

Group Tax Policy

Approved by the board on 30 November 2018



NASPERS

Group Tax Policy

1. INTRODUCTION

The purpose of the Group Tax Policy is to set out the policy governing the management of taxes by Naspers and its subsidiaries (“Naspers”). The Group Tax Policy is relevant to all employees of Naspers dealing with tax matters. Its intention is to set out the goals and guiding principles which should direct and control tax activity within Naspers. This policy applies to all taxes including: corporate income tax on profits, indirect taxes including sales, services and use taxes (including value added tax (VAT)), withholding taxes, all employment related taxes (including PAYE and social security premiums), capital taxes, property and customs –import and export –, excise duties, together with any interest and any penalties, additions to tax or additional amounts imposed by any Government authority or tax authority.

2. Goals, Principles and Governance

Goals

Naspers aims to be a strongly committed member of the communities within which it operates. Naspers will be a good corporate citizen acting at all times with explicit and demonstrable honesty and integrity in all its dealings. In managing the tax affairs this corporate goal should be followed. The aim is to have positive relationships with all key internal and external stakeholders (including tax authorities) and to manage tax affairs efficiently and effectively and with honesty and integrity.

Principles

In seeking to achieve this goal, Naspers employees should act in accordance with Naspers core values and codes of conduct as embedded in the Naspers Code of Ethics. Specifically, Naspers employees should ensure that all tax activities are carried out:

- In adherence to all applicable laws and regulations;
- While safeguarding the Naspers interests, including Naspers’ reputation and brand.

Governance

This Group Tax Policy is formally endorsed by the CFO and will be subject to annual review.

3. Compliance

Naspers stipulates that with respect to compliance:

- We comply with all our statutory obligations;
- We pay our taxes on time;
- We build good, honest and open working relationships with tax authorities;
- We disclose information legitimately required by the tax authorities. This includes information necessary to properly understand entries in a tax return and information specifically requested during tax audit enquiries;
- We will be able to provide evidence that tax positions adopted are legally sustainable in the event of challenge by a revenue authority;
- We comply with local Transfer Pricing regulations.

4. Tax Accounting, Tax reporting, Tax Planning and Risk Reporting

Tax Accounting and Reporting:

Tax balances will be calculated and reported in accordance with local accounting rules, International Financial Reporting Standards (IFRS) and Naspers' accounting principles. The Finance Departments of the Segments and Businesses are accountable for reporting of tax balances, supported by Local Tax.

Tax Planning and Risk Reporting:

Naspers believes it is appropriate to effectively and efficiently manage its tax cost by minimizing costs as allowed for within the regulatory framework while ensuring that the correct amount of tax is paid. Naspers approaches such issues with caution and with the benefit of specialist advice, if the circumstances so require. Steps taken must always be aligned with our business strategy and our business operations. Tax planning needs to happen in consultation with the Group Head of Tax.

Tax risks (including disputes) are actively monitored by Business and/or Segment CFOs. Business and/or Segment CFOs are required to carry out annual tax risk assessments. The summary of such assessment is to be presented to the Group Head of Tax and is then to be discussed at ICOF or some other appropriate forum. The Group Head of Tax will periodically prepare and submit an update report relating to tax matters and tax risks for the Naspers Risk Committee.

5. Roles and Responsibilities

Naspers Group Tax

Naspers Group Tax is a centre of excellence and supports Segments and Businesses both proactively and on request. Naspers Group Tax is responsible for maintaining the overall relationship with tax administrations in South Africa and the Netherlands.

Regardless of the responsibilities of the Segment CFOs or Business CFOs as listed above, it is required that the Group Head of Tax approves any major contract or transaction before key aspects are agreed in the Heads of Terms or implemented, specifically:

- Structuring of any acquisitions or disposals (including shares, assets / businesses and intellectual property); and
- Any change in legal entity structure, for example by way of incorporation or formation of a new company, partnership, branch or other entity, merger, liquidation, transfer of legal ownership/shares, transfer of a business.

Segment CFOs and Business CFOs

Segment CFOs and Business CFOs are responsible for all (local) tax activities and will escalate to Naspers Group Tax for guidance. Specific responsibilities of the Segment CFOs and Business CFOs include:

- Ensure that the (deferred and current) tax positions as included in the group reporting pack and Annual Financial Statements ("AFS") are correct;
- Review of annual tax returns to ensure that these returns are correct and submitted on time;
- Ensure financial information reported in tax return reconciles properly to the AFS;
- Ensure financial and qualitative information is reported to Naspers Group Tax for CFC compliance and Country by Country ("CbCR") reporting purposes;

- Develop, maintain and submit Master files (files containing high level information regarding the group’s global business operations and transfer pricing policies to be available for all relevant tax authorities per the OECD guidelines) to Naspers Group Tax, and develop, maintain and file Master files and Local files to local authorities, for CbCR purposes;
- Receive regular update on legislation and rule changes plus ensure proper implementation thereof;
- Make tax payments on time;
- Establish adequate resources internally and in advisory capacity commensurate with the size of the business and complexity of the tax regime or tax position;
- Undertake a comprehensive review of the tax affairs on a cyclical basis; Ensure that key data is immediately available (e.g., through tax dashboards);
- Building adequate relationships with local tax administrations.

Joint roles and responsibilities

Naspers Group Tax and the Segment CFOs and Business CFOs are jointly responsible for operating as a truly global group composed of motivated and skilled members with the following objectives:

- Enforcement of tax policies and standards;
- Compliance with all statutory and tax legislation and regulations;
- Comprehensive / holistic approach to tax risk management and tax planning;
- Adequate and timely tax reporting, risk reporting and escalation.

6. Policies and standards

All Naspers’ Group, Segment and Business policies, standards, procedures and practices should be in line with the Naspers Group Tax Policy.

7. Media and other standards

All tax related questions from media and other stakeholders must be referred to the Group CFO and the Group Head of Tax at all times. Also, any lobby activity must be pre-approved by the Group Head of Tax at all times.