



1 BACKGROUND STATEMENT

1

At Discovery, we recognise the importance of our people as an essential underpin to our Shared-Value Insurance model. Talented employees, liberated to do their best and achieve their potential, contribute to the success of our business.

In the context of Discovery's expanding global footprint and our goal to become the world's best insurance organisation, continued innovation is essential. To achieve sustained innovation, it is necessary to attract and retain the best talent. Our remuneration philosophy supports this strategy.

Report by the Chairperson: Remuneration Committee

I am pleased to present our Remuneration Report, which is structured as follows:

- 1 Background statement of the factors influencing the remuneration strategy and remuneration outcomes for the financial year
- 2 Our remuneration policy
- 3 The implementation of the policy

The report also demonstrates that Discovery's remuneration approach is aligned with our overall business strategy and is based on the principle of pay for performance.

BACKGROUND STATEMENT

This is our first report that fully complies with the King IV™ standard. The Remuneration Committee (RemCo) and management team also focused on the following areas during the course of FY2018:

FOCUS AREA

- ▶ Review of remuneration practices so that they can be aligned with the business strategy.
- ▶ Review of incentive schemes to ensure they address challenges experienced in attracting and retaining talent and critical skills.

What it means

RemCo considered the following proposals:

1. For long-term incentive scheme performance measures to be better aligned with the Group's organic growth model.
2. On whether or not the current phantom share long-term incentive scheme should be modified to allow for an equity-settled long-term incentive scheme.
3. To vary, by employee level, the portion of deferred awards which vests subject to continued service only, and the portion which vests subject to performance conditions.

FOCUS AREA

- ▶ Ensuring that the Group continues to focus on fair and responsible pay as reflected in its remuneration practices.

What it means

RemCo reviewed its Terms of Reference and the remuneration policy to ensure that they reflect a commitment to fair and responsible pay.

FOCUS AREA

- ▶ Engaged with shareholders about our 2017 remuneration report and policy, although the votes against it were lower than the 25% threshold.

What it means

RemCo considered inputs received from shareholders on our remuneration policy and its implementation, and took this into account for management action and in the compilation of this report.

Following our review, changes to the remuneration policy were considered and approved by RemCo during the year:

- The performance conditions for our Phantom Share Scheme were amended for better alignment with the Group's strategic approach to long-term organic growth and value creation. The single performance condition of normalised headline earnings per share (HEPS) growth of CPI + 1.5% has been adjusted to a balanced approach, which includes multiple performance conditions that incorporate the Group's strategy relating to the organic growth methodology (refer to page 103 in the policy section). The organic growth model targets Group operating profit growth of CPI + 10% through a methodical and substantial investment in new initiatives (set at 10% of earnings), which evolve into emerging businesses (with a target profit growth of CPI + 30%), and ultimately scale into established businesses (with a target profit growth of CPI + 5%), while driving return on equity.
- That a portion of the phantom share awards to employees at General Manager and below should not be subject to performance and may vest based on their continued employment (refer to page 103 in the policy section).

SHAREHOLDER ENGAGEMENT AND FEEDBACK

Although the dissenting votes from a proportion of shareholders represented at the last annual general meeting (AGM) did not reach 25%, we engaged with some of these shareholders to obtain input about their concerns.

Shareholder votes in favour

REMUNERATION POLICY

76.65%

in 2017

86.06% in 2016

78.38% in 2015

IMPLEMENTATION REPORT

77.25%

in 2017

86.06% in 2016

78.38% in 2015

NON-EXECUTIVE DIRECTORS' FEES

84.93%

in 2017

99.99% in 2016

89.70% in 2015

Below, we summarise responses to some of the specific concerns raised through shareholder engagement.

Feedback

Individual performance disclosures are not clear enough

Actions taken

Improved performance disclosures in the implementation report.

There should be more than one metric for vesting of phantom share awards

Actions taken

Migration from the single, waterfall normalised HEPS growth measure for vesting of phantom shares, to the growth methodology model as a measure of vesting. Refer to page 103.

A short vesting period for long-term incentive plans (LTIPs)

Actions taken

Our LTIPs vest in four equal tranches starting from the second year from the date of the award until the fifth year from the date of the award. Performance for each vesting tranche is measured from the date of the award. Tranches one to four are therefore measured over a two, three, four and five-year period. This is illustrated in the policy section on page 103.



Discovery will once again put the remuneration policy and implementation report to two separate, non-binding votes at the AGM on 26 November 2018. In the event that 25% or more of the shareholders vote against the remuneration policy or the implementation report, Discovery will include a note in its SENS announcement for the AGM results inviting dissenting shareholders to engage with the Group on their reasons for voting against these resolutions. The precise method of shareholder engagement will be decided by RemCo, but may include:

- Email and teleconference
- Investor roadshows (where feasible)
- One-on-one meetings with shareholders.

The results of the next shareholder engagement and RemCo's response to shareholder concerns will be published in the remuneration report for the next financial year.

Focus areas for FY2019

RemCo will be focusing on a number of areas in FY2019 to:

- ▶ Further improve our remuneration policy to ensure increased alignment with shareholder interests.
- ▶ Align remuneration to performance outcomes.
- ▶ Deliver on our intent to retain talent.
- ▶ Ensure that our pay practices are fair and responsible, and that they support our transformation agenda.

FOCUS AREA

▶ Fair and responsible pay

What it means

RemCo will continue to monitor our remuneration practices to ensure that any potential for unfair bias is eliminated, and that remuneration practices reflect Discovery's commitment to fairness and the attraction and retention of top talent.

FOCUS AREA

▶ Policy on minimum holding requirements for Executive Directors and Prescribed Officers

What it means

RemCo will consider proposals for the introduction of a policy on minimum holding requirements for senior executives, along with its consideration for an equity-settled scheme.

FOCUS AREA

▶ Forfeiture and clawback policies for variable pay

What it means

RemCo will consider proposals for the introduction of a policy and process for forfeiture of unvested awards or unpaid short-term incentives, and the clawback of vested awards or paid short-term incentives, as part of managing conduct and risk through remuneration.

FOCUS AREA

▶ Review incentive target levels

What it means

Due to continuing challenges in attracting and retaining key talent for our businesses, RemCo will monitor and review competitiveness of our total rewards, with an emphasis on the on-target incentive payment levels.

FOCUS AREA

▶ Equity-settled scheme

What it means

RemCo will continue with its review of an equity-settled long-term incentive scheme to replace the current Phantom Share Scheme.

REMUNERATION GOVERNANCE

RemCo met four times during the past financial year.

	August 2017	October 2017	December 2017	June 2018
S De Bruyn Sebotsa (Chairperson)	✓	✓	✓	✓
H Bosman	✓	✓	✓	✓
MI Hilkowitz	✓	✓	✓	✓

All RemCo members have the relevant skills and experience to perform their duties. RemCo members are also members of other key committees that enable them to monitor risk trends across the Group. Members of executive management and Mr B Olivier (independent remuneration expert) attend RemCo meetings by invitation.

Executive Directors are not allowed to participate in discussions about their own remuneration and they are not able to vote at the meetings.

In conducting its work over the period, RemCo considered advice and input from the following sources:

- PricewaterhouseCoopers Inc. (PwC) for improved adoption of King IV™ requirements.
- PwC REMChannel and Mercer for salary and incentive benchmarking information.
- Vasdex for adoption of good remuneration governance practices.

RemCo is satisfied that the input from these sources is credible, independent and objective.

Our United Kingdom subsidiary companies are directly regulated in the United Kingdom and are required to be effectively supervised in the United Kingdom. The Discovery Holdings Europe Limited Remuneration Committee under the chairmanship of Sir Andrew Foster, oversees the remuneration of these subsidiaries. RemCo fulfills a high-level oversight role.

REMUNERATION OUTCOMES

RemCo approved bonus payments of R366.6 million for the Directors' and Management incentive schemes, including the individual and profit pool portions. This represents a 33% increase in bonus payments over FY2017. This increase is due to the profit pool paying out at 98% of target in FY2018, versus only 69% of target in FY2017 due to performance conditions. In addition, the overall headcount of participants in the short-term incentive schemes increased as indicated on page 107 of the implementation report.

We are confident that the changes made to the policy as well as further proposed changes are necessary in recognising our people as essential to the continued success of our Shared-Value Insurance model. As we continue to expand globally, resulting in further increased requirements from our employees, it is critical to ensure innovation in our human resources management and remuneration philosophy.

We will continue to work towards ensuring that our remuneration philosophy aligns to our business strategy and shareholder returns. The application of the remuneration policy over the past year was in alignment with the stated objectives.

We invite you to give us your views, comments and contributions on our policy and its implementation. We appreciate the input we received during the year, that helped us to align our policy with the interests of all our stakeholders.

SE DE BRUYN SEBOTSA

Chairperson: Remuneration Committee





REMUNERATION POLICY

2

REMUNERATION PHILOSOPHY

At Discovery, we believe that great people are the foundation of our success. We offer an environment that provides challenging and meaningful work, where our people are liberated to grow and take advantage of opportunities. It is through liberating the best in our people that we will be able to achieve our ambition of being the best insurance organisation in the world. We are committed to providing total remuneration packages that:

- attract, retain and motivate **high-calibre employees**;
- **encourage performance** and appropriately **reward employees** who meet and exceed business objectives;
- align the **financial wellbeing** of employees with the economic interest of shareholders;
- provide an environment that encourages **innovative thinking and extraordinary performance**;
- bring **consistency, transparency and equity** to pay through our fair and responsible pay principles, which increase trust and employee engagement; and
- foster Discovery's **owner-manager culture**.

We **balance a flexible approach** that recognises differences in individual performance and contribution to the Group, **with a consistent framework** that ensures fair and responsible pay principles.

REMUNERATION PRINCIPLES

- To succeed, we must have the right people in the right positions, and strive to offer pay packages that are **competitive in the market**.
- **Pay for performance** is at the heart of our remuneration philosophy and we encourage all employees to set and achieve ambitious goals which are aligned with the objectives of the Group. Exceptional performance is recognised and rewarded.
- **We believe in pay that is right and fair** and we conduct regular salary surveys both internally and externally to ensure fairness and consistency across the business.
- We recognise that **remuneration is not the only reason** why our employees join and stay at Discovery, but it is of significant concern if it is not right or equitable.
- We are a **non-discriminatory** organisation and all remuneration policies and practices are free from unfair discrimination based on race, gender, age, religion, marital status and ethnic or social origin.
- We employ a **total cost to company** approach to remuneration.

- Our **short-term incentive schemes** encourage, recognise and reward performance and are based on rigorous objective setting and measurement, while allowing sufficient flexibility to respond to different business needs.
- Our **long-term incentive schemes** create a sense of ownership in the company and specific schemes are designed for start-ups to encourage an entrepreneurial mind-set and retention.
- Our remuneration policy **empowers managers** to make educated and defensible pay decisions.
- Remuneration policies and practices are governed by the **Remuneration Committee**, a sub-committee of the Board, with support from the **Internal Remuneration Committee**, an executive management body with delegated responsibilities for remuneration governance.



REMUNERATION STRUCTURE

We adopt a total rewards approach, which encompasses both financial and non-financial elements of reward. The different elements of reward are summarised below:

Total rewards					
Guaranteed pay		Variable pay			Non-financial
Cost to company		Monthly performance-based salary	Short-term incentive scheme	Long-term incentive plans	Employee experience
DESCRIPTION	<ul style="list-style-type: none">■ Basic salary■ Compulsory benefits (retirement and medical) and optional benefits (gap cover)	<ul style="list-style-type: none">■ Productivity and sales-based performance pay for operations and sales areas	<ul style="list-style-type: none">■ Quarterly, bi-annual or annual incentive schemes measured against agreed targets which may be at individual, team and business unit level	<ul style="list-style-type: none">■ Performance-linked Phantom Share Scheme■ Business unit-specific long-term incentive schemes	<ul style="list-style-type: none">■ Challenging and meaningful work■ Development and training■ Discovery culture and environment■ Opportunity to work with great people■ Career opportunities■ Recognition
	<ul style="list-style-type: none">■ To attract and retain talent through competitive base pay and life stage relevant benefits	<ul style="list-style-type: none">■ Align individual performance to company goals and continuously drive improvement	<ul style="list-style-type: none">■ To reward employees for superior performance over the financial year	<ul style="list-style-type: none">■ To align the interests of management and shareholders over the long term	<ul style="list-style-type: none">■ To create a work experience that positions Discovery as a preferred employer
	ELIGIBILITY	<ul style="list-style-type: none">■ All	<ul style="list-style-type: none">■ Generally, employees up to team leader level, as well as some management and executive level employees in sales environments	<ul style="list-style-type: none">■ All	<ul style="list-style-type: none">■ Management and executive level employees

Remuneration elements

Our financial rewards include four remuneration elements, although not all employees participate in all of the elements:

Guaranteed monthly salary

Monthly performance-based pay

Short-term incentive (within one year)

Long-term incentive (over two to five years, usually applicable only to Deputy General Manager level and above, and selected Manager and Divisional Manager level employees)



Guaranteed monthly salary

Our **total cost to company** approach provides employees with flexibility and choice when it comes to compulsory benefits. All permanent non-sales employees, irrespective of level, receive a guaranteed component of remuneration, consisting of:

- A basic salary
- Compulsory benefits (medical aid, provident and pension funds, group life cover)

Employees select:

- The Discovery Health Medical Scheme plan that best suits them (Discovery membership is compulsory for all employees unless they are a dependant on their spouse's scheme).
- Their contribution level to the provident fund, ranging from 7.5% to 20.0% of guaranteed package or base pay.
- The structure of their provident fund portfolio, with a choice of conservative, moderate and aggressive funds.

The compulsory contribution to the pension fund is set at 5% of an employee's salary.

Employees who work in sales environments typically receive a variable monthly remuneration linked directly to their sales productivity, relative to targets. The expected monthly salary or "deemed salary" is used as the basis to calculate benefits.

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; or
- below the median, in rare instances, for people who display high potential but are new to their role and still need to grow fully into the role.

We use independent providers to ensure we pay employees competitively. Salary benchmarking against other financial services companies are completed at least annually to keep track of market movements. These reviews take factors such as company size (revenue, profit, number of employees) and availability of skills into account.

As many of our roles at Discovery are unique, the market data is used to assist us in making remuneration decisions, but it is not the only reason for our remuneration structures. We do not differentiate pay on arbitrary grounds and strive to ensure that our employment processes do not result in unfair pay differentials.

Annual salary review process

The annual salary review process provides an opportunity to adjust salaries in line with the market and takes place between April and June each year, with increases effective from 1 July. RemCo determines the overall percentage increase to the salary bill while considering benchmarking to

understand market trends, particularly for scarce and critical skills, changes to the national cost of living, and business performance and affordability. Performance is primarily rewarded through the incentive structures, not through the salary increase process. Typically, an employee has to be employed for a minimum of three months to be part of the review process, and any increase may be moderated for length of service and time in a role.

Interim increases may be awarded during the year 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 to a higher level.

Monthly performance-based pay

Pay for performance is at the heart of our remuneration philosophy and as a result, most permanent employees also have an opportunity to earn performance-based pay.

We offer competitive guaranteed rewards (at the market median), with opportunities in many roles to earn additional variable pay-for-performance incentives, that lead to above market median total rewards for top performers.

In many of the operational areas of the business where performance is highly measurable, monthly pay is made up of:

- A guaranteed monthly salary
- Performance-based pay ("on-par")

The performance element ensures alignment between company goals and individual performance, and allows top performers to significantly enhance their earnings. Targets are reviewed and adjusted as required and at the discretion of management to drive continuous improvement.

Short-term incentive schemes (STIs)

STIs encourage and reward performance at every level. Within an overall framework, different business units have incentive schemes based on business priorities, and therefore scheme structures (payout percentages, pay periods and calculations) can vary.

The sales team participates in production-related incentives applicable to their roles. Generally, short-term schemes span three to 12 months. To receive payment, an employee must have been employed for a minimum of three months in the period, and must still be employed at the time of the payment.

All schemes are performance-based and reward delivery against pre-agreed stretch targets which may be at an individual, team or business unit level. RemCo or management determines both the targets and the final payout amounts for all incentive schemes, within scheme guidelines. Final approval is at the discretion of RemCo.

Employee incentive schemes

- At staff and team leader levels, payments may be made quarterly, bi-annually or annually, dependent on the scheme. Measures are set by management and aligned with business goals and continuous improvement.

Management incentive schemes

- At manager and divisional manager level, employees participate in a bi-annual management incentive scheme which takes performance against both personal and business objectives into account.
- The short-term incentive scheme for Deputy General Managers, General Managers, sub-Directors and Executive Directors comprises two elements, namely the individual management incentive portion and the profit pool portion.
 - The individual management incentive portion takes performance against personal and business objectives, as contained in each individual's scorecard, into account.
 - The profit pool portion awards management for the achievement of profit pool growth above a pre-determined target.

- The on-target split, applied to each employee's cost to company salary, between the individual management incentive and profit pool components for different levels of management, is:

Employee category	% of total cost to company	
	Individual management incentive portion	Profit pool portion
Executive Director	50%	50%
Sub-Directors*	35%	50%
General Manager	25%	15% – 25%
Deputy General Manager	20% – 30%	10%
Manager/Divisional Manager	15% – 30%	–

* Sub-Director: a General Manager who sits on one of the Discovery Boards, but is not an Executive Director.

Individual management incentive portion

Measures are linked to business unit performance and individual roles. For business unit performance, measures will generally include the following:

Standard business objective	Measure	Weights
Insurgency and market leadership in new business	• New business annualised premium income (API)	10% – 20%
Products that meet complex consumer needs and are sustainable in the long term	• Innovation	10% – 15%
Superior actuarial dynamics and engagement	• Loss ratios • Lapse rates • Value of new business (VNB) • Engagement in Vitality	10% – 30%
Exceptional service ecosystem	• Broker or franchise perception scores • Member-based research scores	10% – 20%
Financial excellence and superior returns	• Growth in normalised profit from operations	10% – 35%
Diverse workforce	• Employment equity	15%

Each measure has a weighting which is applied to the score. The sum of the weighted scores results in the overall modifier that is applied to the cost to company salary and multiplied by the on-target percentage for the individual management incentive portion. However, if a score of below 50% is achieved for any individual measure, then the weighted outcome for the indicator will be zero.

Each individual measure has a maximum score of 150%, except for profit and new business, which have a maximum of 200%. Accordingly, the maximum modifier may exceed 100%, but would never reach 200%.

**Profit pool portion**

The Discovery Group Profit Pool Scheme shares a portion of profits above an agreed threshold growth level with executive management. This ensures ongoing alignment and focus on operating profit across the Group. The scheme is based on a single measure – growth in normalised operating profit, excluding start-ups – and runs on an annual basis based on audited financial results. The following approach is used to determine the profit pool portion of each member of executive management's short-term incentive:

STEP 1

The value of the required pool is determined at the beginning of the financial year, based on the number of participants, their employee level and their salaries. The pool is determined so that, at target operating profit growth as agreed by the Board, the actual value of the pool is equal to the required value. Target operating profit growth is considered to be commercially sensitive; however, retrospective disclosure will be made in the implementation report for the previous year's target.

STEP 2

The pool starts to accumulate once operating profit growth exceeds an agreed hurdle value (for 2018, this was set at CPI x 1.5). Below this threshold, the value of the pool is zero and no payment is made. From this point, the payout curve is linearly related to the operating profit growth.

Normalised operating profit	Payout	Pool as % of operating profit
Below hurdle	0%	N/A
From hurdle to target operating profit growth	0% – 100%, linearly	
Above target operating growth	No formulaic cap, but subject to RemCo discretion and reviewed as % of operating profit	0% – 1.4%

STEP 3

The total value of the pool is determined at year end, based on audited financial results. Individuals participate in the final pool in the proportion of their individual on-target profit pool as a percentage of the total on-target profit pool.

$$\frac{\text{Individual CTC} \times \text{on-target \%}}{\text{Total on-target pool}} \times \text{Actual pool}$$

Payments are split, and made in March and September.

The March payment is a draw down, and the balance is paid in September, based on audited results.

Long-term incentive plans

LTIPs encourage alignment with long-term shareholder interests and are used to drive longer-term performance, retain key people and create opportunities for individuals to share in the success of the Group. These schemes are restricted to executive managers, with awards offered in certain circumstances to individuals at lower levels performing critical roles, and aligning their interests with the longer-term strategic goals of the Group.

Phantom Share Scheme

Discovery currently operates a phantom share and option scheme referenced to the Discovery share price performance for the purposes of calculating incentives payable. RemCo approves the total allocation value annually and the individual Director allocations. Allocations below Director level vary by role, level and individual performance. Guidelines are provided by role and level, and each business unit CEO recommends the participants and the associated allocations. RemCo reviews and approves the participants, the allocations as well as the performance measures set for each allocation to vest. Payments are made in cash on the second, third, fourth and fifth anniversaries of allocation. Performance is measured from the year of the award on a compound basis for each vesting period.

Historically, the compound annual growth rate (CAGR) in normalised HEPS had to exceed a target level for payment to be made in any year. From 2018, RemCo approved a vesting condition linked to the Group's organic growth methodology described in the background statement. This new performance assessment applies to all new awards from 2018 as well as to unvested portions of the 2015, 2016 and 2017 awards, with transitional arrangement agreed by RemCo.

Phantom Share Scheme performance conditions

The Phantom Share Scheme performance conditions have been aligned to the organic growth methodology:

Performance measure	Weighting	CAGR over measurement period (two, three, four and five years)		
		Minimum	On target	Maximum
Established businesses operating profit	70%	CPI	CPI + 5%	CPI + 7%
Emerging businesses operating profit	12.5%	CPI + 5%	CPI + 20%	CPI + 25%
New business investment and development	7.5%	Majority of objectives under-performed	All objectives materially met	All objectives significantly exceeded
Return on equity (ROE)	10%	Risk-free rate	Risk-free rate + 10%	Risk-free rate + 13%
	100%			

For all new awards from 2018, overall vesting is capped at 100%. Where the performance criteria are not fully met, vesting of the percentage not achieved will lapse.

Phantom share awards before 2018

For unvested portions of previous awards, the transitional arrangement is that the overarching performance condition of normalised HEPS growth of CPI + 1.5% remains in place. The normalised HEPS growth of CPI + 1.5% is a stretch target given that it reflects the dilution caused by the R5 billion rights issue in April 2015 and the fact that some of the proceeds were deployed in new initiatives that only become profitable over time. This is distinctive of an organically growing company.

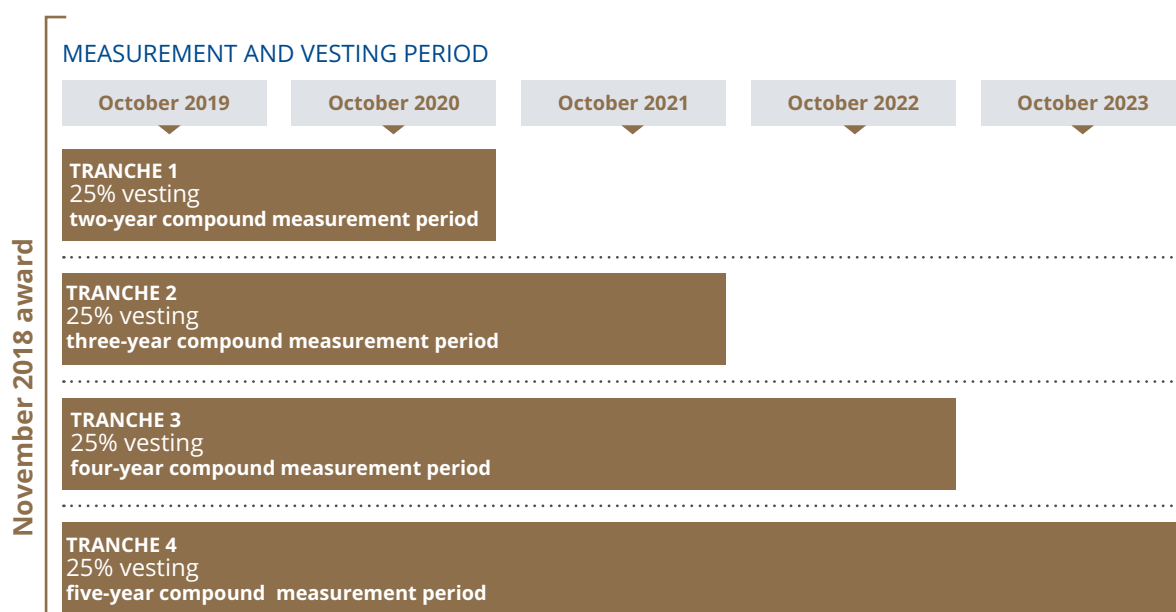
If the overarching HEPS growth measure is met on a compound basis over the vesting period, the growth methodology measures will not be relevant for vesting.

Phantom Share Scheme vesting

A portion of the phantom share awards to Deputy General Managers, Divisional Managers and Managers is not subject to performance, but largely aimed at retention and remaining aligned with the market from a total pay perspective. Awards to Directors and sub-Directors are fully subjected to the performance measures for vesting.

Employee level	Phantom shares vesting proportion	
	Retention awards	Performance awards
Executive Directors	-	100%
Sub-Directors	-	100%
General Managers	60%	40%
Deputy General Managers	85%	15%
Managers/Divisional Managers	85%	15%

Vesting is measured over a five-year period as illustrated below:





International businesses' Phantom Share Schemes

Vitality UK and Vitality Group operate Phantom Share Schemes with vesting criteria linked to the performance of those businesses.

- Vitality Group Cash-Settled Share Plan subjects a portion of the phantom share award to vesting based on valuation of the Vitality Group instead of applying the Discovery share price. The plan vests over the same period as the Phantom Share Scheme. Recipients are senior executives within Vitality Group.
- The VitalityHealth and VitalityLife Long-Term Incentive Programme vests in thirds, starting from the second to the fourth anniversaries from date of award. Vesting is subject to attainment of embedded value (EV) and profit targets, measured for each tranche over the vesting period.

Targeted long-term incentive schemes

From time to time, RemCo may decide to implement a specific long-term incentive scheme to drive a particular business result. For example, this may be associated with the start-up of a new venture or the delivery of strategic stretch business targets.

Participation is at the discretion of RemCo and is limited to key influencers. Payout under start-up schemes is typically linked to value creation and profitability.

All schemes are non-contractual and discretionary, and may be changed by RemCo. We have only disclosed schemes under which awards will be made in the next financial year. However, there are outstanding awards in terms of a number of previously operated schemes (refer to pages 112 to 114 in the Implementation Report).

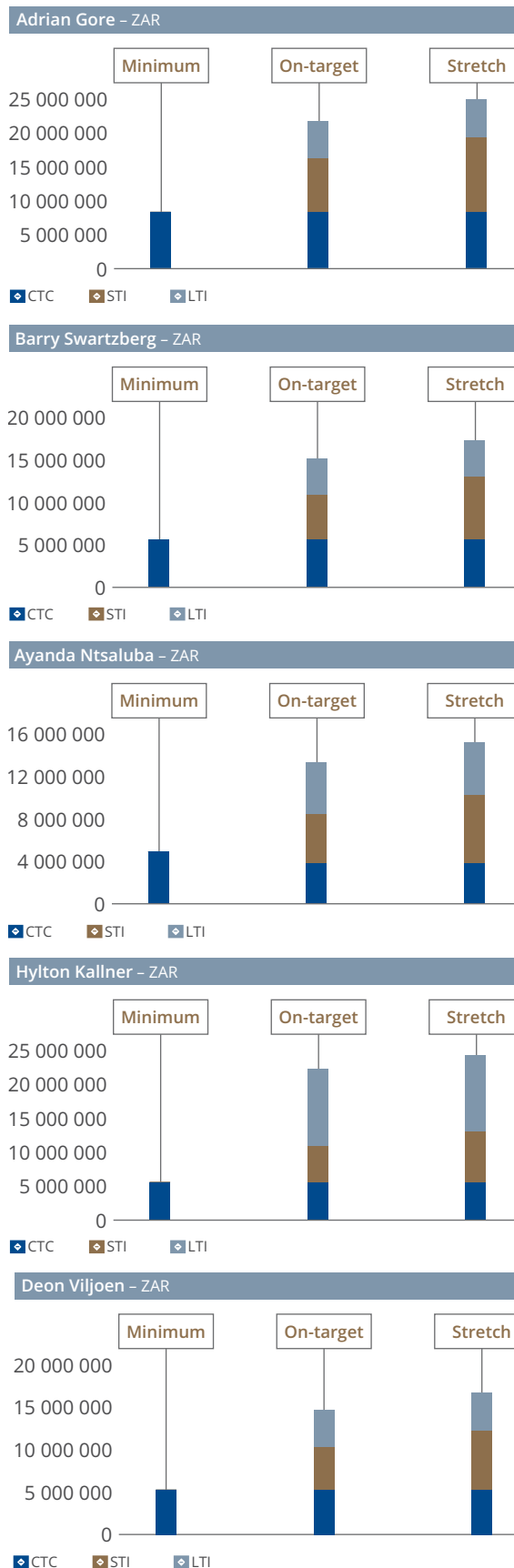
ILLUSTRATION OF THE EARNING POTENTIAL FOR EXECUTIVE DIRECTORS FOR MINIMUM, ON-TARGET AND MAXIMUM PERFORMANCE OUTCOMES

The potential FY2019 remuneration outcomes for Executive Directors and Prescribed Officers at minimum, on-target and stretch remuneration levels are disclosed below. These are hypothetical values, and we have made the following assumptions for the illustrations:

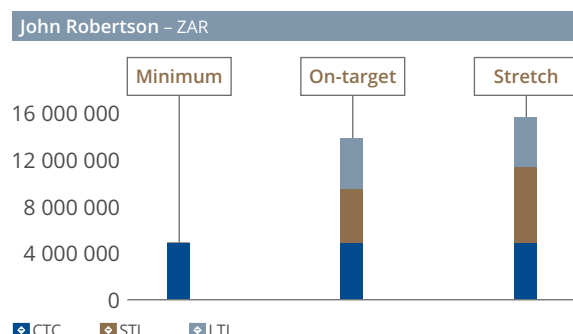
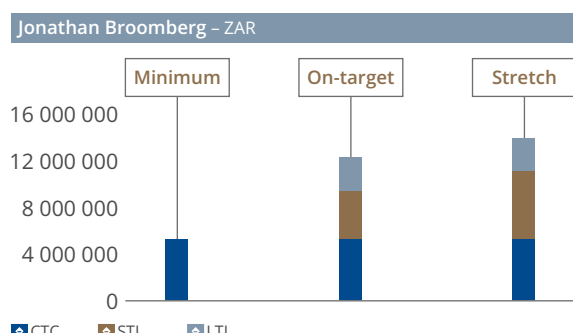
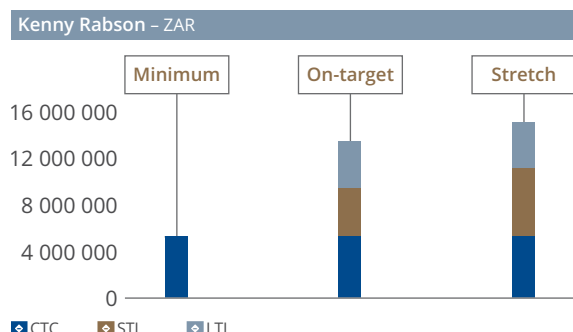
1. Minimum remuneration level assumes that the performance conditions for minimum payment of the management incentive scheme, profit pool and Phantom Share Scheme have not been met and that only the fixed remuneration is payable. The 1 July 2018 salaries have been used for the illustrations.
2. The on-target remuneration level assumes that in addition to the minimum assumptions, the individual portion of the management incentive pays at 100%, the profit pool portion pays at 90% (based on historic assessment) and that all vesting tranches for deferred awards do so at 100%.
3. The stretch remuneration level assumes that, in addition to the on-target assumptions (including 100% vesting for deferred awards), the individual portion of the management incentive pays at 140% and the profit pool pays out at 125%, based on historical assessment.

The scenarios are illustrated below for the current Executive Directors and Prescribed Officers on the basis of cash payable during the period. LTIP awards are valued at the 30 June 2018 five-day volume-weighted average price (VWAP) + 7%:

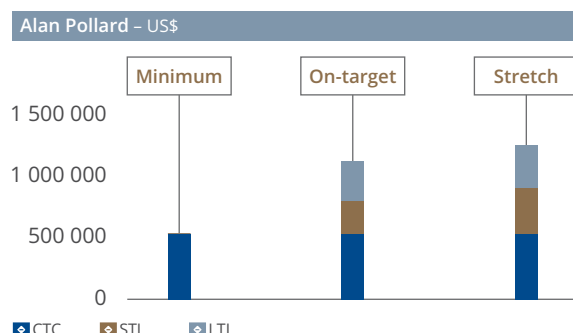
South Africa



South Africa



United States

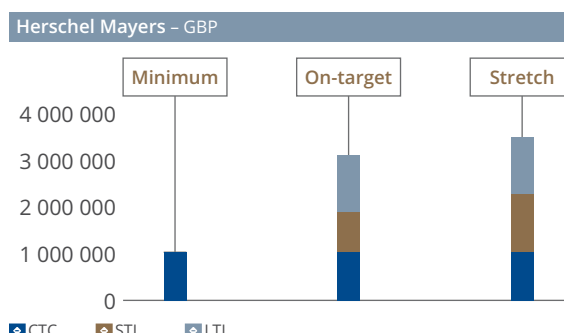
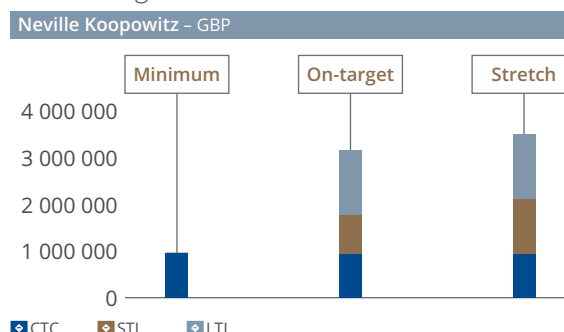


CONTRACT TERMS FOR EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

All Executive Directors are employed on employment contracts that can be cancelled by between one month and three months' notice by either the Executive or the company.

On voluntary termination of employment, all unvested awards are forfeited.

United Kingdom



PAYMENTS ON TERMINATION OF OFFICE

Our policy provides for no ex-gratia payments on termination of office of Executive Directors and Prescribed Officers other than payments that are due under existing short- and long-term schemes.

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

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

FAIR AND RESPONSIBLE PAY

RemCo is interested in ensuring that remuneration is externally competitive and internally fair and free of any prejudice by race, gender or any other basis. Management processes, including job grading, an annual salary benchmarking exercise and an annual income differential analysis exercise ensure that remuneration is primarily determined by market relatedness for the role size, and administered internally on an equitable basis.

RemCo has revised its workplan to include a review of the income differential analysis. RemCo also considers the inflationary pressures that burden the low-income earners. From 2014, RemCo established a minimum pay threshold, below which employees are awarded annual salary increases substantively higher than inflation.

In 2018, this threshold was set at a cost to company remuneration of R138 000 per annum, and employees earning below this threshold were awarded increases of no less than 10%. RemCo also reviews the minimum cost to company remuneration level annually.

To ensure that pay is administered responsibly, RemCo has mandated a committee of executive management to assist RemCo in its role, and with day-to-day management of remuneration. This committee holds itself to the same standards as RemCo and reports to RemCo at every meeting.



Remuneration awards for Executive Directors and Prescribed Officers are approved by RemCo. RemCo tries to ensure that performance-linked pay is directly attributable to the efforts of management, and in reviewing incentive designs, RemCo strives to avoid remunerating for a “rising tide” effect. When reviewing proposals for new schemes or amendments to existing schemes, RemCo ensures that incentive payouts are capped, to avoid management benefiting from any windfall gains.

RemCo has mandated that management investigates suitable tools for the tracking, monitoring and appropriate reporting of the fairness of our pay practices. Discovery is currently undertaking this investigation.

ADVISORY VOTE ON REMUNERATION POLICY

The Board will table the remuneration policy for a non-binding advisory vote by shareholders at the AGM on a yearly basis.

In the event that the remuneration policy is voted against by 25% or more of the votes exercised, Discovery, in its voting results announcement following the AGM, will invite dissenting shareholders to engage with us.

NON-EXECUTIVE DIRECTORS

Non-executive Directors receive a combination of fixed and meeting attendance fees for their participation on the Board and Board Committees. Non-executive Directors do not receive annual incentive awards. RemCo reviews the fees paid to Non-executive Directors annually, taking into consideration individuals’ responsibilities and Board Committee membership.

The Board and RemCo Chairpersons are not present when their remuneration is reviewed.

From time to time, the fees are benchmarked to other local and international financial services companies and companies with similar market capitalisations to ensure the fees remain competitive.

Recommendations are made to the Board for consideration and taken to the AGM for shareholder approval.

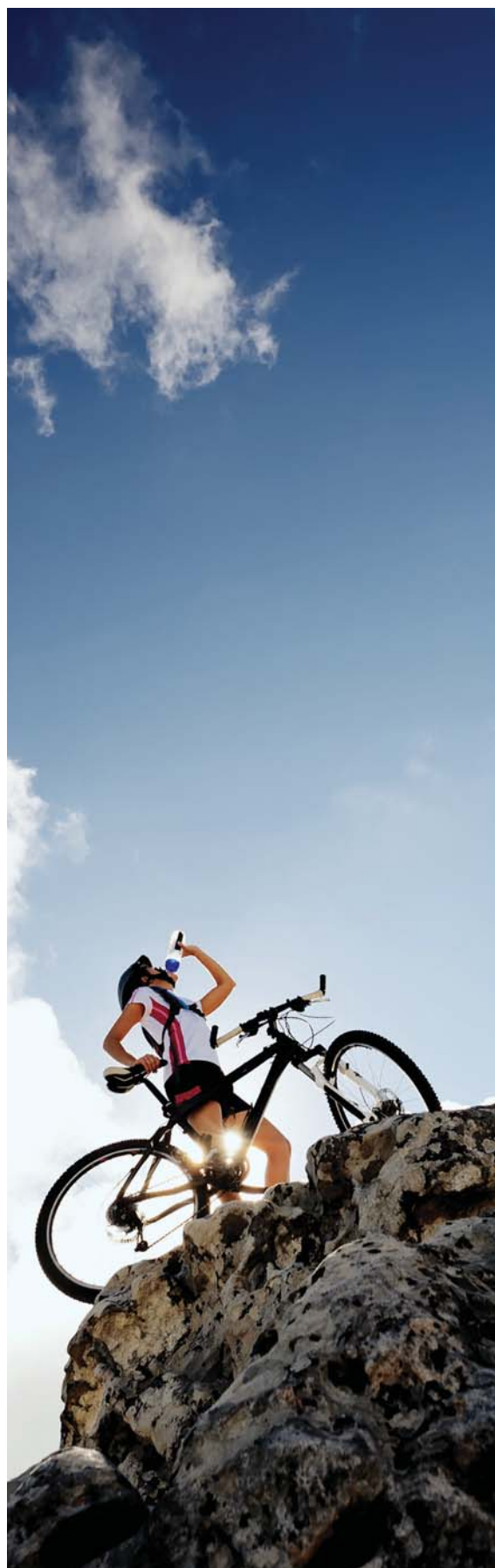
The Board member fee structure has two components:

- A retainer
- A Board or Board Committee meeting attendance fee

The Chairperson of the Board receives an all-inclusive retainer and does not receive any other fees or a retainer for attendance at Board or Committee meetings.

Non-executive Director fees are benchmarked every second year against a peer group. The last peer group review included Alexander Forbes, Barclays Africa Group (Absa), FirstRand, Liberty, MMI, Nedbank, Sanlam and Standard Bank.

There is no limitation on the number of times a Non-executive Director may stand for re-election. Proposals for re-election are based on individual performance and contribution, which is reviewed by the Board.



TOTAL INCENTIVE OUTCOMES

Fixed remuneration increases

We award salary increases around CPI and have established a cost-to-company threshold, below which increases awarded are notably higher than CPI. The threshold is currently R138 000 per annum and is reviewed annually. Employees below the threshold (as reviewed annually) have received increases of around 10% per annum for the past few years.

%	2017	2018
CPI (July headline)	4.6	5.1
Executive Directors	6	5.5
Management and Executives	6	5.5
Employees	6	5.5
Minimum salary	10	10

Summary of 2018 total incentive outcomes

	2017	2018	YoY change %
Director incentive (SA)	12 698 301	15 854 686	25
Participants	7	7 ¹	
Management incentives	213 694 537	265 575 285	24
Participants	996	1 134	14
Profit pool	48 616 429	85 184 359	75
Participants	183	203	11
Annual bonus pool	275 009 267	366 614 330	33²

Notes

- ¹ Reduced to six following Richard Farber's resignation as an Executive Director in March 2018.
- ² The growth in the annual bonus pool is impacted by the fact that the profit pool paid out at 98% of target in FY2018, versus 69% of target in FY2017. Growth in the management incentive portion was also impacted by management headcount growth, as well as an increase in the on-target percentage of some senior managers, for alignment to the market.

FY2018 EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

The remuneration earned by the Executive Directors and Prescribed Officers during the year is shown below in single figure format. It reflects earnings received and due to each, based on performance over the period under review, in accordance with the guidance in King IV™. All remuneration components are summed into a single total figure, which is representative of the quantum of remuneration most closely linked to performance during the year. Actual remuneration paid to Executive Directors and Prescribed Officers during FY2018 is reflected in the Directorate from page 148 in the annual financial statements.

Specific notes follow after each table. The following generic notes apply to the single figure tables below.

- Other benefits include medical aid or insurance contributions and premiums, travel and other allowances.
- The performance bonus is made up of individual and profit pool portions of the STI Scheme, as well as payments from an outperformance scheme for the Directors in the United Kingdom.
- The LTIP is made up of the vesting 25% tranches of the previous years' phantom awards, using a year-end five-day VWAP, and the Insure LTIP Scheme, where applicable. Refer to the annual financial statements from page 133. Payment of vesting phantom share awards happens in October, using a September five-day VWAP. The FY2018 phantom share award for Executive Directors includes the 2017 vesting, which was delayed as the vesting hurdle was not met in the previous year. The delayed tranche was re-tested for vesting in FY2018 and the hurdle was subsequently met on a compound basis over the total measurement period.



FY2018 EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' SINGLE FIGURE REMUNERATION

	Base salary	Retirement fund	Other benefits	Performance bonus	LTIP reflected	Total
SA Executive Directors (ZAR)						
Adrian Gore	6 599 908	989 937	312 780	7 775 267	4 137 244	19 815 137
Deon Viljoen	4 276 751	652 173	71 400	5 189 623	*	10 189 949
Hylton Kallner	4 913 396	245 653	141 276	6 401 534	**17 566 662	29 268 522
Ayanda Ntsaluba	4 126 865	309 490	222 482	4 977 268	3 369 536	13 005 642
John Robertson	3 759 625	770 474	93 071	4 534 662	3 358 754	12 516 588
Barry Swartzberg	4 906 224	252 381	141 720	5 885 250	#7 484 879	18 670 456
Richard Farber†	4 351 440	413 385	-	870 305	*	5 635 115
Prescribed Officers (ZAR)						
Jonathan Broomberg	4 614 327	230 700	137 298	4 776 265	2 363 953	12 122 544
Kenny Rabson	4 404 152	220 191	357 982	4 599 255	4 136 244	13 717 825
Penny Moumakwa [∞]	1 902 808	204 441	57 112	1 470 051	*	3 634 413
UK Executive Directors (GBP)						
Neville Koopowitz	883 325	10 000	24 179	1 015 221	437 960	2 370 685
Herschel Mayers	886 437	95 318	21 773	828 724	329 467	2 161 719
US Executive Director (US\$)						
Alan Pollard	441 515	17 691	20 988	175 744	#327 824	983 762

Notes:

- * No vesting awards for the period for Deon Viljoen and awards for Richard Farber and Penny Moumakwa forfeited upon resignation as Executive Director and Prescribed Officer, respectively.
- ** Includes payment from Insure LTIP Scheme. This is a three-year scheme which ran from 2015 to 2017 and pays out a percentage of net value created to the management team, subject to profitability hurdles. Two thirds of individual payments are deferred and indexed to the Discovery share price. The first payment was delayed to 2017 and final payment will be made in 2021.
- # Includes portion of the Vitality Group Cash-Settled Share Plan. The Plan vests over the same period as the Phantom Share Scheme, but because the awards do not have a performance condition, the full value is shown on award.
- † Executive Director until March 2018, and received a cost of living adjustment on relocation to Australia. Converted from Australian dollar.
- ∞ Prescribed Officer until February 2018.

To enable comparison with the previous year's earnings, we have restated last year's reported earnings in single figure format below:

	Base salary	Retirement fund	Other benefits	Performance bonus	LTIP reflected	Total
SA Executive Directors (ZAR)						
Adrian Gore	6 233 974	935 012	286 572	5 344 626	2 382 964	15 183 150
Deon Viljoen*	713 207	108 695	11 430	**10 000 000	#10 000 000	20 833 333
Hylton Kallner	4 642 446	232 094	126 018	4 996 176	3 984 295	13 981 030
Ayanda Ntsaluba	3 897 820	292 294	205 266	3 678 108	1 933 038	10 006 528
John Robertson	3 550 085	726 862	84 786	3 061 189	1 933 038	9 355 961
Barry Swartzberg	4 633 673	238 095	128 790	4 309 592	899 868	10 210 019
Richard Farber†	4 740 675	344 665	72 310	3 979 263	1 933 038	11 069 953
Prescribed Officers (ZAR)						
Jonathan Broomberg	4 352 263	217 585	130 710	3 026 826	1 748 539	9 475 924
Kenny Rabson	4 173 140	208 629	318 789	2 914 496	1 748 539	9 363 594
Penny Moumakwa	2 911 181	291 062	61 472	2 006 323	1 748 539	7 018 577
UK Executive Directors (GBP)						
Neville Koopowitz	863 662	10 000	23 763	714 111	1 052 200	2 663 736
Herschel Mayers	861 658	93 888	†452 485	750 061	944 918	3 103 011
UK Executive Directors (US\$)						
Alan Pollard	432 856	10 600	18 744	228 549	47 444	738 194

Notes:

- * Executive Director for two months during the disclosure period.
- ** Sign-on bonus with two-year clawback, awarded in lieu of forfeitable short-term and vesting long-term awards with previous employer.
- # Buy-out awards with no performance conditions. The full value is shown on award, but vesting will occur in four equal tranches, starting two years from date of award, through to five years from date of award, in line with the Phantom Share Scheme.
- † Includes relocation assistance package.

FY2018 REMUNERATION OUTCOMES FOR EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

The explanation of the FY2018 total single figure remuneration outcomes for current Executive Directors and Prescribed Officers is provided below, with general comments on the cost-to-company cost increase, the profit pool payout and the phantom share payout. Specific context is provided for the individual portion of the short-term incentive for the Group Chief Executive and the Group Financial Director. A summary of performance measures for the individual portion of the short-term incentive for other executive directors is provided on page 101.

General commentary

CTC	<p>CTC increases are effective 1 July and is a total amount inclusive of the employee's contribution to retirement funding and other benefits. RemCo approved 5.5% increases in CTC for the Executive Directors and Prescribed Officers for financial year FY2018.</p> <p>For international Executive Directors, inflation-related increases were awarded.</p>
SHORT-TERM INCENTIVES	<p>The Executive Directors and Prescribed Officers participate in an annual incentive scheme that consists of two portions:</p> <ul style="list-style-type: none"> • The individual management incentive portion; and • The profit pool portion. <p>The total award is paid fully in cash.</p> <p>Profit pool portion</p> <p>The Group achieved a normalised operating profit growth (excluding new initiatives) of 18.2% against a target of 18.5%, resulting in a profit pool payout of 98.5%. However, for FY2018 there was a net reduction in participants in the pool by year end, hence an adjustment factor of 113% was applied to all participants at year end. This impact is visible in the proportion of the profit pool that paid out for the year.</p> <p>Individual management incentive portion</p> <p>The individual management incentive portion is based on a balanced scorecard of individual performance metrics.</p> <p>The individual portions for the South African Executive Directors paid out from 83% to 109% of on-target, with some of the notable achievements being:</p> <ol style="list-style-type: none"> 1. Excellent operating profit and new business growth from Discovery Health as well as continued value creation for members. Discovery Health launched Discovery for Business with other Discovery business units. This is an integrated corporate offering, including PrimaryCare and Discovery HealthyCompany. 2. Robust performance by Discovery Life, under tough market conditions. Discovery Life enhanced the impact of the Shared-Value Insurance model through product innovation. The Global Education Protector was recognised as one of the most innovative life insurance products globally (EFMA Accenture Global Innovation in Insurance Awards, Paris 2018), while the new Purple Life plan resulted in a 23% increase in policies with life cover over R10 million. 3. Discovery Invest grew assets under administration by 18% and focused on refining the Shared-Value Insurance model in the context of long-term savings. The business saw continued evidence of positive behaviour change as a result of the Shared-Value Insurance model through boosts that result in members saving for longer, in greater quantities, getting healthier, and withdrawing less. The business extended the model by launching an Umbrella Fund together with a revised Group Risk PayBack product, under the banner of a new Discovery Employee Benefits solution. 4. Discovery Insure turned profitable and continued to improve the quality of the in-force book. Based on the proven efficacy of the Shared-Value Insurance model, Discovery Insure entered the commercial insurance market with a compelling product. 5. Vitality Group transitioned to profitability and the Vitality One technology infrastructure went live over the period, offering a globally unified systems architecture that all markets can access. The Shared-Value Insurance model launched to excellent reception in Japan, in partnership with Sumitomo Life. 6. The South African operations were successfully relocated to the new head office at 1 Discovery Place, which has a five-star green rating. 7. Effective participation in key business initiatives advanced the Group's social compact.

SHORT-TERM INCENTIVES *continued***Individual management incentive portion** *continued*

8. The individual portions paid out from 108.7% to 125.5% of on-target. The combined United Kingdom businesses grew in terms of new business, operating profit and total lives, and VitalityInvest was launched. Management action in VitalityHealth resulted in exceptional Vitality engagement and strong positive selective lapsation. VitalityLife re-engineered itself for a low interest rate environment and continued to innovate. Product development was supported by growth in the distribution footprint, which has positioned the business for continued sales growth in the future.

The incentive pay out for the United States Executive Director paid out at 77% of on-target based on the following consideration.

9. Vitality USA saw high and sustained engagement among users and is making progress in extending its offering to clients beyond employers with its Apple Watch and Active Rewards programmes.

LONG-TERM INCENTIVE

The portions that vested based on performance measurements up to FY2018 included awards from 2013, 2014, 2015 and 2016. All vesting tranches were tested against the HEPS hurdle of CPI + 1.5% and all exceeded the hurdle rates, resulting in 100% vesting for all participants.

Adrian Gore**Group Chief Executive**

	2017	2018	2018 pay mix	On-target pay mix
CTC	7 455 559	7 902 626	40%	38%
Individual incentive	2 721 075	3 315 015	17%	20%
Profit pool	2 623 552	4 460 253	23%	17%
LTI	2 382 964	4 137 244	21%	25%
Total remuneration	15 183 150	19 815 137	100%	100%

VARIABLE REMUNERATION

Adrian's scorecard for his individual incentive included the following measures:

- The Discovery Bank value proposition
- The launch of Discovery Bank
- Progress in the Global Vitality Network
- Specified profit growth target
- Creating funding headroom on the projected financial leverage ratio (FLR)
- Profitable emerging businesses
- The average score of other Directors

Financial performance for the period was strong across all metrics.

At the core of the 2018 Ambition are Discovery's growth engine, capital philosophy and cash framework. These have proved to be robust mechanisms for managing the Group's growth and investment, as demonstrated over the period.

In addition, the 2018 Ambition has served as a powerful strategic framework to guide the mandate and priorities of Discovery's businesses, which all performed excellently over the financial year, and are well positioned for continued growth.

However, delays in certain strategic initiatives around emerging and new businesses impacted the Group Chief Executive's individual portion, resulting in a payout at 84% of on-target.

Deon Viljoen

Group Financial Director

	2017	2018	2018 pay mix	On-target pay mix
CTC	833 333	5 000 326	49%	36%
Individual incentive	-	2 367 500	23%	18%
Profit pool	-	2 822 123	28%	16%
LTI	10 000 000	-	-	29%
Sign-on	10 000 000	-	-	-
Total remuneration	20 833 333	10 189 949	100%	100%

VARIABLE REMUNERATION

Deon's scorecard for his individual incentive included the following measures:

- Successful execution of the funding plan
- Creating funding headroom on the projected FLR
- Successful transition to the position of Group Financial Director
- Specified profit growth target
- Target operational efficiencies
- Employment equity

Financial performance for the period was strong across all metrics.

Deon successfully established an unsecured R10 billion Domestic Medium-Term Note (DMTN) programme listed on the JSE. In terms of this programme, R1.5 billion JSE Listed Notes were issued in the inaugural issuance on 21 November 2017.

Deon played a key role in the execution and communication of the Group strategy to both internal and external stakeholders. He was also responsible for the establishment of governance structures relating to the IFRS 17 project and has focused efforts across finance on talent development.

Deon's individual portion paid out at 95% of on-target, impacted by below target performance against the employment equity measure in the first half, notwithstanding the good performance against this measure in the second half.

VARIABLE REMUNERATION FOR OTHER EXECUTIVE DIRECTORS

In addition to the profit pool portion, the scorecard for individual incentives included the following measures:

SOUTH AFRICA

Hylton Kallner

- New business targets for South African products
- Specified profit targets for Discovery Life and Vitality
- Target Discovery Life return on capital (ROC) and cash generation
- Positive experience variances in Discovery Life EV
- Develop specified products
- Brand building initiatives and launches
- Employment equity

Ayanda Ntsaluba

- Guide business initiatives that advance the social compact
- Guide regulatory impact and stakeholder engagement
- Advancement of the national policy imperative to realise universal health coverage
- Execution of global expansion initiatives
- Employment equity

John Robertson

- Prepare technology environment for the move to 1 Discovery Place
- Manage move of Sandton-based staff to 1 Discovery Place
- Savings targets related to systems and facilities
- Employment equity

Barry Swartzberg

- Specified profit targets
- Deployment of Vitality One (technology and platform)
- Launch of specified partner market
- Vitality Active launches in new markets
- Employment equity

UNITED STATES

Alan Pollard

- Specified reward partners successfully launched
- Specified products developed
- Target number of new global partners signed

UNITED KINGDOM

Neville Koopowitz

The individual incentive is the business unit score for VitalityHealth. The outperformance scheme includes the following specific measures:

- Target new business, VNB and operating profit
- Target ROC

Herschel Mayers

The individual incentive is the business unit score for VitalityLife. The outperformance scheme includes the following specific measures:

- Target new business and operating profit
- Target ROC
- Target internal rate of return (IRR) for new business
- Target return on EV
- Service excellence based on an external survey



EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' PARTICIPATION IN THE SHARE INCENTIVE SCHEMES

Name	2017	2018					
	Opening number on 1 July 2017	Granted during 2018	Forfeited/ lapsed during 2018	Exercised/ settled during 2018	Closing number on 30 June 2018	Cash value received during the year	Closing fair value at 30 June 2018
	Number of awards	Number of awards	Number of awards	Number of awards	ZAR	ZAR	
Adrian Gore							
Discovery Phantom Share Scheme	75 813	55 788		14 436	117 165	2 044 789	16 823 388
Executive Scheme	16 295			16 295		2 111 852	
Discovery Phantom Options Scheme	91 417			40 737	50 680	2 249 023	2 266 324
Barry Swartzberg							
Discovery Phantom Share Scheme	73 966	7 858		11 170	70 654	1 582 195	10 206 148
Executive Scheme	18 434			18 434		2 388 973	
Discovery Phantom Options Scheme	65 583	15 715		31 797	49 501	1 902 419	2 122 248
Vitality Group Cash-Settled Plan		254 244			254 244		3 270 277
Ayanda Ntsaluba							
Discovery Phantom Share Scheme	68 702	19 732		11 170	77 264	1 582 195	11 133 204
Executive Scheme	22 489			22 489		2 914 547	
Discovery Phantom Options Scheme	65 583	39 465		31 797	73 251	1 902 419	3 046 186
John Robertson							
Discovery Phantom Share Scheme	68 409	32 636		11 170	89 875	1 582 195	12 924 114
Executive Scheme	20 277			20 277		2 627 871	
Discovery Phantom Options Scheme	65 583			31 797	33 786	1 902 419	1 510 894
Richard Farber							
Discovery Phantom Share Scheme	90 641		79 471	11 170		1 582 195	
Executive Scheme	18 434			18 434		2 388 973	
Discovery Phantom Options Scheme	110 047		67 134	42 913		1 977 007	

Name	2017	2018				
	Opening number on 1 July 2017	Granted during 2018	Forfeited/ lapsed during 2018	Exercised/ settled during 2018	Closing number on 30 June 2018	Cash value received during the year
	Number of awards	Number of awards	Number of awards	Number of awards		
Deon Viljoen						
Discovery Phantom Share Scheme	75 785	22 450			98 235	13 955 721
Discovery Phantom Options Scheme		44 899			44 899	1 746 689
Hylton Kallner						
Discovery Phantom Share Scheme	138 571	369 999		21 897	486 673	3 101 639
Executive Scheme	27 651			27 651		3 583 460
Discovery Phantom Options Scheme	129 943			53 250	76 693	2 841 310
Alan Pollard						
Discovery Phantom Share Scheme	17 773	7 591		3 737	21 627	529 381
Executive Scheme	19 663			19 663		2 548 238
Discovery Phantom Options Scheme	37 093	15 181		10 627	41 647	635 735
Vitality Group Cash-Settled Plan		245 609			245 609	3 159 207
TVG Stock Plan	1 161 306			418 265	743 041	259 324
Herschel Mayers						
Discovery Phantom Share Scheme	30 473			11 170	19 303	1 582 195
Executive Scheme	26 360			26 360		3 416 232
Discovery Phantom Options Scheme	65 583			31 797	33 786	1 902 419
Vitality Phantom Share Scheme	19 493	14 624			34 117	20 447 937
Vitality Phantom Options Scheme	19 978				19 978	12 696 077



EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' PARTICIPATION IN THE SHARE INCENTIVE SCHEMES CONTINUED

Name	2017	2018				
	Opening number on 1 July 2017	Granted during 2018	Forfeited/ lapsed during 2018	Exercised/ settled during 2018	Closing number on 30 June 2018	Cash value received during the year
	Number of awards	Number of awards	Number of awards	Number of awards	ZAR	ZAR
Jonathan Broomberg						
Discovery Phantom Share Scheme	44 490	24 620		10 030	59 080	1 420 750
Executive Scheme	20 072			20 072		2 601 327
Discovery Phantom Options Scheme	58 155			28 592	29 563	1 731 489
Kenny Rabson						
Discovery Phantom Share Scheme	66 722	24 620		10 030	81 312	1 420 750
Executive Scheme	20 789			20 789		2 694 231
Discovery Phantom Options Scheme	102 619			39 708	62 911	1 806 078
Neville Koopowitz						
Executive Scheme	40 861			40 861		5 295 558
Vitality Phantom Share Scheme	47 326	14 624		14 585	47 365	7 727 389
Vitality Phantom Options Scheme	19 978				19 978	12 696 077
Penny Moumakwa						
Discovery Phantom Share Scheme	44 490		34 460	10 030		1 420 750
Executive Scheme	14 983			14 983		1 941 704
Discovery Phantom Options Scheme	58 155		29 563	28 592		1 731 489

TERMINATION OF OFFICE PAYMENT

There were no termination of office payments to Executive Directors or Prescribed Officers during the period.

2018 NON-EXECUTIVE DIRECTORS' FEES

Payments to Non-executive Directors for the year ended 30 June 2018 for services rendered are as follows:

R'000	Services as directors	Other benefits ¹	Total
MI Hilkowitz	4 200	-	4 200
R Farber ²	1 353	-	1 353
Dr BA Brink	1 286	-	1 286
HL Bosman ³	1 278	-	1 278
SE De Bruyn Sebotsa	1 371	-	1 371
R Enslin ⁴	830	99	929
F Khanyile ⁵	614	-	614
Dr TV Maphai	859	-	859
TT Mboweni	1 317	-	1 317
AL Owen ⁶	2 446	175	2 621
SV Zilwa	1 577	-	1 577
Total	17 131	274	17 405

¹ "Other benefits" comprise medical aid contributions, travel and other allowances.

² R Farber was re-designated as a Non-executive Director on 1 April 2018. Remuneration and services rendered fees consists of AUD and rand components.

³ Director's fees for services rendered by HL Bosman were paid to Rand Merchant Insurance Holdings Limited.

⁴ Director's fees for services rendered are paid in USD.

⁵ Director's fees for services rendered by F Khanyile were paid to WDB Investment Holdings Proprietary Limited.

⁶ Director's fees for services rendered are paid in GBP.

DIRECTORS' AND PRESCRIBED OFFICERS' 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 and Prescribed Officers of Discovery have disclosed the following interest in the ordinary shares of the Company at 30 June:

Directors and Prescribed Officers	Direct beneficial	Indirect beneficial	Total 2018	Direct beneficial	Indirect beneficial	Total 2017
A Gore	-	49 618 784	49 618 784	-	49 618 784	49 618 784
R Farber	55 076	-	55 076	55 076	-	55 076
HD Kallner	100 398	-	100 398	100 398	-	100 398
NS Koopowitz	-	962 004	962 004	250 000	852 764	1 102 764
HP Mayers	36 948	8 449 550	8 486 498	36 948	8 449 550	8 486 498
A Ntsaluba	110 164	-	110 164	110 164	-	110 164
A Pollard	1 423 099	-	1 423 099	1 423 099	-	1 423 099
JM Robertson	1 404 439	3 390 812	4 795 251	1 404 439	3 390 812	4 795 251
B Swartzberg	3 384 227	22 279 011	25 663 238	3 384 227	22 279 011	25 663 238
DM Viljoen	10 000	-	10 000	10 000	-	10 000
Dr J Broomberg	152 842	-	152 842	160 842	-	160 842
Dr P Moumakwa	-	-	-	13 284	-	13 284
H Bosman	-	77 027	77 027	-	77 027	77 027
Dr BA Brink	25 000	-	25 000	25 000	-	25 000
Dr TV Maphai	1 919	491 395	493 314	1 919	1 074 349	1 076 268
K Rabson	-	755 000	755 000	-	755 000	755 000
SE De Bruyn Sebotsa	65 800	-	65 800	65 800	-	65 800
AL Owen	33 747	-	33 747	33 747	-	33 747
SV Zilwa	-	34 780	34 780	-	34 780	34 780
Total	6 803 659	86 058 363	92 862 022	7 074 943	86 532 077	93 607 020

The following sales of Discovery Limited shares have taken place between 30 June 2018 and the date of publication of the report:

Directors and Prescribed Officers	Direct beneficial	Indirect beneficial
Dr J Broomberg	20 000	
A Ntsaluba	7 000	
A Pollard	230 000	
Dr TV Maphai		84 000



NON-EXECUTIVE DIRECTORS' FEE PROPOSAL FOR FY2019

The fee structure for FY2018 and proposed for FY2019 is shown below (exclusive of VAT). The fees for FY2019 will be tabled at the AGM for approval as a special resolution.

	Current	Proposed
Retainer for the Board Chairperson	R4 200 000	R4 431 000
SA-based board retainer	R200 000	R211 000
SA-based board attendance fee	R33 500 per meeting	R35 350 per meeting
SA-based committee chairperson retainer	R225 200	R237 590
SA-based committee members retainer	R130 375	R137 550
SA-based committee chairperson attendance fees	R26 075 per meeting	R27 500 per meeting
SA-based committee member attendance fee	R16 600 per meeting	R17 510 per meeting
US-based board retainer	\$39 620	\$40 800
US-based board attendance fee	\$6 565 per meeting	\$6 760 per meeting
UK-based board retainer	£30 155	£31 060
UK-based board attendance fee	£5 065 per meeting	£5 220 per meeting
UK-based committee chairperson retainer	£28 535	£29 390
UK-based committee chairperson attendance fee	£2 800 per meeting	£2 890 per meeting
UK-based committee member retainer	£8 615	£8 870
UK-based committee member attendance fee	£1 190 per meeting	£1 225 per meeting
AU-based board retainer	AUD	AUD54 350
AU-based board attendance fee		AUD9 130 per meeting
AU-based committee member retainer		AUD15 520
AU-based committee member attendance fee		AUD2 145 per meeting
Travel allowance for return international travel	\$2 700 per return leg	\$2 700 per return leg

STATEMENT ON COMPLIANCE WITH THE REMUNERATION POLICY

The RemCo has satisfied itself that the remuneration policy as detailed in the 2018 Remuneration Report was complied with, and there were no substantial deviations from the policy during the year.

ADVISORY VOTE ON THE IMPLEMENTATION REPORT

The Board will table the implementation report for a non-binding advisory vote by shareholders at the AGM on an annual basis. Discovery will announce the voting results following the AGM.