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

You stepped onto the HR and remuneration committee in February 2018, what changes have you made?

I became Chairperson of the HR & remuneration committee in February 2018, at a time when a number of changes were already underway.

The committee had been refreshed, with Emilie Choi and Roberto Oliveira de Lima the other two new committee members. Fred Phaswana, our lead independent director, and Koos Bekker are the other members of the committee.

We had been actively reaching out to some of our major shareholders and also those who had a particular interest in remuneration topics. The aim was to listen to their advice and opinions on the topic.
A re-design of our disclosures was underway with several design proposals already in front of the committee for consideration. Since then, a lot has happened:

- To address shareholder dilution concerns, from April 2018, we have been actively buying back shares in the market to cover our settlement obligations in respect of employee longer-term incentive schemes and other equity-based agreements, for example with founders.

- We introduced a shareholding requirement for the CEO, which is quite onerous compared to the typical arrangements we see in South Africa, the UK and Europe. This requires the CEO to hold 10 times his salary in Naspers shares at all times. I am pleased to say that Bob has met this requirement at the end of fiscal year 19. Some of our shareholders were keen to see this measure included, as it prevents the CEO from what they would see as "cashing-out early".

- We introduced a claw back mechanism in the short- and longer-term incentives issued to the CEO and all of his direct reports. This enables the committee to re-coup all or part of a bonus payment or longer-term incentive award in the event of serious misconduct or financial misstatement. In many respects, this is a "hygiene" measure, as we don't expect to have to use it. However, some of our shareholders felt it was an element that was missing from our approach, and we were happy to put it in place and appreciated the recommendation.

- We issued a new-format remuneration report in July of 2018 which has been welcomed by our shareholders. The report complied with the new South African King IV requirements and delivered a clearer and more holistic view of our remuneration approach, practices and decisions. We will continue to strive for such transparency.

- Finally, we achieved a higher level of support from our shareholders at our AGM in 2018 than we had at the previous year's AGM. In 2017, when there was only one remuneration resolution, the N-shareholder vote in favor of the resolution was 24%. In 2018, this increased. Just over 43% of N-shareholders voted in favor of the remuneration policy and just over 52% voted in favor of its implementation. While that's a step in the right direction, we would prefer a much higher level of support. We are also conscious that for many, last year's increase was a vote of confidence in our direction of travel, with an expectation that more improvements are to come. We are dedicated to a path of continuous improvement.

So, we have not been resting on our laurels and I'm pleased to have announced more progress in the fiscal year 19 report that we have just released.