



# **GOVERNANCE REPORT**

for the year ended 30 June 2024





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Our Governance Report is supported by a comprehensive suite of reports that provide our stakeholders with a holistic overview of the Group, its prospects and performance during the 2024 financial year. These reports can be accessed on our website.

## OUR REPORTING SUITE

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

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

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

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

THIS REPORT

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

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

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

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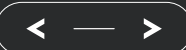
## NAVIGATING OUR REPORTING SUITE

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

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This icon refers to more information in this report



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



Clickable points of interest



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

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# About *this* report

Our Governance Report describes our approach to governance and the structures that support it. Our governance disclosures provide stakeholders with information related to our leadership as custodians of corporate governance, including details on the activities of the Board of Directors (Board) and its committees. In addition, the report explains how we maintain an ethical culture, deliver good performance, ensure effective control and maintain legitimacy.

## REPORTING SCOPE AND BOUNDARY

This report provides a comprehensive view of Discovery Limited's (Discovery or the Group) governance practices from 1 July 2023 to 30 June 2024 (FY2024). It also includes all material events up to the date of Board approval.

## FRAMEWORKS APPLIED

In preparing this report, we were guided by:

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

## FORWARD-LOOKING STATEMENTS

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

## COMBINED ASSURANCE

Discovery is committed to disclosing accurate information that supports a variety of stakeholders in their decision-making. Our Combined Assurance model integrates the efforts of our management and internal and external assurance providers to assure the integrity of this report.

In FY2024, our reporting suite was assured as follows:

- Joint external assurance of Annual Financial Statements by KPMG and Deloitte & Touche (Deloitte)
- Limited external assurance of selected sustainability information by Nexia SAB&T
- Limited assurance of selected factual and quantitative financial and non-financial information by Group Internal Audit
- Limited assurance of selected greenhouse gas emissions inventory by Verify CO<sub>2</sub>
- Verification of B-BBEE rating by Honeycomb BEE Ratings

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

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

## BOARD APPROVAL

Discovery's Board is responsible for the integrity of this report, and confirms the Group complied with the provisions of the Companies Act, its Regulations, Insurance Act, Governance and Operational Prudential Standard for Insurance Groups, the JSE Listings Requirements and JSE Debt Listings Requirements relating to its incorporation, and operated in conformity with its Memorandum of Incorporation during FY2024.

The Board unanimously approved this report on 14 October 2024.

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

**Adrian Gore**  
Group Chief Executive

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*We welcome your feedback on our reporting suite.*

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





# Our governance philosophy *and framework*

Our approach to governance extends beyond compliance. For Discovery, governance is critical to value creation and promotes strategic decision-making that balances short-, medium- and long-term outcomes to align the interests of the Group, stakeholders and society.

Our Board is the Group's highest governing body and is committed to the principles of good corporate governance detailed in King IV™. Discovery's core purpose is to make people healthier and enhance and protect their lives and, to ensure we achieve this, our Board endeavours to preserve the Group's unique entrepreneurial spirit and innovation mindset while entrenching good governance and ethical leadership throughout the organisation.

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

**We believe good governance creates and preserves value by ensuring ethical leadership and transparency, enabling integrated thinking across the Group and enhancing risk and performance management.**

## ACHIEVING OUR GOVERNANCE OUTCOMES

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



**Maintaining an ethical culture**



**Ensuring effective control**



**Delivering good performance**



**Maintaining legitimacy**

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# Our leadership

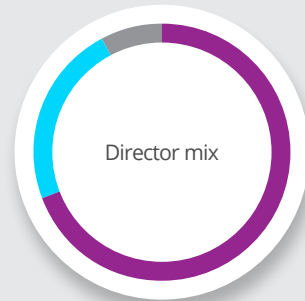
## COMPOSITION OF THE BOARD

Discovery's Board is committed to leading the Group responsibly, ethically and with integrity – thereby ensuring we operate in the best interest of both the business and our stakeholders.

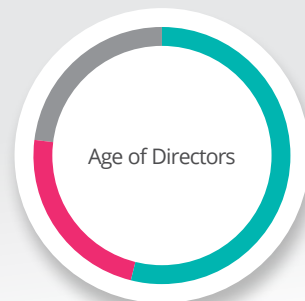
As at 30 June 2024 our Board, led by our Chairperson in his capacity as an Independent Non-executive Director, comprised 13 Directors – 10 Non-executive and three Executive. During the year, two new Non-executives were appointed with effect from 18 September 2023, while two Non-executives retired with effect from 16 November 2023.

Our Directors have diverse knowledge of the industry in which Discovery operates, as well as the requisite technical and academic qualifications, skills and experience necessary given the complexity of the Group's businesses in our South Africa (SA), United Kingdom (UK) and partner markets. Our Executive Directors include our Group Chief Executive, Group Chief Financial Officer (CFO) and Executive Director: Discovery (former Chief Executive Officer: Vitality Global). This ensures that we consider the interests of all our stakeholders while also taking into account our global partnerships. Given the diverse nature of our operations, we believe this enhances discussion and enables more informed decision-making. The Board remains focused on Group-wide issues across all composites, including strategy, capital allocation, governance and risk.

### Our Board leadership statistics



69% Independent Non-executive Directors  
 23% Executive Directors  
 8% Non-executive Directors



23% 55 or younger  
 54% 56 to 65  
 23% 65 or older

### Discovery Board areas of expertise, primary skills and experience



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## BOARD DIVERSITY

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

Our approach to Board diversity is detailed in our Group Board Governance Policy, which is informed by corporate governance best practice and meets regulatory compliance. The policy also contains Discovery's voluntary minimum short- and long-term targets for race and gender representation at Board level. The Nominations Committee considers the requirements of the Board Governance Policy and the voluntary minimum targets when identifying and recommending suitable candidates for appointment to the Board.

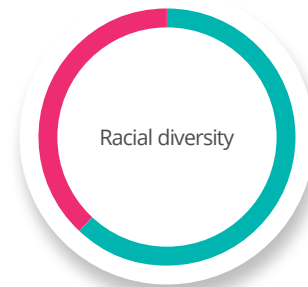
On 30 June 2020, we set voluntary minimum targets to achieve 35% black and 25% female Board representation within three years, and 40% black and 30% female Board representation within five years. In FY2024, our Board comprised 38% black Directors (FY2023: 38%) and 46% female Directors (FY2023: 38%). The Nominations Committee will continue to review the Board's composition annually and make recommendations on the appointment of new Directors and any actions that could be taken to meet the Group's voluntary minimum targets and improve the Board's overall diversity.

**Discovery is committed to promoting diversity at Board level and recognises that diversity of thought encourages constructive debate among Directors.**

### Board diversity statistics



54% Male  
46% Female



62% White  
38% Black



70% 0 to 4 years  
30% 5 to 8 years



## DETERMINING INDEPENDENCE

We assess the independence of our Non-executive Board members against the criteria outlined in King IV™, the Insurance Act and the Governance and Operational Prudential Standard for Insurance Groups. An Independent Director is defined as a Board member who exercises objective judgement and has no interest, position, association or relationship that, when judged from the perspective of a reasonable and informed third party, is likely to influence them unduly or cause bias in decision-making.

The Board conducts an assessment every year to confirm Directors' independence in fact and perception, which includes a review of each Director's circumstances and performance. We believe the Independent Directors who serve on our Board are invaluable in facilitating robust debate and, as such, this assessment is viewed as critical. Our Board composition target remains a majority of Non-executive Directors, of which a majority are independent, which aligns to global best practice and, specifically, the principles of King IV™.

The Board is satisfied there are no relationships or conflicts of interest that could prevent Directors from acting in the best interests of the Group and with due care in discharging their duties. Further, the Board is comfortable with the independence of the Directors. The Board continuously reviews its composition and is committed to appointing new Directors in a mindful and considered manner to protect stakeholder value and deliver robust governance and leadership. The Nominations Committee assists the Board to ensure it has the appropriate balance of skills, qualifications and experience for it to execute its duties effectively. It is also responsible for establishing a Board succession plan, which includes identifying, mentoring and developing future candidates.

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# KEY FOCUS AREAS OF OUR BOARD DURING FY2024

## The Group’s strategic intent in an ongoing challenging macroeconomic environment

Our operating environment remained complex in FY2024, characterised by high interest rates and inflation, the global cost-of-living crisis and geopolitical tensions and instability, as well as energy shortages and political uncertainty in South Africa and pressure on the National Health System in the UK – all of which led to constrained economic growth and volatility. The Board continued to monitor these risks and the Group’s response through appropriate mitigating actions that ensured financial prudence while meeting our stakeholders’ needs.

The Board focused on ensuring the Group’s financial resilience by managing cash, debt and solvency whilst driving growth and return on capital. The Board also oversaw the strategic execution of the Group’s Shared-value model and organic growth ambition. This included a focus on scaling Discovery Bank and Vitality Global as platforms for future growth, as well as the unification of Vitality UK and Vitality Global into a single global composite – Vitality, while continuing to terminate initiatives with marginal benefits. To this end, the Group decided to exit the commercial insurance market in South Africa from 31 August 2024, and successfully completed the closure of VitalityCar and VitalityInvest in the UK.

The Board is satisfied with Discovery’s long-term strategy, as the Group enters a new phase in its lifecycle, and is well positioned to drive this new phase of growth through its two distinct composites. It believes the Group has the necessary resource allocation plans in place to address socioeconomic challenges and achieve Discovery’s strategic objectives.

## Oversight of succession planning and internal talent management

The Board continued to monitor the internal succession and talent pipeline to ensure these remain healthy and robust, and that good succession coverage exists for critical roles in our executive management team. The Board is satisfied with the succession pipeline for executive management, believing it is sufficient and that adequate development plans are in place to close long-term succession gaps.

In line with the requirements of the Employment Equity Amendment Bill, the Group is ensuring its employment equity plan for the period 1 July 2023 to 30 June 2028 will have a meaningful impact on transformation. The plan is supported by a set of talent strategies to ensure the Group attracts, retains and grows diverse talent by building a sustainable internal talent pipeline, funding post-graduate critical skills qualifications, providing employment opportunities to graduates and leveraging partnerships to improve skills development among previously disadvantaged youth in South Africa.

## Navigating regulatory developments

The Group operates in a highly regulated environment that requires it to build compliance capabilities and proactively address regulatory developments. The Board monitored significant developments during the year, including the Employment Equity Amendment Bill, the Council for Medical Schemes’ (CMS) Section 59 investigation interim report, the two-pot retirement system, the Consumer Duty requirements in the UK, and the National Health Insurance (NHI) Bill.

The NHI Bill, signed into law in May 2024, is particularly concerning as, in its current form, is unworkable and will prevent medical schemes from providing services covered by the NHI once fully implemented. Although full implementation of the Act is likely several years away, possibly decades, the Board is closely monitoring the impact of this on the business.

## Organisational and business resilience

The Board oversaw the Group’s organisational resilience through pillars that include: information and communication technologies and facilities, financial resilience and disruptive technology. These pillars are supported by protection measures to mitigate the risk of data leakage and system downtime, operational and strategic measures to ensure information and communication technologies’ resilience, management of third-party outsourcing risks, and the identification and evaluation of emerging technologies. Furthermore, the Board oversaw the Group’s Business Continuity and Disaster Recovery Policy and Crisis Plan, detailing key roles within the organisation and succession of authority for these roles.

## Fair and responsible remuneration practices

The Board continued to oversee Discovery’s remuneration policies and practices to ensure they are fair, responsible, competitive and transparent. Our Remuneration Policy aims to balance a competitive value proposition for high-performing employees with the interests of our shareholders and other important stakeholder objectives. In addition, the Board monitored developments related to the Companies Amendment Act, which was signed into law in July 2024, as well as Discovery’s readiness to comply with the new legislation.



**The Board is satisfied with Discovery’s long-term strategy, as the Group enters a new phase in its lifecycle, and is well positioned to drive this new phase of growth through its two distinct composites. It believes the Group has the necessary resource allocation plans in place to address socioeconomic challenges and achieve Discovery’s strategic objectives.**

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# KEY FOCUS AREAS OF OUR BOARD DURING FY2024 *continued*

## Monitoring Discovery's response to climate change

We are committed to reducing our environmental footprint by responsibly managing our consumption of energy and water, and the production of waste, while investigating alternative long-term solutions. Our climate change strategy supports global and national climate change imperatives, aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and provides guidance on governance and strategy-related matters, risk management, metrics and targets.

In FY2024, the Board monitored the implementation of the climate change strategy and oversaw the decision to change our Group's target date to achieve carbon neutral operations from 2025 to 2027. The change is informed by the Group's intention to source renewable energy for its South African operations from Discovery Green, the Group's renewable energy wheeling platform that launched in 2023. The Board will continue to monitor developments as Discovery Green rolls out its business proposition and advances its business model. In addition, the Board continued to monitor risks and opportunities related to climate change and ensure climate change-related matters are integrated into the Group's policies and practices, investment and procurement decisions, product development and service offerings, and partnerships.

## Implementation of IFRS 17 Insurance Contracts

In FY2024, the Board monitored the implementation of IFRS 17, which became mandatory for Discovery from 1 July 2023. In preparation for implementation, all material groups of insurance contracts were analysed to inform decision-making and accounting policy elections, and the Group engaged with local and international industry participants to gain insights. In addition, Discovery's IFRS 17 policies and application of its requirements were assured by the Group's independent external joint auditors, KPMG and Deloitte. The Group met its objectives for the transition to IFRS 17 – results for FY2024 have been fully disclosed in line with IFRS 17 with comparatives for FY2023 restated accordingly. The Board will monitor the integration of IFRS 17 into business as usual.



**We are committed to reducing our environmental footprint by responsibly managing and consuming energy, water and waste while investigating alternative long-term solutions.**

## Declaration of dividends

The Board approved an interim ordinary dividend declared at 65 cents per share and a final ordinary dividend of 152 cents per share for FY2024. In line with the Group's dividend policy under IFRS 17, the annual ordinary dividend was covered approximately five times by normalised headline earnings and the interim ordinary dividend was paid in the range of 30% to 40% of the expected total annual ordinary dividend, with the remainder of the dividend paid as a final dividend.

## Implementing the Group Governance Framework

The Board monitored the implementation of the Group Governance Framework during the year and is satisfied with the progress made. The Group Governance Framework enhances and strengthens the governance and oversight of subsidiaries within the broader Discovery multi-national groupings while upholding Discovery's common purpose, values and Shared-value model. The Board also oversaw that new committee compositions adhered to and supported the requirements of the Group Governance Framework and each committee's Terms of Reference.

## OUR BOARD'S KEY FOCUS AREAS FOR FY2025

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

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

The execution of the Group's climate change strategy, including performance against climate-related goals and Net-Zero Transition Plan

The scaling of Discovery Bank as the composite-maker in South Africa

Collaboration with government, business and civil society to address concerns with the NHI Act in South Africa

The revised Discovery employment equity plan and implementation of the Group's transformation and talent management initiatives

The successful integration and execution of Vitality following the recent unification of Vitality UK and Vitality Global

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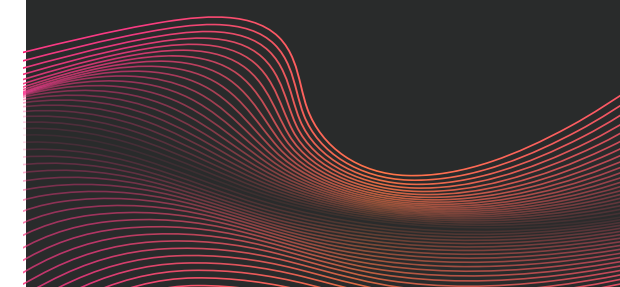
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## BOARD MEETINGS

Directors' preparation, attendance and contribution in Board meetings are monitored to ensure input on matters for discussion is appropriate and constructive.

The Board is required to formally meet at least four times a year to discuss and review a formal schedule of matters. During these meetings, Directors discuss the development of the Group's short-, medium- and long-term strategies, and engage with executive management about implementation of these strategies.

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

### Attendance at the formalised Board meetings during FY2024

BOARD MEMBER	Attendance
<b>NON-EXECUTIVE DIRECTORS</b>	
Sir ME Tucker <sup>1</sup> (Chairperson)	4/4
LM Chiume <sup>1,2</sup>	3/3
R Farber	4/4
MW Hlahla <sup>1</sup>	4/4
FN Khanyile <sup>1</sup>	4/4
D Macready <sup>1</sup>	4/4
Dr TV Maphai <sup>1,3</sup>	1/1
TT Mboweni <sup>1</sup>	4/4
KC Ramon <sup>1,2</sup>	3/3
M Schreuder <sup>1</sup>	4/4
BA van Kralingen <sup>1</sup>	4/4
SV Zilwa <sup>1,3</sup>	1/1
<b>EXECUTIVE DIRECTORS</b>	
A Gore	4/4
B Swartzberg	4/4
DM Viljoen	4/4

<sup>1</sup> Independent.

<sup>2</sup> Appointed as new Directors with effect from 18 September 2023.

<sup>3</sup> Retired as Board members and members of the committees on which they served with effect from 16 November 2023.

Directors are required to attend all scheduled meetings of the Board, including meetings called on an ad hoc basis for special matters, unless a prior apology with reason has been submitted to the Chairperson and Company Secretary.

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

## OUR BOARD OF DIRECTORS

### Chairperson of the Board



**66** **SIR MARK E TUCKER**  
Independent Non-executive Director  
Appointed: 1 March 2019  
Qualifications: BA (Hons) (University of Leeds), ACA (ICAEW), CMI  
Nationality: British  
Committee memberships: Nominations Committee (Chairperson) **NC**

### EXPERIENCE

Mark is a qualified Chartered Accountant with over 40 years' experience in the financial services industry in the UK, US, Africa and Asia. Between 2010 to 2017, Mark served as Group Chief Executive and President of AIA Group Limited, where he spearheaded its world record-breaking initial public offering in Hong Kong. Before AIA, Mark held various senior executive roles with Prudential, including Group Chief Executive of Prudential plc. He was the founding CEO of Prudential Corporation Asia Limited. Mark was also an Independent Non-executive Director of the Goldman Sachs Group and served on the Court of the Bank of England from 2009 to 2012.

### AREAS OF VALUE-ADDING EXPERTISE

Financial services; insurance; asset management; banking.

### OTHER DIRECTORSHIPS

Non-executive Group Chairperson of HSBC Holdings plc, Director of the Institute of International Finance, serves on the Asia Society Global Board of Trustees, Advisory Board of the Asia Global Institute and Member of the Asia Business Council. He is also a Member of both the International Business Leaders' Advisory Council to the Mayor of Beijing and Shanghai, Member of the Chief Executive's Council of Advisers (Hong Kong), Member of the Investment Advisory Council of the Supreme National Investment Committee (Kingdom of Saudi Arabia) and Member of the National Financial Regulatory Administration International Advisory Council (China). Mark is also an Associate Professor at the Chinese University of Hong Kong and a Director of the Peterson Institute for International Economics.

### PROFESSIONAL BODY MEMBERSHIPS

Associate of the Institute of Chartered Accountants in England and Wales, and member of the Chartered Management Institute.

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**LISA CHIUME**  
Independent Non-executive Director**Appointed:** 18 September 2023**Qualifications:** BCom Business Finance and Economics**Nationality:** South African**Committee memberships:** Audit Committee, Risk and Compliance Committee

AC RCC

**EXPERIENCE**

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

**AREAS OF VALUE-ADDING EXPERTISE**

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

**OTHER DIRECTORSHIPS**

AlphaCode Holdings Proprietary Limited and AlphaCode Venture Partners Fund II Proprietary Limited.

**PROFESSIONAL BODY MEMBERSHIPS**

Chartered Financial Analyst (CFA) Institute.

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**RICHARD FARBER**  
Non-executive Director**Appointed:** 1 April 2018**Qualifications:** BCom (Hons), CA(SA), FCMA, CA ANZ, MAICD**Nationality:** South African**Committee memberships:** Actuarial Committee, IT Subcommittee, Risk and Compliance Committee

ACT IT RCC

**EXPERIENCE**

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

**AREAS OF VALUE-ADDING EXPERTISE**

Strategy and policy development; financial management.

**PROFESSIONAL BODY MEMBERSHIPS**

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

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**ADRIAN GORE**  
Founder, Executive Director and Group Chief Executive**Appointed:** Founder**Qualifications:** BSc (Hons), FFA, ASA, MAAA, FASSA, Honorary DCom (University of the Witwatersrand)**Nationality:** South African**Committee memberships:** Nominations Committee

NC

**EXPERIENCE**

Adrian founded the Discovery Group in 1992 and currently serves as its Group Chief Executive. He expanded Discovery into a global financial services organisation renowned for the Vitality Shared-value model, which is transforming insurance markets worldwide. The model has been integrated into the offerings of leading insurers across multiple markets and has impacted over 40 million lives. Under Adrian's leadership, the Group also extended the Shared-value model to adjacent businesses, including savings, investments and banking.

Adrian has won numerous awards for leadership and entrepreneurship, including South Africa's Leading CEO in the Moneyweb CEO of the Year Awards (2004); the Sunday Times Business Leader of the Year (2010); the McKinsey Geneva Forum of Health Award (2015); CNBC-ABN Forbes Business Leader of the Year (2016); Frost and Sullivan Visionary Innovation Leadership Award for Africa (2017); Ernst & Young Global Lifetime Achiever Award (2018); the Actuarial Society of South Africa President's Award (2020); and the International Insurance Society's Vanguard Market Development Award (2023).

Adrian is also instrumental in forging public-private partnerships between business and government to focus on key areas of economic growth and development in South Africa.

**AREAS OF VALUE-ADDING EXPERTISE**

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

**OTHER DIRECTORSHIPS**

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

**PROFESSIONAL BODY MEMBERSHIPS**

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

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**61** **MONHLA HLAHLA**  
Independent Non-executive Director



**Appointed:** 15 August 2021  
**Qualifications:** BA Economics (Hons), MA Urban Planning, Advanced Management Programme (INSEAD)  
**Nationality:** South African  
**Committee memberships:** Audit Committee, Remuneration Committee, Social and Ethics Committee

AC RC SEC

### EXPERIENCE

Monhla is an experienced executive and business leader with over 35 years' experience in infrastructure development and management, and a demonstrated history of non-executive directorships in a variety of industries. With strong operational experience and extensive exposure to private and public sector governance and leadership, Monhla is among the leading Executive Coaches from the African continent. She previously served as Managing Director of Airports Company South Africa where, under her management, the company implemented its biggest capital expenditure programme to cater for increased travellers at South African airports. She also served as the Chairperson of the Johannesburg Water Utility, the Trans-Caledon Water Authority and the Industrial Development Corporation. In 2014, Monhla was honoured by the President of France with the Chevalier de la Legion d'Honneur and, in 2005, both the Black Business Quarterly and the Businesswomen's Association named her Businesswoman of The Year.

### AREAS OF VALUE-ADDING EXPERTISE

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

### OTHER DIRECTORSHIPS

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

**57** **FAITH KHANYILE**  
Independent Non-executive Director



**Appointed:** 1 October 2015  
**Qualifications:** BA Economics, MBA Finance, HDip Tax, Executive Leadership Programme (Columbia University)  
**Nationality:** South African  
**Committee memberships:** Remuneration Committee (Chairperson), Social and Ethics Committee (Chairperson), Nominations Committee

NC RC SEC

### EXPERIENCE

Faith has over 25 years of financial services experience, including private equity investment, corporate and investment banking, leadership and governance. She is an experienced Non-executive Director of JSE-listed companies and private companies. Faith held various leadership roles within Standard Bank Corporate and Investment Banking between 2001 and 2013. As the former CEO and founding member of WDB Investment Holdings, one of the leading women empowerment organisations in South Africa, she has been involved in the shaping of women empowerment in South Africa for over 20 years and is a strong advocate for inclusive economic growth. In May 2016, Faith was accorded Doctor of Law by Wheaton College (USA). She also received the 2017 Business Woman of the Year Award (corporate category) from the Businesswomen's Association of South Africa.

### AREAS OF VALUE-ADDING EXPERTISE

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

### OTHER DIRECTORSHIPS

JSE Limited, Premier Limited and Bidvest Group Limited.

### PROFESSIONAL BODY MEMBERSHIPS

International Women's Forum South Africa.

**65** **DAVID MACREADY**  
Independent Non-executive Director



**Appointed:** 3 February 2020  
**Qualifications:** BCom (Hons), CTA, CA(SA), SEP (Harvard), IDP (INSEAD)  
**Nationality:** South African and British  
**Committee memberships:** Audit Committee (Chairperson), Actuarial Committee, Risk and Compliance Committee

AC ACT RCC

### EXPERIENCE

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

### AREAS OF VALUE-ADDING EXPERTISE

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

### PROFESSIONAL BODY MEMBERSHIPS

South African Institute of Chartered Accountants (SAICA).

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# OUR BOARD OF DIRECTORS *continued*

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**TITO MBOWENI**  
Independent Non-executive Director

**Appointed:** 5 May 2022

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

**Nationality:** South African

**Committee memberships:** Nominations Committee, Remuneration Committee, Risk and Compliance Committee

NC RC RCC



### EXPERIENCE

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

### AREAS OF VALUE-ADDING EXPERTISE

Finance; economics; emerging markets.

### OTHER DIRECTORSHIPS

Accelerate Property Fund Limited (Chairperson), Zijin Platinum in South Africa (Deputy Chairperson) and African Centre for Economic Transformation (Chairperson).

### PROFESSIONAL BODY MEMBERSHIPS

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

57

**CHRISTINE RAMON**  
Independent Non-executive Director

**Appointed:** 18 September 2023

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

**Nationality:** South African

**Committee memberships:** Audit Committee, Remuneration Committee, Social and Ethics Committee, Treating Customers Fairly Subcommittee

AC RC SEC TCF



### EXPERIENCE

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

### AREAS OF VALUE-ADDING EXPERTISE

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

### OTHER DIRECTORSHIPS

Clicks Group Limited and Vodafone Plc.

### PROFESSIONAL BODY MEMBERSHIPS

South African Institute of Chartered Accountants (SAICA).

55

**MARQUERITHE SCHREUDER**  
Independent Non-executive Director

**Appointed:** 19 February 2021

**Qualifications:** BCom (Hons), FIA, FASSA

**Nationality:** South African and Luxembourgish

**Committee memberships:** Risk and Compliance Committee (Chairperson), Actuarial Committee, Audit Committee, Technology Working Group, Treating Customers Fairly Subcommittee

AC ACT RCC TCF TWG



### EXPERIENCE

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

### AREAS OF VALUE-ADDING EXPERTISE

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

### OTHER DIRECTORSHIPS

Hangberg Pre-Primary School NPC.

### PROFESSIONAL BODY MEMBERSHIPS

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

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**59** **BARRY SWARTZBERG**  
 Executive Director  
 Co-founder and Executive Director: Discovery  
**Appointed:** Co-founder  
**Qualifications:** BSc, FFA, ASA, FASSA, CFP  
**Nationality:** South African  
**Committee memberships:** Technology Working Group



TWG

### EXPERIENCE

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

### AREAS OF VALUE-ADDING EXPERTISE

Infrastructure development; business diversification; strategy development and execution.

### OTHER DIRECTORSHIPS

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

### PROFESSIONAL BODY MEMBERSHIPS

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

**61** **BRIDGET VAN KRALINGEN**  
 Independent Non-executive Director  
**Appointed:** 7 April 2022  
**Qualifications:** BCom (Hons), MCom  
**Nationality:** British and American  
**Committee memberships:** Technology Working Group (Chairperson)



TWG

### EXPERIENCE

Bridget started her career as a senior researcher for the Council for Scientific and Industrial Research in South Africa, after which she became a managing partner for strategy and organisation development at Deloitte South Africa. In 1997, she moved to New York City to serve as National Managing Partner for financial services at Deloitte. Bridget joined IBM Global services in 2004 and served in multiple roles. As Senior Vice President of IBM Global Business Services, she led IBM’s Industry Platforms, establishing IBM as the leader in enterprise blockchain. In 2020, Bridget was named Senior Vice President of IBM Global Markets managing IBM sales teams, business partners, business development, industry capabilities, revenue, profit and client satisfaction globally. Bridget joined Motive Partners in 2022 and is currently a senior partner responsible for data, analytics and artificial intelligence (AI), with a focus on strategy and growth for portfolio companies. Bridget brings a wealth of global business experience and technology and AI expertise to the Board, which supports Discovery’s global expansion.

### AREAS OF VALUE-ADDING EXPERTISE

Technology; AI; global business development.

### OTHER DIRECTORSHIPS

Teradyne Inc, The Travelers Company Inc, The Partnership for New York City, New York Historical Society, Investors Exchange LLC.

**59** **DEON VILJOEN**  
 Executive Director  
 Group CFO  
**Appointed:** 1 May 2017  
**Qualifications:** BCom Accountancy (cum laude), BCom (Hons), CTA, CA(SA)  
**Nationality:** South African  
**Committee memberships:** Actuarial Committee, Risk and Compliance Committee



ACT RCC

### EXPERIENCE

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

### AREAS OF VALUE-ADDING EXPERTISE

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

### PROFESSIONAL BODY MEMBERSHIPS

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# OUR GOVERNANCE STRUCTURES

Our Group Governance Framework articulates our approach to governance and is supported by Group-wide documents, processes and procedures. The Board is accountable for giving effect to this framework and oversees adherence to it.

Discovery's Group Governance Framework enables sound governance practices and:

- Preserves the Group's unique owner-manager mindset and insurgent culture, while entrenching the principles of good governance and ethical leadership, without creating unnecessary bureaucracy
- Ensures that the Group's ambition, core purpose, risks and opportunities, strategy, business model, performance and sustainable development are inseparable elements of the value creation process throughout the Group through collective and integrated thinking
- Aligns leadership and strategy, encourages collaboration and integration, and creates value for each entity within the Group, while maintaining accountability and empowering independent judgement by the various subsidiaries' boards of directors
- Ensures the mitigation of reputational, operational, financial, contagion, strategic and regulatory risks across the Group

## Subsidiary governance structure and responsibilities

We updated our Group Governance Framework in FY2023 to bolster our governance approach and optimise our Group structure across our three strategic composites – Discovery in South Africa, Vitality in the UK and Vitality Global. The framework specifically takes into account that our subsidiaries operate in different jurisdictions and industries, with varying levels of regulatory oversight.

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

Intra-Group conflicts of interest may arise due to the nature of the varying business operations of our subsidiaries and Discovery's strategy. The Group Governance Framework outlines the arrangements to address any such conflicts of interest. Discovery Limited makes decisions regarding Group-wide strategic matters, while the Group Board ensures the boards of our subsidiaries and intermediate holding companies (Vitality in the UK and Vitality Global) effectively align with the Group on matters such as strategic direction, risk management and compliance. Each intermediate holding company must oversee its direct subsidiaries' adherence to the Group Governance Framework.

The Group Governance Framework ensures open, timely and comprehensive communication between the Discovery Group Board and its subsidiary boards and committees. This is facilitated through regular interactions between Group functions and their subsidiary counterparts, information flows and reporting requirements specified in Group-wide documents and through the Group Executive Committee.



## Group Executive Committee

The Group Executive Committee is responsible for implementing strategies approved by the Discovery Board and for managing the affairs of the Group. The committee meets weekly and is chaired by Adrian Gore, our Group Chief Executive. Business units and functional areas across our composite markets have established executive committees that meet regularly and report to the South African, UK and Vitality Global executive committees, as relevant. Feedback from the composite executive committees, as well as the Financial and Capital, ESG and Internal Remuneration committees, is provided to the Group Executive Committee during its weekly meetings.

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# Maintaining an *ethical culture*

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

The Group has a dedicated Ethics Office, which the Board, assisted by the Social and Ethics Committee, mandates and oversees. The Ethics Office manages the ethics management framework and implements the ethics management plan throughout the Group, and supports the Board, executives, management and employees to cultivate and strengthen an ethical culture within the organisation.

## KEY ACTIVITIES DURING FY2024

→ Identifying potential future ethics risks and opportunities that could affect the Group through a programme conducted in partnership with the Institute for Future Research, and assisting management in developing innovative, long-range decision-making competencies for competitive ethics risk mitigating and opportunity sensing

→ Expanding advisory services provided to the Group's executive committees and other business areas by implementing learnings from risk assessments on developing global trends that could impact the business and broadening global scanning of ethics risks and opportunities

→ Monitoring ethics risks related to AI and other future technologies through a Group forum, which oversees a coordinated, multistakeholder and multidepartmental approach to adopting these technologies in Discovery

→ Integrating the winning ideas of the Discovery Ethics Ambassadors Innovation Challenge into the relevant areas of the business to enhance the Ethics Ambassador Programme and promote and strengthen Discovery's ethical culture

→ Ongoing strengthening of ethical standards by reviewing ethics policies to ensure these remain relevant and effective, providing training and awareness programmes on ethics policies, and implementing a central conflict of interest management platform to support the Conflicts of Interest Policy

→ Conducting ongoing ethics-related training and awareness programmes, including induction training for new employees and topics like unconscious bias, harassment and masterclasses for Discovery leaders to promote ethical leadership, ethical culture and ethical decision-making

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### Our Ethics Office follows a four-tiered approach

01 LEADERSHIP COMMITMENT

02 GOVERNANCE STRUCTURES



04 INDEPENDENT ASSESSMENT AND EXTERNAL REPORTING

#### A ETHICS RISK ASSESSMENT

The Ethics Office, together with Group Risk Management, ensures we appropriately identify, assess and manage Discovery's key ethics-related risks. Group Risk Management also provides guidance to risk owners on how to report these risks, and ensures adequate frameworks and processes are in place to manage and mitigate ethics-related risks.

#### B ETHICS STRATEGY

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

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

#### C ETHICS STANDARDS

Ethics standards, which aligns with Discovery's core purpose and values, promote a common understanding of acceptable conduct across the Group. Employees must confirm their understanding of the Group's ethics standards annually on an internal learning platform, thereby ensuring a values-based culture is maintained throughout the Group.

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

#### D ETHICS INTEGRATION

An ethics helpline and dedicated Ethics Officers are available for employees who need advice and guidance on ethics-related matters. Employees are encouraged to report any unethical behaviour directly to the Ethics Office or to use the two anonymous whistleblowing hotlines. Contractors and external stakeholders, including suppliers, third-party providers and brokers, can also anonymously report matters of concern to the independent whistleblowing hotline.

The Ethics Office manages a comprehensive training and awareness programme for all employees, which includes induction and ongoing online training modules. A dedicated website is maintained internally to keep employees informed on matters relating to ethics, while a Group-wide Ethics Ambassador Programme expands the Ethics Office's reach and understanding of the state of ethics in the organisation. Employees are selected to be Ethics Ambassadors and informally promote ethics standards throughout their respective business areas.

The Ethics Office manages advisory services to leadership and business areas supported by a panel of specialist ethicists.

#### E MONITORING AND REPORTING

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



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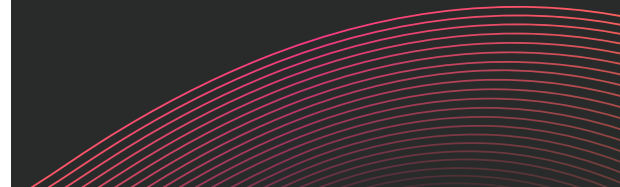
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#### PLANNED FUTURE FOCUS AREAS IN FY2025

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

Assist the Group Executive Committee and other business areas to further strengthen decision-making competencies for ethics risk mitigation and opportunity detection

Finalise and integrate the ethical decision-making framework within the organisation







# Delivering good performance

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

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

We identify, execute and measure our strategic decisions to create and preserve sustainable value for our stakeholders. In doing so, we consider how our decisions affect the resources and relationships we rely on and, in turn, how these resources and relationships impact our business as we pursue our medium- and long-term strategic objectives.

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

## ONGOING TRAINING

All Directors participate in a comprehensive induction programme when appointed to the Board, with training provided on financial, actuarial, economic and industry-related matters to refresh their skills and knowledge. Directors are also required to attend professional development training and briefings to keep abreast of legal and regulatory risks, developments and changes that could impact the environment in which the Group and its subsidiaries operate.

Specific Board training topics during FY2024 included:

- New legislation and legislative changes that the Board should be aware of for Insurance Groups, including updates on the Anti-bribery and Corruption and Sanction policies, NHI and CMS developments and the Protection of Personal Information Act, No 4 of 2013
- IFRS 17 *Insurance Contracts*
- China market overview and prospects
- Vitality 3.0 and its modules and assets, including Personal Health Pathways and the Vitality Habit Index
- The Group's Own Risk and Solvency Assessment (ORSA), including key macro risks faced, risk appetite metrics, current Group solvency position, Group financial position, projected debt balances and stress testing and scenario analysis

## ASSESSING OUR EFFECTIVENESS

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

In line with the Group Governance Framework, the Board annually assesses and evaluates its own performance, as well as that of its Chairperson and the Board committees. The Chairperson annually assesses the performance of Non-executive Directors, based on each Director's contribution to the matters before the Board, and Executive Directors' performance is assessed annually by the Group Chief Executive, based on agreed performance targets. The Nominations Committee oversees the performance assessment of the Board, Board committees and individual Non-executive Directors, and makes recommendations to the Board based on the results of these assessments. The Board confirms it executed its responsibilities under the Group Governance Framework in FY2024.

In FY2024, Discovery conducted an independent assessment of the Board and its committees in line with the Group Governance Framework. Key assessment focus areas included Board composition and dynamics, management and focus of meetings, succession planning, Board information and support, and Directors' level of involvement. Overall, the findings of the review were positive and recommendations for further improvements are being implemented and incorporated in the Board's annual workplan in FY2025.

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# Ensuring effective control

As the focal point for and custodian of corporate governance within Discovery, the Board ensures corporate governance principles and good practice are inherent in the fulfilment of its responsibilities.

The Board Charter sets out the roles and responsibilities of the Board and is reviewed annually to ensure it continues to align with the principles and practices recommended by King IV™, in addition to other regulatory and legislative requirements. These, in turn, have been applied to the delegation of authority of the Board committees in assisting the Board with specific duties and functions.

The Board oversees the application of corporate governance principles, supported by specific statutory and other Board committees. To this end, the Board holds its Directors accountable for their integrity, competence, responsibility, fairness and transparency.

## SEPARATION OF ROLE AND RESPONSIBILITIES

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

### Our Board Chairperson is responsible for:

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

### Our Group Chief Executive is responsible for:

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

## BOARD SUCCESSION PLANNING

We review the composition and succession planning of the Board regularly and implement remedial actions where necessary.

## APPOINTMENTS AND ROTATION OF DIRECTORS

The Board is ultimately responsible for the appointment of new Directors. The Group Board Governance Policy and the Board Charter provide a formal, transparent process for the evaluation, nomination, election and appointment of Board members. The Nominations Committee assists the Board in searching for and vetting potential new Directors.

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

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

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

The further extension of tenure will take the following into consideration:

- Complexity and continued expansion of the Group
- Scarcity of skills within our jurisdiction
- Required stability and preservation of institutional knowledge
- Preservation of an optimal ratio of Independent Non-executive Directors (above 75% of total Non-Executive Directors) that supports continuity and succession planning and ensures a seamless transition of leadership without compromising organisational stability
- Skills and experience requirements of the Committees

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## COMPANY SECRETARY

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

Ayanda Manqele served as Acting Group Company Secretary until 31 August 2023, after which she reverted to Deputy Group Company Secretary. The Board was satisfied that Ayanda Manqele had the required competence, qualifications, skills, knowledge and experience for the interim role.

Ayanda Ceba was appointed as the new Group Company Secretary, with effect from 1 September 2023. Upon her appointment, the Board satisfied itself that she has the necessary competence, qualifications skills, knowledge and experience to fulfil her duties. The Board further evaluated Ayanda Ceba later in FY2024 in accordance with the JSE Listings Requirements, and was satisfied that she fulfilled her responsibilities.

The Group will continue to ensure the resources of the Company Secretarial function sufficiently meet the growing demands and complexity of the business.

## DELEGATION OF AUTHORITY

The delegation of authority to Discovery's management is clearly defined to ensure the effective exercise of authority and responsibilities. The Delegation of Authority Framework details the powers delegated to each Board committee, in accordance with the provisions set out in the Companies Act, King IV™ and regulatory requirements, and indicates the matters reserved for consideration by the Board and the Group Chief Executive. The Board determines the level of materiality of matters for its sole decision. Other matters are delegated to the Group Chief Executive, Board committees and the Executive Committee. The delegations are reviewed at least every two years, and may be withdrawn. The Board is satisfied that the Delegation of Authority Framework allows for the effective discharge of its responsibilities, and ensures that no individual has unrestricted decision-making power.

## CONFLICTS OF INTEREST

Directors are required to disclose whether they have a direct or indirect interest in any matter for consideration by the Board. The disclosure is recorded in a register by the Company Secretary and updated regularly. Board members are also required to declare any conflicts of interest in respect of meeting agenda items and recuse themselves from any such discussions during Board or committee meetings, depending on the Board's evaluation of the conflict.

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

## REMUNERATION

The Board, assisted by the Remuneration Committee, ensures all Directors, Executives and employees are remunerated fairly and responsibly in line with industry standards, and relevant approvals are tabled for shareholder consideration.

The Group reviews its remuneration philosophy annually to ensure employee and Board remuneration remains fair, responsible and transparent. The remuneration philosophy is aligned with Discovery's strategy and linked to individual performance through appropriate objectives that are reviewed by the Remuneration Committee. Biannual assessments are conducted and reviewed against the strategy and business plan.



**The Board, assisted by the Remuneration Committee, ensures all Directors, Executives and employees are remunerated fairly and responsibly in line with industry standards, and relevant approvals are tabled for shareholder consideration.**



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# GOVERNANCE OF TECHNOLOGY AND INFORMATION

The Discovery IT Governance Framework guides the structure and mandate of technology at Discovery, and aligns with the requirements of the Board committees, King IV™, assurance providers and regulators. The framework focuses specifically on cyber security, data governance, business continuity, financial management, technology architecture and operations. We also ensure Executive and Board oversight to monitor our compliance with the standards of the European General Data Protection Regulation and the Protection of Personal Information (POPI) Act in South Africa.

The Group Risk and Compliance Committee is charged with the governance of technology and information, supported by the Information Technology (IT) Subcommittee. The IT Subcommittee is responsible for overseeing the implementation of all structures, processes and mechanisms in relation to the IT Governance Framework to ensure cyber and data-related risks are appropriately managed, and that the IT risk management plan is effectively implemented. The IT Subcommittee is supported by the Board Information Technology Committees (Bitco) for each of Vitality UK, Discovery SA, Vitality Global and Discovery Bank. These committees work closely with the Group Chief Information Officer (CIO) and the CIOs in each of the Discovery business areas to ensure the Group implements appropriate system security, data integrity and business continuity processes.

The IT function has processes in place to monitor Discovery's networks for cyber attacks and other data-related incidents – including leaks of information – to ensure rapid response times. Changes to our systems are security tested before implementation and underpinned by regular, comprehensive external testing. The information security discipline manages cyber risk within Discovery and comprises people, processes and procedures, as well as associated technologies to protect against malicious and non-malicious threats. We include technology risks, which are reviewed regularly, in the Group's risk management process. Discovery uses the National Institute of Standards and Technology (NIST) Cybersecurity Framework and the ISO 27001 Information Security Standard to classify technology risks. An independent external party audits our security policies, systems and processes every two years.

Discovery continues to enhance its cyber-capability programme to improve our resilience to more sophisticated cyber crime and the greater impact and likelihood of cyber risk. We focus on the following elements:

- **CYBER-CAPABILITY ASSESSMENT** – risk assessment of current cyber-resilience capabilities
- **CYBER-SECURITY STRATEGY** – cyber-risk appetite setting and framework development
- **CYBER-RISK PROGRAMME** – ongoing monitoring and oversight of the cyber programme

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

## KEY FY2024 FOCUS AREAS INCLUDED:

- Approving new policies and standards related to technology and information
- Participating in public consultation and workshops regarding the Prudential Authority and Financial Sector Conduct Authority's new joint standards on cyber security and cyber resilience, and IT governance and risk management
- Approving the Group Responsible AI Policy and continuing to explore the adoption of generative AI
- Continuing to mature our privacy management and ensure the Data Governance Framework is aligned with data privacy requirements
- Providing data privacy and cyber awareness training to our financial advisers, service providers and employees, including induction and annual refresher training
- Continuing to leverage technology to support our hybrid working environment, and advancing security capabilities to mitigate the increasing associated risks
- Monitoring third-party data processors through our privacy management platform
- Assessing and strengthening the IT capabilities across the Group and its functions
- Conducting an annual review of our information privacy and security policies, available at <https://www.discovery.co.za/corporate/privacy>
- Increasing targeted systems availability levels and improving resilience to business interruption through our Strategic Technology Enhancement Programme
- Monitoring our POPI Act Compliance Risk Management Plans to establish whether the controls and action plans captured were adequately addressed
- Developing a Digital Trust Framework that supports our identity and data-centric focus and adapts to an evolving technology and security landscape

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

## KEY FY2025 FOCUS AREAS INCLUDE:

- Ensuring ongoing compliance with the requirements of relevant data protection legislation
- Continuing to invest in our data science and data engineering capabilities
- Streamlining IT reporting and feedback between business units, composites and Group structures through digitisation and automation
- Maturing technology governance practices for data, cloud technology and automation
- Creating the data and systems assets required to roll out Personal Health Pathways in a number of global markets

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## COMBINED ASSURANCE

Discovery has a Group-wide Combined Assurance model in place designed to address the business’s significant strategic, sustainability, financial, operational and compliance-related risks. In compliance with King IV™, the Combined Assurance model aims to incorporate and optimise all assurance services and functions to:

- Enable an effective control environment
- Support the integrity of information used for internal decision-making by management, the Board and its committees
- Support alignment and transparency across all assurance activities
- Support the integrity of the organisation’s external reports

The Group established four key control functions to adhere to regulatory requirements – the Risk Management, Compliance, Actuarial and Internal Audit functions. These functions operate independently of one another to support the Combined Assurance model.

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

- Linking risk management and assurance activities
- Providing the basis for identifying any areas of potential assurance gaps, resource duplication and knowledge sharing
- Informing the Board, Audit Committee and Risk and Compliance Committee of the combined assurance status and any areas of concern
- Providing an integrated assurance service and enhancing accountability
- Managing emerging risks or control weaknesses and ensuring allocation of assurance providers to manage the residual risk
- Ensuring an adequate and effective risk-control environment that aligns with the risk appetite and the integrity of risk-related reports for better decision-making

Discovery’s three lines of defence governance model further strengthens the Board’s governance and clearly separates business management from governance and control structures. This ensures everyone within Discovery is aware of the risk management system.

## THREE LINES OF DEFENCE MODEL

### 1 First line of defence

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

- Executive Committees
- Management of operations
- First-line Risk Management
- First-line Compliance (where applicable)

### 2 Second line of defence

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

- Second-line Risk Management and Compliance functions (Discovery Bank and Vitality UK)
- Group Risk Management (page 21)
- Group Actuarial function (page 21)
- Group Compliance (page 22)

### 3 Third line of defence

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

- Group Internal Audit (page 22)
- Internal Audit (Discovery Bank and Vitality UK)
- External Audit
- Other assurance providers

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

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## COMBINED ASSURANCE *continued*

### Managing risk to achieve our strategic objectives

The Board has ultimate responsibility for the governance of risk and approves the risk appetite regularly. The Board acknowledges the importance of risk management, as it is linked to the Group's strategy, performance and sustainability. The Risk and Compliance Committee assists the Board by overseeing the implementation of processes to ensure we identify and manage business risks within acceptable parameters.

Discovery has a set of risk policies and a Risk Management Framework, which includes a risk-rating matrix used to assess the likelihood of certain risks and the magnitude of impact. We designed the Risk Management Framework to address all the significant strategic, sustainability, financial, technological, operational and regulatory-related risks that could undermine the Group's ability to achieve its business strategy in the future. A robust approach, coupled with established roles and responsibilities and a clear governance structure, ensures regular assessments of risks. Discovery applies risk tolerance levels for each risk category, considering both current and emerging risks. Every year, we also prepare an Own Risk and Solvency Assessment (ORSA), which provides a holistic view of the risk exposures in the Group and how these risks affect capital, solvency and the business strategy.

### THE ROLE OF GROUP RISK MANAGEMENT

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

#### Group Risk Management is the custodian for combined assurance across Discovery. In FY2024, the function's primary responsibilities included:

- Assisting Discovery to identify, assess, monitor, manage and report on its material and emerging risks and related opportunities, and promote a sound risk culture
- Performing attestation of risk management policies
- Reviewing the adequacy of the Group's cyber risk insurance considering the Group's cyber threat control environment
- Assisting the Board and senior management to develop and maintain Discovery's risk management system, including promptly informing the Board of any circumstances that may have an adverse material effect on Discovery
- Reviewing the results of regular stress and scenario tests
- Integrating the view of risk and capital, and ensuring sufficient capital is in place to operate sustainably within the risk appetite and considering the prevailing risk profile throughout the business planning cycle
- Strengthening our approach to third-party risk management, organisational resilience and climate change

#### Enhancing our risk management capabilities across the Group remains a key focus area for FY2025, and includes:

- Continued focus on risks related to organisational resilience, including economic risks and those related to public infrastructure, cyber and technology platforms
- Evolving our assessment of ESG risks, enhancing our climate change reporting and understanding of the impacts of biodiversity risks
- Ongoing risk culture initiatives to raise risk maturity across the Group
- Enhancing the robustness of our combined assurance approach
- Additional work to develop Recovery and Resolution Plans for relevant group entities
- Strengthening the skills of the first- and second-line risk resources through both recruitment and training
- Using data analytics to strengthen our fraud detection capabilities and broader risk management needs
- Monitoring emerging risks that could potentially impact our multinational organisation

### The Group Actuarial function

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

The Group Actuarial function's primary responsibilities include:

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

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## COMBINED ASSURANCE *continued*

### Our approach to compliance

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

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

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

### THE GROUP COMPLIANCE FUNCTION

The Group Compliance function is part of the Group's second line of defence, and focuses on fostering an environment where compliance is embedded across all entities within the Group. The function reports directly to the Board through its Group and SA composite Risk and Compliance committees and Social and Ethics Committee, and is an integral part of the Board-approved enterprise risk management strategy. The function consists of skilled and experienced compliance resources and is independent.

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

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

The Group Compliance function performed an annual effectiveness review and is satisfied that it fulfilled its responsibilities for FY2024. In addition, Group Internal Audit undertook an audit of the function and assigned a rating of 'High Assurance'.

### OUR FUTURE FOCUS AREAS

#### Vulnerable customers

Following the publication of the Financial Sector Conduct Authority's Statement on Consumer Vulnerability on 19 March 2024, Discovery will focus on implementing our approach to vulnerable customers and expanding our well-embedded Treating Customers Fairly Framework to meet any additional regulatory requirements.

#### Continuous monitoring to deepen assurance

We are committed to ensuring compliance with applicable laws and adopted non-binding rules, codes and standards, and maintain collaborative working relationships with Discovery's regulators. Discovery did not receive any regulatory enforcement actions during FY2024.

Discovery did not receive any regulatory penalties, fines or sanctions during FY2024 but was subjected to an inspection in terms of section 45B of the Financial Intelligence Centre Act, No 38 of 2001 at Discovery Bank Limited and Discovery Life Limited.

We work to continuously enhance our risk-based monitoring framework to increase our focus in areas that pose the greatest risk to the business and carry potential significant implications of non-compliance. The Group Compliance function continues to deepen our engagements with Discovery's other assurance providers to strengthen our Combined Assurance model.

#### Driving efficiencies in anti-money laundering and counter terrorism financing legislation compliance

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

We continually assess our exposure to money laundering, terrorism financing, and proliferation financing risks by implementing dynamic risk assessment processes. Our approach includes ongoing monitoring, periodic reviews, and adapting to emerging risks.

### The role of the Group Internal Audit function

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

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

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

- Review and approve the annual Group internal audit plan, significant focus areas, and resources and budget
- Review and approve the Group's Internal Audit Charter and evaluate the independence, effectiveness, and performance of the function in line with its charter

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# Maintaining *legitimacy*

## OUR STAKEHOLDERS

Stakeholder relationships form an important part of Discovery's business. As such, balancing Discovery's best interests and the interests and expectations of stakeholders is paramount to the Board. To ensure strong stakeholder relationships, we regularly engage with them through various platforms.

We issue various reports to enable our stakeholders to make informed decisions about the Group's performance and our short-, medium- and long-term prospects. The Board, with the assistance of the Audit Committee and internal auditors, reviews and approves Discovery's interim and annual results, as well as its reports. Board committees oversee that reports are compliant with regulatory obligations and meet the legitimate needs of stakeholders.

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

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

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

## RESPONSIBLE CORPORATE CITIZENSHIP

We strive to be an exceptional employer, excellent partner and a good corporate citizen. Our measurable corporate programmes reflect the importance of stakeholders' interests and the Group's core purpose to make people healthier and enhance and protect their lives. We are an active corporate citizen in the communities where we operate and positively contribute to the economy, society and environment. We are also a signatory to the United Nations Global Compact and subscribe to the United Nations Sustainable Development Goals (SDGs).

As delegated by the Board, the Social and Ethics Committee ensures that the Group is a responsible corporate citizen. Its duties in this regard include, among others:

- Reviewing and approving the Group's strategy to promote equality and prevent unfair discrimination and corruption, and recommending this to the Board for approval
- Reviewing and approving the Group's CSI strategy, and recommending this to the Board for approval

- Reviewing and approving the Group's strategy to eradicate gender-based violence and sexual harassment in the workplace, and recommending this to the Board for approval
- Reviewing and approving the strategy proposed by the Group for corporate sponsorships and donations, and the processes in place to identify initiatives that would receive sponsorships and donations from the Group
- Reviewing and approving initiatives, processes and controls implemented by the Group to promote and enhance diversity, equality and inclusion, thereby ensuring we nurture an inclusive work environment and eradicate any form of discrimination
- Reviewing and approving any flagship projects and initiatives aimed at contributing to the development of communities identified by the Group from time to time
- Continuously monitoring progress in the implementation of community development initiatives and material sponsorships and evaluating whether or not the objectives are being realised

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## CLIMATE CHANGE

We recognise that our ability to do business is fundamentally linked to the sustainable wellbeing of the communities in which we operate. To achieve our goal of maintaining an environment that enables and sustains good health, we leverage our Shared-value model to minimise our negative environmental impacts.

Since our inception, we have understood the power of aligning our interests with those of our clients and society. Now, we are evolving our shared-value thinking to become part of the climate-change solution. Our Group climate change strategy enables us to account for present and future climate-related risks, be proactive in the face of increased stakeholder action and support our goal of being a force for social good.

We closely monitor climate change developments, including best practice initiatives among global financial institutions, with the aim of embedding these principles across our primary markets. Accordingly, we support the objectives of the United Nations SDGs and have also adopted the recommendations of the TCFD.

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

Our Board, through our Social and Ethics Committee, oversees our climate change strategy, analyses the climate context and challenges, and regularly reviews the Group's performance against climate-related and general sustainability matters. The Social and Ethics Committee Chairperson reports to the Board every quarter. The Risk and Compliance Committee further supports climate-related governance by monitoring climate-related risks and opportunities. In addition, our Audit Committee reviews and approves public disclosures through external financial reporting, while our Remuneration Committee oversees the Group scorecard, which includes climate-related targets linked to executive remuneration.

## RESPONSIBLE INVESTMENT

The Board understands responsible investment requires us to recognise, evaluate and incorporate material ESG issues into our investment analysis and decision-making processes. It also involves integrating ESG opportunities and issues through active ownership policies and practices.

As asset owners and institutional investors, it is our duty to act in the best long-term interests of our beneficiaries. Accordingly, we are a signatory to the Principles for Responsible Investment and have a Group Responsible Investment Policy in place to align our investment philosophy with relevant principles and industry codes of best practice. The policy states that responsible investment requires the recognition, evaluation and incorporation of material ESG risks and opportunities into investment and ownership decisions by subsidiaries across the Group.

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



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## RESPONSIBLE AND TRANSPARENT APPROACH TO TAX

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

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

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

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

## SUSTAINABLE PROCUREMENT PRACTICES

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

## SHAREHOLDER RIGHTS

All Discovery shareholders of the same share class are treated equitably, and no shareholder has a controlling interest in issued share capital – all issued ordinary shares rank equally and have the same voting and dividend rights, among others. There are no restrictions on the number of shares that a single shareholder may hold other than as prescribed by law.

The entirety of the Group's ordinary share capital comprises a single class of ordinary shares, which are traded publicly. Discovery's Memorandum of Incorporation has no defensive mechanisms in place and contains no voting or share ownership ceilings.



**Discovery is committed to sustainable procurement practices, as reflected in our Procurement Policy. The policy aims to ensure we source high-quality, affordable and environmentally and socially friendly products and services from the right suppliers.**

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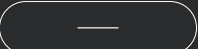
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# Our Board committees

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

The Board delegates some of its responsibilities to appropriately constituted Board committees. Seven Board committees are fully established in line with the requirements of the business, the Companies Act, the Insurance Act and King IV™ to assist the Board in fulfilling its responsibilities. Furthermore, we have two subcommittees that support the Risk and Compliance Committee in executing its mandate.

## A clear balance of power ensures no individual, directly or indirectly, has undue decision-making powers.

Board committees act within the bounds of approved Terms of Reference, which clearly define the responsibilities and duties delegated by the Board. The Terms of Reference prescribe the minimum number of members for each committee and the proportion of Independent Directors. Each Board committee is required to have at least three members with sufficient capability and capacity to function effectively, and members are evaluated to ensure an appropriate balance of skills, qualifications and experience to perform their duties. The Terms of Reference are reviewed annually by the respective Committees and submitted to the Board for approval.

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



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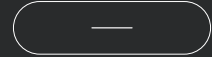
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## AC AUDIT COMMITTEE

### Purpose

The Audit Committee is an independent statutory committee that assists the Board in fulfilling its Group governance and oversight responsibilities pertaining to financial reporting processes, internal control frameworks, internal and external audit processes, applicable standards and legislation as well as the impact of IT-related matters on the financial results of the Group. It also includes overall tax compliance as well as governance and ethics matters related to the financial results of the Group.

### COMPOSITION AND MEETING ATTENDANCE

The Audit Committee is chaired by an Independent Non-executive Director and must comprise at least three highly skilled and experienced Independent Non-executive Directors, who are appointed annually by the Board and subsequently approved by the shareholders at the AGM. During FY2024, external audit and Group Internal Audit, as well as the Group CFO, CIO, CRO, Chief Compliance Officer (CCO), Chief Actuary and other relevant invitees attended meetings by invitation to provide pertinent information and insight into their areas of responsibility. The Audit Committee convened four additional ad hoc meetings to discuss specific topics of relevance.

#### THE AUDIT COMMITTEE MET SIX TIMES DURING FY2024 AND COMPRISED THE FOLLOWING MEMBERS:

	Board status	Appointment to committee	Number of meetings attended
D Macready (Chairperson)	Independent Non-executive Director	February 2020	6/6
LM Chieme <sup>1</sup>	Independent Non-executive Director	September 2023	4/4
MW Hlahla	Independent Non-executive Director	August 2021	6/6
KC Ramon <sup>1</sup>	Independent Non-executive Director	September 2023	4/4
M Schreuder	Independent Non-executive Director	February 2021	6/6

<sup>1</sup> Appointed as members of the committee with effect from 18 September 2023.

### KEY FOCUS AREAS IN FY2024

- Monitored the implementation and effectiveness of the Group Governance Framework
- Appointed two new committee members to enhance the capabilities, skills, oversight and effectiveness of the Audit Committee
- Analysed the Group's ESG financial reporting practices against industry-leading standards and emerging trends
- Oversaw the final transition and implementation of IFRS 17 *Insurance Contracts* including the full disclosure of FY2024 results and restatement of comparatives for FY2023
- Reviewed the effectiveness of the Group Internal Audit function, and the appropriateness of the Group's insourcing model to determine whether the current insourcing model is suitable, especially in areas where risks are evolving rapidly
- Oversaw the audit firm rotation from PricewaterhouseCoopers Inc. to Deloitte as joint auditors with KPMG Inc. following Discovery's early adoption of the anticipated requirement of the Prudential Authority of South Africa for significant insurance groups to have joint auditors
- Assisted the Board to evaluate the effectiveness of the Group's internal financial controls, which were found to be adequately designed and effectively implemented with no concerns raised. Considered the adequacy of assurance provided regarding the internal financial control environment to which the CEO and the CFO attest (JSE Listings Requirement)
- Other key activities:
  - Satisfied itself that the current external auditors have, at all times, acted with unimpaired independence, after considering:
    - > Representations made by the external auditors to the Audit Committee
    - > Independence criteria specified by the Independent Regulatory Board for Auditors and international regulatory bodies, as well as criteria for internal governance processes within audit firms
    - > The extent of non-audit services work undertaken by the auditors for the Group
  - Assessed the suitability of the audit firm and individual auditor in accordance with paragraph 3.84(g) of the JSE Listings Requirements and paragraph 7.3(e) of the JSE Debt Listings Requirements
  - Reviewed the accounting policies of all entities included in the consolidated Annual Financial Statements and is satisfied these are appropriate, consistently applied and comply with IFRS Accounting Standards. The Audit Committee is satisfied Discovery has established financial reporting procedures to ensure access to all financial information required to prepare and report on the Group's financial statements effectively
  - Assessed the quality, performance and delivery of the internal audit plan, scope of work performed and level of resources and coverage of the audit plan
  - Reviewed the performance of the Group CFO and the performance and independence of the Chief Audit Executive, which were confirmed to be satisfactory
  - Reviewed the Integrated Annual Report and considered the accuracy and completeness thereof

### PLANNED FOCUS AREAS IN FY2025

- Embed processes and institutionalise models and financial reporting controls for IFRS 17
- Assess the effectiveness of the Group Governance Framework by evaluating the performance and impact of Subsidiary Audit Committees within the Group's overall governance structure
- Enhance ESG financial reporting
- Review and improve shareholding reporting
- Review and assess the appropriateness of a co-sourcing model for the Internal Audit function

The Audit Committee is satisfied that it fulfilled its responsibilities as per its Terms of Reference for FY2024.



**The Audit Committee is an independent statutory committee that assists the Board in fulfilling its Group governance and oversight responsibilities pertaining to financial reporting processes, internal control frameworks, internal and external audit processes, applicable standards and legislation as well as the impact of IT-related matters on the financial results of the Group.**

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## RC REMUNERATION COMMITTEE

### Purpose

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

### COMPOSITION AND MEETING ATTENDANCE

The Remuneration Committee is chaired by an Independent Non-executive Director and must comprise at least three Non-executive Directors, with the majority being independent. In executing its functions, the committee is supported by an external remuneration expert and the Internal Remuneration Committee, which includes Executive Directors, business unit CEOs, and Group heads of control functions.

#### THE REMUNERATION COMMITTEE MET THREE TIMES DURING FY2024 AND COMPRISED THE FOLLOWING MEMBERS:

	Board status	Appointment to committee	Number of meetings attended
<b>FN Khanyile (Chairperson)</b>	Independent Non-executive Director	November 2019	<b>3/3</b>
<b>MW Hlahla</b>	Independent Non-executive Director	November 2021	<b>2/3</b>
<b>TT Mboweni</b>	Independent Non-executive Director	May 2022	<b>3/3</b>
<b>KC Ramon<sup>1</sup></b>	Independent Non-executive Director	November 2023	<b>2/2</b>

<sup>1</sup> Appointed as a member of the committee with effect from 17 November 2023.

### KEY FOCUS AREAS IN FY2024

- Conducted benchmarking of Non-executive Director fees and recommended Non-executive Directors' remuneration structure and base fees, as well as inflationary-related increases, to the Board for approval by Discovery's shareholders. In addition, recommended an increase for the Chairperson of the Audit Committee and Chairperson of the Risk and Compliance Committee based on a phased alignment to revised market benchmarks
- Reviewed Discovery's remuneration philosophy and ensured that it is fair and equitable
- Reviewed and approved the framework, performance targets and measures used to assess the performance of Executive Directors and their related remuneration awarded
- Approved the three components of the FY2023 Remuneration Report and established that the report complies with the provisions of the Companies Act and King IV™, tabling it at the AGM for a non-binding advisory vote by shareholders
- Reviewed and approved annual increases for employees, including Executives
- Oversaw compliance with the Malus and Clawback Policy, including the process followed for the forfeiture of unvested awards or unpaid short-term incentives (STIs) (malus) and the clawback of vested awards or paid STIs
- Oversaw compliance with the Minimum Shareholding Requirement Policy for senior Executives
- Considered advice and input from external advisers on improved remuneration policies, salary and incentive benchmarking, and good remuneration governance practices
- Provided relevant information sessions for committee members to inform compliance with legislation and best practice
- Considered the vertical pay gap between Discovery's highest and lowest-paid employees, as well as gender and race pay gaps, as part of the Group's approach to fair and responsible remuneration
- Considered the appropriateness of incentive payments to the participants in management incentive schemes, including Executive Directors, to ensure that remuneration decisions strike a fair balance between sentiment and performance
- Reviewed the Group performance scorecard and ensured that relevant targets are linked to remuneration practices and the Group strategy



The Remuneration Committee assists the Board in ensuring the Group remunerates fairly, responsibly and transparently.

### PLANNED FOCUS AREAS IN FY2025

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

The Remuneration Committee is satisfied that it fulfilled its responsibilities as per its Terms of Reference for FY2024.

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## RCC RISK AND COMPLIANCE COMMITTEE

### Purpose

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

### COMPOSITION AND MEETING ATTENDANCE

The Risk and Compliance Committee must comprise at least five members, including Executive and Non-executive Directors. Of these members, the majority must be Non-executive Directors and the Chairperson an Independent Non-executive Director. The Group CRO and Group CCO attend committee meetings as permanent invitees and an independent technology adviser further bolsters the committee's skills and expertise.

#### THE RISK AND COMPLIANCE COMMITTEE MET FIVE TIMES DURING FY2024 AND COMPRISED THE FOLLOWING MEMBERS:

	Board status	Appointment to committee	Number of meetings attended
M Schreuder (Chairperson)	Independent Non-executive Director	February 2021	5/5
LM Chiume <sup>1</sup>	Independent Non-executive Director	September 2023	4/4
R Farber	Non-executive Director	April 2015	5/5
J Ferreira <sup>2</sup>	Group CCO	June 2019	1/1
HD Kallner <sup>2</sup>	Group Executive and CEO: SA Composite	December 2015	1/1
D Macready	Independent Non-executive Director	February 2020	5/5
S Mbatha <sup>2</sup>	Group CRO	May 2023	1/1
TT Mboweni	Independent Non-executive Director	May 2022	5/5
A Ntsaluba <sup>1</sup>	Group Executive	September 2023	2/4
DM Viljoen	Executive Director and Group CFO	May 2017	5/5
SV Zilwa <sup>3</sup>	Independent Non-executive Director	April 2015	0/1

<sup>1</sup> Appointed as members of the committee with effect from 18 September 2023.

<sup>2</sup> Resigned as members of the committee with effect from 14 September 2023.

<sup>3</sup> Resigned as member of the committee with effect from 16 November 2023.

### KEY FOCUS AREAS IN FY2024

- Oversaw the implementation of the Third-party Risk Management Framework and the related approach to outsourcing and insourcing within the Group
- Oversaw the operations of the Group's independent Risk Management function to ensure the adequacy and effectiveness thereof
- Reviewed the Group's risk management plans, risk-related policies and frameworks, and confirmed they are appropriate and have been implemented satisfactorily
- Considered detailed risk reports from the CRO, the residual risk profile of the Group, as well as key risk trends, including key top-of-mind topics on various risk exposures
- Considered risk reports of the relevant risk committees of other Group regulated entities, including Discovery Bank, SA Composite, Vitality UK and Vitality Global
- Reviewed the annual refresh of the risk strategy, risk appetite statements and metrics
- Reviewed the Group, Discovery Insure and Discovery Life ORSA reports, challenging findings where required
- Considered the risks posed by geopolitical and local factors, including stability of infrastructure and potential impact of social unrest, and increased oversight of matters relating to financial crime
- Monitored Discovery's main climate-related risks and opportunities
- Reviewed the Group risk management and Group compliance plans, policies and frameworks and related approvals, and reviewed the effectiveness of these functions
- Monitored the compliance landscape, ensuring Discovery complies with applicable laws, regulatory requirements, codes and standards, and assessed the impact of new laws and regulations on the Group to keep the Board up to date on any material developments
- Considered comprehensive reports from the CCO that detail regulatory changes, material regulatory developments, regulatory exposures, as well as any material findings in monitoring reviews
- Provided oversight of key data loss prevention projects and initiatives and oversaw reports received from the Chief Information Security Officer (CISO) relating to IT governance
- Considered feedback from the IT Subcommittee and Group Treating Customers Fairly Subcommittee
- Reviewed and considered the cyber-security posture, as well as associated risks and controls
- Provided oversight of Discovery's IT Governance Framework, and considered the adequacy and effectiveness of governance structures within the IT environment
- Reviewed and provided oversight to the Group's plans and activities with regards to business continuity, disaster recovery planning and operational resilience
- Oversaw the implementation of anti-financial crime programmes and controls, as well as financial crime-related policies
- Oversaw reports from the Forensics function on Discovery's financial crime risk profile
- Reviewed and approved the risk and compliance-related content of the Integrated Annual Report
- Reviewed material litigation and other proceedings

### PLANNED FOCUS AREAS IN FY2025

- Continue to focus on core activities as outlined in the committee's Terms of Reference
- Continue to focus on risks related to organisational resilience, geopolitical factors, fraud and financial crime
- Enhance monitoring and assessment of the risks and potential financial impacts related to climate change as well as other environmental considerations
- Continue to consider contagion risk across the Group

The Risk and Compliance Committee is satisfied that it fulfilled its responsibilities as per its Terms of Reference for FY2024.



**The Risk and Compliance Committee is responsible for ensuring material risks that could affect the Group are identified, evaluated and effectively managed and reported.**

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## ACT ACTUARIAL COMMITTEE

### Purpose

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

### COMPOSITION AND MEETING ATTENDANCE

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

#### THE ACTUARIAL COMMITTEE MET EIGHT TIMES DURING FY2024 AND COMPRISED THE FOLLOWING MEMBERS:

	Board status	Number of meetings attended
D Kirk (Chairperson)	Independent expert actuary	8/8
R Farber	Non-executive Director	7/8
D Hare <sup>1</sup>	Independent Member	6/6
HD Kallner <sup>2#</sup>	Group Executive and CEO: SA Composite	2/2
R Lee <sup>2</sup>	Independent expert actuary	2/2
D Macready	Independent Non-executive Director	8/8
KS Rabson <sup>2#</sup>	Group Executive and CEO: Discovery Invest	2/2
A Rayner <sup>#</sup>	Group Chief Actuary	8/8
M Schreuder	Independent Non-executive Director	8/8
E Stipp <sup>1</sup>	Chief Actuary and Head of Data Science Lab: Discovery Health	4/6
DM Viljoen	Executive Director and Group CFO	8/8
R Williams	Independent expert actuary	4/8

<sup>1</sup> Appointed as members of the committee with effect from 18 September 2023.

<sup>2</sup> Resigned as members of the committee with effect from 18 September 2023.

# Attended in person or by proxy.

### KEY FOCUS AREAS IN FY2024

- Ensured the Group's preparedness for the implementation of IFRS 17, including ongoing training and transition arrangements
- Facilitated deep dive reviews in specific areas of actuarial consideration across the Group, with a focus on product management and the ongoing monitoring of significant basis changes made
- Reviewed results, analysis and disclosures for embedded value, IFRS and capital requirements
- Reviewed and approved updated committee Terms of Reference
- Reviewed the basis, methodology and results of the solvency calculations for each business and the Group
- Reviewed the results, analysis, aggregation and disclosures of the financial results and the embedded value results for the Group and material insurance entities
- Identified and analysed all relevant actuarial risks across the Group, including the actuarial aspects of the ORSA for various entities, and ensured that relevant management strategies are in place to manage risks
- Reviewed reports from management and external advisers on Discovery's actuarial risks and considered any other reports of a technical actuarial nature
- Confirmed that, from an actuarial perspective, Discovery complied with all applicable legislation, regulatory requirements, notices and codes, and that Discovery adheres to international best practice
- Monitored the impact of post-COVID-19 experience on the actuarial components of the reserving and reporting bases and recommended adjustments as and when required
- Reviewed the Group Actuarial Control function's charter, plan and skills
- Considered the Head of the Actuarial function's review of the reinsurance arrangements for all insurance entities and reviewed the appropriateness and adequacy thereof
- Reviewed the minutes of and feedback from the Discovery Life, Discovery Insure, Discovery Health, VitalityLife, VitalityHealth and Vitality Global subsidiary actuarial committees to consider relevant actuarial issues, their management, and the impact on the Group's actuarial risks

### PLANNED FOCUS AREAS IN FY2025

- Continue to focus on the areas as outlined in its Terms of Reference, in respect of the Discovery Group
- Facilitate a deeper review into the overall quantitative components of the Discovery Group ORSA Reports, including a review of the proposed stress and scenario tests

The Actuarial Committee is satisfied that it fulfilled its responsibilities as per its Terms of Reference for FY2024.



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

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## SEC SOCIAL AND ETHICS COMMITTEE

### Purpose

The Social and Ethics Committee is an independent statutory committee that assists the Board in implementing and monitoring strategies related to social, economic and sustainable development; stakeholder relations; labour and employment practices; transformation and the Ethics Framework across Discovery. The committee also makes recommendations to the Board on good corporate citizenship, the climate change strategy, environmental health and safety, and an inclusive economy.

### COMPOSITION AND MEETING ATTENDANCE

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

#### THE SOCIAL AND ETHICS COMMITTEE MET FIVE TIMES DURING FY2024 AND COMPRISED THE FOLLOWING MEMBERS:

	Board status	Appointment to committee	Number of meetings attended
FN Khanyile (Chairperson) <sup>1</sup>	Independent Non-executive Director	May 2018	5/5
MW Hlahla	Independent Non-executive Director	August 2021	5/5
HD Kallner <sup>3</sup>	Group Executive and CEO: SA Composite	May 2018	1/2
A Ntsaluba <sup>2</sup>	Group Executive	September 2023	3/3
KC Ramon <sup>2</sup>	Independent Non-executive Director	September 2023	3/3
Z Saungweme <sup>2</sup>	Head of People and Group Executive	September 2023	3/3
DM Viljoen <sup>3</sup>	Executive Director and Group CFO	May 2018	2/2
SV Zilwa <sup>1</sup>	Independent Non-executive Director	May 2018	3/3

<sup>1</sup> SV Zilwa retired as member and Chairperson of the committee and FN Khanyile was appointed as the new committee Chairperson with effect from 16 November 2023.

<sup>2</sup> Appointed as members of the committee with effect from 18 September 2023.

<sup>3</sup> Resigned as members of the committee with effect from 14 September 2023.

### KEY FOCUS AREAS IN FY2024

- Reviewed feedback from roundtable discussions on the Adrian Gore Mentorship Programme for Black Actuaries
- Approved Discovery's human rights statement
- Oversaw the implementation of Discovery's sustainable development strategy, including consideration of the SDGs and oversight of the Group's Sustainability Framework and dashboard. In addition, considered, approved and monitored the key sustainability performance indicators
- Oversaw Discovery's ethical standards and values to ensure an ethical culture is deeply rooted across the Group and monitored ethics training of staff across the Group
- Ensured compliance with the UN Global Compact Principles, the recommendations of the OECD regarding corruption, as well as applicable legislative and regulatory requirements that impact social and economic development
- Monitored diversity, equity and inclusion within various levels of the business
- Monitored the Group's target level of compliance with the Broad-based Black Economic Empowerment (B-BBEE) Codes of Good Practice and its progress in terms of transformation targets against actual metrics, with specific regard to our B-BBEE scorecard, employment equity plan, skills development and CSI dashboards
- Reviewed the Group's enterprise development and preferential procurement policies and implementation thereof while ensuring alignment with the Group's transformation objectives
- Monitored Discovery's corporate citizenship approach, as well as objectives that promote equality, prevent unfair discrimination and corruption, and support corporate sponsorships and donations
- Oversaw the Group's environmental and health and safety strategies and objectives. This includes the execution of the Group Climate Change Strategy and the Group's performance against emissions reduction targets. The Committee also approved management's recommendation to defer the Group's carbon neutral goal from 2025 to 2027
- Monitored the Group's ESG disclosure performance against ESG ratings agencies
- Monitored the Group's stakeholder engagement, advertising and public relations strategies and objectives
- Oversaw the Group's labour-related policies and frameworks in addition to its Employment Equity Plan and Skills Development Strategy. This included the Group's code of good practice to prevent and eliminate harassment in the workplace
- Reviewed the Sustainability Report, as well as the assurance processes supporting key data included therein, and recommended this to the Board for approval

### PLANNED FOCUS AREAS IN FY2025

- Monitor and oversee the implementation of the Group's Climate Change Strategy and other environmental-related initiatives and frameworks
- Maintain Discovery's level 1 B-BBEE score and oversee the action plan to improve employment equity ratings in line with the Employment Equity Amendment Bill
- Monitor the implementation of the Companies Amendment Act requirements as they impact the Committee

The Social and Ethics Committee is satisfied that it fulfilled its responsibilities as per its Terms of Reference for FY2024.



**The Social and Ethics Committee assists the Board in implementing and monitoring strategies related to social, economic and sustainable development; stakeholder relations; labour and employment practices; transformation and the Ethics Framework across Discovery.**

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## NC NOMINATIONS COMMITTEE

### Purpose

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

### COMPOSITION AND MEETING ATTENDANCE

The Nominations Committee is chaired by the Chairperson of Discovery's Board, and comprises at least three members. Discovery's Group Chief Executive, who is the Group's founder, is also a member of the committee, along with three Independent Non-executive Directors. Discovery's founder attends committee meetings to ensure continuity of the Group's purpose and values on which it has been built. Members of executive management and senior management attend committee meetings by invitation to provide pertinent information and insight in their areas of responsibilities.

#### THE NOMINATIONS COMMITTEE MET TWO TIMES DURING FY2024 AND COMPRISED THE FOLLOWING MEMBERS:

	Board status	Appointment to committee	Number of meetings attended
Sir ME Tucker (Chairperson)	Independent Non-executive Director	November 2019	2/2
A Gore	Executive Director and Group Chief Executive	November 2019	2/2
FN Khanyile	Independent Non-executive Director	February 2020	2/2
Dr TV Maphai <sup>2</sup>	Independent Non-executive Director	February 2020	1/1
TT Mboweni <sup>1</sup>	Independent Non-executive Director	November 2023	0/1

<sup>1</sup> Appointed as a member of the committee with effect from 16 November 2023.

<sup>2</sup> Retired as a Board member and member of the committee with effect from 16 November 2023.

### KEY FOCUS AREAS IN FY2024

- Oversaw the embedding of the Group Governance Framework
- Considered the composition of the Board and its compliance with relevant laws and regulations
- Ensured the Board has the appropriate balance of skills, qualifications and experience for it to execute its duties effectively
- Oversaw the succession plan for the Board, which includes identifying, mentoring and developing future candidates
- Identified suitable candidates to improve the diversity of the Board
- Oversaw the performance assessment of the Board, Board committees and individual Non-executive Directors
- Oversaw the continuous development of Directors through ongoing training interventions in addition to the Board Induction Programme
- Recommended the re-election of Non-executive Directors whose terms were coming to an end and, in doing so, considered their performance and attendance on the Board and committees
- Considered assessments of Directors' independence for Directors who have served longer than nine years and recommended a tenure management model for Non-executive Directors to the Board for approval
- Oversaw the independent Board effectiveness review conducted in FY2024 and the subsequent implementation of its recommendations
- Monitored the execution of the Board's corrective action list for the Board effectiveness review report
- Considered and approved its revised Terms of Reference
- Oversaw the composition of Board committees, including appointments and resignations, to ensure committees are able to fulfil their responsibilities and comply with their Terms of Reference
- Considered the composition of Board committees, with regard to the allocation of roles and responsibilities, to achieve a balanced distribution of power. In addition, considered all proposed director appointments at subsidiaries classified as highly material prior to appointments taking effect
- Recruited, shortlisted and recommended to the Board several new appointments to various committees, and oversaw onboarding and induction of new members

### PLANNED FOCUS AREAS IN FY2025

- Continue to review the Board's composition annually
  - Oversee succession planning for the Board
- The Nominations Committee is satisfied that it fulfilled its responsibilities as per its Terms of Reference for FY2024.



**The Nominations Committee oversees the appropriate composition of the Board and its committees. It assists in identifying, electing and appointing potential Board candidates and makes recommendations on the appointment of Executive or Non-executive Directors to the Board.**

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## TWG TECHNOLOGY WORKING GROUP

### Purpose

The TWG is a strategic advisory body that assists the Board in fulfilling its information and technology growth aims and strategy. The TWG extends the Board's oversight role of technology more broadly than governance and risk, currently provided by the IT Subcommittee.

### COMPOSITION AND MEETING ATTENDANCE

The TWG is chaired by an Independent Non-executive Director. The Chairperson of the Risk and Compliance Committee, Chairperson of the IT Subcommittee, business executives representing the main operating entities within the Group, the Group CIO and other experts are members of the TWG. Other individuals, including other Directors, may attend TWG meetings by invitation to provide pertinent information and insight into their areas of responsibility.

#### THE TWG MET THREE TIMES DURING FY2024 AND COMPRISED THE FOLLOWING MEMBERS:

	Board status	Appointment to committee	Number of meetings attended
BA van Kralingen (Chairperson)	Independent Non-executive Director	February 2023	3/3
A Fatti <sup>1#</sup>	Chief Digital Officer	February 2023	1/1
HD Kallner	Group Executive and CEO: SA Composite	February 2023	3/3
N Koopowitz <sup>#</sup>	CEO: Vitality UK	February 2023	2/3
M Lippert <sup>2</sup>	Independent Member	January 2024	2/2
M Schreuder	Independent Non-executive Director	February 2023	3/3
E Solomon	Independent Non-executive Chairperson of the IT Subcommittee	February 2023	3/3
B Swartzberg	Executive Director: Discovery	February 2023	3/3
R Walker <sup>2</sup>	Independent Member	January 2024	2/2
D Wilcocks	Group CIO	February 2023	3/3

<sup>1</sup> Resigned as a member of the committee with effect from 16 November 2023.

<sup>2</sup> Appointed as members of the committee with effect from 1 January 2024.

<sup>#</sup> Attended in person or by proxy.

### KEY FOCUS AREAS IN FY2024

- Considered feedback on an evaluation of the Vitality1 platform's maturity
- Reviewed the internal process run by Vitality Global to assess their Technology Convergence Strategy
- Considered the Vitality Global sourcing strategy with regard to the impacts on Vitality Global and potentially other Discovery Group businesses
- Reviewed the technology architecture, strategies, risks and governance management plans of several business units
- Considered data science, technology skills, digital transformation and digital channel architecture throughout the Group
- Monitored AI developments globally as well as Discovery's approach on the ethical use and governance of AI
- Considered the effectiveness of technology infrastructure to meet business requirements
- Further strengthened the skillset and composition of the TWG through the appointment of two new independent members given the strategic direction and growth of the Group

### PLANNED FOCUS AREAS IN FY2025

- Review the technological infrastructure of the Group's composites in terms of effectiveness, cost efficiency and modernisation
- Continue to monitor global AI developments and Discovery's approach on the ethical use and governance of AI

The TWG is satisfied that it fulfilled its responsibilities as per its Terms of Reference for FY2024.



**The TWG is a strategic advisory body that assists the Board in fulfilling its information and technology growth aims and strategy.**

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## TCF TREATING CUSTOMERS FAIRLY SUBCOMMITTEE

### Purpose

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

### COMPOSITION AND MEETING ATTENDANCE

The subcommittee must comprise at least five members, including Executive and Non-executive Directors of Discovery or any of its principal subsidiaries, with a majority being Non-executives of which one must be a member of the Social and Ethics Committee. Non-executive members are recommended by the Nominations Committee and appointed by the Board as and when a vacancy arises. Executive members of the subcommittee are nominated by the Discovery Group Executive Committee, in consultation with the Chairperson of the subcommittee, then recommended by the Nominations Committee and appointed by the Board. The Chairperson must be an independent Non-executive Director of Discovery or any of its principal subsidiaries, and is recommended by the Nominations Committee and appointed by the Risk and Compliance Committee. Each business entity over which the subcommittee has direct oversight will provide an attendee at all meetings, selected from the respective entity's Executive Management team or by a decision-making member of Senior Management nominated by the Executive Management team. The subcommittee meets a minimum of four times a year. Discovery Bank, Vitality UK and Vitality Global have their own treating customers fairly processes and appropriate governance structures. Representatives of these businesses attend the subcommittee meetings to report on their related activities.

#### THE TREATING CUSTOMERS FAIRLY SUBCOMMITTEE MET FOUR TIMES DURING FY2024 AND COMPRISED THE FOLLOWING MEMBERS:

	Board status	Appointment to committee	Number of meetings attended
J Awbrey (Chairperson)	Independent Non-executive Director (Discovery Insure and Discovery Life)	January 2017	4/4
J Ferreira <sup>1</sup>	Group CCO	November 2018	2/2
KC Ramon <sup>2</sup>	Independent Non-executive Director (Group)	November 2023	3/3
A Rayner	Group Chief Actuary	January 2017	4/4
M Schreuder	Independent Non-executive Director (Group)	April 2022	4/4
A van Rooyen <sup>1</sup>	Acting Group CCO	January 2024	2/2
SV Zilwa <sup>3</sup>	Independent Non-executive Director (Group)	January 2017	0/1

<sup>1</sup> J Ferreira resigned as Group CCO and as a member of the committee with effect from 31 December 2023 and was replaced by A van Rooyen as Acting Group CCO from 1 January 2024.

<sup>2</sup> Appointed as a member of the subcommittee with effect from 17 November 2023.

<sup>3</sup> Retired as a member of the subcommittee with effect from 16 November 2023.

### KEY FOCUS AREAS IN FY2024

- Reviewed all frameworks dealing with the fair treatment of customers, including the complaints management process
- Reviewed local and international market conduct trends, with a focus on conduct highlights
- Oversaw the delivery of regulatory training following the subcommittee's FY2023 effectiveness review
- Enhanced consolidated product summaries to improve their value and impact globally
- Reviewed the development and launch of all significant new products from a treating customers fairly perspective
- Reviewed the improved customer communication strategy for integrated product development
- Reviewed the Insurance Ombudsman's published annual report to determine the Group's treating customers fairly performance in comparison to our competitors

### PLANNED FOCUS AREAS IN FY2025

- Incorporate consideration of vulnerable customers into the Treating Customers Fairly Framework
- Review treating customers fairly exposure ratings for executive reporting
- Continue to review the development and launch of all significant new products from a treating customers fairly perspective
- Continue to focus on measures that evidence the quality of advice provided by intermediaries to our customers
- Continue to focus on social media interaction from a treating customers fairly perspective, including trend analysis of digital interactions

The Treating Customers Fairly Subcommittee is satisfied that it fulfilled its responsibilities as per its Terms of Reference for FY2024.



**The Treating Customers Fairly Subcommittee is a subcommittee of the Group Risk and Compliance Committee and is responsible for ensuring the fair treatment of customers by the Group.**

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## IT INFORMATION TECHNOLOGY SUBCOMMITTEE

### Purpose

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

### COMPOSITION AND MEETING ATTENDANCE

The subcommittee is chaired by an Independent Non-executive expert who is not a member of Discovery's Board, and includes the Group CIO and Group CISO, among others. The members are appointed annually to the subcommittee by the Group Risk and Compliance Committee and these appointments are ratified by the Board. Other individuals, including other Directors, may attend IT Subcommittee meetings by invitation to provide pertinent information and insight into their areas of responsibility.

#### THE IT SUBCOMMITTEE MET FIVE TIMES DURING FY2024 AND COMPRISED THE FOLLOWING MEMBERS:

	Board status	Appointment to committee	Number of meetings attended
E Solomon (Chairperson)	Independent Non-executive member and expert	October 2021	5/5
R Farber	Non-executive Director	January 2023	5/5
H Padayachee	CIO (Vitality Global)	October 2021	4/5
Z Parak	Group CISO	October 2021	5/5
J van Niekerk	Chief Operating Officer (Vitality SA)	October 2021	5/5
D Wilcocks	Group CIO	October 2021	5/5

### KEY FOCUS AREAS IN FY2024

- Ensured compliance with new Prudential Authority and Financial Sector Conduct Authority draft joint Standards on Information Technology Risk Management Cybersecurity and Cyber Resilience Requirements
- Considered IT governance reports of several businesses in the Group
- Considered the IT portion of the Group's external audit management report and ensured that adequate management responses are in place where required
- Conducted a subcommittee effectiveness evaluation and identified areas for improvement, with a feedback report on the subcommittee's responsibilities and other matters provided to shareholders
- Approved several new IT-related policies, standards and frameworks
- Reviewed the Group's IT strategies and architectures to ensure the Group remains competitive
- Monitored and evaluated significant IT investments and expenditure as part of the Group's overall IT project profile, ensuring alignment with Discovery's overall strategy
- Monitored and verified key IT operational performance statistics
- Reviewed and monitored IT risks and exposures on a Group basis, ensuring effective IT risk management

### PLANNED FOCUS AREAS IN FY2025

- Continue to focus on the core activities of the subcommittee as outlined in its Terms of Reference
- Continue to optimise our current data and technological environment for affordability, quality and cost
- Prepare the data and technology environment for future needs and market forces including a fully digital experience, further innovation and disruptive technology
- Ensure ongoing compliance with the requirements of relevant data protection legislation

The IT Subcommittee is satisfied that it fulfilled its responsibilities as per its Terms of Reference for FY2024.



**The IT Subcommittee is tasked with assisting the Risk and Compliance Committee and focuses on assessing the effectiveness and efficiency of information systems from a risk and strategic alignment perspective.**

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# FY2024 King IV™ application register

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

**LEADERSHIP**

**Principle 1**  
The governing body should lead ethically and effectively.

+ Refer to page 4 and 17 of this Governance Report. >

**ORGANISATIONAL ETHICS**

**Principle 2**  
The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

**RESPONSIBLE CORPORATE CITIZENSHIP**

**Principle 3**  
The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

**STRATEGY AND PERFORMANCE**

**Principle 4**  
The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

**REPORTING**

**Principle 5**  
The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects.

+ Refer to page 23 and 27 of this Governance Report. >

**PRIMARY ROLE AND RESPONSIBILITIES**

**Principle 6**  
The governing body should serve as the focal point and custodian of corporate governance in the organisation.

**COMPOSITION**

**Principle 7**  
The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

+ Refer to page 4 and 17 of this Governance Report. >

**COMMITTEES**

**Principle 8**  
The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.

**EVALUATION OF PERFORMANCE**

**Principle 9**  
The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members support continued improvement in its performance and effectiveness.

+ Refer to page 16 and 17 of this Governance Report. >

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### APPOINTMENT AND DELEGATION TO MANAGEMENT

#### Principle 10

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

### TECHNOLOGY AND INFORMATION GOVERNANCE

#### Principle 12

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

### REMUNERATION GOVERNANCE

#### Principle 14

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

+ Refer to page 18 and 28 of this Governance Report. >

### STAKEHOLDERS

#### Principle 16

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

### RISK GOVERNANCE

#### Principle 11

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

### COMPLIANCE GOVERNANCE

#### Principle 13

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

### ASSURANCE

#### Principle 15

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

### RESPONSIBILITIES OF INSTITUTIONAL INVESTORS

#### Principle 17

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



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