



MULTI CHOICE

ENRICHING LIVES

MultiChoice Group Limited (MCG)

Remuneration Policy

CARE CONNECT CREATE

DStv

GOtv

showmax



DStv
Media Sales

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1. Purpose

- 1.1 This policy informs and explains the main aspects of employee remuneration to employees, ensuring that all employees understand their remuneration package and the related standards and rules that pertain to the remuneration process.

2. Application

- 2.1 This policy is applicable to all entities and business areas/units or groupings within MultiChoice Group Limited (MCG), which includes MultiChoice South Africa (MCSA), MultiChoice Africa (RoA) and Irdeto (collectively the Group).

3. Definitions, Acronyms and Abbreviations

Term	Definition
“Base Salary”	means salary excluding benefits
“Business Unit”	Means MultiChoice South Africa, DStv Media Sales, SuperSport, M-Net, General Entertainment, Showmax, MultiChoice Nigeria, Northern region, Southern region
CHEPS	Core headline earnings per share
EBITDA	Earnings before interest, taxes, depreciation, and amortization
“employee”	means all permanent employees, fixed term contractors and learners on a learnership programme
FCF	Free Cash Flow
“Group”	means MultiChoice Group Limited, and MultiChoice Africa Group Holdings B.V and its subsidiaries
“HC”	means Human Capital
“ISP”	means independent service provider, an individual that is a service provider, and not an employee, that undertakes to render a service to a company in the Group, based on an ISP contract
“LTI”	refers to long-term incentive and typically means shares
“MCSA”	MultiChoice South Africa Holdings (Pty) Ltd and its subsidiaries
“MCG”	MultiChoice Group Limited
MSR	Minimum Shareholding Requirement
PPS	Phantom Performance Scheme
PSU	Performance share unit and refers to RSUs with performance conditions
“Remco”	refers to the MultiChoice Remuneration Committee
“RoA”	MultiChoice Africa Group Holdings B.V and its subsidiaries
RSU	Restricted share unit
SA	South Africa
“STI”	refers to short-term incentive and typically means bonus
“TCTC”	means Total Cost to Company that includes basic fixed remuneration and all benefits.

4. Policy Detail

- 4.1 This policy shall be governed by the provisions of the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997) and the Income Tax Act, 1962 (Act No. 58 of 1962) in South Africa. Local laws and regulations will apply in countries outside of South Africa.

5. Philosophy

- 5.1 Our remuneration philosophy is informed by the group's strategy and capital allocation process and enables us to achieve our business objectives.
- 5.2 Our commitment to pay for performance aligns with the principle of creating long-term value for our shareholders – it drives our remuneration activities and supports the ownership mentality and spirit of entrepreneurship in our teams around the world.
- 5.3 As far as possible, our pay structure is similar across the business, and it exceeds 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.
- 5.4 When making executive pay decisions, we consider the individual's performance, the business's performance, the complexity of executives' responsibilities, as well as the growth trajectory and lifecycle of the business unit for which the individual is responsible.
- 5.5 Our STIs are aimed at rewarding employees for overperformance in a specific year and are typically capped at a percentage of an employee's salary.
- 5.6 Our approach to LTIs strives to ensure executives are invested in driving sustainable performance and shareholder value creation over the long term.

6. Talent and fairness

- 6.1 We aim to be the preferred employer for prospective and current employees in the sectors in which we operate and to be recognised as a leading employer in our markets.
- 6.2 We focus on recruiting experienced talent for critical areas of product development and service delivery, such as technology, data, digital and content. We also provide opportunities for new, young talent to learn and develop. These, combined with our other internal disciplines, are important to scale our business and deliver our strategic and operational imperatives.
- 6.3 We strive to recruit and retain the best caliber of executive talent to lead the organisation and create value for our stakeholders. Balancing the levels of executive remuneration with the demand to remain competitive in attracting global talent in the video entertainment industry has become challenging.
- 6.4 While we are seeing increasing competition for talent from our OTT competitors across all our markets, our recent partnership with Comcast, NBCUniversal and Sky does provide access to some of the leading OTT talent globally.
- 6.5 We continuously monitor the level of fair and responsible pay for all our employees, and we are aware of pending legislation on pay gap disclosures. Our minimum salary in South Africa is more than three times the current minimum wage requirements set by the government. We are proud of the suite of benefits offered to our employees (detailed in Section 12).

7. Benchmarking

- 7.1 We strive to be consistent, offering remuneration packages that help attract and retain the best talent in our market.
- 7.2 We consider market practices, business requirements and the caliber of the individual in our recruitment processes.
- 7.3 We benchmark our remuneration against the market using reputable survey companies.

- 7.4 We target our guaranteed salary at the median of the market with exceptions based on performance and critical skills.
- 7.5 For the executive committee, we benchmark remuneration against the same peer group of companies used for the TSR measure, i.e., Vodacom, MTN, Telkom, Shoprite, Clicks, Bidvest, Discovery, Mr Price and TFG. Our approach to performance incentives is to award STIs below the average of our peer group and a higher LTI component as we believe this will ensure alignment to shareholder interests. This approach ensures that our blended outcome for our executive committee including both STI and LTI aligns with the market.

8. Malus and clawback

- 8.1 We believe inappropriate conduct should not be rewarded. To protect stakeholders against inappropriate conduct by executives, malus and clawback provisions apply to all variable pay (STI and LTI) for the MultiChoice executive committee.
- 8.2 These provisions enable us to recover variable remuneration awards made, based on the occurrence of a trigger event caused by the participant, which led to loss or damage incurred by the group.
- 8.3 Trigger events include, but are not limited to:
 - 8.3.1 The group or any subsidiary's financial statements having been materially restated.
 - 8.3.2 The executive having deliberately misled the group or any subsidiary, the market and/or the group's shareholders regarding the financial performance or position of the group.
 - 8.3.3 The executive's actions brought the group, subsidiary and/or the executive's business unit into significant disrepute.
 - 8.3.4 The executive's actions amounted to gross misconduct or a material error.
 - 8.3.5 The subsidiary or the business unit in which the executive works having suffered a material risk management or compliance failure.
 - 8.3.6 Any other matter which, in the reasonable opinion of the remuneration committee, is required to be taken into account to comply with prevailing legal and/or regulatory requirements.
- 8.4 Malus will be applied prior to the vesting and/or payment of any STI or LTI.
- 8.5 Clawback will be applicable for up to three years after the vesting and/or payment of any STI or LTI.

9. Recruitment policy

- 9.1 On the appointment of a new employee, the individual's package will typically be in line with the principles as outlined in section 12.
- 9.2 To facilitate recruitment, it may be necessary to compensate for remuneration forfeited on exiting the previous employer. This will be considered on a case-by-case basis and may comprise cash or shares.

10. Termination policy

- 10.1 Payments in lieu of notice may be made to executives for the unexpired portion of the notice period.
- 10.2 On cessation, of employment, 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 considering the circumstances of their departure.
- 10.3 Termination provisions related to LTI plans are as follows:

	LTI termination provisions
Death, ill health, disability or other event approved at the board's discretion	All unvested awards will be accelerated and fully vest on the date of termination of employment. If applicable, the outcomes of PSUs and PPS thresholds will be reviewed by the remuneration committee on a case-by-case basis.
Redundancy or termination as a result of a business disposal or change of control/jurisdictional issue or retirement	Vesting of the awards will be accelerated on a pro rata basis. However, the pro rata portion will only be applicable to the next upcoming vesting portion. If applicable, the outcomes of PSU and PPS thresholds will be reviewed by the remuneration committee on a case-by-case basis.
For other causes	All unvested awards will lapse.

11. Minimum Shareholding Requirement

- 11.1 To encourage individual shareholding in the group and to align with shareholders' interests, the following minimum shareholding is required for all members of the executive committee.
- 11.2 To allow time for the executives to build up a shareholding in the MultiChoice Group, these MSR requirements are to be met by July 2024 for current executives.
- 11.3 The timeframe for new executive committee members to reach the MSR is five years from the date of appointment.
- 11.4 Members of the executive committee can pledge LTI awards (by placing the shares in escrow) to ensure the shareholding requirements are met.

	MSR as a % of salary
CEO	300%
CFO	200%
Executive Committee	100%

12. Our Remuneration structure

	Purpose and description	Calculation	Eligibility	Performance measures	Malus and clawback
Guaranteed Pay	<p>Salary</p> <p>Fixed remuneration with consideration given to specific requirements of the role. In South Africa, we follow the local market practice of Guaranteed Pay remuneration, which comprises a basic salary plus cash and non-cash benefits. Outside of South Africa, we follow the market practice of base salary plus cash and non-cash benefits. Guaranteed pay is reviewed annually, and any increases are typically effective from June each year.</p>	<p>Market conditions, group performance, internal comparability, individual experience, performance and level of responsibility within the organization are taken into consideration and reviewed annually. Payment of an employee's annual salary increase, if any, may be withheld if an employee is suspended or undergoing a disciplinary process. Should the employee return to work or be found not guilty, the increase will be paid as soon as practically possible thereafter. Should the employee be dismissed, the increase will be forfeited.</p>	<p>All employees Employees joining on or after 1 March of the applicable financial year are not eligible for an annual salary increase.</p>	<p>Individual performance</p>	<p>Not applicable</p>
	<p>Benefits</p> <p>Benefits and allowances appropriate to the market and contributing to the wellbeing of employees. Comprises a suite of competitive employee benefits that vary across countries as per market practice. Examples include:</p> <ul style="list-style-type: none"> • Bursaries for employees and families • Wellness benefits such as onsite healthcare and counselling, a gym and a concierge service • Work-life balance leave • A closed medical aid scheme and retirement scheme with competitive benefits • An early childhood development allowance and an onsite crèche • Discounts on DSTv subscriptions for employees and up to three family members • Discounts on DSTv Internet 	<p>Not applicable</p>	<p>All employees</p>	<p>None</p>	<p>Not applicable</p>



	Purpose and description	Calculation	Eligibility	Performance measures	Malus and clawback																	
STI Bonus	<p>Annual performance-related incentives motivate employees to achieve short-term strategic, financial and non-financial objectives over a one-year performance period. This ensures remuneration is aligned with the annual business performance and to drive long-term shareholder value creation. Targets are set at a MultiChoice Group level and at BU/country level and applied to employees within these respective areas. The individual performance measures for each employee are tailored to their roles and responsibilities, which filter down to the employees in those reporting lines. The incentive plan is agreed annually in advance and based on targets that are verifiable and aligned with the specific business unit's annual business plan.</p>	<p>All employees have an on-target bonus percentage which is used to calculate their bonus. The on-target bonus percentage will differ for employees according to their roles and responsibilities. The calculation to determine the performance outcome is detailed below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Salary</td> </tr> <tr> <td style="text-align: center;">x</td> </tr> <tr> <td style="text-align: center;">On-target bonus %</td> </tr> <tr> <td style="text-align: center;">x</td> </tr> <tr> <td style="text-align: center;">Individual performance %</td> </tr> <tr> <td style="text-align: center;">x</td> </tr> <tr> <td style="text-align: center;">Group/BU performance %</td> </tr> </table> <p>If the Employee commences employment with the Group after the beginning of the Group's financial year, the Employee's STI, if any, will be pro-rated accordingly. Payment of an employee's STI may be withheld if an employee is suspended or undergoing a disciplinary process. Should the employee return to work or be found not guilty, the STI will be paid as soon as practically possible thereafter. Should the employee be dismissed, the STI will be forfeited.</p>	Salary	x	On-target bonus %	x	Individual performance %	x	Group/BU performance %	<p>All employees subject to performance criteria. Employees joining on or after 1 January of the applicable financial year will not be eligible for an STI. Employees will only be eligible for an STI payment if he or she is still in the employ of the Group at the time of the STI payment.</p>	<p>The company performance measures and weightings for MultiChoice Group are set out below. Performance measures for each BU may differ based on strategic objectives:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Measure</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>25%</td> </tr> <tr> <td>CHEPS</td> <td>25%</td> </tr> <tr> <td>FCF</td> <td>25%</td> </tr> <tr> <td>Subscribers*</td> <td>25%</td> </tr> </tbody> </table> <p>* Weighted equally between SA, RoA, Showmax and Insurance.</p> <p>Performance below threshold results in a 0% payment for the specific measure. Between threshold and stretch, linear progression of the payment from 80% to 120%. Each measure is capped at 120% of the weighting.</p>	Measure	Weight	Revenue	25%	CHEPS	25%	FCF	25%	Subscribers*	25%	<p>Malus and clawback provisions are applicable to the MultiChoice executive committee.</p>
Salary																						
x																						
On-target bonus %																						
x																						
Individual performance %																						
x																						
Group/BU performance %																						
Measure	Weight																					
Revenue	25%																					
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Subscribers*	25%																					
LTI MultiChoice RSUs	<p>An award of MultiChoice Group shares registered to the participants subject to an employment condition (continued tenure). For the executive committee, and key senior management employees, achievement of performance conditions apply.</p>	<p>RSUs vest over four years in two equal tranches in years three and four. PSUs vest 100% after three years. Executives' awards are 100% PSUs. Quantum of PSU vesting is dependent on the achievement of performance conditions. Settlement of the awards takes place on the respective vesting date of the awards and at the Remco's discretion. Dividends are not payable on unvested shares.</p>	<p>Executives, senior management, and employees with scarce and critical skills are eligible to participate.</p>	<p>PSU measures include a blend of financial and non-financial targets linked to the Group strategic objectives and are reviewed annually.</p>	<p>Malus and clawback provisions are applicable to the MultiChoice executive committee.</p>																	

	Purpose and description	Calculation	Eligibility	Performance measures	Malus and clawback											
LTI	PPS Plan	A phantom award of value to the participants subject to an employment condition (continued tenure), where the value of the units awarded, at grant and settlement, is based on the value of the underlying portfolio of new investments and performance conditions on a like-for-like basis.	PPS units vest over five years in two equal tranches in years four and five Vested units are settled on exercise by delivery of MCG shares, up to the tenth anniversary of the award date. 100% of awards are linked to performance conditions. The returns are measured based on the growth in the portfolio valuation on a like-for-like basis. The portfolio performance is calculated at the date of vesting in year four and in year five.	Select executives involved with strategic investments	The value is linked to the value of the portfolio of new investments and will vest 50% in years four and five respectively. The returns are measured based on the growth in portfolio valuations. The minimum vesting performance threshold is 12.5% growth per annum, and 100% vesting is achieved at a growth in the portfolio value of 25% per annum, with linear interpolation between these levels.	Malus and clawback provisions are applicable to the MultiChoice executive committee										
	Irdeto RSUs	A phantom award of value to the participants is subject to an employment condition (continued tenure). For the Irdeto executive committee, achievement of performance conditions applies.	RSUs vest over four years – awards vest in two equal tranches in years three and four. PSUs vest 100% after three years Irdeto executives' awards are 100% PSUs and split 60:40 between Irdeto PSUs and MCG PSUs The quantum of PSU vesting is dependent on achievement of performance conditions. Settlement of the awards will take place on exercise by delivery of MCG shares, up to the expiry date four years post vesting.	Irdeto employees	Performance measures and weightings are set out below: <table border="1"> <thead> <tr> <th>Measure</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>15%</td> </tr> <tr> <td>Revenue share of external business</td> <td>30%</td> </tr> <tr> <td>EBITDA</td> <td>30%</td> </tr> <tr> <td>Subscribers*</td> <td>25%</td> </tr> </tbody> </table>	Measure	Weight	Revenue	15%	Revenue share of external business	30%	EBITDA	30%	Subscribers*	25%	Malus and clawback provisions are applicable to the Irdeto executive committee.
	Measure	Weight														
Revenue	15%															
Revenue share of external business	30%															
EBITDA	30%															
Subscribers*	25%															
Showmax RSUs	A phantom award of value to the participants is subject to an employment condition (continued tenure). For the Showmax executive committee, achievement of performance conditions applies.	RSUs vest over four years – awards vest in two equal tranches in years three and four PSUs vest 100% after three years Holding period of seven years post vesting. Showmax executives' awards are split 70:30 between Showmax PSUs and MCG PSUs The quantum of PSU vesting is dependent on achievement of performance conditions. Settlement of the awards will take place on exercise by delivery of MCG shares, up to the expiry date seven years post vesting.	Showmax employees and select executives involved in the delivery of results of the business	Performance measures and weightings are set out below: <table border="1"> <thead> <tr> <th>Measure</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>25%</td> </tr> <tr> <td>EBITDA</td> <td>25%</td> </tr> <tr> <td>FCF</td> <td>30%</td> </tr> <tr> <td>Subscriber base</td> <td>25%</td> </tr> </tbody> </table>	Measure	Weight	Revenue	25%	EBITDA	25%	FCF	30%	Subscriber base	25%	Malus and clawback provisions are applicable to the Showmax executive committee.	
Measure	Weight															
Revenue	25%															
EBITDA	25%															
FCF	30%															
Subscriber base	25%															

13. Roles and Responsibilities

- 13.1 This policy and its execution are the responsibility of the Remco. The Remco assists the board in ensuring that the group can attract and retain top talent across the different spheres of the Group and remunerates fairly, responsibly, and transparently, driving the achievement of the group's strategic objectives and ensuring alignment between shareholder outcomes and employee remuneration in the short, medium and long term.
- 13.2 It is the responsibility of all employees to familiarize themselves with this remuneration policy to ensure compliance.
- 13.3 Disputes about remuneration, increases and STIs will be assessed in terms of the applicable local legislation and South African Codes of Good Practice and must be raised through the grievance procedure.

14. Policy Monitoring and Review

- 14.1 Compliance with the policy must be continuously monitored.
- 14.2 The Group reserves the right to remove, amend or replace this Policy and its content.

15. Document properties

MultiChoice Group			Document Number	
			MCG-GRP-HR-POL-033	
Remuneration Policy			Effective Date	
			01/04/2023	
	Name and Surname	Position	Signature	Date
Initiated by:	Kobie Joubert	Head of Total Reward	<small>Signed by Kobie Joubert Signed at 2024-04-09 16:09:34 +02:00 Reason Approved by Kobie Joubert</small> <i>Kobie Joubert</i>	09/04/24
Reviewed by:	Tim Jacobs	MCG CFO	<small>Signed by Timothy Neil Jacobs Signed at 2024-04-09 16:37:59 +02:00 Reason Approved by Timothy Neil Jacobs</small> <i>Timothy Neil Jacobs</i>	09/04/24
	Calvo Mawela	MCG CEO	<i>Calvo Mawela</i>	09/04/2024
	Tshepiso Malatjie	Chief People Officer	<small>Signed by Tshepiso Malatjie Signed at 2024-04-09 16:14:14 +02:00 Reason Approved by Tshepiso Malatjie</small> <i>Tshepiso Malatjie</i>	09/04/24
	MCG Remuneration Committee	N/A	Minutes of meeting	March 2024
Approved by:	MCG Board of Directors	N/A	Minutes of meeting	30 March 2023

Rev No.	Rev Date	Section/s	Description of Change
1	10 Dec 2018		New policy
2	2 April 2020		Incentive-related principles amended following shareholders engagements at 2019 AGM
3	1 April 2021		LTI vesting periods updated in line with amended rules.
4	12 August 2021		Updated wording on LTI section to reflect the changes made in re the LTI scheme

5	30 March 2023	Whole document	Overhaul of policy. Combines policy statements stated in the integrated report and the previous remuneration policy for directors and executives.
6	January 2024	Sections 2.1; 3; 8	Removed Showmax sro and Irdeto as this policy is not applicable to those entities. Replaced all reference to Connected Video with Showmax SA(Pty) Ltd and added “various schemes” under paragraph 8 as there are various LTI schemes.