



# REMUNERATION REPORT

for the year ended 30 June 2024





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Our Remuneration 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

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

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

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

Describes the Group's approach to climate change and provides climate-related disclosures regarding governance, strategy, risk management, metrics and targets.

Outlines the Group's governance philosophy, leadership and compliance with the King Report on Corporate Governance for South Africa, 2016 (King IVTM)\*.

THIS REPORT

Outlines our Remuneration Policy and implementation approach, along with factors influencing our remuneration-related decisions.

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

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## NAVIGATING OUR REPORTING SUITE

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This icon refers to additional information available on [www.discovery.co.za](http://www.discovery.co.za)



Clickable points of interest



Our reporting suite is best viewed in Adobe Acrobat for desktop, mobile or tablet. Click to download or update to the latest Adobe Acrobat Reader

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# About *this* report

Our Remuneration Report presents the factors within our business that impacted remuneration and the remuneration decisions made in FY2024. In addition, it outlines our Remuneration Policy and provides details of its implementation during the reporting period.

**We have structured our remuneration report as follows:**

## REPORTING SCOPE AND BOUNDARY

This Remuneration Report provides a holistic view of Discovery Limited's (Discovery or the Group) remuneration from 1 July 2023 to 30 June 2024 (FY2024). We also include all material events up to the date of Board approval. Furthermore, this report includes both financial and non-financial information relating to the performance of our geographic market composites: Discovery South Africa (SA), Vitality United Kingdom (UK) and Vitality Global.

## FRAMEWORKS APPLIED

In preparing this report, we were guided by:

- Companies Act, No 71 of 2008, as amended (Companies Act)
- Companies Amendment Act, No 16 of 2024 (Companies Amendment Act)
- JSE Limited (JSE) Listings Requirements and JSE Debt Listings Requirements
- Sustainability Accounting Standards Board (SASB)
- King IV™
- International Financial Reporting Standards (IFRS)

## 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. Forward-looking statements have not been reviewed or audited by the Group's external auditors.

## 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 FY2024, our reporting suite was assured as follows:

- Joint external assurance of Annual Financial Statements by KPMG and Deloitte & Touche
- 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
- Limited assurance of selected greenhouse gas (GHG) emissions inventory by Verify CO<sub>2</sub>
- Verification of B-BBEE rating by Honeycomb BEE Ratings

Based on these engagements, Group Internal Audit believes the quantitative and qualitative information in this report accurately reflects the Group's performance for FY2024.

This report is the culmination of a Group-wide process led by the Group Finance function, with oversight from the Group Executive. Our Group Remuneration Committee reviews the process and recommends the report to our Board for approval.

## BOARD APPROVAL

Discovery's Board of Directors is responsible for the integrity of this report. After reviewing this report, the Board believes it accurately and comprehensively explains factors that influenced remuneration within our business as well as the remuneration decisions made in FY2024.

The Board unanimously approved this report on 14 October 2024.

**Sir Mark E Tucker**  
Independent Non-executive Chairperson

**Adrian Gore**  
Group Chief Executive

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*We welcome your feedback on our reporting suite.*

*For copies of this report or to submit any comments, email [askthecfo@discovery.co.za](mailto:askthecfo@discovery.co.za).*



# PART 1

## Background *statement*

### STATEMENT BY THE REMUNERATION COMMITTEE CHAIRPERSON

I am pleased to present our FY2024 Remuneration Report.

Discovery continues to strengthen its position as a purpose-driven business that creates sustainable shared value for its shareholders, employees and clients. As we expand our global reach, we are pleased to see strong alignment between our core purpose and the performance, engagement and commitment of our people – as well as the critical role remuneration plays in creating value for Discovery.

Discovery's culture is an essential part of creating shared value, and we are fuelled by a collective purpose to create an environment where people can reach their full potential. Our focus on the individual supports exceptional performance. We anticipate that Discovery's global aspirations will bring even greater opportunities and benefits to our stakeholders, including our people and shareholders. This creates a cycle of innovation and value creation where the efforts of individuals lead to significant value for the Group. This newly created value, in turn, fosters an environment that further encourages and supports employee innovation. We believe this

dynamic differentiates us in the markets we operate in – enabling innovation and attracting and retaining top global talent while ensuring sustainable growth and success for Discovery and its stakeholders.

We believe remuneration is not just a cost – it is an investment that supports the achievement of Discovery's ambition and strategic objectives. While Discovery continues to operate in a low-growth environment, which undoubtedly affects performance, it is important to look ahead and prepare for the opportunities on the horizon. Discovery's people will be essential to taking advantage of opportunities as the economic cycle turns and we must, therefore, recruit, retain and reward key talent appropriately. RemCo remains committed to ensuring its work is integrated with and supportive of the Group's purpose, strategy and performance.

Despite the challenges posed by our operating environment, Discovery continues to demonstrate the success of its Shared-value model by delivering strong results. During FY2024, the Group increased revenue\* by 13% and normalised operating profit by 17%. From an ESG perspective, the Group also delivered good results, with a cumulative reduction in Scope 1 and 2 greenhouse gas emissions of 21% in FY2024 against the FY2019 baseline.

The dedication and resilience of Discovery's people made this performance possible. RemCo continues to be inspired by Discovery's entrepreneurial culture, its driven, purpose-aligned people and its exceptional leadership team.

\* As defined on page 17.

### The environment in which we remunerate

Discovery has grown into a global business with a presence in the US, the UK, China and several other countries. This requires world-class skills both at Board and employee level. The local and global operating environment remains challenging, though the macroeconomic environment shows signs of stabilising. Global economic activity remains muted while high inflation and interest rates persist. The ongoing cost-of-living crisis, tight financial conditions in most regions, lingering geopolitical conflicts and disruptions to supply chains continue to fuel uncertainty and impact global growth projections.

#### STABILISING INFLATION

A high inflationary environment remains a predominant challenge globally. However, there are signs of moderation as inflation rates begin to stabilise. This trend impacts remuneration expectations due to the high cost-of-living that continues to affect employees, albeit with some easing pressures. We continue to set internal and external benchmarks to inform our remuneration approach within this context.

#### INCREASED COMPETITION FOR TALENT IN A CHANGING CORPORATE LANDSCAPE

As a global organisation in technology-driven industries, Discovery's top talent is in high demand both locally and globally. In South Africa, a major challenge relates to the retention of our black senior and upcoming talent. Promoting equity and diversity and valuing the unique talents and qualities of individuals is critical to creating sustainable value, as it can enhance employee engagement, innovation and performance while supporting Discovery's reputation. RemCo supports management in their strategies to attract and retain high-quality talent in this highly competitive global talent environment while being cognisant of the need to manage the overall cost of remuneration. This approach is underpinned by our Remuneration Policy and philosophy, which aim to attract and retain talented and motivated individuals who are purpose-driven.

In July 2024, President Cyril Ramaphosa signed the Companies Amendment Bill and the Companies Second Amendment Bill into law. The new legislation introduced significant changes aimed at enhancing corporate governance, promoting transparency in executive remuneration and addressing income inequality. This increased transparency and accountability will require companies to balance attracting and retaining top talent with the expectations of shareholders and other stakeholders, a complexity we are committed to managing responsibly. Work is underway to ensure RemCo's readiness to implement these new requirements as we await the announcement of an effective date of this legislation.

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**Statement by the Remuneration Committee Chairperson continued**
 Related activities and decisions
**Our focus areas and remuneration decisions**

During the year, we made progress on several of our remuneration-related initiatives. In light of the environment in which we remunerate and following research, consultation and robust debate, RemCo applied its mind as follows:

**REMUNERATION BENCHMARKING AND TREND ANALYSIS**

As Discovery continues to grow and innovate as a global business, the skills we need are becoming increasingly complex. At the same time, skills have become highly mobile, with some of our key talent receiving offers internationally. This dual-sided challenge, coupled with a weakening currency, is increasing attraction and retention challenges.

- Our external advisers benchmarked our remuneration practices across the Group against local and international peers, including major insurers and banks
- RemCo supports management in ensuring benchmarks are applied, and that targets and key performance indicators (KPIs) are based on the benchmarking outcome
- Retention is proactively monitored, and measures are put in place to retain key employees
- We have seen an improvement in internal retention trends over the past two years

**NON-EXECUTIVE DIRECTORS' FEES**

Some shareholders have sought clarification regarding Non-executive Directors' fees in 2023, particularly around the Chairperson's fee.

- Discovery has evolved into a global enterprise with significant international ambitions
- The Group requires Board members and a Chairperson with demonstrated global expertise
- To attract and retain individuals of such calibre, our Remuneration Policy must be competitive internationally
- While the Chairperson's fees are higher than those of SA peers, they remain below global peers

**PERFORMANCE MEASURES AND IFRS 17**

In FY2023 we indicated that some targets may be adjusted in line with the adoption of IFRS 17 Insurance Contracts in so far as they are impacted by its implementation. RemCo continued to monitor the implementation of IFRS 17 and its impact on the year-on-year targets that were previously set.

- Where necessary, adjustments were made to targets at business unit level to align with the restated baselines for FY2023
- The same approach was applied to the legacy LTIP performance measures which have been applicable for the last five years
- RemCo obtained independent advice to ensure that these restatements are appropriate and justifiable

**GROUP GOVERNANCE FRAMEWORK**

As Discovery continues to grow and expand into different markets and lines of business, the Group Governance Framework requires continued review and adaptation.

- In FY2024, we aligned the Board Charters and Terms of Reference for Board Committees for the Group. This enhances uniformity and standardisation across the Group, and ensures that the standard of governance is consistent throughout
- We revised the Group Board Governance Policy which includes tenure elements to manage the independence of Non-executive Directors
- We introduced various Policies to enhance governance across the Group and manage potential related risks

**ADDRESSING POTENTIAL PAY GAPS**

RemCo is committed to ensuring fair and responsible remuneration within Discovery and works to identify and address any pay gaps. Although the Companies Amendment Acts have been signed into law, RemCo awaits clarity on when the amendments will come into effect, and for the applicable regulations to start implementing the required disclosures and the relevant resolutions.

- RemCo is working to ensure readiness to comply with the requirements of the Companies Amendment Acts. This includes reviewing the vertical pay gap between our top 5% and bottom 5% paid employees
- In our efforts to respond to the high levels of income inequality in South Africa, we have increased the Discovery minimum annual wage to R200 000 from 1 October 2024
- Similarly, in the UK and US, employees are paid above the real living wage

**ESG CONSIDERATIONS**

ESG considerations are receiving increasing attention, leading to greater focus across the Group on embedding ESG into our business.

- ESG is becoming more entrenched in how we operate and forms part of our Group balanced scorecard
- We are mindful that ESG considerations are connected to our responsibility as RemCo to promote fair and responsible pay across the Group, our responsibility to the environment and our governance practices
- Given the dynamic nature of the ESG landscape, it is important that our ESG-related performance measures identify, track and disclose areas that are relevant to Discovery

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## Statement by the Remuneration Committee Chairperson continued

### Results of voting on remuneration

At our most recent AGM, shareholders took part in an advisory vote on our Remuneration Policy, and its implementation, and the approval of Non-executive Directors' fees.

	Votes in favour (%)			Dissenting votes (%)		
	FY2023	FY2022	FY2021	FY2023	FY2022	FY2021
<b>ADVISORY</b> Remuneration Policy	<b>88.9</b>	89.5	90.7	<b>11.1</b>	10.5	9.3
Implementation Report	<b>89.9</b>	90.4	60.0	<b>10.1</b>	9.6	40.0
<b>APPROVAL</b> Non-executive Directors' fees	<b>76.8</b>	80.6	81.0	<b>23.2</b>	19.4	19.0

We will present our Remuneration Policy and Implementation Report for two separate, non-binding votes at our AGM on 21 November 2024. If 25% or more of shareholders vote against either the Remuneration Policy or Implementation Report, or both, Discovery will include a note in its Stock Exchange News Service (SENS) announcement for the AGM. If there are any dissenting shareholders, they will be invited to engage with the Group.

The method of shareholder engagement will be decided by our RemCo and could include:

- Investor roadshows (where feasible)
- Emails and teleconferences
- One-on-one meetings with shareholders
- Combined meeting of shareholders (where deemed appropriate)

### Shareholder engagement and feedback

We are pleased with the support from our shareholders, as reflected in the advisory votes endorsing our Remuneration Policy and the Implementation Report.

Ongoing engagement with our shareholders is important and allows us to understand their views on our Remuneration Report. The feedback and the corresponding responses taken by RemCo are detailed below.

#### MEASURES THAT REWARD PERFORMANCE

##### Issue raised

While RemCo has agreed to use one-year forward-looking measures for all financial measures, except for return on equity (ROE), certain shareholders were still of the opinion that the use of such measures should preferably be over a longer term.

##### Our response

RemCo has considered this issue and believes that the targets are based on stable and consistent factors (CPI, GDP plus a premium) and the rolling five-year share-price exposure rewards long-term shareholder value creation and sustainability. Although some of these measures are annual, they are aligned to the long-term objectives of growth and profitability.

ROE will be a three-year average rolling measure from FY2025 onwards.

The exposure to the future share price of up to five years for Executive Directors and the minimum shareholding requirement for Executive Directors and Prescribed Officers, provides reward for long-term shareholder value creation which is strongly aligned to shareholder interests.

#### ADJUSTING OF GROUP BALANCED SCORECARD TARGETS

##### Issue raised

Some shareholders queried the rationale for the adjusted Group scorecard targets in FY2024 compared to FY2023.

##### Our response

RemCo benchmarked its Group scorecard measures and targets against peers in the insurance and banking sectors for metrics related to growth in normalised operating profit, headline earnings per share and ROE. Overall, Discovery's targets were more closely aligned to peers in the banking sector. Given the nature of Discovery as a broad financial services group with products and services in health insurance, long- and short-term insurance and banking, a balanced approach was considered to align with both sectors while taking into account Discovery's current operations. As a result, our targets were adjusted slightly, but remain higher than the average of insurance sector peers.

No adjustments were made to strategic and ESG measures. These are critical for the strategic focus of the business and to ensure that management continues to focus on long-term sustainability in addition to annual results.

**RemCo is dedicated to balancing the needs and expectations of our stakeholders, particularly our employees and shareholders. We ensure our remuneration practices remain competitive and effective in retaining talent and set performance targets that align with our high performance, entrepreneurial culture.**

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## Statement by the Remuneration Committee Chairperson continued

### Remuneration governance

RemCo supports the Board in ensuring Discovery's remuneration practices are fair, responsible and transparent. It also oversees the application of the Remuneration Policy and advises the Board on the remuneration structure and base fees for Non-executive Directors, which are then approved by shareholders.

In addition to ongoing engagement with remuneration specialists and convening special meetings to address specific topics, RemCo met three times during FY2024 and comprised the following Non-executive Directors:

NAME	August 2023	March 2024	June 2024
F Khanyile (Chairperson)	✓	✓	✓
M Hlahla	✓	A	✓
T Mboweni	✓	✓	✓
C Ramon*	N/A	✓	✓

\* Appointed as a member of the committee with effect from 17 November 2023.

Our RemCo members bring a wealth of relevant skills, expertise and experience to perform their duties effectively. Their involvement in other key committees enables them to monitor risk trends across the Group. The diversity of thought within our RemCo contributes to well-informed remuneration decisions.

Representatives of our executive management team, as well as an independent remuneration expert, attend RemCo meetings by invitation. Executive Directors do not participate in discussions about or vote on their own remuneration.

RemCo provides guidance and ensures subsidiary remuneration practices and activities are integrated with those of the Group. Our UK subsidiaries (Vitality UK) are directly regulated and effectively supervised. Discovery Holdings Europe Limited's RemCo – chaired by Sir Andrew Foster, a senior Non-executive Director of various UK subsidiaries – oversees remuneration for these subsidiaries. Discovery Bank's remuneration is overseen by its RemCo, chaired by Bobby Malabie, an Independent Non-executive Director of Discovery Bank. Our Group RemCo oversees the activities of these committees.

RemCo ensures Discovery's remuneration philosophy remains aligned with our business strategy and shareholder expectations, delivering competitive and equitable outcomes for our employees. RemCo and our executive team strive to infuse creativity and innovation into our human resources and remuneration practices, while carefully considering risk tolerances, appropriate governance and our shareholder compact.

### External advisers

RemCo keeps abreast of emerging trends and leading practice in the local and international remuneration landscape. Our independent external advisers keep the committee updated on remuneration-related developments and provide advice on our Group scorecard, remuneration benchmarking and fair and responsible pay analysis.

In FY2024, RemCo retained Bowmans as independent remuneration advisory service providers. Bowmans' appointment is part of the regular rotation of advisers that strengthens our advisory base. RemCo is satisfied that the services provided by Bowmans are credible, independent and objective.

### PLANNED FOCUS AREAS IN FY2025

Monitor remuneration-related regulatory developments and ensure Discovery is prepared to comply with new requirements prescribed by the South African Companies Amendment Acts

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

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 complex global remuneration trends and their impact on our business and people

Drive an entrepreneurial culture through incentives to increase alignment with shareholder interests

Ensure alignment to the Group's long-term strategy through stretch performance targets that drive exceptional performance and deliver superior shareholder returns



### Conclusion

Discovery is committed to creating sustainable value for all its stakeholders and balancing their needs and expectations. RemCo plays a crucial role in ensuring Discovery's people are aligned, engaged and committed to creating long-term value. Our remuneration structure supports this long-term alignment and employee performance, helping Discovery meet its growth objectives and ensuring the Group creates value for all stakeholders.

RemCo is satisfied that the Remuneration Policy and philosophy achieved its stated objectives by supporting the Group's strategic goals, fairly rewarding employees for their contributions and aligning shareholder interests. This approach ultimately drives sustainable, long-term value for our shareholders. During FY2024, there were no deviations from the Remuneration Policy.

I would like to welcome Christine Ramon who joined the RemCo during the year, and extend my gratitude to my fellow RemCo members for their support and contributions in FY2024. RemCo values the feedback received throughout the year and encourages our shareholders to continue engaging with us regarding our approach to remuneration, our policy and its implementation. Looking ahead, RemCo remains committed to further engagement and ensuring our remuneration practices align with and support Discovery's core purpose.

**FAITH KHANYILE**  
RemCo Chairperson

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## PART 2

# Remuneration *Policy*

## OUR APPROACH TO REMUNERATION

This part of our Remuneration Report unpacks the main tenants of our Remuneration Policy as follows:

**Our remuneration philosophy** describes why we approach remuneration in the way we do.

**Our remuneration principles** detail the arrangements that guide us in the remuneration of all our employees.

**Our remuneration structure** outlines the financial and non-financial awards available to employees in different parts of the business.

**Our fair and responsible remuneration commitment** provides further details of how we ensure fair and responsible remuneration.

### Remuneration philosophy

Discovery believes that great people are the foundation of our success. We provide challenging and meaningful work that encourages our people to seize opportunities, grow and contribute meaningfully to the execution of our strategy and business objectives. Our entrepreneurial culture and focus on purpose attracts employees that are value- and performance-driven, who are rewarded for their contribution to Discovery's success through short- and long-term incentives. Employee retention and the need for high levels of engagement are other critical considerations informing our remuneration philosophy.

We create an environment that liberates the best in our people to ensure we execute brilliantly – and at a rapid pace – to achieve our ambition of being global leaders in transforming financial services and enabling positive behavioural change for our clients. We balance individual performance, value and contribution with a consistent framework to ensure fair and responsible pay.

## Remuneration principles

01

### ATTRACT, RETAIN AND MOTIVATE HIGH-CALIBRE GLOBAL TALENT

Ensuring success requires having the right people in the right positions. Discovery's owner-manager culture and entrepreneurial mindset, underpinned by a strong governance framework, helps us reach this goal.

02

### PAY MUST BE RIGHT AND FAIR

In line with our global expansion and ambitious organic growth strategy, we are proactive in our remuneration approach. Regular internal and external salary surveys ensure fairness and consistency across the Group.

03

### REMUNERATION POLICIES AND PROCEDURES MUST BE INCLUSIVE, FAIR AND EQUITABLE

Our commitment to diversity and inclusion extends to our remuneration policies and procedures, which are inclusive, fair and equitable regardless of race, gender, age, religion, marital status, or ethnic or social background.

04

### REMUNERATION MUST APPROPRIATELY REWARD EXCEPTIONAL PERFORMANCE

Pay-for-performance is at the heart of our remuneration philosophy. Employees are encouraged to set and achieve ambitious goals in line with the Group's objectives, creating an environment that encourages innovative thinking and extraordinary sustainable performance.

05

### REMUNERATION MUST ALIGN WITH SHAREHOLDER AND OTHER STAKEHOLDERS' ECONOMIC INTERESTS

We designed our total remuneration packages to align the financial wellbeing of employees with the economic interests of our shareholders and other stakeholders.

06

### GOVERNANCE OF REMUNERATION IS ESSENTIAL TO ENSURE FAIR AND RESPONSIBLE REMUNERATION

Our remuneration policies and practices are governed by the Group's RemCo, with support from our Internal RemCo, an executive management body with delegated responsibilities for remuneration governance for all staff, except Executive Directors and Internal RemCo members. Our strong remuneration governance framework facilitates valuable input and insight from the Board to keep us globally competitive.

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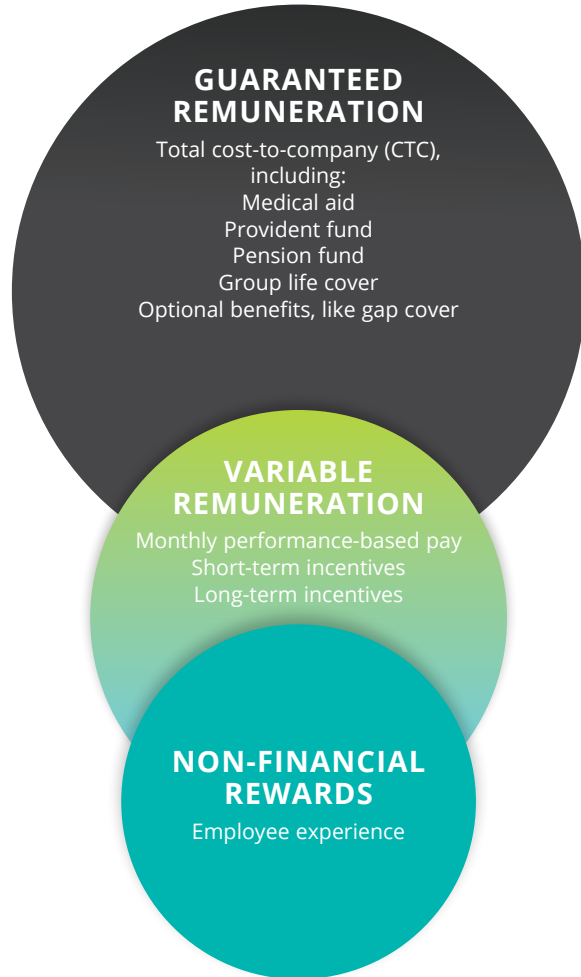




## Our approach to remuneration continued

### Remuneration structure

Our **total rewards** approach encompasses financial and non-financial elements.



The table below provides a detailed breakdown of Discovery's total rewards. Sales employees have a deemed salary for purposes of determining their package-linked benefits, and their remuneration is commission-based.

TOTAL REWARDS					
Guaranteed remuneration		Variable remuneration			Non-financial
CTC		MONTHLY PERFORMANCE-BASED PAY	SHORT-TERM INCENTIVES	LONG-TERM INCENTIVES	EMPLOYEE EXPERIENCE
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>All</li> </ul>	<ul style="list-style-type: none"> <li>Generally, employees up to team leader level, as well as some management and executive-level employees in sales environments</li> </ul>	<ul style="list-style-type: none"> <li>All</li> </ul>	<ul style="list-style-type: none"> <li>Deputy General Managers and above</li> <li>Critical skills</li> </ul>	<ul style="list-style-type: none"> <li>All</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>Base pay</li> <li>Compulsory benefits (like medical aid, provident fund, pension fund and group life cover) and optional benefits (such as gap cover)</li> </ul>	<ul style="list-style-type: none"> <li>Productivity and sales-based performance pay for operations and sales areas</li> </ul>	<ul style="list-style-type: none"> <li>Employees below Deputy General Manager level and employees who do not participate in monthly incentives, participate in quarterly, biannual or annual short-term incentive (STI) schemes that measure performance against agreed targets</li> <li>Management (Deputy General Managers and above) and Executive-level employees participate in the Single Incentive Plan (SIP)</li> <li>Employees may participate in special outperformance single incentive (OPSI) plans based on super-stretch targets, where appropriate, to drive specific strategic initiatives and growth</li> </ul>	<ul style="list-style-type: none"> <li>Employees may participate in legacy equity-settled long-term incentive plans (LTIPs), SIP deferred awards, equity-settled OPSI plans, business unit-specific long-term incentive (LTI) schemes</li> <li>All LTIs are equity-settled, with phantom shares awarded under special circumstances</li> </ul>	<ul style="list-style-type: none"> <li>Challenging and meaningful work</li> <li>Development and training</li> <li>Alignment with Discovery's culture and environment</li> <li>Opportunities to work with great people</li> <li>Career growth opportunities</li> <li>Recognition for positive financial contribution</li> </ul>
<b>Objectives</b>	<ul style="list-style-type: none"> <li>Attract and retain talent with competitive base pay and life-stage relevant benefits such as flexible retirement contributions, fit-for-purpose medical aid plans, and family-friendly benefits</li> </ul>	<ul style="list-style-type: none"> <li>Align individual performance to business unit and company goals</li> <li>Continuously drive improvement</li> </ul>	<ul style="list-style-type: none"> <li>Reward delivery of key financial and non-financial objectives consistent with Discovery's strategy while encouraging an entrepreneurial mindset and retaining talent</li> <li>Align Executive Directors' remuneration with shareholder expectations</li> </ul>	<ul style="list-style-type: none"> <li>Align management and Executive Directors' remuneration with shareholder expectations and long-term returns</li> </ul>	<ul style="list-style-type: none"> <li>Create a work experience that positions Discovery as an employer of choice</li> </ul>
<b>Basis</b>	<ul style="list-style-type: none"> <li>Linked to the Consumer Price Index (CPI)</li> </ul>	<ul style="list-style-type: none"> <li>Individual performance measured against monthly business unit targets</li> </ul>	<ul style="list-style-type: none"> <li>Group, business unit and/or individual performance-based</li> </ul>	<ul style="list-style-type: none"> <li>Group, business unit and/or individual performance-based</li> <li>Retention</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing improvement in employee engagement</li> </ul>

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## Our approach to remuneration continued

### GUARANTEED REMUNERATION

Our total CTC approach offers employees flexibility and choice. Employees can select a remuneration structure with benefits that best meet their lifestyle needs. Permanent non-sales employees, irrespective of employment level, receive a guaranteed component, including a basic salary and compulsory benefits. Within limits, they can adjust the cash portion of their salary to enrol in a suitable medical aid plan, take out various risk cover products and make additional retirement contributions.

#### RETIREMENT CONTRIBUTIONS

- Compulsory pension fund contribution: 5% of an employee's salary
- Compulsory provident fund contribution: minimum of 7.5% and a maximum of 22.5%
- Employees have an option to choose their investment portfolio

#### MEDICAL SCHEME MEMBERSHIP

- Compulsory membership to a Discovery Health Medical Scheme plan unless the employee is a dependant on a spouse's medical scheme
- Employees below a certain salary threshold can enrol in Flexicare

Employees who work in sales environments typically receive variable monthly remuneration linked directly to sales productivity and targets. We use the expected monthly salary, or deemed salary, as the basis for calculating the benefit contributions.

The internal uniqueness of some of Discovery's roles requires the use of market data, among other inputs, to inform remuneration decisions as there are no other peers to use for internal benchmarks. We do not differentiate pay on arbitrary grounds and our employment processes do not create unfair pay differentials. We target the market median guaranteed pay level for each role. However, guaranteed pay can be:

- Above the median to attract and retain top talent, particularly in scarce and critical skills areas
- Below the median, in rare instances, where individuals display high potential but are new to the role and need to grow into the position

Performance is primarily rewarded through incentive structures and not salary adjustments. However, all salaries are reviewed annually between April and June to implement cost-of-living and market-related adjustments, with increases effective from 1 July. New hires may not be eligible for salary increases, or are only eligible for a prorated adjustment based on length of service and tenure. Typically, an employee should be employed for a minimum of three months to take part in salary reviews, unless they need to be aligned with peers. RemCo determines the overall percentage increase, considering benchmarks to adjust for market trends, particularly for scarce and critical skills, changes to the national cost of living, as well as business performance and affordability.

Interim increases may be awarded at the discretion of senior management under the following circumstances:

- Successful internal recruitment into a higher-paying role
- Achieving a higher qualification for certain skills
- Promotion
- Alignment due to internal and external benchmarking

### VARIABLE REMUNERATION

Most permanent employees earn performance-based pay. We offer competitive guaranteed rewards at the market median, with many roles able to earn additional variable pay-for-performance incentives, leading to above-market median total rewards for top performers. Targets are reviewed and adjusted as required and at the discretion of management to drive continuous improvement.

#### Monthly performance-based pay

In many operational areas where performance is highly measurable, monthly pay comprises a guaranteed monthly salary and performance-based pay (on par), which may apply from staff to Deputy General Manager level.

#### Incentive schemes

##### EMPLOYEES

At staff and team leader levels, STI schemes encourage and reward participating employees for achieving agreed-upon stretch targets at individual, team and/or business unit levels. Business units' incentive schemes are based on specific priorities and, accordingly, payout percentages, pay periods and calculations vary. Sales team members participate in production-related incentives relevant to their roles. To receive STI rewards, an employee must be employed for at least three months and be in service at the time of payout, which includes employees

serving out their notice period. The targets and final payout amounts are determined within scheme guidelines by either management or RemCo. Final approval remains at RemCo's discretion.

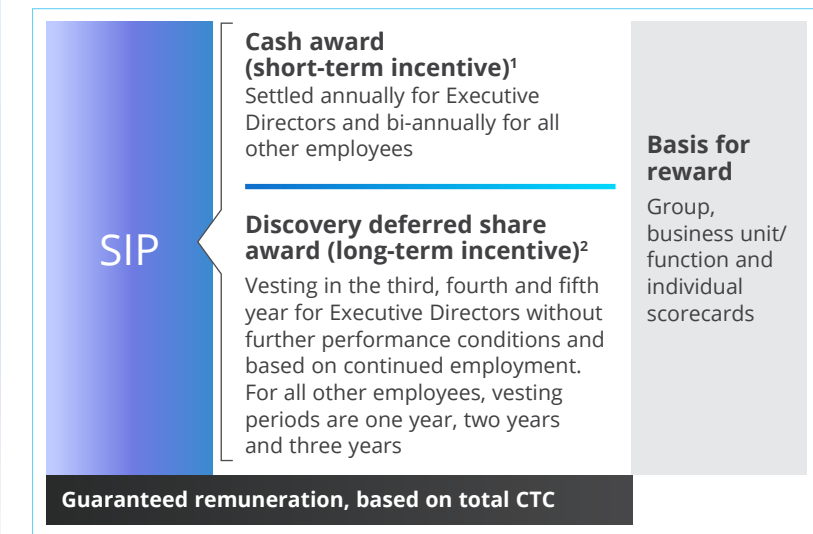
##### MANAGEMENT

#### Management Incentive Scheme

Managers and divisional managers participate in a short-term management incentive scheme (MIS), which pays a percentage of the annual package based on both individual and business unit performance twice a year. The scheme pays between 15% and 30% of the total CTC depending on the job category and performance against personal and business objectives.

#### Single Incentive Plan

Management (Deputy General Managers and above) and Executive-level employees participate in the SIP, which awards a percentage of the annual package based on performance at individual, business unit and Group levels. A portion of the award is paid in cash, while the remainder is deferred in shares, as described below. RemCo sets the short- and long-term Group performance measures, targets and weighting annually to reflect Discovery's key financial, operational and strategic priorities.



<sup>1</sup> The SIP parameters for the on-target single incentive percentage replicate the on-target and stretch values of the legacy STIs and LTIs.  
<sup>2</sup> Generally, deferred awards will be implemented using Group deferred shares and will be governed by rules similar to the former LTIP rules, settled by delivery of Discovery shares on the vesting date.

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## Our approach to remuneration continued

RemCo approved the introduction of an OPSI scheme for some executives to drive significant growth and scaling of specific businesses. The objective of the OPSI is to reward and retain key executives and managers who are critical for achieving super-stretched performance targets in our strategic and new businesses.

During FY2023, we added an OPSI plan to the single incentive of the Chief Executives of Discovery Bank and Vitality UK to reflect the critical role these businesses play in the Group's strategic ambition. Where appropriate, the on-target value of the total single incentive was reduced with a concomitant increase in the reward for stretch performance, subject to appropriately challenging targets. These adjustments are reflected in the remuneration scenario graphs on page 12.

Additional awards may be granted at RemCo's discretion based on the individual merit, exceptional performance and/or retention risks of specific employees.

The table below provides the proposed Group scorecard for FY2025 which includes measures that address strategic risks:

Area	Measure	Weight	Minimum (50%)	On-target (100%)	Stretch (150%)
Financial <sup>1</sup> (65%)	Growth in normalised operating profit	20%	CPI pa	CPI+GDP+4% pa	CPI+GDP+8% pa
	Headline earnings per share growth	10%	CPI pa	CPI+GDP+4% pa	CPI+GDP+8% pa
	ROE (average over trailing three years) <sup>2</sup>	15%	WACC	WACC+3.8%	WACC+6%
	Revenue growth	10%	CPI pa	CPI+GDP+4% pa	CPI+GDP+8% pa
	Cash conversion ratio	10%	50.0%	62.5%	75.0%
Client perception (8%)	Client perception	8%	Internal targets as approved by RemCo and aligned to the overall business strategy		
ESG (8%)	Healthy activities	3%			
	ESG ratings	3%			
	Total greenhouse gas emissions (tonnes CO <sub>2</sub> )	2%			
Strategy (9%)	New products and innovation	4.5%			
	Key initiatives and projects	4.5%			
People (10%)	Employee engagement	2%			
	Retention	3%			
	Transformation and diversity	5%			
		100%			

	Group	Business unit/ functional/ individual
Scorecard weighting	Group Chief Executive	20%
	Group Chief Financial Officer	30%
	Executive Directors	50%
	Prescribed Officers	50%
	General Managers	70%
	Deputy General Managers	70%

<sup>1</sup> Some measures may be adjusted in line with the adoption of the IFRS 17 standards in so far as they are impacted by the implementation.

<sup>2</sup> For FY2025, the ROE will be a trailing measure covering the period FY2023, FY2024 and FY2025.

### SIP safeguards

Once the proposed SIP methodology is applied to determine the single incentive pool for the year, it will be tested against the following safeguards:

- **"Clip-rate" safeguard:** The total cost of the year's SIP – including the value of the cash portion and the at-grant value of the deferred share awards – as a percentage of the normalised operating profit, pre-tax and incentive expenses attributable to the year should not exceed 12% of normalised profits, except in exceptional circumstances approved by RemCo
- **"Burn-rate" safeguard:** The total Discovery shares awarded in any year should not exceed 1% of Discovery-issued shares, except in circumstances approved by RemCo

Should any of these safeguards be breached, RemCo will adjust the cash or deferred share awards of the annual SIP award.

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## Our approach to remuneration continued

### OUTPERFORMANCE SINGLE INCENTIVE PLAN

Some employees may participate in bespoke business unit-specific OPSI plans based on super-stretch targets, where appropriate, to drive specific strategic initiatives and growth across the Group. Such schemes may be settled in cash and equity, or equity only as approved by RemCo based on the specific drivers of each scheme.

### LEGACY INCENTIVE SCHEMES

Certain incentive schemes will continue as usual for the time being but will transition over time to align with the Group SIP philosophy as far as applicable and appropriate. Details of these incentives are provided below.

LTIPs		
Progression of Discovery's LTIPs		
BEFORE 2019	BETWEEN 2019 AND 2021	AFTER 2022
<ul style="list-style-type: none"> <li>Phantom shares</li> <li>Vesting in years two to five</li> <li>Cash-settled</li> </ul>	<ul style="list-style-type: none"> <li>Equity shares</li> <li>Vesting in years three to five</li> <li>Equity-settled</li> </ul>	<ul style="list-style-type: none"> <li>Equity shares</li> <li>Vesting in years one to three, or years three to five for Executive Directors</li> <li>Equity-settled</li> </ul>

Discovery previously allocated awards under LTI schemes to align long-term shareholder interests with longer-term performance, to retain key talent and create opportunities for individuals to share in the Group's success. These incentive schemes were restricted to Executive Managers and, in certain cases, to individuals who held critical roles at lower levels to align their interests with long-term strategic goals.

The Group's main LTI scheme was the equity-settled Discovery Limited LTIP, approved at the 2019 AGM in FY2020 to replace the previous Phantom Share Scheme. Awards in terms of the Discovery Limited LTIP vested in three tranches over three to five years, which will continue until FY2026. Under exceptional circumstances, employees may be awarded cash-settled phantom shares in lieu of equity-settled Discovery Limited LTIP.

### International Phantom Share Scheme

Vitality UK has a Phantom Share Scheme in place, with vesting criteria linked to the performance of the businesses.

The VitalityHealth and VitalityLife LTIP vests in thirds on the second, third and fourth anniversaries of the award. Vesting is subject to attaining embedded value (EV) and profit targets measured for each tranche over the vesting period. Recipients include executives, senior leadership and key specialists. Subject to these criteria, the scheme pays out one-third immediately after valuation in October 2023 and a further one-third in each October of the following two years.

### Targeted LTI schemes

RemCo may decide to implement a specific LTI scheme to drive a particular business result, for example delivering a new venture or strategic stretch business targets. Participation is at RemCo's discretion and is limited to key employees who drive value in the venture. Payout under incentive schemes for a start-up is typically linked to value creation and profitability.

For incentive schemes, RemCo retains discretionary override where necessary. Outstanding awards under several previously operated incentive schemes are currently in run-off.

Discovery Bank executives (excluding the CEO) participate in a start-up LTIP linked to value created over seven years, with options for early exercise under certain conditions. This incentive scheme includes two cash bullet payments, which are drawdowns on the ultimate value of the scheme. Each bullet payment is linked to a significant milestone in building the business. The final vesting date is FY2026, with associated payments in 2026, 2027 and 2028.

### Fair and responsible remuneration

In line with our Remuneration Policy, Discovery is dedicated to ensuring fair and responsible remuneration across the Group. RemCo is committed to ensuring Discovery's remuneration is externally competitive and internally responsible, fair and free of any prejudice by overseeing all relevant management processes. Management processes – including job grading, annual salary benchmarking and annual income differential analysis (considering gender differentials) – ensure remuneration is primarily market related and equitable.

We use independent advisers to ensure we provide competitive remuneration and benchmark salaries against other financial services companies annually, at a minimum, to remain updated on market changes. These assessments consider factors such as company size, including revenue, profit, number of employees and availability of skills.

RemCo approves Executive Director and Prescribed Officer remuneration awards, ensures performance-linked pay aligns with management's direct efforts, and interrogates incentive structures to avoid remunerating for a 'rising tide' effect (i.e. results that are due to a booming economy or windfall gains, instead of the efforts of management). When reviewing proposals for new or amended incentive schemes, RemCo considers what a fair outcome would be and ensures potential incentive payouts are capped to avoid management benefiting from windfall gains. Discovery complies with the fair pay provisions of the various jurisdictions in which it operates, being South Africa, the UK and the US.

## FAIR AND RESPONSIBLE REMUNERATION IN KEY AREAS

Our RemCo continually monitors developments in fair and responsible remuneration. We outline our progress within selected topical areas below.

### Vertical pay gap

Our RemCo continued to review the vertical pay gap between our top 5% highest and bottom 5% lowest paid employees. The review took into account the Companies Amendment Acts signed into law in July 2024. We await the announcement of an effective date of the Companies Amendment Acts and will disclose the applicable metrics at that time for comparability to peers. In the meantime, we continue to monitor these metrics internally.

### Gender pay gap

Discovery has a policy guideline in place formalising our approach to managing pay gaps. We have initiatives in place to close pay gaps, and continuously analyse income pay differentials by gender and race to align salaries through interim salary increases. Our pay differentiation is based on qualifications, experience, performance and market benchmarks across different roles. Discovery continues to drive gender transformation and monitors role-based gender pay gaps for non-unique internal roles to ensure we eliminate any potential bias. RemCo and Internal RemCo monitors the Group's initiatives to close the gender pay gap.

In South Africa, we established a pay gap dashboard that assists business units with reviewing and correcting any apparent pay gaps that appear unjustifiable based on qualifications, experience or performance. In the UK, we report on statutory gender pay gaps through our gender and ethnicity pay gap report.

### Minimum wage

Discovery pays above the minimum wage. In South Africa, no employee will earn below R200 000 per annum, except employees on commission-based pay structures whose on-target commissions are equal to or exceed the R200 000 per annum. Similarly, in the UK and US, employees are paid above the real living wage.

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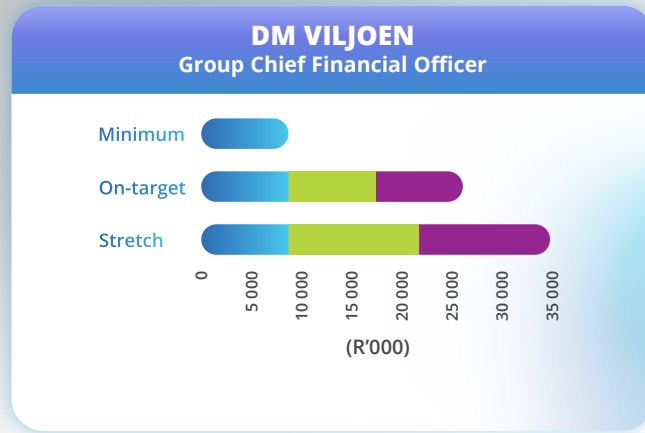
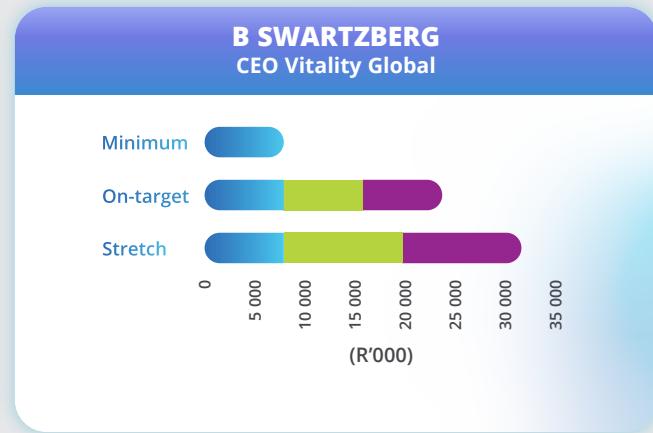
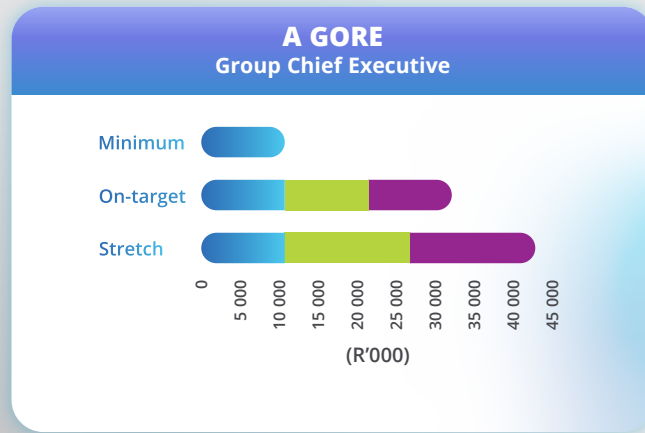
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# EARNING POTENTIAL OF EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS\*

The potential FY2025 remuneration outcomes for Executive Directors and Prescribed Officers at minimum, on-target and stretch remuneration levels are illustrated below.

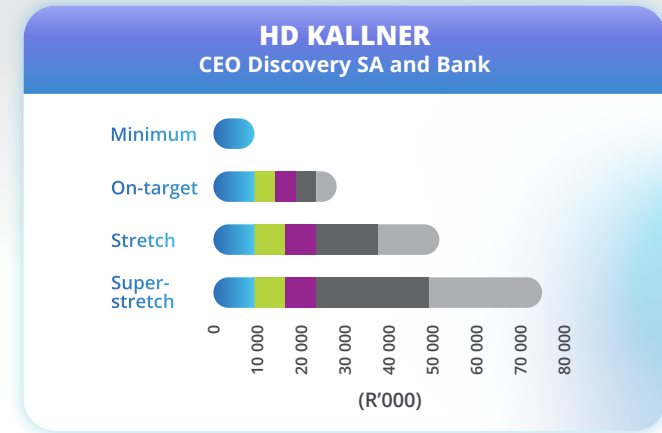
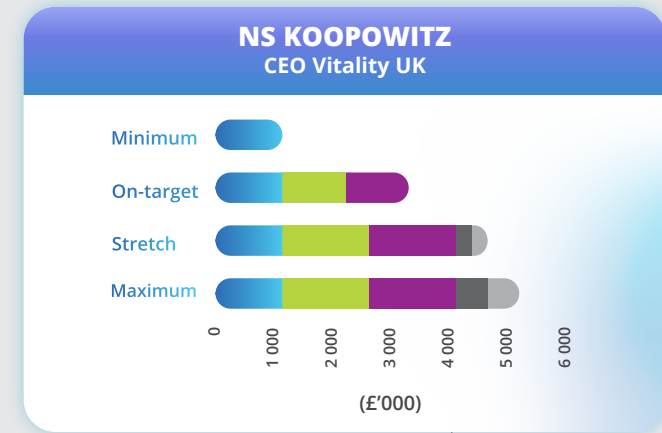
## EXECUTIVE DIRECTORS



**KEY**

- CTC
- SIP cash
- SIP deferred
- OPSI cash
- OPSI deferred

## PRESCRIBED OFFICERS



\* The value of deferred awards are subject to the share price at the time of vesting.

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## CONTRACT TERMS FOR EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

Executive Director and Prescribed Officer contract terms aim to align their interests with the interests of our shareholders and ensure stability within Discovery's leadership. The key elements of their employment contracts are summarised here.

### MINIMUM SHAREHOLDING REQUIREMENTS

Executives must build personal holdings in Discovery shares to a minimum threshold level according to our Minimum Shareholding Requirement (MSR) Policy. Executives have five years from the effective date of the MSR Policy – being October 2019 – or their appointment to achieve the required holdings. The MSR Policy applies to the Group Chief Executive, Group Chief Financial Officer, Executive Directors and Prescribed Officers and requires a holding of Discovery shares of five times the annual CTC for the Group Chief Executive, and two times the annual CTC for other Executive Directors and Prescribed Officers.

As at 30 June 2024, the Group Chief Executive's holdings significantly exceeded the required holding. In addition, the Group's remaining Executive Directors and Prescribed Officers exceeded the required holdings.

### NOTICE PERIOD

Executive Directors and Prescribed Officers are employed in terms of employment contracts, which can be cancelled with one to three months' notice by either the Executive or the Company.

### PAYMENTS ON TERMINATION OF OFFICE

There are no contractual commitments to make any payment to Executives due to change of control or termination of employment beyond complying with relevant statutory requirements, as well as any amounts due in terms of the applicable conditions of the Group's share plan.

### TREATMENT OF SHORT-TERM INCENTIVES

Except for termination because of misconduct, any short-term incentives due to an employee before their last day of service will be paid, even if the employee is serving their notice period.

### TREATMENT OF UNVESTED AWARDS

On resignation, LTI tranches due to vest before the employee's last day of service will vest. Any unvested tranches due to vest after the employee's last day of service will be forfeited. In case of death, unvested awards vest immediately at 100%. In case of retirement and disability, unvested awards continue to vest on the original vesting dates and are not prorated for time served. For early retirement between 60 and 65 and good leavers, vesting will be discretionary based on, inter alia, tenure and performance, subject to appropriate approvals by the relevant governance structures.

### RISK MANAGEMENT AND REMUNERATION

RemCo ensures sound and sustainable remuneration policies and practices that promote the alignment of Discovery's interests with those of its clients. The committee supports the avoidance of excessive risk taking and unfair treatment of customers. RemCo also ensures any remuneration or fees paid to an appointed representative for an activity or function is reasonable and commensurate with the function or activity and does not increase the risk of unfair treatment of clients.

### RECONSTRUCTION OR TAKEOVER

**(excluding an internal reorganisation that does not change the ultimate control of Discovery)**

A portion of the unvested awards, based on the period served of the applicable vesting period up to the transaction date, may vest early and be settled on the basis of the transaction value. The remaining portion will be replaced by an award with the same fair value of that portion of the award on the transaction date, and with other characteristics such as remaining vesting period and governing provisions that are as similar as possible under the prevailing circumstances. This could include participation in an acquirer's share plan.

### GUARANTEED BONUSES, SIGN-ONS, BUY-OUTS, RETENTION AND RESTRAINT OF TRADE PAYMENTS

Such payments are made when deemed necessary to attract and retain critical employees, approved by RemCo and disclosed appropriately.

### MALUS AND CLAWBACK

Where there are defined trigger events, RemCo has the discretion to invoke malus (pre-vesting forfeiture) or clawback (post-vesting forfeiture). Malus and clawback provisions and the application thereof are governed by Discovery's Malus and Clawback Policy, which is provided for in our Remuneration Policy.

RemCo has the discretion to clawback the pre-tax proceeds of any variable STI remuneration (from General Manager level) or LTIP remuneration (from Manager level) should a trigger event occur. Malus applies from the date of award until vesting, while the clawback period is three years from the date of vesting. Trigger events include:

- Material misstatement of financial results
- Assessment of metrics upon award based on erroneous, inaccurate or misleading information
- Fraud, dishonesty or gross misconduct
- Events or behaviour causing reputational damage to Discovery

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## ADVISORY VOTE ON THE REMUNERATION POLICY

Our Board tables the Remuneration Policy for a non-binding advisory vote by shareholders at the AGM every year. If the Remuneration Policy is voted against by 25% or more of votes exercised, Discovery will invite dissenting shareholders to engage with us in the voting results SENS announcement that follows the AGM.

## NON-EXECUTIVE DIRECTORS

Non-executive Directors receive a fixed retainer fee for their participation in and attendance of Board and Board committee meetings and do not receive any annual incentive awards. RemCo annually reviews the fees paid to Non-executive Directors, considering their individual responsibilities and Board committee memberships. Our Board Chairperson receives an all-inclusive retainer, and no other fees are paid to him for attending Board or Board committee meetings. Our Board and RemCo Chairpersons are not present when their remuneration is reviewed or discussed.

Non-executive Director fees are benchmarked against a peer group every second year, including local and international financial services companies – as well as companies with similar market capitalisations – to ensure Discovery's remuneration remains competitive. Recommendations are made to the Board for consideration and presented at the AGM for shareholder approval. The Non-executive Directors' fees for FY2025 will be adjusted as per the benchmarks conducted.

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. From 1 July 2024, the Board implemented a nine-year tenure model for Board membership, guided by corporate governance best practice and the recommendations of King IV™ and the Prudential Authority on Non-executive Director tenure. The model includes an option to extend tenure to 12 years, subject to regulatory and jurisdictional provisions and exempted circumstances agreed upon upfront. Directors whose tenure is extended to 12 years will be subject to an annual review of independence, which will be tabled at the Board for noting.



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## FIXED REMUNERATION INCREASES

We award salary increases against CPI and have established a Discovery minimum salary for the SA-based employees which is above South Africa's national minimum wage.

The Discovery SA minimum salary has been set at R200 000 per annum in line with Discovery's commitment to fair and responsible remuneration adjusted accordingly. In the UK and US, employees are paid above the real living wage.

FIXED REMUNERATION INCREASES	1 July 2024	1 July 2023
Executive Directors	5%	6%
Prescribed Officers	5%	6%
Management and Executives	5%	6%
Employees	5%	6%

Inflation-related increases were awarded to employees at 3.5% in the UK and in the US.

## FY2024 EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

The heads of the geographical composites who are no longer Executive Directors have been designated as Prescribed Officers for purposes of remuneration disclosures as prescribed by the Companies Act<sup>1</sup>.

Remuneration earned by Executive Directors and Prescribed Officers during FY2024 is shown on the next page in single-figure format and in accordance with King IV™ principles. Actual cash remuneration paid to Executive Directors and Prescribed Officers in FY2024, which may include cash payments for performance in the previous financial period, is reflected in the Directorate from page 281 in the Annual Financial Statements.

<sup>1</sup> Should a leader who is not an Executive Director be appointed to head any of the geographical composites, the individual will fall within the definition of a Prescribed Officer.

## Elements of total remuneration package

### CTC

CTC increases are effective from 1 July and include contributions to retirement funding and other benefits. RemCo approved increases to CTC from 1 July 2024 as reflected in the table alongside. Due to the change in the roles of NS Koopowitz and B Swartzberg, their remuneration was revised with effect from 1 October 2024 with an increase of 10% each.

### SIP

Executive Directors and Prescribed Officers participate in an annual single incentive scheme comprising a cash portion (STI) and a deferred portion (LTI). The SIP is subject to malus and clawback provisions.

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## FY2024 Executive Directors' and Prescribed Officers' remuneration continued

### FY2024 single-figure remuneration

	Base salary	Retirement fund	Other benefits	Performance/cash bonus	LTIP/deferred reflected <sup>4</sup>	Total
<b>EXECUTIVE DIRECTORS</b>						
A Gore (R)	8 427 575	1 264 136	497 890	10 623 381	10 858 508	<b>31 671 490</b>
B Swartzberg (R) <sup>1</sup>	5 860 263	620 749	347 442	7 594 713	15 718 999	<b>30 142 166</b>
DM Viljoen (R)	6 837 578	1 078 435	352 198	8 756 970	8 936 636	<b>25 961 817</b>
<b>PRESCRIBED OFFICERS</b>						
HD Kallner (R) <sup>2</sup>	8 196 444	409 822	297 944	24 293 674	24 451 372	<b>57 649 256</b>
NS Koopowitz (€) <sup>3</sup>	978 908	10 000	75 018	914 511	861 245	<b>2 839 682</b>

<sup>1</sup> Deferred portion includes the Vitality Global Outperformance Plan incentive.

<sup>2</sup> HD Kallner's single figure remuneration for FY2024 includes the standard SIP and the OPSI for achieving stretch targets in his composite for the period.

<sup>3</sup> The measures for NS Koopowitz's 2024 OPSI plan were not finalised due to the impact of transitioning from IFRS 4 to IFRS 17 and, specifically, how this relates to the Prudential Assurance Company's book. A decision was therefore made to defer the scheme for 12 months. This decision also aligns with the subsequent merger and restructuring of Discovery's international businesses, which will be led by NS Koopowitz. The OPSI plan has been revised for FY2025 taking all these factors into account.

<sup>4</sup> The disclosure of the LTIP reflected in FY2024 has been made in accordance with the transition arrangements recommended in the Guide to the Application of King IV: Remuneration Governance, issued by the Institute of Directors of South Africa and the South African Reward Association. The LTIP reflected includes the value of the deferred shares awarded as part of the single incentive determined on the basis of performance for the reporting year. The value of legacy LTIPs that vest due to performance periods ending in the reporting year are therefore excluded from the single-figure table above but are included in the table of unvested awards on page 19. The vesting tranches of these legacy LTI schemes paid out at the following percentages, in respect of the performance-based portions of the awards, across the issued tranches: 2019 at 92.5%, 2020 and 2021 capped at 100%. As a result of the transition to IFRS17 Insurance Contracts, RemCo approved a rebasing of historical operating profit to align performance over multiple cycles in calculating the performance outcomes.

### FY2023 single-figure remuneration

	Base salary	Retirement fund	Other benefits	Performance/cash bonus	LTIP/deferred reflected <sup>5</sup>	Total
<b>EXECUTIVE DIRECTORS</b>						
A Gore (R)	7 986 690	1 197 725	422 078	9 151 493	9 151 493	<b>27 909 479</b>
B Swartzberg (R) <sup>1</sup>	5 592 276	585 613	265 387	6 617 276	9 725 685	<b>22 786 237</b>
DM Viljoen (R) <sup>2</sup>	5 994 539	944 587	302 926	7 103 152	7 103 152	<b>21 448 356</b>
<b>PRESCRIBED OFFICERS</b>						
HD Kallner (R) <sup>2,3</sup>	7 472 300	373 604	227 939	22 743 399	22 743 399	<b>53 560 641</b>
NS Koopowitz (€) <sup>3</sup>	991 793	5 500	22 669	1 588 712	1 620 790	<b>4 229 464</b>
<b>FORMER EXECUTIVE DIRECTORS</b>						
Dr A Ntsaluba (R) <sup>4</sup>	3 339 194	250 423	203 286	5 777 491	5 777 491	<b>15 347 885</b>
A Pollard (US\$) <sup>1,4</sup>	336 111	5 912	14 310	251 188	422 797	<b>1 030 318</b>

<sup>1</sup> Deferred portion includes the Vitality Global Outperformance Plan incentive for December 2022 and October 2023.

<sup>2</sup> HD Kallner had an interim salary adjustment given his expanded role as CEO of Discovery Bank and Discovery SA, and DM Viljoen also had an interim salary adjustment due to his expanded role of Group Chief Financial Officer with multiple international jurisdictions.

<sup>3</sup> HD Kallner and NS Koopowitz stepped down as Board members with effect from 1 March 2023. In their role as geographical composite leaders for Discovery South Africa and Vitality UK respectively, they are considered Prescribed Officers. Their single figure remuneration for FY2023 is reflected in full for ease of reference, and includes the standard SIP and the OPSI for achieving stretch targets in their respective composites for the period.

<sup>4</sup> Dr A Ntsaluba and A Pollard stepped down as Board members with effect from 1 March 2023. Their single figure remuneration is therefore reflective of their role served as Executive Director.

<sup>5</sup> The disclosure of the LTIP reflected in FY2023 has been made in accordance with the transition arrangements recommended in the Guide to the Application of King IV: Remuneration Governance, issued by the Institute of Directors of South Africa and the South African Reward Association. The LTIP reflected includes the value of the deferred shares awarded as part of the single incentive determined on the basis of performance for the reporting year. The value of legacy LTIPs that vest due to performance periods ending in the reporting year are therefore excluded from the single-figure table above but are included in the table of unvested awards on page 19. The vesting tranches of these legacy LTI schemes paid out at the following percentages, in respect of the performance-based portions of the awards, across the issued tranches: 2018 at 90.2%, 2019 at 93.9% and 2020 at 100%.



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## FY2024 Executive Directors' and Prescribed Officers' remuneration continued

### SIP Performance

Executive performance is detailed in the sections that follow from a Group scorecard and individual perspective.

### FY2024 GROUP SCORECARD PERFORMANCE

#### Financial (65%)

Measurement	Weighting	Sub-weighting	Minimum (50%)	On-target (100%)	Stretch (150%)	Performance score	Weighted score	Category score	Comments
Growth in normalised operating profit	65%	20%	CPI pa	CPI+GDP+4% pa	CPI+GDP+8% pa	150%	30.00%	69.13%	<ul style="list-style-type: none"> <li>Normalised operating profit increased by 17%.</li> <li>Diluted HEPS increased by 7% impacted by a write-off of assets in FY2023 resulting from wind-down of VitalityCar and assets no longer in use in VitalityHealth.</li> <li>ROE at 13.5%, which is a trailing average over two years, namely FY2023 and FY2024.</li> <li>Revenue growth of 13%. Revenue is defined as total 'adjusted revenue' for the Group which reflects income items per the income statement, other than insurance revenues which reflect earned premiums and our share of material associates' revenue; Discovery Bank which includes net interest income and non-interest revenue; and Discovery Invest which only includes fee income. Extraordinary items are adjusted.</li> <li>Operating cash flow per the shareholder cash flow statement over IFRS operating profit, net of tax, of 56%*.</li> </ul>
Headline earnings per share (HEPS) growth		10%	CPI pa	CPI+GDP+4% pa	CPI+GDP+8% pa	72%	7.23%		
ROE (average over trailing two years)		15%	WACC	WACC+3.8%	WACC+6%	65%	9.67%		
Revenue growth		10%	CPI pa	CPI+GDP+4% pa	CPI+GDP+8% pa	148%	14.75%		
Cash conversion ratio		10%	50.0%	62.5%	75.0%	75%	7.48%		

#### KEY:

- Target exceeded – Exceeding 110%
- Target partially met – Between 50%–90%
- Target met – Between 90%–110%
- Minimum threshold – Below 50%

#### Sustainability (35%)

Client perception	Client perception	8%	8%	Internal targets as approved by the RemCo and aligned to the overall business strategy	117%	9.35%	9.35%	<ul style="list-style-type: none"> <li>The consolidated average monthly perception score over the period, weighted by the volume of policies for each company, at 9.04 out of 10.</li> <li>Over 576 million healthy activities recorded globally</li> <li>Top quartile across two ESG rating agencies</li> <li>21.4% cumulative reduction in Scope 1 and 2 greenhouse gas emissions in FY2024 against the FY2019 baseline</li> <li>New products and innovation as well as key product evolutions to ensure continued disruptive growth.</li> <li>Acceptable variance of the employee experience index from the Global High-Performance norm</li> <li>Percentage loss through resignation of African and Coloured employees at Manager level and above, below internally set targets</li> <li>Target achieved for employment equity measure EE Plan</li> </ul>
	Healthy activities		3%		150%	4.50%	10.28%	
ESG	ESG ratings	8%	3%		100%	3.00%		
	Total greenhouse gas emissions (tonnes CO <sub>2</sub> )		2%		139%	2.78%		
Strategy	New products and innovation	9%	4.5%		107%	4.82%	9.23%	
	Key initiatives and projects		4.5%		98%	4.41%		
People	Employee engagement		2%		80%	1.60%	9.14%	
	Retention	10%	3%		88%	2.64%		
	Transformation and diversity		5%		98%	4.90%		
<b>Group performance</b>		<b>100%</b>	<b>100%</b>					

\* Preliminary estimate of 56% was subsequently reflected as 66% upon finalisation of year-end audited results.

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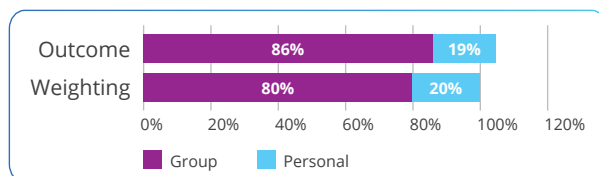
## FY2024 Executive Directors' and Prescribed Officers' remuneration continued

## INDIVIDUAL PERFORMANCE



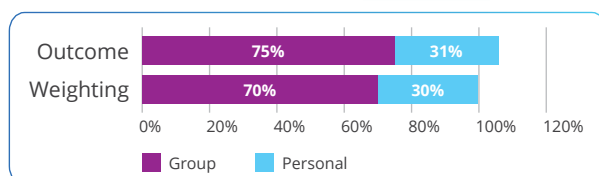
**ADRIAN GORE**  
Group Chief Executive

Measure	Weight	Outcome
Group financial outcomes	25%	●
Group strategic outcomes	45%	●
Group ESG outcomes	30%	●
<b>Overall personal score</b>	<b>100%</b>	<b>93.25%</b>



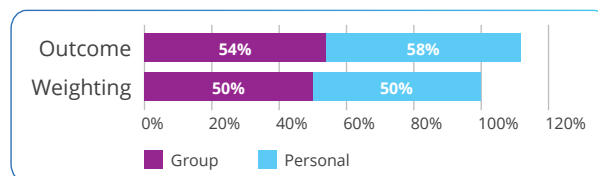
**DEON VILJOEN**  
Group Chief Financial Officer

Measure	Weight	Outcome
Group financial management	40%	●
Group strategic outcomes	40%	●
Group ESG outcomes	20%	●
<b>Overall personal score</b>	<b>100%</b>	<b>103.10%</b>



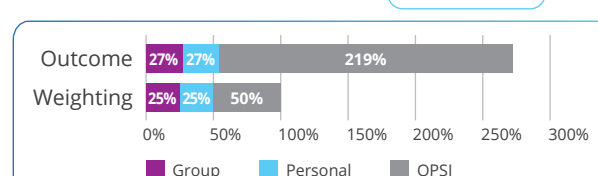
**BARRY SWARTZBERG\***  
Co-founder and Chief Executive Officer: Vitality Global

Measure	Weight	Outcome
Vitality Global financial outcomes	55%	●
Vitality Global strategic outcomes	30%	●
Vitality Global ESG outcomes	15%	●
<b>Overall personal score</b>	<b>100%</b>	<b>115.30%</b>



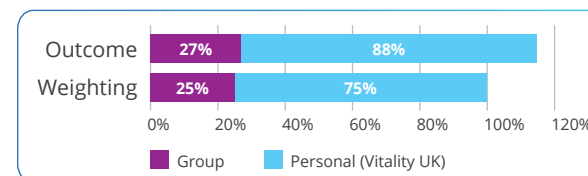
**HYLTON KALLNER**  
Chief Executive Officer: SA composite and Discovery Bank

Measure	Weight	Outcome
Discovery Bank financial outcomes	48%	●
Discovery Bank business growth	32%	●
Discovery Bank strategic outcomes	15%	●
Discovery Bank ESG outcomes	5%	●
<b>Overall personal score</b>	<b>100%</b>	<b>310.31%</b>



**NEVILLE KOPOWITZ\***  
Chief Executive Officer: Vitality UK composite

Measure	Weight	Outcome
Vitality UK financial outcomes	30%	●
Vitality UK strategic outcomes	57.5%	●
Vitality UK ESG outcomes	12.5%	●
<b>Overall personal score</b>	<b>100%</b>	<b>117.00%</b>



## KEY:

- Target exceeded – Exceeding 110%
- Target met – Between 90%–110%
- Target partially met – Between 50%–90%
- Minimum threshold – Below 50%

\* Barry Swartzberg is transitioning into a role supporting the Group Chief Executive following the unification of Vitality Global and Vitality UK into one composite, Vitality, with Neville Koopowitz appointed as the Chief Executive Officer: Vitality with effect from 7 August 2024.

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**FY2024 Executive Directors' and Prescribed Officers' remuneration continued****Executive Directors' and Prescribed Officers' participation in share incentive schemes**

Cash value received during the year reflects performance measurements in previous periods. The LTIP awards for the current year under review vest in years 3, 4 and 5, and are included in the single-figure remuneration tables, on page 16, which reflect the performance of the period under review.

Name	2023	2024					
	Opening number on 1 July 2023	Granted	Forfeited/ lapsed	Exercised/ settled	Closing number on 30 June 2024	Cash value received during the year	Closing fair value at 30 June 2024 <sup>1</sup>
	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	R	R
<b>A GORE</b>							
Discovery Phantom Share Scheme	12 007	-	1 181	10 826	-	1 542 183	-
Discovery Limited LTIP	176 693	-	1 165	41 170	134 358	5 646 877	<b>18 096 679</b>
Discovery Limited LTIP (Retention)	30 434	-	-	30 434	-	4 174 327	-
Discovery SIP	92 223	64 244	-	-	156 467	-	<b>21 074 540</b>
<b>HD KALLNER</b>							
Discovery Phantom Share Scheme	8 053	-	792	7 261	-	1 034 330	-
Discovery Limited LTIP	118 507	-	781	27 613	90 113	3 787 399	<b>12 137 320</b>
Discovery Limited LTIP (Retention)	98 985	-	-	98 985	-	13 576 783	-
Discovery SIP	67 823	29 897	-	-	97 720	-	<b>13 161 907</b>
Discovery Outperformance Plan (OPSI)	-	129 762	-	-	129 762	-	<b>17 477 644</b>
<b>NS KOPOWITZ</b>							
Vitality Phantom Share Scheme	31 766	37 824	-	4 336	65 254	153 494	<b>2 855 399</b>
<b>B SWARTZBERG</b>							
Discovery Phantom Share Scheme	2 819	-	277	2 542	-	362 073	-
Discovery Limited LTIP	54 130	-	234	11 401	42 495	1 563 761	<b>5 723 652</b>
Discovery Limited LTIP (Retention)	11 501	-	-	11 501	-	1 577 477	-
Vitality Global Cash-Settled Plan <sup>2</sup>	540 488	-	352 516	187 972	-	5 533 889	-
Vitality Global Outperformance Plan	8 075	16 017	-	-	24 092	-	<b>3 244 952</b>
Discovery SIP	67 999	46 453	-	-	114 452	-	<b>15 415 540</b>
Vitality Global Share Plan <sup>2</sup>	-	79 416	-	-	79 416	-	<b>10 696 541</b>
<b>DM VILJOEN</b>							
Discovery Phantom Share Scheme	7 597	-	747	6 850	-	975 762	-
Discovery Limited LTIP	113 472	-	737	26 049	86 686	3 572 881	<b>11 675 738</b>
Discovery Limited LTIP (Retention)	24 797	-	-	24 797	-	3 401 157	-
Discovery SIP	61 054	49 864	-	-	110 918	-	<b>14 939 545</b>

<sup>1</sup> The fair value of Discovery shares granted has been calculated using the closing share price of R134.69 at 30 June 2024 (2023: R145.85).

<sup>2</sup> The Vitality Global Cash-Settled Plan was converted to the equity-settled Vitality Global Share Plan at 79 416 units, and will vest per the original vesting schedule as follows: 2024: 41 280; 2025: 25 084; 2026: 13 052.

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## TERMINATION OF OFFICE PAYMENTS

No termination of office payments were awarded to Executive Directors and Prescribed Officers during the period.

## FY2024 NON-EXECUTIVE DIRECTOR'S FEES

R'000	Services as directors	Other benefits <sup>1</sup>	Total
ME Tucker <sup>2</sup>	8 350	53	8 403
LM Chiume <sup>3</sup>	912	-	912
R Farber <sup>4</sup>	3 791	4 268	8 059
MW Hlahla	1 647	-	1 647
FN Khanyile	2 131	-	2 131
D Macready	2 441	-	2 441
Dr TV Maphai <sup>5</sup>	635	-	635
T Mboweni	1 724	-	1 724
KC Ramon <sup>3</sup>	1 165	-	1 165
M Schreuder	2 618	-	2 618
BA Van Kralingen <sup>6</sup>	2 354	108	2 462
SV Zilwa <sup>5</sup>	1 821	-	1 821
<b>TOTAL</b>	<b>29 589</b>	<b>4 429</b>	<b>34 018</b>

<sup>1</sup> 'Other benefits' include travel, other allowances and fees for consulting services.

<sup>2</sup> Director's fees are paid in British pound sterling.

<sup>3</sup> Appointed as new Directors with effect from 18 September 2023.

<sup>4</sup> Director's fees for services and fees for other consulting services rendered by R Farber were paid in Australian dollar.

<sup>5</sup> Retired as Board members and members of the Group committees on which they served with effect from 16 November 2023.

<sup>6</sup> Director's fees for services rendered and travel allowances included in 'Other benefits' are paid in United States dollar.

## DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Interests, maintained by Discovery in accordance with the provisions of section 30(4)(d) of the Companies Act, Directors of Discovery have disclosed their interests in the ordinary shares of the Company at 30 June 2024.



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## NON-EXECUTIVE DIRECTORS' FEE PROPOSAL FOR FY2025

The proposed fees payable to the Non-executive Directors include inflationary-related increases, with the exception of fees for the Chairperson of the Audit Committee and Chairperson of the Risk and Compliance Committee, which are based on a phased alignment to revised market benchmarks. The proposed FY2025 fees will be tabled at the AGM for approval as a special resolution.

	FY2024 (excluding VAT, if applicable) Retainer only	Proposed FY2025 (excluding VAT, if applicable) Retainer only
<b>BOARD</b>		
Chairperson (UK based)	£327 130	£338 580
Member (South Africa based)	R558 255	R586 168
Member (UK based)	£71 969	£74 488
Member (Australia based)	A\$135 106	A\$140 240
Member (USA and other non-South Africa based)	US\$91 835	US\$95 049
<b>AUDIT, RISK AND COMPLIANCE, AND ACTUARIAL COMMITTEES</b>		
Chairperson, Audit committee (South Africa based)	R715 000	R786 500
Chairperson, Risk and Compliance committee (South Africa based)	R529 180	R582 098
Chairperson, Actuarial committee (South Africa based)	R529 180	R555 639
Member (South Africa based)	R302 388	R317 508
Chairperson (UK based)	£52 341	£54 173
Member (UK based)	£17 673	£18 291
Chairperson (Australia based)	A\$61 466	A\$63 802
Member (Australia based)	A\$35 125	A\$36 460
Chairperson (USA and other non-South Africa based)	US\$42 092	US\$43 565
Member (USA and other non-South Africa based)	US\$24 062	US\$24 904
<b>REMUNERATION, SOCIAL AND ETHICS, NOMINATIONS AND ANY OTHER COMMITTEES</b>		
Chairperson (South Africa based)	R423 344	R444 511
Member (South Africa based)	R241 911	R254 006
Chairperson (UK based)	£26 385	£27 309
Member (UK based)	£15 040	£15 567
Chairperson (Australia based)	A\$49 082	A\$50 947
Member (Australia based)	A\$28 147	A\$29 216
Chairperson (USA and other non-South Africa based)	US\$33 691	US\$34 870
Member (USA and other non-South Africa based)	US\$19 258	US\$19 932
<b>Non-resident Director travel allowance (per return leg)</b>	US\$2 879	US\$2 879

## STATEMENT ABOUT COMPLIANCE WITH THE REMUNERATION POLICY

RemCo is satisfied that the Remuneration Policy, as detailed in the FY2024 Remuneration Report, was complied with and there were no substantial deviations from the policy during the year.

## ADVISORY VOTE ON THE IMPLEMENTATION REPORT

Our Board tables the Remuneration Implementation Report for a non-binding advisory vote by shareholders at the AGM every year. Discovery will announce the voting results after the AGM.

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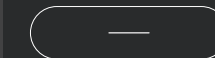
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Discovery Limited | +27 11 529 2888 | [askthecfo@discovery.co.za](mailto:askthecfo@discovery.co.za) | [www.discovery.co.za](http://www.discovery.co.za)

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