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MultiChoice South Africa Holdings Proprietary Limited

Integrated annual report 2019

PHUTHUMA NATHI
SHARE THE FUTURE

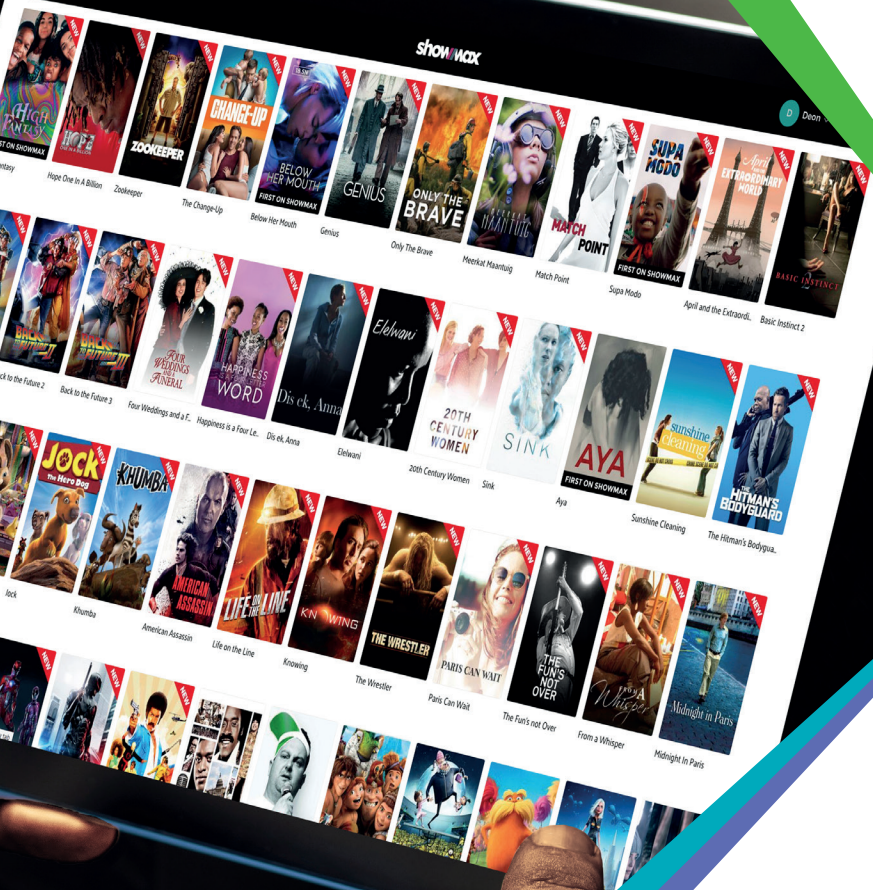
Integrated annual report to the shareholders of
Phuthuma Nathi Investments 2 (RF) Limited
for the year ended 31 March 2019



Series Movies Kids

showmax

Deon



MultiChoice South Africa is a leading video-entertainment company

CONTENTS

HIGHLIGHTS	2
ABOUT THIS REPORT	4
WHO WE ARE	
OUR BUSINESS	6
OUR BUSINESS MODEL	10
FINANCIAL VALUE-ADDED STATEMENT	12
MATERIALITY	13
OUR STAKEHOLDERS	14
LEADERSHIP AND STRATEGY	
REVIEW BY THE EXECUTIVE CHAIR	18
REVIEW BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)	22
OUR STRATEGIC PRIORITIES	24
UNDERSTANDING RISKS AND OPPORTUNITIES	25
OUR PERFORMANCE	
OUR PERFORMANCE AGAINST OUR MATERIAL MATTERS	28
Overview	28
MultiChoice South Africa performance summary	29
Our operations	30
Content performance	31
Connected Video	35
DStv Media Sales	38
Technology	39
Our people	40
Our customers	46
Our regulatory landscape	48
Our social and environmental contributions	50
GOVERNANCE AND ACCOUNTABILITY	
Directorate	58
Corporate governance review	62
Remuneration report	72
Audit committee report	90
FINANCIAL REVIEW	
Independent auditor's report on the summary consolidated financial statements	95
Summarised financial statements	97



PHUTHUMA NATHI

SHARE THE FUTURE

Phuthuma Nathi Investments 2 (RF) Limited

FINANCIAL REVIEW

Board of directors	102
Directors' report	103
Report of the audit committee	106
Report of the independent auditor on the summarised financial statements	109
Summarised financial statements	110

Shareholder information for MultiChoice and Phuthuma Nathi Investments 2 (RF) Limited

MultiChoice South Africa Holdings Proprietary Limited	
Notice of annual general meeting	118
Form of proxy	123
Notes to the form of proxy	124
Phuthuma Nathi Investments (RF) Limited	
Notice of annual general meeting	125
Form of proxy	129
Notes to the form of proxy	130
Administration and corporate information	IBC

HIGHLIGHTS

R7.4bn

core headline earnings

R90m

spent on significant
corporate social investment
(CSI) projects

R6.6bn

paid in dividends⁽¹⁾

33%

of our local procurement
spend benefits small,
medium and
microenterprises

Level 1

BBBEE status

7.4m

active subscribers

R6.9bn

total tax contribution



⁽¹⁾ Paid in September 2018.



ABOUT THIS REPORT

Scope and boundary

The scope of this report includes MultiChoice South Africa Holdings Proprietary Limited (MultiChoice South Africa) and its subsidiaries (MultiChoice). In addition to financial results, we include corporate information on the two MultiChoice broad-based black economic empowerment (BBBEE) shareholding schemes – Phuthuma Nathi Investments (RF) Limited (PN) and Phuthuma Nathi Investments 2 (RF) Limited (PN2) (collectively Phuthuma Nathi). The sole investments of these schemes are the shares held in MultiChoice South Africa.

We present our integrated report for the financial year from 1 April 2018 to 31 March 2019 (referred to as FY2019). The purpose of this report is to share with stakeholders how we create value over the short, medium and long term. This report articulates key developments and material matters in our external landscape and business environment.



For more information, please refer to our material matters on page 13.

We are committed to integrated and balanced reporting on our strategic objectives, material matters and how we are governed. We strive to provide a comprehensive view of our financial and non-financial performance, as well as the sustainability of our business.

Basis of preparation

We aim to regularly enhance our reporting and disclosure to improve the understanding stakeholders have of our business. The content of the integrated annual report has been guided by the framework of the International Integrated Reporting Council

(IIRC) and due consideration has been given to the recommendations of the King IV Report on Corporate Governance^{TM(1)} in South Africa 2016 (King IV).

Assurance

Independent assurance has been provided on certain material information presented in this report.

Financial information

Summarised financial information for the group and Phuthuma Nathi, extracted from the group's audited consolidated annual financial statements and the Phuthuma Nathi annual financial statements for the year ended 31 March 2019, have been reflected accurately. The full financial statements appear on the MultiChoice and Phuthuma Nathi websites (www.multichoice.com/multichoice-south-africa/ and www.phuthumanathi.co.za) and are available for review at our registered office from the company secretary. Financial information in this report was reviewed by the audit committee and approved by the board. Refer to page 95 for the auditor's report on the group's summarised annual financial statements and to page 97 for the report on the summarised annual financial statements of PN1 and PN2.

Non-financial information

EmpowerLogic verified all BBBEE information in the report. The audit committee reviewed and recommended the integrated annual report for approval. The report was approved by the board on 14 June 2019.

Responsibility

The integrated annual report and financial statements fairly reflect, in our opinion, the true financial position of the group as at

Note

⁽¹⁾The Institute of Directors in Southern African NPC (IoDSA) owns all the copyright and trademarks for King IV.

31 March 2019 and that of its operations during this period, as described in the report. The board believes that this report is presented in accordance with the International <IR> Framework.

On behalf of the board



Nolo Letele
Executive chair
14 June 2019

On behalf of the audit committee

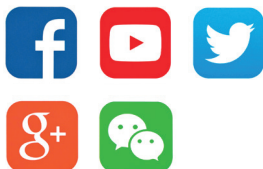


Don Eriksson
Audit committee chair and non-executive director
14 June 2019

Navigation and feedback

Feedback on the report is welcomed and can be communicated to
investorrelations@multichoice.com

Connect with us on:



How to navigate our report

Throughout our integrated report, the following icons are used to show the connectivity between sections:



Page



Internet

Forward-looking statements

This report contains 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. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and should be considered in light of various important factors. 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. The key factors that could cause our actual results performance, or achievements to differ materially from those in the forward-looking statements include, among others, changes to the International Financial Reporting Standards (IFRS) and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; future acquisitions, changes to 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 conditions; the occurrence of labour disruptions and industrial action; and the effects of both current and future litigation. We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise. We cannot give any assurance that forward-looking statements will prove to be correct and investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

Leading

video-entertainment platform

MultiChoice South Africa is a dynamic video-entertainment company, providing access to world-class local and international content. Every story we tell, and every decision we make, have our customers at heart. We aim to enrich lives by showcasing compelling stories that bring people together, and we serve 7.4m active subscribers in South Africa (FY2018: 6.9m). Through our exceptional products and services, we create thousands of employment opportunities and invest heavily in South Africa's film and television (TV) industries. We are extremely proud to share the success of our business with approximately 90 000 South Africans through our Phuthuma Nathi broad-based share schemes. We also consistently achieve a level 1 BBBEE rating.

World-class

technology and infrastructure



By doing what is best for everyone, we demonstrate that we **Care** – about ourselves, our colleagues and most importantly, our customers. Through the way we **Connect** with others, we build lasting relationships based on collaboration, communication and clarity. We also embrace principles of curiosity, courage and commitment in the way we **Create** and innovate.

OUR BUSINESS continued

Our brands

MultiChoice South Africa is home to a variety of distinguished brands that deliver exceptional content across a range of platforms.

	M-Net delivers world-class channels that offer international and local content specifically sourced and commissioned for our South African audiences. Founded in 1986, M-Net provides relevant and inspiring video content. We are passionate about telling stories that celebrate the diversity of the African continent, inspire change, and move the hearts and minds of people. By investing in original productions, we help to launch and sustain careers in every part of the entertainment industry.
	Launched in 1995, DStv provides multiple entertainment channels and services to customers via satellite, online and mobile apps. We continuously seek new and innovative ways of connecting customers with the content they seek by providing access to viewing preferences on the platforms our customers choose. We offer local and international content through packages that deliver a mix of channels.
	SuperSport is known as Africa's premier sport channel provider, producing and packaging local and international sport for pay-TV subscribers across sub-Saharan Africa. As the largest funder of sport on the African continent, SuperSport broadcasts a compelling range of sporting events through sourcing content from federations and licence holders, as well as producing original programming known for its best-on-field action and exceptional sport commentary.
	Showmax is our internet-based subscription video-on-demand offering. The platform is host to an extensive catalogue of award-winning local and international content, and accessible across a wide range of devices, including smart TVs, computers, smartphones and tablets.
	DStv Media Sales is responsible for commercial airtime sales and on-air sponsorship across M-Net, SuperSport and select DStv channels. Our media sales team keeps on top of consumer trends by tracking the consumption of content in the digital universe and creating solutions for brands to connect with customers. Our offices in Johannesburg, Cape Town, Durban, Luanda, Nairobi and Lagos use data and insights to assist advertisers with media planning and buying, and to provide the best exposure possible for brands.

External landscape

Key global and local trends	Our response
▶ Video-entertainment content, both paid and free, is proliferating, as are alternative demands on viewer attention (notably social networks and online and mobile gaming)	▶ We continue to invest in the best local and international general entertainment and sport content on an exclusive and non-exclusive basis, including our own commissioned content and innovative formats
▶ Over-the-top (OTT) services are currently growing faster than traditional pay-TV services globally	▶ We continue to enhance our world-class OTT services, DStv Now and Showmax, for our direct-to-home (DTH) and standalone OTT customers
▶ Content consumption patterns continue to evolve, including on-demand viewing versus linear and mobile streaming versus TV viewing	▶ We continue to develop our product set to cater to shifting viewer needs, including our OTT services, connected Exploras, and Catch Up and BoxOffice services



WHO WE ARE

OUR BUSINESS MODEL

INPUTS – What we use to create value	OUTPUTS – What we deliver
Financial capital MultiChoice South Africa is a for-profit company. We buy goods and services, provide employment and pay taxes and invest in our corporate citizen programmes. We contribute to economic growth, employment and development opportunities in the communities in which we operate.	
Manufactured capital To operate effectively we require offices, contact centres, distribution networks, vehicles, inventory, public infrastructure and specialised equipment and technologies.	
Intellectual capital Our business revolves around the acquisition and development of content, patent, copyright and trademark rights, and industry and market know-how.	
Human capital Employees are essential to our business as employee skills and experience are needed to drive our business forward.	
Social and relationship capital The group is a proud contributor to South Africa. We see beyond business priorities and deliver value to stakeholders by adding economic value, enhancing our employees' lives and making a lasting impact on communities. Our initiatives aim to deliver real benefits to the communities in which we operate while being mindful of our planet's sustainability. The nature of our operations means we connect with people from all walks of life and our involvement goes beyond our core business.	
Natural capital We rely on continued electricity usage, which includes other fuels consumed, like diesel generators during electricity outages. Many of our employees are based in regions where water usage and waste removal are primary concerns.	

OUTCOMES – Our impacts

Financial capital

- ▷ R40.4bn total revenue (FY2018: R40.2bn)
- ▷ R10.3bn trading profit (FY2018: R10.4bn)
- ▷ R7.4bn core headline earnings (FY2018: R7bn)
- ▷ R6.6bn dividend paid in FY2019 (FY2018: R6.5bn)

Manufactured capital

- ▷ R19m building and infrastructure spend (FY2018: R30m)

Intellectual capital

- ▷ R11.2bn spent on commissioning content (FY2018: R9.9bn)

Human capital

- ▷ 4 089 fulltime permanent employees (FY2018: 4 473)
- ▷ R105m spent on skills development
- ▷ R73m spent on formal training
- ▷ R8.4m spent on bursaries (FY2018: R18.5m)
- ▷ 88% of our employees are black (FY2018: 88%)
- ▷ 51% of top and senior management are black and 40% are women
- ▷ As at 31 March 2019, 8 directors (67%) were from previously disadvantaged groups and 4 (33%) were black women

Social and relationship capital

- ▷ 7.4m customers (FY2018: 6.9m)
- ▷ R10.3bn (FY2018: R8.4bn) spent with BBBEE suppliers, including R3.4bn (FY2018: R2.4bn) on small and medium enterprises and R1.7bn (FY2018: R1.3bn) with suppliers who are at least 30% black women owned
- ▷ Level 1 BBBEE contributor
- ▷ R90m invested in significant CSI projects and other initiatives
- ▷ R188m invested through our Enterprise Development Trust
- ▷ 214 learnerships offered to unemployed people with disabilities

Natural capital

MultiChoice South Africa as a technology-driven entertainment group has a low impact on natural resources compared to other industries.

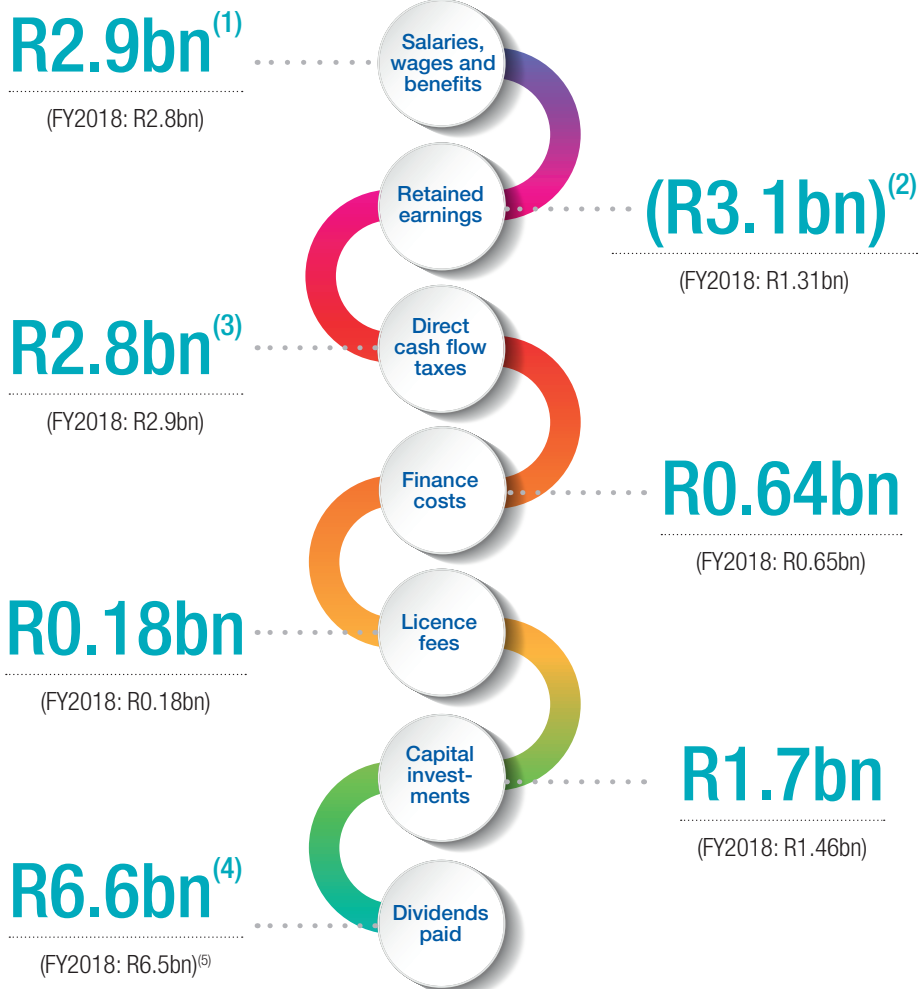
The following practices and initiatives are applied by MultiChoice to minimise impact on natural capital:

- ▷ Energy saving
- ▷ Water saving
- ▷ Waste recycling

Our office in Randburg, MultiChoice City, received a 5-star rating from the Green Building Council.

FINANCIAL VALUE-ADDED STATEMENT

MultiChoice South Africa is a sustainable for-profit organisation. We achieve this through the commitment, energy and resourcefulness of our people and stakeholders, while making a contribution to the economy and society in which we operate. The financial value-added statement demonstrates how we distributed our earnings during FY2019, and how much was retained for reinvestment.



Notes

⁽¹⁾ Excludes all payroll taxes.

⁽²⁾ The Phuthuma Nathi once-off empowerment transaction and unrealised foreign exchange losses on transponder finance lease liabilities resulted in a negative retained earnings position as at 31 March 2019.

⁽³⁾ Disclosure methodology changed since prior year.

⁽⁴⁾ Dividend paid in September 2018.

⁽⁵⁾ Dividend paid in September 2017.

MATERIALITY

In determining our reporting content, we are guided by our business strategy, risks, our operations and the concerns of our stakeholders

Determining our material matters

The material matters raised in our integrated annual report are issues on the board agenda that are methodically discussed and addressed. In addition, we consider the impact of our material matters on our business and our ability to create value for shareholders and other stakeholders.

Our material matters

For FY2019, we identified the following material matters:		
Our operations		
This includes information about the performance of our brands, our content and technology innovation in our business		30
Our people		
This includes information about our performance in relation to employee engagement, talent management, skills development, diversity and aspects of employee health and wellbeing		40
Our customers		
This includes information about our customer service and loyalty performance as well as customer engagement		46
Our regulatory landscape		
This includes information on our approach to regulatory changes, as well as recent developments in the regulatory landscape		48
Our social and environmental contributions		
This includes information about the impact of our social investments and contributions, as well as our impact on the environment		50



OUR STAKEHOLDERS

We seek to build relationships based on trust that will make a lasting impact

MultiChoice South Africa has a broad range of stakeholders, including customers, regulators, content providers, shareholders, employees and the general public. Our inclusive approach seeks to balance the needs, interests and expectations of our stakeholders with the interests of our organisation over time.

How we engage our stakeholders	Issues raised by stakeholders	Our response
Customers		
▷ Contact centres with 1 849 agents ▷ 121 agencies ▷ Over 1 230 accredited installers ▷ Media and press ▷ Social media ▷ Customer satisfaction surveys	▷ Account and billing queries ▷ Technical queries ▷ General service queries	▷ Solve customer issues promptly ▷ Address bigger process and system issues where relevant ▷ Engage with customers on social media such as Twitter, Facebook and on the DStv Forum ▷ Ongoing customer satisfaction surveys
Government and regulators		
▷ Oral and written representations to legislators and regulators ▷ Attendance at legislator and regulator developments in Parliament ▷ Engagement with government departments	▷ Constitutional Court judgement ▷ SABC agreement ▷ Competition Amendment Bill ▷ Icasa pay-TV market competition inquiry ▷ Icasa sports broadcasting review ▷ Copyright Amendment Bill and Performer's Protection Bill ▷ Digital migration ▷ OTT services	▷ Proactive engagement with regulators on specific issues ▷ Formal representations and submissions ▷ Demonstrate our compliance with regulations and our contribution to society ▷ Share information on the challenges posed by certain regulatory amendments

How we engage our stakeholders	Issues raised by stakeholders	Our response
Content providers		
▷ Face-to-face meetings ▷ Telephonic conference calls and email communication ▷ Attendance at industry conferences	▷ Rights acquisitions ▷ Fees and advertising revenue ▷ Qualifying content and encryption ▷ Platform security and content protection ▷ Reporting – performance data and customer numbers	▷ We negotiate within approved mandates ▷ Where fees are too high or content is not resonating with particular customers, we may look at terminating or renegotiating terms of contracts ▷ We consider issues raised by rightsholders (eg device usage rules) and adjust our business approach to align with international norms
Employees		
▷ Workplace forums ▷ Employment equity committees and trade union engagements ▷ Direct engagements ▷ Office Vibe live engagement tracking and anonymous employee feedback ▷ Culture Amp engagement survey ▷ Pulse survey provides management insight into action items from Culture Amp survey ▷ Manager interventions ▷ Peer-to-peer interventions ▷ Wellness and workspace	▷ Restructure and potential retrenchments ▷ Union recognition ▷ Salary and benefits negotiations ▷ Career acceleration, development and recognition	▷ Meaningful restructure consultation and involvement ▷ Meaningful salary and benefits negotiations ▷ Employee benefits ▷ Onsite wellness benefits

OUR STAKEHOLDERS continued



How we engage our stakeholders	Issues raised by stakeholders	Our response
Shareholders		
▷ Shareholder meetings, including annual general meetings ▷ Annual reports/interim results/information ▷ Call centres and social media ▷ Communications/updates on website ▷ Press releases ▷ Online Q&As and information guides	▷ Share price and liquidity in PN ▷ Unlocking shareholder value in PN ▷ Constitutionality of current BBBEE scheme ▷ Maintaining dividend yield ▷ Listing PN on EESE platform ▷ Impact from Naspers's unbundling of MultiChoice Group on PN shareholders ▷ Personal information and identity theft incidents	▷ Awareness campaigns and roadshows to improve awareness ▷ Independent financial advice provided shareholders with a view on BBBEE scheme performance, price determination and scheme restrictions ▷ Extensive Q&A documents published ▷ Review of process followed to verify shareholders' information such as identity documents ▷ Call centre for PN shareholders



How we engage our stakeholders	Issues raised by stakeholders	Our response
Media		
▷ Direct engagement through one-on-one interviews and press conferences ▷ Events and launches, including media showcases ▷ Press releases, editorials and general articles ▷ Responding to media queries	▷ Business media: Naspers unbundling and MultiChoice Group's JSE listing; MultiChoice corporate governance; MultiChoice ethics and leadership ▷ Content media: Shows on DStv; new channels; ANN7 and bid for new news channel; value of DStv; comparison to other services ▷ Consumer media: Related to consumer issues, eg price increases, billing issues, value of DStv, comparison to other services ▷ Technical media: Continued support, eg Android TV boxes, DStv service offering, comparison to other services	▷ Business media: One-on-one engagement, press conferences, ongoing answering of queries and statements issued ▷ Content media: Weekly DStv Scoop newsletter, press releases, articles, launch events and channel engagement to market our offerings ▷ Consumer media: Regular weekly interaction and twice-yearly visits in person, ongoing engagement on queries ▷ Technical media: Regular interaction and interviews, press releases and articles

REVIEW BY THE EXECUTIVE CHAIR

MultiChoice South Africa is the number 1 video-entertainment destination with international, local and sport content on various platforms.



Nolo Letele *Executive chair*

R40.4bn

Revenue
(FY2018: R40.2bn)

R10.3bn

Trading profit
(FY2018: R10.4bn)

R7.3bn

Free cash flow
(FY2018: R6.4bn)

Overview

Exceptional content and customer experiences are at the core of what we do. Our leading entertainment offering covers all major genres and formats, and our investments in developing local content secures our place with customers. Our sport line-up includes rights in both the local and international markets, while our extensive production capabilities enable coverage of local sporting events.

During FY2019, economic conditions in South Africa remained challenging due to a number of factors for instance, the country continued to experience blackouts and increased regulatory scrutiny and changes increased the complexity of our operating environment. Despite these challenging conditions, MultiChoice South Africa grew the number of subscribers by 511 500.

Financial performance

Overall, our financial performance during FY2019 was stable. Our revenue has improved marginally and our trading profit has been maintained.

Dividend

The board considers several factors when recommending a dividend. For FY2019, this included the continued challenging operating conditions in South Africa, compounded by political uncertainty, rising costs, and investment in new technologies. We expect these conditions to remain in the near future. The group generated trading profit of R10.3bn (FY2018: R10.4bn) and positive free cash flow of R7.3bn (FY2018: R6.4bn).

Given our positive financial performance and consideration of challenging operating conditions, including rising costs, revenue pressure and plans to invest in online and emerging technologies, the MultiChoice South Africa board recommends that a dividend of R6bn be paid to its ordinary shareholders in September 2019. Phuthuma Nathi companies will receive 25% (FY2019: 20%) of the dividend declared by MultiChoice South Africa. This amounts to a dividend of R1bn (FY2019: R880m) for PN and R500m (FY2019: R440m) for PN2 (a total of R1.5bn to PN companies). PN shareholders will receive a dividend of 2 222.22 (FY2019: 1 955.56) cents per share before dividend tax. Dividend tax of 20% per PN share amounts to 444.44 cents. Phuthuma Nathi shareholders will therefore receive a total net dividend (after tax dividend) of 1 777.78 (FY2019: 1 564.45) cents per share. All dividends are subject to the approval of shareholders at the annual general meetings (AGMs) on 28 August 2019. If approved, these dividends will be payable to shareholders recorded in the share register on 28 August 2019 and paid on or about 6 September 2019 (which will fall in the 2020 financial year).

As part of our commitment to empowerment, MultiChoice South Africa issued new shares to the Phuthuma Nathi companies effective

4 March 2019 thereby increasing their stake from 20% to 25%. The value of this transaction was R2.6bn. As a result of the increase in the Phuthuma Nathi companies shareholding in MultiChoice South Africa, Phuthuma Nathi's dividend entitlement increased despite the decrease in the overall dividend declared by MultiChoice South Africa.

Governance

The board oversees strategic direction and is ultimately responsible for the organisation's performance. The board is assisted by various committees in carrying out its duties. The responsibility for implementing strategy is delegated to management. Governance and sustainability are integral to our strategic implementation and critical for the interests of our stakeholders. The MultiChoice South Africa group continually identifies areas where governance can be improved.

Directors

During FY2019, Imtiaz Patel stepped down as CEO and is currently serving as executive chair of MultiChoice Group Limited. Calvo Mawela was appointed CEO on 1 November 2018. Uvashni Raman, who served as CFO for MultiChoice South Africa since 2016, resigned and Tim Jacobs was appointed CFO on 1 November 2018. Louisa Stephens and Octavia Matloa were appointed as independent non-executive directors on 6 August 2018. As a result of the then impending unbundling from Naspers, Bob van Dyk, Naspers's chief executive resigned as a MultiChoice South Africa director with effect from 2 January 2019. Octavia Matloa's appointment terminated on 8 July 2019. Jabulane (Jabu) Albert Mabuza was appointed by the board as a director with effect from 5 July 2019.

REVIEW BY THE EXECUTIVE CHAIR continued

Regulatory

Our industry is highly regulated. Recent years saw several policy reviews, sector inquiries and investigations resulting in increased complexity in our operating environment. These include a review of the broadcast sector and a review of the sport regulations. Our approach to regulatory reviews involves proactive and positive engagement and providing input into relevant industry discussions and participation in engagements with regulators and government.

Sustainability

MultiChoice South Africa seeks to play a meaningful role in the development of our society. Our contributions continued to advance issues of education, skills development, community outreach and environmental sustainability. We aim to enhance the lives of our employees by contributing to their health and wellbeing. Our sustainable development framework links to our risk management processes, which take an integrated approach to financial and non-financial risk identification, management and monitoring. Our integrated report demonstrates our commitment to sustainability by unpacking the social and environmental initiatives we embark on, and the impact that they make. As a proud contributor to the socio-economic development of South Africa, we recognise the value we can create for shareholders, employees and communities while being mindful of the sustainability of our planet. During FY2019 we continued to focus our social investments on developing the youth and put measures in place to minimise our impact on the environment.

Corporate social responsibility

MultiChoice South Africa makes a significant contribution through our Phuthuma Nathi share schemes. Phuthuma Nathi companies have received R10.4bn in dividends since inception, ultimately empowering and enriching the lives of approximately 90 000 previously disadvantaged South Africans. We continue to contribute meaningfully towards corporate social responsibility programmes such as the MultiChoice Diski Challenge, Magic in Motion Academy and SuperSport's Let's Play initiatives. We spent R90m on significant corporate social initiatives during FY2019, and we retained our level 1 BBBEE status. The MultiChoice Enterprise Development Trust is a vehicle for our investment into local industries. We invested R188m in loans, grants and business development expenses to assist 24 businesses. We established the MultiChoice Sport and Development Trust, aimed at supporting sport development in previously disadvantaged communities.

Transformation

We are committed to contributing to the transformation of South Africa. This can be achieved by embracing diversity and ensuring employment equity through robust diversity management practices. We believe diversity gives us a competitive advantage and aids in decision-making and problem-solving to provide the best solutions for our customers. We are committed to inclusive growth and development and create opportunities that support the continued transformation of our organisation. Our employee profile comprises 43% (FY2018: 43%) men and 57% (FY2018: 57%) women in the group report. Our leadership teams are diverse and proudly representative with 51% (FY2018: 44%) of top management being black and 40% being women.

Looking ahead

Looking ahead, MultiChoice South Africa aims to continue to be the number 1 video-entertainment destination with great international and local general entertainment and sport content on our various platforms. We will continue to focus on our strategic priorities of increasing subscribers in the fast-growing mass market segment, building our scale in OTT while delighting and retaining our customer base through continued investment in local content and in exceptional sport and general entertainment offering. We will continue to develop and invest in systems, machine learning (ML) and artificial intelligence (AI) capabilities to enable our growth in the future. We will invest in the development of our people and our social initiatives to continue making a meaningful impact in the communities where we operate. We aim to maintain operational excellence and agility to deliver strong returns for our shareholders as we continue to constructively engage with regulators.

Acknowledgement

I would like to thank the board for their sound guidance and contribution during the year. Despite difficult operating conditions, management delivered a credible performance and the board would like to express its appreciation to Imtiaz, Calvo and their teams for their effort and dedication during the year. A special word of thanks goes to our customers and suppliers for their continued support.



Nolo Letele
Executive chair

26 July 2019

REVIEW BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

Our customers are the cornerstone of our business. We are committed to delivering exceptional experiences at every touchpoint



Calvo Mawela
Chief executive officer

Tim Jacobs
Chief financial officer

Overview

South Africa is and continues to be an attractive market within the MultiChoice group. DStv is a household name, and the considerable support we enjoy from our customers ensures that we retain a solid market position. Despite tough economic conditions and an uncertain political climate, we achieved growth of more than half a million subscribers and now serve 7.4m (FY2018: 6.9m) households in the country.

Performance

We achieved sustained growth in the mass market, while growth in the compact market was more subdued. The premium market saw a decline in subscribers for the year. The average revenue per user (ARPU) declined from R335 to R322 due to the impact of absorbing a value-added tax (VAT) increase, from 14% to 15%, and the continued subscriber mix change to the mass market. However, improved retention management and cost control contributed to sustained profitability.

Trading profit is comparable with the prior reporting year at R10.3bn (FY2018: R10.4bn). We remain focused on optimising cost structures to maintain our margins.

Free cash flow was R7.3bn. This represents a R900m increase compared with the prior year. Capital investments increased to R1.7bn (FY2018: R1.46bn).

MultiChoice South Africa's total tax contribution in FY2019 amounted to R6.9bn (direct R2.8bn and indirect R4.1bn), making us one of the largest taxpayers in South Africa.

Product enhancements

We continue to enhance our product offering to deliver the best customer experiences. During FY2019, we refined our bouquet structure to ensure we can serve different market segments, and match price and value propositions accurately. We repositioned and expanded our family offering to include new general entertainment and selected sport at that bouquet level.

We added JOOX, a music streaming service, free to our Compact, Compact Plus and Premium subscribers. We continue to offer Showmax free to Premium subscribers and discounted at R49 to Compact subscribers, to improve the uptake of the product.

Our Connected Video division has focused its efforts on our digital properties, and we are seeing positive results. Our online properties are gaining traction and saw a good increase in unique subscribers across our online offerings. Explora penetration, BoxOffice rentals and connected Exploras continue to grow and add value to the customers' experience. Our digital strategy is key for securing our future and we have improved our online user base with a promising portion of the South African subscriber base now utilising our online products.

Content

Our programming, which includes local and international general entertainment and sport content, remains relevant to our subscribers. We are developing and investing in more local content for both our pay-TV and OTT offering.

Our continued investment in local content, primarily through the Mzansi group of channels, is well received by subscribers with our channels among the top performers in their peer group.

It is crucial to contain content costs and navigate cost pressures from suppliers as a consequence of competition.

Customer service

Our customers are the cornerstone of our business. We are committed to delivering exceptional experiences at every touchpoint, and we value authentic communication and feedback. We continuously track and analyse

our interactions with customers to improve on the services we provide, and the way customers experience our brands. During FY2019, our consumer satisfaction score (CSAT), measured by customer surveys improved to 76%. We will continue to transform our customer experience by simplifying complex business processes, reducing customer effort, and using AI to automate non-value-adding transactions and optimise self-service.

Competition

Competition continues to increase in our markets with video consumption on online platforms growing and global players like Netflix, Amazon, YouTube and Facebook continuing to offer alternatives in our market. In addition, local streaming players like Kwesé, Cell C black and Vodacom VideoPlay have also emerged, and free-to-air platforms in the form of OVHD and SABC are also competing against us.

Organisational structure

During FY2019, we concluded a restructure to align our structures with the company strategy and to reposition the business for growth. The work in reducing our cost base will continue in the future to maintain our margins. We will continue to develop and invest in digital systems, ML and AI capabilities to enable our growth in the future, including investing and developing the required talent and capabilities.



Calvo Mawela
Chief executive officer



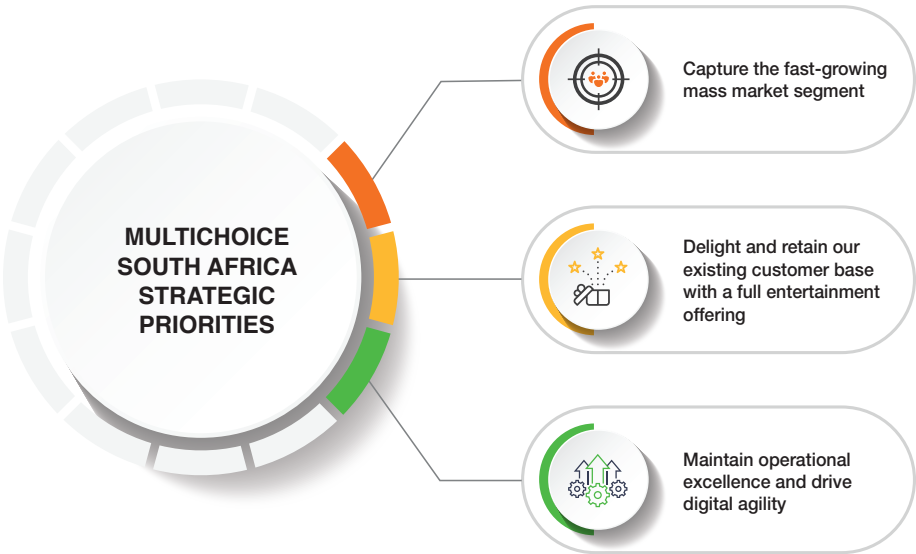
Tim Jacobs
Chief financial officer

26 July 2019

OUR STRATEGIC PRIORITIES

Our strategy continues to deliver value to our broad stakeholder base

The MultiChoice South Africa board determines the overall strategy and is ultimately responsible for overseeing the organisation’s performance. Management teams across our businesses implement these strategies, guided by our code of business ethics and conduct, as well as our values.



UNDERSTANDING RISKS AND OPPORTUNITIES

Our approach

MultiChoice South Africa is exposed to risks that may impact on the successful implementation of our strategy. Identification of risks and opportunities is an integral part of our strategic process, and we consider both the potential negative and positive impacts on our business.



Risk management processes align to our strategic planning and budgeting cycles, and annual risk management plans are compiled and updated as required. Risk specialists are embedded in key business areas and are responsible for the implementation of plans and activities. Performance against approved risk management plans and results of activities and processes are monitored by the group's centralised governance forum.

The risk committee has oversight on risk and opportunity management on behalf of the board. It evaluates key risks and opportunities identified through assessments that consider the environment in which we operate as included in the risk register and heatmap. It then reviews disclosures as recommended by King IV. The risk register is reviewed biannually, in November and March, supported by heatmaps demonstrating the relative positioning and movement of key risks. The risk management plan and budget are reviewed annually by the risk committee.

Risk profile

The risk profile is the result of the board's appetite for risk and the ability of management to deliver performance within aligned tolerance variables. Such variables are monitored and reported on during the operational and strategic reporting cycles. Results from the enterprise-wide risk management process are integrated into the business's strategic, operational, compliance monitoring and reporting activities, and the management of risks forms part of ongoing management responsibilities. During FY2019, an external assessment of the adequacy of enterprise-wide risk management processes was performed and results indicated varying degrees of maturity. The recommendations following this process have been turned into action plans for implementation, which are being monitored. An effectiveness review is planned for FY2020.

UNDERSTANDING RISKS AND OPPORTUNITIES continued

Priority	Risk	Description	Our response	Opportunities	Relevant capital
1	Regulatory	Potential changes in regulatory policy and legislative framework	Compliance and proactive engagement with regulators and industry bodies	Improved understanding of industry complexities and challenges	Social and relationship capital
2	Disruption	Technology disruption results in increased competition, and increased competition for content rights	Invest in product and service innovations and retain content rights	Continuous re-evaluation of products and services to unlock new opportunities	Social and relationship capital Intellectual capital
3	Content costs	Content rights are becoming increasingly expensive	We regularly evaluate our content contracts to ensure they continue to provide value and remain competitive	Increased investment in local content	Social and relationship capital Intellectual capital Financial capital
4	Economic and currency risk	Consumers are facing increased economic pressure, potentially affecting the size of our customer base The value of the local currency relative to supplier currencies places increased cost pressure on securing international content	Continued focus on reducing costs and improving efficiencies ensures we remain competitive Effective use of hedging instruments to manage volatility in cash flows	Emerging technologies and innovations could unlock efficiencies and reduced costs	Financial capital

Priority	Risk	Description	Our response	Opportunities	Relevant capital
5	Business continuity	Technology failures in broadcasting, digital playout, customer service or value-added services	Implementation of IT control framework and investing in key systems while simplifying and consolidating internal systems	Simplified systems result in an improved operating environment and customer experience	Manufactured capital
6	Cyber-security	Security of data, programming and information	Investing in improved systems, identifying vulnerabilities and remediation thereof	Improved systems security and reduced business interruptions	Manufactured capital
7	Customer preferences	Changing customer preferences and viewing habits	Research and development into understanding the preferences and habits of our customers Develop products to address changing consumer habits	Improved online and OTT offerings Developing local content and talent	Intellectual capital
8	Talent management	Loss of key talent impacts negatively on our business operations	Talent development programmes and employee engagement initiatives	Retaining the best talent in the market strengthens our position	Human capital
9	Increased costs of resources	Increased costs associated with electricity, water and compliance with emissions regulations	Energy efficiency, saving measures, and waste reduction	Position MultiChoice as a leader in the industry in which it operates	Natural capital Financial capital

OUR PERFORMANCE AGAINST OUR MATERIAL MATTERS

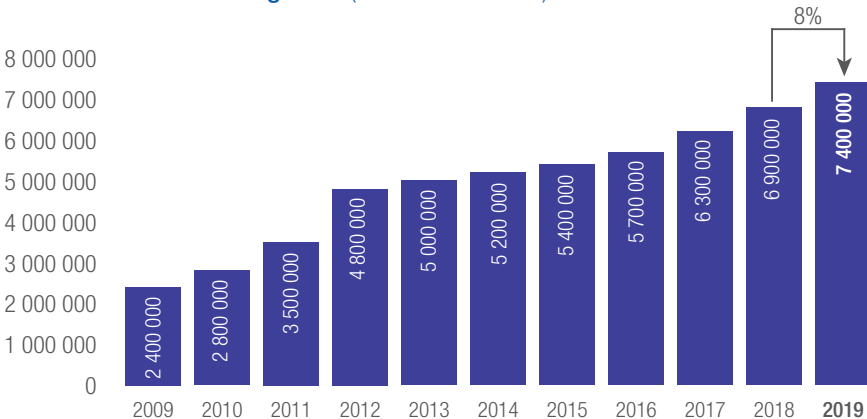


Overview

South Africa is one of the most attractive video markets on the continent due to several factors, including the size of its economy, the rising middle class, the position of TV as a platform, and the pay-TV penetration growth potential. MultiChoice South Africa caters for the entire spectrum of the market, from mass to premium, which also includes all genres of viewing preferences. Our customer-centric approach ensures that we operate a comprehensive video-entertainment ecosystem that comprises traditional pay-TV, OTT and other products such as movie rentals and streaming.

Despite a tough economic climate in South Africa, compounded by an uncertain political environment, we achieved subscriber growth of 511 500 subscribers, taking our total active subscriber base to 7.4m at the end of FY2019. Our DSTv brand is a household name in South Africa and enjoys considerable customer support. We measure performance in customer satisfaction metrics with an increase in our Net Promoter Score (NPS), an industry-leading loyalty score. During FY2019 our consumer satisfaction score (CSAT), measured by customer surveys, improved to 76%.

MultiChoice subscriber growth (active subscribers)



Currently, our subscriber base is concentrated in the mass- and middle-market sections. The trend of sustained growth in the mass market continues, while our middle-tier has stabilised with low percentage growth figures and our premium tier is showing declining growth.

We continue to focus on growing our share of the mass market, while delighting and retaining our existing customer base with our entertainment offering. We also aim to maintain operational excellence and agility to continue to deliver strong returns and cash flow for our shareholders.

MultiChoice South Africa performance summary

Metric	Unit	FY2019	FY2018	FY2017	FY2016
Active subscribers	million	7.4	6.9	6.3	5.7
Average revenue per user (ARPU)	R/month	322	335	346	339
Revenue	R'bn	40.4	40.2	31.8	29.1
Trading profit	R'bn	10.3	10.4	9.8	9.1





Our operations

OUR OPERATIONS

Our operations

- ▷ Top-ranking channels: Mzansi Magic, M-Net and kykNET
- ▷ Top-rated local productions: *Carte Blanche* (M-Net), *The River* (1 Magic), *Our Perfect Wedding* (Mzansi Magic), *I Blew It* (Mzansi Wethu) and *Boer Soek 'n Vrou* (kykNET)
- ▷ Sporting rights acquired/renewed: FA Cup, EFC Africa, BCCI International Cricket, Italian Serie A, 2023 Rugby World Cup, Vodacom Durban July, Masters Tournament
- ▷ SuperSport redesigned its flagship studio to coincide with the launch of the 2018 Fifa World Cup and hosted a pop-up channel dedicated to showcasing the best moments from previous tournaments



Content performance

Content is at the core of what we do. Our leading content offering has won multiple awards and covers all major genres and formats. Commissioning and producing local content are key to our strategy, and we believe this approach differentiates MultiChoice from our competitors. Our sport offering includes sporting rights in both the local and international markets, while we also have extensive production capabilities to cover local sporting events. Our access to international content assists in delighting our customers.

We offer content to our subscribers in tiered packages, each catering to customers' budgets. The DStv EasyView package is the most affordable and includes access to approximately 30 TV channels covering news, general entertainment, religious programming and free-to-air channels. Our DStv Compact, Family and Access packages provide access for middle- and lower-income groups.



OUR PERFORMANCE

OUR OPERATIONS continued

The Compact package is the most popular, and includes more than 100 TV channels, including two sport channels primarily dedicated to football. The Family and Access packages offer customers a selection of up to 75 TV channels, and a number of audio channels with the main focus on local content. The DStv Premium package targets individuals who want the best entertainment programming available. It includes 135 TV channels and more than 90 audio channels. Content includes sport, news, documentaries, international blockbuster movies, series, lifestyle programmes, kids' entertainment and a variety of music channels.

M-Net

M-Net is our general entertainment channel and seeks to be the leading African storyteller. During FY2019, M-Net channel 101 remained the most popular channel within the Premium segment. Sunday remains the strongest day on the channel due to local programming and the consistent performance of *Carte Blanche*. Viewers were also particularly excited by the launch of the second season of *The Wedding Bashers*. *My Kitchen Rules SA* season two celebrated its finale on 7 October 2018 and viewing during the December holiday season also performed well. The popularity of *Survivor South Africa* continues to boost the channel's performance, while *The Bachelor South Africa* exceeded all expectations.



Pop-up channels and movie festivals remain popular to audiences of M-Net Movies. M-Net Movies DC, showcasing blockbuster films from DC Universe, launched in November 2018. The first season of *Dancing with the Stars South Africa* ended on

22 April 2018. While the show attracted a dedicated audience and became a major hit, *The Voice* still outperformed the show. *MasterChef Australia* attracted the largest audiences, while Afrikaans soap operas remained popular.



1Magic

Our 1Magic channel remains popular. The channel achieves its popularity primarily through local content, with 11 of 20 shows being original productions. The channel's anchor telenovela, *The River*, as well as reality show *Marry Me Now* and *The Real Housewives of Johannesburg*, kept audiences tuned in. *Being Bonang* season two and the reality dating show, *Kheth' OMthandayo* were popular, while the channel's drama offering, *Unmarried*, also contributed to the channel's continued performance. The Saturday 'first-to-premium' slate of Mzansi weekday content also significantly boosted the performance of the channel.

Mzansi Magic

Within the Compact market, Mzansi Magic continues to hold audience share in prime-time. The telenovelas *Isibaya*, *The Throne* and *The Queen* continued to drive the channel's strong performance. *The Herd* also contributed to channel performance while



Our Perfect Wedding remains the best performing show on the channel. The new drama, *eHostela*, is also performing well.

Mzansi Wethu

Within the Access

market, Mzansi Wethu

received a boost with the reality show *I Blew It*, which is the channel's first M-Net original production in a while. In January 2019, the channel launched the second reality show *Seng'khathele*, which performed well. Mzansi Bioskop remained popular, while telenovelas *Isibaya*, and *Greed and Desire* contributed to the channel's performance.



kykNET

During FY2019, kykNET

maintained its position in

the Premium Afrikaans market. The channel

recorded strong and stable soap opera

performances with *Binnelanders* and

Suidooster, while *eNUUS* remained a top

performer on kykNET. The 12th season of

Boer Soek 'n Vrou kept audiences engaged,

while *Arendsvlei*, the channel's telenovela,

remained popular. The legal drama *Fynskrif*

and the drama *Spoorloos* performed well. The

programme *Kwêla* exceeded expectations in

its new timeslot on Sundays.

kykNET also launched a comedy incubator to find and invest in comedy writers, producers and directors. The launch was well received by audiences and collected 127 new comedy concepts from across the country. The eighth kykNET *Silwerskerm* festival held in Cape Town was particularly successful. It was attended by the festival director of the New York African Film Festival who expressed his admiration of the quality of the movie selection, and earmarked 10 kykNET short films to showcase at the next festival in New York.



SuperSport

The SuperSport

brand enjoys

instant brand recognition, which reinforces our position as a world-class sport broadcaster. To thrive in the ultra-competitive world of sport broadcasting requires a combination of rights to relevant content and the capability to deliver world-class productions on multiple platforms using the finest talent on offer. Sport is tiered on different packages in line with the group's business strategy. SuperSport has the capability to programme content by territory, thereby catering to the content needs of differing subscriber groups. We have a strong talent pool with exceptional creative expertise, and we consistently invest in developing skills to meet our local talent demands as well as the demands of international sport broadcasters. Our reputation for excellence enables us to attract some of the biggest names in sport, and our facilities are on par with the best in the world.



During FY2019, major sporting events included the UEFA Champions League final in May 2018, which we made available to all internet users free of charge via our mobile app. This resulted in unprecedented usage, followed by record usage as we showcased the Fifa World Cup on the app, an event which included our first-ever 4K sport stream. Between 17 December 2018 and 4 January 2019, SuperSport hosted a Showcase channel on channel 201. This event channel showcased the best sporting moments of 2018 alongside classic content and memorable documentaries from the past year. The channel was made available to all DStv subscribers.

By the end of the reporting cycle, SuperSport's total social media audience consisted of 17 610 000 fans, followers

OUR OPERATIONS continued

and subscribers. The focus for the digital team is to convert video views and engagement on our digital platforms into leads for the sales team.

The MultiChoice Diski Challenge (MDC) aims to support development in football and broadcasting. It includes a football challenge for the Premier Soccer League (PSL) reserve teams, broadcast internships, leadership training for coaches, and the opportunity for community channels on DSTv to air the matches for free. Currently in its fifth year, the MDC started the season with a new partnership between the PSL, MultiChoice and the South African Police Service (SAPS), focusing on using MDC as a vehicle to engage with young people on positive lifestyles.

The 21st staging of the Fifa World Cup was hosted in Russia between 14 June and 15 July 2018. To mark the importance of this global event, SuperSport redesigned its flagship studio to coincide with the launch. This included the installation of technology and cutting-edge architecture with multiple presentation areas. Central to the studio is a massive, custom-built LED screen offering exceptional image quality.

The broadcast of the 2018 Fifa World Cup was supported by the introduction of a dedicated 24-hour pop-up channel showcasing the best moments from previous Fifa World Cup events, and a daily live magazine show recapping all the goals and action from the day. Each of the 52 games were broadcast live featuring a 90-minute build-up and wrap on every match, pitch side crossings to our presenters in Russia, new state-of-the-art touch screens and augmented reality graphics from our studios,



as well as featuring some of the best African and international talent, including Dwight Yorke, Jay-Jay Okocha and Benni McCarthy. In addition, SuperSport provided viewers with five language options; English, Portuguese, Swahili, iSiZulu and SeSotho. *On the Ball*, SuperSport's first-ever digital-exclusive football show, was streamed live on Facebook before and during the Fifa World Cup, receiving over 5m views over 13 episodes.

Connected Video

OTT is a growing trend in the video-entertainment market globally with more and more consumers shifting to on-demand viewing on multiple devices. A key driver for this is the convenience for the viewer to be able to choose what and when to watch, which in turn is enabled through faster and more affordable broadband in combination with an increased number of connected devices such as smart TVs, game consoles and smartphones. MultiChoice is observing these same developments in South Africa. While the fixed broadband penetration is projected to remain low compared to the rest of the world for a longer period of time, the connected smartphone penetration continues to increase.

So while the OTT market is gaining traction, especially over mobile networks, and opens up new revenue streams for the group, we expect the traditional pay-TV market to continue to show growth for years to come.

In order to be ready for a future where broadband connectivity continues to improve and data prices fall further, we have over the past few years continuously increased our investments and capabilities in OTT and built a compelling offering. This includes DStv Now, a complementary service for DTH subscribers, and Showmax, our standalone subscription video-on-demand (SVOD) service. We also established the Connected Video business unit with the aim of consolidating our digital assets (Showmax





and DStv Now) and executing on our strategic objective to be the leading online viewing destination in Africa. During FY2019, we strengthened our OTT catalogue through closer partnership with our traditional pay-TV business, and the introduction of more first-run exclusive-to-Showmax titles such as *The Girl from St Agnes*. Our online platforms are gaining traction and during the year we doubled the number of monthly active subscribers across our online offerings.

DStv Now, BoxOffice and connected Exploras

The DStv Now service is available to all



DTH subscribers across subscription tiers, allowing customers access to channels and content at no extra cost on a variety of devices. The service includes a free tier available to anyone with an internet

connection, regardless of whether they are a subscriber or not, and saw excellent uptake and engagement during the year.

The service is focused on improving personalisation and recommendations for customers. To achieve that, we have made significant improvements to help customers find content quickly. We also extended our DStv Now service to new platforms such as Samsung, LG and HiSense smart TVs, allowing customers to enjoy the OTT experience on the big screen at home. We made essential improvements to the Android TV app, built a DStv Now app for the



XBox One and released a DStv Now app for Apple TV. The latter was so well received that it has occupied the number 1 spot on Apple's app store in both the free category and the entertainment category.

Other contributors to the performance of DStv Now included user experience and technical enhancements. We made substantial improvements concerning response times, stability, and platform capacity, to such an extent that we are now able to handle nearly three times as many simultaneous video streams as in the previous year, without incident. On 19 May 2018, DStv Now achieved record usage, primarily as a result of the FA Cup and the royal wedding.

Our flagship decoder, the award-winning DStv Explora, is changing the way our customers view and experience their entertainment. It uses intuitive software to provide customers access to an extensive library of content through services like DStv Catch Up and BoxOffice. During FY2019, we recorded 188 000 new connections for connected Exploras, bringing the total connected base to 495 000.

Showmax

During FY2019, we offered

Showmax free to Premium customers and discounted to Compact customers, resulting in excellent uptake of the product among the DStv subscriber base. Significant growth was also recorded in standalone subscriptions. The Vodacom Give-Zero-Bucks promotion launched in November 2018, which offered three months for free followed by a discounted price, as well as a joint campaign with Telkom helped to generate a significant number of new subscribers.

showmax

Showmax demonstrated strong growth in the subscriber base across categories, beyond expectations. Much of the success was driven by high-visibility marketing and partnership campaigns, followed by improvements in the offering for pay-TV subscribers. Owners of Explora decoders can access the service directly from their decoders, and several usability improvements were made to advance ease of use and access for these customers.

Showmax continues to improve across all brand-health measures, including:

- ▷ Awareness – whether people know about us
- ▷ Perceptions – what people think about us
- ▷ Propensity – whether people are considering using us

Our propensity score remains a competitive strength for Showmax as we continue to gain ground. On 14 December 2018,



A SHOWMAX ORIGINAL

TALI's
wedding diary

OUR PERFORMANCE

OUR OPERATIONS continued



Tali's Wedding Diary premiered on Showmax and achieved considerable media coverage. The show was awarded five South African Film and Television Awards (Safta) and is the first OTT show ever to receive a Safta.

In addition, the *Comedy Central Roast of Somizi* resulted in Showmax trending in South Africa on 7 May 2018 when the programme aired on Comedy Central.

DStv Media Sales

DStv Media Sales provides dynamic media solutions for



MultiChoice South Africa, handling commercial airtime, on-air sponsorships, content integration, and online sales across more than 130 channel brands on linear TV, VOD, social media and digital platforms. We rely on channel partners to provide content that is attractive to advertisers and sponsors, and we also depend on studio rights and technology to generate sustainable revenue. Operating in the advertising market for more than 30 years, our staff has extensive client networks. We have mature systems in place that enable media sales across campaign management, media reporting and scheduling.

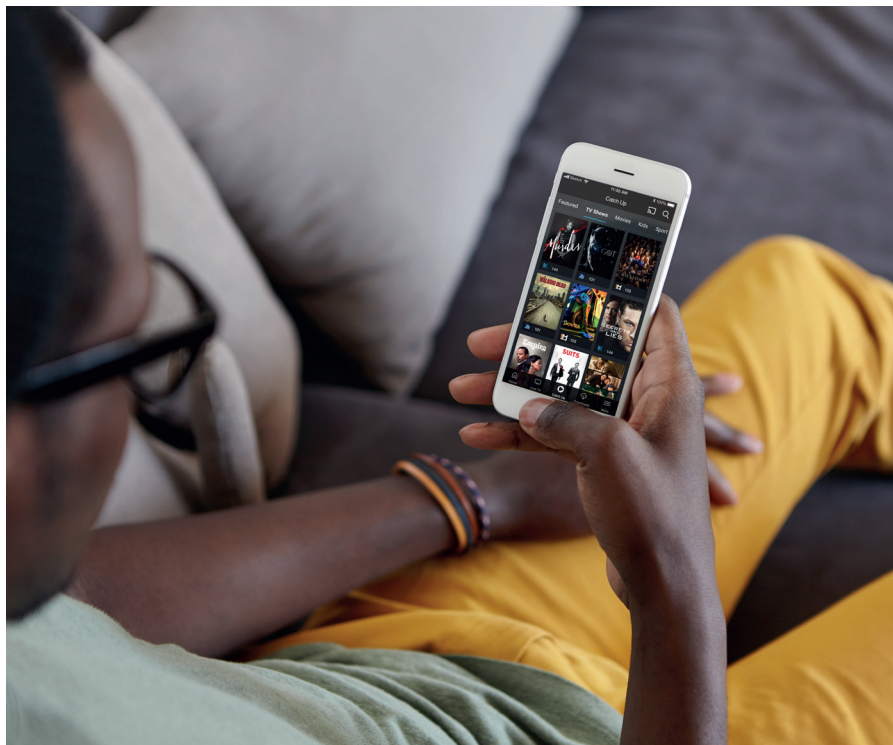


Technology

Investing in new technologies and platforms

Our platforms are designed to reach a large population of viewers across a range of consumer devices, from premium to mass market. We are at the forefront of anti-piracy techniques to safeguard our business. We continuously explore a variety of new technologies to enhance customer experience, including voice control, self-service platforms and AI. Other advancements include automated mechanisms that enhance the quality of our broadcast content and improve our production processes. We take the threat of cybersecurity breaches seriously and have invested in various technology and process improvements.

Our competitive landscape is fierce with global players such as Netflix, Amazon, YouTube, Facebook and iFlix offering alternatives in our territories. In addition, local streaming players like Kwesé, Cell C black and Vodacom VideoPlay have emerged. A significant differentiator for the MultiChoice South Africa group is the advanced functionality of the DStv Explora, supporting better video-encoding technology and enhanced functionality, including streaming of our Showmax service which is available via an internet-connected Explora. Our customers can add the monthly Showmax subscription to their DStv account.





Our
people

OUR PEOPLE

- ▷ Our leadership teams are diverse and proudly representative with 51% of management being black, 88% of the organisation comprising black talent, and 57% women
- ▷ Launched the #weseeyou campaign to facilitate recognition and collaboration
- ▷ Achieved 81% employee advocacy for our brands
- ▷ Spent more than R105m on skills development, 84% of skills development spent on developing black talent, with more than 45% invested in growing female talent

4 089

fulltime permanent
employees

R8.4m

bursary spend

R105m

skills development spend

R2.9bn

investment in wages
and salaries, excluding
payroll taxes

Overview

MultiChoice South Africa seeks to inspire South Africans by providing access to superior content and entertainment. Attracting and retaining the right people to achieve this goal is a key aspect of our strategy. We are passionate about creating a workplace where people are engaged and inspired, where they are able to develop and refine their skills, and where they can push the boundaries of innovation. Leading organisations start with winning cultures – we must therefore consistently strive to nurture an enabling environment so that our people can create the best solutions for our customers.

In recent years, we embarked on a 'future fit' transformation with the aim of revisiting our operating model and aligning our organisational structures to deliver on our strategy. This initiative enhanced our performance by increasing internal collaboration and improving proximity to the customer, building shared ways of working, and renewing and redeploying talent. It also enabled us to strengthen our investment in key areas such as digital content production, data science, AI and cloud platforms.

We actively seek to improve our people platforms and ways of working to ensure we attract and retain only the finest talent. Our human resources teams are committed to enriching the employee experience, facilitating leadership engagement with the organisation, and supporting innovation.

OUR PEOPLE continued

Key focus areas

- ▷ Grow diverse, representative talent in key areas of differentiation
- ▷ Succession plans for middle management ensure growth and continuity
- ▷ Living the MultiChoice way improves shared value for our stakeholders
- ▷ Managing changes in the labour legislation and regulations
- ▷ Continued focus on remaining future fit

Organisational culture

We promote a culture of openmindedness and freedom of expression, and encourage authentic conversations that challenge us to take action. During FY2019, we launched the #weseeyou campaign which makes use of key leadership-driven actions to improve agility and collaboration, and to support team members with digital skills development, career paths and cultivating a mature and agile mindset to leverage new technologies, trends and ways of working.

We encourage our teams to move beyond what is expected in both personal performance and team delivery, and we believe in rewarding high-performing behaviours. Our line managers and teams primarily use a mass collaboration platform to share and collect feedback concerning the quality of our customer service. We also use comparative insights from across MultiChoice to transfer insights and practices on effective teams and leadership styles.

Beyond quarterly and monthly business meetings, we host strategic dialogue platforms for leaders and key influencers to engage and interact. We recently refreshed key leadership behaviour for our next phase of growth and are in the process of

embedding these into our people practices. These robust engagements enable our leaders to onboard teams, and to foster a common understanding of our expectations.

Employee engagement

Building a culture of exceptional leadership is a critical enabler for an agile organisation. To reinforce the behaviour of authentic leaders, we have recalibrated our performance system to ensure greater alignment to our strategy, increased focus on the customer experience and commercial and financial performance. Each year we conduct an engagement survey to determine the effectiveness of our efforts. An independent partner facilitates the survey, providing anonymity for employees to voice their ideas and concerns. The aim of the survey is to better understand the levels of employee connection and advocacy. It also compares our group to international technology and media peer groups. Our score demonstrated an improvement in employee engagement as teams settle into new ways of working and adjust to our new operating model. This improvement is the result of combined efforts to prioritise the people agenda at MultiChoice.

In South Africa, we recorded improved engagement levels, with excellent participation, primarily driven by leadership interventions across our business areas. At M-Net, our teams reflected an 85% positive sentiment, with similar positive improvements in both SuperSport rising to 70% engagement and digital media sales teams coming through at 76%. In addition, 88% of employees indicated that they take pride in the organisation's products and customer-centric approach, scoring brand ambassadorship at its highest levels of 80%.

OUR PEOPLE continued



Talent management

Our intention is to grow our reputation as an employer of choice. We achieve this by hiring experienced specialists in key areas of our business, and developing a robust internal pool of talent to deliver on our strategy. Our talent management practices are founded on principles of transparency and equal opportunity in our hiring, performance and promotion criteria. We enable transformation with preference offered to candidates from historically disadvantaged and under-represented groups.

We obtain a holistic view of the health of our talent pool through peer performance engagement and assessment insights which, in turn, support our talent development, career path selection and succession plan efforts. We actively focus on improving the employee experience journey and use social media engagement and early supportive networks to improve team cohesion.

Our collaboration with educational institutions is a critical enabler of talent recruitment, and we also use targeted campaigns to attract experienced candidates. We developed

mature sourcing strategies and retention approaches to secure scarce skills in the storytelling and digital space.

Skills development and training

At MultiChoice South Africa, we recognise the importance of facilitating ongoing professional development for our employees. We expanded our development offering to specific groups such as early talent, specialist experts and fast-track employees by providing training in creative storytelling, customer experience, digital technology, data science and leadership for the modern age. Development is encouraged through consistent dialogue between leaders and teams, including mentoring, rotational programmes, and on-the-job development experiences.

We recorded 29 670 enrolments on our learning platform with the average number of courses taken on at a high of 5.2 per learner. The majority of these courses are focused on compliance, engineering, technology and product, followed by customer and service operations. Our international platform includes language learning as well as technical and

OUR PEOPLE continued

soft-skills training courses, open to all employees. In addition, the online programmes enable employees to build meaningful development plans that meet their career goals and track progress. We continue to innovate new learning solutions in order to support our employees at all levels of the organisation as they strive to achieve their long-term career aspirations.

In our South African businesses we have spent more than R105m on skills development and R18.8m on formal training, of which 84% related to developing black talent and 45% focused on female contributors, with a focus on specialist and entry-level talent. We have invested over R8.4m in bursaries in the review period. Our learnerships combine vocational learning with practical and workplace experience aligned with the National Qualifications Framework (NQF). A total of 214 learnerships were offered to unemployed people with disabilities as we continue to drive a greater inclusive environment.

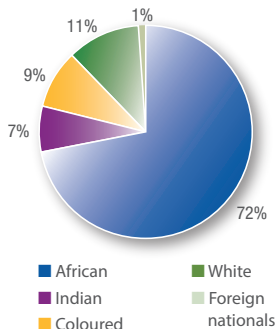
Diversity and inclusion

Employment equity cannot be achieved without robust diversity management practices. We believe diversity gives us a

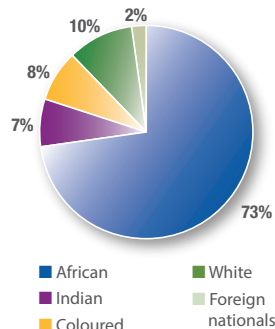
competitive advantage and aids in decision-making and problem-solving to provide the best solutions for our customers. All employees are treated equally and respectfully, and every effort is made to support them in doing their work effectively. We are committed to inclusive growth and development and to create opportunities that support the continued transformation of our organisation.

Our employee profile comprises 57% women and 43% men, demonstrating an improvement as compared to the prior year. We promote an inclusive, bias-free culture and continue to deliver on our commitment to transformation and inclusive growth. Our leadership teams are diverse and proudly representative, with 51% of top and senior management being black, 40% women and 88% of the MultiChoice South Africa group comprising black talent. With continuously improving efforts 40% of our top and senior management across the MultiChoice South Africa group is female. Future focus areas include growing female inclusion in management and across the organisation with specific focus on the sport side of our business, and investing in developing black ICT skills.

All employees 2018

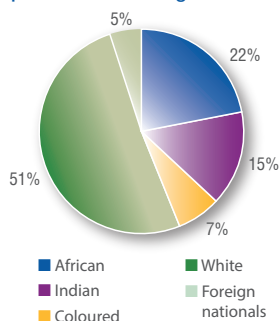


All employees 2019

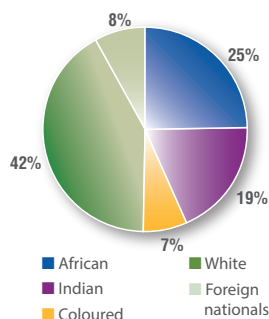


OUR PEOPLE continued

Top and senior management 2018



Top and senior management 2019



Safety, health and wellbeing

It is our priority to ensure a safe and healthy working environment for all our employees. We recognise the link between the health and wellbeing of our people, and our business success. When employees feel healthy, respected and cared for, we observe increased productivity, authentic engagement, continued innovation and superior customer satisfaction. To facilitate this, we invest in employee benefit programmes and services that have a meaningful impact.

We take great care to minimise or eliminate injuries in the workplace, and to ensure our consistent compliance with health and safety regulations. Appropriate medical emergency and disaster-recovery plans are in place at all our offices. Given the nature of our business, our health risks are primarily linked to employee lifestyle diseases, including hypertension, diabetes and stress management. Through annual wellness days and ongoing awareness campaigns, we emphasise the importance of a balanced, healthy lifestyle.

In South Africa, our Randburg office has a comprehensive onsite wellness centre accessible to all employees, offering

cost-effective, convenient and confidential medical care from an onsite nurse and doctor, as well as a beautician, physiotherapist, dietician and optometrist. Our Cape Town, Durban and Umhlanga offices also have onsite clinics.

Membership of our retirement fund is mandatory to ensure our employees plan and save for their retirement. Awareness and education sessions help employees to prepare for life's eventualities, including retirement, death, disability, dreaded diseases and more. MultiChoice South Africa operates a Montessori nursery school for the children of employees and makes an early-childhood-development subsidy available for children from the ages of three months to six years. Other benefits include a unique lifestyle programme with access to a 24-hour virtual assistant that provides a variety of services, including a 24/7 emergency service and free legal and financial advice. We support a mobile workforce, including online collaboration tools, and video-conferencing facilities to enable employee connection and improved wellness through greater work-life balance, and reducing the strain caused by excessive travel.



Our customers

OUR CUSTOMERS

▷ Achieved 76% on consumer satisfaction score

▷ Achieved 94% on service level scores

Overview

We recognise customer centricity as a concept that is embedded in every activity of our business. We are committed to delivering exceptional experiences at every touchpoint – from our walk-in customer service centres to our integrated online self-service platforms. We value authentic communication and feedback and seek to provide our customers with superior service.

Our customer care function is responsible for supporting our customers with account, technical and content queries via the inbound call centre, walk in centres and digital customer care channels. We continuously track and analyse our interactions to improve on the services we provide, and the way customers experience our brands. Our efforts include digitising interactions across the customer journey to enable self-service, streamlining payment and collection processes, and improving our internal capabilities to handle customer queries. In addition, we seek to retain our customers through special offers, particularly on hardware and value-added content services, so as to remain competitive in the market.

Customer service and loyalty metrics

We measure our service levels, Net Promoter Score (NPS) and customer satisfaction to evaluate the effectiveness of our customer service efforts. During FY2019, our CSAT, measured by customer surveys, improved to

76%. Our service levels are measured by how quickly we answer calls and resolve a customer query on the first interaction. We achieved an average of 94% for the period under review. Our NPS reflects the willingness of customers to recommend our brand, and results indicate that MultiChoice South Africa tracks well above the industry average. We continue to transform our customer experience by simplifying complex business processes, reducing customer effort, and using AI to automate non-value-adding transactions and optimise self-service.

Using social media to engage with our customers

We make use of our social media platforms not only to push information to customers, but also as a tool for dialogue to gain feedback on the quality of our customer relationships. We use these channels to tell brand stories, educate our customers about products and services, and improve our online searchability.

Social media forms an important part of how our customers consume and engage with our content: MultiChoice has created a unique 'second-screen' phenomenon, in that while watching content on our various platforms, customers also discuss shows and their feelings emanating from these on various social media platforms. We position ourselves in conversations to capture moments of truth and engage our customers on improving their experience. DStv and each of our brands have dedicated social media platforms.

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Our regulatory landscape

OUR REGULATORY LANDSCAPE

- ▷ The regulatory environment is becoming increasingly complex
- ▷ Our approach remains one of positive and proactive engagement

Overview

MultiChoice South Africa is regulated and therefore subject to significant legislative and regulatory oversight. As the regulatory environment becomes more complex and onerous, the impact and importance of managing risk increase.

Our approach remains one of positive and proactive engagement with the relevant regulatory authorities.

The inquiry by the Independent Communications Authority of South Africa (Icasa) into competition in the pay-TV sector is ongoing. The regulator also commenced a process to review the regulations governing

sporting events of national interest. We have made representations and are actively engaging with Icasa on these two regulatory processes.

On the legislative front, we participated in public processes to amend key legislation governing competition, copyright and performers' rights, film classification, and the electronic communications sector.

We continue to monitor the national digital migration project. While we have observed some developments, we remain concerned at the slow pace of finalising this matter and the effect it has on our terrestrial service offerings.



Our social and environmental contributions

OUR SOCIAL AND ENVIRONMENTAL CONTRIBUTIONS

- ▷ We spent R90m on significant social investment projects during 2019
- ▷ Our Let's Play initiatives reached more than 1.6m learners over the last four years
- ▷ Over 100 players have played for national teams as a result of the MultiChoice Diski Challenge
- ▷ SuperSport Wheelchair Basketball Series is the only televised domestic wheelchair basketball competition in the world
- ▷ We invested R188m in loans and grants, benefiting 24 businesses
- ▷ 50 students from 12 institutions benefited from the Magic in Motion bursary

Overview

As a proud contributor to the socio-economic development of South Africa, we recognise the value we can create for shareholders, employees and communities while being mindful of the sustainability of our planet. We primarily focus our social investments on developing the youth and recognise the opportunity we have to use our resources and expertise to benefit society. We aim to

make a measurable, sustainable impact while retaining the loyalty and pride of our audiences. We also seek to minimise our impact on the environment by reducing our carbon footprint, minimising waste, and complying with all relevant environmental legislation. During FY2019, we spent R90m on social investment projects and other initiatives.

Material financial investments

Project	2019 Investment	2018 Investment
SuperSport Let's Play	R3m	R2.5m
SuperSport Rugby Challenge	R20m	R20m
MultiChoice Diski Challenge	R43m	R43m
M-Net MiM Academy and bursaries	R11m	R8m
Community TV upgrades	R5m	R5m

OUR SOCIAL AND ENVIRONMENTAL CONTRIBUTIONS continued

SuperSport Let's Play initiatives

Now in its second decade, SuperSport's flagship CSI initiative, Let's Play, has a multi-pronged strategy to encourage young people to be physically active and to participate in sport. Through sponsored sport facilities and equipment as well as coaching clinics, competitions and training, SuperSport encourages young people to take part in healthy activities. Not only does this improve their physical wellbeing, but, as has been proven scientifically, it also strengthens social skills and enhances psychological development. Let's Play initiatives reach schools and communities across the country. Let's Play is positioned as an implementation partner of the Department of Basic Education and has aligned its programmes to the strategic objectives of Sport and Recreation South Africa (SRSA). The success of the initiatives is due to numerous factors such as the support of donors and sponsors, endorsements from government and a vibrant working relationship with Unicef. The programme now reaches over one million children annually. Among the programmes of Let's Play are:

▷ The **Let's Play Physical Education Challenge**, a custom programme designed to reinforce the instruction of curriculum-oriented physical education in primary schools throughout the country. The challenge is aimed at promoting an active, healthy lifestyle from an early age and developing a passion for playing sport. It is one of the biggest schools' sport initiatives of its kind, having reached 1 947 primary schools, engaging over 1.5m learners and provided physical education training to about 4 000 educators.

CASE STUDY

Not even losing his leg three years ago in a tractor accident stopped a young boy from J J Booysen Primary School in Loxton,

Northern Cape, from participating in the Let's Play Physical Education Challenge. Peter John Constable joined his fellow classmates in this challenging course with the odds against him. He not only completed the course, he thoroughly enjoyed it and competed with a smile. With such a positive attitude, nothing is impossible!

- ▷ The **Let's Play Playing Fields Project**, in collaboration with our partners, donates and constructs basic sport playing fields at schools in some of South Africa's most disadvantaged communities. To date, 22 schools have received playing fields with 105 schools within the immediate communities sharing these facilities. Close to 100 000 children participate in weekly sport programmes at these facilities with 315 educators trained in physical education.
- ▷ The **Let's Play Schools Rugby Project** is aimed at creating a sustainable rugby culture by sharing the fun of the game with as many under-nine boys and girls as possible. It encourages clusters of schools to host their own leagues. More than 2 000 primary schools across South Africa have been involved in this project reaching more than 60 000 boys and girls with various formats of the game. More than 4 000 educators have been trained in Boksmart/Bokmedic programmes and mini-rugby.

OUR SOCIAL AND ENVIRONMENTAL CONTRIBUTIONS continued

MultiChoice Diski Challenge

The MultiChoice Diski Challenge (MDC) is a football development programme that creates opportunities for young, aspiring footballers to become professionals and to enhance their life skills. The initiative also creates platforms for the development of interns interested in a career in broadcasting. Currently in its fifth season, 572 football matches have been played. Over 150 players participating in the league have represented national teams at various age groups. More than 170 broadcast trainees worked on screening 140 of the matches live on SuperSport and community TV stations. In addition, we partnered with six community channels to provide live content rights free of charge. Since inception, the MDC has reached more than 500 young footballers per season, with more than 120 being promoted to the Premier Soccer League (PSL) since 2014, including stars such as Percy Tau, Lyle Foster, Sphesihle Ndlovu and Teboho Mokoena.

SuperSport Wheelchair Basketball South Africa series

Our commitment to making a difference to local sport goes beyond supporting mainstream sport such as rugby, cricket and football. For more than two decades, SuperSport has sponsored the wheelchair basketball series, the world's only televised domestic wheelchair basketball series. Through television coverage and cash investment, the sport has attracted additional funding and secured a sustainable future for players, coaches, referees and administrators. Not only does this series provide an opportunity to participate in a sport for someone in a wheelchair, but this coverage also shows the viewing public that people in

wheelchairs can still play sport – empowering persons with disabilities and educating the public. As the series tagline states: “It’s not just a game, it’s a way of life!”

CASE STUDY

“After South Africa’s success at the 1996 Paralympics, I got chatting to SuperSport and threw down the gauntlet in terms of exposure for sport

for people with disabilities. I was invited to submit a proposal and chose wheelchair basketball. I love team sport, and this is so fiercely competitive that I knew it would be TV-friendly. That was 21 years ago; the rest is wonderful history. Players have become household names and role models in their communities. The standard of the game has improved dramatically – there are opportunities to play for the country and travel to world competitions. It has made a huge difference.”

– **Andy Scott**, *paraplegic, Paralympian, sports administrator and commentator*



OUR SOCIAL AND ENVIRONMENTAL CONTRIBUTIONS continued

SuperSport United Academy

The SuperSport United Academy is a leading youth soccer development programme aimed at fast-tracking stars of the future through preparation for professional football. The academy is home to over 30 fulltime players who receive full board and lodging, world-class coaching under the auspices of our international Dutch technical director, high school and tertiary education, full scientific support and medical attention as well as life skills and media training.



To date, over 70 players have graduated from the academy and progressed to play for Premier Soccer League (PSL) and National First Division (NFD) clubs in the National Soccer League. Currently, 10 former academy players are part of the SuperSport United senior squad in the PSL and many of our academy players play in various national age-group teams.

Teboho Mokoena, who played in the 2017 CAF U-20 Africa Cup of Nations tournament, is now a star player in the PSL. Bafana

Bafana and SuperSport United goalkeeper, Ronwen Williams, joined the academy at the age of 12 after being spotted by Godfrey Mosoetsa in his hometown in Port Elizabeth and is today ranked among the top goalkeepers in the country. Luke le Roux scored the winning goal to send the South African U-20 team to the Fifa U-20 World Cup for only the second time in history. We also boast current Brentford captain, Kamohelo Mokotjo, as an early graduate of our academy after joining at the age of 11 and transferring to the Netherlands as an 18-year-old.

One exciting spin-off from the academy is the introduction of the SuperSport United Soccer Schools operating throughout the country. The soccer schools provide coaching to over 8 000 young players every week, of which 2 000 are fully sponsored by the club. The club currently has an 83% retention of top talent from our soccer schools within our youth and junior academy structures which proved to be a noteworthy drawcard for top young talent in the country. The soccer schools are also a business opportunity for former players and young entrepreneurs with a passion for soccer.



OUR SOCIAL AND ENVIRONMENTAL CONTRIBUTIONS continued

Caddies Educational Trust

The SAB Caddies Educational Trust enables the children of golf caddies and the caddies themselves to apply for financial assistance to further their education. SuperSport contributes financially towards the trust and serves on its board of trustees. The first education grants were awarded in 2008 with funds used to pay for education, school uniforms, stationery and textbooks. Since then, more than 200 individuals have received funding for education at various levels, including primary, secondary and tertiary education. More than R4.5m has been paid out over the years. A total of 14 beneficiaries have successfully completed tertiary diplomas and three have obtained degrees, with Aubrey Mkhwanazi attaining his LLB degree in 2018 and Malakiya Nkhumeleni already having three distinctions under his belt towards his Bachelor of Earth Sciences in Hydrology.

Magic in Motion Academy

Through the Magic in Motion (MiM) Academy, M-Net provides young film producers with an opportunity to work with industry experts for hands-on experience. Over the past four years, 57 academy interns participated in the programme, and produced and directed 16 original Mzansi Magic films as part of their training. In addition to on-the-job and filmmaking training, interns undergo an intensive development programme with Henley Business School. Successful graduates from the class of 2016, Aluta Qupa, Mbali Zulu and Thembelethu Mfebe, established a production company, A Tribe Called Story, that has to date delivered five



movies and a 13-part series, commissioned by Mzansi Magic. Another group of students from the class of 2017, Xolani Nhlapho, Thabo Mashaila and Neo Sibiya, established a production company, Centric Circus, that has to date produced three movies for Mzansi Magic. Altogether 50 students from 12 institutions benefited from the MiM bursary. MiM continues to make a direct contribution to skills in the film and television industry, empowering the next generation of storytellers.

Socio-economic transformation

The MultiChoice South Africa group considers enterprise and supplier development a key enabler to the transformation of the country, both from an economic and social perspective. To this end, we established the MultiChoice Enterprise Development Trust in 2012 as an investment vehicle for local media and production industries. To date, we have committed R188m in loans, grants and business development expenses to assist 24 businesses to acquire expertise and equipment.

During FY2019, we allocated R10.3bn to preferential procurement, including R3.4bn to small and medium enterprises and R1.7bn to suppliers with black female ownership of at least 30%. We also contribute substantially to socio-economic development through our focus on local content. We produce a compelling range of authentic local content to enrich and empower communities. As part of our commitment to empowerment, MultiChoice South Africa also issued new shares to the Phuthuma Nathi companies effective from 4 March 2019 for no consideration payable, increasing their stake from 20% to 25%. The value of this transaction was R2.6bn.

OUR SOCIAL AND ENVIRONMENTAL CONTRIBUTIONS continued

Minimising our impact on the environment

Although MultiChoice South Africa is classified as an organisation with a low impact on the environment, we acknowledge the important role we can play in society. Our environmental management policy aims to embed our environmental management system in all our business activities, and we comply with existing environmental legislation while continually updating our internal standards of conduct to ensure they remain relevant. Our operations focus largely on electronic devices such as decoders, and these processes generate fewer emissions and less waste overall. Most of our office buildings were either designed to be environmentally friendly or, where possible, retrofitted for energy and water efficiency.

Our primary impact arises from the use of coal-fired electricity, or other fuels such as diesel, to power generators during electricity outages. Our sizeable workforce also uses water and generates waste. Water scarcity is an issue of particular concern in South Africa, and our facilities continually monitor the use of natural resources, as well as trends and environmental impacts. We are acutely aware of the impact of rising tariffs for water and electricity and implemented a number of initiatives to improve our efficiency. These include:

- ▷ energy-efficiency and energy-saving measures for electricity, air-conditioning, heating and ventilation or investing in green infrastructure
- ▷ waste-reduction initiatives, including recycling paper, cans, plastic and e-waste, and responsibly disposing of e-waste, and
- ▷ reducing and recycling water.

We achieve this through our green accredited buildings, low-water-use taps, dual-flush toilets and pressure reducers, as well as by educating employees and guests on

water-use efficiencies. We monitor global and local trends in environmental sustainability for possible opportunities. Through continual improvement and sustainable technological innovation, we create solutions that minimise our impact on the environment.

Carbon footprint

The MultiChoice South Africa group measures its carbon footprint from scope 1 and 2 emissions in accordance with the Greenhouse Gas Protocol. Our carbon footprint for FY2019 has decreased to 54 949 tonnes of CO₂e, with the largest contributors being electricity, accounting for 100% of scope 2 emissions (96% of total emissions). We have installed generators to ensure a continuous supply of electricity and to mitigate the risk of disruptions.

Specific initiatives to reduce energy use include:

- ▷ light motion sensors in buildings and basements
- ▷ energy-efficient chillers
- ▷ heat pumps for hot water
- ▷ LED lights with daylight harvesting
- ▷ standalone air-conditioning units with energy-efficient inverter technology
- ▷ solar panels, and
- ▷ gas stoves in canteens.

Waste management

Responsible waste management is an important part of our environmental strategy. Given the nature of our business, our focus is on reducing pollution, which includes fewer harmful chemicals and lower greenhouse gas emissions. Initiatives include:

- ▷ sorting and recycling of office waste
- ▷ disposing of e-waste through an e-waste vendor, and
- ▷ harvesting grey water from our offices.



Green Star-rated building

The MultiChoice City building has a 5-star rating from the Green Building Council of South Africa. Key points include:

- ▷ management of building tuning, environmental and waste
- ▷ indoor environment quality – ventilation rates, air-change effectiveness and volatile organic compounds
- ▷ energy – greenhouse gas emissions, energy sub-metering, lighting power density, lighting zoning and peak energy-demand reduction
- ▷ water – occupant amenity water, water meters, landscape irrigation and heat-rejection water, and
- ▷ materials – use of environmentally friendly material.

Video-conferencing facilities

We encourage our people to utilise video-conferencing facilities, as a key benefit of video conferencing is reduced air travel, which benefits the environment by lowering associated carbon emissions.

DIRECTORATE



Francis Lehlohonolo Napo (Nolo) Letele (69)

Executive director/Chair of the board

Appointed: 2010

Qualifications: BSc(Hons) (Electronic Engineering, University of South Hampton, UK)

Experience: Nolo joined M-Net in 1990 and pioneered MultiChoice's expansion outside South Africa. In 1999, he was appointed chief executive of MultiChoice South Africa, and later served as the MultiChoice South Africa group chief executive until 2010, when he was appointed executive chair of the MultiChoice South Africa Holdings board. He has received numerous awards for his expertise in the media field, including the lifetime achievement prize for media development in Africa (Millennium Excellence Foundation).

Notable external directorships:
Naspers Limited



Khulu Bransby Sibiya (71)

Independent non-executive director/Lead independent director

Appointed: 2007

Qualifications: Diploma (Journalism and Management, Michigan, USA)

Experience: Khulu was a senior reporter for the Detroit News in Michigan where he obtained a diploma in Journalism and Management. A former council member of the University of Johannesburg, who served on various committees, including audit and risk committees, chair of naming and renaming committees, honorary doctorates, and Ellen Kuzwayo committees. He is the chair of the SuperSport United Football Club. He was editor-in-chief of the City Press newspaper, senior general manager (consulting) of Media24, former chair of M-Net and SuperSport International Holdings and director of MIH Holdings.



Calvo Phedi Mawela (43)

Chief executive officer

Appointed: 2018

Qualifications: BSc (Electrical Engineering, Durban Westville University); MAP (Wits Business School); postgraduate diploma (Economics for Competition Law, King's College, UK)

Experience: Calvo joined MultiChoice in 2011 and was recently appointed as new group CEO for the MultiChoice group, including leading brands M-Net, SuperSport, Showmax, Irdeto and MultiChoice. He started his career at Sentech as an electronic engineer and went on to further his career at Icasia where he led the broadcasting spectrum division. He has held various senior roles in the MultiChoice group from Orbicom to MWEB. He also served on a number of ministerial advisory task teams including a councillor on the Digital Migration Advisory Council of the Minister of Communications. Previous to assuming his current position, he was the group executive for policy and regulatory affairs at Naspers Video Entertainment.



Timothy Neil (Tim) Jacobs (50)

Chief financial officer

Appointed: 2018

Qualifications: Chartered Accountant (South Africa); Higher Diploma (Accounting, Rhodes University); BCom

Experience: Tim was previously MultiChoice South Africa group and Video Entertainment segment CFO for approximately two years, following another two-year term as the chief executive officer for MultiChoice Africa Limited. After that, he was appointed interim chief financial officer for Altron Limited. Tim's previous positions include chief financial officer of Nampak Limited and chief financial officer of Transaction Capital Limited.



Donald Gordon (Don) Eriksson (74)

Non-executive director

Appointed: 2007

Qualifications: Certificate in the Theory of Accounting, University of the Witwatersrand; CA(SA)

Experience: Don is an honorary life member of the Institute of Directors of Southern Africa (IoDSA). He is currently chair of Oakleaf Insurance Company Limited, Renasa Insurance Company Limited, NMS Insurance Services Limited, and a director of Naspers Limited and Coface Insurance Company Limited. He was a partner at PricewaterhouseCoopers Inc. and an executive director of the Commercial Union Group.

Notable external directorships: Oakleaf Insurance Company, Naspers Limited.



Salukazi Dakile-Hlongwane (68)

Independent non-executive director

Appointed: 2007

Qualifications: BA (Economics and Statistics, National University of Lesotho); MA (Development Economics, Williams College, Massachusetts, USA)

Experience: Salukazi is the chair of Nozala Investments Proprietary Limited, a broad-based women-owned and led investment company representing over 500 000 direct/indirect women beneficiaries, which she co-founded in 1996. Her career includes 30 years with Lesotho National Development Corporation, African Development Bank (Abidjan Côte d'Ivoire), Development Bank of Southern Africa, FirstCorp Merchant Bank and BOE Merchant Bank.

Notable external directorships: Nozala Investments, Sasol Oil, PPC SBP.

DIRECTORATE continued



Elias Masilela (55)

Non-executive director

Appointed: 2015

Qualifications: BSocSci (Economics and Statistics, University of Swaziland); MSc (Economic Policy and Analysis, Addis Ababa University). He also trained with Harvard University

Experience: Elias previously served as the CEO of the Public Investment Corporation Limited, the head of policy analysis at Sanlam Limited and the deputy director general at the Department of National Treasury. He is also chair of Ingagaru Property Investments. Elias is a former board member of the South African Reserve Bank, Government Employee Pension Fund and United Nations Global Compact. He holds a Bachelor of Social Science in Economics and Statistics from the University of Swaziland and a Masters in Economic Policy and Analysis from Addis Ababa University.

Notable external directorships:

Alternative Prosperity Holdings, Strate, Absa Financial Services as well as the Eskom Pension and Provident Fund. Elias is a former board member of the South African Reserve Bank, Government Employee Pension Fund, UN Global Compact – among others – and CEO of the Public Investment Corporation.



Jabulane Albert (Jabu) Mabuza (61)

Non-executive director

Appointed: 2019

Qualifications: Honorary Doctorate of Commerce

Jabu was previously the Group Chief Executive Officer and later the Deputy Chairman of Tsogo Sun Holdings Limited. Jabu recently retired as Chairman of Telkom SA SOC and as President of Business Unity South Africa.

Notable external directorships:

He currently serves as chair to the board of Sun International Limited and the chair of several other companies including Anheuser-Busch InBev/SAB Miller – Africa, the Casino Association of South Africa and Eskom SOC Ltd. Outside South Africa, Jabu has served on several companies boards covering various industries and has a wide array of organisational memberships in South Africa and abroad. In 2017, an Honorary Doctor of Commerce degree was awarded to Jabu by the University of Witwatersrand in recognition of his entrepreneurship achievements and his contribution to the South African economy.



Kgomotso Ditsebe Moroka (64)

Non-executive director

Appointed: 2007

Qualifications: BProc (University of the North); LLB (Wits)

Experience: Kgomotso is the founder of New Seasons Investments Holdings. She serves as chair of the board of directors of Royal Bafokeng Platinum Limited. She has also served as the chair of M-Net's Phuthuma Trust and Gobodo Forensic and Investigative Accounting. Kgomotso is also a trustee of the Nelson Mandela Children's Fund and Hospital, as well as The Apartheid Museum. She is a senior counsel of the High Court of South Africa.

Notable external directorships:

Standard Bank Group Limited and Network Healthcare Holdings Limited. She is the chair of Royal Bafokeng Platinum. Kgomotso is a trustee of the Nelson Mandela Children's Fund and Hospital and The Apartheid Museum.



Louisa Stephens (42)

Non-executive director

Appointed: 2018

Qualifications: BBusSci and BComHons (RAU); CA(SA); CD(SA)

Experience: Louisa is a qualified chartered accountant, chartered director and a graduate of the University of Cape Town and Rand Afrikaans University (University of Johannesburg). Louisa is an independent financial trader and also serves as an independent non-executive director of listed and unlisted company boards. She held a position as the uMnotho Fund Manager at the National Empowerment Fund, where she managed a fund that provided acquisition, expansion and project finance for black-owned SMEs. She is a former investment banker at Rand Merchant Bank and was general manager of the investment and finance divisions of Nozala Investments.

Notable external directorships: African Bank Holdings, Royal Bafokeng Platinum, The Institute of Directors in Southern Africa.



John James (Jim) Volkwyn (61)

Non-executive director

Appointed: 2007

Qualifications: BComHons and CA(SA)

Experience: He has been a director of MultiChoice South Africa since March 2007. He previously served as CEO of the Naspers's global Video Entertainment platforms. He holds a Bachelor of Commerce (Honours) from the University of Cape Town and is a chartered accountant (South Africa).



Stephan Joseph Zbigniew (Steve) Pacak (64)

Non-executive director

Appointed: 2006

Qualifications: BAcc (University of the Witwatersrand); CA(SA)

Experience: Steve is also a director of the MultiChoice Group Limited and has previously served in various executive positions in the group.

Notable external directorships: He currently serves as a non-executive director on the Naspers board and previously served as the financial director of Naspers.

CORPORATE GOVERNANCE REVIEW

Our board Composition

MultiChoice has a unitary board that fulfils oversight and control functions. The board charter shows a clear division of responsibilities. As required by King IV the majority of board members are non-executive directors. To ensure no one individual has unfettered powers of decision-making and authority, the roles of the chair and chief executive are separate.

At 31 March 2019, the board comprised nine non-executive directors, and three executive directors. Of the nine non-executive directors, three are categorised as independent when considering the independence assessment indicators set out in King IV. Four of the non-executives have dual memberships on the MultiChoice Group Limited (MultiChoice Group) board and are thus non-independent at a MultiChoice South Africa level even though considered independent at a MultiChoice Group level. The board is of the view that the aforesaid does not in itself remove the board's ability to make unbiased independent judgements in the best interests of MultiChoice South Africa.

During FY2019, Imtiaz Patel stepped down as CEO and is currently serving as executive chair of MultiChoice Group. Calvo Mawela was appointed CEO on 1 November 2018. Uvashni Raman, who served as CFO for MultiChoice South Africa since 2016, resigned and Tim Jacobs was appointed CFO on 1 November 2018. Louisa Stephens and Octavia Matloa were appointed as independent non-executive directors on 6 August 2018. As a result of the unbundling, Bob van Dijk resigned from the board with effect from 2 January 2019. Octavia Matloa's appointment terminated on 8 July 2019.

Jabulane Albert (Jabu) Mabuza was appointed by the board as a director with effect from 5 July 2019.

How the board adds value

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

The chair of the board

The chair, Nolo Letele, is an executive director. The chair is not a member or chair of a board committee but attends committee meetings by invitation when required.

Khulu Sibiya, an independent non-executive director, serves as lead independent director in all matters not dealt with by the executive chair, including:

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

The chief executive

Board authority conferred on management is delegated through the chief executive, in line with approved authority levels.

The chief executive is responsible for the implementation of strategies and policies set by the board across the group.

Company secretary

The company secretary 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, and she maintains an arm's length relationship and is not a member of the board. The company secretary plays a role in the company's governance and ensures that, in line with pertinent laws, the proceedings and affairs of the board, the company and, where

appropriate, shareholders are properly administered. The company secretary attends all board and committee meetings.

The independence and performance of the company secretary is assessed annually in accordance with the company's annual performance review process.

Rochelle Gabriels resigned as company secretary with effect from 1 April 2019 to focus her full attention on her role as the MultiChoice South Africa group chief financial officer and Donna Dickson has been appointed as the company secretary with effect from 1 April 2019.

Board meetings and attendance

The board meets at least four times a year and when specific circumstances require.

Name	Board attendance FY2019				
	11 Apr 2018	8 Jun 2018	6 Aug 2018	7 Sept 2018	9 Nov 2018
Nolo Letele	✓	✓	✓	✓	✓
Imtiaz Patel	–	✓	✓	✓	–
Calvo Mawela	–	–	–	–	✓
Tim Jacobs	–	–	–	–	✓
Don Eriksson	✓	✓	✓	✓	✓
Kgomotso Moroka	✓	✓	X	✓	✓
Louisa Stephens	–	–	–	✓	✓
Elias Maselela	✓	✓	✓	✓	✓
Jim Volkwyn	✓	✓	✓	✓	✓
Steve Pacak	✓	✓	✓	✓	✓
Khulu Sibiyi	✓	✓	✓	✓	✓
Octavia Matloa	–	–	–	✓	✓
Salukazi Dakile-Hlongwane	✓	✓	✓	✓	✓
Uvashni Raman	✓	✓	✓	✓	–
Bob van Dijk	✓	✓	✓	✓	✓

✓ Attended

X Not attended

– Not applicable

CORPORATE GOVERNANCE REVIEW continued

Orientation and development

An induction programme for new members of the board and key committees is specifically tailored to the needs of individuals. The company secretary assists the chair with the induction and orientation of directors and arranges specific training if required.

Conflicts of interest

Potential conflicts are appropriately managed to ensure candidates 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 and employees must also adhere to a policy on trading securities of MultiChoice South Africa's holding company, MultiChoice Group Limited.

Independent advice

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

Board committees

While the board remains accountable for the performance and affairs of the company, it delegates certain functions to board committees and management to assist in discharging its duties. Appropriate structures for these delegations are in place, accompanied by monitoring and reporting systems. The board is satisfied that the structures and frameworks in place contribute to promote clarity and the effective exercise of authority and responsibilities by committees and management.

Each committee acts within formal, approved charters. The chairs of each committee, all non-executive directors, report at each scheduled board meeting. The chair of each committee is required to attend the annual general meeting (AGM) to answer shareholders' questions. The board is satisfied that the committees properly discharged their responsibilities over the past year.

MultiChoice South Africa has the following committees:

Remuneration committee

(Formerly known as the remuneration and equity committee.)

The remuneration committee's primary role and responsibility is to:

- ▷ determine and approve general remuneration policy to be approved by shareholders by way of a non-binding advisory vote
- ▷ review annually the remuneration of independent non-executive directors
- ▷ review and approve the basic structure of the compensation
- ▷ review and recommend to the board of directors of MultiChoice South Africa the share incentive plans to be established for the companies, and appoint the trustees and administrators of the group share schemes
- ▷ review annually the group's code of business ethics and conduct
- ▷ consider and recommend selection of directors to the board
- ▷ review annually the structure, size and composition of the board, and
- ▷ approve the role and responsibilities of the chair and the lead independent director.

Name	Remuneration committee attendance FY2019
Kgomotso Moroka	6/6
Steve Pacak	6/6
Bob van Dijk ⁽¹⁾	6/6

Note

⁽¹⁾ On 2 January 2019, Bob van Dijk resigned as a director and a remuneration committee member. Jim Volkwyn was appointed in his stead.

In April 2019 the following roles and responsibilities were delegated by the MultiChoice South Africa board to the MultiChoice Group Limited nomination committee, which will, going forward, report into the MultiChoice South Africa board on the following matters:

- ▷ consider and recommend selection of directors to the board
- ▷ review annually the structure, size and composition of the board
- ▷ approve the role and responsibilities of the chair and the lead independent director
- ▷ review the allocation of roles and associated responsibilities, composition and effectiveness of committees of the board collectively, and make recommendations to the board with regard to the effective collaboration through cross membership of committees, and
- ▷ determine for approval by the board the policy for diversity at board level; restrictions on the number of external company boards on which a director may serve; the service period of directors; retirement and succession in respect of directors, and a policy governing the seeking of independent professional advice by individual board members.

Audit committee

The audit committee's primary roles and responsibilities are to:

- ▷ execute the committee's statutory obligations in terms of the South African Companies Act
- ▷ review the regular internal reports to management prepared by the Naspers internal auditing department and management's response
- ▷ review and approve for presentation to and approval by the board the integrated annual report, including the annual financial statements, interim and provisional reports, and any other company press releases with material financial or internal control impacts
- ▷ disclose in the integrated report significant matters that the committee has considered in relation to the annual financial statements, and how these were addressed by the committee
- ▷ review the documented assessment of the viability of the companies and the group on a going-concern basis
- ▷ receive and review the external auditor's reports directly from the external auditor
- ▷ oversee the management of financial and other risks that affect the integrity of external reports
- ▷ evaluate the effectiveness of internal financial controls and disclose the committee's views on the effectiveness of the design and implementation of internal financial controls, and on the nature and extent of any significant weaknesses in the design, implementation or execution or internal financial controls that resulted in material financial loss, fraud, corruption or error. Such views must be reported to the board and in the integrated annual report
- ▷ approve, recommend and annually review the internal audit charter for recommendation to the board for approval
- ▷ oversee the internal audit function and assist the board in fulfilling its responsibilities

CORPORATE GOVERNANCE REVIEW continued

- ▷ monitor compliance with the board-approved group levels of authority
- ▷ approve all related party transactions
- ▷ evaluate legal matters, which may affect the financial statements, and
- ▷ establish procedures based on the whistleblower policy for the receipt, retention and treatment of complaints received by the group regarding accounting, internal control or auditing matters, risk management and management or other fraudulent activities, including procedures for confidential, anonymous reporting by employees in respect of questionable matters.

Name	Audit committee attendance FY2019
Don Eriksson	4/4
Louisa Stephens ⁽¹⁾	2/4
Elias Masilela	4/4
Octavia Matloa ⁽¹⁾	3/4
Salukazi Dakile-Hlongwane	4/4

Note

⁽¹⁾ These members were appointed as members from 6 August 2018 after the first meeting for FY2019 was held.

Risk committee

The risk committee's primary roles and responsibilities are to:

- ▷ review and monitor implementation of a risk management policy and plan
 - ▷ 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 limit of the potential loss, and that the group has the capacity to tolerate
 - ▷ exercise ongoing oversight of risk management and ensure that the following results are achieved
- ▷ assessing risks and opportunities emanating from the total environment in which the group operates and resources that the group uses and affects
 - ▷ establishing and implementing business continuity arrangements that allow the group to operate under conditions of volatility, and to withstand and recover from acute shocks
 - ▷ integrating and embedding risk management in the business activities and culture of the group
 - ▷ review and approve the legal compliance policy and recommend such policy to the board for approval
 - ▷ overseeing compliance
 - ▷ review and approve the information and technology charter and recommend such charter to the board for approval, and
 - ▷ overseeing technology and information management.

Name	Risk committee attendance FY2019
Imtiaz Patel ⁽¹⁾	1/4
Calvo Mawela ⁽²⁾	1/4
Tim Jacobs ⁽²⁾	2/4
Don Eriksson	4/4
Louisa Stephens ⁽³⁾	2/4
Elias Masilela	4/4
Steve Pacak	4/4
Octavia Matloa ⁽³⁾	3/4
Salukazi Dakile-Hlongwane	4/4
Uvashni Raman ⁽⁴⁾	2/4

Notes

⁽¹⁾ Member only appointed in June 2018 and resigned in November 2018.

⁽²⁾ Members only appointed in November 2018.

⁽³⁾ Members only appointed in August 2018.

⁽⁴⁾ Member resigned in November 2018.

Other committees

MultiChoice South Africa does not have a nomination committee or a social and ethics committee.

During FY2019 the role and responsibilities of the nominations committee were during FY2019 fulfilled by the remuneration committee. In April 2019 the board determined that the roles and responsibilities of a nominations committee would be delegated to the MultiChoice Group Limited nomination committee.

In terms of the Companies Act, MultiChoice South Africa is exempted from establishing a social and ethics committee as it is a subsidiary of MultiChoice Group Limited, which has a social and ethics committee that deals with the responsibilities of a social and ethics committee on behalf of MultiChoice South Africa and other MultiChoice Group Limited subsidiaries.

Evaluation

The remuneration committee evaluates the performance of the board and its committees as well as that of the chair against mandates in their charters. 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 a questionnaire. Evaluations are formal, and in line with King IV independence assessment requirements which are conducted annually at present. Going forward, the formal evaluation will only be done every two years, and every alternate year the board will reflect and discuss performance of the board and its committees, its chair and members as a whole.

The chair of the remuneration committee discusses the results of the FY2019 evaluation with each director, and a consolidated summary is discussed by the

board. The chair of this committee leads the discussion on the performance of the chair of the board.

The annual board-effectiveness evaluation process showed that the board and its committees had functioned well and discharged their duties in line with their mandates. No material remediation actions were found to be required. 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 their independence.

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

Our approach to governance

MultiChoice South Africa is focused on sound corporate governance and effective leadership. The board conducts the group's business with integrity by applying appropriate corporate governance policies and practices.

MultiChoice South Africa is a subsidiary of MultiChoice Group Limited, listed on the JSE Limited's stock exchange (JSE). As such, MultiChoice South Africa's governance framework is aligned to MultiChoice Group Limited and guided by the principles set out in King IV.

The board's audit, risk, and remuneration committees fulfil key roles in ensuring good corporate governance in the group. We use independent external advisers to monitor regulatory developments, locally and internationally, to enable management to make recommendations to the board on matters of corporate governance.

CORPORATE GOVERNANCE REVIEW continued

Application of King IV

A disciplined reporting structure ensures the MultiChoice South Africa board is fully apprised of subsidiary activities, risks and opportunities. All controlled entities are required to subscribe to the relevant principles of King IV. Business and governance structures have clear approval frameworks. Compliance and progress are monitored jointly by the risk and audit committees and reported to the board. In the review period, we effected system and process changes to align the group to King IV's principles.

A comprehensive analysis of our governance framework against King IV has been conducted and considered by the audit and risk committees.

Our full King IV application report, detailing how we apply King IV principles, can be found on our website.

Business ethics

Our code of business ethics and conduct appears under the corporate governance tab on the MultiChoice Group Limited website, www.multichoice.com.

This code is reviewed annually and applies to all directors and employees in the MultiChoice group. Ensuring 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, including potential conflicts of interest, accepting and giving inappropriate gifts (including entertainment) and unethical business conduct. A key area of focus in the reporting period was the creation of awareness and continued integration of the code of ethics and business conduct in the business. Planned

future focus areas include improved reporting to the board and audit committee.

The board is the overall custodian of business ethics. The disciplinary codes and procedures of the various companies are used to ensure compliance with policies and practices that underpin the overall code of business ethics and conduct.

Unethical business behaviour by senior staff members, as well as the manner in which the company's disciplinary code was applied in such instances, is reported to the remuneration and equity committee, which assists the board in carrying out its duties in relation to business ethics. The group is committed to conducting its business in compliance with the law, with integrity and with proper regard for ethical business practices. Whistleblowing facilities enable employees to anonymously report unethical business conduct.

Corporate citizenship

The board has approved the sustainable development policy which incorporates corporate citizenship considerations. The group's values, strategies and purpose are aligned with corporate citizenship principles. As MultiChoice South Africa expands its business, it aims to contribute to the communities in which it operates, develop its own people, contribute to general economic prosperity and minimise its impact on the environment. MultiChoice's approach is structured around the six capitals.

The various areas are monitored and measured in accordance with legislative requirements, good governance guidelines,

the code of business conduct and ethics, and economic factors.

A key focus area in FY2019 was the identification of gaps, improvement of processes and enhancements of reporting. In FY2020 a key focus area will be to work on closing gaps and ensuring processes are effective.

Gender and racial diversity

As at 31 March 2019

67%

of directors were from previously disadvantaged groups

33%

of directors were black female

The MultiChoice Group diversity policy was approved by the MultiChoice Group Limited board in December 2018 and endorsed by the MultiChoice South Africa board in March 2019. 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 due to the complex nature of our businesses, we are focused on achieving the appropriate balance of knowledge, skills, experience, diversity and independence.

Compliance framework

Our legal compliance programme involves maintaining inventories of material laws and regulations for each business unit, implementing appropriate policies and procedures, establishing processes to supervise compliance and mitigate risks, monitoring compliance, implementing effective training and awareness programmes, and reporting to the board and management on the effectiveness of these initiatives. A legal compliance programme based on the legal compliance framework approved by the board, has been developed and implemented. A compliance officer has been appointed to enable effective management, monitoring of and reporting on legal compliance. The board has delegated the responsibility of oversight of legal compliance to the risk committee. The compliance programme is controlled by our head of legal and compliance.

A key focus area in FY2019 was to align policies and implement processes and to enhance reporting to the risk committee.

Penalties

Because MultiChoice South Africa operates in a highly regulated environment in South Africa, compliance is important. The company participates in the regulatory process affecting its industry through various public forums and debates, providing inputs on formulating standards and strategies for this industry.

In FY2017 MultiChoice and M-Net received fines from the self-regulatory body, the Broadcasting Complaints Commission of South Africa (BCCSA). These relate to failure by channels to provide correct classification information, resulting in MultiChoice and M-Net contravening the BCCSA Code.

CORPORATE GOVERNANCE REVIEW continued

Adequate controls have since been implemented and accordingly no further fines of this nature were paid in FY2018 or FY2019.

Fines paid to the BCCSA:

FY2017	R90 000
FY2018	R0
FY2019	R0

In the past year there were no environmental accidents, nor were any environment-related fines imposed by any government.

DStv Media Sales Proprietary Limited (DMS), a subsidiary of MultiChoice South Africa Proprietary Limited, entered into a consent agreement with the Competition Commission in FY2018. The agreement was approved by the Competition Tribunal. It was agreed that an administrative penalty of R22m be paid (provided for in FY2017), a contribution of R8m, payable over three years to a fund to be administered through an industry trust to assist small black-owned media agencies and bonus airtime, to the value of R50m per annum, to be provided to qualifying small agencies.

Internal control systems

MultiChoice has mature systems of internal controls based on policies and guidelines. As part of overall risk management, internal control measures aim to prevent significant risks from materialising and to detect these expediently if they arise to mitigate potential adverse consequences. Internal audit reviews systems of internal control and reports concerns to management and the audit and risk committees. The external auditor considers elements of internal control systems as they relate to financial reporting as part of

its audit and communicates deficiencies where identified.

The possibility of human error or deliberately bypassing control measures always exists. The group's system of internal controls is designed to provide reasonable assurance on the integrity and reliability of internal controls; to safeguard, verify and maintain accountability of its assets; and to detect fraud, potential liability, loss and material misstatement while complying with regulations.

The board reviewed the effectiveness of the internal control system for the review period by confirming the board-approved combined assurance model, based on representation letters from executive management. Input from internal audit, external audit, compliance, risk management and other assurance providers was also considered. Where necessary, programmes for corrective actions have been initiated. Nothing has come to the attention of the board to indicate that any material breakdown in the functioning of internal controls occurred during the year.

Internal audit

An internal audit function is in place throughout the group. Prior to the Naspers unbundling, the internal audit function was outsourced to Naspers. Following the unbundling, the internal audit team responsible for MultiChoice transferred to MultiChoice Group Limited. The head of internal audit reports to the chair of the audit committee, with administrative reporting to the MultiChoice group chief financial officer.

Non-audit services

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

Information and technology governance

Information and technology (I&T) governance is integrated in the operations and risk management processes of our businesses. Management of each subsidiary/business unit is responsible for ensuring effective processes for I&T governance are in place. Internal audit provides assurance to management and the audit committee on the effectiveness of these processes.

A technology governance forum has been constituted and is functional, with oversight of:

- ▷ information security
- ▷ software acquisition
- ▷ business continuity management and recovery, and
- ▷ data governance.

Management is required to submit an annual written report to the risk committee on the extent of which it has implemented the charter.

Key focus areas for FY2020 are to continue to:

- ▷ enhance reporting on information and technology governance, and
- ▷ review data-privacy processes and procedures.

REMUNERATION REPORT

for the year ended 31 March 2019

Letter from the chair of the remuneration committee

Advocate Kgomotso Moroka

Chair: Remuneration committee

Dear Shareholder

On behalf of the remuneration committee, I am pleased to present our remuneration report for MultiChoice South Africa Holdings Proprietary Limited (MCSA).

In alignment with the requirements of the King IV Report on Corporate Governance for South Africa (King IV) our 2019 remuneration report is divided into three parts:

- ▷ **Part 1: The background statement:** The background statement provides context around the company's performance and how this influenced remuneration decisions.
- ▷ **Part 2: The remuneration policy:** The remuneration policy is a forward-looking section that provides an overview of our remuneration philosophy and design principles and the remuneration policy that will be applicable in FY2020.
- ▷ **Part 3: The implementation report:** The implementation report is a backward-looking section that discloses the remuneration and performance outcomes of the employees and how much each relevant executive received, based on the FY2019 remuneration policy.

PART 1: THE BACKGROUND STATEMENT

Factors that influenced our remuneration approach

The unbundling of MultiChoice Group Limited (MCG) from Naspers and the listing on the JSE Limited (JSE), Johannesburg's stock exchange in February 2019 was an important milestone in the history of MCG, including its subsidiaries like MCSA (MultiChoice group or the group). This milestone has provided us with new opportunities to design a remuneration approach that is best suited to current practices and to the nature of our business.

Following the unbundling, the remuneration committee has been actively reviewing our remuneration approach to ensure it is fit for purpose, as well as considering valuable input received from you as shareholders. The key considerations are detailed in Part 2: The remuneration policy.

Externally, the film and entertainment industry is becoming more competitive with global over-the-top (OTT) players and other competitors making it even more important for us to retain our top talent. Growing our subscriber base remains key to our success. We have positive growth potential in our various geographies and have aligned our reward practices to ensure we are able to deliver the required results.

Our approach to remuneration

Our people are at the heart of our success. We focus on reward systems which help us to attract and retain the best talent in a fair and responsible way. Our approach to

remuneration is detailed in Part 2, but briefly focuses on the following:



We believe in a **pay-for-performance** culture that incentivises achievement of strategic, operational and financial objectives, both in the short and long term



We continually monitor the level of pay to ensure that it is **fair** to all our employees and in line with our values



We believe remuneration must be aligned with **shareholder** expectations



We structure our reward systems to help us **attract and retain** the best talent around the world in a responsible way



We are **consistent**; our guaranteed reward package elements are broadly the same across different levels. Variable pay is tailored to be appropriate for each different level

Talent and fairness

Our intention is to continue to grow as a top employer across our various areas of operations and presence. We focus on recruiting experienced data, digital and content talent into critical areas required to scale our business and deliver on the operating model, but we also provide opportunity for new, young talent to learn and develop. We strive to recruit and retain the best calibre of executive talent to lead the organisation and deliver the requisite results into the future.

Balancing the levels of executive remuneration with the demands to remain competitive in attracting global talent in the entertainment industry has become challenging.

Positively, our internal talent development practices enabled a strong mix of internal leadership promotions to key positions in the business.

Our collaboration with educational institutions enables recruiting talent early. We have active partnerships with multiple learning institutions and production partners to attract young talent spanning the TV, film, technology, engineering and data science fields.

For experienced hires, our talent acquisition teams are actively driving targeted campaigns to attract talent.

Benchmarking and remuneration advisers

We strive to be consistent, offering reward systems that help attract and retain the best talent in our market. We consider market practices, the needs of the business as well as the calibre of the individual in our recruitment processes.

We benchmark our remuneration using the PwC Remchannel Survey in South Africa. For senior management, which we sometimes recruit globally, we also utilise the LMO Executive Survey and Willis Towers Watson Executive Survey.

We target our guaranteed salary at the median of the market with exceptions in certain cases for scarce and critical skills.

We have appointed Bowman Gilfillan as our independent remuneration committee adviser and we are satisfied that the advice is objective and independent.

REMUNERATION REPORT continued

for the year ended 31 March 2019

Key areas of focus and key decisions taken during the reporting period

The remuneration committee met six times in FY2019. During FY2019 the remuneration committee:

- ▷ evaluated the performance of the board and its committees
- ▷ considered board and committee compositions
- ▷ approved the executive remuneration policy, and
- ▷ approved incentives awards to executives for FY2020.

In FY2020, the remuneration committee will continue to monitor executive remuneration, especially those of direct and indirect competitors. The group's remuneration policy is detailed in Part 2 of this report.

Role of the remuneration committee

The remuneration committee's responsibilities are to:

- ▷ independently review and monitor the integrity of the group's remuneration policies and implementation thereof
- ▷ ensure that the company remunerates fairly, responsibly and transparently, and
- ▷ ensure compliance with the statutory duties of the remuneration committee as contained in relevant legislation.

In fulfilment of these responsibilities, the remuneration committee's functions include:

- ▷ reviewing executive remuneration and benefits, and ensuring the directors and senior management are fairly and responsibly rewarded for their individual contributions to the group's overall performance
- ▷ evaluating the group's remuneration and benefit competitiveness
- ▷ reviewing and approving the overall annual increase pool awarded to the group employees

- ▷ approving employment agreements, offers of employment as well as severance agreements for the CEO and the executive committee
- ▷ reviewing and monitoring the implementation of the group's guaranteed and variable pay plans, and making recommendations to the board with respect to new guaranteed and variable pay plans
- ▷ reviewing the potential risk in respect of the group's remuneration and benefit programmes and policies
- ▷ annually evaluating and monitoring the group's remuneration philosophy and practices, and
- ▷ actively engaging with shareholders on concerns raised in the event of the remuneration policy or implementation report, or both, receiving an 'against' vote of 25% or more of the voting rights exercised at any shareholders' meeting.

Non-binding advisory vote on remuneration policy and implementation report

The remuneration policy and implementation report as set out in Part 2 and Part 3 of this remuneration report will be tabled for separate non-binding advisory votes at the annual general meeting (AGM) on 28 August 2019. In the event that 25% or more of the voting rights exercised, vote against either the remuneration policy or implementation report or both, the board will take steps, in good faith and with best reasonable effort, to do the following as a minimum:

- ▷ implement an engagement process to ascertain the reasons for the dissenting votes, and
- ▷ appropriately address legitimate and reasonable objections and concerns that have been raised, which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or processes.

In addition, in the remuneration report published in the year subsequent to the vote, the background statement will set out:

- ▷ with whom the company engaged, and the manner and form of engagement to ascertain the reasons for the dissenting votes, and
- ▷ the nature of steps taken to address legitimate and reasonable objections and concerns.

PART 2: THE REMUNERATION POLICY

Remuneration philosophy

Our remuneration philosophy underpins the group's strategy and enables us to achieve our business objectives. Our commitment to pay for performance in alignment with shareholder value creation, drives our remuneration activities and supports the ownership mentality and spirit of entrepreneurship in our teams around the world. As far as possible, the structure of our pay is similar across the business and it meets the minimum legal requirements in all the jurisdictions in which we operate. We endeavour at all times to balance the need to compete globally for the best talent with the need to pay fairly and responsibly. We welcome the opportunity to discuss this policy and its outcomes with our stakeholders.

The way we structure pay is purposely linked to our strategy and to the delivery of long-term sustainable growth for our shareholders.

When making executive pay decisions, we consider the individual's performance and the performance of the business, the complexity of the responsibilities of the executive, and the

growth trajectory and life cycle stage of the business for which he/she is responsible.

Our short-term incentives are aimed at rewarding employees for overperformance. These incentives are typically capped at a percentage of an employee's salary.

Our approach to long-term incentives strives to ensure that executives are invested in driving sustainable performance of the business over the long term.

Our remuneration policy and pay decisions are driven by and linked to the principles below:

Fairness

We continually monitor the level of fair and responsible pay for all our employees in light of our values, which we have detailed in this report. As a starting point, our minimum salary in South Africa is substantially above the minimum wage requirements set by government and 134% higher than the minimum salary in market. We are also proud of the suite of benefits offered to our employees, (detailed on page 77) which we believe are highly market competitive.

To ensure a fair and reasonable approach to the remuneration of executive directors, the remuneration committee takes the same approach as for the wider employee group. A number of factors are taken into account, including individual performance, company performance and trading environment, and the relative contribution of the job to the overall business success. Benchmarking to market pay is also an important reference point.

REMUNERATION REPORT continued

for the year ended 31 March 2019

Individual performance and market benchmarks are important determining factors in whether to grant a pay increase. Pay increases are not granted in the absence of 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.

Performance

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 qualifies for a total cost to company (TCTC) increase and annual performance-related incentive. This incentive is determined on a formulaic basis, which allows limited discretion only in exceptional circumstances.

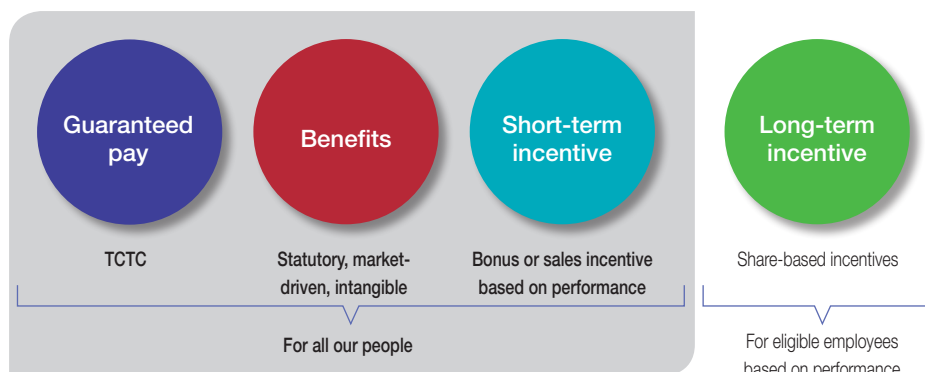
Our executives are eligible to participate in a performance-related short-term incentive programme. This is an annual programme where having achieved certain preapproved business and personal goals, participants may receive an annual performance-related incentive payment. The incentive payments for our executive directors and prescribed officers based on FY2019 performance is detailed on page 85.

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

We encourage managers to engage in continuous conversations with their people throughout the year to ensure that their plan is on track. At the end of the financial year both the overall performance of the business, and the individual's achievement of their personal goals are considered. 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 bonus and a pay increase.

Our remuneration structure

We have outlined the four elements of pay for our executive directors below. The same principles are applied to employees across the company. Our four-tier remuneration structure provides an appropriate balance between guaranteed annual remuneration and variable remuneration, which is directly linked to performance that enhances shareholder value.



These are detailed as follows:

Guaranteed pay

In South Africa, the TCTC comprises salary plus cash and non-cash benefits.

Personal performance is the primary driver for pay increases but also factors in the 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.

Guaranteed pay is set at a level to ensure we can attract and retain talent of the required calibre and considers market practice as well as an individual's contribution. Guaranteed pay is reviewed annually, and any increases are typically effective from 1 June each year.

Benefits

A suite of benefits, which we believe is highly market competitive is offered to our employees. Examples of these are:

- ▷ bursaries for employees and family
- ▷ a range of wellness benefits such as on-site health care and counselling, a gym, a concierge service
- ▷ work-life balance leave
- ▷ closed medical aid scheme and retirement scheme with highly competitive benefits
- ▷ on-site crèche and early childhood development allowance, and
- ▷ significant DStv discounts for employees and family members.

Short-term incentives (STI)

The STI refers to the annual performance-related incentive. The annual incentive plan pays out depending on performance achieved against strategic, operational and financial objectives.

REMUNERATION REPORT continued

for the year ended 31 March 2019

The purpose of the annual incentive plan is to ensure executive alignment with and focus on delivering the annual business plan. The achievement of these annual plans will cumulatively drive long-term shareholder value over time.

The same structure is applied throughout the organisation to ensure a consistent approach with measures linked to an individual's role to ensure that pay is linked to their contribution.

Principles for executive bonus

For executives, these targets are set at MCG level and for senior management, these targets are closely linked to the performance of the specific business unit for which they have responsibility.

The performance measures for each executive are tailored to their roles and responsibilities. The incentive plan for each executive is agreed annually in advance and based on targets that are verifiable and aligned to the specific business unit's annual business plan, risk management policy and strategy.

All eligible employees, including executives, have a target bonus percentage based on their level in the organisation. The target bonus percentage is used to calculate the bonus based on performance against targets.

The remuneration committee ensures that these targets are appropriately ambitious using a number of reference points including the business plans and historic performance.

The calculations and outcomes for FY2019 are detailed in Part 3. For FY2020 the calculation to determine the performance outcome is detailed below. This is to ensure that solid company performance will be required before any individual bonuses are paid:

FY2020 STI calculation:

$$\boxed{\text{TCTC or base salary}} \times \boxed{\text{bonus \%}} \times \boxed{\text{performance \% outcome}}$$

Performance % outcome is calculated as follows:

$$\boxed{\text{Performance \% outcome}} = \boxed{\text{Company performance \%}} \times \boxed{\text{Individual performance \%}}$$

For FY2020, the performance measures, weightings and their respective targets are set out below:

Performance measure	Weighting %	Performance levels		
		Threshold (80% payment)	Target (100% payment)	Stretch (120% payment)
Revenue	25	1% below budget	On budget	1% above budget
Trading profit	25	2% below budget	On budget	2% above budget
Free cash flow	25	3% below budget	On budget	1% above budget
Subscriber growth	25	5% below budget	On budget	5% above budget

Linear interpolation will apply between targets with 0% payment occurring for below-threshold performance and maximum payment occurring for stretch performance.

Long-term incentives (LTI)

The table below sets out both the legacy Naspers LTI schemes and the current and new MCG LTI schemes:

	Legacy		Legacy/Current	New
	Naspers share options (SOs)	Naspers restricted stock units (RSUs)	MultiChoice and Irdeto share appreciation rights (SARs)	MultiChoice restricted stock units (RSUs)
Detail of award	A right to buy a Naspers share at a preagreed price.	An award of Naspers shares that is transferred to participants after time restrictions have passed.	A right to benefit from any increase in value of the business unit over which an award is made.	An award of MCG shares that is registered to the participants subject to an employment condition (continued tenure). For the executive committee, achievement of performance conditions applies.
Value delivered to participant	Change in share price between grant and vest.	Full value delivered to the participant.	Change in value of business unit between grant and vest.	Full value delivered to the participant.
Vesting detail	If there is no change or a decrease in value, there is no gain for the participant. Naspers shares delivered on vesting.	Naspers shares delivered on vesting.	No new awards to be made. Current awards will vest in line with current vesting profile. The MultiChoice SARs vest over five years (one third in year three, four and five respectively) while the Irdeto SARs vest in equal tranches over four years. If there is no change or a decrease in value, there is no gain for the participant. Gains settled in MCG shares.	Vests over five years. Awards will vest in four equal tranches from year two (25% vesting in each year). Executive committee awards are split 50:50 between RSUs and RSUs with performance conditions (PSUs). The executive committee are to hold one time their annual salary in vested shares in MCG by FY2024. Settlement of the awards will take place on the respective vesting date of the awards and at the discretion of the board.

REMUNERATION REPORT continued

for the year ended 31 March 2019

Legacy/current schemes

The unbundling of the group from Naspers allowed us to reconsider the best approach with regards to LTIs in our business. At the same time, the legacy share schemes were accelerated or closed for new awards.

Our legacy share schemes comprise MultiChoice and Irdeto share appreciation rights (SARs) and Naspers awards. No further awards will be granted under the MultiChoice and Irdeto SARs schemes, however, previous awards granted under these schemes will continue to vest as per the rules of the schemes.

The Naspers schemes were accelerated in line with the plan rules.

New MCG scheme

Through the listing process a new MCG share scheme was approved. In terms of the new LTI scheme, executive directors, senior management and other critical employees are eligible to receive long-term incentives, in the form of restricted share units, vesting over a five-year period (equal vesting between years two and five). This plan creates an alignment between executive pay and shareholder interests, with participants being rewarded for their contribution to the performance of the business.

At the executive committee level, performance conditions are linked to the performance share units (PSUs) in order to align LTI closer to the performance of the business and shareholder

value creation. The executive committee is required to hold a minimum of one time their annual pay in vested MCG shares by FY2024.

Dividends are not payable on unvested shares.

A robust governance process is in place to ensure that the LTIs are appropriately awarded and administered. Awards are normally granted annually.

The executive directors and prescribed officers participate in the new MultiChoice Group RSU scheme and they retain the MultiChoice SARs which will vest in line with the original rules. All Naspers options were accelerated and vested in line with the plan rules (details on page 88).

Performance conditions for executives (applicable to the new MCG scheme for awards from FY2020)

The executive committee has performance conditions linked to half of their RSUs in the form of PSUs. The performance measures, weightings and their respective targets are set out below. Performance measures are calculated based on a range and the vesting of shares is dependent on how the group delivers within this range, using the latest approved business plan prior to the issue of share awards as a base. Performance metrics are measured on a two-year basis as it coincides with the first vesting period of 25% and is aligned with our business planning cycle:

Performance measure	Weighting %	Performance levels		
		Threshold (50% vesting)	Target (75% vesting)	Stretch (100% vesting)
Core headline earnings per share (core HEPS)	25	5% below budget	On budget	5% above budget
Free cash flow	50	5% below budget	On budget	5% above budget
Return on capital employed	25	5% below budget	On budget	5% above budget

Linear interpolation will apply between the vesting levels.

Scheme limits

The maximum aggregate number of MCG shares that may be awarded under the LTI plans is limited to 10% of the total issued shares of MCG and on an individual participant basis, no more than 1% of the total issued MCG shares may be awarded.

LTI award policy

Employee level	LTI awarded
Executive committee	50% PSUs and 50% RSUs, to create alignment with shareholders' interests
Heads of departments	RSUs
Senior managers/Specialists	RSUs for high potential and key skills/specialists
Product/Tech/Content specialists	RSUs for key skills/specialists

Termination provisions

Termination	RSU
Death, ill health, disability, retirement or any other event approved at sole discretion of the board	All unvested awards will be accelerated and vest on a pro rata basis on the date of termination of employment. As an example, if two years have lapsed since grant the accelerated vesting will result in 40% of the award vesting. If applicable, the outcomes of PSUs are reviewed by the remuneration committee on a case-by-case basis
Redundancy or termination as a result of a business disposition/change of control or jurisdictional issue	Vesting of the awards will be accelerated on a pro rata basis. If applicable, the outcomes of PSUs are reviewed by the remuneration committee on a case-by-case basis
For other causes	All unvested awards will lapse

Minimum shareholding requirement

In order to further align to shareholder expectations and best practice, the executive committee is required to hold a minimum of one time their TCTC/base salary in vested MCG shares. This will be applicable from FY2021 and such shareholding must be achieved within three years from the introduction of the policy (FY2024).

and prescribed officers are set out in the table below:

	Nolo Letele	Calvo Mawela	Tim Jacobs
Date of appointment	8 Nov 1999	1 Mar 2007	1 Nov 2018
Notice period	3 months	6 months	6 months
Restraint period	none	12 months	6 months

Executive contracts

Service contracts

Executive directors' service contracts comply with terms and conditions of employment in South Africa. Top executives' contracts do not contain guaranteed payments on termination.

Details of the date of appointment and relevant notice period for executive directors

Recruitment policy

On the appointment of a new executive director, their package will typically be in line with the principles 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 shares.

REMUNERATION REPORT continued

for the year ended 31 March 2019

Termination policy

Payments in lieu of notice may be made to executive directors 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.

Non-executive directors' fees

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 completed 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. Non-executive directors stand for re-election every three years.

Retirement and re-election of non-executive directors

All non-executive directors are subject to retirement and re-election by shareholders every three years. Additionally, non-executive directors 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.

Setting non-executive directors' fees

The fee structure for non-executive directors has been designed to ensure we attract, retain and appropriately compensate a diverse and experienced board of non-executive directors.

Non-executive directors receive an annual fee as opposed to a fee per meeting, which recognises their ongoing responsibility for efficient 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.

A comprehensive benchmarking exercise is performed by Axio Consultants which is tabled for consideration by the remuneration committee and the board to ascertain what the proposed directors' and committees' fees for FY2019 and FY2020 should be. The proposed fees are set out in the AGM resolution.

Non-binding advisory vote on remuneration policy

The remuneration policy, as set out in Part 2, will be subject to a non-binding advisory vote by shareholders at the AGM on 29 August 2019.

PART 3: IMPLEMENTATION REPORT

This section explains how the remuneration policy was implemented in the reporting year, and the resulting payments each of the members of executive management received (backward looking). All decisions in relation to executive remuneration have been made in line with our remuneration policy for this financial year.

Guaranteed pay (TCTC) adjustments

It is our philosophy to differentiate pay based on size of the job, market scarcity and the performance of the employee. Ongoing market benchmarking is undertaken at all levels, using reputable salary surveys, and our pay is therefore measured against each respective level and function in the market.

In determining any increases for executive directors and prescribed officers we considered personal performance, business performance and local economic indicators, overall movement in the local (and, where appropriate, regional and global) labour market, and levels observed across the wider workforce.

During FY2019, group companies made contributions for executive directors to the appropriate pension schemes. These contributions are in line with market norms and constitute a modest proportion of the individual's total remuneration.

Below we show the remuneration package of the executive directors for FY2020 as approved by the remuneration committee in June 2019. Calvo Mawela and Tim Jacobs have dual roles for MCG and MCSA.

	Nolo Letele		Calvo Mawela		Tim Jacobs	
	TCTC (R'000)	FY2020 increase (%)	TCTC (R'000)	FY2020 increase (%)	TCTC (R'000)	FY2020 increase (%)
Guaranteed pay	4 090	0	6 750	12.5 ⁽¹⁾	5 803	5.5

Note

⁽¹⁾ Calvo's increase is above inflation to align with his new role as MCG CEO.

FY2019 short-term incentive outcomes

The FY2019 targets for executive directors and prescribed officers are divided as follows:



In FY2019, the formula for calculating the bonus is set out as follows:

$$STI = TCTC / \text{base salary} \times \text{bonus \%} \times \text{performance \% outcome}$$

REMUNERATION REPORT continued

for the year ended 31 March 2019

The FY2019 outcomes for executive directors and prescribed officers are detailed below.

In the following tables we outline the actual STI outcomes for each financial performance measure relative to the target set at the beginning of the financial year and it is set out below⁽¹⁾:

Group targets	
Target	Achieved
Financials:	
▷ Revenue	
▷ Trading profit	
▷ Free cash flow	
Achieve equated subscriber growth (DTT and DTH)	
Achieve net subscriber (RSA and RoA)	
Achieve subscriber growth (OTT)	

Note

⁽¹⁾ Information for MCG executives residing in South Africa has been included in the report, however, the nature of their responsibilities cover the broader group.

The table below sets out the incentive bonus paid out relative to the TCTC of the executive director/prescribed officer:

	A	B	C	D	E = C + D	F = A x B x E	G	H = (F + G)/A
Executive directors	FY2019 TCTC/ base salary as at 31 March 2019 (R'000)	Bonus (%)	Company/ Financial goals achieved (%)	Personal goals achieved (%)	Performance outcome (%)	FY2019 bonus (R'000)	FY2019 remune- ration committee discretion ⁽²⁾ (R'000)	FY2019 bonus as a % of TCTC/base salary (%)
Nolo Letele	4 090	70	36.7	45	81.7	2 339	–	57.2
Calvo Mawela	6 000	70	45	45	90	3 780	–	63.0
Tim Jacobs	5 500	70	45	45	90	1 444 ⁽¹⁾	556	36.4

Notes

⁽¹⁾ Tim Jacobs's bonus was prorated for FY2019 based on his joining date on 1 November 2018.

⁽²⁾ The remuneration committee applied discretionary STI awards to:

- Tim Jacobs, as he has been instrumental in the successful listing of MCG since joining in November 2018.

REMUNERATION REPORT continued

for the year ended 31 March 2019

FY2019 LTI vesting outcomes

The table below details the value of vested but unexercised and unvested share awards as at 31 March 2019:

Name	Share plan	Offer date	Number of shares	Offer price (R)	
C P Mawela	MultiChoice 2008 SAR Plan	12 Sep 2013	5 871	117.35	
		15 Sep 2014	5 087	125.60	
		15 Sep 2015	16 240	113.19	
		15 Sep 2014	5 087	125.60	
		15 Sep 2015	16 240	113.19	
		1 Sep 2016	13 958	116.30	
		15 Sep 2015	16 242	113.19	
		1 Sep 2016	13 958	116.30	
		28 Jun 2017	10 594	94.39	
		1 Sep 2016	13 958	116.30	
		28 Jun 2017	10 594	94.39	
		27 Jun 2018	26 119	77.19	
		28 Jun 2017	10 595	94.39	
		27 Jun 2018	26 119	77.19	
		27 Jun 2018	26 119	77.19	
			216 781		
T N Jacobs	MultiChoice 2008 SAR Plan	3 Dec 2018	151 142	77.19	
		3 Dec 2018	151 142	77.19	
		3 Dec 2018	151 143	77.19	
			453 427		

Note

⁽¹⁾ For awards vested in 2018, the intrinsic values of the 2018 awards are reflected in the table and not the fair values.

Release date ⁽¹⁾	Expiry date	Share price as at 31 March 2019 (R)	Fair value per share of vested and unvested SARs as at 31 March 2019 (R)	Fair value per award of vested and unvested SARs as at 31 March 2019 (R)	Intrinsic value of vested and unvested SARs as at 31 March 2019 (R)
12 Sep 2018 ⁽¹⁾	12 Sep 2023	77.19	–	–	–
15 Sep 2018	15 Sep 2024	77.19	–	–	–
15 Sep 2018	15 Sep 2025	77.19	–	–	–
15 Sep 2019	15 Sep 2024	77.19	58.08	295 453	–
15 Sep 2019	15 Sep 2025	77.19	46.75	759 220	–
1 Sep 2019	1 Sep 2026	77.19	39.54	551 899	–
15 Sep 2020	15 Sep 2025	77.19	51.69	839 549	–
1 Sep 2020	1 Sep 2026	77.19	45.30	632 297	–
28 Jun 2020	28 Jun 2027	77.19	35.73	378 524	–
1 Sep 2021	1 Sep 2026	77.19	50.62	706 554	–
28 Jun 2021	28 Jun 2027	77.19	39.76	421 217	–
27 Jun 2021	27 Jun 2028	77.19	29.48	769 988	–
28 Jun 2022	28 Jun 2027	77.19	43.51	460 988	–
27 Jun 2022	27 Jun 2028	77.19	32.92	859 837	–
27 Jun 2023	27 Jun 2028	77.19	36.00	940 284	–
3 Dec 2021	3 Dec 2028	77.19	30.37	4 590 183	–
3 Dec 2022	3 Dec 2028	77.19	33.97	5 134 294	–
3 Dec 2023	3 Dec 2028	77.19	37.27	5 633 100	–

REMUNERATION REPORT continued

for the year ended 31 March 2019

Executive directors' and prescribed officers' remuneration for FY2017/2018 and FY2018/2019

Element	Nolo Letele ⁽¹⁾ FY2019 (R'000)	Calvo Mawela FY2019 (R'000)	Tim Jacobs FY2019 (R'000)
TCTC	8 125	5 572	2 352
Pension	–	577	271
Benefits ⁽²⁾	–	694	16
STIs ⁽³⁾	2 339	3 780	5 810 ⁽⁴⁾
LTI plan ⁽⁵⁾	–	–	–
Total single figure	10 464	10 623	8 449

Notes

⁽¹⁾ Includes director's fees.

⁽²⁾ Benefits exclude pension and includes all benefits not included in TCTC such as medical benefits, fringe benefits, family benefits, travel, long-service and disability benefits.

⁽³⁾ The STI reflects the bonus paid based on the performance of the relevant financial year (FY2019).

⁽⁴⁾ Tim received a sign-on bonus of R3.81m on joining with a 12-month retention period.

⁽⁵⁾ The LTI value reflects the intrinsic value of MultiChoice share awards vested in FY2020. The values of Naspers awards vested in FY2019 are detailed below.

Treatment of Naspers options

While MCG was part of the Naspers group, senior employees participated in the Naspers option share schemes (MIH Holdings Share Trust and MIH Services FZ LLC Share Trust). Following the unbundling, the vesting dates for the Naspers option awards were accelerated in line with the rules to the date of the MCG listing on 27 February 2019. The table below details the gain/profit of these Naspers options based on the closing Naspers share price of R3 017 on 27 February 2019:

Executive director/Prescribed officer	Number of Naspers options	Gain/Profit (R'000)
Nolo Letele	–	–
Calvo Mawela	4 766	2 479
Tim Jacobs ⁽¹⁾	–	–

Note

⁽¹⁾ Tim Jacobs did not receive Naspers options.

LTIs to be awarded during the next reporting year

Executive director/Prescribed officer	Award (as a multiple of TCTC)
Nolo Letele	–
Calvo Mawela	4.7
Tim Jacobs	1.4

Non-executive directors' fees

The fees paid to non-executive directors by the company are set out below.

	Directors' remuneration	Directors' fees		Committee and trustee fees ^{(2) (3)}		Total
	Paid for services to other group companies (R'm)	Paid for services to the group (R'm)	Paid for services to other group companies ⁽¹⁾ (R'm)	Paid for services to the group (R'm)	Paid for services to other group companies (R'm)	
S Dakile-Hlongwane ^{(1) (2)}	–	0.48	–	0.29	–	0.77
D G Eriksson ^{(1) (2)}	–	0.48	3.51	0.71	3.65	8.35
E Masilela ⁽¹⁾	–	0.48	0.26	0.29	–	1.03
O M Matloa ⁽¹⁾	–	0.24	–	0.14	–	0.39
K D Moroka ^{(1) (2)}	–	0.48	0.41	0.52	0.18	1.59
S J Z Pacak ^{(1) (2)}	–	0.48	3.81	0.23	0.69	5.20
K B Sibiya ⁽¹⁾	–	0.48	1.13	–	–	1.61
L Stephens ⁽¹⁾	–	0.24	0.18	0.14	0.14	0.70
B van Dijk ⁽⁴⁾	34.17	–	–	–	–	34.17
J J Volkwyn ⁽⁵⁾	2.64	–	–	–	–	2.64

Notes

⁽¹⁾ Directors' fees include fees for services as directors, where appropriate for NMS Insurance Services Limited.

⁽²⁾ Committee fees include fees for the attendance of the audit committee, risk committee, remuneration committee, the nomination committee and the social and ethics committee meetings of the board. Other fees relate to payments for other services to the group.

⁽³⁾ Trustee fees include fees for the attendance of the various retirement fund trustee meetings of the group's retirement funds. An additional fee may be paid to directors for work done as directors with specific expertise.

⁽⁴⁾ Remunerated as an employee of another Naspers group company.

⁽⁵⁾ Remunerated as an employee of MultiChoice Africa Services B.V.

Termination payments

No termination payments were made to executive and non-executive directors on termination of employment or office in FY2019.

Consulting arrangements

K B Sibiya

The consultancy services agreement was renewed for 12 months effective June 2019. This is to provide consultancy services to SuperSport International Holdings Limited.

Compliance

There were no deviations from the remuneration policy in FY2019.

Non-binding advisory vote on remuneration policy

The implementation report, as set out in Part 3, will be subject to a non-binding advisory vote by shareholders at the AGM on 29 August 2019.

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2019

The audit committee submits this report, as required by section 94 of the South African Companies Act No 71 of 2008 (the Act).

Members of the audit committee and attendance at meetings

The audit committee consists of the non-executive directors listed below and 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 FY2019, four meetings were held. 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 risk management function was also represented. The chair of the boards is not a member or the chair of the audit committee and attends audit committee meetings by invitation. All members of the committee comply with the member requirements as set out in section 94 of the Act.

Committee members as elected by shareholders

Don Eriksson (chair)
Salukazi Dakile-Hlongwane
Elias Masilela

Member qualifications can be found in the directorate section on pages 58 to 60, and meeting attendance can be found on page 66. All audit committee members served on the committee for the full financial year.

In August 2018, Louisa Stephens and Octavia Matloa were appointed as directors by the board and members of the audit committee, subject to shareholder approval at the AGM to be held in August 2019.

Post-year-end Don Eriksson stepped down as audit committee chair. The board has elected Louisa Stephens as the chair of the audit committee for FY2020.

The board unanimously recommends to shareholders that Don Eriksson, Salukazi Dakile-Hlongwane, Elias Masilela and Louisa Stephens, be elected as audit committee members until the next AGM of shareholders in August 2020.

Functions of the audit committee

The audit committee has adopted formal terms of reference, delegated by the board of directors, as set out in 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, annual financial statements and integrated annual report, culminating in a recommendation to the board to adopt them.

During its review the committee:

- ▷ took appropriate steps to ensure the annual financial statements were prepared in accordance with IFRS and in the manner required by the Act
- ▷ considered and, where appropriate, made recommendations on internal financial controls
- ▷ dealt with concerns on accounting policies, internal audit, the audit or content of annual financial statements, and internal financial control
- ▷ reviewed legal matters that could have a significant impact on the organisation's annual financial statements

- ▷ reviewed external audit reports on the consolidated and separate annual financial statements
- ▷ reviewed the internal audit charter
- ▷ reviewed and approved the internal and external audit plans
- ▷ reviewed internal audit and risk management reports and, where relevant, made recommendations to the board
- ▷ evaluated the effectiveness of risk management, controls and governance processes
- ▷ verified the independence of the external auditor, nominated PwC as auditor for FY2019
- ▷ approved audit fees and engagement terms of the external auditor
- ▷ determined the nature and extent of allowable non-audit services and approved contract terms for non-audit services by the external auditor, and
- ▷ reviewed the organisations' application and extent of application of the principles set out in the King IV report on corporate governance.

Key areas of focus during FY2019

The committee's key focus areas during FY2019 included:

- ▷ discharging its functions in terms of its charter financial control environment
- ▷ reviewing of King IV application
- ▷ annual financial statements and other financial public releases, and
- ▷ assessing the impact of changes to the IFRS accounting standard.

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:

- ▷ the quality and acceptability of accounting policies and practices
- ▷ material areas where significant judgements 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 of whether the annual financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the group's position and performance, business model and strategy.

The significant judgements, issues and conclusions reached, or actions taken by the audit committee in relation to the FY2019 annual financial statements are outlined below. Each of these matters was discussed with the external auditor and, where appropriate, has been addressed as key audit matters in the report on the audit of the consolidated and separate financial statements on page 92.

REPORT OF THE AUDIT COMMITTEE continued

for the year ended 31 March 2019

Significant reporting matter	Conclusions reached/actions taken
<i>Empowerment transaction</i> As part of the unbundling from Naspers Limited, the MultiChoice South Africa group issued 22.5m shares to the two Phuthuma Nathi companies for no consideration. This empowerment transaction resulted in the Phuthuma Nathi companies acquiring an additional 5% stake in MultiChoice South Africa group. In terms of IFRS 2 <i>Share-based Payment</i> (IFRS 2), this transaction qualifies as an equity-settled share-based payment. The value of the 5% Phuthuma Nathi share issue according to the terms of the empowerment transaction has been calculated at R2.6bn.	The audit committee reviewed the accounting principles applied to the empowerment transaction to ensure it was in line with IFRS. The disclosure thereof in the consolidated annual financial statements was also reviewed. Technical accounting advice was received, which was audited by the external auditor. Consequently, the audit committee was satisfied with the accounting and disclosure of the empowerment transaction included in the consolidated annual financial statements by management.
<i>New IFRS standards and interpretations</i> The adoption of IFRS 9 <i>Financial Instruments</i>, IFRS 15 <i>Revenue from Contracts with Customers</i> and IFRIC 22 <i>Foreign Currency Transactions and Advance Consideration</i> resulted in an increase of R107m in opening retained earnings of the group.	The audit committee reviewed the adjustments prepared by management and ensured it was in line with the IFRS changes adopted. The audit committee has reviewed the external auditor's reporting as well as disclosure in the annual financial statements, the audit committee concluded that it was satisfied with the IFRS changes adopted and disclosures made.
<i>Contingent liability</i> During the current year, M-Net released a contingent liability of R342m due to settlement of the matter.	The audit committee reviewed management's update on this matter and the auditor's report and are satisfied with the approach adopted by management.
<i>Debtor receivable</i> The group has a net receivable of R121m from a debtor as at 31 March 2019. Management has agreed to a payment plan with the debtor for the outstanding balance. No provision has been raised as the balance is current and the debtor has met its payment arrangement obligations thus far and has indicated intent to settle the full amount.	The audit committee reviewed management's update on this matter and the auditor's report and are satisfied with the conclusion reached and the disclosure in the financial statements.

Internal audit

The audit committee has oversight of 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, as outsourced to the Naspers internal audit team, 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 for MultiChoice South Africa reports functionally to the chair of the committee and administratively to the MultiChoice group CFO. 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. Following the unbundling from Naspers, the outsourced Naspers internal audit team has been transferred to the MultiChoice group.

Effectiveness of the company's internal financial controls

The committee reports to the board and 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 were effective for the year under review. No material weaknesses in financial control of the company and its subsidiaries were reported for the year under review.

Independence and effectiveness of the external auditor

PwC was reappointed as auditor of the company until the next AGM. PwC has been the auditor of MultiChoice South Africa for 13 years. During PwC's tenure as auditor,

there have been changes in the executive management team and a reorganisation of the finance function which has helped mitigate risk of familiarity between PwC and management. 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 note 34 to the annual financial statements on www.multichoice.com/multichoice-south-africa/. All non-audit services provided by the auditor were approved by the committee during FY2019 in accordance with the board-approved policy on non-audit services performed by the external auditor. The audit committee approved the provision of non-audit services that it believes are routine and recurring services that would not impair the independence of the auditor and are consistent with the principles of the Code of Professional Conduct set by the independent Regulatory Board for Auditors. Approved services included general consulting advice and limited tax consulting advice such as tax compliance and tax planning. Services approved for FY2019 amounted to R1m for general tax consulting advice and R2m for other tax consulting advice.

During FY2019, 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 its performance against its 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.

REPORT OF THE AUDIT COMMITTEE continued

for the year ended 31 March 2019

The partner responsible for the audit is required to rotate every five years. Ms Alinah Motaung was appointed as the designated audit partner at the AGM held on 30 August 2018. Ms Motaung subsequently stepped down and was replaced by Mr Brett Humphreys. Mr Humphreys is proposed as the audit partner for FY2020.

Confidential meetings

Audit committee agendas provide for confidential meetings between committee members and the internal and external auditors, separately and independently from senior management.

Expertise and experience of the group's CFO and the finance function

As required by the King IV principle 8, practice 59f, the audit committee has satisfied itself that the MultiChoice South Africa Holdings group CFO has appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skills set of the finance function met the group's requirements. Based on an assessment performed annually, the committee is of the opinion that the finance function, as well as the CFO, is effective.

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 with 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 FY2019, it had discharged its legal and other responsibilities as outlined in terms of its remit, details of which are included in the full corporate governance report on www.multichoice.com/multichoice-south-africa/. The board concurred with this assessment.



Don Eriksson
Chair: Audit committee

14 June 2019

FINANCIAL REVIEW

Preparation of results and accounting policies

The financial results for the year ended 31 March 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa No 71 of 2008, as amended. Except as noted in the summarised annual financial statements and the full annual financial statements, accounting policies are consistent with those applied in the previous period and IFRS.

Summarised and full annual financial statements

The summarised annual financial statements appear on pages 63 to 66 of this report. These are not the statutory accounts of the group and do not contain all the disclosures required by IFRS. They are also not a substitute for, and

should be read with, the full annual consolidated financial statements for a complete understanding of the group's results.

The summarised and full annual financial statements have been prepared under the supervision of the MultiChoice South Africa chief financial officer, Tim Jacobs CA(SA), and have been audited by the company's independent external auditor, PricewaterhouseCoopers Inc., whose unqualified report is available for inspection at the registered office of the company.

The full annual financial statements for the year to 31 March 2019 are published on our website www.multichoice.com/multichoice-south-africa/ Printed copies are available from the company's secretariat department.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of MultiChoice South Africa Holdings Proprietary Limited

Opinion

The summary consolidated financial statements of MultiChoice South Africa Holdings Proprietary Limited contained in the accompanying abridged integrated annual report, set out on pages 65 to 68, which comprise the summarised consolidated statements of financial position as at 31 March 2019, the summarised consolidated statements of profit or loss, the summarised consolidated statements of comprehensive income and changes in equity and the summarised consolidated statements of cash flows for the year then ended, and related

notes, are derived from the audited consolidated financial statements of MultiChoice South Africa Holdings Proprietary Limited for the year ended 31 March 2019.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with IFRS and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

Standards (IFRS) and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 14 June 2019.

Directors' responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with IFRS 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 summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of MultiChoice South Africa Holdings Proprietary Limited 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.

PricewaterhouseCoopers Inc.

Director: B Humphreys
Registered Auditor
Johannesburg

14 June 2019

PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View, 2090
Private Bag X36, Sunninghill, 2157, South Africa
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za

Chief executive officer: T D Shango

Management committee: S N Madikane, J S Masondo, P J Mothibe, C Richardson, F Tonelli, C Volschenk

The company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg. no. 4950174682

SUMMARISED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

as at 31 March 2019

	Group		Company	
	2019 R'000	2018 R'000	2019 R'000	2018 R'000
Assets				
Non-current assets	16 040 719	17 046 702	16 875 000	16 875 000
Current assets	13 989 524	10 053 679	–	–
Total assets	30 030 243	27 100 381	16 875 000	16 875 000
Equity and liabilities				
Total equity	10 300 357	8 868 309	16 875 000	16 875 000
Attributable to equity holders of the group	10 300 357	8 868 309	16 875 000	16 875 000
Total liabilities	19 729 886	18 232 072	–	–
Non-current liabilities	10 212 214	8 877 387	–	–
Current liabilities	9 517 672	9 354 685	–	–
Total equity and liabilities	30 030 243	27 100 381	16 875 000	16 875 000

SUMMARISED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

for the year ended 31 March

	Group		Company	
	2019 R'000	2018 R'000	2019 R'000	2018 R'000
Revenue	40 391 096	40 165 003	–	–
Cost of providing services and sale of goods	(21 438 728)	(21 544 531)	–	–
Selling, general and administration expenses	(8 550 206)	(7 959 148)	–	–
Other gains	18 773	18 489	–	–
Operating profit	10 420 935	10 679 813	–	–
Finance income	310 006	320 841	–	–
Finance costs	(644 094)	(644 929)	–	–
Foreign exchange (losses)/gains	(1 541 151)	659 995	–	–
Empowerment transaction*	(2 564 000)	–	–	–
Dividends received	–	–	6 600 000	6 500 000
Share of equity-accounted investments' results	(110 878)	(96 767)	–	–
Impairment of equity-accounted investments	(60 470)	(201)	–	–
Profit on disposal of business	–	117 756	–	–
Profit before taxation	5 810 348	11 036 508	6 600 000	6 500 000
Taxation	(2 344 083)	(3 247 202)	–	–
Net profit	3 466 265	7 789 306	6 600 000	6 500 000
Net profit attributable to equity holders of the group	3 466 265	7 789 306	6 600 000	6 500 000

* May be reclassified.

SUMMARISED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND CHANGES IN EQUITY

for the year ended 31 March

	Group		Company	
	2019 R'000	2018 R'000	2019 R'000	2018 R'000
Balance at the beginning of the year	8 868 309	8 097 607	16 875 000	16 875 000
Change in accounting policy*	107 104	—	—	—
Profit for the year	3 466 265	7 789 306	6 600 000	6 500 000
Total other comprehensive income, net of tax, for the year	1 727 731	(485 220)	—	—
Cash flow hedges	2 258 636	(608 624)	—	—
Revaluation of investments	50 400	(46 800)	—	—
Tax on other comprehensive income	(581 305)	170 204	—	—
Share-based comprehensive movement	2 725 863	(33 385)	—	—
Other movements	5 085	—	—	—
Dividends paid to shareholders	(6 600 000)	(6 500 000)	(6 600 000)	(6 500 000)
Balance at the end of the year	10 300 357	8 868 309	16 875 000	16 875 000
Comprising:				
Share capital and premium	17 216 270	17 216 270	16 875 000	16 875 000
Retained earnings	4 367 106	7 423 991	—	—
Share-based compensation reserve	2 757 269	20 505	—	—
Existing control business combination reserve**	(15 050 974)	(15 050 974)	—	—
Hedging reserve	825 245	(852 244)	—	—
Fair-value reserve	160 981	110 581	—	—
Foreign currency translation reserve	24 460	180	—	—
Total	10 300 357	8 868 309	16 875 000	16 875 000

* Change in accounting policies include the adoption of IFRIC 22 Foreign Currency Transactions and Advance Considerations, which resulted in a R155m adjustment to opening retained earnings and a R48m adjustment made in respect of the adoption of IFRS 9 Financial Instruments.

** May be reclassified.

SUMMARISED CONSOLIDATED STATEMENTS OF CASH FLOWS

for the year ended 31 March

	Group		Company	
	2019 R'000	2018 R'000	2019 R'000	2018 R'000
Cash flow from operating activities	8 557 545	7 460 827	–	–
Cash flow utilised in investing activities	(645 029)	(390 481)	–	–
Cash flow utilised in financing activities	(8 430 568)	(7 325 201)	–	–
Changes in cash and cash equivalents for the year	(518 052)	(254 855)	–	–
Cash and cash equivalents at the beginning of the period	2 272 620	2 600 694	–	–
Foreign exchange translation adjustments	325 911	(73 966)	–	–
Reclassification of cash to held for sale	–	747	–	–
Cash and cash equivalents at the end of the year	2 080 479	2 272 620	–	–

The principle non-cash transactions are the acquisition of equipment using finance leases, equity-settled share-based payment transactions and impairment of assets.

Basis of preparation

These summarised consolidated financial statements for the year ended 31 March 2019 have been extracted from the full set of audited consolidated annual financial statements for the year ended 31 March 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting* and in the manner required by the Companies Act of South

Africa. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The group has adopted all new and amended accounting pronouncements as issued by the International Accounting Standards Board (IASB), which were effective for financial years commencing on 1 April 2018.



PN companies
have received some

R10.4bn

(FY2018: R9.1bn)
in dividends since inception

PHUTHUMA NATHI
SHARE THE FUTURE

Integrated annual report to the shareholders of
Phuthuma Nathi Investments 2 (RF) Limited
for the year ended 31 March 2019

BOARD OF DIRECTORS

**Mandla Langa**

Mandla was chair of MultiChoice South Africa from 2007 to 2010 and chair of Icasa from 1999 to 2005. In 1991, he was awarded the Arts Council of Great Britain bursary for creative writing. A number of his works have been published. In 2007, he received South Africa's national order of Ikhamanga (silver) for literary, journalistic and cultural achievements and in 2009 a Living Legends Award from the eThekweni municipality. Mandla also received a Lifetime Achievement Award at the South African Literature Awards in 2010. His directorships include Business and Arts South Africa, Foundation for Global Dialogue, the Institute for the Advancement of Journalism, Rhodes University School for Economic Journalism, Kokoetso Holdings Proprietary Limited and South African Screenwriters' Laboratory (Scrawl).

**Yolisa Phahle**

Yolisa started her career as a classical pianist and violinist. In 1998 she started her TV career which included presenting, producing and sound and vision mixing for BBC. She served as chair on the production broadcast advisory board set up by Minister of Communications and has held several senior roles within MultiChoice South Africa. Yolisa is currently the chief executive officer of General Entertainment for the MultiChoice Group. In this role she drives the group's content strategy that will deliver the best international content to the organisation's 14 million subscriber homes, while increasing the focus on local story telling and industry development. She holds an MBA from GIBS Business School.

**Herman Wessels**

Herman holds several qualifications, including BCom, CTA and CA(SA). He was a partner at PricewaterhouseCoopers Inc. (PwC) from 1972 to 2005. He currently serves as a director for Keeromstraat 30 Beleggings and Naspers Beleggings, WWF South Africa, Peace Parks Foundation, Tencor, Swiss Re Life and Health Africa and Just Retirement South Africa and is a trustee of the Media24 Retirement Fund.

DIRECTORS' REPORT

for the year ended 31 March 2019

Nature of operations

Phuthuma Nathi Investments 2 (RF) Limited (PN2) was incorporated on 21 November 2006 under the laws of the Republic of South Africa. Its principal activities are to:

- ▷ carry on the main business of holding only MultiChoice South Africa Holdings Proprietary Limited ordinary shares, cash and such assets as are received and acquired solely by virtue of or in relation to holding these shares, and
- ▷ receive and distribute dividends and other distributions in terms of its holding in MultiChoice South Africa Holdings Proprietary Limited.

Shareholder data

As at 31 March	PN2	
	2019	2018
Number of shareholders	3 468	3 440
Closing share price	R130.00	R88.00

Share trading data

As at 31 March	PN2	
	2019	2018
Total transaction value	R79m	R58m
Number of shares traded	742 965	484 300
Number of transactions	933	1 019

The income tax reference number for PN2 is 9379963151.

DIRECTORS' REPORT continued

for the year ended 31 March 2019

Operating and financial review

The financial results of the company are set out on pages 110 to 116.

Dividends

The board recommends an ordinary dividend of 2 222.22 (2019: 1 955.56) cents per share. Dividend tax of 20% per share is 444.44 (2019: 391.11) cents. Subject to approval by shareholders on 28 August 2019, shareholders will therefore receive a total net dividend of 1 777.75 (2019: 1 564.45) cents per share.

There are a large number of dividends that have not been paid to shareholders for whom we have no contact details. The board appeals to all shareholders who have not received dividends to contact the company's transfer secretaries, EESE, a division of Singular Systems (see inside back cover (IBC) for contact details).

Directors, secretary and auditor

The directors of the company are listed on page 102. Mr Peter Goldhawk passed away on 2 September 2018 and Mr Herman Wessels was appointed as director and audit committee member in his stead on 10 October 2018. The registered address and postal address for the secretary are the same as those of the company as detailed on the IBC.

Mrs Rochelle Gabriels, the chief financial officer of MultiChoice South Africa subsidiaries, stepped down as acting company secretary for Phuthuma Nathi 2 on 1 April 2019 and Ms Donna Dickson was appointed as the company secretary on the same date.

The board has reviewed the qualifications, experience and arm's length relationship of the company secretary and is satisfied therewith.

DIRECTORS' REPORT continued

for the year ended 31 March 2019

Ms Clarissa Mack resigned as a director with effect from 12 July 2019. Ms Phahle was appointed as director and audit committee member with effect from 12 July 2019.

PwC will continue in office as auditor in accordance with section 90(6) of the Companies Act of South Africa.

The partner responsible for the audit is required to rotate every five years. Alinah Motaung is the audit partner for five years and will accordingly step down as audit partner at the close of the FY2023 audit.

Signed on behalf of the board



M Langa
Chair

27 June 2019

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2019

As the company's only assets are the investments in MultiChoice South Africa Holdings Proprietary Limited, the board deems it appropriate for all members to be appointed to the audit committee. The audit committee has pleasure in submitting this report, as required by section 94 of the Companies Act of South Africa No 71 of 2008, as amended (the Act).

Functions of the audit committee

The committee has discharged the following functions:

- ▷ Reviewed the year-end financial statements, culminating in a recommendation to the board to adopt these. In the course of its review, the committee:
 - took appropriate steps to ensure the annual financial statements are prepared in line with International Financial Reporting Standards (IFRS) and as required by the Act
 - considered and, when appropriate, made recommendations on internal financial controls
 - dealt with concerns or complaints on accounting policies, 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 external audit reports on the annual financial statements.
- ▷ Verified the independence of the external auditor and nominated PwC as the auditor for the FY2019 and noted the appointment of Ms Alinah Motaung as the designated auditor for the FY2020.
- ▷ Approved audit fees and engagement terms of the external auditor.

No non-audit services were provided by the external auditor.

Members of the audit committee

The committee comprises the non-executive directors of the company. All members act independently as described in section 94 of the Act.

As at 31 March 2019 the audit committee comprised three members:

- ▷ Mr Mandla Langa
- ▷ Ms Clarissa Mack, and
- ▷ Mr Herman Wessels.

Mr Langa, Ms Mack and Mr Peter Goldhawk were elected by shareholders as members of the audit committee of the annual general meeting held on 30 August 2018. Mr Goldhawk passed away on 2 September 2018. The board appointed Mr Wessels to fill the vacancy created by the passing of Mr Goldhawk on 10 October 2018.

Ms Mack resigned as director and audit committee member with effect from 12 July 2019. Mrs Phahle has been appointed by the board and will, together with Mr Langa and Mr Wessels, stand for election as audit committee members at the annual general meeting to be held on 28 August 2019.

REPORT OF THE AUDIT COMMITTEE continued

for the year ended 31 March 2019

FY2019 attendance

Name	Attendance
M Langa	1/1
C Mack	1/1
P Goldhawk	1/1

Mr Wessels and Mrs Phahle did not attend any meeting held in FY2019 as their appointments took place after the meeting held in FY2019 occurred.

The external auditor, in her capacity as auditor to the company, attended and reported at the meeting of the audit committee. Relevant senior managers attended meetings by invitation.

Confidential meetings

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

Independence of external auditor

During FY2019, the audit committee reviewed a representation by the external auditor and, after conducting its own review, confirmed the independence of the auditor.

Expertise and experience of finance function

The committee satisfied itself that the composition, experience and skills set of the chief financial officer and the finance function met the company's requirements.

Discharge of responsibilities

For the review period, the committee determined it had discharged its legal and other responsibilities as outlined by the Act. The board concurred with this assessment.

Signed on behalf of the audit committee of the board



M Langa
Director

27 June 2019

PHUTHUMA NATHI INVESTMENTS 2 (RF) LIMITED

Preparation of results and accounting policies

The financial results for the year ended 31 March 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa No 71 of 2008 (the Act), as amended. Except as noted in the summarised annual financial statements and the full annual financial statements, accounting policies are consistent with those applied in the previous period and IFRS.

Summarised and full annual financial statements

The summarised annual financial statements appear on pages 110 to 116 of this report. The summarised annual financial statements are not the statutory accounts of Phuthuma Nathi Investments 2 (RF) Limited (PN2) and do not contain all the disclosures required by

IFRS. The summarised financial statements are also not a substitute for and should be read together with the full annual financial statements to obtain a complete understanding of the results.

The summarised and full annual financial statements have been prepared under the supervision of the group chief financial officer, Rochelle Gabriels CA(SA), for MultiChoice South Africa subsidiaries, and have been audited by the independent external auditor, PwC, whose unqualified report is available for inspection at the registered office of the company (see IBC for contact details).

The full annual financial statements for the year ended 31 March 2019 are on our website (www.phuthumanathi.co.za). Printed copies are available from the company's secretariat (see IBC for contact details).

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARISED FINANCIAL STATEMENTS

To the shareholders of Phuthuma Nathi Investments 2 (RF) Limited

Opinion

The summary financial statements of Phuthuma Nathi Investments 2 (RF) Limited, set out on pages 110 to 116, which comprise the summary statement of financial position as at 31 March 2019, the summary statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of Phuthuma Nathi Investments 2 (RF) Limited for the year ended 31 March 2019.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with International Financial Reporting Standards (IFRS), and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary financial statements

The summary 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 summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 27 June 2019.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with the IFRS 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 summary financial statements are consistent, in all material respects, with the audited 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.

PricewaterhouseCoopers Inc.

Director: A Motaung

Registered auditor

Johannesburg

27 June 2019

SUMMARISED STATEMENTS OF FINANCIAL POSITION

as at 31 March 2019

	FY2019 R'000	FY2018 R'000
Assets		
Non-current assets	2 010 933	1 546 134
Investment in associate	2 010 933	1 546 134
Current assets	28 471	21 842
Current tax asset	1 358	1 290
Cash and cash equivalents	27 113	20 552
Total assets	2 039 404	1 567 976
Equity and liabilities		
Capital and reserves	2 011 753	1 547 056
Share capital and premium	225 000	225 000
Other reserves	441 970	88 368
Accumulated profit	1 344 783	1 233 688
Non-current liabilities	–	68
Long-term liabilities	–	68
Current liabilities	27 651	20 852
Other payables	27 651	20 852
Total equity and liabilities	2 039 404	1 567 976

The accompanying notes form an integral part of these financial statements.

SUMMARISED STATEMENTS OF PROFIT OR LOSS

for the year ended 31 March 2019

	FY2019 R'000	FY2018 R'000
Operating expenses	(102)	(96)
Operating loss	(102)	(96)
Gain on empowerment transaction	357 782	–
Share of equity accounted results of associate	193 416	520 484
Profit before taxation	551 096	520 388
Taxation	–	–
Net profit for the year	551 096	520 388
Earnings per share based on 22 500 000 issued shares	24.50	23.13

The accompanying notes form an integral part of these financial statements.

SUMMARISED STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 March 2019

	FY2019 R'000	FY2018 R'000
Net profit for the year	551 096	520 388
Items that may be reclassified subsequently to profit or loss		
Share of changes in associate's other comprehensive income items	353 602	(35 770)
Total comprehensive income	904 698	484 618

The accompanying notes form an integral part of these financial statements.

SUMMARISED STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2019

	Share capital and premium R'000	Other reserves* R'000	Accumulated profit R'000	Total R'000
Balance at 1 April 2017	225 000	124 138	1 146 634	1 495 772
Net profit for the year	–	–	520 388	520 388
Other comprehensive income for the year	–	(35 770)	–	(35 770)
Dividends	–	–	(433 334)	(433 334)
Balance at 31 March 2018	225 000	88 368	1 233 688	1 547 056
Net profit for the year	–	–	551 096	551 096
Other comprehensive income for the year	–	353 602	–	353 602
Dividends	–	–	(440 001)	(440 001)
Balance at 31 March 2019	225 000	441 970	1 344 783	2 011 753

* Other reserves consist of fair-value reserve from gains or losses on available-for-sale investments, foreign currency translation reserve, hedging reserve and share-based payment reserve.

The accompanying notes form an integral part of these financial statements.

SUMMARISED STATEMENTS OF CASH FLOWS

for the year ended 31 March 2019

	FY2019 R'000	FY2018 R'000
Cash flow from operating activities	451 195	434 393
Cash (utilised)/generated from operations	11 194	1 059
Dividends received from associate	440 001	433 334
Cash utilised in financing activities	(444 634)	(427 619)
Dividends paid to ordinary shareholders	(442 708)	(426 276)
Repayment of preference shares	(68)	–
Decrease in amounts owing to investors	(1 858)	(1 343)
Movement in cash for the year	6 561	6 774
Cash and cash equivalents at the beginning of the year	20 552	13 778
Cash and cash equivalents at the end of the year	27 113	20 552

The accompanying notes form an integral part of these financial statements.

NOTES TO THE SUMMARISED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

Basis of preparation

These summarised financial statements for the year ended 31 March 2019 have been extracted from the full set of audited annual financial statements for the year ended 31 March 2019, which have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and financial pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting* and in the manner required by the Companies Act of South Africa. The accounting policies applied in the preparation of the financial statements from which the summary financial statements were derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous annual financial statements.

The company has adopted all new and amended accounting pronouncements as issued by the International Accounting Standards Board (IASB), which were effective for financial years commencing on 1 April 2018.

Investment in associate

As at the beginning of the financial period the company had 6.67% interest in MultiChoice South Africa Holdings Proprietary Limited, a company incorporated and with its principal place of business in South Africa. The company increased its stake in MultiChoice South Africa Holdings Proprietary Limited through an additional allocation of 1.67% (valued at R358m) of the company's issued share capital (10 000 000 shares @ R0.0001 per share) on 4 March 2019, to increase its stake to 8.33% as at the end of the financial period.

The company recognised a once-off gain on the empowerment transaction of R358m in the current financial period for the additional 1.67% share allocation in the associate valued for nominal consideration.

The principal activities of MultiChoice South Africa Holdings Proprietary Limited is the operation of video-entertainment and internet subscriber platforms. This is an unlisted investment that is accounted for using the equity method of accounting.

NOTES TO THE SUMMARISED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2019

	FY2019 R'000	FY2018 R'000
Movement in carrying amount		
At the beginning of the year	1 546 134	1 494 754
Additional investment	357 782	–
Share of net profit	193 416	520 484
Share of changes in other reserves	353 602	(35 770)
Dividends received	(440 001)	(433 334)
At the end of the year	2 010 933	1 546 134
Analysis of carrying amount		
Cost	1 125 000	1 125 000
Share of post-acquisition reserves	885 933	421 134
	2 010 933	1 546 134
	R'm	R'm
Reconciliation of carrying amount		
Share of net assets of associate	858	591
Goodwill on initial acquisition	955	955
Fair value uplift on net identifiable assets	198	–
Carrying amount	2 011	1 546

Although the company holds less than 20% of the equity shares in MultiChoice South Africa Holdings Proprietary Limited, it exercises significant influence by virtue of its contractual right to appoint directors to the board of directors of that company and has the power to participate in the financial and operating policy decisions of MultiChoice South Africa Holdings Proprietary Limited.

There has been no objective evidence of impairment of the associate in the current or prior years.

NOTES TO THE SUMMARISED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2019

Summarised financial information of unlisted associate as per its annual financial statements

	FY2019 R'000	FY2018 R'000
Total assets	30 030 243	27 100 381
Total liabilities	19 729 886	18 232 072
Revenue	40 391 096	40 165 003
Cost of providing services and sale of goods	(21 438 728)	(21 544 531)
Gross profit	18 952 368	18 620 472
Other gains	18 773	18 489
Selling, general and administration costs	(8 550 206)	(7 959 148)
Operating profit	10 420 935	10 679 813
Finance income	310 006	320 841
Foreign exchange differences	(1 541 151)	659 995
Empowerment transaction	(2 564 000)	–
Impairment of equity-accounted investments	(60 470)	(201)
Share of equity-accounted investment results	(110 878)	(96 767)
Profit on sale of business	–	117 756
Finance costs	(644 094)	(644 929)
Profit before taxation	5 810 348	11 036 508
Taxation	(2 344 083)	(3 247 202)
Net profit	3 466 265	7 789 306
Other comprehensive income	1 727 731	(485 220)
Total comprehensive income	5 193 996	7 304 086

As at 31 March 2019 the company's associate had a contingent liability of Rnil (2018: R342.7m) as an estimate of potential liabilities.

NOTES TO THE SUMMARISED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2019

Long-term liabilities

	FY2019 R'000	FY2018 R'000
Variable rate, cumulative redeemable preference shares with issue price of R10 each	–	68
Balance at 31 March	–	68
At 31 March 2019, 0 (2018: 6 751) preference shares were in issue.		
Preference share liability reconciliation		
Opening balance at 1 April	68	68
Preference share redemptions	(68)	–
Closing balance at 31 March	–	68

On 21 January 2019, the board of directors issued a notice of redemption for the voluntary redemption of MIHH preference shares in the company as part of Naspers Limited distribution of its entire issued share capital in MultiChoice Group Limited. The redemption price of R10 per MIHH Preference share was recommended by the board which was payable by the company to MIHH on the redemption date. The preference shares were redeemed on 27 February 2019 as part of Naspers Limited's unbundling and listing of MultiChoice Group Limited. The redemption value of R67 510 was paid to MIH Holdings Proprietary Limited on 5 March 2019.



AGM date:

Wednesday 28 August 2019
at 11:00

AGM venue:

MultiChoice City Randburg

SHAREHOLDER INFORMATION FOR MULTICHOICE SOUTH AFRICA HOLDINGS PROPRIETARY LIMITED AND PHUTHUMA NATHI INVESTMENTS 2 (RF) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

MultiChoice South Africa Holdings Proprietary Limited

(Incorporated in the Republic of South Africa)
(Registration number 2006/015293/07)
(MCSA or the company)

Notice is given in terms of the Companies Act of South Africa No 71 of 2008, as amended (the Act), that the 13th annual general meeting (AGM) of the company will be held at MultiChoice City, 144 Bram Fischer Drive, Randburg at 11:00 on Wednesday 28 August 2019.

Please note that the registration counter for purposes of registering to vote at the AGM will close at 10:45 on Wednesday 28 August 2019.

Purpose of meeting

The purpose of the AGM is: (i) to present the enclosed annual financial statements of the company for FY2019 and consider and adopt the directors' report and the audit committee report; (ii) to consider and, if approved, to adopt with or without amendment, the resolutions set out on below; and (iii) to transact any other business as may be transacted at an AGM in terms of the Act and the memorandum of incorporation of the company (MOI).

Record dates

The notice record date, being the record date to determine which shareholders would receive this AGM notice together with the report is 26 July 2019.

The voting record date, being the record date on which an individual must be registered as a shareholder in the company's securities register for the purposes of being entitled to attend and vote at the AGM is 14 August 2019.

Voting and proxy forms

Only persons present in person at the AGM or represented by a valid proxy will be entitled to cast a vote on any matter put to a vote of shareholders.

Votes at the AGM will be taken by way of a poll and not on a show of hands. Each shareholder present in person or represented by proxy will be entitled to one vote for every share held by such shareholder.

A shareholder may appoint a proxy at any time. For practical purposes, forms of proxy must reach the transfer secretaries of the company Singular Systems Proprietary Limited at either 25 Scott Street, Waverley 2090 or PO Box 785261, Sandton 2146 or Phuthumanathi@singularservices.co.za, not less than forty-eight (48) hours before the AGM, that is by 11:00 on Monday 26 August 2019. Any proxies not received by this time must be handed in at the registration desks at MultiChoice City on Wednesday 28 August 2019 prior to the commencement of the AGM. A form of proxy is enclosed with this notice. The form of proxy may also be obtained from the registered office of the company.

In accordance with article 6.8 of the company's MOI:

- ▷ each shareholder of Phuthuma Nathi Investments (RF) Limited (Phuthuma Nathi) has been irrevocably appointed as a proxy for Phuthuma Nathi and is entitled, at the AGM of the company, to exercise one vote for each share that shareholder holds in Phuthuma Nathi, and
- ▷ each shareholder of Phuthuma Nathi Investments 2 (RF) Limited (Phuthuma Nathi 2) has been irrevocably appointed as a proxy for Phuthuma Nathi 2 and is

NOTICE OF ANNUAL GENERAL MEETING continued

entitled, at the AGM of the company, to exercise one vote for each share that shareholder holds in Phuthuma Nathi 2.

Identification of meeting participants

Before any person may attend or participate in a shareholders' meeting, that person must present reasonably satisfactory identification and the chair of the AGM must be reasonably satisfied that the right of that person to participate and/or vote, either as a shareholder or as a proxy for a shareholder, has been reasonably verified. Forms of identification include a valid South African identity document, a driver's licence and passport.

Electronic participation

Shareholders entitled to attend and vote at the AGM or their proxies will be entitled to participate in the AGM (but not vote) by electronic communication. Should a shareholder wish to participate in the AGM electronically, the shareholder should advise the company by no later than 09:00 on Thursday 16 August 2019 by submitting via registered mail addressed to the company (for the attention of Donna Dickson, (the company secretary) that shareholder's 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. On receipt of the required information, the shareholder will be given a secure code and instructions to access electronic communication during the AGM. Shareholders must note that access to the electronic communication will be for their expense.

Majority required for the adoption of resolutions

Each ordinary resolution requires the support of a simple majority (that is, 50% plus one) of the total number of voting rights exercised on the resolution in order to be adopted.

Each special resolution requires the support of at least 75% (that is, 75% or more) of the total number of voting rights exercised on the resolution in order to be adopted.

The non-binding resolutions are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to the existing arrangements. Should 25% or more of the voting rights exercised on the resolution be cast against the resolution, the board of directors of the company (board) will undertake to engage with identified dissenting shareholders on the reasons for such dissent and to take appropriate action (as the board may determine in its discretion) to address issues raised, as envisaged in the King IV Code on Corporate Governance for South Africa 2016 (King IV).

In accordance with the Act, votes recorded as abstentions are not taken into account for purposes of determining the final percentage of votes cast in favour of resolutions.

NOTICE OF ANNUAL GENERAL MEETING continued

Presentation of annual financial statements and reports

The suite of reports of the company, comprising the documents set out below, was made available to shareholders on 30 July 2019 and can be obtained at www.multichoice.com/multichoice-south-africa/ or at the company's registered office (details are included in this integrated annual report):

- ▷ integrated annual report, and
- ▷ consolidated annual financial statements of the company, incorporating among others, the directors' report, the independent auditor's report and the audit committee report for the financial year ended 31 March 2019.

The annual financial statements will be presented to the shareholders at the AGM as required in terms of the Act.

Ordinary resolutions

1. Ordinary resolution number 1: Re-election of directors

To elect Don Eriksson, Elias Masilela and Jim Volkwyn who retire by rotation in terms of article 5.1.6 of the MOI and being eligible offer themselves for re-election as directors of the company.

Their brief biographical details are included in this integrated annual report.

The board unanimously recommends that the re-election of directors in terms of resolution number 1 be approved by shareholders of the company. The re-election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, and in each vote to fill a vacancy, each voting right entitled to be exercised, may be exercised once.

2. Ordinary resolution number 2: Election of directors appointed to the board during the year

To approve the appointment of Louisa Stephens and Jabulane Mabuza as directors of the company, who were appointed in terms of article 5.1.9 of the MOI and who are subject to retirement at this AGM, and being eligible offer themselves for re-election as directors of the company.

Their brief biographical details are included in this integrated annual report.

The board unanimously recommends that the appointment and re-election of the directors in terms of resolution number 2 be approved by shareholders of the company. The appointment and re-election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, and in each vote to fill a vacancy, each voting right entitled to be exercised may, be exercised once.

3. Ordinary resolution number 3: Reappointment of independent auditor

To reappoint, on the recommendation of the company's audit committee, the firm PricewaterhouseCoopers Inc. as independent registered auditor of the company (noting that Brett Humphreys is the individual registered auditor of that firm who will undertake the audit) for the period until the next AGM of the company.

NOTICE OF ANNUAL GENERAL MEETING continued

4. Ordinary resolution number 4: Appointment of audit committee members

To appoint, on the recommendation of the board, Don Eriksson, Salukazi Dakile-Hlongwane, Elias Masilela and Louisa Stephens (chair) and as audit committee members of the company as required in terms of the Act and recommended by King IV (principle 8).

Their brief biographical details are included in this integrated annual report.

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 in the company, as well as International Financial Reporting Standards (IFRS) and other regulations and guidelines applicable to the company. They keep up to date with developments affecting their required skills set.

The appointment is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, and in each vote to fill a vacancy, each voting right entitled to be exercised, may be exercised once.

5. Ordinary resolution number 5: Authorisation of distribution

To authorise a distribution of 1 666.66 cents per share, pursuant to article 6.3.2 of the MOI and in accordance with the recommendation of the board.

Subject to shareholder approval the board approved a dividend of R6bn payable to its ordinary shareholders. The board has approved a distribution of 1 666.66 cents per share, after having applied the solvency and liquidity test and reasonably concluded that the company will satisfy the solvency and liquidity test immediately after completing the proposed distribution.

Non-binding advisory resolutions

6. Non-binding advisory resolution number 1: Endorsement of the company's remuneration policy

To endorse the company's remuneration policy, as set out in the remuneration report in the integrated annual report.

7. Non-binding advisory resolution number 2: Endorsement of the company's implementation of remuneration policy

To endorse the company's implementation of the remuneration policy, as set out in the remuneration report in the integrated annual report.

NOTICE OF ANNUAL GENERAL MEETING continued

Special resolutions

8. Special resolution number 1: General authority to repurchase shares in terms of section 48 of the Act

To authorise the board, by way of a renewable general authority, to approve the acquisition of the company's shares by the company or any subsidiary of the company, upon such terms as the board may determine, in each instance in terms of and subject to the MOI and the Act.

The reason for and effect of special resolution number 1 is to grant the company and/or a subsidiary of the company a general authority in terms of the Companies Act to acquire the company's shares.

The directors record that although there is no immediate intention to effect a repurchase of the shares of the company, they will continually review the company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect any repurchases as contemplated in special resolution number 1.

9. Special resolution number 2: General authority to provide financial assistance in terms of sections 44 and 45 of the Act

To authorise the board, by way of a renewable general authority, to approve the provision of direct or indirect financial assistance, including by way of a loan, guarantee, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or entity that is or becomes related or interrelated to the company or any of its subsidiaries, and/or to any shareholder of such subsidiary or related or interrelated

company or entity, all as contemplated in sections 44 and/or 45 of the Act, for such amounts and on such terms as the board may determine, in each instance in terms of and subject to the MOI and the Act.

The reason for and effect of special resolution number 2 is to authorise the provision of financial assistance to the potential recipients as set out in the resolution for the purpose of facilitating the company's normal commercial and financing activities within and among the company's group of companies. This special resolution number 2 deliberately excludes from its scope any reference to 'any person' (as provided for in section 44 of the Act) and also excludes from its ambit 'directors and officers' (as provided for in section 45 of the Act).

Ordinary resolution

10. Ordinary resolution number 6: Authorisation to implement resolutions

To authorise each of the directors of the company to do all things, perform all acts and sign all documents necessary or desirable to effect the implementation of the ordinary and special resolutions adopted at this AGM.

Other business

To transact such other business as may be transacted at an AGM.

By order of the board



D M Dickson
Company secretary

26 July 2019

FORM OF PROXY

MultiChoice South Africa Holdings Proprietary Limited

(Incorporated in the Republic of South Africa)

(Registration number: 2006/015293/07)

(MCSA or the company)

For use by shareholders at the annual general meeting (AGM) to be held on Wednesday 28 August 2019 at MultiChoice City, 144 Bram Fischer Drive, Randburg.

I/We

(Name in block letters)

(Identity number/registration number)

of

(Address)

being the holder(s) of _____ shares

in the company, hereby appoint (see note 1)

1. _____ or failing him/her

2. _____ or failing him/her

3. the chair of the company, or failing him/her, the chair of the AGM

as my/our proxy to vote for me/us on my/our behalf at the AGM of the company to be held on Wednesday 28 August 2019 at MultiChoice City, 144 Bram Fischer Drive, Randburg, or at any adjournment, and generally to act as my/our proxy at this meeting.

I/We desire to vote as follows (see note 8):

		For	Against	Abstain
Ordinary resolution number 1	Re-election of directors:			
	Don Eriksson			
	Elias Masilela			
	Jim Volkwyn			
Ordinary resolution number 2	Election of directors appointed to the board during the year:			
	Louisa Stephens			
	Jabu Mabuza			
Ordinary resolution number 3	Reappointment of auditor			
Ordinary resolution number 4	Appointment of audit committee members:			
	Don Eriksson			
	Salukazi Dakile-Hlongwane			
	Elias Masilela			
	Louisa Stephens (Chair)			
Ordinary resolution number 5	Authorisation of distribution			
Non-binding advisory resolution number 1	Endorsement of the company's remuneration policy			
Non-binding advisory resolution number 2	Endorsement of the company's implementation of the company's remuneration policy			
Special resolution number 1	General authority to repurchase shares in terms of section 48 of the Act			
Special resolution number 2	General authority to provide financial assistance in terms of sections 44 and 45 of the Act			
Ordinary resolution number 6	Authorisation to implement resolutions			

Signed at _____ on this _____ day of _____ 2019

Signature

Assisted by (where applicable)

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the company).

Please see notes on page 124.

NOTES TO THE FORM OF PROXY

1. A shareholder of the company may appoint any individual (including one who is not a shareholder of the company) as a proxy to participate in, speak and vote at the AGM 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 AGM". The person whose name is first on the form of proxy and who is present at the AGM 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 AGM.
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 exercising 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 determined by the instrument appointing the proxy.
8. A shareholder's instructions to the proxy must be indicated by inserting an 'X' in the appropriate box.
9. Every shareholder present in person or by proxy and entitled to vote, will on a show of hands have only one vote and, on a poll, every shareholder will have one vote for every 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 unless previously recorded by the company or waived by the chair of the AGM.
11. Forms of proxy must be lodged with the transfer secretaries, Singular Services, a division of Singular Systems Proprietary Limited, 25 Scott Street, Waverley 2090 or PO Box 785261, Sandton 2146 or Phuthumanathi@singularservices.co.za, to reach them not less than forty-eight (48) hours before the AGM, that is by 11:00 on Monday 26 August 2019. Any proxies not received by this time must be handed in at the registration desks at MultiChoice City on Wednesday 28 August 2019 prior to the commencement of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Phuthuma Nathi Investments 2 (RF) Limited

(Incorporated in the Republic of South Africa)
(Registration number: 2006/036320/06)
(Phuthuma Nathi 2 or the company)

Notice is given in terms of the Companies Act of South Africa No 71 of 2008, as amended (the Act), that the 13th AGM of the company will be held at MultiChoice City, 144 Bram Fischer Drive, Randburg immediately after the AGM of MultiChoice South Africa Holdings Proprietary Limited, which is scheduled to be held at 11:00 on Wednesday 28 August 2019.

Please note that the registration counter for purposes of registering to vote at the AGM will close at 10:45 on Wednesday 28 August 2019.

Purpose of meeting

The purpose of the AGM is: (i) to present the audited annual financial statements of the company for the 2019 financial year and consider and adopt the directors' report and the audit committee report; (ii) to consider and, if approved, to adopt with or without amendment, the resolutions set out on below; and (iii) to transact any other business as may be transacted at an AGM in terms of the Act and the memorandum of incorporation of the company (MOI).

Record dates

The notice record date, being the record date to determine which shareholders would receive this AGM notice together with the report is 26 July 2019.

The voting record date, being the record date on which an individual must be registered as a shareholder in the company's

securities register for the purposes of being entitled to attend and vote at the AGM is 14 August 2019.

Voting and proxy forms

Only persons present in person at the AGM or represented by a valid proxy will be entitled to cast a vote on any matter put to a vote of shareholders.

Votes at the AGM will be taken by way of a poll and not on a show of hands. Each shareholder present in person or represented by proxy will be entitled to one vote for every share held by such shareholder.

A shareholder may appoint a proxy at any time. For practical purposes, forms of proxy must reach the transfer secretaries of the company, Singular Service, a division of Singular Systems Proprietary Limited at either 25 Scott Street, Waverley, 2090 or PO Box 785261, Sandton, 2146 or Phuthumanathi@singularservices.co.za, not less than forty-eight (48) hours before the AGM, that is by 11:00 on Monday 26 August 2019. Any proxies not received by this time must be handed in at the registration desks at MultiChoice City on Wednesday 28 August 2019 prior to the commencement of the AGM. A form of proxy is enclosed with this notice. The form of proxy may also be obtained from the registered office of the company.

Identification of meeting participants

Before any person may attend or participate in a shareholders' meeting, that person must present reasonably satisfactory identification and the chair of the AGM must be reasonably satisfied that the right of that person to participate and/or vote, either as a

NOTICE OF ANNUAL GENERAL MEETING continued

shareholder or as a proxy for a shareholder, has been reasonably verified. Forms of identification include a valid South African identity document, a driver's licence and passport.

Electronic participation

Shareholders entitled to attend and vote at the AGM or their proxies will be entitled to participate in the AGM (but not vote) by electronic communication. Should a shareholder wish to participate in the AGM electronically, the shareholder should advise the company by no later than 09:00 on Thursday 16 August 2019 by submitting via registered mail addressed to the company (for the attention of Donna Dickson, (the company secretary) that shareholder's 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. On receipt of the required information, the shareholder will be given a secure code and instructions to access electronic communication during the AGM. Shareholders must note that access to the electronic communication will be for their expense.

Majority required for the adoption of resolutions

Each ordinary resolution requires the support of a simple majority (that is, 50% plus one) of the total number of voting rights exercised on the resolution in order to be adopted.

In accordance with the Act, votes recorded as abstentions are not taken into account for purposes of determining the final percentage of votes cast in favour of resolutions.

Presentation of annual financial statements and reports

The suite of reports of the company, comprising the documents set out below, was made available to shareholders on 30 July 2019 and can be obtained at www.multichoice.com/multichoice-south-africa/ or at the company's registered office:

- ▷ consolidated annual financial statements of the company, incorporating among others, the directors' report, the independent auditor's report and the audit committee report for the financial year ended 31 March 2019.

The annual financial statements will be presented to the shareholders at the AGM as required in terms of the Act.

Ordinary resolutions

1. Ordinary resolution number 1: Re-election of directors

To elect Mandla Langa, who retires by rotation and being eligible offer himself for re-election as a director of the company. His brief biographical details are included in this integrated annual report.

The board unanimously recommends that the re-election of the director in terms of resolution number 1 be approved by shareholders of the company.

NOTICE OF ANNUAL GENERAL MEETING continued

2. Ordinary resolution number 2: Election of directors appointed to the board during the year

To approve the appointment of Herman Wessels and Yolisa Phahle as an independent non-executive directors.

Their brief biographical details are included in this integrated annual report.

The board unanimously recommends that the appointment and election of the directors in terms of resolution number 2 be approved by shareholders of the company. Each appointment will be done by a separate vote.

3. Ordinary resolution number 3: Reappointment of independent auditor

To reappoint, on the recommendation of the company's audit committee, the firm PricewaterhouseCoopers Inc. as independent registered auditor of the company (noting that Alinah Motaung is the individual registered auditor of that firm who will undertake the audit) for the period until the next AGM of the company.

4. Ordinary resolution number 4: Appointment of audit committee members

To appoint, on the recommendation of the board, Mandla Langa, Yolisa Phahle and Herman Wessels as audit committee members of the company as required in

terms of the Act and recommended by King IV (principle 8). Their brief biographical details are included in this integrated annual report.

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 in the company, as well as International Financial Reporting Standards (IFRS) and other regulations and guidelines applicable to the company. They keep up to date with developments affecting their required skills set.

The appointment is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, and in each vote to fill a vacancy, each voting right entitled to be exercised, may be exercised once.

5. Ordinary resolution number 5: Authorisation of distribution

To authorise a distribution of 2 222.22 cents per share, in accordance with the recommendation of the board.

NOTICE OF ANNUAL GENERAL MEETING continued

Subject to shareholder approval the board approved a dividend of R500m payable to its ordinary shareholders. The board has approved a distribution of 2 222.22 cents per share, after having applied the solvency and liquidity test and reasonably concluded that the company will satisfy the solvency and liquidity test immediately after completing the proposed distribution.

6. Ordinary resolution number 6: Authorisation to implement resolutions

Each of the directors of the company is authorised to do all things, perform all acts and sign all documents necessary or desirable to effect the implementation of the ordinary and special resolutions adopted at this AGM.

Other business

To transact such other business as may be transacted at an AGM.

By order of the board



D M Dickson
Company secretary

26 July 2019

FORM OF PROXY

Phuthuma Nathi Investments 2 (RF) Limited

(Incorporated in the Republic of South Africa)

(Registration number: 2006/036320/06)

(Phuthuma Nathi or the company)

For use by shareholders at the AGM to be held on Wednesday 28 August 2019 at MultiChoice City, 144 Bram Fischer Drive, Randburg.

I/We

(Name in block letters)

(Identity number/registration number)

of

(Address)

being the holder(s) of ordinary shares

in the company, hereby appoint (see note 1)

1. or failing him/her

2. or failing him/her

3. the chair of the company, or failing him/her, the chair of the AGM

as my/our proxy to vote for me/us on my/our behalf at the AGM of the company to be held on Wednesday 28 August 2019 at MultiChoice City, 144 Bram Fischer Drive, Randburg, or at any adjournment, and generally to act as my/our proxy at this meeting.

I/We desire to vote as follows (see note 8):

		For	Against	Abstain
Ordinary resolution number 1	Re-election of director:			
	Mandla Langa			
Ordinary resolution number 2	Appointment of directors:			
	Herman Wessels			
	Yolisa Phahle			
Ordinary resolution number 3	Reappointment of auditor			
Ordinary resolution number 4	Appointment of audit committee members:			
	Yolisa Phahle			
	Mandla Langa			
	Herman Wessels			
Ordinary resolution number 5	Authorisation of distribution			
Ordinary resolution number 6	Authorisation to implement resolutions			

Signed at on this day of 2019

Signature Assisted by (where applicable)

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the company).

Please see notes on page 130.

NOTES TO THE FORM OF PROXY

The following provisions shall apply in relation to proxies:

1. A shareholder of the company may appoint any individual (including one who is not a shareholder of the company) as a proxy to participate in, speak and vote at the AGM 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 AGM". The person whose name is first on the form of proxy and who is present at the AGM 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 AGM.
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 exercising 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 determined by the instrument appointing the proxy.
8. A shareholder's instructions to the proxy must be indicated by inserting an 'X' in the appropriate box.
9. Every shareholder present in person or by proxy and entitled to vote, will on a show of hands have only one vote and, on a poll, every shareholder will have one vote for every 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 unless previously recorded by the company or waived by the chair of the AGM.
11. Forms of proxy must be lodged with the transfer secretaries, Singular Services, a division of Singular Systems Proprietary Limited, 25 Scott Street, Waverley, 2090 or PO Box 785261, Sandton, 2146 or Phuthumanathi@singularservices.co.za, to reach them not less than forty-eight (48) hours before the AGM, that is by 11:00 on Monday 26 August 2019. Any proxies not received by this time must be handed in at the registration desks at MultiChoice City on Wednesday 28 August 2019 prior to the commencement of the AGM.

ADMINISTRATION AND CORPORATE INFORMATION



Registration number

2006/015293/07

Registered office

MultiChoice City
144 Bram Fischer Drive, Randburg 2194
(PO Box 1502, Randburg 2125)

Company secretary

Donna Dickson
MultiChoice City
144 Bram Fischer Drive, Randburg 2194
(PO Box 1502, Randburg 2125)

Attorneys and tax advisers

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

Independent auditor

PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
4 Lisbon Lane, Waterfall City,
Jukskei View 2090
(Private Bag X36, Sunninghill 2157)



Registration number

2006/036320/06

Registered office

MultiChoice City
144 Bram Fischer Drive, Randburg 2194
(PO Box 1502, Randburg 2125)

Acting company secretary

Donna Dickson
MultiChoice City
144 Bram Fischer Drive, Randburg 2194
(PO Box 1502, Randburg 2125)

Trading helpdesk and transfer secretaries

Singular Services, a division of
Singular Systems Proprietary Limited
(Registration number 2002/001492/07)
25 Scott Street, Waverley 2090
PO Box 785261, Sandton, 2146
Phuthumanathi@singularservices.co.za

Independent auditor

PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
4 Lisbon Lane, Waterfall City, Jukskei View 2090
(Private Bag X36, Sunninghill 2157)



Call centre helpline: 0860 116 226

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