed pay, with the cost of employers' taxes and employee benefits in addition. Note: The fixed pay of employees in South Africa is quoted in terms of TCTC, which includes the cost of employers' taxes and employee benefits.</li> <li>Personal performance is the primary driver for pay increases.</li> <li>Set at a level to ensure we can <b>attract and retain</b> talent of the required calibre.</li> <li>Takes into account regional, local and sector practice as well as an <b>individual's contribution</b>.</li> </ul>					
<b>(2) Short-term incentives (STIs): Annual performance-related incentive or short-term incentive</b> <ul style="list-style-type: none"> <li>We operate an annual incentive plan that pays out according to performance achieved against <b>strategic, operational and financial objectives</b>.</li> <li>The purpose of the annual incentive plan is to ensure executive alignment with and focus on the annual board-approved business plan. The achievement of these annual plans will cumulatively drive long-term shareholder value.</li> <li>The same structure is applied throughout the organisation to ensure a <b>consistent approach</b> with measures linked to an individual's role so that <b>pay is linked to their contribution</b>.</li> </ul>					
<b>(3a) Longer-term incentives (LTIs): Share appreciation rights (SARs)</b> <ul style="list-style-type: none"> <li>An <b>LTI</b> that pays out based on the growth in value of the business units or an aggregation of underlying assets in a division (eg. Naspers Global Ecommerce SAR Plan).</li> <li>The longer-term SAR incentives for executive directors are based on an aggregation of underlying assets so that any value upside delivered by individual businesses are offset by any value downside delivered by other businesses, thus ensuring that senior executives are negatively affected should individual businesses not perform.</li> <li>Awards are made to individuals based on their contribution to the business.</li> <li>Any gains are settled in Naspers shares, which are acquired on the market for cash, thus avoiding shareholder dilution as a result of the settlement of employee incentive schemes.</li> <li>The change in value is measured over a four-year period to ensure focus on the <b>longer-term delivery</b> of shareholder value.</li> </ul>					
<b>(3b) Longer-term incentives (LTIs): Naspers share options (SOs)</b> <ul style="list-style-type: none"> <li>Longer-term awards made in Naspers's SOs with payouts based on the growth in Naspers's share price over a four-year period<sup>(1)</sup>.</li> <li>The vesting period has been determined taking into account practice in companies we compete with for talent.</li> <li>Provides long-term alignment with Naspers's shareholders as value is only delivered to participants if there is an increase in the share price.</li> <li>As per the settlement arrangements for SARs, shares are purchased on the market for cash to avoid shareholder dilution as a result of the company settling its obligations under the Naspers SOs.</li> </ul>					

**Note**  
<sup>(1)</sup> All awards made from September 2017 onwards in Naspers SOs have a four-year phased vesting period. Awards made prior to this time have a five-year vesting period with vesting at the end of years three, four, and five.

## Remuneration report for the year ended 31 March 2019

continued

### Remuneration focus areas and key decisions in the 2019 financial year

The following table outlines the key areas of focus and key decisions taken by the human resources and remuneration committee during the 2019 financial year:

Meeting	Key areas of focus and decisions <sup>(1)</sup>
April 2018	<ul style="list-style-type: none"> <li>Approval of the directors' fees for the following financial year: For consideration by the board and subsequent shareholder approval.</li> <li>Approval of the annual performance incentive by key performance indicators (KPIs) for senior executives for the forthcoming financial year.</li> </ul>
June 2018	<ul style="list-style-type: none"> <li>Performance and total compensation review of senior executives. Decision on previous-year performance and STI payout, salary increases and LTI awards.</li> <li>Consideration and approval of the annual long-term share-based incentive scheme awards to be made to employees in the Naspers group and longer-term share-based incentive scheme limits.</li> <li>Review of SAR scheme valuations completed by Deloitte (report of valuations subcommittee) (see pages 19 and 20 for a detailed description of the valuations process for SAR plans).</li> </ul>
November 2018	<ul style="list-style-type: none"> <li>Shareholder feedback on the remuneration report for the past financial year.</li> <li>Succession planning for senior executives.</li> </ul>
February 2019	<ul style="list-style-type: none"> <li>Consideration of recommendation on directors' fees from external advisers for budget purposes.</li> <li>Executive remuneration design considerations for the 2019 financial year.</li> </ul>

#### Note

<sup>(1)</sup> Ad hoc share-based incentive scheme governance matters are dealt with as and when they arise.

## Remuneration report for the year ended 31 March 2019

continued

### Business performance and remuneration outcomes in respect of the 2019 financial year

<b>Our strategy</b>	<ul style="list-style-type: none"> <li>We are building businesses with big potential to address societal needs.</li> <li>Achieving leadership positions in high-growth markets.</li> </ul>	<ul style="list-style-type: none"> <li>Partnering with local teams and entrepreneurs.</li> </ul>
<b>Our business priorities</b>	<ul style="list-style-type: none"> <li>Classifieds.</li> <li>Food Delivery.</li> <li>Payments and Fintech.</li> </ul>	<ul style="list-style-type: none"> <li>Travel.</li> <li>Etail.</li> <li>Ventures.</li> </ul>
<b>Our financial highlights</b> (all figures from continuing operations)	<ul style="list-style-type: none"> <li>Revenue US\$19.0bn, up 16% (and 29% in local currency, excluding M&amp;A).</li> <li>Trading profit up 10% to US\$3.3bn (up 22% in local currency, excluding M&amp;A).</li> </ul>	<ul style="list-style-type: none"> <li>Core headline earnings, the board's measure of sustainable operating performance, was up 26% on last year at US\$3.0bn.</li> </ul>
<b>Our operating highlights</b> (all figures from continuing operations)	<ul style="list-style-type: none"> <li><b>Ecommerce financial performance</b> Revenue increased 10% (26% year on year to US\$3.9bn with Classifieds, Etail, Travel, Payments and Fintech, and Food Delivery contributing meaningfully to the segment's revenue growth.</li> <li><b>Classifieds</b> The Classifieds business turned profitable, including letgo.</li> <li><b>Food Delivery</b> Continued to allocate capital through investment in Swiggy and iFood.</li> <li><b>Payments</b> Core payments business profitable.</li> </ul>	<ul style="list-style-type: none"> <li><b>Travel</b> MakeMyTrip (MMYT) improved its profitability. Naspers's share of MMYT's revenue increased 30% year on year.</li> <li><b>Etail</b> Solid growth from eMAG and Takealot, with revenues in local currency and excluding M&amp;A rising 20%.</li> </ul> <p>MultiChoice Group was listed on the JSE Limited's stock exchange on 27 February 2019 and subsequently unbundled to our shareholders on 4 March 2019. Details of its impact on LTI schemes can be found on page 19.</p> <p>Naspers disposed of its 12% stake in Flipkart for US\$2.2bn representing an IRR of 29% on that investment. Details of its impact on executive compensation as at 31 March 2019 can be found on page 19.</p>
<b>Remuneration outcome</b>	<ul style="list-style-type: none"> <li><b>88% STI achievement (CEO).</b></li> <li><b>10% base salary increase (CEO).</b> Bob van Dijk received an increase in his base salary of 10% driven by personal performance (eg. listing and unbundling of MultiChoice Group and divestiture of Flipkart), company performance and base pay levels relative to benchmarks.</li> <li><b>LTI award CEO<sup>(2)</sup></b> Naspers Global Ecommerce SAR Plan: US\$6.075m Naspers N-share PSUs: US\$6.075m Naspers N-share options: US\$1.35m</li> </ul>	<ul style="list-style-type: none"> <li><b>99.7% STI achievement (CFO)<sup>(1)</sup>.</b></li> <li><b>6% TCTC increase (CFO).</b> Basil Sgourdos received a 6% TCTC increase driven by personal performance, company performance and TCTC levels relative to benchmarks.</li> <li><b>LTI award CEO<sup>(2)</sup></b> Naspers Global Ecommerce SAR Plan: US\$3.15m Naspers N-share PSUs: US\$3.15m Naspers N-share options: US\$700 000</li> </ul>

#### Notes

<sup>(1)</sup> The normal bonus target is 100% of TCTC. This year there was an additional variable bonus capped at 25% of TCTC for obtaining new general funding.

<sup>(2)</sup> Fair value: This represents the value of the SO, SAR or PSU on grant date.

## Remuneration report for the year ended 31 March 2019

continued

### Group financial performance<sup>(1)(2)</sup>

Our principal operations are in internet services, where we have interests in listed assets and non-listed assets, but predominantly focus on consumer internet (online classifieds, payments and fintech, food delivery, retail and ventures, including edtech) and media. Virtually all of our revenue now comes from our internet and ecommerce activities, on an economic-interest basis. Performance highlights include:

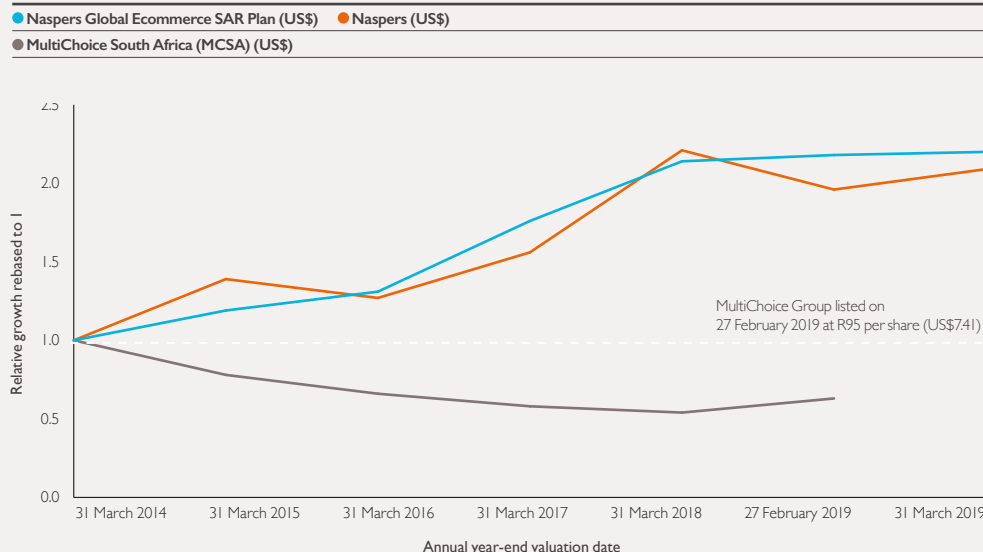
- **Classifieds:** OLX continued to grow around the world and turned profitable in the year (including letgo).
- **Food Delivery:** We continued to invest in this promising sector, including a US\$716m additional investment in Swiggy.
- **Payments and Fintech:** PayU enjoyed healthy growth, with total payment value (TPV) exceeding US\$30bn, and the core Payments business turning profitable.
- **Etail:** We achieved solid growth across all our etail businesses. In August 2018 we sold our stake in Flipkart for US\$2.2bn, achieving an IRR of 29%.
- **Travel:** MakeMyTrip<sup>(3)</sup> strengthened its leadership in India and improved its profitability.
- **Media:** Media24. Despite revenue declining, the business improved its profitability.
- **Other:** We continued to invest in key opportunities such as edtech, including our US\$383m investment in BYJU'S.

### The impact of business performance on longer-term incentives

The adjacent graph shows how the valuation of some of our main LTI schemes has changed over time, reflecting business performance.

More than 80% of the total compensation of the chief executive is delivered through LTIs. On page 30, we show the LTI schemes in which the chief executive and CFO currently participate.

### Value progression of LTI schemes over time (rebased to 1)<sup>(1)</sup>



#### Note

<sup>(1)</sup> Where relevant, we have adjusted amounts and percentages for the effects of foreign currency, as well as acquisitions and disposals. Such adjustments (pro forma information) are quoted in brackets after the equivalent metrics reported under IFRS.

The Naspers Global Ecommerce SAR Plan is designed to incentivise employees who render services across the consumer internet businesses. The scheme is effectively a sum of the parts of the various underlying assets. In this way the participants are exposed to the portfolio of assets as a whole (upside and downside), as opposed to each individual asset in isolation.

We believe this drives the correct behaviour and ensures the focus is the success of the segment as a whole, as opposed to an individual asset focus only.

The performance of the scheme was relatively flat when many of our consumer internet businesses were in an investment phase. As more

businesses reach profitability and scale, value increases and this is reflected in the scheme's performance post 2016.

The Video Entertainment SAR Plan is included in the graph above. The trend line terminates upon its listing on 27 February 2019, achieving a market cap of US\$3.2bn based on a share price of R95 (US\$7.41).

#### Notes

<sup>(1)</sup> MultiChoice Group was listed on the JSE on 27 February 2019 and subsequently unbundled to our shareholders on 4 March 2019.

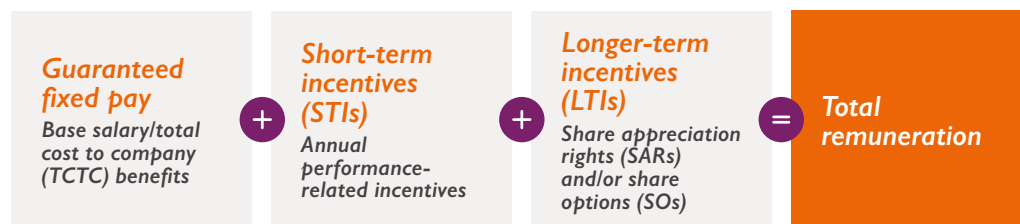
<sup>(2)</sup> All financial figures from continuing operations.

<sup>(3)</sup> In April 2019 we announced the exchange of our 43% interest in MakeMyTrip for a 6% interest in CTrip.com International Limited which is subject to regulatory conditions.

## Remuneration report for the year ended 31 March 2019

continued

### Executive director remuneration for the year ended 31 March 2019



### Total single figure (remuneration) for executive directors for the year ended 31 March

Remuneration type/year	Bob van Dijk				Basil Sgourdos	
	(€'000) <sup>(3)</sup>		(US\$'000)		(US\$'000)	
	2019	2018	2019	2018	2019	2018
Salary	1 122	1 079	1 259	1 332	897	862
Pension	75	66	85	81	85	81
Benefits	59	53	66	65	27	27
STIs	987	863	1 108	1 064	1 006	605 <sup>(1)</sup>
LTI plan <sup>(2)</sup>			10 368	9 636	5 460	1 954
<b>Total remuneration</b>			<b>12 886</b>	<b>12 178</b>	<b>7 475</b>	<b>3 529</b>

#### Notes

<sup>(1)</sup> Includes an additional variable bonus capped at 25% of TCTC relating to obtaining new general funding.

<sup>(2)</sup> Fair value: represents the estimated value of the option on grant date in accordance with IFRS. The actual value accruing to the executive will depend on the real value created over the term of the option.

<sup>(3)</sup> Bob van Dijk is paid in euro. Over the past financial year the euro weakened against the US dollar by almost 10%. As a result, the FY19 annual salary of the chief executive in US dollars is lower compared to FY18.

### Value released/vested in LTI schemes in the 2019 financial year<sup>(1)</sup>

These are tranches of LTIs that were granted prior to FY19, which became available to trade (vested) to the executive in FY19. In order for value to accrue to the executive, the value of the share must be higher on vesting than it was at grant (which means that the executive, has participated in building value in the business). In order for cash to be received by the executive, he/she must exercise the SOs or SARs, ie in the case of SARs, receive a number of Naspers shares equivalent to the difference in value between the exercise price and the grant price; in the case of SOs, buy the shares at the grant price and then either sell or hold the Naspers shares.

We show the potential value released/vested in FY19 based on SOs/SARs prices on date of vesting. This value is calculated by taking the difference between the offer price and the price of each SO/SAR on date of vesting, and multiplying that difference by the number of SOs/SARs that became available to exercise (vested/released) in FY19. The value does not necessarily accrue to the individual. It is available to them should they have chosen to buy and/or sell shares on the date the SOs or SARs vested.

#### Note

<sup>(1)</sup> Fair value on date of grant.

### Potential value released FY19

	Bob van Dijk (US\$'000)	Basil Sgourdos (US\$'000)
Naspers SOs	12 462	806
SARs	8 884	513

### Executive directors' LTI exercised in FY19

On 20 September 2018 Bob exercised share appreciation rights in the Flipkart Private Limited SAR Plan and received 68 829 Naspers N ordinary shares in settlement of the gain. He then sold 26 272 Naspers N ordinary shares at average market prices ranging between R3 168 and R3 200 per share to cover the tax on the exercise of the 365 854 appreciation rights. The balance of 42 557 Naspers N ordinary shares was delivered to Bob. These shares have been retained and not sold at 31 March 2019.

Furthermore, Bob van Dijk exercised 20 094 Naspers options in MIH Services FZ LLC Share Trust and 10 842 Naspers N ordinary shares which sold at average market prices ranging between R3 165 and R3 170.41 per share. The proceeds on the sale of 10 842 Naspers N ordinary shares were used to settle the tax and the offer price of R767.89 (being the listed market value on the date of the offer) on the exercise of the 20 094 Naspers options. The remaining 9 252 Naspers N ordinary shares were delivered to Bob and retained by him.

On 1 August 2018 a total of 11 007 Naspers N ordinary shares were sold by Basil Sgourdos at average market prices ranging between R3 254 and R3 258.60 per share. 32 483 Naspers N ordinary shares were delivered to Basil upon payment of the amount of R17 061 494.12 (being the listed market value on the date of the offer) from the proceeds of the sale of the 11 007 Naspers N ordinary shares (distributed to Basil), to cover the tax and the offer price due to the MIH Services FZ LLC Share Trust. These shares have been retained and not sold at 31 March 2019.

## Remuneration report for the year ended 31 March 2019

continued

### Implementation of the policy in FY20

In the following table we show the remuneration package of the executive directors for FY20 as approved by the human resources and remuneration committee.

#### Fixed pay

	Bob van Dijk <sup>(1)</sup> (€'000)	Bob van Dijk <sup>(1)</sup> (US\$'000)	Basil Sgourdos (US\$'000)
Salary	1 235 (10% increase) <sup>(3)</sup>	1 388	–
TCTC	–	–	1 069 <sup>(4)</sup> (6% increase)

#### Short-term incentives (STIs)

- Based on financial, operational and strategic performance targets which are tailored for each role.
- Awards paid out in cash.

#### Maximum opportunity

- 100% of salary for the CEO.
- 100%<sup>(2)</sup> of TCTC for the CFO.

#### Performance measures

	Bob van Dijk	Basil Sgourdos
Financial	50%	50% <sup>(2)</sup>
Operational and strategic	50%	50%

#### Longer-term incentives (LTIs)

##### Share appreciation rights (SARs)

- Based on the total value of the discrete assets within the ecommerce scheme. Any upside in value created is offset by any downside in the value delivered by individual businesses.
- Four-year phased vesting.

##### Share options (SOs)

- Based on Naspers's total share price.
- Four-year phased vesting.

##### Performance share units (PSUs)

- Full-value Naspers shares, vesting at the end of a three-year period, subject to a performance condition, which will be the three-year CAGR on the valuation of the Ecommerce SAR scheme (value per share), which excludes Tencent, relative to an appropriate equity index.

### Statement of compliance

#### Clawbacks

From FY19, a two-year clawback provision on STI and LTI was introduced for the CEO and his direct reports. In the financial year ending 31 March 2019, no clawback was invoked on either the STIs or LTIs of the CEO or any of his direct reports.

#### CEO shareholding requirement

From FY19, the CEO was required to maintain a Naspers shareholding of 10 times his annual salary. This requirement was met for the financial year ended 31 March 2019.

Further details can be found on page 26.

### Design changes for the 2020 financial year

#### Performance share units

In the coming financial year, in response to shareholder feedback<sup>(1)</sup>, we will introduce a third LTI element for the CEO and his direct reports: performance share units (PSUs). This vehicle allows us to further strengthen our pay-for-performance approach and create an even stronger alignment between shareholder outcomes and executive pay. Awards will not vest annually, but on a once-off basis after three years and will be subject to a performance condition which will be the three-year CAGR on the valuation of the Ecommerce SAR plan (value per share), excluding Tencent, relative to an appropriate equity index. Full details of this new vehicle can be found on pages 28 and 29.

#### Note

<sup>(1)</sup> Subject to approval of scheme amendments at the annual general meeting on 23 August 2019.

#### Notes

<sup>(1)</sup> Bob van Dijk is paid in euro.

<sup>(2)</sup> An additional variable bonus, capped at 25% of TCTC relating to obtaining new general funding, applies.

<sup>(3)</sup> Bob van Dijk received an increase on his base salary of 10% driven by personal performance (eg, listing and unbundling of MultiChoice Group and divestiture of Flipkart), company performance and base pay levels relative to benchmarks.

<sup>(4)</sup> Basil Sgourdos received a 6% TCTC increase driven by personal performance, company performance and TCTC levels relative to benchmark.

# Remuneration report for the year ended 31 March 2019

continued

## 2. Remuneration policy

In this section we present the remuneration policy for our executive directors and an overview of the groupwide remuneration policy.

During the 2019 financial year, we continued to actively listen to our shareholders' views on remuneration. We thank them for their input and support.

Below is a summary of the disclosure changes we are implementing for our executive directors for the 2020 financial year, together with the associated rationale:

- Information on how material transactions influenced executive pay.
- More information on how we benchmark pay.
- More information on fair and responsible pay.
- Clearer labelling of tables and the inclusion of reference sections, including glossary of terms and frequently asked questions.
- More detail on STI strategic/operational objectives.

### Our remuneration principles

The group has an integrated and balanced approach to its reward strategy that aligns all stakeholder interests, both internal and external. Accordingly, individual reward components are linked to business-specific value drivers of the group. When considering our approach to pay, our overarching principles are as follows:

### The Naspers approach to remuneration



We believe in **pay for performance**: we are comfortable with bigger rewards for those who make the highest contribution



Remuneration must be **aligned with shareholder outcomes**



Remuneration must incentivise the **achievement** of strategic, operational and financial objectives, in both the short and longer term



We are **consistent**: our reward package elements are broadly the same, regardless of seniority\*



Our reward systems must help us **attract and retain the best talent** around the world in a fair and responsible way

\* Some employees do not receive LTIs.

There are many business units within the Naspers group which are at different levels of maturity. Individual business units are therefore responsible for developing their own policies within the overall group remuneration framework according to the principles set out above, as well as local laws, taking account of regional, local and sector practice.

The remuneration package of our executive directors is designed to be principally focused on longer-term remuneration which only pays out subject to value being delivered in both the underlying business units and the group as a whole. For example, for the 2019 financial year 80% of the CEO's remuneration was delivered in SOs or SARs. Over time, LTIs only deliver value to the CEO when the value to the shareholder also increases.

### Our remuneration and employment policies

#### Recruitment policy

On the appointment of a new executive director, their package will typically be in line with the policy as outlined above. To facilitate recruitment, it may be necessary to 'buy out' remuneration forfeited on joining the company. This will be considered on a case-by-case basis and cash or LTIs may be used.

#### Termination policy

Payments in lieu of notice may be made to executive directors, comprising salary or TCTC (South African employees) for the unexpired portion of the notice period. Such payments may be phased. On cessation, there is no automatic entitlement to an annual performance-related incentive (STI). However, the committee retains the discretion to award a bonus to a leaver during the financial year taking into account the circumstances of their departure. There is no entitlement to a particular severance package provided for in the service contract of an executive director or senior manager.

### Ensuring a fair and responsible approach to pay

To ensure a fair and reasonable approach to the remuneration of executive directors in the context of the wider group, in practice the committee takes the same approach as for the wider workforce.

A number of factors are taken into account, including:

- The remuneration policy.
- Individual performance.
- Company affordability and trading environment, including return on invested capital.
- The total pay mix for each individual.
- The relative contribution of the job to the overall business success.

### Our employee value proposition

Remuneration is only one element of attracting and retaining talent.

Our people seek meaningful jobs with line of sight to business outcomes and the opportunity to learn and grow professionally, in a purpose-driven environment that they enjoy – where they are recognised for a job well done and are paid fairly in line with personal and company performance.



### Our approach to fair and responsible pay

Our remuneration systems are:

#### Fair

- Rational: easy to explain
- Equitable: free from discrimination
- Relevant: linked to personal and company performance

#### Responsible

- Independent: with oversight; top-down via board
- Managed: all employee pay decisions are properly overseen
- Considered: judgement is applied; we shy away from formulaic appraisals that could lead to unacceptable outcomes
- Sustainable: remuneration designed with sustainability in mind

## Remuneration report for the year ended 31 March 2019

continued

Market pay benchmarking is considered an additional reference point. Individual performance is the primary determining factor in whether to grant a pay increase. Pay increases are not granted in the absence of a satisfactory level of performance. Similarly, the operational performance of the business and its ability to pay are naturally considered when the quantum of any increase is considered.

### Ratios

The committee aims to make fair and responsible pay decisions. In that context, and in light of the global reach of the group, it does not consider pay ratios as an adequate indication of fairness.

### Our approach to benchmarking

Although market benchmarks are not the primary consideration in determining executive pay, it is important that we can attract and retain digital talent in an extremely competitive global environment. We compete with global consumer tech players and local incumbents in the markets in which we operate and where competition for people is fierce. It is therefore important that Naspers can compete financially for this talent.

We partner with local providers of benchmarking information in the countries in which we operate. In addition, we partner with two global providers of benchmarking information. With compensation surveys in over 120 countries, Willis Towers Watson is one of the largest global providers of compensation data. Its surveys focus on companies that operate globally. Survey coverage is specifically strong in the US, Western Europe and in emerging markets. We access its general industry and high-tech (including media and technology) surveys.

The Radford survey is a global survey of Aon Hewitt which focuses on technology companies. The survey is very relevant within high-tech companies and is particularly strong in the US technology sector; internet, and more specifically, silicon valley.

Where appropriate, publicly disclosed data is included in the analysis. Typically the compensation of the CEO and the two to four most senior (highest paid) executives is disclosed by our peer companies. We look at publicly disclosed data that is more or less comparable at listed ecommerce, consumer internet, online travel and social media companies (for all functional positions and selected general management positions), for listed payments and fintech companies, and listed print media/publishing companies (for selected general management positions). It should be noted, however, that due to varying disclosure requirements by country of listing, this information is often somewhat high-level and therefore it is challenging to derive exact comparisons.

### Our employee value proposition

Being competitive on pay is only one dimension of our employee proposition. Our executives and other employees typically join us and stay because they are attracted to the opportunity to have meaningful jobs with line of sight to the customer and accountability for the results. They also appreciate the opportunity to learn and grow on the job and through formal training, coaching and mentoring and finally they join us and stay because they are attracted to our culture of entrepreneurship and values-driven leadership. Further details about our employee value proposition can be found in the People section of the integrated annual report on page 45.

### Service contracts

Executive directors' service contracts comply with terms and conditions of employment in the local jurisdiction. Details of the date of appointment and the relevant employer notice period are set out in the following table:

	Bob van Dijk	Basil Sgourdos
<b>Date of appointment</b>	1 August 2013	1 August 1995
<b>Employer notice period</b>	Six months	Three months

### Our remuneration structure

We have outlined the three elements of pay for our executive directors below, and the approach is similar for the CEO's direct reports. The same principles are applied to employees across the group, where appropriate.

### Fixed pay

#### Base salary/TCTC

- Base salary is the fixed pay that an employee receives and reflects the performance and contribution of the individual and market value of the role. The cost of employee benefits and employers' taxes is in addition. People are employed in South Africa on a TCTC basis, and the cost of benefits and employers' tax is included in this figure.
- Salary is paid monthly in cash.
- Benefits provided include a mix of cash and non-cash benefits, including pension, medical and other optional benefits.
- Fixed pay is reviewed annually and any increases are typically effective from 1 April each year.
- A number of factors are taken into account during the review process, including personal performance, the scope and nature of the role, relevant companies in the technology sector and local economic indicators such as inflation, cost-of-living changes and the relevant labour market, to ensure remuneration is fair, sensible and market competitive.

### Variable pay

#### Annual performance-related incentive

- Participants are eligible to receive awards under the discretionary annual performance-related incentive scheme to incentivise and recognise the achievement of group financial and operational objectives, and personal performance.
- The purpose of the annual performance-related incentive plan is to ensure executive alignment with and focus on the annual board-approved business plan. The achievement of these annual plans will cumulatively drive long-term shareholder value.
- The performance measures for each executive director are tailored to their roles and responsibilities. Further information is provided in the implementation report each year.
- For the group CEO and group CFO, at least 50% of maximum bonus opportunity is based on financial measures, including and excluding Tencent.
- The annual bonus opportunity for each executive is agreed annually in advance of the financial year, and any payout is based on targets that are verifiable and aligned to the business plan, risk management policy and strategy. The target and maximum annual bonus opportunity levels are the same for the executive directors (ie, there is no possibility to over-perform against the target) and are set at:
  - group CEO: 100% of base salary, and
  - group CFO: 100% of TCTC<sup>(1)</sup>.

- Any awards are made wholly in cash.
- Further information on the targets and achievements are provided each year in the implementation report.

The committee may apply judgement and shall have discretion to make appropriate adjustments to an individual's annual bonus to ensure it reflects the underlying financial performance of the group.

**Target setting:** When determining the targets used for our annual performance incentive plan, we take into account a number of reference points, including the group internal board-approved business plan and historic performance. The committee undertakes a thorough assessment to ensure that targets are sufficiently stretched in the context of potential remuneration delivered.

The performance of executives and employees against their annual performance-related incentive objectives (STI) has significant influence on the decision to award LTIs. Any SOs or SARs that are awarded will only deliver value to the participant if business performance drives an increase in the value of the asset.

### Note

<sup>(1)</sup> Plus an additional variable bonus capped at 25% of TCTC relating to obtaining new general funding, in financial years where such funding is obtained.

## Remuneration report for the year ended 31 March 2019

continued

### Performance requirements

There are therefore three personal performance requirements associated with an SO or SAR:

- Strong short-term (annual) performance leading to a decision to grant an LTI.
- Ongoing employment which permits the incentive to vest over four years.
- Superior business performance over time, leading to value creation in the scheme and for the shareholder.

#### Note

Performance measures and weightings are dealt with in more detail in the implementation report. See pages 22 and 27.

### LTI

- LTI awards comprise a significant portion of total compensation and are designed to incentivise the delivery of sustainable longer-term growth and provide alignment with our shareholders.
- Awards are normally granted annually to the executive directors under two types of LTI schemes:
  - SARs, and
  - SOs.
- In FY20, PSUs will be introduced.
- Detailed scheme rules provide for the operation and governance of each scheme.

### Performance management at Naspers

Pay for performance is one of the pillars of our reward philosophy. Personal performance (including the financial results of the business) is the determining factor in whether an individual receives a base salary or TCTC increase, an annual performance-related incentive payout and/or an LTI in the form of SOs or SARs.

Our executives are eligible to participate in a performance-related STI programme. This is an annual programme in which participants may receive annual performance-related incentive payments if they achieve certain preapproved business and personal goals. Similarly, mostly annual, STI programmes are operated across the group.

Performance goals are directly aligned with the approved business plans. In the case of the CEO, his annual performance-related incentive goals are exactly as per the Naspers board-approved annual business plan. The annual goals of functional and business segment leaders reporting to the CEO will similarly be based on financial and personal objectives, tailored to their specific areas of responsibility and impact.

Personal goals are arrived at as an outcome of the annual business planning process. As budgets and operating plans are designed prior to the end of the financial year, so too are the personal performance goals at an individual level. These goals, if achieved, drive the accomplishment of the financial and operating plan of the business.

Managers engage in continuous conversations with their people throughout the financial year to ensure that their plans are on track. At the end of the financial year both the overall performance of the business and the individual's achievement of their personal goals are considered, and this may translate into the payment of an annual performance-related incentive. While we do not force-rank performance scores, we do expect that any performance-related incentive payments reflect the overall performance of the business where appropriate. Individuals who have performed well against their performance-related incentive goals, are eligible to be considered for an LTI grant and a pay increase. Only strong performers are considered for LTI awards.

### Change of control provisions

In the event of a change of control as defined by the plan rules of the key LTI plans in which the CEO and CFO participate, the following options are available:

- the plan is retained by the new controlling entity, or
- the plan is replaced by a substantially similar plan, or
- if neither of the above options is viable, the participant is treated as a good leaver under the scheme rules, and unvested awards are accelerated at the applicable valuation.

### Date and price of SOs and SARs

Our policy does not allow for the backdating of LTI awards, or for the offer price to be adjusted so as to bring underwater SOs or SARs 'into the money'. Offer prices may be adjusted within the rules of the scheme to take account of material structural changes to the group (eg, MultiChoice Group unbundling).

### Dividend policy

Employees of Naspers group holding Naspers SOs do not receive ordinary dividends. Upon exercise of an SO, if the Naspers share is purchased and retained, then participants are treated as per all other N shareholders with regard to ordinary dividends.

### SARs

- Awards to executive directors are typically made in the Naspers Global Ecommerce SAR Plan, which takes into account the performance of our internet businesses. In this way, any non-performing business will balance the value created by others, thus ensuring any gain by the executive directors adequately reflects total return on invested capital. Many of the segment CEOs who report to the group CEO are similarly incentivised in schemes that consider the sum of the value of all of the businesses for which they are responsible.

- SARs deliver value based on the growth in the valuation of a group of businesses over a specified time period with vesting typically over a four- or five-year period (the vesting period for the Naspers Global Ecommerce SAR Plan is four years) with a term of typically 10 years.
- Any value delivered is based on the change in total value of the business or group of businesses. This means that the sum of all decreases/increases in value is calculated to determine the final value.
- Any gains are delivered by means of an equivalent value of Naspers shares. Naspers shares are bought on the open market and shareholders are not diluted to settle employee SAR gains.

### SOs

- Awards are made based on the share price on the date of the grant.
- SOs deliver value based on the growth in the share price over a specified time period with vesting typically over a four-year period, with 25% vesting each year and a term of 10 years.
- Value is only delivered if there has been an increase in the share price following the date of grant.
- Once an award vests, participants can then buy company shares at the predetermined strike price and will gain value from any increase in the price.

## Remuneration report for the year ended 31 March 2019

continued

### Outline of LTI plans in operation during the 2019 financial year

	Share appreciation rights (SARs)	Share options (SOs)	Restricted stock units (RSUs)
	A right to benefit from any increase in value of the business unit over which an award is made.	A right to buy a Naspers share at a preagreed price.	An award of Naspers shares that is transferred to participants after time restrictions have passed.
	<p>Total value of the business</p> <p><b>Value delivered to participant</b> Change in value of business unit between grant and vest.</p>	<p>Total share price</p> <p><b>Value delivered to participant</b> Change in share price between grant and vest.</p>	<p>Total share price</p> <p><b>Value delivered to participant</b> Full value delivered to the participant.</p>
	<ul style="list-style-type: none"> <li>If there is no change or a decrease in value, there is no gain for the participant.</li> <li>Gains are settled in Naspers shares.</li> </ul>	<ul style="list-style-type: none"> <li>If there is no change or a decrease in value, there is no gain for the participant.</li> <li>When the option is exercised the participant becomes a shareholder.</li> </ul>	<ul style="list-style-type: none"> <li>Naspers shares are delivered on vesting.</li> </ul>
Granted to executive directors	✔	✔	
Granted to the wider employee population	✔	✔	✔*

\* Specifically targeted talent, to attract and retain scarce resources at a junior to mid level in their careers.

### A prudent approach

Our LTI plans typically have a 10-year term. This is a common term length across the consumer internet sector where early stage businesses take longer to reach maturity and create shareholder value.

Vesting periods are conservative relative to the companies with which we compete for talent. Our LTI plans typically vest over four years, with equal tranches vesting annually. Across the consumer internet sector we typically see either a three- or four-year vesting period, with grants often vesting monthly after the first year.

Unlike other companies we compete with for talent, we offer RSUs on a very limited basis. Most participants in our LTI plans receive either SOs or SARs, which means value must be created before the participant can profit. We diverge from standard consumer internet remuneration practice here by not providing broad-based RSU programmes.

Note that RSUs are not available to the CEO, CFO, or other senior executives across the group. The Naspers restricted stock programme is specifically tailored to engineering, specialist and technical talent. The inclusion of RSUs in our remuneration framework ensures that we are attracting and retaining critical technical and specialist talent, such as software engineers and those with specialist skills such as machine learning, product design, etc. within highly competitive markets.

### Shares purchased on market

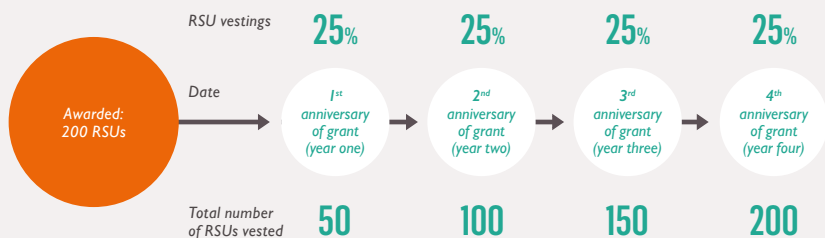
During FY19 the group purchased on market 64 578 (2018: 42 969) Naspers N ordinary shares at average market prices ranging between R3 236.22 and R3 299.58 per share in respect of grants awarded in the Naspers RSU trust for a total estimated value of US\$14 599 872. In total 535 246 Naspers N ordinary shares have been purchased on market for this purpose.

Furthermore, on 21 September 2018 the group purchased on the market a further 273 536 Naspers N ordinary shares at average market prices ranging between R3 217.88 and R3 255.45 per share in respect of grants awarded in the MIH Holding Share Trust, MIH Services FZ LLC Share Trust and the Naspers Share Incentive Trust for a total estimated value of US\$61 850 261.

# Remuneration report for the year ended 31 March 2019

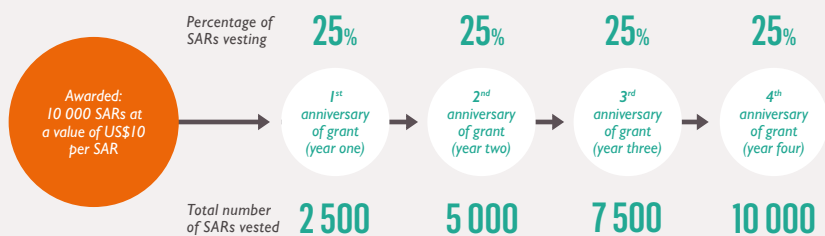
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## RSU How does a restricted share unit (RSU) work?



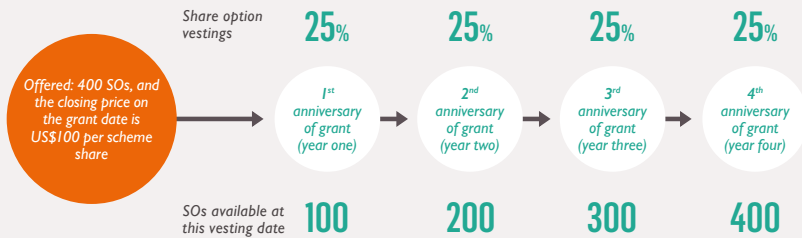
Employee is awarded 200 RSUs on grant date. On each of the vesting dates he/she will automatically receive 50 Naspers shares. Let's assume that on the first vesting date the price is US\$100 per Naspers share, the employee would then receive a benefit, at that point, to the value of US\$5 000, ie 50 Naspers shares x an assumed US\$100 per share.

## SAR How does a share appreciation right (SAR) work? Four-year phased vesting



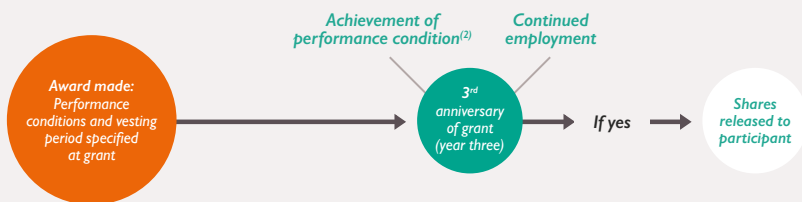
After two years the employee, assuming he/she didn't exercise his/her first 2 500 after year one, he/she may exercise 5 000 of his/her 10 000 SARs. If the value of a SAR at this point has increased to US\$14, the employee made a gain of US\$4 per SAR, giving the employee a total gain of US\$20 000 (5 000 SARs x US\$4 gain per SAR). So, if exercised, the employee would be awarded Naspers shares to the value of US\$20 000.

## SO How does a stock option (SO) work?



Let's say that two years after the grant date, the employee chooses to exercise and pay for 200 scheme shares, ie US\$100 x 200 = US\$20 000; if the market price of a scheme share has increased to say US\$120, and the employee decides to sell them, that is a gain of US\$20 per share. This means the employee shares in the success of the group by earning a benefit of US\$4 000, ie US\$20 x 200 scheme shares.

## PSU How does a performance share unit (PSU)<sup>(1)</sup> work?



The vesting of a PSU is determined not just by time. In order for an award to vest, certain business performance conditions must also be met.

### Notes

<sup>(1)</sup> New in FY20.

<sup>(2)</sup> Achievement of the performance condition will be assessed by the human resources and remuneration committee, based on the valuation of the Ecommerce SAR scheme (in absolute and relative terms), validated by the valuations subcommittee as per the valuations process described on pages 19 and 20.

## Remuneration report for the year ended 31 March 2019

continued

### Executive director participation in share schemes

The table below sets out details of LTI plans in which the executive directors are currently participating. Since September 2016, awards to the CEO and CFO have been made in the Naspers Global Ecommerce SAR Plan and the Naspers SO Plan only.

Type of plan	Entity	Details	Name of plan	Comments	Executive director participating
SOs	Naspers group N ordinary shares	Four-year phased vesting, 10-year term	MIH Services FZ LLC Share Trust <sup>(1)</sup>		Bob van Dijk Basil Sgourdos
SARs	Naspers Ecommerce	Four-year phased vesting, 10-year term	Naspers Global Ecommerce SAR Plan	Includes the internet companies in the group (excluding Tencent)	Bob van Dijk Basil Sgourdos
SARs	SimilarWeb <sup>(2)</sup>	Five-year phased vesting, 10-year term	SimilarWeb SAR Plan	Last granted in September 2014	Bob van Dijk
SARs	Showmax	Four-year phased vesting, 10-year term	Showmax SAR Plan	Last granted in September 2015	Basil Sgourdos

#### Notes

<sup>(1)</sup> Options granted prior to 2017 have a five-year vesting period.

<sup>(2)</sup> Subsequent to the end of FY19, Bob van Dijk offered to surrender his SimilarWeb SARs, and this offer was accepted by the human resources and remuneration committee.

### Major transactions in 2019 and their impact on the share schemes in which executive directors participate

#### Flipkart SAR Plan

In August 2018, Naspers disposed of its 12% share in Flipkart for the sum of US\$2.2bn representing an IRR of 29% on that investment. There was a dedicated Flipkart SAR Plan which only offered liquidity to participants in the event of a corporate transaction. Therefore, no participant benefited until the transaction took place. The sale price

achieved by Naspers was the final valuation for the scheme, and as Naspers had exited Flipkart completely, vested awards were exercisable and unvested awards were accelerated, per the rules of the scheme. Bob van Dijk made a gain of US\$14.9m, which was settled by the delivery of US\$68 829 Naspers shares, which Bob has retained.

#### MultiChoice Group listing and unbundling

The MultiChoice Group listing and unbundling impacted the Showmax SAR Plan and the Naspers SOs. Basil Sgourdos participated in the Showmax

SAR Plan: As a result of the transaction the Showmax scheme was wound up, with no gain accruing to the participants.

Both Bob van Dijk and Basil Sgourdos participated in the Naspers SOs: Per the scheme rules, participants in the Naspers SOs were offered the choice between an adjustment to the strike price of their options (the strike price adjustment was calculated based on the closing price of MultiChoice Group on the listing date, 27 February 2019) or to take delivery of MultiChoice Group shares at the time when they choose to exercise their Naspers SOs,

after they have vested. Participants who already had exercised vested options were treated the same as other Naspers shareholders on the unbundling, and automatically received MultiChoice Group shares: Bob and Basil chose to receive an adjustment to the strike price of their Naspers SOs, on the basis that Naspers no longer has an interest in MultiChoice Group.

### Valuing LTIs

We operate SO and SAR plans that are associated with businesses not publicly listed. We must therefore perform an annual valuation on these assets, which ensures we maintain ongoing alignment between value creation for shareholders and management and employee remuneration outcomes.

For executives who are responsible for several businesses, it is important to incentivise them on the overall performance of the assets for which they are responsible, ensuring that they are not incorrectly rewarded for success in one part of their portfolio if value is not being created in another. We therefore created several 'umbrella' (or sum-of-the-parts) schemes encompassing several assets in which the most senior executives participate, eg the Naspers Global Ecommerce SAR Plan, the Naspers Global Classifieds SAR Plan and the Naspers Fintech SAR Plan.

In the past, we did not include some investments in which we were a minority investor in the umbrella schemes' valuations. In limited cases, senior executives received an award directly in those underlying schemes to ensure that they were incentivised to deliver appropriate returns on invested capital in those businesses. No awards have been made to the executive directors in such schemes since September 2015 and they are now included in the valuations of the umbrella schemes. Subsequent to the end of the financial year, Bob van Dijk offered to cancel his SimilarWeb SARs for no consideration and this offer was accepted by the human resources and remuneration committee.

The CEO and CFO participate in the Naspers Global Ecommerce SAR Plan, which is a sum-of-the-parts scheme consisting of the main entities in ecommerce. The valuation process is illustrated overleaf and is indicative of the process for all other schemes. The underlying assets included in the scheme are valued in accordance with their relevant rules and the valuations and governance processes are shown overleaf.

#### Scheme limits

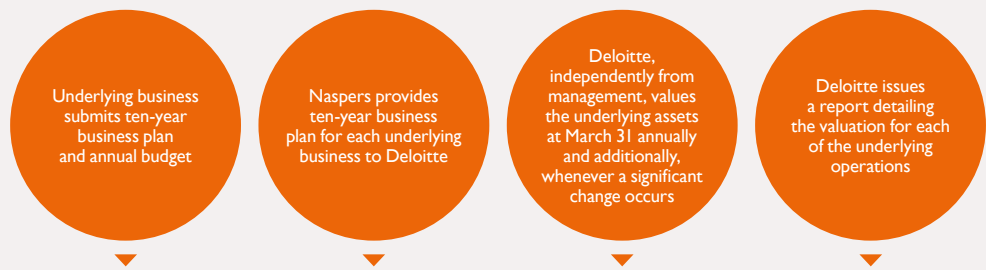
We place limits on how much of the capitalisation (CAP) table is available for employee compensation. In general, no more than 15% of the CAP table can be used for unvested employee compensation. Depending on the life stage of the business, the scheme limit can be lower.

When the business takes funding from Naspers, the scheme is diluted as additional shares are issued.

# Remuneration report for the year ended 31 March 2019

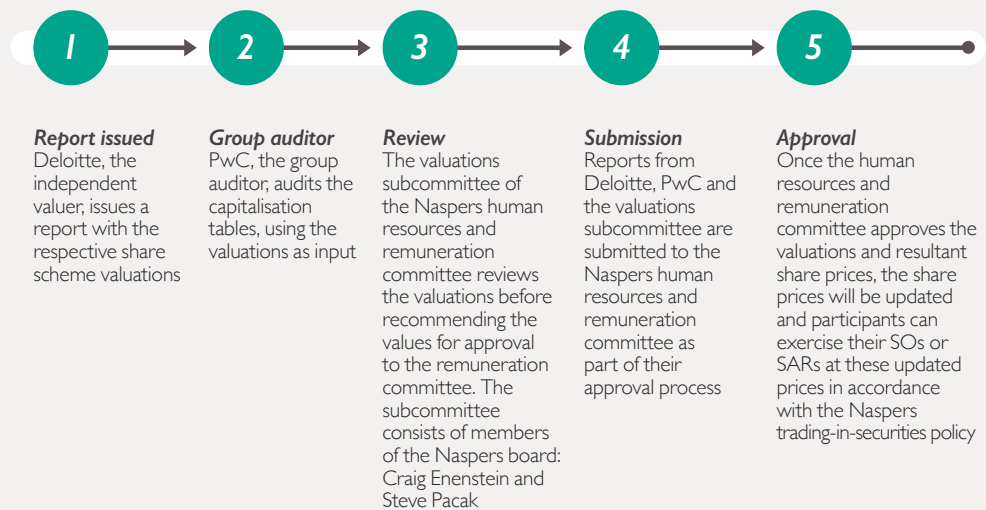
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## Valuations process



Segment schemes and the ecommerce schemes are a "basket of assets" representing the valuations of the underlying operations

## Governance



### Other non-executive roles

The CEO does not hold any non-executive positions outside of the Naspers group. On 31 March 2019, Basil Sgourdos was a non-executive director of Mail.ru in which Naspers holds a 28% stake. He did not receive additional compensation for these duties. Basil stepped down from the Mail.ru board effective from 31 May 2019.

### Non-executive directors' remuneration policy

The fee structure for non-executive directors has been designed to ensure we attract, retain and appropriately compensate a diverse and internationally experienced board of non-executive directors, given the highly competitive markets in which we operate, and the global competition we face.

Non-executive directors receive an annual fee as opposed to a fee per meeting, which recognises their ongoing responsibility for effective control of the company. They may also receive an additional fee for group board committees and subsidiary boards, to reflect the additional responsibilities and associated time commitment. Remuneration is reviewed annually and is not linked to the company's share price or performance. Non-executive directors do not qualify for share allocations under the group's incentive schemes.

The remuneration of non-executive directors is determined following a benchmarking exercise which considers international comparators in the consumer internet and media sectors, and top 10 JSE-listed companies.

### Non-executive directors' terms of appointment

The board has clear procedures for appointing and orienting directors. The nomination committee periodically assesses the skills represented on the board and determines whether these meet the company's needs. Annual self-evaluations are done by the board and its committees. Directors are invited to give their input in identifying potential candidates. Members of the nomination committee propose suitable candidates for consideration by the board. A fit-and-proper evaluation is performed for each candidate.

### Retirement and re-election of directors

All non-executive directors are subject to retirement and re-election by shareholders every three years. Additionally, non-executive directors are subject to election by shareholders at the first suitable opportunity for interim appointments. The names of non-executive directors submitted for election or re-election are accompanied by brief biographical details to enable shareholders to make an informed decision on their election. The reappointment of non-executive directors is not automatic.

For the full remuneration policy, go to [www.naspers.com](http://www.naspers.com).

## Remuneration report for the year ended 31 March 2019

continued

### 3. Implementation of remuneration policy

In this section we outline how our remuneration policy for executive directors has been implemented during this financial year and how we intend to operate it during the next financial year. All decisions in relation to executive remuneration have been made in line with our remuneration policy for this financial year.

#### Executive directors' total remuneration for the financial year to 31 March 2019

		Guaranteed fixed pay		Actual annual bonus		Total		Fair-value LTI awarded (US\$'000) <sup>(3)</sup>
		(US\$'000) <sup>(1)</sup>	(€'000) <sup>(1),(4)</sup>	(US\$'000) <sup>(2)</sup>	(€) <sup>(2)</sup>	(US\$'000)	(€'000)	
Bob van Dijk	2019	1 259	1 122	1 108	987	2 367	2 109	10 368
	2018	1 332	1 079	1 064	863	2 396	1 942	9 636
Basil Sgourdos	2019	1 009		1 006		2 015		5 460
	2018	970		605		1 575		1 954

#### Notes

<sup>(1)</sup> Guaranteed fixed pay for 2019 comprises base salary levels of US\$1 259 000 for Bob van Dijk with the remainder attributing to pension and other benefits, eg medical insurance. For Basil Sgourdos this comprises TCTC of US\$1 009 000, which incorporates base salary and any benefits.

<sup>(2)</sup> Annual bonus levels paid out in respect of each financial year.

<sup>(3)</sup> The fair value of LTIs awarded during each financial year. Details of the separate awards can be found in the shareholding table on pages 23 and 30.

<sup>(4)</sup> Bob Van Dijk is paid in euro. Over the past financial year the euro weakened against the US dollar by almost 10%. As a result, the FY19 annual salary of the chief executive is lower compared to FY18.

Below we show the relative weightings of each type of compensation: Base salary/TCTC, STI and LTIs for each executive as at 31 March 2019.

#### BOB VAN DIJK



	%
Annual fixed pay	10.94
Annual STI (target)	8.59
Annual fair-value LTI	80.47

#### BASIL SGOURDOS



	%
Annual fixed pay	13.49
Annual STI (target)	13.47
Annual fair-value LTI	73.04

#### Guaranteed fixed pay (TCTC)

During the year, levels of base salary and TCTC (where relevant) continued to vary across the jurisdictions where we operate. In determining any increases for executive directors we considered personal performance, business performance and local economic indicators, overall movement in the local (and, where appropriate, regional and global) labour market, and levels observed across the wider workforce. During the year, group companies made contributions for executive directors to the appropriate pension schemes. These contributions are in line with market norms and constitute a modest proportion of the individuals' total remuneration.

Bob van Dijk received an increase in his base salary of 10%, driven by personal performance (eg, listing and unbundling of MultiChoice Group and divestiture of Flipkart), company performance and base pay levels relative to benchmarks.

#### Annual incentive awards with respect to the 2019 financial year

During the financial year, the bonus awards were subject to a combination of financial, operational and strategic performance measures. The target and maximum achievement levels are one and the same (ie there is no opportunity to overachieve on bonus payout) and were:

- Bob van Dijk: 100% of base salary.
- Basil Sgourdos: 100% of TCTC (plus an additional variable bonus capped at 25% of TCTC relating to obtaining new general funding, in financial years where such funding is obtained).

The weightings of each performance measure varied for each executive director, subject to their key priorities during the year.

#### Annual performance incentive: Achievement against financial goals

In the following tables we outline the actual outcomes for each financial performance measure relative to the target set at the beginning of the financial year, together with the resulting payout.

Financial measure	Actual	Bonus impact	Bonus target		Bonus achieved	
			Bob van Dijk % of base salary	Basil Sgourdos % TCTC	Bob van Dijk % of base salary	Basil Sgourdos % TCTC
Revenue	US\$19bn	Not achieved	10	–	0	–
Free cash outflow	US\$120m	Achieved	10	25	10	25
Core headline earnings	US\$3bn	Achieved	15	12.5	15	12.5
Core headline earnings (excluding Tencent)	(US\$587m)	Achieved	15	12.5	15	12.5

In addition to the above, each executive director was subject to strategic and operational performance measures.

#### Free cash outflow


Across our consumer internet businesses, we compete against both local and global 'tech titans'. Reaching scale relatively quickly, in terms of consumer numbers and markets served, consumer internet businesses are of paramount importance in this environment. It requires significant investment and often involves incurring losses in the early years. We make a deliberate choice to invest in these businesses, knowing that short-term profitability and free cash flow will be negative. As such the financial architecture is quite different to that of traditional business models. The diversity in our portfolio allows us to sustain this investment phase. Once scale is reached, profitability follows. It is therefore appropriate to incentivise management to keep the free cash outflow levels as low as possible but to balance this with keeping a longer-term perspective on future investments. To put it simply, if we set a target to be significantly cash flow positive now, this could impact our future success and sustainability as it would incentivise management to chase profitability at the expense of growing the user base, thus losing out to competitors in several markets around the world.

## Remuneration report for the year ended 31 March 2019

continued

### Strategic and operational performance measures for Bob van Dijk (CEO)

Strategic and operational performance measures for Bob van Dijk accounted for 50% of his total bonus opportunity. The topics, types of goals and achievement thereof are illustrated in the table below.

Further details can be found in the integrated annual report 2019<sup>(1)</sup> and are marked with .


Executive director	Weighting of strategic/operational goals	Achieved	Topic	Performance	Types of goals
Bob van Dijk	50%	48%	Classifieds	Achieved	<b>Quantitative:</b> Revenue; trading profit; customer/subscriber numbers; customer satisfaction
			Video Entertainment	Achieved	
			Payments and Fintech	Achieved	
			B2C	Partially achieved	<b>Qualitative:</b> New product development; new market development; portfolio optimisation; skills development
			Food Delivery	Achieved	
			Structure and portfolio	Achieved	
			Machine learning and artificial intelligence	Achieved	

### Strategic and operational performance measures for Basil Sgourdos (CFO)

Strategic and operational performance measures for Basil Sgourdos accounted for 50% of his total bonus opportunity and related to the management of the finance function, with an emphasis on tax, treasury, investor relations, governance and control, and finance talent.

Executive director	Weighting of strategic/operational goals	Achieved	Topic	Performance	Types of goals
Basil Sgourdos	50%	49.75%	Tax	Achieved	Prudent and defensible tax management structure
			Treasury	Achieved	Mitigation of impact of foreign exchange movement
			Investor relations	Achieved	Effective communications; multi-year strategy
			Operations	Partially achieved	Process improvements; end-user satisfaction
			Governance and control	Achieved	Ensure appropriate governance and controls are in place
			People and team	Achieved	Make critical appointments; develop existing team; employee engagement

#### Note

<sup>(1)</sup> Page numbers in the integrated annual report that reflect achievement of CEO's STI are marked with  on the following pages: 9, 10, 15, 19, 32-33, 35, 37, 39, 48 and 51.

### Outcomes of STIs

The outcomes mentioned adjacent resulted in annual bonus payout levels of 88% base salary for Bob van Dijk and 99.7% of TCTC for Basil Sgourdos.

### LTI costs

As a committee, we have endeavoured to be more transparent on the disclosure of the awards made, and those outstanding under our LTI schemes.

Share-based compensation incentives across the group account for 10% of total staff costs, and 2.6% of overall group costs, for example the cost of providing services and sale of goods – selling, general and administration expenses. Further details can be found on pages 150 to 161 of the full annual financial statements on [www.naspers.com](http://www.naspers.com).

Given the nature of our businesses, we operate a number of incentive plans for our executive directors to ensure they are incentivised across the whole portfolio. A full statement of the holdings of the executive directors can be found on pages 23, 24 and 30.

### Plan participation

Schemes in which executive directors were awarded LTIs in the 2019 financial year:

	Active LTI plans	Entity	Details	Award made to
SARs	Naspers Global Ecommerce SAR Plan	Naspers	Four-year annually phased vesting  Valuation based on the underlying assets (excluding Tencent)	Bob van Dijk Basil Sgourdos
SOs	Naspers N ordinary shares	Naspers	Four-year annually phased vesting	Bob van Dijk Basil Sgourdos

Details of the group's share-based incentive schemes are disclosed in note 45 on pages 150 to 161 of the annual financial statements on [www.naspers.com](http://www.naspers.com).

### Value of historical LTI grants to executive directors

Due to the pace of change in our industry and the evolution of key priorities each year, the award levels for each executive director vary from year to year. To reflect this, we have provided a summary below of the awards made to each executive director over the past three years.

	Bob van Dijk (US\$'000)		Basil Sgourdos (US\$'000)	
	Face value <sup>(1)(2)</sup>	Fair value <sup>(1)</sup>	Face value <sup>(1)(2)</sup>	Fair value <sup>(1)</sup>
2019	27 975 (49% Naspers SOs, 51% SARs)	10 368	14 752 (51% Naspers SOs, 49% SARs)	5 460
2018	36 290 (32% Naspers SOs, 68% SARs)	9 636	7 634 (17% Naspers SOs, 83% SARs)	1 954
2017	21 630 (100% Naspers SOs)	10 403	4 970 (33% Naspers SOs, 67% SARs)	1 752

#### Notes

<sup>(1)</sup> Grant date face value/fair value for awards.

<sup>(2)</sup> The face value at grant date of the Naspers N options was adjusted by the value of MultiChoice Group shares on the closing price of R106.01 of the listed MultiChoice Group shares on the unbundling date.

As per King IV guidelines, we set out the fair value for all awards made in the year and all of those awards that are outstanding.

## Remuneration report for the year ended 31 March 2019

continued

### Awards released (vested) during the period 1 April 2018 to 31 March 2019

During the year a number of SOs and SARs were released (vested) to executive directors and these are outlined in the table:

Naspers N share options (SOs)					Share appreciation rights (SARs)				
	Number of options	Release value at release date (R)	Face value at grant date <sup>(1)</sup> (R)	Fair value at grant date (R)	Scheme name	Number of SARs	Release value (US\$)	Face value (US\$)	Fair value (US\$)
Bob van Dijk	277 334	916 308 763	290 336 297	161 385 677	SimilarWeb SAR Plan <sup>(3)</sup>	39 937	236 826	57 909	20 577
	12 932	39 083 888	35 637 012	8 251 213	Naspers Global Ecommerce SAR Plan	1 493 226	49 814 019	23 264 461	7 860 272
					Naspers Global Ecommerce SAR Plan	146 789	4 898 349	4 000 000	810 286
					Naspers Global Ecommerce SAR Plan	35 051	1 169 652	967 408	193 274
Basil Sgourdos	1 444	4 364 146	3 979 264	921 339	Naspers Global Ecommerce SAR Plan	9 682	321 442	179 988	58 500
	7 469	23 055 661	9 505 521	4 840 270	Naspers Global Ecommerce SAR Plan	32 599	1 110 974	666 650	188 465
	9 120	30 419 253	6 036 375	3 138 967	Naspers Global Ecommerce SAR Plan	25 353	864 030	690 869	139 950
	459	1 417 343	731 886	343 740	Naspers Global Ecommerce SAR Plan	21 017	701 337	580 069	115 889
	2 247	6 928 019	3 673 493	1 721 151	Showmax SAR Plan <sup>(2)</sup>	1 111	19 998	19 998	10 329

#### Notes

<sup>(1)</sup> The face value at grant date of the Naspers N options was adjusted by the value of MultiChoice Group shares on the closing price of R106.01 of the listed MultiChoice Group shares on the unbundling date.

<sup>(2)</sup> Upon the unbundling of Video Entertainment, a final valuation was performed on the Showmax SAR Plan effective 31 March 2019. The scheme was wound up, and no value was accrued by Basil Sgourdos.

<sup>(3)</sup> Subsequent to the end of FY19, Bob van Dijk offered to surrender his SimilarWeb SAR Plan, and this offer was accepted by the human resources and remuneration committee.

### Awards made during the period 1 April 2018 to 31 March 2019

Naspers N share options (SOs)					Share appreciation rights (SARs)			
	Scheme name	Number of options	Face value <sup>(1)(2)</sup> (R)	Fair value (R)	Scheme name	Number of SARs	Face value (US\$)	Fair value (US\$)
Bob van Dijk	MIH Services FZ LLC Share Trust	61 142	189 600 731	66 955 583	Naspers Global Ecommerce SAR Plan	418 434	14 046 829	5 449 272
Basil Sgourdos	MIH Services FZ LLC Share Trust	33 108	102 667 577	36 255 740	Naspers Global Ecommerce SAR Plan	214 759	7 209 460	2 796 813

#### Notes

<sup>(1)</sup> Grant date face/fair value for awards.

<sup>(2)</sup> The face value at grant date of the Naspers N options was adjusted by the value of the MultiChoice Group share on the closing price of R106.01 of the listed MultiChoice Group shares on the unbundling date.

### Executive directors' relative shareholding by scheme (fair value) Value of unvested equity grants by scheme after FY19 grant

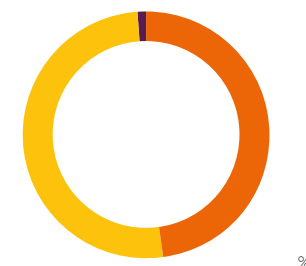
**BOB VAN DIJK**  
Unvested equity mix after FY19 grant (fair value)



● MIH Services FZ LLC (Naspers shares)	49
● Naspers Global Ecommerce SAR Plan	51

Note  
Subsequent to FY19 Bob van Dijk surrendered his SimilarWeb SARs for no consideration.

**BASIL SGOURDOS**  
Unvested equity mix after FY19 grant (fair value)



● MIH Services FZ LLC (Naspers shares)	48
● Naspers Global Ecommerce SAR Plan	51
● Showmax SAR Plan <sup>(1)</sup>	1

Note  
<sup>(1)</sup> Subsequent to FY19 Showmax SAR was wound up. No gain accrued.

## Remuneration report for the year ended 31 March 2019

continued

### Gains made on any options or SARs exercised during the period 1 April 2018 to 31 March 2019

Naspers N share options					
	Date exercised	Number of options	Strike price	Exercise price	Gross gain
Bob van Dijk	20/09/2018 <sup>(1)</sup>	10 842	R767.8932	R3 165.13	R25 990 799
Basil Sgourdos	01/08/2018 <sup>(2)</sup>	11 007	R347.8932	R3 255.11	R31 999 695
Share appreciation rights (SARs)					
	Date exercised	Number of options	Strike price	Exercise price	Gross gain
Bob van Dijk	20/09/2018	Flipkart SAR Plan	US\$63.64	US\$104.34	US\$14 890 258

#### Notes

<sup>(1)</sup> On 20 September 2018, Bob van Dijk exercised 20 094 Naspers options in MIH Services FZ LLC Share Trust and 10 842 Naspers N ordinary shares which sold at average market prices ranging between R3 165 and R3 170.41 per share. The proceeds on the sale of 10 842 Naspers N ordinary shares were only used to settle the tax and the offer price of R767.89 (being the listed market value on the date of the offer) on the exercise of the 20 094 Naspers options. All the remaining 9 252 Naspers N ordinary shares were delivered to Bob. Furthermore, on 20 September 2018 Bob exercised share appreciation rights in the Flipkart Private Limited SAR Plan and received 68 829 Naspers N ordinary shares in settlement of the gain. He then sold 26 272 Naspers N ordinary shares at average market prices ranging between R3 168 and R3 200 per share just to cover the tax on the exercise of the 365 854 appreciation rights. The balance of 42 557 Naspers N ordinary shares was delivered to Bob. These shares have been retained and not sold at 31 March 2019.

<sup>(2)</sup> On 1 August 2018 a total of 11 007 Naspers N ordinary shares were sold by Basil Sgourdos at average market prices ranging between R3 254 and R3 258.60 per share. 32 483 Naspers N ordinary shares were delivered to Basil upon payment of the amount of R17 061 494.12 (being the listed market value on the date of the offer) from the proceeds of the sale of the 11 007 Naspers N ordinary shares (distributed to Basil), to cover the tax and the offer price due to the MIH Services FZ LLC Share Trust. These shares have been retained and not sold at 31 March 2019.

### Dilutive impact of group share-based incentive schemes

From 1 April 2018, the group purchased Naspers shares on the JSE for the purpose of issuing new Naspers SOs to employees and settling gains made on all share-based incentive schemes.

The group's share-based incentive schemes are set out in equity compensation benefits in the notes to the annual financial statements on [www.naspers.com](http://www.naspers.com). At 31 March 2019 the group held 3 023 498 (2018: 3 097 876) Naspers N ordinary shares as treasury shares to settle outstanding options under certain group share incentive schemes.

The expected dilutive effect of these treasury shares on the group's earnings from continuing operations, on a per-share basis, was 4 US cents per N ordinary share (2018: 7 US cents). In accordance with schedule 14 of the JSE Listings Requirements and the South African Companies Act, at the annual general meeting in August 2011 shareholders approved that up to 40 588 541 Naspers N ordinary shares (some 10% of Naspers N ordinary share capital at 31 March 2010) may be issued for the group's share-based incentive schemes. During the financial year ended 31 March 2019, no new N ordinary shares had been so issued. In total, 30.10% of the approved 40 588 541 Naspers N ordinary share capital has been used to date.

### Non-executive directors' fees

The committee is informed by the external market when reviewing the fee structure and levels for our non-executive directors. This includes market fee levels for Naspers's industry peers internationally, such as competitors in the same industry and of similar scale and those fee levels observed in the Top 10 JSE companies.

The current non-executive director fee structure and levels, which reflect a 5% year-on-year increase, were approved by shareholders at the annual general meeting in August 2018.

No additional fees are paid to board members serving on the executive committee or on the valuations subcommittee of the human resources and remuneration committee.

		31 March 2019	31 March 2020 <sup>(1)</sup>
<b>Board</b>			
Chair		US\$474 600	US\$498 325
Member		US\$189 840	US\$199 330
Daily fees when travelling to and attending meetings outside home country		US\$3 500	US\$3 500
<b>Committees</b>			
<b>Audit committee</b>	Chair	US\$116 925	US\$122 775
	Member	US\$46 770	US\$49 110
<b>Risk committee</b>	Chair	US\$69 450	US\$72 925
	Member	US\$27 780	US\$29 170
<b>Human resources and remuneration committee</b>	Chair	US\$82 163	US\$86 275
	Member	US\$32 865	US\$34 510
<b>Nomination committee</b>	Chair	US\$44 275	US\$46 500
	Member	US\$17 710	US\$18 600
<b>Social and ethics committee</b>	Chair	US\$60 775	US\$63 825
	Member	US\$24 310	US\$25 530
<b>Other</b>			
Trustee of group share schemes/other personnel funds		R51 200	R53 760

#### Note

<sup>(1)</sup> In the 2020 financial year, subject to the proposed listing of Prosus on Euronext Amsterdam, Naspers non-executive directors will serve on the boards of both companies. As a result of the non-executive directors assuming these dual responsibilities, going forward, the proposed fees will be split between Naspers and Prosus on a 30/70 basis.

## Remuneration report for the year ended 31 March 2019

continued

### Non-executive directors' fees continued

The non-executive chair does not receive additional remuneration for attending meetings, or being a member of or chairing any committee of the board, or attending Tencent board and committee meetings:

Non-executive directors	2019							2018							
	Directors' fees		Committee and trustee fees		Other fees <sup>(1)</sup>			Total 2019 (US\$'000)	Directors' fees		Committee and trustee fees		Other fees <sup>(1)</sup>		
	Paid by company (US\$'000)	Paid by subsidiary (US\$'000)	Paid by company (US\$'000)	Paid by subsidiary (US\$'000)	Paid by company (US\$'000)	Paid by subsidiary (US\$'000)	Paid by company (US\$'000)		Paid by subsidiary (US\$'000)	Paid by company (US\$'000)	Paid by subsidiary (US\$'000)	Paid by company (US\$'000)	Paid by subsidiary (US\$'000)	Total 2018 (US\$'000)	
J P Bekker	552	23	–	–	–	–	575	526	23	–	–	–	–	549	
E M Choi	260	–	61	–	–	–	321	258	–	28	–	–	–	286	
H J du Toit <sup>(2)</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
C L Eenstein	260	–	100	–	–	50	410	258	–	10	–	–	50	318	
D G Eriksson	235	–	247	–	–	–	482	233	53	235	52	–	–	573	
G Liu <sup>(3)</sup>	235	–	–	–	–	–	235	258	–	–	–	–	–	258	
R C C Jaftha	239	69	157	10	–	–	475	233	70	199	10	–	–	512	
F L N Letele	235	–	24	–	–	–	259	233	–	23	–	–	433	689	
D Meyer	228	23	24	13	–	–	288	233	23	23	13	–	–	292	
R Oliveira de Lima	253	–	51	–	–	50	354	261	–	5	–	–	50	316	
S J Z Pacak	256	–	28	–	–	–	284	251	35	26	17	–	47	376	
T M F Phaswana	253	–	51	–	–	–	304	233	–	48	–	–	–	281	
M R Sorour <sup>(4)</sup>	232	150	–	–	–	120	502	–	–	–	–	–	–	–	
J D T Stofberg	249	–	24	–	–	–	273	251	–	–	–	–	–	251	
B J van der Ross	228	–	75	–	–	–	303	230	–	71	–	–	–	301	
<b>Total</b>	<b>3 715</b>	<b>265</b>	<b>842</b>	<b>23</b>	<b>–</b>	<b>220</b>	<b>5 065</b>	<b>3 458</b>	<b>204</b>	<b>668</b>	<b>92</b>	<b>–</b>	<b>580</b>	<b>5 002</b>	

#### Notes

<sup>(1)</sup> Compensation for assignments.

<sup>(2)</sup> Hendrik du Toit elected not to receive directors' fees.

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

<sup>(4)</sup> Mark Sorour received US\$3 800 from MIH Holdings Proprietary Limited for the period 1 January 2019 to 31 March 2019. This payment relates to the increased cost of medical aid for retired members of the MMED medical aid scheme as a result of the unbundling of MultiChoice Group. The company will provide an annual allowance to cover the difference in cost for retired scheme members during FY20 and FY21 only. This is not disclosed in the above table.

#### General notes

Directors' fees include fees for services as directors, where appropriate, of Media24 Proprietary Limited. An additional fee may be paid to directors for work done as directors with specific expertise. Committee fees include fees for attending meetings of the audit committee, risk committee, human resources and remuneration committee, nominations committee and social and ethics committee. Committee and trustee fees include, where appropriate, fees to be considered by shareholders at the annual general meeting on 23 August 2019 for services as trustees of the group share-based schemes. Non-executive directors are subject to regulations on appointment and rotation in terms of the company's memorandum of incorporation and the South African Companies Act.

## Remuneration report for the year ended 31 March 2019

continued

The committee conducts an annual benchmarking exercise to ascertain whether the fees for non-executive directors are competitive, fair and reasonable. Fees are benchmarked against listed companies operating in the consumer internet sector and top 10 JSE-listed companies. Given the global scale and complexity of the businesses which the group operates and has interest in, it is important that we can attract and retain the best globally orientated board members.

Non-executive directors do not receive any longer-term or equity-based compensation.

In FY20, subject to the proposed listing on the Amsterdam stock exchange, Naspers non-executive directors will serve on the board of both companies.

As a result of the non-executive directors assuming these dual responsibilities, the current fees will be split between Naspers and the new to-be-listed company on a 30/70 basis.

Naspers shareholders should note that in the FY20 report, the 30% of the prorated non-executive board fees that are attributable to Naspers will appear in the Naspers remuneration report, and 70% in the Prosus remuneration report.

### Compliance

There were no deviations from the remuneration policy in FY19.

### Termination payments

No termination payments were made to executive and non-executive directors on termination of employment or office in FY19.

**Clawback provisions** are in place for both the STIs and the LTIs for the CEO and his direct reports, such that the human resources and remuneration committee can claw back all or part of any bonus or LTI in the event of material financial misstatement or gross misconduct on the part of the executive, for a period of two years following the incident in question. The clawback provision applies to short- or long-term incentives granted in the financial year to which the material financial misstatement or the gross misconduct applies.

No clawback provisions were invoked in the 2019 financial year.

### Shareholding requirement

The CEO is required to hold 10 times his base salary in Naspers shares at all times. As of 31 March 2019, the CEO met this shareholding requirement.

### Directors' interest in Naspers shares

The directors of Naspers had the following interests in Naspers A ordinary shares on:

Name	31 March 2019			31 March 2018		
	Naspers A ordinary shares			Naspers A ordinary shares		
	Beneficial	Indirect	Total	Beneficial	Indirect	Total
Direct	Direct			Direct		
S J Z Pacak	–	83	83	–	–	–
J D T Stofberg	–	166	166	–	166	166
<b>Total</b>	–	<b>249</b>	<b>249</b>	–	166	166

#### Note

<sup>(1)</sup> On 27 March 2019 Steve Pacak's family trust purchased 83 Naspers A ordinary shares.

The directors of Naspers (and their associates) had the following interests in Naspers N ordinary shares as at:

Name	31 March 2019			31 March 2018		
	Naspers N ordinary shares			Naspers N ordinary shares		
	Beneficial	Indirect	Total	Beneficial	Indirect	Total
Direct	Direct			Direct		
J P Bekker	–	4 688 691	4 688 691	–	4 688 691	4 688 691
E M Choi	–	–	–	–	–	–
H J du Toit	–	–	–	–	–	–
C L Eenstein <sup>(1)</sup>	–	415	415	–	–	–
D G Eriksson	–	–	–	–	–	–
R C C Jafta	–	–	–	–	–	–
F L N Letele	1 474	–	1 474	1 474	–	1 474
G Liu <sup>(2)</sup>	–	–	–	–	–	–
D Meyer	–	–	–	–	–	–
R Oliveira de Lima	–	–	–	–	–	–
S J Z Pacak	376 635	291 548	668 183	376 635	291 548	668 183
T M F Phaswana	–	3 530	3 530	–	3 530	3 530
V Sgourdos <sup>(3)</sup>	32 483	64 239	96 722	–	86 990	86 990
M R Sorour <sup>(4)(5)</sup>	2 145	101 713	103 858	1 219	61 556	62 775
J D T Stofberg	159 831	291 888	451 719	159 831	291 888	451 719
B J van der Ross <sup>(6)</sup>	2 550	820	3 370	1 650	820	2 470
B van Dijk <sup>(7)</sup>	51 809	844 932	896 741	–	568 062	568 062
<b>Total</b>	<b>626 927</b>	<b>6 287 776</b>	<b>6 914 703</b>	<b>540 809</b>	<b>5 993 085</b>	<b>6 533 894</b>

### General note

Koos Bekker and Cobus Stafberg each have an indirect 25% interest in Wheatfields 221 Proprietary Limited, which controls 168 605 Naspers Beleggings (RF) Beperk ordinary shares, 16 860 500 Keeromstraat 30 Beleggings (RF) Beperk ordinary shares and 169 865 Naspers A shares.

### Notes

<sup>(1)</sup> On 25 March 2019 Craig Eenstein's retirement funds purchased 415 Naspers N ordinary shares at a market price of R3 223.68 per share.

<sup>(2)</sup> Resigned on 25 February 2019.

<sup>(3)</sup> On 1 August 2018 a total of 11 007 Naspers N ordinary shares were sold by Basil Sgourdos at average market prices ranging between R3 254 and R3 258.60 per share. 32 483 Naspers N ordinary shares were delivered to Basil upon payment of the amount of R17 061 494.12 (being the listed market value on the date of the offer) from the proceeds of the sale of the 11 007 Naspers N ordinary shares (distributed to Basil), to cover the tax and the offer price due to the MIH Services FZ LLC Share Trust.

<sup>(4)</sup> The comparative has been restated to correct the allocation between direct and indirect holding.

<sup>(5)</sup> Due to Naspers's disposal of its entire 12% stake in Indian ecommerce company Flipkart Online Services Private Limited, all non-vested SARs in the Flipkart Private Limited SAR Plan vested. On 19 September 2018 Mark Sorour exercised his SARs in the Flipkart Private Limited SAR Plan and received 2 279 Naspers N ordinary shares in settlement of the gain. He then sold 1 034 Naspers N ordinary shares at R3 183.57 per share just to cover the tax on the exercise of the 12 009 SARs. The balance of 1 245 Naspers N ordinary shares was delivered to Mark.

<sup>(6)</sup> On 27 March 2019 Ben van der Ross purchased 300 Naspers N ordinary shares at average market prices ranging between R3 308.46 and R3 308.75 per share. On 28 March 2019 Ben purchased 300 Naspers N ordinary shares at average market prices ranging between R3 275.90 and R3 297 per share. On 29 March 2019 Ben purchased 300 Naspers N ordinary shares at average market prices ranging between R3 334 and R3 361.95 per share.

<sup>(7)</sup> On 20 September 2018 Bob van Dijk exercised 20 094 Naspers options in the MIH Services FZ LLC Share Trust and 10 842 Naspers N ordinary shares were sold at average market prices ranging between R3 165 and R3 170.41 per share. The proceeds of the sale of 10 842 Naspers N ordinary shares were only used to settle the tax and the offer price of R767.89 (being the listed market value on the date of the offer) on the exercise of the 20 094 Naspers options. All the remaining 9 252 Naspers N ordinary shares were delivered to Bob. Furthermore, on 20 September 2018 Bob exercised his SARs in the Flipkart Private Limited SAR Plan and received 68 829 Naspers N ordinary shares in settlement of the gain. He then sold 26 272 Naspers N ordinary shares at average market prices ranging between R3 168 and R3 200 per share just to cover the tax on the exercise of the 365 854 SARs. The balance of 42 557 Naspers N ordinary shares was delivered to Bob.

Naspers SOs that have been released (vested), but have not yet been exercised, are included in the indirect column:

	Number of released/ vested options 2019	Number of released/ vested options 2018
S J Z Pacak	254 000	254 000
V Sgourdos	64 239	86 990
B van Dijk	844 932	568 062
M R Sorour	101 394	–

There have been no further changes to the directors' interests between the end of the financial year and 21 June 2019.

# Remuneration report for the year ended 31 March 2019

continued

## Implementation of policy in the 2020 financial year

We have provided details on the proposed operation of our policy for the 2020 financial year:

### Base salary

The table below presents the base salary/TCTC levels implemented for FY20:

	Base salary/TCTC 1 April 2020		Base salary/TCTC 1 April 2019		% change
	(€'000)	(US\$'000)	(€'000)	(US\$'000)	
Bob van Dijk <sup>(1)(3)</sup>	1 235	1 388	1 122	1 259	10
Basil Sgourdos <sup>(2)(4)</sup>		1 069		1 009	6

### Short-term incentives

Clawback provisions will continue to apply to the STI plans of Bob van Dijk, Basil Sgourdos and all other executive direct reports of Bob van Dijk.

The clawback provision will operate for two years following the payment of an STI or LTI and will give the remuneration committee the ability to claw back all or part of the incentive paid in a particular financial year in the event of material financial misstatement or gross misconduct on the part of the individual.

We have provided information on the STI performance measures to be used for the 2019 financial year:

### Short-term incentives: Financial goals

Group financial goals account for 50% of the short-term, performance-related incentive of the CEO and CFO.

Measurements for both individuals include core headline earnings including Tencent, core headline earnings excluding Tencent, and free cash flow. In addition, the CEO is measured on revenue growth for the group.

### Short-term incentives: Strategic and operational goals

Strategic and operational goals account for 50% of the short-term, performance-related incentive for the CEO and the CFO.

For Bob van Dijk (CEO) these goals relate to the performance of the business segments including Classifieds, Payments and Fintech, B2C, and Food Delivery. Measurements include financial metrics such as revenue growth and trading profit (or trading loss reduction in earlier-stage businesses). Other performance metrics related to the business segments include new product, technology or market development, the relative competitive position of the business and key customer metrics such as growth in customer numbers.

For Basil Sgourdos (CFO), these goals relate to the effective management of the group's finance function, including goals related to tax, treasury, stakeholder management and governance and controls.

Both the CEO and CFO are incentivised through their STIs to drive the diversity and inclusion agenda across the group, with a particular focus on gender diversity.

### Notes

<sup>(1)</sup> Bob van Dijk is paid in euro.

<sup>(2)</sup> Includes pension and other benefits.

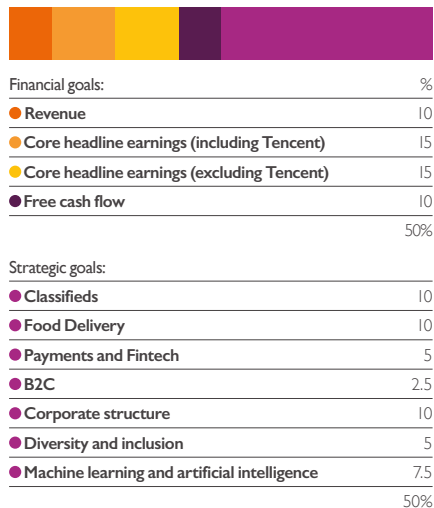
<sup>(3)</sup> Bob van Dijk received an increase in his base salary of 10% driven by personal performance (eg, listing and unbundling of MultiChoice Group and divestiture of Flipkart), company performance and base pay levels relative to benchmarks.

<sup>(4)</sup> Basil Sgourdos received an increase of 6% driven by personal performance, market movement, and base pay levels relevant to benchmarks.

## FY20 STI scheme structure

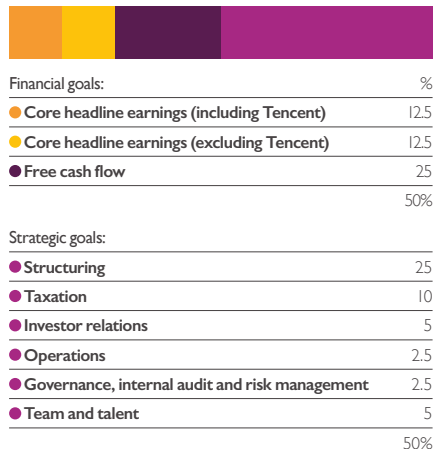
### BOB VAN DIJK

Maximum STI opportunity: 100% base salary



### BASIL SGOURDOS

Maximum STI opportunity: 100% base salary<sup>(1)</sup>



### Note

<sup>(1)</sup> An additional variable bonus capped at 25% of TCTC (relating to obtaining new general funding) applies.

## Longer-term incentives

We have set out below information on the longer-term awards to be made during the 2020 financial year:

Name	Naspers N share options (SOs)			Naspers Global Ecommerce share appreciation rights (SARs)			Naspers performance share units (PSUs)
	Number of options	Face value (US\$)	Fair value (US\$)	Number of SARs	Face value (US\$)	Fair value (US\$)	Fair value (US\$)
Bob van Dijk	15 835	3 972 183	1 350 000	436 832	16 031 719	6 075 000	6 075 000
Basil Sgourdos	8 211	2 059 651	700 000	226 505	8 312 743	3 150 000	3 150 000

Post this allocation and as at 31 March 2020 the fair value of Bob van Dijk's and Basil Sgourdos's share-based incentives will be balanced approximately as follows:

### THE LTIs OF THE CEO ARE BALANCED BETWEEN ECOMMERCE SEGMENTS AND NASPERS



	%
Ecommerce SARs	41
Naspers SOs	42
Naspers PSUs	17

### THE LTIs OF THE CFO ARE BALANCED BETWEEN ECOMMERCE SEGMENTS AND NASPERS



	%
Ecommerce SARs	50
Naspers SOs	27
Naspers PSUs	23

## Remuneration report for the year ended 31 March 2019

continued

### Introduction of performance share units

This year we introduce a new type of LTI for senior executives which will offer performance share units (PSUs). The introduction of the plan is subject to shareholder approval of an amendment to the Naspers Restricted Stock Trust deed.

PSU vesting is not just determined by time: in order for the participant to receive a share, time must have elapsed and the performance condition must have been met.




The following table summarises the main features of the PSU plan:

Design element	Summary recommendation
<b>1. Participation</b>	CEO and direct reports.
<b>2. Vesting period</b>	Three years, cliff vesting (100% vests on third anniversary).
<b>3. Performance hurdle</b>	Three-year compound annual growth rate (CAGR) of the valuation of the Ecommerce SAR scheme (value per share), which excludes Tencent, relative to an appropriate equity index. Achievement of the performance condition will be assessed by the human resources and remuneration committee, based on the valuation of the Ecommerce SAR scheme (in absolute and relative terms), validated by the valuations subcommittee as per the valuations process described on page 19 and 20.
<b>4. Award schedule</b>	<ul style="list-style-type: none"> <li>• Threshold performance: 50% shares awarded.</li> <li>• Target performance: 100% shares awarded.</li> <li>• Maximum performance: 200% shares awarded.</li> </ul> <p>Below the threshold level of performance, there is no payout and on reaching the maximum level of performance, the payout will not increase beyond 200%.</p>

### A blend of LTIs

The addition of PSUs to the blend of LTIs offered will not materially increase the quantum of executive compensation over time. Rather it will further align our business strategy and objectives with executive compensation and shareholder returns. Each element of the LTI programme plays a distinct part in delivering a remuneration approach that drives business performance for the longer term and is fair, responsible, aligned with shareholder outcomes and relevant to the talented executives we need to attract and retain.

### The blend of LTIs aligns our business strategy with executive compensation and shareholder outcomes

Plan type	Focus	Performance criteria	Shareholder outcome	Vesting period
 SO Naspers share option	<b>To increase the value of all Naspers's businesses over time (including Tencent)</b>	<ul style="list-style-type: none"> <li>• Time</li> <li>• Value, as measured by the share price, must increase after grant is made.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased market cap of Naspers (including Tencent stake).</li> <li>• Alignment between management and stakeholders – management is exposed to the market's view of Naspers, same as shareholders.</li> </ul>	Four-year annual vesting, equal tranches of 25%. Participants must purchase the shares, thus becoming Naspers shareholders, at the original grant price. They can realise a profit if they choose to subsequently sell their shares at a higher price.
 SAR Naspers Global Ecommerce SAR Plan	<b>To increase the value of Naspers's listed and unlisted internet businesses over time (excluding Tencent) by driving growth and profitability</b>	<ul style="list-style-type: none"> <li>• Time</li> <li>• Sum-of-the-parts valuation of all internet businesses, excluding Tencent. Value as measured by third-party valuation, must increase after grant is made.</li> </ul>	<ul style="list-style-type: none"> <li>• Growth, scale and profitability on the underlying assets. This is the biggest lever management has to create value.</li> </ul>	Four-year annual vesting, equal tranches of 25%. Participants can exercise vested shares and receive Naspers shares equal to the difference in value on the grant date and the exercise date.
 PSU Naspers performance share unit	<b>To increase the value of Naspers's internet businesses (excluding Tencent) over time and deliver superior returns to shareholders</b>	<ul style="list-style-type: none"> <li>• Time</li> <li>• Ecommerce SAR scheme three-year CAGR relative to an appropriate equity index<sup>(1)</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>• A clear link between management compensation and value creation measured against a relevant index in the directly managed Ecommerce assets (via the Ecommerce SAR plan).</li> <li>• Further alignment created by the exposure to controllable or influenceable drivers of Naspers share price.</li> </ul>	Three-year cliff vesting (ie all shares vest, subject to performance condition achievement on the third anniversary of the grant. Participants receive Naspers shares, the amount of which depends on the three-year performance against the performance condition set on the grant date.

#### Note

<sup>(1)</sup> Details of performance conditions and comparator equity index will be included in the offer of PSUs to participants.

# Remuneration report for the year ended 31 March 2019

continued

## Award schedule

The level of achievement relative to the performance condition at the end of the three-year performance period drives the number of shares that ultimately will vest.

If the threshold level of performance is not achieved, no shares will be awarded to the participant.






- At threshold performance: 50% of the allocated shares would be awarded.
- At target performance: 100% of the allocated shares would be awarded.
- At maximum performance: 200% of the allocated shares would be awarded.

If more than the maximum performance is achieved, no more than 200% of the allocated shares would be awarded.

## Performance share units (PSUs) in detail

In designing the new plan, the human resources and remuneration committee considered LTI practices at a number of peer companies<sup>(1)</sup> and sought advice from Willis Towers Watson and FW Cook.

The PSU plan will incentivise management directly on the performance of the Ecommerce businesses, excluding Tencent, by means of the three-year CAGR on the Ecommerce SAR scheme valuation (value per share), relative to an appropriate equity index. In choosing an appropriate performance measurement, it is important to choose a metric that:

 <b>Drives value creation over the long term</b>	<b>Does not incentivise decisionmaking for the short term.</b>
 <b>Encourages an appropriate level of risk-taking</b>	<b>Does not incentivise inappropriate conservative actions.</b>
 <b>Does not force inappropriate comparisons with other companies</b>	<b>Total shareholder return is a commonly used performance condition in other public companies.</b> However, in Naspers's case, calculating this metric relative to the JSE index would be inappropriate due to the disproportionately large size and higher performance of Naspers compared to other JSE-listed companies. Calculating the metric relative to other non-JSE-listed companies that are similar to Naspers would skew towards the Chinese internet ecosystem which would be inappropriate as the PSU programme is designed to focus on Naspers's performance outside the Tencent investment.
 <b>Will be applicable over the three-year vesting period</b>	<b>Our focus is on value creation over the long term.</b> Measuring over three years means that any short-term market movements will not have a disproportionate impact, it requires the management team to make investment decisions with an appropriately longer-time horizon that will deliver performance consistently.
 <b>Is relatively easy to understand for all stakeholders</b>	<b>It avoids creating unnecessary complexity in our compensation system.</b>

For these reasons we view the CAGR of the Ecommerce SAR scheme relative to a performance-centric equity index to be an appropriate hurdle for our business. We focus on both operating and investing and would find it challenging to create a precise 36 to 42-month profit and loss plan which will not substantially change over the performance period of the PSUs, in the context of the high-growth nature of many of our businesses, our extensive M&A activity and the competitive landscape in which we operate. The Ecommerce SAR scheme CAGR performance condition on the PSUs will drive participants to increase the value of our Ecommerce businesses over time and deliver returns that are comparable to, or better than the market. The annual Ecommerce SAR scheme valuation process is outlined on pages 19 and 20, and the extent to which the performance condition has been achieved will be considered by the committee as soon as is practicable after the PSU vests, having considered the input from the valuations subcommittee.

**Note**

<sup>(1)</sup> Adyen, Alibaba Group Holding, Alphabet, Altaba, Amazon, AutoTrader Group, Baidu, Booking Holdings, Cnova, eBay, Expedia, Facebook, Groupon, IAC/InterActiveCorp, MakeMyTrip, Netflix, Ocado Group, PayPal, Qurate Retail, Schibsted, Snap, Twitter, Wayfair, Zalando and Zillow Group.

## Clawback provision on LTI

Clawback provisions will continue to apply to the LTI awards of Bob van Dijk, Basil Sgourdos and all other executive direct reports of Bob van Dijk.

The clawback provision will operate for two years following the payment of an STI or LTI and will give the remuneration committee the ability to claw back all or part of the incentive paid in a particular financial year in the event of material financial misstatement or gross misconduct on the part of the individual.

## Naspers shareholding requirement

The CEO is required to hold Naspers shares to the value of 10 times his annual salary. The human resources and remuneration committee confirms that the CEO has met the required shareholding threshold for FY20.

## Proposed listing on Euronext, Amsterdam

On 25 March 2019, the company announced its intention to list its international internet assets on the Euronext Amsterdam stock exchange, with an inward listing on the JSE, which will be proposed at the extraordinary general meeting (EGM) on 23 August 2019. In FY20, the LTIs offered to management will continue to be based on the JSE-listed N shares.

## Remuneration report for the year ended 31 March 2019

continued

### Annexure A

A summary of executive directors' participation in Naspers scheme shares, in relation to shares outstanding (not yet released/vested) at 31 March 2019, is set out in the adjacent table.

### Directors' interests in other group share-based incentive schemes

A summary of executive directors' participation in other Naspers group share-based incentive schemes in relation to shares/appreciation rights not yet released at 31 March 2019, is set out in the adjacent table. Full details can be found in note 18 on pages 93 and 94 of the consolidated annual financial statements at [www.naspers.com](http://www.naspers.com).

### MIH Services FZ LLC Share Trust (Naspers SOs)

Name	Offer date	Number of N ordinary shares	Face value per share (R) <sup>(2)</sup>	Release period	Fair value per share (R) <sup>(1)</sup>
Bob van Dijk	05/07/2016	147 906	2 056.88	05/07/2019 to 05/07/2021	841.96 – 1 040.60
	08/09/2017	38 796	2 755.72	08/09/2019 to 08/09/2021	804.60 – 1 083.79
	25/06/2018	61 142	3 100.99	25/06/2019 to 25/06/2022	806.21 – 1 351.31
Basil Sgourdos	04/09/2014	7 471	1 272.66	04/09/2019	694.04
	18/09/2015	4 494	1 634.84	18/09/2019 to 18/09/2020	844.14 – 913.19
	25/09/2015	919	1 594.52	25/09/2019 to 25/09/2020	825.66 – 893.55
	29/08/2016	9 691	2 323.52	29/08/2019 to 29/08/2021	908.97 – 1 134.33
	08/09/2017	4 332	2 755.72	08/09/2019 to 08/09/2021	804.60 – 1 083.79
	25/06/2018	33 108	3 100.99	25/06/2019 to 25/06/2022	806.21 – 1 351.31

#### Notes

<sup>(1)</sup> The value of the option represents the fair value on grant date in accordance with IFRS.

<sup>(2)</sup> The face value at grant date of the Naspers N options was adjusted by the value of MultiChoice Group shares on the closing price of R106.01 of the listed MultiChoice Group shares on the unbundling date.

Name	Incentive scheme	Offer date	Number of SARs	Purchase price per SAR (US\$)	Release period	Fair value per SAR <sup>(1)</sup> (US\$)
Bob van Dijk	Naspers Global Ecommerce SAR Plan	12/09/2014	1 493 229	15.58	12/09/2019	5.59
	Naspers Global Ecommerce SAR Plan	15/08/2017	587 156	27.25	15/08/2019 to 15/08/2022	6.24 – 7.91
	Naspers Global Ecommerce SAR Plan	08/09/2017	140 208	27.60	08/09/2019 to 08/09/2022	6.18 – 7.80
	Naspers Global Ecommerce SAR Plan	25/06/2018	418 434	33.57	25/06/2019 to 25/06/2022	11.23 – 14.61
	SimilarWeb SAR Plan <sup>(3)</sup>	10/09/2014	39 937	1.45	10/09/2019	0.55
Basil Sgourdos	Naspers Global Ecommerce SAR Plan	17/09/2015	19 367	18.59	17/09/2019 to 17/09/2020	6.47 – 6.84
	Naspers Global Ecommerce SAR Plan	29/08/2016	97 801	20.45	29/08/2019 to 29/08/2021	6.27 – 7.07
	Naspers Global Ecommerce SAR Plan	15/08/2017	101 413	27.25	15/08/2019 to 15/08/2022	6.24 – 7.91
	Naspers Global Ecommerce SAR Plan	08/09/2017	84 071	27.60	08/09/2019 to 08/09/2022	6.18 – 7.80
	Naspers Global Ecommerce SAR Plan	25/06/2018	214 759	33.57	25/06/2019 to 25/06/2022	11.23 – 14.61
	Showmax SAR Plan <sup>(2)</sup>	18/09/2015	2 223	18.00	18/09/2019 to 18/09/2020	9.83 – 10.28

#### Notes

<sup>(1)</sup> The value of the SARs represents the fair value on grant date in accordance with IFRS with respect to scheme currency.

<sup>(2)</sup> Upon the unbundling of Video Entertainment, a final valuation was performed on the Showmax SAR Plan effective 31 March 2019. The scheme was wound up, and no value was accrued by Basil Sgourdos.

<sup>(3)</sup> Subsequent to the end of FY19, Bob van Dijk offered to surrender his SimilarWeb SARs, and this offer was accepted by the human resources and remuneration committee.

## Remuneration report for the year ended 31 March 2019

continued

### Glossary of terms

#### CAGR

Compound annual growth rate.

#### Exercise price

The price of the share at the time the participant chooses to exercise his/her share options or share appreciation rights. The value gain to the participant is calculated by subtracting the offer price from the exercise price.

#### Face value

The number of share options granted multiplied by the price of the share on grant date. Does not take into account the actual profit of a participant, who only receives the difference between the strike price and the exercise price if he/she chooses to exercise his/her options after they have vested.

#### Fair value

A measurement used to estimate the value of an LTI when it is granted for accounting purposes. It does not reflect the eventual realised gain of the participant which is highly variable and could be zero.

#### LTI

Longer-term incentive. A remuneration plan that drives performance over a period that is longer than one financial year. Usually equity based.

#### Offer date

Also called grant date. The date on which an LTI is offered to the participant, giving that participant the right to buy or receive shares at a date in the future.

#### Offer price

Also called grant price, strike price or purchase price. The price of the share on the date the share option or share appreciation right was granted, at which the participant can buy the share at a later date (or in the case of a share appreciation right, use to calculate a gain).

#### PSU

Performance share unit. A full share that is granted to a participant, after a vesting period has elapsed, subject to certain business performance conditions being achieved.

#### Performance condition

Also called performance hurdle, performance underpin. A measurement of company performance on which the vesting of an LTI is conditional.

#### RSU

Restricted stock unit. A full share that is granted to a participant, after a vesting period has elapsed, without the need to buy the share.

#### SAR

Share appreciation right. A right conferred on a participant to benefit on value created over time in a business. Operates like a share option but the participant does not become a shareholder in that particular business when they exercise their SARs. Rather they receive Naspers shares (becoming a Naspers shareholder) or cash.

#### SO

Share option, also called stock option. A right conferred on a participant to purchase shares at a later specified date, at a particular purchase price.

#### STI

Short-term incentive. A remuneration plan that drives performance within the financial year. Usually cash based.

#### TCTC

Total cost to company. A South African pay practice whereby an employee's guaranteed compensation is calculated including the cost of benefits and payroll taxes to the employer.

#### TPV

Total payment value, net of payment reversals.

#### Vesting/Release date

The date on which an LTI that was previously granted, becomes available to the participant. The participant can then choose to exercise his/her rights under the terms of the LTI scheme rules.



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