

prosus

Building leading companies

that improve people's lives

Please refer to the FY20 annual report and remuneration report for full details of the FY20 remuneration



Mumbai, India

Remuneration at a glance 2020

Remuneration at a glance

Please refer to the FY20 annual report for full details of the FY20 remuneration.

Our context

How we add value

We pursue growth by building leading companies that empower people and enrich communities

Underpinned by our active capital allocation and strategy

We ensure that we optimise our portfolio for growth and competitiveness



Financial summary

In US\$m	FY20	FY19	% change
Revenue	21 455	18 340	17
Trading profit ⁽¹⁾	3 777	3 377	12
Dividend per N ordinary share (euro cents) (FY20 reflects dividend proposed)	11		

⁽¹⁾ Reported on an economic-interest basis. All financial figures are from continuing operations.
For full financial results please refer to page 140 of the annual report.

The onset of a global pandemic from the spread of Covid-19 has had a marked impact on the daily lives of global citizens and the economy at large. While the impact is likely to persist for some time, we are confident of our ability to weather the storm and, as such, the group's focus during this time is on leveraging its financial strength and flexibility to continue building a business that grows strongly, generates high rates of return and provides employment for thousands of employees over the long term.

• Read more on pages 14 and 15 of the annual report.

Our approach to fair and responsible pay

The Prosus approach to remuneration



We believe in **pay for performance**: we are comfortable with bigger rewards for those that make the highest contribution



Remuneration must be **aligned with shareholder outcomes**



Remuneration must incentivise the **achievement** of strategic, operational and financial objectives, in both the short and longer term



We are **consistent**: our reward package elements are broadly the same, regardless of seniority*



Our reward systems must help us attract and retain the best talent around the world in a **fair and responsible** way

* Some employees do not receive longer-term incentives.

Our remuneration systems are:

Responsible

- Independent: with oversight, top-down via board
- Managed: all employee pay decisions are properly overseen
- Considered: judgement is applied; we shy away from formulaic appraisals that could lead to unacceptable outcomes
- Sustainable: remuneration designed with sustainability in mind

Fair

- Rational: easy to explain
- Equitable: free from discrimination
- Relevant: linked to personal and company performance

Remuneration at a glance continued

The FY20 outcomes

Executive director remuneration for the year ended 31 March 2020

Guaranteed fixed pay

Base salary/total cost to company (TCTC), including benefits (pension, medical, life cover)



Short-term incentives (STIs)

Annual performance-related incentives



Longer-term incentives (LTIs)

Performance share units (PSUs) and/or share appreciation rights (SARs) and/or share options (SOs)



Total remuneration

Total remuneration for executive directors for the year ended 31 March 2020

The table below includes the executive director remuneration for FY20.

In US\$'000	Executive director remuneration for the year ended 31 March 2020 (FY20)						Proportion of fixed and variable remuneration
	Fixed remuneration	Variable remuneration		Pension	Other benefits ⁽⁴⁾	Total remuneration ⁽⁵⁾	
Executive director	Base salary ⁽¹⁾	STI ⁽²⁾⁽³⁾	LTI				
Bob van Dijk, CEO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	1 362	1 180	13 284	89	62	15 977	9%/91%
Basil Sgourdos, CFO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	950	1 207	6 888	90	30	9 165	10%/90%

In EUR'000	Executive director remuneration for the year ended 31 March 2020 (FY20)						Proportion of fixed and variable remuneration
	Fixed remuneration	Variable remuneration		Pension	Other benefits ⁽⁴⁾	Total remuneration ⁽⁵⁾	
Executive director	Base salary ⁽¹⁾	STI ⁽²⁾⁽³⁾	LTI				
Bob van Dijk, CEO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	1 235	1 070	11 919	81	57	14 362	9%/91%
Basil Sgourdos, CFO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	861	1 094	6 180	81	27	8 243	10%/90%

⁽¹⁾ The CFO's compensation was historically structured on the basis of total cost to company (TCTC), which included base salary plus benefits. Effective FY21 this structure is aligned to that of the CEO, without impacting the total target cash position.

⁽²⁾ Actual payout over FY20 performance; achievement of STI goals are shown on pages 105 and 122 in the annual report.

⁽³⁾ Includes for CFO an additional variable bonus over FY20 capped at 25% of TCTC relating to obtaining new general funding.

⁽⁴⁾ Medical insurance, life and disability insurance.

⁽⁵⁾ Executive directors are executive directors of both Naspers and Prosus. The costs of their remuneration as executive directors of these entities are split 10/90 between Naspers and Prosus.

⁽⁶⁾ Represents the fair value on grant date in accordance with IFRS 2 of awards made during FY20. The actual value accruing to the executive will depend on the real value created over the time of the award.

The potential gain of awards vested during FY20 are tabled on page 114 of the annual report, together with the share-based payment expenses in accordance with IFRS 2.

Remuneration at a glance continued

Short-term incentive (STI) over FY20

FY20 goals and achievements

STI is based on financial, strategic, operational and sustainability performance targets that are tailored for each role.

The minimum STI payout was 0% of salary/TCTC. The target and maximum STI opportunity are the same. All STI awards are paid out in cash.

BOB VAN DIJK

Maximum STI opportunity: 100% base salary

Group financial goals	Weighting %	Description	Actuals	✓ Achieved	✗ Not achieved	Actual payout
				Outcome		
● Revenue	10.0	Achieve revenue target (on an economic-interest basis and excluding M&A)	US\$21 612m	✓		€123 467
● Core headline earnings (including Tencent) ⁽¹⁾	15.0	Achieve core headline earnings at target, including Tencent	US\$3 357m	✓		€185 201
● Core headline earnings (excluding Tencent) ⁽¹⁾	15.0	Achieve core headline earnings at target, excluding Tencent	(US\$817m)	✓		€185 201
● Free cash flow	10.0	Achieve free cash outflow at target	(US\$338m)	✓		€123 467
	50.0					€617 336
Strategic, operational and ESG goals	Weighting %	Description		Outcome		Actual payout
● Classifieds	10.0	Deliver organic topline growth and organic trading profit growth at target		✓ *		€61 734
● Food Delivery	10.0	Deliver on targets related to revenue, order volume, organic revenue growth and manage incremental YoY spent on total food delivery		✓ **		€82 353
● Payments and Fintech	5.0	Deliver organic revenue growth target and organic trading loss improvement		✗		€0
● B2C	2.5	Deliver organic revenue growth target and organic trading loss improvement		✓		€30 867
● Corporate structure	10.0	Implement board-approved plan for Prosus listing		✓		€123 467
● Business sustainability: Diversity and inclusion	5.0	Increase focus on diversity and inclusion throughout the group, measured through employee engagement survey		✓		€61 734
● Business sustainability: Machine learning and artificial intelligence	7.5	Scale up the amount of AI talent through hiring and upskilling		✓		€92 600
	50.0					€452 755

* The following target for Classifieds was achieved: organic trading profit growth.

** The following targets for Food Delivery were achieved: organic revenue growth and manage incremental YoY spent on total food delivery.

BASIL SGOURDOS

Maximum STI opportunity: 100% of TCTC*

Group financial goals	Weighting %	Description	Actuals	Outcome	Actual payout
● Core headline earnings (including Tencent) ⁽¹⁾	12.5	Achieve core headline earnings at target, including Tencent	US\$3 357m	✓	US\$133 662
● Core headline earnings (excluding Tencent) ⁽¹⁾	12.5	Achieve core headline earnings at target, excluding Tencent	(US\$817m)	✓	US\$133 662
● Free cash flow	25.0	Achieve free cash outflow at target	(US\$338m)	✓	US\$267 323
	50.0				US\$534 647
Strategic, operational and ESG goals	Weighting %	Description		Outcome	Actual payout
● Structure	25.0	Implement board-approved plan for Prosus listing		✓	US\$267 323
● Taxation	10.0	Prudent and optimal tax management structure		✓	US\$106 929
● Investor relations	5.0	Design and implementation of IR strategy		✓	US\$ 53 465
● Group finance	2.5	Driving efficiency through the group finance organisation and operating rhythms		✓	US\$ 26 732
● Governance, internal audit and risk management	2.5	Ensure that effective systems of internal control are operated throughout the group's controlled entities		✓	US\$ 26 732
● Business sustainability: Team and talent	5.0	Develop finance team and ensure high employee engagement through diversity and inclusion		✓	US\$ 53 465
	50.0				
● Funding	25.0	A variable bonus capped at 25% of total cost to the company, related to obtaining new general funding		✓ **	US\$137 500
					US\$672 147

* Plus maximum 25% bonus linked to general funding.

** Achieved 12.86% of the variable bonus capped at 25% of total cost to the company by obtaining new general funding.

⁽¹⁾ Core headline earnings is an alternative performance measurement. Please refer to "Other information - non-IFRS financial measures and alternative performance indicators" on page 230 of the annual report.

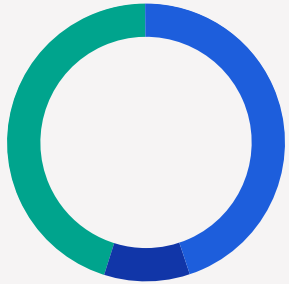
Remuneration at a glance continued

The balance of CEO/CFO LTI is focused towards consumer internet business

The estimated fair value⁽¹⁾ of Bob van Dijk's and Basil Sgourdos' longer-term incentives was balanced approximately as follows:

Balance of the FY20 LTI grant

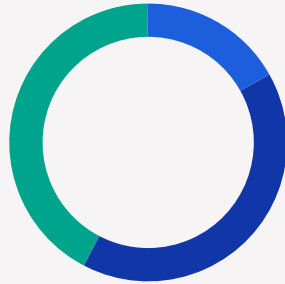
BOB VAN DIJK



	%
● Naspers PSUs	45
● Naspers SOs	10
● Ecommerce SARs	45
Total	100

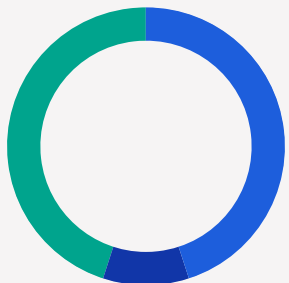
Balance of all unvested LTI, including the FY20 LTI grant

BOB VAN DIJK



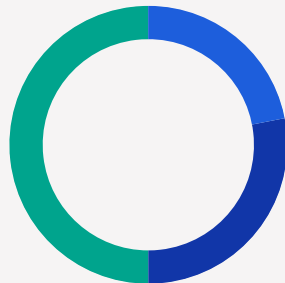
	%
● Naspers PSUs	17
● Naspers SOs	41
● Ecommerce SARs	42
Total	100

BASIL SGOURDOS



	%
● Naspers PSUs	45
● Naspers SOs	10
● Ecommerce SARs	45
Total	100

BASIL SGOURDOS

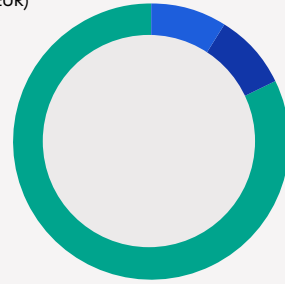


	%
● Naspers PSUs	22
● Naspers SOs	28
● Ecommerce SARs	50
Total	100

Compensation is mostly 'at risk' and longer term

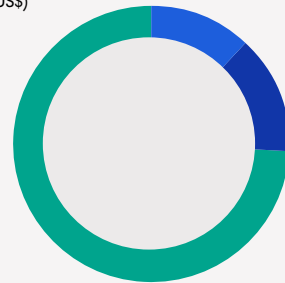
Below we show the relative weightings of each type of compensation: annual fixed pay, STI and LTI for each executive as at 31 March 2020.

BOB VAN DIJK
(EUR)



	%
● Annual fixed pay	9
● Annual STI (target)	9
● Annual LTI at fair value	82

BASIL SGOURDOS
(US\$)



	%
● Annual fixed pay	12
● Annual STI (target)	14
● Annual LTI at fair value	74

⁽¹⁾ Represents the fair value of LTI awards on grant date in accordance with IFRS 2.

Remuneration at a glance continued

Looking forward to FY21

Due to the ongoing uncertainty created by the Covid-19 pandemic, there will be no performance-related salary increase for the executive directors for FY21, as we do not think it is appropriate to increase the cost base at this point in time. The pay review for all other employees has been postponed until further notice.

The effect of the Covid-19 pandemic on the Prosus group is not clear at this time. This creates significant uncertainty, which may mean that we need to adjust the objectives for the STI plan as such effect becomes clearer during the course of FY21. In addition, the committee may determine that it is not appropriate for the full (or any) bonus to be paid for FY21.

Given the longer-term focus of the company, and the prudent approach on pay and bonus, it will still be appropriate to make LTI awards in the coming year, though the grant date will be postponed until August or early September, in line with the LTI awards to the broader employee population this year.

From FY21 onwards, the CFO will also be paid on a base salary basis. He was historically paid on a total-cost-to-company basis (TCTC), which is more typical for South African companies. This change now brings his compensation structure in line with international norms and with that of the CEO. The overall total cash opportunity for the CFO has not changed due to this restructure, as is shown on page 121 of the annual report.

FY21 remuneration in US\$

In US\$'000	Fixed remuneration	Variable remuneration		Pension ⁽⁴⁾	Other benefits ⁽⁵⁾	Total remuneration ⁽⁶⁾
		Base salary ⁽¹⁾	STI ⁽²⁾			
Executive director						
Bob van Dijk, CEO	1 362	100%	13 500	89	54	16 367
Basil Sgourdos, CFO	1 143	100%	8 000	90	26	10 402

FY21 remuneration in EUR

In EUR'000	Fixed remuneration	Variable remuneration		Pension ⁽⁴⁾	Other benefits ⁽⁵⁾	Total remuneration ⁽⁶⁾
		Base salary ⁽¹⁾	STI ⁽²⁾			
Executive director						
Bob van Dijk, CEO	1 235	100%	12 238	81	49	14 838
Basil Sgourdos, CFO	1 036	100%	7 252	81	24	9 429

⁽¹⁾ The executive directors did not receive an increase in base salary in this financial year. It is also noted that, from FY21 onwards, the compensation structure of the CFO changed from TCTC to base salary, without impacting the total target cash position. The maximum bonus is capped at 100% instead of 125%.

⁽²⁾ This is the at-target and also maximum STI as a percentage to base salary. STI goals are shown on pages 105 and 122 in the annual report.

⁽³⁾ Represents the estimated fair value of the LTI awards on grant date in accordance with IFRS 2, of grants that are intended to be made in FY21. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure is based on indicative values and may therefore differ from the final fair value granted.

⁽⁴⁾ The net employer pension contributions for Bob van Dijk will remain stable at 6.5% of base salary. The life insurance costs will drop for both executives as a result to a change to a new provider.

⁽⁵⁾ Medical insurance, life and disability insurance.

⁽⁶⁾ Executive directors are executive directors of both Naspers and Prosus. Their remuneration as executive directors of these entities are currently split 10/90 between Naspers and Prosus.

Remuneration at a glance continued

FY21 STI goals

BOB VAN DIJK

Target and maximum STI opportunity: 100% base salary

Group financial goals	Weighting %	Description	Maximum payout
● Revenue	10.0	Achieve revenue target (on an economic-interest basis and excluding M&A)	€123 467
● Core headline earnings (including Tencent)	15.0	Achieve core headline earnings at target, including Tencent	€185 201
● Core headline earnings (excluding Tencent)	15.0	Achieve core headline earnings at target, excluding Tencent	€185 201
● Free cash flow	10.0	Achieve free cash outflow at target	€123 467
	50.0		€617 336
Strategic, operational and ESG goals	Weighting %	Description	Maximum payout
● Classifieds	12.5	Deliver organic topline growth and organic trading profit growth at target	€154 334
● Food Delivery	15	Deliver on targets related to organic revenue growth and organic trading profit improvement	€185 201
● Payments and Fintech	7.5	Deliver organic revenue growth target and organic trading loss improvement	€92 600
● Sustainability: Machine learning and artificial intelligence	5	Continue to build our AI capabilities by increasing the number of machine learning modules in production	€61 734
● Sustainability: Diversity and inclusion	5	Increase focus on diversity and inclusion throughout the group, measured through employee engagement survey	€61 734
● Sustainability: Data privacy and security	5	Documented approach across the group to address privacy and security at the design phase for new products and services, consistent with the group's policies on data-privacy governance and cybersecurity	€61 734
	50.0		€617 336

BASIL SGOURDOS

Target and maximum STI opportunity: 100% of base salary

Group financial goals	Weighting %	Description	Maximum payout
● Core headline earnings (including Tencent)	12.5	Achieve core headline earnings at target, including Tencent	US\$142 898
● Core headline earnings (excluding Tencent)	12.5	Achieve core headline earnings at target, excluding Tencent	US\$142 898
● Free cash flow	25.0	Achieve free cash outflow at target	US\$285 796
	50		US\$571 591
Strategic, operational and ESG goals	Weighting %	Description	Maximum payout
● Holding company discount	15	Continue to engage with shareholders and taking into account their feedback, develop proposals to address the holding company discount	US\$171 477
● Taxation	12.5	Effective taxation strategy and policy to address changes in global tax frameworks	US\$142 898
● Investor relations	5.0	Increase focus on ESG, deliver effective communication and improve shareholder targeting	US\$57 159
● Group finance	10	Deliver more effective processes that improve our financial capabilities. Deliver group auditing rotation process	US\$114 318
● Governance, internal audit and risk management	2.5	Ensure that effective systems of internal control are operated throughout the group's controlled entities	US\$28 580
● Sustainability: People and talent management	5.0	Progress on diversity and inclusion initiatives and develop a structured finance learning strategy	US\$57 159
	50.0		US\$571 591

The effect of the Covid-19 pandemic on the Prosus group is not clear at this time. This creates significant uncertainty, which may mean that we need to adjust the objectives for the STI plan as such effect becomes clearer during the course of FY21. In addition, the committee may determine that it is not appropriate for the full (or any) bonus to be paid for FY21.

Remuneration at a glance continued

FY21 LTI awards

We have set out information below on the longer-term incentives to be made during the 2021 financial year:

	Naspers performance share units (PSUs)	Naspers Global Ecommerce share appreciation rights (SARs)	Naspers N share options (SOs)
	Fair value (US\$) ⁽¹⁾	Fair value (US\$) ⁽¹⁾	Fair value (US\$) ⁽¹⁾
Bob van Dijk	8 100 000	4 387 500	1 012 500
Basil Sgourdos	4 800 000	2 600 000	600 000

⁽¹⁾ Represents the estimated fair value of the LTI awards on grant date in accordance with IFRS 2 of grants intended to be made in FY21. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure is based on indicative values and may therefore differ from the final fair value granted. The number of PSUs, SARs and SOs awarded will be based on the value at the time of grant.

Executive remuneration is heavily weighted towards longer-term performance, delivered in PSUs, SARs, or SOs, and with every award subject to individual performance.

The committee has continued to award PSUs to senior executives in FY21, having introduced the programme in FY20. PSUs constituted approximately 45% of the LTI award made to the executive directors in FY20 and this will be approximately 60% for FY21.

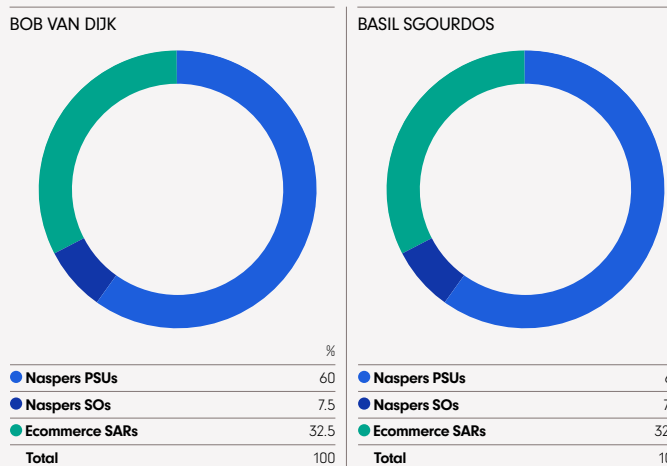
Figures 1 and 2 show what the approximate balance of the unvested LTIs for the executive directors, post this FY21 allocation, will be as follows:

Because no one LTI vehicle can perfectly meet all our criteria, we employ a blend of LTI programmes, as in figure 3. PSUs, SOs and SARs create a truly balanced mix of LTIs with value-based performance hurdles, in line with shareholder value creation.

- Please refer to the A-Z section on page 136 of the annual report for further detail on our LTI policies.

Figure 1

The balance of CEO/CFO FY21 LTI grant is focused towards consumer internet business



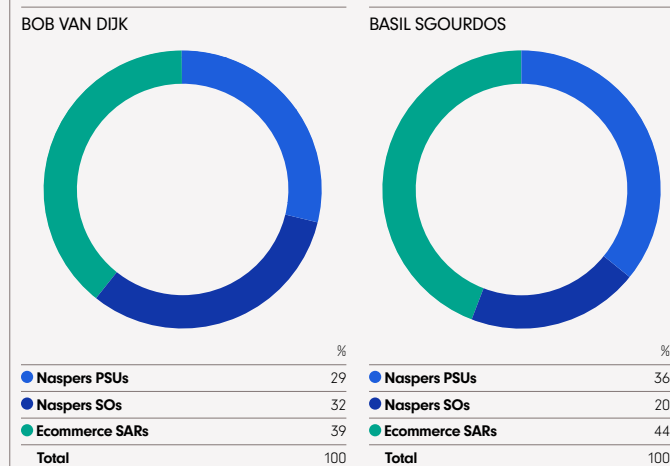
Represents the fair value of LTI awards on grant date in accordance with IFRS 2. The figure is based on indicative values and may therefore differ from the final fair value granted.

Figure 3

Objective	SOs	PSUs	SARs
Linked to outcomes management controls	<ul style="list-style-type: none"> Share price partially influenced by events beyond management control 	<ul style="list-style-type: none"> Reward management for the outcomes they directly control 	<ul style="list-style-type: none"> Reward management for the outcomes they directly control
Focused on longer-term value creation	<ul style="list-style-type: none"> Market cap represents longer-term value Vest over four years 	<ul style="list-style-type: none"> Valuation driven by longer-term projections Vest at end of three years 	<ul style="list-style-type: none"> Valuation (third party) driven by longer-term projections Vest over four years
Aligned with shareholder interests	<ul style="list-style-type: none"> Management 100% aligned with shareholders Incentivise management to reduce the discount to NAV 	<ul style="list-style-type: none"> Performance condition incentivises creating value in underlying internet business, closing discount to NAV Performance condition is relative to industry peers 	<ul style="list-style-type: none"> Incentivise value creation in underlying internet business Performance of internet business only one factor influencing share price

Figure 2

Balance of all unvested LTI, including the FY 21 LTI grant





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