NASPERS

Governance report 2018

In pursuit of growth…

Our board

1 Bob van Dijk
Chief executive – E, R, S

Bob was appointed chief executive of Naspers in April 2014. He joined the group as Allegro Group CEO in August 2013 and was promoted to CEO global transactions ecommerce in October 2013. He has 15 years of general management experience in online growth business across the world, spanning the online market-places, online classifieds and etail segments. Prior to his general management career, Bob was a founder of an online financial derivatives marketplace. He started his career in McKinsey with a focus on mergers and acquisitions, and media. Bob has an MBAHons from INSEAD and an MSc (cum laude) in econometrics from Erasmus University, Rotterdam.

2 Don Eriksson
A, R, S

Don is a chartered accountant (SA) and an honorary life member of the Institute of Directors of Southern Africa (IoDSA). He is chair of Oakleaf Insurance Company Limited, Renasa Insurance Company, NMSIS Insurance Services and of the audit and risk committees of MultiChoice South Africa Holdings. He also serves as an independent non-executive director of Naspers Limited and chairs the audit, risk, and social and ethics committees of the Naspers group. Don served on the council of IoDSA and as a Trustee to the Discovery Health Medical Aid for a number of years. He was a partner at Coopers & Lybrand (now PricewaterhouseCoopers Inc.) and an executive director of the Commercial Union group of companies.

3 Nolo Letele
S

Nolo joined M-Net in 1990 and pioneered MultiChoice's expansion outside South Africa. In 1995 he moved to Ghana, where he served as West African regional general manager. In 1999 he was appointed chief executive of MultiChoice SA, and later served as the MultiChoice group chief executive until 2010, when he was appointed executive chair of the MultiChoice South Africa Holdings board. Nolo has won several awards, including Media Man of the Year in 2001 (Saturday Star – Business Report); Media Owner of the Year in 2003 (Financial Mail Adfocus) and the Lifetime Africa Achievement Prize for media development in Africa (Millennium Excellence Foundation). He holds an honours degree in electronic engineering (UK).

4 Koos Bekker
Chair – E, H, N

Koos led the founding team of the M-Net/MultiChoice pay-television business in 1985. He was also a founder of the cellular telephony group MTN. Koos headed the MIH group in its international and internet expansion until 1997, when he became chief executive of Naspers and led the group until 2014. He serves on the boards of other companies in the wider group. In April 2015 he succeeded Ton Vosloo as non-executive chair of Naspers. He holds a BAHons and an honorary doctorate in commerce from Stellenbosch University, an LLB from the University of the Witwatersrand and an MBA degree from Columbia University, New York.

5 Craig Enenstein
H, N

Craig is the CEO of Corridor Capital, LLC, an operationally intensive private equity firm focused on the lower middle-market. Corridor Capital, LLC is based in Los Angeles and was founded by Craig in 2005. He holds an MBA in finance (Wharton School of Business, University of Pennsylvania), an MA in international studies (Lauder Institute, University of Pennsylvania) and a BA (University of California, Berkeley).

6 Rachel Jafta
A, R, N, S

Rachel holds the degrees MEcon and PhD, and is a professor of economics at Stellenbosch University. She joined Naspers as a director in 2003 and was appointed a director of Media24 in 2007. She is a member of the South African Economic Society, director of Econex, chair of the Cape Town Carnival Trust and a member of the management committee of the Bureau for Economic Research at Stellenbosch University. She is a member of the human resources and remuneration committee of Media24 and chair of the nomination committee of Media24. She was appointed chair of the Media24 board in April 2013 and on 9 June 2015 she was appointed to Naspers's audit and risk committees. She has been serving on the international advisory Council of Fundação Dom Cabral Business School, Brazil since 2015.

7 Basil Sgourdos
CFO – E, R, S (alt)

Basil was appointed financial director of Naspers in July 2014. As a qualified chartered accountant (SA), he worked at PricewaterhouseCoopers Inc. from 1989 to 1994. Thereafter he joined Naspers, initially as the finance manager of the South African operations division in MultiChoice and then as chief financial officer of our investment in the Thai-listed United Broadcasting Corporation Plc., where he remained for 10 years. Basil then spent two years in Amsterdam as general manager of global pay-television business development, before being appointed as group chief financial officer of MIH in January 2009. He held this position until he became group chief financial officer of the Naspers group on 1 July 2014.

8 Debra Meyer
S

Debra is professor of biochemistry and executive dean of the faculty of science at the University of Johannesburg. She was a Fulbright Scholar at the University of California, Davis, where she obtained a PhD in biochemistry and molecular biology. She has completed modules in media strategy and academic leadership at Harvard and Gibs (University of Pretoria) and makes regular contributions to several newspapers and magazines. Debra serves as trustee and board member of several organisations.

- E Executive committee
- A Audit committee
- R Risk committee
- H Human resources and remuneration committee
- N Nomination committee
- S Social and ethics committee

- ● Executive
- ● Non-executive
- ● Independent non-executive

Our board

continued

9 Ben van der Ross
A, R

Ben holds the qualification DipLaw (University of Cape Town) and is an admitted attorney. He has previously served, among others, on the boards of FirstRand Limited, MMI Holdings Limited, Pick 'n Pay Holdings Limited, Distell Limited and Lewis Group Limited.

10 Fred Phaswana
H, N

Fred holds the qualifications MA (Unisa) and BComHons (Rand Afrikaans University, now University of Johannesburg), and obtained a BA (philosophy, politics and economics) from Unisa in 2010. He joined Naspers as a director in 2003. He is joint chair of the Mondi Group and former chair of The Standard Bank Group and of Standard Bank of South Africa Limited.

11 Hendrik du Toit
N

Hendrik is chief executive officer of Investec Asset Management and a director of Investec plc and Investec Limited. He holds an MPhil in economics and politics of development from Cambridge University, as well as an MCom in economics (cum laude) from Stellenbosch University. Hendrik is currently a member of the Global Business and Sustainable Development Commission.

12 Mark Sorour[(1)]

Mark joined the Naspers group in 1994, heading up business development and corporate finance globally. Following a tour of duty in Hong Kong and Amsterdam, he returned to Cape Town as group chief investment officer and had the responsibility for all global investment activities. On 31 March 2018 Mark retired after more than 20 years with the group. Mark remained on the board as a non-executive director. Mark is a qualified chartered accountant (SA) holding a BCom and DipAcc.

13 Guijin Liu

Guijin graduated from Beijing University of Foreign Studies in 1971 and joined the Ministry of Foreign Affairs. He served in the General Office of MFA, various Chinese Embassies and in the Department of African Affairs for many years. Guijin is experienced in international affairs, particularly regarding relations between China and the developing world, such as Africa. He has contributed to international conferences of the UN, AU and other organisations representing China. Recently he participated in high-level academic forums including the WEF and the Summer Davos. Guijin currently serves as president of the Chinese Society of Asia and Africa Studies.

14 Roberto Oliveira de Lima
H

Roberto graduated in public administration and has a post-graduate degree in business management from Fundação Getúlio Vargas in Brazil. Roberto also has a specialisation in finance and strategic planning from Institut Supérieur des Affaires in France. He developed his career in companies like Saint Gobain, Rhône-Poulenc and Accor Group in the information technology and finance areas. He was chair and CEO of Credicard Group, CEO of Vivo SA, the largest mobile telecommunications company in Brazil, chair of Publicis Brazil and president of Natura SA. He has been serving as a board member for Edenred in France, Pão de Açúcar (Casino) and Natura SA in Brazil since 2011. Currently, he is a member of the board of directors of Telefônica Brasil SA, RNI Negócios Imobiliários SA and Petrobras Distribuidora SA.

15 Emilie Choi
R, H

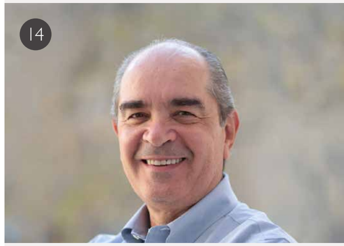
Emilie runs and oversees corporate and business development, business operations and analytics, and ventures businesses for Coinbase. Prior to Coinbase, she ran corporate development for LinkedIn and led all M&A deals in the company's history, including Lynda, Connectifier, Bizo, Newsle, Bright, Pulse, SlideShare, Connected, Rapportive, IndexTank and CardMunch, as well as leading the LinkedIn JV deal in China. Prior to LinkedIn, Emilie worked in corporate development and strategy roles at Warner Bros. Entertainment as well as Yahoo Inc., where she worked on such deals as Flickr and the Yahoo investment in Alibaba. Emilie holds an MBA from Wharton School at the University of Pennsylvania and a BA in economics from Johns Hopkins University. She joined the Naspers board as a director in 2017.

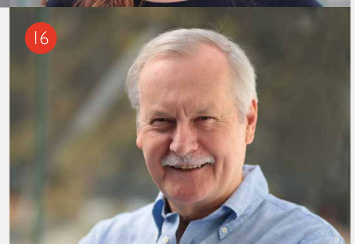
16 Steve Pacak
E, R

Steve, a chartered accountant (SA), began his career with Naspers at M-Net in 1988 and has held various executive positions in the Naspers group. He is a director of MultiChoice South Africa Holdings and other companies in the wider Naspers group. He was appointed an executive director of Naspers in 1998 and a non-executive director in January 2015. He retired as Naspers's financial director on 30 June 2014, but remained on the board as an alternate non-executive director.

17 Cobus Stofberg
S

Cobus is a founder member of M-Net. He served as chief executive of the MIH group from 1997 to 2011 and has been instrumental in the expansion of the group. Prior to M-Net, he was a partner of Coopers & Lybrand (predecessor of PricewaterhouseCoopers Inc.). He holds a BComLaw and LLB from Stellenbosch University, BComptHons from Unisa and is a qualified chartered accountant (SA).





E	Executive committee
A	Audit committee
R	Risk committee
H	Human resources and remuneration committee
N	Nomination committee
S	Social and ethics committee

Note

(1) Appointed as non-executive director on 31 March 2018.

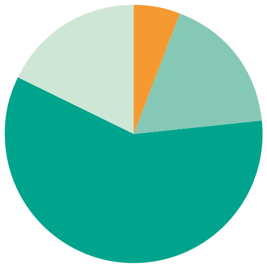
- Executive
- Non-executive
- Independent non-executive

Our board

continued

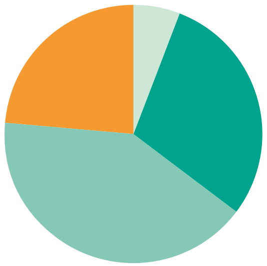
The board is the decisionmaking body for all matters of such importance as to be significant to the group as a whole.

BOARD COMPOSITION



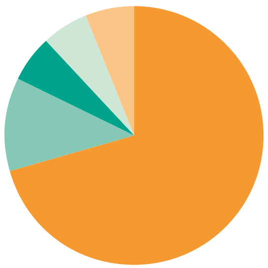
	Number of directors
CHAIR	1
EXECUTIVE	3
INDEPENDENT NON-EXECUTIVE	10
NON-EXECUTIVE	3

LENGTH AND TENURE



	Number of directors
0–2 YEARS	1
2–4 YEARS	5
4–6 YEARS	7
6–9 YEARS	4

NATIONALITIES

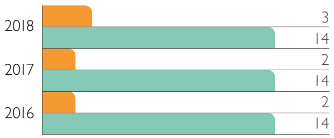


	Number of directors
SOUTH AFRICA	12
USA	2
BRAZIL	1
CHINA	1
THE NETHERLANDS	1

GENDER DIVERSITY

- FEMALE
- MALE

Number of directors



Attendance at board meetings

Board member	Date first appointed in current position	Date last appointed	Attendance	Category
J P Bekker[2]	17 April 2015	25 August 2017	8/8	Non-executive
E M Choi	21 April 2017	21 April 2017	8/8	Independent non-executive
H J du Toit	1 April 2016	1 April 2016	8/8	Independent non-executive
C L Enenstein	16 October 2013	28 August 2015	8/8	Independent non-executive
D G Eriksson	16 October 2013	28 August 2015	8/8	Independent non-executive
R C C Jafta	23 October 2003	25 August 2017	8/8	Independent non-executive
F L N Letele	22 November 2013	26 August 2016	8/8	Executive
G Liu	1 April 2016	1 April 2016	7/8	Independent non-executive
D Meyer	25 November 2009	26 August 2016	8/8	Independent non-executive
R Oliveira de Lima	16 October 2013	26 August 2016	8/8	Independent non-executive
S J Z Pacak[2]	15 January 2015	25 August 2017	8/8	Non-executive
T M F Phaswana[2]	23 October 2003	28 August 2015	7/8	Independent non-executive
M R Sorour[1]	15 January 2015	28 August 2015	8/8	Non-executive
V Sgourdos[2]	1 July 2014	29 August 2014	8/8	Executive
J D T Stofberg	16 October 2013	26 August 2016	8/8	Non-executive
B van Dijk[2]	1 April 2014	29 August 2014	8/8	Executive
B J van der Ross	12 February 1999	25 August 2017	7/8	Independent non-executive

Notes

[1] *Appointed as non-executive director 1 April 2018.*

[2] *Members of the executive committee.*

Governance for a sustainable business

"I am pleased to present this year's governance report. It has been a stand-out year and we have continued to improve our processes, especially around ethical conduct management."

Koos Bekker
Chair

The board of directors conducts the group's business with integrity by applying appropriate corporate governance policies and practices. Our aim is to keep abreast of regulatory developments, further enhance our governance standards, monitor and ensure compliance with relevant laws and regulations and cultivate a thriving organisational ethical culture in the different geographies where the group operates. We also aim to maintain a high standard of reporting and disclosure, keeping in mind the best interests of our stakeholders and disclosing what is relevant and important to the sustainability of the group.

Refer to pages 10 to 17 for a detailed review of the board and its committees.

Introduction

Naspers has a primary listing on the JSE Limited (the JSE). The company is therefore subject to the JSE Listings Requirements, the guidelines in the King IV™ Report on Corporate Governance for South Africa, 2016 (King IV™), as well as legislation applying to publicly listed companies in South Africa. Naspers also has a secondary listing of its American Depositary Shares (ADSs) on the London Stock Exchange (LSE). In addition, a subsidiary, Myriad International Holdings B.V., has bonds, guaranteed by Naspers, which are listed on the Irish Stock Exchange (ISE).

The audit and risk committees of the board monitor compliance with the JSE and applicable LSE and ISE listings requirements.

The board's executive, audit, risk, human resources and remuneration, nomination, and social and ethics committees fulfil key roles in ensuring good corporate governance. The group uses independent external advisers to monitor regulatory developments, locally and internationally, to enable management to make recommendations to the Naspers board on matters of corporate governance.

How we integrate governance into our business

Naspers recognises the value of an integrated approach to assurance and compliance. The adopted governance, risk and compliance framework continues to form the basis for how Naspers manages governance.

The governance framework shows the achievement of a sustainable business integrated with governance, assurance, risk management and compliance, in accordance with legislated requirements and this is reported through the relevant structures.

Naspers group governance framework

The Naspers board is the focal point for and custodian of the group's corporate governance systems. The board conducts the group's business with integrity and applies appropriate corporate governance policies and practices in the group.

The Naspers board, its committees, and the boards and committees of subsidiaries MultiChoice and Media24 are responsible for ensuring the appropriate principles and practices of King IV™ are applied and embedded in the governance practices of group companies.

A disciplined reporting structure ensures the Naspers board is fully apprised of subsidiary activities, risks and opportunities. All controlled entities in the group are required to subscribe to the principles of King IV™. Business and governance structures have clear approval frameworks.

Naspers has a governance committee (formerly internal control oversight forum) comprising the chief financial officers (CFOs) and risk and internal audit managers of Naspers, Naspers Ecommerce, Video Entertainment and Media24, the Naspers group company secretary, the Naspers global governance partner and group general counsel. The committee was tasked to ensure the Naspers group's governance structures and framework are employed in the in-scope entities in the group during the financial year. Governance and progress are monitored by the audit and risk committees and reported to the board.

The composition of committees of the board and committees of the boards of MultiChoice and Media24 is reviewed annually and, where required, amended.

Details of the enterprisewide risk management framework appear on page 52 of the integrated annual report.

Statement of the board

Naspers is required, in terms of the JSE Listings Requirements to report against the application of the principles of King IV™. In line with the overriding principle in King IV™ of apply and explain, the board, to the best of its knowledge, believes the group has satisfactorily applied the principles of King IV™. For a more detailed review see the King IV™ application report.

Our journey to align with King IV™ and approach to apply King IV™

Following the release of the King IV™ report in November 2016, we reviewed and interpreted King IV™ for the Naspers environment. King IV™ awareness initiatives and a review of the Naspers board policies, charters and governance practices formed the starting point. In the 2018 financial year we made system and process changes to enable the implementation of recommended or alternative practices to demonstrate application of King IV™'s principles. Focus areas for the 2018 financial year included, but were not limited to, enhanced disclosures in the 2018 integrated annual report and continued focus on governance of information and technology, in particular, information and technology security.

All board and board committee charters and policies were reviewed with a view to aligning them with the recommendations contained in King IV™ and the requirements of the amended JSE Listings Requirements.

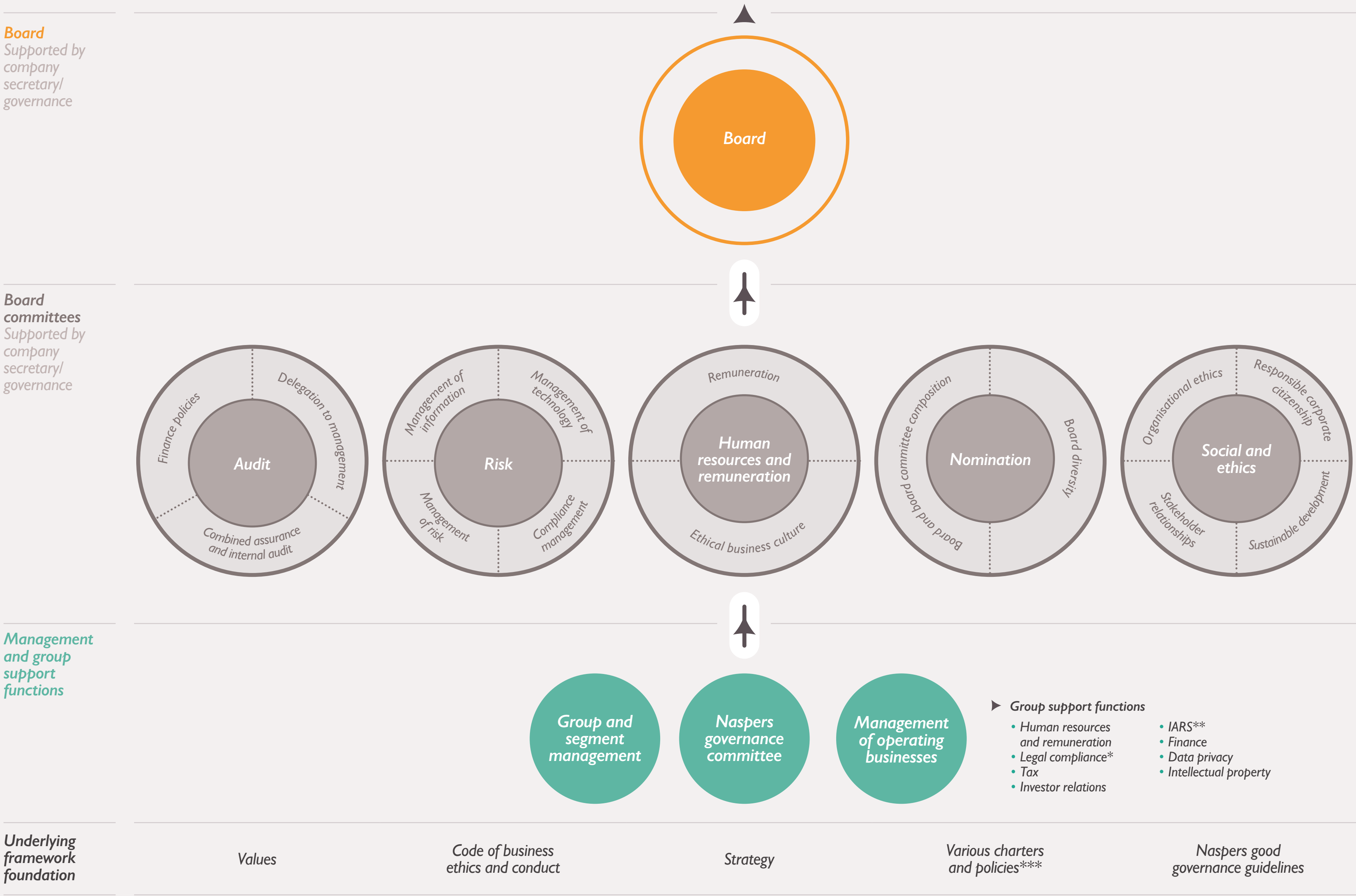
King IV™ advocates a qualitative approach to implementing recommended practices to achieve the application of the principles and to realise the intended governance outcomes. King IV™ states that recommended practices are meant to be scaled in accordance with the proportionality considerations of the various businesses in our group. We take into account proportionality when we apply corporate governance in the group. This means we apply the practices needed to demonstrate the group's governance in terms of King IV™ as appropriate across the group. The companies in our group are diverse and at different maturity stages, a one-size-fits-all approach therefore cannot be followed when implementing governance practices. All good governance principles apply to all types and sizes of companies, but the practices implemented by different companies to achieve the principles may be different. Practices must be implemented as appropriate for each company in line with the overarching good governance principles.

Governance for a sustainable business

continued

Naspers group governance framework

Ultimately we report to stakeholders in the integrated report and other releases



*Including data privacy **Internal audit and risk management support ***Refer to application of King IV™ principles for further explanation

Reporting to ensure accountability in these governance areas

Performance against strategy (financial and non-financial: six capitals)
Read more on page 18

Business ethics
Read more on page 65

Responsible corporate citizenship
Read more on pages 36, 43, 46, 47 and 65

Risk governance
Read more on page 52

Technology and information governance
Read more on page 66

Legal compliance governance
Read more on page 65

Combined assurance
Read more on page 6

Stakeholder relationship governance
Read more on page 20

Group governance
Read more on page 58

Remuneration governance
Read more on page 68

Governance for a sustainable business

continued

Progress made and King IV™ milestones

2016 2017 2018

November 2016 to June 2017

Analysis and review

- Interpreted King IV™ for the Naspers environment. Detailed King IV™ gap analysis conducted at a Naspers group level.
- Reviewed Naspers board and board committee charters, policies and governance practices to align to King IV™.
- Developed King IV™ and other governance webinars on the MyAcademy platform to promote awareness. Other webinars included training modules for directors and on the JSE Listings Requirements, data privacy and our communications policy.

June 2017 to July 2017

Approval of charters and policies

- Consultation with and feedback from the MultiChoice South Africa and Media24 boards and segment chief financial officers and general counsels on Naspers governance framework were incorporated.
- The reviewed policies and charters were approved by the relevant board committees and ultimately the board on 23 June 2017.
- King IV™ taskforce established, consisting of the group company secretary, group general counsel, assistant group company secretary, global governance partner, head of internal audit and risk support and global legal compliance lead. Initial King IV™ taskforce workshop to formulate King IV™ implementation plan.
- Formulated Naspers good governance guidelines requirements and practice guidelines ('the good governance guidelines'), setting out the key governance elements subsidiaries need to observe as part of the Naspers group governance framework. The good governance guidelines consider proportionality, as explained above.

September 2017 to March 2018

Enhancing report templates and reports to board committees

Aligned board committee reports and enhanced reporting to board committees to enable reporting on King IV™ in the 2018 integrated annual report and King IV™ application report.

Enhanced reporting to all board committees, including to the risk committee on legal compliance and information and technology governance (including data privacy and cybersecurity) and to the social and ethics committee on organisational ethics, stakeholder relationship management, corporate citizenship and sustainable development.

September 2017 to October 2017

Roadshows kicked off

Roadshows to in-scope subsidiaries to communicate Naspers requirements as set out in the Naspers group policies and the good governance guidelines. In-scope subsidiaries include Avito, eMAG, iFood, Irdeto, Media24, Movile, MultiChoice Africa, MultiChoice South Africa, Naspers, OLX, PayU and Takealot.

April 2018

Finalise and approve

After year-end (31 March 2018), the businesses will be required to sign off through an annual sign-off process on the extent of implementation of Naspers guidelines and policies.

April 2018

Future focus

Areas include continuous enhancement of

- Naspers governance guidelines.
- Reporting to the board, board committees and in the integrated annual report.
- Engagement with investors on environmental, social and governance (ESG) matters.

Nov → Jun → Jul → Sep → Oct → Mar → Apr

Ongoing interaction, support and guidance

- *Engagement with business on progress in implementing guidelines and reporting requirements.*
- *Support to business to implement policies and principles.*
- *Regular reporting to taskforce, Naspers internal overview control forum, board committees and board on progress made in the implementation of the King IV™ plan.*
- *Define what needs to be reported to the board and board committees, align committee reporting templates and enhance reporting.*

Approach to King IV™ rollout:

- Expectations on requirements to address gaps on current structure, processes and reporting were communicated to subsidiaries.
- Responsibilities assigned for different reporting areas to representatives in Naspers and group businesses.
- Reporting process, including reporting templates and tools, developed and distributed to Naspers subsidiaries.
- CFO and legal counsels in segments and subsidiaries responsible for leading the rollout in their segments and subsidiaries.
- Connecting King IV™ and other group initiatives, leverage on existing structures, processes and materials.

Governance for a sustainable business

continued

Business ethics

The group's code of business ethics and conduct is available on **www.naspers.com**.

This code applies to all directors and employees in the group. Ensuring that group companies adopt appropriate processes and establish supporting policies and procedures is an ongoing process. Management focuses on policies and procedures that address key ethical risks, such as conflicts of interest, accepting inappropriate gifts and acceptable business conduct.

The social and ethics committee is responsible for overseeing and reporting on business ethics in relation to the Naspers group, taking into account specific disclosures and best practice as recommended by King IV™. Businesses in our group apply zero tolerance to violations of the code by taking the necessary action, including improving the control environment or taking the necessary disciplinary, criminal or civil action. Reports are provided to the social and ethics committee to demonstrate this. Unethical behaviour by senior employees is also reported to the human resources and remuneration committee, along with the way the company's disciplinary code was applied.

Naspers is committed to conducting its business on the basis of complying with the law, with integrity and with proper regard for ethical business practices. It expects all directors and employees to comply with these principles and, in particular, to avoid conflicts of interest and not to engage in insider trading, illegal anti-competitive activities, and bribery and corruption.

During the year we designated 12 ethics officers around the group. These officers serve as central points of contact for advice on ethics-related queries, improprieties, allegations and complaints. They report on ethics-related matters via the Naspers ethics officer, who is the central Naspers contact for Naspers ethics matters, to the social and ethics committee. Ethics officers' responsibilities include:

- Understanding and applying the code of business ethics and conduct (the code) and whistleblower policy.
- Upholding corporate values.
- Managing internal speak-ups and providing guidance.
- Assisting with awareness campaigns on the code and whistleblower policy.
- Maintaining confidentiality in relation to ethics-related matters.
- Maintaining records and reporting on ethics-related matters.

To facilitate disclosure of improper conduct, Naspers has an independent external whistleblower facility, OpenLine, operated by Deloitte's Tipoffs Anonymous. Details of this facility are published on the corporate website, **www.naspers.com**. All stakeholders can report unethical behaviour and wrongdoing anonymously and confidentially. The line operates globally, 24/7/365 with live answering.

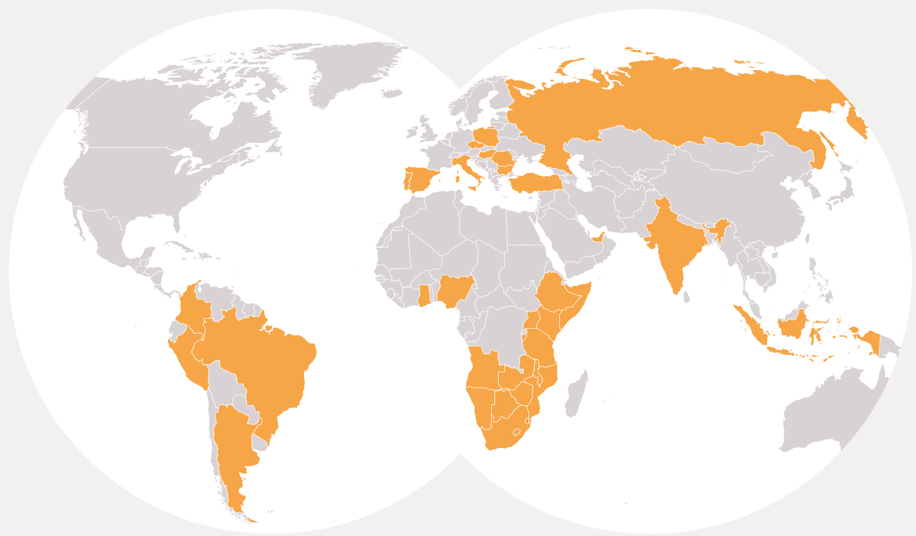
This year we embarked on an awareness campaign across the group, with the theme 'It's your business'. The campaign led to our group companies setting the tone of reporting unethical business practices.

It's your business/speak out

During the year we created awareness on the code and whistleblower policy throughout the group. In-scope subsidiaries included Avito, Buscapé, eMAG, iFood, Irdeto, Media24, Movile, MultiChoice Africa, MultiChoice South Africa, Naspers, OLX, PayU and Takealot. The training methods used by subsidiaries included elearning modules on the MyAcademy platform, face-to-face training, presentations and storyboarding for disabled employees. Elearning modules were translated into Portuguese, Spanish and Russian. Further translations planned include Romanian and Bulgarian. In-scope subsidiaries were determined based on proportionality and maturity.

The Naspers social and ethics committee receives reports on business ethics management and monitoring – refer to the social and ethics committee report on page 21.

Openline operates globally



Key areas of focus going forward include regular engagement between the group's ethics officers, where they can share experiences, identify ethics challenges and share best practice. This will establish a Naspers-designated ethics officers' community and assist us in tailoring tools and support.

We plan to launch an ethics reawareness campaign for in-scope subsidiaries and to assess launching an ethics-awareness campaign for other subsidiaries, taking into account proportionality.

Stakeholder relationships

Representatives of our businesses manage various external and internal stakeholder relationships. Our businesses manage their stakeholder relationships based on a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the businesses.

To support the board to fulfil its governance role, the Naspers social and ethics committee receives reports on stakeholder management across the group – refer to the social and ethics committee report on page 21.

An overview of our stakeholders and stakeholder engagement is provided on page 20 of the integrated annual report.

Sustainable development and corporate citizenship

Naspers's commitment to sustainable development and corporate citizenship is articulated in its sustainable development policy. To support the board to fulfil its governance role, the social and ethics committee receives reports on Naspers's social and ethics performance, using the six-capitals reporting framework – refer to the social and ethics committee report on page 21. We recognise that sustainable development and economic, social and environmental protection are global imperatives that present both opportunities and risks for business. We build leading companies that empower people and enrich communities. Corporate citizenship is integral in the way we do business.

An overview of our capitals and value creation is provided on pages 18 and 28 of the integrated annual report.

Going forward, management will enhance reporting techniques on how it reports to the social and ethics committee on responsible corporate citizenship and sustainable development using the six-capitals reporting framework.

Legal compliance

Legal compliance falls within the responsibilities of the group general counsel, who is also the chief legal compliance officer. The Naspers board has delegated the responsibility for

Governance for a sustainable business

continued

overseeing legal compliance to the risk committee of the Naspers board. To assist the risk committee in discharging this responsibility, the chief legal compliance officer reports on legal compliance to the risk committee. Legal compliance is a standing agenda point. Responsibility for legal compliance in each segment rests with the general counsel of that segment, who oversees legal compliance for the subsidiaries within his or her segment.

During the 2017 and 2018 financial years the group has been enhancing its legal compliance framework by identifying key legal compliance risks. The enhancements respond to the increased expectations of regulators and stakeholders. In addition, they align the group to market conditions, which show a deepening of policies and procedures as relevant areas of the law and best practice become more developed.

The legal compliance framework includes the following:

- Groupwide policies that apply to every legal compliance programme in the group, built on the principles in the code of business ethics and conduct. Subsidiaries are responsible for implementing a fit-for-purpose legal compliance programme based on the risks applicable to their business but, as a minimum, containing these group policies.
- A compliance toolkit including detailed guidelines and resources based on the group policies to be tailored by the segments and businesses to reflect local legal requirements and risks.

The legal compliance programme is led by the chief compliance officer and global compliance lead with support from external consultants.

The enhanced groupwide legal compliance, anti-bribery and anti-corruption, sanctions and export controls and competition compliance policies were reviewed and approved by the Naspers board in June 2017.

Assurance on the effectiveness of compliance management is received through a combined assurance model.

As part of the enhanced legal compliance framework, each segment is required to provide a quarterly legal compliance report to the group legal compliance function. This report includes an overview of key compliance risk areas and mitigating measures, key compliance regulatory developments and material compliance incidents and investigations. The group legal compliance function uses these reports to compile a consolidated report that is reviewed by the chief compliance officer and is subsequently provided to the risk committee of the Naspers board.

Planned areas of future focus for legal compliance include continuing to raise compliance awareness across the group. Improvements to the legal compliance framework will be made based on emerging risks, feedback from monitoring activities and a greater focus on third-party screening. With internal audit, we will also be focusing on our assurance framework.

There were no material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations.

There were no inspections by environmental regulators or findings of non-compliance with environmental laws.

To support the board to fulfil its governance role, the Naspers risk committee receives reports on legal compliance – refer to the risk committee report on page 27.

Information and technology governance

Information and technology (I&T) governance is integrated in the operations of the Naspers businesses. Management of each subsidiary or business unit is responsible for ensuring effective processes on I&T governance are in place.

The risk committee assists the board with overseeing I&T-related matters. I&T governance is a standing point on the risk committee agenda. I&T objectives have been included in the risk committee charter. The risk committee considers the risk register, as well as reports on I&T from internal audit and risk support and our legal compliance function.

The group's subsidiaries are required to act in line with Naspers's good governance guidelines, which, among others, detail I&T governance-related matters. Subsidiaries of each major entity are required to submit an annual formal written report on the extent to which they have implemented the principles, and chief executives and CFOs sign off thereon. Any notable exceptions are summarised and reported to the risk committee.

We continuously look at how we can better integrate people, technologies and processes. During the year, we have made further progress in implementing SAP across the group to unify key finance business processes. During our annual business planning process, our various businesses consider their platform requirements. The platform strategy starts from the business strategy and is translated into technical and process requirements.

Business continuity is included in the group's risk register, which is reviewed and discussed by the risk committee twice a year and, annually, by the board. Business resilience is the key objective of our cybersecurity policy. The capability of businesses to respond to disruption is in scope for internal audit, bearing in mind the perspective of our customers and end users.

A comprehensive code of business ethics and conduct is in place. In addition, the operational boundaries to dealing with I&T are subject to the group's legal compliance policy. Our risk management practices ensure that relevant risks relating to the ethical and responsible use of technology and information are identified and assessed. Our social and ethics committee oversees this area. We are running a privacy programme to ensure that the personal data of our suppliers, customers and employees is stored and processed in an ethical manner and in compliance with relevant privacy laws. A key focus for the new financial year is the Protection of Personal Information (PoPI) Act, which promotes the protection of personal information by public and private bodies in South Africa and General Data Protection Regulation (GDPR), a regulation in the European Union (EU) on data protection and privacy for all individuals within the EU addressing the export of data outside the EU.

Internal audit provides assurance to management, the audit committee and the board on the effectiveness of I&T governance. The detail of controls to manage identified risks and reduce vulnerability forms the basis of internal audit's assurance plans.

To support the board to fulfil its governance role, the Naspers risk committee receives reports on I&T management – refer to risk committee report page 27.

Planned areas for future focus for I&T governance include the development and deployment of data-driven technologies (such as machine learning and artificial intelligence), cybersecurity and data privacy.

Penalties

Because MultiChoice operates in a highly regulated environment in South Africa, compliance is important. The company participates in the regulatory process affecting its industry through various public forums and debates, providing inputs on formulating standards and strategies for the industry.

MultiChoice and M-Net received fines from the self-regulatory body, the Broadcasting Complaints Commission of South Africa (BCCSA). These relate to failure by channels to provide correct classification information, resulting in MultiChoice and M-Net contravening the BCCSA Code.

Fines paid to the BCCSA:

- 2016 financial year: R10 000
- 2017 financial year: R90 000, and
- 2018 financial year: Rnil.

Several media industry players, including MultiChoice and Media24, have settled the industrywide advertising discounts matter with the Competition Commission of South Africa, entering into consent agreements with the Competition Commission. The agreements were approved by the Competition Tribunal. DStv Media Sales Proprietary Limited (DMS), a subsidiary of MultiChoice, agreed that an administrative penalty of R22m be paid (provided for in the prior financial year) and a contribution of R8m, payable over three years, to a fund to be administered through an industry trust to assist small black-owned media agencies. Media24 agreed to pay R14m and R5m respectively.

During the past year there were no environmental accidents, nor were any environment-related fines imposed by any government.

Governance for a sustainable business

continued

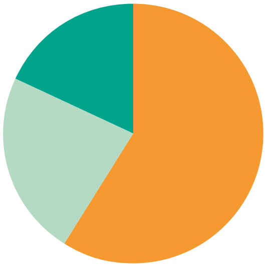
The board

Composition

Details of the directors at 31 March 2018 are set out on on pages 59 and 60 of the integrated annual report.

Naspers has a unitary board, which provides oversight and control. The board charter sets out the division of responsibilities. The majority of board members are non-executive directors and independent of management. To ensure that no one individual has unfettered powers of decisionmaking and authority, the roles of chair and chief executive are separate.

BOARD BALANCE



	%
INDEPENDENT NON-EXECUTIVE	59
NON-EXECUTIVE	23
EXECUTIVE	18

At 31 March 2018 the board comprised 10 independent non-executive directors, four non-executive directors and three executive directors, as defined under the JSE Listings Requirements and King IV™. Five directors (29%) are from previously disadvantaged groups and three directors (18%) are female. These figures are above the average for JSE-listed companies.

BOARD DIVERSITY

	%
DIRECTORS FROM PREVIOUSLY DISADVANTAGED GROUPS	29
FEMALE DIRECTORS	18
OTHER DIRECTORS	53

The board diversity policy addresses the JSE Listings Requirement for all listed companies to have a policy on how they address gender and race diversity at board level. The board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence. No specific targets have been set in terms of race or gender.

Naspers recognises and embraces the benefits of having a diverse board, and sees diversity at board level as an essential element in maintaining a competitive advantage. A diverse board will include, and make good use of, differences in the skills, geographical and industry experience, background, race, gender and other distinctions between members of the board. These differences will be considered in determining the optimum composition of the board and when possible will be balanced appropriately. All board appointments are made on merit; in the context of the skills, experience, diversity, independence and knowledge the board as a whole requires to be effective.

The chair

The chair, Koos Bekker, is a non-executive director. Fred Phaswana acts as lead director in all matters where there may be an actual or perceived conflict.

The responsibilities of the chair include:

- Provide overall leadership to the board without limiting the principle of collective responsibility for board decisions, while being aware of individual duties of board members.
- In conjunction with the chief executive, represent the board in communicating with shareholders, other stakeholders and, indirectly, the general public.
- Assisted by the board, its committees and the boards and committees of subsidiary companies, ensure the integrity and effectiveness of the governance process.
- Maintain regular dialogue with the group's chief executive on operational matters and consult with other board members on any matter of concern.
- In consultation with the company's chief executive and company secretary, ensure appropriate content and order of the agendas of board meetings and ensure that members of the board receive documentation promptly.
- Ensure board members are properly informed on issues arising from board meetings and that relevant information is submitted to the board.
- Act as facilitator at board meetings to ensure a sound flow of opinions. The chair ensures adequate time is scheduled for discussions, and that they lead to logical and acceptable conclusions.
- Monitor how the board works together and how individual directors perform and interact at meetings. The chair meets with directors annually to evaluate their performance.
- Preapprove all dealings in Naspers shares by directors of the company and its major subsidiaries (as defined in the JSE Listings Requirements).

The chief executive

The chief executive reports to the board and is responsible for the day-to-day business of the group and implementing policies and strategies approved by the board. Chief executives/CEOs of the various businesses assist him in this task. Board authority conferred on management is delegated through the chief executive, against approved authority levels. The board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities. Bob van Dijk is the appointed chief executive. He has no other professional commitments outside the Naspers group. Succession planning for the chief executive is considered annually.

The functions and responsibilities of the chief executive include:

- Developing the company's strategy for consideration and approval by the board.
- Developing and recommending to the board yearly business plans and budgets that support the company's long-term strategy.
- Monitoring and reporting to the board on the performance of the company.
- Establishing an appropriate organisational structure for the company, which is necessary to enable execution of its strategic planning.
- Recommending/Appointing the executive team and ensuring proper succession planning and performance appraisals take place.
- Ensuring the company complies with relevant laws, corporate governance principles, business ethics and appropriate best practice and, if not, that the failure to do so is justifiably explained.

Induction and development

An induction programme is held for new members of the board and key committees, tailored to the needs of individual appointees. This involves industry and company-specific orientation, such as meetings with senior management to facilitate an understanding of operations. Board members are also exposed to the main markets in which the group operates and relevant evolving trends in technology and business models. The company secretary assists the chair with the induction and orientation of directors, and arranges specific training if required.

The company will continue with directors' development and training to build on expertise and develop an understanding of the businesses and main markets in which the group operates.

Conflicts of interest

Potential conflicts are appropriately managed to ensure candidates and existing directors have no conflicting interests between their obligations to the company and their personal interests. All directors are required to declare personal interests on an annual basis. Declaration of directors' interests is a standing agenda point on the board's agenda. Directors who believe there may be a conflict of interest on a matter advise the company secretary and are recused from the decisionmaking process and the Companies Act process is applied accordingly. Directors must also adhere to a policy on trading in securities of the company.

Independent advice

Individual directors may, after consulting with the chair or chief executive, seek independent professional advice, at the expense of the company, on any matter connected with discharging their responsibilities as directors.

Role and function of the board

The board serves as the focal point and custodian of corporate governance and has adopted a charter setting out its responsibilities as follows:

Governance for a sustainable business

continued

- Determine the business we are building, what we offer users and our key objectives.
- Ensuring and monitoring that a culture of business ethics and conduct is promoted to underpin the group's activities as a responsible corporate citizen.
- Provide strategic direction to the company and take responsibility for the adoption of strategy and plans (such strategies and plans to originate in the first instance from management). The board must approve the annual business plan and budget compiled by management, for implementation by management, taking cognisance of sustainability aspects in long-term planning.
- Ongoing oversight of the implementation of the strategy and business plan by management against agreed performance measures and targets. As part of its oversight of performance, the board should:
  - Retain full and effective control over the company and monitor management with regard to the implementation of the approved annual budget and business plan, as amended from time to time.
  - Monitor the company's social, environmental and financial performance.
  - Consider and, if appropriate, declare the payment of dividends to shareholders.
  - Evaluate the viability of the company and the group as a going concern, and properly record this evaluation.
  - Determine the selection and orientation of directors.
  - Appoint the chief executive and financial director, and ensure succession is planned.
  - Establish appropriate committees with clear terms of reference and responsibilities.
  - Appoint the chair of the board and its committees.
  - Ensure the evaluation of performance and effectiveness of directors, the chair, the board as a whole and its committees to support continued improvement in their performance and effectiveness.
  - Ensure the company governs risk in a way that supports the organisation in setting and achieving its strategic objectives through structured, appropriate and effective enterprisewide risk management systems and processes, allowing the board to set tolerance levels from time to time.
  - Ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decisionmaking and of the company's external reports.
  - Ensure there is effective risk-based internal audit, which allows it to report on the effectiveness of the company's system of internal controls in its integrated annual report.
  - Define levels of delegation for specific matters, with appropriate authority delegated to committees and management.
  - Govern compliance with applicable laws and adopted rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.
- Govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.
- Ensure the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes.
- Adopt a stakeholder-inclusive approach in the execution of its governance role that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time. This includes:
  - identifying material stakeholders and monitoring management's process of engaging with stakeholders
  - determining the company's communication policy
  - proactively engaging with shareholders and ensuring shareholders are treated equitably, and
  - ensuring dispute resolution mechanisms and processes are adopted and implemented as part of the overall management of stakeholder relationships.
- Oversee preparation and approval of the annual financial statements (for adoption by shareholders), interim, provisional and integrated annual reports (as reviewed by the audit committee) and ensure their integrity and fair presentation.
- Annually review the charters of the group's significant subsidiary companies' boards, and their self-assessment of compliance with these to establish if the Naspers board can rely on the work of the subsidiary companies' boards.
- Review annually the charters of committees of the board.

Attendance at board meetings

Board member	Attendance	Category
J P Bekker[(2)]	8/8	Non-executive
E M Choi	8/8	Independent non-executive
H J du Toit	8/8	Independent non-executive
C L Enenstein	8/8	Independent non-executive
D G Eriksson	8/8	Independent non-executive
R C C Jafta	8/8	Independent non-executive
F L N Letele	8/8	Executive
G Liu	7/8	Independent non-executive
D Meyer	8/8	Independent non-executive
R Oliveira de Lima	8/8	Independent non-executive
S J Z Pacak[(2)]	8/8	Non-executive
T M F Phaswana[(2)]	7/8	Independent non-executive
M R Sorour[(1)]	8/8	Non-executive
V Sgourdos[(2)]	8/8	Executive
J D T Stofberg	8/8	Non-executive
B van Dijk[(2)]	8/8	Executive
B J van der Ross	7/8	Independent non-executive

Notes

(1) *Appointed as non-executive director 1 April 2018.*

(2) *Members of the executive committee.*

Board meetings and attendance

The board meets at least five times per year, or more as required. The executive committee attends to matters that cannot wait for the next scheduled meeting. The board held eight meetings in the past financial year. Non-executive directors meet at least once annually without the chief executive, financial director and chair present, to discuss the performance of these individuals.

The company secretary acts as secretary to the board and its committees and attends all meetings.

Evaluation

The nomination committee carries out the annual evaluation process which is not externally facilitated. The performance of the board and its committees, as well as the chair of the board, against their respective mandates in terms of the board charter and the charters of its committees, is appraised. The committees perform self-evaluations against their charters for consideration by the board.

In addition, the performance of each director is evaluated by the other board members, using an evaluation questionnaire. The chair of the board discusses the results with each director and agrees on any training needs or areas requiring attention by that director. Where a director's performance is not considered satisfactory, the board will not recommend his/her re-election.

A consolidated summary of the evaluation is reported to and discussed by the board, including any actions required. The lead independent director leads the discussion on the performance of the chair, with reference to the results of the evaluation questionnaire, and provides feedback to the chair.

The formal annual evaluation process showed that the board and its committees had functioned well and

Governance for a sustainable business

continued

discharged their duties as per the mandates in their charters. The board is satisfied that the evaluation process is improving its performance and effectiveness. The results of the board evaluation indicated that board members, collectively and individually, effectively discharged their governance role. There were no remedial actions identified. Furthermore, the independence of each director was evaluated. The board determined that although some directors had served as members for nine years or longer, they all demonstrated they were independent in character and judgement and there were no relationships or circumstances that were likely to affect or could appear to affect their independence.

Board committees

While the whole board remains accountable for the performance and affairs of the company, it delegates certain functions to committees and management to assist in discharging its duties. Appropriate structures for those delegations are in place, accompanied by monitoring and reporting systems.

Each committee acts within agreed, written terms of reference. The chair of each committee reports at each scheduled board meeting.

The chairs of the audit, risk, social and ethics, human resources and remuneration, and nomination committees are independent non-executive directors and are required to attend annual general meetings to answer questions.

The established board committees in operation during the financial year:

Executive committee

This committee comprises two non-executive directors, one being the chair of the board, who also serves as the chair of the executive committee, one independent non-executive director plus two executive directors. The executive committee acts on behalf of the board in managing urgent issues when the board is not in session, subject to statutory limits and the board's limitations on delegation.

Attendance at executive committee meetings

Committee member	Qualifications	Attendance	Category
Koos Bekker	BAHons and DCom (honoris causa) (Stellenbosch University), LLB (University of the Witwatersrand), MBA (Columbia University)	4/4	Non-executive
Steve Pacak	CA(SA)	4/4	Non-executive
Fred Phaswana	MA (Unisa), BComHons (University of Johannesburg), BA (philosophy, politics and economics)	4/4	Independent non-executive
Basil Sgourdos	CA(SA)	4/4	Executive
Bob van Dijk	MBAHons (INSEAD graduate business school) and MSc (cum laude) in econometrics (Erasmus University Rotterdam)	4/4	Executive

Audit committee

This committee, chaired by Don Eriksson, comprises only independent non-executive directors. All members are financially literate and have business and financial acumen.

The committee held four meetings during the past financial year. The chief executive and financial director attend committee meetings by invitation.

Attendance at audit committee meetings

Committee member	Qualifications	Attendance	Category
Don Eriksson	CTA and CA(SA)	4/4	Independent non-executive
Rachel Jafta	MEcon and PhD (Stellenbosch University)	4/4	Independent non-executive
Ben van der Ross	DipLaw (UCT)	4/4	Independent non-executive

Both internal and external auditors have unrestricted access to the committee through the chair. The internal and external auditors also have the opportunity at two meetings per year to report to the committee in the absence of management, or when appropriate to do so.

The chair of the board is not a member of the audit committee, but may attend meetings by invitation.

This committee's main responsibilities, in addition to its responsibilities in terms of the Companies Act, are as follows:

- Review and approve for presentation to and approval by the board, the company's integrated annual report, annual financial statements, interim and provisional reports, and any other company press releases with material financial or internal control impacts.
- Disclose in the integrated report significant matters that the audit committee has considered in relation to the annual financial statements, and how these were addressed by the committee.
- Review the viability of the company and the group on a going-concern basis, making relevant recommendations.
- Receive all audit reports directly from the external auditor.
- Annually review the external auditor and disclose the audit committee's views on the quality of the external audit, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators.
- Evaluate the lead partner of the external auditor, who will be subject to rotation as required by regulations.
- Present the committee's conclusions on the external auditor to the board, preceding the annual request to shareholders to approve the appointment of the external auditor.

Governance for a sustainable business

continued

- Approve the external auditor's terms of engagement and remuneration. Evaluate and provide commentary on the external auditor's audit plans, scope of findings, identified issues and reports.
- Preapprove all audit and audit-related services provided by the external auditors.
- Develop a policy for the board to approve non-audit services performed by the external auditor. Approve non-audit services provided by the external auditor in accordance with this policy.
- Receive notice of reportable irregularities (as defined in the Auditing Profession Act) that have been reported by the external auditor to the Independent Regulatory Board for Auditors.
- Oversee the management of financial and other risks that affect the integrity of external reports issued by the company.
- Evaluate the effectiveness of internal financial controls and disclose the audit committee's views on the effectiveness of the design and implementation of internal financial controls and on the nature and extent of any significant weaknesses in the design, implementation or execution of internal financial controls that resulted in material financial loss, fraud, corruption or error. Such views to be reported to the board and in the integrated annual report.
- Approve and recommend to the board for approval, the internal audit charter, which must be reviewed annually.
- Oversee the internal audit function and assist the board in fulfilling the following responsibilities:
  - Set the direction for internal audit arrangements needed to provide objective and relevant assurance contributing to the effectiveness of governance, risk management and control processes.
  - Ensure that arrangements for internal audit provide for the necessary skills and resources to address the complexity and volume of risk faced by the company, and that internal audit is supplemented as required by specialists.
  - Confirm the appointment or dismissal of the head of the group's internal audit function and periodically review his/her performance.
  - Monitor that internal audit follows an approved risk-based internal audit plan, review the organisational risk profile regularly, and propose adaptations to the internal audit plan accordingly.
  - Ensure internal audit provides a statement annually as to the effectiveness of the company's governance, risk management and control process.
  - Ensure the internal audit function is subject to an external, independent quality review every five years.
  - Obtain confirmation annually from the head of the group's internal audit function that internal audit conforms to a recognised industry code of ethics.
- Review internal audit and the risk committee's reports to the audit committee.
- Review procedures to ensure that the requirements of the relevant stock exchanges are complied with.
- Review practices in light of the King IV™ Code on Corporate Governance and make specific disclosures recommended by the King IV™ Code.
- Monitor compliance with board-approved group levels of authority.
- Evaluate:
  - legal matters that may affect the financial statements
  - matters of significance reported by the internal and external auditors, and any other parties, including implied potential risks to the group and recommendations on appropriate improvements
  - major unresolved accounting or auditing issues, and
  - progress on completion of matters reported by the internal and external auditors.
- Establish procedures for the receipt, retention and treatment of complaints received on accounting, internal control, auditing matters, risk management and management of other fraudulent activities, including procedures for confidential, anonymous reporting by employees.
- Annually evaluate the performance and appropriateness of the expertise and experience of the financial director and the finance function, and disclose the results in the integrated annual report.
- Compile a report to be inserted in the financial statements, describing how the audit committee carried out its functions and stating whether the committee is satisfied that the external auditors were independent of the company. Include in that report a statement regarding the effectiveness of the internal controls and, specifically, of the internal financial controls.
- Combined assurance:
  - Ensure that the arrangements for assurance services are effective in achieving the following objectives:
    - enabling an effective internal control environment
    - supporting the integrity of information used for internal decisionmaking by management, the board and its committees, and
    - supporting the integrity of external reports.
  - Ensure that a combined assurance model is applied that incorporates and optimises the various assurance services and functions so that, taken as a whole, these support the objectives for assurance.
  - Ensure that the combined assurance model is designed and implemented to cover effectively the company's significant risks and material matters through a combination of assurance service providers and functions as is appropriate for the company.
  - Disclose in the integrated report the arrangements in place for combined assurance and the committee's views on its effectiveness.
- Report to shareholders at the annual general meeting on fulfilling its duties in terms of the Companies Act during the financial year.
- Execute assignments commissioned by the board.
- Annually assess its charter and recommend any required amendments for approval by the board.
- Annually review the charters of significant subsidiaries' audit committees, and review their annual assessment of compliance with these charters to establish if the Naspers committee can rely on the work of the subsidiary companies' committees.
- Perform a formal annual evaluation of whether the committee has fulfilled its responsibilities in terms of its charter and report these findings to the board.
- Review the JSE's report on the proactive monitoring of financial statements.

Human resources and remuneration committee

The main objective of this committee is to fulfil the board's responsibility for the strategic human resources issues of the group, particularly focusing on the appointment, remuneration and succession of the most senior executives. The committee comprises a minimum of three non-executive directors. The chair of the committee is an independent non-executive director. The committee held six meetings during the past financial year.

Shareholders suggested that more independence and diversity be added to the composition of this committee. On 22 February 2018 Rachel Jafta, chair of the committee, stepped down from the committee. Craig Enenstein was appointed as a member and chair of the committee, and Emilie Choi and Roberto Oliveira De Lima were appointed as members of the committee. Cobus Stofberg stepped down as an alternate member of the committee.

Governance for a sustainable business

continued

Attendance at human resources and remuneration committee meetings

Committee member	Qualifications	Attendance	Category
Koos Bekker	BAHons and DCom (honoris causa) (Stellenbosch University), LLB (University of the Witwatersrand) and MBA (Columbia University)	6/6	Non-executive
Rachel Jafta[1]	MEcon and PhD (Stellenbosch University)	6/6	Independent non-executive
Fred Phaswana	MA (Unisa), BComHons (University of Johannesburg) and BA (philosophy, politics and economics)	5/6	Independent non-executive
Cobus Stofberg[2]	BComLaw and LLB (Stellenbosch University) and CA(SA)	5/6	Non-executive
Emilie Choi[3]	MBA (Wharton School of Business, University of Pennsylvania) and BA in economics (Johns Hopkins University)	1/6	Independent non-executive
Craig Enenstein[3]	MBA in finance (Wharton School of Business, University of Pennsylvania), MA in international studies (Lauder Institute, University of Pennsylvania) and BA (University of California, Berkeley)	1/6	Independent non-executive
Roberto Oliveira de Lima[3]	Public administration qualification and post-graduate degree in business management (Fundação Getúlio Vargas in Brazil)	1/6	Independent non-executive

Notes

(1) *Resigned as a member of the committee and chair on 22 February 2018.*
(2) *Resigned as alternate member of the committee on 22 February 2018.*
(3) *Appointed to the committee on 22 February 2018.*

This committee's main responsibilities are to:

- Determine and approve the group's general remuneration policy, which must be tabled at each annual general meeting for a non-binding advisory vote by shareholders.
- Prepare for inclusion in the company's integrated report an annual remuneration report in three parts: a background statement, an overview of the main provisions of the remuneration policy, and an implementation report that contains details of all remuneration awarded to individual members of the board (executive and non-executive) and prescribed officers during the reporting period. The remuneration policy and implementation report must be tabled at each annual general meeting for a separate non-binding advisory vote by shareholders.
- Review and approve annually the remuneration packages of the most senior executives, ensuring they are appropriate and in line with the remuneration policy.
- Appraise annually the performance of the chief executive.
- Review annually the remuneration of non-executive directors of the board and its committees. The necessary proposals in this regard must be presented to the board for recommendation and final approval by the shareholders at the annual general meeting. Remuneration must be approved by shareholders in advance.
- Fulfil delegated responsibilities with regard to the Naspers share-based incentive plans, eg the appointment of trustees and compliance officers.
- Approve most senior appointments and promotions of most senior executives.
- Review incidents of unethical behaviour by senior managers and the chief executive of the company.
- Review annually the company's code of business ethics and conduct.
- Review annually the committee's charter and, if appropriate, recommend, for approval by the board, required amendments thereto.
- Approve amendments to the Naspers group share-based incentive plans.
- Perform a formal annual evaluation of whether the committee has fulfilled its responsibilities in terms of its charter, and reporting these findings to the board of directors.
- Review and assess annually the charters of the group's significant subsidiaries' remuneration committees, and review their annual assessment of compliance with their charters to establish if the Naspers committee can rely on the work of the subsidiary companies' committees.
- Evaluate annually the performance of the company secretary, and make the necessary recommendations to the board in this regard.

The remuneration report is available on pages 68 to 91 of the integrated annual report.

Governance for a sustainable business

continued

Nomination committee

The main objective of the nomination committee is to assist the board to determine, and regularly review, the size, structure, composition and effectiveness of the board and its committees, in the context of the company's strategy. The committee comprises a minimum of three non-executive directors, the majority of whom are independent. The committee held five meetings during the past financial year. Shareholders suggested that more independence and diversity be added to the composition of this committee. On 22 February 2018 Rachel Jafta was appointed as chair of the committee, and Hendrik du Toit, Craig Enenstein and Roberto Oliveira De Lima were appointed as members of the committee. Cobus Stofberg stepped down as an alternate member of the committee.

Attendance at nomination committee meetings

Committee member	Qualifications	Attendance	Category
Koos Bekker[1]	BAHons and DCom (honoris causa) (Stellenbosch University), LLB (University of the Witwatersrand) and MBA (Columbia University)	5/5	Non-executive
Rachel Jafta[1]	MEcon and PhD (Stellenbosch University)	5/5	Independent non-executive
Fred Phaswana	MA (Unisa), BComHons (University of Johannesburg) and BA (philosophy, politics and economics)	5/5	Independent non-executive
Cobus Stofberg[2]	BComLaw and LLB (Stellenbosch University) and CA(SA)	4/5	Non-executive
Hendrik du Toit[3]	MPhil in economics and politics of development (Cambridge University) and MCom in Economics (cum laude) (Stellenbosch University)	1/5	Independent non-executive
Craig Enenstein[3]	MBA in finance (Wharton School of Business, University of Pennsylvania), MA in international studies (Lauder Institute, University of Pennsylvania) and BA (University of California, Berkeley)	1/5	Independent non-executive
Roberto Oliveira de Lima[3]	Public administration qualification and post-graduate degree in business management (Fundação Getúlio Vargas in Brazil)	1/5	Independent non-executive

Notes

(1) *On 22 February 2018 Koos Bekker stepped down as chair of the committee but remained a member, and Rachel Jafta was appointed chair of the committee.*

(2) *Resigned as an alternate member of the committee on 22 February 2018.*

(3) *Appointed to the committee on 22 February 2018.*

This committee's main responsibilities are as follows:

- Review annually the board charter and the committee charter and, if appropriate, recommend, for approval by the board, required amendments thereto.
- Determine for approval by the board:
  - the policy for diversity at board level
  - restrictions on the number of listed company boards on which a director may serve
  - the service period of directors
  - retirement and succession in respect of directors, and
  - a policy governing the seeking of independent professional advice by individual board members.
- Review annually the structure, size and composition of the board and, where appropriate, make recommendations to the board in respect thereof. The following should be taken into account when considering the composition of the board:
  - the appropriate mix of knowledge, skills and experience, including the business, commercial and industry experience, needed to govern the company
  - the appropriate mix of executive, non-executive and independent non-executive members
  - the need for enough members that qualify to serve on the committees of the board
  - the need to secure a quorum at meetings
  - regulatory requirements, and
  - diversity as prescribed in the board diversity policy.
- Make recommendations to the board with regard to the appointment of new directors. For all nominations in respect of board appointments a 'fit and proper' test must be conducted. Nominated candidates must complete the required declarations in compliance with the JSE Listings Requirements, and that of any other exchange on which the company's shares are listed, where applicable.
- Identify and nominate candidates to fill board vacancies.
- Approve the role and responsibilities of the chair and the lead independent director and ensure there is a succession plan in place for the position of the chair.
- Formally evaluate every two years, and consider every alternate year, the board and the individual directors to establish whether the service of any director should be terminated. This includes a recommendation to the board about the reappointment of directors who retire by rotation at the annual general meeting every year based on those directors' performance, including attendance at meetings of the board and its committees, as well as the evaluation of independence of directors who have served for more than nine years.

Governance for a sustainable business

continued

- Formally evaluate every two years, and consider every alternate year, the performance of the chair of the board and make the necessary recommendations to the board in this regard.
- Review the allocation of roles and associated responsibilities, composition and effectiveness of committees of the board collectively, and make recommendations to the board about:
  - the continuance (or not) of the service of any director as a member of any committee
  - effective collaboration through cross-membership of committees
  - ensuring adequate coverage of all matters delegated by the board, and
  - ensuring an efficient approach is followed on matters dealt with by more than one committee.
- Perform a formal annual evaluation of whether the committee has fulfilled its responsibilities in terms of its charter, and reporting these findings to the board of directors.
- Review and assess annually the charters of the group's significant subsidiaries' nomination committees, and review their annual assessment of compliance with their charters to establish if the Naspers committee can rely on the work of the subsidiary companies' committees.
- Evaluate annually the performance and independence of the company secretary, and make the necessary recommendations to the board in this regard.

Risk committee

The purpose of the risk committee is to assist the board to discharge its responsibilities regarding the governance of risk through formal processes, including an enterprisewide risk management process and system. 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 the group objectives.

We acknowledge that no risk management system, or the combined assurance provided on risk levels and controls, can give us absolute certainty that we fully understand all risks or avoid any failure.

The committee comprises a minimum of three independent non-executive directors, as well as the chief executive and financial director. The chair of the board may be a member of the committee and may serve as chair of this committee.

Attendance at risk committee meetings

Committee member	Qualifications	Attendance	Category
Emilie Choi	MBA (Wharton School of Business, University of Pennsylvania) and BA in economics (Johns Hopkins University)	4/4	Independent non-executive
Don Eriksson	CTA and CA(SA)	4/4	Independent non-executive
Rachel Jafta	MEcon and PhD (Stellenbosch University)	4/4	Independent non-executive
Steve Pacak	CA(SA)	4/4	Non-executive
Basil Sgourdos	CA(SA)	4/4	Executive
Ben van der Ross	DipLaw (UCT)	4/4	Independent non-executive
Bob van Dijk	MBA Hons (INSEAD Graduate Business School) and MSc (cum laude) in econometrics (Erasmus University Rotterdam)	4/4	Executive

All risk committee members served on the committee for the full financial year.

Members of the committee are individuals with risk management skills and experience.

The committee's responsibilities include:

- Review and approve a risk management policy and plan developed by management and recommend such policy and plan to the board for approval. The risk policy and plan are reviewed annually.
- Monitor the implementation of the risk policy and plan, ensuring an appropriate enterprisewide risk management system is in place with adequate and effective processes that include strategy, ethics, operations, reporting, compliance, IT and sustainability.
- Make recommendations to the board on risk indicators, levels of risk tolerance and risk appetite (namely the board's propensity to take appropriate levels of risk) as well as the limit of the potential loss that the group has the capacity to tolerate.
- Monitor that risks are reviewed by management, and that management considers and implements appropriate responses to identified risks, so that they are managed within the levels of risk tolerance and appetite approved by the board.
- Exercise ongoing oversight of risk management and ensure that the following results are achieved:
  - Assess risks and opportunities emanating from the total environment in which the group operates and resources that the group uses and affects.
  - Assess the opportunity together with potentially negative effects on achieving group objectives.
  - Assess the group's dependence on resources.
  - Design and implement appropriate risk responses.

Governance for a sustainable business

continued

- Establish and implement business continuity arrangements that allow the group to operate under conditions of volatility, and to withstand and recover from acute shocks.
- Integrate and embed risk management in the business activities and culture of the group.

- Ensure risk management assessments are performed regularly by management.
- Ensure that an overall statement to the board about the effectiveness of the system and process of risk management is issued by internal audit and reviewed prior to the submission to the board by the committee.
- Review and approve the legal compliance policy and recommend such policy to the board for approval.
- Oversee compliance and, in particular, do so in such a way that:
  - compliance is understood not only for the obligations it creates, but also for the rights and protections it affords
  - compliance management takes a holistic view of how applicable laws and non-binding rules, codes and standards relate to one another, and
  - the regulatory environment is continually monitored and appropriate responses to changes and developments are formulated.
- Review and approve the information and technology charter and recommend such charter to the board for approval.
- Oversee technology and information management and, in particular, do so in such a way that it results in the following:
  - Integration of people, technologies, information and processes across the company.
  - Integration of technology and information risks into companywide risk management.
  - Arrangements to provide for business resilience.
  - Proactive monitoring of intelligence to identify and respond to incidents, including cyber-attacks and adverse social media events.
  - Management of the performance of, and the risks pertaining to, third-party and outsourced service providers.
  - The assessment of value delivered to the company through significant investments in technology and information, including the evaluation of projects throughout their life cycles and of significant operational expenditure.
  - The responsible disposal of obsolete technology and information in a way that has regard for environmental impact and information security.
  - Ethical and responsible use of technology and information.
  - Compliance with relevant laws.
- Oversee the management of information and, in particular, do so in such a way that it results in the following:
  - The leveraging of information to sustain and enhance the company's intellectual capital.
  - An information architecture that supports confidentiality, integrity and availability of information.
  - The protection of privacy of personal information.
  - The continual monitoring of security of information.
- Oversee the management of technology and, in particular, do so in such a way that it results in the following:
  - A technology architecture that enables the achievement of strategic and operational objectives.
  - The management of the risks pertaining to the sourcing of technology.
  - Monitoring and appropriately responding to developments in technology, including the capturing of potential opportunities and the management of disruptive effects on the company and its business model.
- Review reporting on risk I&T and compliance management that is to be included in the integrated annual report.
- Review annually the charters of the group's significant subsidiary companies' risk committees, and their annual assessment of compliance with these charters to establish if the Naspers committee can rely on the work of these risk committees.
- Perform an annual self-assessment of the effectiveness of the committee, reporting these findings to the board.

Social and ethics committee

The primary objective of the social and ethics committee is to assist the board in ensuring the company meets its statutory obligations in terms of section 72 and regulation 43 of the Companies Act. In addition to the committee's statutory duties, which only apply to the company and its South African subsidiaries, the committee is responsible for overseeing and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships in relation to the group, taking into account specific disclosures and best practice as recommended by King IV™.

The committee comprises the chair of the audit and risk committees, two independent non-executive directors, one non-executive director, the chief executive, the chief executive of Media24 and the executive chair of the MultiChoice South Africa group. The committee held two meetings during the past financial year. On 26 March 2018 the financial director, Basil Sgourdos, stepped down as a member of the committee and is now an alternate to the chief executive, and Cobus Stofberg was appointed as a member of the committee.

Attendance at social and ethics committee meetings

Committee member	Qualifications	Attendance	Category
Don Eriksson	CTA and CA(SA)	2/2	Independent non-executive
Rachel Jafta	MEcon and PhD (Stellenbosch University)	2/2	Independent non-executive
Nolo Letele	BScHons (electronic engineering)	2/2	Executive
Debra Meyer	PhD in biochemistry and molecular biology (University of California, Davis)	2/2	Independent non-executive
Basil Sgourdos[1]	CA(SA)	1/2	Executive
Cobus Stofberg[2]	BComLaw and LLB (Stellenbosch University) and CA(SA)	Not applicable	Non-executive
Bob van Dijk	MBAHons (INSEAD Graduate Business School) and MSc (cum laude) in econometrics (Erasmus University Rotterdam)	2/2	Executive
Esmaré Weideman	BCom (cum laude) and BJournalismHons (cum laude) (Stellenbosch University)	2/2	Executive

Notes

[1] *Stepped down as a member of the committee and was appointed as an alternate on 26 March 2018.*
[2] *Appointed as a member of the committee on 26 March 2018.*

Discharge of responsibilities

The board is satisfied that the committees properly discharged their responsibilities over the past year.

The social and ethics committee report is on page 21.

Governance for a sustainable business

continued

Internal control systems

As part of the overall management of risk, the system of internal controls in all material subsidiaries and joint ventures under the company's control aims to prevent and detect any risk materialising and to mitigate any adverse consequences thereof. The group's system of internal controls is designed to provide reasonable, and not absolute, assurance on the achievement of company objectives, including integrity and reliability of the financial statements; to safeguard, verify and maintain accountability of its assets; and to detect fraud, potential liability, loss and material misstatement while complying with regulations. For those entities in which Naspers does not have a controlling interest, the directors representing Naspers on these boards seek assurance that significant risks are managed and systems of internal control are effective.

All internal control systems have shortcomings, including the possibility of human error or flouting of control measures. Even the best system may provide only partial assurance. In the dynamic environment in which the company operates, management regularly reviews risks and the design of the internal controls system to address these, assisted by the work and reports from internal audit on the adequacy and operational effectiveness of controls, which may indicate opportunities for improvement. The external auditor considers elements of the internal controls system as part of its audit and communicates deficiencies when identified.

The board reviewed the effectiveness of controls for the year ended 31 March 2018, principally through a process of management self-assessment, including formal confirmation in the form of representation letters by executive management. Consideration was given to input, including reports from internal audit and the external auditor, compliance and the risk management process. Where necessary, programmes for corrective actions have been initiated.

Nothing has come to the attention of the board, external or internal auditors to indicate any material breakdown in the functioning of internal controls and systems during the year under review.

Internal audit

An internal audit function is in place throughout the group. The head of internal audit reports to the chair of the Naspers audit committee, with administrative reporting to the financial director. A large part of the internal audit fieldwork is co-sourced.

Internal audit annually provides a statement on the effectiveness of Naspers's governance, risk management and control processes to the audit committee. An independent review on internal audit is done at least every five years. The last review was performed by PwC in 2017. The head of internal audit and risk support confirms annually to the board that internal audit conforms to meet the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors and its code of ethics.

Non-audit services

The group's policy on non-audit services provides guidelines on dealing with audit, audit-related, tax and other non-audit services that may be provided by Naspers's independent auditor to group entities. It also sets out services that may not be performed by the independent auditor.

The audit committee preapproves audit and non-audit services to ensure these do not impair the auditor's independence and comply with legislation. Under our guiding principles, the auditor's independence will be deemed impaired if the auditor provides a service where he/she:

- functions in the role of management of the company, or
- audits his/her own work, or
- serves in an advocacy role for the company.

Company secretary

The company secretary, Gillian Kisbey-Green, and David Tudor, group general counsel (and legal compliance officer), are responsible for guiding the board in discharging its regulatory responsibilities.

Directors have unlimited access to the advice and services of the company secretary. She plays a pivotal role in the company's corporate governance and ensures that, in accordance with the pertinent laws, the proceedings and affairs of the board, the company itself and, where appropriate, shareholders are properly administered. She is also the company's compliance officer as defined in the Companies Act and delegated information officer. The company secretary monitors directors' dealings in securities and ensures adherence to closed periods. She attends all board and committee meetings. In accordance with King IV™ the performance and independence of the company secretary is evaluated annually.

As required by JSE Listings Requirement 3.84(h), the board has determined that the company secretary, who is a chartered accountant (SA) with more than 25 years' company secretarial experience, has the requisite competence, knowledge and experience to carry out the duties of a secretary of a public company and has an arm's length relationship with the board. The board is satisfied that the arrangements for providing corporate governance services are effective.

Investor relations

Naspers's investor relations policy can be found on **www.naspers.com**. It describes the principles and practices applied in interacting with shareholders and investors. Naspers is committed to providing timely and transparent information on corporate strategies and financial data to the investing public. In addition, we consider the demand for transparency and accountability on our non-financial (or sustainability) performance. In line with King IV™, we recognise that this performance is based on the group's risk profile and strategy, which includes non-financial risks and opportunities.

The company manages communications with its key financial audiences, including institutional shareholders and financial (debt and equity) analysts, through a dedicated investor relations unit. Presentations and conference calls take place after publishing interim and final results.

A broad range of public communication channels (including stock exchange news services, corporate website, press agencies, newswires and news distribution service providers) is used to disseminate news releases. These channels are supplemented by direct communication via email, conference calls, group presentations and one-on-one meetings.

Our policy is not to provide forward-looking information. Naspers complies with legislation and stock exchange rules on forward-looking statements.

Closed periods

Naspers would typically be in a closed period on the day after the end of a reporting period (30 September or 31 March) until the release of results. General investor interaction during this time is limited to discussions on strategy and/or historical, publicly available information.

Analyst reports

To enhance the quantity and quality of research, Naspers maintains working relationships with stockbrokers, investment banks and credit-rating agencies – irrespective of their views on or recommendations to the group. Naspers may review an analyst's report or earnings model for factual accuracy of information in the public domain, but in line with regulations and group policy we do not provide guidance or forecasts.

The board encourages shareholders to attend the annual general meeting, notice of which is contained in this integrated annual report, where shareholders have the opportunity to put questions to the board, management and the chairs of the various committees.

The company's website **www.naspers.com** provides the latest and historical financial and other information, including financial reports.

Nomination committee report

"I am confident that we have the appropriate balance of skills and experience on the board."

Rachel Jafta
Chair: Nomination committee

I am pleased to present the nomination committee's report for the year ended 31 March 2018. The committee's main objective is to assist the board to determine, and regularly review, the size, structure, composition and effectiveness of the board and its committees, in the context of the company's strategy.

The committee has a charter approved by the board.

Members of the committee and attendance at meetings

The committee comprises a minimum of three non-executive directors, the majority of whom are independent. As the chair of the board is not considered to be independent in terms of King IV™, an independent non-executive director is chair of the committee. The chief executive, financial director and chief people officer attend the meetings by invitation. The committee held five meetings during the past financial year. Following a review of the allocation of roles and responsibilities and the composition and effectiveness of the board collectively, on 22 February 2018 Rachel Jafta was appointed as chair of the committee, and Hendrik du Toit, Craig Enenstein and Roberto Oliveira De Lima were also appointed as members of the committee. Cobus Stofberg stepped down as an alternate committee member.

Attendance at nomination committee meetings

Committee member	Qualifications	Attendance	Category
Rachel Jafta(1)*	MEcon and PhD (Stellenbosch University)	5/5	Independent non-executive
Koos Bekker(1)	BAHons and DCom (honoris causa) (Stellenbosch University), LLB (University of the Witwatersrand) and MBA (Columbia University)	5/5	Non-executive
Fred Phaswana	MA (Unisa), BComHons (University of Johannesburg) and BA (philosophy, politics and economics)	5/5	Independent non-executive
Cobus Stofberg(2)	BComLaw and LLB (Stellenbosch University) and CA(SA)	4/5	Non-executive
Hendrik du Toit(3)	MPhil in economics and politics of development (Cambridge University) and MCom in economics (cum laude) (Stellenbosch University)	1/5	Independent non-executive
Craig Enenstein(3)	MBA in finance (Wharton School of Business, University of Pennsylvania), MA in international studies (Lauder Institute, University of Pennsylvania) and BA (University of California, Berkeley)	1/5	Independent non-executive
Roberto Oliveira de Lima(3)	Public administration qualification and post-graduate degree in business management (Fundação Getúlio Vargas in Brazil)	1/5	Independent non-executive

Notes
* *Chair.*
(1) *On 22 February 2018, Koos Bekker stepped down as chair of the committee but remained a member and Rachel Jafta was appointed chair of the committee.*
(2) *Resigned as an alternate member of the committee on 22 February 2018.*
(3) *Appointed to the committee on 22 February 2018.*

Nomination committee report

continued

Purpose
The key responsibilities of the committee include, but are not limited to, assisting the board to determine, and regularly review, the size, structure, composition and effectiveness of the board and its committees, in the context of the company's strategy.

Key areas of focus during the year
The duties completed by the committee this financial year include:

- Assessment of the composition of the board to execute its duties effectively.
- Assessment of the independence of non-executive directors serving for nine years or longer for consideration by the board.
- Assessment of compliance with the committee's charter.
- The review and recommendation of the audit committee members to the annual general meeting for shareholder approval.
- Assessment of the effectiveness of the board, its members and the committees through a board-evaluation process.
- Evaluation of the performance and independence of the company secretary.

Assessment of the independence of directors who have served on the board for more than nine years
King IV™ recommends that the board should annually assess the independence of independent non-executive directors serving for nine years or longer.

An independent assessment of Rachel Jafta and Fred Phaswana, who have served on the board for 15 years, and Ben van der Ross, who has served on the board for 19 years, was undertaken during the year under review.

In assessing the independence of these directors, the board considered the following factors:

- Formal evaluation of directors' performance, based on the outcome of evaluation questionnaire responses from other board members.
- Interactions at board meetings with fellow directors and management.
- Contributions to discussions at board meetings and in the decisionmaking processes.
- Whether the directors' interests, position, association or relatives were likely to influence unduly or cause bias in decisionmaking when judged from the perspective of a reasonable and informed third party.
- King IV™ recommendations on independence.
- Requirements of independence in relation to members of audit committees as set out in S94(4) of the South African Companies Act.

The board determined that these directors demonstrated that they were independent of mind and judgement, and had objectively fulfilled their roles as independent non-executive directors, despite their tenure on the board.

Performance evaluations
Internal formal evaluations of the board's performance and its committees, including its chair, were undertaken during the year regarding the following areas:

- The effectiveness of the board's composition, governance processes and procedures.
- The effectiveness of the board's committees in discharging their duties in terms of their charters.
- The effectiveness and contributions of each of the directors.
- The effectiveness of the chair of the board.

Evaluation questionnaires were designed to give insight into how each director of the board believes the board and its committees, the chair and individual directors are performing and meeting their objectives. It is intended to provide guidelines for evaluating the board's effectiveness and to focus on areas where the board's performance may be enhanced or improved.

A summary of the evaluations was presented to the board by the chair and by the lead director on the evaluation of the chair. The board was satisfied with the evaluation process undertaken during the 2018 financial year and believes that the process impacts positively on the board and its committees' performance, as well as its chair.

The board has agreed that the evaluation process will not be externally facilitated and that internal evaluation questionnaires will be completed every second year in respect of the abovementioned areas. Independence assessments will continue to be performed annually.

Key areas of focus going forward
Focus areas for the committee going forward will continue to include, but will not be limited to:

- Assessment of the composition of the board to execute its duties effectively.
- The review and recommendation of the audit committee members to the annual general meeting for shareholder approval.
- Evaluation of the board, including structure, size, composition, balance of skills, and experience and diversity of the board and its committees.
- Assessing the independence of directors, especially those serving for nine years or longer.
- Ensuring there is a succession plan in place for the position of the chair of the board.

Conclusion
Following the review by the committee for the year ended 31 March 2018, the committee is of the view that, in all material respects, the committee has fulfilled its remit for the financial year. The board concurred.

Rachel Jafta
Chair: Nomination committee

22 June 2018

Social and ethics committee report

"We made progress this year in embedding ethics awareness and training throughout the organisation."

Don Eriksson
Chair: Social and ethics committee

I am pleased to present the social and ethics committee's report for the year ended 31 March 2018.

The purpose of this report is to outline how the social and ethics committee has discharged its responsibilities as set out in section 72 of the South African Companies Act No 71 of 2008, as amended (the Act), and regulation 43 of the Companies Regulations 2011 (the regulation), issued in terms of the Act and its charter, which was amended in June 2017 to align to the principles of King IV™.

Members of the committee and attendance at meetings

The social and ethics committee comprises non-executive and executive directors, and certain key members of management. This committee met twice during the financial year. The company secretary acts as the secretary of the committee. The chair of the board, general manager: finance, global governance partner, head of internal audit and risk support and group general counsel attend the meetings by invitation.

King IV™ recommends that the committee should comprise a majority of non-executive members of the board. Accordingly, on the recommendation of the nomination committee, which was approved by the board on 29 November 2017, effective 26 March 2018 the financial director, Basil Sgourdos, stepped down as a member of the committee and is now an alternate to Bob van Dijk (Naspers chief executive), and Cobus Stofberg was appointed as a member of the committee.

Attendance at social and ethics committee meetings

Committee member	Qualifications	Attendance	Category
Don Eriksson*	CTA and CA(SA)	2/2	Independent non-executive
Rachel Jafta	MEcon and PhD (Stellenbosch University)	2/2	Independent non-executive
Nolo Letele	BScHons (electronic engineering)	2/2	Executive
Debra Meyer	PhD in biochemistry and molecular biology (University of California, Davis)	2/2	Independent non-executive
Basil Sgourdos[(1)]	CA(SA)	1/2	Executive
Cobus Stofberg[(2)]	BComLaw and LLB (Stellenbosch University) and CA(SA)	Not applicable	Non-executive
Bob van Dijk	MBAHons (INSEAD Graduate Business School) and MSc (cum laude) in econometrics (Erasmus University Rotterdam)	2/2	Executive
Esmaré Weideman	BCom (cum laude) and BJournalismHons (cum laude) (Stellenbosch University)	2/2	Executive

Notes
* *Chair.*
[(1)] *Stepped down as a member of the committee and was appointed as an alternate on 26 March 2018.*
[(2)] *Appointed as a member of the committee on 26 March 2018.*

Responsibilities

The committee's responsibilities cover Naspers Limited and the group's South African subsidiaries, MultiChoice, Media24, Takealot and MIH Treasury Services. Its primary mandate, set out in its charter, is aligned with the committee's statutory responsibilities as set out in the regulation. The committee monitors:

- Social and economic development, including the company's standing in terms of the goals and purposes of the:
  - 10 principles in the United Nations Global Compact Principles
  - Organisation for Economic Co-operation and Development (OECD) recommendations regarding corruption
  - Employment Equity Act, and
  - Broad-based Black Economic Empowerment (BBBEE) Act.
- Good corporate citizenship, including the company's:
  - promotion of equality, prevention of unfair discrimination, and reduction of corruption
  - contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed, and
  - record of sponsorship, donations and charitable giving.
- Environmental, health and public safety matters, including the impact of the company's activities and of its products or services.
- Consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws.

Social and ethics committee report

continued

- Labour and employment, including:
  - the company's standing in terms of the International Labour Organization (ILO) protocol on decent work and working conditions, and
  - the company's employment relationships and its contribution toward the educational development of its employees.

The committee also draws matters within its mandate to the attention of the board as the occasion requires and reports on matters within its mandate to be reported to shareholders.

In addition to the committee's statutory responsibilities above, which only apply to Naspers and its South African subsidiaries, the committee is responsible for overseeing and reporting on business ethics, responsible corporate citizenship, sustainable development and stakeholder relationships in relation to the Naspers group, taking into account specific disclosures and best practice as recommended by King IV™.

Key focus areas during the year

In respect of Naspers and the South African subsidiaries, the committee reviewed reports on:

- Performance against employment-equity plans.
- Performance regarding BBBEE as measured against the Department of Trade and Industry's (dti's) generic BBBEE scorecard, as well as performance of the MultiChoice Enterprise Development Trust.
- Skills and other development programmes aimed at the educational development of employees.
- Employment philosophy and how it is founded on promoting equality and preventing unfair discrimination.
- Labour practices and policies, and how these compare to the ILO protocol on decent working conditions.
- Corporate social investment programmes, including details of donations and charitable giving.
- The progress of addressing the principles of the UN Global Compact and OECD guidelines.
- Consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws.

These reports enabled the committee to discharge its statutory responsibilities relating to Naspers and its South African subsidiaries.

In respect of the Naspers group, to support the board to fulfil its governance role, the committee reviewed reports on:

- The responsibilities of the committee and overlap with responsibilities with other board committees, and discharge of responsibilities of board committees holistically.
- Naspers's social and ethics performance, using the six-capitals reporting framework, including combined assurance responses.

Details of how we govern, manage and monitor responsible corporate citizenship are on page 8 and our stakeholder overview is provided on page 20 of the integrated annual report.

- Management of the group whistleblower programme, including global rollout and participation, nature of reports, management of reports and outcome of investigations. More information on the Naspers OpenLine is on page 8.
- Ethics, including raising awareness on ethics and management of speak-ups and ethics-related incidents (which do not form part of the whistleblower process).

Details of how we govern, manage and monitor business ethics are on page 8. This includes information on designation of ethics officers, the Naspers OpenLine, awareness campaigns across the group on the group's code of business ethics and conduct, and whistleblower policy.

The reports on raising awareness on the code of business ethics and conduct, and whistleblower policy in the group, demonstrated businesses' commitment to nurturing an ethical business culture.

The reports on ethics-related incidents demonstrated that businesses in our group apply zero tolerance to violations of the code of business ethics and conduct by taking the necessary action, including improving the control environment or taking disciplinary, criminal or civil action. Examples of ethics-related incidents reported included theft, abuse of company resources, fraud, procurement irregularities and harassment. Businesses demonstrated that they took, and will continue to take, appropriate action in relation to the ethics-related incidents.

- Stakeholder relationship management, including material stakeholders identified by the businesses, how business engages with material stakeholders, main issues raised by stakeholders and how business responded to, actioned or resolved their stakeholders' main issues.

Details of how we manage, govern and monitor stakeholder management are on page 8 and our stakeholder overview is provided on page 20 of the integrated annual report.

- Management of legal compliance, intellectual property and data privacy relevant from an ethical and social perspective.

These reports enabled the committee to discharge its responsibilities in relation to business ethics, responsible corporate citizenship, sustainable development and stakeholder relationships in relation to the Naspers group.

Key focus areas going forward

The committee recognises that the areas within its mandate are evolving and that management's responses too will adapt to changes in the environmental, social and governance agenda.

Management will continue to improve reporting techniques on how it reports to the committee on responsible corporate citizenship and sustainable development using the six-capitals reporting framework. Accordingly, Naspers will continue to enhance the way it reports on corporate citizenship and sustainable development to its stakeholders in the integrated annual report.

Conclusion

The committee is of the view that the group takes its ethics, social and governance responsibilities seriously.

Appropriate policies, plans and programmes are in place to contribute to management and governance of an ethical business culture, stakeholder relationships, social and economic development and good corporate citizenship.

No substantive non-compliance with legislation and regulation, or non-adherence with codes of best practice, relevant to the areas within the committee's mandate has been brought to its attention. Based on its monitoring activities to date, the committee has no reason to believe that any such non-compliance or non-adherence has occurred.

The committee determined that, during the financial year under review, it had discharged its legal and other responsibilities as outlined in terms of its remit, details of which are included in the full corporate governance report on **www.naspers.com**. The board concurred with this assessment.

Don Eriksson
Chair: Social and ethics committee

22 June 2018

Audit committee report

"Naspers prides itself on strong financial management that creates long-term value for stakeholders."

Don Eriksson
Chair: Audit committee

I am pleased to present the report of the audit committee for the year ended 31 March 2018. The audit committee submits this report, as required by section 94 of the South African Companies Act No 71 of 2008 (the Act).

Members of the audit committee and attendance at meetings

The audit committee consists of independent non-executive directors and meets at least three times per year in accordance with its charter. All members act independently as described in section 94 of the Act. During the year under review, four meetings were held. The internal and external auditors, in their capacity as auditors to the group, attended and reported at all meetings of the audit committee. The group risk management function was also represented. The chair of the board, chief executive, financial director, general manager: finance, group general counsel and one of the non-executive directors attend the meetings by invitation.

Attendance at audit committee meetings

Committee member	Qualifications	Attendance	Category
Don Eriksson*	CTA (Wits) and CA(SA)	4/4	Independent non-executive
Rachel Jafta	MEcon and PhD (Stellenbosch University)	4/4	Independent non-executive
Ben van der Ross	DipLaw (UCT)	4/4	Independent non-executive

Note
* *Chair.*

The board and the nomination committee unanimously recommend to shareholders at the annual general meeting that the current committee members be re-elected. All audit committee members served on the committee for the full financial year.

Responsibilities and key actions

The audit committee has adopted formal terms of reference, delegated by the board of directors, as set out in its audit committee charter.

The audit committee has discharged the functions in terms of its charter and ascribed to it in terms of the Act as follows:

- Reviewed the interim report, provisional report, consolidated annual financial statements and integrated annual report, culminating in a recommendation to the board to adopt them. In the course of its review the committee:
  - took appropriate steps to ensure the consolidated annual financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Act
  - considered and, when appropriate, made recommendations on internal financial controls
  - dealt with concerns or complaints on accounting policies, internal audit, the auditing or content of consolidated annual financial statements, and internal financial controls, and
  - reviewed legal matters that could have a significant impact on the organisation's consolidated annual financial statements.
- Reviewed external audit reports on the consolidated and separate annual financial statements.
- Reviewed the board-approved internal audit charter.
- Reviewed and approved the internal and external audit plans.
- Reviewed internal audit and risk management reports and, where relevant, made recommendations to the board.
- Evaluated the effectiveness of risk management, controls and governance processes.
- Verified the independence of the external auditor, nominated PricewaterhouseCoopers Inc. as auditor for 2018 and noted the appointment of Brendan Deegan as the designated auditor.
- Approved audit fees and engagement terms of the external auditor.
- Determined the nature and extent of allowable non-audit services and approved contract terms for non-audit services by the external auditor.
- Reviewed the JSE's report on the proactive monitoring of consolidated annual financial statements.

Key focus areas during the year

The committee's key focus areas during the year included:

- Discharging its functions in terms of its charter.
- Mandatory audit firm rotation.
- Assessing impact of changes to accounting standards.
- JSE Listings Requirements.
- King IV™ recommendations.

Audit committee report

continued

Financial statement reporting issues

The audit committee's main responsibility in relation to the group's financial reporting is to review, with both management and the external auditor, the appropriateness of the group's consolidated annual financial statements with its primary focus being on:

- the quality and acceptability of accounting policies and practices
- material areas where significant judgements have been made, along with any significant assumptions or estimates, or where significant issues have been discussed with or challenged by the external auditor, and
- an assessment of whether the consolidated annual financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy.

The significant judgements and issues and conclusions reached/actions taken by the audit committee in relation to the 2018 annual financial statements are outlined in the adjacent table. The significant judgements and issues are broadly comparable in nature to prior years. Each of these matters was discussed with the external auditor and, where appropriate, has been addressed as a key audit matter in the report on the audit of the consolidated and separate financial statements on pages 17 to 24.

Significant reporting matter	Conclusions reached/actions taken
Change in accounting policy – written put option liabilities The group changed its accounting policy with respect to put option liabilities during the current year. Detailed disclosure of the change has been provided in the consolidated annual financial statements. In terms of this accounting policy, put option liabilities are recognised in the statement of financial position at amounts reflecting the expected gross cash consideration payable on settlement. All subsequent remeasurements relating to these liabilities are recognised in the income statement. Put option liabilities have been valued based on either: • discounted cash flow (DCF) analyses, or • observable market transactions (eg funding rounds and non-controlling interest buyouts). The valuation of put option liabilities and the subsequent remeasurement thereof are complex and require management to exercise significant judgement, specifically relating to the estimates of future cash flow, discount rates and terminal growth rates used in DCF analyses. The following put option liabilities were considered most significant due to their magnitude and their sensitivity to changes in key underlying assumptions: • Avito Holding AB • Ambatana Holdings B.V. (letgo's holding company), and • letgo USA B.V.	The audit committee considered the appropriateness of management's change in accounting policy for put option liabilities given the company's decision to settle these obligations in cash rather than through the issuance of shares. The audit committee debated the merits of the change in accounting policy, including the effects of the change on the consolidated annual financial statements, and concurred with management that the change was appropriate. The audit committee received feedback from management regarding the valuation of put option liabilities as well as the sensitivity thereof to changes in key underlying variables. The audit committee considered the above facts in terms of the consistent application of management's valuation methodology and the critical assumptions applied. In addition, as the valuation of put option liabilities remains a key area of focus for the group's external auditor, the audit committee reviewed the external auditor's reporting on the accounting for written put option liabilities. Management and the external auditor outlined the key accounting and disclosure impacts of the change in accounting policy to the audit committee. Having reviewed management's and the external auditor's reporting as well as the presentation and disclosure of the change in accounting policy in the consolidated annual financial statements, the audit committee concluded that it was satisfied with the accounting and the disclosures made.
Impairment testing of goodwill and intangible assets The group's net asset value includes significant amounts of goodwill and intangible assets. These balances are tested at least annually for impairment and this process involves complex calculations and the exercise of critical management judgement regarding assumptions and estimates.	The audit committee received impairment reporting from management including the results of the group's annual impairment testing of goodwill and those assets where indicators of impairment existed. The audit committee reviewed this reporting in terms of the consistent application of management's testing methodology, the achievability of business plans and forecasts based on the Naspers board approval thereof and the critical assumptions applied. In addition, as impairment testing remains a key area of focus for the group's external auditor, the audit committee reviewed the external auditor's reporting on impairment testing. Consequently, the audit committee was satisfied with the appropriateness of the analysis performed by management and the impairment-related disclosures in the consolidated annual financial statements.

Audit committee report

continued

Significant reporting matter	Conclusions reached/actions taken
Share-based payments The group has a number of share-based compensation schemes. The share-based payments arising therefrom involve complex valuations and the use of critical management judgement regarding assumptions and estimates.	The audit committee acknowledged that the human resources and remuneration committee reviews the valuations, including assumptions and allocations, of the share-based compensation schemes as well as the various scheme rules. The audit committee noted the report of the human resources and remuneration committee, as tabled at the Naspers board meeting, detailing the results of these reviews. The audit committee noted that these valuations and the underlying assumptions are used for the accounting of share-based payments. The audit committee also reviewed the accounting and disclosure of share-based payments in the annual financial statements. As a result, the audit committee concluded that accounting and disclosure of share-based payments in the consolidated annual financial statements are appropriate.
Equity-accounted investments – Tencent Holdings Limited (Tencent) Equity-accounted investments are significant to the consolidated annual financial statements and the group is required to make certain adjustments to the underlying results of investees in respect of significant transactions that occur between the investees' year-ends and 31 March. These adjustments require the exercise of critical management judgement and are significant in terms of magnitude. Accounting for the group's investment in Tencent was a significant matter due to the significant contribution of the entity to the consolidated results of the group, the fact that Tencent has a year-end that is not coterminous with that of the group and, as a result of the magnitude of the gain, recognised by the group during the current year on the disposal of a partial interest in Tencent shares.	The audit committee received feedback from the group's representatives on the audit committees of Tencent and other significant equity-accounted investments. The audit committee reviewed the reporting of the contribution of equity-accounted investments to the group's results and financial position as part of their review of the consolidated annual financial statements. In addition, the audit committee received reporting from management on significant lag-period adjustments and/or adjustments made to the underlying results of investees to align the investees' accounting policies to those of the group. The audit committee was satisfied with the adjustments made and the critical judgements applied by management. The audit committee reviewed the disclosure of the gain recognised by the group on its disposal of Tencent shares and was satisfied with the approach followed by management in calculating the gain, including the related reclassification of reserves to the income statement on disposal.
Current, deferred and other taxes in developing markets The group operates across many tax jurisdictions and has recognised significant tax provisions and disclosed significant contingencies in this regard. Significant management judgement is exercised in estimating potential exposures where the interpretation of tax laws and regulations is subjective.	The audit committee reviewed updates on the group's assessment on certain tax matters and challenged both management and the external auditor on the legal judgements underpinning the provisioning and disclosure adopted in relation to contingent tax liabilities and operating assumptions underlying deferred tax asset recognition. Consequently, the audit committee was satisfied with the approach adopted by management in the consolidated annual financial statements.

Other reporting matters

The audit committee reviewed the change in the calculation of the group's non-IFRS measures, including trading profit and core headline earnings. The change in the calculation related to the inclusion of Tencent's amortisation expenses on its digital content business. Trading profit and core headline earnings were restated retrospectively for this change. The audit committee concluded that the change in calculation was appropriate and adequately disclosed in the consolidated annual financial statements.

Internal audit

The audit committee has oversight of the group's consolidated annual financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties. The committee oversees cooperation between internal and external auditors, and serves as a link between the board of directors and these functions. The head of internal audit reports functionally to the chair of the committee and administratively to the financial director. An assessment of the effectiveness of the internal audit function, as well as the head of internal audit, is performed annually by the committee. Based on the assessment, the committee is of the opinion that the internal audit function, as well as the head of internal audit, is effective.

Audit committee report

continued

Effectiveness of the company's internal financial controls

The committee reports to the board that it is of the opinion that, based on enquiries made and the reports from the internal and external auditors, the risk management processes and systems of internal control of the company and its investments were effective for the year under review. No material weaknesses in financial control of the company and its subsidiaries were reported for the year under review.

Independence and effectiveness of the external auditor

PricewaterhouseCoopers Inc. (PwC) was reappointed as auditor of the company until the next annual general meeting. PwC has been the auditor of Naspers for 103 years. The committee believes that the auditor has observed the highest level of business and professional ethics. The committee is satisfied that the auditor has at all times acted with unimpaired independence.

Details of fees paid to the external auditor are disclosed in note 28 to the consolidated annual financial statements on page 105. All non-audit services were approved by the committee during the current financial year in accordance with the board-approved policy on non-audit services performed by the external auditor. The partner responsible for the audit is required to rotate every five years. The committee meets with the auditor independently of senior management.

During the year, the audit committee reviewed a representation by the external auditor and, after conducting its own review, confirmed the independence of the auditor. The quality of the external audit was reviewed, focusing on a range of factors considered relevant to audit quality and feedback from PwC on their performance against their own objectives, the committee concluded the external audit to be satisfactory. It was confirmed that no unresolved issues of concern exist between the group and the external auditors.

Confidential meetings

Audit committee agendas provide for confidential meetings between committee members and the internal and external auditors.

Expertise and experience of the financial director and finance function

As required by JSE Listings Requirement 3.84(h), the audit committee has satisfied itself that the financial director has appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skillset of the finance function met the group's requirements. Based on an assessment performed annually, the committee is of the opinion that the finance function, as well as the financial director, is effective.

Integrated combined assurance

The board does not only rely on the adequacy of the internal control embedment process, but considers reports on the effectiveness of risk management activities from the risk committee. The committee ensures that the assurance functions of management as well as internal and external audit are sufficiently integrated and is satisfied with the effectiveness of the arrangements for combined assurance. The various assurance providers to the board comprise the following:

- Senior management and the risk committee considers the company's risk strategy and policy, along with the effectiveness and efficiency thereof. The risk committee also considers the adequacy of risk management strategies, systems of internal control, risk profiles and legal compliance. The audit committee receives assurance from the risk committee that risk management activities are sufficiently addressed and effective.
- The committee considers the systems of internal control, internal and external audit reports and also reviews the independence of the auditor, the extent and nature of audit engagements, scope of work and findings. This committee also reviews the level of disclosure in the consolidated annual financial statements and the appropriateness of accounting policies adopted by management, and jointly with the risk committee considers material issues of fraud and reporting on fraud. The board reviews the performance of the committee against its charter.

The chair of the committee reports to the board at the board meeting following each committee meeting on matters addressed by the committee at its last meeting.

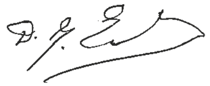
Discharge of responsibilities

The committee determined that, during the financial year under review, it had discharged its legal and other responsibilities as outlined in terms of its remit, details of which are included in the full corporate governance report on **www.naspers.com**. The board concurred with this assessment.

Key focus areas going forward

The committee's key focus for the 2019 financial year include:

- Discharging its functions in terms of its charter.
- Mandatory audit firm rotation.
- Assessing impact of changes to accounting standards.
- JSE Listings Requirements.
- King IV™ recommendations.
- Focusing regularly on the group's working capital requirements and ensuring that the group and its subsidiaries continue to operate as going concerns.
- Reviewing and monitoring the accounting for potential mergers, acquisitions and disposals, and the conduct of impairment tests.



Don Eriksson
Chair: Audit committee

22 June 2018

Risk committee report

"Rigorous and consistent risk management is critical to our success."

Don Eriksson
Chair: Risk committee

I am pleased to present the risk committee's report for the year ended 31 March 2018. The committee's purpose is to assist the board to discharge its responsibilities with regard to the governance of risk and opportunities through formal processes, including an enterprisewide risk management process and system.

Purpose

The committee's charter was amended in June 2017 to align to the principles of King IV™. The responsibilities in the charter and identified group requirements make up the overall function of the committee being:

- Reviewing and recommending the risk management policy and plan, legal compliance policy and information and technology charter to the board for approval.
- Monitoring implementation of the risk management policy and plan.
- Making recommendations to the board concerning risk indicators, levels of risk tolerance and risk appetite as well as the limit of the potential loss that the group has the capacity to tolerate.
- Monitoring that risks are reviewed by management and ensuring that risk management assessments are performed regularly by management.
- Monitoring that risks are reviewed by management, and that management considers and implements appropriate responses to identified risks, so that they are managed within the levels of risk tolerance and appetite approved by the board.
- Ensuring that risk management assessments are performed regularly by management and that an overall statement to the board about the effectiveness of the system and process of risk management is issued by internal audit.
- Overseeing risk and opportunity management, compliance, and technology and information management in such a way that it results in the objectives recommended by King IV™.

Members of the risk committee and attendance at meetings

The committee is appointed by the board. During the financial year, the risk committee consisted of four independent non-executive directors, one non-executive director, as well as the chief executive and financial director, and meets at least three times per year in accordance with its charter. The company secretary also acts as the secretary of the committee. The chair of the board, general manager: finance, global governance partner, group general counsel and the head of internal audit and risk management support and attend the meetings by invitation. During the year under review four meetings were held.

Attendance at risk committee meetings

Committee member	Qualifications	Attendance	Category
Don Eriksson*	CTA and CA(SA)	4/4	Independent non-executive
Rachel Jafta	MEcon and PhD (Stellenbosch University)	4/4	Independent non-executive
Steve Pacak	CA(SA)	4/4	Non-executive
Basil Sgourdos	CA(SA)	4/4	Executive
Ben van der Ross	Dip Law (UCT)	4/4	Independent non-executive
Bob van Dijk	MBAHons (INSEAD Graduate Business School) and MSc (cum laude) in econometrics (Erasmus University Rotterdam)	4/4	Executive
Emilie Choi[1]	MBA (Wharton School of Business, University of Pennsylvania) and BA in economics (Johns Hopkins University)	4/4	Independent non-executive

Notes
* *Chair.*
[1] *Emilie Choi was appointed as a new member of the risk committee on 21 April 2017. The remaining risk committee members served on the committee for the full financial year.*

Risk committee report

continued

Key focus areas during the year

The committee assists the board in recognising material risks to which the group is exposed and ensuring that the culture, policies and systems are implemented and functioning effectively. Management is accountable to the board for implementing and monitoring the processes of risk management and for integrating this into day-to-day activities. Risk committees are established at MultiChoice and Media24 and they report to the Naspers risk committee. The PayU risk advisory committee reports to the Naspers risk committee to ensure that PayU management receives external independent advice and to act as an independent guardian to the risk committee on PayU-related matters. The PayU risk advisory committee comprises five executive members and three (or more) non-executive members.

An ongoing enterprisewide risk assessment process supports the group. This ensures risks are adequately identified, evaluated and managed at the appropriate level in each business, and that their individual and joint impact on the Naspers group is considered. Internal audit assists in evaluating the effectiveness of the risk management process and comments on this in its own assessment report.

During the year the committee reviewed regular updated reports on management of risk, compliance, technology and information, including data privacy and cybersecurity, and tax. The committee also received reports on King IV™ implementation. These reports enabled the committee to discharge its responsibilities in respect of oversight of management of risk and compliance, as well as technology and information management.

Details of how we manage, govern and monitor information and technology, and compliance appear on page 9.

Details of how risk, compliance, and technology and information are managed to result in the objectives recommended by King IV™ are contained in the King IV™ application report.

Key focus areas going forward

An ongoing focus on the management of changes in the risk environment, in particular in relation to legal compliance, tax, sustainability and information and technology-related risks such as those in relation to cybersecurity, data privacy (specifically implementation of the EU's General Data Protection Regulation) and the use of data-driven technologies.

Discharge of responsibilities

The committee determined that, during the financial year under review, it had discharged its responsibilities as outlined in terms of its remit, details of which are included in the full corporate governance report on **www.naspers.com**. The board concurred with this assessment.

The committee has presented the risk summary in the integrated annual report on page 52.

Don Eriksson
Chair: Risk committee

22 June 2018

Human resources and remuneration committee report

"We aim to attract, motivate and retain the best leaders, entrepreneurs, creative engineers and employees to create sustainable shareholder value."

Craig Enenstein
Chair: Human resources and remuneration committee

I am pleased to present the human resources and remuneration committee's report for the year ended 31 March 2018. The committee's main objective is to fulfil the board's responsibility regarding the strategic human resources and remuneration aspects of the group.

The committee has a charter that encompasses King IV™ recommendations and is approved by the board.

Members of the committee and attendance at meetings

The committee comprises a minimum of three non-executive directors. The chair of the committee is an independent non-executive director and is appointed by the board. The chief executive, financial director and chief people officer attend the meetings by invitation. The committee held six meetings during the past financial year. Shareholders suggested that more independence and diversity be added to the composition of this committee. On 22 February 2018 Craig Enenstein was appointed as chair of the committee and Emilie Choi and Roberto Oliveira De Lima were appointed as members of the committee.

The names of the members who were in office during the financial year and details of the committee meetings attended by each of the members:

Committee member	Qualifications	Attendance	Category
Koos Bekker	BAHons and DCom (honoris causa) (Stellenbosch University), LLB (University of the Witwatersrand), MBA (Columbia University)	6/6	Non-executive
Rachel Jafta[1]	MEcon and PhD (Stellenbosch University)	6/6	Independent non-executive
Fred Phaswana	MA (Unisa), BComHons (University of Johannesburg), BA (philosophy, politics and economics)	5/6	Independent non-executive
Cobus Stofberg[2]	BComLaw and LLB (Stellenbosch University) and CA(SA)	5/6	Non-executive
Emilie Choi[3]	MBA (Wharton School of Business, University of Pennsylvania) and a BA in economics (Johns Hopkins University)	1/6	Independent non-executive
Craig Enenstein[3]*	MBA in finance (Wharton School of Business, University of Pennsylvania), MA in international studies (Lauder Institute, University of Pennsylvania), BA (University of California, Berkeley)	1/6	Independent non-executive
Roberto Oliveira de Lima[3]	Public administration qualification, post-graduate degree in business management (Fundação Getúlio Vargas in Brazil)	1/6	Independent non-executive

Notes
* *Chair.*
(1) *Resigned as a member of the committee and chair on 22 February 2018.*
(2) *Resigned as alternate member of the committee on 22 February 2018.*
(3) *Appointed to the committee on 22 February 2018.*

Human resources and remuneration committee report

continued

Purpose

The main purpose of this committee is to assist the board in fulfilling its responsibility for the strategic human resources issues of the group, particularly the remuneration and succession of the most senior executives. Primary objectives include promoting superior performance; directing employees' energies to key business goals; achieving the most effective returns for employee spend; and addressing diverse needs across differing cultures.

Naspers's remuneration strategy aims to attract, motivate and retain the best leaders, entrepreneurs, creative engineers and employees to create sustainable shareholder value.

Policies and practices align the remuneration and incentives for executives and employees to the group's business strategy.

It is the board, based on the recommendation from the human resources and remuneration committee, that approves the remuneration policy. Implementation is delegated to the Naspers human resources and remuneration committee. The subsidiary boards follow a similar practice, within the parameters of the Naspers remuneration policy.

We are confident that the design and structure of our remuneration policy continue to be appropriately aligned to and support our business strategy going forward. The human resources and remuneration committee has endeavoured to improve the remuneration disclosure this year while applying the recommendations of King IV™, as appropriate. Shareholders will be asked to approve the remuneration policy set out in the remuneration report, and implementation thereof, through non-binding advisory votes, at the 2018 annual general meeting.

Key focus areas during the year

During the financial year, the human resources and remuneration committee focused on:

- Gathering and analysing current and relevant industry reward trends to ensure that Naspers has a market-competitive remuneration policy, structure and tools to attract and retain the world's best talent. This included ensuring that the right pay-for-performance mix is applied; ensuring short-term bonuses are measurable and linked to the group's strategy and targets; aligning the terms of the group's various long-term share-based incentive schemes to industry norms, where appropriate to do so; and setting parameters and criteria for allocations of share-based incentives based on individual performance.
- Considering independent external advice on non-executive directors' fees.
- Improving disclosure of executive remuneration in the integrated annual report in a bid for greater transparency.
- Introducing clawback provisions into the short- and long-term incentives for the chief executive and his direct reports.
- Introducing a minimum shareholding requirement for the chief executive, which is common in some UK and South African public companies.
- Thoroughly reviewing detailed succession plans to ensure plans are in place for the chief executive and top positions across the group that not only identify successors, but take into account diversity and talent with potential, as well as training and experience required.

Key focus areas going forward

Key focus areas for the year ahead include, but are not limited to:

- Continued engagement with investors on remuneration topics.
- Ongoing monitoring of market developments to ensure our remuneration structure allows us to compete globally for talent, and that our offering is compelling, fair and responsible.

Remuneration report

Having achieved its objectives for the financial year, the committee sets out the remuneration disclosure in the remuneration report, comprising our overarching remuneration policy for executive directors and non-executive directors and commentary on how it has been implemented during the year. The remuneration report is prepared in accordance with the requirements of King IV™. It is divided into three sections (background statement, remuneration policy and implementation) and is detailed on pages 68 to 91 of the integrated annual report.

Craig Enenstein
Chair: Human resources and remuneration committee

22 June 2018

Naspers Limited
+27 (0)21 406 2121
40 Heerengracht
Cape Town
8001
South Africa

www.naspers.com

NASPERS

Governance report 2018