

# MEDIA 24 Holdings Proprietary Limited

2018 integrated annual report to shareholders of



# The power of media



Scan this code for a short video by Esmaré Weideman, Media24's chief executive. [q-r.to/bamGoq](http://q-r.to/bamGoq)

# Contents

## About this report

1 Statement by the board of directors on the integrated annual report

1 Forward-looking statements

## Media24: Who we are

2 Our business

3 Our purpose

3 How we do it

3 Our motto

3 Our values

## Chair and chief executive's report

4 Chair and chief executive's report

## How we create value

8 Our six capitals

10 Our strategy

11 Our stakeholder engagement

## The past year

16 Our performance at a glance: Reporting on our six capitals

18 Our business and financial performance

22 Our contribution to our communities

22 Value-added statement

23 Our people

23 Skills development

24 Employment equity

25 Health and safety

26 The workplace

26 Monitoring

27 Wellness

27 Corporate social responsibility

29 Transformation

30 Black economic empowerment partners

31 Environment

31 Electronic waste

31 Fines

32 Awards

## Our approach to governance

34 Board

38 Our risk governance: Managing risks and opportunities

48 Governance report

60 Remuneration report

66 Report of the audit committee

## Financial reports

### Media24

70 Summarised consolidated and separate annual financial statements

70 Statement of responsibility by the board of directors

71 Report of the independent auditor

75 Notes to the summarised consolidated and separate annual financial statements

### Welkom Yizani

76 Board of directors

77 Statement of responsibility by the board of directors

78 Report of the independent auditor

79 Directors' report

81 Summarised group and separate annual financial statements

85 Notes to the summarised group and separate annual financial statements

## Shareholder information

89 Administrative and corporate information

### Media24

90 Notice of annual general meeting

### Welkom Yizani

94 Notice of annual general meeting

101 Form of proxy: Media24 Holdings Proprietary Limited

102 Notes to the forms of proxy: Media24 Holdings Proprietary Limited and Welkom Yizani Investments (RF) Limited

103 Form of proxy: Welkom Yizani Investments (RF) Limited



## ■ About this report

Media24 Holdings Proprietary Limited's (Media24) integrated annual report covers the financial year from 1 April 2017 to 31 March 2018. It extends beyond financial reporting (excluding Novus), to include non-financial performance (for the whole Media24 group, unless otherwise stated), opportunities, risks and outcomes attributable to or associated with our key stakeholders. Feedback is welcomed and can be communicated directly to [gri@media24.com](mailto:gri@media24.com).

The integrated annual report was prepared according to the framework of the International Integrated Reporting Council (IIRC), the South African Companies Act No 71 of 2008, as amended (the Act), the King IV™ Report on Corporate Governance for South Africa, 2016 (King IV™) and International Financial Reporting Standards (IFRS).

We continue to focus on the development of our group reporting standards to make our disclosure increasingly meaningful and measurable for our stakeholders. We apply the principle of materiality in assessing information to be included in our integrated report. This report focuses particularly on those issues, opportunities and challenges that affect materially on the group and its ability to be a sustainable business that consistently delivers value to shareholders and key stakeholders.

The financial information extracted from the audited Media24 consolidated annual financial statements for the year ended 31 March 2018 has been reflected correctly in this integrated annual report. Refer to page 71 for the report of PricewaterhouseCoopers Inc. (PwC). The broad-based black economic empowerment (BBBEE) information was verified by EmpowerLogic.

---

## ■ Statement of the board of directors on the integrated annual report

The audit committee has reviewed the integrated annual report and the board has reviewed and approved it on 15 June 2018. In our view, the integrated annual report and financial statements fairly reflect the true financial position of the group and its operations as at 31 March 2018, as described in the integrated annual report.

On behalf of the board



**Rachel Jafta**

Chair

Cape Town

15 June 2018

### Forward-looking statements

*This report may contain forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "endeavour" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These include key factors that could adversely affect our businesses and financial performance, including but not limited to: changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; domestic and international business and market conditions such as exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political risks; and the effects of both current and future litigation. We are not under any obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements whether as a result of new information, future events or otherwise. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.*



## Media24: Who we are

### Our business

Media24 is South Africa's leading media group, with interests in digital media and services, newspapers, magazines, ecommerce (online commerce), book publishing, print and distribution.

We publish some 30 consumer magazines and 80 newspapers and reach 15.4m average monthly unique browsers across our digital platforms. Most of our businesses are market leaders in their sectors. These activities are conducted primarily in South Africa, with some operations in neighbouring countries and expansion into select territories in the rest of Africa, such as Nigeria.

### Revenue per segment



40%

News

29%

Lifestyle

12%

Books

9%

Ecommerce

5%

24.com

4%

On the Dot

1%

Careers24

# Our purpose

We build communities through excellent journalism, smart technology and innovative services.

# How we do it

We tell stories that matter.  
We turn data into insights.  
We design solutions that work.

# Our motto

Enriching lives 24/7.

# Our values

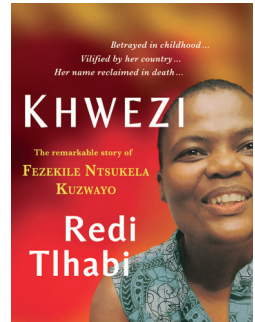
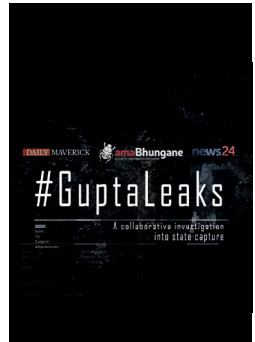


Courage

Integrity

Accountability

Respect



# Chair and chief executive's report



"We are pleased to report satisfactory results for the past financial year. We continue to support black-owned businesses and in the past year launched several new initiatives to assist black women entrepreneurs in developing their businesses."

**Rachel Jafta**

## Overview

We are pleased to report satisfactory results for the past financial year. Our mature portfolio – print media and distribution as well as book publishing – significantly increased its profitability against the previous year, an outstanding result given the industrywide decline in print advertising and circulation revenue. Our digital media and services, and ecommerce businesses – the portfolio of the future – again recorded double-digit growth, but will continue to require investment for the foreseeable future. A lacklustre economy, the structural decline in print media coupled with the investment in our growth business, resulted in Media24's loss deepening by 18% against the previous year. More details of our financial and operational performance are published in the business and financial performance section on pages 18 to 21.

Strategically we are focusing on migrating our readers and advertisers to our digital platforms while exercising strict cost management in our print portfolio. In the past year we significantly boosted our Afrikaans subscription offering, Netwerk24, by adding the print and digital content of our trusted Afrikaans magazines to that produced daily by a countrywide team of news journalists. News24, our flagship English digital brand, strengthened its offering by adding the digital content of our much-loved English magazines to its platform. Its team of investigative journalists joined forces with AmaBhungane and Daily Maverick to publish its #GuptaLeaks reportage to News24's large audience. We also invested in technology to improve the user experience on our digital properties.

We are proud of our journalists' work. In an era of fake news, the role of the media in reporting

the truth and shining a light on society is more important than ever. Many of our journalists won prizes for their brave reporting in the past year, while the success of The President's Keepers, Jacques Pauw's exposé on state capture, and several other current affairs best-sellers show our book publishers fulfil an equally important function in protecting our democracy.

We are equally proud of the role we play in our communities. WeCan24, our flagship corporate social responsibility project, offers digital journalism training to learners and teachers as well as independent small publishers. In the past year WeCan24 extended its training courses to several government programmes to upskill unemployed youth. We also sponsored several training projects to develop engineering talent in South Africa as our businesses become more reliant on technology.

We continue to support black-owned businesses and in the past year launched several new initiatives to assist black women entrepreneurs in developing their businesses. Through our volunteering programme, Volunteers24, all staff gets three days' paid leave to contribute to causes close to their hearts.

## Sustainable development

We strive to build communities through excellent journalism, smart technology and innovative services and to provide an acceptable return to our shareholders. As a responsible corporate citizen, we understand the importance of making a contribution beyond our core operations. We regularly review our progress in building a balanced, sustainable enterprise and identifying areas for improvement.

"We are proud of our journalists' work. In an era of fake news, the role of the media in reporting the truth and shining a light on society is more important than ever. Many of our journalists won prizes for their brave reporting in the past year."

**Esmaré Weideman**



## Managing sustainability

The Media24 board determines the business strategy and is ultimately responsible for overseeing the group's performance. Our management team provides leadership and implements agreed-upon strategies, as guided by our code of business ethics and conduct.

Our sustainable development framework is built upon our core competencies and our company values – courage, integrity, accountability and respect – and a clear understanding of the key issues and concerns affecting our major stakeholders. These tie in with our risk management processes, which integrate financial and non-financial risk identification, management and monitoring. The board is also responsible for the integrity of integrated reporting. The audit committee oversees sustainability issues and assists the board in its review by ensuring the information in the integrated annual report

is accurate and reliable when compared to the financial results. In line with our previous integrated annual reports, Media24 will continue to record the group's social, environmental and economic impact on the communities in which we operate.

## Our people

Media24 employees are people with a passion for excellence in everything they do. We expect of and encourage our staff to live according to our company values. In the past fiscal, staff engagement levels reached an all-time high, testimony to our employees feeling valued at Media24 despite the challenges our industry faces.

We also believe in continuous learning and aim to attract and retain top talent in our field in order to secure our leading market position. We build diverse teams to cater to our diverse customer base and help our staff learn from each other.



## Welkom Yizani

Welkom Yizani, established as Media24's broad-based black economic empowerment scheme in 2006, started trading its shares in December 2013.

Welkom Yizani's shareholders were able to derive immediate economic benefit from their shares since 2017 when Naspers Limited, preference shareholder in Welkom Yizani, waived additional preference share debt and accrued interest owed to it by Welkom Yizani to the value of R51.6m. Naspers Limited has waived a total amount of R434m during 2016.

The Registrar of Securities Services (the Registrar) has indicated that all traditional over-the-counter trading platforms such as Welkom Yizani should bring their affairs in line with the Financial Markets Act, 2012 (the FM Act). Welkom Yizani has had ongoing engagement with the Financial Services Board (now the FSCA) to comply with the FM Act. As part of this process, Media24 and MultiChoice (both in the Naspers group) investigated various options, including the establishment of the company Yizani Phuthuma Nathi (YPN), which has applied for an exchange licence to facilitate the trading of broad-based black economic empowerment shares issued by companies within the Naspers group. During said process, trading of Welkom Yizani shares on the current trading platform continues unchanged. Welkom Yizani continues to build on the positive engagement it has had with the Registrar and remains committed to complying with any directives and/or conditions issued by the Registrar. It is exempted from complying with the FM Act for a period of six months after the Registrar's decision on whether to grant an exchange licence to YPN. On 31 March 2018 Welkom Yizani had 89 166 shareholders.

## Dividend

The board recommends that, subject to the approval of shareholders at the annual general meeting on 28 August 2018, a dividend of R42m (2017: R42m) be declared and paid to shareholders.

Welkom Yizani's annual general meeting is also on 28 August 2018. Its board recommends that an ordinary dividend of R6.2m (2017: R6.2m) be declared to ordinary shareholders. It will result in a dividend of 42.5 cents per ordinary share (2017: 42.5 cents per ordinary share), before dividend tax. After dividend tax Welkom Yizani shareholders will receive a net dividend of 34 cents per ordinary share (2017: 34 cents per ordinary share).

## Governance

Governance is essential for our stakeholders. The board manages the group's business with integrity and by applying appropriate corporate governance practices. Where Media24 subsidiaries are managed by independent boards of directors, a disciplined reporting structure ensures that the Media24 board is apprised of subsidiary activities, risks and opportunities. Detailed strategies and business plans are reviewed annually and are continuously revised if necessary. Measuring performance against predetermined targets underpins management's remuneration. We continuously evaluate areas where governance can be strengthened at a corporate and subsidiary level. Further details about our application of the King IV™ principles are available in the governance section on pages 38 to 69.

## Regulatory environment

The Competition Amendment Bill, published in December 2017 for public comment, proposes radical changes to the Competition Act to address market concentration and the racially skewed spread of economic ownership. The bill seeks to enhance the policy and institutional framework as well as procedural mechanisms for the administration of the Competition Act. We await progress on the Department of Communication's discussion document on media transformation and diversity. Media24 has exceeded most of the targets set out in the Print and Digital Media Transformation Task Team's (PDMTTT's) report on transformation of the media industry. We continue to support and adhere to regulation by the Press Council, a system we believe is credible and



effective, and we will continue to campaign for press freedom as enshrined in the South African constitution.

**Directors**

In terms of the company’s memorandum of incorporation, one third of directors retire annually and reappointment does not occur automatically. Rachel Jafta and Debra Meyer, who retire by rotation, are eligible and offer themselves for re-election. The board further recommends that shareholders appoint Trevor Petersen, Salie de Swardt and Jo-Ann Held as audit committee members. Shareholders will be asked to consider these re-elections and appointments at the upcoming annual general meeting, notice of which is contained in this report. Brief biographical details of all the directors are provided on pages 34 and 35 of this report. We would like to thank our fellow board members for their continued support. We also recognise the commitment,

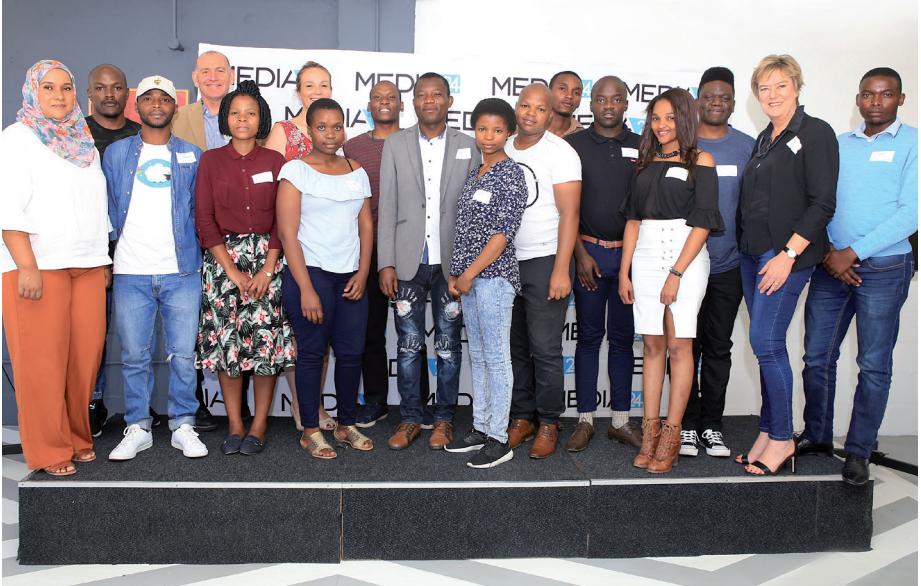
passion and excellence of Media24’s management team and all our employees. Their contributions are appreciated.

**Future outlook**

We continue to reposition Media24 for a sustainable future. While our digital and ecommerce investments to diversify the company carry a short-to-medium-term impact on profitability, we know they will provide long-term value to our shareholders and make a positive contribution to the communities in which we operate – and our country at large.

**Rachel Jafta**  
*Chair*  
15 June 2018

**Esmaré Weideman**  
*Chief executive*



# Our six capitals

## Financial capital

**1** We are a for-profit organisation that invests in developing businesses to provide useful goods, products and services to customers and deliver a sustainable return to investors. Through our operations, we contribute to economic growth and employment opportunities in South Africa and Africa.

### We aim to:

- invest in our country of operation by creating business for local suppliers, employing people and giving governments their due via taxes and levies
- manage our assets and liabilities conservatively, and
- focus on investing in business models and new technologies that hold promise.



## Manufactured capital

**2** Manufactured capital is key to our services and operations.

### We aim to:

- ensure office buildings, warehouses, retail outlets, vehicles and equipment are efficient and well maintained, continuously enhance measures on security and fire-prevention infrastructure, and ensure businesses are adequately covered for insurable risks
- operate a secure and resilient technological infrastructure
- avoid obsolescence of products and services by procurement and inventory management, and
- minimise excessive investment in stock.



## Intellectual capital

**3** Intellectual capital (knowledge-based intangibles) includes intellectual property (IP) such as patents, copyrights, trademarks, domain names, confidential information as well as institutional knowledge, systems, procedures and culture.

### We aim to:

- use intellectual capital to drive competitive advantage through customer-focused development and innovation strategies
- adequately protect our intellectual capital and not infringe on the rights of others
- produce, acquire and publish valuable content for consumption by our customers through our various platforms
- cultivate positive, innovative, ethical cultures in the group, and
- build intellectual capital by continuously investing in our people and knowledge-sharing programmes throughout the group.



## Social and relationship capital

**4** We act in line with our values and code of business ethics and conduct, and we strive to build effective internal and external stakeholder relationships.

**We aim to:**

- create a sustainable network of diverse BBBEE suppliers and procurement partners
- cultivate an ethical culture
- engage with our stakeholders and respond to legitimate and reasonable issues
- meet the requirements of regulatory and financial authorities, and
- sustain focused corporate social initiatives that are linked to business strategy.



## Human capital

**5** Our employees' skills, capabilities and experience, as well their drive and engagement, are key to our success.

**We aim to:**

- attract and retain high-calibre individuals to execute our strategy and build sustainable businesses
- provide our employees with focused career development and training
- foster a safe and healthy working environment
- be fair and responsible in our remuneration practices under a pay-for-performance strategy, and
- encourage diversity in our teams and thinking.



## Natural capital

**6** We acknowledge that we are required to act in an environmentally responsible way. We are mindful of consuming electricity, fuel and especially water in our daily operations. As a media company, we publish and distribute paper-based books, newspapers and magazines, with our e-commerce businesses buying and distributing goods to customers.

**We aim to:**

- comply with laws and regulations regarding the environment
- to be useful to communities we serve, acknowledging that environmentally responsible behaviour forms part of that
- adhere to water-preservation initiatives in South Africa, a water-stressed country, and
- enhance our digital offering as an alternative to printed publications.

# Our strategy

**Media24 aims to build communities through excellent journalism, smart technology and innovative services.**

- 1 We are building a diversified media company with interests in publishing, online services and ecommerce in Africa.
- 2 We tell stories that matter, turn data into insights and design solutions that work.
- 3 It is part of our culture to employ only the best and we therefore aim to attract and retain top talent. People with a passion for excellence are the core of Media24.
- 4 We aim to contribute to the communities in which we operate.

## How we do this



### Attract the best talent:

Media24 aims to employ the best creative people, engineers, sales people and administrative and other personnel in the business. We believe in continuous learning.



### Profitable organic growth and strategic investments:

We aim to maximise opportunities in print media while positioning Media24 for a sustainable future. We do this by investing in digital media, ecommerce and online job classifieds as well as other diversified businesses. We are also growing our reach and audiences by expanding into other African countries, such as Nigeria.



### Use our brands' reach to diversify:

Our brands are established, trusted and respected. We are leveraging their power and popularity with diverse revenue-generating initiatives such as events, brand extensions and more.



### Grow digital reach and deepen user engagement:

We measure the engagement and loyalty of our audiences through the time they spend on our apps and websites. We constantly aim to develop this by improving the user experience. We are also migrating our users and clients from print to digital and expanding our data-analytics capability to better understand our audiences and offer advertisers targeted solutions.



### Work with regulators and industry bodies:

Media24 has a wide range of stakeholders. Refer to our stakeholder engagement section for details of our current interactions.



### Use our expertise to benefit local communities:

At Media24 we are committed to using our skills, resources and people to benefit communities in which we operate. Please see our corporate social responsibility section for more details.

# Our stakeholder engagement

Media24 strives for open and proactive engagement with key stakeholders to remain relevant to the South African agenda, which seeks to overcome the socio-economic challenges facing our country.

We have a wide range of stakeholders who are partners in our business. These include our employees, customers, shareholders, business partners, industry bodies, government and investors. We use various methods to engage with our key stakeholders, and dialogue and feedback are encouraged. The following table illustrates our continuous efforts to strengthen relations with our stakeholders.

## Shareholders

Why we engage	How do we engage with this stakeholder group?	What are the main issues raised?	What is our response?
<ul style="list-style-type: none"> <li>■ To keep shareholders informed of company developments and strategy implementation.</li> <li>■ To build on Media24's profile as a responsible corporate citizen.</li> <li>■ To retain and build on the trust placed in the company.</li> </ul>	<ul style="list-style-type: none"> <li>■ Media24 and Welkom Yizani annual general meetings.</li> <li>■ Media24 integrated annual report distributed to Welkom Yizani shareholders.</li> <li>■ Media24 (<a href="http://www.media24.com">www.media24.com</a>) and Welkom Yizani (<a href="http://www.welkomshares.co.za">www.welkomshares.co.za</a>) websites.</li> <li>■ Communication via post, if necessary.</li> </ul>	<ul style="list-style-type: none"> <li>■ Level at which Welkom Yizani share price is trading in the market.</li> <li>■ Shareholder assistance in Cape Town by means of a walk-in centre. Welkom Yizani's call centre is in Johannesburg.</li> </ul>	<ul style="list-style-type: none"> <li>■ Welkom Yizani shares trade on the principle of willing buyers and sellers and this cannot be controlled by Media24 or Naspers.</li> <li>■ The Welkom Yizani call centre in Johannesburg has the infrastructure for walk-ins. It is not cost effective, based on shareholder activity, to have a duplicated structure in Cape Town. During increased shareholder activity, additional call-centre agents and share dealers are available.</li> <li>■ Media24 has a turnaround strategy to create shareholder value.</li> </ul>



# Employees

Why we engage	How do we engage with this stakeholder group?	What are the main issues raised?	What is our response?
<ul style="list-style-type: none"> <li>■ To be an employer of choice that provides a safe, positive and inspiring work environment.</li> <li>■ To foster a culture where employees live the corporate values and behaviour.</li> <li>■ To understand and respond to staff needs and concerns.</li> <li>■ To provide strategic direction and clarity on how our people contribute to the bigger picture.</li> <li>■ To retain the best talent.</li> <li>■ To provide leadership, training and development.</li> <li>■ To allow for two-way communication to enable our employees to share ideas.</li> </ul>	<ul style="list-style-type: none"> <li>■ Line managers and human resources managers engage directly with employees to set performance objectives, monitor and support performance, identify development and other needs and address issues of recognition and motivation.</li> <li>■ Monthly communications to staff in 24/7 newsletters; monthly Woza Wednesday sessions on best industry practice.</li> <li>■ All employees are represented by divisional and group employment equity forums, which are mandated to monitor and drive transformation and to ensure the interests of staff from all levels and groups are considered.</li> <li>■ Divisional heads and the group chief executive engage with all staff through regular meetings (in smaller divisions) and national roadshows, to which all staff is invited. In these sessions, staff receive updates on the business and can raise questions.</li> <li>■ Our annual staff survey invites employees to share their opinions on issues that concern them (eg clarity of expectations, development opportunities, a supervisor who cares and company values). Results are shared with managers and staff and each division implements improvement plans.</li> </ul>	<ul style="list-style-type: none"> <li>■ Mandatory medical aid membership (which many feel is unaffordable).</li> <li>■ Uncompetitive remuneration.</li> <li>■ Limited training budgets.</li> <li>■ Lack of transformation.</li> <li>■ Internal Afrikaans communication seen as barrier to true transformation.</li> </ul>	<ul style="list-style-type: none"> <li>■ Medical aid alternatives were addressed.</li> <li>■ Annual salary increases have been below market rates and consumer price index due to Media24's financial constraints; however, care is taken to reward best talent.</li> <li>■ Excellent free online training is available via Naspers's MyAcademy and has been publicised to staff to encourage use.</li> <li>■ Our employment equity plan has identified barriers to transformation, and appropriate action plans have been identified.</li> <li>■ Internal communications in English and Afrikaans.</li> </ul>
 			

# Customers

Why we engage	How do we engage with this stakeholder group?	What are the main issues raised?	What is our response?
<ul style="list-style-type: none"> <li>■ To gain a better understanding of our customers' aspirations and needs.</li> <li>■ To deliver relevant and useful products and services to our customers.</li> <li>■ To improve our products and test ideas.</li> <li>■ To promote our products, build our brands and encourage loyalty.</li> <li>■ To ensure we maintain high service levels.</li> </ul>  	<p><b>Media:</b></p> <ul style="list-style-type: none"> <li>■ subscription and customer call centre</li> <li>■ social media platforms</li> <li>■ focus groups and panels</li> <li>■ functions/public events</li> <li>■ emails and letters to editors, and</li> <li>■ consumer/market research.</li> </ul> <p><b>Ecommerce:</b></p> <ul style="list-style-type: none"> <li>■ customer service call centre</li> <li>■ customer satisfaction surveys, and</li> <li>■ Net Promoter Score.</li> </ul> <p><b>Advertisers:</b></p> <ul style="list-style-type: none"> <li>■ key account managers</li> <li>■ regular presentations on market trends, and</li> <li>■ Media24 value offering.</li> </ul> <p><b>Ecommerce fulfilment clients:</b></p> <ul style="list-style-type: none"> <li>■ service-level agreements (SLAs), and</li> <li>■ regular presentations on market trends, On the Dot value offering and customer analysis.</li> </ul>	<p><b>Readers/users:</b></p> <ul style="list-style-type: none"> <li>■ content preferences and cover prices</li> <li>■ user experience</li> <li>■ limited print stock in retail, and</li> <li>■ deliveries of print titles.</li> </ul> <p><b>Advertisers:</b></p> <ul style="list-style-type: none"> <li>■ uncompetitive advertising rates.</li> </ul> <p><b>Shoppers:</b></p> <ul style="list-style-type: none"> <li>■ delivery queries</li> <li>■ quality, and</li> <li>■ payment refunds.</li> </ul> <p><b>Ecommerce fulfilment clients:</b></p> <ul style="list-style-type: none"> <li>■ delivery queries, and</li> <li>■ warehousing and fulfilment rates.</li> </ul>	<p><b>Readers/users:</b></p> <ul style="list-style-type: none"> <li>■ input/feedback from readers considered by editors and editorial teams in content planning</li> <li>■ letters to editors are published, editors respond to readers in writing or on social media platforms and websites</li> <li>■ continued focus on better user experience</li> <li>■ cost efficiencies to keep cover prices affordable, and</li> <li>■ constant demand planning to minimise sell-outs and returns.</li> </ul> <p><b>Advertisers:</b></p> <ul style="list-style-type: none"> <li>■ use and behaviour are incorporated into advertising/business proposals to clients and agencies, and</li> <li>■ proposals include reach/engagement to justify advertising rates.</li> </ul> <p><b>Shoppers:</b></p> <ul style="list-style-type: none"> <li>■ call centre handles queries within strict service levels, and</li> <li>■ monitoring social media.</li> </ul> <p><b>Ecommerce fulfilment clients:</b></p> <ul style="list-style-type: none"> <li>■ constant monitoring of performance against SLAs, and</li> <li>■ regular meetings with customers to review SLA performance.</li> </ul>



Lees, laaik, reageer, deel en gesels saam in Afrikaans.

Meer nuus in minder woorde. Kry al die nuus GRATIS en opgesom. Laai vandag die NetNuuS-app af.

Gratis beskikbaar in die App Store en Google Play Store.



# Industry bodies

Why we engage	How do we engage with this stakeholder group?	What are the main issues raised?	What is our response?
<ul style="list-style-type: none"> <li>■ To build strategic business partnerships.</li> <li>■ To partner with business associations to promote common issues affecting the industry.</li> <li>■ To learn from best practice and share information that will benefit the industry.</li> <li>■ To facilitate mutually beneficial learning opportunities to influence and/or promote common issues.</li> </ul>	<ul style="list-style-type: none"> <li>■ Participate in Publishers Support Services (PSS) and engage with various organisations, eg Audit Bureau of Circulations (ABC), Print Research Council (PRC), Press Council of South Africa (PCSA), South African National Editors' Forum (Sanef), Publishers Association of South Africa (Pasa), Media Development and Diversity Agency (MDDA) and Association of Independent Publishers (AIP).</li> <li>■ Participation in Media Monitoring Africa initiatives that protect press freedom.</li> </ul>	<ul style="list-style-type: none"> <li>■ MDDA management failures.</li> <li>■ Threats to press freedom in proposed legislation.</li> <li>■ Media self-regulation.</li> <li>■ Transformation of the media.</li> <li>■ Safety of journalists.</li> </ul>	<ul style="list-style-type: none"> <li>■ Print media industry awaiting feedback from MDDA before entering into new funding negotiations.</li> <li>■ Written and oral submissions on proposed legislation through industry bodies.</li> <li>■ Support of media self-regulation through the Press Council.</li> <li>■ Protection services for journalists provided where necessary.</li> </ul>





# Regulatory bodies

Why we engage	How do we engage with this stakeholder group?	What are the main issues raised?	What is our response?
<ul style="list-style-type: none"> <li>■ To ensure we are operating within the law and applicable regulations.</li> <li>■ To ensure we have positive and beneficial relationships with regulatory bodies.</li> <li>■ To protect our business from adverse policy and legislative provisions in future.</li> </ul>	<ul style="list-style-type: none"> <li>■ Regular meetings with stakeholders such as the Department of Communications, Department of Justice and Constitutional Development, Independent Communications Authority of South Africa (Icasa), Government Communication and Information System (GCIS), Competition Commission and Tribunal, Information Regulator, Companies and Intellectual Property Commission and Broad-based Black Economic Empowerment (BBBEE) Commission.</li> </ul>	<ul style="list-style-type: none"> <li>■ Proposed regulations and legislation.</li> <li>■ Transformation of print media sector.</li> <li>■ Biased media reporting.</li> <li>■ Regulatory compliance.</li> <li>■ Competition law compliance.</li> <li>■ Data privacy and cybersecurity.</li> <li>■ BBBEE laws and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>■ Written and oral submissions on proposed regulation and legislation.</li> <li>■ Maintain and communicate good transformation credentials.</li> <li>■ Continuous awareness and training initiatives for journalists.</li> <li>■ Strict adherence to regulatory compliance.</li> <li>■ Competition law training.</li> <li>■ Data privacy and cybersecurity training and awareness for all employees who handle data.</li> <li>■ Proactive BBBEE compliance, management and enhancement through the office of the group BBBEE manager.</li> </ul>



# Our performance at a glance: Reporting on our six capitals

## Financial capital

Media24 reduced its investment in Novus Holdings from 66.5% to 19% via an unbundling to Naspers shareholders. To comply with the Competition Tribunal's order, Media24 required pre-unbundling recapitalisation. Media24 therefore issued 70 B ordinary shares in the amount of R1.4bn to Naspers. This resulted in the declaration of a special cash dividend of R216m to Welkom Yizani. Every Welkom Yizani shareholder received R14.79 per share. Naspers waived its right to participate in this special cash dividend.

Media24 now has a well-capitalised balance sheet to pursue its digital and ecommerce strategies with R1.4bn of cash and other investments available to continue to fund its diversification strategies for the foreseeable future.

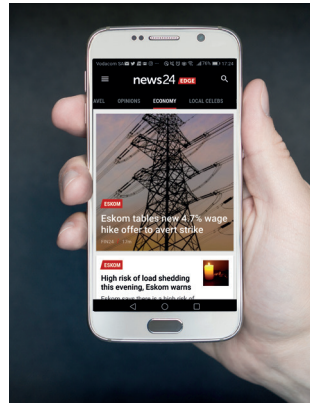


## Manufactured capital

Any media company knows artificial intelligence (AI) and machine learning (ML) are integral to its tech and product suite. Media24 embraced this and launched AI- and ML-based apps:

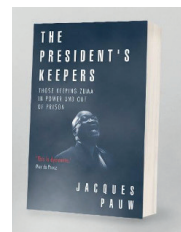
- News24 Edge, a personalised version of flagship English online title News24 (named the top mobile news service by the World Publishing Expo and the World Association of Newspapers and News Publishers).
- Daily Kick, a soccer aggregator.
- Sliced, an aggregator of general news.
- Bounce, a Nigerian aggregator.

Spree, our efashion business, also launched an AI-powered image-search functionality in its app whereby users can upload pictures and view similar items for sale in the app. It was a first for efashion in Africa and was awarded the prestigious African Customer Experience Innovator Award.



## Intellectual capital

- Jacques Pauw's *The President's Keepers* (published by Tafelberg) became one of the fastest selling books in South African publishing history.
- News24 opened its doors to two other investigative outlets for a partnership the past year which led to the acclaimed #GuptaLeaks, a series of exposés on state capture in South Africa. The series of articles was one of the biggest talking points of the year; created a viral hashtag; and won various esteemed prizes, including the Vodacom Journalist of the Year award as well as the Taco Kuiper award.
- We publish five of the country's top 10 circulating papers and six of the top 10 magazines measured by circulation.



## Social and relationship capital

24.com is home to our digital media brands:

- 398m monthly pageviews (85% on mobile devices and apps).
- Local leader in digital news: 15.4m monthly users and 45% audience market share amongst news sites in SA.
- Bounce: Top news app in Nigeria, over one million downloads by end of March 2018.

Welkom Yizani, Media24's broad-based black economic empowerment scheme, has approximately 89 166 shareholders. Naspers Limited, preference shareholder in Welkom Yizani, waived preference share debt and accrued interest of R434m in 2016. This ensured that Welkom Yizani shareholders could derive immediate economic benefit from their shares in 2017.

- Received level 4 BBBEE-contribution recognition.
- Spent R19.6m on corporate social initiatives.
- Flagship initiative, WeCan24, spent R5m and trained 2 000 learners at 350 schools in digital journalism.



## Human capital

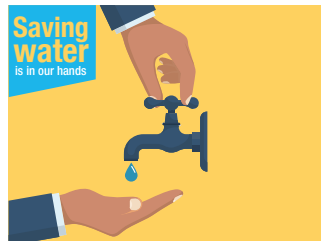
- Have 3 956 people in service.
- Spent R30m on training for 2 281 staff members (96% black staff members).
- 63% of our staff is black and 57% is female.
- Won Sagea award for fifth time: preferred employer for graduates in media.



## Natural capital

Practices and initiatives applied by Media24 to limit its impact on natural capital to the minimum:

- energy saving
- water saving
- recycling of unused paper and unsold products, and
- carbon footprint: 13 687 tonnes of Co<sub>2</sub>e (2017: 119 341 tonnes of Co<sub>2</sub>e).



# Our business and financial performance

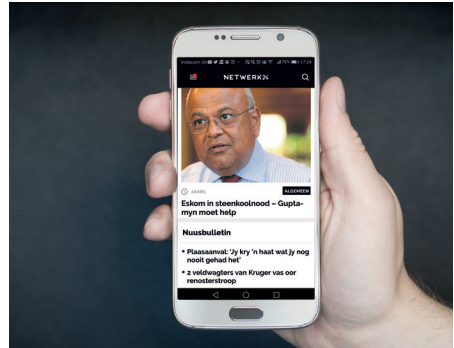
## Overview

Media24's mature business, which comprises newspapers, magazines, print distribution and book publishing, significantly improved profitability in the period under review, largely as a result of strict cost management. At the same time digital media and ecommerce operations showed strong revenue growth against the previous year. However, revenue of R4.7bn was 5% lower against the prior year, mainly as a result of further declines in print advertising and circulation, and a lacklustre economy. We continued to invest in digital media, online fashion and ecommerce logistics to diversify the group for the future. The structural decline in print media, coupled with the investment in our growth businesses, resulted in the trading loss deepening by 18% to R368m. Online audiences and user engagement grew strongly and several initiatives were launched to improve the user experience through smart technology.

## Operational review

24.com, home to our digital media brands, grew monthly pageviews by 9% to 398m, with 85% of these coming from mobile devices and apps. With 15.4m monthly users, it entrenched its position as the local leader in digital news, with a 45% audience market share amongst news sites in the country. News24 Edge, the personalised version of News24, soccer aggregator DailyKick and Nigerian news aggregator Bounce showed encouraging growth in active installs and users. By end of March, Bounce was the top news app in Nigeria with over one million downloads. Financial news site Business Insider was successfully launched in February 2018. Media24 won a record 21 awards at the annual Bookmark Awards for digital excellence.

We significantly increased the value proposition of our Afrikaans subscription title Netwerk24 by adding the print and digital content of our Afrikaans magazines to that produced by our countrywide news teams. Netwerk24, with the tagline



'Everything in one place', grew paid subscriptions by 73% and entrenched its position as the biggest subscription news and lifestyle site in South Africa. The digital content of our English magazines is now available on our flagship English digital property, News24, and its content channels. Engagement grew significantly, with readers spending an average of 21 minutes per day on the Netwerk24 app and over 19 minutes per day on the News24 app by year-end.

Our print media division delivered strong results, with our newspapers benefiting from solid retail advertising and cost efficiencies boosting profitability. Our newspapers and magazines maintained their leading position in circulation and advertising. Soccer Laduma, the largest local weekly newspaper in terms of readership and sold copies, and Son delivered record profits. We publish five of the country's top 10 circulating papers and six of the top 10 magazines, measured by circulation. Syndication subsidiary Gallo Images recorded strong growth in Eastern Europe and posted record profits.

Afrikaans lifestyle and entertainment television channel VIA grew its average daily viewership by 70% and won several awards for its programmes.

Our book publishers had an excellent year with Jacques Pauw's The President's Keepers (published by Tafelberg) becoming one of the fastest selling books in South African publishing history. Jonathan Ball Publishers' local publishing list also included a number of top sellers such as Enemy of the People by Media24 editors Adriaan Basson and Pieter du Toit, and Redi Tlhabi's Khwezi. NB Publishers and Jonathan Ball Publishers retained their position as the biggest local trade publisher and trade agency respectively. Academic publisher Van Schaik and schoolbook publisher Via Afrika also grew profitability on the back of solid textbook orders.

Online fashion store Spree grew shoppers by 28% and orders by 49% against the previous year.



It launched image-search functionality in its app whereby users can upload pictures and view similar items for sale in the app – a first for e-fashion in Africa.

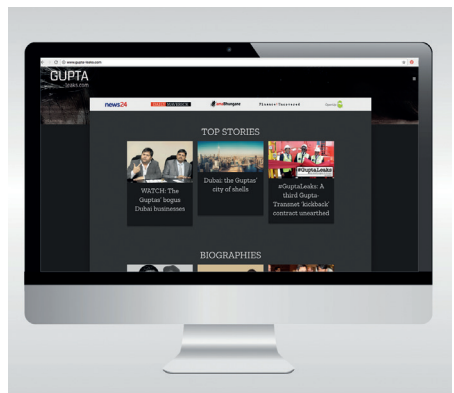
Contract Logistics, the biggest ecommerce fulfillment company in South Africa, which services Spree as well as major retailers that trade online, recorded solid revenue growth. Its performance was however affected by warehouse disruptions at the Johannesburg distribution centre. Online job classifieds portal Careers24 improved its product suite substantially and made significant progress with its value offering to clients.

### Financial review

Effective 25 September 2017, Media24 reduced its investment in Novus Holdings (Novus) from 66.5% to 19% via an unbundling to Naspers shareholders. This was done to comply with conditions set by the Competition Tribunal for its approval of the two companies' merger filing. As at 31 March 2018 the remaining 19% investment in Novus is carried as an available-for-sale investment and its results are no longer consolidated on a line-by-line basis. As such, the results of Novus for the six months ended 30 September 2017, as well as the loss incurred on unbundling, are reflected as discontinued operations, below operating profit, with comparative figures restated accordingly.

Media24 (excluding Novus) recorded satisfactory results, with the expected decline in traditional revenue streams offset by significant cost reductions.

The growth portfolio of digital businesses grew revenue by 23% during the period, largely as a result of Spree (+53%) and digital media (+12%). It contributed 15% of Media24's total revenue. These businesses continued to invest to build scale and get to breakeven point, which resulted in higher net operating losses for the growth portfolio. Online travel, television channel VIA and HuffPost SA also contributed new revenue. Pleasingly, the trading profit for the mature businesses, which include print and book publishing as well as distribution, improved by 62% against the prior year.



Our print publishers' advertising and circulation revenue declined by 8% and 10% respectively, in line with industry trends. Revenue from book publishing was flat but profitability more than doubled.

Free cash outflow improved significantly against the previous year due to higher profitability, reduced capital expenditure and the proceeds from the sale of assets, but was partly eroded by higher net working capital and marginally higher tax paid.

Due to the Competition Tribunal's merger approval condition, Media24 required recapitalisation before the unbundling of the investment in Novus. Media24 therefore issued 70 B ordinary shares in the amount of R1.4bn to Naspers. The affected Novus shares were distributed to B ordinary shareholders through an in specie dividend. A special cash dividend of R216m was declared to Welkom Yizani. This resulted in a special cash dividend of R14.79 per share to Welkom Yizani shareholders, representing their proportionate share of the unbundling value. Naspers waived its right to participate in this special cash dividend.

Media24 now has a well-capitalised balance sheet to pursue its digital and ecommerce strategies with R1.4bn of cash and other investments available to continue to fund its diversification strategies for the foreseeable future.

### Summarised consolidated and separate annual financial statements and complete annual financial statements

The summarised annual financial statements appear on pages 70 to 75. The complete annual financial statements for the year to 31 March 2018 are available on [www.media24.com](http://www.media24.com).

A printed copy of the annual financial statements is available from the acting group CFO, Abdurahman (Manie) Mayman, at the registered office of the company (details on page 89).



## Our contribution to our communities

The value-added statement reports on the calculation of the value added and its application across stakeholder groupings. This statement shows the total wealth created and how it was distributed, taking into account the amounts retained and reinvested in the group. Value added is defined as the value created by the activities of a business and its employees and is calculated as revenue less the cost of generating that revenue.

### Value-added statement

for the year ended 31 March

	2018 R'm	2017 R'm
<b>Revenue</b>	<b>6 457</b>	8 051
Cost of generating revenue	3 757	4 597
<b>Value added</b>	<b>2 700</b>	3 454
Income from investments	92	47
<b>Wealth created</b>	<b>2 792</b>	3 501
<b>Wealth distribution:</b>		
<b>Employees</b>		
Salaries, wages and benefits	1 854	2 045
<b>Providers of capital</b>		
Finance cost	15	21
Dividends paid	1 275	39
<b>Government</b>		
<b>Total tax paid</b>	<b>993</b>	1 104
<b>Reinvested in the group</b>		
Depreciation and amortisation	86	304
Other capital items	353	183
Retained earnings	(1 784)	(195)
<b>Wealth distributed</b>	<b>2 792</b>	3 501





## Our people

Media24 values its people. Our products and services are highly dependent on the creativity and insights of key staff, particularly journalists and engineers. Without them, Media24 would not be able to achieve its business objectives.

In the past year, Media24 won the Sagea Employer of Choice among Graduates award for the fifth time in six years; successfully transitioned from a closed inhouse medical scheme to a more sustainable public medical scheme offering greater choice (23 plan options) to members; and we achieved the highest participation and highest scores in our annual engagement survey. The participation rate was 86% and the overall engagement score was 71% (up from the prior 69%). As at 31 March 2018, Media24 had 3 956 employees. At Media24:

- Our work environment is designed to promote collaboration, with open-plan offices where possible.
- We encourage work/life balance by giving staff the option of flexible working hours, provided that operational requirements can accommodate this.
- We invest in the continuous development of our people.
- We reward employees fairly.
- We encourage employees to contribute to sustainability and innovation initiatives.
- We respect the rights of our employees and celebrate their diversity.
- We encourage employees to report, through secure channels, any areas where the group might be failing in its business conduct and values.

## Skills development

Media24 invested R30m in developing 2 281 employees (96% on black employees) and interns at various levels over the past year. As a result of tough trading conditions, we reduced our investment in training, but ensured vital learning needs were addressed and that we could grow our pool of black entry-level talent through internship programmes.

All staff has access to online learning through MyAcademy (the Naspers group’s online learning platform); we offer staff bursaries for part-time





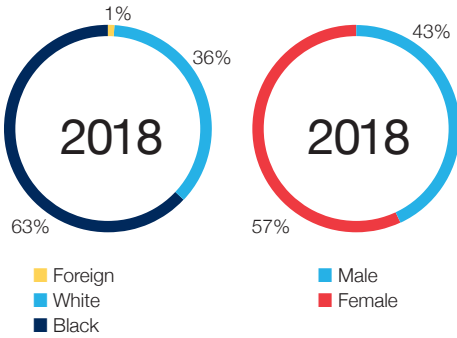
study towards degrees and diplomas; staff attend local and international conferences to keep abreast of industry developments; and other training initiatives include leadership development and executive coaching.

#### **Beneficiaries of Media24 Academy initiatives over the past year included the following:**

- The Hub@Media24: 17 black computer science graduates received six months' intensive training as PHP, Java and Android developers. Twelve completed it and four have been offered employment or internships with Media24.
- Digital publishing training to 20 Association of Independent Publishers (AIP) members and Media Development and Diversity Agency beneficiaries in rural areas, with the aid of R300 000 in funding from the Fibre Processing and Manufacturing (Fp&M) Seta.
- Digital media training to 40 AIP and Government Communication and Information System (GCIS) employees, supported by R435 000 in funding from Fp&M Seta.
- In partnership with ForwardFund, learnerships in journalism to 20 black candidates with disabilities.
- A ten-month development programme for 10 journalists with disabilities in partnership with ThisAbility, a non-profit organisation that publishes a newspaper by journalists with disabilities.
- Media24 Academy graduates in media: 24 graduates selected for a one-year internship: 23 completed successfully and 15 were placed in permanent or contract positions with Media24.

#### **Employment equity**

The group complies with labour legislation in its operating areas. In South Africa, Media24's statutory reports are submitted to the relevant government departments. The breakdown of the group's consolidated annual employment equity status for fulltime employees at 31 March 2018:



Media24 maintained or improved representation of black employees at all levels of management and exceeded its target of 19% black (African) employees in management in the review period.

Appropriate and representative consultative forums protect the interests of employees across the group and provide valuable input for decision-making.

**Disappointingly, we did not achieve all targets in our employment equity plan submitted to the Department of Labour:**

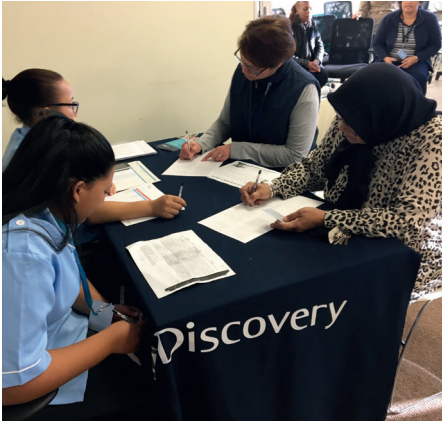
- 57% of employees are women, achieving our target
- 63.5% of staff is black, exceeding our target
- 1.3% have disabilities, short of our 1.6% target
- 40% black staff in top management versus a target of 52%, and
- 53% black staff in management, exceeding our target.



**Health and safety**

Occupational health and safety and employee wellness are important to Media24, as these promote physical as well as mental and emotional wellbeing of staff, which also have an effect on productivity. Our employee wellness programme offers telephonic and face-to-face counselling to employees and their immediate families countrywide; we run wellness days that offer confidential on-site health screening (blood pressure, body mass index, cholesterol, blood sugar and HIV testing) as well as personalised wellness advice to each participant; all permanent





employees have medical cover and access to the Discovery Vitality programme that offers discounts, incentives and rewards for healthy eating and exercising.

We had 24 injuries on duty in the reporting period and our injury frequency rate is 0.8% of employees on duty.

- We perform regular risk assessments of health and safety conditions at our facilities.
- We aim to have an injury-free workplace.
- We train people at our high-risk facilities in health and safety matters.
- We monitor management's health and safety systems through regular operational, internal and external auditing, and reporting processes.
- A healthy workforce contributes to business success. We provide medical aid and wellness programmes to our employees.
- We aim to comply with relevant laws and regulations.

## The workplace

Implementing a healthy, safe workplace at all our facilities is a priority. Health and safety committees ensure compliance with applicable regulations, in line with local legislation where required. The manager responsible for site health and safety ensures committee members are trained and the committee operates effectively. Regular occupational health and safety risk control audits are conducted by operational management and improvements made as required. Significant matters are reported to, and monitored by, Media24's safety, health and environment and risk committees (both are board committees). Our distribution operations make extensive use of contractors and organisers. Most of these workers are from previously disadvantaged communities and training is regularly reviewed to ensure they can perform their jobs safely and effectively. The Media24 safety, health and environment committee also monitors significant related issues in the workplace.

## Monitoring

Media24 monitors the buildings in which it operates, and conducts regular health, safety and environmental compliance audits, as well as

building scans. Injuries on duty are stringently monitored, and the company aims to have no injuries or deaths on duty.

### Wellness

The group's wellness programmes take a preventative approach to employee health. Regular eye and hearing tests are performed on drivers and staff exposed to noise. Professional independent psychological and social support is provided for employees.

Media24 offers wellness days, in partnership with a leading health insurance company, at many of its offices across South Africa. Health services offered include hypertension and blood sugar testing (for diabetes), cholesterol testing, HIV/ Aids counselling and testing, and a number of risk control programmes.

During the year we migrated our employees and retirees from Nasmed, a closed medical scheme, to Discovery, the largest open medical scheme in South Africa. This mitigates the risks for employer and employee of participating in a closed scheme with a shrinking membership and ageing risk profile (due to the increasing share of retirees, relative to the declining number of employees). The process was initiated by the employer and implemented with the agreement of members, who received subsidies or salary top-ups where needed, to ensure they would not be out of pocket as a result of the move.

### Corporate social responsibility

Media24's corporate social responsibility (CSR) initiatives are focused on education, digital media training and enterprise development. The company plays a meaningful role in developing independent publishers of community titles.

Our CSR strategy focuses on education and skills development as tools to help address the needs of the communities we serve as well as our core business objectives. It also ensures compliance with South Africa's socio-economic and regulatory imperatives.

In the past year we invested over R19.6m in cash, goods and media coverage in several community projects. The group also supports communities through projects directly related to



needs in the community. At Media24:

- We respect human rights.
- We support black-owned businesses by actively seeking such suppliers.
- We conduct business fairly, ethically and with integrity.
- Our code of business ethics and conduct defines our culture.

Our flagship CSR project, WeCan24, offers digital journalism training to high school learners and teachers across South Africa, enabling them to publish school news and local news on the free

platform. Through WeCan24, young people learn to use digital technologies to research and produce news and information. In the past year, 2 000 young people were trained at 350 schools and over 2 000 articles were published on the WeCan24 platform.

In future, the WeCan24 platform and programme will have a stronger digital focus. Face-to-face training is being converted into a massive open online course (known in the industry as MOOC) that will enable young people everywhere to access the material at any time. They will be able to learn writing and research

#### Initiatives during the reporting period include:

Sector	Project name	Project description	Contribution (monetary and in kind)
EDUCATION	<b>WeCan24</b>	<p>Training for FY18 was provided by Media24 staff, enterprise development partner Double Dutch Media (a small 100% black-owned media company) and the iSchoolAfrica Trust, a national education technology initiative that aims to empower teachers and learners in under-resourced schools.</p> <p>In the latter half of 2017, the initiative was fully digitised to reach more South African youngsters. We partnered with two government initiatives: the Western Cape Premier's Advancement of Youth (PAY) programme and the Gauteng Premier's Tshepo One Million programme which will provide training opportunities in digital, communication and entrepreneurship to the unemployed youth.</p>	<p><b>R5m</b></p> <p>(operational support, media coverage, training material)</p>
	<b>Literacy</b>	Sponsoring books and newspapers; support to schools and universities.	<p><b>R6.6m</b></p> <p>(donated books, magazines and newspapers)</p>
	<b>Various events and sponsorships</b>	Various sponsorships and community upliftment projects like the Son Winter School, Beeld Children's Fund, Rapport Education Fund, the RLabs Unconference, and coding boot camps for juniors.	<p><b>R1.5m</b></p> <p>(includes ad hoc disaster-relief drives and collections)</p>

skills via an accredited digital journalism course. The plan is for the programme to be self-sustaining by becoming a training conduit for partners who pay to use the platform.

With our Volunteers24 programme, all permanent employees are entitled to three days' paid leave to spend time supporting non-profit organisations or causes close to their hearts. Volunteers are recognised for this participation as part of their annual performance reviews. In the past year, 992 staff took volunteers' leave, with a monetary value of R1.2m.

### Transformation

With transformation being a strategic and commercial imperative, Media24 continues to invest in strategic procurement, and skills and enterprise development. Various initiatives are in place to develop relevant skills and progressive procurement practices, the latter including preferred procurement from black-owned and black economic empowerment-compliant (BEE-compliant) service providers. We have made substantial progress in meeting our transformation aims.

Sector	Project name	Project description	Contribution (monetary and in kind)
ENTER-PRISE DEVELOPMENT	Double Dutch Media, Mikateko Media and 2030-UP!	Double Dutch Media provided face-to-face WeCan24 training at schools and managed two interns on the Western Cape Premier's PAY programme until August 2017, after which the interns moved to Mikateko Media, a subsidiary of New Media Publishing. The addition of two black female interns helped grow Mikateko's business.	R434 000 (cash)
		Recognising the need to grow our supplier base of black, women-owned businesses, we partnered with Go Green Connect to help establish 10 women-owned enterprises through the 2030-UP! programme. The funding will provide these women with training and strategic support.	R85 000 (non-monetary)
VOLUNTEERS	Volunteers24	Volunteers use their entitled three days' paid leave to support causes close to their hearts.	R1.2m (monetary value of volunteer time)
VARIOUS	Media coverage	NGOs benefit from media coverage and advertising space.	R4.8m (value of media coverage)
TOTAL			R19.6m (full-year contribution)



According to the latest BEE scorecard prepared by EmpowerLogic, Media24 attained a level 4 status with a 68% procurement recognition on BEE spend under the revised codes. The group scored full points for socio-economic development. Black people's economic interest is now 60.17% (53.7% in the prior year).

Welkom Yizani, Media24's BBBEE scheme launched in 2006, remains the biggest BEE share offer in the South African print media history. Welkom Yizani owns a 15% share of Media24 and enables eligible black people and groups to indirectly acquire equity in Media24. Shareholders may trade their shares to eligible black people through an online trading platform.

In 2016 Naspers has waived a total of R434m in debt. This means Welkom Yizani shareholders are now able to derive immediate economic benefit from their shares.

The Registrar of Securities Services (the Registrar) indicated that all traditional over-the-counter trading platforms, such as Welkom Yizani, are required to regularise their affairs in terms of the Financial Markets Act (the Act). Welkom Yizani has engaged constructively with the Registrar to meet the requirements of the Act.

As part of this process, Media24 and MultiChoice (also part of the Naspers group) have looked at various options, including the establishment of the company, Yizani Phuthuma Nathi (YPN), which has applied for an exchange licence to facilitate trading in BBBEE shares issued by companies in the Naspers group. In the meantime, trading in Welkom Yizani shares on the current platform continues unchanged. Welkom Yizani continues to build on the positive engagement it has had with the Registrar and remains committed to complying with any directives or conditions issued by the Registrar. It is exempted from complying with the Act for six months after the Registrar's decision on whether to grant an exchange licence to YPN. At 31 March 2018, Welkom Yizani had 89 166 shareholders.

### Black economic empowerment partners

Media24 and other South African Naspers group companies have combined their buying power in a centralised procurement company,



CommerceZone, which adheres to a BEE procurement policy. Suppliers' BEE performance is evaluated against specific criteria and must be improved annually. Media24 achieved 17.13 out of 25 points for preferential procurement of goods and services from all suppliers.

## Environment

We reduce, reuse and recycle to limit our impact on the environment. Media24's operations are diverse, and each type of business has a unique impact on the environment, and requires different solutions to limit impact.

### Energy-efficient initiatives include:

- movement-activated and energy-efficient lighting
- energy-efficient air conditioners, and
- power-factor correction and load balancing.

We recycle all unsold newspapers and magazines. Through our online and print publications, we also regularly publish informative articles to educate consumers on ecofriendly ways to live. In addition to recycling, it is in the group's commercial interest to use paper efficiently, limit paper destined to be recycled and minimise unsold products.

Our largest impact on the environment is our use of carbon-based electricity. Our focus remains on energy efficiency and measuring our carbon footprint. We have also invested heavily in generators and uninterrupted power supplies to ensure seamless operation during power outages.

Media24 operations are primarily based in South Africa, where the main source of electricity is coal. These operations measure their gross carbon footprint in scope 1 and 2 emissions under the Greenhouse Gas Protocol (GHG protocol), the accepted international standard for accounting and reporting on emissions.

In FY18, our carbon footprint decreased by 88% to 13 687 tonnes of CO<sub>2</sub>e (2017: 119 341 tonnes of CO<sub>2</sub>e) after the unbundling of our shares in Novus Holdings.

South Africa has recently declared a national disaster due to severe drought in several provinces, particularly the Western Cape, which is experiencing its worst drought in its history. The City of Cape Town disaster management plan expects for Day Zero to be implemented when

dam levels reach 13.5%. On Day Zero the water reticulation system to most areas in the city will be turned off and residents will need to collect their quota of 25 litres per person per day at 200 distribution points across the area.

Media24's water saving and resilience initiatives started in good time and is well on track. Awareness campaigns were launched and plans are in place to continue our operations in the event of Day Zero.

## Electronic waste

Electronic waste is one of the fastest-growing components of the municipal solid waste stream. We use responsible service providers to recycle and dispose of our electronic waste.

## Fines

In the past year, there were no environmental accidents, and no environmental fines were imposed by government. The group continues to refine its processes for managing its impact on the environment.

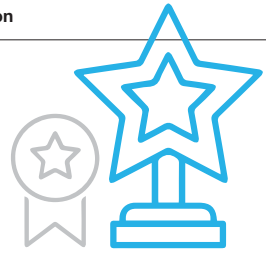


# Awards

Awards received in the past year include:

- Siphon Masondo, City Press's investigative journalist, was named journalist of the year at the Standard Bank Sikuvile Journalism Awards and Suzanne Venter from Rapport won the SA story of the year for her work on the Life Esidimeni scandal.
- Siphon Masondo also won the Nat Nakasa award for brave reporting.
- Our newspaper and magazine reporters and VIA won 11 awards at the ATKV Mediaveertjies.
- 24.com's investigative journalists were part of the team that received the Vodacom journalist of the year award and the Taco Kuiper award for their contribution to the #GuptaLeaks articles.
- Media24 won a record 21 prizes at the IAB Bookmark awards, including Black Pixel for the best digital publisher in South Africa for the second year running.
- Our Nigerian news aggregator Bounce was named best news and entertainment app at the AppsAfrica Innovation Awards.
- News24 Edge, the personalised version of News24, was named the world's top mobile news service by the World Publishing Expo and World Association of Newspapers and News Publishers.





- Spree received the Digital Innovator Award at the Customer Experience Africa awards for the visual search functionality on its app.
- Books published in the Naspers stable have received 88 of the annual Hertzog prizes for Afrikaans prose, poetry or drama over the past 100 years. This year number 89 goes to Antjie Krog for her volume of poetry *Mede-wete* (Human & Rousseau). NB Publishers' writers also made a clean sweep with the important literary prizes from the Academy for Science and Art in 2017. The Eugène Marais prizes were awarded to Amy Jephtha for *Kristalvlakte*, Bibi Slippers for *Fotostaatmasjien* (both Tafelberg; drama and poetry respectively), and Lien Botha for *Wonderboom* (Queillerie; prose), while the LW Hiemstra prize went to Carel van der Merwe for *Donker stroom* (Tafelberg imprint, published by Queillerie).
- NB Publishers also took the honours at the UJ prizes for creative writing in Afrikaans. John Miles received the main prize for *Op 'n dag, 'n hond* (Human & Rousseau), and Bibi Slippers the debut prize for *Fotostaatmasjien* (Tafelberg).
- Our writers also did exceptionally well with the kykNET-Rapport book prizes. Ryk Hattingh won the prize for fiction for his novel *Huilboek* (Human & Rousseau), and Elsabé Brits won the prize for non-fiction for *Emily Hobhouse: Geliefde Verraaiers* (Tafelberg). Valda Jansen received the Jan Rabie/Rapport prize for a debut work for her novel *Hy kom met die skoenlappers* (Human & Rousseau).



## Board

The board of directors manages the group's business with integrity and by applying appropriate corporate governance practices.



### Rachel Jafta

**Rachel (57)** has the degrees MEcon and PhD and is a professor in economics at Stellenbosch University. She is a director of Naspers and Econex and chair of the Cape Town Carnival Trust. She joined Naspers as a director in 2003 and was appointed a director of Media24 in 2007. She is a member of the South African Economic Society and serves on the management committee of the Bureau for Economic Research at Stellenbosch University. She has been chair of the Media24 board since April 2013. Since 2015, she has served on the international advisory council of Fundação Dom Cabral Business School, Brazil.



### Esmaré Weideman

**Esmaré (56)** obtained the degrees BCom and BJournalismHons (both cum laude) from Stellenbosch University. She has over 25 years' experience as a journalist, political writer and editor. She was editor-in-chief of Media24's flagship weekly magazines Huisgenoot, YOU and DRUM, before being appointed chief executive of Media24 in 2011.



### Hein Willemsse

**Hein (60)** holds BAHons (cum laude), MA (cum laude), MBL and DLitt degrees from the University of the Western Cape. He is professor of literature in the Department of Afrikaans at the University of Pretoria. He serves on various national and international subject associations and community organisations.



### Salie de Swardt

**Salie (74)** obtained BAHons and BEcon degrees from Stellenbosch University and was a Nieman Fellow at Harvard University. He was editor of Beeld, founding editor of Finansies & Tegniek (now Finweek), chief executive of Media24 Magazines and managing director of Media24 from 2000 to his retirement in 2005.



### Jo-Ann Held

**Jo-Ann (37)** obtained a BComLaw degree at Stellenbosch University. She is a media entrepreneur who has presented and produced TV and online media properties for 17 years. She is a goodwill ambassador for Unicef and a director of Partnership Investments, the advisory board of Stellenbosch University Business School, Village and Life and M&C Saatchi Abel.



## Debra Meyer

**Debra (51)** is professor of biochemistry and executive dean of the faculty of science at the University of Johannesburg. She was a Fulbright scholar at the University of California, Davis, where she obtained a PhD in biochemistry and molecular biology. She has completed modules in media strategy and academic leadership at Harvard and Gibs (the University of Pretoria's business school). Debra serves as trustee or board member of several organisations.



## Koos Bekker

**Koos (65)** led the founding team of the M-Net/MultiChoice pay-television business in 1985. He was also a founder of the cellular telephony group MTN. Koos headed the MIH group in its international and internet expansion until 1997, when he became chief executive of Naspers. He stepped down in 2014. He serves on the boards of companies in the wider group. In 2015 he became non-executive chair of Naspers. His academic qualifications include BAHons and an honorary doctorate in commerce from Stellenbosch University, LLB from the University of the Witwatersrand and MBA from Columbia University, New York.



## Trevor Petersen

**Trevor (62)** is a chartered accountant with over 30 years' experience. He obtained a BComHons in financial management from the University of Cape Town. He was an executive partner at PricewaterhouseCoopers Inc. and currently serves on the board of Mediclinic International plc.



## Ruda Landman

**Ruda (64)** holds a BAHons and HED from Stellenbosch University and worked as a journalist for 30 years, 19 years as copresenter of the M-Net programme Carte Blanche. Since 2007 she has freelanced in the communications and media field. She was awarded an honorary doctorate by Stellenbosch University in 2011 for her work as a journalist.



## Manie Mayman

**Manie (63)** is a chartered accountant and holds the qualifications BComptAcc Hons and BComHons (financial management) from Unisa. He is a former financial director of BP Southern Africa Proprietary Limited. He was the Media24 executive director responsible for the finance function until November 2016 and was appointed a non-executive director on 1 April 2017. Manie was appointed as the Media24 group's acting CFO on 1 November 2017.

## Directors and attendance at meetings

	Date first appointed in current position	Date last appointed	Five board meetings held during the year. Attendance:	Category
R C C Jafta	9 February 2007	31 August 2015	5	Independent non-executive
G M Landman	14 September 2006	28 August 2015	5	Independent non-executive
S S de Swardt	14 September 2006	29 August 2016	4	Independent non-executive
T D Petersen	1 July 2015	28 August 2017	5	Independent non-executive
D Meyer	1 April 2013	31 August 2015	5	Independent non-executive
H S S Willemse	21 November 2013	29 August 2016	5	Independent non-executive
J C Held	1 January 2014	29 August 2016	5	Independent non-executive
J P Bekker	1 April 2015	28 August 2017	4	Non-executive
A Mayman	1 January 2014	1 January 2014	5	Non-executive
E Weideman	1 July 2011	16 September 2011	5	Executive
C J Hess <sup>(1)</sup>	1 February 2017	1 February 2017	2	Executive

### Note

<sup>(1)</sup> Resigned as executive director on 31 October 2017 to pursue personal interests.

## Committees and attendance

	Executive committee <sup>(1)</sup>	Human resources and remuneration committee <sup>(1)</sup>	Nomination committee <sup>(1)</sup>	Safety, health and environment committee <sup>(1)</sup>	Audit committee <sup>(1)</sup>	Risk committee
	No meetings held during the year.	Five meetings held during the year. Attendance:	Three meetings held during the year. Attendance:	Two meetings held during the year. Attendance:	Four meetings held during the year. Attendance:	
R C C Jafta	✓	✓ 5	✓ 3			
G M Landman	✓	✓ 5	✓ 3	✓ 2		
S S de Swardt	✓				✓ 4	✓ 4
E Weideman	✓					✓ 4
D Meyer		✓ 5	✓ 3	✓ 2		
H S S Willemse				✓ 2		
J C Held					✓ 4	✓ 4
A Mayman						✓ 3
J P Bekker						
T D Petersen					✓ 4	✓ 4
C J Hess <sup>(2)</sup>	✓					✓ 2

### Notes

✓ Member

<sup>(1)</sup> Executive director(s) attend meetings by invitation.

<sup>(2)</sup> Resigned as executive director on 31 October 2017.

# Our risk governance: Managing risks and opportunities

We consider ourselves entrepreneurs at heart. As entrepreneurs, within parameters set by the board, we continuously seek new business prospects and set ambitious goals that create sustainable value for our stakeholders. We watch for possibilities to improve and strive to preserve the value built into our existing businesses.

As a media group, we understand that the world in which we operate is continuously changing. We also understand that achieving our mission depends on how well we navigate risks and opportunities as they arise amid the uncertainties and unexpected circumstances we face as entrepreneurs every day.

While standards and frameworks are helpful, no risk management system or combined assurance model can give us absolute certainty that we fully understand all risks and opportunities. Although we strive to be effective in managing the risks posed in meeting our objectives, we acknowledge that there is always an element of uncertainty. We have recorded failures in the past and are likely to face some misses in future, given the residual risk we tolerate in pursuing value. Equally, we cannot be sure that we identify every opportunity timeously enough to take full advantage.

## How we manage and govern risk

We aim to promote a culture in which robust risk and opportunity management processes are understood to create and sustain competitive

advantage. Therefore, we view these processes not as separate activities, but rather integrated into daily decisionmaking and good governance practices.

## Responsibility

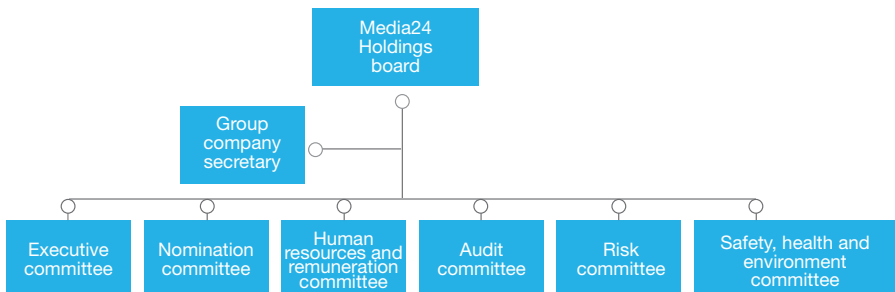
The board and management are accountable for the choices and decisions we make, how we execute these and delivering a commensurate reward – ie value and efficiency in their broadest definitions – within the parameters of the risk profile the board deems acceptable. The responsibility for managing risk lies with the owner of risk: in most cases operational management, assisted by the finance function and, where considered useful in our businesses, specialised risk management and risk support functions.

Group internal audit and risk support assess the effectiveness of the system of risk management and internal control and may also provide advice and guidance to the business.

## The board's role

The board is kept updated on key risks and any developments, and ensures that adequate levels of assurance are provided on significant residual risks versus set tolerance levels. This is done through a combination of internal sources and independent assurance providers, including group internal audit and risk support, and external auditors.

The board is assisted by various committees tasked with oversight and decisionmaking for our group.





We have several policies and charters that govern the process of and responsibilities for managing risk and opportunities.

## Analysing and responding to different risks

Media24 group businesses are expected to apply a structured approach to identifying, assessing, analysing and responding to risk and opportunities within tolerance levels set by the board.

Our risk analysis focuses on the impact of risk on our objectives while not losing sight of opportunities that arise. Consideration is given to our key risks relative to their impact on efficiently transforming capitals (ie the six-capitals model) to ensure value for all stakeholders.

For risks we are not prepared to tolerate, we act to reduce our vulnerability. Depending on the importance of the risk relative to tolerance levels, active risk management varies by form and extent. We have enhanced control and monitoring measures that prevent or detect a risk materialising at the earliest stage.

Where we can, we explore ways to share or transfer risk. We run adequate insurance programmes to mitigate the risk of sudden losses caused by an insurable risk materialising.

## Drawing on best practice

As a subsidiary of the Naspers group, we strive to align our practices and policies to that group. Our risk management framework, system and processes draw on internationally recognised best business practices and frameworks. We promote sharing knowledge on issues and good management practice between businesses in the group.

The Media24 board approves the risk committee charter and risk management policy annually. These documents are aligned broadly with Naspers group policies, and enable executive management, and operational divisions, to apply appropriate practices and principles in managing risk and opportunity.

The risk committee assists the board to ensure

risk is governed in a way that supports the group in setting and achieving its strategic objectives.

All group policies aim to govern the broad elements of the six-capitals model. We realise and acknowledge that by the nature of our operations, we transform, impact or influence more than one capital and manage our risks accordingly. Our charters and policies mitigate inherent risks related to these spheres. All committees assist the board in governing risks across the capitals.

## We create sustainable value

We look at value in the broadest definition from the points of financial, social and environmental sustainability – as captured by the six-capitals model. According to this model, businesses executing their strategies continuously transform different forms of capitals that are interdependent, with the value created (or destroyed) evident as a net effect across the capitals.

We believe value is determined both by our potential to perform in future (ability to create net positive capitals) and by performance itself (concrete net capital creation over time). These perspectives affect each other: low potential leads to performance issues, and vice versa. We address both potential and performance in developing our strategies. Building potential and delivering performance both involve transforming various capitals, and our strategic and operational decisions aim to maximise capital production (output) and minimise capital use (input), creating optimal value.

The levers that control the use and production of each capital comprise a combination of value drivers. Understanding these levers and managing value creation through them is the essence of our objective-driven, dynamic opportunity and risk framework.

## Our objective-driven dynamic approach

At Media24 we strive to evolve our risk management practices and techniques. As such, we consider best practices and follow group

direction set by our holding company. In the review period, we continued to analyse risk using a risk-based approach, but for the new financial year we plan to adopt an objective-based approach and align our risk and opportunities accordingly.

Our objectives to transform the six capitals give rise to various risks, resulting in either over-use of a capital (higher input than intended) or underproduction (lower output than intended). Equally, in the transformation process, opportunities may be identified to realise higher efficiency (lower input than anticipated) or more effective production (higher output than anticipated) of any of the six capitals and thus, overperform on the original objectives.

## Our way of viewing risks and opportunities

In the face of uncertainty, risks may affect our goals in multiple ways but, equally, opportunities may arise, allowing us to exceed our targets. These risks and opportunities can be viewed as potential negative and positive deviations from our objectives. We believe we can create competitive advantage through the opportunities we identify and elect to pursue, and in the way we assess, manage and accept risk. It is a strategic approach to risks and opportunities.

Opportunities and risks matter most where they have greatest impact on value, in its broadest sense, for our stakeholders. Therefore, we select opportunities and assess, manage and accept risks primarily on the basis of their potential impact on determined value drivers.

## Managing risks and opportunities across the six capitals

We are committed to good corporate governance and to applying the principles of the 2016 King IV™ Report on Corporate Governance (King IV™). These principles promote responsible corporate citizenship and sustainable development based on ethical leadership.

Both King IV™ and our sustainable development policy require businesses to adopt integrated thinking in setting strategy.

As part of the process of integrated thinking, responsible corporate citizenship and sustainable development, we require businesses to reflect on their business model relative to the six capitals, as well as the risks and opportunities linked to the six capitals.

# Financial capital

We are a for-profit organisation that invests in developing businesses to provide useful goods, products and services to customers and deliver a sustainable return to investors. Through our operations, we contribute to economic growth and employment opportunities in South Africa and Africa.



## We aim to:

- invest in our country of operation by creating business for local suppliers, employing people and giving governments their due via taxes and levies
- manage our assets and liabilities conservatively in the interests of our investors and other stakeholders and in line with board-approved risk appetite
- focus on investing in business models and new technologies that hold promise for future growth and have the potential to scale
- report on our financial position and performance accurately in line with applicable accounting standards, and
- comply with relevant company laws and regulations.

## Key risks to this capital, include:

- economic and political market disruptions
- fierce local and international competition and non-traditional players in the media sector
- shrinking circulation and advertising revenues in relation to our print publication

- digital operations that fail to reach required scale to generate substantial profits
- insufficient funding to realise our ambitions
- credit risk, counterparty risk, fraud-related crimes and theft, and
- financial misstatement and/or failure to accurately disclose in our public reports.

## Measures to manage these key risks and maximise opportunities, include:

- we monitor economic and political developments as best as possible and adjust measures to reduce our vulnerability
- we try to understand our consumers' preferences and emerging trends, and tailor our offerings accordingly
- through robust planning and monitoring, we take action early to ensure we have the funds and resources to realise our ambitions
- reduce our dependency on advertising revenue through our diversification strategy into the ecommerce market, digital services and subscription models (online market)
- we invest funds and manage our cash and funding needs in line with our group treasury policy which sets minimum standards to mitigate risk of counterparty default
- our forward exchange contracts are in line with group policy, and we take measures to detect fraud using our group whistleblower line and strict internal controls on fund management processes
- an anonymous whistleblowing line is in place to report fraud-related crimes, and
- we operate an effective internal control environment and the audit committee oversees the effectiveness of combined assurance.

# Manufactured capital

**Manufactured capital is key to our services and operations.**



Across the group, manufactured capital may include:

- office, service centre and warehouse buildings, furniture and equipment
- information and technology infrastructure and equipment
- distribution networks (such as customer service centres, retail outlets and courier services)
- public infrastructure such as roads for delivering goods
- vehicles, and
- inventory/stock.

**We aim to:**

- ensure office buildings, warehouses, retail outlets, vehicles and equipment are efficient and well maintained, continuously enhance measures on security and fire-prevention infrastructure, and ensure businesses are adequately covered for insurable risks
- operate a secure and resilient technological infrastructure
- avoid obsolescence of products and services by procurement and inventory management
- minimise excessive investment in stock, and
- manage our outsource partners to deliver on agreed service levels.

**Key risks to this capital, include:**

- destruction or impairment of assets due to natural or human-induced disaster
- technical failures and cyber-incidents causing disruption
- inventory obsolescence including excessive writeoffs or impairments of assets due to poor planning, maintenance or safeguarding
- unforeseen capacity constraints from risks affecting the supply chain, logistics and processes (physical and electronic), and
- substandard product/service offering.

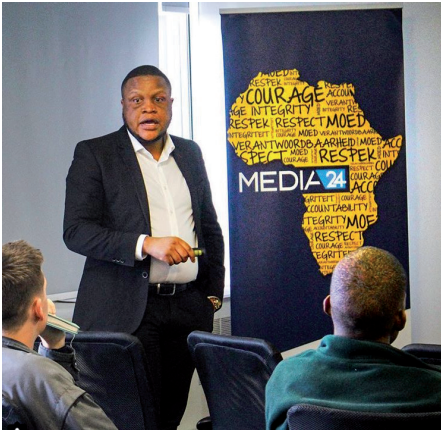
**Measures in place to manage the risks and respond to opportunities, include:**

- robust business planning, including working capital management
- comprehensive short-term insurance
- physical security measures to protect assets
- business-continuity planning including disaster-recovery and testing
- rigorous testing of information and technology systems and app changes
- real-time cyberthreat monitoring and regular cyber-incident response testing
- regular performance evaluations of contracted service providers
- business and resource planning, including information and technology investment
- asset maintenance programmes
- responsible scaling strategies, and
- focus on customer experience, quality content and service excellence.

The Media24 group's businesses are required to act in line with Naspers good governance guidelines, and to maintain business-continuity and disaster-recovery plans. They are responsible for ensuring adequate measures are in place for business and resource planning, supplier and external service provider selection, scaling strategies and insurance to protect their assets.

# Intellectual capital

**Intellectual capital (knowledge-based intangibles) includes intellectual property (IP) such as patents, copyrights, trademarks, domain names, confidential information as well as institutional knowledge, systems, procedures and culture.**



## We aim to:

- use intellectual capital to drive competitive advantage through customer-focused development and innovation strategies
- adequately protect our intellectual capital and not infringe on the rights of others
- produce, acquire and publish valuable content for consumption by our customers through our various platforms
- cultivate a positive, innovative and ethical culture in the group, and
- build intellectual capital by continuously investing in our people and knowledge-sharing programmes throughout the group.

## Key risks to this capital, include:

- ineffective response, including insufficient innovation, to meet our customers' changing demands and consumption patterns
- improper use and/or inadequate protection of customer privacy, sensitive data and other confidential information
- failure to meet targets due to lack of innovation
- loss of market share, revenue and opportunities through infringement, theft or misuse of IP rights
- reputational damage or liability due to infringement, theft or misuse of IP and rights of third parties by any of our businesses
- insufficient production of intellectual capital caused by inadequate human resource development and culture, and
- fake news published in the name of Media24 by an unauthorised third party.

## Measures in place to manage the risks and respond to opportunities, include:

- developing strategically important IP assets as well as attracting, managing and developing talent, encouraging innovation, managing performance to meet targets
- protection of IP rights against infringement through effective cybersecurity measures guided by our global security policy
- group IP guidelines in place with monitoring and support provided by Naspers, and
- continuous monitoring of Media24's name and brands to detect unauthorised use or accreditation.

# Social and relationship capital

We act in line with our values and code of business ethics and conduct, and we strive to build effective internal and external stakeholder relationships.



## We aim to:

- create a sustainable network of diverse broad-based black economic empowerment suppliers and procurement partners
- build trust and maintain our businesses' licences to operate and use their brands
- cultivate an ethical culture
- engage with our stakeholders and respond to legitimate and reasonable issues
- meet the requirements of regulatory and financial authorities and participate in developing policies that benefit societies, and
- sustain corporate social initiatives that are focused, targeted and linked to business strategy.

## Key risks to this capital, include:

- unethical behaviour in breach of our code of business conduct and ethics, including bribery, corruption and unfair treatment of stakeholders
- loss of consumer trust – eg fake news, failing to deliver on our service promise, data-security breaches, non-compliance and inferior products
- non-compliance with laws and regulations, specifically company law, data privacy, anti-bribery and anti-corruption, taxes and

duties, licence conditions, consumer protection, anti-money-laundering, and international sanctions

- failure to maintain sustainable businesses that contribute to socio-economic development
- biased or unfair reporting in our media operations, and
- defamation lawsuits.

## Measures in place to manage the risks and respond to opportunities, include:

- code of business ethics and conduct in place with an anonymous whistleblowing line
- continuous engagement with regulators and industry bodies, and implementation of a robust legal compliance programme
- anti-bribery and anti-corruption initiatives being part of the legal compliance programme
- measuring and monitoring strength of customer relationships (such as Net Promoter Score) and strategy ensuring customer satisfaction
- adopting measures to protect customers (including existing frameworks and policies, training and awareness) and ensuring customer privacy and data security are managed and monitored, including measures to protect against cyberthreats
- managing stakeholder relationships and responding to legitimate and reasonable issues raised by key stakeholders
- editorial control measures to verify sources and facts
- adherence to the South African Press Code
- media ombudsmen
- maintaining editorial independence, and
- corporate social investment programmes that benefit the community and the business, such as learning and internship opportunities for students, improving employment in the country, and contributing to the human, intellectual and financial capitals of the business in the long term.

# Human capital

**Our employees' skills, capabilities and experience, as well their drive and engagement, are key to our success.**



## We aim to:

- attract and retain high-calibre individuals to execute our strategy and build sustainable businesses
- provide our employees with focused career development and training
- foster a safe and healthy working environment where people feel cared for, heard and supported in their ambitions
- reinforce the leadership pipeline and accelerate the growth of top talent
- support the ongoing development and growth of our businesses and equip our people with new skills for tomorrow
- develop core business skills in ecommerce and media
- be fair and responsible in our remuneration practices under a pay-for-performance strategy
- encourage diversity in our teams and thinking, and
- comply with relevant labour laws.

## Key risks to this capital, include:

- failing to attract and retain talent to execute strategy
- non-compliance with applicable health and safety, labour and employment equity, and black economic empowerment (BEE)
- inability of existing staff to adapt promptly to changes in market and innovation, and adapt business strategies accordingly
- unfair treatment and remuneration, and
- inadequate development of employees.

## Measures in place to manage the risks and respond to opportunities, include:

- building of an attractive employee value proposition to attract and retain talent, including learning and development initiatives, training and employee wellness initiatives
- annual engagement surveys to understand where we can improve
- compensation and incentive plans to attract key skills and reward exceptional performance
- engineering internships and partnerships with training organisations
- annual staff engagement surveys
- employee wellness programme
- setting and monitoring BEE and employment equity (EE) targets
- our legal compliance programme ensures we comply with applicable occupational health and safety, labour, economic empowerment, transformation and diversity laws, and
- human resource policies and procedures to address talent attraction, management and retention, development, succession planning, fair and responsible remuneration, working conditions, grievance procedures and diversity.

# Natural capital

We acknowledge that we are required to act in an environmentally responsible way. We are mindful of consuming electricity, fuel and especially water in our daily operations. As a media company, we publish and distribute paper-based books, newspapers and magazines, with our ecommerce businesses buying and distributing goods to customers. We are cognisant of the effect of our businesses on the environment and endeavour to limit consumption, adapt to changing consumer consumption behaviours, and promote digital publications as an alternative to print. In our distribution businesses, we continuously optimise our routes to limit fuel consumption.



Our businesses consider the extent to which natural capital may significantly affect current or future operations; trigger legal or regulatory processes or fees, such as emission fees; have a financial impact, eg on insurance conditions; and affect company image or relationships with stakeholders, eg changing customer and employee preferences.

## We aim to:

- comply with laws and regulations regarding the environment
- to be useful to communities we serve, acknowledging that environmentally responsible behaviour forms part of that
- adhere to water-preservation initiatives in South Africa, a water-stressed country, and
- enhance our digital offering as an alternative to printed publications.

## Key risks to this capital, include:

- depletion of the earth's natural resources
- negative effects on society linked to pollution and global warming, and
- fines, penalties or new regulations and fees related to use of natural resources.

## Measures in place to manage the risks and respond to opportunities, include:

- measuring our carbon footprint
- paper sourced from certified sustainable suppliers and recycled where possible
- reducing operational costs by continuously optimising operations to minimise consumption
- independent environmental audits to ensure ongoing compliance with laws and regulations, and
- adoption of appropriate environmentally sustainable practices to minimise the impact on natural capital, for example through energy- and water-saving initiatives as well as recycling.

## Key area of focus in the year – preparing for a potential water crisis

South Africa has recently declared a national disaster due to severe drought conditions in several provinces, the Western Cape in particular, as it is experiencing the worst drought in its history. Media24's response to this is set out in the section regarding environmental issues on page 31.

## Monitoring the effectiveness of risk and opportunity management

We monitor the effectiveness of our risk and opportunity management system and processes,



and address outcomes, in various ways. Our internal audit function conducts risk-based audits in line with an audit plan approved by the audit committee annually. Risks and internal control weaknesses or governance-related findings are discussed with senior management and the chief executive and CFO. Remediation actions are agreed with management and follow-up reviews are scheduled where required. The risk register, tolerance levels and heatmap detailing management's actions to manage significant risks are monitored by the risk committee.

### **Cybersecurity**

Media24 adopted the Naspers cybersecurity policy in June 2018. The policy addresses monitoring and response to cyber-incidents. A 24-hour security operations centre monitors security information and events in real-time. A cyber-incident response team regularly performs simulation exercises to ensure it is able to respond to a threat, should it arise. We also use the Naspers group platform to share threat intelligence information across all the businesses.

Compliance with relevant information and technology laws is part of the legal compliance programme.

Data privacy has been identified as a high priority. The cybersecurity policy sets standards specifically for dealing with data privacy.

### **Assurance statement**

Our combined assurance model is designed and implemented to cover key risks through a combination of assurance service providers and functions as appropriate for our group. An overview of combined assurances per key risk is reported to the audit and risk committees.

Our internal audit function is outsourced to Naspers, with the Media24 group head of internal audit reporting functionally to the Media24 audit committee, which approves and oversees the risk-based internal audit coverage plan. Where required, external parties such as forensic or data-analytics experts, support this function. Other external assurance providers are enlisted as needed.

The audit committee appoints the external auditor, reviews the auditor's independence annually and oversees the external audit. The committee makes recommendations to the board and assists the board in ensuring the integrity of external reports. The chief executive and chief financial officer annual signoff process also covers financial reporting.

# Governance report

Media24 is focused on sound corporate governance and effective leadership. The board of directors manages the group's business with integrity and by applying appropriate corporate governance practices. Our aim is to keep abreast of regulatory developments, further enhance our governance standards, monitor and ensure compliance with relevant laws and regulations and cultivate a thriving organisational ethical culture. We also aim to maintain a high standard of reporting and disclosure, keeping in mind the best interests of our stakeholders and disclosing what is relevant and critical to the sustainability of the group.

Media24 is a leading media group in Africa. It is a subsidiary of Naspers Limited, listed on the JSE Limited's stock exchange (the JSE) and the London Stock Exchange (LSE). Media24 complies with the JSE Listings Requirements as well as legislation applicable to publicly listed companies in South Africa (where applicable to a subsidiary of a company listed on the JSE).

Our independent board of directors has its own governance practices and committees that comply with relevant governance and regulatory requirements. The board's audit, risk, human resources and remuneration, nomination, and safety, health and environment committees fulfil key roles in ensuring good corporate governance. The composition of the board and its committees is reviewed annually and, where required, amended. The group uses independent external advisers to monitor regulatory developments to enable management to make recommendations to the Media24 board on matters of corporate governance.

## Governance framework and application of King IV™

The Media24 board is the focal point for and custodian of the group's corporate governance systems. The board and its committees must ensure that the principles and practices of King IV™ are applied and embedded in the governance practices of group companies.

A disciplined reporting structure ensures that

the Media24 Holdings board is fully apprised of subsidiary activities, risks and opportunities. Business and governance structures have clear approval frameworks.

Governance and progress are monitored by the Media24 audit and risk committees and reported to the Media24 board.

In the review period we effected system and process changes to align to King IV™ principles. A comprehensive analysis of our governance framework against King IV™ shows that the group complies with all key elements. Minor instances of non-compliance are either not applicable or under consideration.

## Declaration by the board in terms of King IV™

In line with the overriding principle in King IV™ of apply and explain, the board, to the best of its knowledge, believes the group has satisfactorily applied, or is in the process of embedding, processes in support of the principles of King IV™.

## Business ethics

Our code of business ethics and conduct was revised during the year and is available at [www.media24.com](http://www.media24.com).

Media24 is committed to conducting its business on the basis of compliance with the law, with integrity and proper regard for ethical business practices. Ensuring that group companies adopt appropriate processes and establish supporting policies and procedures is an ongoing process. Management focuses on policies and procedures that address key ethical risks, such as conflicts of interest, accepting inappropriate gifts and unacceptable business conduct.

The human resources and remuneration committee is the overall custodian of business ethics. Disciplinary codes and procedures of group companies ensure compliance with policies and practices that underpin the overall code of business ethics and conduct. Media24 applies zero tolerance to violations of the code by taking the necessary action, including improving the

control environment or instituting disciplinary, criminal or civil action. Unethical behaviour by senior employees, as well as the manner in which that company's disciplinary code was applied, is reported to this committee. During the year, no cases of alleged unethical conduct were reported to the committee.

During the year, a Media24 ethics officer was appointed as the central point of contact for advice on ethics-related queries, improprieties, allegations and complaints. The ethics officer reports on related matters via the Media24 executive management team, to the human resources and remuneration committee.

A whistleblowing facility enables all employees to anonymously report unethical conduct in the workplace. All stakeholders are able to report unethical behaviour and wrongdoing anonymously and confidentially by making use of the whistleblowing facility. Details of the whistleblower line is available on the Media24 website at [www.media24.com](http://www.media24.com).

This year, a groupwide awareness campaign set the tone for reporting unethical business practices. Future focus areas include launching an ethics reawareness campaign to again raise awareness of ethics.

## Stakeholder relationships

We manage external and internal stakeholder relationships using an inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the business. Stakeholder management is included in progress reports and updates at board meetings. An overview of our stakeholders and stakeholder engagement is provided on pages 11 to 15.

## Sustainable development and corporate citizenship

Media24's commitment to sustainable development and corporate citizenship is articulated in its sustainable development policy. To support the board in fulfilling its governance role, the risk and the safety, health and environment committees receive reports on Media24's sustainability approach and initiatives, using the six-capitals framework. We recognise that

sustainable development and economic, social and environmental protection are global imperatives that present both opportunities and risks for business. In building a company that empowers people and enriches communities, corporate citizenship is integral to the way we do business. An overview of our capitals and value creation appears on pages 8 and 9. In future, management will enhance its level of reporting to the risk and the safety, health and environment committees on responsible corporate citizenship and sustainable development using the six-capitals framework.

## Gender and racial diversity statement

The Media24 diversity policy was approved by the board in November 2017. In developing this policy at board level, we considered key aspects of diversity, including making good use of differences in the skills, geographical and industry experience, background, race, gender and other distinctions between members of the board. While no specific targets have been set for race or gender diversity due to the complex nature of our businesses, we are focused on achieving the appropriate balance of knowledge, skills, experience, diversity and independence.

## Legal compliance framework

Legal compliance is the responsibility of Songezo Ralarala, Media24's general manager: legal and regulatory affairs, who oversees legal compliance for subsidiaries. The board has delegated responsibility for overseeing legal compliance to the risk committee. To assist this committee in discharging its responsibility, the general manager: legal and regulatory affairs reports on compliance matters to the committee which, in turn, reports to the board. Legal compliance is a standing agenda point.

A key focus area in the 2018 financial year was to align policies and implement processes to King IV™. The enhanced Naspers group legal compliance, anti-bribery and anti-corruption, sanctions, export controls and competition compliance policies were reviewed and adopted by the Media24 board in November 2017.

A legal compliance report is provided to the

Media24 risk committee on a quarterly basis. This includes an overview of key compliance risk areas and mitigating measures, key regulatory developments, and material compliance incidents and investigations.

Planned areas of future focus for legal compliance include continuing to raise awareness across the group. Improvements to the framework will be made based on emerging risks, feedback from monitoring activities and a greater focus on third-party screening. With internal audit, we will also focus on our assurance framework.

## Penalties

There were no material or repeated regulatory penalties, sanctions or fines for contravening statutory obligations. There were no inspections by environmental regulators or findings of non-compliance with environmental laws.

Media24 Proprietary Limited entered into a consent agreement with the Competition Commission. The agreement was approved by the Competition Tribunal. It was agreed on an administrative penalty of R15m (provided for in the prior financial year), and a contribution of R4m, payable over three years to a fund to be administered through an industry trust to assist small black-owned media agencies.

## Our board

### Composition

Media24 has a unitary board with oversight and control functions. Its charter sets out a clear division of responsibilities. As required by King IV™, most board members are non-executive directors and independent of management. To ensure no one individual has unfettered powers of decisionmaking and authority, the roles of chair and chief executive are separate, ensuring a clear division of responsibilities.

At 31 March 2018 the board comprised seven independent non-executive directors, two non-executive directors and one executive director. Five directors (50%) were from previously disadvantaged groups and five (50%) were female. Cindy Hess, Media24's group chief financial officer (CFO) and director responsible for the finance function, stepped down to pursue personal interests on 31 October 2017. Former group CFO

and current non-executive director, Abduraghaman (Manie) Mayman, was appointed acting group CFO from 1 November 2017. Biographical details of all directors appear on pages 34 and 35. The board's diversity policy is discussed on page 49.

### How the board adds value

- Steering and providing strategic direction to the group and monitoring management's implementation and progress towards strategic objectives.
- Monitoring ethical conduct across the group.
- Monitoring key compliance with applicable laws and adopted codes and standards.
- Setting appropriate risk appetite thresholds and monitoring key risks and mitigation plans.
- Ensuring fair and responsible remuneration processes and policies are implemented.
- Monitoring stakeholder engagement and relationships.
- The board is assisted by its committees in fulfilling its duties.

## The chair

The chair, Rachel Jafra, is an independent non-executive director.

Ruda Landman was reappointed lead independent director on 15 June 2017 and deals with all matters not dealt with by the chair, including:

- managing potential conflicts of interest
- leading in the absence of the chair
- serving as a sounding board for the chair
- acting as an intermediary between the chair and other members if necessary, and
- strengthening independence on the board.

The chair guides the board as a whole and ensures it is efficient, focused and operates as a unit.

The responsibilities of the chair include:

- providing leadership to the board without limiting the principle of collective responsibility for decisions, while being aware of the individual duties of board members
- in conjunction with the chief executive, representing the board in communicating with shareholders, other stakeholders and – indirectly – the general public

- assisted by the board and its committees, ensuring the integrity and effectiveness of the governance process
- maintaining regular dialogue with the group's chief executive on operational matters and continually consulting with other directors on any matter of concern, including managing conflicts of interest
- in consultation with the chief executive and company secretary, ensuring appropriate content and order of the agendas of board meetings and that directors receive documentation promptly
- ensuring directors are properly informed about issues arising from board meetings and that relevant information is submitted to the board
- acting as a facilitator at board meetings to ensure a sound flow of opinions; the chair ensures adequate time is scheduled for discussions, and that they lead to logical and acceptable conclusions, and
- monitoring how board members work together and how individual directors perform and interact at meetings. The chair meets with directors annually to evaluate their performance.

## The chief executive

The chief executive reports to the board and is responsible for the day-to-day business of the group and implementing policies and strategies adopted by the board. Chief executives and general managers of the various businesses assist her in this task. Board authority conferred on management is delegated through the chief executive, in accordance with approved authority levels. The board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities. Esmaré Weideman is the appointed chief executive. She has no other professional commitments outside the Media24 group. Succession planning for the chief executive is considered annually.

The functions and responsibilities of the chief executive include:

- developing the company strategy for consideration and approval by the board
- developing and recommending to the board annual business plans and budgets that support

the company's long-term strategy

- monitoring and reporting to the board on the performance of the company
- establishing an appropriate organisational structure for the company to execute its strategic planning
- recommending/appointing the executive team and ensuring proper succession planning and performance appraisals take place, and
- ensuring the company complies with relevant laws, governance principles, business ethics and appropriate best practice and, if not, that failure to do so is justifiably explained.

## Induction and development

An induction programme is held for new members of the board and key committees. This programme, tailored to the specific needs of individual appointees, involves industry and company-specific orientation and includes meetings with senior management. Board members are also exposed to relevant trends in technology. The company secretary supports the chair with the induction and orientation of directors and arranges specific training if required. The company will continue with directors' development to build on expertise and develop an understanding of the business.

## Conflicts of interest

Potential conflicts are appropriately managed to ensure that candidate and existing directors have no conflicting interests between their obligations to the company and their personal interests. Any interest in contracts with the company must be formally disclosed and documented. Directors must also adhere to a policy on trading in Naspers, Phuthuma Nathi and Welkom Yizani securities adopted by Media24.

## Independent advice

Individual directors may, after consulting with the chair or the chief executive, seek independent professional advice, at the expense of the company, on any matter connected with discharging their responsibilities.

## Board meetings and attendance

The board meets at least four times a year and

when required. The executive committee attends to urgent matters that cannot be postponed until the next scheduled board meeting. The board held five meetings in the review period. Non-executive directors meet at least once annually without the chief executive, the director responsible for the finance function and the chair to discuss the performance of these individuals. Details of attendance at meetings are on page 36. The company secretary acts as secretary to the board and its committees and attends all meetings. Members of the executive management and Media24's digital advisory forum attend meetings by invitation.

## Evaluation

The nomination committee conducts the annual evaluation of the performance of the board and its committees, as well as the chair of the board, against their respective mandates and charters. It is not facilitated externally. The committees perform self-evaluations against their charters for consideration by the board.

In addition, the performance of each director is evaluated by other board members, using an evaluation questionnaire. The chair of the board discusses the results with each director and identifies possible training needs or areas requiring attention by that director. Where a director's performance is considered unsatisfactory, the board will not recommend re-election.

A consolidated summary of the evaluation and any actions required are reported to and discussed by the board. The lead independent director leads the discussion of the performance of the chair, with reference to the results of the evaluation questionnaire, and provides feedback to the chair.

The annual evaluation process showed that the board and its committees had functioned well and discharged their duties as per the mandates in their charters. In addition, the independence of each director was evaluated. The board determined that although some directors had served as members for nine years or longer, they all demonstrated that they were independent in character and judgement, and there were no relationships or circumstances that were likely to affect or could appear to affect their independence.

The board is satisfied that the evaluation process is improving its performance and effectiveness.

## Board committees

While the board remains responsible and accountable for the performance and affairs of the company, it delegates certain functions to board committees and management to assist it in properly discharging its duties. Appropriate structures for these delegations are in place, supported by monitoring and reporting systems.

Each committee acts against agreed, written terms of reference. The chair of each committee reports at each scheduled board meeting. The chair of each committee is an independent non-executive director and is required to attend annual general meetings to answer questions. Established board committees in operation during the financial year were the audit, risk, human resources and remuneration, nomination, and safety, health and environment committees as detailed below. Details of attendance at meetings and members in office per committee for the review period are on page 37.

## Executive committee

This committee comprises a majority of non-executive directors, one being the chair of the board (who also chairs the executive committee), plus two executive directors. Since the vacancy in the office of the chief financial officer, only the chief executive served on this committee. The executive committee acts on behalf of the board in managing urgent issues when the board is not in session, subject to statutory limits and the board's limitations on delegation. The committee did not meet during the past year.

## Audit committee

This committee, chaired by Trevor Petersen, comprises only independent non-executive directors. All members are financially literate and have substantial business and financial acumen. The committee held four meetings during the year. The chief executive, director responsible for the finance function, Media24's head of internal audit and general manager: Naspers finance attend

committee meetings by invitation.

Both the internal and external auditors have unrestricted access to the committee through the chair. The internal and external auditors also report their findings to the committee with members of executive management not present.

The chair of the board may not be a member of the audit committee, but may attend meetings by invitation.

This committee has the following responsibilities, in addition to its statutory responsibilities under the Companies Act:

- Review and approve for presentation to and approval by the board the company's integrated annual report, annual financial statements, interim and provisional reports, and any other company press releases with a material financial or internal control impact.
- Disclose in the integrated report any significant matters considered by the audit committee in relation to the annual financial statements, and how these were addressed by the committee.
- Review the documented assessment of the viability of the company and group as a going concern, making relevant recommendations to the board.
- Receive all the external auditor's reports directly from the external auditor.
- Annually review external audit and disclose the audit committee's views regarding the quality of the external audit with reference to indicators of audit quality, as could be included in inspection reports issued by external audit regulators.
- Evaluate the lead partner of the external auditor, who will be subject to regular rotation as required by applicable regulations.
- Present the committee's conclusions to the board on the nomination of the appointment as external auditor, preceding the annual request to shareholders to approve the appointment of the external auditor.
- Approve the external auditor's terms of engagement and remuneration; evaluate and provide commentary on the external auditor's audit plans, scope of findings, identified issues and reports.
- Develop a policy for the board to approve non-audit services performed by the external auditor, and approve these services in line with this policy.
- Receive notice of reportable irregularities (as defined in the Auditing Profession Act) that have been reported by the external auditor to the Independent Regulatory Board for Auditors.
- Evaluate the effectiveness of the internal audit function, including its purpose, activities, scope, adequacy and costs, and approve the annual internal audit plan and any material changes.
- Monitor the management of financial and other risks impacting the integrity of external reports issued by the company.
- Evaluate the efficiency of internal financial controls and disclose the audit committee's views regarding the efficiency of the design and application of internal financial controls, and about the nature and extent of any significant gaps in the design application or execution of internal financial controls that led to actual financial loss, fraud, corruption or errors. Such views are required to be reported to the board and in the integrated annual report.
- Approve and recommend to the board for its approval of the internal audit charter, which is reviewed annually.
- Monitor the internal audit function and assist the board in discharging the following responsibilities:
  - setting the direction for internal audit arrangements required in order to provide objective and relevant assurance that contributes to the effectiveness of governance, risk management and control processes
  - ensuring that arrangements for internal audit provide for the necessary skills and resources to address the complexity and level of risk faced by the company, and that internal audit is supplemented by specialists as required
  - confirming the appointment or dismissal of the head of the group's internal audit function and periodically reviewing his or her performance
  - monitoring that internal audit follows an approved risk-based internal audit plan, reviews the organisational risk profile regularly, and proposes amendments to the internal audit plan accordingly
  - ensuring internal audit annually provides a statement as to the effectiveness of the company's governance, risk management and

control processes

- ensuring the internal audit function is subjected to an external, independent quality review every five years, and
- obtaining confirmation annually from the head of the group's internal audit function that internal audit conforms to a recognised industry code of ethics.
- Review internal audit and the risk committee's reports.
- Review procedures to ensure the requirements of relevant stock exchanges, where applicable to Media24, are complied with.
- Review procedures in light of the King IV™ Code on Corporate Governance (King IV™), as amended from time to time, and specific disclosures as recommended by King IV™.
- Monitor compliance with the board-approved group levels of authority.
- Evaluate:
  - legal matters that may affect the financial statements
  - significant matters reported by the internal auditors, external auditor and any other parties, including implied potential risks to the group and recommendations on appropriate improvements
  - major unresolved accounting or auditing issues, and
  - progress on all unfinished matters reported by the internal and external auditors.
- Establish procedures for the receipt, retention and treatment of complaints received on accounting, internal control and auditing matters, risk management and management of possibly fraudulent activities, including procedures for confidential, anonymous reporting by employees on questionable matters.
- Annually evaluate the performance and appropriateness of the finance function and the expertise and experience of the director responsible for this function. Results of the review are disclosed in the integrated annual report.
- Combined assurance: assist the board in fulfilling the following responsibilities:
  - ensuring that arrangements for assurance services are effective in achieving the following objectives:

- enabling an effective internal control environment

- supporting the integrity of information used for internal decision-making by management, the board and its committees, and

- supporting the integrity of internal reports

- ensuring that a combined assurance model is applied that incorporates and optimises the various assurance services and functions, when taken as a whole, these support the objectives for assurance
- ensuring that the combined assurance model is designed and implemented to effectively cover the company's significant risks and material matters through a combination of assurance service providers and functions as appropriate for the company, and
- disclosing in the annual integrated report the arrangements in place for combined assurance and the committee's views on its effectiveness.
- Report to shareholders at the annual general meeting on how the committee has fulfilled its duties under the Companies Act during the period.
- Execute assignments commissioned by the board.
- Annually review and assess the committee's charter and, if appropriate, recommend required amendments for approval by the board.
- Perform an annual assessment to determine whether the committee performed its responsibilities according to its charter and report on these findings to the board.
- Monitor related-party transactions within authority levels approved by the board.

## Human resources and remuneration committee

The human resources and remuneration committee, chaired by Ruda Landman, comprises a minimum of three independent non-executive directors. The chair is an independent non-executive director. Its main objective is to fulfil the board's responsibility for strategic human resources issues, particularly focusing on the appointment, remuneration and succession of the most senior executives. The committee held five meetings in the review period. The chief executive, general



manager: human resources, and certain non-executive directors attend meetings by invitation.

The remuneration report appears on pages 60 to 65.

## Nomination committee

The main objective of this committee is to assist the board to determine, and regularly review, the size, structure, composition and effectiveness of the board and its committees, in the context of the company's strategy. It comprises a minimum of three non-executive directors, the majority of whom are independent. The committee held three meetings in the past financial year. The chief executive and certain non-executive directors attend meetings by invitation.

Name	Qualifications	Three meetings held during the year. Attendance:	Category
Ruda Landman	BAHons and HED (Stellenbosch University)	3	Independent non-executive
Rachel Jaffa	MEcon and PhD (Stellenbosch University)	3	Independent non-executive
Debra Meyer	PhD (University of California)	3	Independent non-executive

This committee's main responsibilities include:

- Annually review the board and committee charters and, if appropriate, recommend required amendments for approval by the board.
- Determine for approval by the board:
  - the policy for diversity at board level
  - restrictions on the number of listed company boards on which a director may serve
  - the service period of directors
  - retirement and succession of directors, and
  - a policy on seeking independent professional advice by individual board members.
- Review annually the structure, size and composition of the board and, where appropriate, make recommendations to the board. Several factors are taken into account when considering the composition of the board:
  - appropriate mix of knowledge, skills and experience, including business, commercial and industry experience, needed to govern the company
  - appropriate mix of executive, non-executive and independent non-executive members
  - need for a sufficient number of members who qualify to serve on committees of the board
  - the need to secure a quorum at meetings
  - regulatory requirements, and
  - diversity as set out in the board diversity policy.
- Make recommendations to the board on the appointment of new director. For all nominations, a fit-and-proper test must be conducted. Nominated candidates must complete the required declarations in compliance with the JSE Listings Requirements, and any other exchange on which the company's shares are listed, where applicable.
- Identify and nominate candidates to fill board vacancies.
- Approve the role and responsibilities of the chair and lead independent director and ensure a succession plan is in place for the chair.
- Formally evaluate every two years, and consider every alternate year, the board and individual directors to establish whether the service of any director should be terminated. This includes a recommendation to the board about reappointing directors who retire by rotation at the annual general meeting on the basis of their performance, including attendance at meetings of the board and its committees, as well as evaluating the independence of directors who have served for over nine years on the board.
- Formally evaluate every two years, and consider every alternate year, the performance of the chair of the board and make recommendations to the board concerning this where necessary.
- Review the allocation of roles and associated responsibilities, composition and effectiveness of committees of the board collectively, and make recommendations to the board on:
  - the continuance (or not) of the service of any director as a member of any committee
  - effective collaboration through cross-membership of committees
  - ensuring adequate coverage of all matters delegated by the board, and
  - ensuring an efficient approach on matters dealt

with by more than one committee.

- Annually evaluate whether the committee has fulfilled its responsibilities against its charter, and report these findings to the board.
- Evaluate annually the performance and independence of the company secretary, and make necessary recommendations to the board.

## Risk committee

The risk committee, chaired by Salie de Swardt, comprises a minimum of three independent non-executive directors with risk management skills and experience, as well as one non-executive director, the chief executive and the director responsible for the finance function.

The chair of the board may be a member and serve as chair of this committee. As a whole, members have risk management skills and experience. The committee held four meetings during the past financial year. The general manager: legal and regulatory affairs, chief information officer, Media24 internal audit, and general manager: Naspers finance attend meetings by invitation.

Name	Qualifications	Four meetings held during the year. Attendance:	Category
Trevor Petersen	BComHons (financial management) (University of Cape Town) and CA(SA)	4	Independent non-executive
Salie de Swardt	BAHons and BEcon (Stellenbosch University), and Nieman Fellowship (Harvard)	4	Independent non-executive
Jo-Ann Held	BComLaw (Stellenbosch University)	4	Independent non-executive
Esmaré Weideman	BCom and BJournalismHons (Stellenbosch University)	4	Executive
Manie Mayman	BCompIAccHons and BComHons (financial management) (Unisa)	3	Independent non-executive
Cindy Hess <sup>(1)</sup>	BCom (University of the Western Cape)	2	Executive

### Note

<sup>(1)</sup> Resigned on 31 October 2017 to pursue personal interests.

The committee's main responsibilities are to:

- Review and approve for recommendation to the board a risk management policy and plan

developed by management. The policy and plan are reviewed annually.

- Monitor implementation of the policy and plan, ensuring an appropriate enterprise-wide risk management system is in place with adequate and effective processes that include strategy, ethics, operations, reporting, compliance, IT and sustainability.
- Make recommendations to the board concerning risk indicators, levels of risk tolerance and risk appetite (namely, the board's propensity to take appropriate levels of risk) as well as the maximum potential loss that the group has the capacity to tolerate.
- Monitor that risks are reviewed by management, and that management considers and implements appropriate responses to identified risks, to ensure these are managed within the levels of risk tolerance and appetite approved by the board.
- Exercise ongoing oversight of risk management and ensure that the following results are achieved:
  - assessing risks and opportunities arising from the entire environment in which the group operates, and resources utilised and impacted by the group
  - assessing opportunities together with potential negative impacts on achieving group objectives
  - assessing the group's dependence on resources
  - designing and implementing appropriate risk responses
  - establishing and implementing business continuity arrangements to enable the group to operate under conditions of volatility, and to withstand and recover from acute shocks, and
  - integrating and embedding risk management in the business activities and culture of the group.
- Ensure that risk management assessments are performed regularly by management (and that they include the assessments required in the paragraph above).
- Ensure that a general statement to the board about the effectiveness of the risk management system and process is issued by internal audit and reviewed prior to submission to the board by this committee.

- Review and approve the legal compliance policy and recommend such policy to the board for approval.
- Oversee compliance and, in particular, to do so in such a way that:
  - compliance is understood not only in terms of the obligations it creates, but also the rights and protection it affords
  - compliance management takes a holistic view of how applicable laws and non-binding rules, codes and standards relate to one another, and
  - the regulatory environment is continually monitored and appropriate responses to changes and developments are formulated.
- Review and approve the information and technology (IT) charter and recommend such charter to the board for approval.
- Oversee IT management and, in particular, to do so in such a way that it results in the following:
  - integration of people, technologies, information and processes across the company
  - integration of IT risks into risk management of the entire company
  - arrangements to provide for business resilience
  - proactive monitoring of intelligence to identify and respond to incidents, including cyber-attacks and adverse social media events
  - management of the performance of, and risks pertaining to, third-party and outsourced service providers
  - assessing the value delivered to the company through significant investments in IT, including the evaluation of projects throughout their life cycles and the evaluation of significant operational expenditure
  - responsible disposal of obsolete technology and information in a way that has regard to the environmental impact and information security
  - ethical and responsible use of IT, and
  - compliance with relevant laws.
- Oversee the management of information and, in particular, in such a way that it results in the following:
  - leveraging of information to sustain and enhance the company's intellectual capital
  - an information architecture that supports

confidentiality, integrity and availability of information

- protection of the privacy of personal information, and
- ongoing monitoring of information security.
- Oversee the management of technology and, in particular, in such a way that it results in the following:
  - a technology architecture that enables the achievement of strategic and operational objectives, and
  - managing the risks pertaining to the sourcing of technology.
- Review reporting on risk management, IT management and compliance management to be included in the integrated annual report, ensuring it is current, comprehensive and relevant.
- Annually evaluate whether the committee has fulfilled its responsibilities in terms of its charter, reporting these findings to the board.

## Safety, health and environment committee

The safety, health and environment committee, chaired by Ruda Landman, comprises three members, all independent non-executive directors. The committee held two meetings during the year. The chief executive, chief financial officer, and Media24's chief of internal audit attend meetings by invitation.

Name	Qualifications	Two meetings held during the year Attendance:	Category
Ruda Landman	BAHons and HED (Stellenbosch University)	2	Independent non-executive
Hein Willemsse	BAHons, MA and DLitt (University of the Western Cape)	2	Independent non-executive
Debra Meyer	PhD (University of California)	2	Independent non-executive

The committee has the following main responsibilities:

- Approve the framework, policy and guidelines for environmental, health and safety management.
- Review and monitor implementation of group policies on environmental, health and safety issues.

- Monitor key indicators of accidents and incidents.
- Review the company's compliance with policies, guidelines and applicable local and international standards and relevant local laws on environmental, health and safety issues.
- Review annual reporting on environmental, health and safety issues.

Media24 does not have a social and ethics committee. In terms of the Companies Act, Media24 is exempted from establishing a social and ethics committee as it is a subsidiary of Naspers Limited, which has a social and ethics committee that deals with the responsibilities of a social and ethics committee on behalf of Media24 and other Naspers subsidiaries. The chair of the Media24 board and the Media24 chief executive are members of the Naspers social and ethics committee and report to the social and ethics committee in relation to the triple context on behalf of Media24. Enhanced reporting on social and ethics issues is planned for the year ahead. This will be done to the Media24 board by the chief executive.

## Internal control systems

As part of the overall management of risk, the group operates a system of internal controls in all material subsidiaries and joint ventures to prevent, detect and mitigate risks. This system is designed to provide reasonable assurance on the achievement of company objectives, including integrity and reliability of the financial statements; safeguarding, verifying and maintaining accountability of its assets; and detecting fraud, potential liability, loss and material misstatement while complying with regulations. For entities in which Media24 does not have a controlling interest, the directors representing Media24 on these boards seek assurance that significant risks are managed and systems of internal control are effective.

All control systems have shortcomings, including the possibility of human error or flouting of control measures. Even the best internal control system therefore only provides partial assurance that risk will be mitigated. Management regularly reviews risks and the design and effectiveness of the

internal control system to address these, assisted by work and reports from internal audit on the adequacy and operational effectiveness of controls, which may indicate opportunities for improvement. The external auditor also considers elements of the internal control system as part of its audit and communicates deficiencies when identified.

The board reviewed the effectiveness of controls for the year ended 31 March 2018 – principally through a process of management's self-assessment that culminated in formal confirmation by executive management. Input from the risk management process and reports from internal audit and the external auditor were considered. Where necessary, programmes for corrective actions have been initiated. Nothing has come to the attention of the board, external or internal auditors to indicate any material breakdown in the functioning of internal controls in the review period.

## Internal audit

An independent internal audit function is in place in the group. The head of internal audit reports to the chair of the Media24 audit committee, and administratively to the head of internal audit of Naspers.

## Non-audit services

The group's policy on non-audit services provides guidelines on dealing with audit, audit-related, tax and other non-audit services that may be provided by Media24's independent external auditor to group entities. It also sets out services that may not be performed by the independent external auditor.

The audit committee preapproves audit and non-audit services to ensure these do not impair the auditor's independence and comply with legislation. Under our guiding principles, the auditor's independence will be deemed impaired if the auditor provides a service where the auditor:

- functions in the role of management of the company, or
- audits his/her own work, or
- serves in an advocacy role for the company.

## Information and technology (IT) governance

The risk committee assists the board in overseeing IT-related matters, and IT governance is a standing point on the committee's agenda. IT objectives have also been included in its charter. The committee considers the risk register as well as reports on IT from internal audit and our legal compliance function.

As a subsidiary of Naspers, we act in line with its good governance guidelines, which include IT governance-related matters. At a Media24 group level, we annually submit a formal report on the extent to which we have implemented the principles, signed off by chief executives and CFOs in the group. Any notable exceptions are summarised and reported to the risk committee.

We continuously investigate how we can better integrate people, technologies and processes across our businesses. During the year we made further progress with implementing SAP in our shared finance services division to unify key finance business processes. In our annual business-planning process, our businesses examine their platform requirements. The platform strategy starts from the business strategy and is translated into technical and process requirements. We have a centralised group IT function that manages our key business process, financial systems and network infrastructure requirements.

A comprehensive code of business ethics and conduct is in place. In addition, operational boundaries of dealing with information and technology are subject to the group's legal compliance policy. Our risk management practices ensure that risks related to the ethical and responsible use of IT are identified and assessed. We are running a privacy programme to ensure that the personal data of our suppliers, customers and employees is stored and processed ethically

and in compliance with relevant privacy laws. A key focus for the new financial year is the Protection of Personal Information Act (PoPI), aimed at protecting personal information from misuse by public and private bodies in South Africa.

Internal audit provides assurance to management, the audit committee and the board on the effectiveness of IT governance, based on the quality of controls to manage identified risks and reduce vulnerability.

To support the board in fulfilling its governance role, the risk committee receives reports on IT management and, in turn, reports to the board.

## Company secretary

The company secretary, Lurica Klink, is responsible for guiding the board on discharging its responsibilities in terms of legislation and regulatory requirements. Directors have unlimited access to her advice and services. She plays an active role in the company's corporate governance and ensures that, in line with relevant laws, the proceedings and affairs of the board, the company and, where appropriate, shareholders are properly administered. She is also the company's delegated information officer. The company secretary monitors directors' dealings in Naspers, Phuthuma Nathi and Welkom Yizani shares and ensures adherence to closed periods. She attends all board and committee meetings.

## Shareholders

The board encourages shareholders to attend the annual general meeting (notice of which is on page 90), where shareholders have the opportunity to put questions to the board, management and the chairs of board committees. The company's website, [www.media24.com](http://www.media24.com), provides the latest and historical financial and other information, including financial reports.

# Remuneration report

for the year ended 31 March 2018

**The human resources and remuneration committee reports on its activities for the year, and presents Media24's remuneration policy and implementation report for shareholders' consideration.**

This year we revised our approach to the remuneration report in order to more clearly demonstrate the link between our strategy, performance and remuneration philosophy. Changes include a total view of executive remuneration, greater transparency on the short-term incentive goals of executive directors and more information on how we assess performance throughout the company.

We have also ensured compliance with King IV™ guidance, effective April 2017, by splitting this remuneration report into three sections:

- I Background statement:** An overview of pay outcomes for FY18 and our approach for FY19.
- II Remuneration policy:** Disclosure on the components of our executive pay packages.
- III Implementation report:** Details of how we implemented this policy in FY18.

Our remuneration philosophy underpins our company's strategy and enables us to achieve our business objectives. Our commitment to pay for performance and create shareholder value drives our remuneration activities, and supports the ownership mentality and spirit of entrepreneurship in our business. We believe in a level playing field for our people and, as much as possible, the structure of our pay reflects this, regardless of the seniority of the employee.

We endeavour at all times to balance the need to compete for the very best talent with the need to pay fairly and responsibly. We welcome the opportunity to discuss this policy and its outcomes with our stakeholders.



**G M Landman**

*Chair: Human resources and remuneration committee*

## Part I: Background statement

### Role of the human resources and remuneration committee

The human resources and remuneration committee, chaired by Ruda Landman, comprises a minimum of three independent non-executive directors. The chair of the committee is an independent non-executive director. The main objective of the human resources and remuneration committee is to fulfil the board's responsibility for strategic human resources issues of the group, particularly focusing on the appointment, remuneration and succession of the most senior executives. The committee held five meetings during the past financial year.

The names of the members who were in office during the financial year and the details of the committee meetings attended by each of the members are:

Name of committee member	Qualifications	Five meetings were held during the year. Attendance:	Category
Ruda Landman (chair)	BAHons and HED (Stellenbosch University)	5	Independent non-executive
Rachel Jaffa	MEcon and PhD (Stellenbosch University)	5	Independent non-executive
Debra Meyer	PhD (University of California)	5	Independent non-executive

This committee's main responsibilities are as follows:

- Determine and approve the group's general remuneration policy for recommendation to the Media24 board, which must be tabled at each annual general meeting for a non-binding advisory vote by shareholders.
- Prepare an annual remuneration report for inclusion in the company's integrated annual report, which first needs to be approved by the Media24 board.

- Annually review and approve the remuneration packages of the most senior executives, including incentive schemes and increases, ensuring they are appropriate and in line with the remuneration policy.
- Annually appraise the performance of the chief executive.
- Annually review the remuneration of non-executive directors of the board and its committees. Proposals are recommended to the board for final approval by shareholders at the annual general meeting. Remuneration must be approved by shareholders in advance.
- Fulfil delegated responsibilities related to the Media24 group's share-based incentive plans, for example the appointment of trustees and compliance officers.
- Approve most senior appointments and promotions.
- Review incidents of unethical behaviour by senior managers and the chief executive.
- Annually review the company's code of business ethics and conduct.
- Annually review the committee's charter and, if appropriate, recommend required amendments for approval by the board.
- Approve amendments to the Media24 group's share-based incentive plans.
- Perform an annual self-assessment of the effectiveness of the committee, reporting these findings to the board of directors.
- Review employment equity and skills development plans in the workplace.

The committee fulfilled its remit during the year.

## Our pay principles

- We believe in pay-for-performance; we are comfortable with bigger rewards for those who make the highest contribution.
- Remuneration must be aligned with shareholder outcomes.
- Remuneration must incentivise achieving strategic, operational and financial objectives in the short and long term.
- We strive to be consistent; our reward package elements are broadly the same.
- Our reward systems must help attract and retain the best talent in our market, fairly and responsibly.

In practice, this means we consider market practices, the needs of the business and the calibre of the individual when implementing our pay framework.

The way we structure pay is purposely linked to our strategy and delivering sustainable growth to our shareholders.

Our pay principles are applied through three key elements:

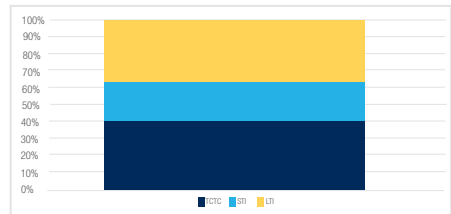
- **Guaranteed pay (total cost to company or TCTC):** Comprises salary plus cash and non-cash benefits.
- **Short-term incentives (STI):** An annual incentive plan that pays out only on performance against strategic, operational and financial objectives.
- **Long-term incentives (LTI):** A longer-term incentive that pays out based on the growth in value of the business at a Naspers level.

Executive pay is weighted towards variable pay (short- and long-term incentives), with every award subject to individual performance. When making executive pay decisions, we consider the individual's performance and the performance of the business.

Our approach to long-term incentives ensures that executive reward is directly linked to growth in shareholder value. Executives only receive payouts under our long-term incentive plan when the value of the underlying asset increases.

## Our remuneration structure

We outline the three elements of pay for our executive directors below. The same principles are applied to employees across the company.



### Notes

TCTC – total cost to company    STI – short-term incentive  
LTI – long-term incentive

The human resources and remuneration committee considers whether the remuneration policy continues to achieve its objectives of aligning pay with long-term performance of Naspers and shareholder outcomes.

## Remuneration focus areas and key decisions for purposes of FY18

Below we outline focus areas and key decisions taken by the committee for purposes of the review period:

Meeting	Key decisions made
31 March 2017	<ul style="list-style-type: none"> <li>Annual salary increase mandate for Media24.</li> <li>Annual performance incentive; KPIs for senior executives for the new financial year.</li> </ul>
15 June 2017	<ul style="list-style-type: none"> <li>Performance and total remuneration review of senior executives and editors. Decision on prior-year performance and short-term incentive payout, salary increases and long-term incentive awards.</li> <li>Considered annual share-based incentive scheme awards to be made to employees in Media24.</li> <li>Review of share appreciation rights (SAR) scheme valuations by PwC.</li> </ul>
7 and 13 November 2017	<ul style="list-style-type: none"> <li>Special meetings to decide about the transfer of Naspers medical aid members to Discovery Health.</li> </ul>
24 November 2017	<ul style="list-style-type: none"> <li>Review of remuneration policy.</li> </ul>

## Part II: Remuneration policy

### Business performance and remuneration outcomes for FY18

The company's financial performance is detailed in the summarised consolidated and separate annual financial statements on pages 70 to 75 and in the annual financial statements which can be found on the Media24 website.

### Executive director remuneration in FY18

Element	Esmaré Weideman	Cindy Hess	Abduraghman (Manie) Mayman
Total cost to company (TCTC)	R3 716 272	R2 286 337*	R107 071**
STI (actual)	R3 416 788	–	–
LTI (fair value awarded this year)	R5 208 304	–	–
Total single figure value	R12 341 364	R2 286 337	R107 071

#### Notes

\* For seven months of FY18 (resigned 31 October 2017).

\*\* Manie Mayman was an executive director only during April in FY18.

No shares vested in FY18.

### Implementation of the policy in FY19

Below we show the remuneration package of executive directors for FY19 as approved by the committee in June 2018.

Element	Esmaré Weideman <sup>(1)</sup>
Total cost to company (TCTC)	R4 042 527.41
STI (actual)	R4 042 527.41 <sup>(2)</sup>
LTI (fair value awarded this year)	R12 536 213
Total single figure value	R20 621 267.80

#### Notes

<sup>(1)</sup> Esmaré Weideman is the only executive director on the board.

The group CFO position is vacant.

<sup>(2)</sup> The STI is capped at 100% of TCTC.



## Our remuneration policy

In this section we present the remuneration policy for our executive directors and an overview of the groupwide remuneration policy.

## Remuneration and employment policies

### Recruitment policy

On the appointment of a new executive director, the 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 may comprise cash or share options/share appreciation rights.

### Termination policy

Payments in lieu of notice may be made to executive directors, comprising salary or total cost to the company (South African employees) 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 (bonus), 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. There is no entitlement to a particular severance package provided for in the service contract of executive directors or senior managers.

### Service contracts

Executive directors' service contracts comply with terms and conditions of employment in South Africa. Details of the date of appointment and relevant notice period are shown below.

Element	Esmaré Weideman	Cindy Hess
Date of appointment	4 May 2011	1 November 2016*
Notice period	Three months	–

#### Note

\* Resigned on 31 October 2017.

## Ensuring a fair and responsible approach to pay

To ensure a fair and reasonable approach to remunerating executive directors, the committee takes the same approach used for the wider employee group.

### A number of factors are considered, including:

- Individual performance.
- Company affordability and trading environment.
- The relative contribution of the job to overall business success.
- Market pay benchmarking is used as an additional reference point. Individual performance is the primary determining factor in whether to grant a pay increase, and pay increases are not granted without a satisfactory level of performance.
- Similarly, the operational performance of the business and its ability to pay are naturally considered when the quantum of any increase is considered.

### Our remuneration structure

We have outlined the three elements of pay for our executive directors below. The same principles are applied to employees across the company, where appropriate.

### Total cost to company (TCTC)

- Comprising base salary and benefits. Reflects the performance and contribution of the individual and market value of the role.
- Salary is paid monthly in cash.
- Benefits include a mix of cash and non-cash elements, including pension, medical and other optional benefits.
- We also provide a range of lifestyle and wellness benefits that do not form part of TCTC. These seek to support the overall physical and mental wellness of our employees.
- Fixed pay is reviewed annually and any increases are typically effective from 1 July.
- A number of factors are considered in the review process including personal performance, scope and nature of the role, relevant companies in the national, media and technology sectors, and local economic indicators such as inflation and the relevant labour market, to ensure they are fair, sensible and market competitive.

## Variable pay

### Short-term incentives

- Participants are eligible to receive awards under the discretionary annual performance-related incentive scheme for achieving company financial and operational objectives and personal performance.
- The purpose is to ensure executive alignment with and focus on the annual board-approved business plan. Achieving these annual plans will cumulatively drive long-term shareholder value.
- Performance measures for each executive director are tailored to their roles and responsibilities.
- The bonus opportunity for each executive is agreed annually in advance of the financial year. Any payout is based on verifiable targets aligned to the business plan, risk management policy and strategy. Maximum annual bonus opportunity levels are the same for executive directors and are set at a maximum of 100% of TCTC.
- Any payouts are made in cash.
- The committee has discretion to make appropriate adjustments to an individual's annual bonus to ensure it reflects the underlying financial performance of the company.
- Target setting: When determining the targets used for our annual performance incentive plan, we consider a number of reference points including the board-approved business plan and past performance.

### Long-term incentives

- Longer-term awards comprise a sizeable portion of total compensation and are designed to incentivise delivery of sustainable long-term growth and align with our shareholders.
- Awards are normally granted annually to executive directors under two types of longer-term incentive schemes:
  - share appreciation rights (SARs), and
  - share options (SOs).
- Detailed scheme rules documents provide for the operation and governance of each scheme.
- Share appreciation rights (SARs):
  - No SARs were allocated during the year as it does not have any value as an incentive now.
- Share options (SOs):

- awards are made based on the share price on the date of the grant
- SOs deliver value based on the growth in the share price over a specified period with vesting typically over a four-year period (25% vesting each year) and a term of 10 years
- value is only delivered if there has been an increase in the share price from the date of grant, and
- once an award vests, participants can buy company shares at the predetermined strike price and will gain value from any increase in the price.

### Performance management

- Pay-for-performance is one of the pillars of our reward philosophy. Personal performance (including the financial results of the business) is the determining factor in whether an individual receives a TCTC increase, an annual performance-related incentive payout and/or a long-term incentive in the form of share options or share appreciation rights.
- Our executives are eligible to participate in a performance-related short-term incentive programme. This is an annual programme and after achieving preapproved business and personal goals, participants may receive an annual performance-related incentive payment.
- Performance goals are directly aligned with approved business plans.
- Personal goals are determined 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 individual performance goals. These goals, if achieved, drive accomplishment of the financial and operating plan of the business and how it is delivered.
- We encourage managers to converse with their people throughout the financial year to ensure their plans are on track. At the end of this period, both the overall performance of the business, and the individual's achievement of his/her personal goals is considered, which may translate into paying an annual performance-related incentive. While we do not force-rank performance scores, we do expect that any performance-related incentive payments reflect

the overall performance of the business where appropriate. Individuals who have performed well against their performance-related incentive goals are eligible to be considered for a long-term incentive grant and a pay increase.

## 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 experienced board.

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. Remuneration is reviewed annually, 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.

### Non-executive directors' terms of appointment

The board has clear procedures for appointing and orientating 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. 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 directors

All non-executive directors are subject to retirement and re-election by shareholders every three years. Additionally, they are subject to election by shareholders at the first suitable opportunity for interim appointments. 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.

For the full remuneration policy, go to [www.media24.com](http://www.media24.com).

## Part III: Implementation report

### Implementing the remuneration policy

In this section we outline how our remuneration policy for executive directors has been implemented in the review period and how we intend to apply it in the next financial year. All decisions on executive remuneration are in line with our remuneration policy for the review period.

### Executive directors' total remuneration for FY18 and planned for FY19

Element	Esmaré Weideman		Cindy Hess	Abduraghman (Manie) Mayman
	FY18	FY19	FJ18	FY18
Total cost to company (TCTC)	R3 716 272	R4 042 527.41	R2 286 337*	R107 071**
STI (actual)	R3 416 788	R4 042 527.41***	—	—
LTI (fair value awarded this year)	R5 208 304	R12 536 213	—	—
Total single figure value	R12 341 364	R20 621 267.80	R2 286 337	R107 071

#### Notes

\* For seven months of FY18 (resigned 31 October 2017).

\*\* Manie Mayman was an executive director only during April in FY18.

\*\*\* The STI is capped at 100% of TCTC.

## Non-executive director fees

No non-executive director's fees are paid to directors of Media24 Holdings Proprietary Limited.

# Report of the audit committee

for the year ended 31 March 2018

**The audit committee has pleasure in submitting this report, as required by section 94 of the South African Companies Act No 71 of 2008, as amended (the Act).**

## Members of the audit committee and attendance at meetings

The audit committee had the following non-executive directors as members during the past year: Trevor Petersen, Salie de Swardt and Jo-Ann Held.

The committee meets at least three times per year in accordance with its charter. All members act independently as described in section 94 of the Act. During the year under review, four meetings were held.

Name of committee member	Qualifications	Four meetings were held during the year. Attendance	Category
Trevor Petersen (chair)	BComHons (financial management) (University of Cape Town) and CA(SA)	4	Independent non-executive
Salie de Swardt	BAHons and BEcon (Stellenbosch University) and Nieman Fellowship (Harvard)	4	Independent non-executive
Jo-Ann Held	BComLaw (Stellenbosch University)	4	Independent non-executive

## Responsibilities of the audit committee

The audit committee has adopted formal terms of reference, delegated to it by the board of directors, as its audit committee charter.

The audit committee has discharged the functions in terms of its charter and ascribed to it in terms of the Act as follows:

- Reviewed the interim and year-end financial statements, culminating in a recommendation to the board to adopt them. In the course of its review the committee:
  - took appropriate steps to ensure the annual financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Act

- considered and, when appropriate, made recommendations on internal financial controls
- dealt with concerns or complaints relating to accounting policies, internal audit, the auditing or content of annual financial statements, and internal financial controls, and
- reviewed legal matters that could have a significant impact on the organisation's annual financial statements.

- Reviewed the external audit reports on the annual financial statements.
- Approved the internal audit charter and internal audit plan.
- Reviewed the internal audit and risk management reports and, where relevant, made recommendations to the board. Evaluated the effectiveness of risk management, control and governance processes.
- Verified the independence of the external auditor, nominated PricewaterhouseCoopers Inc. as the auditor for 2018 and noted the appointment of Viresh Harri as the designated auditor.
- Approved the audit fees and engagement terms of the external auditor.
- Determined the nature and extent of allowable non-audit services and approved contract terms for the provision of non-audit services by the external auditor.

## Key areas of focus during the year

The committee's key focus areas during the year included:

- Discharging its functions in terms of its charter.
- Mandatory audit firm rotation.
- Assessing impact of changes to accounting standards.
- King IV™ recommendations.

## Financial statement reporting issues

The audit committee's main responsibility in relation to the group's financial reporting is to review, with both management and the external auditor, the

appropriateness of the group's annual financial statements with its primary focus being on:

- the quality and acceptability of accounting policies and practices
- material areas where significant judgments have been made, along with any significant assumptions or estimates, or where significant issues have been discussed with or challenged by the external auditor, and
- an assessment whether the annual financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy.

The significant judgements and issues and conclusions reached/actions taken by the audit committee in relation to the 2018 annual financial statements are outlined below. The significant judgements and issues are broadly comparable in nature to prior years. Each of these matters was discussed with the external auditor and, where appropriate, has been addressed as a key audit matter in the report on the audit of the summarised consolidated and separate annual financial statements on pages 70 to 75.

## Internal audit

The audit committee oversees the group's annual financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties. The committee oversees cooperation between internal and external auditors, and serves as a link between the board of directors and these functions.

The head of internal audit reports functionally to the chair of the committee and administratively to Naspers's head of internal audit. An assessment of the effectiveness of the internal audit function, as well as the head of internal audit, is performed annually by the committee. Based on the assessment, the committee is of the opinion that the internal audit function, as well as the head of internal audit, is effective.

## Attendance

The internal and external auditors, in their capacity as auditors to the group, attended and reported at all meetings of the audit committee. The group's risk management function was also represented. Certain directors and relevant senior managers attended meetings by invitation.

Significant reporting matter	Conclusions reached/Actions taken
Recoverability of trade receivables	IAS 39 requires that financial assets measured at amortised cost are assessed for impairment at the end of each reporting period. Specific provisions for each customer are created with reference to their recoverability. The committee was in agreement with the adequacy of the amount provided.
Valuation of investment in Media24 Proprietary Limited	The investment is assessed annually for impairment. The key assumptions used are cash flow projections, growth rates and discount rates applied. The committee was in agreement with the impairment of the investment and that the carrying value of the investment is fairly stated. Refer to the accounting policies and note 2 of the Media24 Holdings Proprietary Limited annual financial statements for further details.

## Effectiveness of the company's internal financial controls

The committee reports to the board that it is of the opinion that, based on enquiries made and the reports from the internal and external auditors, the risk management processes and systems of internal control of the company and its investments were effective for the year under review. No material weaknesses in financial control of the company or its subsidiaries were reported for the year under review.

## Confidential meetings

Audit committee agendas provide for confidential meetings between committee members and the internal and external auditors.

## Independence of external auditor

PricewaterhouseCoopers Inc. (PwC) was reappointed as auditor of the company until the next annual general meeting. PwC has been the auditor of Media24 since 1950. The committee believes that the auditor has observed the highest level of business and professional ethics. The committee is satisfied that the auditor has at all times acted with unimpaired independence.

Details of fees paid to the external auditor are disclosed in the annual financial statements on [www.media24.com](http://www.media24.com). All non-audit services were approved by the committee during the current financial year in accordance with the board-approved policy on non-audit services performed by the external auditor. The partner responsible for the audit is required to rotate every five years. The committee meets with the auditor independently of senior management.

During the year, the audit committee reviewed a representation by the external auditor and, after conducting its own review, confirmed the independence of the auditor. The quality of the external audit was reviewed, focusing on a range of factors considered relevant to audit quality, and feedback from PwC on their performance against their own objectives. The committee concluded the external audit to be satisfactory. It was confirmed that no unresolved issues of concern exist between the group and the external auditor.

## Expertise and experience of the director responsible for the finance function

The audit committee has satisfied itself that the acting chief financial officer has the appropriate expertise and experience. In addition, the committee is satisfied that the composition, experience and skills set of the finance function met the group's requirements.

## Integrated combined assurance

The board does not only rely on the adequacy of the internal control embedment process, but considers reports on the effectiveness of risk management activities from the risk committee. The committee ensures that the assurance functions of management as well as internal and external audit are sufficiently integrated and is satisfied with the effectiveness of the arrangements for combined assurance. The various assurance providers to the board comprise the following:

- Senior management and the risk committee consider the company's risk strategy and policy, along with the effectiveness and efficiency thereof. The risk committee also considers the adequacy of risk management strategies, systems of internal control, risk profiles and legal compliance. The audit committee receives assurance from the risk committee that risk management activities are sufficiently addressed and effective.
- The committee considers the systems of internal control, internal and external audit reports and also reviews the independence of the auditor, the extent and nature of audit engagements, scope of work and findings. This committee also reviews the level of disclosure in the annual financial statements and the appropriateness of accounting policies adopted by management and jointly with the risk committee considers material issues of fraud and reporting on fraud. The board reviews the performance of the committee against its charter.
- The chair of the committee reports to the board at the board meeting following each committee meeting on matters addressed by the committee at its last meeting.

## Discharge of responsibilities

The committee determined that during the financial year under review it had discharged its legal and other responsibilities as outlined in terms of its charter, details of which are included in this report. The board concurred with this assessment.

## Key focus areas going forward

The committee's key focus areas for the 2019 financial year include:

- discharging its functions in terms of its charter
- assessing impact of changes to accounting standards

- King IV™ recommendations
- regular focus on the group's working capital requirements and ensuring that the group and its subsidiaries continue to operate as going concerns, and
- reviewing basis and approach to impairment tests.



**T D Petersen**

*Chair: Audit committee*

15 June 2018

# Summarised consolidated and separate annual financial statements

## Statement of responsibility by the board of directors

for the year ended 31 March 2018

The summarised annual financial statements of the group are the responsibility of the directors of Media24 Holdings Proprietary Limited. In discharging this responsibility, they rely on the management of the group to prepare the annual financial statements in accordance with International Financial Reporting Standards (IFRS) and the South African Companies Act No 71 of 2008. As such, the summarised annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The directors accept responsibility for the preparation, integrity and fair presentation of the summarised annual financial statements and are of the opinion that the systems and internal financial controls implemented by management are effective.

The directors believe that the company and group have adequate resources to continue operations as a going concern in the foreseeable future, based on forecasts and available cash resources. The annual financial statements support the viability of the company and the group.

PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and

committees of the board, has audited the group annual financial statements from which the summarised consolidated and separate annual financial statements were derived. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The audit report of PricewaterhouseCoopers Inc. is presented on page 71.

The summarised annual financial statements were approved by the board of directors on 15 June 2018 and were signed on its behalf by:



**R C C Jaffa**

*Chair*

15 June 2018



**E Weideman**

*Chief executive*



# Report of the independent auditor on the summarised consolidated and separate annual financial statements

## TO THE SHAREHOLDERS OF MEDIA24 HOLDINGS PROPRIETARY LIMITED

### Opinion

The summarised consolidated and separate annual financial statements of Media24 Holdings Proprietary Limited, set out on pages 72 to 75, of the Media24 Holdings Proprietary Limited integrated annual report for the year ended 31 March 2018, which comprise the summarised consolidated and separate statements of financial position as at 31 March 2018, the summarised consolidated and separate income statements, the summarised consolidated and separate reconciliation of operating loss to trading (loss)/profit, the summarised consolidated and separate statement of changes in equity and the summarised consolidated and separate statements of cash flows for the year then ended, and related notes, are derived from the audited consolidated and separate annual financial statements of Media24 Holdings Proprietary Limited for the year ended 31 March 2018.

In our opinion, the accompanying summarised consolidated and separate annual financial statements are consistent, in all material respects, with the audited consolidated and separate annual financial statements, in accordance with the basis described in note 1 to the summarised consolidated and separate annual financial statements and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

### Summarised consolidated and separate annual financial statements

The summarised consolidated and separate annual financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated and separate annual

financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate annual financial statements and the auditor's report thereon.

### The audited consolidated and separate annual financial statements and our report thereon

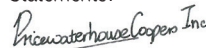
We expressed an unmodified audit opinion on the audited consolidated and separate annual financial statements in our report dated 15 June 2018.

### Directors' responsibility for the summarised consolidated and separate annual financial statements

The directors are responsible for the preparation of the summarised consolidated and separate annual financial statements in accordance with the basis described in note 1 to the summarised consolidated and separate annual financial statements and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summarised consolidated and separate annual financial statements are consistent, in all material respects, with the audited consolidated and separate annual financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.



**PricewaterhouseCoopers Inc.**

**Director: Viresh Harri**

Registered auditor

Cape Town, South Africa

15 June 2018

## Summarised consolidated and separate statements of financial position at 31 March

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
<b>Assets</b>				
Non-current assets	957 551	742 229	2 343 851	2 651 957
Current assets	2 442 133	1 355 468	—	—
Assets classified as held for sale*	—	3 541 051	—	—
<b>Total assets</b>	<b>3 399 684</b>	<b>5 638 748</b>	<b>2 343 851</b>	<b>2 651 957</b>
<b>Equity</b>				
Total shareholders' interest	1 105 490	1 626 079	1 856 738	2 200 516
Non-controlling interests	51 392	1 324 507	—	—
<b>Total equity</b>	<b>1 156 882</b>	<b>2 950 586</b>	<b>1 856 738</b>	<b>2 200 516</b>
<b>Liabilities</b>				
Non-current liabilities	402 857	223 492	—	—
Current liabilities	1 839 945	1 745 720	487 113	451 441
Liabilities classified as held for sale*	—	718 950	—	—
<b>Total equity and liabilities</b>	<b>3 399 684</b>	<b>5 638 748</b>	<b>2 343 851</b>	<b>2 651 957</b>

\* The Novus group has been classified as held for sale on 31 March 2017.

## Summarised consolidated and separate income statements for the year ended 31 March

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
<b>Continuing operations</b>				
<b>Revenue</b>	<b>4 685 728</b>	4 932 549	—	—
Expenses	(5 059 178)	(5 288 678)	(343 778)	(851 508)
Dividends received	—	—	257 901	39 267
<b>Operating loss</b>	<b>(373 450)</b>	(356 129)	<b>(85 877)</b>	(812 241)
Finance costs, net	51 578	(2 767)	—	—
Share of equity accounted results	17 459	20 976	—	—
Profit on sale of investment	10 069	18 849	—	—
<b>Loss before taxation</b>	<b>(294 344)</b>	(319 071)	<b>(85 877)</b>	(812 241)
Taxation	(34 477)	(25 615)	—	(307)
<b>Net loss from continuing operations</b>	<b>(328 821)</b>	(344 686)	<b>(85 877)</b>	(812 548)
(Loss)/profit from discontinued operations	(35 871)	256 827	—	—
<b>Loss for the year</b>	<b>(364 692)</b>	(87 859)	<b>(85 877)</b>	(812 548)
<b>Attributable to:</b>				
Equity holders of the group	(499 817)	(196 189)	(85 877)	(812 548)
Non-controlling interests	135 125	108 330	—	—
	<b>(364 692)</b>	(87 859)	<b>(85 877)</b>	(812 548)

## Reconciliation of operating loss to trading (loss)/profit for the year ended 31 March

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
<b>Continuing operations</b>				
<b>Operating loss</b>	<b>(373 450)</b>	(356 129)	<b>(85 877)</b>	(812 241)
Amortisation of intangible assets (excluding software)	2 716	4 366	—	—
Other (gains)/losses	(16 654)	27 045	343 778	851 508
Share-based expense – equity	18 741	12 080	—	—
<b>Trading (loss)/profit</b>	<b>(368 647)</b>	(312 638)	<b>257 901</b>	39 267

## Summarised consolidated and separate statements of changes in equity for the year ended 31 March

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
<b>Balance at the beginning of the year</b>	<b>2 950 586</b>	3 190 994	<b>2 200 516</b>	3 052 331
Total comprehensive loss for the year	<b>(578 973)</b>	(86 206)	<b>(85 877)</b>	(812 548)
Loss for the year	<b>(364 692)</b>	(87 859)	<b>(85 877)</b>	(812 548)
Total other comprehensive (loss)/income for the year	<b>(214 281)</b>	1 653	—	—
B ordinary shares in subsidiary issued to Naspers	<b>1 439 808</b>	—	—	—
Novus unbundling	<b>(1 230 395)</b>	—	—	—
Other reserve movements	<b>(32 031)</b>	(27 189)	—	—
Dividends paid	<b>(1 392 113)</b>	(127 013)	<b>(257 901)</b>	(39 267)
<b>Balance at the end of the year</b>	<b>1 156 882</b>	2 950 586	<b>1 856 738</b>	2 200 516
<b>Comprising:</b>				
Shareholders' funds	<b>1 105 490</b>	1 626 079	<b>1 856 738</b>	2 200 516
Non-controlling interest	<b>51 392</b>	1 324 507	—	—
<b>Total equity</b>	<b>1 156 882</b>	2 950 586	<b>1 856 738</b>	2 200 516

## Summarised consolidated and separate statements of cash flows for the year ended 31 March

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Net cash (utilised in)/from operating activities	<b>(162 794)</b>	324 202	<b>222 229</b>	38 960
Net cash utilised in investing activities	<b>(52 026)</b>	(118 128)	—	—
Net cash utilised in financing activities	<b>(112 786)</b>	(279 516)	<b>(222 229)</b>	(38 960)
<b>Net decrease in cash and cash equivalents</b>	<b>(327 606)</b>	(73 442)	—	—
Forex translation adjustments on cash and cash equivalents	<b>(208)</b>	(834)	—	—
Reclassification of cash in discontinued operations	<b>409 173</b>	(227 224)	—	—
Cash and cash equivalents at the beginning of the year	<b>217 699</b>	519 199	—	—
<b>Cash and cash equivalents at the end of the year</b>	<b>299 058</b>	217 699	—	—

# Notes to the summarised consolidated and separate annual financial statements

for the year ended 31 March 2018

## 1. Basis of preparation

The summarised consolidated and separate annual financial statements are prepared in accordance with the requirements of the Companies Act applicable to summary financial statements. The summarised consolidated and separate annual financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS). The accounting policies applied in the preparation of the consolidated and separate annual financial statements from which the summarised consolidated and separate annual financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated and separate annual financial statements.

Trading profit/(loss) excludes amortisation of intangible assets (other than software), other gains or losses and equity-settled share-based compensation charges. We believe this is a useful measure of the group's sustainable operating performance. However, it is not a defined term under IFRS and may not be comparable with similarly titled measures reported by other companies.

## 2. Report of the independent auditor

These summarised consolidated and separate annual financial statements for the year ended 31 March 2018 have been audited by PricewaterhouseCoopers Inc., who expressed an unqualified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated and separate annual financial statements from which these summarised consolidated and separate annual financial statements were derived. A copy of the auditor's report on the consolidated and separate annual financial statements is available for inspection at the company's registered office or the company's website on [www.media24.com](http://www.media24.com), together with the financial statements identified in the auditor's respective reports.

# Welkom Yizani board of directors

The board of directors manages the group's business with integrity and by applying appropriate corporate governance practices.



## Rachel Jafta

**Rachel (57)** has the degrees MEcon and PhD and is a professor in economics at Stellenbosch University. She is a director of Naspers and Econex and chair of the Cape Town Carnival Trust. She joined Naspers as a director in 2003 and was appointed a director of Media24 in 2007. She is a member of the South African Economic Society and serves on the management committee of the Bureau for Economic Research at Stellenbosch University. She was appointed chair of the Media24 board in April 2013. Since 2015, she has served on the international advisory council of Fundação Dom Cabral Business School, Brazil.



## Jo-Ann Held

**Jo-Ann (37)** obtained a BComLaw degree at Stellenbosch University. She is a media entrepreneur who has presented and produced TV and online media properties for 17 years. She is a goodwill ambassador for Unicef and a director of Partnership Investments, the advisory board of Stellenbosch University Business School, Village and Life and M&C Saatchi Abel.



## Songezo Ralarala

**Songezo (35)** has been the Media24 head of legal and regulatory affairs since September 2016. He obtained his LLB at Stellenbosch University in 2006 and is an admitted attorney of the High Court of South Africa. He completed his articles with Abrahams & Gross Attorneys Inc. in Cape Town. Songezo worked at the Competition Tribunal of South Africa before his job as senior legal advisor of regulatory affairs at Telkom Limited from 2012 to 2016. Before joining Media24, he was Telkom's acting executive for its legal and regulatory division.



## Peter Goldhawk

**Peter (71)** is a chartered accountant and a retired partner of PricewaterhouseCoopers Inc. He is now a director of Goldhawk Corporate Advisory. He has been integrally involved in the launch of MultiChoice and Media24 BEE schemes through Phuthuma Nathi and Welkom Yizani respectively. He is a member of the Issuer Regulatory Advisory Committee of the JSE.

# Summarised group and separate annual financial statements

## Statement of responsibility by the board of directors

for the year ended 31 March 2018

The summarised annual financial statements of the group are the responsibility of the directors of Media24 Holdings Proprietary Limited. In discharging this responsibility, they rely on the management of the group to prepare the annual financial statements in accordance with International Financial Reporting Standards (IFRS) and the South African Companies Act No 71 of 2008. As such, the summarised annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The directors accept responsibility for the preparation, integrity and fair presentation of the summarised annual financial statements and are of the opinion that the systems and internal financial controls implemented by management are effective.

The directors believe that the company and group have adequate resources to continue operations as a going concern in the foreseeable future, based on forecasts and available cash resources. The annual financial statements support the viability of the company and the group.

PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and

committees of the board, has audited the group annual financial statements from which the summarised group and separate annual financial statements were derived. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The audit report of PricewaterhouseCoopers Inc. is presented on page 78.

The summarised group and separate annual financial statements were approved by the board of directors on 18 June 2018 and were signed on its behalf by:



**R C C Jafta**

*Chair*

18 June 2018



**P O Goldhawk**

*Director*

# Independent auditor's report on the summarised group and separate financial statements

for the year ended 31 March 2018

## TO THE SHAREHOLDERS OF WELKOM YIZANI INVESTMENTS (RF) LIMITED

### Opinion

The summarised group and separate annual financial statements of Welkom Yizani Investments (RF) Limited, set out on pages 81 to 87, which comprise the summarised group and separate statement of financial position as at 31 March 2018, the summarised group and separate statements of comprehensive income, summarised group and separate changes in equity and the summarised group and separate cash flows for the year then ended, and related notes, are derived from the audited group and separate annual financial statements of Welkom Yizani Investments (RF) Limited for the year ended 31 March 2018. In our opinion, the accompanying summarised group and separate annual financial statements are consistent, in all material respects, with the audited group and separate annual financial statements, in accordance with the basis described in note 1 to the summarised group and separate annual financial statements and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

### Summarised group and separate annual financial statements

The summarised group and separate annual financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised group and separate annual financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited group and separate annual financial statements and the auditor's report thereon.

### The audited group and separate annual financial statements and our report thereon

We expressed an unmodified audit opinion on the audited group and separate annual financial statements in our report dated 18 June 2018.

### Directors' responsibility for the summarised group and separate annual financial statements

The directors are responsible for the preparation of the summarised group and separate annual financial statements in accordance with the basis described in note 1 to the summarised group and separate annual financial statements and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summarised group and separate annual financial statements are consistent, in all material respects, with the audited group and separate annual financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.



**PricewaterhouseCoopers Inc.**

**Director: V Harri**

*Registered auditor*

Cape Town

18 June 2018



# Directors' report

for the year ended 31 March 2018

## Nature of operations

Welkom Yizani Investments (RF) Limited was incorporated on 10 July 2006 under the laws of the Republic of South Africa. The principal activities of Welkom Yizani Investments (RF) Limited are to:

- a) Carry on the main business of holding only Media24 Holdings Proprietary Limited ordinary shares, cash and such assets as are received and acquired solely by virtue of, or in relation to, the holding of Media24 Holdings Proprietary Limited ordinary shares.
- b) Receive and distribute dividends and other distributions in terms of its holding in Media24 Holdings Proprietary Limited.
- c) Trading platform:

The Registrar of Securities Services (the Registrar) has indicated that all traditional over-the-counter trading platforms like Welkom Yizani Investments (RF) Limited (Welkom Yizani) should regularise their affairs in terms of the Financial Markets Act, 2012 (the FM Act). Welkom Yizani has been engaging with the Financial Services Board (now the FSCA) to bring its affairs in line with the requirements of the FM Act. As part of this process MultiChoice and Media24 investigated various options, including the establishment of a company, Yizani Phuthuma Nathi (YPN), which has applied for an exchange licence to facilitate the trading of broad-based black economic empowerment shares issued by companies within the Naspers group. During this process, trading of Welkom Yizani shares on the current trading platform continues unchanged. Welkom Yizani continues to build on the positive engagement it has had with the Registrar and remains committed to complying with any directives and/or conditions issued by the Registrar. It is exempted from complying with the FM Act for a period for six months after the Registrar's decision on whether or not to grant an exchange licence to YPN.

## Dividends

The board recommends that a dividend of 42.5 cents per ordinary share (2017: 42.5 cents per ordinary share) be declared. In considering the recommendation to pay the dividend, the board, has taken into account the financial status of the company subject to the successful application of the solvency and liquidity test as set out in section 4 of the Companies Act of 2008. The dividend will be noted at the AGM to be held on 28 August 2018 by way of an ordinary resolution to be approved by the shareholders.

In the 2018 financial year the board also recommended a special dividend of R14.79 per ordinary share be declared and paid.

## Directors, company secretary and auditor

The directors of the company are listed below and the company secretary is Lurica Jineanne Klink. The street and postal addresses for the company secretary are the same as those of the company as detailed on page 89.

PricewaterhouseCoopers Inc. was appointed in office as auditor in accordance with section 90(6) of the South African Companies Act 2008

Name	Date appointed	Category
R C C Jaffa	28 November 2012	Independent non-executive
P O Goldhawk	22 June 2007	Independent non-executive
J C Held	2 September 2014	Independent non-executive
S R Ralarala	1 March 2017	Independent non-executive

## Subsequent events

There are no events that occurred between the balance sheet date and the date of approval of the financial statement that are material to the financial affairs of the group.

## Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Signed on behalf of the board



**Rachel Jafta**

*Chair*

18 June 2018

## Summarised group and separate statements of financial position as at 31 March 2018

	Note	Group		Company	
		2018 R'000	2017 R'000	2018 R'000	2017 R'000
<b>Assets</b>					
Non-current assets	3	351 577	397 839	351 577	397 839
Current assets		43 854	10 554	43 854	10 554
<b>Total assets</b>		<b>395 431</b>	<b>408 393</b>	<b>395 431</b>	<b>408 393</b>
<b>Equity</b>					
Capital and reserves		355 751	401 178	355 751	401 178
<b>Liabilities</b>					
Current liabilities		39 680	7 215	39 680	7 215
<b>Total equity and liabilities</b>		<b>395 431</b>	<b>408 393</b>	<b>395 431</b>	<b>408 393</b>

## Summarised group and separate statements of comprehensive income for the year ended 31 March 2018

	Note	Group		Company	
		2018 R'000	2017 R'000	2018 R'000	2017 R'000
Revenue		—	51 525	—	51 525
Operating expenses	3	84 177	(65 908)	(46 262)	(127 726)
<b>Operating profit/(loss)</b>		<b>84 177</b>	<b>(14 383)</b>	<b>(46 262)</b>	<b>(76 201)</b>
<b>Share of net loss of associate</b>		<b>(96 288)</b>	<b>(50 743)</b>	<b>—</b>	<b>—</b>
<b>Investment income - dividends received</b>		<b>—</b>	<b>—</b>	<b>222 266</b>	<b>5 890</b>
Administration costs		(95)	(142)	(95)	(142)
Finance income – net		1 303	512	1 303	512
<b>(Loss)/profit before taxation</b>		<b>(10 903)</b>	<b>(64 756)</b>	<b>177 212</b>	<b>(69 941)</b>
<b>Taxation</b>		<b>(500)</b>	<b>(274)</b>	<b>(500)</b>	<b>(274)</b>
<b>Net (loss)/profit for the year</b>		<b>(11 403)</b>	<b>(65 030)</b>	<b>176 712</b>	<b>(70 215)</b>
Net (loss)/profit for the year		(11 403)	(65 030)	176 712	(70 215)
Share of changes in associate's other equity		188 115	(5 185)	—	—
<b>Total comprehensive income/(loss) for the year</b>		<b>176 712</b>	<b>(70 215)</b>	<b>176 712</b>	<b>(70 215)</b>

## Summarised group and separate statements of changes in equity for the year ended 31 March 2018

	Stated capital	Preference share capital	Other reserves	Accumulated profit/(loss)	Total
<b>Group</b>	R'000	R'000	R'000	R'000	R'000
<b>Balance at 1 April 2016</b>	146 022	—	188 337	142 867	477 226
<b>Total comprehensive loss for the year</b>	—	—	(5 185)	(65 030)	(70 215)
Net loss	—	—	—	(65 030)	(65 030)
Other comprehensive loss	—	—	(5 185)	—	(5 185)
Reclassification of preference shares	—	7	—	—	7
<b>Distribution to owners of the company</b>					
Dividends paid	—	—	—	(5 840)	(5 840)
<b>Balance at 31 March 2017</b>	146 022	7	183 152	71 997	401 178
<b>Balance at 1 April 2017</b>	146 022	7	183 152	71 997	401 178
<b>Total comprehensive income/(loss) for the year</b>	—	—	188 115	(11 403)	176 712
Net loss	—	—	—	(11 403)	(11 403)
Other comprehensive income	—	—	188 115	—	188 115
<b>Distribution to owners of the company</b>					
Dividends paid	—	—	—	(222 139)	(222 139)
<b>Balance at 31 March 2018</b>	146 022	7	371 267	(161 545)	355 751
<b>Company</b>					
<b>Balance at 1 April 2016</b>	146 022	—	—	331 204	477 226
Loss for the year	—	—	—	(70 215)	(70 215)
Reclassification of preference shares	—	7	—	—	7
<b>Distribution to owners of the company</b>					
Dividends paid	—	—	—	(5 840)	(5 840)
<b>Balance at 31 March 2017</b>	146 022	7	—	255 149	401 178
<b>Balance at 1 April 2017</b>	146 022	7	—	255 149	401 178
Profit for the year	—	—	—	176 712	176 712
<b>Distribution to owners of the company</b>					
Dividends paid	—	—	—	(222 139)	(222 139)
<b>Balance at 31 March 2018</b>	146 022	7	—	209 722	355 751

## Summarised group and separate statements of cash flows

as at 31 March 2018

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
<b>Cash flow from operating activities</b>	<b>255 469</b>	6 332	<b>255 469</b>	6 332
<b>Cash flow from financing activities</b>	<b>(222 139)</b>	(5 844)	<b>(222 139)</b>	(5 844)
<b>Net increase in cash and cash equivalents</b>	<b>33 330</b>	488	<b>33 330</b>	488
Cash and cash equivalents at the beginning of the year	<b>10 489</b>	10 001	<b>10 489</b>	10 001
<b>Cash and cash equivalents at the end of the year</b>	<b>43 819</b>	10 489	<b>43 819</b>	10 489

# Notes to the summarised group and separate annual financial statements

for the year ended 31 March 2018

## 1. Basis of preparation

The summarised group and separate annual financial statements are prepared in accordance with the requirements of the Companies Act applicable to summary financial statements. The summarised group and separate annual financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS). The accounting policies applied in the preparation of the group and separate annual financial statements from which the summarised group and separate financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous group and separate annual financial statements.

## 2. Report of the independent auditor

These summarised group and separate annual financial statements for the year ended 31 March 2018 have been audited by PricewaterhouseCoopers Inc., who expressed an unqualified opinion thereon. The auditor also expressed an unmodified opinion on the group and separate annual financial statements from which these summarised group and separate annual financial statements were derived. A copy of the auditor's report on the group and separate annual financial statements are available for inspection at the company's registered office or the company's website on [www.media24.com](http://www.media24.com), together with the financial statements identified in the respective auditors' reports.

## 3. Investment in associate

The company has a 15% interest in Media24 Holdings Proprietary Limited, a company incorporated in South Africa. This is an unlisted investment. This investment is classified as an investment in associate, as significant influence was established through board representation even though the group only has a 15% interest.

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
<b>Movement in carrying amount</b>				
At the beginning of the year	397 839	525 565	397 839	525 565
Share of net loss	(96 288)	(50 743)	—	—
Share of changes in other comprehensive income	188 115	(5 185)	—	—
Dividends received	(222 266)	(5 890)	—	—
Reversal/(impairment) of investment	84 177	(65 908)	(46 262)	(127 726)
	<b>351 577</b>	<b>397 839</b>	<b>351 577</b>	<b>397 839</b>

A group impairment loss reversal of R84.1m (2017: R65.9m) and company impairment loss of R46.2m (2017: R127.7m) was recognised.

## 4. Long-term liabilities

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
4 382 (2017: 4382) variable rate, cumulative redeemable preference shares of R0.001 each	—	—	—	—
– Opening balance	—	4	—	4
– Settled	—	(4)	—	(4)
Share premium	—	—	—	—
– Opening balance	—	44 407	—	44 407
– Share premium waived by shareholder	—	(44 400)	—	(44 400)
Reclassification of preference shares to equity	—	(7)	—	(7)
	—	—	—	—
Current portion of long-term liabilities (accrued preference share dividends)	—	—	—	—
– Opening balance	—	7 124	—	7 124
– Accumulated preference share dividends waived by shareholder	—	(7 124)	—	(7 124)
	—	—	—	—



## 5. Basic earnings/(loss) per share

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
<b>Basic earnings/(loss) per share</b>				
Profit/(loss) from continuing operations attributable to owners of the parent	176 712	(70 215)	176 712	(70 215)
Weighted-average number of ordinary shares in issue ('000)	14 600	14 600	14 600	14 600
<b>Basic earnings/(loss) per share</b>	<b>R12.10</b>	<b>(R4.81)</b>	<b>R12.10</b>	<b>(R4.81)</b>

Headline earnings is calculated based on Circular 2/2013 issued by the South African Institute of Chartered Accountants.

### Reconciliation between profit attributable to owners of the parent and headline earnings

Profit/(loss) for the year	176 712	(70 215)	176 712	(70 215)
<b>Remeasurement of items</b>				
Waived preference share premium and accumulated dividend	—	(51 677)	—	(51 677)
– Gross	—	(51 677)	—	(51 677)
– Tax effect	—	—	—	—
Impairment of investment	(84 177)	65 908	46 262	127 726
– Gross	(84 177)	65 908	46 262	127 726
– Tax effect	—	—	—	—
<b>Headline earnings/(loss) for the year</b>	<b>92 535</b>	<b>(55 984)</b>	<b>222 974</b>	<b>5 834</b>
Weighted average number of ordinary shares in issue ('000)	14 600	14 600	14 600	14 600
<b>Headline earnings/(loss) per share</b>	<b>R6.34</b>	<b>(R3.82)</b>	<b>R15.27</b>	<b>R0.41</b>
<b>Net asset value per share</b>				
Total net asset value	355 751	401 178	355 751	401 178
Total number of ordinary shares in issue ('000)	14 600	14 600	14 600	14 600
<b>Net asset value per share</b>	<b>R24.37</b>	<b>R27.48</b>	<b>R24.37</b>	<b>R27.48</b>



# Shareholder information



# Administrative and corporate information

## MEDIA24

### Media24 Holdings Proprietary Limited

**Registration number**  
2006/021408/07

### Group company secretary

**Lurica Klink**  
Media24 Centre, 40 Heerengracht,  
Cape Town 8001  
(PO Box 2271, Cape Town 8000)

### Registered office

Media24 Centre, 40 Heerengracht,  
Cape Town 8001  
(PO Box 2271, Cape Town 8000)

### Joint attorneys and tax advisers

**Webber Wentzel Bowens**  
10 Fricker Road, Illovo Boulevard,  
Johannesburg 2196  
(PO Box 61771, Marshalltown 2107)

### Joint attorneys

**Werksmans Inc.**  
Level 1, no 5 Silo Square, V&A Waterfront,  
Cape Town 8001  
(PO Box 1471, Cape Town 8000)

### Independent auditor

**PricewaterhouseCoopers Inc.**  
No 5 Silo Square, V&A Waterfront,  
Cape Town 8001  
(PO Box 2799, Cape Town 8000)



### Welkom Yizani Investments (RF) Limited

**Registration number**  
2006/021434/06

### Company secretary

**Lurica Klink**  
Media24 Centre, 40 Heerengracht,  
Cape Town 8001  
(PO Box 2271, Cape Town 8000)

### Registered office

Media24 Centre, 40 Heerengracht,  
Cape Town 8001  
(PO Box 2271, Cape Town 8000)

### Trading helpdesk and transfer secretaries

**Singular Services, a division of Singular Systems Proprietary Limited**  
(Registration number: 2002/001492/07)  
71 Corlett Drive, Birnam 2196  
(PO Box 1266, Bramley 2018)

### Independent auditor

**PricewaterhouseCoopers Inc.**  
No 5 Silo Square, V&A Waterfront,  
Cape Town 8001  
(PO Box 2799, Cape Town 8000)



**Call centre 0860 12 12 24**

**[www.media24.com](http://www.media24.com) // [www.welkomshares.co.za](http://www.welkomshares.co.za)**

# Notice of annual general meeting

Notice is hereby given in terms of the Companies Act No 71 of 2008, as amended (the Act), that the twelfth annual general meeting of **Media24 Holdings Proprietary Limited** (the company) will be held at Nasdak, Media24 Centre, 40 Heerengracht, Cape Town on **Tuesday 28 August 2018 at 11:00**.

**Please note that the registration counter for purposes of registration to vote at this meeting on Tuesday 28 August 2018, will close at 10:45 on that day.**

## Record date, attendance and voting

The record date for the meeting is **Tuesday 14 August 2018**, being the date on which a person must be registered as a shareholder of the company for purposes of being entitled to attend and vote at the annual general meeting.

A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more person(s) as a proxy or proxies to attend, participate in and vote at the meeting in the place of the shareholder. A proxy need not be a shareholder of the company.

A form of proxy, which includes the relevant instructions for its completion, is attached for the use of shareholders who wish to be represented at the annual general meeting. Completion of a form of proxy will not preclude such a shareholder from attending and voting (in preference to that shareholder's proxy) at the annual general meeting.

## Identification of meeting participants

Kindly note that before any person may attend or participate in a shareholders' meeting, that person must be able to present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to vote, either as a shareholder or as a proxy for a shareholder, has been reasonably

verified. Forms of identification include valid identity documents, driver's licences and passports.

## Purpose of meeting

The purpose of the meeting is: (i) to present the directors' report, the audited annual financial statements of the company for the immediate preceding financial year and the audit committee report; (ii) to consider and, if approved, to adopt, with or without amendment, the resolutions set out herein; and (iii) to consider any other matters raised by the shareholders of the company, with or without advance notice to the company.

## Electronic participation

Shareholders entitled to attend and vote at the meeting or proxies of such shareholders shall be entitled to participate in the meeting (but not vote) by electronic communication. Should a shareholder wish to participate in the meeting by electronic communication, the shareholder concerned should advise the company thereof by no later than **09:00 on Monday 13 August 2018** by submitting via registered mail addressed to the company (for the attention of Ms L J Klink), relevant contact details, as well as full details of the shareholder's title to shares issued by the company and proof of identity, in the form of certified copies of identity documents and written confirmation from the transfer secretary confirming the shareholder's title to the shares.

Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the annual general meeting. Shareholders must note that access to the electronic communication will be at the expense of the shareholders who wish to use the facility.

## Ordinary resolutions

Each of the following ordinary resolutions requires the support of a majority of votes exercised by shareholders present or represented by proxy at this meeting in order to be adopted:

1. To consider and accept the annual financial statements of the company and the group for the twelve (12) months ended 31 March 2018 and the reports of the directors, the auditor and the audit committee.

The summarised annual financial statements are included in the integrated annual report of which this notice forms part.

The complete annual financial statements of the company for the preceding financial year can be obtained at [www.media24.com](http://www.media24.com). A copy is also available on request during normal business hours at Media24's registered office:

40 Heerengracht, Cape Town 8001 (contact person – Mr A Mayman).

2. To approve a dividend of R42m in the issued share capital of the company, as proposed by the board, after the board applied the solvency and liquidity tests contemplated in the Act, in terms of which it has concluded that the company will satisfy such tests immediately after completing the proposed distribution.
3. To reappoint, on the recommendation of the company's audit committee, PricewaterhouseCoopers Inc. as the independent registered auditor of the company (noting that Mr V Harri is the individual registered auditor of that firm who will undertake the audit) for the period until the next annual general meeting of the company.
4. To elect Profs R C C Jafta and D Meyer, who retire by rotation and, being eligible, offer themselves for re-election as directors. Their brief biographical details appear on pages 34 and 35 of this report.

The board unanimously recommends that the re-election of directors in terms of resolution 4 be approved by the shareholders of the company. The re-election of each director will be carried out in separate ordinary resolutions.

5. To appoint the audit committee members as required by the Act and as recommended by the King Report on Corporate Governance for South Africa 2016 (King IV™ - principle 8).

The board and the nomination committee are satisfied that the company's audit committee members are suitably skilled and experienced independent non-executive directors.

Collectively they have sufficient qualifications and experience to fulfil their duties, as contemplated in regulation 42 of the Companies Regulations 2011. They have a comprehensive understanding of financial reporting, internal financial controls, risk management and governance processes within the company, as well as International Financial Reporting Standards and other regulations and guidelines applicable to the company. They keep up to date with developments affecting their required skills set.

The board and the nomination committee therefore unanimously recommend the appointment of Messrs T D Petersen and S S de Swardt, and Mrs J C Held as members of the audit committee. Their brief biographical details appear on pages 34 and 35 of this report.

The appointment of the members of the audit committee will be conducted by way of a separate ordinary resolution in respect of each person.

6. To endorse the company's remuneration policy, as set out in the remuneration report, included in the integrated annual report on pages 60 to 65, by way of a non-binding advisory vote.
7. To approve the implementation report of the remuneration report, as set out in the remuneration report in the integrated annual report on pages 60 to 65, by way of a non-binding advisory vote.

The following special resolutions will be considered at the annual general meeting and, if approved, will be adopted with or without amendment:

## Special resolutions

Each of the special resolutions below requires the support of at least 75% of the votes in respect of the relevant resolution exercised by shareholders present or represented by proxy at this meeting in order to be adopted.

1. That the company or any of its subsidiaries be and are hereby authorised to acquire ordinary shares issued by the company from any person whatsoever (including any director or prescribed officer of the company or any person related to any director or prescribed officer of the company), in terms of and subject to the Act.

*The reason for and effect of special resolution number 1 is to grant the company the general authority in terms of the Act for acquisition of the company's ordinary shares by the company or a subsidiary of the company.*

2. That the company, as authorised by the board, may generally provide, in terms of and subject to the requirements of section 44 of the Act, any financial assistance by way of a loan, guarantee, the provision of security or otherwise to a related or inter-related company or corporation, or to a member of a related or inter-related corporation for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company, pursuant to the authority hereby conferred upon the board for these purposes.

*The reason for and effect of special resolution number 2 is to approve generally the provision of financial assistance to the potential recipients as set out in the resolution.*

3. That the company, as authorised by the board, may generally provide, in terms of and subject

to the requirements of section 45 of the Act, any direct or indirect financial assistance to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, pursuant to the authority hereby conferred upon the board for these purposes.

*The reason for and effect of special resolution number 3 is to approve generally the provision of financial assistance to the potential recipients as set out in the resolution.*

## Ordinary resolution

8. Each of the directors of the company is hereby authorised to perform all such acts and sign all such documentation as may be necessary to effect the implementation of the ordinary and special resolutions adopted at this annual general meeting.

## Other business

To transact any other business that may be transacted at an annual general meeting.

## General

Subject to the proxies given by Welkom Yizani Investments (RF) Limited (Welkom Yizani) to its shareholders to vote at the annual general meeting of the company in its stead, the ordinary shareholders of the company are entitled to attend, speak and vote at the annual general meeting (with each ordinary share in the company giving its holder one vote).

Votes at the annual general meeting will be taken by way of a poll and not on a show of hands. Each ordinary shareholder present or represented by proxy will be entitled to that number of votes equal to the number of ordinary shares held by such ordinary shareholder.

A shareholder may appoint a proxy at any time. For practical purposes, forms of proxy must be deposited at Singular Services, a division of Singular Systems Proprietary Limited, 71 Corlett Drive, Birnam 2196 or PO Box 1266, Bramley 2018 to reach them not less than forty-eight (48) hours (Saturdays, Sundays and public holidays are not

taken into consideration) before the annual general meeting to allow for processing of such proxies.

All other proxies must be handed in at the registration desks in Nasdak, Media24 Centre prior to the commencement of the annual general meeting.

Pursuant to the provisions of article 6.8 of the memorandum of incorporation of the company, each shareholder of Welkom Yizani has been irrevocably appointed as a proxy for Welkom Yizani and is entitled, at the annual general meeting of the

company, to exercise one vote for each share that the relevant shareholder holds in Welkom Yizani.

By order of the board



**L J Klink**  
*Company secretary*  
Cape Town  
26 July 2018

# Notice of annual general meeting

Notice is hereby given in terms of the Companies Act No 71 of 2008, as amended (the Act), that the twelfth annual general meeting of **Welkom Yizani Investments (RF) Limited** (the company) will be held at Nasdak, Media24 Centre, 40 Heerengracht, Cape Town on **Tuesday 28 August 2018**, immediately after the conclusion of the Media24 Holdings Proprietary Limited annual general meeting, which is scheduled to be held at **11:00** on that day.

**Please note that the registration counter for purposes of registering to vote at this meeting on Tuesday 28 August 2018 will close at 10:45 on that day.**

## Record date, attendance and voting

The record date for the meeting is **Tuesday 14 August 2018**, being the date on which a person must be registered as a shareholder of the company for purposes of being entitled to attend and vote at the annual general meeting.

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more person(s) as a proxy or proxies to attend, participate in and vote at the meeting in the place of the shareholder. A proxy need not be a shareholder of the company.

A form of proxy, which includes the relevant instructions for its completion, is attached for the use of shareholders who wish to be represented at the annual general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the annual general meeting.

Votes at the annual general meeting will be taken by way of a poll and not on a show of hands. Each ordinary shareholder present or represented by proxy will be entitled to that number of votes equal to the number of ordinary shares held by such ordinary shareholder or his/her proxies.

## Identification of meeting participants

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a shareholders' meeting. Forms of identification include valid identity documents, driver's licences and passports.

## Purpose of meeting

The purpose of the meeting is: (i) to present the directors' report, the audited annual financial statements of the company for the immediate preceding financial year and the audit committee report; (ii) to consider and, if approved, to adopt, with or without amendment, the resolutions set out below; and (iii) to consider any matters raised by the shareholders of the company, with or without advance notice to the company.

## Electronic participation

Shareholders entitled to attend and vote at the meeting or proxies of such shareholders shall be entitled to participate in the meeting (but not vote) by electronic communication. Should a shareholder wish to participate in the meeting by electronic communication, the shareholder concerned should advise the company thereof by no later than **09:00 on Monday 13 August 2018** by submitting via registered mail addressed to the company (for the attention of Ms L J Klink) relevant contact details, as well as full details of the shareholder's title to securities issued by the company and proof of identity, in the form of certified copies of identity documents and written confirmation from the transfer secretary confirming the shareholder's title to the shares.

Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the annual general meeting. Shareholders must note that access to the electronic communication will be at the expense of the shareholders who wish to use the facility.



## Ordinary resolutions

Each of the ordinary resolutions below requires the support of a majority of votes exercised by shareholders present or represented by proxy at the meeting in order to be adopted:

1. To consider and accept the annual financial statements of the company for the twelve (12) months ended 31 March 2018, as well as the reports of the directors, the auditor and the audit committee.

The summarised annual financial statements of the company for the preceding financial year are included in the integrated annual report of which this notice forms part. The complete annual financial statements of the company for the preceding financial year can be obtained at [www.welkomshares.co.za](http://www.welkomshares.co.za).

A copy is also available on request during normal business hours at the company's registered office: 40 Heerengracht, Cape Town 8001 (contact person – Mr A Mayman).

2. After having applied the solvency and liquidity tests contemplated in the Act, in terms of which it has concluded that the company will satisfy such tests immediately after completing the proposed distribution, the board approved that a dividend of 42.5 cents per ordinary share be declared, which the shareholders hereby approve.
3. To reappoint, on the recommendation of the company's audit committee, PricewaterhouseCoopers Inc. as independent registered auditor of the company (noting that Mr V Harri is the individual registered auditor of that firm who will undertake the audit) for the period until the next annual general meeting of the company.
4. To elect Prof R C C Jafta, who retires by rotation and, being eligible, offers herself for re-election as a director of the company. Her brief biographical details appear on page 76 of this report. The board unanimously recommends

that the re-election of Prof Jafta in terms of resolution 4 be approved by the shareholders of the company.

5. To appoint audit committee members as required in terms of the Act and as recommended by the King IV™ Code on Corporate Governance for South Africa 2016 (King IV™) (principle 8).

The board is satisfied that the company's audit committee members are suitably skilled and experienced independent non-executive directors. Collectively they have sufficient qualifications and experience to fulfil their duties, as contemplated in regulation 42 of the Companies Regulations 2011. They have a comprehensive understanding of financial reporting, internal financial controls, risk management and governance processes within the company, as well as International Financial Reporting Standards and other regulations and guidelines applicable to the company. They keep up to date with developments affecting their required skills set.

The board therefore unanimously recommends the appointment of Prof R C C Jafta, Messrs P O Goldhawk and S M Ralarala, and Mrs J C Held as members of the audit committee. Their brief biographical details appear on page 76 of this report.

The appointment of members of the audit committee will be conducted by way of a separate ordinary resolution in respect of each individual.

## Special resolutions

Each of the special resolutions below requires the support of at least 75% of the votes in respect of the relevant resolution exercised by shareholders present or represented by proxy at this meeting in order to be adopted.

1. That the memorandum of incorporation of the company be amended in accordance with section 16(5)(b)(iii) of the Act, by inserting the following article into the memorandum of incorporation as a new article 1.4.17A

immediately following the existing article 1.4.17, without any renumbering of the succeeding articles:

"1.4.17A **"Bulk Dematerialisation"** the process by which all of the certificated Ordinary Shares held by Ordinary Shareholders are converted, on the date of any listing of the Company's Ordinary Shares on a stock exchange as contemplated in article 7.8, to uncertificated Ordinary Shares and such uncertificated Ordinary Shares are transferred into the name of a CSDP (or its nominee) ("**Nominee**") appointed by the Company for such purposes, so as to be held by such Nominee as registered shareholder for and on behalf of the Ordinary Shareholders."

*The reason for and effect of special resolution number 1 is to provide for the bulk dematerialisation of the company's shares and matters incidental thereto.*

2. That the memorandum of incorporation of the company be amended in accordance with section 16(5)(b)(iii) of the Act, by replacing article 1.4.19 in the memorandum of incorporation with the following:

"1.4.19 **"Central Securities Depository"** a person who is licensed as a central securities depository under the Financial Markets Act 19 of 2012, as amended or substituted from time to time."

3. That the memorandum of incorporation of the company be amended in accordance with section 16(5)(b)(iii) of the Act, by replacing article 1.4.24 in the memorandum of incorporation with the following:

"1.4.24 **"CSDP"** a person authorised by a Central Securities Depository to perform custody and administration services or settlement services or both, in terms of the depository rules, and includes an external participant, where appropriate."

4. That the memorandum of incorporation of the company be amended in accordance with

section 16(5)(b)(iii) of the Act, by deleting article 1.4.51 in the memorandum of incorporation in its entirety and replacing it with the following:

"1.4.51 [text deleted]."

*The reason for and effect of special resolution numbers 2 – 4 is to take account of changes in South African legislation and provide for matters incidental thereto.*

5. That the memorandum of incorporation of the company be amended in accordance with section 16(5)(b)(iv) of the Act, by deleting articles 3.2.1 – 3.2.8 in their entirety and replacing them with the following:

"3.2.1 The securities issued by the Company may be issued in certificated or uncertificated form.

3.2.2 The Company shall establish (or cause to be established) and maintain (or cause to be maintained) a securities register in accordance with the provisions of the Act and any other regulations made under the Act and, to the extent that the form and the manner of maintaining the securities register is not prescribed, the Board may determine the form and manner thereof.

3.2.3 To the extent that securities of the Company are issued in certificated form, as contemplated in section 49(2)(a), the provisions of articles 3.2.4 – 3.2.9 shall apply.

3.2.4 Every person to whom securities are issued and whose name is entered in the securities register shall be entitled to one certificate for all the securities in any class registered in his/her name, or to several certificates, each for a part of such securities. The certificates evidencing any certificated securities of the Company must comply with the requirements set out in section 51(1) and must otherwise be in such form as may be determined by the Board.

3.2.5 If a certificate is defaced, lost or destroyed, it may be replaced with a duplicate certificate endorsed "Duplicate Certificate" on payment of such reasonable fee, if any, and on such terms, if any, as to evidence an indemnity as the Board may deem appropriate.

3.2.6 A certificate registered in the names of two or more persons shall be delivered to the person first-named in the securities register as a holder thereof, and delivery of a certificate to that person shall be a sufficient delivery to all joint holders of that security.

3.2.7 Unless otherwise agreed between Naspers and the Company, all certificated Ordinary Shares shall be deposited with and retained by the Company, or its agent.

3.2.8 Notwithstanding any other provision of this MOI, all share certificates issued to Ordinary Shareholders in respect of Ordinary Shares shall –

3.2.8.1 during the Company Empowerment Compliance Period, be endorsed as follows:

This certificate and the shares represented hereby are transferable only in compliance with the provisions of the memorandum of incorporation of Welkom Yizani Investments (RF) Limited, a copy of which is on file with the company secretary of Welkom Yizani Investments (RF) Limited. Restrictions also apply to the transfer of all and any rights in and to the shares and to the granting of any encumbrances over the shares; and

3.2.8.2 during the Company Empowerment Compliance Period, be retained and held by the Company, or its agent. Such share certificates shall only be released, if necessary, for the purposes of implementing any transfer permitted in terms of this MOI on the basis that once such transfer is implemented, all share certificates resulting from such transfer are retained and held by the Company, or its agent.

3.2.9 The Company shall enter into its securities register the transfer of any certificated securities which is effected in accordance with the provisions of article 3.3 and shall include in such entry the information required by section 51(5).

3.2.10 To the extent that securities of the Company are issued in uncertificated form, as contemplated in section 49(2)(b), the following provisions of articles 3.2.11 – 3.2.14 shall apply.

3.2.11 If, at any time, the Company has any uncertificated securities in issue, it shall cause a Central Securities Depository or a CSDP to administer and maintain, on behalf of the Company, an uncertificated securities register in accordance with the provisions of the Act and any other regulations made under the Act.

3.2.12 The Company shall procure that a Central Securities Depository or a CSDP effects, in accordance with section 53(2) of the Act, in the uncertificated securities register, the transfer of any uncertificated securities, which is effected in accordance with the provisions of article 3.2.15.

3.2.13 If and to the extent that, for whatever reason, any Ordinary Share is at any time held in uncertificated form and Naspers and the Company have not agreed that Ordinary Shares shall be held in uncertificated form, then such Ordinary Share shall be converted into certificated form by the relevant Ordinary Shareholder within 14 days of receipt of a written notice from Naspers to do so and shall be deposited with the Company, or its agent.

3.2.14 If any Ordinary Share is held in uncertificated form, it shall only be deposited by the relevant Ordinary Shareholder with a CSDP approved of by Naspers in its sole and absolute discretion, provided that such Ordinary Shareholder's mandate agreement with such CSDP must recognise the restrictions imposed upon the transfer of such Ordinary Share as contained in the Shareholders' Agreement and this MOI, and such Ordinary Shareholder shall

not give any instructions to such CSDP which would constitute or result in a contravention of this MOI and the Shareholders' Agreement.

3.2.15 Subject to the provisions of articles 3.2.13 – 3.2.14, the transfer of any uncertificated securities in the uncertificated securities register of the Company may only be effected by -

3.2.15.1 a Central Securities Depository or a CSDP;

3.2.15.2 on receipt of -

3.2.15.2.1 an instruction to transfer sent and properly authenticated in terms of the rules of the relevant Central Securities Depository; or

3.2.15.2.2 an appropriate order of court; and

3.2.15.3 in accordance with section 53(1) and the rules of the relevant Central Securities Depository, on the basis that sections 53(4) and 55 will apply to any such transfer of uncertificated securities."

*The reason for and effect of special resolution number 5 is to provide for the dematerialisation of the company's shares and matters incidental thereto.*

6. That the memorandum of incorporation of the company be amended in accordance with section 16(5)(b)(iv) of the Act, by deleting article 3.8.1.2 in its entirety and replacing it with the following:

"3.8.1.2 are, or any resolutions are proposed or taken for it to be, wound-up, liquidated, placed under business rescue, sequestered or deregistered and/or having its name removed from the companies register maintained by the Commission (including in the manner and for the reasons contemplated in sections 82(3) and 82(5)), as the case may be, whether provisionally or finally; or".

*The reason for and effect of special resolution number 6 is to include deregistration and/or the removal of the company's name from the companies register maintained by the Commission as default events for purposes of the call option provisions in article 3.8 of the memorandum of incorporation of the company.*

7. That the memorandum of incorporation of the company be amended in accordance with section 16(5)(b)(iv) of the Act, by deleting article 7.8 in its entirety and replacing it with the following new article 7.8:

## "7.8 Listing

7.8.1 The Company may not list any of the Ordinary Shares on any stock exchange, including but not limited to the JSE, at any time during the Company Empowerment Compliance Period unless Naspers consents thereto in writing (in its sole and absolute discretion). Any such listing effected without the consent of Naspers shall constitute a Company Default Event as contemplated under article 3.8.

7.8.2 Should the Company at any time determine that its Ordinary Shares shall be listed on a stock exchange as contemplated in article 7.8.1, then, for purposes of facilitating such listing and to enable the Ordinary Shares to be traded on such stock exchange:

7.8.2.1 the Company shall, **notwithstanding article 3.2.13 but subject to article 7.4**, be entitled to implement the Bulk Dematerialisation (at its cost) in accordance with this article 7.8;

7.8.2.2 the certificated Ordinary Shares held by the Ordinary Shareholders shall be converted into uncertificated Ordinary Shares prior to the listing, and shall be transferred into the name of a Nominee appointed by the Company to act as the registered holder holding such uncertificated Ordinary Shares for and on behalf of each Ordinary Shareholder who will continue to be the beneficial owner thereof. Each Ordinary Shareholder shall be bound by the Strate Rules

and Directives in respect of his/her/its Ordinary Shares;

7.8.2.3 any Ordinary Shareholder who does not want its certificated Ordinary Shares to be dematerialised pursuant to the Bulk Dematerialisation may at any time but no later than 5 Business Days prior to the date of the listing on the stock exchange advise the Company in writing that it elects to hold its Ordinary Shares in certificated form, in which event the such Ordinary Shares will not be subject to the Bulk Dematerialisation and will continue to be held in certificated form subject to the remaining provisions of this MOI;

7.8.2.4 notwithstanding the implementation of the Bulk Dematerialisation, an Ordinary Shareholder will, subject to article 7.8.3, be entitled to request the Company to convert its uncertificated Ordinary Shares into certificated Ordinary Shares at no cost in accordance with section 49(6) read with section 54 of the Companies Act, whereupon such Ordinary Shares will be held in certificated form subject to the principles recorded in this MOI;

7.8.2.5 in the absence of any notification by an Ordinary Shareholder as contemplated in article 7.8.2.3, this article 7.8 constitutes an irrevocable instruction by each of the Ordinary Shareholders to the Company to convert its certificated Ordinary Shares into dematerialised form pursuant to the Bulk Dematerialisation;

7.8.2.6 each of the Ordinary Shareholders hereby irrevocably and unconditionally authorises:

7.8.2.6.1 the Company to release the certificates in respect of its certificated Ordinary Shares to give effect to the Bulk Dematerialisation; and

7.8.2.6.2 the Company (or its nominee, delegate or agent) as his/her/its duly authorised agent to sign any documents as may be necessary to give effect to the Bulk Dematerialisation.

7.8.3 Subject to article 7.8.2, for so long as the Ordinary Shares remain listed on a stock exchange pursuant to the provisions of article 7.8.1, the Ordinary Shares may be held as certificated or uncertificated Ordinary Shares; provided that:

7.8.3.1 if an Ordinary Share is held as a certificated Ordinary Share, the share certificate in respect thereof shall be deposited with and retained by the Company for so long as it is held in such form and the provisions of articles 3.2.4 – 3.2.9. shall continue to apply; and

7.8.3.2 if an Ordinary Share is held as an uncertificated Ordinary Share, the provisions of articles 3.2.11 – 3.2.15 shall apply in respect thereof (including in respect of any broker, nominee or other market participant in relation to such Ordinary Shares).

7.8.4 Should the listing of the Company's Ordinary Shares be terminated for whatsoever reason at any time during the Company Empowerment Compliance Period, the provisions of articles 7.8.2 and 7.8.3 shall cease to apply, and the remaining principles as regards certificated and uncertificated Ordinary Shares in this MOI shall continue to apply."

*The reason for and effect of special resolution number 7 is to provide for matters incidental to securities in certificated and uncertificated form.*

## Ordinary resolution

6. Each of the directors of the company is hereby authorised to do all things, perform all acts and sign all documentation necessary to effect the implementation of the ordinary and special resolutions adopted at this annual general meeting.

## Other business

To transact such other business as may be transacted at an annual general meeting.

## General

A shareholder may appoint a proxy at any time. For practical purposes, forms of proxy must be deposited at the company's transfer secretaries, Singular Services, a division of Singular Systems Proprietary Limited, 71 Corlett Drive, Birnam 2196 or PO Box 1266, Bramley 2018, to reach them not less than forty-eight (48) hours (Saturdays, Sundays and public holidays shall not be taken into account) before the annual general meeting

to allow for processing of such proxies. All other proxies must be handed in at the registration desks in Nasdak, Media24 Centre prior to the commencement of the annual general meeting.

By order of the board



**L J Klink**  
*Company secretary*  
Cape Town  
26 July 2018

# MEDIA24 Form of proxy // Volmagvorm

MEDIA24 HOLDINGS PROPRIETARY LIMITED // MEDIA24 BEHEREND EIENDOMS BEPERK  
(Incorporated in the Republic of South Africa) // (Geïnkorporeer in die Republiek van Suid-Afrika)  
(Registration number: 2006/021408/07) // (Registrasiënommer: 2006/021408/07)  
(the company) // (die maatskappy)

For use by shareholders at the twelfth annual general meeting to be held in Nasdak, Media24 Centre, 40 Heerengracht, Cape Town on Tuesday 28 August 2018 at 11:00. Note that the registration counter for purposes of registration to vote at this meeting on Tuesday 28 August 2018 will close at 10:45 on that day. // Vir gebruik deur aandeelhouers by die twaalfde algemene jaarvergadering wat op Dinsdag 28 Augustus 2018 om 11:00 in Nasdak, Media24-sentrum, Heerengracht 40, Kaapstad gehou sal word. Neem kennis dat die registrasietoonbank vir registrasie om by hierdie vergadering op Dinsdag 28 Augustus 2018 te kan stem, om 10:45 op daardie dag sal sluit.

I/We // Ek/Ons

of // van

identity number/registration number // identiteitsnommer/registrasiënommer

(address) // (adres)

being a holder(s) of // wat 'n houer(s) is van

Welkom Yzani ordinary shares in the company, hereby appoint according to my authorisation (see note 1) //

Welkom Yzani-gewone aandele in die maatskappy, stel hiermee aan volgens my magtiging (sien aantekening 1)

1. \_\_\_\_\_ or, failing him/her, // of, indien nie hy/sy nie

2. \_\_\_\_\_ or, failing him/her, // of, indien nie hy/sy nie

of // van \_\_\_\_\_ or, failing him/her, // of, indien nie hy/sy nie

3. the chair of the company or, failing him/her, the chair of the annual general meeting as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the company to be held in Nasdak, Media24 Centre, 40 Heerengracht, Cape Town on Tuesday 28 August 2018 at 11:00 on that day or at any adjournment thereof, and generally to act as my/our proxy at the said annual general meeting. // die voorsitter van die maatskappy of, indien nie hy/sy nie, die voorsitter van die algemene jaarvergadering as my/ons gevolmagtigde om namens my/ons te stem by die algemene jaarvergadering van die maatskappy wat op Dinsdag 28 Augustus 2018 om 11:00 op daardie dag sal plaasvind in Nasdak, Media24-sentrum, Heerengracht 40, Kaapstad, of by enige vergadering daarvan, en oor die algemeen as my/ons gevolmagtigde by genoemde algemene jaarvergadering op te tree.

I/We desire to vote as follows (see note 8): // Ek/Ons wil soos volgend stem (sien aantekening 8):

	In favour of // Ten gunste van	Against // Teen	Abstain // Buite stemming
Ordinary resolution 1: Acceptance of annual financial statements. // Gewone besluit 1: Aanvaarding van finansiële jaarstate.			
Ordinary resolution 2: Approval of dividend. // Gewone besluit 2: Goedkeuring van dividend.			
Ordinary resolution 3: Appointment of auditor. // Gewone besluit 3: Aanstelling van outditeur.			
Ordinary resolution 4: Re-election of the following directors: // Gewone besluit 4: Herkiesing van die volgende direkteure:			
Prof R C C Jaftha // Prof R C C Jaftha			
Prof D Meyer // Prof D Meyer			
Ordinary resolution 5: Appointment of audit committee members // Gewone besluit 5: Aanstelling van outditekommiteedelede:			
Mr T D Petersen // Mnr T D Petersen			
Mr S S de Swardt // Mnr S S de Swardt			
Mrs J C Held // Mev J C Held			
Ordinary resolution 6: Endorse company's remuneration policy. // Gewone besluit 6: Onderskryf maatskappy se vergoedingsbeleid.			
Ordinary resolution 7: Approve the implementation report of the remuneration report // Gewone besluit 7: Goedkeuring van die implementeringsverslag van die vergoedingsverslag.			
Special resolution 1: General authority for the company or any of its subsidiaries to acquire its own shares. // Spesiale besluit 1: Algemene magtiging aan die maatskappy of enige van sy filiale om sy eie aandele te verkry.			
Special resolution 2: Approval of the provision of financial assistance in terms of section 44 of the Companies Act, 2008. // Spesiale besluit 2: Goedkeuring vir die voorsiening van finansiële bystand ingevolge artikel 44 van die Maatskappywet, 2008.			
Special resolution 3: Approval of the provision of financial assistance in terms of section 45 of the Companies Act, 2008. // Spesiale besluit 3: Goedkeuring vir die voorsiening van finansiële bystand ingevolge artikel 45 van die Maatskappywet, 2008.			
Ordinary resolution 8: Authorisation to implement all resolutions adopted at the annual general meeting. // Gewone besluit 8: Magtiging om alle besluite wat op die algemene jaarvergadering aangeneem is, uit te voer.			

Signed at // Geteken te \_\_\_\_\_ on this // op hierdie \_\_\_\_\_ day of // dag van \_\_\_\_\_ 2018

Signature // Handtekening \_\_\_\_\_ Assisted (where applicable) // Bygestaan deur (waar van toepassing) \_\_\_\_\_

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the company). // Elke aandeelhouer is daarop geregtig om een of meer gevolmagtigde(s) (wat nie 'n aandeelhouer(s) van die maatskappy hoef te wees nie) aan te stel.

See notes on page 102. // sien aantekening op bladsy 102.

## Notes to the forms of proxy of Media24 Holdings Proprietary Limited and Welkom Yizani Investments (RF) Limited

The following provisions shall apply in relation to proxies:

1. A shareholder of the company may appoint any individual (including an individual who is not a shareholder of the company) as a proxy to participate in, and speak and vote at, the annual general meeting of the company. A shareholder may therefore insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chair of the company or, failing him/her, the chair of the annual general meeting". The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
3. A proxy instrument must be in writing, dated and signed by the shareholder.
4. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.
5. A copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at the annual general meeting.
6. Irrespective of the form of instrument used to appoint the proxy: (i) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder; (ii) the appointment is revocable unless the proxy appointment expressly states otherwise; and (iii) if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or making a later inconsistent appointment of a proxy and delivering a copy of the revocation instrument to the proxy and the company.
7. The proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder as determined by the instrument appointing the proxy.
8. A shareholder's instructions to the proxy must be indicated by the insertion of an 'X' in the appropriate box provided.
9. Every shareholder present in person or by proxy and entitled to vote shall, on a show of hands, have only one vote and, upon a poll, every shareholder shall have one vote for every ordinary share held.
10. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or waived by the chair of the annual general meeting.
11. A shareholder may appoint a proxy at any time. For practical purposes, forms of proxy must be lodged with, or posted to, the transfer secretaries, Singular Services, a division of Singular Systems Proprietary Limited, 71 Corlett Drive, Birmam 2196 or PO Box 1266, Bramley 2018 to reach them not less than forty-eight (48) hours (Saturdays, Sundays and public holidays shall not be taken into consideration) before the annual general meeting to allow for processing of such proxies. All other proxies must be handed in at the registration desks in Nasdaq, Media24 Centre prior to the commencement of the annual general meeting.

## Aantekening by die volmagvorms van Media24 Beherend Eiendoms Beperk en Welkom Yizani Belegings (RF) Beperk

Die volgende sal van toepassing wees ten opsigte van gevormagtigdes:

1. 'n Aandeelhouer van die maatskappy kan enige persoon (insluitend 'n persoon wat nie 'n aandeelhouer van die maatskappy is nie) as 'n gevormagtigde benoem om aan die algemene jaarvergadering van die maatskappy deel te neem, daarop te praat en daarop te stem. 'n Aandeelhouer mag dus die naam van 'n gevormagtigde of die name van twee alternatiewe gevormagtigdes van die aandeelhouer se keuse in die toepaslike ruimte invul, met of sonder skraping van "die voorsitter van die maatskappy of, indien nie hi/sy nie, die voorsitter van die algemene jaarvergadering". Die persoon wie se naam eerste op die volmagvorm verskyn en wat by die algemene jaarvergadering teenwoordig is, sal daarop geregtig wees om as gevormagtigde op te tree met uitsluiting van diegene wie se name daarna volg.
2. 'n Aandeelhouer mag twee of meer persone gelyktydig as gevormagtigdes benoem en meer as een gevormagtigde benoem om stemreg uit te oefen wat verbonde is aan verskillende sekuriteite wat deur die aandeelhouer gehou word.
3. 'n Volmaginstrument moet op skrif, gedateer en deur die aandeelhouer onderteken wees.
4. 'n Gevormagtigde mag nie sy/haar gesag om namens die aandeelhouer op te tree aan 'n ander persoon deleger nie.
5. 'n Afskrif van die instrument waarvolgens 'n gevormagtigde benoem is, moet by die maatskappy afgelewer word, of aan enige ander persoon namens die maatskappy, voordat die gevormagtigde enige regte van die aandeelhouer by die algemene jaarvergadering uitoefen.
6. Ongeag die formaat van die instrument wat gebruik word om die gevormagtigde te benoem: (i) word die benoeming op enige tydstop opgeskort en in soverre die aandeelhouer besluit om direk en persoonlik te handel in die uitoefening van enige regte as 'n aandeelhouer; (ii) kan die benoeming herroep word, tensy die gevormagtigdebenoeming uitdruklik anders bepaal; en (iii) indien die benoeming herroep kan word, mag 'n aandeelhouer die gevormagtigdebenoeming herroep deur dit skriftelik te kanselleer of later 'n onverrekbare benoeming van 'n gevormagtigde te doen en 'n afskrif van die herroepingsinstrument by die gevormagtigde en die maatskappy af te lewer.
7. Die gevormagtigde is daarop geregtig om enige stemreg van die aandeelhouer soos bepaal deur die instrument waarvolgens die gevormagtigde benoem is, uit te oefen.
8. 'n Aandeelhouer se opdragte aan die gevormagtigde moet aangedui word deur 'n 'X' in die toepaslike ruimte aan te bring.
9. Elke aandeelhouer wat self teenwoordig is of deur 'n gevormagtigde verteenwoordig word en daarop geregtig is om te stem, het met die opsteek van hande slegs een stem en, in 'n stemming met stembriefies, een stem vir elke gewone aandeel wat daardie aandeelhouer hou.
10. Stawende dokumente ter bevestiging van die magtiging van die persoon wat hierdie volmagvorm in 'n verteenwoordigende hoedanigheid teken, moet by hierdie volmagvorm aangeheg wees, tensy dit voorheen deur die maatskappy aangeteken is of deur die voorsitter van die algemene jaarvergadering kwytgeskeld is.
11. 'n Aandeelhouer mag enige tyd 'n gevormagtigde aanstel. Vir praktiese doeleindes moet volmagvorms ingedien word by of gepos word aan die oordragsekretaris van die maatskappy, Singular Services, 'n afdeling van Singular Systems Eiendoms Beperk, Corlettlyaan 71, Birmam 2196 of Posbus 1266, Bramley 2018, om hulle teen nie later nie as agt-en-veertig (48) uur (Saterdag, Sondag en vakansiedae word nie in berekening gebring nie) voor die algemene jaarvergadering te bereik om voorsiening te maak vir die verwerking van sodanige volmagvorms. Alle ander volmagvorms moet by die registrasietoonbanke in Nasdaq, Media24-sentrum ingedien word voor die aanvang van die algemene jaarvergadering.



WELKOM YIZANI INVESTMENTS (RF) LIMITED // WELKOM YIZANI BELEGGINGS (RF) BEPERK  
 (Incorporated in the Republic of South Africa) // (Geïnkorporeer in die Republiek van Suid-Afrika)  
 (Registration number: 2006/021434/06) // (Registrasienommer: 2006/021434/06)  
 (the company) // (die maatskappy)

For use by shareholders at the twelfth annual general meeting to be held at Nasdak, Media24 Centre, 40 Heerengracht, Cape Town on Tuesday 28 August 2018 immediately after the conclusion of the annual general meeting of Media24 Holdings Proprietary Limited, which is scheduled to be held at 11:00 on that day. Note that the registration counter for purposes of registration to vote at this meeting on Tuesday 28 August 2018, will close at 10:45 on that day. // Vir gebruik deur aandeelhouers by die twaalfde algemene jaarvergadering wat op Dinsdag 28 Augustus 2018 gehou word onmiddellik ná afsluiting van die algemene jaarvergadering van Media24 Behorend Eiendoms Beperk, wat om 11:00 op daardie dag sal plaasvind in Nasdak, Media24-sentrum, Heerengracht 40, Kaapstad. Neem kennis dat die registrasietoonbank vir doeleindes van registrasie om by hierdie vergadering te kan stem op Dinsdag 28 Augustus 2018 om 10:45 op daardie dag sal sluit.

I/We // Ek/Ons

of // van

identity number/registration number // identiteitsnommer/registrasienommer

(address) // (adres)

being a holder(s) of // wat 'n houër(s) is van

Welkom Yizani ordinary shares in the company, hereby appoint according to my authorisation (see note 1) //

Welkom Yizani- gewone aandele in die maatskappy, stel hiermee aan volgens my magtiging (sien aantekening 1)

1.

of // van

or, failing him/her, // of, indien nie hy/sy nie

2.

of // van

or, failing him/her, // of, indien nie hy/sy nie

3. the chair of the company or, failing him/her, the chair of the annual general meeting as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the company to be held at Nasdak, Media24 Centre, 40 Heerengracht, Cape Town on Tuesday 28 August 2018 immediately after the conclusion of the annual general meeting of Media24 Holdings Proprietary Limited, which is scheduled to be held at 11:00 on that day or at any adjournment of the company's annual general meeting, and generally to act as my/our proxy at the said annual general meeting of the company. // die voorsitter van die maatskappy of, indien nie hy/sy nie, die voorsitter van die algemene jaarvergadering as my/ons gevolmagtigde om namens my/ons te stem by die algemene jaarvergadering van die maatskappy wat op Dinsdag 28 Augustus 2018 gehou word, onmiddellik ná afsluiting van die algemene jaarvergadering van Media24 Behorend Eiendoms Beperk wat om 11:00 op daardie dag sal plaasvind in Nasdak, Media24-sentrum, Heerengracht 40, Kaapstad of by enige verdrag van die algemene jaarvergadering van die maatskappy, en or die algemene as my/ons gevolmagtigde by genoemde algemene jaarvergadering van die maatskappy, op te tree.

I/We desire to vote as follows (see note 8): // Ek/Ons wil soos volg stem (sien aantekening 8):

	In favour of // Ten gunste van	Against // Teen	Abstain // Buite stemming
Ordinary resolution 1: Acceptance of annual financial statements. // Gewone besluit 1: Aanvaarding van finansiële jaarstate.			
Ordinary resolution 2: Approval of ordinary share dividend. // Gewone besluit 2: Goedkeuring van gewoneaandele-dividend			
Ordinary resolution 3: Appointment of PricewaterhouseCoopers Inc. as auditor. // Gewone besluit 3: Aanstelling van PricewaterhouseCoopers Geïnk. as ouditeur.			
Ordinary resolution 4: Re-election of the following director: Prof R C C Jaftha. // Gewone besluit 4: Herkiesing van die volgende direkteur: Prof R C C Jaftha.			
Ordinary resolution 5: Appointment of audit committee members: // Gewone besluit 5: Aanstelling van ouditkomiteelede:			
Prof R C C Jaftha // Prof R C C Jaftha			
Mr P O Goldhawk // Mnr P O Goldhawk			
Mr S M Ralarala // Mnr S M Ralarala			
Mrs J C Held // Mv J C Held			
Special resolution 1: Approve the amendment of the company's memorandum of incorporation. // Spesiale besluit 1: Goedkeuring van wysiging van die maatskappy se akte van oprigting.			
Special resolution 2: Approve the amendment of the company's memorandum of incorporation. // Spesiale besluit 2: Goedkeuring van wysiging van die maatskappy se akte van oprigting.			
Special resolution 3: Approve the amendment of the company's memorandum of incorporation. // Spesiale besluit 3: Goedkeuring van wysiging van die maatskappy se akte van oprigting.			
Special resolution 4: Approve the amendment of the company's memorandum of incorporation. // Spesiale besluit 4: Goedkeuring van wysiging van die maatskappy se akte van oprigting.			
Special resolution 5: Approve the amendment of the company's memorandum of incorporation. // Spesiale besluit 5: Goedkeuring van wysiging van die maatskappy se akte van oprigting.			
Special resolution 6: Approve the amendment of the company's memorandum of incorporation. // Spesiale besluit 6: Goedkeuring van wysiging van die maatskappy se akte van oprigting.			
Special resolution 7: Approve the amendment of the company's memorandum of incorporation. // Spesiale besluit 7: Goedkeuring van wysiging van die maatskappy se akte van oprigting.			
Ordinary resolution 6: Authorisation to implement all resolutions adopted at annual general meeting. // Gewone besluit 6: Magtiging om alle besluite wat op die algemene jaarvergadering aanvaar is, uit te voer.			

Signed at // Geteken te

on this // op hierdie

day of // dag van

2018

Signature // Handtekening

Assisted (where applicable) // Bygestaan deur (waar van toepassing)

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the company). // Elke aandeelhouer is daarop geregtig om een of meer gevolmagtigde(s) (wat nie 'n aandeelhouer(s) van die maatskappy hoef te wees nie) aan te stel.

See notes on page 102 // sien aantekeninge op bladsy 102.