



GOVERNANCE REPORT

for the year ended 30 June 2023





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Navigating our reporting suite

This is an interactive report. Navigation tools at the top right of each page and within the report are indicated below.



This icon refers to more information in this report

This icon refers to additional information available on www.discovery.co.za



Our Governance Report is supported by a comprehensive suite of reports that aims to provide our stakeholders with a holistic overview of the Group, its prospects and performance. These reports can be accessed on our website.

Our reporting suite

INTEGRATED ANNUAL REPORT

Our primary report to our shareholders, providers of financial capital and other key stakeholders, detailing how we created, preserved or eroded value for our stakeholder groups.

GROUP ANNUAL FINANCIAL STATEMENTS

Group audited consolidated financial results for Discovery Limited, the Embedded Value Statement and Five-year Review.

SUSTAINABILITY REPORT

An overview of the Group's performance against our Integrated Sustainability Framework and, where appropriate, against relevant standards and frameworks.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT

Discovery's climate change response regarding governance, strategy, risk management, and metrics and targets related to the Group's environmental impact.

GOVERNANCE REPORT THIS REPORT

Outlines our governance philosophy, leadership and compliance with the King Report on Corporate Governance for South Africa, 2016 (King IV™)*.

REMUNERATION REPORT

Outlines our remuneration policy and implementation approach and factors influencing our remuneration-related decisions.

TAX TRANSPARENCY REPORT

Communicates material tax disclosure information to demonstrate our commitment to tax transparency and operating as a force for good through our tax contributions.

ANNUAL FINANCIAL RESULTS PRESENTATION AND BOOKLET

NOTICE OF ANNUAL GENERAL MEETING (AGM)

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ABOUT THIS REPORT

Our FY2023 Governance Report details our approach to governance and the structures that support this approach. Our governance disclosures provide stakeholders with information related to our leadership as custodians of corporate governance and details how we maintain an ethical culture, deliver good performance, ensure effective control and maintain legitimacy. The report provides further detail on the activities of the Board and its various committees.

Reporting scope and boundary

This Governance Report provides a comprehensive view of Discovery Limited's governance practices (hereafter referred to as Discovery or the Group) from 1 July 2022 to 30 June 2023 (FY2023). It also includes all material events up to the date of Board approval.

Frameworks applied

In preparing this report, we were guided by:

- Companies Act, No. 71 of 2008, as amended (Companies Act)
- JSE Limited (JSE) Listings Requirements and JSE Debt Listings Requirements
- King IV™
- Insurance Act No. 18 of 2017 (Insurance Act)
- Governance and Operational Prudential Standard for Insurance Groups

Forward-looking statements

Certain forward-looking statements regarding the Group's future performance and prospects may be included in this report. These statements cannot be considered guarantees of future performance or outcomes as they may be influenced by emerging risks, future events, changing circumstances and other important factors that cannot be predicted and are out of Discovery's control. These events may cause actual results to differ materially from our current expectations as disclosed in this report.

Combined assurance

Discovery is committed to disclosing accurate information that supports a variety of stakeholders in their decision-making. Our Combined Assurance Model integrates the efforts of our management and internal and external assurance providers to assure the integrity of this report. In the year under review, our reporting suite was assured as follows:

- Joint external assurance of Annual Financial Statements by PwC and KPMG
- Limited external assurance of selected sustainability information by Nexia SAB&T
- Limited assurance of selected factual and quantitative financial and non-financial information by Group Internal Audit
- Verification of Greenhouse gas (GHG) emissions inventory by Verify CO₂

Based on these engagements, Group Internal Audit believes the quantitative and qualitative information in this report accurately reflects the Group's results for FY2023.

This report is the culmination of a Group-wide process led by the Group Finance function, with the oversight of the Group Executive. The process is reviewed in detail by our Group Audit Committee who, in turn, recommends the report to our Board for approval.

Board approval

Discovery's Board of Directors is responsible for the integrity of this report. Discovery's Board confirms that the Group complied with the provisions of the Companies Act, its Regulations, Insurance Act, Governance and Operational Prudential Standard for Insurance Groups and the JSE Listings Requirements relating to its incorporation, and operated in conformity with its Memorandum of Incorporation during FY2023.

The Board unanimously approved this report on 13 October 2023.

Mark Tucker

Independent Non-executive Chairperson

Adrian Gore

Group Chief Executive

We welcome your feedback on our reporting suite. To submit any comments, email askthecfo@discovery.co.za.



“ We believe good governance creates and preserves value by ensuring responsible and ethical behaviour, as well as enhancing accountability, leadership, risk management, performance management and transparency.”

OUR GOVERNANCE PHILOSOPHY AND FRAMEWORK

We see governance as a critical component of value creation, promoting strategic decision-making that balances short-, medium- and long-term outcomes to reconcile the interests of the Group, stakeholders and society.

Our approach to governance extends beyond compliance. We believe good governance creates and preserves value by ensuring responsible and ethical behaviour, as well as enhancing accountability, leadership, risk management, performance management and transparency.

Our Board of Directors (the Board) is the highest governing body of the Discovery Group and is committed to the principles of good corporate governance as set out in King IV™. Discovery's core purpose is to make people healthier and enhance and protect their lives. To enable the delivery of this purpose, the Board endeavours to preserve the Group's unique entrepreneurial spirit – with strong emphasis on innovation – while entrenching the principles of good governance and ethical leadership throughout the organisation.

The Group is committed to a values-based and ethical culture built on the principles of non-discrimination, fairness, integrity and transparency. Compliance with Discovery's values is monitored throughout the organisation.

Achieving our governance outcomes

King IV™ forms the cornerstone of our approach to governance and, as such, we support its overarching goals:

-  Maintaining an ethical culture
-  Ensuring effective control
-  Delivering good performance
-  Maintaining legitimacy

Our leadership continued

Board diversity

Discovery is committed to promoting diversity at Board level and recognises that diversity of thought encourages constructive debate among Directors. The Board periodically considers its composition in terms of its business and industry knowledge, skills, experience, age, gender, race, culture and independence to ensure it remains diverse and able to discharge its roles and responsibilities objectively and effectively.

Our approach to Board diversity is set out in our Board Diversity Policy, which is informed by corporate governance best practice and meets regulatory compliance. The policy also sets out Discovery's voluntary minimum short- and long-term targets in terms of race and gender representation at Board level. The requirements of our Board Diversity Policy, along with the voluntary minimum targets, are considered by the Nominations Committee when identifying and recommending suitable candidates for appointment to the Board.

On 30 June 2020, we set voluntary minimum targets to achieve 35% black and 25% female Board representation within three years, and 40% black and 30% female Board representation within five years. While the Nominations Committee is tasked with identifying suitable candidates to improve the

gender and racial composition of our Board, it also focused on strengthening the ratio of Non-executive Directors to Executive Directors on the Board during the year under review.

In FY2023, we met our gender and race representation targets, with our Board comprising 38% female Directors (FY2020: 18%) and 38% black Directors (FY2020: 29%). Subsequent to year-end, as at 18 September 2023 our Board comprised 47% female Directors (FY2020: 18%) and 47% black Directors (FY2020: 29%). The Nominations Committee will continue to review the Board's composition annually and make recommendations on the appointment of new Directors and any actions that could be taken to meet the Group's voluntary minimum targets.

Four Executive Directors stepped down as members of the Board during FY2023 to focus on their respective business composites and their associated boards and structures. Neville Koopowitz and Hylton Kallner, in their capacity as CEO of the Vitality UK and Discovery SA composites respectively, are considered Prescribed Officers of the Group and will be disclosed accordingly as and where required. Discovery's Board will remain focused on Group-wide issues – such as strategy, capital allocation, governance and risk – that span across all composites.

BOARD DIVERSITY STATISTICS:

as at 18 September 2023



● Male 53%
● Female 47%



● White 53%
● Black 47%



● 0 to 4 years 66%
● 5 to 8 years 17%
● 9 years + 17%



Determining independence

The categorisation of each Non-executive Board member as independent or not is assessed against the criteria outlined in King IV™, the Insurance Act and the Governance and Operational Prudential Standard for Insurance Groups. An Independent Director is defined as a Board member who exercises objective judgement, and there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence them unduly or cause bias in decision-making.

Every year, the Board conducts an assessment to ensure Directors' independence in fact and perception. The process includes an assessment of each Director's circumstances and performance to ensure the Directors remain independent. We believe the Independent Directors who serve on our Board are invaluable in facilitating robust debate and, as such, this assessment is viewed as critical.

The Board is satisfied there are no relationships or conflicts of interest that could prevent them from acting in the best interests of the Group, and with due care in discharging their duties. Furthermore, regarding Directors who have served longer than nine years, the Board has assessed each Director and is satisfied that the length of service does not adversely affect their independence or decision-making capabilities. The Board is comfortable these Directors continue to be independent in character, behaviour, judgement and contribution towards Board decision-making, notwithstanding tenure.

The Board is comfortable with the independence of the Directors. The Board continues to review its composition and is committed to appointing new Directors in a mindful and considered manner to protect stakeholder value and deliver robust governance and leadership. The Nominations Committee assists the Board to ensure it has the appropriate balance of skills, qualifications and experience for it to execute its duties effectively, and is also responsible for establishing a succession plan for the Board – which includes identifying, mentoring and developing future candidates.



Our leadership continued

Key focus areas of our Board during FY2023

THE GROUP'S STRATEGIC INTENT IN A CHALLENGING MACROECONOMIC ENVIRONMENT

In FY2023, a number of issues coalesced to create considerable potential risk for our operating environment. These included long COVID-19; the war in Ukraine contributing to macroeconomic complexity, volatile interest rates, a strong US dollar and the cost-of-living crisis in many regions; and severe energy shortages in South Africa resulting in constrained economic growth. The Board continued to monitor these risks and the Group's response through appropriate mitigating actions that ensured financial prudence while meeting the needs of our stakeholders.

Considering this complex operating environment, the Board oversaw the strategic execution of the Group's Shared-value model and organic growth ambition. This included the organic growth of Discovery Bank and Amplify Health as platforms for strong future growth. In addition, the Board continued to monitor other new initiatives and their growth prospects, while considering the termination of those with marginal benefits. The Group decided to proceed with the running off of the VitalityCar book by 30 June 2024.

The Board remains satisfied with Discovery's long-term strategy and that the Group is well-positioned to meet its growth ambitions. It believes that the Group has the necessary resource allocation plans to address socioeconomic challenges and achieve Discovery's strategic objectives.

 Refer to our **Integrated Annual Report** for more information on our strategy.

OVERSIGHT OF INTERNAL TALENT MANAGEMENT AND SUCCESSION PLANNING

The Board monitored the internal succession and talent pipeline to ensure that these are healthy and robust. It is important that the Group has good succession coverage for critical roles in our executive management team. The Board recognised opportunities for improvement in the senior management team, including transformation and development, and several Group initiatives are underway to address this. These are vital, as Discovery's ability to accurately identify and develop the best talent is a critical competitive factor.

PING AN HEALTH INSURANCE CAPITAL CONTRIBUTION

The Group previously announced that it anticipated raising a specific quantum of equity capital to fund the R1.5 billion capital contribution injected into Ping An Health Insurance (PAHI) in October 2021. Given its strong performance and consequent cash generation, the Group has decided that this contribution will rather be absorbed within the existing capital plan.

 For more information, refer to the Group Chief Financial Officer's Review in our **Integrated Annual Report**.

ENSURING LEADING REMUNERATION PRACTICES

The Board continued to oversee Discovery's remuneration policies and practices to ensure they are fair, responsible, competitive and transparent. Our Remuneration Policy is intended to provide a competitive value proposition for high-performing employees, while aligning to the interests of our shareholders and other important stakeholder objectives. Furthermore, the Board monitored the implementation of the Single Incentive Plan (SIP) in the UK and United States.

 For more information, refer to our **Remuneration Report**.

OVERSEEING AUDIT FIRM ROTATION

During FY2022 Discovery early adopted the anticipated requirement of the Prudential Authority of South Africa for significant insurance groups to have joint auditors. During the current year the Board, guided by the Audit Committee, initiated its planned audit rotation by proposing Deloitte & Touche as the replacement for PricewaterhouseCoopers Inc. as joint auditors with KPMG Inc. for FY2024, subject to shareholder approval.

OPERATIONALISING DISCOVERY'S CLIMATE CHANGE STRATEGY

We remain committed to reducing our environmental footprint by responsibly managing and consuming energy, water and waste while exploring alternative long-term solutions. Our Climate Change Strategy supports global and national climate change imperatives, aligns with the recommendations of the TCFD and provides guidance on governance and strategy-related matters, risk management, metrics and targets. In FY2023, the Board monitored the implementation of the Climate Change Strategy, including its short-, medium- and long-term climate-related goals to better account for present and future climate-related risks and opportunities. The Board is satisfied that our climate change strategy is on track. The Board also provided oversight of the development of the Discovery Green initiative in South Africa. Discovery Green was launched in September 2023 and is a renewable energy wheeling platform, which will connect large-scale renewable energy plants in the most resource-rich parts of South Africa to businesses using existing infrastructure.

 For more information, refer to our **Integrated Annual Report**.

 For more information, refer to our **Sustainability Report**.

 Our **Group climate change strategy** can also be accessed on our website.

DECLARATION OF DIVIDENDS

Given the the volatile macroeconomic landscape, the Group focused on ensuring financial resilience and protecting shareholder value through disciplined cash and capital management. The strong balance sheet and liquidity position at both the Group level and at the regulated entity levels, in addition to the cash generative capacity of the Group, supported the recommencement of ordinary dividends, approved by the Board and declared at 110 cents per share, in respect of the second half year's earnings. In future, annual ordinary dividends are anticipated to be covered approximately five times by normalised headline earnings.



Our leadership / Key focus areas of our Board during FY2023 continued

ADOPTION OF IFRS 17: INSURANCE CONTRACTS

IFRS 17 is mandatory for the Discovery Group, effective from 1 July 2023. During the current year, the Board monitored the finalisation of the work to transition to IFRS 17. The Board provided oversight of the IFRS 17 Governance Framework, including the various committee plans to ensure all technical considerations were taken into account with implementation. The Board considered the impact of the transition to IFRS 17 on the Group results and the respective business lines, which was communicated to the market together with the annual results announcement.

Discovery applied a fully retrospective restatement from inception for all material groups of insurance contracts. Discovery did not measure any of its portfolios using the fair value approach. The Board, guided by the Audit Committee, also considered the disclosures of the transition to IFRS 17 as included in the Annual Financial Statements.

 Refer to the **Group Chief Financial Officer's Review** for more information on progress to date.

 Refer to page 177 of our **Annual Financial Statements** for more information.

STRENGTHENING OUR IT ADVISORY CAPACITY

The Group established a Technology Working Group, chaired by an independent Non-executive Director, to act as an advisory body to the Board and further assist the Board in fulfilling its information and technology growth strategy. This working group will extend the Board's oversight role of technology beyond governance and risk, the monitoring of which is currently provided by the Information Technology Subcommittee, that reports to the Group Risk and Compliance Committee.

ENHANCING THE GROUP'S GOVERNANCE FRAMEWORK

The Group Governance Framework was updated in FY2023, and approved by the Board, to refine our Group governance structure across our three composites: Discovery in South Africa, Vitality in the UK and Vitality Global. The framework bolsters our governance approach to better support Discovery's multiple subsidiaries, while maintaining and empowering the independent judgement of their respective boards and meeting all legislative obligations and Group requirements.

In the revision of the framework, each subsidiary of the Group was classified in terms of its board composition, committees and executive committees to articulate its optimal governance structure, which was informed by the subsidiary's materiality and regulatory requirements.

The updated framework will support the Group in demonstrating to its stakeholders, including regulatory authorities, that Discovery along with its subsidiaries have sound governance practices that are cascaded consistently and effectively and that there is an effective chain of oversight and a governance system that is harmonious throughout the Group.

 For more information, refer to our **Sustainability Report**.

Our Board's key focus areas during FY2024

Our Board will oversee, among others, the following matters in their capacity as Discovery's highest governing body:

The Group's continued financial strength and resilience given the volatile geopolitical and socioeconomic environment.

The execution of the Group's Climate Change Strategy, including performance against climate-related goals and net-zero transition plan.

Creating a platform for strong future growth through the Bank as the composite-maker in South Africa.

The implementation of the Group Governance Framework to embed consistent and effective governance standards across the Group.

The implementation of IFRS 17 as it becomes effective for the Group from 1 July 2023.





Our leadership continued

Board meetings

In terms of its Charter, the Board formally meets at least four times a year to discuss and review a formal schedule of matters. At these meetings, Directors discuss the development and implementation of the Group's short-, medium- and long-term strategies, and engage with executive management about implementation of these strategies.

The Board also has the authority to convene additional meetings as and when required. During the year, the Board convened two special meetings to discuss specific topics of relevance.

“ In terms of its Charter, the Board formally meets at least four times a year to discuss and review a formal schedule of matters.”

BOARD MEETING ATTENDANCE DURING FY2023

BOARD MEMBER	Attendance
NON-EXECUTIVE DIRECTORS	
M Tucker# (Chairperson)	4/4
HL Bosman*	1/1
R Farber	4/4
M Hlahla#	4/4
F Khanyile#	4/4
D Macready#	4/4
Dr TV Maphai#	4/4
T Mboweni#	4/4
M Schreuder#	4/4
B van Kralingen#	4/4
SV Zilwa#	4/4
EXECUTIVE DIRECTORS	
A Gore	4/4
HD Kallner**	3/3
NS Koopowitz**	3/3
Dr A Ntsaluba**	3/3
A Pollard**	3/3
B Swartzberg	4/4
D Viljoen	4/4

Independent.

* Retired as Board member and member of the committees he served on with effect from 1 December 2022. This follows the unbundling by Rand Merchant Investment Holdings Limited of its shareholding in Discovery.

** Stepped down as Board members with effect from 1 March 2023.

Non-executive Directors may serve on the boards of other organisations. The Chairperson of the Discovery Board, who is also the Chairperson of the Nominations Committee, must be satisfied that the nature of the other organisation, its location and the expected time commitment will not affect the role and responsibility of the Non-executive Director to prioritise the affairs of the Discovery Group.





Our leadership continued

Our Board of Directors



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Mark Tucker

Independent Non-executive Director

Appointed: 1 March 2019

Qualifications: BA (Hons), University of Leeds, ACA from ICAEW, CMI

Experience

Mark is a qualified Chartered Accountant with over 35 years' experience in the financial services industry in the UK, US and Asia. Mark is the Non-executive Group Chairperson of HSBC Holdings. Between 2010 to 2017, Mark served as Group Chief Executive and President of AIA Group Limited, where he spearheaded its world-record-breaking initial public offering in Hong Kong. Before AIA, Mark held various senior executive roles with Prudential, including Group Chief Executive of Prudential plc. He was the founding CEO of Prudential Corporation Asia Limited. Mark was also an Independent Non-executive Director of the Goldman Sachs Group and served on the Court of the Bank of England from 2009 to 2012.

CHAIRPERSON OF THE BOARD

NATIONALITY:

British

COMMITTEE MEMBERSHIPS:

NC Nominations Committee (Chairperson)

Areas of value-adding expertise

Financial services; insurance; asset management; banking.

Other Directorships

Non-executive Group Chairperson of HSBC Holdings plc, Director of Institute of International Finance, serves on the Asia Society Global Board of Trustees, Advisory Board of the Asia Global Institute and Member of the Asia Business Council. He is also a Member of both the International Business Leaders' Advisory Council to the Mayor of Beijing (IBLAC Beijing) and Shanghai (IBLAC Shanghai), Member of the Chief Executive's Council of Advisers (Hong Kong) and Co-Chair of the B20 Financial Inclusion for Economic Empowerment Task Force. Mark is an Associate Professor at the Chinese University of Hong Kong and a Director of Peterson Institute for International Economics.

Professional body memberships

Associate of the Institute of Chartered Accountants in England and Wales (ICAEW) ACA and Member of the Chartered Management Institute (CMI).



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Richard Farber

Non-executive Director

Appointed: 1 April 2018

Qualifications: BCom (Hons), CA(SA), FCMA, CA ANZ, MAICD

Experience

Richard joined Discovery as CFO in 2003 and was appointed Financial Director on 1 July 2009. He relinquished these roles on 30 April 2017 and has since remained a Discovery Board member. He was a partner at Fisher Hoffman Sithole (PKF) from 1998 until 2001, before joining Investec Bank as Group Accountant until 2003. Richard is a sessional teaching associate at Monash University (Melbourne).

NATIONALITY:

South African

COMMITTEE MEMBERSHIPS:

RCC Risk and Compliance Committee
ACT Actuarial Committee
IT IT Subcommittee

Areas of value-adding expertise

Strategy and policy development; financial management.

Professional body memberships

South African Institute of Chartered Accountants (SAICA), Chartered Accountants Australia and New Zealand, Australian Institute of Company Directors, and Fellow of the Chartered Institute of Management Accountants.

Our leadership / Our Board of Directors continued

**59 Adrian Gore****Founder, Executive Director and Group Chief Executive**

Appointed: Founder

Qualifications: BSc (Hons), FFA, ASA, MAAA, FASSA, Honorary DCom (Wits)

Experience

Adrian is the founder and Group Chief Executive of the Discovery Group. In 1998, he was recognised as South Africa's Best Entrepreneur by Ernst & Young and was chosen as South Africa's leading CEO in the annual Moneyweb CEO of the Year Awards in 2004. In 2008, he received the Investec Award for Considerable Contribution in a Career/Profession, and he was named Sunday Times Lifetime Achiever in 2010. In addition, he works with other leaders to stimulate entrepreneurship in South Africa. In 2017, Adrian received the Frost and Sullivan Visionary Innovation Leadership Award for Africa, and the Ernst & Young Global Life Time Achiever (Entrepreneurship) Award. More recently, he was awarded the 2021 Sunday Times Business Leader of the Year Award for his outstanding leadership in the corporate sector, especially during the pandemic and the 2023 Vanguard Market Development Award presented by the International Insurance Society.

NATIONALITY:

South African

COMMITTEE MEMBERSHIPS:**NC** Nominations Committee**Areas of value-adding expertise**

Strategy development and execution in leading change and building excellent financial services businesses; strong innovation, entrepreneurship and leadership skills that make a significant contribution to national thought leadership and creating positive social change.

Other Directorships

Vice President of Business Unity South Africa (BUSA), World Economic Forum Industry Council Agenda on Future Health, Massachusetts General Hospital Centre for Global Health Advisory Board, SA SME Fund and King David School Foundation (Chairperson).

Professional body memberships

Fellow of the Actuarial Society of South Africa and Faculty of Actuaries (Edinburgh), Associate of the Society of Actuaries (Chicago) and Member of the American Academy of Actuaries.

**60 Monhla Hlahla****Independent Non-executive Director**

Appointed: 15 August 2021

Qualifications: BA (Hons) (Economics), MA (Urban Planning), Advanced Management Programme (INSEAD)

Experience

Monhla is a highly experienced executive and business leader with over 35 years' experience in infrastructure development and management. Monhla has a depth of experience in corporate governance, based on a demonstrated history of non-executive directorships in a variety of industries. A combination of strong operational experience and extensive exposure to private and public sector governance and leadership, places Monhla uniquely among the leading Executive Coaches from the African continent. She previously served as Managing Director of Airports Company South Africa (ACSA), and under her management, ACSA embarked on its biggest ever capital expenditure programme to cater for the increasing number of passengers going through South African airports. She also served as the Chairperson of the Johannesburg Water Utility, the Trans-Caledon Water Authority and the Industrial Development Corporation. In 2014, Monhla was honoured by the President of France with the Chevalier de la Legion d'Honneur and, in 2005, both the Black Business Quarterly and the Businesswomen's Association named her Businesswoman of The Year.

NATIONALITY:

South African

COMMITTEE MEMBERSHIPS:**AC** Audit Committee**RC** Remuneration Committee**SEC** Social and Ethics Committee**Areas of value-adding expertise**

Corporate governance; risk management; HR and leadership development; stakeholder value management; business acumen; systems and technical planning; infrastructure development and finance; business operations; financial services.

Other Directorships

Royal Bafokeng Holdings (Proprietary) Limited (Chairperson), and Africa 50.



Our leadership / Our Board of Directors continued



56 Faith Khanyile

Independent Non-executive Director

Appointed: 1 October 2015

Qualifications: BA Econ, MBA (Finance), HDIP Tax, Executive Leadership Programme (Columbia University)

NATIONALITY:

South African

COMMITTEE MEMBERSHIPS:

- SEC** Social and Ethics Committee
- NC** Nominations Committee
- RC** Remuneration Committee (Chairperson)

Experience

Faith has over 25 years financial services sector experience, including private equity, corporate and investment banking, and mergers and acquisitions. She held various senior and executive roles with Standard Bank Corporate and Investment Banking between 2001 and 2013. She was the Head of Corporate Banking, where she was responsible for strategy development and execution, people leadership, key client relationship management and business development. She also served on Standard Bank's CIB Executive and Credit committees. Faith is an experienced non-executive director and has been serving on boards for both JSE listed companies and private companies for over 20 years. She is a strong advocate for gender equity and inclusive growth and is the former CEO and founding member of WDB Investment Holdings, the leading women empowerment organisation in South Africa. In May 2016, Faith was accorded Doctor of Law by Wheaton College. She is also a recipient of the 2017 Business Woman of the Year Award (Corporate category) from the Businesswomen's Association of South Africa.

Areas of value-adding expertise

Financial services; corporate and investment banking; governance; social investment; strategy development.

Other Directorships

JSE Limited, Premier Limited and Bidvest Group Limited.

Professional body memberships

International Women's Forum South Africa.



64 David Macready

Independent Non-executive Director

Appointed: 3 February 2020

Qualifications: BCom (Hons), CTA, CA(SA), SEP (Harvard), IDP (INSEAD)

NATIONALITY:

South African and British

COMMITTEE MEMBERSHIPS:

- AC** Audit Committee (Chairperson)
- ACT** Actuarial Committee
- RCC** Risk and Compliance Committee

Experience

David was an audit partner at Deloitte in South Africa and, subsequently, in London for six years before entering financial services. He held positions as Managing Director of Syfrets Private Bank, Managing Director of Nedbank Wealth, CEO of Old Mutual Investment Group and CEO of Old Mutual South Africa. Over a period of 21 years, he served on the Group Executive of Nedcor Investment Bank, Nedbank Group Limited and Old Mutual Limited. David retired following the Old Mutual managed separation at the end of 2018.

Areas of value-adding expertise

Asset management; banking; insurance and wealth management; accounting, auditing and governance.

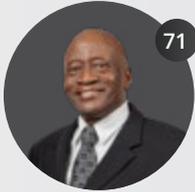
Other Directorships

National Sea Rescue Institute of South Africa (Chairperson).

Professional body memberships

South African Institute of Chartered Accountants (SAICA).

Our leadership / Our Board of Directors continued

**71 Dr Vincent Maphai****Independent Non-executive Director**

Appointed: 8 December 2005

Qualifications: DPhil, Advanced Management Programme (Harvard), and other senior management certificates and diplomas

NATIONALITY:

South African

COMMITTEE MEMBERSHIPS:**NC** Nominations Committee**Experience**

Vincent is the Non-executive Chairperson of Sibanye-Stillwater Limited and Stadio Holdings. Previously, he was Director of Corporate Affairs and Transformation at South African Breweries and the Southern African Chairperson of BHP Billiton. He has 20 years' experience as a professional academic and 15 years' experience as a senior executive in the private sector. Vincent served on the boards of various companies as Non-executive Chairperson. He also held a two-year academic position at Williams College in Massachusetts.

Areas of value-adding expertise

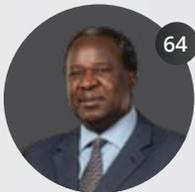
Transformation; restructuring; business social environment.

Other Directorships

Sibanye-Stillwater Limited (Chairperson), Discovery Foundation (Chairperson), Stadio Holdings (Chairperson) and Batiki Game.

Professional body memberships

Academy of Science of South Africa and the IoDSA.

**64 Tito Mboweni****Independent Non-executive Director**

Appointed: 5 May 2022

Qualifications: BA (Econ and Pol) (Lesotho), MA (Development Economics) (East Anglia), Diploma in International Business Diplomacy

NATIONALITY:

South African

COMMITTEE MEMBERSHIPS:**RCC** Risk and Compliance Committee**RC** Remuneration Committee**Experience**

Tito is a highly experienced leader with a wealth of experience in the public and private sectors, complemented by experience in academia. Tito served as the Minister of Finance of South Africa from 2018 to 2021, and was a member of Parliament from 2019 to 2022. He previously served as the South African Labour Minister and the Governor of the South African Reserve Bank. He held leadership positions in various institutions, including the New Development Bank, the African Union Peace Fund, the African Centre for Economic Transformation (ACET), the African Union Reforms Team, and the African National Congress. Within the private sector, Tito is regional advisor to Goldman Sachs International and served on the boards of Nampak Limited, SacOil Holdings Limited and Anglo Gold Ashanti Limited. He previously served on Discovery's Board from 2013 to 2018. Tito received Honorary Doctorates from the Universities of Natal, Johannesburg, Cape Town, Stellenbosch and East Anglia.

Areas of value-adding expertise

Finance; economics; emerging markets.

Other Directorships

Accelerate Property Fund Limited (Chairperson), Zijin Platinum in South Africa (Deputy Chairperson) and ACET (Chairperson).

Professional body memberships

Chartered Director (SA) and Fellow of the Stellenbosch Institute for Advanced Study (STIAS) as well as the Bellagio Rockefeller Center, Italy.



Our leadership / Our Board of Directors continued



54 Marquerithe Schreuder

Independent Non-executive Director

Appointed: 19 February 2021

Qualifications: BCom (Hons), FIA, FASSA

NATIONALITY:

South African and Luxembourgish

COMMITTEE MEMBERSHIPS:

- RCC** Risk and Compliance Committee (Chairperson)
- AC** Audit Committee
- ACT** Actuarial Committee
- TCF** Treating Customers Fairly Subcommittee
- TWG** Technology Working Group

Experience

Marquerithe is a qualified actuary and has been a Fellow of the Institute of Actuaries and a Fellow of the Actuarial Society of South Africa since 2000. She was an Independent Director of Hannover Re Africa Group, where she acted as the Chairperson of the Actuarial and Risk committees. Marquerithe was also a Director at the Actuarial Insurance Solutions division of Deloitte. Further, she continues to serve on the Actuarial Society of South Africa's Life Assurance Tax Subcommittee.

Areas of value-adding expertise

Insurance capital; risk and finance management; stakeholder guidance and oversight; business management; regulatory and insurance tax requirements.

Other Directorships

Hangberg Pre-Primary School NPC.

Professional body memberships

Fellow of the Institute of Actuaries, Fellow of the Actuarial Society of South Africa.



58 Barry Swartzberg

Executive Director

Co-founder and CEO: Vitality Global

Appointed: Co-founder

Qualifications: BSc, FFA, ASA, FASSA, CFP

NATIONALITY:

South African

COMMITTEE MEMBERSHIPS:

- TWG** Technology Working Group

Experience

Barry is the co-founder of Discovery. He was instrumental in establishing Discovery Health's marketing, distribution and operational functions as Chief Marketing Officer from 1992 to 1996 and Chief Operations Officer from 1997 to 1999. He then served as CEO from 2000 to 2005, launching the first low-income medical scheme plans and Discovery Health's administration services business for closed medical schemes. From 2005 to 2014, he served as Group Executive Director responsible for Discovery's strategy and new business development. In this role, he initiated Discovery's strategy to launch a retail bank, helped start Discovery Insure, secured the shareholding in PAHI, established the first insurance partnership with AIA and established Vitality USA. Barry now serves as Vitality Global CEO, responsible for expanding Discovery's Shared-value model beyond South Africa and the UK. He also serves on the boards of Discovery Insure, Vitality SA, Vitality US, Vitality Global, PAHI and Quantum Health.

Areas of value-adding expertise

Infrastructure development; business diversification; strategy development and execution.

Other Directorships

Endeavor South Africa (Director) and Discovery Fund (Trustee and Chairperson).

Professional body memberships

Fellow of the Faculty of Actuaries (Edinburgh), Fellow of the Society of South African Actuaries, Associate of the Society of Actuaries (Chicago) and the Financial Planning Institute of Southern Africa.



Our leadership / Our Board of Directors continued

**60 Bridget van Kralingen**

Independent Non-executive Director

Appointed: 7 April 2022

Qualifications: BCom, BCom (Hons), MCom

NATIONALITY:

British and American

COMMITTEE MEMBERSHIPS:**TWG** Technology Working Group (Chairperson)**Experience**

Bridget started her career as a senior researcher for the Council for Scientific and Industrial Research in South Africa, after which she became a managing partner for strategy and organisation development at Deloitte South Africa. In 1997, she moved to New York City to serve as national managing partner for financial services at Deloitte. Bridget joined IBM Global services in 2004 and served in multiple roles. As Senior Vice President of IBM Global Business Services, she led IBM's Industry Platforms, establishing IBM as the leader in enterprise blockchain. In 2020, Bridget was named Senior Vice President of IBM Global Markets managing IBM sales teams, business partners, business development and industry capabilities globally. In this role, she was responsible for IBM's revenue, profit, and client satisfaction worldwide. In November 2022, Bridget joined Motive Partners and is a senior partner. Motive Partners is a fully integrated investment platform, combining investors, operators and innovators, investing across stages (venture, growth and buyout) in technology-enabled financial and business services in North America and Europe. At Motive, Bridget leads on data, analytics and AI, and focuses on strategy and growth for Motive portfolio companies. Bridget brings a wealth of global business experience and technology and artificial intelligence expertise to the Board, which supports Discovery's global expansion.

Areas of value-adding expertise

Technology; artificial intelligence; global business development.

Other Directorships

Royal Bank of Canada, The Travelers Company Inc, The Partnership for New York City, New York Historical Society, Investors Exchange LLC.

**58 Deon Viljoen**Executive Director
Group CFO

Appointed: 1 May 2017

Qualifications: BCom Accountancy (cum laude), BCom (Hons), CTA, CA(SA)

NATIONALITY:

South African

COMMITTEE MEMBERSHIPS:**RCC** Risk and Compliance Committee
SEC Social and Ethics Committee
ACT Actuarial Committee**Experience**

Deon joined the Discovery Group in May 2017 as Group CFO. He serves on the boards of various of the Group's subsidiaries and committees, including the Group Executive Committee. Before joining Discovery, he was with the Alexander Forbes Group, where he joined in 2003 and, in 2007, assumed the role of Group CFO. In this role, Deon served as Executive Director on Alexander Forbes Group Holdings Limited's Board, as well as various subsidiary boards and committees. He also served as interim CEO in 2016. Deon was named CFO of the Year 2015 by CFO SA. Earlier in his career, he was a Partner and Director of PwC Johannesburg for nine years following a period of secondment to the London office of one of its predecessor firms. As part of his specialisation in banking and financial services, he also advised clients and presented on topics such as financial risk management. While in the accountancy profession, Deon was a member of the SAICA Banking Industry Group and chaired the Investment Management and the Collective Investment Schemes industry groups.

Areas of value-adding expertise

Financial accounting; banking and insurance; expertise in specialist topics such as financial risk management.

Professional Body memberships

South African Institute of Chartered Accountants (SAICA).



Our leadership / Our Board of Directors continued



56 **Sindi Zilwa**

Independent Non-executive Director

Appointed: 20 February 2003

Qualifications: BCompt (Hons), CTA, CA(SA), Advanced Taxation Certificate (SA), Advanced Diploma in Financial Planning (UOFS), Advanced Diploma in Banking (RAU)

NATIONALITY:

South African

COMMITTEE MEMBERSHIPS:

- SEC** Social and Ethics Committee (Chairperson)
- RCC** Risk and Compliance Committee
- TCF** Treating Customers Fairly Subcommittee

Experience

Sindi is certified as a Chartered Director (SA) by the IoDSA. She is a retired businesswoman, previously an entrepreneur and CEO of Nkonki, an audit firm she co-founded in 1993 and managed until she retired through a management buyout in October 2016. She received the Businesswoman of the Year Award from the Executive Women's Club in 1998 and the Woman of Substance Award from the African Women Chartered Accountants Forum in 2008. In 2014, she was named Overall Professional Woman of the Year in the South African Professional Services Awards (SAPSA) and, in 2016, she was acknowledged as an Outstanding CEO of a Black Audit Firm's Award. In 2013, she authored her first book, The ACE Model: Winning Formula for Audit Committees, and published Creating Effective Boards and Committees in 2016.

Areas of value-adding expertise

Accounting; auditing; compliance; governance; risk management; transformation.

Other Directorships

Sibanye-Stillwater Limited, Metrofile, Mercedes Benz of South Africa Limited and Cell C Limited.

Professional Body memberships

South African Institute of Chartered Accountants (SAICA) and IoDSA.





Our leadership / Our Board of Directors continued

NEW BOARD APPOINTMENTS SINCE YEAR-END



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Lisa Chiume**Independent Non-executive Director**

Appointed: 18 September 2023

Qualifications: BCom (Business Finance and Economics), University of the Witwatersrand

Experience

Lisa was a Senior Director at Deutsche Bank South Africa from 2002 to 2014, where she was involved in mergers and acquisitions and equity capital markets. Lisa joined RMI Holdings Limited and RMH Holdings Limited in 2014 as a Senior Investment Executive until March 2023. Due to RMI/RMH's previous shareholding in Discovery Limited, Lisa has worked closely with Discovery and senior Discovery management over the years on strategic issues, including capital allocation, remuneration, mergers and acquisitions activity and new business initiatives. She was involved in a substantial value unlock for the shareholders of RMI/RMH through the unbundling of RMI/RMH interests in FirstRand, Discovery and Momentum Metropolitan, the sale of Hastings as well as the rebranding of RMI to OUTsurance and its subsequent listing on the JSE. Lisa is currently an Executive Director at Alphacode Holdings. Alphacode is responsible for the management and orderly disposal of the remaining fintech and asset management businesses of OUTsurance (formerly RMI) as well as raising and deploying third party funds to invest in fintech and related verticals in Africa.

NATIONALITY:

South African

COMMITTEE MEMBERSHIPS:

AC Audit Committee

RCC Risk and Compliance Committee

Areas of value-added expertise

Identification, evaluation and portfolio management of investments spanning insurance, banking, asset management, property and fintech; mergers and acquisitions; corporate finance; audit; governance.

Other Directorships

RMI Investment Managers Group (Chairperson) and Investment committee member of the SA SME Fund.

Professional Body memberships

Chartered Financial Analyst (CFA) Institute.



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Christine Ramon**Independent Non-executive Director**

Appointed: 18 September 2023

Qualifications: BCompt, BCompt (Hons), CA(SA), SEP (Harvard)

Experience

Christine is a seasoned finance executive with extensive board experience at large listed entities across industry sectors, including natural resources, media and entertainment, and energy and chemicals. Christine was the CFO of AngloGold Ashanti Limited from 2014 to 2022, where she also served as interim CEO from 1 September 2020 to 31 August 2021. She was the CFO of Sasol Limited from 2006 to 2013 and, prior to this, was the CEO of Johnnic Holdings. She also served as a Non-executive Director on the boards of MTN Group, Rand Refinery, Lafarge SA, Johnnic Communications, Transnet, the World Gold Council and the International Council on Mining and Metals and the International Federation of Accountants. In 2007, Christine was nominated as a Young Global Leader of the World Economic Forum. Christine currently serves as a member of the Presidential Council for State-Owned Enterprises.

NATIONALITY:

South African

COMMITTEE MEMBERSHIPS:

AC Audit Committee

SEC Social and Ethics Committee

Areas of value-added expertise

Corporate finance; governance; investor relations; procurement; information technology; mergers and acquisitions; company restructuring; stakeholder management.

Other Directorships

Clicks Group Limited and Vodafone Plc.

Professional Body memberships

South African Institute of Chartered Accountants (SAICA).



Our leadership continued

Our governance structures

Discovery's approach to group governance is articulated in our Group Governance Framework and is supported by group-wide documents, processes and procedures. The Board is accountable for giving effect to this Framework and oversees adherence to it.

Discovery's Group Governance Framework:

- Preserves the Group's unique owner-manager mindset and insurgent culture, while entrenching the principles of good governance and ethical leadership, without creating unnecessary bureaucracy

- Ensures that the Group's ambition, core purpose, risks and opportunities, strategy, business model, performance and sustainable development are inseparable elements of the value creation process throughout the Group through collective and integrated thinking
- Aligns leadership and strategy, encourages collaboration and integration, and creates value for each entity within the Group, while maintaining accountability and empowering independent judgement by the various subsidiaries' boards of directors
- Ensures the mitigation of reputational, operational, financial, contagion, strategic and regulatory risks across the Group.

SUBSIDIARY GOVERNANCE STRUCTURE AND RESPONSIBILITIES

Our subsidiaries operate in different jurisdictions and industries, with varying levels of regulatory oversight. With this in mind, we updated our Group Governance Framework in FY2023, in consultation with our subsidiaries. This will bolster our governance approach and help optimise our Group structure across our three strategic composites, – Discovery in South Africa, Vitality in the UK and Vitality Global.

Each subsidiary is seen as a separate and independent juristic person managed by its own board. The Group Nomination Committee monitors and manages director appointments to subsidiary boards as appropriate, depending on the subsidiary's materiality and extent of regulation. Furthermore, committees only include those required by legislation and the Group Governance Framework.

The Group Governance Framework outlines the arrangements to address any intra-Group conflicts of interest that may arise. Discovery Limited makes decisions regarding Group-wide strategic matters. The Group Board oversees that subsidiary and intermediate holding company boards – Vitality in the UK and Vitality Global – effectively ensure alignment with the Group on matters such as strategic direction, risk management and compliance. Each intermediate holding company must oversee its direct subsidiaries' adherence to the Group Governance Framework.

Constituted boards

To facilitate informed decision-making within the Group, appropriately coordinated communication and reporting mechanisms are required. The Group Governance Framework ensures there is open, timely and comprehensive communication between the Discovery Group Board and its subsidiary boards and committees through regular interactions between Group functions and their subsidiary counterparts, information flows and reporting requirements specified in Group-wide documents and through the Group Executive Committee.

GROUP EXECUTIVE COMMITTEE

The Group Executive Committee is responsible for implementing the strategies approved by the Discovery Board and for managing the affairs of the Group. It meets every week and is chaired by Adrian Gore, our Group Chief Executive. Business units across our composite markets have established executive committees that meet regularly, and who report to the South African, UK and Vitality Global Executive Committees, as relevant. Feedback on business unit activities and composite is provided to the Group Executive Committee during its weekly meetings.





MAINTAINING AN ETHICAL CULTURE



The principles and recommendations contained in King IV™ are entrenched in our governance and risk-management structures, policies and procedures. This informs the way we do business, and forms the foundation from which we build an ethical culture throughout the Group. Above all, the Board leads ethically and effectively, thereby ensuring the sustainability of our business.

The Group established a dedicated Ethics Office. The Board, assisted by the Social and Ethics Committee, mandates and oversees the Ethics Office which, in turn, manages and implements the Ethics Management Strategy and Plan throughout the Group. Furthermore, as a Group function, the Ethics Office supports the Board, executives, management and employees in cultivating and strengthening an ethical culture within the organisation.



Refer to our **Sustainability Report** for more information on how we uphold and foster an ethical culture.

Key activities

During the year, the Ethics Office focused on the following key activities:

- Strengthened ethical standards by reviewing the Group Whistleblowing and Conflicts of Interest Policies to ensure these remain relevant and effective.
- Refined ethics-related training and awareness programmes by developing new training material and more targeted training interventions for different levels of the organisation.
- Enhanced the Ethics Ambassador Programme by providing ongoing support and recognition, encouraging ambassador involvement in key initiatives, fostering a sense of community, and encouraging ambassadors to collaborate and share best practices. The Programme is a network of people who promote and embed ethical culture based on the core values across the Group.
- Expanded advisory services to the Group's Executive Committee and other business areas by implementing learnings from research on emerging global trends that may impact the business.
- Expanded the reach of our whistleblowing hotline to allow external stakeholders including suppliers, third-party providers and brokers to anonymously report matters of concern.

Maintaining an ethical culture continued

Our Ethics Office follows a four-tiered approach



A Ethics risk assessment

The Ethics Office, together with Group Risk Management, ensures Discovery's key ethics-related risks are appropriately identified, assessed and managed. Group Risk Management also supports risk owners in reporting these ethics-related risks, as well as ensuring adequate frameworks and processes are in place to manage and mitigate ethics-related risks.

B Ethics strategy

The Ethics Office facilitates the implementation of the Group Ethics Management Strategy and Plan, which is informed by the outcomes of the Group-wide ethics risk assessments and prioritises high ethics-related risks and opportunities. Promotion of an ethical culture across all areas, and among all employees, focuses on:

- Ensuring Discovery's leaders set an example through ethical leadership
- Reinforcing the organisation's core values
- Promoting 'ethics talk' at all levels of the Group
- Promoting ongoing communication, training and awareness of these matters

C Ethics standards

Ethics standards promote a common understanding of acceptable conduct across all operations in every region where Discovery operates. Discovery's core purpose and values set the standards for appropriate conduct within the organisation.

The Ethics Office provides input into the development and maintenance of ethics-related policies, including the Conflicts of Interest and Whistleblowing policies, as well as anti-corruption aspects of procurement, fraud management and the Fraud Risk Management Policy.

Employees must confirm their understanding of the Group's ethical standards annually on an internal learning platform, thereby ensuring a values-based culture is maintained throughout the Group. Employees are also encouraged to report any unethical behaviour directly to the Ethics Office or to use the anonymous whistleblowing hotline.

An ethics helpline is available for employees who need advice on ethics-related matters. Dedicated and qualified Ethics Officers provide guidance and support to all employees. Furthermore, employees, contractors and external stakeholders including suppliers, third-party providers and brokers, can anonymously report matters of concern to a whistleblowing hotline in real-time, which is independently managed through the EthicsDefender application and by Deloitte.

D Ethics integration

The Ethics Office maintains a comprehensive training and awareness programme for all employees, which consists of induction and ongoing online training modules.

An annual Group-wide campaign supports the Ethics Office's efforts, including electronic media aimed at ethics awareness. A dedicated website is maintained internally to keep employees informed about matters relating to ethics.

E Monitoring and reporting

The Ethics Office, together with Group Internal Audit, has developed a risk-based monitoring plan to ensure independent assessment and assurance of the efficiency of the Ethics Management Framework.

Planned future focus areas in FY2024

We believe that by focusing on the below areas, Discovery can better anticipate and respond to ethical challenges, make more informed strategic decisions, and foster a strong culture of ethical decision-making:

- Continued focus on ethics integration to embed ethics as part of Discovery's culture
- Expanding our global scanning of ethics risks and opportunities
- Provision of ethics advisory services in relation to strategic initiatives
- Integrating an ethical decision-making framework throughout the organisation to guide complex and strategic decisions.



DELIVERING GOOD PERFORMANCE



The Board appreciates that Discovery's core purpose, strategy, Shared-value model, performance, sustainable development, and risks and opportunities are inextricably linked. These elements are crucial to creating value for our stakeholders.

Discovery continues to embody the philosophy of integrated thinking, which is driven through our core purpose of making people healthier and enhancing and protecting their lives. As an integrated financial services organisation, we leverage our pioneering Shared-value model to drive organic growth and transform the financial services industry globally.

We identify, execute and measure our strategic decisions to create and preserve sustainable value for our stakeholders. In doing so, we consider

how our decisions affect the resources and relationships we rely on and, in turn, how these resources and relationships impact our business as we pursue our medium- and long-term strategic objectives.

The Board reviews at least annually with executive management, as well as the heads of control functions, the Group's strategy and proposals for any acquisitions, investments, disposals, products or services, while considering the associated risks. The Board approves the strategy, key performance measures and targets of all executives, and oversees the implementation of the strategy plans. The Risk and Compliance Committee assists the Board with the governance of the operational and legislative risks, and monitors implementation.

Ongoing training

On appointment, all Directors participate in a comprehensive induction programme. Director training – covering financial, actuarial, economic and industry-related matters – is conducted to refresh Directors' skills and knowledge. Furthermore, Directors are required to attend professional development training and briefings to keep abreast of legal and regulatory risks, developments and changes that could impact the environment in which the Group and its subsidiaries operate.

SPECIFIC BOARD TRAINING TOPICS DURING FY2023 INCLUDED:

- New legislation and legislative changes that the Board should be aware of for Insurance Groups
- Protection of Personal Information Act, No 4 of 2013
- IFRS 17: *Insurance contracts*
- The Group's Own Risk and Solvency Assessment (ORSA), including key macro risks faced, risk appetite metrics, current Group solvency position, Group financial position, projected debt balances and stress testing and scenario analysis
- China insights and prospects
- Learnings from the Commission on State Capture in South Africa
- Competition law and duties of Directors
- Updates on environmental, social and governance (ESG)-related matters, including challenges facing the financial sector and the impact of ESG on the insurance industry, reporting standards and regulation and emerging issues

Assessing our effectiveness

We recognise that an effective Board safeguards the Group's sustainable success. Regular assessments of the Board's effectiveness are crucial in ensuring that the Board fulfils its role and responsibilities, supporting continuous improvement of its performance and effectiveness.

The Board assesses and evaluates its own performance annually, as well as that of its Chairperson, the Board committees and the individual committee members. The performance of Non-executive Directors is assessed by the Chairperson annually, based on each Director's contribution to the matters before the Board. The performance of Executive Directors is assessed annually by the Group Chief Executive, based on agreed performance targets. The Nominations Committee oversees the performance assessment of the Board, Board committees and individual Non-executive Directors, and makes recommendations to the Board based on the results of these assessments. The Board confirms it executed its responsibilities under the Evaluation of Directors Policy.

In FY2022, Discovery conducted a robust independent assessment of the Board and its committees in line with the Discovery Evaluation of Directors Policy. Key assessment focus areas included Board composition and dynamics, management and focus of meetings, and Board information and support. Overall, the findings of the review were positive and recommendations for further improvements were implemented and incorporated in the annual workplan of the Board in FY2023.



ENSURING EFFECTIVE CONTROL

The Board of Directors is the focal point and custodian of corporate governance within Discovery. To this end, the Board ensures corporate governance and good practice are inherent in the fulfilment of its responsibilities.



The Board Charter sets out the roles and responsibilities of the Board. The Board holds its Directors accountable for their integrity, competence, responsibility, fairness and transparency. Our Charter is reviewed annually to ensure it aligns with the principles and practices recommended by King IV™, in addition to other regulatory and legislative requirements. The Board oversees the application of corporate governance principles, supported by specific statutory and other Board committees.

The provisions set out in the Companies Act, King IV™ and regulatory requirements have been applied to the delegation of authority of the Board committees in assisting the Board with specific duties and functions.

Separation of role and responsibilities

The role of the Chairperson of the Board and the Group Chief Executive are not held by the same person, as clearly defined in the Board Charter, to ensure no individual has unrestricted decision-making power. Our Chairperson, Mark Tucker, is responsible for leading the Board while Adrian Gore, our Group Chief Executive, is responsible for the executive management of the Group.

OUR CHAIRPERSON IS RESPONSIBLE FOR:

- Providing overall leadership to the Board in respect of the proper and effective functioning of the Board as a collective.
- Presiding over Board meetings to ensure material matters and issues are tabled and adequate time is allocated for the thorough interrogation of matters.
- Representing the Board to shareholders and ensuring good relations are maintained.
- Monitoring the Board dynamic and ensuring the roles and responsibilities of Directors, the Board and its committees are clearly outlined, as well as ensuring Board and committee effectiveness, and that individual members act with the utmost integrity at all times.
- Formulating, together with the Group Chief Executive and Company Secretary, the annual work plan for the Board and setting the agenda for Board meetings.
- Ensuring and monitoring performance evaluations of the Board, Board committees and individual Directors.
- Promoting a culture of openness and debate among Directors, senior management and heads of control functions, and acting as a link between the Board and management.
- Maintaining regular dialogue and accessibility to advise the Group Chief Executive and Executive Directors on all material matters affecting the Group.
- Assisting the Remuneration Committee in determining the performance objectives of the Group Chief Executive and Executive Directors, as well as their performance against these objectives.

OUR GROUP CHIEF EXECUTIVE IS RESPONSIBLE FOR:

- Overall day-to-day management of the Group.
- Recommending to the Board the appointment of Executive Directors and CEO's of each business and ensuring proper succession planning and performance appraisals of members of the Group Executive Committee.
- Developing and recommending to the Board the long-term strategy and vision of Discovery and its quantified expression.
- Developing and recommending to the Board, Discovery's capital expenditure programme, annual business plans and budgets that support our long-term strategy and approach to sustainability.
- Ensuring effective management teams and management structures are in place throughout the Group.
- Ensuring appropriate policies are formulated and implemented.
- Ensuring an effective Risk Management Framework, Compliance Framework and Internal Audit Strategy are implemented.
- Monitoring performance against agreed performance and sustainability targets, and reporting to the Board accordingly.
- Establishing an organisational structure and operating model to ensure effective execution, monitoring and review of the strategy, sustainability, governance and control imperatives.
- Setting the tone in providing ethical leadership and creating an ethical environment.
- Ensuring adherence to relevant industry best practices standards.
- Serving as the chief spokesperson of the Discovery Group.



Ensuring effective control continued

Board succession planning

The composition and succession planning of the Board is reviewed regularly and remedial actions are undertaken where necessary.



Refer to page 14 of the **Remuneration Report** for disclosure on the notice period of Executive Directors and contractual commitments on termination of office.

Appointments and rotation of directors

The Board is ultimately responsible for the appointment of new Directors, and the Board Charter provides a formal, transparent process in the evaluation, nomination, election and appointment of Board members. When the Board identifies the need to appoint a Director, these appointments are made with the assistance of the Nominations Committee, a constituted committee set up to assist with the search for and vetting of potential Directors.

Once suitable candidates are identified, the Nominations Committee shares the details and skills of these individuals with the Board. Board members collectively deliberate on these recommendations before putting names forward. Thereafter, Directors are appointed through formal, transparent processes by ordinary resolution at a shareholder meeting or the AGM.

Non-executive Directors are appointed for a period not exceeding three years and are subject to re-election on a rotational basis. The reappointment of Non-executive Directors is not automatic and depends on the knowledge and skills required by the Board, the Director's suitability and the diversity targets determined by the Board.

Company Secretary

Our Group Company Secretary is responsible for ensuring that sound governance procedures are followed and maintained. The Company Secretary reports to the Board on all its statutory duties and on Board-related functions performed. The objectivity of the Company Secretary is not prejudiced, despite the administrative reporting line to the Group Chief Actuary.

Nomalanga Nobuhle Mbongo resigned as Group Company Secretary, with effect from 31 March 2023. The Board was satisfied that Nomalanga fulfilled her responsibilities and had the required competence, qualifications, skills, knowledge and experience for her role.

Ayanda Ceba was appointed as the new Group Company Secretary, with effect from 1 September 2023. Upon her appointment, the Board satisfied itself that she has the necessary competence, qualifications, skills, knowledge and experience to fulfil her duties. In the interim, Ayanda Manqele, the current Deputy Group Company Secretary, was appointed Acting Group Company Secretary, with effect from 31 May 2023 until 31 August 2023. The Board was satisfied that Ayanda Manqele had the required competence, qualifications, skills, knowledge and experience for the interim role.

The Group will continue to ensure that the resources of the company secretarial function adequately meet the growing demands and complexity of the business.

Delegation of authority

Delegation of authority to management is clearly defined to ensure effective exercise of authority and responsibilities. The Delegation of Authority Framework details the powers delegated to each Board committee and clearly indicates the matters reserved for consideration by the Board and the Group Chief Executive. The Board determines the level of materiality of matters for its sole decision. Other matters are delegated to the Group Chief Executive, Board committees and the Executive Committee. The delegations are reviewed at least every two years, and delegations may be withdrawn. The Board is satisfied that the Delegation of Authority Framework allows for the effective discharge of its responsibilities, and ensures that no individual has unrestricted decision-making power.

Conflicts of interest

Directors are required to disclose whether they have a direct or indirect interest in any matter for consideration by the Board. The disclosure is recorded in a register by the Company Secretary. Board members are also required to declare any conflicts of interest and recuse themselves from any such discussions during Board or committee meetings.

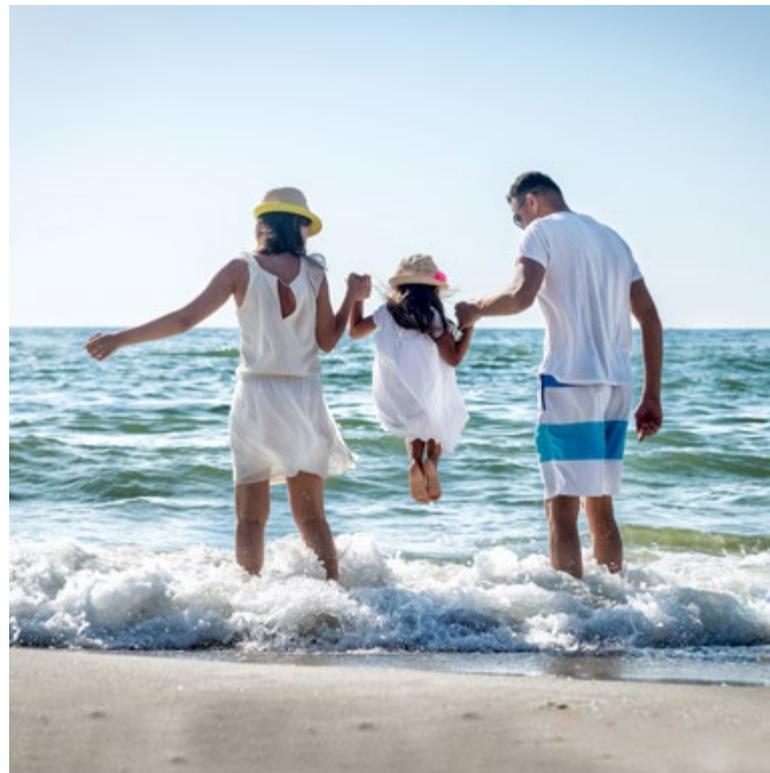
In addition, Discovery implements policies and procedures to manage the trading of shares in line with best practice and regulatory provisions. Directors are prohibited from dealing directly or indirectly in shares during closed periods.

Remuneration

The Group reviews its remuneration philosophy annually to ensure its employees and the Board are remunerated fairly, responsibly and transparently. The Board, assisted by the Remuneration Committee, ensures all Directors, Executives and employees are remunerated fairly and responsibly in line with industry standards, with relevant approvals tabled for shareholder consideration. The remuneration philosophy is aligned with Discovery's strategy and linked to individual performance through appropriate objectives that are reviewed by the Remuneration Committee. Biannual assessments are conducted and reviewed against the strategy and business plan.



For more information, refer to our **Remuneration Report**.





Ensuring effective control continued

Governance of technology and information

The governance of technology and information has been delegated to the Group Risk and Compliance Committee which is supported by the Information Technology (IT) Subcommittee. Furthermore, the IT Subcommittee is supported by the Board Information Technology Committees (Bitco) for each of the UK Composite, SA Composite and Discovery Bank. These committees work closely with the Group Chief Information Officer and the Chief Information Officers in each of the Discovery business areas to ensure that the Group implements appropriate system security, data integrity and business continuity processes. The IT Subcommittee is responsible for overseeing the implementation of all structures, processes and mechanisms in relation to the IT Governance Framework to ensure cyber and data-related risks are appropriately managed, and that the IT risk management plan is effectively implemented. We include technology risks in the Group's risk management process, which are reviewed regularly. Changes to our systems are security tested before implementation and underpinned by regular, comprehensive external testing.

Technology is governed by the Discovery IT Governance Framework, which guides the structure and mandate of technology within Discovery, and aligns with the requirements of the Board committees, King IV™, assurance providers and regulators. The framework focuses specifically on cyber security, data governance, business continuity, financial management, technology architecture and operations. We also ensure executive and Board oversight to monitor our compliance with the standards of the European General Data Protection Regulation (GDPR) and the POPI Act in South Africa. Discovery uses the National Institute of Standards and Technology (NIST) Cybersecurity Framework and the ISO 27001 Information Security Standard to classify technology risks.

The IT function has processes in place to monitor Discovery's networks for cyber attacks and other data-related incidents – including leaks of information – to ensure rapid response times. The threat of cyber risk within Discovery is managed by the information security discipline, comprising people, processes and procedures, as well as associated technologies to protect against malicious and non-malicious threats. More sophisticated cyber crime, and the greater impact and likelihood of this risk, has necessitated a heightened focus. An independent external party audits our security policies, systems and processes at least every two years.

In response to increased cyber threat, Discovery continues to enhance its cyber capability programme to embed and improve our overall cyber resilience capability. Efforts focus on three elements:

- **Cyber capability assessment** – risk assessment of current cyber resilience capabilities.
- **Cyber security strategy** – cyber risk appetite setting and framework development.
- **Cyber risk programme** – ongoing monitoring and oversight of the cyber programme.

Discovery is committed to ensuring the security and confidentiality of all personal information processed from internal and external stakeholders, including Discovery employees. Information shared with any local or international third parties is disclosed strictly in accordance with relevant data protection legislation.

Key FY2023 focus areas included:

- Obtaining ISO 27001:2013 certification and renewing Vitality Group's ISO 27001:2022 certification.
- Rolling out the data privacy information management platform to the UK and US businesses to further our commitment to meet and operationalise our legislative requirements globally.
- Continuing to mature our privacy management and ensure the Data Governance Framework is aligned with data privacy requirements.
- Providing data privacy and cyber awareness training to our financial advisers, service providers and employees, including induction and annual refresher training.
- Continuing to leverage technology to support our hybrid working environment, in addition to advancing security capabilities to mitigate the increasing associated risks.
- Monitoring third-party data processors through our privacy management platform.
- Comprehensively testing our cyber-security controls through an independent ethical hacking exercise.
- Completing a POPI Act compliance risk management review to determine the completeness and appropriateness of our controls and action plans as far as it relates to our suppliers.
- Conducting a National Institute of Standards and Technology (NIST) IT risk review.
- Assessing and strengthening the IT capabilities across the Group and its functions.
- Conducting an annual review of our information privacy and security policies, available at <https://www.discovery.co.za/corporate/privacy>.
- Testing our disaster recovery, business continuity and systems performance management processes, enabling us to adapt the way we operate in response to changes in our environment.
- Reviewing the Group's cyber-security insurance cover, including the provision for remedial work by an insurer-approved team of experts in the event of a cyber-security incident, which was found to be satisfactory.

Key FY2024 focus areas include:

- Ensuring ongoing compliance with the requirements of relevant data protection legislation.
- Increasing targeted systems availability levels and improving resilience to business interruption through our Strategic Technology Enhancement Programme.
- Continuing to invest in our data science and data engineering capabilities.
- Monitoring our POPI Act compliance to establish whether the controls captured were adequately addressed.
- Working towards a Digital Trust Framework that supports our identity and data centric focus and adapts to an ever-changing technology and security landscape.
- Exploring the adoption of generative artificial intelligence (AI), which would be guided by an AI Framework that includes ethics, privacy and security.

The Risk and Compliance Committee is satisfied that a multifaceted and robust governance framework is in place to manage IT risk.



Refer to our **Integrated Annual Report** for further information on our capabilities as a strategic enabler.



Refer to our **Sustainability Report** for further information on data stewardship and privacy.



Ensuring effective control continued

Combined assurance

Discovery adopted and implemented a Combined Assurance Model throughout the Group that complies with King IV™ principles and is designed to address the business' significant strategic, sustainability, financial, operational and compliance-related risks. As defined by King IV™, the Combined Assurance Model aims to incorporate and optimise all assurance services and functions so that, taken as a whole, these:

- Enable an effective control environment.
- Support the integrity of information used for internal decision-making by management, the Board and its committees.
- Support the integrity of the organisation's external reports.

To adhere with regulatory requirements, the Group established four key control functions – being the Risk Management function, Compliance function, Actuarial function and Internal Audit function – that operate independently of one another to support the Combined Assurance Model.

The purpose of combined assurance is to integrate the efforts of management and assurance providers, both internal and external, to ensure material risks facing Discovery are assured efficiently and that suitable controls exist to mitigate these risks to an acceptable level. Combined assurance achieves this by:

- Linking risk management and assurance activities.
- Providing the basis for identifying any areas of potential assurance gaps and duplication of resources.
- Informing the Board, Audit Committee and Risk and Compliance Committee of the combined assurance status.
- Providing an integrated assurance service and enhancing accountability.
- Ensuring an adequate and effective risk-control environment that enhances decision-taking that aligns with the risk appetite and the integrity of the risk-related reports for better decision-making.

To further strengthen the Board's governance, Discovery adopted the three lines of defence governance model, which clearly separates business management from governance and control structures. This ensures all persons within Discovery are aware of the risk management system.

THREE LINES OF DEFENCE MODEL

FIRST LINE OF DEFENCE

Line functions that own and manage risk and associated risk taking. It involves management oversight, including strategy implementation, performance measurement, and risk and control management. As the executing leg, this line of defence has direct involvement and will therefore offer limited assurance coverage.

- Management of operations
- First-line Risk Management
- Management Executive Committees
- Quality Assurance
- Group Forensics
- Information Security Office

SECOND LINE OF DEFENCE

The second line of defence operates independently of day-to-day management, and provides a level of assurance to the Board on the adequacy and effectiveness of the Group's overall risk management system. These functions have the authority to communicate with any employee and obtain unrestricted and timeous access to any record required to carry out their responsibilities.

- Group Risk Management (page 26)
- Group Actuarial function (page 26)
- Group Compliance (page 27)

THIRD LINE OF DEFENCE

The Group Internal Audit function and External Audit make up the third line of defence, and provide an independent and balanced view of the effectiveness of the first and second line functions.

- Group Internal Audit (page 27)
- External Audit
- Other assurance providers

The Combined Assurance Model is reviewed and approved annually, and oversight thereof has been delegated to the Audit Committee. Combined assurance is formally administered through the Group Combined Assurance Forum. The forum is chaired by the Group Chief Risk Officer (CRO), who reports on all aspects of combined assurance directly to the Audit Committee. The Board is satisfied the assurance results indicate an adequate and effective control environment and integrity of reports for better decision-making.





Ensuring effective control continued

MANAGING RISK TO ACHIEVE OUR STRATEGIC OBJECTIVES

The Board has ultimate responsibility for the governance of risk and approves the risk appetite on a regular basis. The Board acknowledges the importance of risk management as it is linked to the strategy, performance and sustainability of the Group. The Board is assisted by the Risk and Compliance Committee, which is delegated to manage the implementation processes to ensure business risks are identified and managed within acceptable parameters.

Discovery has a clearly defined set of risk policies and a Risk Management Framework, which includes a risk-rating matrix used to assess the likelihood of certain risks and the magnitude of impact. A robust approach, coupled with established roles and responsibilities and a clear governance structure, ensures regular assessments of the business risks and risk tolerance levels are conducted for each risk category, considering both current and emerging risks. The Risk Management Framework is designed to address all the significant strategic, sustainability, financial, operational and compliance-related risks that could undermine the Group's ability to achieve its business objectives into the future. Annually, Discovery prepares an ORSA, which provides a holistic view of the risk exposures in the Group and how these risks affect capital, solvency and the business strategy.

The role of group risk management

Discovery's Group Risk Management team is an independent function operating as part of the second line of defence. The function is responsible for designing and ensuring the operational effectiveness of the risk management system, and consists of several skilled resources, including actuaries, accountants, project risk specialists, IT specialists, finance specialists and risk management analysts. This team coordinates and challenges risk information and establishes appropriate risk reporting procedures. In addition to the overarching Group Risk Management team, there are dedicated teams within Discovery Bank and Vitality UK headed by their respective Chief Risk Officers.

Group Risk Management is the custodian for combined assurance across Discovery and its primary responsibilities during FY2023 included:

- Assisting Discovery to identify, assess, monitor, manage and report on its material risks and related opportunities, and promote a sound risk culture.
- Assisting the Discovery Board and senior management to develop and maintain Discovery's risk management system, including promptly informing the Discovery Board of any circumstances that may have an adverse material effect on Discovery.
- Reviewing the results of regular stress and scenario tests.
- Integrating the view of risk and capital, and ensuring sufficient capital is in place to operate sustainably within the risk appetite and in light of the prevailing risk profile throughout the business planning cycle.

Enhancing our risk management capabilities across the Group is a key focus area for FY2024, and includes:

- Strengthening our data analytics capabilities.
- Continued focus on risks related to organisational resilience, and those related to a national grid failure, cyber and technology platforms.
- Strengthening our approach to outsourcing and third-party risk management.
- Enhancing the completeness of our combined assurance approach.
- Deepening the assessment of risks relating to ESG and climate change, as well as our understanding of biodiversity risks.
- Additional work to develop Recovery and Resolution Plans for relevant group entities.
- Continued risk culture initiatives to raise risk maturity across the Group.
- Strengthening the skills of the first- and second-line risk resources through both recruitment and training.



Refer to our [Integrated Annual Report](#) for detailed information on our material risks.

THE GROUP'S ACTUARIAL FUNCTION

The Group's Actuarial function operates as part of the Group's second line of defence, providing guidance and assurance to the Board on all Group-wide actuarial matters. The function is responsible for conducting independent reviews, and challenging the actuarial results and information provided by the actuarial departments of each of the Group's insurance entities. The Group Actuarial function consists of a team of skilled actuarial resources. In addition to an overarching Group Actuarial function, separately mandated Actuarial functions exist for the South African insurance entities, each directed by a Head of the Actuarial function. Discovery Insure's Actuarial function is currently outsourced to an independent third party.

The Group Actuarial function's primary responsibilities include:

- Providing assurance to the Board, with support from the Actuarial Committee, regarding the accuracy of the calculation and appropriateness of the methodology and assumptions, underlying the insurance technical provisions and capital requirements.
- Reviewing and attesting to the reliability and adequacy of Group Own Funds and the Group capital requirement.
- Expressing an opinion on the appropriateness of certain risk management policies.
- Expressing an opinion on the adequacy of reinsurance arrangements within each insurance entity, and across the Group.
- Providing advice to the Board on product development and design, including the terms and conditions of insurance contracts and pricing.
- Providing an opinion to the Board on the soundness of any transfer of business or significant transaction.
- Providing advice to the Board and senior management on the impact of any proposed dividend declaration or payment, on the financial soundness position of the Group.





Ensuring effective control continued

OUR APPROACH TO COMPLIANCE

The Discovery Group is committed to adhering to all applicable legal and regulatory requirements, the highest professional and ethical standards, and our stated values. We believe a strong compliance culture is a key aspect of industry leadership and is vital to securing sustainable and profitable growth.

The Group is subject to detailed laws and regulations in each of the jurisdictions in which it has a footprint. Our business activities are governed by various regulatory and supervisory authorities that ensure we act in accordance with stipulated regulatory frameworks. Our robust compliance culture supports our operations in these complex regulatory environments.

We integrate a strong compliance culture in our daily business activities and strategic planning to ensure compliant conduct forms an integral part of everyday behaviour and decision-making. This protects Discovery's reputation, minimises the risk of regulatory action, contributes to Discovery's growth, and provides appropriate protection to our clients.

The group's compliance function

The Group Compliance function, established as part of Discovery Limited, focuses on fostering an environment where compliance is embedded across all entities within the Group. This provides reasonable and independent assurance to Discovery Limited on group-wide compliance.

The Group Compliance function, which reports directly to the Board through its Risk and Compliance Committee and Social and Ethics Committee, is an integral part of the Board-approved Enterprise Risk Management Strategy. The function consists of skilled and experienced compliance resources, is independent, and operates as part of Discovery Limited's second line of defence.

The Discovery Group has a federated approach to compliance. The compliance functions in the primary jurisdictions which we operate in are, given the nature, scale and complexity of operations, best placed to identify the compliance requirements and challenges within their jurisdictions, financial sectors and businesses. Discovery's South African businesses are supported by experienced compliance officers within a centralised compliance team, except for Discovery Bank, which has its own compliance team. Our international businesses are supported by dedicated compliance teams in their respective jurisdictions.

The function ensures the Group's compliance framework is appropriately designed and implemented. It provides the Board of Directors, relevant board committees, executive management, and regulators with assurance that an effective compliance culture and compliance framework is embedded within the Group. The function facilitates the timely and accurate flow of information related to material matters and supports the effective management thereof across the Group.

The Group Compliance function performed an annual effectiveness review and is satisfied that it fulfilled its responsibilities for FY2023. In addition, Group Internal Audit undertook an audit of the function and rated it as 'High Assurance'.

Our future focus areas

Group and subsidiary compliance governance

Finalisation of the updated Group Governance Framework has been completed, with the exception of certain Group-wide documents and terms of references across all boards and committees. Our focus in FY2024 will be on refining and monitoring the Framework's implementation.

Monitoring to deepen assurance

We are committed to ensuring compliance with applicable laws and adopted non-binding rules, codes and standards, and maintain collaborative working relationships with Discovery's regulators. Discovery did not receive any regulatory enforcement actions during FY2023.

We will continuously enhance our risk-based monitoring framework to increase our focus in areas that pose the greatest risk to the business to deploy resources in high-risk areas, with potential significant implications of non-compliance.

Leveraging efficiencies in compliance with anti-money laundering and counter terrorism financing legislation

We have implemented strategies and use technology to streamline and enhance the processes of anti-money laundering (AML) and counter terrorism financing (CTF) compliance through a risk-based approach, using advanced technology to automate processes, electronic identity verification and risk assessments, continuous monitoring and training. We have created an AML and CTF operational centre of excellence for all South African accountable institutions to drive efficiencies and enhance a Group-wide approach to operational compliance and a single view of our clients.

THE ROLE OF THE GROUP'S INTERNAL AUDIT FUNCTION

Our Internal Audit function, together with other assurance providers, provides assurance of the organisation's significant risks and material matters, and incorporates applicable legislation in its reviews. Group Internal Audit is also responsible for conducting an annual review of the effectiveness of the combined assurance process across Discovery.

The Group's Internal Audit function is structured to support the Group across the primary jurisdictions within which we operate. A centralised internal audit team provides assurance across Discovery's South African businesses, except for Discovery Bank which has its own internal audit function; as well as Vitality Global. Our UK businesses are supported by a dedicated internal audit function in their jurisdiction. Given the nature, scale and complexity of operations, these functions are best placed to address the assurance requirements and challenges within their jurisdictions, financial sectors and businesses.

Appropriate policies and processes are in place to ensure the independence of the internal auditors. The Chief Audit Executive (CAE) has a functional reporting line and direct access to the Chairperson of the Audit Committee and an administrative reporting line to the Group CFO. Regular closed sessions are held with the Chairperson of the Audit Committee during the year, without management, on any matter that is regarded as relevant to fulfilling the Audit Committee's responsibilities. The Audit Committee has the responsibility to:

- Review and approve the annual internal audit plan, significant areas of focus, as well as resources and budgeted fees.
- Review and approve the internal audit charter and evaluate the independence, effectiveness, and performance of the function in line with its charter.





MAINTAINING LEGITIMACY

Our stakeholders

Balancing the best interests of the Company and the interests and expectations of stakeholders is paramount to the Board. Stakeholder relationships form an important part of Discovery's business and we recognise the significance of regular engagement with stakeholders through our various platforms.

Reports issued by Discovery are aimed at enabling stakeholders to make informed decisions about the Group's performance, as well as its short-, medium- and long-term prospects. Discovery's interim and annual results, as well as its reports, are reviewed and approved by the Board with the assistance of the Audit Committee, as well as internal and external auditors. The Board committees oversee that reports are compliant with regulatory obligations and meet the legitimate needs of stakeholders.

Discovery's continued growth and success depends on how we engage with, understand and respond to our stakeholders' needs, concerns and insights. Our Board monitors Discovery's relationships with our stakeholders through the Social and Ethics Committee. The committee is tasked with ensuring an inclusive approach to stakeholder engagement and provides feedback as a standing agenda item. The Board also engages directly and indirectly with stakeholders as needed.

During the year, the Board met with the Prudential Authority as part of its supervisory approach and annual engagement. The Board engages with our providers of capital during the Group's AGM, and meets with them throughout the year on an ad hoc basis. Our Board also responds to queries from providers of capital, asset managers and ESG analysts on Discovery's approach and response to ESG.

We conduct regular assessments through various mechanisms to evaluate the quality of the relationships with our stakeholders at Group and business unit level. The Board is satisfied that the bases of our assessments provide an holistic and accurate view of these relationships.

 Refer to our **Integrated Annual Report** for more information on our approach to stakeholder engagement.

 Refer to our **Sustainability Report** for more information on our stakeholders groups.

Responsible corporate citizenship

We are determined to be an exceptional employer, excellent partner and a good corporate citizen. Discovery prides itself on measurable corporate programmes that reflect the importance of stakeholders' interests and the Group's core purpose to make people healthier and enhance and protect their lives. Discovery is an active corporate citizen in communities where it operates and positively contributes to the economy, society and environment. We are also a signatory to the United Nations Global Compact and subscribe to the United Nation's Sustainable Development Goals (SDG's).



Refer to our **Sustainability Report** for more information on our relationships with broader society, our targets related to corporate social investment initiatives, our environmental stewardship and our employee wellbeing initiatives.



Refer to our **Integrated Annual Report** for more information on how we deliver value to our clients while managing risk and regulatory requirements in a complex economic environment.

The Board has delegated the responsibility of ensuring that the Group is a responsible corporate citizen to the Social and Ethics Committee. In ensuring Discovery is a responsible corporate citizen, the duties of the Social and Ethics Committee will, among others, include:

- Reviewing and approving the strategy adopted by the Group to promote equality and to prevent unfair discrimination and corruption, and recommending this to the Board for approval.
- Reviewing and approving the Group's Corporate Social Investment (CSI) Strategy, and recommending this to the Board for approval.
- Reviewing and approving the Group's strategy to eradicate gender-based violence and sexual harassment in the workplace, and recommending this to the Board for approval.
- Reviewing and approving the strategy proposed by the Group for corporate sponsorships and donations, as well as the processes that are in place to identify initiatives that would receive sponsorships and donations from the Group.
- Reviewing and approving initiatives, processes and controls implemented by the Group to promote and enhance diversity, equality and inclusion, thereby ensuring we nurture an inclusive work environment and eradicate any form of discrimination.
- Reviewing and approving any flagship projects and initiatives aimed at contributing to the development of communities identified by the Group from time to time.
- Monitoring, on an ongoing basis, progress in the implementation of community development initiatives and material sponsorships and evaluating whether or not the objectives are being realised.



Maintaining legitimacy continued

Climate change

As a global financial services organisation, we recognise that our ability to do business is fundamentally linked to the sustainable wellbeing of the communities in which we operate. Our core purpose aligns with our goal of maintaining an environment that enables and sustains good health, and we have an opportunity to become part of the climate-change solution by leveraging our Shared-value model to minimise any negative impacts we have on the climate.

Since our inception, we have seen the power of aligning our interests to those of our clients and society – and applying our business model to help address climate change is the next evolution in our shared-value thinking. Our Group Climate Change Strategy allows us to account for present and future climate-related risks, be proactive in the face of rising stakeholder action and support our goal of being a force for social good.

We closely monitor climate change developments, including best practice initiatives among global financial institutions, with the aim of embedding these principles across our primary markets. To this end, we support the objectives of the UN SDG's and have also adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The Group's climate-related governance model is embedded in existing governance structures and is structured to ensure effective monitoring and communication of climate-related matters from day-to-day operations within each business to the Board.

Our Board, through our Social and Ethics Committee, oversees our Climate Change Strategy, analyses the climate context and challenges, and reviews the Group's performance against climate-related and general sustainability matters on a regular basis. The Social and Ethics Committee Chairperson reports to the Board every quarter. Climate-related governance is further supported by the Risk and Compliance Committee, which monitors climate-related risks and opportunities. In addition, our Audit Committee reviews and approves public disclosures through external financial reporting, while our Remuneration Committee oversees the Group scorecard, which includes climate-related targets that link to executive remuneration.

Refer to our **Integrated Annual Report** for more information on climate change as a key risk to the business.

Refer to our **TCFD Report** for more information on our response to climate change and governance.

Refer to our **Sustainability Report** for more information on how we work to restore the environment.

Responsible investment

The Board recognises that responsible investment requires the recognition, evaluation and incorporation of material ESG issues into investment analysis and decision-making processes, as well as integrating ESG opportunities and issues through active ownership policies and practices.

As asset owners and institutional investors, it is our duty to act in the best long-term interests of our beneficiaries. Accordingly, our Group Responsible Investment Policy sets out Discovery's principles for responsible investment, which aim to align our investment philosophy with relevant principles and industry codes of best practice. The policy also states that responsible investment requires the recognition, evaluation and incorporation of material ESG risks and opportunities into investment and ownership decisions by subsidiaries across the Group.

When selecting and appointing asset managers, we consider the extent to which responsible investment is embedded in their investment and ownership practices. Furthermore, we monitor appointed asset managers' responsible investment approach to increase accountability.

The Group is a signatory to the Principles for Responsible Investment (PRI), committing to the PRI's six principles.

Refer to our **Sustainability Report** for more information on Discovery's approach to responsible investment.

Responsible and transparent approach to tax

Discovery is committed to complying with all statutory tax obligations of the regions in which we operate. Our Board, together with the Audit Committee, oversees the Group's tax practices and affairs. While the responsibility for the Group's tax strategy lies with the Board, day-to-day responsibility is delegated to the respective CFO's and finance teams of the various business areas, who are supported by the Group Tax function and the in-country Group tax specialists.

Our focus also extends beyond basic compliance to ensure our approach to tax management creates value for our stakeholder groups. We achieve this by:

- Giving due consideration to the tax-related legislation of the countries where we operate.
- Ensuring each transaction we undertake has economic substance and business purpose.
- Embedding a Group Tax Policy across our business, which addresses tax management principles, as well as a Tax Risk Management Framework.
- Not using so-called tax havens to avoid taxes on our business activities that would, in the normal course of events, take place elsewhere.
- Undertaking cross-border intragroup transactions using the arm's length principle in accordance with the Organisation for Economic Co-operation and Development's (OECD) transfer pricing principles.
- Constructively engaging with tax authorities in a way that is honest, courteous and timely to protect and enhance our reputation and good standing with them.
- Accurately disclosing tax reporting procedures.
- Ensuring our finance and tax teams are adequately staffed with the appropriate skills to monitor and keep abreast of developments in tax legislation; regular training is undertaken as appropriate.
- Effectively managing our tax risk, seeking external advice or directly engaging with revenue authorities as and when appropriate.

We understand tax is a material consideration for our stakeholder groups. Accordingly, Discovery is committed to responsibly arranging its tax affairs and structuring commercial activities to sustainably maximise value for shareholders and other stakeholders. As part of this, we ensure we file accurate, timely tax returns and settle any tax obligations in the correct period.

Our **Group Tax Policy** is available on our website.

Refer to our **Tax Transparency Report** for more information on Discovery's approach to responsible tax practices.

Sustainable procurement practices

Discovery is committed to sustainable procurement practices, as reflected in our Procurement Policy. The policy aims to ensure we source high-quality, affordable and environmentally and socially friendly products and services from the right suppliers. These procurement practices and our sustainability evaluation criteria ensure that we work with suppliers who share Discovery's core values. Our approach aims to ensure fairness, transparency and efficiency by including our sustainability objectives during the procurement planning phase, while applying an objective lens to protect the integrity of the procurement process.



OUR BOARD COMMITTEES

“ Seven Board committees are fully established in line with the requirements of the business, the Companies Act, the Insurance Act and King IV™ to assist the Board in fulfilling its responsibilities.”

Discovery's Board of Directors acknowledges its responsibility to effectively discharge its duties, ensuring the delegation of powers within our governance and business structures promote independent judgement. The Board is ultimately responsible and accountable for the governance, performance and strategy of the Group, as well as delivering value to our providers of capital while balancing the needs of other stakeholders.

The Board has delegated some of its responsibilities to appropriately constituted Board committees. Seven Board committees are fully established in line with the requirements of the business, the Companies Act, the Insurance Act and King IV™ to assist the Board in fulfilling its responsibilities. A clear balance of power ensures no individual, directly or indirectly, has undue decision-making powers.

Board committees act within the bounds of approved Terms of Reference, which clearly define the responsibilities and duties delegated by the Board. The Terms of Reference are reviewed annually and submitted to the Board for approval.

The Terms of Reference prescribe the minimum number of members for each committee, as well as the proportion of independent Directors to ensure independence is exercised. Each Board committee is required to have at least three members with sufficient capability and capacity to function effectively, and members are evaluated to ensure an appropriate balance of skills, qualifications and experience to perform their duties.

The Chairperson of each Board committee is appointed by the Board and reports directly to the Group Board after each meeting on the activities, written resolutions and decisions made by the committee, enabling the Board to monitor performance. The Board encourages the sharing of information across committees to drive collaboration and integration while maintaining accountability and empowering independent judgment. Our Non-executive Directors serve on multiple Board committees to ensure the efficient and effective flow of information between committees. Furthermore, Board members may attend any committee meeting as an invitee or observer to provide insight into particular matters of interest, but may not take part in any decisions made by the appointed members of the committee.



Our Board committees continued

AC

Audit Committee

PURPOSE

The Audit Committee is an independent statutory committee and assists the Board in fulfilling its oversight responsibilities and evaluating the adequacy and efficiency of accounting policies, internal financial controls and financial and corporate reporting processes. The Audit Committee also assesses the effectiveness of the internal auditors and the independence and effectiveness of the joint external auditors, as well as considers and recommends to shareholders the appointment of the joint external auditors.

Composition and meeting attendance

The Audit Committee is chaired by an Independent Non-executive Director and comprises at least three highly skilled and experienced Independent Non-executive Directors, who are appointed annually by the Board and subsequently approved by the shareholders at the AGM. During FY2023, external audit and Group Internal Audit, as well as the Group CFO, CIO, CRO, Chief Compliance Officer (CCO), Chief Actuary and other relevant invitees attended meetings by invitation to provide pertinent information and insight into their areas of responsibility.

The Audit Committee met six times during FY2023 and comprised the following members:

	Board status	Appointment to committee	Number of meetings attended
D Macready (Chairperson)	Independent Non-executive Director	February 2020	6/6
M Hlahla	Independent Non-executive Director	August 2021	5/6
M Schreuder	Independent Non-executive Director	February 2021	6/6

L Chiume and KC Ramon were both appointed as Independent Non-executive Directors and as members of the Discovery Limited Audit Committee, with effect from 18 September 2023.

Key focus areas in FY2023

- Actively involved in the revision and implementation of the Group Governance Framework. Implementing the revised framework has significantly enhanced and strengthened the governance and oversight of subsidiaries within the broader Discovery multinational groupings.
- Played an integral role in the overall governance oversight of the IFRS 17 project which included the appropriateness, integrity and veracity of key policy elections and interpretations as well as consideration of the disclosures, communication and overall assurance obtained of the impact on transition from IFRS 4: *Insurance Contracts* to IFRS 17: *Insurance Contracts*.
- During FY2022, Discovery early adopted the anticipated requirement of the Prudential Authority of South Africa for significant insurance groups to have joint auditors. During FY2023, the planned rotation of audit firms continued, with the proposal of Deloitte & Touche as the replacement for PricewaterhouseCoopers Inc. as joint auditors with KPMG Inc. for FY2024, subject to shareholder approval at the AGM.
- Assisted the Board to evaluate the effectiveness of the Group's internal financial controls, which were found to be adequately designed and effectively implemented with no concerns raised. Considered the adequacy of assurance provided regarding the internal financial control environment to which the CEO and the CFO attest (JSE Listings Requirement).
- Other key activities:
 - Satisfied itself that the current and future proposed external auditors have, at all times, acted with unimpaired independence, after considering:
 - Representations made by the external auditors to the Audit Committee.
 - Independence criteria specified by IRBA and international regulatory bodies, as well as criteria for internal governance processes within audit firms.
 - Auditor suitability assessment in terms of paragraph 3.84(g) (iii) and section 22.15(h) of the JSE Listings Requirements, and
 - The extent of non-audit services work undertaken by the auditors for the Group.

- Reviewed the accounting policies of all entities included in the consolidated Annual Financial Statements and is satisfied that they are appropriate, consistently applied and comply with IFRS Accounting Standards. The Audit Committee is satisfied that Discovery has established financial reporting procedures to ensure access to all financial information required to prepare and report on the Group's financial statements effectively. The review included the restatement as a result of prior period error in the classification of certain unit-linked insurance contracts to unit linked investment contracts.
- Assessed the quality, performance and delivery of the internal audit plan, scope of work performed and level of resources and coverage of the audit plan.
- Reviewed the performance of the Group CFO and the performance and independence of the CAE, which were confirmed to be satisfactory.
- Reviewed the Integrated Annual Report and considered the accuracy and completeness thereof.

Planned focus areas in FY2024

- Evaluate the effectiveness of the Audit Committee and its subsidiary Audit Committees relative to the objectives of the Group Governance Framework.
- Enhance the capabilities, skills and oversight and effectiveness of the Audit Committee by expanding the composition of the Committee with additional members.
- Conduct a comprehensive analysis of Discovery's ESG financial reporting practices in comparison to industry-leading standards and emerging trends.
- Implement a specific project to ensure ongoing assurance for IFRS 17 systems, data, models, and reporting, as part of 'business as usual' processes. This includes the IFRS 17 restatement of comparative information, and investor presentations.
- Review the effectiveness of Group Internal Audit and the appropriateness of the insourcing model. The review will assess whether the current insourcing model is suitable, especially in areas where risks are evolving rapidly.
- Facilitate the external audit firm rotation from PricewaterhouseCoopers Inc. to Deloitte & Touche.



Refer to page 4 of the **Annual Financial Statements** for the detailed Discovery Limited Audit Committee Report.



Our Board committees continued

RC

Remuneration Committee

PURPOSE

The Remuneration Committee assists the Board in ensuring the organisation remunerates fairly, responsibly and transparently. Furthermore, it oversees the implementation of the Remuneration Policy and remuneration philosophy for Directors and makes recommendations to the Board regarding the remuneration structure and base fees for Non-executive Directors for approval by shareholders.

Composition and meeting attendance

The Remuneration Committee is chaired by an Independent Non-executive Director and comprises at least three Non-executive Directors. In executing its functions, the committee is supported by an internal Remuneration Committee, which includes Executive Directors, CEOs of business units, heads of control functions of the Group and external remuneration experts.

The Remuneration Committee met three times during FY2023 and comprised the following members:

	Board status	Appointment to committee	Number of meetings attended
F Khanyile (Chairperson)	Independent Non-executive Director	November 2019	3/3
HL Bosman*	Independent Non-executive Director	July 2014	2/2
M Hlahla	Independent Non-executive Director	November 2021	3/3
T Mboweni	Independent Non-executive Director	May 2022	3/3

* HL Bosman retired as Board member and member of the Remuneration Committee with effect from 1 December 2022.

Key focus areas in FY2023

- Reviewed Discovery's remuneration philosophy and ensured that it is fair and equitable.
- Recommended Non-executive Directors' remuneration structure and base fees to the Board for approval by Discovery's shareholders.
- Reviewed and approved the framework, performance targets and measures used to assess the performance of Executive Directors and their related remuneration awarded.
- Oversaw the embedding of the Single Incentive Plan (SIP) in our SA composite. In addition, oversaw the implementation of the SIP across our US and UK operations.
- Approved the three components of the FY2022 Remuneration Report and established that the report complies with the provisions of the Companies Act and King IV™, tabling it at the AGM for a non-binding advisory vote by shareholders.
- Reviewed and approved annual increases for employees including executives.
- Oversaw compliance with the Malus and Clawback Policy, including the process followed for the forfeiture of unvested awards or unpaid short-term incentives (STIs) (malus) and the clawback of vested awards or paid STIs.
- Oversaw compliance with the Minimum Shareholding Requirement Policy for senior executives.
- Considered advice and input from external advisers on improved remuneration policies, salary and incentive benchmarking, and good remuneration governance practices.
- Provided relevant information sessions for committee members to inform compliance with legislation and best practice.
- Considered the vertical pay gap between Discovery's highest and lowest paid employees, as well as gender and race pay gaps, as part of the Group's approach to fair and responsible remuneration.
- Considered the appropriateness of incentive payments to the participants in management incentive schemes, including Executive Directors, to ensure that remuneration decisions strike a fair balance between sentiment and performance.
- Reviewed the Group performance scorecard and ensured that relevant targets are linked to remuneration practices.

Planned focus areas in FY2024

- Continue to ensure our remuneration structures remain suitable and competitive to attract and retain our people, with a focus on critical skills and diverse talent within key positions.
- Monitor global remuneration trends and their impact on the Group and its employees.
- Monitor regulatory developments related to remuneration, and in particular the proposed changes to the South African Companies Act.
- Ensure alignment to the Group's long-term strategy through stretch performance targets to drive exceptional performance that delivers superior shareholder returns.
- Drive an entrepreneurial culture through incentives to increase alignment with shareholder interests.
- Continue to embed and strengthen fair and responsible remuneration practices into the business, and address any pay disparities identified.
- Continue to review ESG-related targets linked to remuneration practices.

The Remuneration Committee is satisfied that it fulfilled its responsibilities as per its Terms of Reference for FY2023.



Refer to our **Remuneration Report** for more information on our Remuneration Committee and its activities.



Our Board committees continued

RCC

Risk and Compliance Committee

PURPOSE

The Risk and Compliance Committee is responsible for ensuring material risks, which could affect the Group, are identified, evaluated and effectively managed and reported. In addition, the committee is tasked with ensuring the Group's policies and processes are adequate to ensure compliance with the required legislative and regulatory requirements. The committee also ensures adequate systems of financial crime management are in place, as well as processes and controls that manage business continuity, disaster recovery, information assets and the IT Governance Framework within the Group.

Composition and meeting attendance

The Risk and Compliance Committee comprises at least eight members, including Executive and Non-executive Directors, the Group CRO, and the Group CCO. Of these members, the majority must be Non-executive Directors and the Chairperson must be independent. An independent technology adviser further bolsters the committee's skills and expertise.

The Risk and Compliance Committee met six times during FY2023 and comprised the following members:

	Board status	Appointment to committee	Number of meetings attended
M Schreuder (Chairperson)	Independent Non-executive Director	February 2021	6/6
HL Bosman*	Non-executive Director	April 2015	2/3
R Farber	Non-executive Director	April 2015	6/6
J Ferreira	Group CCO	June 2019	6/6
HD Kallner	Group Executive and CEO: SA Composite	December 2015	5/6
D Macready	Independent Non-executive Director	February 2020	6/6
S Mbatha**	Group CRO	May 2023	1/1
T Mboweni	Independent Non-executive Director	May 2022	6/6
A Rayner**	Group Chief Actuary	April 2015	5/5
D Viljoen	Executive Director and Group CFO	May 2017	6/6
SV Zilwa	Independent Non-executive Director	April 2015	5/6

* HL Bosman retired as Board member and member of the Risk and Compliance Committee with effect from 1 December 2022.

** S Mbatha was appointed as Group CRO with effect from 1 May 2023 when A Rayner's role changed to be fully dedicated to the Actuarial Function as Group Chief Actuary.

Key focus areas in FY2023

- Oversaw the operations of the Group's independent Risk Management function to ensure the adequacy and effectiveness thereof.
- Reviewed the Group's risk management plans, risk-related policies and frameworks, and confirmed they are appropriate and have been implemented satisfactorily.
- Considered detailed risk reports from the CRO, the residual risk profile of the Group, as well as key risk trends, including key top-of-mind topics on various risk exposures.
- Considered risk reports of the relevant risk committees of other Group regulated entities, including Discovery Bank, Discovery Insure, Vitality UK and Vitality Global.
- Reviewed the annual refresh of the risk appetite statements and metrics.
- Reviewed the Group ORSA and Discovery Life ORSA reports, challenging findings where required.
- Oversaw the Group's Compliance function, and monitored the compliance landscape, ensuring Discovery complies with applicable laws, regulatory requirements, codes and standards, and assessed the impact of new laws and regulations on the Group to keep the Board up to date on any material developments.
- Reviewed the Group compliance plans, policies and frameworks and related approvals.
- Considered comprehensive reports from the CCO that detail regulatory changes, material regulatory developments, regulatory exposures, as well as any material findings in monitoring reviews.
- Considered feedback from the IT Subcommittee, which oversees data and technology matters fundamental to the business and helps fulfil regulatory requirements.
- Provided oversight of the approval of the Data Governance and Management Policy and the Data Leakage Prevention Policy.
- Provided oversight of Discovery's IT Strategy, and considered the adequacy and effectiveness of the Control Framework and governance structures within the IT environment.

- Reviewed and considered the cyber-security posture, as well as associated risks and controls.
- Reviewed Discovery's plans and activities with regards to business continuity and disaster recovery planning.
- Oversaw the implementation of anti-financial crime programmes and controls, as well as financial crime-related policies.
- Noted the merger of the Group and Discovery Bank AML systems, operational processes and procedures and the creation of a new Financial Crime Centre of Excellence, which will be housed in Discovery Bank.
- Oversaw reports from the Forensics function on Discovery's financial crime risk profile.
- Considered feedback from the Group Treating Customers Fairly Subcommittee.
- Reviewed and approved the risk and compliance-related content of the Integrated Annual Report.
- Monitored the main climate-related risks and opportunities for Discovery.
- Considered the risks posed by geopolitical and local factors, including stability of infrastructure and potential impact of social unrest, and increased oversight of matters relating to financial crime.

Planned focus areas in FY2024

- Continue to focus on the core activities of the committee as outlined in its Terms of Reference.
- Enhance our approach to outsourcing and third-party risk management.
- Continue to focus on risks related to organisational resilience, including those related to a national grid failure, cyber and technology platforms.
- Continue to consider the risks and potential financial impacts related to climate change as well as other environmental considerations such as biodiversity.

The Risk and Compliance Committee performed an effectiveness review and is satisfied that it fulfilled its responsibilities as per its Terms of Reference for FY2023.



Our Board committees continued

ACT

Actuarial Committee

PURPOSE

The Actuarial Committee provides assurance to the Board on all matters of an actuarial nature, including the identification, review and management of actuarial risks and the appropriateness of the assumptions underlying the product terms, liabilities and capital of the Group.

Composition and meeting attendance

The Actuarial Committee is a non-statutory committee of the Board, and comprises at least eight members. The committee is chaired by an independent expert actuary who is not a member of Discovery's Board, and includes Non-executive Directors and Executive Directors of relevant companies within the Group, including the Group CFO, the Group Head of Actuarial function (Chief Actuary), and members of executive management.

The Actuarial Committee met seven times during FY2023 and comprised the following members:

	Board status	Number of meetings attended
D Kirk (Chairperson)	Independent expert actuary	6/7
R Farber	Non-executive Director	7/7
HD Kallner [#]	Group Executive and CEO: SA Composite	7/7
R Lee	Independent expert actuary	7/7
D Macready	Independent Non-executive Director	7/7
KS Rabson [#]	Group Executive	7/7
A Rayner [#]	Group Chief Actuary	7/7
M Schreuder	Independent Non-executive Director	7/7
D Viljoen	Executive Director and Group CFO	7/7
R Williams	Independent expert actuary	7/7

[#] Attended in person or by proxy.

Key focus areas in FY2023

- Reviewed the basis, methodology and results of the solvency calculations for each business and the Group.
- Reviewed the results, analysis, aggregation and disclosures of the financial results and the embedded value results for the Group and material insurance entities.
- Identified and analysed all relevant actuarial risks across the Group, including the actuarial aspects of the ORSA for various entities, and ensured that relevant management strategies are in place to manage risks.
- Reviewed reports from management and external advisers on actuarial risks to Discovery and considered any other reports of a technical actuarial nature.
- Confirmed that, from an actuarial perspective, Discovery complied with all applicable legislation, regulatory requirements, notices and codes, and that Discovery adheres to international best practice.
- Understood the impact of COVID-19 on the actuarial components of the reserving and reporting bases and recommended adjustments as and when required.
- Considered all technical actuarial aspects of IFRS 17: *Insurance Contracts*, which will come into effect in FY2024, and coordinated with the Audit Committee, in addition to identifying training interventions and transition arrangements required across the Group.
- Reviewed the Group Actuarial Control function, including the charter, plan and skills.
- Considered the Head of the Actuarial function's review of the reinsurance arrangements for all insurance entities and reviewed the appropriateness and adequacy thereof.
- Reviewed the minutes of and feedback from Discovery Life, Discovery Insure, the Discovery Health Medical Scheme, VitalityLife, VitalityHealth and Vitality Global's subsidiary actuarial committees to consider relevant actuarial issues, their management, and the impact on the Group's actuarial risks.

The Group Actuarial Committee also focused on the following in respect of Discovery Life:

- Reviewed the basis, methodology and results of the solvency calculations, including the appropriateness of the iterative method of calculating the risk margin.
- Considered the financial soundness and actuarial risks associated with new products, as well as revisions of existing products and the actuarial risks associated with new business initiatives.
- Considered the asset liability matching profile.
- Reviewed the Actuarial Control function, including the charter, plan and skills.

As part of the transition to the updated Group Governance Framework, the focus areas related to Discovery Life will be addressed by the Discovery Life Actuarial Committee going forward.

Planned focus areas in FY2024

- Continue to focus on the areas as outlined in its Terms of Reference and as described, in respect of the Discovery Group.
- Ensure the Group's preparedness for the implementation of IFRS 17 including ongoing training and transition arrangements.
- Facilitate deep dive reviews in particular areas of actuarial consideration across the Group, with a focus on product management and the ongoing monitoring of significant basis changes made in FY2023.
- Facilitate a deeper review into the overall quantitative components of the Discovery Group ORSA Reports, including a review of the proposed stress and scenario tests.

The Actuarial Committee is satisfied that it fulfilled its responsibilities as per its Terms of Reference for FY2023.

SEC

Social and Ethics Committee

PURPOSE

The Social and Ethics Committee assists the Board in implementing and monitoring strategies related to social, economic and sustainable development, stakeholder relations, labour and employment practices, transformation and the ethics framework across Discovery. The committee also makes recommendations to the Board on good corporate citizenship, Climate Change Strategy, environmental health and safety, and an inclusive economy.

Composition and meeting attendance

The Social and Ethics Committee is chaired by an Independent Non-executive Director, and comprises at least five members, of which three are Independent Non-executive Directors, one is an Executive Director and one is an Executive. Additional Executive representatives of entities over which the committee has direct oversight, also have a standing invitation to attend all committee meetings.

The Social and Ethics Committee met six times during FY2023 and comprised the following members:

	Board status	Appointment to committee	Number of meetings attended
SV Zilwa (Chairperson)	Independent Non-executive Director	May 2018	6/6
M Hlahla	Independent Non-executive Director	August 2021	6/6
HD Kallner	Group Executive and CEO: SA Composite	May 2018	6/6
F Khanyile	Independent Non-executive Director	May 2018	6/6
D Viljoen	Executive Director and Group CFO	May 2018	5/6

Key focus areas in FY2023

- Oversaw Discovery's ethical standards and values to ensure an ethical culture is deeply rooted across the Group. This includes monitoring the results of an independent ethics survey and the implementation of ethics training.
- Monitored Discovery's compliance to the Disaster Management Act, No. 53 of 2005, and approval of the Group's Health and Safety Policy.
- Ensured compliance with the UN Global Compact Principles, the recommendations of the OECD regarding corruption, as well as applicable legislative and regulatory requirements that impact social and economic development.
- Oversaw the Group's Sustainability Framework and dashboard, as well as considered, approved and monitored the key sustainability performance indicators.
- Reviewed the Group's enterprise development and preferential procurement policies and implementation thereof while ensuring alignment with the Group's transformation objectives.
- Monitored Discovery's corporate citizenship approach, as well as objectives that promote equality, prevent unfair discrimination and corruption, and support CSI, corporate sponsorships and donations.
- Oversaw the Group's environmental and health and safety strategies and objectives. This includes the execution of the Group Climate Change Strategy and the Group's performance against emissions reduction targets.
- Monitored the Group's ESG disclosure performance against ESG ratings agencies.
- Oversaw the update and approval of Discovery's Responsible Investment Policy.
- Monitored the Group's stakeholder engagement, advertising and public relations strategies and objectives.
- Oversaw the Group's labour-related policies and frameworks in addition to its Employment Equity Plan and Skills Development Strategy. This included the Group's code of good practice to prevent and eliminate harassment in the workplace.
- Monitored diversity, equity and inclusion within various levels of the business including the race and gender pay gaps.

- Monitored the Group's target level of compliance with the Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice and its progress in terms of transformation targets against actual metrics, with specific regard to our B-BBEE scorecard, employment equity plan, skills development and CSI dashboards.
- Ensured appropriate frameworks and methodologies are in place to monitor conflicts of interest.
- Reviewed the Sustainability Report, as well as the assurance processes supporting key data included therein, and recommended this to the Board for approval.
- Implemented the recommended improvements from an independent Social and Ethics Committee benchmarking report conducted in FY2022.

Planned focus areas in FY2024

- Maintain Discovery's level 1 B-BBEE score and improve employment equity ratings in line with the Employment Equity Amendment Bill which will take effect on 1 September 2023.
- Oversee the implementation of Discovery's Sustainable Development Strategy including consideration of the Sustainable Development Goals.
- Monitor and oversee the implementation of the Group's Climate Change Strategy and other environmental-related initiatives and frameworks.

The Social and Ethics Committee is satisfied that it fulfilled its responsibilities as per its Terms of Reference for FY2023.



Refer to our **Sustainability Report** for more information on the activities related to the Social and Ethics Committee's focus areas.



Our Board committees continued

NC

Nominations Committee

PURPOSE

The Nominations Committee oversees the appropriate composition of the Board and its committees and subcommittees. The committee will assist in identifying, electing and appointing potential Board candidates and will make recommendations on the appointment of Executive or Non-executive Directors to the Board which, in turn, are presented to the shareholders for consideration at the AGM. The committee is also responsible for succession planning in respect of the Group Chief Executive and Board members, ensuring ongoing training and development of Board members, as well as the evaluation of the Board's performance and progress against diversity targets.

Composition and meeting attendance

The Nominations Committee is chaired by the Chairperson of Discovery's Board, and comprised at least three members. Discovery's Group Chief Executive is also a member of the committee, along with a Non-executive Director and two Independent Non-executive Directors. Members of Executive Management and Senior Management may attend committee meetings by invitation to provide pertinent information and insight in their areas of responsibilities.

The Nominations Committee met three times during FY2023 and comprised the following members:

	Board status	Appointment to committee	Number of meetings attended
M Tucker (Chairperson)	Independent Non-executive Director	November 2019	3/3
HL Bosman*	Non-executive Director	November 2019	2/2
A Gore	Executive Director and Group Chief Executive	November 2019	3/3
F Khanyile	Independent Non-executive Director	February 2020	3/3
Dr TV Maphai	Independent Non-executive Director	February 2020	3/3

* HL Bosman retired as Board member and member of the Nominations Committee with effect from 1 December 2022.

Key focus areas in FY2023

- Ensured the Board has the appropriate balance of skills, qualifications and experience for it to execute its duties effectively.
- Identified suitable candidates to improve the gender and racial composition of the Board.
- Recruited, shortlisted and recommended the following appointments:
 - Lisa Chiume as a Non-executive Director of the Board and member of the Audit Committee and Risk and Compliance Committee.
 - Christine Ramon as a Non-executive Director of the Board and member of the Audit Committee and Social and Ethics Committee.
- Addressed the Board's data and technology skills gaps and recommended to the Board the establishment of a Technology Working Group chaired by Bridget van Kralingen, an Independent Non-executive Director.
- Oversaw the succession plan for the Board, which includes identifying, mentoring and developing future candidates.
- Reviewed and approved the Nomination of Directors, Board Diversity and Evaluation of Directors Policy.
- Oversaw the performance assessment of the Board, Board committees and individual Non-executive Directors.
- Recommended the re-election of Non-executive Directors whose terms are coming to an end and, in doing so, considered their performance and attendance on the Board and committees.

- Considered the composition of Board committees, as well as the allocation of roles and responsibilities, to achieve a balanced distribution of power. In addition, considered all proposed director appointments at subsidiaries classified as highly material prior to appointments taking effect.
- Considered the composition of the Board and its compliance with relevant laws and regulations.
- Oversaw the continuous development of Directors through ongoing training interventions in addition to the Board induction programme.
- Oversaw the recruitment of a new Group Company Secretary, as well as the appointment of an interim Group Company Secretary.
- Oversaw the implementation of the recommendations of the independent Board effectiveness review conducted in FY2022.
- Oversaw the updating of the Group Governance Framework and approved its underlying principles.

Planned focus areas in FY2024

- Oversee succession planning for the Board.
- Oversee the embedding of the Group Governance Framework.

The Nominations Committee performed an effectiveness review and is satisfied that it fulfilled its responsibilities in accordance with its Terms of Reference for FY2023.



Our Board committees continued

TWG

Technology Working Group

PURPOSE

The Technology Working Group (TWG) is a strategic advisory body to the Board, tasked with assisting the Board in fulfilling its information and technology growth aims and strategy. The TWG extends the Board's oversight role of technology more broadly than governance and risk, currently provided by the IT Subcommittee.

Composition and meeting attendance

The TWG is chaired by an independent Non-executive Director and comprises eight members. The inaugural meeting of the TWG was attended by representatives from each of the Discovery composites, three Non-executive members and two Executive members. Other individuals, including other Directors, may attend TWG meetings by invitation to provide pertinent information and insight into their areas of responsibility.

The newly established TWG met twice during FY2023 and comprised the following members:

	Board status	Appointment to committee	Number of meetings attended
B van Kralingen (Chairperson)	Independent Non-executive Director	9 February 2023	2/2
A Fatti	Chief Digital Officer	9 February 2023	2/2
H Kallner	Group Executive and CEO: SA Composite	9 February 2023	2/2
N Koopowitz#	CEO: Vitality UK	9 February 2023	2/2
M Schreuder	Independent Non-executive Director	9 February 2023	2/2
E Solomon	Independent Non-executive Chairperson of the IT Subcommittee	9 February 2023	1/2
B Swartzberg#	Executive Director and CEO: Vitality Global	9 February 2023	2/2
D Wilcocks	Group Chief Information Officer	9 February 2023	2/2

Attended in person or by proxy.

Key focus areas in FY2023

- Considered the mandate of the working group to align with the Group's business needs, in addition to clarifying related roles, responsibilities and reporting mechanisms.
- Monitored the upgrading of technology infrastructure servicing the Discovery SA composite.
- Analysed the work done by Digital Lab on generative artificial intelligence (AI) and the work Discovery has done on the ethical use and governance of AI, and provided feedback to management on considerations for governing and enhancing understanding of AI technologies.
- Reviewed the Group Risk and Compliance Committee's function with respect to technology governance, as well as the function of the various composite board IT subcommittees.
- Considered the Group's approach and strategy with regard to the architecture and engineering of data science.

Planned focus areas in FY2024

- Consider data science, technology skills, digital transformation and digital channel architecture throughout the Group.
- Monitor AI developments globally as well as Discovery's approach on the ethical use and governance of AI.
- Consider the effectiveness of technology infrastructure to meet business requirements.
- Consider technology skills and sourcing requirements of the Group.

The TWG, as a newly established advisory body, has not yet performed an internally managed effectiveness review.



Our Board committees continued

TCF

Treating Customers Fairly Subcommittee

PURPOSE

The Treating Customers Fairly Subcommittee is a subcommittee of the Group Risk and Compliance Committee and is tasked in ensuring the fair treatment of customers by the Group. The Subcommittee functions as the independent governance forum overseeing the Treating Customers Fairly Framework, ensuring an appropriate culture is established that encourages the fair treatment of customers and that management implements suitable processes to treat Discovery's customers fairly. In addition, the Subcommittee assists the Social and Ethics Committee, from time to time, to discharge its obligations in terms of the fair treatment of customers.

Composition and meeting attendance

The Subcommittee comprises at least five members, three of which are independent Non-executive Directors of Discovery Constituted Boards. The Risk and Compliance Committee appoints the Chairperson in consultation with the Nominations Committee. Each business entity over which the Subcommittee has direct oversight is represented by an attendee from its executive management team, or by a member of senior management nominated by the executive management team. The Subcommittee meets a minimum of four times in a year. Discovery Bank, Vitality UK and Vitality Global have their own treating customers fairly processes and appropriate governance structures, and representatives of these businesses attend the Subcommittee meetings to report on their related activities.

The Treating Customers Fairly Subcommittee met four times during FY2023 and comprised the following members:

	Board status	Appointment to committee	Number of meetings attended
J Awbrey (Chairperson)	Independent Non-executive Director (Discovery Insure and other constituted boards within the Group)	January 2017	4/4
J Ferreira	Group CCO	November 2018	4/4
A Rayner	Group Chief Actuary	January 2017	3/4
M Schreuder	Independent Non-executive Director (Group)	April 2022	4/4
SV Zilwa	Independent Non-executive Director (Group)	January 2017	3/4

Key focus areas in FY2023

- Reviewed all frameworks dealing with the fair treatment of customers, including the complaints management process.
- Ensured appropriate steps were taken to embed the frameworks within the business entities.
- Reviewed the development and launch of all significant new products from a treating customers fairly perspective.
- Improved customer communication for integrated product development.
- Reviewed elements of internal system integration within the Group.
- Reviewed lapse rate reporting.
- Considered regulatory training requirements post the Subcommittee's effectiveness review.
- Reviewed reports on social media interaction from a treating customers fairly perspective.
- Reviewed consolidated product summaries for all Discovery businesses, focusing on product integration and the impact on customers aged 65 years or older.
- Reviewed the Insurance Ombudsman's published annual report to determine the Group's treating customers fairly performance in comparison with our competitors.
- Reviewed local and international market conduct trends.
- Reviewed the membership composition of the Subcommittee.

Planned focus areas in FY2024

- Ongoing review of all frameworks dealing with the fair treatment of customers, including the complaints management process.
- Focus on market conduct highlights.
- Review local and international market conduct trends.
- Oversee the delivery of applicable regulatory training.
- Enhance consolidated product summaries to improve their value and impact globally.
- Improve and simplify treating customers fairly reporting for all business units, including our international subsidiaries.
- Focus on measures that evidence the quality of advice provided by intermediaries to our customers.
- Focus on social media interaction from a treating customers fairly perspective, including trend analysis of digital interactions.
- Review the treating customers fairly exposure ratings.

The Treating Customers Fairly Subcommittee performed an internally managed effectiveness review during the reporting period and is satisfied that it has fulfilled its responsibilities as per its Terms of Reference for FY2023.



Our Board committees continued

IT

Information Technology Subcommittee

PURPOSE

The Information Technology (IT) Subcommittee is tasked with assisting the Risk and Compliance Committee. The subcommittee's focus is on assessing the effectiveness and efficiency of information systems from a risk and strategic alignment perspective. Furthermore, the subcommittee monitors the adequacy and effectiveness of the Group's IT systems, as well as enables the Risk and Compliance Committee to execute its responsibility related to IT, as required by King IV™.

Composition and meeting attendance

The subcommittee is chaired by an Independent Non-executive expert, who is not a member of Discovery's Board, and includes the Group CIO, Group Chief Information Security Officer and Group CCO among others. The members are appointed annually to the subcommittee by the Group Risk and Compliance Committee and these appointments are ratified by the Board.

The Information Technology Subcommittee met four times during FY2023 and comprised the following members:

	Board status	Appointment to committee	Number of meetings attended
E Solomon (Chairperson)	Independent Non-executive member and expert	October 2021	4/4
R Farber	Non-executive Director	January 2023	1/2
J Ferreira	Group CCO	October 2021	3/4
H Padayachee	Chief Information Officer (Vitality Global)	October 2021	4/4
Z Parak	Group Chief Information Security Officer	October 2021	4/4
J van Niekerk	Chief Operating Officer (Vitality SA)	October 2021	3/4
D Wilcocks	Group CIO	October 2021	4/4

Key focus areas in FY2023

- Refined the subcommittee's terms of reference that align with the Group's business needs.
- Reviewed the Group IT Governance Framework and policies to ensure information security, data protection and business resilience and confirmed compliance with the Framework and policies.
- Considered feedback from the Group CIO forum to satisfy itself that the current IT Governance Framework provides adequate control.
- Reviewed the Group's IT strategies and architectures to ensure the Group remains competitive.
- Monitored and evaluated significant IT investments and expenditure as part of the Group's overall IT project profile, ensuring alignment with Discovery's overall strategy.
- Monitored and verified key IT operational performance statistics.
- Reviewed and monitored IT risks and exposures on a Group basis, ensuring effective IT risk management.
- Reviewed outcomes from cyber security tests performed through an independent ethical hacking exercise.
- Monitored relevant regulatory developments, including the draft Prudential Authority Standards regarding IT governance.

Planned focus areas in FY2024

- Continue to focus on the core activities of the subcommittee as outlined in its Terms of Reference.
- Optimise our current data and technological environment for affordability, quality and cost.
- Ensure compliance with new Prudential Authority and Financial Sector Conduct Authority draft joint Standards on Information Technology Risk Management Cybersecurity and Cyber Resilience Requirements.
- Prepare the data and technology environment for future needs and market forces including a fully digital experience, further innovation and disruptive technology.
- Ensure ongoing compliance with the requirements of relevant data protection legislation.

The Information Technology Subcommittee is satisfied that it has fulfilled its responsibilities as per its Terms of Reference for FY2023.



FY2023 KING IV™ APPLICATION REGISTER

Discovery's Board of Directors recognises the importance of being a responsible corporate citizen, and is committed to ethical and effective leadership towards achieving the King IV™ outcomes. The Board has primary accountability for the governance and performance of Discovery. The application of the King IV™ principles is referenced below.

Leadership

PRINCIPLE 1:

The governing body should lead ethically and effectively.

 Refer to page 5 and 22 of this governance report.

Organisational ethics

PRINCIPLE 2:

The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

Responsible corporate citizenship

PRINCIPLE 3:

The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

 Refer to our Sustainability Report.

 Refer to our Integrated Annual Report.

Strategy and performance

PRINCIPLE 4:

The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

 Refer to page 30 of our Integrated Annual Report.

Reporting

PRINCIPLE 5:

The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects.

 Refer to page 28 and 31 of this governance report.

Primary role and responsibilities

PRINCIPLE 6:

The governing body should serve as the focal point and custodian of corporate governance in the organisation.

Composition

PRINCIPLE 7:

The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

 Refer to page 5 and 23 of this governance report.

Committees

PRINCIPLE 8:

The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.



FY2023 King IV™ application register continued

Evaluation of performance

PRINCIPLE 9:

The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members support continued improvement in its performance and effectiveness.

 Refer to page 21 and 23 of this governance report.

Appointment and delegation to management

PRINCIPLE 10:

The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

 Refer to page 14 of the Remuneration Report for disclosure on the notice period of Executive Directors and contractual commitments on termination of office.

Risk governance

PRINCIPLE 11:

The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

 Refer to page 40 of our Integrated Annual Report.

Technology and information governance

PRINCIPLE 12:

The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.

Compliance governance

PRINCIPLE 13:

The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.

Remuneration governance

PRINCIPLE 14:

The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

 Refer to page 23 and 32 of this governance report.

Assurance

PRINCIPLE 15:

The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

Stakeholders

PRINCIPLE 16:

In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

 Refer to page 54 of our Integrated Annual Report.

Responsibilities of institutional investors

PRINCIPLE 17:

The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote the good governance and the creation of value by the companies in which it invests.

 Refer to our Sustainability Report.

Discovery Limited | +27 11 529 2888 | askthecfo@discovery.co.za | www.discovery.co.za

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