Craig Enenstein, chairperson of the Naspers HR & remuneration committee, answers questions on Naspers' approach to remuneration and how we make pay decisions.

Why don't you have an incentive directly focused on closing the discount on net asset value (NAV)?

To be clear we are very focused on setting a portfolio of incentives to drive shareholder value, including the reducing of the discount. We believe in incentivizing management on the things they can control. The discount is a multi-faceted dynamic and one which management has taken significant steps to address in the past couple of years. The most recent example of this is the intention to list our international internet assets on Euronext Amsterdam.

As a board, we see no lack of motivation and intent among the senior management team to address the discount. That said, our mix of short and longer-term incentives does incentivize management appropriately on the things they can control, and their pay is linked indirectly to the narrowing of the discount.

Management has substantial exposure to 'N' ordinary shares via their Naspers share options, and this is aligned with shareholders. Management are also incentivized through the Naspers Global eCommerce SAR plan to bring the core internet businesses to scale and profitability. This is directly in their control and the most suitable way to close the discount.
The introduction of PSUs for the coming year, with a performance condition based on the on the internet assets, excluding Tencent, further strengthens the link between executive pay, closing the discount on NAV and shareholder outcomes.