

The Discovery logo is displayed on the glass facade of a modern, curved building at night. The building's lights are on, and the sky is a deep blue.

JULY

2023

# POLICY

CONFLICT OF INTEREST POLICY

CONFIDENTIAL

GROUP-WIDE



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# 1 | INTRODUCTION

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## 1.1 PURPOSE

The board of directors (“Board”) of Discovery Limited is committed to doing business in an honest and ethical manner. The Board recognises the need to ensure that all business relationships are founded on professional principles and that relationships are kept at arm’s length, meaning that the parties in the relationship are independent and otherwise unrelated.

The Board recognises its obligation to oversee that appropriate controls and procedures are implemented within Discovery Limited and its subsidiaries (“Discovery”). These controls and procedures will assist Discovery in meeting regulatory requirements both in South Africa and internationally.

The purpose of this policy is to provide a framework for the prevention of conflicts of interest as far as reasonably possible. Where conflicts are unavoidable, the policy provides guidelines on how to deal with the conflicts in an ethical and responsible manner and mitigate potential risks.

## 1.2 SCOPE

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

1. All executive and non-executive directors
2. Senior managers
3. Full time, part time or temporary employees;
4. Independent contractors or consultants
5. Any third party who, by virtue of their profession and engagement with any entity in the Discovery Group,
6. The spouse, child or direct beneficiary of any of the above; or
7. Any legal entity controlled by, benefitting or acting on the instruction of any of the persons listed above.

Each entity within the Discovery Group –

1. must follow the legislation applicable in that country’s jurisdiction;
2. must have procedures in place to align its operations with the spirit and purpose of this policy; and

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 in respect of the South African domiciled subsidiaries that are directly held by Discovery Limited, the CEO of SA Inc fulfils the role of oversight and other responsibilities of directly held intermediate holding companies as set out in this Policy.

A subsidiary within the Group may elect to have its own policy considering 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 (“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 | WHAT IS A CONFLICT OF INTEREST?

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A conflict of interest occurs when there is a direct or indirect conflict, in fact or in appearance, between the interests of a person described in paragraph 1.2 and the interests of Discovery. It applies to financial, economic and other interests in any opportunity from which Discovery may benefit, or which may be to the detriment of Discovery, including the use of Discovery's confidential information.

Actual conflict arises in situations where financial considerations or other personal or professional considerations compromise an individual's objectivity, judgment, integrity, and/or ability to fulfil his or her responsibilities to Discovery and his or her actions could lead to compromising Discovery in any way.

Potential (or perceived) conflicts are situations or relationships that could reasonably appear to other parties to involve a conflict of interest. Potential conflicts exist in situations where a person has financial interests, personal relationships or associations with an external entity, individual or organisation, such that the person's activities within Discovery could appear to be biased. This applies to the following people:

1. A person described in paragraph 1.2.
2. Any family member of a person referred to in paragraph 1.2.
3. A close personal relation.

Potential conflicts refer to situations that do not necessarily constitute or appear to constitute a conflict of interest, but where there is a reasonable possibility of an actual or apparent conflict of interest arising in the near future. Any reference to a conflict of interest in this policy includes a perceived or potential conflict of interest.

## 3 | OUR APPROACH

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A conflict of interest must be avoided at all times. Where it is impossible to avoid a conflict of interest, the conflict must be disclosed to the appropriate persons and managed in accordance with this policy.

### 3.1 THE GROUP ETHICS OFFICE

The Ethics Office must:

1. maintain the Central Gifts Register on behalf of the Group (excluding Bank, that keeps its own register) and
2. submit reports to the Group Social and Ethics Committee (or appropriate board committee) every quarter
3. drive awareness and provide appropriate training on this policy.
4. maintain and review the contents of the Conflict of Interest Register every quarter and, where necessary, adopting internal procedures to mitigate future conflict of interests
5. establish procedures that provide evidence that the persons described in paragraph 1.2. comply with this policy.
6. ensure that all persons that must comply with this policy complete an annual attestation.

Where an intermediary subsidiary of Discovery does not have a dedicated Ethics Office, the duties and responsibilities of the Ethics Office, as described above, must be performed by that subsidiary's Compliance or Risk function.



Escalation and reporting of reported matters:

1. Where appropriate, the Group Ethics Office or management may escalate a concern regarding a disclosure to an appropriate body, person or department for investigation.
2. The Group Ethics Office or their equivalent functions in the subgroups\* are responsible for reporting to the subgroup's executive committees (and Board Committees where relevant) on reported concerns and their resolution.
3. The Group Ethics Office is responsible for jointly reporting on SA Inc to the SA Executive Committee (and Board Committees where relevant), and in aggregate on the subgroups to the Group Executive Committee and the Group Social and Ethics Committee regarding reported concerns and their resolution.

*\*Subgroups as defined in the Group Compliance Framework are:*

1. **SA Inc** consisting of Discovery Limited and all the South African and Mauritian domiciled direct subsidiaries of Discovery Limited other than the Bank sub-group referred to below, and their direct and indirect subsidiaries.
2. **VGI** consisting of Vitality Group International Incorporated and its direct and indirect subsidiaries and Discovery Partner Markets ASIA Private Limited and its direct subsidiary;
3. **UK Vitality** consisting of Discovery Group Europe Limited and its direct and indirect subsidiaries and Discovery Finance Company Europe Limited;
4. **Bank** consisting of Discovery Bank Holdings Limited and Discovery Bank Limited.

### 3.2 EMPLOYEES

Employees must avoid conflicts of interest where they have an interest in or stand to benefit from any transaction to which Discovery is also a party. This applies whether the employee has an interest or stands to benefit:

1. Individually
2. In association with their family members
3. In association with business partners
4. In relation to external or internal business interests

Employees must disclose any business interests that may be in conflict with the business of Discovery. Non-disclosure of a conflict of interest may result in disciplinary action against the employee.

All employees must report a perceived or actual conflict of interest to their direct line manager or any senior manager in their business unit. If an employee cannot report the conflict to his or her line manager or a senior manager in their business unit, the employee may report the conflict to their Ethics representative.

Each intermediate subsidiary must maintain a conflict-of-interest register and a process for disclosure of such a conflict by employees and contractors.

In order to monitor on-going compliance with the policy, all employees and contractors must complete an annual Conflict of Interest attestation and declare any conflict of interests. Any declared conflict of interest must be assessed by the declarer's reporting manager in consultation with the Group Ethics Office. A decision must be taken, where material, on how best that conflict must be avoided or mitigated. The reporting manager and the Group Ethics Office will record the decision in the Conflicts of Interest register and Group Ethics will report material declarations to the relevant executive committees and to the Group Social and Ethics Committee as part of its quarterly ethics report.



### 3.3 BUSINESS UNIT EXECUTIVES

Business Unit Executives must:

1. ensure that employees are aware of the contents of this policy and that they participate in training initiatives
2. ensure internal procedures are consistent with this policy for the employees to manage conflicts of interest where necessary
3. seek to identify, mitigate and document conflicts of interest, including any conflicts of interest in connection with any current or planned activities
4. assess any conflicts of interest reported or disclosed to them to determine if a conflict of interest exists
5. consult the Ethics representative, where necessary, and determining the best course of action to resolve, manage or avoid the conflict of interest, including further escalation to a higher management authority where necessary
6. regularly review any reported conflicts of interest to ensure these are being managed in accordance with any agreed course of action.

### 3.4 DIRECTORS, PRESCRIBED OFFICERS AND COMMITTEE MEMBERS

At the beginning of each governing body or committee meeting, all members have to declare whether any of them has any conflict of interest in respect of a matter on the agenda. Subject to legal provisions, any such conflicts should be managed proactively, as determined by the governing body.

If a director of a company has a personal financial interest in a matter to be considered at a board meeting or knows that a related person has a personal financial interest in the matter, the director must, among other things, disclose the interest and its general nature to the board before the matter is considered at the meeting. If the director is present at the meeting, he or she must then leave the meeting immediately after making the required disclosures. The director may not vote on the matter in question.

Where the chairperson of a board or board committee may have a conflict of interest or a perceived conflict of interest that may impact on that chairperson's independent decision making, a lead independent director must be appointed by the remainder of the board or board committee to chair that specific meeting.

Directors must be particularly careful to avoid representing Discovery Limited or a subsidiary of Discovery in any transaction with any party with whom there is any outside business affiliation or relationship. They must also avoid using their Discovery contacts to advance their private business or personal interests at the expense of Discovery, its clients, or affiliates.

### 3.5 CONTROL FUNCTIONS

Control functions should operate without conflicts of interest. Where a conflict arises, it must be brought to the attention of the Board for resolution.

### 3.6 MANAGING INTRA-GROUP CONFLICTS OF INTEREST

The Group Subsidiary Governance Framework provides a process for the resolution of any potential intra-group conflicts of interest.



## 4 | PRINCIPLES RELATING TO SPECIFIC CONFLICTS OF INTEREST

### 4.1 GIFTS AND ENTERTAINMENT FROM TRADING PARTNERS

Receiving gifts or invitations to events is often an important part of maintaining and developing business relationships. In order to maintain sound working and business relationships with all trading partners, the Board has adopted the principles detailed below.

All gifts from trading partners should be free from undue influence and given in the ordinary course of business. The persons described in paragraph 1.2, are prohibited from soliciting, accepting or receiving any gifts, whether directly or indirectly, other than in accordance with the guidelines below:

CATEGORY	DEFINITION	REQUIREMENTS
Cash or cash equivalents	Cash, cheques, coupons, bank deposits, stock, loans items of a redeemable value, gift certificate, gift voucher or any similar item.	No employee is permitted to accept any cash or cash equivalents from a trading partner.
Promotional Gifts	Branded promotional items, such as branded pens, calendars and memory sticks, received from time to time.	No approval is required, and these gifts do not have to be recorded in the relevant Gifts and Entertainment Register. If more than one gift is received from the same trade partner in a three-month period, all gifts received from that trade partner must be recorded in the relevant Gifts and Entertainment Register. This is irrespective of the value of the gifts, and approval is required from the responsible line manager.
	Non-branded promotional items with an estimated value of less than R1000 (or the equivalent of this amounts in the applicable jurisdiction).	No approval is required, and these gifts do not have to be recorded in the relevant Gifts and Entertainment Register. If more than one gift is received from the same trade partner in a three-month period, all gifts received from that trade partner must be recorded in the relevant Gifts and Entertainment Register. This is irrespective of the value of the gifts.
	Non-branded promotional items with an estimated value of more than R1 000 (or the equivalent of these amounts in the applicable jurisdiction).	Approval is required from the responsible line manager, and the gift must be recorded in the relevant Gifts and Entertainment Register.
Non-Promotional gifts	Items with an estimated value of more than R1 000 (or the equivalent of these amounts in the applicable jurisdiction) offered without obligation, as an expression of appreciation or goodwill.	Approval is required from the responsible executive and the gift must be recorded in the relevant Gifts and Entertainment Register.



CATEGORY	DEFINITION	REQUIREMENTS
Events and hospitality	Invitation to a hosted event, including travel arrangements, with an estimated value of more than R1000 (or the equivalent of these amounts in the applicable jurisdiction).	Approval is required from the responsible executive and the event and hospitality details must be recorded in the relevant Gifts and Entertainment Register.
Travel and accommodation	Paid for or partly paid for trips by trading partners for product updates and / or training.	Any travel by an employee, at the invitation of a trading partner will only be allowed if the travel costs is paid for by Discovery, unless the invitation is to a hosted event and part of the invitation include travel arrangements. Approval is required from the responsible executive and the gift must be recorded in the relevant Gifts and Entertainment Register.

Gifts and invitations have to be disclosed in the relevant Gifts and Entertainment Register, even in cases where the gifts and entertainment were offered but not accepted from trade partners.

Where a decision was made regarding the acceptance of a gift or entertainment, the nature of the decision must be communicated to the trade partner in writing as soon as possible. This applies regardless of whether the decision was made to decline or accept the gift or entertainment. This is important for the preservation of Discovery's corporate integrity and ethical standards.

#### 4.2 GIFTS AND ENTERTAINMENT TO TRADING PARTNERS

The giving of gifts, or invitations to events, is often an important part of maintaining and developing business relationships. In order to maintain sound working and business relationships with all trading partners, the Board has adopted the principles detailed below.

All gifts should be for a genuine purpose, free of undue influence and given in the ordinary course of business. The persons described in paragraph 1.2 of the Introduction are prohibited from providing any gifts to a trading partner other than in accordance with the guidelines below:

CATEGORY	DEFINITION	REQUIREMENTS
Cash or cash equivalents	Cash, cheques, coupons, bank deposits, stock, loans items of a redeemable value, gift certificate, gift voucher or any similar item.	No employee is permitted to give any cash or cash equivalents to a trading partner.
Promotional Gifts	Branded promotional items, such as branded pens, calendars and memory sticks, received from time to time.	May only be provided if approved by the executive responsible for the business unit prior to ordering the items. Approval is also required from the cost centre manager. Relevant details of these gifts must be recorded in the relevant Gifts and Entertainment Register.
	Non-branded promotional items of any value.	Approval is required from the relevant executive responsible for the business unit and the cost centre manager.



CATEGORY	DEFINITION	REQUIREMENTS
		Relevant details of these gifts must be recorded in the relevant Gifts and Entertainment Register.
Non-Promotional gifts	Valuable items, offered without obligation, as an expression of appreciation or goodwill.	Approval is required from the responsible executive and the gift must be recorded in the relevant Gifts and Entertainment Register.
Events and hospitality	Invitation to a hosted event, including travel arrangements.	Approval is required from the responsible executive and the event and hospitality details must be recorded in the relevant Gifts and Entertainment Register.
Travel and accommodation	Paid for or partly paid for trips to trading partners for product updates and / or training.	Approval is required from the responsible executive and the gift must be recorded in the relevant Gifts and Entertainment Register.

### 4.3 INSIDER TRADING

All persons described in paragraph 1.2 are able to acquire knowledge regarding the results of the company before the results are published. The Companies Act (71 of 2008) and the Financial Markets Act (19 of 2012) state that any person who trades directly or indirectly in a security based on unpublished price-sensitive information can, in certain circumstances, be guilty of an offence. The Share Trading & Price Sensitive Policy sets out the rules and guidelines for any transaction involving Discovery Limited securities. It also provides a framework to manage securities transactions that may be seen as insider trading.

### 4.4 RECRUITMENT

Discovery does not approve of nepotism and understands that all applicants have the right to apply for vacant positions. Therefore, where family members, friends or business associates of a person referred to in paragraph 1.2 apply for vacant positions, the guidelines contained in HR policies and processes must be followed.

### 4.5 MOONLIGHTING

Moonlighting refers the situation where a person has other sources of income while in the service of Discovery. All persons described in paragraph 1.2 who engage in moonlighting activities must ensure that they do not get involved in any activity that could lead to an actual, potential or perceived conflict of interest.

To avoid any conflicts of interest, employees must declare other sources of income on the central conflicts of interest register.

### 4.6 PROCUREMENT

The persons described in paragraph 1.2 who are involved in procuring goods and services on behalf of Discovery may not directly or indirectly accept any reward from any person. This applies whether the reward is for themselves or for any other person.

When on-boarding suppliers through procurement procedures, all procurement departments must avoid any conflicts of interest between Discovery, the interest of its stakeholders and the business of the person performing the outsourced activity. If this is not possible, procurement departments must mitigate these conflicts of interest.



## 5 | TRAINING AND ATTESTATION

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### 5.1 TRAINING

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

### 5.2 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.

## 6 | COMPLIANCE WITH THIS POLICY

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Our policies support our Values and reflect what is important to us. We take breaches of our policies seriously. Depending on the severity of the breach, consequences may range from a warning to termination of employment. 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(s) required. All instances of non-compliance with this policy will be included within the regular risk and compliance reporting processes and reported to the relevant board committees.



## ANNEXURE A: DEFINITIONS

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### Personal relationships or associations

- a. in relation to a natural person, means–
  - i. a person who is recognised in law or the tenets of religion as the spouse, life partner or civil union partner of that person;
  - ii. a child of that person, including a stepchild, adopted child and a child born out of wedlock;
  - iii. a parent or stepparent of that person;
  - iv. a person in respect of which that person is recognised in law or appointed by a Court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first mentioned person;
  - v. a person who is the spouse, life partner or civil union partner of a person referred to in subparagraphs (ii) to (iv);
  - vi. a person who is in a commercial partnership with that person;
- b. in relation to a juristic person:
  - i. which is a company, means any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary;
  - ii. which is a close corporation registered under the Close Corporations Act, 1984 (Act No. 69 of 1984), means any member thereof as defined in section 1 of that Act;
  - iii. which is not a company, or a close corporation as referred to in subparagraphs (i) or (ii), means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person
    - (aa) had such first-mentioned juristic person been a company; or
    - (bb) in the case where that other juristic person, too, is not a company, had both the first-mentioned juristic person and that other juristic person been a company;
  - iv. means any person in accordance with whose directions or instructions the board of directors of or, in the case where such juristic person is not a company, the governing body of such juristic person is accustomed to act;
- c. in relation to any person:
  - i. means any juristic person of which the board of directors or, in the case where such juristic person is not a company, of which the governing body is accustomed to act in accordance with the directions or instructions of the person first-mentioned in this paragraph;
  - ii. includes any trust controlled or administered by that person.

**Director** means a member of the board of a company within the Discovery Group or an alternate director. This includes any person occupying the position of a director or alternate director, even if such a position is called something else.



## POLICY CONTROL

### DETAILS

**Policy Owner** | Group Ethics Office

**Policy Level** | Group Policy

**Level of Approval** | Social and Ethics Committee

**Frequency of Review** | Annually

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