

CORPORATE GOVERNANCE REPORT

Ethical conduct, good corporate governance and risk governance are fundamental to the way that eMedia Holdings manages its business. Stakeholders' interests are balanced against effective risk management and eMedia Holdings' obligations to ensure ethical management and responsible control.

ETHICS

The Group has a code of conduct which underpins its business practices. All staff are expected to adhere to this code. It provides guidance and clarification on matters such as conflicts of interest, acceptance and giving of donations and gifts, the compliance with laws and the dissemination of Group confidential information.

In line with the principles in this code, it is expected of all employees to be accountable for their actions and act in a manner that adheres to the following core values:

- Honesty
- Integrity
- Mutual Respect
- Accountability
- Professionalism

The directors, officers and senior management of eMedia Holdings and its subsidiaries remain committed to a high level of corporate governance and endorse the Code of Corporate Practices and Conduct as enshrined in the King IV Report on Corporate Governance. The Group recognises that sound corporate governance practices enhance shareholder value and by conducting the Group's affairs with integrity, this will ensure the long-term sustainability of the business.

BOARD OF DIRECTORS

The board is regulated by a formal board charter, which sets out the role of the board and the responsibilities of the directors. The board maintains full and effective control over the company and is accountable and responsible for its performance. The board charter codifies the board's composition, appointment, authorities, responsibilities and processes, and sets out the fiduciary duties of the directors of the company. It provides the board with a mandate to exercise leadership, determine the Group's vision and strategy and monitor operational performance.

COMPOSITION OF THE BOARD

The composition of the board comprises a balance of power, with a majority of non-executive directors.

The board currently comprises two executive directors and six non-executive directors, three of whom are classified as independent. The composition of the board reflects the need to protect the interest of all stakeholders as well as the demographics of the country. The majority of the board members are previously disadvantaged individuals as defined in the Employment Equity Act.

eMEDIA HOLDINGS DIRECTORS

JA Copelyn* (Non-executive chairperson)

L Govender **

TG Govender*

AS Lee

VE Mphande**

Y Shaik*

A van der Veen (Chief executive officer)

RD Watson**

* Non-executive

** Independent non-executive

The roles of the chairperson and chief executive officer are separated.

To uphold their independence and integrity, directors disclose all material interests as and when they arise. A list of directors' interests is tabled annually.

The directors are entitled to seek independent professional advice at the company's expense concerning the company's affairs and have access to any information they may require in discharging their duties as directors. Seminars, workshops and lectures by leading experts in their field are given on an on-going basis to directors to assist in their duties.

MEETINGS OF THE BOARD

During the year eMedia Holdings held four board meetings. The directors are comprehensively briefed in advance of the meetings and are provided with the necessary information to enable them to discharge their responsibilities.

With effect from 14 November 2017 chief executive officer, André van der Veen was appointed to the board of eMedia Holdings as an executive director. Former acting chief executive officer, Kevin Govender, was appointed a non-executive director.

Individual directors' attendance at the eMedia Holdings board meetings are set out in the table below.

Board members	May '17	Aug '17	Nov '17	Mar '18
John Copelyn	√	√	√	√
Kevin Govender	√	√	√	X
Rachel Watson	√	√	√	√
Loganathan Govender	√	√	√	√
Antonio Lee	√	√	√	√
Yunis Shaik*	N/A	N/A	N/A	N/A
Velaphi Mphande	√	√	X	√

*Appointed on 3 July 2018

BOARD COMMITTEES

Three board committees and an executive committee have been established to assist the board in discharging its responsibilities. In line with King IV, all board committees comprise only of members

of the board but appropriate personnel are also invited to the meetings as required. All committees are empowered to obtain such external or other independent professional advice as they consider necessary to carry out their duties. These committees play an important role in enhancing good corporate governance and improving internal controls and consequently the company's performance. Each board committee acts according to written terms of reference, approved by the board and reviewed annually, setting out its purpose, membership requirements, duties and reporting procedures.

Each of the company's major subsidiaries has established board and committee structures which submit regular reports to the company.

eMEDIA HOLDINGS AUDIT AND RISK COMMITTEE

Members:

L Govender – Chairperson of the audit and risk committee

VE Mphande

RD Watson

NJ Williams has a permanent invite to these meetings and is a non-executive director of eMedia Investments.

MEETINGS OF THE AUDIT AND RISK COMMITTEE

During the year eMedia Holdings held four audit and risk committee meetings. The members are comprehensively briefed in advance of the meetings and are provided with the necessary information to enable them to discharge their responsibilities.

Individual members' attendance at the eMedia Holdings audit committee meetings are set out in the table below.

Board members	May '17	Aug '17	Nov '17	Mar '18
Loganathan Govender	√	√	√	√
Rachel Watson	√	√	√	√
Velaphi Mphande	√	√	X	√

eMEDIA HOLDINGS SOCIAL AND ETHICS COMMITTEE

JA Copelyn – Chairperson of the social and ethics committee

RD Watson

L Govender

Hein Carse has a permanent invite to these meetings and is a non-executive director of eMedia Investments.

MEETINGS OF THE SOCIAL AND ETHICS COMMITTEE

During the year three social and ethics committee meetings were held. The committee sat at an eMedia Investments level in August and November 2017. The eMedia Holdings social and ethics committee was constituted on 15 November 2017 and met for the first time in March 2018.

The members are comprehensively briefed in advance of the meetings and are provided with the necessary information to enable them to discharge their responsibilities.

Individual members' attendance at the eMedia Holdings social and ethics committee meetings are set out in the table below.

Board members	Aug '17	Nov '17	Mar '18
John Copelyn	√	√	√
Rachel Watson*	N/A	N/A	√
Loganathan Govender*	N/A	N/A	√

*Appointed to the eMedia Holdings Social and Ethics Committee on 15 November 2017

eMEDIA HOLDINGS REMUNERATION COMMITTEE

JA Copelyn – Chairperson of the social and ethics committee

RD Watson

VE Mphande

Hein Carse has a permanent invite to these meetings and is an independent director of eMedia Investments.

MEETINGS OF THE REMUNERATION COMMITTEE

The remuneration committee was constituted on 15 November 2017 and met for the first time in March 2018.

The members are comprehensively briefed in advance of the meetings and are provided with the necessary information to enable them to discharge their responsibilities.

Individual members' attendance at the eMedia Holdings remuneration committee meetings are set out in the table below.

Board members	Mar '18
John Copelyn	√
Rachel Watson	√
Loganathan Govender	√

FINANCIAL DIRECTOR

Antonio Lee, an executive director, is the financial director of the Group. The audit committee has considered his expertise and experience and deems it appropriate. The committee is also satisfied that the expertise, resources and experience of the finance function is adequate. The financial director's competency and expertise is assessed on an annual basis by the audit committee.

COMPANY SECRETARY

Junadi Van der Merwe was the appointed company secretary of the Group for the reporting period. With effect 31 March 2018 Junadi Van der Merwe resigned as the appointed company secretary of the Group and was replaced by HCI Managerial Services Proprietary Limited as indicated.

The company secretary is appointed by the board in terms of the Companies Act and in accordance with the JSE Listings Requirements. The company secretary is not a director of the company. The board has assessed the company secretary and is satisfied that the appointee has the competence, qualifications and experience to effectively fulfil the role of the company secretary.

The company secretary provides support and guidance to the board in matters relating to governance, ethical conduct and fiduciary duties. Where required, the secretary facilitates induction and training for directors and co-ordinates the annual board evaluation process. Directors have unrestricted access to the advice and services of the company secretary whilst maintaining an arm's-length relationship between the board and the company secretary.

DEALING IN THE COMPANY'S SECURITIES

eMedia Holdings complies with the continuing obligations of the Listing Requirements of the JSE. A group-wide share trading policy is in place whereby all directors and employees who have access to financial results and other price-sensitive information are prohibited from dealing in eMedia Holdings shares during certain prescribed restricted periods as defined by the JSE, or when the company is operating under a cautionary announcement. The company secretary regularly disseminates written notices to inform these employees of the insider trading legislation and advice of closed periods. All directors and senior executives are required to obtain written clearance prior to the dealing in shares of the company and to report all share dealings to the company secretary, to ensure that all such dealings are disclosed in terms of the applicable JSE Listings requirements.

CONFLICT OF INTEREST

The directors are required to avoid situations where they have direct or indirect interests that conflict with the Group's interests. Procedures are in place for disclosure by directors of any potential conflicts and for appropriate authorisation to be sought if conflict arises.

COMPLIANCE WITH LAWS, CODES AND STANDARDS AND LICENCE CONDITIONS

eMedia Holdings respects and complies with the laws of the countries in which it operates. The Group has identified three critical legislative areas which are material to the company. They deal with compliance with our broadcast licence, human capital management and safety in the work place.

e.tv's broadcast licence places these obligations on the broadcaster: employment equity, skills development, language diversity, local content, general programming, information programming, news and current affairs programming, children's programming and advertising limitation.

The company has strong and established processes which ensure that all obligations specified in the company's licence conditions are met. Quarterly compliance reports are produced to ensure that targets are met. This allows for any necessary adjustments to be made before submission to the Independent Communications Authority of South Africa.

With regard to laws governing the employer/employee relations and health and safety, the company has formulated policies and delegated responsibility to designated employees to monitor and ensure compliance with the various Acts.

DISCLOSURES

To ensure shareholder parity, eMedia Holdings ensures that accurate and timely disclosure of information that may have a material effect on the value of the securities or influence investment decisions is made to all shareholders. The company publishes details of its corporate actions and performance via the Stock Exchange News Service ("SENS") and the main South African daily newspapers. The company maintains a website through which access is available to the broader community on the company's latest financial, operational and historical information, including its annual report.

LITIGATION

There is no material legal or arbitration proceedings which may have a material effect on the financial position of eMedia Holdings.

GOVERNANCE OF INFORMATION TECHNOLOGY

Due to the inherent risks in information technology, King IV has recommended that the board of directors be responsible for the assessment, implementation and monitoring of Information Technology ("IT") within the company. As a media investment company and with the convergence of broadcasting and Information Technology, IT governance is critical to governance procedures.

IT governance is a standing item on the audit and risk committee agenda, with the head of Information Technology for e.tv, eNCA and Platco reporting to the committee on a quarterly basis. An annual external audit evaluates IT in terms of governance. This ensures that policies and procedures are current, relevant and implemented. In addition to the annual external audit there are also internal audits conducted during the year.

The shift away from traditional broadcasting equipment towards information technology infrastructures means that all IT equipment, as related to broadcast infrastructure is purchased with a five-year maintenance warranty. This ensures that resources are readily available in the event of failure.

With regards to the delivery of television channels for broadcast, the companies use both fibre and satellite delivery mechanisms with the consideration of redundancy always taken into account.