

AUGUST

2023

# POLICY

SHARE-TRADING AND PRICE-SENSITIVE  
INFORMATION POLICY

CONFIDENTIAL

GROUP-WIDE



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# 1 | INTRODUCTION

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## 1.1 PURPOSE

This policy deals with information arising both in the ordinary course of business and not in the ordinary course of business. The policy relates to Discovery Limited and its subsidiaries ('the Group') and the associated compliance requirements, in addition to related securities-trading activities.

Discovery Limited, the ultimate holding company of the Group, is a public company registered in South Africa. It is, listed on two financial market infrastructures licensed in South Africa, namely the Johannesburg Stock Exchange (JSE) and A2X Markets (A2X), under share codes DSY or DSBP. As such, the company must adhere to the Johannesburg Stock Exchange Listing Requirements (JSE LR) with regard to the following:

- Trading in securities during defined financial or cautionary closed periods<sup>1</sup>
- The prohibition of trading during periods when individuals are in possession<sup>2</sup> of price-sensitive information (price-sensitive period or prohibited period)

The purpose of this policy is to ensure the fair and proper disclosure of information and to regulate the trading of securities. This policy sets out the rules and guidelines regarding the following:

- Any transaction involving Discovery securities by any Discovery representative, as defined below
- The principles applicable to all Discovery representatives to manage any transaction in securities that may be seen as insider trading, as defined in the Financial Markets Act of 2012 (FMA)
- Any information arising in the ordinary course of business (ITOCOB) and not in the ordinary course of business, and proper compliance with requirements relating to such information
- What constitutes prohibited periods and price-sensitive information, identification of persons that may be affected and the consequence of non-compliance

The policy is not a substitute document for the JSE LR. Therefore, affected persons must read the JSE LR to get full and complete knowledge of all applicable requirements contained in the JSE LR.

## 1.2 APPLICATION

This policy applies to Discovery and its South African and international subsidiaries. This includes:

- All executive and non-executive directors
- All senior managers
- Full-time, part-time or temporary employees
- Any independent contractors or consultants under Discovery's direct control.

We assert our influence over business partners we don't control or operate and encourage them to act in a manner consistent with our values and code of conduct. Trading partners are any third party with whom the Group has a business relationship or with whom a business relationship is being considered or is in the process of being finalised. The policy applies to Discovery employees, including affected persons, to the extent that such employees are required to be aware of the existence and provisions of such policy and be aware of the consequences of insider trading. Refer to the attached Annexure F for a decision tree to support the application of this policy to share dealing.

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<sup>1</sup> Closed periods and prohibited periods are also referred to as restricted periods.

<sup>2</sup> JSE Listings Requirements Standard of Professional Conduct II (A)



### 1.3 IMPLEMENTATION

Each entity in the Group must:

- Follow the legislation applicable in that country's jurisdiction; and
- Have procedures in place to align its operations with the spirit and purpose of this policy.

Each directly held intermediate holding company of Discovery Limited must facilitate the adoption of this policy by the boards of its directly or indirectly held subsidiaries, and is responsible for oversight of adherence to this policy by its direct and indirect subsidiaries.

As there is no intermediate holding company for the subsidiaries based in South Africa that are directly held by Discovery Limited, the Chief Executive Officer (CEO) of the South African composite fulfils the role of oversight and other responsibilities of directly held intermediate holding companies, as set out in this policy.

A subsidiary in the Group may choose to have its own policy to make provision for its nature, scale and complexity, and the legislation under which it operates.

Such a policy must be consistent with this policy and the Board of Discovery Limited ('the Board') must approve any deviation from this policy by any of its directly held subsidiaries unless the deviation is necessary to facilitate compliance with legislative and regulatory requirements. In the latter instance, the approval is automatically granted if the board of directors of a subsidiary has communicated the need for such a deviation to the Board.

In respect of indirectly held subsidiaries of Discovery Limited, the board of the relevant intermediate holding company must approve any deviation from this policy by any of its directly or indirectly held subsidiaries.

## 2 | OUR APPROACH

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### 2.1 PROHIBITED PERIODS

2.1.1 During prohibited periods, any affected person is prohibited from:

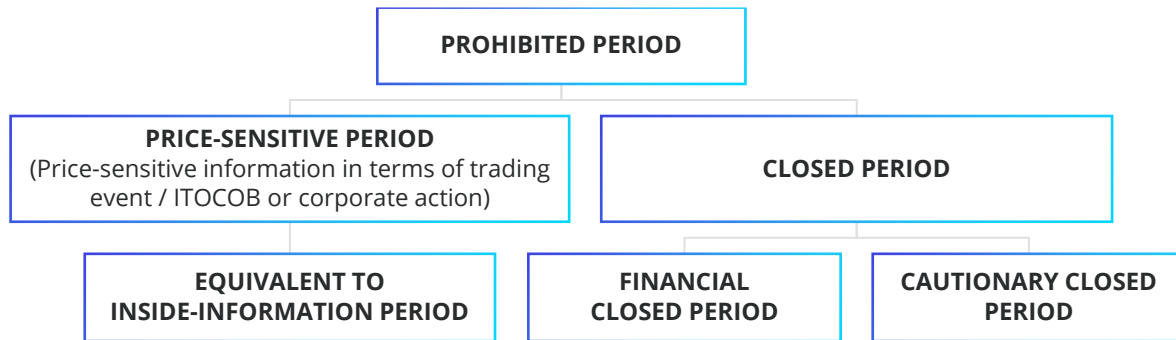
2.1.1.1 Carrying out Discovery share dealings

2.1.1.2 Engaging in any activity that may be seen to cause, procure or influence anyone else to deal in Discovery securities.

2.1.1.3 Disclosing any price-sensitive information they know or ought to know is price sensitive to any other person who may use that information, directly or indirectly, to trade in any Discovery securities.

2.1.2 Additionally, affected directors and EXCO members of Discovery are prohibited from entering into any securities transaction during the months of June or December each year.

2.1.3 Prohibited periods comprise both price-sensitive periods and closed periods, as defined.



2.1.4 If it is determined that Discovery is in a prohibited period in terms of 2.1.1 above, the Discovery Group Company Secretary must immediately identify all affected persons and send out email notifications to all affected persons. The notification must inform all affected persons that a prohibited period has started and that Discovery share dealings are prohibited during such period.

2.1.5 When the prohibited period ends, the Discovery Group Company Secretary must immediately inform all affected persons by email.

## 2.2 PRICE-SENSITIVE INFORMATION

2.2.1 Every year, the Discovery Limited Board will consider the impact of material risk factors in its assessment of price-sensitive information with reference to 4.2.2.2 below.

2.2.2 Determining whether and when information is price sensitive requires such information to be reviewed by the Group Chief Financial Officer, Group Chief Risk Officer and Group Company Secretary. The review must take place on an integrated basis and consider the metrics of importance, size and certainty. Firstly, it must be determined if the information's importance and size pre-qualifies it as being price sensitive. Secondly, the information must be classed as being price sensitive when reasonable certainty has been achieved that the event in the ordinary course of business (ITOCOB) or corporate action will take place. The metrics of importance, size and certainty should be measured as follows:

### 2.2.2.1 Importance

If the information does not pre-qualify in terms of size in 4.2.2.2 below, it will pre-qualify as price-sensitive information if it is decided that market perception and reaction to such information disclosure could or would have a material effect on any of Discovery's share prices. This decision is made by taking into consideration, among other things, the impact of material risk factors specific to Discovery.

### 2.2.2.2 Size

- *ITOCOB events (excluding trading statements)*: If the size of the subject matter concerned is equal to or greater than 5% of Discovery's market capitalisation, information relating to it pre-qualifies as being price-sensitive information.
- *Corporate actions*: If the size of the subject matter concerned is equal to or greater than 5% of Discovery's market capitalisation or involves a related party, information relating to it pre-qualifies as being price-sensitive information.
- *Trading statements*: An assessment of earnings per share (EPS) and headline earnings per share (HEPS) (as compared to forecast or historical information in line with JSE LR) should be done to determine when significant differences arise. If such difference is expected to be greater than 20%, a Trading Statement must be published on the Stock Exchange News Service (SENS). The trading statement must be authorised by the Discovery Limited Audit Committee (DLAC) and thereafter the Discovery Limited Board.



### 2.2.2.3 Certainty

- Pre-qualified price-sensitive information will qualify as price-sensitive information when the occurrence or agreement of corporate actions or an ITOCOB event becomes reasonably certain. Reasonable certainty is achieved when a greater than 50% probability exists that the corporate actions or ITOCOB event will proceed with no other competing probable outcomes of any material size.
- Price-sensitive information becomes certain when final agreement is reached even though the transaction may be subject to fulfilment of outstanding conditions.

## 2.3 INSIDE INFORMATION AND THE LINK TO PRICE-SENSITIVE INFORMATION

- 2.3.1 The Financial Markets Act (FMA) defines inside information as information concerning Discovery which, if it were made public, would be likely to have a material effect on any of Discovery's share prices, or on any JSE-listed derivative security in respect of any of Discovery's shares. Inside information is deemed to be the same as price-sensitive information.
- 2.3.2 Any price-sensitive period is, therefore, deemed to also be an inside period, and all principles with respect to price-sensitive information similarly apply to inside information.
- 2.3.3 Any person who receives inside information concerning Discovery becomes an insider. If an insider commits an insider-trading offence, they will face a civil liability up to a maximum of four times the profit made or loss avoided, plus a R1 million administrative penalty.

## 2.4 CONFIDENTIALITY AND ANNOUNCEMENTS

- 2.4.1 The concept of confidentiality of information is contained in the Johannesburg Stock Exchange Listing Requirements (JSE LR).
- 2.4.2 Price-sensitive information or inside information may not be given only to select persons. The prime rule is that such information must be published on the Stock Exchange News Service (SENS) so that all persons are equally notified of such information at the same time.
- 2.4.3 Confidentiality of price-sensitive information or inside information is presumed to be maintained if Discovery is unaware of any disclosures having been made to non-insiders (in other words, a disclosure breach). It is also presumed that confidentiality has been maintained if Discovery's traded share volumes and share prices do not deviate by 5% or more from 20-day moving average volumes or the prior days closing prices on any trading day during price-sensitive periods.
- 2.4.4 If a disclosure breach has occurred and/or if share volumes and/or share prices deviate on any trading day by 5% or more during price-sensitive periods and if no explanation or attribution appears to be reasonable, including whether such movements can be explained by or attributed to general market forces, this may be deemed to be a breach of confidentiality. The Discovery Group Company Secretary must immediately notify Investor Relations and the Group Finance Director, who must immediately investigate and determine whether such breach of confidentiality has occurred.
- 2.4.5 Where a corporate action or event in the ordinary course of business (ITOCOB) is being negotiated, price-sensitive information may be given in strict confidence to persons being negotiated with, including counterparties, shareholders and various advisers involved. The provision of such information requires the recipients to be recorded in the insider register. In addition, written notification must be given to the persons receiving such information to notify them that the information is considered to be inside information and that they may not deal in any securities concerned.



- 2.4.6 Where counterparties are involved and a disclosure breach has occurred, Discovery must immediately inform such counterparties of the breach of confidentiality and of Discovery's obligation to immediately announce all known facts. This announcement includes naming the counterparties concerning the ITOCOB event or taking corporate action on SENS.
- 2.4.7 Further action and agreement with counterparties and/or remedial action may be required, as contained in the JSE LR. This is to ensure the adequate publication of information on SENS so that all persons are equally notified of such information at the same time.
- 2.4.8 The Group Finance Director is responsible for the timing and authorisation of all cautionary announcements and the content of such authorisations. A cautionary announcement is an announcement published on SENS and then in the press. It contains all price-sensitive information known at the time concerning a corporate action because such price-sensitive information can no longer be kept confidential or has leaked into the public domain.

## 2.5 POLICY ON AFFECTED DIRECTORS' DEALINGS

- 2.5.1 Affected directors and their associates are subject to the directors' dealings requirements of the Johannesburg Stock Exchange Listing Requirements (JSE LR).
- 2.5.2 Each affected director who wants to engage in Discovery share dealing outside of a prohibited period must get approval to deal from Discovery's chairperson. In the chairperson's absence, or in the proposed trading of securities by the chairperson, the chairpersons of the Audit and the Risk and Compliance Committee must collectively give consent. To facilitate the process, Discovery has prepared a pre-clearance form, attached as **Annexure A**. The form must be completed and submitted to the Discovery Group Company Secretary.
- 2.5.3 In order to facilitate 2.5.2, whenever approval is requested, the Discovery Group Company Secretary must immediately confirm whether Discovery is in a prohibited period. If Discovery is indeed in a prohibited period, the Discovery Group Company Secretary must comply with 2.1.1 and also deny approval to deal in terms of 2.5.2.
- 2.5.4 Approval to deal when Discovery is in a prohibited period may only be given to an affected director if a specific dispensation is obtained from the JSE due to such affected director having no discretion and having to deal because of hardship, loss or other similar reason acceptable to the JSE and to the Discovery Limited Board. Such requests will require an application for a ruling from the JSE, and the Discovery Limited Board must approve the application.
- 2.5.5 A written record of all requests, approvals and denials will be kept in a register, which will be noted in the Discovery Limited Board meetings by the Discovery Group Company Secretary.
- 2.5.6 After receiving clearance to engage in Discovery share dealing, an affected director is expected to deal as soon as possible but no later than 72 business hours after such clearance.
- 2.5.7 Within 72 business hours after dealing, an affected director must complete **Annexure C** to notify the Discovery Group Company Secretary of all pertinent dealing details as follows:
  - 2.5.7.1 The name of the affected director (or associate, if applicable)
  - 2.5.7.2 The name of the Discovery Group company of which they are an affected director
  - 2.5.7.3 The date of the transaction
  - 2.5.7.4 The price (or highest price, lowest price and volume-weighted average price, in the case of various trades at various prices during the course of a day), number, total value and class of securities concerned



- 2.5.7.5 In the case of options or any other similar right or obligation, the option strike price, strike dates and periods of exercise and/or vesting
- 2.5.7.6 The nature of the transaction
- 2.5.7.7 The nature and the extent of the affected director's interest in the transaction, and in the case of dealings by associates, the name of the associate and the relationship with the affected director
- 2.5.7.8 Confirmation as to whether the trades were performed on-market or off-market
- 2.5.7.9 Confirmation that clearance to deal was obtained by the affected director
- 2.5.8 The Discovery Group Company Secretary will ensure publication of such information on Stock Exchange News Service (SENS) within a further 24 hours.
- 2.5.9 Each affected director must advise all of their associates in writing, attached as **Annexure D**, that they must notify the affected director immediately after they have dealt in securities relating to Discovery. Associates are not required to ask for clearance to deal from Discovery.
- 2.5.10 Each affected director must instruct their asset managers in writing that such asset manager may not engage in Discovery share dealings on their behalf unless instructed to do so in writing. Each affected director must advise their asset managers in writing, attached as **Annexure E**, that they must notify the affected director immediately after they have dealt in securities relating to Discovery.
- 2.5.11 If any share dealing is carried out by an affected director (or their associate) in breach of any of the provisions of this 2.5, notification of such share dealing is required on SENS and the JSE must be notified of the breach via Discovery's sponsor at the same time.

## **2.6 POLICY ON DEALINGS BY AFFECTED PERSONS (EXCLUDING AFFECTED DIRECTORS) AND EMPLOYEES**

- 2.6.1 Affected persons who are not affected directors (in other words, other insiders) are subject to the policy on affected directors' dealings in 2.5. However, the compliance requirements are in terms of this policy only and not the Johannesburg Stock Exchange Listing Requirements (JSE LR).
- 2.6.2 Discovery employees who are not affected persons may not deal in securities during a closed period. The Discovery Group Company Secretary will send out an email notification to inform them that a closed period has started.
- 2.6.3 Any employee who is not an affected person and who wants to enter into a transaction in Discovery securities must get prior written approval in the form of **Annexure B** from the Group Chief Financial Officer or, in their absence, from the Group Company Secretary. This applies if the transaction is more than 50 000 (number of securities) per transaction or in total within a financial year.
- 2.6.4 The approval will be valid for a period of 14 days from the date it is granted. The approval may be granted subject to restrictions and may be revoked prior to the expiry of the 14-day period. No transaction may be carried out after the expiry of the 14-day period unless such approval is renewed.
- 2.6.5 The Group Company Secretary must be contacted in order to get details of the process to be followed when clearance is required.

## **2.7 POLICY ON DEALINGS RELATING DISCOVERY SHARE INCENTIVE SCHEME**

- 2.7.1 Any issue, acceptance, exercise, sale, subscription or purchase of options or shares or other rights or securities in connection with any equity-settled mechanism or scheme by the Discovery share incentive scheme are subject to the same terms and conditions contained in 2.5.





## **2.8 TRADING IN SECURITIES IN OTHER COMPANIES**

- 2.8.1 Buying and selling securities of other companies with which the Discovery Group may be dealing is prohibited if an individual possesses information that is not generally available to the market and if that information is seen as price sensitive. For example, if an individual is aware that Discovery is about to sign a major agreement with another company, they should not buy securities in the other company.

## **2.9 PUBLICATION OF TRADING STATEMENTS ITOCOB AND THE LINK TO PRICE-SENSITIVE INFORMATION AND PROHIBITED PERIODS**

- 2.9.1 Trading statements apply to two separate financial periods. Firstly, they apply to the interim period ending with the announcement of the results of the six-month interim period. Secondly, they apply to the full financial year ending with the announcement of the results of the 12-month financial year.
- 2.9.2 The publication of a trading statement puts an end to a potential price-sensitive period by providing the market with an update of all financial price-sensitive information that may have arisen in trading conditions in the ordinary course of business (ITOCOB).
- 2.9.3 An assessment should be done of earnings per share (EPS) and headline earnings per share (HEPS), as compared to forecast or historical information in line with the Johannesburg Stock Exchange Listing Requirements (JSE LR). This is to determine when significant differences arise. If such difference is expected to be greater than 20%, a trading statement must be published on the Stock Exchange News Service (SENS), and the statement must be authorised by the Audit Committee.
- 2.9.4 The Group Finance Director may voluntarily publish a trading statement at a lower forecast percentage threshold in order to terminate a price-sensitive period, which must be authorised by the Audit Committee.
- 2.9.5 The publication of a trading statement does not give rise to a cautionary period or a financial closed period.

## **2.10 FORECAST FINANCIAL INFORMATION, EXCLUDING TRADING STATEMENTS**

- 2.10.1 Forecast financial information is triggered by any statement or announcement (in other words, financial data requiring interpretation and calculation) that refers to any future profits or losses:
- 2.10.1.1 That contain disclosure about earnings per share (EPS) and headline earnings per share (HEPS)
  - 2.10.1.2 From which EPS or HEPS can be reasonably expected to be calculated.
- 2.10.2 Any disclosed forecast financial information must have been properly compiled in accordance with International Financial Reporting Standards (IFRS).
- 2.10.3 A profit forecast, excluding trading statements, is usually voluntary and may be published in a periodic financial information report or separately on SENS only, on both SENS and in a circular, in revised listing particulars or in a prospectus. A profit forecast requires Discovery directors' approval.
- 2.10.4 If a profit forecast is published in a circular, revised listing particulars or prospectus, in addition to being approved by Discovery directors, it must also be auditor reviewed by a JSE-accredited reporting accountant.
- 2.10.5 Any profit forecast publication requires the material assumptions and basis used in the forecast compilation to be disclosed in such publication.
- 2.10.6 Any guidance regarding future profits or losses relating to the current financial year or next financial year will only be disclosed as a specific or general profit forecast and in accordance with the Johannesburg Stock Exchange Listing Requirements (JSE LR).



- 2.10.7 Any guidance may be given regarding future profits or losses relating to the third future financial year ending, measured from the current (first) financial year ending. This includes revenue without expenses and expenses without revenue.

## **2.11 DISCLOSURE OF PERIODIC FINANCIAL INFORMATION**

- 2.11.1 Periodic financial information, consisting of interim and financial year-end results, should be disclosed in accordance with the Johannesburg Stock Exchange Listing Requirements (JSE LR) and must be compliant with International Financial Reporting Standards (IFRS), South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides, the Companies Act, and Financial Pronouncements as issued by the Financial Reporting Standards Council.
- 2.11.2 Interim results
- 2.11.2.1 Interim results must cover the first six-month period of the financial year.
  - 2.11.2.2 Interim results must be issued and published on the Stock Exchange News Service (SENS) within three months of the interim period ending.
  - 2.11.2.3 Interim results must be auditor reviewed if the audit opinion contained in the prior year's annual financial statements was modified, excluding an emphasis of matter or a reportable irregularity paragraph (in other words, it was qualified).
  - 2.11.2.4 The Audit Committee and Board must determine if Discovery wishes to forecast in the prospects paragraph, and if so, ensure compliance with 2.10.
  - 2.11.2.5 Failure to publish the interim results within four months of the interim period ended will result in the suspension of trading in Discovery securities at the beginning of month five.
- 2.11.3 Financial year-end results
- 2.11.3.1 Financial year-end results are contained in the audited Annual Financial Statements (AFS) and cover the 12-month period of the financial year.
  - 2.11.3.2 The AFS, Integrated Annual Report (IAR), and the Notice of Annual General Meeting (AGM) form part of the Annual Report (AR) suite.
  - 2.11.3.3 The IAR contains all governance disclosures and other disclosures not relating to Generally Accepted Accounting Principles (GAAP). The Audit Committee must review such disclosures and report to the Board for approval.
  - 2.11.3.4 Discovery must adopt the King IV Report on Corporate Governance for South Africa (King IV) as necessary for good corporate governance of the Group. Implementation of these principles will be recorded in the Governance Report as a part of the IAR and placed on Discovery's website.
  - 2.11.3.5 Discovery Limited must adopt and comply with the required specific governance principles contained in the JSE LR. Disclosure of such compliance must be made available by Discovery in the IAR.
  - 2.11.3.6 A provisional report (that is, annual results), containing summarised AFS content but excluding AGM details, must be published by Discovery on SENS and in the press within three months of the financial year-end, before the issue of the AR. Where extracted from audited information (although the report need not be audited itself), such provisional report must reference the auditors' report thereon, including the identification and disclosure of key audit matters, and must contain a link to such auditors' report and audited information on Discovery's website. Compliance with audit requirements and reporting on such a provisional report should be ensured in line with JSE LR.



- 2.11.3.7 The AR must be issued by Discovery within four months of the financial year-end. If the content of the AFS has not changed from the previously published content of the provisional report, then a no-change report must be published on SENS on such date of issue by Discovery. If the content of the AFS has changed from the previously published content of the provisional report, then an abridged report must be published on SENS by Discovery. Both a no-change report and abridged report must contain AGM details, provided notice of the AGM has been given.
- 2.11.3.8 Discovery must ensure that, where relevant, all reports name the accredited audit firm and accredited audit partner and state whether the opinion or conclusion is modified.
- 2.11.3.9 Discovery must determine whether a forecast will be included in the prospects paragraph, and if so, ensure compliance with 2.10.
- 2.11.3.10 Discovery must ensure that all reports and the AR are placed on Discovery's website on the date of issue.
- 2.11.3.11 Discovery must ensure that Schedule 18 (compliance certificate) is provided to the JSE, electronically, on the date of publication of the AR.
- 2.11.3.12 Discovery must ensure that delivery of the notice of AGM is done using any of the delivery mechanisms allowed in the Act.

## **2.12 PRESENTATIONS AND INTERVIEWS**

- 2.12.1 Presentations and meetings: Only authorised persons, as determined by Discovery Group EXCO, must engage in presentations concerning periodic financial information, corporate actions or events in the ordinary course of business (ITOCOB) and/or separate meetings with shareholders, the media or analysts.
- 2.12.2 Such authorised persons should be adequately briefed and trained concerning price-sensitive information and market-abuse principles contained in the Johannesburg Stock Exchange Listing Requirements (JSE LR) and Financial Markets Act (FMA), to ensure that no price-sensitive information is disclosed.
- 2.12.3 Meetings referenced in 2.12.1 should be attended by more than one authorised person. Parameters governing the matters to be discussed at such meetings should be agreed between the authorised persons in advance. Notes of such meetings should be taken by one of the authorised persons.
- 2.12.4 Any unplanned disclosure of price-sensitive information that takes place during any meeting or presentation requires immediate disclosure of the information on Stock Exchange News Service (SENS), and all policy principles applicable to price-sensitive information apply. Similarly, if any disclosure triggered a forecast, compliance with 2.10 is required.
- 2.12.5 Previously disclosed information may not be expanded if it results in new disclosures of price-sensitive information.
- 2.12.6 The correction of analysts' reports is not allowed unless it is a correction of errors arising from known previously published information on SENS.
- 2.12.7 All presentations of interim and financial year-end results (and any other periodic financial information presentations) should be placed on Discovery's website.
- 2.12.8 No price-sensitive information may be given out or discussed in any presentation that is not contained in the results or has not been published on SENS.
- 2.12.9 No financial guidance may be given to any person in a meeting or presentation regarding consensus analyst forecasts, unless such guidance is supported by relevant price-sensitive information and/or forecast information already published on SENS and on Discovery's website.



- 2.12.10 So-called industry guidance may only be given out if it does not trigger a profit forecast or new price-sensitive information and deals only with already known industry issues.
- 2.12.11 Any SENS announcement, whether voluntary or required by the JSE LR, must contain all known material facts concerning the subject matter of the announcement.

## **2.13 INTERNAL BRIEFINGS OF EMPLOYEES AND SOCIAL MEDIA**

- 2.13.1 Internal briefings of employees should only contain public information, unless the intention is to make such persons insiders.
- 2.13.2 Any employees who are made insiders become affected persons and must comply with all requirements in terms of this policy.
- 2.13.3 With regard to Discovery's social media platforms and the dissemination of information on such platforms, EXCO must appoint authorised persons to make such disclosures in compliance with all principles contained in this policy. Note that no social media platform is the equivalent of SENS disclosures regarding disclosure into the public domain. The Discovery Employee Social Media Policy and Discovery Official Spokesperson Social Media Policy should be followed and complied with.

## **2.14 DISCOVERY DISCLOSURE CONCERNING SECTION 122 OF THE ACT**

- 2.14.1 In terms of Section 122 of the Companies Act, any acquisition or disposal of Discovery securities that exceeds a 5% multiple of Discovery's securities requires notification to Discovery by such shareholder on Form TRP 121.1 within three business days of the acquisition or dealing.
- 2.14.2 Such disclosed information, in turn, requires immediate disclosure by Discovery to the Takeover Regulation Panel on Form TRP 121.2.
- 2.14.3 Any acquisition or disposal that exceeds a 5% multiple is deemed to be price sensitive and requires disclosure to the public and shareholders in the form of a SENS announcement. Such announcement must be made within 48 hours of receipt of the information detailed in 4.14.1 (except only in the case of a disposal exceeding a 5% multiple but constituting less than 1% of Discovery's issued share capital of that class).
- 2.14.4 A comparison of Discovery's share register is required on a bi-monthly basis. The share register is available from the transfer secretaries and should support identification of such movement in beneficial share ownership.
- 2.14.5 If it appears that any 5% multiple has not been notified in terms of 2.14.1, the Group Company Secretary should follow up on it immediately and proceed accordingly in terms of 2.14.
- 2.14.6 Non-compliance by a shareholder requires immediate notification to be made to the Takeover Regulation Panel.

# **3 | TRAINING AND ATTESTATION**

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## **3.1 TRAINING**

Each subsidiary must develop training programmes for affected employees and contractors and ensure that employees complete such training.



### 3.2 ANNUAL ATTESTATIONS

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

## 4 | DEFINITIONS AND MEANINGS

The following definitions are used in this policy. If a meaning is contained in the JSE LR or FMA, reference is made to it without further elaboration. If the meaning is required to be specified by Discovery, it is provided in the requisite detail.

DEFINITION	MEANING
Act-defined term	As defined in the Companies Act, 2008 ('the Act')
affected director	This means any director of Discovery, any director of a major Discovery subsidiary and any company secretary of the Discovery Group.
affected person	This means any affected director and/or insider, including prescribed officers and Executive Committee (EXCO) members.
associates	This includes the spouse, minor child or direct beneficiary of an affected person, as detailed in the JSE LR; or any legal entity controlled by, benefitting from or acting on the instruction of an affected person, as detailed in the JSE LR.
cautionary announcement	This is an announcement published on the Stock Exchange News Service (SENS) and in the press containing price-sensitive information that also serves to advise shareholders to exercise caution when dealing in their securities.
closed period	This is either <u>financial</u> or <u>cautionary</u> and is defined in the JSE LR as: <ul style="list-style-type: none"> <li>a. The date from the financial year-end (30 June) up to the date of earliest publication of the preliminary report, abridged report or provisional report on SENS</li> <li>b. The date from the expiration of the first six-month period of a financial year (31 December) up to the date of publication of the interim results on SENS</li> <li>c. The date from the expiration of the second six-month period of a financial year up to the date of publication of the second interim results on SENS, in cases where the financial period covers more than 12 months</li> <li>d. Any period when Discovery is trading under a cautionary announcement, as published on SENS.</li> </ul>
corporate action	This is an event initiated by a public company that will bring an actual change to the securities (equity or debt) issued by the company that is not in the ordinary course of business. Such action is typically agreed upon by a company's board of directors and authorised by the shareholders
EXCO	This means the Discovery Limited Executive Committee.
EXCO member	This means a member of the Discovery Limited EXCO.
FMA-defined term	As defined in the Financial Markets Act, 2012 (FMA)



DEFINITION	MEANING
insider	Any person who receives inside information or price-sensitive information concerning Discovery becomes an insider <sup>3</sup> .
inside information	The Financial Markets Act (FMA) defines inside information as information concerning Discovery which, if it were made public, would be likely to have a material effect on any of Discovery's share prices, or on any JSE-listed derivative security in respect of any of Discovery's shares.
inside period	Any inside period is deemed to also be a price-sensitive period.
insider trading	Insider trading is the buying or selling of Discovery's publicly traded securities by someone who has non-public, material information about such securities.
ITOCOB	This means in the ordinary course of business, comprising normal sales or revenue activities and attendant working capital effects.
ITOCOB event	This means an unusual event-affected ITOCOB, such as the declaration of a dividend or announcement of a newly won contract
JSE LR-defined term	As defined in the JSE Listings Requirements (JSE LR)
price-sensitive information	Price-sensitive information is deemed to be the same as inside information. It is defined as specific and precise information that may have a material effect on the price of the issuer's securities. The determination thereof is further defined in section 2.2.
price-sensitive period	This is a period when Discovery is in possession of price-sensitive information regarding ITOCOB events or a corporate action. Any price-sensitive period is deemed to also be an inside period.
prohibited period	This comprises both price-sensitive periods and closed periods.
securities	These include equities and any other instruments issued from time to time, such as preference shares or corporate bonds.
share dealing	This is a transaction in securities that includes: <ul style="list-style-type: none"> <li>a. Any sale, purchase or subscription of Discovery securities</li> <li>b. Any agreement to sell, purchase or subscribe for Discovery securities</li> <li>c. Any donation of Discovery securities</li> <li>d. Any dealing in warrants, single stock futures, contracts for difference or any other derivatives issued in respect of Discovery's securities</li> <li>e. The acceptance, acquisition, disposal, or exercise of any option (including options in terms of a share incentive or option scheme) to acquire or dispose of securities</li> <li>f. Any purchase or sale of nil or fully paid letters</li> </ul>

<sup>3</sup> Includes:

*Typically, but not exhaustively: CEOs of business units; heads of Group-wide functions; Group COOs and COOs of business units; Group CFOs and CFOs of business units; statutory actuaries; Head of Investor Relations; EXCO members of business units; direct reports to the Group CEO and CFO; staff directly involved in the preparation of financial statements*

*Any staff member who has access to or knowledge of non-public, price-sensitive information; any independent contractors or consultants who may be employed by the Discovery Group from time to time and who may be in possession of or have access to confidential or price-sensitive information. Where a person is uncertain of whether such information is price sensitive or not, they should err on the side of caution and rather get clearance.*

*Any third party who, by virtue of their profession and engagement with any entity in the Discovery Group, has access to confidential or price-sensitive information. This includes general suppliers, service providers or outsourced partners to Discovery.*



DEFINITION	MEANING
	<ul style="list-style-type: none"><li>g. The acceptance, acquisition or disposal of any right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities</li><li>h. Using securities of Discovery as security, guarantee, collateral or otherwise granting a charge, lien or other encumbrance over the securities of Discovery. A transaction will be deemed to be present at each of the following trigger events:<ul style="list-style-type: none"><li>- At the time of agreement of such arrangement</li><li>- At the time when a right or discretion afforded to a lender is being exercised</li><li>- At the time an existing arrangement is being amended or terminated</li></ul></li><li>i. Any other transaction that will provide direct or indirect exposure to Discovery's share price</li><li>j. Any transaction involving the securities of a substantial shareholder of Discovery</li></ul>
trading statements	This is a statement that gives an indication of financial results for the period to be reported on next. Trading statements apply to two separate financial periods. First, to the interim period ending with respect to the six-month interim period results. Second, to the full financial year ending with respect to the 12-month financial year results.

## 5 | COMPLIANCE WITH THIS POLICY

Our policies support our company values and reflect what is important to us. We take breaches of our policies seriously. Depending on the severity of the breach, consequences may range from a warning to termination of employment. Affected directors who violate this policy will be dealt with at Board level and, where applicable, will be reported to the JSE. Failure to comply with the regulations stipulated in legislation and Johannesburg Stock Exchange Listing Requirements (JSE LR) will result in a serious penalty imposed by the JSE.

Conviction of an offence pertaining to insider trading or non-disclosure of securities transactions may result in a substantial fine or imprisonment.

Any breach of or non-compliance with this policy must be communicated to the policy owner as soon as reasonably practical. The policy owner, with input from key stakeholders, will consider the appropriate action required. All instances of non-compliance with this policy will be included in the regular risk and compliance reporting processes and will be reported to the relevant board committees.

Please direct any enquiries concerning this Policy to the Discovery Group Company Secretary or Group Chief Financial Officer.



## ANNEXURE A – DISCOVERY LIMITED PRE-CLEARANCE REQUEST FORM FOR AFFECTED DIRECTORS

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(Only to be completed by affected directors who are not insiders)

To: Discovery Limited Group Company Secretary

From: \_\_\_\_\_

### Proposed dealing in Discovery Limited's securities

This is to advise you that the undersigned intends to deal in Discovery Limited's shares (or other relevant derivative security) on \_\_\_\_\_ 20\_\_\_\_, and hereby requests that the chairperson pre-clear the transaction, as required by the Discovery Limited Share-trading and Price-sensitive Information Policy ('the Policy').

The undersigned is not in possession of inside information and will not enter into the transaction if the undersigned comes into possession of such inside information between the date hereof and the proposed execution date.

The undersigned has read and understands the Policy and certifies that the above-proposed transaction will not violate the Policy.

The undersigned agrees to advise Discovery Limited promptly if, as a result of future developments, any of the foregoing information becomes inaccurate or incomplete in any respect. The undersigned understands that Discovery Limited may require additional information about the transaction, and agrees to provide such information upon request.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name

Approved:

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Chairperson









## ANNEXURE D – LETTER OF NOTIFICATION TO ASSOCIATES OF AFFECTED DIRECTORS

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This letter must be delivered to the associates detailed below, and acknowledgement of receipt must be obtained by the affected director.

Date of letter: \_\_\_\_\_

Name of affected director: \_\_\_\_\_

Names of associates of affected director (and relationship details):

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- Spouse (this includes marriage or equivalent relationship in terms of any matrimonial law or same-sex partnership law, union in terms of a recognised religion or custom)
- Children under the age of 18 years (including legitimate child, illegitimate child, adopted child, stepchild, child in guardianship)
- Trustees of trusts that are controlled by the affected director, spouse or any child under the age of 18 years (controlling persons)
- Trustees of trusts where the affected director and/or spouse and/or any child under the age of 18 years (controlling persons) is a named or potential future beneficiary in terms of the trust deed or similar authorising document (this includes blind trusts with no named beneficiaries but instead including a letter of wishes or similar document or verbal instruction given to the trustees and with which the trustees will comply)
- The managing members of any close corporation controlled with a shareholding of 35% or more by one or more of the controlling persons
- The directors of any companies controlled by one or more of the controlling persons with 35% or more voting power over equity securities or one or more of the controlling persons are able to nominate or make an appointment to the board of directors of such company (controlled companies)
- In respect of any controlled company that is an associate as detailed above, the following details, if applicable:
  - The directors of such controlled company's holding company
  - The directors of fellow subsidiary companies of the controlled company, namely other subsidiary companies of the holding company
  - The directors of any subsidiary companies of the controlled company

### Notification required in terms of the JSE Listings Requirements

The above-named affected director is a director of Discovery Limited or a major subsidiary of Discovery Limited, as defined by the JSE Listings Requirements.

You have received this letter because you are an associate, as defined by the JSE Listings Requirements.

There is no restriction on your trading of Discovery Limited shares at any time in terms of the JSE Listings Requirements.

If you (or your asset manager or stockbroker portfolio manager or any other nominee trading on your behalf) trade in Discovery Limited shares or any derivative security in relation to Discovery Limited shares, you are hereby informed that the affected director named above must be notified by you within 24 business hours of such trade in order to ensure disclosure of such trade on the JSE Stock Exchange News Service (SENS).



You must provide the following details to the affected director:

- Your name as an associate of the affected director concerned
- The date on which the trade was carried out
- The name of the security traded, including derivatives
- The number of securities traded
- The price (or highest price, lowest price and volume-weighted average price, in the case of various trades at various prices during the course of a day) at which securities were traded – include donations at closing price on day of trade
- If more than one trade was executed, the details of each trade
- The nature of the trade, namely purchase, sale, disposal, agreement signed or pledge executed
- The nature and the extent of the affected director's interest or the associate's interest in the trade, in other words, beneficial interest of the affected director or associate of the affected director
- Confirmation as to whether the trades were done on-market or off-market
- Confirmation that notification was given within 24 hours

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Signature of affected director acknowledging delivery to the above associates

Acknowledgement of receipt by associate:

Name: \_\_\_\_\_ Signature: \_\_\_\_\_



## ANNEXURE E – LETTER OF NOTIFICATION TO ASSET MANAGERS OF AFFECTED DIRECTORS

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This letter must be delivered to the asset managers and acknowledgement of receipt must be obtained by the affected director.

Date of letter: \_\_\_\_\_

Name of affected director: \_\_\_\_\_

Name of asset manager of affected director:

### Notification required in terms of the JSE Listings Requirements

The above-named affected director is a director of Discovery Limited or a major subsidiary of Discovery Limited, as defined by the JSE Listings Requirements.

You have received this letter because you are an asset manager of such affected director.

The affected director is required to instruct you, their asset manager, in writing, that you may not execute Discovery share dealings on their behalf unless instructed to do so in writing.

If you (or your stockbroker portfolio manager or any other nominee trading on your behalf) trade in Discovery Limited shares or any derivative security in relation to Discovery Limited shares, you must notify the affected director named above within 24 business hours of such trade in order to ensure disclosure of such trade on the JSE Stock Exchange News Service (SENS).

Details of the trade that you must provide to the affected director:

- Your name as an asset manager of the affected director concerned
- The date on which the trade was executed
- The name of the security traded, including derivatives
- The number of securities traded
- The price (or highest price, lowest price and volume-weighted average price, in the case of various trades at various prices during the course of a day) at which securities were traded – include donations at closing price on day of trade
- If more than one trade was executed, the details of each trade
- The nature of the trade, namely purchase, sale, disposal, agreement signed or pledge executed
- The nature and the extent of the affected director's interest in the trade, in other words, beneficial interest of affected director or associate of affected director
- Confirmation as to whether the trades were done on-market or off-market
- Confirmation that notification was given within 24 hours



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Signature of affected director acknowledging delivery to the above asset manager

Acknowledgement of receipt by asset manager:

Name: \_\_\_\_\_ Signature: \_\_\_\_\_



## ANNEXURE F – DECISION TREE OF RELEVANCE OF THIS POLICY TO SHARE DEALING



- (1) Prohibited period is a price-sensitive period (a period when Discovery is in possession of price-sensitive information regarding ITOCOB events or a corporate action) or a closed period, which is typically the date between financial year-end and date of release of results (also applicable to interim period) and a cautionary period when Discovery is trading under a cautionary announcement.
- (2) Price-sensitive information is deemed to be the same as inside information. It is defined as specific and precise information that may have a material effect on the price of the issuer's securities.
- (3) Affected director means any director of Discovery, any director of a Discovery major subsidiary and any company secretary of the Discovery Group.



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

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

