Risk Management Policy

Approved by the board on 30 November 2018

NASPERS

Risk Management Policy

1. INTRODUCTION

As a global internet and entertainment group and one of the largest technology investors in the world, Naspers is exposed to a wide range of risks, some of which may have material consequences. Entrepreneurship is the undertaking of risk for reward. Taking risks is part of the day-to-day job of management and our various boards.

The group is committed to identifying and managing risk, in line with international best corporate governance practice and in the application of the relevant rules and regulations – in particular, the listings requirements of the JSE Limited and the London Stock Exchange (United Kingdom), as well as the principles laid down in the King IV Report on Corporate Governance for South Africa 2016 (King IV). However, it is not always possible to identify all risks that

may arise.

As for the system of internal control, we acknowledge that no risk management system nor the combined assurance provided on risk levels and controls, gives us absolute certainty that we fully understand all risks or avoid any failure. We have experienced failures in the past and will likely face some misses in the future.

2. PROPORTIONALITY

A one-size-fits-all approach to governance is not appropriate in the Naspers group as the various controlled companies in the group are at various stages of maturity. As a consequence, our approach will take into account proportionality for the individual businesses, such as size and workforce, resources and complexity of activities.

3. RESPONSIBILITY

3.1. The board has a responsibility to ensure that it has dealt with the governance of risk comprehensively. Risk governance encompasses both:

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

3.2. The board has a responsibility to exercise ongoing oversight of risk management by ensuring that the following results are achieved:

- Assessing risks and opportunities emanating from the total environment in which the group operates, and resources that the group uses and affects.
- Assessing the opportunity together with potentially negative effects on achieving group objectives.
- Assessing the group's dependence on resources.
- Designing and implementing appropriate risk responses.
- Establishing and implementing business continuity arrangements that allow the group to operate under conditions of volatility, and to withstand and recover from acute shocks.
- Integrating and embedding risk management in the business activities and culture of the group.

3.3. The risk committee assists the board in carrying out its responsibility for the governance of risk.

3.4. The chief executive officer (CEO) is accountable to the board for the enterprise-wide management of risk.

3.5. Management is responsible for risk in accordance with approved plans and policies.

3.6. The group's risk support function, supported by in business risk management functions, advises on the risk management system and assists in overseeing and monitoring the group's risk profile, ensuring that major risks are identified and reported at the appropriate level in the group and within the parameters of this risk management policy.

3.7. Internal audit provides assurance on the adequacy and effectiveness of the risk management process across the group.

3.8. The audit committee assists the board in its responsibility for overseeing financial reporting risk and internal financial controls, including fraud and IT risks.

3.9. The audit committee oversees the functioning of external and internal auditors, including satisfying itself that risks are assured through its review of the combined assurance model.

4. SCOPE AND REVISION

4.1. The risk management policy is applicable to all operations where the group directly or indirectly has more than 50% ownership and management control over operations.

4.2. The board adopts a top-down road map for implementation of the risk plan. The areas of focus for each reporting year is decided when the risk management plan is approved.

4.3. The policy is applicable to risks the group faces in the execution of its strategy, operations, reporting and compliance activities.

4.4. The policy will be reviewed annually.

5. POLICY

The group maintains a transparent risk profile by using a structured, formal and planned approach to risk management. The identification, management and reporting of risks are embedded in its business activities and processes.

6. FRAMEWORK

6.1. The Naspers enterprise-wide risk management (ERM) framework is designed to ensure that significant risks and related incidents are identified, documented, managed, monitored and reported in a consistent and structured manner across the group. A common approach to risk analysis and management must be adopted across all areas of application. This framework sets out the minimum requirements for implementing the risk policy.

6.2. Risk support and management will develop an annual plan to ensure that significant risks across the organisation are identified, documented, updated and reported to management and the risk committee.

6.3. Risk support will also work with management to update and document the policies, procedures and controls in place, whereby inherent risks are adequately managed and mitigated.

7. MANAGING RISK

7.1. Management, assisted by risk support, will analyse major inherent risks and implement effective mitigating strategies to reduce these to acceptable levels.

7.2. These could include, but are not limited to:

- internal controls and procedures and the implementation of relevant policies

- outsourcing of processes
- insurance and other forms of risk transfer
- monitoring of risk, and
- setting strategy.

7.3. Internal audit is responsible for providing an independent written assessment to the board and to the audit committee as it relates to financial reporting risk on the adequacy and effectiveness of the internal control environment implemented to manage inherent risk to an acceptable residual level.

7.4. Management, taking into account the opinion of assurance providers such as internal audit, documents and reports residual risk to the risk committees, specifically risks falling outside the risk tolerance of the board.

8. REPORTING

8.1. Significant Naspers group-wide risks are recorded in a risk register, along with their potential impact on the business and management's mitigating actions are documented.

8.2. The business units are required to identify risks that they may be subject to, evaluate their impact on the business and document the risk management procedures in place. This risk information is reported to the group where the risks are evaluated and the Naspers group risk registers updated as required.

8.3. Reporting internally will be bottom-up: local management periodically reports its agreed risk registers with the required information to its group companies, and then to Naspers.

8.4. The Naspers consolidated risk register will form the basis of reporting to risk committees. Changes to risk information, including tolerance levels at the local committee and board level, will be made to the Naspers risk register and communicated to the business units for updating of their registers.

8.5. As part of the strategy development process, opportunities and associated risks are considered. Risk and opportunity management is a group-wide activity, that utilises day-to-day management insight from both global and local business units and functions. Management is responsible for developing and implementing appropriate risk-mitigating action and taking advantage of opportunities within their area of responsibility. This supports business success and protects the company as a going concern through an opportunity-focused but risk-aware decision-making framework.

Management of opportunities is shared by all the group's decision-makers, from the Naspers Limited board to the group and segment CEOs through to management with delegated responsibilities. Opportunities are identified and reported on through the various governance structures as part of the overall governance oversight process.

8.6. We accept that risk and opportunity management, including risk and opportunity reporting, is a continuous process and will be improved as opportunities arise.

8.7. The risk reporting process is aligned with the risk committee and board calendars.