

## MEDIA24'S REMUNERATION POLICY

This remuneration policy and its execution is the responsibility of the human resources and remuneration committee of Media24. The human resources and remuneration committee assists the board in ensuring that the group can attract and retain the very best entrepreneurial, engineering, creative and leadership talent, and deliver fair, responsible and transparent remuneration, striving to achieve the group's strategic objectives and ensuring alignment between shareholder outcomes and employee remuneration in the short, medium and long term.

Our policies and practices align the remuneration and incentives for executives and employees to the group's long-term business strategy.

Media24 has an integrated approach to its remuneration strategy, with a balanced design that aligns stakeholder interests. Accordingly, individual reward components are aligned to the business-specific value drivers of Media24. Our primary objectives include directing employees' energies to key business goals and achieving the most effective returns for employee spend.

### **Non-executive directors' remuneration**

Non-executive directors receive annual remuneration, as opposed to a fee per meeting, which recognises their ongoing responsibility for efficient control of the company. This remuneration is augmented by compensation for services rendered as members of committees of the board and the boards of subsidiaries. A premium is payable to the chair of the board as well as the chairs of committees.

Remuneration is reviewed annually and is not linked to Media24's share price or performance. Non-executive directors do not qualify for share allocations under the group's incentive schemes. Supported by independent advice, the human resources and remuneration committee makes its recommendations regarding the remuneration of non-executive directors to the board annually in advance, for approval by shareholders.

### **Executive remuneration**

#### **Group remuneration framework**

Remuneration throughout the organisation has been designed to aid the recruitment and retention of vital skills in a competitive and global market. Our three-tier remuneration structure provides an appropriate balance between guaranteed annual remuneration and variable remuneration, which is directly linked to performance that enhances shareholder value:

1. **Guaranteed fixed pay for performing the contractual role:** This may include a base salary and employment-related benefits such as a pension, medical insurance, etcetera. Remuneration packages are reviewed annually in the context of business performance and compared with reported figures for similar positions to ensure that they are fair and sensible. In some instances independent consultants provide benchmarks. We have no specific group policies to, for example, pay at the median of the market, as fixed remuneration is also linked to performance.
2. **Annual performance-related incentives** for achieving annual financial and operational targets (for example growth in consumer numbers, consumer satisfaction, etcetera).

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This incentive plan for each executive is agreed annually in advance. Incentives are based on targets that are verifiable and aligned to the specific division's annual business plan. No performance-related incentive is paid if targets are not achieved.

3. **Long-term incentives:** Executive directors, senior management and other employees in critical roles are eligible to receive long-term incentives.

Long-term incentives are offered in the form of Media24 share options (if made available as an offer) and/or share appreciation rights plans and/or Naspers N share options. These plans, and the particular mix of Naspers N share options versus Media24 share options/appreciation rights, create an alignment between executive pay and shareholder gains, with participants being rewarded for their contribution to the performance of Media24. These incentives are not automatic: employees must deliver superior performance over time to be eligible for an award.

In addition to the Media24 share options/appreciation rights or Naspers N shares, restricted Naspers shares may be awarded, under the restricted stock unit (RSU) scheme, to key contributors at a relatively junior level within Media24. The use of RSUs is highly prevalent in global technology companies and their inclusion in our remuneration packages ensures that we are attracting and retaining the critical talent, such as engineers and those employees with specialist skills, within these highly competitive markets. It is important to note that awards under the RSU scheme are not available to senior management or executive directors.

These awards usually vest over four or five years and typically must be exercised within five to ten years from the date of grant. The Media24 human resources and remuneration committee reviews the share-based awards annually. If the company employs people during the year, share options/appreciation rights may be awarded on appointment. Guidelines for making awards have been set.

No awards are made during closed periods, backdating is prohibited, and there is no repricing or automatic regranteeing of underwater shares/appreciation rights. There is no automatic entitlement to incentives or early vesting of share-based incentives if an executive leaves the company. A cap applies to the number of shares/appreciation rights that may be awarded in aggregate to any individual.

### **Service contracts**

Executives' contracts comply with terms and conditions of employment in the local jurisdiction. Executive and non-executive directors' contracts do not contain golden parachute clauses and none automatically triggers a restraint of trade payment.

Non-executive directors are subject to regulations on appointment and rotation in terms of the company's memorandum of incorporation and the South African Companies Act.

### **Approval and implementation**

Based on the recommendation of the human resources and remuneration committee, the board approves the remuneration policy. Implementation is delegated to the Media24 human resources and remuneration committee.

Remuneration is disclosed in the integrated annual report by means of a remuneration report in three parts: a background statement, an overview of the main provisions of the remuneration policy, and an implementation report. The remuneration policy and implementation report are put to shareholders at the annual general meeting for separate non-binding votes.

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In the event that 25% or more of the voting rights exercised, vote against either the remuneration policy or the implementation report, or both, the board will have to take steps, in good faith and with best reasonable effort, to do the following as a minimum:

1. Implement an engagement process to ascertain the reasons for the dissenting votes.
2. Duly address legitimate and reasonable objections and concerns that have been raised, which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or related processes.

In addition, the following will be disclosed in the background statement of the remuneration report in the year succeeding the vote against the remuneration policy or the implementation report:

1. With whom the company engaged, and the manner and form of engagement to ascertain the reasons for dissenting votes.
2. The nature of steps taken to address legitimate and reasonable objections and concerns.