

JUNE  
2024

# POLICY

## BOARD GOVERNANCE POLICY

GROUP-WIDE

CONFIDENTIAL



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# 1 | INTRODUCTION

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## 1.1 PURPOSE

- 1.1.1 The Discovery Group ('the Group' or 'Discovery') was founded with the core purpose of making people healthier, and enhancing and protecting their lives. Discovery has a unique entrepreneurial spirit, with a strong emphasis on innovation, and strives to attract the best talent for its organisation. Discovery empowers its executive management team, expects the highest level of integrity and adherence to the Discovery values, and requires astuteness and accountability.
- 1.1.2 The success of the Group depends heavily on the suitability of persons who make critical business decisions or who have the capacity to significantly affect the financial standing of the Group. Therefore, the Group has the responsibility to ensure that these persons act ethically and effectively.
- 1.1.3 The purpose of this Policy is to:
- Provide a framework for ensuring the fitness and propriety of key persons in the Group (see section 4 for definitions)
  - Set out the principles for the nomination of directors
  - Set out the principles for promoting diversity on its Boards
  - Set out the principles for evaluating the performance of the individual directors and the collective Board with its committees
  - Set out the guiding principles in the consideration of tenure of independent non-executive directors on the board
  - Ensure that legislative requirements are met.
- 1.1.4 This policy is informed by best practice in corporate governance and it meets regulatory requirements.

## 1.2 APPLICATION

- 1.2.1 This policy applies to Discovery Limited and its Subsidiaries. This includes the following:
- The Board;
  - Board committees;
  - Individual members of the Board of Directors (executive and non-executive directors);
  - Auditors;
  - The Company Secretary; and
  - Senior managers who have been identified as key persons.
- 1.2.2 All local and international subsidiary operations of Discovery Limited should apply the principles and intent of this Policy in appointing key persons, nominating directors, driving diversity on their boards, and evaluating boards and individual members thereof.

## 1.3 IMPLEMENTATION

- 1.3.1 The Board of Discovery Limited must ensure that this policy is implemented across the Group.
- 1.3.2 Each entity in the Group must:
- Follow the legislation applicable in that country's jurisdiction
  - Have procedures in place to align its operations with the spirit and purpose of this policy.





- 1.3.3 Each directly held intermediate holding company of Discovery Limited must facilitate the adoption of this policy by the boards of its directly or indirectly held subsidiaries and is responsible for overseeing its direct and indirect subsidiaries.
- 1.3.4 As there is no intermediate holding company in respect of the South African-domiciled subsidiaries that are directly held by Discovery Limited, the CEO of the South African composite fulfils the role of oversight and other responsibilities of directly held intermediate holding companies as set out in this policy.
- 1.3.5 A subsidiary within the Group may elect to have its own policy that takes into account its nature, scale and complexity, and the legislation under which it operates.
- 1.3.6 Such a policy must be consistent with this policy and the Board of Discovery Limited must approve any deviation from this policy by any of its directly held subsidiaries, unless the deviation is necessary to facilitate compliance with legislative and regulatory requirements. In the latter instance, the approval is automatically granted if the board of a subsidiary has communicated the need for such a deviation to the Board of Discovery Limited.
- 1.3.7 In respect of indirectly held subsidiaries of Discovery Limited, the board of the relevant intermediate holding company must approve any deviation from this policy by any of its directly or indirectly held subsidiaries.

## 2 | OUR APPROACH

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### 2.1 FIT AND PROPER

#### 2.1.1 BOARD OF DIRECTORS

- 2.1.1.1 The Board of Discovery Limited has ultimate responsibility for ensuring that all the boards of the subsidiaries in the Group comply with the fitness and propriety principles and requirements as set out in this section of the policy. This is in line with Discovery's values of integrity, honesty, and fairness, and it is in the interest of embedding a strong culture based on sound corporate governance principles and ethical standards.
- 2.1.1.2 Legislation and corporate governance best practices require all boards to verify that their members meet the appropriate fit-and-proper criteria of honesty, integrity, and good standing.<sup>1</sup>
- 2.1.1.3 The concepts of fitness and propriety take a broad view of suitability. Competence is critical, and includes formal qualifications, skills, practical experience and integrity. Therefore, each board must determine its members' and senior managers' fit-and-proper status by adopting this policy. The boards must also establish processes and procedures to elaborate on what it entails to be fit and proper. These processes and procedures should determine how the fit-and-proper status will be implemented and monitored.
- 2.1.1.4 The Board of Discovery Limited and the boards of all the subsidiaries are responsible for providing assurance to its direct holding companies that the above processes have been established and are being implemented. The boards should ensure that all key persons are fit and proper in their roles. This is done by testing and assessing their fitness and propriety.

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<sup>1</sup> Discovery Limited and the SA composite must adhere to the requirements as set out in the Insurance Act, 2017, the Financial Sector Regulation Act, 2017, the Governance and Operational Standards for Insurers and the Governance and Operational Standards for Insurance Groups. Where more stringent requirements exist in other composites, those requirements will take precedence over the aforementioned legislation for Discovery Limited.



## **2.1.2 OTHER KEY PERSONS**

Key persons are required to have integrity and competence to meet the demands of their roles. All appointments of key persons are subject to a fitness and propriety evaluation, followed by annual verifications.

### **2.1.2.1 Competency**

2.1.2.1.1 Key persons must, at all times, have satisfactory educational qualifications, experience and expertise, and relevant skills and knowledge in respect of the duties to which they have been appointed.

2.1.2.1.2 Key persons must, when applying for a position that forms part of the Group, submit a copy of an identity document and a complete curriculum vitae together with relevant supporting documents. The documents must confirm educational qualifications and proof of memberships that apply to the appointment.

### **2.1.2.2 Integrity**

2.1.2.2.1 Key persons are required to display honesty and strong moral principles. They will be required to respond to a Fit and Proper Verification Questionnaire. The outcome thereof will indicate whether the key person might lack integrity.

## **2.1.3 ASSESSMENTS**

### **2.1.3.1 Initial evaluation**

2.1.3.1.1 An evaluation of the fit-and-proper status of all persons provided for in this policy must be undertaken by the Company Secretary and/or Compliance function before finalising the proposed appointment or re-appointment of a director or auditor.

2.1.3.1.2 To determine a person's fit-and-proper status, all key persons are required to give consent. This includes, but is not limited to, access to information about credit history, criminal record, anti-money-laundering sanctions, status as politically exposed person, adverse media cover, and qualification screenings (on appointment).

2.1.3.1.3 The applicable consent documents must be signed to allow the necessary screenings. The consent will remain in force for re-screening for as long as the person remains in the same position in the company. If a person refuses to give consent, this will be grounds for termination of appointment.

### **2.1.3.2 Annual assessments**

2.1.3.2.1 The Group is required to conduct periodic (at least once a year) fit-and-proper assessments on all key persons.

2.1.3.2.2 The Board must ensure that:

- A formal evaluation is undertaken every year to evaluate the fit-and-proper status of all key persons to ensure the fitness and propriety conditions are met on a continuous basis
- A formal evaluation is conducted at any point when the Group becomes aware of information that may suggest that the fit-and-proper status of a key person is in doubt or compromised.

### **2.1.3.3 Evaluation results**

The fitness and propriety evaluation results must be considered as follows:



#### **2.1.3.3.1 Key person**

If the results of any evaluation highlights that a key person may not be fit and proper, it must be brought to the attention of the Heads of the Risk and Compliance Control Functions and relevant Chief Executive Officer ("CEO") to advise on further action required.

#### **2.1.3.3.2 Director, CEO or auditor**

If the results of any evaluation highlights that a key person who is a director, CEO or auditor may not be fit and proper, it must be brought to the attention of the relevant committee to advise on further action required.

#### **2.1.3.4 Retention of records**

The Group must retain all records for the duration of the term of employment or arrangement, or longer if required by legislation or a regulatory body. These records include an immediate predecessor's personal fit-and-proper evaluations, as well as screening verifications.

### **2.1.4 ATTESTATIONS**

Each directly held intermediate holding company of Discovery Limited must provide an annual attestation on the adherence to this section of the policy, including that of its direct and indirect subsidiaries.

## **2.2 NOMINATION OF DIRECTORS**

The Discovery Limited Board acknowledges the need for a nominations policy as recommended by the Johannesburg Stock Exchange ("JSE") Debt Listings Requirements. This section of the policy sets out the practices of the Board in respect of matters such as the nomination, selection, screening and appointment of members of the Board.

The processes for the nomination, election and appointment of directors should be formal and transparent. The Board is responsible for ensuring that the following process is followed before nominating directors for election. The Board must:

- Independently investigate candidates' backgrounds
- Independently verify candidates' qualifications
- Get a brief professional profile of each candidate standing for election or re-election, including details of existing professional commitments.

### **2.2.1 CONSTITUTION AND COMPOSITION OF THE BOARD**

2.2.1.1 The Board must adhere to the principles as contained in the Group Governance Framework and the Company's founding documents.

2.2.1.2 The knowledge, expert skills and experience of its current directors as well as the size, independence, demographics, gender and racial diversity of its members will be considered to ensure that the Board operates effectively, considering the size, nature and complexity of the company's business and that of the Group.

2.2.1.3 The composition of the Board will be reviewed every year to ensure that an appropriate combination of knowledge, expert skills and experience of current members are maintained and that it remains in line with the Board's diversity targets.



## **2.2.2 BOARD MEMBERSHIP CRITERIA**

- 2.2.2.1 Directors must ascribe to the Discovery values and uphold them. These are more comprehensively described in the Group's values statement but include values of innovation and optimism; business astuteness and prudence; great people; liberating the best in people; intellectual leadership; integrity, honesty and fairness; tenacity, urgency and drive; customer, customer, customer; and being a force for good. It is important for the Group to maintain its entrepreneurial culture by having directors who know the origins of the Group as well as the spirit and culture of the business, for continuity and corporate memory.
- 2.2.2.2 Directors should individually and collectively possess the following characteristics to enable sound and prudent execution of accountabilities and responsibilities:
- The necessary professional and/or formal education qualifications commensurate with the size, complexity, and risk profile of the company
  - Technical and business managerial knowledge, skill and expertise
  - Knowledge and understanding of the laws and regulations that govern the activities of the company
  - Independence of mind in the best interests of the company and conflicts of interest, whether actual or perceived, should be disclosed, effectively managed and/or avoided where necessary
  - Diligence in performing their duties and devoting sufficient time to the company's affairs
  - The ability to balance the legitimate and reasonable needs, interests and expectations of all stakeholders in the best interest of the company
  - The ability to make responsible decisions that build sustainable businesses by having regard to the company's economic, social and environmental impact on the community;
  - A good reputation and integrity, with due consideration of their criminal, financial, professional or supervisory antecedents
  - The ability to act with transparency in exercising their governance role and responsibilities and be accountable for the execution of responsibilities, even when these were delegated
  - Any other additional requirements, as may be deemed fit by the Board of the company.
- 2.2.2.3 When assessing the skills and suitability of a director, the Board of the company should consider the collective knowledge competence, and experience of the current Board with respect to:
- Market knowledge
  - The systems of governance, risk management and internal control, but with reference to the risks faced by the company
  - Financial and actuarial knowledge and understanding, as well as expertise in other areas of specialisation such as technology
  - The regulatory framework and requirements.

## **2.2.3 BOARD MEMBER APPOINTMENT**

- 2.2.3.1 Directors are appointed through a formal, transparent process performed by the Board of the company.
- 2.2.3.2 The Group Nominations Committee:
- Assists in identifying, electing and appointing potential candidates for the Board, and will make recommendations on the appointments of executive directors ("EDs") and non-executive directors ("NEDs"). Appointment is subject to approval by shareholders at any shareholder meeting or the annual general meeting ("AGM") by means of an ordinary resolution.
  - Must consider all proposed director appointments at subsidiaries that are high material + low regulated and high material + high regulated (see paragraph 4.1 of the Group Governance



Framework for a description of these classifications). This needs to happen before appointments take effect, and the committee may veto proposed appointments.

- Must be informed of all director appointments at other subsidiaries at the next meeting following such an appointment or an earlier date, if deemed necessary.

2.2.3.3 The Board, with the recommendation of the Group Nominations Committee, will assess and take into consideration every director's circumstance, as well as the nature, scale and complexity of other directorships held. The purpose is to assess and ensure that directors are able to devote sufficient time and duly discharge their responsibilities as a director.

2.2.3.4 A person who meets any of the following criteria may be appointed to the Board but will not be deemed to be an independent director of the Board:

- a) A representative of a major shareholder
- b) A direct or indirect shareholder of more than 5% of the total issued shares of the company
- c) A direct or indirect shareholding of less than 5% of the total issued shares of the company if such shareholding is material to their personal wealth
- d) A professional adviser, material customer or supplier to the company, if a reasonable and informed third party would conclude in the circumstances that the integrity, impartiality or objectivity of that director is compromised by that relationship
- e) Anyone who in the previous three years had been a key member of the external audit team that was directly or indirectly responsible for performing the statutory audit of the company
- f) Anyone who had been an executive director, the CEO or an executive officer of a company within the Group at any time during the preceding three years
- g) Anyone who served as an independent NED in the Group for a period of nine years and on assessment was found to no longer be independent or caused to be independent in terms of applicable legislation
- h) A member of an immediate family of an individual who falls within any of the above categories
- i) Anyone who is entitled to remuneration that depends on the performance of the Group

2.2.3.5 When considering the appointment of a foreign or domestic prominent influential person as a director, the Committee should consider the requirements set out in the JSE Debt Listings Requirements. Politically exposed persons are screened in terms of the Anti-money-laundering and Counter-financing-terrorism Risk Management and Compliance Programme.

## 2.2.4 AMENDMENTS TO THIS SECTION OF THE POLICY

Changes to Discovery Limited with regard to this section of the policy or deviations, together with the reasons for the changes, will be immediately announced on the Stock Exchange News Service (SENS) in accordance with the JSE Debt Listings Requirements in South Africa.

## 2.3 BOARD DIVERSITY

The Discovery Limited Board acknowledges the need for a policy on the promotion of broader diversity at board level, specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience, as required by the principles of good governance and the JSE Listings Requirements.

### 2.3.1 BOARD STATEMENT

The Board of Discovery Limited believes in the benefits that diversity brings, and it recognises that diversity of thought makes prudent business sense. The Board is committed to enhancing diversity to achieve these benefits in line with its stated values.





## **2.3.2 LEGISLATIVE IMPERATIVES AND BEST PRACTICE**

- 2.3.2.1 The Board of Discovery Limited, as a company listed on the JSE and as a licensed controlling company of an insurance group, must have the appropriate balance of ability, diversity and independence for it to carry out its governance role and responsibilities objectively and effectively considering the nature, scale and complexity of the business and its risks.
- 2.3.2.2 Discovery Limited must report to shareholders in its integrated report on how the Board and the Group Nominations Committee have considered and applied the principles as set out in this policy in the nomination and appointment of directors. If applicable, it must be explained why any of the diversity indicators have not been applied, and report on progress made in respect thereof against agreed voluntary targets.

## **2.3.3 DIVERSITY**

- 2.3.3.1 Diversity should be understood as the varied perspectives and approaches offered by members of different identity groups.
- 2.3.3.2 For purposes of board composition, diversity includes, but is not limited to, business and industry knowledge, skills and experience, age, gender, race and culture. The Board will make good use of these differences and distinctions among individuals in determining the optimum composition of the Board.
- 2.3.3.3 Having a board composed of different genders and with diverse skills, experience, backgrounds and perspectives has the following benefits:
- Credibility
  - Competitive advantage
  - Robust understanding of opportunities, issues and risks
  - Inclusion of different concepts, ideas and relationships
  - Better understanding of client base and the environment that the business operates in
  - Enhanced decision-making and dialogue
  - Heightened capacity for oversight of the organisation and its governance

## **2.3.4 TARGETS, ASSESSMENT AND REPORTING**

- 2.3.4.1 Realistic and measurable voluntary targets should be set to achieve appropriate diversity on the boards.
- 2.3.4.2 Progress towards achieving these targets must be reported on in the annual integrated report.
- 2.3.4.3 The Group Nominations Committee will annually review board composition and make recommendations on the appointment of new directors and actions that may be taken to meet the voluntary targets referred to above. In reviewing board composition, the Group Nominations Committee must, in advising the Discovery Limited Board, consider the benefits of all aspects of diversity to enable it to carry out its duties and responsibilities effectively and in accordance with this policy.
- 2.3.4.4 The Group Nominations Committee must table its reviews at the first board meeting following the completion of the reviews. While it is imperative for racial and gender diversity in subsidiary boards outside South Africa, it does not have the same context and, as such, the voluntary targets for race and gender are for the Discovery Limited Board only, but are encouraged groupwide.

## **2.4 EVALUATION OF DIRECTORS**

- 2.4.1 The Board acknowledges the need for an Evaluation of Directors' Policy, as required by sound governance practice.



2.4.2 In addition, in terms of the JSE Debt Listings Requirements, all debt issuers must have a policy on the evaluation of the performance of the Board of the applicant issuer and that of its committees, its chairperson and its individual directors, in accordance with the provisions of the King IV Report on Corporate Governance for South Africa, 2016 ("King IV"). The issuer must confirm this by reporting to holders of debt securities in its annual financial statements that the Board has executed this responsibility.

2.4.3 Performance evaluations produce insights into the effectiveness of the Board. There are several factors that the board must consider ensuring that the process adds value and contributes to improve its performance. These factors include the following:

- All directors should support the evaluation process. Directors need to give the evaluation process due regard and attention to ensure that it is effective. This includes applying their minds to the evaluation questions and answering these honestly, complying with agreed timelines and making time for interviews (if held).
- The evaluation process should ensure anonymity of responses to illicit honest and frank input from directors.
- The Company Secretary or nominee will take responsibility for the process to ensure it is carried out effectively.

2.4.4 The board meeting following an evaluation should provide sufficient time on the agenda for a presentation and discussion of the evaluation results. An action plan should be created to address the results to ensure that development areas and concerns are adequately addressed.

## **2.4.5 REASONS FOR AND BENEFITS OF PERFORMANCE EVALUATIONS**

2.4.5.1 The board is the custodian of corporate governance. There is a direct correlation between the performance of the Group and the performance of its boards. Board culture influences the organisational culture; therefore, it is important to assess and develop the culture that is required at all levels.

2.4.5.2 Continuous performance assessments provide the board with an opportunity to review and improve its performance. A rigorous performance evaluation allows the board to reflect on its roles and responsibilities, its culture and its relationship with management.

2.4.5.3 Performance evaluations are a useful diagnostic tool that aims to help identify where the board is performing well, and which areas require development. Some of the benefits that arise from performing regular performance evaluations include the following:

- Identifying key development areas
- Identifying director development programmes to improve the competency of Board members
- Improving Board composition by identifying the skills needed on the Board
- Using the results to inform the nomination and election processes of new Board members
- Managing the performance of directors and the Company Secretary
- Identifying changes needed to the company and Board governance documents and processes

## **2.4.6 RESPONSIBILITY**

2.4.6.1 The Chairperson, with the support of the Company Secretary, is responsible for leading the performance evaluation of the Board or relevant committee.

2.4.6.2 Where the Board does not have a lead independent member, the Board, where possible, should appoint an independent non-executive member to lead the performance assessment of the Chairperson.

2.4.6.3 The Chairperson should relay the results of the evaluation to the directors or relevant committees and afford the directors an opportunity to discuss the results openly.



- 2.4.6.4 Where individual peer evaluations are conducted, the Chairperson should have one-on-one consultations with each director to review the results and manage any performance issues that have been identified. Individual peer evaluation results should be kept confidential and should be treated with appropriate sensitivity. These results should not be shared with the rest of the directors or relevant committee to avoid causing a negative and/or disruptive impact on the morale of individual directors and overall Board dynamics.

## **2.4.7 WHAT IS EVALUATED AND HOW OFTEN**

- 2.4.7.1 The performance evaluation should examine the roles and responsibilities of the Board, the effectiveness of its committees, its relationship with key governance players and, overall, assess the key areas that impact its effectiveness.
- 2.4.7.2 The Board assesses its overall performance and identifies its developmental areas. The committee evaluations allow the Board to evaluate the committee's contribution and effectiveness in fulfilling its mandate. Individual evaluations provide insights into the competency and engagement levels of each director. These also include specific evaluations of the Chairperson and Company Secretary. Individual peer evaluations should be used when determining whether to nominate a director for re-election.
- 2.4.7.3 The Board will conduct a formal performance evaluation every year. An independent assessment will be conducted from time to time. Guidelines for best practice suggests that an independent assessment should be conducted every third year, unless there are significant challenges identified in the previous Board and Committee evaluation process.

## **2.4.8 METHODS**

### **2.4.8.1 Quantitative and/or qualitative methods**

- 2.4.8.1.1 Quantitative methods aim to obtain specific, numerical and measurable data through surveys or questionnaires. The results are aggregated and reported back to the board and committees.
- 2.4.8.1.2 Qualitative methods are used to reveal trends in the thoughts and opinions of directors. This can take the form of one-on-one interviews, observation of Board meetings and review of applicable documentation. King IV is not prescriptive on the format of performance evaluations and the decision ultimately depends on the needs of the organisation.

### **2.4.8.2 Internal vs. external facilitated evaluations**

- 2.4.8.2.1 Internally facilitated performance evaluations are conducted by the Chairperson, lead independent director or Company Secretary. Externally facilitated evaluations are conducted by an independent third party.
- 2.4.8.2.2 Irrespective of which method is applied, the facilitator should aim to illicit honest and frank input from directors.
- 2.4.8.2.3 Conducting an externally facilitated evaluation means that the process by which directors' views and scores are obtained is independently facilitated. It is still a self-evaluation and, thus, the evaluation report provided is still a reflection of what the Board, as a collective, feels. An externally facilitated performance evaluation gives the process a level of objectivity and candour.
- 2.4.8.2.4 Whichever method is used, the evaluation should not cause disruption or create tension on the Board. Responses received should be private and confidential, and results should be handled with the necessary sensitivity.



## **2.4.9 RESULTS OF EVALUATIONS**

- 2.4.9.1 The Group is committed to continuous development. It is crucial that the outcomes of performance evaluations and the identified action items are implemented and embedded into the practices of the Board.
- 2.4.9.2 Communicating and understanding the results of the performance evaluation are crucial parts of the process.

## **2.5 BOARD TENURE**

- 2.5.1 In terms of the Discovery Limited Memorandum of Incorporation ("MOI"), NEDs are appointed for a period not exceeding three (3) years and are subject to re-election on a rotational basis. The reappointment of NEDs is not automatic and depends on the knowledge and skills required by the Board at any point in time, Board diversity targets and the Director's suitability to serve.
- 2.5.2 Independence is thus not the only factor/quality required on the Board in order for it to be effective and efficient. Organisations therefore need to look at independence of the governing body from a holistic perspective taking into consideration, amongst others, the total skills, experience, and diversity required of the governing body to make it optimal.
- 2.5.3 Any director who is regarded as independent at the holding company level, is also considered to be independent with respect to most subsidiary within the group, except the Bank.
- 2.5.4 Independence not only means lack of conflicts of interest, but it also means objective decision making to the benefit of the entity. This would include independence of thought as well as independence of action.
- 2.5.5 Other independence measures can refer to shareholding, the representation of a significant stakeholder group, or relationships with executive members of the entity.
- 2.5.6 The DSY Board tenure for independent NEDs is 9-year tenure for Board membership with effect from 1 July 2024, with an option to extend to 12 years, subject to regulatory and jurisdictional provisions and exempted circumstances which will be agreed upon upfront.
- 2.5.7 Independent NEDs may serve for longer than nine years, subject to a maximum of 12 years, if a vigorous assessment is conducted annually to establish that the director exercises objective judgement and there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making.

## **3 | TRAINING AND ATTESTATION**

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### **3.1 TRAINING**

- 3.1.1 Each subsidiary must develop training programmes for affected persons and ensure that employees complete such training.

### **3.2 ANNUAL ATTESTATIONS**

- 3.2.1 Each directly held intermediate holding company of Discovery Limited must provide an annual attestation on the adherence to the applicable provisions of this policy, including that of its direct and indirect subsidiaries, facilitated by a Discovery Limited platform.



## 4 | DEFINITIONS AND MEANINGS

- 4.1 The following definitions are used in this policy. If a meaning is contained in the JSE Listing Requirements or Financial Markets Act, 2012 reference is made to it without further elaboration. If the meaning has to be specified by Discovery, it is provided in the requisite detail.

DEFINITION	MEANING
competence	This means having the skills, knowledge and expertise needed for the proper discharge of a person's responsibilities in the performance of their functions.
key person	<p>a) Director</p> <ul style="list-style-type: none"><li>• A member of a board of directors and any alternative of such a member</li></ul> <p>b) Senior manager</p> <ul style="list-style-type: none"><li>• The Chief Executive Officer or the person who is in charge of the insurer or a controlling company</li><li>• A person, other than a director or a head of a control function –<ul style="list-style-type: none"><li>○ Who makes or participates in making decisions that –<ul style="list-style-type: none"><li>▪ Affect the whole or a substantial part of the business of an insurer or a controlling company; or</li><li>▪ Have the capacity to significantly affect the financial standing of an insurer or a controlling company.</li></ul></li><li>○ Who oversees the enforcement of policies and the implementation of strategies approved or adopted by the board of directors.</li></ul></li></ul> <p>c) A head of a control function</p> <p>d) An auditor</p>
foreign or domestic prominent influential person	Domestic Influential Person is defined in Schedule 3A to the Financial Intelligence Centre Act No. 31 of 2001

## 5 | COMPLIANCE WITH THIS POLICY

- 5.1 Our policies support our values and reflect what is important to us. We take breaches of our policies seriously. Depending on the severity of the breach, consequences may range from a warning to termination of employment.
- 5.2 Any breach of or non-compliance with this policy must be communicated to the policy owner as soon as reasonably practical. The policy owner, with input from key stakeholders, will consider the appropriate action required. All instances of non-compliance with this policy will be included within the regular risk and compliance reporting processes and will be reported to the relevant board committees.





[www.discovery.co.za](http://www.discovery.co.za)

Discovery Ltd is the licensed controlling company of the designated Discovery Insurance Group. Registration number: 1999/007789/06. Companies in the Group are licensed insurers and authorised financial services providers.

