

Remuneration  
policy:  
Executive and  
Non-Executive  
Directors of  
Prosus N.V.





## SCOPE

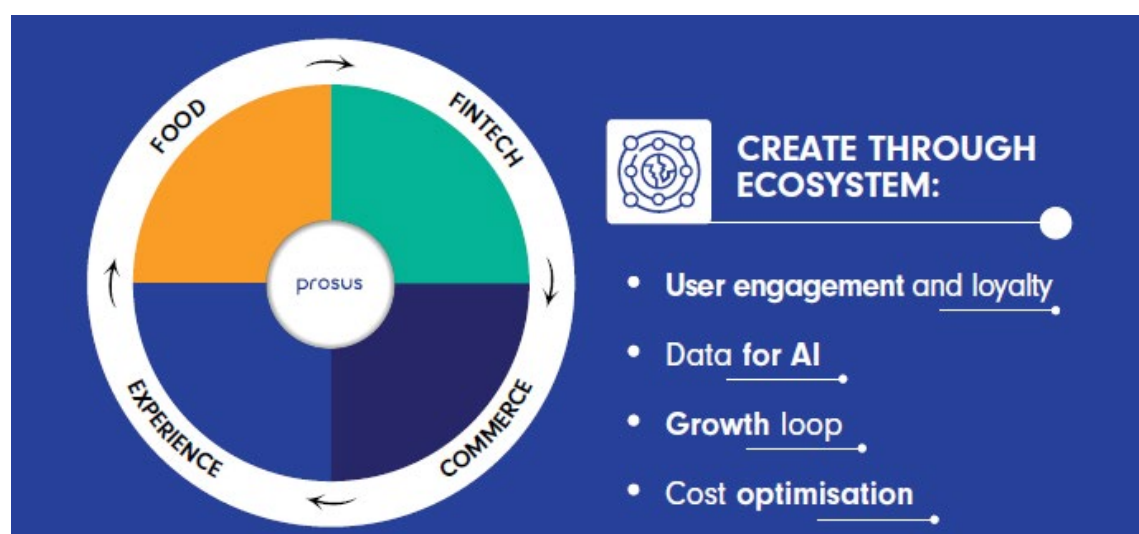
This remuneration policy (the Remuneration Policy) for the executive and non-executive directors (the Executive and Non-Executive Directors) of Prosus N.V. (the Company) is to be adopted in the shareholders meeting of the Company on 20 August 2025 following a proposal by the Non-Executive Directors, after obtaining advice from the Human Resources and Remuneration Committee (the Committee). This Remuneration Policy will become effective following share approval at the annual general meeting taking place on 20 August 2025.

The remuneration philosophy supports the Company's strategy and enables it to achieve its business objectives. A commitment to pay-for-growth and an alignment with shareholder value-creation drives all the Company's remuneration activities and supports the ownership mentality and spirit of entrepreneurship in its teams around the world. The Company believes in a level playing field for all its employees. It strives to pay fairly and responsibly and, to the extent possible, the structure of its pay is similar, regardless of the seniority, ensuring equality of pay structures across all employees. As a global company operating in highly competitive industries and geographies, our remuneration practices are positioned within a global technology landscape and may differ from conventions typically observed in the Dutch market. We believe that diverse teams produce the very best results and we are committed to creating workplaces that are inclusive, responsible and welcoming to people. The policy has been updated to respond to shareholder feedback and to capture changes in our approach in remuneration in the last financial year.

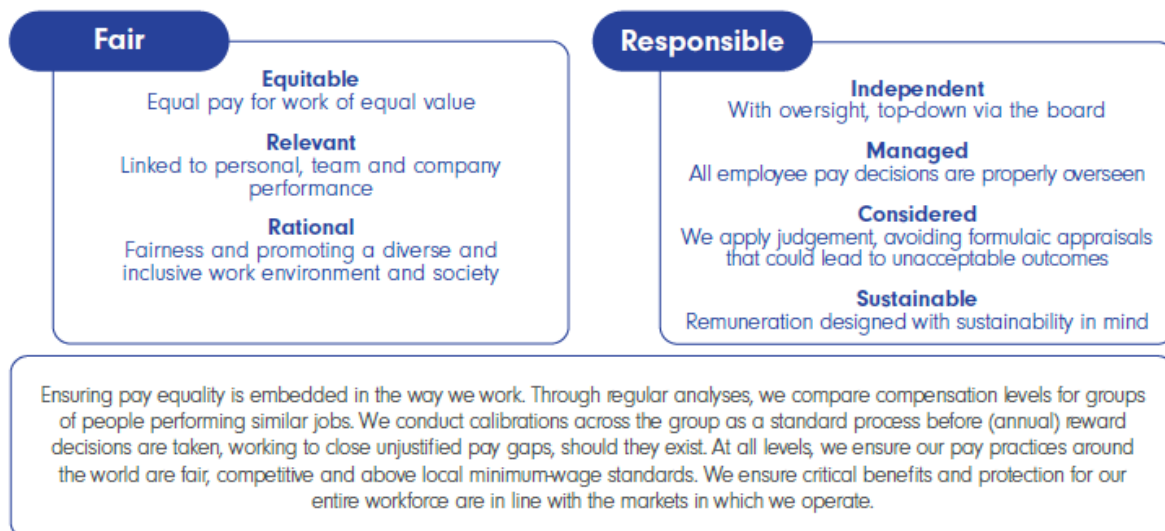
## 1. POLICY CHANGES

In comparison to the previous version, which became effective as per 21 August 2024, the Remuneration Policy has been updated to make three changes. This proposal for an updated Remuneration Policy is made following consultations with shareholders and other stakeholders.

- This updated Remuneration Policy expands the scope of potential LTI instruments awarded to the Executive Directors to include a Moonshot Award, designed to motivate the Executive Directors to achieve extraordinary value creation. Further details on the Moonshot Award are set out in section 4 of the Remuneration Policy.
- The STI has been redesigned to align with the Company's strategy: a specific discount-linked key performance indicator for the STI is introduced, to ensure that the discount to net asset value is limited. In addition, a multiplier effect has been introduced to ensure company performance is the key determinant of STI payouts.
- A shareholding requirement for the CEO has been re-introduced so that the CEO will hold a number of Naspers and Prosus shares of approximately 4-6 times his annual salary in relation to his salary during his tenure.







The Remuneration Policy underpins the reward philosophy, aiming to attract and retain the very best people across the globe, in an increasingly competitive environment for digital talent. It focuses on delivering fair, responsible and transparent remuneration driving the achievement of the Company's long-term interests, sustainability and strategic objectives and ensuring alignment between shareholder outcomes and Executive Director compensation in the short, medium and long term.

The board of the Company, consisting of Executive and Non-Executive Directors (the Board), and the Committee adopts an integrated and stakeholder-inclusive approach to reward and govern in the best interest of the Company considering its culture, mission and purpose. The social consensus is considered in this Remuneration Policy by creating active stakeholder involvement and benchmarks conducted by compensation advisors, based on relevant global, regional and local industry practice. This stakeholder input on remuneration policy is considered carefully in the design and disclosure of Executive and Non-Executive Director remuneration.

The Company only pays remuneration to the Executive and Non-Executive Directors in accordance with the Remuneration Policy as approved by the General Meeting.

### Five key principles guide our remuneration approach

				
<b>Paying for growth</b>	<b>Shareholder alignment</b>	<b>Achieving the business plan</b>	<b>Consistency and equality</b>	<b>Attracting and retaining talent</b>
Bigger rewards for those who make the greatest contribution.	Alignment with desired shareholder outcomes.	Incentivising the achievement of strategic, operational, sustainability and financial objectives in the short and longer term.	Equal and transparent pay for equal work.	Our reward systems help us attract, engage and retain the best talent around the world in a fair and responsible way.



## 2. APPROVAL AND IMPLEMENTATION

The Company will submit the Remuneration Policy to a vote by the General Meeting, upon a proposal of the Non-Executive Directors following advice obtained from the Committee at least every four years. The Non-Executive Directors are responsible for the execution of the Remuneration Policy.

Where the Remuneration Policy is revised, a description and explanation is presented of all significant changes, the decision-making process followed for the revised policy's determination, review and implementation, measures taken to avoid conflicts of interests, manage pay ratios and, where applicable, the role of the Board and the Committee. An explanation is also required of how the revised policy takes into account the votes and views of stakeholders on the Remuneration Policy and Remuneration Reports since the most recent vote on the Remuneration Policy by the General Meeting. When the General Meeting does not approve the proposed amendments to the Remuneration Policy, the Company shall continue to pay remuneration to the Executive and Non-Executive Directors in accordance with the existing practice or the approved Remuneration Policy and shall submit a revised policy for approval at the following General Meeting.

In exceptional circumstances only, the Company may decide, temporarily to derogate from the Remuneration Policy. Deviations may relate to all elements of the Remuneration Policy. Exceptional circumstances only cover situations in which the derogation from the Remuneration Policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability, such as the appointment of an interim Executive Director or the buy-out of remuneration forfeited on joining the company to facilitate recruitment of new Executive Directors, comprising cash or longer-term incentives (LTIs).

Remuneration is disclosed in the integrated annual report by means of a remuneration report.

## 3. ROLE & RESPONSIBILITIES OF THE HUMAN RESOURCES & REMUNERATION COMMITTEE

The Committee shall fulfill its role within the context of this Remuneration Policy in accordance with the Charter of the Committee. The Committee's responsibilities include:

- Advising the Board on the remuneration of the Executive Directors.
- Annually submit a proposal to the board for the remuneration policy to be pursued.
- Annually prepare the remuneration report to be tabled at the annual general meeting.
- Reviewing and approving annually the remuneration packages of the most senior executives, ensuring they are appropriate and in line with the remuneration policy.
- Annually appraising the performance of the Chief Executive and the company secretary.
- Reviewing annually the remuneration of Non-Executive Directors and its committees. The necessary proposals in this regard must be presented to the Board for final approval by the shareholders at an annual general meeting. Remuneration of the Non-Executive Directors must be approved by shareholders in advance.
- Fulfilling delegated responsibilities with regard to the share-based incentive plans e.g. the appointment of trustees
- Recommending to the Board the appointment of the Executive Directors.
- Reviewing incidents of unethical behaviour by the Executive Directors and senior management.
- Approve amendments to the Company's share-based incentive plans.
- Reviewing annually the Company's Code of Ethics and Business Conduct.
- Performing an annual evaluation of whether the Committee has fulfilled its responsibilities in terms of its charter and reporting these findings to the Board.

## 4. EXECUTIVE REMUNERATION

Remuneration for Executive Directors has been designed to aid the recruitment and retention by the Company of vital skills in a highly competitive and global market. There is a global shortage of digital talent such as machine learning specialists, AI specialists, data scientists, software developers, digital product designers and digital marketers and, in particular, Executive Directors with experience in leading consumer-internet businesses.



Next to serving as Executive Directors of the Company, they also serve as executive directors of the Company's majority shareholder: Naspers Limited (Naspers). The remuneration of the Executive Directors referred to in this Remuneration Policy is their total remuneration, including the remuneration for their roles as executive directors of Naspers.

In preparation of the annual review process which includes the annual review of remuneration the Committee considers data from comparator companies, bearing in mind the size of the business, its complexity and its geographic footprint. The Committee views data from several benchmarking providers and input from independent advisors, reviewing benchmarks associated with global technology and internet sector companies, as well as publicly disclosed data of our eCommerce peer group. It should be noted, however, that varying disclosure requirements by jurisdiction makes this publicly disclosed data less reliable as a benchmark, in the opinion of the Committee.

In making its determination, the Committee applies its judgment and considers a number of factors, principally the performance of Executive Directors, the results achieved and the affordability of packages and external benchmarks and peer reviews. Pay increases are not granted in the absence of a satisfactory level of performance.

To ensure a fair and responsible approach to the remuneration of Executive Directors in the context of the wider Company, the Committee takes the same approach as for the wider workforce. A number of factors are taken into account including:

- individual performance;
- business performance;
- company affordability and trading environment, including return on invested capital and;
- the total target compensation mix for each individual.

Additional considerations include scope and responsibilities of roles, experience and capabilities of the individuals, and their sustained performance. The approach adopted ensures that our total remuneration opportunity is competitive, market-aligned, and capable of attracting and retaining world-class talent.

By rewarding executives through a carefully structured mix of fixed and performance-related pay, we aim to align executive and shareholder interests, promote long-term value creation, encourage share ownership, and support the retention of high-performing executives.

Our three-tier remuneration structure provides an appropriate balance between fixed and variable remuneration over the short- and longer-term, which is directly linked to business performance and shareholder value-creation. It supports the company strategy, its long-term interests and its sustainability. When determining the levels and structure of the Executive Directors' and employee's remuneration, the following components are considered

1. Annual Base Pay plus pension and other benefits that are additional to base pay.
2. Short-term incentives (STIs): annual performance-related incentives or short-term bonus.
3. Longer-term incentives (LTIs), including Performance Share Units (PSUs), Share Options (SOs), Share Appreciation Rights (SARs) in the underlying businesses, and
4. Moonshot Awards: a targeted incentive for extraordinary performance and value creation.

To foster long-term alignment, a shareholding requirement for the CEO has been re-introduced so that the CEO will hold a number of Naspers and Prosus shares of approximately 4-6 times his annual salary in relation to his salary during his tenure.

### **Annual Base Pay**

Executive Directors are entitled to an annual fixed base salary, including any local statutory requirements per country, paid in cash, that is determined by the Non-Executive Directors, having obtained advice from the Committee, in line with the Remuneration Policy as approved by the shareholders at the General Meeting.

Personal and Company performance is the primary driver for any pay increase and pay is set at a level to ensure the Company can attract and retain executive talent. In making its decision, the Non-Executive Directors, having obtained advice from the Committee, consider global, regional, local and relevant industry practices as well as an individual's contribution and affordability for the Company.

Base salary is paid monthly in cash on a gross basis, i.e. all tax and social security contributions are deducted from this sum. Benefits include a mix of cash and non-cash benefits, including pension, medical and other benefits that are locally relevant.

The Executive Directors are eligible to receive pension benefits with employer contributions of up to 20% of their



annual base salary, employer paid international health insurance and life & disability insurance. In exceptional circumstances, the Non-Executive Directors may consider additional allowances.

The Non-Executive Directors review the Annual Base Pay every year and may increase the base salary levels for the Executive Directors on an annual basis, typically effective from 1 April each year. A number of factors are considered during the review process, including personal performance, the scope and nature of the role, relevant companies in the technology sector and local economic indicators such as inflation, cost-of-living changes and the relevant labour market, to ensure remuneration is fair, responsible and market competitive.

### **Short-term Incentive (STI): Annual Performance-related Incentive**

The Executive Directors are eligible to participate in a standard annual performance related STI as set out in this Remuneration Policy to incentivize and recognize the achievement of annual financial and operational objectives and personal performance.

The purpose of the annual performance related incentive plan is to ensure executive alignment with and focus on the annual Board-approved business plan. The achievement of these annual plans will cumulatively drive long-term shareholder value. The annual bonus opportunity for each Executive Director is agreed annually in advance of the financial year, and any payout is based on targets that are verifiable and aligned to the business plan, risk management policy and strategy. Any awards are made fully in cash. The STI is based on a number of financial, strategic, operational and ESG performance measures.

The Committee undertakes a thorough assessment to ensure that targets are sufficiently stretched in the context of potential remuneration delivered.

Financial goals account for 50% of the STI for the Executive Directors. Measurements for the Executive Directors include annual financial targets such as core headline earnings including Tencent, core headline earnings excluding Tencent, free cashflow, aEBIT and revenue growth. A specific discount-linked key performance indicator applies to the STI, to ensure that the material reduction of the discount to net asset value is limited. In addition, a multiplier effect has been introduced to ensure company performance is the key determinant of STI payouts.

The strategic, operational and ESG goals also account for 50% of the STI for the Executive Directors. For the CEO, these goals may relate to the performance of the underlying businesses or overall business strategy, for example, focus on newly acquired businesses, value generating as an ecosystem, AI & technology development, specific business growth focus and alignment to culture and principles and sustainability priorities. Measurements may include financial metrics such as revenue growth and trading profit (or trading loss reduction in earlier-stage businesses).

For the other Executive Directors, these goals may relate to the functional responsibilities of their job, such as tax, treasury, stakeholder management, governance and controls.

The target and maximum achievement levels are currently the same (i.e. there is no opportunity to overachieve on bonus payouts). Executive Directors are eligible for a standard annual target bonus (short-term incentive or STI) of no more than 200% of annual fixed gross salary. Performance against targets as set at the beginning of the financial year is determined by the Committee, based on verifiable financial results and metrics that are reviewed by the Company's auditors. For goals which are more qualitative in nature, the Committee carefully considers supporting evidence and discusses the extent to which those, and all other goals have been achieved, after the financial year has ended. Any payment of annual performance related STI is made only after the publication of the results of the relevant performance year.

The Non-Executive Directors, having obtained advice from the Committee, may apply judgment and shall have the discretion to make appropriate adjustments to an individual's annual bonus to ensure it reflects the underlying financial performance. The Board, taking into account the advice and recommendations from the Committee, determines whether and to what extent the financial and non-financial targets have been met.

### **Longer-term Incentives (LTIs)**

LTIs are designed to incentivize the delivery of sustainable long-term growth and provide alignment with shareholders as set out in this remuneration policy, reflecting the commitment to pay-for-growth and an alignment with shareholder value-creation.

A blend of longer-term incentives may be awarded, and the Executive Directors may receive awards from several schemes: Performance Share Units (PSUs), Once-off Moonshot LTI, Share Options (SOs) and Share Appreciation Rights (SARs) in the underlying businesses. the Moonshot Award (as explained further below) is a one-time award linked to a very stretched target and can be used to incentivize growth and value creation for the group and the underlying businesses. The Non-Executive Directors, taking into account the advice and recommendations from the Committee and the level of the Executive Director's performance against the targets referred to in relation to the STI, determine whether and to what extent individual performance merits an LTI award.



**PSUs:** PSUs further align the business strategy and objectives with executive compensation and shareholder returns. Any awards are delivered in Prosus or Naspers N Ordinary Shares but may, at the discretion of the Committee, also be settled in cash. PSU vesting is not just determined by time: in order for the participant to receive any gains, time must elapse and, in addition, the performance condition relevant to the Company must have been met. Executive Directors are eligible to participate and the performance condition, vesting schedule and award schedule are determined by the Non-Executive Directors, having obtained advice from the Committee from time-to-time, and are clearly stated in the offer letter to participants. PSUs enhance the alignment between shareholder returns and the Executive Directors' incentives. Subject to the performance condition being met, PSUs typically vest in full on the third anniversary of the grant, unless other timeframe is agreed by the Committee. Performance is determined based on verifiable financial results and metrics that are reviewed by the Company's auditors. The vesting period is determined by the Committee at the time the award is made.

**SOs:** SO awards are made based on the share price on the date of the grant. SOs deliver value based on the growth in the price of the relevant Shares over a specified time period with vesting typically occurring over a four-year period, 25% vesting each year. Participants only accrue gains if the relevant share price on the vesting date is higher than the relevant share price on the grant date, which means that they have participated in creating a higher value for the underlying businesses and its shareholders. To receive value, participants must first buy the relevant Shares that are released to them on the vesting date, and at the grant price which was determined on the grant date. They can then either hold the relevant Shares or sell them on the open market. The purpose of the SO awards is to create alignment between management and stakeholders, as participants are exposed to the market's view on Naspers, which includes the Company, same as shareholders, as well as to increase the market cap of Naspers (including the Tencent stake). As such, the SO awards aim to increase the value of all Naspers' business over time.

**SARs:** The purpose of SARs is to increase the value of the listed and unlisted internet businesses over time (excluding Tencent) by driving growth and profitability. SARs deliver value based on the growth in the valuation of a group of businesses over a specified time period with vesting typically every year over a four-year period. Any value delivered is based on the change in total value of the business or group of businesses, excluding Tencent. Performance criteria relate to the sum of all decreases/increases in value calculated to determine the final value. By doing so, the SAR awards focus on growth, scale and profitability of the underlying assets. The value is measured by a third-party valuation. Any gains are in principle delivered in cash, but may at the discretion of the Committee also be delivered in an equivalent value of Shares by buying these Shares on the open market, whilst retaining the possibility to issue new shares within the limit of 5% of the issued share capital of the Company or Naspers (as the case may be) as set out in the Company's share award plan and the Naspers restricted stock plan trust although it is unlikely that the option of issuing new Shares will be used.

The SAR schemes in which the Executive Directors participate have four years of annual vesting, in equal tranches of 25%. Participants can exercise vested SARs and typically receive cash equal to the difference in value on the grant date and the exercise date.

### **Moonshot**

The Moonshot Award is a one-time, long-term performance-based incentive designed to drive exceptional shareholder value creation. The award vests only if two stringent performance conditions are met over a multi-year period. First, the group's aggregate market capitalisation (based on the combined Naspers/Prosus valuation in US dollars) must at least double and be sustained for a defined minimum period. Second, the group's total shareholder return (**TSR**), measured in US dollars, must exceed the median performance of a defined peer group over the performance period. The award is granted at the discretion of the Committee and is subject to clearly defined terms set out in the award agreement. Any value realised is, in principle, delivered in Shares. The Moonshot Award is intended to incentivise extraordinary performance and long-term value creation, reinforcing the alignment between executive compensation and sustained shareholder returns.



Our pay design links to our pay principles					
	Pay for growth	Shareholder alignment	Achieving the business plan	Consistency	Attracting and retaining talent
<b>Fixed remuneration</b>	✓	✓	✓	✓	✓
	<ul style="list-style-type: none"> <li>Base salary reflects contribution of the individual and market value of the role</li> <li>Paid monthly in cash</li> <li>May be reviewed annually; any increase typically effective from 1 April each year</li> <li>Benefits typically include pension, medical insurance, life and disability insurance.</li> </ul>				
<b>STI* - Annual performance-related incentive</b>	✓	✓	✓	✓	✓
	<ul style="list-style-type: none"> <li>Discretionary annual performance-related incentive with performance measures tailored to the executives' roles and responsibilities</li> <li>Sustainability goals are set for the short and longer term</li> <li>Target and maximum bonus opportunities are the same (no payout for over-performance against target), and the standard STI is set at 100% of base salary for the CEO and CFO</li> <li>The committee thoroughly assesses whether targets are rigorous and sufficiently stretched</li> <li>STI payout is typically below the maximum 100% opportunity</li> <li>Any STI payout is made in cash</li> <li>The committee has the discretion to apply judgement in making appropriate adjustments to an annual bonus</li> <li>The committee may consider an additional cash short-term incentive, aligned to specific shareholder interests, of no more than five times the annual fixed gross salary</li> <li>Special-purpose 'moonshot' triggered only once conditions are met, incentivised to build shareholder value.</li> </ul>				

<sup>1</sup> At 1 April 2025, the peer group comprises Adyen NV, Airbnb, Alphabet, Amazon, Auto Trader, Bajaj Finance, Bilibili, Black, Booking.com, Chewy, Coupang, Deliveroo plc, DoorDash, eBay, Etsy, Expedia group, FSN Ecommerce (Nykaa), Grab, JD.com, Kinnevik AB, Kuaihou Technology, LY Corporation, Match group, Meituan, Mercado Libre, Meta Platforms, Ocado group, One97 Comms, PayPal, Pinterest, Rakuten group, Sea Limited, Shopify Inc, Snap, Uber Technologies, Wayfair, Zalando SE, Zillow group and Zomato.

\* Malus and clawback provisions apply to STI and LTI.

Blend of LTI	PSU	Global Ecommerce SAR	SOs
<b>Plan characteristics</b>	A performance share award transferred to participants after time restrictions have passed, and vesting in full on the fourth anniversary of the grant, subject to the performance condition being met.	A right to benefit from any increase in value of the business unit over which an award is made.	A right to buy a company share at a pre-agreed price.
		Vests annually over four years.	Vests annually over four years.
<b>Performance</b>	<p>Achievement of the performance condition is assessed by the human resources and remuneration committee based on total shareholder return (TSR) or CAGR, and validated by the valuations subcommittee. The PSU conditions for the CEO are unique, based on TSR.</p> <p>The level of achievement relative to the performance condition at the end of the performance period drives the number of shares that ultimately will vest:</p> <ul style="list-style-type: none"> <li>At threshold performance: Only 50% of the allocated shares will be awarded if the performance is at the 30th percentile or better of the peer group<sup>1</sup> (which is an increase from the 25th percentile that previously applied)</li> <li>At target performance: 100% of the allocated shares will be awarded if the performance is at the median or better of the peer group</li> <li>At maximum performance: 200% of the allocated shares will be awarded if the performance is at the 75th percentile or better of the peer group.</li> </ul> <p>The PSU threshold level of achievement was set at the 30th percentile above, aligned with international best practices and considering the highly competitive set of comparator companies<sup>1</sup>.</p> <p>If the threshold level of performance is not achieved, no shares are awarded to the participant. If above-maximum performance is achieved, no more than 200% of allocated shares are awarded.</p>	Embedded performance hurdle as there is no value to be gained unless there is an increase in value in the underlying, unlisted Ecommerce businesses (excluding Tencent) between grant and vesting/exercise.	Embedded performance hurdle as there is no value to be gained unless there is an increase in share value between grant and vesting/exercise.
<b>Settlement</b>	Depending on achievement against performance condition, between 0% and 200% of awarded PSUs may vest and Prosus or Naspers <sup>2</sup> shares are delivered <sup>3</sup> on vesting.	Gains, if any, are settled in cash.	On exercise, SOs are settled in Naspers or Prosus shares <sup>3,4</sup> .
<b>Focus on longer-term value creation</b>	Value driven by longer-term outcomes.  The board remains committed to continuing on the journey of long-term value creation by the group. To emphasise that intent, FY26 remuneration will be adjusted accordingly.	Third-party valuation driven by longer-term projections.	Market cap represents longer-term value.
<b>Aligned with shareholder interests</b>	PSUs align business strategy, objectives and other elements with executive compensation and shareholder returns.	Incentivises value creation in underlying Ecommerce businesses (excluding Tencent).	Aligned with shareholders, incentivising executive management to reduce discount to net asset value (NAV).

<sup>1</sup> As at 1 April 2025, the peer group comprises Adyen NV, Airbnb, Alibaba Group Ltd, Alphabet, Amazon, Auto Trader, Baidu, Bajaj Finance, Bilibili, Black, Booking.com, Chewy, Coupang, Deliveroo plc, DoorDash, eBay, Etsy, Exor NV, Expedia group, FSN Ecommerce (Nykaa), Grab, JD.com, Kinnevik AB, Kuaihou Technology, LY Corporation, Match group, Meituan, Mercado Libre, Meta Platforms, NetEase, Ocado group, One97 Comms, PayPal, Pinduoduo, Pinterest, Rakuten group, Schibsted ASA, Sea Limited, Shopify Inc, Snap, Softbank Group, Trip.com Group, Uber Technologies, Vipshop Ltd, Wayfair, Zalando SE, Zillow group and Zomato.

<sup>2</sup> The issue of PSU and SO awards, if any, will gradually be rebalanced between Prosus and Naspers shares, aligned with the free-float ownership in Prosus and Naspers.

<sup>3</sup> Shares are purchased in the market for cash to avoid shareholder dilution as a result of the company settling its LTI award obligations.



Awards made from any of the LTI plans can only be exercised after the vesting period has passed and applicable performance conditions have been met. It is regular practice that Executive Directors exercise vested share options or other share awards whilst taking into account the respective applicable principles of the Corporate Governance Code.

Over time, the Committee aims gradually to re-balance the LTI awards towards a weighting that is aligned with the interests of the Prosus and Naspers free-float shareholders in Prosus and Naspers.

#### **LTI Change of Control Provisions:**

The SO and SARs plans in which the Executive Directors participate contain the following provisions such that in the event of a change of control (as defined by the plan rules), the following options are available:

- the plan is retained by the new controlling entity; or
- the plan is replaced by a substantially similar plan; or
- if neither of the above options is viable, the participant is treated as a good leaver under the scheme rules, and unvested awards are accelerated at the applicable valuation.

For PSUs and the Moonshot Award, in the event of a change of control, vesting will be on a time pro-rata basis and subject to the performance condition being achieved.

## **5. RATIO BETWEEN FIXED AND VARIABLE PAY**

The remuneration package of the Executive Directors is designed to be heavily weighted towards variable pay and is principally focused on long-term remuneration, which only pays out subject to value being delivered in both the underlying businesses and the company as a whole.

The remuneration packages of the Executive Directors are structured so that at least 75% of the on-target remuneration is variable or in other words “at-risk” through either short- or longer-term incentives.

## **6. INTERNAL PAY RATIO**

When determining the remuneration of Executive Directors, the Committee takes into account the internal pay ratio within the business. The internal pay ratio is calculated by dividing the total staff costs of the CEO by the average employee staff costs (excluding these of the CEO) globally across the group, aligned with our reward philosophy and principles as outlined in sections 1 and 4 above. The staff costs are defined as salaries and wages, and as applicable bonuses, retirement benefit costs, medical aid fund contributions, post-retirement benefits and share-based compensation charges.

## **7. MALUS AND CLAW BACK PROVISIONS**

Malus and claw-back provisions apply to the STI and LTI (including the Moonshot), awarded to Executive Directors and senior management, such that (i) all or part of the unpaid STI may be modified or cancelled and all or part of the paid STI may be claimed back; and (ii) 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 claw back provisions may be effected 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. The Committee retains the right to alter the list of adjustment events and conditions in respect of future awards.

Any application of malus or claw-back will be disclosed and explained in the annual remuneration report.

## **8. SERVICE CONTRACTS**

Executive Directors’ contracts are of a definite duration of four years for the CEO and indefinite for the other Executive Directors, based on their existing contractual relationships with the group and to ensure ongoing compliance with laws in the relevant jurisdictions. The contracts of the CEO and CFO are governed by Dutch law; the contract of the third Executive Director is governed by the laws of South Africa.

The agreement with the CEO includes a gross termination payment equal to twelve months’ base pay payable if the agreement ends prior to the end of its term at the initiative of the Company. The termination payment is not



due if the CEO is terminated solely or mainly due to serious misconduct, negligence, or circumstances that would constitute an urgent cause for termination.

The agreement with the new CFO includes a gross termination payment payable under the same conditions as set out above with respect to the CEO. Given his longer tenure with the group of more than 25 years, the termination payment for the CFO is equal to 12 months' base pay plus STI, whereby the STI will be based on the average pay-out of STI in the three years preceding the end date. The amount of this termination payment is considered justified given his historic position as employee of the group and his many years of service.

The agreement with the third Executive Director does not include a contractual severance payment.

The CEO's contract contains a six months' notice period for the Company, and the contracts of the other Executive Directors contain a three months' notice period for the Company.

Payments in lieu of notice may be made to Executive Directors comprised of 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). The Non-Executive Directors, having obtained the advice of the Committee, however, retains the discretion to award a bonus to a leaver during the fiscal year taking into account the circumstances of their departure.

## 9. NON-EXECUTIVE DIRECTOR REMUNERATION

Non-Executive Directors are appointed by the General Meeting for a maximum of four years per term. The General Meeting approves the remuneration of the Non-Executive Directors. The fee structure for Non-Executive Directors has been designed to ensure that the Company attracts, retains and appropriately compensates diverse and internationally experienced Non-Executive Directors, given the highly competitive markets in which the Company operates in, and the global competition it faces. The Non-Executive Directors have entered into service agreements with the Company to this extent, and do not contain severance arrangements.

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 Board committees and subsidiary boards of directors, to reflect the additional responsibilities and associated time commitment. Remuneration is reviewed annually and is not linked to the share price or the Company's performance. Non-Executive Directors do not qualify for share allocations in the Company's incentive schemes.

The fees for Non-Executive Directors are benchmarked against global ecommerce companies with a US\$20bn market cap, using publicly disclosed data and considering the relative size, scale and complexity of the Company's activities. Non-Executive Directors also sit on the Naspers board and receive only one fee for their work on both boards. Non-Executive Director fees are disclosed annually in the Remuneration Report.