Remuneration report

Craig Enenstein

Chair: Human resources and remuneration committee

'We aim to attract, motivate and retain the best people to create sustainable shareholder value.'

Members of the committee

- CL Enenstein (chair)
- JP Bekker
- EM Choi
- R Oliveira de Lima

Dear Shareholder
On behalf of the board, I am pleased to present our remuneration report, covering the 2021 financial year (FY21).

Covid-19
The global pandemic, which started at the beginning of FY21, has had a marked impact on the daily lives of global citizens and the economy at large. From the outset, our aim has been to preserve the health and wellbeing of our people. We have sought to manage the situation as well as we possibly could and at the same time, act responsibly for our shareholders. We took this responsibility into account when making executive remuneration decisions last year and for the coming year. Our company did not take any government aid and we did not furlough our people, regardless of the level of productive work available at the start of the financial year.

The executives and senior management did not receive a pay increase for FY21, however, given company performance, we were able to provide a mid-year pay review to our employees. The committee introduced a Covid-19 malus clause, allowing for discretionary downward adjustment of any FY21 STI payout if so deemed appropriate. LTI awards for executives and eligible employees were deferred by three months to September 2020, when clear performance was evidenced. Finally, the board did not apply the increase on non-executive directors' fees that was already approved by shareholders at the 2020 annual general meeting (AGM).

We entered the pandemic with financial strength and good momentum, and, competing in a sector that performed exceptionally well, we have exceeded our business plan and delivered financial performance ahead of the budget as originally set pre-Covid-19. This performance is reflected in our remuneration decisions. Our businesses recovered well from the initial impact of Covid-19 and are now fundamentally stronger than they were, going into the pandemic. The pandemic has accelerated activity in the consumer internet space, benefiting our businesses. We have seen particularly strong growth in Food Delivery, Etail, Edtech and online payments and, throughout the period, we continued to invest for long-term growth.

We refer to the People section on page 85 in the annual report, for further detail on our Covid-19-related community support and wider CSR initiatives.

Business performance[1]
The group delivered strong results for the year ended 31 March 2021. Group revenue, measured on an economic-interest basis[2], grew 34% (33%) to US$28.8bn, a meaningful acceleration of 17pp (10pp) on the same period last year. This was driven by ecommerce revenues which grew 46% (54%) year on year. Tencent contributed with healthy revenue growth of 32% (28%). Group trading profit grew 49% (44%) to US$5.6bn. Tencent's contribution to the group's trading profit improved 33% (29%). Core headline earnings were US$4.9bn – up 45% (39%), driven by improved profitability from our ecommerce units and the growing contribution from Tencent. Consolidated free cash inflow was US$126m, a significant improvement on the prior year's free cash outflow of US$338m. This was driven by growth in our ecommerce unit's profitability, dividends received from Tencent of US$458m (2020: US$377m) and improved working capital management.

In recent years, we have progressively grown our portfolio of companies focused on education as part of our Ventures arm. On 1 April 2021, we split these out of Ventures into a formal Edtech segment, reporting separately.

Key focus areas during the year

- Taking Covid-19 impact into account when making remuneration decisions, by withholding FY21 pay increases for CEO and direct reports, adding Covid-19 malus clause to senior management's STI and delaying LTI awards.
- Reflecting the business performance ahead of originally set pre-Covid-19 goals in the FY21 STI and FY22 remuneration decisions.
- Ensuring correct pay-for-performance mix is applied.
- Setting STI targets, including ESG goals, that are measurable, sufficiently stretched and linked to the group's strategy.
- Increasing weighting of PSUs in the LTI mix for executive directors, ensuring an even closer alignment between executive remuneration and shareholder outcomes.
- Improving disclosure of executive remuneration in the annual report, in a bid for greater transparency.
- Continued engagement with shareholders 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.
- Considering external advice on non-executive directors' fees.

Remuneration report continued

Pay for performance

Paying for performance lies at the heart of the group's remuneration philosophy and is the primary driver for any review of remuneration, to be set at a level that allows the company to attract and retain the best executive talent.

The remuneration philosophy underpins the group's strategy and enables us to achieve our business objectives. Inherent to this philosophy is the desire to pay for performance, support an ownership mentality and entrepreneurial spirit in our teams around the world, and to align management compensation outcomes with the creation of shareholder value over time.

In our remuneration decisions, the committee takes into account business performance, the individual performance of the executive, the alignment with our shareholders' interests and the recognition of the executives' efforts towards maximising shareholder value over the longer term.

Our people – battle for global digital talent

Prosus operates in a fast-growing and ever-evolving industry and we must ensure that we are attracting and retaining the best digital talent in the world, which is in scarce supply. We are a global rather than a Dutch company, operating in a highly competitive international environment. Our main competitors for talent are not listed in Amsterdam or included in the Amsterdam Exchange (AEX) index. Our remuneration practices are aligned within a global technology landscape and may differ from what is customary in a Dutch context. Executive talent comes from other international, often United States (US)-listed companies in the consumer internet sector, which forms the basis of our executive remuneration benchmarking. A significant increase in investment activity in technology businesses is creating a high demand for digital talent in general and executive leaders in technology specifically. Competitive pay is an important part of our efforts to attract and retain global digital talent but it is not the only consideration. We believe our people join us and stay because of the opportunity to do meaningful work where they have the opportunity to make a difference, to learn and grow.

We operate in well over 100 countries, focus on high-growth markets and invest in local, empowered teams with an ownership mentality. Our business moves fast as technology trends and consumer adoption change, and we run businesses that have broad potential, can address big societal needs and can attain market leadership over time.

Our people are at the heart of our success. The driven entrepreneurs with whom we partner, the digital leaders who drive us forward, the skills that our people bring to the group in highly specialised areas (eg technology, product design, machine learning, digital marketing and many other disciplines) all allow us to compete effectively. We operate in a highly competitive global market for this type of talent, and we compete against other world-class companies for the best talent.

Fair pay

Equality and consistency are embedded in our pay practices across the group as we continue to build our diverse and inclusive workplaces. We operate in high-growth economies where socio-economic disparity can be large and societal fairness is very important to us. We ensure that our pay practices around the world are fair, competitive and above minimum-wage standards. For further insights into our people practices, please refer to the People section starting on page 85 of our annual report.

Long-term focus

In our continued commitment to maximising shareholder value by incentivising the value creation at the core of our businesses, longer-term incentive awards (LTIs) were made to our executives. Performance share units (PSUs) continue to represent a significant proportion of the LTI granted to executive directors and in the coming year 60% of the LTI grant will be made in PSUs. PSUs will cliff-vest after three years and only if the key performance metric is met. The PSU threshold level of achievement is deliberately set at the 25th percentile as it is positioned with a very stretched total shareholder return (TSR) target against a highly competitive set of comparator companies. Detail of our LTI programmes can be found on pages 140 to 141 of this remuneration report.

More than 92% of the executive directors' LTI is linked to long-term value creation in our core consumer internet businesses, excluding Tencent. PSUs and share appreciation rights (SARs) only reward for the increase of that underlying business value, which contributes to reducing the discount to net asset value (NAV), see note 2 in the annual financial statements. On page 142 of this report we provide further detail of our SARs valuations process and the performance of our ecommerce portfolio.

Voluntary share exchange offer

After the close of FY21, on Wednesday, 12 May 2021, Prosus announced its intention to implement a voluntary share exchange offer to Naspers shareholders. The transaction is expected to deliver immediate and longer-term value creation for both Naspers and Prosus shareholders, and right-size Naspers and Prosus on their respective exchanges. Full details of the proposed transaction are available at www.share-exchange-offer.com.

It should be noted that our executive directors continue to be compensated based on Naspers performance and that the majority of unvested PSUs and SOs sits in Naspers shares. Over time, we aim to gradually re-balance PSU and SO awards between Prosus and Naspers shares, aligned with the free float ownership in Prosus and Naspers, subject to obtaining requisite approval to amend the remuneration policy. The voluntary share exchange offer to Naspers shareholders, which is subject to approval, is expected to double the Prosus free float's economic interest in the group's underlying assets. In this context, shifting the balance of LTI to Prosus is well aligned to shareholder interests.

Our stakeholder engagement

The committee takes into consideration the feedback that we receive via our employee engagement surveys. We engage openly and frequently and take extensive input from our investors and advisers, to demonstrate clearly the link between Prosus's strategy, business performance and our remuneration philosophy. This year alone we have engaged in 25 investor meetings dedicated to remuneration. We strive for a higher level of N shareholder support for the remuneration resolutions and in that spirit, we will continue to make appropriate changes to our remuneration design and disclosures. We will continue to engage with our shareholders on a frequent basis. Please refer to page 143 for further details of changes we have made in response to shareholder feedback.

I thank you for your feedback and support and look forward to our future interactions.

Craig Enenstein
Chair: Human resources and remuneration committee

19 June 2021

Structure of report

In compliance with article 2:135b of the Dutch Civil Code, the European Shareholder Rights Directive (SRD II) and the Dutch Corporate Governance Code, this report is split into the following sections:

1. **Background and policy:**
   Provides a detailed overview of our approach to remuneration and information on the components of our executive pay packages.
   Read more on page 136
2. **Implementation of the remuneration policy:**
   Sets out information on how we implemented our policy for FY21.
   Read more on page 144

We close with an Additional information section on page 160.

It is noted that all remuneration is presented on a full-year basis and at 100%, including the cost that is apportioned to Naspers.

1 Adjustments have been made for the effects of foreign currencies and acquisitions and disposals to reflect underlying trends. These adjustments (pro forma financial information) are quoted in brackets after the equivalent metrics reported under International Financial Reporting Standards (IFRS-EU).
2 This is considered to provide additional information on the economic reality of these investments and corresponds to the manner in which the chief operating decision-maker (CODM) assesses segmental performance.

Background and policy

Our philosophy

Our remuneration philosophy underpins our group's strategy and enables us to achieve our business objectives. Our commitment to pay for performance and alignment with shareholder value creation drives all our remuneration activities and supports the ownership mentality and spirit of entrepreneurship in our teams around the world. We believe in a level playing field for our people. We strive to pay fairly and responsibly and as much as possible, the structure of our pay is consistent, regardless of the seniority of the employee, ensuring equality of pay across all employees. In the committee's view, the remuneration policy achieved its stated objectives in the year under review.

Five key principles to guide our remuneration approach

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, sustainability 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

Fair

- Equitable: Free from discrimination
- Relevant: Linked to personal and company performance
- Rational: Easy to explain

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

We strive to deliver fair and consistent remuneration across all our business operations and this includes permanent and temporary employees, contractors, consultants and trainees.

We run regular pay-equality analyses and perform calibrations across the group as a standard process before (annual) reward decisions are taken.

* Some employees do not receive LTIs.

Background and policy continued

Our competitive environment for talent

A global market for talent

We are a global rather than a Dutch company, operating in a highly competitive international environment. Most of our competitors are not listed in Amsterdam or included in the AEX index. Our remuneration practices are aligned within a global technology landscape and may differ from what is customary in a Dutch context. Executive talent comes from other international, often leading US-listed companies in the consumer internet sector, which forms the basis of our executive remuneration benchmarking.

Making executive pay decisions

OBJECTIVE → INPUTS → OUPUTS →

Objective	Inputs			
PAY FOR PERFORMANCE Achieve the business plan	Individual performance as per STI	Business performance	When making executive pay decisions, we consider the individual's performance and the performance of the business.	COMMITTEE DELIBERATION → PAY DECISION
ATTRACT AND RETAIN TALENT Fair and responsible	MARKET SITUATION – BENCHMARKING: WTW data high-tech sector and general industry	Radford data high-tech sector	We partner with local data providers in the countries in which we operate and with WTW and Radford, two global providers of benchmarking information. We access WTW surveys for general industry and high-tech (including media and technology) for Western Europe and high-growth markets. Radford survey coverage is specifically strong in the US.	
	MARKET SITUATION – BENCHMARKING: Peer group		Where appropriate and available, we look at publicly disclosed data that are more or less comparable in the ecommerce, consumer internet, food delivery and social media sector. The peer companies for remuneration benchmarking include: Amazon, Alphabet, Facebook, PayPal Holdings, Netflix, Uber, Booking Holdings, Snap, Adyen, Twitter, Doordash, eBay, Wayfair Inc, Zillow Group, Zalando SE, Expedia Group Inc, Ocado Group, IAC/InterActiveCorp, Just Eat Takeaway.com, Adevinta, Auto Trader Group, and Qurate Retail.	
SHAREHOLDER ALIGNMENT Pay for performance	Scenario analysis		The committee undertakes a thorough assessment to ensure that targets on variable incentives are sufficiently stretched in the context of potential remuneration delivered, and applies judgement so that the remuneration policy continues to achieve its objectives of aligning pay with the long-term performance of Prosus and shareholder outcomes.	

Background and policy continued

Our remuneration structure: pay for performance

Remuneration for our executive directors consists of base salary, STI, LTI, pension and other benefits. The approach is similar for the CEOs other direct reports.

Pay elements		Our pay design links to our pay principles: Pay for performance	Shareholder alignment	Incentivisation	Consistency	Attract and retain talent
Base salary	• Fixed pay, reflects the contribution of the individual and market value of the role. • Paid monthly in cash. • Benefits typically include pension, medical insurance, and life and disability insurance. • Fixed pay may be reviewed annually; any increase is typically effective from 1 April each year. • Note: Due to Covid-19, the CEO and his direct reports did not receive any FY21 pay increase.	✓	✓	✓	✓	✓
STI Annual performance-related incentive	• Discretionary annual performance-related incentive. • Performance measures tailored to executives' roles and responsibilities. • At least 50% of the bonus opportunity is based on delivery of financial performance ahead of the board-approved business plan, including and excluding Tencent. • Strategic and operational goals include additional financial performance metrics for the underlying businesses. • Target and maximum bonus opportunity are the same (no payout for over-performance against the target), set at 100% of base salary for both the CEO and CFO. • The committee undertakes a thorough assessment to ensure that targets are rigorous and sufficiently stretched. STI payout is typically below the maximum opportunity. • Any STI payout is made in cash. • The committee may apply judgement with discretion to make appropriate adjustments to the annual bonus.	✓	✓	✓	✓	✓
LTI – PSUs	• PSUs are designed to incentivise the increase in the value of internet businesses (excluding Tencent and Mail.ru) and deliver superior returns to shareholders. • Three-year cliff-vesting, subject to the achievement of the performance condition. • Performance condition (for FY20, FY21, FY22 grants): three-year compound annual growth rate (CAGR) of the Global Ecommerce SAR scheme, relative to a group of industry peers. • Vested PSUs are settled in shares. • Further details are available on page 140.	✓	✓	✓	✓	✓
LTI – SARS	• SARs incentivise the growth in value of the business units or an aggregation of underlying assets. See page 142 for details on the valuations process and the valuation performance of the ecommerce portfolio linked to the SARs plan. • Any value upside delivered by individual businesses is offset by any value downside delivered by other businesses, thus ensuring that senior executives' remuneration is negatively affected should individual businesses not perform. • The change in value is measured over a four-year period to ensure focus on the longer-term delivery of shareholder value. • Any gains are settled in cash.	✓	✓	✓	✓	✓
LTI – SOs	• Share options (SOs): Any gains are based on the growth in share price over a four-year period. • Implicit performance hurdle, value is only delivered to participants if there is an increase in the share price. • Any gains are settled in shares.	✓	✓	✓	✓	✓

Malus and clawback provisions apply to STI and LTI.

Background and policy continued

Executive directors' remuneration FY21

The table below shows a single figure of remuneration and implementation of the remuneration policy in FY21 for the executive directors. Further details are outlined in the Implementation section of this report on pages 144 to 159.

EUR'000		Variable remuneration							
			LTI[3,4]						
Executive director	Fixed remuneration[1]	STI[2]	PSUs	SARs	SOs	Pension	Other benefits[5]	Total remuneration[6]	Proportion of fixed and variable remuneration
Bob van Dijk, CEO	1 235	1 214	6 901	3 863	862	81	40	14 196	9%/91%
Basil Sgourdos, CFO	975	975	4 089	2 289	511	77	16	8 932	11%/89%

US$'000		Variable remuneration							
			LTI[3,4]						
Executive director	Fixed remuneration[1]	STI[2]	PSUs	SARs	SOs	Pension	Other benefits[5]	Total remuneration[6]	Proportion of fixed and variable remuneration
Bob van Dijk, CEO	1 448	1 424	8 100	4 535	1 012	95	47	16 661	9%/91%
Basil Sgourdos, CFO	1 143	1 143	4 800	2 687	600	90	19	10 482	11%/89%

1 The CEO and his direct reports did not receive pay increases in FY21.
2 Actual payout over FY21 performance; achievement of STI goals is shown on pages 147 and 148 of this remuneration report.
3 Represents the grant date fair value of awards made during FY21, assuming on-target vesting for PSUs. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure disclosed in the 2020 remuneration report was estimated and therefore differs slightly from the figure reported in this table.
4 The IFRS 2 expense recognised for unvested and vested but unexercised LTI awards as at 31 March 2021 is US$155.4m (EUR132.8m) for the CEO and US$18.9m (EUR16.1m) for the CFO. The total IFRS 2 expense is shown in note 17 – related party transactions and balances (executive directors remuneration) of the financial statements. The value, effective March 31st 2021 reflects strong business performance, ahead of the budget as originally set pre-Covid-19 which resulted in a fair value uplift of the outstanding awards in the Global Ecommerce SAR plan.
5 Medical insurance, life and disability insurance.
6 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. The remuneration paid to the executive directors reconciles with the executive directors' remuneration as disclosed in Note 17 of the financial statements. In there, we show base pay, STI, pension and benefits at 90% of the aggregate cost as tabled in this remuneration report, plus the full IFRS2 expense of the LTI per this footnote 4, minus the FY21 LTI awards in fair value at grant, as shown in this single figure table.

Background and policy
continued

Executive director participation in LTI plans

The committee reviews three key elements before conducting the scenario analyses, to determine the size of any award of PSUs, SOs or SARs:

- Strong short-term (annual) personal performance leading to a decision to grant an LTI.
- Superior business performance over the time of the executive's tenure, leading to value creation in the scheme and for the shareholder.
- Industry benchmarking of executive compensation in consultation with external advisers WTW and FW Cook.

LTI awards comprise a significant portion of total compensation and are designed to incentivise the delivery of sustainable longer-term growth and provide alignment with our shareholders. The entirety of our executives' LTI is determined by the performance of the company and growth in the valuation of the underlying assets and, as such, is deemed 'at risk'. LTI is only delivered to the executive directors providing the PSU performance conditions are met and the share price of SARs or SOs have increased in value, ensuring strict alignment with our wider stakeholder interests.

Detailed scheme rules provide for the operation and governance by trustees of each scheme.

A blend of LTI

Our executive pay is heavily weighted towards longer-term performance, delivered in PSUs, SARs, and SOs. Each element of the LTI programme plays a distinct part in delivering a remuneration approach that drives business performance for the longer term and is fair, responsible, aligned with shareholder outcomes and relevant to the talented executives we need to attract and retain (as shown in the table on this page).

In the past year we have made significant progress in shifting LTI towards compensating executive management on the performance of the Global Ecommerce portfolio, excluding Tencent. In FY21, the PSU plan and the SARs plan together made up 92.5% of the LTI allocation.

PSUs – measures the three-year CAGR valuation of the Ecommerce portfolio against a basket of global peers.
SARs – measures the value creation of directly controllable factors in the Global Ecommerce portfolio.

PSUs

Achievement of the performance condition will be assessed by the human resources and remuneration committee, based on the share price of the Global Ecommerce SAR Plan (in absolute and relative terms), validated by the valuations subcommittee as per the valuations process described on page 142.

The level of achievement relative to the performance condition at the end of the three-year performance period drives the number of shares that ultimately will vest:

- At threshold performance: 50% of the allocated shares would be awarded if the performance is at the 25th percentile of the peer group.
- At target performance: 100% of the allocated shares would be awarded if the performance is at the median of the peer group.
- At maximum performance: 200% of the allocated shares would be awarded if the performance is at the 75th percentile of the peer group.

The PSU threshold level of achievement is deliberately set at the 25th percentile, as it is positioned against a highly competitive set of comparator companies, as shown on page 141. Based on an interim assessment that the committee conducted against a set of indices, including the Stoxx600 and MSCI Emerging Markets, the selected peer group greatly outperforms the indices. It shows the target-setting against the peer group to be sufficiently stretched.

Blend of LTI (% in the FY21 mix)	PSU (60%)	Global Ecommerce SAR (32.5%)	SOs (7.5%)
Plan characteristics	A performance share award that is transferred to participants after time restrictions have passed, subject to the performance condition being met. Cliff-vesting at the end of three years.	A right to benefit from any increase in value of the business unit over which an award is made. Vests over four years.	A right to buy a company share at a pre-agreed price. Vests over four years.
Performance	Three-year performance condition of the Global Ecommerce SAR scheme CAGR relative to a high-performing industry peer group[1]. Any potential gains are driven by achieving value growth in the underlying consumer internet assets (excluding Tencent and Mail.ru).	Embedded with an implicit performance hurdle as there is no value to be gained unless there is an increase in share value in the underlying, unlisted consumer internet businesses (excluding Tencent and Mail.ru) between grant and vesting/exercise.	Embedded with an implicit performance hurdle as there is no value to be gained unless there is an increase in share value between grant and vesting/exercise.
Settlement	Depending on the achievement against performance condition, between 0% and 200% of the awarded PSUs may vest and Naspers[2] shares are delivered[3] on vesting.	Gains, if any, are settled in cash.	Upon exercise, SOs are settled in Naspers shares[2,3].
Focus on longer-term value	Value driven by longer-term projections.	Valuation (by third party) driven by longer-term projections[4].	Market cap represents longer-term value.
Alignment with shareholder interests	Performance condition incentivises creating value in the underlying internet business, closing discount to NAV.	Incentivises value creation in underlying internet business (excluding Tencent and Mail.ru).	Aligned with shareholders incentivise management to reduce the discount to NAV.

1 Please see page 141 for the current PSU peer group.
2 Over time, settlement of PSU and SO awards will gradually be rebalanced between Prosus and Naspers shares, aligned with the free float ownership in Prosus and Naspers (subject to obtaining requisite approval to amend the remuneration policy).
3 Shares are purchased on the market for cash to avoid shareholder dilution as a result of the company settling its LTI award obligations.
4 Please see page 142 for further detail on the valuation process.

Background and policy
continued

If the threshold level of performance is not achieved, no shares will be awarded to the participant. If more than the maximum performance is achieved, no more than 200% of the allocated shares would be awarded.

Peer group for PSU performance condition
For the performance condition underpinning the FY21 PSU grant, the TSR peer group consists of Amazon, Alphabet, Facebook, PayPal Holdings, Netflix, Square, Booking Holdings, Snap, Adyen, Twitter, eBay, Wayfair Inc, Zillow Group, Zalando SE, Expedia Group Inc, Ocado Group, IAC/InterActiveCorp, Just Eat Takeaway.com[1], Adevinta, Auto Trader Group, and Qurate Retail. For FY22 PSU grants, the peer group will also include Deliveroo and Doordash.

How our LTI schemes incentivise management to reduce the discount to NAV

Our LTI is designed to reward management on disciplined capital allocation decisions, growing and bringing our Global Ecommerce assets to profitability and ensuring that the Global Ecommerce portfolio, excluding Tencent and Mail.ru, delivers returns to shareholders. This addresses an important driver of the discount to NAV at Naspers and Prosus sustainably over the long term.

PSUs made up 60% of the LTI allocation this year. It measures the TSR of the Global Ecommerce portfolio over a three-year period against a highly competitive basket of global technology peers. This incentivises management to grow TSR ahead of globally competitive peers.

SARs made up 32.5% of this year's LTI allocation and reward management for scaling and improving the profitability of the Global Ecommerce portfolio. The group's Global Ecommerce portfolio comprises all internet businesses with the exception of Tencent and Mail.ru. The largest components are Prosus's Classifieds, Food Delivery, Payments and Fintech, Etail and Ventures operations. Increasing and crystallising the value of the Global Ecommerce portfolio is key to reducing the discount to NAV over the long term.

Lastly, the Naspers SOs accounted for 7.5% of the LTI allocation this year. It incentivises disciplined capital allocation decisions for the long-term sustainability of the group and directly exposes executives to the discount to NAV. Unlocking the value that lies between the market capitalisation and net asset value of our portfolio will create significant value to shareholders.

The listing of Prosus in September 2019, is a good example of action taken to unlock value for our shareholders. As well as creating a solid platform for the group's growth, it was also designed to reduce Naspers's weight on the JSE, which had been caused by the group's strong performance compared to its peers. Naspers's overweight size on the JSE has contributed to the widening of the holding company discount to NAV due to forced selling of Naspers stock by funds who have to stay below single stock exposure limits. The listing of Prosus did reduce the weight of Naspers on the JSE, but the group's outperformance since then has again increased Naspers's weight on the JSE. The proposed voluntary share exchange offer to Naspers shareholders that Prosus announced after the close of FY21 is designed to create immediate and long-term value for shareholders. It is also designed to sustainably right-size Naspers and Prosus on their exchanges, sustainably reducing Naspers's weight on the JSE, giving the group the headroom it needs for our continued growth.

We continue to work hard at executing measures that will reduce the consolidated discount to NAV. We remain committed and incentivised to continue on this journey for the long-term value creation of the group.

[1] The peer group for the FY21 PSU grant initially included GrubHub Inc, but was eliminated from the peer group following the acquisition by Just Eat Takeaway.

Background and policy
continued

Valuations

The Global Ecommerce portfolio

The performance of SARs and PSUs are determined by year-on-year changes in the per-share valuation of the group's Global Ecommerce portfolio. This made up 92.5% of the 2021 LTI allocation and excludes the performance of Tencent and Mail.ru.

Methodology

The valuation is an amalgamation of a number of individual schemes and assets which are valued annually by an independent external valuer. In determining the company value and the scheme share value, the valuer shall use the appropriate application of reasonable valuation methods, including, without limitation, the use of comparable peer multiples, precedent transactions and discounted cash flow (DCF) valuations.

When employing a DCF methodology, the valuer uses assumptions for cash generation, discount rates and long-term growth. These valuations assess progress and value creation and should not be viewed as an approximation of the market value of our portfolio. Instead, they serve as a critical component of a comprehensive compensation vehicle designed to align management performance and compensation, excluding Tencent and Mail.ru, with shareholder outcomes. It is also important to note that funding is initially dilutive to value and many of our companies are early stage or loss-making, meaning that the schemes are diluted by short-term investment and acquisitions.

The Global Ecommerce portfolio scheme is made up of underlying schemes, each of which has a different set of assumptions.

Figure 1 – **Governance of our valuation process**

VALUATIONS PROCESS

- Underlying business submits 10-year business plan and annual budget
- Prosus provides 10-year business plan for each underlying business to independent valuer
- Independently from management, the valuer values the underlying assets at 31 March annually and additionally, whenever a significant change occurs
- The valuer issues a report detailing the valuation for each of the underlying operations

Segment schemes and the ecommerce schemes are a 'basket of assets' representing the valuations of the underlying operations

GOVERNANCE

1 Report issued

The independent valuer[1] issues a report with the respective share scheme valuations.

1 Currently Deloitte.

2 Review

The valuations subcommittee of the human resources and remuneration committee reviews the valuations before recommending the values for approval to the human resources and remuneration committee. The subcommittee consists of members of the board: Craig Enenstein and Steve Pacak.

3 Submission

Reports from the valuer and the valuations subcommittee are submitted to the human resources and remuneration committee as part of their approval process.

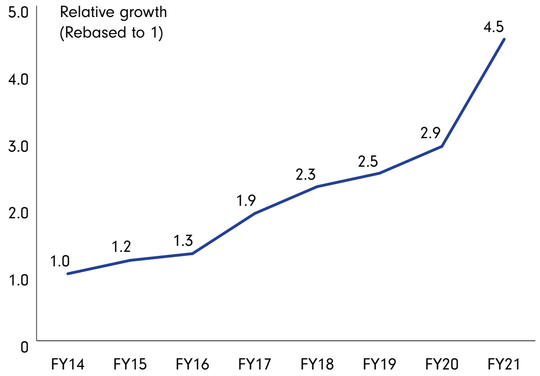
4 Approval

Once the human resources and remuneration committee approves the valuations and resultant share prices, the share prices will be updated and participants can exercise their SARs or SOs at these updated prices in accordance with the trading-in-securities policy.

Figures 2 and 3
Ecommerce portfolio and SARs performance

	2019	2020	2021
Ecommerce valuation (US$'m)	18 844	22 149	39 109
Ecommerce valuation growth	30.7%	17.5%	76.6%
SAR share price (US$)	35.95	41.47	64.28
Number of shares	13 102 799	13 351 913	15 210 390

Global Ecommerce SAR Plan (US$)



Background and policy
continued

Governance

Recruitment policy
On the appointment of a new executive director, their package will typically be in line with the policy as outlined above. To facilitate recruitment, it may be necessary to 'buy out' remuneration forfeited on joining the company. This will be considered on a case-by-case basis and cash or LTI may be used.

Termination policy
Payments in lieu of notice may be made to executive directors, comprising salary for the unexpired portion of the notice period. Such payments may be phased. On cessation, there is no automatic entitlement to an annual performance-related incentive (STI). However, the committee retains the discretion to award a bonus to a leaver during the financial year taking into account the circumstances of their departure, considering pro-rating for time and actual performance achieved. There is no entitlement to a particular severance package provided for in the executive directors' contracts.

Malus and clawback
Malus and clawback provisions apply to the STI and LTI awarded to executive directors, and senior management, such that all or part of the unpaid STI may be modified or cancelled and all or part of the unvested LTI may be modified or cancelled and all or part of the vested LTI may be claimed back. Malus and clawback provisions may be invoked in case of certain material events, including cases of material financial misstatement or gross misconduct on the part of the executive director or senior management member. In the financial year ended on 31 March 2021, no malus and/or clawback was applied to any remuneration of the executive directors and senior management.

Service contracts
Executive directors' contracts comply with terms and conditions in the local jurisdiction.

	Bob van Dijk	Basil Sgourdos
Date of appointment at the group	1 August 2013	1 August 1995
Date of appointment to current position	1 April 2014	1 July 2014
Employer notice period	Six months	Three months

Other non-executive roles
Bob van Dijk is a non-executive director of Booking Holdings Inc.

Basil Sgourdos does not hold any board positions outside of the Prosus and Naspers group.

Adjustment to the shareholding requirement for the CEO
To reflect the balance of the underlying value of the economic interests between Naspers and Prosus, the CEO will be required to maintain a Naspers shareholding of 7.25 times his annual salary and a Prosus shareholding of 2.75 times his annual salary. Subject to obtaining requisite approval to amend the remuneration policy, he will be required to rebalance his current holding of 10 times annual salary in Naspers shares by the end of FY23, while maintaining an overall combined holding in Naspers and Prosus shares of 10 times annual salary.

Non-executive directors' remuneration policy

The fee structure for non-executive directors has been designed to ensure we attract, retain and appropriately compensate a diverse and internationally experienced board of non-executive directors, given the highly competitive markets in which we operate, and the global competition we face.

Non-executive directors receive an annual fee as opposed to a fee per meeting, which recognises their ongoing responsibility for effective control of the company. They may also receive an additional fee for group board committees and subsidiary boards, to reflect the additional responsibilities and associated time commitment. Remuneration is reviewed regularly and is not linked to the company's share price or performance. Non-executive directors do not qualify for share allocations under the group's incentive schemes.

The remuneration of non-executive directors is determined following a benchmarking exercise which considers international comparators in the consumer internet and media sectors, and top 10 AEX-listed and JSE-listed companies.

Dual responsibilities
Non-executive directors receive no additional compensation for their dual responsibilities to Naspers and Prosus. However, the aggregate cost of their compensation is currently allocated 70% to Prosus and 30% to Naspers. The split was determined based on the underlying assets and the amount of time required to ensure that sufficient time is allocated to assume the dual responsibilities.

Non-executive directors' terms of appointment
The board has clear procedures for appointing and orienting directors. The nomination committee periodically assesses the skills represented on the board and determines whether these meet the company's needs. Annual self-evaluations are done by the board and its committees. Directors are invited to give their input in identifying potential candidates and we frequently engage the services of a reputable search firm. Members of the nomination committee propose suitable candidates for consideration by the board. A fit-and-proper evaluation is performed for each candidate.

Retirement and re-election of non-executive directors
All non-executive directors are subject to retirement and re-election by shareholders every three years. The names of non-executive directors submitted for election or re-election are accompanied by brief biographical details to enable shareholders to make an informed decision on their election. The reappointment of non-executive directors is not automatic.

Shareholder voting
During the 2021 financial year, we actively listened to our shareholders' views on remuneration. This year alone we have engaged in 25 investor meetings dedicated to remuneration. We thank them for their input and support.

The shareholders advisory vote on the remuneration report for FY20 has been taken into account by further enhancing the disclosures. We have outlined the committee's decision process on page 140 and added a section on valuations on page 142 in this remuneration report. A remuneration section is included on our investor pages at www.prosus.com, including a video on the questions-and-answers section with the chair of the human resources and remuneration committee, Craig Enenstein.

For the full remuneration policy, refer to www.prosus.com/about/policies.

Implementation of remuneration policy

Aligning remuneration to our strategy and performance

In this section we outline how our remuneration policy for executive directors has been implemented during FY21 and how we intend to operate it during FY22. All decisions in relation to executive remuneration have been made in line with our remuneration policy for this financial year and with the global impact of the Covid-19 pandemic in mind.

Our strategy	• Building businesses with big potential to address societal needs. • Achieving leadership positions in high-growth markets. • Partnering with local teams and entrepreneurs.
Our business priorities	• Classifieds • Food Delivery • Payments and Fintech • Etail • Ventures
Our financial highlights[1] (all figures from continuing operations)	• Revenue: US$28.8bn, up 34% (33%). • Trading profit up 49% (44%) to US$5.6bn. • Core headline earnings, the board's measure of sustainable operating performance, was up 45% (39%) on last year at US$4.9bn.
Our operating highlights[1]	• **Ecommerce** Ecommerce revenue grew 46% (54%) to US$6.2bn, led by 98% (127%) growth in Food Delivery and 65% (54%) growth in Etail (online retail). In addition, our Classifieds, and Payments and Fintech segments reported solid results on the back of a sharp recovery to pre-Covid-19 levels in the second quarter as governments eased lockdown regulations. • **Classifieds** Our Classifieds segment was most impacted by the global pandemic. We responded quickly by providing digital alternatives and investing in our customer relationships by offering discounts. Despite continued business disruptions from pandemic-related restrictions in many of our markets in the second half, Classifieds maintained strong growth. Classifieds revenue grew 25% (18%) to US$1.3bn. This reflects the strong recovery in the second half, where revenues in local currency (excluding M&A) grew 36% compared to -3% in the first half of FY21. • **Food Delivery** Our portfolio companies gained scale during the year and we believe post-pandemic prospects for on-demand food delivery remain positive worldwide. Revenue for the period grew 98% (127%) to US$1.5bn, driven by higher GMV and increased orders. Trading losses also improved meaningfully, with losses for the year declining by US$269m. • **Payments and Fintech** PayU's revenue grew 35% (36%) to US$577m and trading losses remained flat for the year at US$68m compared to US$67m in the prior year. Increased profitability from the payments service provider (PSP) business partially offset continued investment in the credit business. PayU continues to benefit across its markets from the shift in consumer behaviour to transacting online, and small and medium-sized enterprises (SMEs) digitising their business models. Total payment value (TPV) was US$55bn, up 45% (51%), supported by a 38% increase in number of transactions. • **Etail** Revenue grew 65% (54%) to US$2.2bn and trading profit grew to US$80m, representing a trading profit margin of 4% from -1% last year. This was driven by record GMV of US$2.7bn, or 61% (52%) year-on-year growth.
Remuneration outcome FY21	We have exceeded our business plans and delivered financial performance ahead of the budget as originally set pre-Covid-19. The next page contains information on the annual change of CEO compensation linked to the performance of the company, as well as the FY21 remuneration for the CEO and CFO as shown in the single-figure table. The outcomes of STI linked to all group financial goals and strategic, operational and ESG goals are disclosed on pages 147 and 148.

1 Numbers in brackets represent growth in local currency, excluding M&A.

Implementation of remuneration policy continued

Compensation is substantially ‘at risk’ and longer term

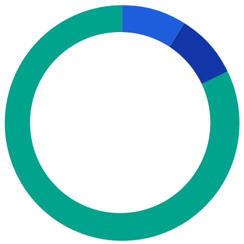
Executive directors’ remuneration is designed to drive the long-term success of the company. In FY21, the CEO remuneration comprised of 91% variable pay; for the CFO that was 89%.

Of the executives’ FY21 LTI awards, 92.5% was geared towards PSUs and SARs, which incentivise core-business-value growth, excluding Tencent and Mail.ru.

Figure 1

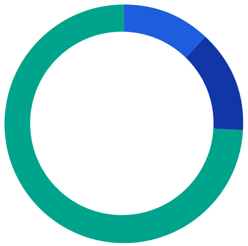
Fixed salary, STI and LTI for each executive as at 31 March 2021

BOB VAN DIJK



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

BASIL SGOURDOS



	%
Annual fixed pay	11
Annual STI (target)	11
Annual fair-value LTI	78

Business performance and remuneration outcomes

Figure 2

CEO remuneration versus company performance

	FY21	FY20	CAGR
CEO remuneration			
Cash[1] year-on-year change	5%	9%	7%
LTI[2] year-on-year change	3%	28%	15%
Company performance			
Organic revenue growth[3]	33%	23%	27%
Organic revenue growth (excluding Tencent)[3]	51%	32%	40%
Ecommerce share price growth	55%	15%	34%

1 Base salary + benefits + actual bonus payout, using the currency (EUR) in which the CEO is paid. Note there was no base pay increase in FY21
2 Fair value at grant, using the currency (USD) in which we grant LTIs.
3 Metric excluding impact of foreign exchange (FX) and mergers and acquisitions (M&A).
4 FY20 growth measured from date of listing.

Single-figure table FY21 remuneration

Table 1 shows a single figure of remuneration and the implementation of the remuneration policy in FY21 for the executive directors.

EUR’000		Variable remuneration							
			LTI[3,4]						
Executive director	Fixed remuneration[1]	STI[2]	PSUs	SARs	SOs	Pension	Other benefits[5]	Total remuneration[6]	Proportion of fixed and variable remuneration
Bob van Dijk, CEO	1 235	1 214	6 901	3 863	862	81	40	14 196	9%/91%
Basil Sgourdos, CFO	975	975	4 089	2 289	511	77	16	8 932	11%/89%

US$’000		Variable remuneration							
			LTI[3,4]						
Executive director	Fixed remuneration[1]	STI[2]	PSUs	SARs	SOs	Pension	Other benefits[5]	Total remuneration[6]	Proportion of fixed and variable remuneration
Bob van Dijk, CEO	1 448	1 424	8 100	4 535	1 012	95	47	16 661	9%/91%
Basil Sgourdos, CFO	1 143	1 143	4 800	2 687	600	90	19	10 482	11%/89%

1 The CEO and his direct reports did not receive a pay increase in FY21.
2 Actual payout over FY21 performance, per achievement of STI goals, is shown on pages 147 and 148 of this remuneration report.
3 Represents the grant date fair value of awards made during FY21, assuming on-target vesting for PSUs. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure disclosed in the 2020 remuneration report was estimated and therefore differs slightly from the figure reported in this table.
4 The IFRS 2 expense recognised for unvested and vested but unexercised LTI awards as at 31 March 2021 is US$155.4m (EUR132.8m) for the CEO and US$18.9m (EUR16.1m) for the CFO. The total IFRS 2 expense is shown in note 17 – related party transactions and balances (executive directors remuneration) of the financial statements. The value, effective March 31st 2021 reflects strong business performance, ahead of the budget as originally set pre-Covid-19 which resulted in a fair value uplift of the outstanding awards in the Global Ecommerce SAR plan.
5 Medical insurance, life and disability insurance.
6 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. The remuneration paid to the executive directors reconciles with the executive directors’ remuneration as disclosed in Note 17 of the financial statements. In there, we are showing base pay, STI, pension and benefits at 90% of the aggregate cost as tabled in this remuneration report, plus the full IFRS2 expense of the LTI per this footnote 4, minus the FY21 LTI awards in fair value at grant, as shown in this single figure table.

Implementation of remuneration policy continued

CEO remuneration in comparison to average employee remuneration

As we operate in high-growth economies where socio-economic disparity can be large, societal fairness is very important to us. We take our responsibilities in that respect seriously and ensure that our pay practices around the world are fair and competitive and well above minimum wage standards. Pay is an important aspect, but not the only consideration. In general, our people join us because of the opportunity to do meaningful work where they have the opportunity to make a difference, to learn and grow.

When reviewing the CEO's remuneration, the human resources and remuneration committee takes into account the employee remuneration globally across the group.

As a consumer internet company we have a wide geographical footprint. Most of our activities and employees are based in high-growth countries, including India, Russia, Brazil, Central and Eastern Europe and South Africa. On a global level, the CEO pay ratio versus employees (including LTI) would be 316:1 (FY20: 311:1) However, we do not consider that an appropriate measure of fairness given the widely different pay levels that are observed in the countries where we operate. If we compare CEO's pay versus employees in the Netherlands it shows a ratio of 19:1 (FY20: 22:1).

Also, as shown on page 145 of this remuneration report, the pay-at-risk portion for the CEO, and within that more specifically LTI, weighs heavily in our total executive remuneration mix, as is typically found within the consumer internet and technology sector in which we compete for talent. For completeness sake we have therefore also reviewed the pay ratios excluding LTI, showing a ratio of 75:1 (FY20: 72:1) globally and 6:1 (FY20: 8:1) for the Netherlands.

The ratios are obtained by dividing the FY21 total remuneration for the CEO by the FY21 average total remuneration of all other employees. This includes salaries, wages, on-target bonus, pension and benefits for employees, excluding contractors and CEO remuneration. It also excludes training and development that we offer to our employees. Details of the staff costs can be found in note 27 on page 209 of the consolidated annual financial statements.

Competitive pay – knowledge workers

We review the pay levels of our staff at least annually and in relation to pay in the markets and countries that we operate in, our reward levels are competitive. We see the effectiveness of our reward philosophy and practices confirmed via our formalised employee engagement surveys. Most employees find that they are paid fairly, relative to similar jobs in other companies, reporting a high satisfaction level that is above external benchmarks.

Fairness

We strive to deliver fair and consistent remuneration across all our business operations and this includes temporary and permanent employees, contractors, consultants, trainees and job applicants. Irrespective of the classification of the engagement, we ensure that our pay practices around the world are fair, competitive and above local minimum wage standards. We ensure that critical benefits and protection for our entire workforce are in line with the markets in which we operate.

Remuneration – response to Covid-19

We delivered financial performance ahead of the budget originally set pre-Covid-19, but at the onset of Covid-19 in 2020 we took the decision not to increase pay for the executives and senior management.

For employees below that level, pay reviews were postponed until we had more certainty on business performance. Following our half-year results where we reported a strong business performance, having recovered well from an uncertain first quarter, we were able to do a mid-year pay review for our employees.

The committee introduced a Covid-19 malus clause, allowing for discretionary downward adjustment of any FY21 STI payout if so deemed appropriate.

LTI awards for executives and eligible employees were deferred by three months to September 2020.

STI – FY21 goals and achievements

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

It is noted that in FY21 a specific goal on holding company discount to NAV was added to the STI objectives for the CEO, aligned with the goals for the CFO and to shareholder interest.

The minimum STI payout was 0% of base salary. The target and maximum STI opportunity are the same at 100% of base salary, ie there is no opportunity to overachieve on bonus payout.

All STI awards are paid out in cash.

Measurements for bonus achievement were based on the original business plan for FY21 and were not adjusted in-year, despite volatility due to Covid-19, particularly in the first quarter. We have delivered financial performance ahead of our business plan as originally set pre-Covid-19.

We disclose the STI goals and achievements for FY21. STI goals are reflective of the annual business plan and many goals are representative of a multi-year effort, eg to win new markets or increase our customer base. We believe that showing our competitors details of the goal targets before the financial year is not in the best interest of our shareholders. However, we have highlighted in the annual report any metrics or developments for FY21 and FY22 that were included in the STI of the executive directors.

Strategic, operational and sustainability performance measures for both executive directors accounted for 50% of the total bonus opportunity. Operational performance measures include financial objectives on the underlying business's performance.

It is noted that assessment of the financial goal achievement excludes M&A.

Investing for long-term value creation

Across our consumer internet businesses, we compete against both local and global 'tech titans'. Reaching scale relatively quickly, in terms of consumer numbers and markets served, is of paramount importance in this environment. It requires significant investment and often involves incurring losses in the early years. We make a deliberate choice to invest in these businesses, knowing that short-term profitability and free cash flow may be negative. As such the financial architecture is quite different to that of traditional business models. The diversity in our portfolio allows us to sustain this investment phase. Once scale is reached, profitability follows. It is therefore appropriate to incentivise management to strike the right balance between investing to grow the business and outpace the competition in the long term and driving free cash flow generation and to not sacrifice the former for the short-term benefit of the latter.

Further details can be found in the 2021 annual report on page 28.

Implementation of remuneration policy continued

Outcomes of STIs

We entered the pandemic with financial strength and good momentum, and, competing in a sector that performed exceptionally well, we have exceeded our business plan and delivered financial performance ahead of the budget as originally set pre-Covid-19. The outcomes as shown in figure 1 on this page and figure 1 on page 148 resulted in annual bonus payout levels of €1 214 094 or 98.3% of base salary for Bob van Dijk and US$1 143 182 or 100% of base salary for Basil Sgourdos.

All financial, strategic, operational and ESG goals are measurable and audited.

Figure 1 – **FY21 goals and achievements**

BOB VAN DIJK

Maximum STI opportunity: 100% base salary

✓ Achieved ✗ Not achieved

Group financial goals	Weighting %	Description	Further Info can be found in the annual report on page	Outcome	Actual payout
Revenue	10.0	Achieve revenue target (on an economic-interest basis and excluding M&A).	164	✓	€123 467
Core headline earnings (including Tencent)[1]	15.0	Achieve core headline earnings at target, including Tencent.	179	✓	€185 201
Core headline earnings (excluding Tencent)[1]	15.0	Achieve core headline earnings at target, excluding Tencent.	179	✓	€185 201
Free cash flow	10.0	Achieve free cash outflow at target.	166	✓	€123 467
	50.0				**€617 336**

Strategic, operational and ESG goals	Weighting %	Description	Further Info can be found in the annual report on page	Outcome	Actual payout
Classifieds	12.5	Deliver organic topline growth and organic trading profit growth at target.	42	✓	€154 334
Food Delivery	15.0	Deliver on targets related to revenue, order volume, organic revenue growth and manage incremental year-on-year spent on total Food Delivery.	46	✓	€185 201
Payments and Fintech	5.0	Deliver organic revenue growth target and organic trading loss improvement.	52	✓*	€41 156
Holding company discount[2]	10	Continue to engage with shareholders and taking into account their feedback, develop proposals to address the holding company discount to NAV.	35	✓	€123 467
Business sustainability: Machine learning (ML) and artificial intelligence (AI)	2.5	Continue to build our AI capabilities by increasing the number of ML modules in production.	83	✓	€30 867
Business sustainability: Diversity and inclusion	2.5	Increase focus on diversity and inclusion throughout the group, measured through employee engagement survey.	85	✓	€30 867
Business sustainability: Data privacy and security	2.5	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.	79	✓	€30 867
	50.0				**€596 758**

1 Core headline earnings is an alternative performance measurement. Please refer to Note 39 'Segment information' on page 213 of the annual report.
2 In FY21 a specific goal on holding company discount to NAV was added to the STI objectives for the CEO, aligned with the goals for the CFO and to shareholder interest.
* The following target for Payments and Fintech was achieved: Organic revenue growth and organic trading loss improvement

Implementation of remuneration policy continued

Figure 1 – **FY21 goals and achievements**

BASIL SGOURDOS

Maximum STI opportunity: 100% of base salary

✓ Achieved ✗ Not achieved

Group financial goals	Weighting %	Description	Further Info can be found in the annual report on page	Outcome	Actual payout
● Core headline earnings (including Tencent)[1]	12.5	Achieve core headline earnings at target, including Tencent.	179	✓	US$142 898
● Core headline earnings (excluding Tencent)[1]	12.5	Achieve core headline earnings at target, excluding Tencent.	179	✓	US$142 898
● Free cash flow	25.0	Achieve free cash outflow at target.	166	✓	US$285 796
	50.0				**US$571 591**

Strategic, operational and ESG goals	Weighting %	Description	Further Info can be found in the annual report on page	Outcome	Actual payout
● Holding company discount	15.0	Continue to engage with shareholders and taking into account their feedback, develop proposals to address the holding company discount to NAV.	35	✓	US$171 477
● Taxation	12.5	Effective taxation strategy and policy to address changes in global tax frameworks.	98	✓	US$142 898
● Investor relations	5.0	Increase focus on ESG, deliver effective communication and improve shareholder targeting.	76	✓	US$57 159
● Group finance	10.0	Deliver more effective processes that improve our financial capabilities. Deliver group auditing rotation process.	122	✓	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.	103	✓	US$28 580
● Business sustainability: Team and talent	5.0	Progress on diversity and inclusion initiatives and develop a structured finance learning strategy.	85	✓	US$57 159
	50.0				**US$571 591**

1 Core headline earnings is an alternative performance measurement. Please refer to Note 39 'Segment information' on page 213 of the annual report.

Implementation of remuneration policy continued

LTI over FY21

LTI awards comprise a significant portion of total compensation and are designed to incentivise the delivery of sustainable longer-term growth and provide alignment with our shareholders. The entirety of our executive directors' LTI is determined by the performance of the company and growth in the valuation of the underlying assets and, as such, is deemed 'at risk'.

In table 1 below and table 1 on page 151, we have set out information on unvested LTI, including awards made during FY21 as well as awards that have vested during FY21. Details of the group's LTI schemes settlement are disclosed in note 42 on page 226 of the annual financial statements at www.prosus.com.

Table 1 – **Overview of LTI awards for Bob van Dijk**

	Main conditions of share plans					Number of unvested awards[1]				Value in US$	
Bob van Dijk	Performance metric	Award date	Vesting date(s)	Expiry date	Strike price of option/SAR	Opening balance 1 April 2020 (unvested)	Awarded during the year	Vested during the year	Closing balance 31 March 2021 (unvested)	Potential gain of awards vested during the year at vesting date[2]	Fair value of unvested awards 31 March 2021[3]
Naspers Performance Share Units (PSUs)	Three years cliff – TSR	09/09/2019	30/06/2022	n/a	–	24 527	–	–	24 527	–	8 589 147
		21/09/2020	21/09/2023	n/a	–	–	48 302	–	48 302	–	11 544 357
		Subtotal				**24 527**	**48 302**	**–**	**72 829**	**–**	**20 133 504**
Naspers Global Ecommerce Share Appreciation Rights (SARs)	Four-year measurement of value growth of ecommerce business units	15/08/2017	15/08/2020	15/08/2027	27.25	146 789	–	(146 789)	–	2 238 532	–
		15/08/2017	15/08/2021	15/08/2027	27.25	146 789	–	–	146 789	–	5 435 597
		15/08/2017	15/08/2022	15/08/2027	27.25	146 789	–	–	146 789	–	5 435 597
		08/09/2017	08/09/2020	08/09/2027	27.60	35 051	–	(35 051)	–	487 910	–
		08/09/2017	08/09/2021	08/09/2027	27.60	35 051	–	–	35 051	–	1 285 671
		08/09/2017	08/09/2022	08/09/2027	27.60	35 055	–	–	35 055	–	1 285 817
		25/06/2018	25/06/2020	25/06/2028	33.57	104 608	–	(104 608)	–	787 698	–
		25/06/2018	25/06/2021	25/06/2028	33.57	104 608	–	–	104 608	–	3 212 512
		25/06/2018	25/06/2022	25/06/2028	33.57	104 610	–	–	104 610	–	3 212 573
		16/07/2019	16/07/2020	16/07/2029	36.70	109 208	–	(109 208)	–	538 395	–
		16/07/2019	16/07/2021	16/07/2029	36.70	109 208	–	–	109 208	–	3 011 957
		16/07/2019	16/07/2022	16/07/2029	36.70	109 208	–	–	109 208	–	3 011 957
		16/07/2019	16/07/2023	16/07/2029	36.70	109 208	–	–	109 208	–	3 011 957
		21/09/2020	21/09/2021	21/09/2030	41.98	–	62 571	–	62 571	–	1 395 333
		21/09/2020	21/09/2022	21/09/2030	41.98	–	62 571	–	62 571	–	1 395 333
		21/09/2020	21/09/2023	21/09/2030	41.98	–	62 571	–	62 571	–	1 395 333
		21/09/2020	21/09/2024	21/09/2030	41.98	–	62 572	–	62 572	–	1 395 356
		Subtotal				**1 296 182**	**250 285**	**(395 656)**	**1 150 811**	**4 052 535**	**34 484 993**

Implementation of remuneration policy continued

Table 1 – **Overview of LTI awards for Bob van Dijk** continued

	Main conditions of share plans					Number of unvested awards[1]				Value in US$	
Bob van Dijk	**Performance metric**	**Award date**	**Vesting date(s)**	**Expiry date**	**Strike price of option/SAR**	**Opening balance 1 April 2020 (unvested)**	**Awarded during the year**	**Vested during the year**	**Closing balance 31 March 2021 (unvested)**	**Potential gain of awards vested during the year at vesting date[2]**	**Fair value of unvested awards 31 March 2021[3]**
Naspers N Share Options (SOs)	Four-year share price growth	05/07/2016	05/07/2020	05/07/2026	2 056.88	49 302	–	(49 302)	–	7 980 695	–
		05/07/2016	05/07/2021	05/07/2026	2 056.88	49 302	–	–	49 302	–	10 403 179
		08/09/2017	08/09/2020	08/09/2027	2 755.72	12 932	–	(12 932)	–	1 339 531	–
		08/09/2017	08/09/2021	08/09/2027	2 755.72	12 932	–	–	12 932	–	2 117 178
		25/06/2018	25/06/2020	25/06/2028	3 100.99	15 285	–	(15 285)	–	1 453 512	–
		25/06/2018	25/06/2021	25/06/2028	3 100.99	15 285	–	–	15 285	–	2 145 261
		25/06/2018	25/06/2022	25/06/2028	3 100.99	15 287	–	–	15 287	–	2 145 542
		16/07/2019	16/07/2020	16/07/2029	3 494.00	3 958	–	(3 958)	–	321 354	–
		16/07/2019	16/07/2021	16/07/2029	3 494.00	3 958	–	–	3 958	–	450 240
		16/07/2019	16/07/2022	16/07/2029	3 494.00	3 958	–	–	3 958	–	450 240
		16/07/2019	16/07/2023	16/07/2029	3 494.00	3 961	–	–	3 961	–	450 581
		21/09/2020	21/09/2021	21/09/2030	2 827.88	–	3 552	–	3 552	–	169 184
		21/09/2020	21/09/2022	21/09/2030	2 827.88	–	3 552	–	3 552	–	169 184
		21/09/2020	21/09/2023	21/09/2030	2 827.88	–	3 552	–	3 552	–	169 184
		21/09/2020	21/09/2024	21/09/2030	2 827.88	–	3 552	–	3 552	–	169 184
		Subtotal				**186 160**	**14 208**	**(81 477)**	**118 891**	**11 095 092**	**18 838 957**
		Total				**1 506 869**	**312 795**	**(477 133)**	**1 342 531**	**15 147 627**	**73 457 454**

1 The aggregate number of vested but unexercised SARs and SOs for Bob is 5 343 625 (2020: 4 947 969) and 1 003 928 (2020: 922 451) respectively. The aggregated cash-settled liability of vested unexercised SARs is included in the aggregated cash-settled liability in note 42 of the financial statements on page 232. The share-based payment reserve of vested but unexercised SOs is included in the aggregate retained earnings balance shown in note 19 of the financial statements on page 202.
2 The potential gain of awards vested in FY21 is calculated by taking the difference between the closing share price on vesting date and the offer price and multiplying that difference by the number of SOs/SARs that vested in FY21. The value does not necessarily accrue to the individual. It is available to them should they have chosen to exercise (buy and/or sell shares) on or after the date the SOs or SARs vested. As part of the Prosus listing and capitalisation issue, the MIH Internet Holdings B.V. and Naspers Restricted Stock Plan trusts elected to receive Prosus shares. In line with the capitalisation issue 1 Prosus share is linked to each SO/PSU. The value of the Prosus share is included where relevant. It is noted that PSUs awarded in September 2020 will not vest until September 2023. SAR and SO offers made prior to 1 April 2018 vests over 5 years and would be measured over 5 years' growth.
3 The fair value of unvested awards on 31 March 2021 is calculated by taking the difference between the closing share price on 31 March 2021 and the offer price (if applicable) and multiplying that difference by the number of unvested SOs/SARs/PSUs as at 31 March 2021 and assuming 100% vesting for PSUs. As part of the Prosus listing and capitalisation issue, the MIH Internet Holdings B.V. and Naspers Restricted Stock Plan trusts elected to receive Prosus shares. In line with the capitalisation issue 1 Prosus share is linked to each SO/PSU. The value of the Prosus share is included where relevant. The actual value accruing to the executive will depend on the real value created over the time of the award.

Implementation of remuneration policy continued

Table 1 – **Overview of LTI awards for Basil Sgourdos**

	Main conditions of share plans					Number of unvested awards[1]				Value in US$	
Basil Sgourdos	**Performance metric**	**Award date**	**Vesting date(s)**	**Expiry date**	**Strike price of option/SAR**	**Opening balance 1 April 2020 (unvested)**	**Awarded during the year**	**Vested during the year**	**Closing balance 31 March 2021 (unvested)**	**Potential gain of awards vested during the year at vesting date[2]**	**Fair value of unvested awards 31 March 2021[3]**
Naspers Performance Share Units (PSUs)	Three years cliff – TSR	09/09/2019	30/06/2022	n/a	–	12 718	–	–	12 718	–	4 453 736
		21/09/2020	21/09/2023	n/a	–	–	28 623	–	28 623	–	6 841 003
		Subtotal				**12 718**	**28 623**	**–**	**41 341**	**–**	**11 294 739**
Naspers Global Ecommerce Share Appreciation Rights (SARs)	Four-year measurement of value growth of ecommerce business units	17/09/2015	17/09/2020	17/09/2025	18.59	9 685	–	(9 685)	–	221 109	–
		29/08/2016	29/08/2020	29/08/2026	20.45	32 599	–	(32 599)	–	687 187	–
		29/08/2016	29/08/2021	29/08/2026	20.45	32 603	–	–	32 603	–	1 428 989
		15/08/2017	15/08/2020	15/08/2027	27.25	25 353	–	(25 353)	–	386 633	–
		15/08/2017	15/08/2021	15/08/2027	27.25	25 353	–	–	25 353	–	938 822
		15/08/2017	15/08/2022	15/08/2027	27.25	25 354	–	–	25 354	–	938 859
		08/09/2017	08/09/2020	08/09/2027	27.60	21 017	–	(21 017)	–	292 557	–
		08/09/2017	08/09/2021	08/09/2027	27.60	21 017	–	–	21 017	–	770 904
		08/09/2017	08/09/2022	08/09/2027	27.60	21 020	–	–	21 020	–	771 014
		25/06/2018	25/06/2020	25/06/2028	33.57	53 689	–	(53 689)	–	404 278	–
		25/06/2018	25/06/2021	25/06/2028	33.57	53 689	–	–	53 689	–	1 648 789
		25/06/2018	25/06/2022	25/06/2028	33.57	53 692	–	–	53 692	–	1 648 881
		16/07/2019	16/07/2020	16/07/2029	36.70	56 626	–	(56 626)	–	279 166	–
		16/07/2019	16/07/2021	16/07/2029	36.70	56 626	–	–	56 626	–	1 561 745
		16/07/2019	16/07/2022	16/07/2029	36.70	56 626	–	–	56 626	–	1 561 745
		16/07/2019	16/07/2023	16/07/2029	36.70	56 627	–	–	56 627	–	1 561 773
		21/09/2020	21/09/2021	21/09/2030	41.98	–	37 079	–	37 079	–	826 862
		21/09/2020	21/09/2022	21/09/2030	41.98	–	37 079	–	37 079	–	826 862
		21/09/2020	21/09/2023	21/09/2030	41.98	–	37 079	–	37 079	–	826 862
		21/09/2020	21/09/2024	21/09/2030	41.98	–	37 080	–	37 080	–	826 884
		Subtotal SARs				**601 576**	**148 317**	**(198 969)**	**550 924**	**2 270 930**	**16 138 991**

Implementation of remuneration policy continued

Table 1 – **Overview of LTI awards for Basil Sgourdos** Continued

	Main conditions of share plans					Number of unvested awards[1]				Value in US$	
Basil Sgourdos	Performance metric	Award date	Vesting date(s)	Expiry date	Strike price of option/SAR	Opening balance 1 April 2020 (unvested)	Awarded during the year	Vested during the year	Closing balance 31 March 2021 (unvested)	Potential gain of awards vested during the year at vesting date[2]	Fair value of unvested awards 31 March 2021[3]
Naspers N Share Options (SOs)	Four-year share price growth	18/09/2015	18/09/2020	18/09/2025	1 634.84	2 247	–	(2 247)	–	390 289	–
		25/09/2015	25/09/2020	25/09/2025	1 594.52	460	–	(460)	–	81 473	–
		29/08/2016	29/08/2020	29/08/2026	2 323.52	3 230	–	(3 230)	–	491 567	–
		29/08/2016	29/08/2021	29/08/2026	2 323.52	3 231	–	–	3 231	–	623 469
		08/09/2017	08/09/2020	08/09/2027	2 755.72	1 444	–	(1 444)	–	149 573	–
		08/09/2017	08/09/2021	08/09/2027	2 755.72	1 444	–	–	1 444	–	236 406
		25/06/2018	25/06/2020	25/06/2028	3 100.99	8 277	–	(8 277)	–	787 093	–
		25/06/2018	25/06/2021	25/06/2028	3 100.99	8 277	–	–	8 277	–	1 161 683
		25/06/2018	25/06/2022	25/06/2028	3 100.99	8 277	–	–	8 277	–	1 161 683
		16/07/2019	16/07/2020	16/07/2029	3 494.00	2 052	–	(2 052)	–	166 604	–
		16/07/2019	16/07/2021	16/07/2029	3 494.00	2 052	–	–	2 052	–	233 424
		16/07/2019	16/07/2022	16/07/2029	3 494.00	2 052	–	–	2 052	–	233 424
		16/07/2019	16/07/2023	16/07/2029	3 494.00	2 055	–	–	2 055	–	233 765
		21/09/2020	21/09/2021	21/09/2030	2 827.88	–	2 105	–	2 105	–	100 263
		21/09/2020	21/09/2022	21/09/2030	2 827.88	–	2 105	–	2 105	–	100 263
		21/09/2020	21/09/2023	21/09/2030	2 827.88	–	2 105	–	2 105	–	100 263
		21/09/2020	21/09/2024	21/09/2030	2 827.88	–	2 105	–	2 105	–	100 263
		Subtotal				**45 098**	**8 420**	**(17 710)**	**35 808**	**2 066 599**	**4 284 906**
		Total				**659 392**	**185 360**	**(216 679)**	**628 073**	**4 337 529**	**31 718 634**

1 The aggregate number of vested but unexercised SARs and SOs for Basil is 315 956 (2020: 282 954) and 98 410 (2020: 87 367) respectively. The aggregated cash-settled liability of vested unexercised SARs is included in the aggregated cash-settled liability in note note 42 of the financial statements on page 232. The share-based payment reserve of vested but unexercised SOs is included in the aggregate retained earnings balance shown in note 42 of the financial statements on page 232.

2 The potential gain of awards vested in FY21 is calculated by taking the difference between the closing share price on vesting date and the offer price and multiplying that difference by the number of SOs/SARs that vested in FY21. The value does not necessarily accrue to the individual. It is available to them should they have chosen to exercise (buy and/or sell shares) on or after the date the SOs or SARs vested. As part of the Prosus listing and capitalisation issue, the MIH Internet Holdings B.V. and Naspers Restricted Stock Plan trusts elected to receive Prosus shares. In line with the capitalisation issue 1 Prosus share is linked to each SO/PSU. The value of the Prosus share is included where relevant. It is noted that PSUs awarded in September 2020 will not vest until September 2023. SAR and SO offers made prior to 1 April 2018 vests over 5 years and would be measured over 5 years' growth.

3 The fair value of unvested awards on 31 March 2021 is calculated by taking the difference between the closing share price on 31 March 2021 and the offer price (if applicable) and multiplying that difference by the number of unvested SOs/SARs/PSUs as at 31 March 2021 and assuming 100% vesting for PSUs. As part of the Prosus listing and capitalisation issue, the MIH Internet Holdings B.V. and Naspers Restricted Stock Plan trusts elected to receive Prosus shares. In line with the capitalisation issue 1 Prosus share is linked to each SO/PSU. The value of the Prosus share is included where relevant. The actual value accruing to the executive will depend on the real value created over the time of the award.

Implementation of remuneration policy continued

Executive directors' LTI exercised in FY21

In 2018, the group sold its stake in Flipkart Private Ltd. Following the sale, the vesting of awards in the Flipkart SAR Plan were accelerated and settled. At the time of settlement there was a tax refund pending with the Indian tax authorities as Walmart withheld a portion of the company's gain on the transaction, causing the settlement to participants in the Flipkart SAR Plan to be pro-rated. During 2021 the tax amount was recovered from the Indian tax authorities and as a result, an additional settlement amount was due to participants. Accordingly, US$3 343 906 (pre-tax) was settled to Bob van Dijk as participant in the Flipkart SAR Plan.

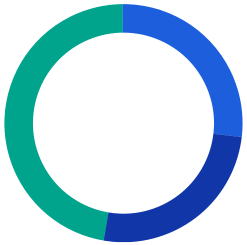
Basil Sgourdos exercised Naspers SOs in the MIH Internet Holdings B.V. Share Trust which were due to expire on 8 September 2020 and he disposed of the Naspers shares that he received. The pre-tax gain amounted to US$1 795 902 and includes the value of the Prosus shares linked to his Naspers SOs as a result of the Prosus capitalisation issue in 2019. In addition, in March 2021 he exercised SARs in the Naspers Global Ecommerce scheme which were settled in cash (as per group policy). The pre-tax gain amounted to US$3 439 262. Details of these transactions are summarised in figure 1.

Figure 1 – **LTI exercised in FY21 by Basil Sgourdos**

	Date exercised	Number of SOs/ SARs	Gross gain (pre-tax)
Naspers N SOs	07/06/2020	6 667	US$1 166 627
Naspers N SOs – linked Prosus shares	07/06/2020	6 667	US$629 275
Naspers Global Ecommerce SARs	03/01/2021	165 967	US$3 439 262

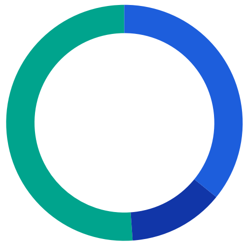
Figure 2 – **the balance of the executive directors' unvested LTIs (based on potential value) as at 31 March 2021:**

BOB VAN DIJK



	%
Naspers PSUs	27
Naspers SOs	26
Ecommerce SARs	47
Total	100

BASIL SGOURDOS



	%
Naspers PSUs	36
Naspers SOs	13
Ecommerce SARs	51
Total	100

Shares purchased in the market

Since 1 April 2018, to avoid shareholder dilution as a result of employee LTIs, the group has been purchasing Naspers and Prosus shares on the JSE/Euronext for the purpose of issuing new Naspers SOs, Naspers PSUs, Naspers RSUs and Prosus RSUs to employees and settling gains made on all share-based incentive schemes (prior to 31 March 2020).

In FY21, the group purchased Naspers N shares to the value of US$48m (FY20: US$74m) and Prosus N shares to the value of US$65m in the market totalling US$113m. Details of these Prosus and Naspers share purchases are summarised in figure 3 and 4 respectively.

Dilutive impact of group LTI schemes

The board has determined that no more than 5% of the current N ordinary share capital may be used for purposes of share-based incentive schemes.

LTI costs

LTIs across the group account for 44.9% of total staff costs, and 13% of overall group costs, for example the cost of providing services and sale of goods, selling, general and administration expenses. Further details can be found in note 27 on page 209 of the annual financial statements at www.prosus.com.

Figure 3 – **Prosus shares purchased in the market**

	Number of shares	Purchase price (US$)[2]	Average purchase price range (EUR)
Prosus N.V. Share Award Plan trust[1]	670 032	64 703 088	77.40 and 108.81

1 The Prosus N.V. Share Award Plan trust is used to grant Prosus RSUs to employees of the group (executive directors are not eligible to receive RSUs). Shares are purchased on Euronext and Johannesburg Stock Exchange for non-South African and South African employees respectively. No purchases were made in the trust in FY20.
2 Purchase price in EUR converted to USD by using the exchange rate on date of purchase.

Figure 4 – **Naspers shares purchased in the market**

	2021			2020		
	Number of shares	**Purchase price (US$)[2]**	**Average purchase price range (R)**	**Number of shares**	**Purchase price (US$)[2]**	**Average market price range (R)**
MIH Internet Holdings Share Trust[1]	107 101	19 444 686	2 978.39 to 3 111.41	123 395	28 879 965	2 184.87 to 3 512.68
MIH Holdings Share Trust[1]	68 718	12 285 548	3 042.13	80 320	15 720 222	2 184.87 to 3 403.18
Naspers Restricted Stock Plan Trust	92 918	16 612 074	3 042.13	128 096	29 073 029	2 184.87 to 3 535.75
Total	**268 737**	**48 342 308**		**331 811**	**73 673 216**	

1 The MIH Internet Holdings Share Trust is used to grant Naspers options to our non-South African employees. The MIH Holdings Share Trust is used to grant Naspers options to our South African employees.
2 Purchase price in ZAR converted to USD by using the exchange rate on date of purchase.

Implementation of remuneration policy continued

Looking forward to FY22

As we only entered the pandemic last year, we took prudent executive remuneration decisions. Executive directors did not receive a pay increase for FY21 and LTI awards were deferred to September 2020. We entered the pandemic with financial strength and good momentum and, competing in a sector that performed exceptionally well, we have exceeded our business plan and delivered financial performance ahead of the budget as originally set pre-Covid-19. Our businesses recovered well from the initial impact and are now fundamentally stronger than they were. This performance is reflected in our remuneration decisions for FY22, where the CEO and CFO will receive a 5% increase on base pay and will be granted LTI awards at similar levels as last year.

FY22 remuneration in EUR

EUR'000		Variable remuneration							
			LTI[3]						
Executive director	Fixed remuneration[1]	STI[2]	PSUs[4]	SARs	SOs	Pension	Other benefit[5]	Total remuneration[6]	Proportion of fixed and variable remuneration
Bob van Dijk, CEO	1 296	1 296	6 981	3 781	873	84	42	14 354	9%/91%
Basil Sgourdos, CFO	1 023	1 023	4 137	2 241	517	80	17	9 038	11%/89%

FY22 remuneration in US$

US$'000		Variable remuneration							
			LTI[3 4]						
Executive director	Fixed remuneration[1]	STI[2]	PSUs	SARs	SOs	Pension	Other benefits[5]	Total remuneration[6]	Proportion of fixed and variable remuneration
Bob van Dijk, CEO	1 521	1 521	8 188	4 435	1 024	99	50	16 838	9%/91%
Basil Sgourdos, CFO	1 200	1 200	4 852	2 628	607	94	20	10 601	11%/89%

1 The executive directors received a 5% increase in base salary effective from 1 April 2021.
2 This is the at-target and also maximum STI as a percentage to base salary. STI goals are shown on pages 147 and 148 of this remuneration report.
3 Represents the grant date fair value of awards to be made during FY22 assuming on-target vesting for PSUs. 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 grant of the FY22 PSU and SO awards will be partly settled in Naspers shares (72.5%) and partly in Prosus shares (27.5%), aligned with the free float ownership in Naspers and Prosus (subject to obtaining requisite approval to amend the remuneration policy).
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 is currently split 10/90 between Naspers and Prosus.

Implementation of remuneration policy continued

FY22 STI goals

Bob Van Dijk

Target and maximum STI opportunity: 100% base salary

Group financial goals	Weighting %	Description	Maximum payout
Revenue	10	Achieve revenue target (on an economic-interest basis and excluding M&A).	€129 641
Core headline earnings (including Tencent)	10	Achieve core headline earnings at target, including Tencent.	€129 641
Core headline earnings (excluding Tencent)	20	Achieve core headline earnings at target, excluding Tencent.	€259 281
Free cash flow	10	Achieve free cash outflow at target.	€129 641
	50		**€648 203**

Strategic, operational and environment, social and governance (ESG) goals	Weighting %	Description	Maximum payout
Classifieds	10	Deliver organic topline growth and organic trading profit at target.	€129 641
Food Delivery	10	Deliver organic topline growth and managing organic trading loss at target.	€129 641
Payments and Fintech	5	Deliver organic topline growth and managing organic trading loss at target.	€64 820
B2C	5	Deliver organic topline growth and organic trading profit at target.	€64 820
Edtech	5	Deliver organic topline growth and managing organic trading loss at target.	€64 820
Holding company discount	10	Take structural action to address the holding company discount to NAV.	€129 641
Sustainability: Diversity and inclusion	2.5	Promote diversity and inclusion in the company and ensure high employee engagement.	€32 410
Sustainability: Climate sustainability	2.5	Be carbon-neutral on scope 1 and scope 2 emissions at the group level by year-end FY22.	€32 410
	50		**€648 203**

Basil Sgourdos

Target and maximum STI opportunity: 100% of base salary

Group financial goals	Weighting %	Description	Maximum payout
Core headline earnings (including Tencent)	8	Achieve core headline earnings at target, including Tencent.	US$96 027
Core headline earnings (excluding Tencent)	17	Achieve core headline earnings at target, excluding Tencent.	US$204 058
Free cash flow	25	Achieve free cash outflow at target.	US$300 085
	50		**US$600 171**

Strategic, operational and ESG goals	Weighting %	Description	Maximum payout
Holding company discount	15	Take structural action to address the holding company discount to NAV.	US$180 051
Taxation	12.5	Prudent and optimal tax management structure.	US$150 043
Investor relations	10	Ensure the IR programme is effective and impactful.	US$120 034
Group finance	5	Develop finance team to drive excellent delivery.	US$60 017
Governance, internal audit and risk management	2.5	Ensure that effective systems of internal control are operated throughout the group's controlled entities.	US$30 009
Sustainability: Diversity and inclusion	2.5	Promote diversity and inclusion in the function and ensure high employee engagement.	US$30 009
Sustainability: Climate sustainability	2.5	Be carbon-neutral on scope 1 and scope 2 emissions at the group level by year-end FY22.	US$30 009
	50		**US$600 171**

All financial, strategic, operational and ESG goals are measurable and audited.
The committee undertakes a thorough assessment to ensure that targets are sufficiently stretched in the context of potential remuneration delivered.

Implementation of remuneration policy continued

LTI awards to be made in FY22

LTI awards comprise a significant portion of total executive compensation and are designed to incentivise the delivery of sustainable longer-term growth and provide alignment with our shareholders. The entirety of our executives' LTI is determined by the performance of the company and growth in the valuation of the underlying assets and, as such, is deemed 'at risk'.

The committee will continue to award PSUs to senior executives in FY22, having introduced the programme in FY20. PSUs constituted approximately 60% of the LTI awards made to the executive directors in FY21 and this will be approximately 60% for FY22.

We have set out on page 154 information on the LTI to be made during FY22. The balance of the CEO's and CFO's FY22 LTI grants is focused towards consumer internet business, excluding Tencent and Mail.ru.

Over time, settlement of PSU and SO awards will gradually be re-balanced between Prosus and Naspers shares, aligned with the free-float ownership in Prosus and Naspers (subject to obtaining requisite approval to amend the remuneration policy). Accordingly, the grant of the FY22 PSU and SO awards will be partly settled in Naspers shares (72.5%) and partly in Prosus shares (27.5%).

Statement of compliance

Termination payments

No termination payments were made to executive and non-executive directors on termination of employment or office in FY21.

Malus and clawbacks

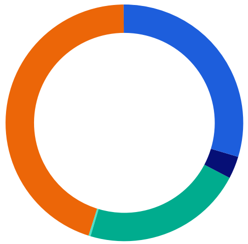
Malus and clawback provisions apply to the STI and LTI awarded to executive directors and senior management. In FY21, no malus or clawback was applied to any remuneration of the executive directors and senior management.

CEO shareholding requirement

The CEO meets the current requirement to maintain a shareholding in Naspers of 10 times his annual salary.

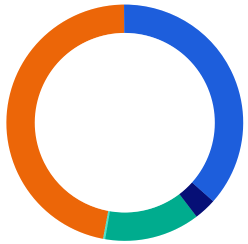
Figure 1 – **the approximate balance of the unvested LTIs for the CEO and CFO, post the FY22 allocation**[1]

BOB VAN DIJK



	%
Naspers PSUs	29.9
Prosus PSUs[2]	2.6
Naspers SOs	22.5
Prosus SOs[2]	0.3
Ecommerce SARs	44.7
Total	100

BASIL SGOURDOS



	%
Naspers PSUs	37.2
Prosus PSUs[2]	3.4
Naspers SOs	11.9
Prosus SOs[2]	0.4
Ecommerce SARs	47.1
Total	100

1 Based on the estimated fair value of unvested awards as at 31 March 2021 and the indicative fair value of offers to be made in FY22.
2 Subject to obtaining requisite approval to amend the remuneration policy.

Implementation of remuneration policy continued

Non-executive directors

Non-executive directors' fees

Given the global scale and complexity of the businesses that the group operates and has an interest in, it is important that we can attract and retain the best globally orientated board members.

The committee conducts a regular benchmarking exercise to ascertain whether the fees for non-executive directors are competitive, fair and reasonable. The committee is informed by the external market when reviewing the fee structure and levels for our non-executive directors. This includes market fee levels for Naspers and Prosus's industry peers internationally, and those fee levels observed in the Top 10 AEX and JSE companies.

At the Prosus AGM on 18 August 2020, shareholders approved an increase of up to 5% year on year for fees for non-executive directors, the chair of the board, committee members and the chairs of committees for the year ended 31 March 2021. However, given the then uncertain impact of Covid-19, the board decided not to implement any increase in fees for the financial year ended 31 March 2021. Based on a recent review of the external market data and inputs from our advisory partners, the committee is confident that a 5% increase of the non-executive directors' fees for FY22 and FY23 is warranted and accordingly will submit the proposal at the August 2021 AGM for shareholder approval.

No additional fees are paid to board members serving on the projects committee or on the valuations subcommittee of the human resources and remuneration committee. Non-executive directors do not receive any longer-term or equity-based compensation.

Non-executive directors serve on the board of both Naspers and Prosus and receive no additional compensation for their dual responsibilities to Naspers and Prosus. Fees are split between Naspers and Prosus on a 30/70 basis, pro-rated from the date of listing of Prosus. The split was determined based on the underlying assets and the amount of time required to ensure that sufficient time is allocated to assume the dual responsibilities.

The non-executive chair does not receive additional remuneration for attending meetings or being a member of or chairing any committee of the board or attending Tencent board and committee meetings.

Non-executive directors' fees

US$'000	FY21[1]							FY20						
	Directors' fees		Committee and trustee fees		Other fees[2]		Total	Directors' fees		Committee and trustee fees		Other fees[2]		Total
Non-executive directors	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	FY21	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	FY20
JP Bekker[3]	533	22	–	7	–	–	562	590	21	–	8	–	–	619
EM Choi	224	–	64	–	–	–	288	283	–	64	–	–	–	347
HJ du Toit[4]	–	–	–	–	–	–	–	–	–	–	–	–	–	0
CL Enenstein	234	–	105	–	–	50	389	287	–	104	–	–	50	441
DG Eriksson[5]	234	–	260	–	–	–	494	252	–	259	–	–	–	511
M Girotra	234	–	49	–	–	–	283	120	–	24	–	–	–	144
RCC Jafta	234	65	150	23	–	–	472	259	67	165	–	–	–	500
FLN Letele	231	–	26	–	–	–	257	242	–	26	–	–	–	268
D Meyer	234	–	26	–	–	–	260	256	–	26	–	–	–	282
R Oliveira de Lima	234	–	53	–	–	50	337	286	–	54	–	–	50	390
SJZ Pacak	234	–	59	–	–	–	293	249	–	29	–	–	–	278
TMF Phaswana[6]	–	–	–	–			–	270	–	54	–			324
MR Sorour[7]	234	150	–	–	–	120	504	259	150	–	–	–	120	529
JDT Stofberg	231	–	26	–	–	–	257	263	–	26	–	–	–	289
BJ van der Ross	234	–	29	–	–	–	263	252	–	78	–	–	–	330
Y Xu[8]	177	–	–	–	–	–	177	–	–	–	–	–	–	–
Total	**3 502**	**237**	**847**	**30**	**–**	**220**	**4 836**	**3 868**	**238**	**909**	**17**	**–**	**220**	**5 252**

1 Following the listing of Prosus, non-executive directors serve on the boards of both Naspers and Prosus. As a result of the non-executive directors assuming dual responsibilities the fees were split between Naspers and Prosus on a 30/70 basis.
2 Compensation for assignments.
3 Koos Bekker elected to donate the rand equivalent of his director's fees, being R3.6m (pre-tax), to education. This year the recipient was the primary school, Volkskool, in Heidelberg, South Africa.
4 Hendrik du Toit elected not to receive directors' fees.
5 Retired with effect from 1 April 2021.
6 Retired with effect from 1 April 2020.
7 Mark Sorour received US$13 078.95 from MIH Holdings Proprietary Limited for the period 1 April 2020 to 31 March 2021. This payment relates to the increased cost of medical aid for retired members of the MMED medical aid scheme as a result of the unbundling of MultiChoice Group. The company will provide an annual allowance to cover the difference in cost for retired scheme members during FY20 and FY21 only. This is not disclosed in the above table.
8 Appointed on 26 June 2020 as a director of Naspers and on 18 August 2020 as a director of Prosus.

Implementation of remuneration policy continued

General notes

Directors' fees include fees for services as directors, where appropriate, of Naspers and Media24 Proprietary Limited. An additional fee may be paid to directors for work done as directors with specific expertise. Committee fees include fees for attending meetings of the audit committee, risk committee, human resources and remuneration committee, nominations committee and the Naspers social, ethics and sustainability committee. Non-executive directors are subject to regulations on appointment and rotation in terms of Naspers's memorandum of incorporation, Prosus's articles of association, Dutch legal requirements and the South African Companies Act.

As announced on 4 March 2021, the board decided to nominate Angelien Kemna for appointment as an independent non-executive director of Prosus. Mrs Kemna holds no Prosus N or A1 ordinary shares.

The group arranges for, and pays, directors' and officers' liability insurance for the directors and officers of the group.

As at the date of this report, the group has not provided any personal loans, advances or guarantees to the executive and non-executive directors.

Koos Bekker and Cobus Stofberg each has an indirect 25% interest in Wheatfields 221 Proprietary Limited, which controls 168 605 Naspers Beleggings (RF) Limited ordinary shares, 16 860 500 Keeromstraat 30 Beleggings (RF) Limited ordinary shares, 179 988 (2020: 179 988) Naspers A shares and 657 609 (2020: 657 609) Prosus A1 shares.

Compliance

There were no deviations from the executive and non-executive directors' remuneration policy in FY21.

Figure 1

Executive and non-executive directors' interest in Prosus shares

The non-executive directors of Prosus had the following interests in Prosus A1 ordinary shares on 31 March 2021:

	31 March 2021			31 March 2020		
	Prosus A1 ordinary shares			Prosus A1 ordinary shares		
	Beneficial			Beneficial		
Name	Direct	Indirect	Total	Direct	Indirect	Total
SJZ Pacak	–	383	383	–	383	383
JDT Stofberg	–	639	639	–	639	639
Total	–	**1 022**	**1 022**	–	**1 022**	**1 022**

Figure 2

The executive and non-executive directors had the following interests in Prosus N ordinary shares on 31 March 2021:

	31 March 2021			31 March 2020		
	Prosus N ordinary shares			Prosus N ordinary shares		
	Beneficial			Beneficial		
Name	Direct	Indirect[1]	Total	Direct	Indirect	Total
JP Bekker	–	4 688 691	4 688 691	–	4 688 691	4 688 691
EM Choi	–	–	–	–	–	–
HJ du Toit	–	–	–	–	–	–
CL Enenstein	–	415	415	–	415	415
DG Eriksson	–	–	–	–	–	–
M Girotra	–	–	–	–	–	–
RCC Jafta	–	–	–	–	–	–
FLN Letele	1 474	–	1 474	1 474	–	1 474
D Meyer	–	–	–	–	–	–
R Oliveira de Lima	–	–	–	–	–	–
SJZ Pacak	–	630 635	630 635	–	630 635	630 635
TMF Phaswana[2]	–	–	–	–	1 030	1 030
V Sgourdos[3]	32 483	98 410	130 893	32 483	87 367	119 850
MR Sorour	2 145	442	2 587	2 145	442	2 587
JDT Stofberg	183 317	141 888	325 205	183 317	141 888	325 205
BJ van der Ross[4]	2 550	2 000	4 550	2 550	820	3 370
B van Dijk	51 809	1 003 928	1 055 737	51 809	922 451	974 260
Y Xu	–	–	–	–	–	–
Total	**273 778**	**6 566 409**	**6 840 187**	**273 778**	**6 473 739**	**6 747 517**

1 Prosus SOs linked to Naspers SOs following the listing of Prosus that have been released (vested), but have not yet been exercised, are included in the indirect column. Bob van Dijk – 1 003 928 (2020: 922 451). Basil Sgourdos – 98 410 (2020: 87 367). Steve Pacak – 54 000 (2020: 54 000).
2 Resigned as a director of Prosus and Naspers on 1 April 2020.
3 On 6 July 2020, Basil Sgourdos exercised 6 667 Prosus N.V. shares linked to Naspers N ordinary share options originally offered to him in September 2010. Basil disposed of the Prosus ordinary shares N he received. The full net gain after tax on disposal of these shares was reinvested into the group in the form of Prosus N.V. bonds, which he bought on the open market.
4 On 6 July 2020, an associate of Ben van der Ross purchased 660 ordinary shares N at a volume-weighted average value per share of R1 611.84. In addition, on 9 July 2020, an associate of Ben's purchased 520 ordinary shares N at a volume-weighted average value per share of R1 699.02.

Implementation of remuneration policy continued

Non-executive directors' fees

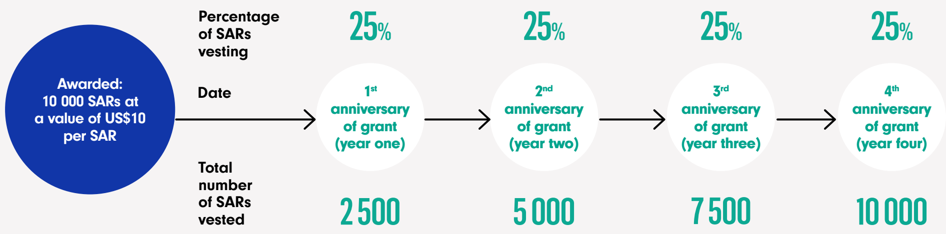
In US$ (unless otherwise stated)		Naspers: 31 March 2022[1]	Prosus: 31 March 2022[1]	31 March 2022[1]	31 March 2021
Board					
	Chair[2]	156 973	366 270	523 243	498 325
	Member	62 789	146 508	209 297	199 330
	Daily fees when travelling to and attending meetings outside home country	1 050	2 450	3 500	3 500
Committees					
Audit committee	Chair	38 675	90 241	128 915	122 775
	Member	15 470	36 096	51 566	49 110
Risk committee	Chair	22 972	53 601	76 573	72 925
	Member	9 189	21 440	30 629	29 170
Human resources and remuneration committee	Chair	27 177	63 413	90 590	86 275
	Member	10 871	25 365	36 236	34 510
Nomination committee	Chair	14 648	34 178	48 825	46 500
	Member	5 859	13 671	19 530	18 600
Social, ethics and sustainability committee	Chair	20 104	46 909	67 013	63 825
	Member	8 042	18 764	26 805	25 530
Other	Trustee of group share schemes/other personnel funds	R16 934	R39 514	R56 448	R53 760

1 Following the listing of Prosus on Euronext Amsterdam, Naspers non-executive directors serve on the boards of both Naspers and Prosus. As a result of the non-executive directors assuming these dual responsibilities, the proposed fees will be split between Naspers and Prosus, on a 30/70 basis.
2 The chair of Prosus does not receive additional remuneration for attending meetings or being a member of or chairing any committee of the board.

Additional information

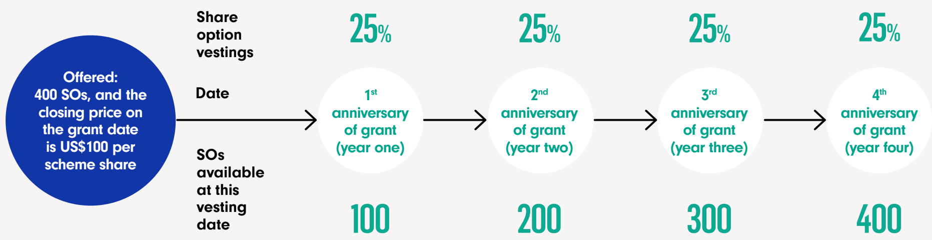
Graphic overview of our LTI plans

SAR How does a share appreciation right (SAR) work?



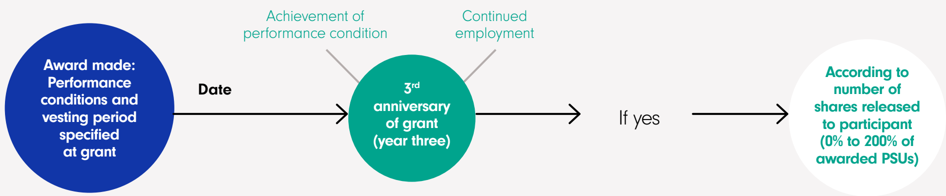
After two years the employee, assuming they didn't exercise their first 2 500 after year one, they may exercise 5 000 of their 10 000 SARs. If the value of an SAR at this point has increased to US$14, the employee made a gain of US$4 per SAR, giving the employee a total gain of US$20 000 (5 000 SARs x US$4 gain per SAR). So, if exercised, the employee would be awarded a value of US$20 000.

SO How does a stock option (SO) work?



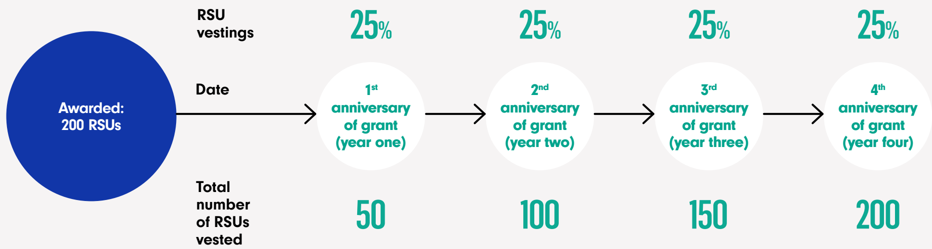
Let's say that two years after the grant date, the employee chooses to exercise and pay for 200 scheme shares, ie US$100 x 200 = US$20 000; if the market price of a scheme share has increased to say US$120, and the employee decides to sell them, that is a gain of US$20 per share. This means the employee shares in the success of the group by earning a benefit of US$4 000, ie US$20 x 200 scheme shares.

PSU How does a performance share unit (PSU) work?



The vesting of a PSU is determined not just by time. In order for an award to vest, certain business performance conditions must also be met.

RSU How does a restricted share unit (RSU) work?



Employee is awarded 200 RSUs on grant date. On each of the vesting dates they will automatically receive 50 shares. Let's assume that on the first vesting date the price is US$100 per share, the employee would then receive a benefit, at that point, to the value of US$5 000, ie 50 shares times an assumed US$100 per share.

Note: the CEO and his direct reports are not eligible to receive RSUs.

Additional information continued

LTI policies

Date and price of SOs, SARs and PSUs/RSUs
Our LTI policy does not allow for the backdating of LTI awards, or for the offer price to be adjusted so as to bring underwater SOs or SARs 'into the money'. There is no strike price for a PSU or an RSU, these are full-value shares and PSUs vest only on the achievement of the performance conditions determined at grant.

Offer prices may be adjusted within the rules of the scheme to take account of material structural changes to the group, for example, when Prosus was listed in 2019, Naspers shareholders and employees holding Naspers SOs received Prosus capitalisation/Naspers N capitalisation shares (depending on which share trust they participated in), linked to each option.

LTI dividend policy
Employees of the Prosus group holding unvested SOs, RSUs or PSUs do not receive ordinary dividends. Upon vesting, then participants are treated as per all other shareholders with regard to ordinary dividends.

Prudent approach
Vesting periods are conservative relative to the companies with which we compete for talent. Our LTI plans typically vest over four years, with equal tranches vesting annually. The PSU plan has a three-year cliff-vesting. Across the consumer internet sector, a three- or four-year vesting period is commonly observed, with grants often vesting monthly after the first year.

In FY21 we have broadened the use of RSUs as an effective LTI for our employees. RSUs are a common and widely spread LTI vehicle across the competitive consumer technology sector. RSUs will continue to be complemented with SAR allocations on our unlisted assets, aligning the incentive to the performance delivery and value creation in the underlying business segments. With that, RSUs do not come in addition to SARs, but are part of the blend of LTI offered.

Note that RSUs are not available to the CEO, CFO, or other senior executives across the group.

Our SAR and SO plans typically have a 10-year expiry term. This is a common term length across the consumer internet sector where early-stage businesses take longer to reach maturity and create shareholder value.

LTI scheme limits
We place limits on how much of the capitalisation (CAP) table is available for employee compensation. In general, no more than 5% of the Prosus CAP table can be used for unvested employee compensation. For the SARs plans that relate to our unlisted assets, no more than 15% of the CAP table can be used for unvested employee compensation. Depending on the life stage of the business, the scheme limit can be lower. When the business takes funding from Prosus, the SARs scheme is diluted as additional shares are issued.

Offer price
Also called grant price, strike price or purchase price. The price of the share on the date the share option or SAR was granted, at which the participant can buy the share at a later date (or in the case of a SAR, use to calculate a gain).

Exercise price
The price of the share at the time the participant chooses to exercise their SOs or SARs. The value gain to the participant is calculated by subtracting the offer price from the exercise price.

Offer date
Also called grant date. The date on which an LTI is offered to the participant, giving that participant the right to buy or receive shares at a date in the future.

Performance management

Pay for performance is one of the pillars of our reward philosophy. Personal performance and business performance are the determining factors in whether an individual receives a base salary increase, an annual performance-related incentive payout and/or an LTI in the form of SOs or SARs, PSUs (for executives only) or RSUs (not for executives).

Personal goals are arrived at as an outcome of the annual business planning process. As budgets and operating plans are designed prior to the end of the financial year, so too are the personal performance goals at an individual level. These goals, if achieved, drive the accomplishment of the financial and operating plan of the business.

Managers engage in continuous conversations with their people throughout the financial year to ensure that their plans are on track. At the end of the financial year both the overall performance of the business and the individual's achievement of their personal goals are considered, and this may translate into the payment of an annual performance-related STI. While we do not force-rank performance scores, we do expect that any performance-related incentive payments reflect the overall performance where appropriate. Individuals who have performed well against their performance-related incentive goals, are eligible to be considered for an LTI grant and a pay increase. Only strong performers are considered for LTI awards.