



Building leading companies

that improve people's lives



Cape Town, South Africa

Remuneration report



Craig Enenstein

Chair: Human resources and remuneration committee

- ▶ Read more on pages 19 and 20 of the governance report

Dear Shareholder

On behalf of the board, I am pleased to present our 2020 financial year remuneration report.

The onset of Covid-19 as a global pandemic has created uncertainty everywhere. From the outset, our aim has been to preserve the health and well-being of our people. We also seek to manage this economic situation as well as we possibly can and at the same time, act responsibly for our shareholders. We have clearly taken this responsibility into account when making executive remuneration decisions for the coming year.

Paying for performance lies at the heart of the group's remuneration philosophy. Naspers delivered solid results for the year ended 31 March 2020⁽¹⁾. Group revenue, measured on an economic-interest basis, was US\$22.1bn, reflecting growth of 17% (23%) from continuing operations. Measured similarly, and including the stepped-up investment in Food Delivery, group trading profit grew 13% (17%) year on year to US\$3.7bn. Core headline earnings from continuing operations were US\$2.9bn, down 5% (1%), with improving profitability in Tencent and the more established ecommerce businesses being partially offset by increased taxation related to the Prosus investment. Consolidated free cash outflow was US\$383m compared to the prior-year outflow of US\$120m, from continuing operations⁽²⁾. Encouragingly, we saw improvement across all areas of the business with our Classifieds, and Payments and Fintech segments growing

revenue and improving profitability at their core. Our Food Delivery segment grew revenue rapidly as we invested to grow the size of the market opportunity and our share of it. Finally, our retail businesses in Eastern Europe and South Africa, continued to grow revenue as well as their leadership positions in each of their markets.

Beyond the operational performance, this past year was a transformational year for the group, reflecting preparation that spanned multiple years and transformed the structure of the company into one which the board believes can unlock substantial value over time. We successfully listed Prosus on Euronext Amsterdam. It should be noted, however, that our executives continue to hold Naspers share options and Naspers performance share units in the spirit of aligning investor outcomes and executive remuneration.

Our executive directors received no additional compensation as a result of the Prosus listing but were incentivised through their annual short-term performance incentive (STI) to execute the transaction as approved by the board. As holders of Naspers share options, they were treated in the same way as other Naspers shareholders and received Prosus capitalisation shares linked to each option.

It is with this backdrop and our continued commitment to maximising shareholder value by incentivising the creation of value at the core of our businesses that longer term incentive awards were made to our executives. You will find details in this report on pages 6 and 26.

Over the past few years, we have engaged openly and reacted to input from our investors and advisers, working hard to enhance our remuneration design and disclosure in order to align with shareholders and demonstrate even more clearly the link between Naspers's strategy, performance and our remuneration philosophy. Our goal is 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.

Last year we added a Remuneration at a Glance section in the report and a Frequently Asked Questions section. In addition, video vignettes were posted on our website allowing me to further comment on our approach to remuneration.

We have made changes to our remuneration design in response to shareholder feedback. Appropriate clawback provisions and shareholding requirements have been in place since 2018. In that year we also started to buy Naspers shares on the open market to cover the

"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

We start with a summary of the FY20 and FY21 remuneration at a glance.

In compliance with the King IV Report on Corporate Governance^{TM(3)} in South Africa 2016 (King IV), this report is split into the following sections:

1. Background statement:

Provides a detailed overview of pay outcomes for FY20 and our approach for FY21.

- ▶ Read more on pages 10 to 17

2. Remuneration policy:

Provides information on the components of our executive pay packages.

- ▶ Read more on pages 18 to 23

3. Implementation of the remuneration policy:

Sets out information on how we implemented our policy for FY20.

- ▶ Read more on pages 24 to 34

We close with a section on Frequently asked questions on pages 35 and 36 and a Remuneration A to Z reference section on pages 37 to 40 where further detail on relevant topics can be found.

It is noted that all remuneration is presented on a 100% basis, including the part of the cost that is accounted to Prosus.

⁽¹⁾ When referring to financial results adjustments have been made for the effects of foreign currencies and acquisitions and disposals to reflect underlying trends. These adjustments (pro-forma financial information) are quoted in brackets after the equivalent metrics reported under International Financial Reporting Standards (IFRS).

⁽²⁾ Excluding the Video Entertainment segment.

⁽³⁾ The Institute of Directors in South Africa NPC (IoDSA) owns all copyright and trademarks for King IV.

Remuneration report continued

settlement of any executive or employee longer-term incentives upon exercise.

Last year we introduced performance share units (PSUs) to the remuneration mix of the CEO and his direct reports. PSUs represent a significant proportion of the longer-term incentives granted to senior executives and this year 60% of the LTI grant will be made in PSUs. PSUs will vest after three years and only if key performance conditions are met. The final design of the PSU performance condition had not been settled at the time of the publication of our FY19 remuneration report. I am pleased to say that the issue was settled prior to any awards being made and all of the details were disclosed on our website in September 2019. The addition of PSUs into our remuneration toolkit, including share options (SOs) and share appreciation rights (SARs), creates a blend of longer-term incentive (LTI) instruments with value-based performance hurdles, in line with shareholder value creation. I am confident these tools will help drive the right longer-term outcomes for stakeholders. Please refer to pages 21 and 22 for further details.

We remain grateful to our shareholders for their input. Although the level of N-shareholder support for the remuneration resolutions showed positive progress since 2017, we are disappointed not to have achieved even higher levels of support. We've appreciated the frank feedback we have received from our shareholders and the spirit of partnership with which they have engaged with us. This input and dialogue ensures the shareholders' views are actively considered by the committee. We are committed to continuing the engagement with our shareholders on this and many other topics.

During the committee's deliberations on remuneration policy and implementation, we engaged with external advisers to provide objective and independent advice.

Looking forward, I am pleased to report that we have evolved and improved our remuneration disclosures even further. Specifically, this year and for the first time:

- We are sharing our internal pay ratio, details of which can be found on page 31.
- We are increasing the detail disclosed on STI, providing a retroactive breakdown of the goals and achievement against those goals for the financial year 2020. That information can be found on page 5.

In terms of design we plan to use restricted share units (RSUs) more broadly across the organisation (senior executives remain ineligible to receive RSUs) to better align our compensation practices with our peers and increase employee ownership of the company. Longer-term incentives for people below senior executive level will continue to be a blend of SARs on our unlisted assets and RSUs, thus aligning the incentive to value creation in the underlying business segments.

Naspers operates in a fast-growing and evolving industry where the only constant is change. As such, we know well that our practices and policies must be equally as flexible to ensure that we are attracting and retaining the best digital talent in the world, which is in scarce supply, and aligning remuneration and recognition of their efforts with the goal of maximising shareholder value over the longer term.

I thank you for your continued feedback and support and look forward to our future interactions.



Craig Enenstein

Chair: Human resources and remuneration committee

29 June 2020

Remuneration at a glance

Our context

How we add value

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

- Read more on page 18 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

In US\$m	FY20	FY19	% change
Revenue	22 136	18 990	17
Trading profit ⁽¹⁾	3 725	3 304	13
Dividend per N ordinary share 20 (SA cents) (FY20 reflects dividend proposed)	580	715	19

⁽¹⁾ Reported on an economic-interest basis. All financial figures are from continuing operations.

The onset of a global pandemic from the spread of Covid-19 has had a marked impact on the daily lives of global citizens and the economy at large. While the impact is likely to persist for some time, we are confident of our ability to weather the storm and, as such, the group's focus during this time is on leveraging its financial strength and flexibility to continue building a business that grows strongly, generates high rates of return and provides employment for thousands of employees over the long term.

- Read more on pages 7 and 8 of the integrated annual report.

Our approach to fair and responsible pay

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 employees do not receive longer-term incentives.

Our remuneration systems are:

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

Fair

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

Remuneration at a glance continued

The FY20 outcomes

Executive director remuneration for the year ended 31 March 2020

Guaranteed fixed pay

Base salary/total cost to company (TTC), including benefits (pension, medical, life cover)



Short-term incentives (STIs)

Annual performance-related incentives



Longer-term incentives (LTIs)

Performance share units (PSUs) and/or share appreciation rights (SARs) and/or share options (SOs)



Total remuneration

Total remuneration for executive directors for the year ended 31 March 2020

In US\$'000	Executive director remuneration for the year ended 31 March 2020 (FY20)						Proportion of fixed and variable remuneration
	Fixed remuneration	Variable remuneration		Pension	Other benefits ⁽⁴⁾	Total remuneration ⁽⁵⁾	
Executive director	Base salary ⁽¹⁾	STI ⁽²⁾⁽³⁾	LTI				
Bob van Dijk, CEO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	1 362	1 180	13 284	89	62	15 977	9%/91%
Basil Sgourdos, CFO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	950	1 207	6 888	90	30	9 165	10%/90%

In EUR'000	Executive director remuneration for the year ended 31 March 2020 (FY20)						Proportion of fixed and variable remuneration
	Fixed remuneration	Variable remuneration		Pension	Other benefits ⁽⁴⁾	Total remuneration ⁽⁵⁾	
Executive director	Base salary ⁽¹⁾	STI ⁽²⁾⁽³⁾	LTI				
Bob van Dijk, CEO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	1 235	1 070	11 919	81	57	14 362	9%/91%
Basil Sgourdos, CFO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	861	1 094	6 180	81	27	8 243	10%/90%

⁽¹⁾ The CFO's compensation was historically structured on the basis of total cost to company (TTC), which included base salary plus benefits. Effective FY21 this structure is aligned to that of the CEO, without impacting the total target cash position.

⁽²⁾ Actual payout over FY20 performance; achievement of STI goals are shown on pages 5, 15 and 25 of this remuneration report and on pages 6, 9 and 13 in the integrated annual report.

⁽³⁾ Includes for CFO an additional variable bonus over FY20 capped at 25% of TTC relating to obtaining new general funding.

⁽⁴⁾ Medical insurance, life and disability insurance.

⁽⁵⁾ Executive directors are executive directors of both Naspers and Prosus. The costs of their remuneration as executive directors of these entities are split 10/90 between Naspers and Prosus.

⁽⁶⁾ Represents the fair value on grant date in accordance with IFRS 2 of awards made during FY20. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure disclosed in the 2019 remuneration report was estimated and therefore differs slightly from the figure reported in this table.

The potential gain of awards vested during FY20 is shown on page 17.

Remuneration at a glance continued

Short-term incentive (STI) over FY20

FY20 goals and achievements

STI is based on financial, strategic, operational and sustainability performance targets that are tailored for each role.

The minimum STI payout was 0% of salary/TCTC. The target and maximum STI opportunity are the same. All STI awards are paid out in cash.

BOB VAN DIJK

Maximum STI opportunity: 100% base salary

Group financial goals	Weighting %	Description	Actuals	✓ Achieved	✗ Not achieved
				Outcome	Actual payout
● Revenue	10.0	Achieve revenue target (on an economic-interest basis and excluding M&A)	US\$22 292	✓	€123 467
● Core headline earnings (including Tencent)	15.0	Achieve core headline earnings at target, including Tencent	US\$2 863	✓	€185 201
● Core headline earnings (excluding Tencent)	15.0	Achieve core headline earnings at target, excluding Tencent	(US\$1 311)	✓	€185 201
● Free cash flow	10.0	Achieve free cash outflow at target	(US\$383)	✓	€123 467
	50.0				€617 336
Strategic, operational and ESG goals	Weighting %	Description		Outcome	Actual payout
● Classifieds	10.0	Deliver organic topline growth and organic trading profit growth at target		✓ *	€61 734
● Food Delivery	10.0	Deliver on targets related to revenue, order volume, organic revenue growth and manage incremental YoY spent on total food delivery		✓ **	€82 353
● Payments and Fintech	5.0	Deliver organic revenue growth target and organic trading loss improvement		✗	€0
● B2C	2.5	Deliver organic revenue growth target and organic trading loss improvement		✓	€30 867
● Corporate structure	10.0	Implement board-approved plan for Prosus listing		✓	€123 467
● Business sustainability: Diversity and inclusion	5.0	Increase focus on diversity and inclusion throughout the group, measured through employee engagement survey		✓	€61 734
● Business sustainability: Machine learning and artificial intelligence	7.5	Scale up the amount of AI talent through hiring and upskilling		✓	€92 600
	50.0				€452 755

* The following target for Classifieds was achieved: organic trading profit growth.

** The following targets for Food Delivery were achieved: organic revenue growth and manage incremental YoY spent on total food delivery.

BASIL SGOURDOS

Maximum STI opportunity: 100% of TCTC*

Group financial goals	Weighting %	Description	Actuals	Outcome	Actual payout
● Core headline earnings (including Tencent)	12.5	Achieve core headline earnings at target, including Tencent	US\$2 863	✓	US\$ 133 662
● Core headline earnings (excluding Tencent)	12.5	Achieve core headline earnings at target, excluding Tencent	(US\$1 311)	✓	US\$ 133 662
● Free cash flow	25.0	Achieve free cash outflow at target	(US\$383)	✓	US\$ 267 323
	50.0				US\$ 534 647
Strategic, operational and ESG goals	Weighting %	Description		Outcome	Actual payout
● Structure	25.0	Implement board-approved plan for Prosus listing		✓	US\$ 267 323
● Taxation	10.0	Prudent and optimal tax management structure		✓	US\$ 106 929
● Investor relations	5.0	Design and implementation of IR strategy		✓	US\$ 53 465
● Group finance	2.5	Driving efficiency through the group finance organisation and operating rhythms		✓	US\$ 26 732
● Governance, internal audit and risk management	2.5	Ensure that effective systems of internal control are operated throughout the group's controlled entities		✓	US\$ 26 732
● Business sustainability: Team and talent	5.0	Develop finance team and ensure high employee engagement through diversity and inclusion		✓	US\$ 53 465
	50.0				
● Funding	25.0	A variable bonus capped at 25% of total cost to the company, related to obtaining new general funding		✓ **	US\$ 137 500
					US\$ 672 147

* Plus maximum 25% bonus linked to general funding.

** Achieved 12.86% of the variable bonus capped at 25% of total cost to the company by obtaining new general funding.

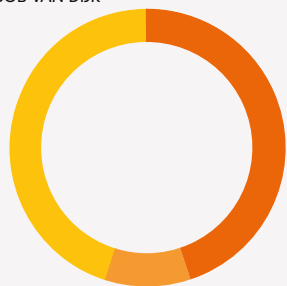
Remuneration at a glance continued

The balance of CEO/CFO LTI is focused towards consumer internet business

The estimated fair value⁽¹⁾ of Bob van Dijk's and Basil Sgourdos's longer-term incentives was balanced approximately as follows:

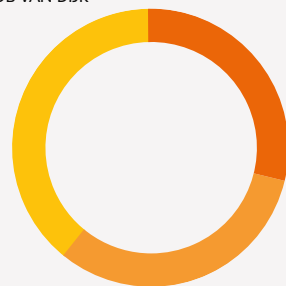
Balance of the FY20 LTI grant

BOB VAN DIJK

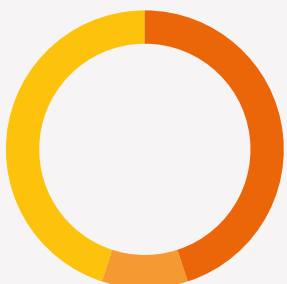


Balance of all invested LTI, including the FY20 LTI grant

BOB VAN DIJK



BASIL SGOURDOS



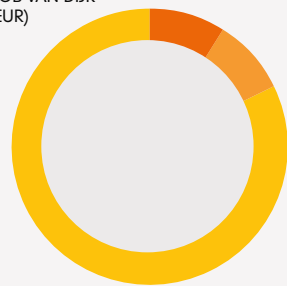
BASIL SGOURDOS



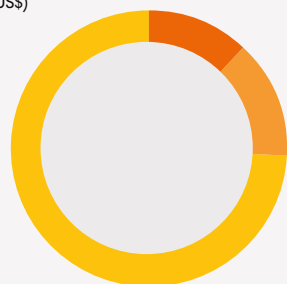
Compensation is mostly 'at risk' and longer term

Below we show the relative weightings of each type of compensation: annual fixed pay, STI and LTI for each executive as at 31 March 2020.

BOB VAN DIJK (EUR)



BASIL SGOURDOS (US\$)



Dilutive impact of group LTI schemes

Since 1 April 2018, the group purchases 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.

In accordance with schedule 14 of the JSE Listings Requirements and the South African Companies Act, shareholders authorised the board at the annual general meeting in August 2011 that up to 40 588 541 N ordinary shares (approximately 10% of the then issued N ordinary share capital) may be issued for purposes of the group's various share-based incentive schemes. From August 2011 to 31 March 2018 approximately 4% of issued N ordinary share capital has been used for the share-based incentive schemes. Since then, Naspers N shares have been purchased on market to settle the group's share-based incentive scheme requirements and this is intended to continue. However, to address shareholder concerns about potential dilution in future should the group return to issuing new Naspers N shares for purposes of its share-based incentive schemes, and notwithstanding the shareholder approval currently in place, the board has determined that no more than a further 21 775 553 new N ordinary shares (approximately 5% of the current N ordinary share capital post the share repurchase programme executed in the 2020 financial year) may be used from the date of the 2020 AGM for purposes of the share-based incentive schemes without first returning to shareholders for approval.

⁽¹⁾ Represents the fair value of LTI awards on grant date in accordance with IFRS 2.

Remuneration at a glance continued

Looking forward to FY21

Due to the ongoing uncertainty created by the Covid-19 pandemic, there will be no performance-related salary increase for the executive directors for FY21, as we do not think it is appropriate to increase the cost base at this point in time. The pay review for all other employees has been postponed until further notice.

The effect of the Covid-19 pandemic on the Naspers group is not clear at this time. This creates significant uncertainty, which may mean that we need to adjust the objectives for the STI plan as such effect becomes clearer during the course of FY21. In addition, the committee may determine that it is not appropriate for the full (or any) bonus to be paid for FY21.

Given the longer-term focus of the company, and the prudent approach on pay and bonus, it will still be appropriate to issue LTI awards in the coming year, though the grant date will be postponed until August or early September, in line with the LTI awards to the broader employee population this year.

From FY21 onwards, the CFO will also be paid on a base salary basis. He was historically paid on a total-cost-to-company basis (TCTC), which is more typical for South African companies. This change now brings his compensation structure in line with international norms and with that of the CEO. The overall total cash opportunity for the CFO has not changed due to this restructure, as is shown on page 24.

FY21 remuneration in US\$

In US\$'000	Fixed remuneration	Variable remuneration		Pension ⁽⁴⁾	Other benefits ⁽⁵⁾	Total remuneration ⁽⁶⁾
		STI ⁽²⁾	LTI ⁽³⁾			
Executive director	Base salary ⁽¹⁾					
Bob van Dijk, CEO	1 362	100%	13 500	89	54	16 367
Basil Sgourdos, CFO	1 143	100%	8 000	90	26	10 402

FY21 remuneration in EUR

In EUR'000	Fixed remuneration	Variable remuneration		Pension ⁽⁴⁾	Other benefits ⁽⁵⁾	Total remuneration ⁽⁶⁾
		STI ⁽²⁾	LTI ⁽³⁾			
Executive director	Base salary ⁽¹⁾					
Bob van Dijk, CEO	1 235	100%	12 238	81	49	14 838
Basil Sgourdos, CFO	1 036	100%	7 252	81	24	9 429

⁽¹⁾ The executive directors did not receive an increase in base salary in this financial year. It is also noted that, from FY21 onwards, the compensation structure of the CFO changed from TCTC to base salary, without impacting the total target cash position. The maximum bonus is capped at 100% instead of 125%.

⁽²⁾ This is the at-target and also maximum STI as a percentage to base salary. STI goals are shown on page 8 of this remuneration report and on pages 6, 9 and 13 in the integrated annual report.

⁽³⁾ Represents the estimated fair value of the LTI awards on grant date in accordance with IFRS 2, of grants that are intended to be made in FY21. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure is based on indicative values and may therefore differ from the final fair value granted.

⁽⁴⁾ The net employer pension contributions for Bob van Dijk will remain stable at 6.5% of base salary. The life insurance costs will drop for both executives as a result to a change to a new provider.

⁽⁵⁾ Medical insurance, life and disability insurance.

⁽⁶⁾ Executive directors are executive directors of both Naspers and Prosus. Their remuneration as executive directors of these entities are currently split 10/90 between Naspers and Prosus.

Remuneration at a glance continued

FY21 STI goals

BOB VAN DIJK

Target and maximum STI opportunity: 100% base salary

Group financial goals	Weighting %	Description	Maximum payout
● Revenue	10.0	Achieve revenue target (on an economic-interest basis and excluding M&A)	€123 467
● Core headline earnings (including Tencent)	15.0	Achieve core headline earnings at target, including Tencent	€185 201
● Core headline earnings (excluding Tencent)	15.0	Achieve core headline earnings at target, excluding Tencent	€185 201
● Free cash flow	10.0	Achieve free cash outflow at target	€123 467
	50.0		€617 336
Strategic, operational and ESG goals	Weighting %	Description	Maximum payout
● Classifieds	12.5	Deliver organic topline growth and organic trading profit growth at target	€154 334
● Food Delivery	15	Deliver on targets related to organic revenue growth and organic trading profit improvement	€185 201
● Payments and Fintech	7.5	Deliver organic revenue growth target and organic trading loss improvement	€92 600
● Sustainability: Machine learning and artificial intelligence	5	Continue to build our AI capabilities by increasing the number of machine learning modules in production	€61 734
● Sustainability: Diversity and inclusion	5	Increase focus on diversity and inclusion throughout the group, measured through employee engagement survey	€61 734
● Sustainability: Data privacy and security	5	Documented approach across the group to address privacy and security at the design phase for new products and services, consistent with the group's policies on data-privacy governance and cybersecurity	€61 734
	50.0		€617 336

BASIL SGOURDOS

Target and maximum STI opportunity: 100% of base salary

Group financial goals	Weighting %	Description	Maximum payout
● Core headline earnings (including Tencent)	12.5	Achieve core headline earnings at target, including Tencent	US\$142 898
● Core headline earnings (excluding Tencent)	12.5	Achieve core headline earnings at target, excluding Tencent	US\$142 898
● Free cash flow	25.0	Achieve free cash outflow at target	US\$285 796
	50		US\$571 591
Strategic, operational and ESG goals	Weighting %	Description	Maximum payout
● Holding company discount	15	Continue to engage with shareholders and taking into account their feedback, develop proposals to address the holding company discount	US\$171 477
● Taxation	12.5	Effective taxation strategy and policy to address changes in global tax frameworks	US\$142 898
● Investor relations	5.0	Increase focus on ESG, deliver effective communication and improve shareholder targeting	US\$57 159
● Group finance	10	Deliver more effective processes that improve our financial capabilities. Deliver group auditing rotation process	US\$114 318
● Governance, internal audit and risk management	2.5	Ensure that effective systems of internal control are operated throughout the group's controlled entities	US\$28 580
● Sustainability: People and talent management	5.0	Progress on diversity and inclusion initiatives and develop a structured finance learning strategy	US\$57 159
	50.0		US\$571 591

The effect of the Covid-19 pandemic on the Naspers group is not clear at this time. This creates significant uncertainty, which may mean that we need to adjust the objectives for the STI plan as such effect becomes clearer during the course of FY21. In addition, the committee may determine that it is not appropriate for the full (or any) bonus to be paid for FY21.

Remuneration at a glance continued

FY21 LTI awards

We have set out information below on the longer-term incentives to be made during the 2021 financial year:

	Naspers performance share units (PSUs)	Naspers Global Ecommerce share appreciation rights (SARs)	Naspers N share options (SOs)
	Fair value (US\$) ⁽¹⁾	Fair value (US\$) ⁽¹⁾	Fair value (US\$) ⁽¹⁾
Bob van Dijk	8 100 000	4 387 500	1 012 500
Basil Sgourdos	4 800 000	2 600 000	600 000

⁽¹⁾ Represents the estimated fair value of the LTI awards on grant date in accordance with IFRS 2 of grants intended to be made in FY21. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure is based on indicative values and may therefore differ from the final fair value granted. The number of PSUs, SARs and SOs awarded will be based on the value at the time of grant.

Figure 3

LTI Objectives	SOs	PSUs	SARs
Linked to outcomes management controls	<ul style="list-style-type: none"> Share price partially influenced by events beyond management control 	<ul style="list-style-type: none"> Reward management for the outcomes they directly control 	<ul style="list-style-type: none"> Reward management for the outcomes they directly control
Focused on longer-term value creation	<ul style="list-style-type: none"> Market cap represents longer-term value Vest over four years 	<ul style="list-style-type: none"> Valuation driven by longer-term projections Vest at end of three years 	<ul style="list-style-type: none"> Valuation (third party) driven by longer-term projections Vest over four years
Aligned with shareholder interests	<ul style="list-style-type: none"> Management 100% aligned with shareholders Incentivise management to reduce the discount to NAV 	<ul style="list-style-type: none"> Performance condition incentivises creating value in underlying internet business, closing discount to NAV Performance condition is relative to industry peers 	<ul style="list-style-type: none"> Incentivise value creation in underlying internet business Performance of internet business only one factor influencing share price

Executive remuneration is heavily weighted towards longer-term performance, delivered in PSUs, SARs, or SOs, and with every award subject to individual performance.

The committee has continued to award PSUs to senior executives in FY21, having introduced the programme in FY20. PSUs constituted approximately 45% of the LTI award made to the executive directors in FY20 and this will be approximately 60% for FY21.

Figures 1 and 2 show what the approximate balance of the invested LTIs for the executive directors, post this FY21 allocation, will be.

Because no one LTI vehicle can perfectly meet all our criteria, we employ a blend of LTI programmes, as shown in the table below. PSUs, SOs and SARs create a truly balanced mix of LTIs with value-based performance hurdles, in line with shareholder value creation, as shown in figure 3.

Please refer to the A-Z section on pages 37 to 40 for further detail on our LTI policies.

Figure 1

The balance of CEO/CFO FY21 LTI grant is focused towards consumer internet business

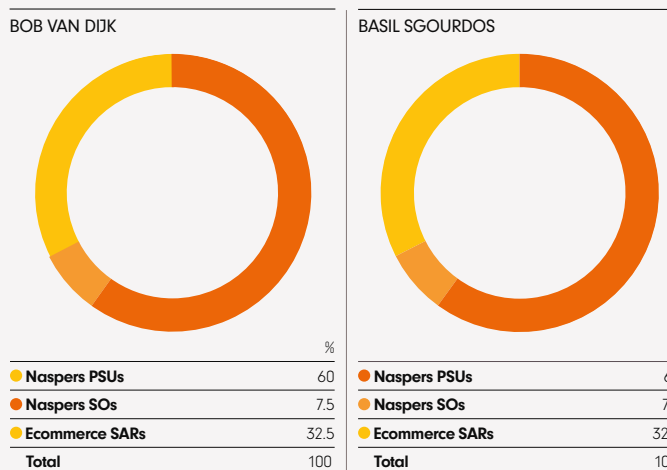
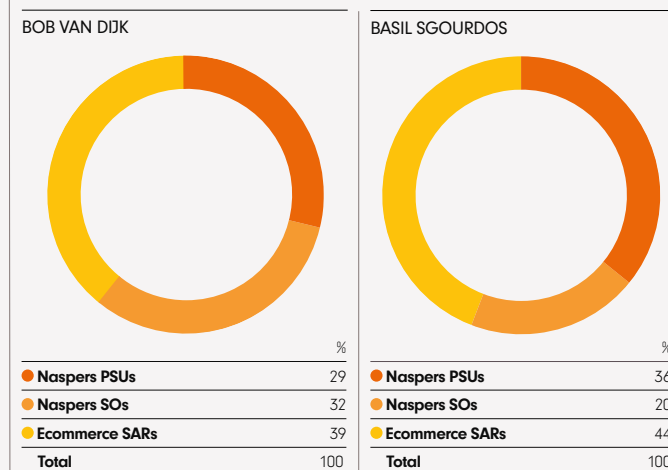


Figure 2

Balance of all invested LTI, including the FY21 LTI grant



Represents the fair value of LTI awards on grant date in accordance with IFRS 2. The figure is based on indicative values and may therefore differ from the final fair value granted.

Background statement: Our approach to remuneration

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, ensuring equality of pay across all employees. In the committee's view, the remuneration policy achieved its stated objectives in the year under review.

Our pay principles are applied through three key elements and executive pay is heavily weighted towards longer-term performance, delivered in PSUs, SARs, or SOs, and with every award subject to individual performance and benchmarked against the companies with which we compete for talent. Our dedicated segment business SAR plans incentivise value creation in our individual unlisted internet businesses.

Last year we added performance share units (PSUs) to the mix of LTIs for executives. The performance condition is the three-year CAGR on the valuation of the Naspers Global Ecommerce SAR scheme (value per share), which excludes Tencent, relative to a bespoke industry peer group. Further details are available on pages 27, 39 and 40.

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 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 they are responsible. We also consider market changes and examine practices at the companies against which we compete with for talent.

Our pay principle

Five key principles guide to 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 employees do not receive longer-term incentives.

Our approach to fair and responsible pay

Our remuneration systems are:

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

Fair

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

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 for our shareholders.

Background statement continued

Our remuneration structure

We have outlined the three elements of pay for our executive directors, and the approach is similar for the CEO's direct reports. The same principles, excluding PSUs, 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 elements	Our pay design links to our pay principles				
	 Pay for performance	 Shareholder alignment	 Incentivisation	 Consistency	 Attract and retain talent
(1) Base salary <ul style="list-style-type: none"> • 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 total cost to company (TCTC), which includes the cost of employee benefits. • Personal performance is the primary driver for pay increases. • Set at a level to ensure we can attract and retain talent of the required calibre. • Takes into account regional, local and sector practice as well as an individual's contribution. 					
(2) Short-term incentives (STIs): Annual performance-related incentive <ul style="list-style-type: none"> • We operate an annual incentive plan that pays out according to performance achieved against strategic, operational, ESG and financial objectives. • 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. • The same structure is applied throughout the organisation to ensure a consistent approach with measures linked to an individual's role so that pay is linked to their contribution and performance. 					
3(a) Longer-term Incentives (LTIs): Naspers performance share units (PSUs) <ul style="list-style-type: none"> • Naspers PSUs are a longer-term instrument, designed to incentivise the increase in the value of Naspers's internet businesses (excluding Tencent) over time and deliver superior returns to shareholders. • Awards vest on the third anniversary of the grant, subject to the achievement of the performance condition. • Participants receive Naspers shares, the number of which depends on the three-year performance against the performance condition set on the grant date. • The performance condition for the FY20 and FY21 grants relates to the three-year CAGR of the Naspers Global Ecommerce SAR scheme, relative to a group of industry peers. Further details are available on pages 27, 39 and 40. 					
3(b) Longer-term incentives (LTIs): Share appreciation rights (SARs) <ul style="list-style-type: none"> • SARs payout 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). • 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. • Awards are made to individuals based on their contribution to the business. • Any gains are settled in cash or Naspers shares, which are acquired on the market for cash, thus avoiding shareholder dilution as a result of the settlement of employee incentive schemes.⁽¹⁾ • The change in value is measured over a four-year period to ensure focus on the longer-term delivery of shareholder value. 					
3(c) Longer-term incentives (LTIs): Naspers share options (SOs) <ul style="list-style-type: none"> • Longer-term awards made in Naspers's SOs with payouts based on the growth in Naspers's share price over a four-year period. • The four-year vesting period has been determined taking into account practice in companies against which we compete with for talent. • Provides longer-term alignment with Naspers's shareholders as value is only delivered to participants if there is an increase in the share price. • As per the settlement arrangements, shares are purchased on the market for cash to avoid shareholder dilution as a result of the company settling its obligations under the Naspers's SOs. 					

⁽¹⁾ It is noted that from FY21 onwards, SARs will be settled in cash

Background statement continued

Remuneration focus areas and key decisions in the 2020 financial year

The table on the right outlines the key areas of focus and key decisions taken by the human resources and remuneration committee during the 2020 financial year.

Remuneration focus areas and key decisions in the 2020 financial year

Meeting	Key areas of focus and decisions ⁽¹⁾
April 2019	<ul style="list-style-type: none"> • Introduction of a PSU plan. • Approval of the directors' fees for the following financial year: for consideration by the board and subsequent shareholder approval. • Approval of the annual STI by key performance indicators (KPIs) for senior executives for the forthcoming financial year. • Impact of the Prosus listing on the Naspers share option trusts. • Assessment of whether the CEO has met shareholding requirement. • Consideration and approval of draft remuneration report.
June 2019	<ul style="list-style-type: none"> • Performance and total compensation review of senior executives. <ul style="list-style-type: none"> — Decision on previous-year performance and STI payout, salary increases and LTI awards. — Review the scheme limits of the longer-term share-based incentives schemes in light of annual employee awards. — Review of SAR scheme valuations completed by Deloitte (report of valuations subcommittee) (see page 40 for a detailed description of the valuations process for SAR plans). • Approval of a Prosus share award plan and stock option plan. • Continued assessment of the impact of Naspers' intended listing of Prosus on Euronext Amsterdam on existing share-based incentive schemes. • Naspers and Prosus directors' remuneration for FY20 and FY21. • Approve the Phil Weber, Order of Tafelberg, Chairman's, Founder and Innovation Awards nominations. • Governance matters: ethics performance, review of the committee's effectiveness in terms of compliance with the committee's charters and review of the committee's compliance with the committee charters of the major subsidiary companies. • Review of the committee charters including Media24. • Governance matters: review of the remuneration policy. • Review of policies required to be reviewed by the committee, including but not limited to, the remuneration policy and board diversity policy.

Meeting	Key areas of focus and decisions ⁽¹⁾
July 2019	<ul style="list-style-type: none"> • Various PSU design matters. • Confirm the FY20 LTI awards to the CEO and CFO.
August 2019	<ul style="list-style-type: none"> • Review and approval of PSUs goals and measurements. • Continued assessment of the impact of Naspers' intended listing of Prosus on Euronext Amsterdam on existing share-based incentive schemes.
November 2019	<ul style="list-style-type: none"> • Succession planning for senior executives. • Market practice update on executive pay.
February 2020	<ul style="list-style-type: none"> • Shareholder feedback on the remuneration report for the past financial year. • Consideration of recommendation on directors' fees from external advisers for budget purposes. • Review of LTI compensation guidelines for general (non-executive) population. • Review of composition of PSU peer group for FY21 awards.

⁽¹⁾ Ad hoc longer-term incentive scheme governance matters are dealt with as and when they arise.

Background statement continued

Group financial performance

Business performance and remuneration outcomes in respect of the 2020 financial year

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

- **Classifieds:** Building on the momentum from the previous financial year when the business became profitable, Classifieds continues to deliver healthy financial results while expanding its business model. This is one of the fastest-growing classifieds businesses globally.
- **Food Delivery:** The food sector is evolving rapidly, moving from a marketplace model (third-party or 3P) to more businesses implementing an own-delivery model (first-party or 1P). This is markedly increasing the size of the market and corresponding opportunity. We are at the forefront of this transformation and investing heavily in food delivery to grow both the size of the market and our position in it. We continue to focus on and invest in product and technology innovation, including logistics, convenience and grocery delivery, cloud kitchens and private brands.
- **Payments and Fintech:** In line with PayU's mission to build a world without financial borders, we have been pioneering credit for underbanked people in India. We started building an inhouse credit business two years ago and organically scaled this to over US\$10m monthly issuances. To scale our credit business in India, we recently acquired a majority stake of 79.2% in PaySense for US\$163m.
- **Etail:** eMAG, our leading business-to-consumer (B2C) platform in Central and Eastern Europe, continued to outpace market growth and improve its economics over the review period.
- **Media:** Media24 had a strong year. All financial targets were met. The digital audience of 2 million average daily unique browsers increased 28% YoY with News24 becoming profitable for the first time. Netwerk24 grew subscriptions 32% YoY. Contract Logistics increased volumes 29%. VIA grew profit fivefold.
- **Ventures:** Ventures invested US\$81m in Meesho Inc., a leading social commerce online marketplace in India, continuing our successful track record of identifying unique Indian opportunities with the potential to become large businesses in that region. We also focused on increasing our exposure to the edtech (educational technology) businesses by investing a further US\$25m and US\$44m in our education associates Brainly and Udemy respectively.

Business performance and remuneration outcomes in respect of the 2020 financial year

Our strategy	<ul style="list-style-type: none"> • We are building businesses with big potential to address societal needs. • Achieving leadership positions in high-growth markets. • Partnering with local teams and entrepreneurs. 		
Our business priorities	<ul style="list-style-type: none"> • Classifieds • Food Delivery • Payments and Fintech • Etail • Ventures 		
Our financial highlights <small>(all figures from continuing operations)</small>	<ul style="list-style-type: none"> • Revenue US\$22.1bn, up 17% (and 23% in local currency, excluding M&A) from continuing operations. • Trading profit up 13% to US\$3.7bn (up 17% in local currency, excluding M&A). • Core headline earnings, from continuing operations, the board's measure of sustainable operating performance, was down 5% on last year at US\$2.9bn. 		
Our operating highlights <small>(all figures from continuing operations)</small>	<ul style="list-style-type: none"> • Ecommerce financial performance Revenue increased 19% (32%) YoY to US\$4.7bn with classifieds, payments and fintech, food delivery and etail contributing meaningfully to revenue growth. • Classifieds This is one of the fastest-growing classifieds businesses globally, with accelerating revenue growth of 48% (37%) to US\$1.3bn. It generated trading profits of US\$44m, driven by strong revenue growth in listings and margin improvement. • Food Delivery The Food Delivery segment grew rapidly and is now one of the largest and fastest-growing platforms globally, producing cumulative annualised gross merchandise value (GMV) growth of 76% YoY. Segment revenue increased 99% (105%), with strong contributions from our entire portfolio. Trading losses rose to US\$624m from US\$171m, reflecting continued investments in growth by the respective businesses. • Payments PayU's revenue grew 19% (21%) YoY, on the back of 26% (29%) growth in volumes processed in the payments business. Processed volumes reached US\$37.9bn, driven by 164% growth in the number of transactions processed. The Payments and Fintech business's trading loss margin increased from 12% last year to 16%. This reflected continued improvement in profitability in the core PSP business, offset by the investment to build a credit offering, primarily in India, and expanding our footprint in Southeast Asia with the Red Dot acquisition. • Etail The Etail segment accelerated revenue growth by 19% YoY, measured in local currency and adjusted for the disposal of Flipkart in August 2018. On the same basis, the segment also improved its profitability, more than halving trading losses by achieving economies of scale such as higher gross margins and leveraging fixed cost control. 		
Remuneration outcome FY20	<table border="0"> <tbody> <tr> <td style="vertical-align: top;"> CEO: <ul style="list-style-type: none"> • Base salary US\$1.362m • STI achievement 86.67% • FY20 LTI award:⁽¹⁾ <ul style="list-style-type: none"> – Naspers Global Ecommerce SAR Plan: US\$6.074m – Naspers N-share PSUs: US\$5.863m – Naspers N-share options: US\$1.347m </td> <td style="vertical-align: top; padding-left: 20px;"> CFO: <ul style="list-style-type: none"> • Base salary US\$950 000 • STI achievement⁽²⁾ 112.86% • FY20 LTI award:⁽¹⁾ <ul style="list-style-type: none"> – Naspers Global Ecommerce SAR Plan: US\$3.149m – Naspers N-share PSUs: US\$3.040m – Naspers N-share options: US\$698 000 </td> </tr> </tbody> </table>	CEO: <ul style="list-style-type: none"> • Base salary US\$1.362m • STI achievement 86.67% • FY20 LTI award:⁽¹⁾ <ul style="list-style-type: none"> – Naspers Global Ecommerce SAR Plan: US\$6.074m – Naspers N-share PSUs: US\$5.863m – Naspers N-share options: US\$1.347m 	CFO: <ul style="list-style-type: none"> • Base salary US\$950 000 • STI achievement⁽²⁾ 112.86% • FY20 LTI award:⁽¹⁾ <ul style="list-style-type: none"> – Naspers Global Ecommerce SAR Plan: US\$3.149m – Naspers N-share PSUs: US\$3.040m – Naspers N-share options: US\$698 000
CEO: <ul style="list-style-type: none"> • Base salary US\$1.362m • STI achievement 86.67% • FY20 LTI award:⁽¹⁾ <ul style="list-style-type: none"> – Naspers Global Ecommerce SAR Plan: US\$6.074m – Naspers N-share PSUs: US\$5.863m – Naspers N-share options: US\$1.347m 	CFO: <ul style="list-style-type: none"> • Base salary US\$950 000 • STI achievement⁽²⁾ 112.86% • FY20 LTI award:⁽¹⁾ <ul style="list-style-type: none"> – Naspers Global Ecommerce SAR Plan: US\$3.149m – Naspers N-share PSUs: US\$3.040m – Naspers N-share options: US\$698 000 		

⁽¹⁾ Represents the fair value of the LTI awards on grant date in accordance with IFRS 2. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure disclosed in the 2019 remuneration report was estimated and therefore differs slightly from the figure reported in this table.

⁽²⁾ Includes for CFO an additional variable bonus over FY20 capped at 25% of TCTC relating to obtaining new general funding.

Background statement continued

Total remuneration for executive directors for the year ended 31 March 2020

In US\$'000	Executive director remuneration for the year ended 31 March 2020 (FY20)						Proportion of fixed and variable remuneration
	Fixed remuneration	Variable remuneration		Pension	Other benefits ⁽⁴⁾	Total remuneration ⁽⁵⁾	
Executive director	Base salary ⁽¹⁾	STI ⁽²⁾⁽³⁾	LTI				
Bob van Dijk, CEO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	1 362	1 180	13 284	89	62	15 977	9%/91%
Basil Sgourdos, CFO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	950	1 207	6 888	90	30	9 165	10%/90%

In EUR'000	Executive director remuneration for the year ended 31 March 2020 (FY20)						Proportion of fixed and variable remuneration
	Fixed remuneration	Variable remuneration		Pension	Other benefits ⁽⁴⁾	Total remuneration ⁽⁵⁾	
Executive director	Base salary ⁽¹⁾	STI ⁽²⁾⁽³⁾	LTI				
Bob van Dijk, CEO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	1 235	1 070	11 919	81	57	14 362	9%/91%
Basil Sgourdos, CFO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	861	1 094	6 180	81	27	8 243	10%/90%

⁽¹⁾ The CFO's compensation was historically structured on the basis of total cost to company (TCTC), which included base salary plus benefits. Effective FY21 this structure is aligned to that of the CEO, without impacting the total target cash position.

⁽²⁾ Actual payout over FY20 performance; achievement of STI goals are shown on pages 5, 15 and 25 of this remuneration report and on pages 6, 9 and 13 in the integrated annual report.

⁽³⁾ Includes for CFO an additional variable bonus over FY20 capped at 25% of TCTC relating to obtaining new general funding.

⁽⁴⁾ Medical insurance, life and disability insurance.

⁽⁵⁾ Executive directors are executive directors of both Naspers and Prosus. The costs of their remuneration as executive directors of these entities are split 10/90 between Naspers and Prosus.

⁽⁶⁾ Represents the fair value on grant date in accordance with IFRS 2 of awards made during FY20. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure disclosed in the 2019 remuneration report was estimated and therefore differs slightly from the figure reported in this table.

The potential gain of awards vested during FY20 is shown on page 17.

Background statement continued

Short-term incentive (STI) for FY20

FY20 goals and achievements

Based on financial, strategic, operational and sustainability performance targets which are tailored for each role.

The minimum STI payout was 0% of salary/TCTC; the target and maximum STI opportunity are the same. All STI awards are paid out in cash.

BOB VAN DIJK

Maximum STI opportunity: 100% base salary

Group financial goals	Weighting %	Description	Actuals	✓ Achieved	✗ Not achieved	Actual payout
				Outcome		
● Revenue	10.0	Achieve revenue target (on an economic-interest basis and excluding M&A)	US\$22 292	✓		€123 467
● Core headline earnings (including Tencent)	15.0	Achieve core headline earnings at target, including Tencent	US\$2 863	✓		€185 201
● Core headline earnings (excluding Tencent)	15.0	Achieve core headline earnings at target, excluding Tencent	(US\$1 311)	✓		€185 201
● Free cash flow	10.0	Achieve free cash outflow at target	(US\$383)	✓		€123 467
	50.0					€617 336
Strategic, operational and ESG goals	Weighting %	Description		Outcome		Actual payout
● Classifieds	10.0	Deliver organic topline growth and organic trading profit growth at target		✓ *		€61 734
● Food Delivery	10.0	Deliver on targets related to revenue, order volume, organic revenue growth and manage incremental YoY spent on total food delivery		✓ **		€82 353
● Payments and Fintech	5.0	Deliver organic revenue growth target and organic trading loss improvement		✗		€0
● B2C	2.5	Deliver organic revenue growth target and organic trading loss improvement		✓		€30 867
● Corporate structure	10.0	Implement board-approved plan for Prosus listing		✓		€123 467
● Business sustainability: Diversity and inclusion	5.0	Increase focus on diversity and inclusion throughout the group, measured through employee engagement survey		✓		€61 734
● Business sustainability: Machine learning and artificial intelligence	7.5	Scale up the amount of AI talent through hiring and upskilling		✓		€92 600
	50.0	Total				€452 755

* The following target for Classifieds was achieved: organic trading profit growth.

** The following targets for Food Delivery were achieved: organic revenue growth and manage incremental YOY spent on total food delivery.

BASIL SGOURDOS

Maximum STI opportunity: 100% of TCTC*

Group financial goals	Weighting %	Description	Actuals	Outcome	Actual payout
● Core headline earnings (including Tencent)	12.5	Achieve core headline earnings at target, including Tencent	US\$2 863	✓	US\$133 662
● Core headline earnings (excluding Tencent)	12.5	Achieve core headline earnings at target, excluding Tencent	(US\$1 311)	✓	US\$133 662
● Free cash flow	25.0	Achieve free cash outflow at target	(US\$383)	✓	US\$267 323
	50.0				US\$534 647
Strategic, operational and ESG goals	Weighting %	Description		Outcome	Actual payout
● Structure	25.0	Implement board-approved plan for Prosus listing		✓	US\$267 323
● Taxation	10.0	Prudent and optimal tax management structure		✓	US\$106 929
● Investor relations	5.0	Design and implementation of IR strategy		✓	US\$53 465
● Group finance	2.5	Driving efficiency through the group finance organisation and operating rhythms		✓	US\$26 732
● Governance, internal audit and risk management	2.5	Ensure that effective systems of internal control are operated throughout the group's controlled entities		✓	US\$26 732
● Business sustainability: Team and talent	5.0	Develop finance team and ensure high employee engagement through diversity and inclusion		✓	US\$53 465
	50.0				
● Funding	25.0	A variable bonus capped at 25% of total cost to the company, related to obtaining new general funding		✓ **	US\$137 500
		Total			US\$672 147

* Plus maximum 25% bonus linked to general funding.

** Achieved 12.86% of the variable bonus capped at 25% of total cost to the company by obtaining new general funding.

Background statement continued

Unvested longer-term incentives (LTIs) in FY20

We have set out information below on the unvested longer-term incentives, including awards made during the 2020 financial year.



The main conditions of LTI awards made in FY20

In US\$	Specification of plan	Performance period	Award date	Vesting date(s)	Number of awards				Fair value 31 March 2020 (US\$) ⁽¹⁾
					Opening balance 1 April 2019	Awarded during the year	Vested during the year	Closing balance 31 March 2020	
Bob van Dijk									
PSUs	Naspers performance share units	Three years cliff	09/09/2019	30/06/2022	-	24 527	-	24 527	5 862 847
SARs	Naspers Global Ecommerce share appreciation rights	Four years phased	16/07/2019	16/07/2020 (25%)	2 639 027	436 832	(1 779 677)	1 296 182	14 370 107
				16/07/2021 (25%)					
SOs	Naspers N share options	Four years phased		16/07/2022 (25%)					
			16/07/2023 (25%)	247 844	15 835	(77 519)	186 160	14 022 563	
	Total				2 886 871	477 194	(1 857 196)	1 506 869	34 255 517
Basil Sgourdos									
PSUs	Naspers performance share units	Three years cliff	09/09/2019	30/06/2022	-	12 718	-	12 718	3 040 065
SARs	Naspers Global Ecommerce share appreciation rights	Four years phased	16/07/2019	16/07/2020 (25%)	517 411	226 505	(142 340)	601 576	6 880 596
				16/07/2021 (25%)					
SOs	Naspers N share options	Four years phased		16/07/2022 (25%)					
			16/07/2023 (25%)	60 015	8 211	(23 128)	45 098	3 768 835	
	Total				577 426	247 434	(165 468)	659 392	13 689 496

⁽¹⁾ Represents the fair value of the LTI awards as at 31 March 2020. The actual value accruing to the executive will depend on the real value created over the time of the award, reported in this table. The value in Prosus is different compared to Naspers due to the Naspers Global Ecommerce scheme being treated as equity-settled at Naspers and cash-settled at Prosus.

Background statement continued

Value of LTI awards vested in FY20

Vested awards are tranches of LTIs that were granted prior to FY20, which became available to trade (vested) to the executive in FY20. In order for value on SARs or SOs 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, they must exercise the SOs or SARs, ie in the case of SARs, receive cash or 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 vested in FY20 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) in FY20. The value does not necessarily accrue to the individual. It is available to them should they have chosen to exercise (buy and/or sell shares) on or after the date the SOs or SARs vested.

It is noted that PSUs awarded in FY20 will not vest until FY23.

Executive directors' LTI exercised in FY20

On 14 January 2020, Bob van Dijk exercised Naspers Global Ecommerce SARs. The gain was settled in Naspers N shares which Bob van Dijk elected to sell. Details of the transaction are summarised in figure 2 on page 30.

Bob van Dijk continues to exceed the CEO minimum shareholding requirement of 10 times his salary.

Basil Sgourdos did not exercise any LTIs during FY20.

Potential value of awards vested FY20

Bob van Dijk	Specification of plan	Award date	Vesting date(s)	Potential value at vest (in US\$)
SARs	Naspers Global Ecommerce share appreciation rights	12/09/2014	12/09/2019	31 984 965
		15/08/2017	15/08/2019	1 438 532
		08/09/2017	08/09/2019	335 789
		25/06/2018	25/06/2019	344 160
SOs	Naspers N share options	05/07/2016	05/07/2019	4 836 347
		08/09/2017	08/09/2019	709 017
		25/06/2018	25/06/2019	355 543
Total				40 004 353

Basil Sgourdos	Specification of plan	Award date	Vesting date(s)	Potential value at vest (in US\$)
SARs	Naspers Global Ecommerce share appreciation rights	17/09/2015	17/09/2019	173 986
		29/08/2016	29/08/2019	538 535
		15/08/2017	15/08/2019	248 459
		08/09/2017	08/09/2019	201 343
		25/06/2018	25/06/2019	176 637
SOs	Naspers N share options	04/09/2014	04/09/2019	1 124 052
		18/09/2015	18/09/2019	303 378
		25/09/2015	25/09/2019	59 344
		29/08/2016	29/08/2019	223 896
		08/09/2017	08/09/2019	79 170
		25/06/2018	25/06/2019	194 031
Total				3 322 831

None of the awards that vested in FY20 were exercised.

Statement of compliance

Clawbacks

Clawback provisions apply to the short- and longer-term incentives awarded to executive directors and senior management. In the financial year 2020, no clawback was applied to any remuneration of the executive directors and senior management.

CEO shareholding requirement

Since April 2018, the CEO is required to maintain a Naspers shareholding of 10 times his annual salary. This requirement was met for the financial year ended 31 March 2020.

Remuneration policy

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

During the 2020 financial year, we continued to actively listen to our shareholders' views on remuneration. We thank them for their input and support.

Over the past three years we have improved our disclosures, launching a reformatted remuneration report and adding a remuneration section on our investor pages on Naspers.com, including a video Q&A section with the chair of the human resources and remuneration committee, Craig Eneinstein.

Enhanced disclosure for FY20: we retrospectively disclose the FY20 short-term incentive goals and outcomes for the executive directors on pages 5, 15 and 25 and we share internal pay ratios on page 31.

Ensuring a fair and responsible approach to pay

To ensure a fair and responsible 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.

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 and 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 FY20 82% of the CEO's remuneration and 74% of the CFO's remuneration was delivered in PSUs, SOs or SARs. Over time, LTIs only deliver value when the value to the shareholder also increases.

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 and can develop, where they are recognised for a job well done and are paid fairly in line with personal and company performance.

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:



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 employees do not receive longer-term incentives.

Remuneration policy continued

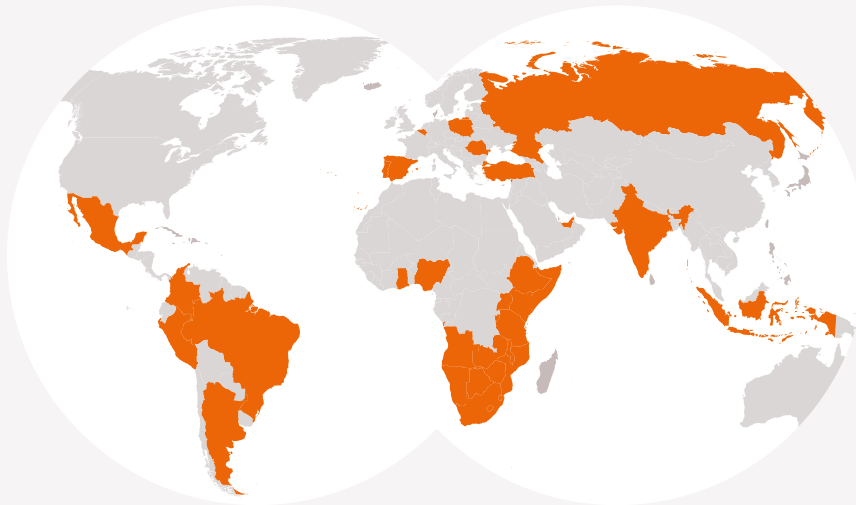
Our employee value proposition

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.



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.



21st century talent: Our reality



Human capital is a key competitive advantage in our industry



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



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



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

Our approach to fair and responsible pay

Our remuneration systems are:

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

Fair

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

Remuneration policy 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, where appropriate.

✓ Fixed pay

Base salary

- Base salary is the fixed pay that an employee receives and reflects the contribution of the individual and market value of the role. The cost of employee benefits and employers' taxes is in addition. People employed in South Africa are paid on a TCTC basis and the cost of benefits 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 that remuneration is fair, sensible and market competitive.

✓ Variable pay

Annual performance-related incentive (STI)

- 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 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 every year 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 overperform against the target) and are set at 100% of base salary for both the CEO and CFO.
- Any awards are made wholly in cash.
- Further information on the goals and achievements are provided 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 historical performance. The committee undertakes a thorough assessment to ensure that targets are sufficiently stretched in the context of potential remuneration delivered.

✓ Longer-term incentives (LTIs)

The performance of executives and employees against their annual STIs has significant influence on the decision to award LTIs. Any PSUs, SARs or SOs (PSUs for senior management team only) that are awarded will only deliver value to the participant if business performance drives an increase in the value of the asset. RSUs are only awarded to employees below senior management level.

Performance

There are three performance elements associated with an award of PSUs, SOs or SARs:

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

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 three types of LTI schemes:

- PSUs
- SARs, and
- SOs.

Detailed scheme rules provide for the operation and governance of each scheme.

For employees below the level of the CEO and his direct reports we have extended the use of RSUs.

Remuneration policy continued

Because no one LTI vehicle can perfectly meet all our objectives, we employ a blend of LTI programmes, as shown in figure 1. PSUs, SOs and SARs create a truly balanced mix of LTIs with value-based performance hurdles, in line with shareholder value creation.

- Please refer to the A-Z section on pages 37 to 40 for further detail on our LTI policies.

Clawbacks

Clawback provisions apply to the short- and longer-term incentives awarded to executive directors and senior management. In the financial year 2020, no clawback was applied to any remuneration of the executive directors and senior management.

CEO shareholding requirement

Since April 2018, the CEO is required to maintain a Naspers shareholding of 10 times his annual salary. This requirement was met for the financial year ended 31 March 2020.

Market pay benchmarking

Market pay benchmarking is considered an additional reference point. Individual performance is the primary determining factor in whether to grant a pay increase. Further information on benchmarking can be found on page 37 in the A-Z section.

Pay for performance

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. Further information on performance management can be found on page 39 in the A-Z section.

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. However, in the interests of transparency, we disclose the internal pay ratio of CEO remuneration. This relates to average employee cost, including salaries, wages, pension, health insurance, STI and LTI on an IFRS basis and is based on the average number of employees as disclosed on page 65 of the integrated annual report. The CEO pay ratio is shown on page 31 of this report.

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 LTI may be used.

Figure 1

LTI objective	SOs	PSUs	SARs
Linked to outcomes management controls	<ul style="list-style-type: none"> • Share price partially influenced by events beyond management control 	<ul style="list-style-type: none"> • Reward management for the outcomes they directly control 	<ul style="list-style-type: none"> • Reward management for the outcomes they directly control
Focused on longer-term value creation	<ul style="list-style-type: none"> • Market cap represents longer-term value • Vest over four years 	<ul style="list-style-type: none"> • Valuation driven by longer-term projections • Vest at end of three years 	<ul style="list-style-type: none"> • Valuation (third party) driven by longer-term projections • Vest over four years
Aligned with shareholder interests	<ul style="list-style-type: none"> • Management 100% aligned with shareholders • Incentivise management to reduce the discount to NAV 	<ul style="list-style-type: none"> • Performance condition incentivises creating value in underlying internet business, closing discount to NAV • Performance condition is relative to industry peers 	<ul style="list-style-type: none"> • Incentivise value creation in underlying internet business • Performance of internet business only one factor influencing share price

Figure 2

Shares purchased on market

The table below sets out the details of shares purchased in the market during FY20 and FY19 in respect of grants made in the various share trusts:

	2020			2019		
	Number of shares	Purchase price US\$ ⁽²⁾	Average purchase price range (R)	Number of shares	Purchase price US\$ ⁽²⁾	Average purchase price range (R)
MIH Services FZ LLC Share Trust ⁽¹⁾	123 395	28 879 965	R2 184.87 to R3 512.68	238 244	53 870 253	R3 236.22
MIH Holdings Share Trust ⁽¹⁾	80 320	15 720 222	R2 184.87 to R3 403.18	12 500	2 826 422	R3 236.22
Naspers Shares Incentive Trust ⁽¹⁾	-	-	-	22 792	5 153 585	R3 236.22
Naspers Restricted Stock Plan Trust	128 096	29 073 029	R2 184.87 to R3 535.75	64 578	14 599 872	R3 236.22 to R3 299.58
Total	331 811	73 673 216	-	338 114	76 450 133	-

⁽¹⁾ The MIH Services FZ LLC Share Trust is used to grant Naspers options to our non-South African employees. The MIH Holdings Share Trust and Naspers Share Incentive Trust are used for our South African employees. The last grant in the Naspers Share Incentive Trust was made in FY19 and the intention is to only use the MIH Holdings Share Trust and MIH Services FZ LLC Share Trust going forward.

⁽²⁾ Converted to US dollar at the purchase date exchange rate.

Remuneration policy continued

Termination policy

Payments in lieu of notice may be made to executive directors, comprising salary 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, considering pro-rating for time and actual performance achieved. There is no entitlement to a particular severance package provided for in the service contract of an executive director.

Service contracts

Executive directors' contracts comply with terms and conditions in the local jurisdiction. Details of the date of appointment and the relevant employer notice period are set out in figure 3.

Other non-executive roles

Bob van Dijk was appointed to the board of Booking Holdings Inc. at the company's annual general meeting in June 2020.

Basil Sgourdos does not hold any board positions outside of the Prosus and Naspers group.

Figure 1

Outline of LTI plans in operation during FY20

	Performance share units (PSUs)	Share appreciation rights (SARs)	Share options (SOs)	Restricted stock units (RSUs)
Plan characteristics	An award of Naspers shares that is transferred to participants after time restrictions have passed, subject to the performance condition being met (three-year Naspers Global Ecommerce SAR scheme CAGR relative to industry peer group) ⁽¹⁾ .	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 pre-agreed price.	An award of Naspers or Prosus ⁽⁵⁾ shares that is transferred to participants after time restrictions have passed.
	Value delivered to participant. Value delivered to the participant providing performance condition is met.	Value delivered to participant. Change in value of business unit between grant and vest ⁽²⁾ .	Value delivered to participant. Change in share price between grant and vest.	Value delivered to participant. Full value delivered to the participant at vest.
	Depending on the achievement against the performance condition, 0% to 200% of the awarded PSUs may vest and Naspers shares are delivered on vesting.	If there is no change or a decrease in value, there is no gain for the participant. Gains are settled in cash or Naspers shares.	If there is no change or a decrease in value, there is no gain for the participant. When the option is exercised the participant becomes a shareholder.	Naspers or Prosus shares are delivered on vesting.
Granted to executive directors	✔	✔	✔	Senior executives are not eligible
Granted to the wider employee population	No - only to the CEO and direct reports/senior executives.	✔	✔	✔

⁽¹⁾ Please see page 27 and page 39 of the A-Z section for further detail on the mechanics of the PSU plan.

⁽²⁾ Please see page 40 in the A-Z section for further detail on the valuation process.

⁽³⁾ From FY21 onwards RSU awards will be delivered in Prosus shares.

Executive director participation in LTI plans

The table below sets out details of LTI plans in which the executive directors, Bob van Dijk and Basil Sgourdos are currently participating.

Figure 2

Executive director participation in LTI plans

Type of plan	Entity	Details	Name of plan	Comments
PSUs	Naspers group N ordinary shares	Three-year cliff vesting	Naspers Restricted Stock Plan Trust	Performance condition: three-year Naspers Global Ecommerce SAR Plan CAGR relative to an industry peer group
SOs	Naspers group N ordinary shares	Four-year phased vesting, 10-year term	MIH Services FZ LLC Share Trust ⁽¹⁾	Based on Naspers share price development
SARs	Naspers Ecommerce	Four-year phased vesting, 10-year term	Naspers Global Ecommerce SAR Plan ⁽²⁾	Based on value creation of the underlying assets ⁽³⁾ . Includes the internet companies in the group (excluding Tencent)

Figure 3

Service contracts

	Bob van Dijk	Basil Sgourdos
Date of appointment at the group	1 August 2013	1 August 1995
Date of appointment to current position	1 April 2014	1 July 2014
Employer notice period	Six months	Three months

⁽¹⁾ Options granted prior to August 2017 have a five-year vesting period.

⁽²⁾ SARs granted prior to June 2018 have a five-year vesting period.

⁽³⁾ Please refer to page 40 in the A-Z section for an outline of the valuation process.

Remuneration policy continued

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 regularly 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 AEX-listed and JSE-listed companies.

Dual responsibilities

Non-executive directors receive no additional compensation for their dual responsibilities to Naspers and Prosus. However, the aggregate cost of their compensation is currently allocated 70% to Prosus and 30% to Naspers.

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 non-executive 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.

Implementation of remuneration policy

Executive directors

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 and with the Covid-19 uncertainties in mind (see figure 1).

In figure 3 we show the relative weightings of each type of compensation: Base salary/TCTC, STIs and LTIs for each executive as at 31 March 2020.

Guaranteed fixed pay

During the year, levels of base salary (or TCTC where relevant) continued to vary across the jurisdictions where we operate.

It is noted that, due to the ongoing uncertainty created by the Covid-19 crisis, there will be no salary increase for the executive directors for FY21.

In figure 2 we show the relative weightings of each type of compensation: Base salary/TCTC, STIs and LTIs for each executive as at 31 March 2020.

We 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.

From FY21 onwards, the CFO will be paid on a regular base salary basis. He was historically paid on a total-cost-to-company basis (TCTC), which is more typical for South African companies. This change now brings his compensation structure in line with international norms, and with that of the CEO. The overall total cash opportunity for the CFO has not changed due to this restructure, as is shown in figure 3.

Figure 1
Executive directors' total remuneration for the financial year to 31 March 2020

Executive director remuneration for the year ended 31 March 2020 (FY20)								
In US\$'000	Fixed remuneration		Variable remuneration		Pension	Other benefits ⁽⁴⁾	Total remuneration ⁽⁵⁾	Proportion of fixed and variable remuneration
	Base salary ⁽¹⁾	STI ⁽²⁾⁽³⁾	LTI					
Bob van Dijk, CEO								
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	1 362	1 180	13 284	89	62	15 977	9%/91%	
Basil Sgourdos, CFO								
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	950	1 207	6 888	90	30	9 165	10%/90%	

Executive director remuneration for the year ended 31 March 2020 (FY20)								
In EUR'000	Fixed remuneration		Variable remuneration		Pension	Other benefits ⁽⁴⁾	Total remuneration ⁽⁵⁾	Proportion of fixed and variable remuneration
	Base salary ⁽¹⁾	STI ⁽²⁾⁽³⁾	LTI					
Bob van Dijk, CEO								
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	1 235	1 070	11 919	81	57	14 362	10%/90%	
Basil Sgourdos, CFO								
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	861	1 094	6 180	81	27	8 243	10%/90%	

⁽¹⁾ The CFO's compensation was historically structured on the basis of total cost to company (TCTC), which included base salary plus benefits. Effective FY21 this structure is aligned to that of the CEO, without impacting the total target cash position.

⁽²⁾ Actual payout over FY20 performance; achievement of STI goals are shown on pages 5, 15 and 25 of this remuneration report and on pages 6, 9 and 13 in the integrated annual report.

⁽³⁾ Includes for CFO an additional variable bonus over FY20 capped at 25% of TCTC relating to obtaining new general funding.

⁽⁴⁾ Medical insurance, life and disability insurance.

⁽⁵⁾ Executive directors are executive directors of both Naspers and Prosus. The costs of their remuneration as executive directors of these entities are split 10%/90 between Naspers and Prosus.

⁽⁶⁾ Represents the fair value on grant date in accordance with IFRS 2 of awards made during FY20. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure disclosed in the 2019 remuneration report was estimated and therefore differs slightly from the figure reported in this table.

The potential gain of awards vested during FY20 is shown on page 17.

Figure 2
Base salary, STI and LTI for each executive as at 31 March 2020

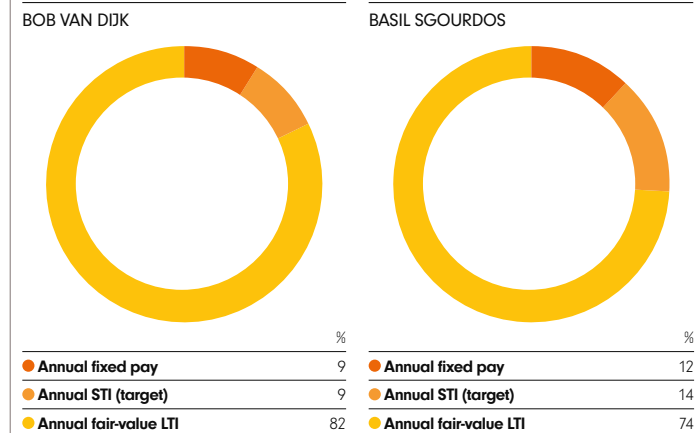


Figure 3
Total target cash compensation CFO

In US\$'000	FY20	FY21
Base salary	950	1 143
Maximum bonus opportunity	1 337	1 143
Total target cash compensation	2 286	2 286

Implementation continued

Short-term incentive (STI) over FY20

FY20 goals and achievements

STI is based on financial, strategic, operational and sustainability performance targets which are tailored for each role.

The minimum STI payout is 0% of salary/TCTC. The target and maximum STI opportunity are the same, ie there is no opportunity to overachieve on bonus payout, for FY20 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. All STI awards are paid out in cash.

This year we disclose the STI goals and achievements for FY20 in further detail. 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 details of the targets of the goals is not in the best interest of our shareholders. However, we have highlighted in the integrated annual report any metrics or developments for FY20 and FY21 that were included in the STI of the executive directors.

Strategic, operational and sustainability performance measures for both executive directors accounted for 50% of the total bonus opportunity. The topics, types of goals and achievement thereof are illustrated in the table on the right.

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.


- Further details can be found in the integrated annual report 2020 on page 50.

Outcomes of STIs

The outcomes mentioned resulted in annual bonus pay-out levels of €1 070 090 or 86.67% of base salary for Bob van Dijk and US\$1 206 794 or 112.86% of TCTC for Basil Sgourdos.

Clawback provisions apply to the short- and longer-term incentives awarded to the CEO and his direct reports.

In the financial year ending 31 March 2020, no clawback was invoked on either the STIs or LTIs of the CEO or any of his direct reports.

Page numbers in the integrated annual report that reflect achievement of CEO's STI are marked with  on pages 6, 9 and 13 of the integrated annual report.

✓ Achieved ✗ Not achieved

BOB VAN DIJK: Maximum STI opportunity: 100% base salary

Group financial goals	Weighting %	Description	Actuals	Outcome	Actual payout
● Revenue	10.0	Achieve revenue target (on an economic-interest basis and excluding M&A).	US\$22 292	✓	€123 467
● Core headline earnings (including Tencent)	15.0	Achieve core headline earnings at target, including Tencent	US\$2 863	✓	€185 201
● Core headline earnings (excluding Tencent)	15.0	Achieve core headline earnings at target, excluding Tencent	(US\$1 311)	✓	€185 201
● Free cash flow	10.0	Achieve free cash outflow at target	(US\$383)	✓	€123 467
	50.0				€617 336
Strategic, operational and ESG goals	Weighting %	Description		Outcome	Actual payout
● Classifieds	10.0	Deliver organic topline growth and organic trading profit growth at target		✓*	€61 734
● Food Delivery	10.0	Deliver on targets related to revenue, order volume, organic revenue growth and manage incremental YoY spent on total food delivery		✓**	€82 353
● Payments and Fintech	5.0	Deliver organic revenue growth target and organic trading loss improvement		✗	€0
● B2C	2.5	Deliver organic revenue growth target and organic trading loss improvement		✓	€30 867
● Corporate structure	10.0	Implement board-approved plan for Prosus listing		✓	€123 467
● Business sustainability: Diversity and inclusion	5.0	Increase focus on diversity and inclusion throughout the group, measured through employee engagement survey		✓	€61 734
● Business sustainability: Machine learning and artificial intelligence	7.5	Scale up the amount of AI talent through hiring and upskilling.		✓	€92 600
	50.0	Total			€452 755

* The following target for Classifieds was achieved: organic trading profit growth.

** The following targets for Food Delivery were achieved: organic revenue growth and manage incremental YoY spent on total food delivery.

BASIL SGOURDOS: Maximum STI opportunity: 100% TCTC*

Group financial goals	Weighting %	Description	Actuals	Outcome	Actual payout
● Core headline earnings (including Tencent)	12.5	Achieve core headline earnings at target, including Tencent	US\$2 863	✓	US\$133 662
● Core headline earnings (excluding Tencent)	12.5	Achieve core headline earnings at target, excluding Tencent	(US\$1 311)	✓	US\$133 662
● Free cash flow	25.0	Achieve free cash outflow at target	(US\$383)	✓	US\$267 323
	50.0				US\$534 647
Strategic, operational and ESG goals	Weighting %	Description		Outcome	Actual payout
● Structure	25.0	Implement board-approved plan for Prosus listing		✓	US\$267 323
● Taxation	10.0	Prudent and optimal tax management structure		✓	US\$106 929
● Investor relations	5.0	Design and implementation of IR strategy		✓	US\$53 465
● Group finance	2.5	Driving efficiency through the group finance organisation and operating rhythms		✓	US\$26 732
● Governance, internal audit and risk management	2.5	Ensure that effective systems of internal control are operated throughout the group's controlled entities		✓	US\$26 732
● Business sustainability: Team and talent	5.0	Develop finance team and ensure high employee engagement through diversity and inclusion		✓	US\$53 465
	50.0				
● Funding	25.0	A variable bonus capped at 25% of total cost to the company, related to obtaining new general funding.		✓**	US\$137 500
		Total			US\$672 147

* Plus maximum 25% bonus linked to general funding.

** Achieved 12.86% of the variable bonus capped at 25% of total cost to the company by obtaining new general funding.

Implementation continued

Unvested longer-term incentives (LTI) in FY20

We have set out in figure 1 information on the unvested longer-term incentives, including awards made during the 2020 financial year.

Details of the group's LTI schemes are disclosed in note 44 on pages 148 and 149 of the annual financial statements at www.naspers.com.

Longer-term incentive (LTI) awards to be made in FY21

We have also set out in figure 2 information on the longer-term incentives to be made during the 2021 financial year.

Figure 1

We have set out below information on the unvested longer-term awards including awards that have been made during the 2020 financial year.

The main conditions LTI awards made in FY20									
In US\$	Specification of plan	Performance period	Award date	Vesting date(s)	Number of awards				Fair value 31 March 2020 (US\$) ⁽¹⁾
					Opening balance 1 April 2019	Awarded during the year	Vested during the year	Closing balance 31 March 2020	
Bob van Dijk									
PSUs	Naspers performance share units	Three years cliff	09/09/2019	30/06/2022	-	24 527	-	24 527	5 862 847
SARs	Naspers Global Ecommerce share appreciation rights	Four years phased	16/07/2019	16/07/2020 (25%)	2 639 027	436 832	(1 779 677)	1 296 182	14 370 107
				16/07/2021 (25%)					
SOs	Naspers N share options	Four years phased		16/07/2022 (25%)	247 844	15 835	(77 519)	186 160	14 022 563
				16/07/2023 (25%)					
	Total				2 886 871	477 194	(1 857 196)	1 506 869	34 255 517
Basil Sgourdos									
PSUs	Naspers performance share units	Three years cliff	09/09/2019	30/06/2022	-	12 718	-	12 718	3 040 065
SARs	Naspers Global Ecommerce share appreciation rights	Four years phased	16/07/2019	16/07/2020 (25%)	517 411	226 505	(142 340)	601 576	6 880 596
				16/07/2021 (25%)					
SOs	Naspers N share options	Four years phased		16/07/2022 (25%)	60 015	8 211	(23 128)	45 098	3 768 835
				16/07/2023 (25%)					
	Total				577 426	247 434	(165 468)	659 392	13 689 496

⁽¹⁾ Represents the fair value of the LTI awards as at 31 March 2020. The actual value accruing to the executive will depend on the real value created over the time of the award. The value in Prosus is different compared to Naspers due to the Naspers Global Ecommerce scheme being treated as equity-settled at Naspers and cash-settled at Prosus.

Figure 2

Longer-term incentive (LTI) awards to be made in FY21

	Naspers performance share units (PSUs)	Naspers Global Ecommerce share appreciation rights (SARs)	Naspers N share options (SOs)
	Fair value (US\$) ⁽¹⁾	Fair value (US\$) ⁽¹⁾	Fair value (US\$) ⁽¹⁾
Bob van Dijk	8 100 000	4 387 500	1 012 500
Basil Sgourdos	4 800 000	2 600 000	600 000

⁽¹⁾ Represents the estimated fair value of the LTI awards on grant date in accordance with IFRS 2 of grants intended to be made in FY21. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure is based on indicative values and may therefore differ from the final fair value granted. The number of PSUs, SARs and SOs awarded will be based on the value at the time of grant.

Implementation continued

The committee will continue to award PSUs to senior executives in FY21, having introduced the programme in FY20. PSUs constituted approximately 45% of the LTI award made to the executive directors in FY20 and this will be approximately 60% for FY21.

The performance condition related to the FY20 and FY21 PSU awards consist of the three-year compound annual growth rate (CAGR) of the share price of the Naspers Global Ecommerce SARs Plan (value per share), which excludes Tencent, as compared against the total shareholder return (TSR) of a bespoke peer group. Achievement of the performance condition will be assessed by the human resources and remuneration committee, based on the share price of the Naspers Global Ecommerce SARs Plan (in absolute and relative terms), validated by the valuations subcommittee as per the valuations process described on page 40 in the A-Z section of the FY20 remuneration report.

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:

- At threshold performance: 50% of the allocated shares would be awarded if the performance is at the 25th percentile of the peer group.
- At target performance: 100% of the allocated shares would be awarded if the performance is at the median of the peer group.
- At maximum performance: 200% of the allocated shares would be awarded if the performance is at the 75th percentile of the peer group.

If the threshold level of performance is not achieved, no shares will be awarded to the participant. If more than the maximum performance is achieved, no more than 200% of the allocated shares would be awarded. Performances between threshold and maximum will be interpolated on a linear basis.

The FY21 LTI allocation will be balanced as follows (figure 2).

A blend of LTIs

The addition of PSUs to the blend of LTIs offered is not intended to materially increase the quantum of executive compensation. Rather, it further aligns 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 (as shown in figure 1 on page 21).

Figure 1
PSU awards schedule

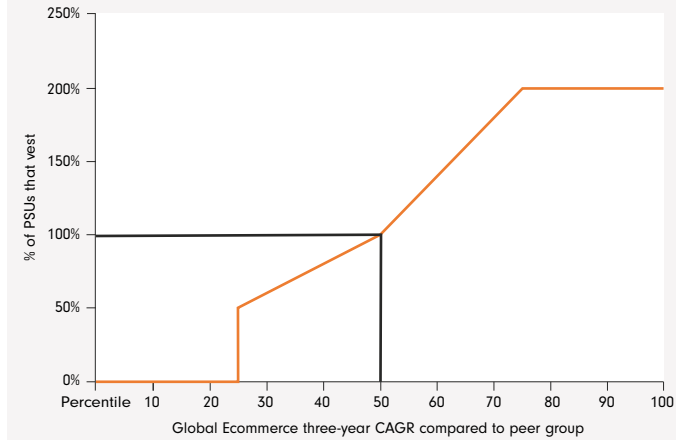
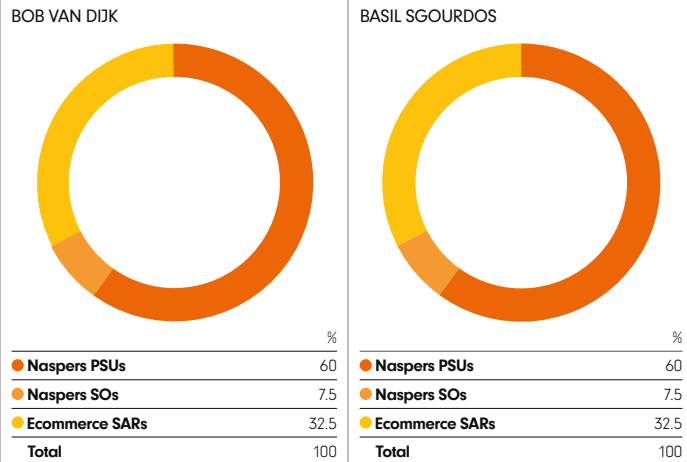


Figure 2
The balance of CEO/CFO FY21 LTI grant is focused towards consumer internet business
Balance of the FY21 LTI



Implementation continued

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 opposite of the awards made to each executive director over the past three years.

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.

Value of historical LTI grants to executive directors

Bob van Dijk	Naspers performance share units (PSUs)			Naspers Global Ecommerce share appreciation rights (SARs)			Naspers N share options (SOs)		
	Number of PSUs	Face value (US\$'000)	Fair value (US\$'000) ⁽²⁾	Number of SARs	Face value (US\$'000) ⁽¹⁾	Fair value (US\$'000) ⁽²⁾	Number of options	Face value (US\$'000)	Fair value (US\$'000) ⁽²⁾
FY20	24 527	5 863	5 863	436 832	16 032	6 074	15 835	3 972	1 347
FY19	-	-	-	418 434	14 047	5 449	61 142	13 928	4 919
FY18	-	-	-	909 204	24 837	6 157	51 728	11 029	3 478

Basil Sgourdos	Naspers performance share units (PSUs)			Naspers Global Ecommerce share appreciation rights (SARs)			Naspers N share options (SOs)		
	Number of PSUs	Face value (US\$'000)	Fair value (US\$'000) ⁽²⁾	Number of SARs	Face value (US\$'000) ⁽¹⁾	Fair value (US\$'000) ⁽²⁾	Number of options	Face value (US\$'000)	Fair value (US\$'000) ⁽²⁾
FY20	12 718	3 040	3 040	226 505	8 313	3 149	8 211	2 060	698
FY19	-	-	-	214 759	7 209	2 797	33 108	7 542	2 663
FY18	-	-	-	231 854	6 355	1 566	5 776	1 231	388

⁽¹⁾ The face value at grant date of the Naspers N share options granted before FY20 was adjusted by the value of MultiChoice Group shares at the closing price of R106.01 of the listed MultiChoice Group shares on the unbundling date.

⁽²⁾ Represents the fair value of the LTI awards on grant date in accordance with IFRS 2. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure disclosed in the 2019 remuneration report was estimated and therefore, differs slightly from the figure reported in this table.

Implementation continued

Awards vested during the period 1 April 2019 to 31 March 2020

The number of SOs and SARs that vested during the year for executive directors are outlined here.

Awards vested during the period 1 April 2019 to 31 March 2020

Bob van Dijk	Award date	Vesting date(s) ⁽¹⁾	Potential value at vest (in US\$)	Face value at grant date (US\$) ⁽²⁾	Fair value at grant date (US\$) ⁽³⁾
Naspers N share options	05/07/2016	05/07/2019	4 836 347	6 856 490	2 806 621
	08/09/2017	08/09/2019	709 017	2 757 199	805 034
	25/06/2018	25/06/2019	355 543	3 481 994	905 267
	Award date	Vesting date(s) ⁽¹⁾	Potential value at vest (in US\$)	Face value at grant date (US\$)	Fair value at grant date (US\$) ⁽³⁾
Naspers Global Ecommerce SAR Plan	12/09/2014	12/09/2019	31 984 965	23 264 508	8 348 953
	15/08/2017	15/08/2019	1 438 532	4 000 000	916 063
	08/09/2017	08/09/2019	335 789	967 408	216 483
	25/06/2018	25/06/2019	344 160	3 511 691	1 174 389
Basil Sgourdos	Award date	Vesting date(s) ⁽¹⁾	Potential value at vest (in US\$)	Face value at grant date (US\$) ⁽²⁾	Fair value at grant date (US\$) ⁽³⁾
Naspers N share options	04/09/2014	04/09/2019	1 124 052	888 027	484 280
	18/09/2015	18/09/2019	303 378	276 680	142 861
	25/09/2015	25/09/2019	59 344	52 749	27 314
	29/08/2016	29/08/2019	223 896	521 563	204 036
	08/09/2017	08/09/2019	79 170	307 872	89 891
	25/06/2018	25/06/2019	194 031	1 885 539	490 212
	Award date	Vesting date(s) ⁽¹⁾	Potential value at vest (in US\$)	Face value at grant date (US\$)	Fair value at grant date (US\$) ⁽³⁾
Naspers Global Ecommerce SAR Plan	17/09/2015	17/09/2019	173 986	179 988	62 613
	29/08/2016	29/08/2019	538 535	666 650	204 459
	15/08/2017	15/08/2019	248 459	690 869	158 220
	08/09/2017	08/09/2019	201 343	580 069	129 806
	25/06/2018	25/06/2019	176 637	1 802 340	602 743

⁽¹⁾ As part of the Prosus listing and capitalisation issue, the MIH Services FZ LLC trust elected to receive Prosus shares. In line with the capitalisation issue 1 Prosus share is linked to each option. The value of the Prosus share is included where relevant.

⁽²⁾ The face value at grant date of the Naspers N options granted before FY20 was adjusted by the value of MultiChoice Group shares at the closing price of R106.01 of the listed MultiChoice Group shares on the unbundling date.

⁽³⁾ Represents the fair value of the LTI awards on grant date in accordance with IFRS 2. The actual value accruing to the executive will depend on the real value created over the time of the award.

Implementation continued

Gains made on SARs exercised during the period 1 April 2019 to 31 March 2020

On 14 January 2020, Bob van Dijk exercised Naspers Global Ecommerce SARs. The gain was settled in Naspers N shares which Bob van Dijk elected to sell. Details of the transaction are summarised in figure 2.

LTI costs

The total of share-based payment expenses for the two executive directors were US\$15.765m (FY 2019: US\$18.496m).

The IFRS 2 charge recognised in Naspers is different compared to Prosus due to the Naspers Global Ecommerce scheme being treated as equity-settled at Naspers and cash-settled at Prosus.

Longer-term incentives across the group account for 13.9% of total staff costs, and 3.5% 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 in note 29 on page 113 of the annual financial statements on 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 16 and 26.

Figure 1

Awards made during the period 1 April 2019 to 31 March 2020

Bob van Dijk	Award date	Number of SOs/PSUs/SARs	Face value at grant date (US\$)	Fair value at grant date (US\$) ⁽¹⁾
Naspers Share options	16/07/2019	15 835	3 972 173	1 346 972
Naspers PSU	09/09/2019	24 527	5 862 847	5 862 847
Naspers Global Ecommerce SAR Plan	16/07/2019	436 832	16 031 734	6 074 030

Basil Sgourdos	Award date	Number of SOs/PSUs/SARs	Face value at grant date (US\$)	Fair value at grant date (US\$) ⁽¹⁾
Naspers Share options	16/07/2019	8 211	2 059 710	698 480
Naspers PSU	09/09/2019	12 718	3 040 065	3 040 065
Naspers Global Ecommerce SAR Plan	16/07/2019	226 505	8 312 734	3 149 492

⁽¹⁾ Represents the fair value of the LTI awards on grant date in accordance with IFRS 2. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure disclosed in the 2019 remuneration report was estimated and therefore differs slightly from the figure reported in this table.

Figure 2

Gains made on SARs exercised by the CEO during the period 1 April 2019 to 31 March 2020

Number of SARs exercised	2 986 452
Value of Naspers Global Ecommerce SARs exercised – pre tax	US\$68 987 041
Value of Naspers N shares settled – pre tax	R995 836 800
Number of Naspers N shares settled and subsequently sold ⁽¹⁾	414 932

⁽¹⁾ The volume weighted average price per share was R2 400.

Implementation continued

Major transactions in 2020 and their impact on the LTI schemes in which executive directors participate

The capitalisation issues in light of the Prosus listing impacted the MIH Services FZ LLC Share Trust and the Naspers Restricted Stock Plan Trust. The trustees of these trusts, as Naspers shareholders, could elect to receive Naspers N shares or Prosus shares as part of the capitalisation issue. The trustees of the MIH Services FZ LLC Share Trust and the Naspers Restricted Stock Plan Trust elected to receive Prosus shares. These shares are linked to the options/PSUs and once options are exercised or PSUs vest, participants will receive one additional Prosus share in addition to each Naspers N share linked to the option/PSU.

Dilutive impact of group LTI schemes

Since 1 April 2018, the group purchases 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.

At 31 March 2020 the group held 2 831 289 (2019: 3 023 498) 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 3 US cents per N ordinary share (2019: 4 US cents). During the financial year ended 31 March 2020, 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.

In accordance with schedule 14 of the JSE Listings Requirements and the South African Companies Act, shareholders authorised the board at the annual general meeting in August 2011 that up to 40 588 541 N ordinary shares (approximately 10% of the then issued N ordinary share capital) may be issued for purposes of the group's various share-based incentive schemes. From August 2011 to 31 March 2018 approximately 4% of issued N ordinary share capital has been used for the share-based incentive schemes. Since then, Naspers N shares have been purchased on market to settle the group's share-based incentive scheme requirements and this is intended to continue. However, to address shareholder concerns about potential dilution in future should the group return to issuing new Naspers N shares for purposes of its share-based incentive schemes, and notwithstanding the shareholder approval currently in place, the board has determined that no more than a further 21 775 553 new N ordinary shares (approximately 5% of the current N ordinary share capital post the share repurchase programme executed in the 2020 financial year)

may be used from the date of the 2020 AGM for purposes of the share-based incentive schemes without first returning to shareholders for approval.

Termination payments

No termination payments were made to executive and non-executive directors on termination of employment or office in FY20.

Clawback provisions

Clawback provisions apply to the short- and longer-term incentives awarded to the CEO and his direct reports. In the financial year ending 31 March 2020, no clawback was applied to any remuneration of the executive directors and senior management.

Shareholding requirement

The CEO is required to hold 10 times his base salary in Naspers shares at all times. As of 31 March 2020, the CEO met this shareholding requirement.

Executive remuneration in comparison to average employee remuneration

When reviewing the CEO's remuneration, the human resources and remuneration committee takes into account the average employee remuneration globally across the group.

As a consumer internet company we have a wide geographical footprint. The majority of our activities and employees are based in emerging countries, including India, Russia, Brazil, Central and Eastern Europe and South Africa, where widely different pay levels are observed. When we look at it on a global level, the pay ratio including LTI is 333.

As shown on page 6, the pay-at-risk portion and within that more specifically LTI weighs heavily in our total remuneration mix. This is typically found within the consumer internet and technology sector in which we compete. For completeness sake we have also reviewed the pay ratios excluding LTI, showing a ratio of 74. Since our Dutch CEO is contracted and paid in the Netherlands, we have also looked at the CEO pay versus employees in the Netherlands, showing a ratio of 22 including LTI and a ratio of 8 excluding LTI.

The ratios are obtained by dividing the FY20 total remuneration for the CEO by the FY20 average total remuneration of all other employees. This includes salaries, wages, on-target bonus, pension and benefits for employees, excluding contractors and CEO remuneration. It also excludes training and development that we offer to our employees. Details of the staff costs can be found in the integrated annual report in note 29 on page 113 of the annual financial statements.

We review the pay levels of our staff at least annually and in relation to pay in the markets and countries that we operate, our reward levels are competitive in the talent markets that we operate in. We see the effectiveness of our reward philosophy and practices confirmed via our formalised employee engagement surveys. Most employees find that they are paid fairly, relative to similar jobs in other companies, an overall appreciation that is found to be above the new technology sector benchmark.

Implementation continued

Non-executive directors

Non-executive directors' fees

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.

The committee conducts a regular benchmarking exercise to ascertain whether the fees for non-executive directors are competitive, fair and reasonable. 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 and Prosus's industry peers internationally, such as competitors in the same industry and of similar scale and those fee levels observed in the Top 10 AEX and JSE companies.

No additional fees are paid to board members serving on the projects committee or on the valuations sub-committee of the human resources and remuneration committee. Non-executive directors do not receive any longer-term or equity-based compensation.

Non-executive directors serve on the board of both Naspers and Prosus and receive no additional compensation for their dual responsibilities to Naspers and Prosus. In September 2019 Prosus listed on the Euronext Amsterdam. Non-executive directors serve on the boards of both Naspers and Prosus. As a result of the non-executive directors assuming dual responsibilities the fees were split between Naspers and Prosus on a 30/70 basis, pro-rated from the date of listing of Prosus.

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.

General notes

Directors' fees include fees for services as directors, where appropriate, of Prosus N.V. and 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 the Naspers social, ethics and sustainability committee. Committee and trustee fees include, where appropriate, fees to be considered by shareholders at the annual general meeting on 21 August 2020 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 Naspers's memorandum of incorporation, Prosus's articles of association, Dutch legal requirements and the South African Companies Act.

Non-executive directors' fees

US\$'000	FY20 ⁽¹⁾							FY19						
	Directors' fees		Committee and trustee fees		Other fees ⁽²⁾		Total	Directors' fees		Committee and trustee fees		Other fees ⁽²⁾		Total
	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	FY20	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	FY19
J P Bekker ⁽³⁾	370	241	-	8	-	-	619	552	23	-	-	-	-	575
E M Choi	180	103	39	25	-	-	347	260	-	61	-	-	-	321
H J du Toit ⁽⁴⁾	-	-	-	-	-	-	0	-	-	-	-	-	-	-
C L Enenstein	185	102	64	40	-	50	441	260	-	100	-	-	50	410
D G Eriksson	160	92	159	100	-	-	511	235	-	247	-	-	-	482
M Girotra ⁽⁵⁾	36	84	7	17	-	-	144	-	-	-	-	-	-	-
R C C Jaffa	167	159	101	73	-	-	500	239	69	157	10	-	-	475
F L N Letele	150	92	16	10	-	-	268	235	-	24	-	-	-	259
G Liu ⁽⁶⁾	-	-	-	-	-	-	-	235	-	-	-	-	-	235
D Meyer	164	92	16	10	-	-	282	228	23	24	13	-	-	288
R Oliveira de Lima	183	103	33	21	-	50	390	253	-	51	-	-	50	354
S J Z Pacak	162	87	18	11	-	-	278	256	-	28	-	-	-	284
T M F Phaswana ⁽⁷⁾	171	99	33	21	-	-	324	253	-	51	-	-	-	304
M R Sorour ⁽⁸⁾	167	242	-	-	-	120	529	232	150	-	-	-	120	502
J D T Stofberg	162	101	16	10	-	-	289	249	-	24	-	-	-	273
B J van der Ross	160	92	48	30	-	-	330	228	-	75	-	-	-	303
Total	2 417	1 689	550	376	0	220	5 252	3 715	265	842	23	-	220	5 065

The group arranges for, and pays, directors' and officers' liability insurance for the directors and officers of the group.

As at the date of this report, the group has not provided any personal loans, advances or guarantees to the executive and non-executive directors.

⁽¹⁾ In September 2019 Prosus listed on the Euronext Amsterdam. Non-executive directors serve on the boards of both Naspers and Prosus. As a result of the non-executive directors assuming dual responsibilities the fees were split between Naspers and Prosus on a 30/70 basis, pro-rated from the date of listing of Prosus.

⁽²⁾ Compensation for assignments.

⁽³⁾ Koos Bekker elected to donate the rand equivalent of his director's fees, being R2.1m (pre-tax), to education. This year the recipient was the high school Volkskool in Heidelberg, Mpumalanga, South Africa.

⁽⁴⁾ Hendrik du Toit elected not to receive directors' fees.

⁽⁵⁾ Appointed 1 October 2019 as a director and member of the audit committee.

⁽⁶⁾ Resigned on 25 February 2019.

⁽⁷⁾ Retired with effect from 1 April 2020.

⁽⁸⁾ Mark Sorour received US\$11 875 from MIH Holdings Proprietary Limited for the period 1 April 2019 to 31 March 2020. 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.

Implementation continued

General note

Koos Bekker and Cobus Stofberg each has 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, 179 988 (2019: 169 865) Naspers A shares and 657 609 Prosus A1 shares.

On 26 June 2020 Ying Xu was appointed an independent non-executive director. Xu holds no Prosus N, A1 or Naspers N, A ordinary shares.

There have been no further changes to the directors' interests between the end of the financial year and 26 June 2020.

The group arranges for, and pays, directors' and officers' liability insurance for the directors and officers of the group.

As at the date of this report, the group has not provided any personal loans, advances or guarantees to the executive and non-executive directors.

Figure 1

Executive and non-executive directors' interest in Naspers shares

The non-executive directors of Naspers had the following interests in Naspers A ordinary shares on 31 March 2020:

Name	31 March 2020			31 March 2019		
	Naspers A ordinary shares			Naspers A ordinary shares		
	Beneficial		Total	Beneficial		Total
Direct	Indirect	Direct		Indirect		
S J Z Pacak ⁽¹⁾	–	105	105	–	83	83
J D T Stofberg ⁽¹⁾	–	175	175	–	166	166
Total	–	280	280	–	249	249

Figure 2

The executive and non-executive directors had the following interests in Naspers N ordinary shares on 31 March 2020:

Name	31 March 2020			31 March 2019		
	Naspers N ordinary shares			Naspers N ordinary shares		
	Beneficial		Total	Beneficial		Total
Direct	Indirect	Direct		Indirect		
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		415	415		415	415
D G Eriksson						
M Girotra ⁽¹⁾						
R C C Jaffa						
F L N Letele	1 474		1 474	1 474		1 474
G Liu ⁽²⁾						
D Meyer						
R Oliveira de Lima						
S J Z Pacak ⁽³⁾	376 635	111 548	488 183	376 635	291 548	668 183
T M F Phaswana ⁽⁴⁾		830	830		3 530	3 530
V Sgourdos	32 483	87 367	119 850	32 483	64 239	96 722
M R Sorour ⁽⁵⁾	2 145	165 024	167 169	2 145	101 713	103 858
J D T Stofberg ⁽⁶⁾	183 317	291 888	475 205	183 317	291 888	475 205
B J van der Ross	2 550	820	3 370	2 550	820	3 370
B van Dijk ⁽⁷⁾	51 809	922 451	974 260	51 809	844 932	896 741
Total	650 413	6 269 034	6 919 447	650 413	6 287 776	6 938 189

⁽¹⁾ Additional Naspers A shares received as part of the Naspers A share capitalisation award approved by shareholders at the extraordinary general meeting on 23 August 2019.

⁽¹⁾ Appointed 1 October 2019 as a director and member of the audit committee. Resigned on 25 February 2019.

⁽²⁾ On 16 September 2019, a total of 180 000 Naspers N ordinary shares were sold by Steve Pacak and 20 000 Naspers N ordinary shares, 200 000 Prosus N.V. N ordinary shares and 200 000 MultiChoice Group Limited ordinary shares were delivered to Mr Pacak upon payment of the amount of R30 378 633.89 (being the listed market value on the date of the offers) from the proceeds of the sale of the 180 000 Naspers N ordinary shares (distributed to Steve), to settle the amount due to the Trust.

⁽³⁾ On 27 September 2019, Fred Phaswana, through his family trust, disposed on market 2 700 Naspers N shares at an average price per share of R2 338.24. Fred retired from the board and committees on 1 April 2020.

⁽⁴⁾ On 19 September 2019, Mark Sorour received 9 237 Naspers N ordinary shares in settlement of the MIH China/MIH TC 2008 share appreciation rights plan. Mark immediately sold these shares at an average price per share of R2 417.22. On 14 August 2019, Mark Sorour's spouse acquired 123 Naspers N ordinary shares at average market prices ranging between R3 402.85 and R3 405.99 per share.

⁽⁵⁾ On the listing of Prosus and on interrogation of the Naspers certificated register, the direct holding has been restated. The comparative has also been restated.

⁽⁶⁾ On 14 January 2020, Bob van Dijk received 414 932 Naspers N ordinary shares in settlement of the Naspers Global ecommerce share appreciation rights plan. Bob van Dijk immediately disposed of these shares at an average price per share of R2 400.00.

Implementation continued

The committee is informed by the external market when reviewing the fee structure and levels for our non-executive directors. At the annual general meeting on 23 August 2018, shareholders approved an increase of up to 5% year on year for fees for directors, the chair of the board, committee members and the chairs of committees' for the year ended 31 March 2021. Given the impact of Covid-19, the board decided not to increase fees for the 31 March 2021 financial year, but to seek approval from shareholders at the annual general meeting scheduled for August 2020 to defer their previous decision and apply it to the 31 March 2022 financial year. 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.

Compliance

There were no deviations from the remuneration policy in FY20.

Non-executive directors' fees

In US\$ (unless otherwise stated)		Naspers: 31 March 2021 ⁽¹⁾	Prosus: 31 March 2021	31 March 2021 ⁽¹⁾	31 March 2020
Board					
	Chair	149 498	348 828	498 325	498 325
	Member	59 799	139 531	199 330	199 330
	Daily fees when travelling to and attending meetings outside home country	1 050	2 450	3 500	3 500
Committees					
Audit committee	Chair	36 833	85 943	122 775	122 775
	Member	14 733	34 377	49 110	49 110
Risk committee	Chair	21 878	51 048	72 925	72 925
	Member	8 751	20 419	29 170	29 170
Human resources and remuneration committee	Chair	25 883	60 393	86 275	86 275
	Member	10 353	24 157	34 510	34 510
Nomination committee	Chair	13 950	32 550	46 500	46 500
	Member	5 580	13 020	18 600	18 600
Social, ethics and sustainability committee	Chair	19 148	44 678	63 825	63 825
	Member	7 659	17 871	25 530	25 530
Other	Trustee of group share schemes/ other personnel funds	ZAR16 128	ZAR37 632	ZAR53 760	ZAR53 760

⁽¹⁾ In the year ended 31 March 2020, following the listing of Prosus on Euronext Amsterdam, Naspers non-executive directors now serve on the boards of both companies. As a result of the non-executive directors assuming these dual responsibilities, the proposed fees will be split between Naspers and Prosus, on a 30/70 basis.

⁽²⁾ The chair of Naspers does not receive additional remuneration for attending meetings or being a member of or chairing any committee of the board.

Frequently asked questions

What changes were made in FY20?

We incorporated shareholder feedback and made important changes to the performance-related LTI, policy design elements and disclosures. Key changes:

- Introduced 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 will be the three-year CAGR on the Naspers Global Ecommerce SAR Plan, excluding Tencent, relative to the bespoke peer group. For the awards to be made in FY20 we have assessed the relevance of the bespoke peer group and made only minor amendments to its composition. Further details on the mechanics of the PSU plan can be found on pages 27 and 39.
- In terms of disclosure we are showing a clear link between strategy, performance, remuneration design and remuneration outcomes for STIs, as well as more information on performance goals and level of achievement. For LTIs we included reference to the SARs valuation process and governance, and core index-linked values. More information can be found on page 40.
- We have disclosed the CEO remuneration versus the average employee remuneration, details of which are provided on page 31.

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

Craig Enenstein (chair), Emilie Choi, Roberto Oliveira de Lima and Koos Bekker. Fred Phaswana stepped down as committee member effective 1 April 2020.

What on-market purchases have been made by the Naspers share trusts in FY20?

At the beginning of FY18 we announced that, to avoid shareholder dilution as a result of employee longer-term incentives, we would implement a share purchase programme. The annual cost for the share buy-back was US\$74m in FY20 versus US\$76m in FY19.

What impact did the exchange of MakeMyTrip shares for Trip.com shares (previously Ctrip) have on executive directors' compensation?

In October 2019, we completed the exchange of our 41% stake in MakeMyTrip for 6% of Trip.com. The executive directors received no additional compensation as a result of the Trip.com transaction.

What did the impact of the Prosus listing have on executive directors' compensation?

The successful listing of Prosus was considered a strategic priority and a necessary condition for the long-term development of the company and for the creation of further shareholder value, which is why the remuneration committee chose to promote this objective by including it in the bonus structure. Executive directors were incentivised via their annual performance-related incentive (STI) to successfully execute the listing of Prosus. For this particular STI goal, Bob van Dijk earned 10% of base salary, or US\$123 467 and Basil Sgourdos earned US\$267 323 or 25% of TCTC (FY20). Further details can be found on pages 5, 15 and 25.

As Naspers share option holders, they were treated as per our shareholders and other employee-option holders, receiving Prosus capitalisation shares linked to each Naspers share. The aggregated employment costs associated with the executive directors are absorbed by both companies, with 90% of the costs being allocated to Prosus and 10% being allocated to Naspers. It is noted that the initial split stated in the Prospectus was based on an estimate.

Did the Prosus listing increase the compensation of the non-executive directors?

No. Non-executive directors now sit on the board of Naspers and Prosus and receive the same flat fee. Non-executive board members are compensated based on their responsibilities versus on a per-meeting basis. There are no additional payments made as a result of the listing of Prosus. The compensation charge for non-executive directors is absorbed by both companies, with 70% of the total charge being allocated to Prosus, and 30% of the total allocated to Naspers.

Are executive longer-term incentives based on Prosus or Naspers?

Naspers. The SOs and PSUs awarded to executive directors relate to Naspers N shares. This is the most appropriate approach when the Naspers share price discount to net asset value (NAV) is considered. 90% of the costs of remuneration, including the LTIs, are allocated to Prosus and 10% to Naspers.

Is executive pay linked to closing the discount on Naspers' net asset value?

Yes. 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. PSUs, 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).

Why is Naspers departing in FY21 from settling SARs in Naspers shares?

With the listing of Prosus, the current practice of settling SARs in Naspers shares for the segment schemes is creating a misalignment in the IFRS accounting treatment between our two listed entities in respect of the same underlying SAR schemes. For the purpose of simplicity and transparency, we will be amending the settlement of our SAR schemes to be directly in cash rather than using Naspers shares purchased for cash. In order for participants to make a gain under the scheme rules, value must be created in the business(es) with which the scheme is associated.

Is Naspers awarding RSUs?

Yes, we are awarding RSUs as part of competitive LTI offering, but only to employees below the level of the CEO and his direct reports. They are considered for PSU awards.

Why does Naspers not show more detail on the STI targets?

This year we have retrospectively disclosed further detail on the STI goals and achievements for FY20. 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 target details of our plans is not in the best interest of our shareholders. However, we have highlighted in the integrated annual report any metrics or developments for

Frequently asked questions continued

FY20 and FY21 that were included in the STI of the CEO and CFO. This can be found on pages 6, 9 and 13 of the integrated annual report.

What is the vesting period within the LTI schemes?

We use four-year phased vesting for SOs, SARs and RSUs, and three-year cliff vesting for PSUs. We compete for talent with global and local companies operating primarily in consumer technology. These peers already moved to shorter vesting periods (usually three to four years with monthly vesting after 12 months). We are more conservative in terms of the vesting schedule (four years with annual vesting only for SOs, SARs and RSUs) and we do not grant RSUs to senior executives (unlike peers).

How does Naspers avoid that the SAR schemes deliver value to participants when the business receives extra funding?

When businesses receive funding, the capitalisation table associated with the SAR scheme in question is diluted on a per-share basis. In other words, funding into the business by itself does not deliver any additional value to participants.

How are the values of share schemes calculated?

Please see page 40 in the A-Z section for an outline of the valuation process.

Is there an overachievement capacity in the executives' bonus structures?

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 executive 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 relevant for technology sector data) as well as publicly disclosed data for similar companies, although the committee notes that the publicly disclosed data is often the least reliable due to varying disclosure requirements by jurisdiction. 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 remuneration benchmarking can be found on page 37 in the A-Z section.

When formulating the remuneration policy and before determining the remuneration of the executive directors, the committee assesses the possible results of the variable remuneration components through various scenario analyses.

Were any clawbacks invoked in the past year?

Clawback provisions apply to the short- and longer-term incentives awarded to the CEO and his direct reports. None of these provisions were invoked in FY20 or any previous years.

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 2020, had met his commitment.

Did Bob van Dijk receive a salary increase?

No. Senior management received no salary increase due to the uncertainty created by Covid-19 and the need to manage costs prudently.

Why did Bob van Dijk receive an LTI grant in FY21 of US\$13.5m (fair value)?

Firstly, fair value is a measurement used to estimate the value of an LTI, when it is granted, based on IFRS accounting. 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 technology benchmarks. The FY21 LTI award was split 60%/32.5%/7.5% between PSUs, Global Ecommerce SARs and SOs. In order for Bob van Dijk to receive any gains in the Naspers Global Ecommerce SAR plan or Naspers SOs, value must be created over the term of the share appreciation rights or share options. 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 27 and 39.

What are the details of the share exercise of Bob van Dijk this year?

On 14 January 2020 Bob van Dijk exercised share appreciation rights in the Naspers Global Ecommerce plan and received 414 932 Naspers N ordinary shares in settlement of the gain, pre-tax. Bob van Dijk continues to exceed the CEO minimum shareholding requirement of 10 times his salary.

Remuneration A-Z

A

Advisers

The advisers to the human resources and remuneration committee are FW Cook and Willis Towers Watson.

B

Benchmarking remuneration

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. For our executive directors' remuneration, the increased complexity of managing two companies, listed in two very different capital markets with very different and diverse investor bases is also taken into account.

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 (WTW) 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-Aon survey 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 and available, publicly disclosed data is included in the analysis. Typically, the compensation of at least the CEO and CFO is disclosed by our peer companies. We look at publicly disclosed data that is more or less comparable at listed ecommerce, consumer internet, food-delivery 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.

Within the WTW and Radford studies the human resources and remuneration committee also reviews publicly disclosed data from the following peer companies:

No	Company
1	Amazon.com Inc
2	Alphabet Inc
3	Alibaba Group Holding Ltd
4	Facebook Inc
5	Netflix Inc
6	PayPal Holdings Inc
7	Baidu Inc
8	Booking Holdings Inc
9	Uber Technologies Inc
10	Qurate Retail Inc
11	Expedia Group Inc
12	eBay Inc
13	Wayfair Inc
14	Zalando SE
15	Trip.com Group Ltd
16	IAC/InterActiveCorp
17	Twitter Inc
18	Adevinta ASA
19	Ocado Group PLC
20	Adyen NV
21	Zillow Group Inc
22	GrubHub Inc
23	Snap Inc
24	MakeMyTrip Ltd
25	Auto Trader Group PLC
26	Just Eat Takeaway.com NV

C

CAGR

Compound annual growth rate.

Change of control

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.

Clawback provisions

Clawback provisions apply to the STIs and LTIs awarded to executive directors and senior management.

E

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.

F

Face value

The number of SARs, SOs, PSUs or RSUs granted multiplied by the price of the share on grant date. This does not take into account the actual profit of a participant, who, for SARs and SOs, only receives the difference between the strike price and the exercise price if they choose to exercise their options after they have vested. For PSUs the actual gain for the participant is dependent upon the achievement of the performance condition and the share price at the time of vest. For RSUs the actual gain depends on the share price at the time of vest.

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.

L

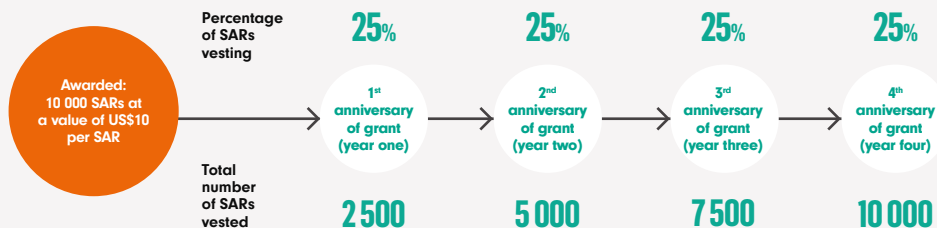
Longer-term incentives (LTI)

LTIs are part of remuneration that drives performance over a period that is longer than one financial year. Usually equity based. We operate the following LTI plans (please see figure on following page 38).

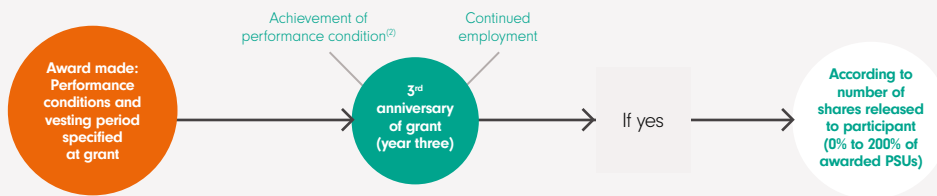
Remuneration A-Z continued

Longer-term incentive (LTI) plans

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

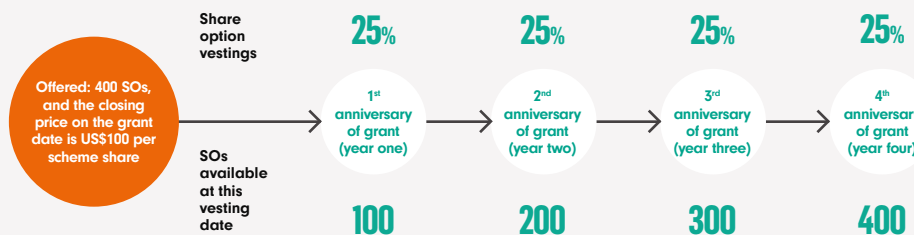


After two years the employee, assuming they didn't exercise their first 2 500 after year one, they may exercise 5 000 of their 10 000 SARs. If the value of a SAR at this point has increased to US\$14, the employee made a gain of US\$4 per SAR, giving the employee a total gain of US\$20 000 (5 000 SARs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



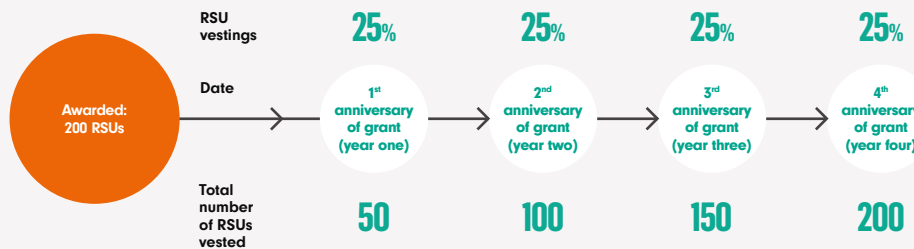
The vesting of a PSU is determined not just by time. In order for an award to vest, certain business performance conditions must also be met.

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.

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



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

Remuneration A-Z continued

Longer-term incentive (LTI) policies

LTI – Date and price of SOs, SARs and PSUs/RSUs

Our LTI 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'. There is no strike price for a PSU or an RSU, these are full-value shares and PSUs vest only on the achievement of the performance conditions determined at grant.

Offer prices may be adjusted within the rules of the scheme to take account of material structural changes to the group, for example, when Prosus was listed, Naspers shareholders and employees holding Naspers SOs received Prosus capitalisation/Naspers N capitalisation shares (depending on which share trust they participated in), linked to each option.

LTI – dividend policy

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

LTI – 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. The PSU plan has a three-year cliff vesting. Across the consumer internet sector, a three- or four-year vesting period is commonly observed, with grants often vesting monthly after the first year.

For the upcoming 2021 financial year we will be broadening the use of restricted share units (RSUs) as an effective LTI for our employees. RSUs are a common and widely spread LTI vehicle across the competitive consumer technology sector. RSUs will continue to be complemented with SARs allocations on our unlisted assets, aligning the incentive to the performance delivery and value creation in the underlying business segments. With that, RSUs do not come addition to SARs, but as a part of the blend of LTI offered.

Note that RSUs are not available to the CEO, CFO, or other senior executives across the group.

LTI – shares purchased on market

At the beginning of FY19 we announced that to avoid shareholder dilution as a result of employee LTIs, we would implement a Naspers share purchase programme. The annual cost for the share buy-back was US\$74m in FY20 vs US\$76m in FY19.

LTI – valuation

We operate LTI 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.

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 under Valuation 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.

Please also refer to Valuation of LTI schemes in this A-Z section.

LTI – scheme limits

We place limits on how much of the capitalisation (CAP) table is available for employee compensation. In general, no more than 5% of the Naspers CAP table can be used for unvested employee compensation. For the SARs plans that relate to our unlisted assets, 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.

N

Notice period

The employer notice period is six months for the CEO and three months for the CFO.

O

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).

P

Performance management

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, PSUs (for executives only) or RSUs (not for executives).

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 STI. 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.

Performance share units (PSUs)

A performance share unit is 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

A measurement of company performance on which the vesting of an LTI is conditional.

The performance condition related to the FY20 and FY21 PSU awards consist of the three-year compound annual growth rate (CAGR) of the share price of the Naspers

Global Ecommerce SAR Plan (value per share), which excludes Tencent, as compared against the TSR of a bespoke peer group. Achievement of the performance condition will be assessed by the human resources and remuneration committee, based on the share price of the Naspers Global Ecommerce SAR Plan (in absolute and relative terms), validated by the valuations subcommittee as per the valuations process described on page 40 in the A-Z section of the FY20 remuneration report.

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.

Peer group for PSU performance condition

For the performance condition underpinning the FY21 PSU grant, the TSR peer group consists of the following companies (see figure 1 on page 40).

R 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.

S 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, but rather they receive 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.

T

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.

Remuneration A-Z continued

V

Valuations process

We operate LTI plans that are associated with businesses that are 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.

The governance around our valuation process is outlined in figure 2.

Vesting 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.

Figure 1

Peer group for PSU performance condition

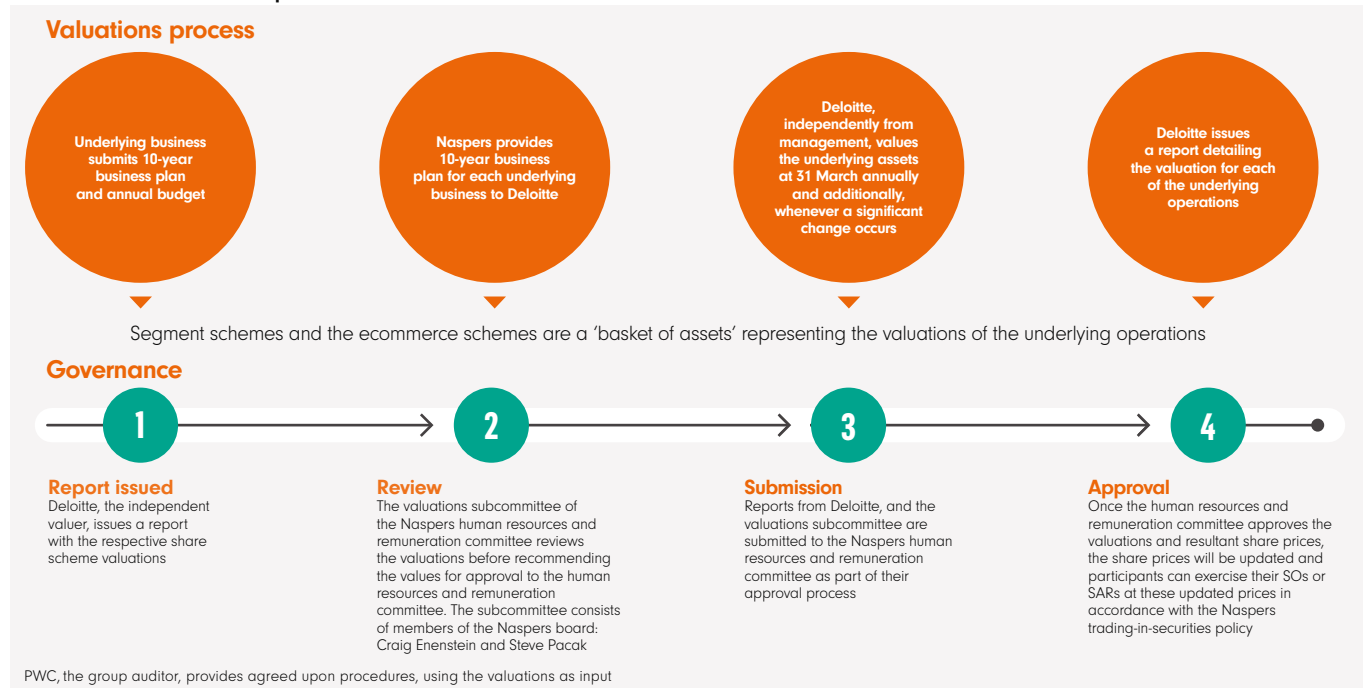
For the performance condition underpinning the FY21 PSU grant, the TSR peer group consists of the following companies:

No	Company	No	Company	No	Company
1	Alphabet Inc	9	Snap Inc	17	Ocado Group PLC
2	Amazon.com Inc	10	Twitter Inc	18	Adevinta ASA
3	Facebook Inc	11	Adyen NV	19	Qurate Retail Inc
4	Netflix Inc	12	Expedia Group Inc	20	Auto Trader Group PLC
5	PayPal Holdings Inc	13	IAC/InterActiveCorp	21	Just Eat Takeaway.com NV
6	Booking Holdings Inc	14	Zalando SE	22	GrubHub Inc
7	Square Inc	15	Wayfair Inc		
8	eBay Inc	16	Zillow Group Inc		

The peer group for the FY20 PSU grant included Cnova and Groupon, which were eliminated from the peer group due to their relatively small size by market cap. Schibsted was replaced by Adevinta.

Figure 2

Governance of our valuation process



Annexure

A summary of executive directors' participation in Naspers scheme shares, in relation to unvested options and PSUs at 31 March 2020 is set out in the adjacent table.

A summary of executive directors' participation in other Naspers group share-based incentive schemes in relation to shares/appreciation rights not yet vested at 31 March 2020, is set out in the adjacent table (figure 2). Full details can be found in note 18 on pages 92 and 93 of the consolidated annual financial statements at www.naspers.com.

MIH Services FZ LLC Share Trust (Naspers SOs)					
Name	Offer date	Number of options ⁽¹⁾	Exercise price per SO (R) ⁽²⁾	Vesting date(s)	Fair value per option(R) ⁽³⁾
Bob van Dijk	05/07/2016	98 604	2 056.88	05/07/2020 to 05/07/2021	R947.48 to R1 040.60
	08/09/2017	25 864	2 755.72	08/09/2020 to 08/09/2021	R950.17 to R1 083.79
	25/06/2018	45 857	3 100.99	26/06/2020 to 26/06/2022	R1 022.84 to R1 351.31
	16/07/2019	15 835	3 494.00	16/07/2020 to 16/07/2023	R883.91 to R1 456.05
Basil Sgourdos	18/09/2015	2 247	1 634.84	18/09/2020	R913.19
	25/09/2015	460	1 594.52	25/09/2020	R893.55
	29/08/2016	6 461	2 323.52	29/08/2020 to 29/08/2021	R1 029.27 to R1 134.33
	08/09/2017	2 888	2 755.72	08/09/2020 to 08/09/2021	R950.17 to R1 083.79
	25/06/2018	24 831	3 100.99	26/06/2020 to 26/06/2022	R1 022.84 to R1 351.31
	16/07/2019	8 211	3 494.00	16/07/2020 to 16/07/2023	R883.91 to R1 456.05
Naspers performance share units					
Name	Offer date	Number of options ⁽¹⁾	Exercise price per SO (R) ⁽²⁾	Vesting date(s)	Fair value per option(R) ⁽³⁾
Bob van Dijk	09/09/2019	24 527	3 528.34	30/06/2022	R3 528.34
Basil Sgourdos	09/09/2019	12 718	3 528.34	30/06/2022	R3 528.34

⁽¹⁾ As part of the Prosus listing and capitalisation issue, the MIH Services FZ LLC and Naspers Restricted Stock Plan trust elected to receive Prosus shares. In line with the capitalisation issue 1 Prosus share is linked to each option/PSU. The Prosus share will be delivered to participants when the option is exercised or the PSU vests.

⁽²⁾ The face value at grant date of the Naspers N options granted before FY20 was adjusted by the value of MultiChoice Group shares at the closing price of R106.01 of the listed MultiChoice Group shares on the unbundling date.

⁽³⁾ Represents the fair value of the LTI awards on grant date in accordance with IFRS 2. The actual value accruing to the executive will depend on the real value created over the time of the award.

⁽⁴⁾ To the extent that the performance condition has been met.

Annexure

Naspers Global Ecommerce SAR Plan					
Name	Offer date	Number of SARs	Exercise price per SAR (US\$)	Vesting date(s)	Fair value per SAR (US\$) ⁽¹⁾
Bob van Dijk	15/08/2017	440 367	27.25	15/08/2020 to 15/08/2022	US\$6.86 to US\$7.91
	08/09/2017	105 157	27.60	08/09/2020 to 08/09/2022	US\$6.77 to US\$7.80
	25/06/2018	313 826	33.57	25/06/2020 to 25/06/2022	US\$12.58 to US\$14.61
Basil Sgourdos	16/07/2019	436 832	36.70	16/07/2020 to 16/07/2023	US\$12.11 to US\$15.51
	17/09/2015	9 685	18.59	17/09/2020	US\$6.84
	29/08/2016	65 202	20.45	29/08/2020 to 29/08/2021	US\$6.70 to US\$7.07
	15/08/2017	76 060	27.25	15/08/2020 to 15/08/2022	US\$6.86 to US\$7.91
	08/09/2017	63 054	27.60	08/09/2020 to 08/09/2022	US\$6.77 to US\$7.80
	25/06/2018	161 070	33.57	25/06/2020 to 25/06/2022	US\$12.58 to US\$14.61
	16/07/2019	226 505	36.70	16/07/2020 to 16/07/2023	US\$12.11 to US\$15.51

⁽¹⁾ Represents the fair value of the LTI awards on grant date in accordance with IFRS 2. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure disclosed in the 2019 remuneration report was estimated and therefore differs slightly from the figure reported in this table.



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