



2026 ANNUAL GENERAL MEETING

REMUNERATION PRESENTATION

AGENDA



1. Remuneration Governance
2. Trustee Remuneration Policy Framework
 - Remuneration Philosophy & Methodology
 - Proposed Remuneration
3. Proposed 2026 Remuneration
 - Chairperson of the Board of Trustees
 - Trustees
 - Chairpersons of Board Committees
4. Votes:
 - Non-binding Advisory Vote on Remuneration Policy
 - Majority Vote on Rates of Remuneration

REMUNERATION GOVERNANCE



CONTEXT

- Guided by King V Code principles of fair, responsible and transparent remuneration
- Compliant with Medical Schemes Act requirements
- Aligned with Council for Medical Schemes Trustee Remuneration Guidelines

STRUCTURE

- The Board of Trustees is responsible for the development and implementation of a Remuneration Policy for Scheme employees as well as Trustees and Board Committee Members.
- The Board has delegated the responsibility of Scheme remuneration oversight to the Remuneration Committee (REMCO).
- REMCO is constituted of three Trustees, one of whom is the Chairperson of the Board, and one Independent Committee Member.
- The Board takes final responsibility for policy development and implementation.

REMUNERATION GOVERNANCE



- Adoption and Approval of Remuneration
 - Trustee remuneration – recommended by REMCO for approval by the Board of Trustees and presentation to this AGM for majority vote by Members.
- Approval of Trustee Remuneration Policy
 - The Remuneration Policy for Trustee and Board Committee Member remuneration for the current financial year – reviewed and recommended by REMCO for approval by the Board of Trustees and tabled at this AGM for a non-binding advisory vote by Members.
- Trustee Remuneration Transparency and Disclosure
 - Disclosed at AGM – for adoption and approval votes as above
 - Disclosed to the Council for Medical Schemes - the regulator of medical schemes
 - Features in detail in the Scheme's Integrated Report

REMUNERATION POLICY



REMUNERATION POLICY AND OBJECTIVES

The Scheme's Remuneration Policy has been reviewed and updated this year to reflect the King V Code of Good Practice. Through its Remuneration Policy, Practices and Objectives, the Scheme seeks to:

- Attract and retain high-calibre individuals with exceptional skills as Trustees or Independent Committee Members (ICMs).
- Recognise the significant responsibilities and fiduciary risks borne by Trustees and ICMs.
- Acknowledge the significant time commitment required in preparation and execution of their roles.
- Reflect the appropriate cost profile of the non-profit status of the Scheme.
- Ensure transparency and disclosure to members.

REMUNERATION METHODOLOGY



- The Scheme' Remuneration Policy provides the legal and policy framework against which all remuneration decisions are made, validated, implemented, approved and reported by the Scheme.
- Since 2014, the Scheme has adopted a practice recommended by PwC's Remuneration Practice and guided by Circular 41 of 2014 issued by the CMS, taking into account the non-profit nature of the Scheme.

- **Determination of Remuneration:**

The total remuneration paid to Trustees and ICMs is determined by the following elements:

- Number of meetings planned per year
- Preparation time for each meeting
- Duration of meetings
- Estimated time required between meetings
- The number of actual meetings attended.

REMUNERATION METHODOLOGY



- The total time commitment for each Trustee and ICM is calculated upfront for the year and is then resolved into:
 - An “Annual Base Fee” of 70% of total
 - “Fee per Meeting” of the remaining 30% of total
- The “Annual Base Fee” is paid to the individual in four quarterly instalments.
- The “Fee per Meeting” element is calculated on a monthly basis and reflects actual meetings attended. Ad hoc meetings outside of the annual calendar are included.
- Trustee and ICM fees are exclusive of VAT. Where individuals are registered for VAT, a tax invoice is issued to the Scheme.
- The above Trustee and ICM remuneration is based on an hourly rate, determined with reference to multi-point benchmarking done from time to time (overleaf).
- For 2026 the hourly rate put before this AGM is **R 4,946** (i.e. a professional hourly fee of R7,065 less 30%). This represents an **adjustment of 4.5%** to the 2025 hourly rate.
- IMPORANT: All trustees and ICMs are remunerated using the same hourly rate. The differentiation in remuneration from individual to individual arises solely from the time required to execute their respective roles.

REMUNERATION METHODOLOGY



ADDITIONAL CONSIDERATIONS

- Trustee training
 - Trustees and ICMs are NOT paid for attending training or conferences over and above the training fees, travel costs, accommodation and subsistence costs.
- Consulting fees
 - Trustees and ICMs are NOT paid any consulting fees.
- Incentive programmes
 - Trustees and ICMs DO NOT participate in any incentive or variable pay programmes.
- Reimbursement of expenses
 - Trustees and ICMs are reimbursed all reasonable expenses incurred by them in the performance of their duties.
 - No individual is remunerated for attendance at meetings in observer capacity.
- Professional indemnity and fidelity guarantee insurance
 - Professional indemnity and fidelity guarantee insurance is provided for all Trustees and ICMs.

MARKET BENCHMARKING



- The remuneration of Trustees and ICMs is benchmarked periodically through independent review to ensure alignment with market practice and appropriate compensation.
- The services of independent remuneration consulting practice RemChannel have been used to provide appropriate benchmark data.
- RemChannel has verified that, using a three-point reference scale, the hourly rate used by the Scheme to remunerate trustees and ICMs fit sufficiently within the tolerance bands of the set of reference points.
- To further strengthen the benchmarking references used by Remchannel, the Scheme has requested the practice to engage the medical scheme industry in a detailed remuneration survey within the next year or as soon as critical mass can be achieved.



PROPOSED REMUNERATION WORKED EXAMPLES

PROPOSED 2026 TRUSTEE REMUNERATION - CHAIRPERSON OF THE BOARD OF TRUSTEES



The table below provides an overview of the Proposed Board Chairperson's remuneration for 2026, based on the methodology outlined in the Remuneration Policy as presented for voting.

Proposed fee build up for the Remuneration of the Chairperson of the Board of Trustees	
Additional time requirements and preparation per Board of Trustees Meeting (in hours)	20
Attendance at each Board of Trustees Meeting (in hours)	8
Total number of hours per Board of Trustees Meeting	28
Number of meetings per year (average)	8
Total number of hours per year for the Board of Trustees meetings (average)	224
Proposed 2026 professional hourly rate	R4 946
Total fee for attendance at Board of Trustees meetings (x8)	R 1 107 904

The total fee will vary depending on the actual number of Board meetings attended per year.

The additional time requirements are for matters that require deliberation at the Board of Trustees meetings, matters that arose from previous meetings that require attention and resolution, and Scheme strategic matters which require the Chairperson's involvement.

PROPOSED 2026 TRUSTEE REMUNERATION - TRUSTEES



The table below provides an overview of the Proposed Trustee remuneration for 2026, based on and uses the methodology outlined in the Remuneration Policy.

Proposed fee build up for the Remuneration of Trustees	
Preparation time per Board of Trustees Meeting (in hours)	8
Attendance time pe Board of Trustees Meeting (in hours)	8
Total number of hours per Board of Trustees Meeting	16
Number of meetings per year (average)	8
Total number of hours per year for the Board of Trustees meetings (average)	128
Proposed 2026 professional hourly rate	R4 946
Total fee for attendance at Board of Trustees meeting (x8)	R633 088

The total fee will vary depending on the actual number of Board meetings attended per year.

Trustees also serve on Board Committees together with Independent Committee Members, for which they receive remuneration as per the Remuneration Policy.

PROPOSED 2026 TRUSTEE REMUNERATION – CHAIRPERSON OF A BOARD COMMITTEE



The table below provides an overview of the Proposed Board Committee Chairperson’s remuneration for 2026, based on the methodology outlined in the Remuneration Policy.

Proposed fee build up for the Chairperson of a Board Committee**	
Preparation per Board Committee Meeting (in hours)	11
Attendance per Board Committee Meeting (in hours)	4.5
Total number of hours per Board Committee Meeting	15.5
Number of meetings per year (average)	4
Total number of hours per year for the Board Committee meetings (average)	62
Proposed 2026 professional hourly rate	R4 946
Total fee for attendance at Board Committee Meetings (x4)	R306 652

**The Audit Committee is used as an example.

The total fee will vary depending on the actual number of Committee meetings attended per year.

The additional time requirements are for matters that require deliberation at the Committee meetings, matters that arose from previous meetings that require attention and resolution, and other matters which require the Chairperson’s involvement.

VOTING AT THIS ANNUAL GENERAL MEETING



As stated in the presentation, members are requested to cast their votes in the following two areas:

- A **majority vote required to approve** the proposed 2026 remuneration rates for the Trustees and ICMs
- A **non-binding advisory vote** on the remuneration policy

Your input as members is highly valued as we strive to maintain the highest governance standards while ensuring responsible stewardship of the Scheme's resources.

In conclusion and based on the information provided, I propose that:

- The 2026 Trustee Remuneration, as recommended by the Remuneration Committee, and approved by the Board, be approved for the 2026 financial year.
- The Scheme members express their views on the Scheme's Remuneration Policy for Trustees as recommended by the Remuneration Committee and approved by the Board. The Trustee Remuneration Policy will be put to the meeting for a non-binding advisory vote.

The above votes are covered under Resolutions 1 and 2 respectively and voting will be via the polling function on this platform.

THANK YOU

Discovery Health Medical Scheme

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