

PRINCIPLE 1: The governing body should lead ethically and effectively.

Board members individually and collectively demonstrate integrity, competence, responsibility, accountability, fairness and transparency to provide effective leadership, which, together with management, assists in achieving strategic objectives. The induction of new directors and ongoing training ensures directors have the necessary knowledge and competence to fulfil their duties.

Adequate information is provided in the board and committee papers. Regular progress reports are provided to board members for the individual business units. At board meetings, members are updated on new trends.

The company secretary and general manager: legal and regulatory affairs provide professional and independent guidance to the board collectively, and each director individually, on their duties and responsibilities, and draw their attention to relevant legislation and regulations.

Attendance of board and committee meetings indicate the high level of commitment from directors.

The board ensures proper disclosure of how it exercises its governance role. The board and its committees monitor financial, environmental, social and governance matters, as well as risks and opportunities.

Integrated annual report:

- Our risk governance: Managing risks and opportunities

Full corporate governance report – our approach to governance:

- Governance report

Applicable policies and governance elements:

- Code of business ethics and conduct
- Induction policy for new directors and summary of duties and liabilities of directors (Media24 board governance portal)
- Board charter

PRINCIPLE 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

The Media24 board sets the tone at the top and oversees the management of ethics and, in particular, that it results in the outcomes envisaged by King IV™. Media24’s values, code of business ethics and conduct (the Code) and related policies encompass Media24’s interaction with internal and external stakeholders and the broader society. Media24 conducts its business dealings on the basis of compliance with applicable law, and proper regard for ethical business practices.

Management teams across the group understand and apply the Code and create and maintain awareness of the Code and whistleblower policy. Reference to the Code is included in the contracts of new employees, and in the induction process for new employees (at main centres, Johannesburg and Cape Town). The Code applies to the recruitment, performance evaluation and reward processes. Management teams are required to monitor adherence to the Code and apply a zero-tolerance policy to violations. Sanctions are in place and the necessary action is taken, which includes prosecuting to the fullest extent of the law when appropriate.

Contractors, agents and consultants who work with any group company are expected to follow the same standards of business conduct. Group companies may require specific steps to be taken, including, where appropriate, due diligence checks and specific contractual terms for certain types of contractors, agents and consultants.

Internal audit monitors OpenLine (Whistleblower facility operated by Deloitte’s Tip-offs Anonymous). Where appropriate, internal audit and/or external forensic consultants investigate reported matters. Significant allegations and fraud are reported to the audit and risk committees. The risk and audit committees receive reports on whistleblower activity and ethics. Internal audit and risk support provide the risk and audit committees and human resources and remuneration committee with an assessment of the group’s ethics performance annually.

Full corporate governance report: Our approach to governance:

- Business ethics
- The board: How the board adds value

Applicable policies and governance elements:

- Code of business ethics and conduct
- Whistleblower policy
- MyAcademy training on code of business ethics and conduct and whistleblowing
- Board charter

PRINCIPLE 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

Media24’s sustainable development policy includes the responsibility for corporate citizenship. Media24’s purpose, values and strategy are aligned with the principles of responsible corporate citizenship.

The Media24 board oversees and monitors corporate citizenship, assisted by the Naspers social and ethics committee that oversees corporate citizenship for the entire Naspers group in line with the Companies Act. Media24’s chief executive attends the Naspers social and ethics committee’s meetings.

Media24’s diverse business manages numerous corporate citizenship initiatives affecting the workplace, economy, society and environment, including: broad-based black economic empowerment (BBBEE) transformation and employment equity performance for South African subsidiaries; local employment, health and safety laws; employee development opportunities (eg MyAcademy platform); responsible tax policy; fraud and anti-bribery and anti-corruption initiatives; initiatives to minimise impact on the environment; and corporate social investment initiatives contribute to the societies in which our business operates.

Integrated annual report:

- Our performance at a glance: Reporting on our six capitals
- Our people
- Corporate social responsibility

Full corporate governance report – our approach to governance:

- Sustainable development and corporate citizenship
- Legal compliance policy and programme
- Anti-bribery and anti-corruption policy
- Competition compliance policy
- Sanctions and export controls policy
- Sustainable development policy
- Code of business ethics and conduct
- Naspers good governance guidelines
- Board charter
- Group tax policy

PRINCIPLE 4: The governing body should appreciate that the organisation’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process.

The board is responsible for Media24’s performance by steering and providing strategic direction, and overseeing the adoption of strategy and plans (which originate from management). Annually, the board approves the strategy, objectives and business plans for the ensuing financial year. Management is responsible to implement the plans, and is incentivised to do so through annual performance-related incentives linked to the group’s objectives and strategy.

In approving the strategy, the board takes into account sustainability aspects in long-term planning, risks and opportunities, and

Integrated annual report:

- Chair and chief executive’s report
- Our performance at a glance: Reporting on our six capitals

Full corporate governance report – our approach to governance:

- Corporate citizenship
- The board: How the board adds value
- Remuneration report

legitimate and reasonable interests of material stakeholders.

The business plan covers short-term (one year), medium-term (three years) and longer-term aspects. The business plan is a bottom-up/top-down inclusive process. It focuses on the sustainability of the businesses, taking account of changing economic, competitive, technological and other market conditions.

The board oversees implementation of the strategy and business plan by management against agreed performance measures and targets. Performance is monitored via regular financial updates, business segment progress reports and presentations at board meetings.

Risk management is an integral part of the business. In its deliberations the board, assisted by its committees, considers the overall sustainability of the group from a 'people, profit and planet' perspective.

Applicable policies and governance elements:

- Sustainable development policy
- Board charter
- Business plan and budget

PRINCIPLE 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of its performance, and its short-, medium- and long-term prospects.

The chairs of the board's committees report to the board at each scheduled board meeting, keeping the board apprised of developments in terms of their mandates.

The audit committee, and ultimately the board, is responsible for overseeing Media24's reporting and approving management's determination of reporting frameworks and basis for determining materiality. International Financial Reporting standards are used for financial reporting purposes in accordance with the JSE Listings Requirements, and the international integrated reporting framework, as endorsed by King IV™, is used in the preparation of the integrated annual report. The board, assisted by its committees, oversees the audit and integrated annual reporting process.

To assist the board in ensuring the integrity of the integrated annual report, the audit committee reviews this report prior to making a recommendation to the board for approval. The group's external auditors, PricewaterhouseCoopers Inc., audits or reviews, as appropriate, external financial reporting and material non-financial information included in the integrated annual report. A BBEE scorecard is issued by EmpowerLogic for Media24 and its subsidiaries.

Integrated annual report:
2018 annual financial statements and BBEE compliance certificate available at www.media24.com.

Full corporate governance report – our approach to governance:

- The board: How the board adds value
- Audit committee report

Applicable policies and governance elements:

- Board charter
- Audit committee charter

PRINCIPLE 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation.

The board exercises its leadership and oversight role by annually approving the strategy and the business plan and overseeing implementation. Accountability for Media24's performance is ensured by its financial reporting and integrated annual report, together with disclosure of general and investor information on the corporate website (www.media24.com).

The board's role, responsibilities, membership requirements and procedural conduct are documented in its charter, which it regularly reviews, to guide its effective functioning. Board-approved policies set out the processes to be followed for:

2018 annual financial statements and BBEE compliance certificate at www.media24.com.

Full corporate governance report: Our approach to governance:

- Our board
- Board committees
- Independent advice
- Meetings and attendance
- Audit committee report

- Any of its members or committees to obtain independent, external professional advice at the cost of Media24 on matters within the scope of their duties.
- Its non-executive members for requisitioning documentation from, and setting meetings with, management.

All board policies, and the board and committee charters, are reviewed annually.

- Applicable policies and governance elements:
- Board charter
 - Audit committee charter
 - Obtaining independent professional advice policy
 - Directors' right to access to information policy
 - Media24 website

PRINCIPLE 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

Board-approved policies inform processes to achieve an appropriate balance of knowledge, skills, experience, diversity and independence on the board. The composition of the board (including board member rotation) is reviewed annually by the nomination committee, which makes recommendations to the board. The board promotes diversity in its membership and considers its composition holistically, taking into account all aspects of diversity (including gender and race) in terms of its diversity policy, and capitalising on differences in the skills, geographical and industry experience of its members. The chief executive and chief financial officer are board members.

In the event of the chair being unable to perform her duties or being conflicted, the lead independent director takes over as an interim measure until a new candidate has been determined or the chair is able to resume her responsibilities. In the annual review of board and committee composition, succession planning, including upcoming retirements, are considered and, where appropriate, new appointees are identified. All aspects of diversity are considered in succession planning, while training requirements are considered in developing executive and non-executive directors.

The nomination, election and appointment processes are formal and transparent, and include a fit-and-proper test. Formal terms of appointment are being put in place for each non-executive director.

The nomination committee and board evaluate the categories of directors annually, categorising directors as executive, non-executive and/or independent. The independence of non-executive directors serving for longer than nine years is formally assessed annually.

CVs of all directors are included in the integrated annual report and on the Media24 website (www.media24.com).

AGM notice: Rotation and re-election of directors

Full corporate governance report: Our approach to governance:

- The board: Composition, meetings and attendance, the chair and conflicts of interest, evaluation

- Applicable policies and governance elements:
- Board charter
 - Nomination committee charter
 - Board diversity policy
 - Appointment of new directors policy
 - Induction for new directors policy
 - MyAcademy training on directors' duties and corporate governance

PRINCIPLE 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgment, and assist with balance of power and the effective discharge of its duties.

The board's standing executive, audit, risk, human resources and remuneration, safety, health and environment, and nomination committees fulfil key roles in ensuring good corporate governance. In determining responsibilities delegated to committees, the board was guided by legal and regulatory requirements, the recommendation of King IV™ and what is appropriate for Media24. The responsibilities and composition of committees are detailed in the governance report.

Charters are approved by the board for all committees and reviewed annually. Committee charters deal with composition, role and responsibilities, delegated authority, meeting procedures, right to obtain professional advice, and performance evaluation arrangements. All committee members are board members. Committees report to the board at each scheduled board meeting. There is overlapping membership between all committees for more effective functioning. Delegating responsibilities does not discharge the board's accountability, and the board's collective mind is applied to information, opinions, recommendations, reports and statements presented to it.

Members of the executive and senior management are invited to committee meetings to provide information and insights in their areas of responsibility. Any board member is entitled to attend any committee meeting as an observer, subject to agreement by the chair of that committee. However, they do not have a vote and are not entitled to fees for attendance.

The audit committee has the power to make decisions on its statutory duties, and is accountable for its performance in this regard. The board is ultimately accountable for other responsibilities delegated to the audit committee. The external audit partner and head of internal audit have unrestricted access to the chair of the audit committee, which meets separately with auditors twice a year.

Refer to the committee reports for further detail, specific disclosures, and focus areas.

Full corporate governance report: Our approach to governance:

- The board and board committees: Audit, risk, human resources and remuneration, nomination, and safety, health and environment committees

Applicable policies and governance elements:

- Board charter
- Committee charters

PRINCIPLE 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.

The board determines how performance evaluations of the board, its committees, individual members and its chair should be approached. Until 2018, the board performed an annual formal inhouse self-assessment of its own effectiveness, as well as its committees, individual members and its chair. From 2019, this formal process will be changed to every two years. However, performance in general will be considered every year as part of the review of the composition of the board and its committees. The lead director heads the evaluation of the chair.

Full corporate governance report: Our approach to governance:

- The board, evaluation, nomination committee

Applicable policies and governance elements:

- Board charter
- Nomination committee charter

PRINCIPLE 10: The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

The board approves the appointment of the CEO and the chief financial officer. The human resources and remuneration committee considers the performance of the CEO and chief financial officer annually against agreed performance incentive objectives. The audit committee considers the performance of the chief financial officer and the finance function and reports thereon in its report included in the integrated annual report. The board approves the group levels of authority annually, which include delegated authorities to the Media24 CEO. The board evaluates the overall performance of the CEO and chief financial officer. The integrated annual report discloses performance measures for the CEO and chief financial officer. Executive directors are also assessed in their capacity as directors as part of the annual individual directors' evaluation process.

Succession plans, including interim appointees, for the CEO and senior executives are reviewed annually by the human resources and remuneration committee.

The board appoints the fulltime company secretary. The office of the company secretary is empowered and carries the necessary authority. The company secretary has the necessary competence, gravitas and objectivity to provide independent guidance and support. The company secretary reports to the chair on all statutory duties and functions performed for the board. On other duties and administrative matters, the company secretary reports to the Media24 chief financial officer. The performance and independence of the company secretary is evaluated annually by the human resources and remuneration committee, nomination committee and the board.

Full corporate governance report: Our approach to governance:

- The board, CEO and company secretary
- Human resources and remuneration committee
- Remuneration report: Service contracts

Applicable policies and governance elements:

- Board charter
- Group levels of authority
- Human resources and remuneration committee charter
- Nomination committee charter

PRINCIPLE 11: The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.

The board approves Media24's risk management policy, which is reviewed annually.

Responsibility for managing risks and opportunities is shared by all the group's decision-makers, from the Media24 board to group CEOs and general managers, through to other management with delegated responsibilities. Opportunities are identified and reported through various governance structures as part of the oversight process. Risks and opportunities are considered in setting strategy and discussing the annual business plan and budget. Executive management is responsible for identifying, managing and reporting risk. The group's risk framework, register and heatmap drive the reporting process to ensure key objectives are identified and associated risks are considered, assessed and reported.

The board treats risk as integral to its decisions and in executing its duties, and evaluates and determines the nature and extent of risk Media24 is willing to take in pursuing its strategic objectives. Media24 has an entrepreneurial approach and many important risks are not easily quantifiable. As a group, we do not consider risk-bearing capacity in a technical sense in our strategic decisions, but we ensure to remain within covenants agreed with our debt providers. We run adequate insurance programmes to mitigate the risk of sudden losses caused by an insurable risk materialising.

The risk committee assists the board in its risk oversight role.

Integrated annual report: Our risk governance: Managing risks and opportunities

Full corporate governance report: Our approach to governance:

- Legal compliance
- The board: How the board adds value
- Risk committee

Applicable policies and governance elements:

- Board charter
- Risk committee charter
- Risk management policy

The risk register reported to the risk committee details mitigating management actions as appropriate in response to risks. Business continuity is considered a key risk in the group and is managed accordingly.

Internal audit provides assurance annually on the effectiveness of the risk management processes across the group.

PRINCIPLE 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.

The board approves and annually reviews the information and technology (I & T) governance charter and approved a cybersecurity policy in June 2018. An overview of arrangements for governing and managing I & T, monitoring effectiveness, focus areas during the year, future focus areas and other specific disclosures appear in the full governance report and our risk governance section in the integrated annual report. I & T governance is applied in the context of enterprisewide risk and opportunity management. Business resilience is a key objective of cybersecurity plans, which address, monitor and respond to cyber-incidents. The capability of businesses to respond to disruption is in scope for internal audit.

Compliance with relevant laws and ethical and responsible use of I & T are addressed through our code of business ethics and conduct and legal compliance and data privacy programmes. Data privacy is a high priority for Media24.

Internal audit provides assurance to management, the risk committee and board on the effectiveness of I & T governance, based on detailed controls to manage identified risks and reduce vulnerability. The group's risk committee oversees information and technology from risk and ethics perspectives, respectively.

These arrangements for governing and managing I & T enable the risk committee, and ultimately the board, to oversee Media24's I & T governance.

Integrated annual report:

- Our risk governance: Managing risks and opportunities

Full corporate governance report: Our approach to governance:

- Information and technology governance
- The board: How the board adds value
- Risk committee

Applicable policies and governance elements:

- Board charter
- Risk committee charter
- Risk management policy
- Information and technology charter
- Cybersecurity policy
- Data-privacy programme and policies
- Code of business ethics and conduct
- Legal compliance policy and framework

PRINCIPLE 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.

An overview of arrangements for governing and managing compliance, measures to monitor effectiveness, focus areas during the year, future focus areas and other specific disclosures appear in the full governance report.

These arrangements enable the risk committee, and the board, to oversee Media24's legal compliance holistically in a way that supports Media24 being an ethical and good corporate citizen.

Full corporate governance report: Our approach to governance:

- Legal compliance
- The board: How the board adds value
- Risk committee

Applicable policies and governance elements:

- Board charter
- Risk committee charter
- Legal and compliance policy
- Anti-bribery and anti-corruption policy
- Competition compliance policy
- Sanctions and export controls policy
- Legal compliance framework
- Data-privacy policy and programme

PRINCIPLE 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

The board approves and annually reviews the remuneration policy. It has delegated oversight of executing the remuneration policy to the human resources and remuneration committee, which reports to the board on its activities and makes recommendations where required.

The remuneration policy is designed to attract, motivate, reward and retain employees, as well as promote achieving strategic objectives within the group’s risk appetite and ethical culture. The policy addresses fair and responsible organisation-wide remuneration and sets out all elements of remuneration. The remuneration policy ([click here](#)) was aligned with King IV™’s recommendations and approved by the board in November 2017.

Remuneration is disclosed in a three-part report included in the integrated annual report: background statement, overview of main provisions of the remuneration policy and an implementation report.

Non-executive directors do not receive fees for their services as directors of Media24 Holdings Proprietary Limited. The remuneration policy is tabled annually for a non-binding advisory vote by shareholders at the AGM. From 2018, the implementation report will also be tabled for a separate non-binding advisory vote by shareholders at the AGM.

AGM notice, ordinary resolution numbers 6 and 7.

Full corporate governance report: Our approach to governance:

- Remuneration report
- The board: How the board adds value
- Remuneration report

Applicable policies and governance elements:

- Remuneration policy
- Board charter
- Human resources and remuneration committee charter
- Risk management policy
- Code of business ethics and conduct
- Sustainable development policy

PRINCIPLE 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation’s external reports.

The board provides assurance regarding the integrated annual report and annual financial statements in its statement of responsibility included in the integrated annual report.

The audit committee and the board oversee that assurance services and functions enable an effective control environment, and support the integrity of information for internal decision-making and Media24’s external reports. Internal audit reports on the internal control environment to the audit committee.

Media24 follows a combined assurance model, which covers key risks through an appropriate combination of assurance service providers and functions, including line functions that own and manage risks, specialist internal audit and compliance functions (for Media24 and significant businesses), as well as external auditors and other relevant parties, such as regulatory inspectors. This model is linked to key risks and an assessment of combined assurance effectiveness is reported to the audit and risk committees. The company secretary, general manager: legal and regulatory affairs and external counsel guide the board on legal requirements.

The head of internal audit is appointed by the audit committee. The head of internal audit has unrestricted access to and meets periodically with the chair of this committee.

Integrated annual report, assurance on page 1.

Full corporate governance report: Our approach to governance:

- Internal control systems
- Internal audit

Applicable policies and governance elements:

- Board charter
- Audit committee charter
- Internal audit charter

PRINCIPLE 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

Stakeholder engagement is decentralised and dealt with by the communications, corporate secretariat, legal and human resources teams and spokespersons in various group businesses. Overviews of governing and managing stakeholder relationships and measures to monitor effectiveness appear in the integrated annual report and full governance report. This demonstrates that the board adopts a stakeholder-inclusive approach and monitors management's process of engagement with identified material stakeholders. The board considers stakeholders in decisions and the company is not steered in a direction to adversely affect the natural environment, society or future generations. Managing stakeholder risk is an integral part of groupwide risk management.

Refer to our stakeholders and approach to governance in the integrated annual report for a more detailed overview of how we manage stakeholder relationships.

Integrated annual report: Our stakeholders

Full corporate governance report: Our approach to governance:

- The board: How the board adds value

Applicable policies and governance elements:

- Board charter
- All board and committee charters and group policies, including communications policy
- Naspers group good corporate governance guidelines and Naspers group annual CEO/CFO sign-off process

The integrated annual report can be viewed at www.media24.com.

The full governance report can be found on page 34 of the integrated annual report.

Master document approved by Media24 Board