

A close-up photograph of a young child with dark skin and hair, smiling and looking down. The child is being held and kissed on the cheek by an adult whose hands are visible. The child is wearing a light-colored, textured garment. The background is a soft, out-of-focus light blue.

FOR OUR MEMBERS

Welcome to the Discovery Health Medical Scheme Annual General Meeting

21 June 2018

1. Welcome and quorum
2. Minutes of the 2017 Annual General Meeting - for approval
3. Tabling of the 2017 Integrated Report
 - 3.1 Presentation by the Principal Officer of Discovery Health Medical Scheme
 - 3.2 Presentation by the CEO of Discovery Health
4. Governance
 - 4.1 Discovery Health Medical Scheme Trustee Remuneration Policy and approval of the 2018 Trustee Remuneration
 - 4.2 Appointment of Auditors
5. Motions
6. General
7. Voting and closure of the AGM
 - 7.1 2018 Trustee Remuneration
 - 7.2 Non-binding Advisory vote on the Trustee Remuneration Policy
 - 7.3 Motions
8. Member Engagement

The Board of Trustees invites members to engage with the Principal Officer and the Board of Trustees on specific Scheme matters of their choice immediately after the closure of the AGM.



**FOR OUR
MEMBERS**

Discovery Health Medical Scheme | Annual General Meeting

Dr Nozipho Sangweni, Principal Officer

21 June 2018

PURPOSE

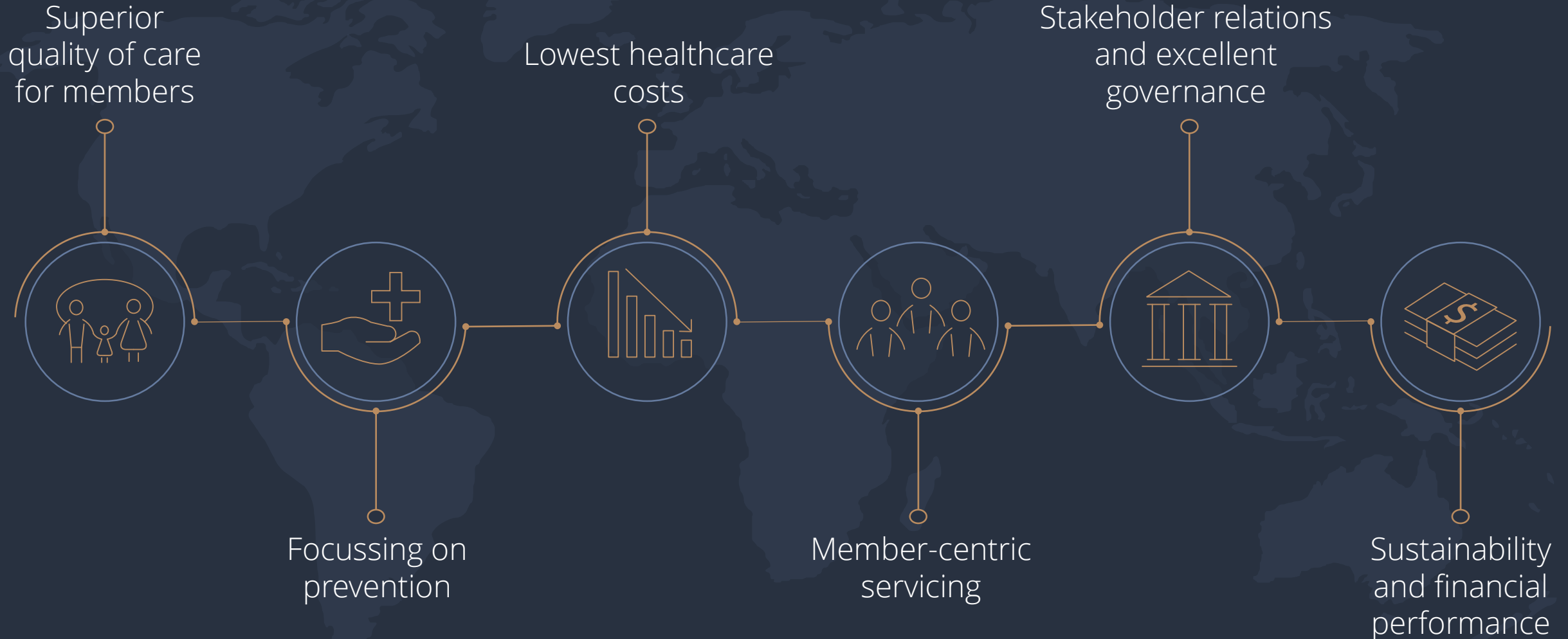
Our purpose is to **care for our members' health and wellness** by engaging the **brightest minds** and **innovative solutions** to provide **access to affordable, equitable and quality, value-based healthcare** that meets their **needs now and sustainably into the future**



VISION

Our vision is to be the **best medical scheme** in the **country**

How do we deliver on our purpose and vision?



How do we deliver on our purpose and vision?

**Superior
quality of care
for members**



Focussing on
prevention



Lowest healthcare
costs



Member-centric
servicing



Stakeholder relations
and excellent
governance

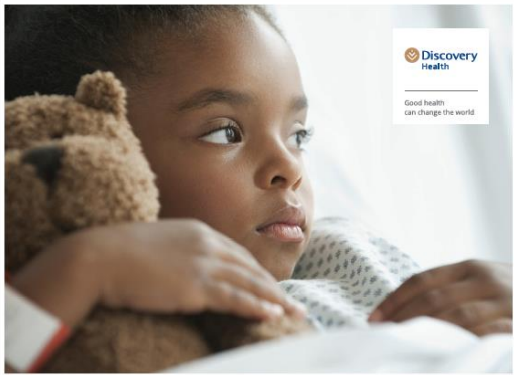


Sustainability
and financial
performance



Safely guiding our members through their healthcare journey

Member campaigns



Discovery Health
Good health can change the world

Smart Health Decisions

No less than the care you **Need**.
No more than the care you **Want**

Smart questions to ask

- Do I really need this test, procedure or drug?
- What are the side effects?
- Is there anything simpler and safer I can do?
- What happens if I do nothing? Would the condition worsen?

Start the conversation today...
Make a smart health decision

Disease Management Programmes


DiabetesCare



Discovery Health Medical Scheme

DiabetesCare Programme
2018

KidneyCare



Discovery Health
Good health can change the world

KidneyCare Programme

Value Based Contracts

CadCare



Surgicom



Discovery Health
Good health can change the world

Surgical Practice
Quality report



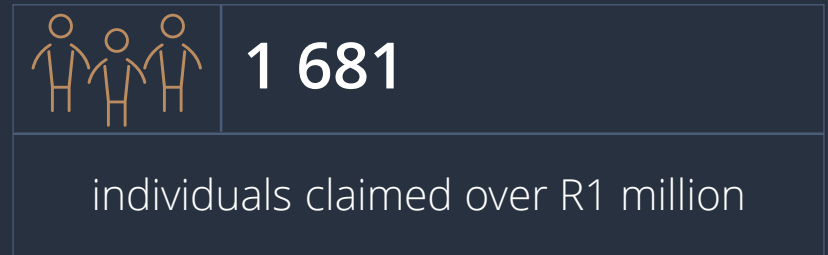
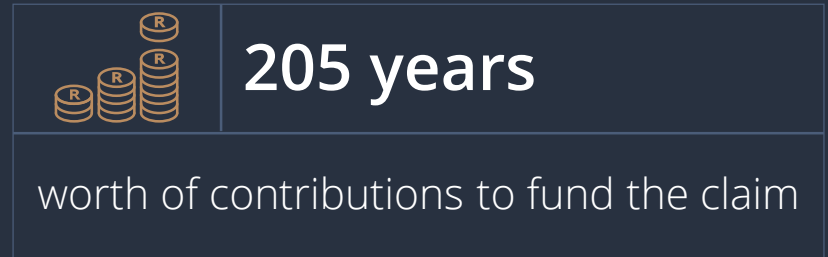
SHARE A RIDE
Not the flu

Stop the spread of flu before it stops you.
Get your flu vaccination today!

Caring for members with complex and emergency healthcare needs

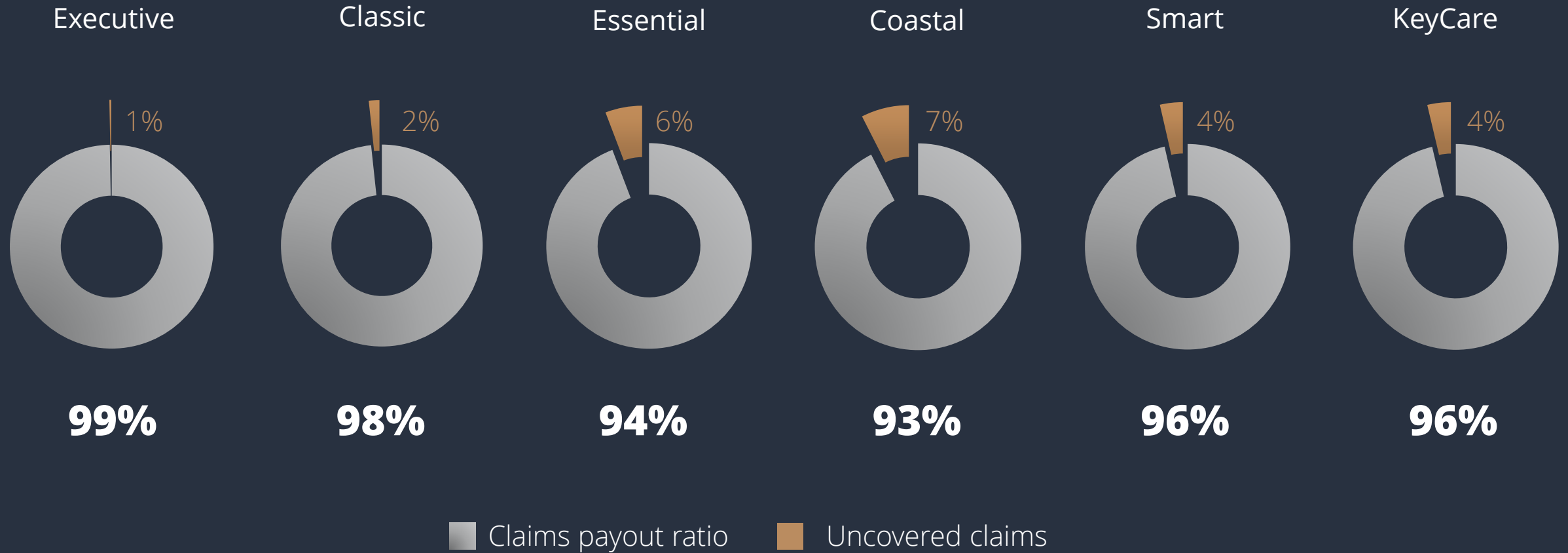
10 highest individual member claims paid in 2017 = R 48 million

R 6.8m	Age 58, Long term use of a ventilator (cardiovascular related) >
R 6.0m	Age 46, Long term use of a ventilator (gastrointestinal related)
R 5.2m	Age 26, Long term use of a ventilator (liver related)
R 4.7m	Age 53, Trauma
R 4.4m	Age 59, Trauma
R 4.2m	Age 62, Long term use of a ventilator (infections related)
R 4.1m	Age 31, Respiratory
R 4.1m	Age 82, Infections
R 4.0m	Age 58, Complications following admission for toxicity
R 4.0m	Age 38, Long term use of a ventilator (respiratory related)

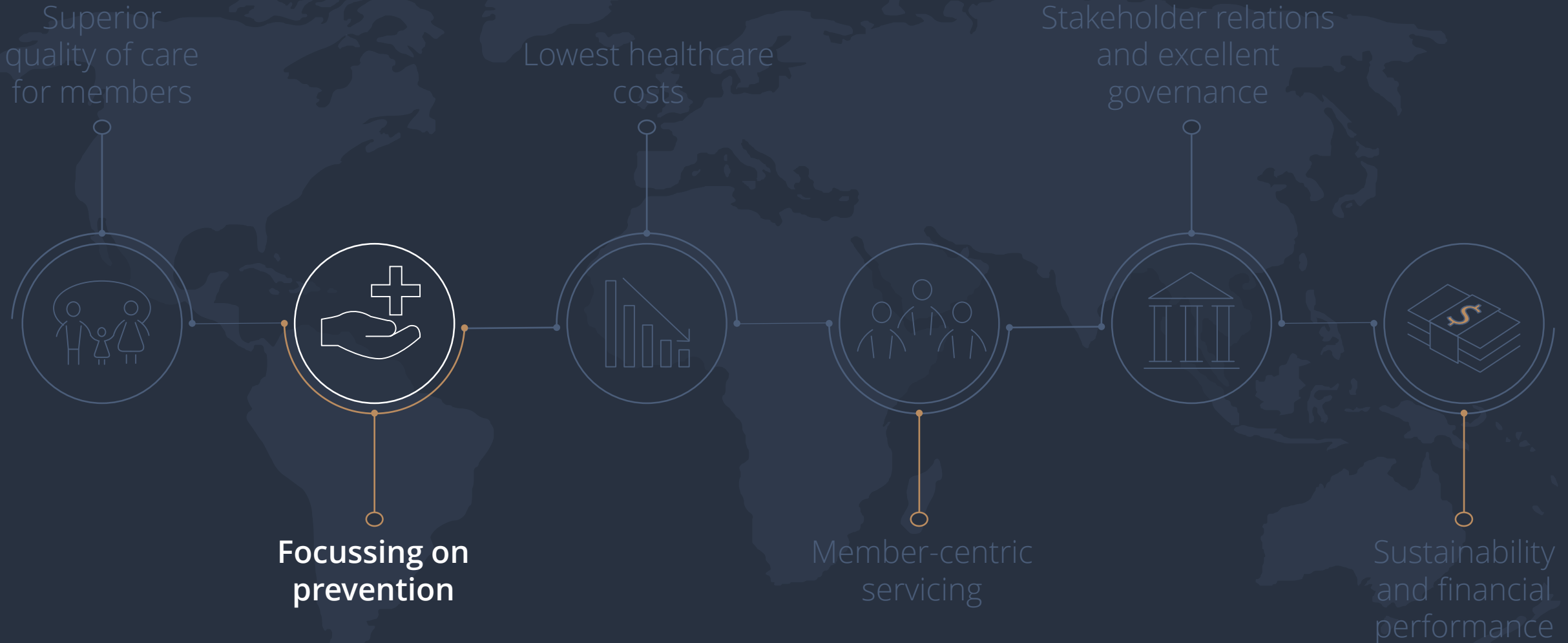


Ensuring our members have comprehensive levels of cover

97% overall In-hospital claims pay-out ratio (including medical specialists) - 2017

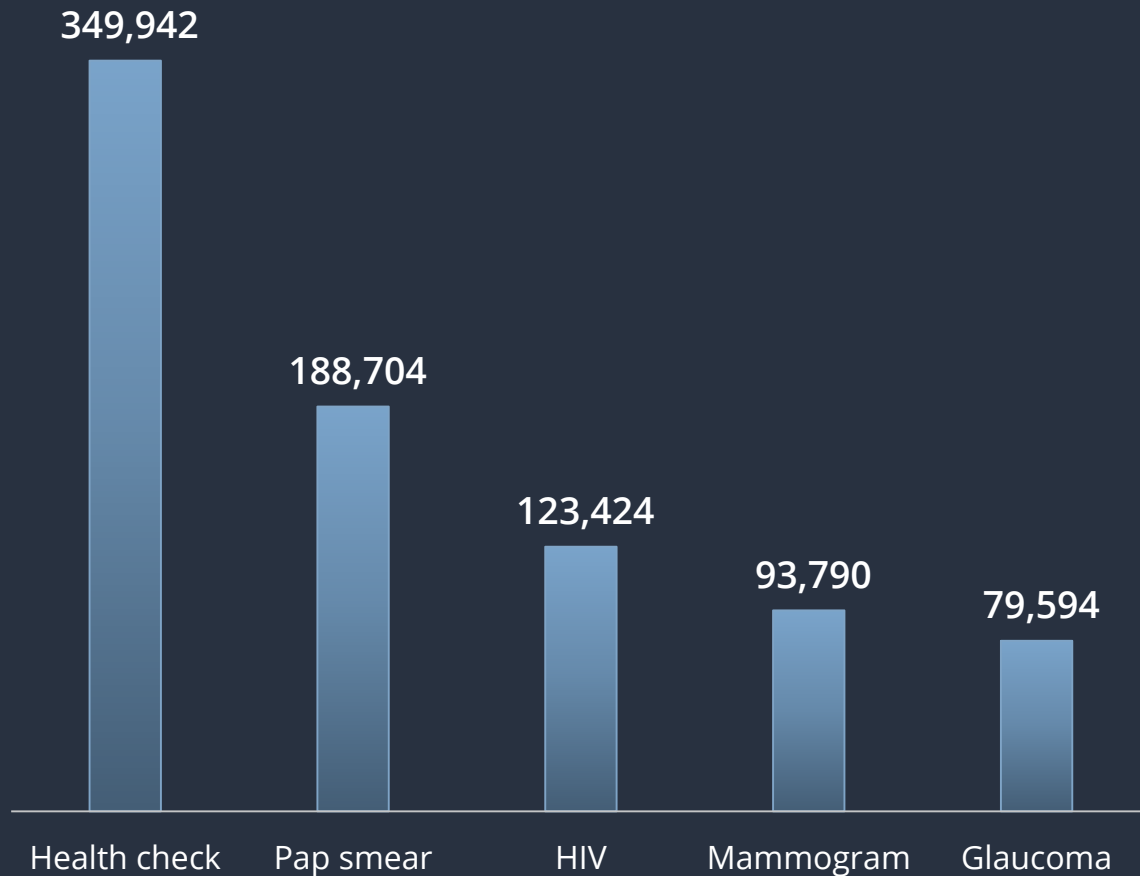


How do we deliver on our purpose and vision?

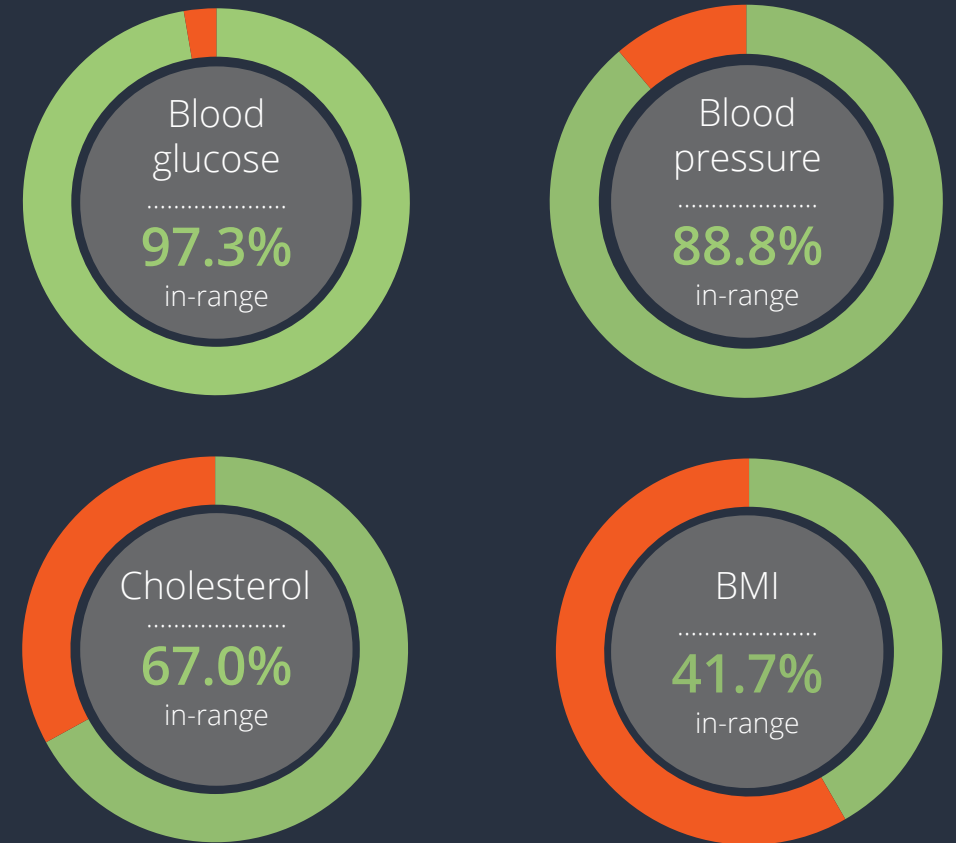


Proactively caring for our members by encouraging and paying for screening and prevention

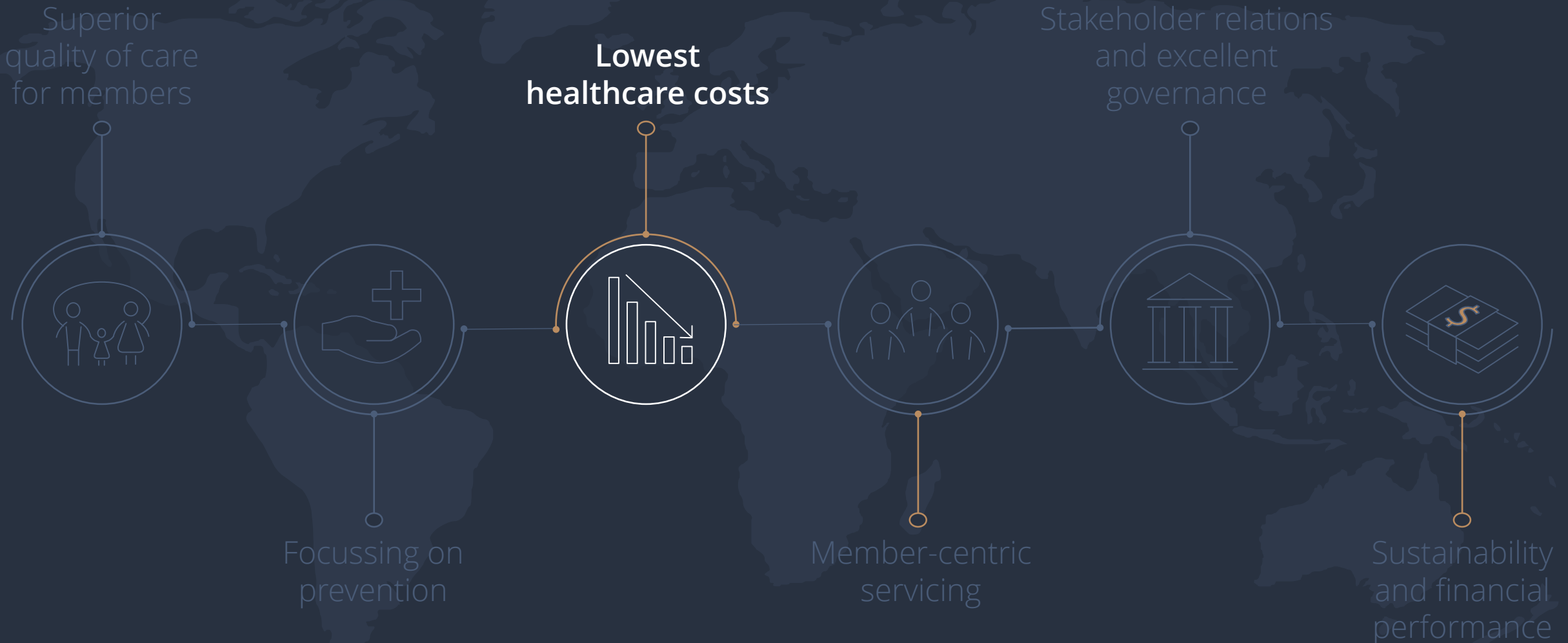
Number of members performing screening tests (2017)



Health check results (2017)

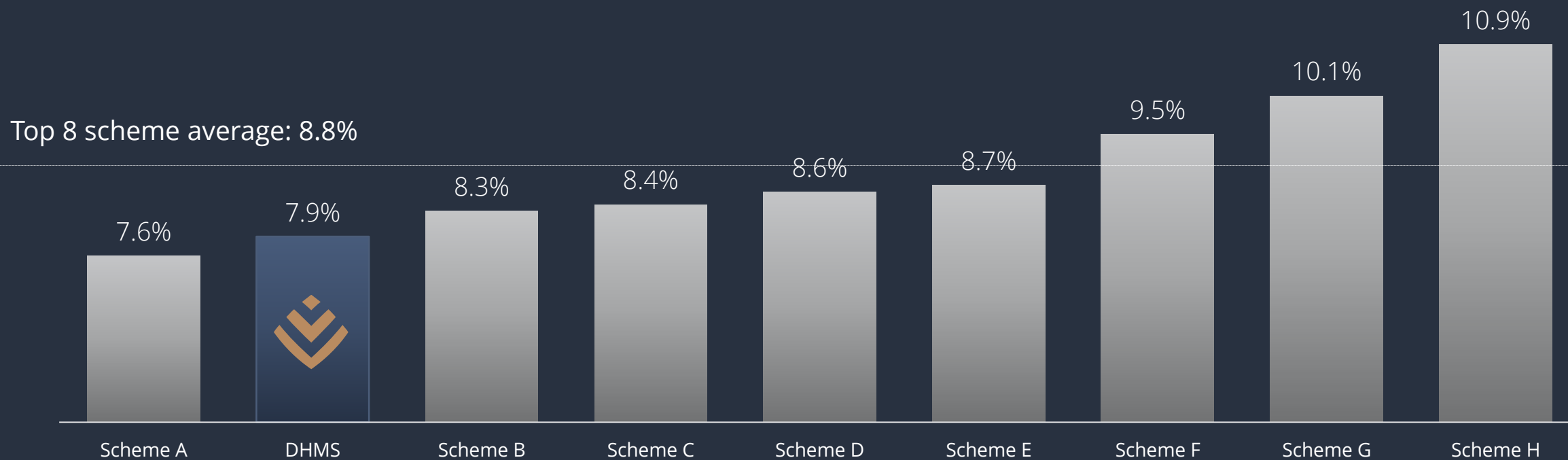


How do we deliver on our purpose and vision?



Keeping healthcare affordable for our members through lowest possible contribution increases

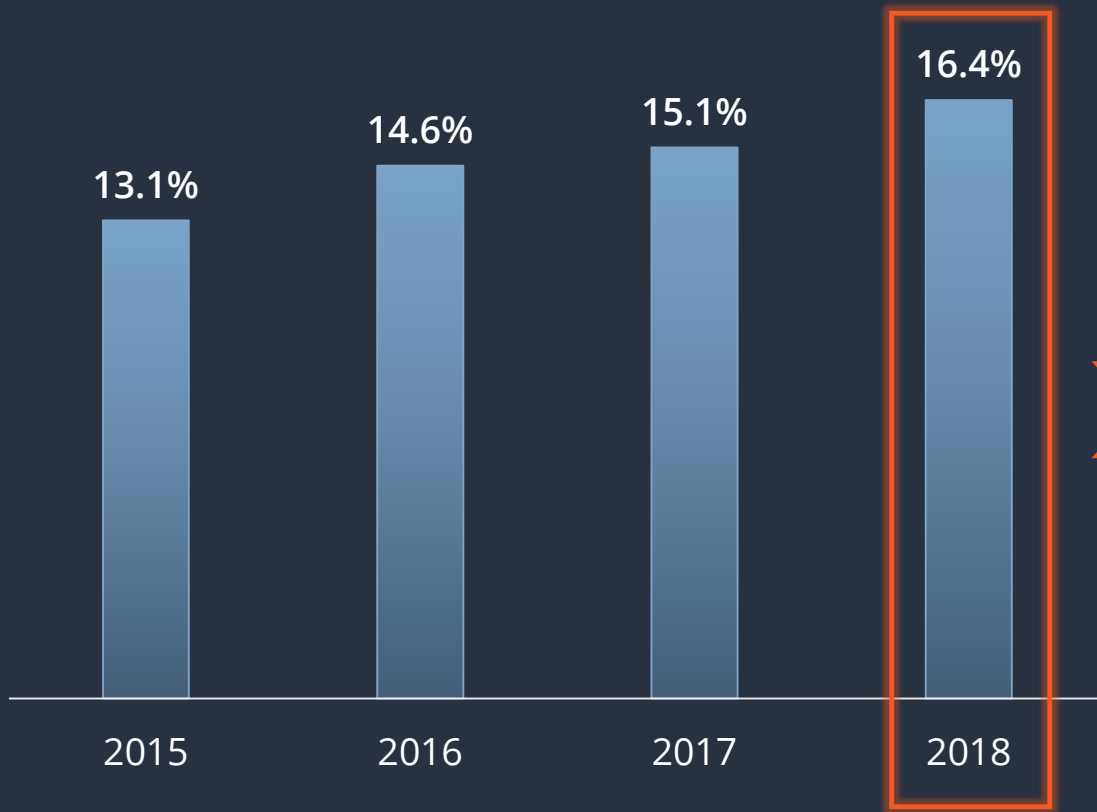
DHMS headline contribution increase vs competitors (2018)



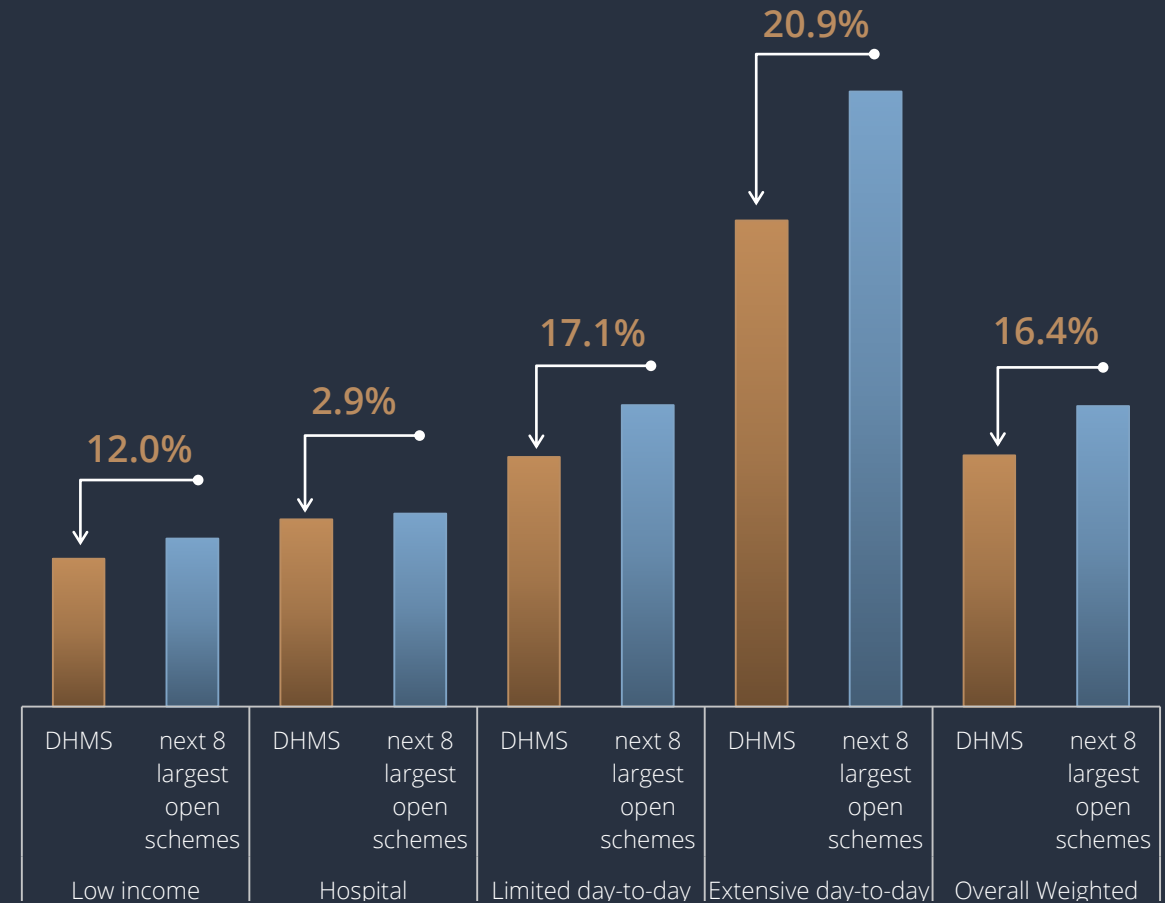
	Scheme A	DHMS	Scheme B	Scheme C	Scheme D	Scheme E	Scheme F	Scheme G	Scheme H
Lowest increase	7.4%	7.3%	7.9%	8.4%	7.0%	7.9%	7.9%	7.5%	9.8%
Highest increase	8.2%	8.3%	11.3%	8.4%	9.0%	9.9%	11.9%	11.2%	12.7%

Contributions are competitively priced across all segments, usually with superior benefits

Continuous improvement in contribution differential



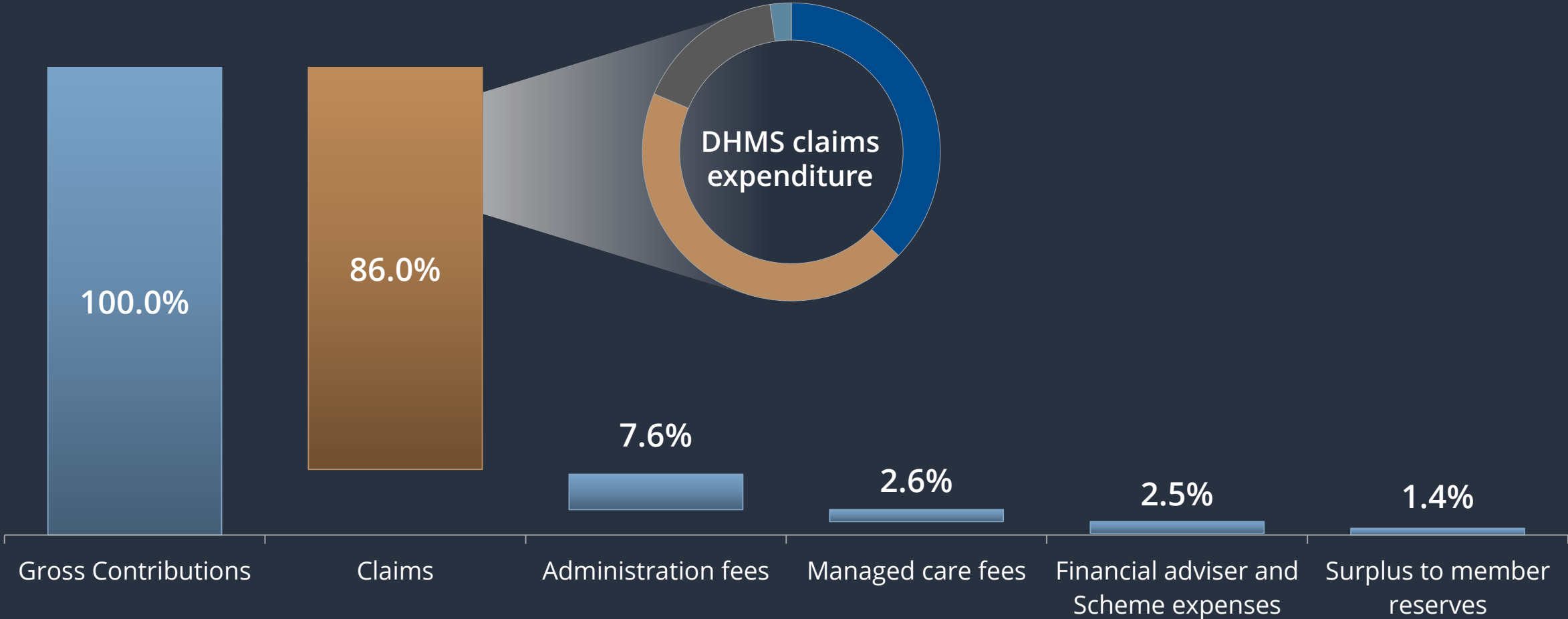
Average contribution differential P+A+C in 2018



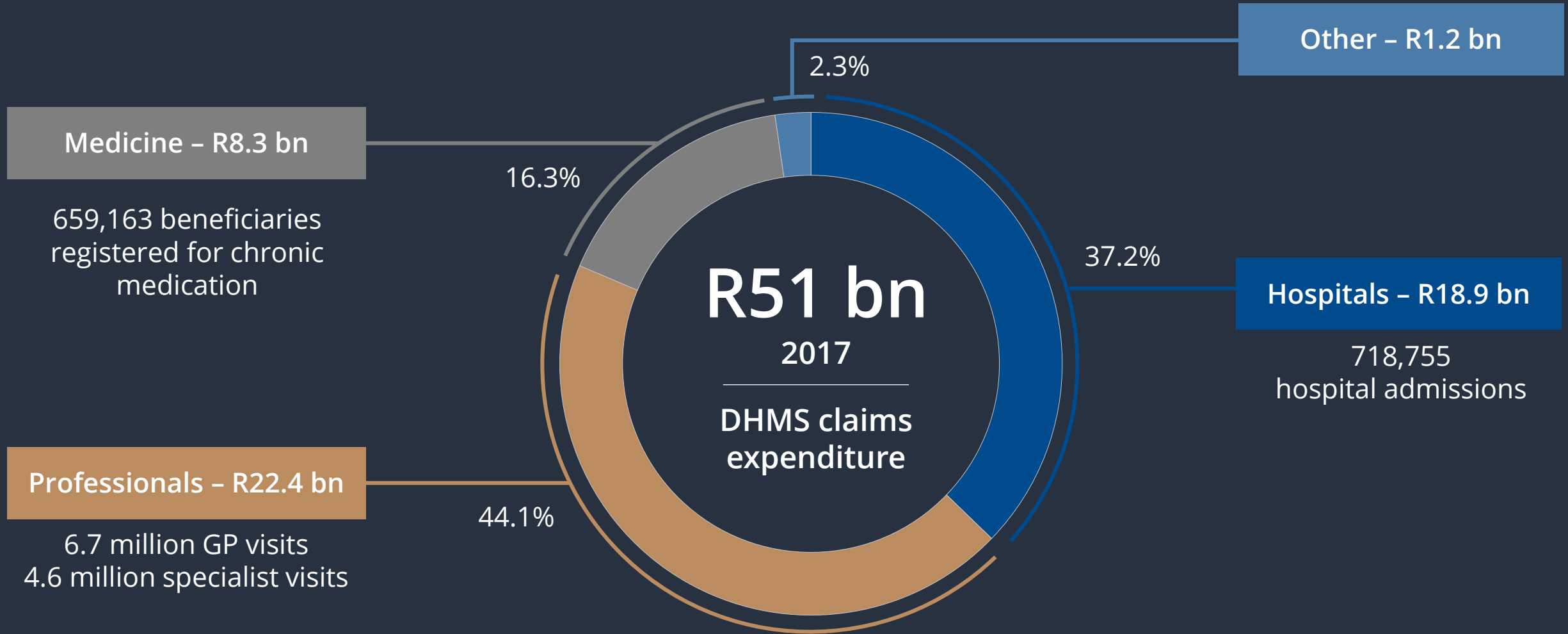
Sources: Published contributions for 2018
 P + A + C = Principal member + Adult dependant + Child dependant
 Sizwe Medical Scheme excluded from analysis

86.0% of contributions are used to fund members' healthcare claims

DHMS expense breakdown (2017)



Contributions are used to fund R51 billion of healthcare claims

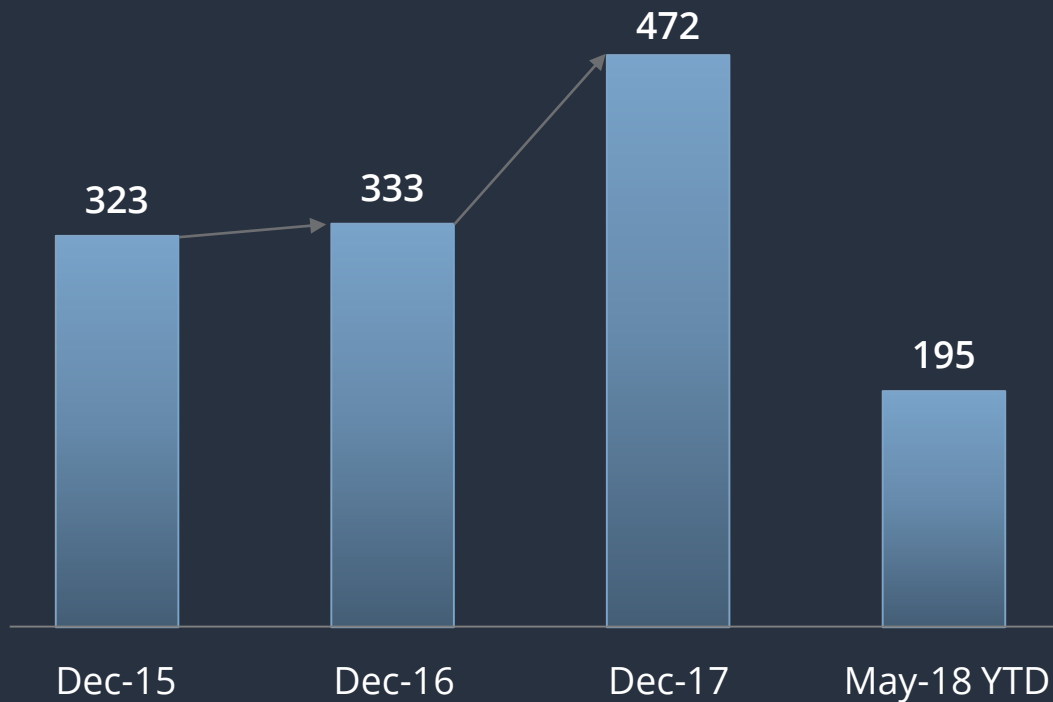


DHMS claims breakdown (Risk + MSA)

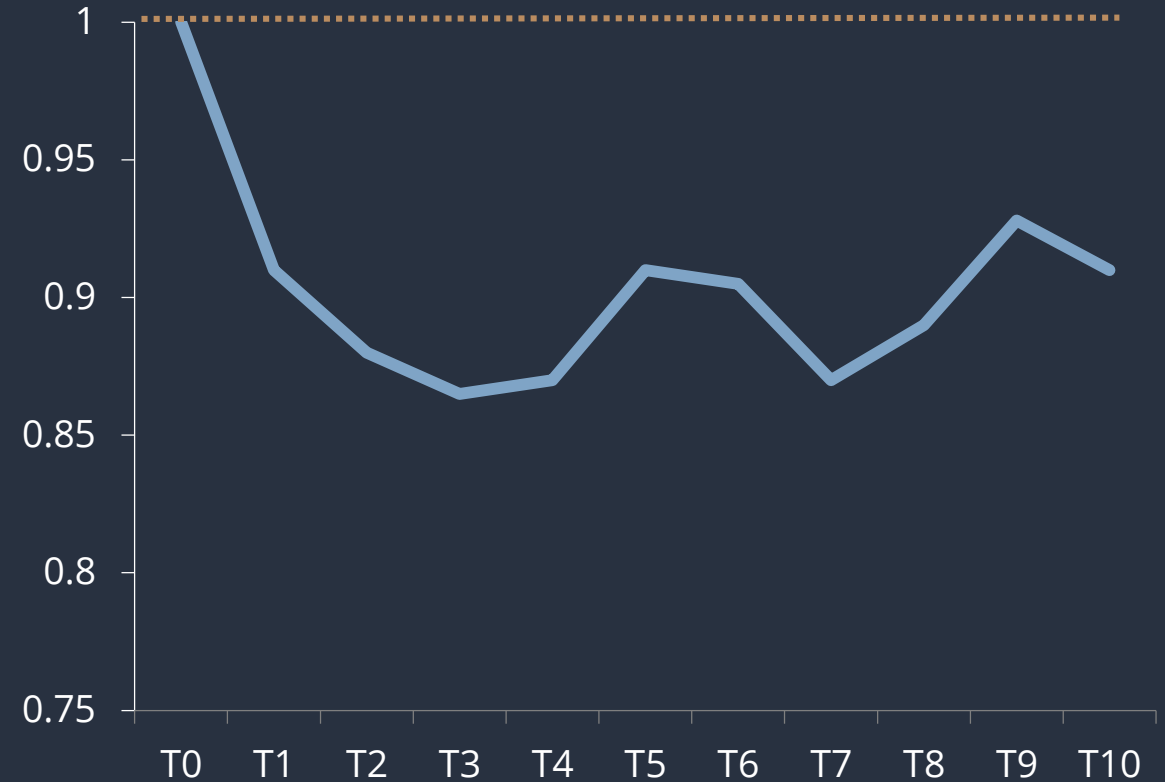
We protect our members' funds from inappropriate use

Significant fraud savings

Fraud savings and recoveries in 2017 (Rm)



Halo effect of R3.7 billion saving

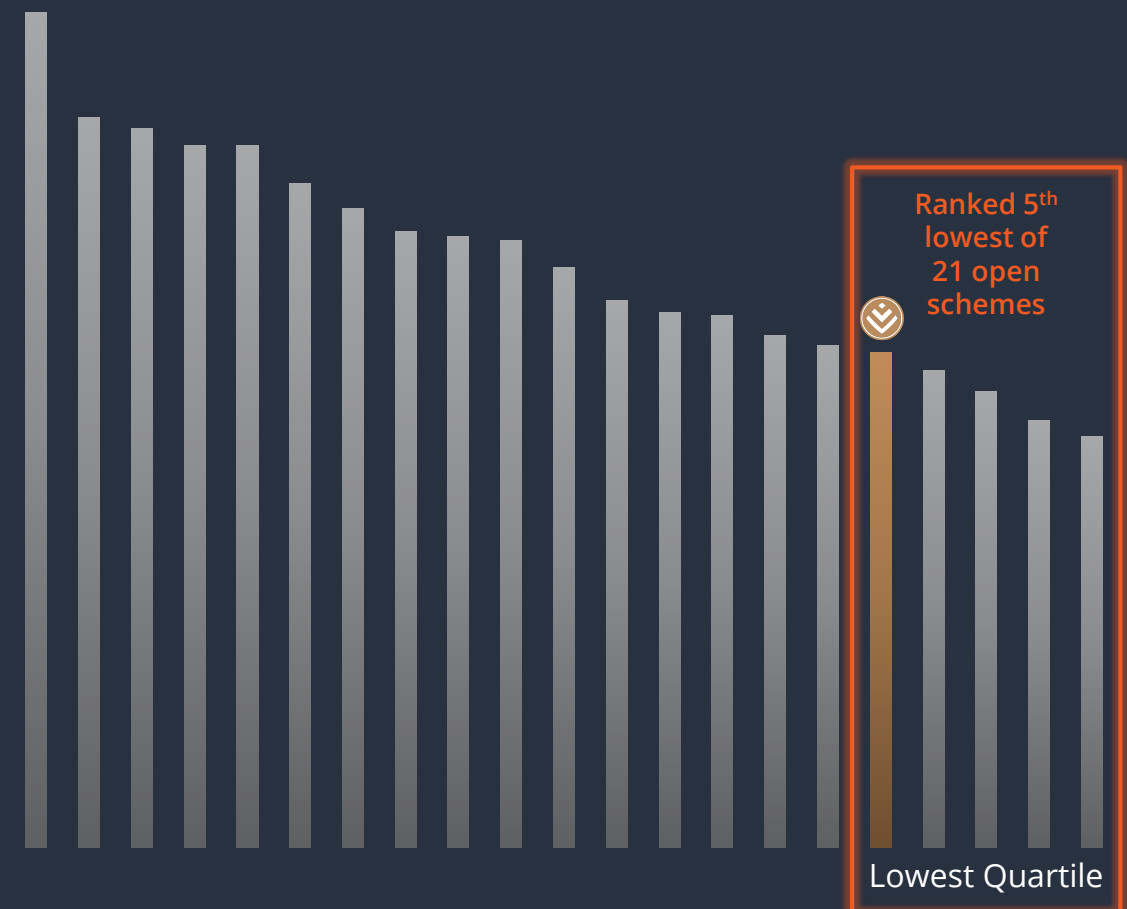
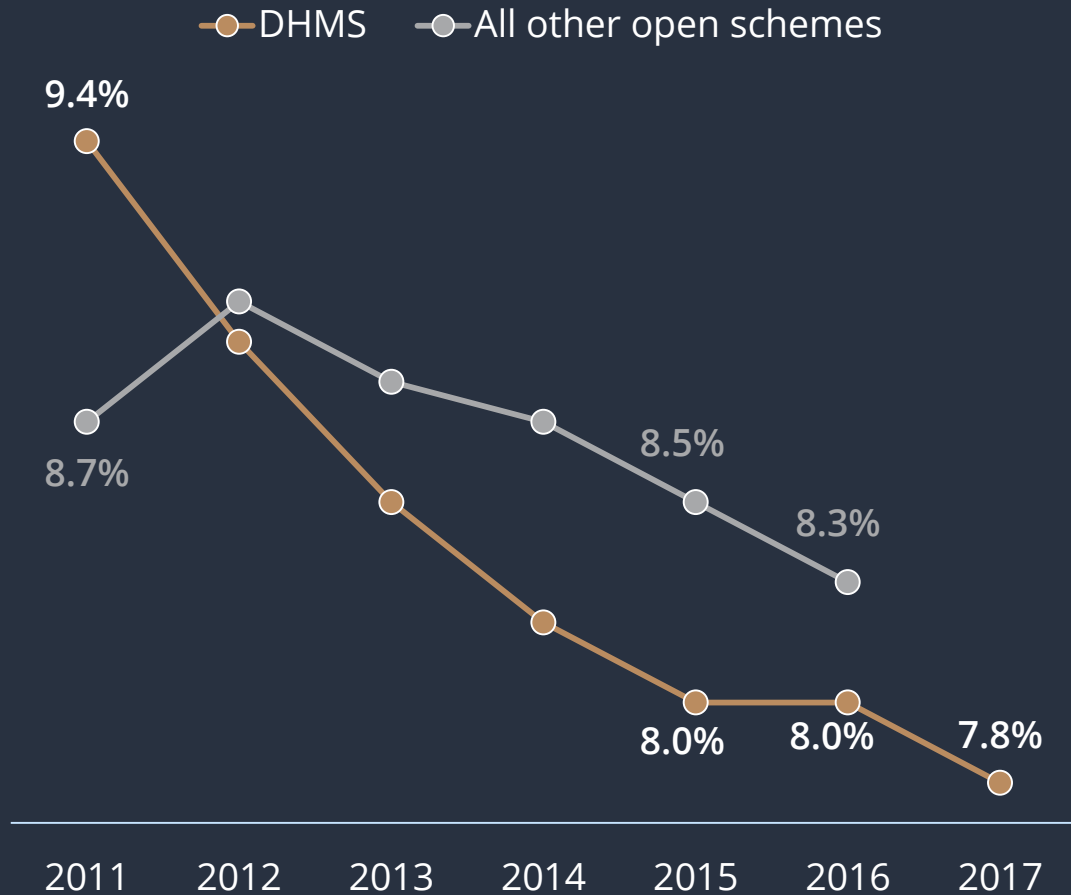


Members benefit through a **0.75% lower contribution increase** every year

Members benefit through continuously reducing administration expenditure that is among the lowest in the industry

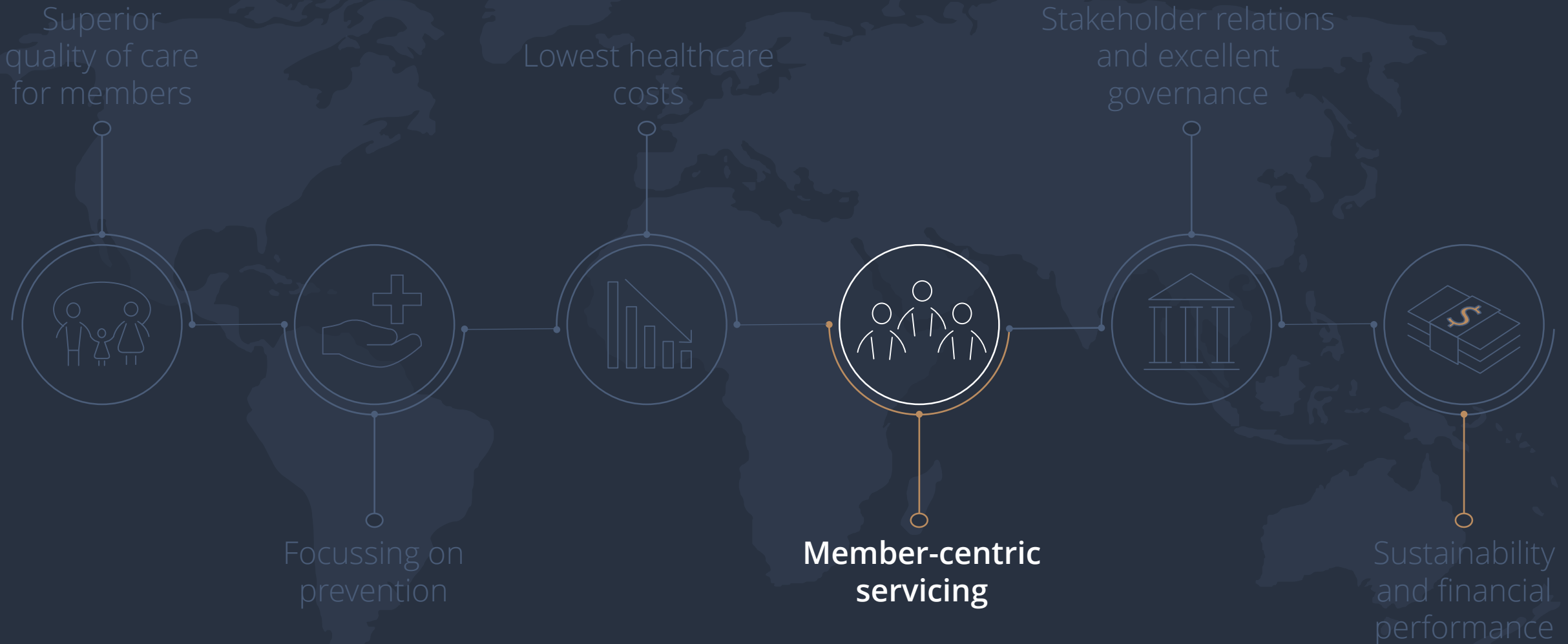
Administration expenditure as % of gross contribution income (2011 – 2017)

Administration expenditure as % of gross contribution income (2016)



Notes: The latest CMS report is for 2016
 The admin expenditure as % of GCI figure is a weighted average for all other open schemes
 The figure of 7.8% differs from the previous figure of 7.6% because it includes other operating expenses and net impairment losses
 Source: CMS Annual Report 2016-17

How do we deliver on our purpose and vision?

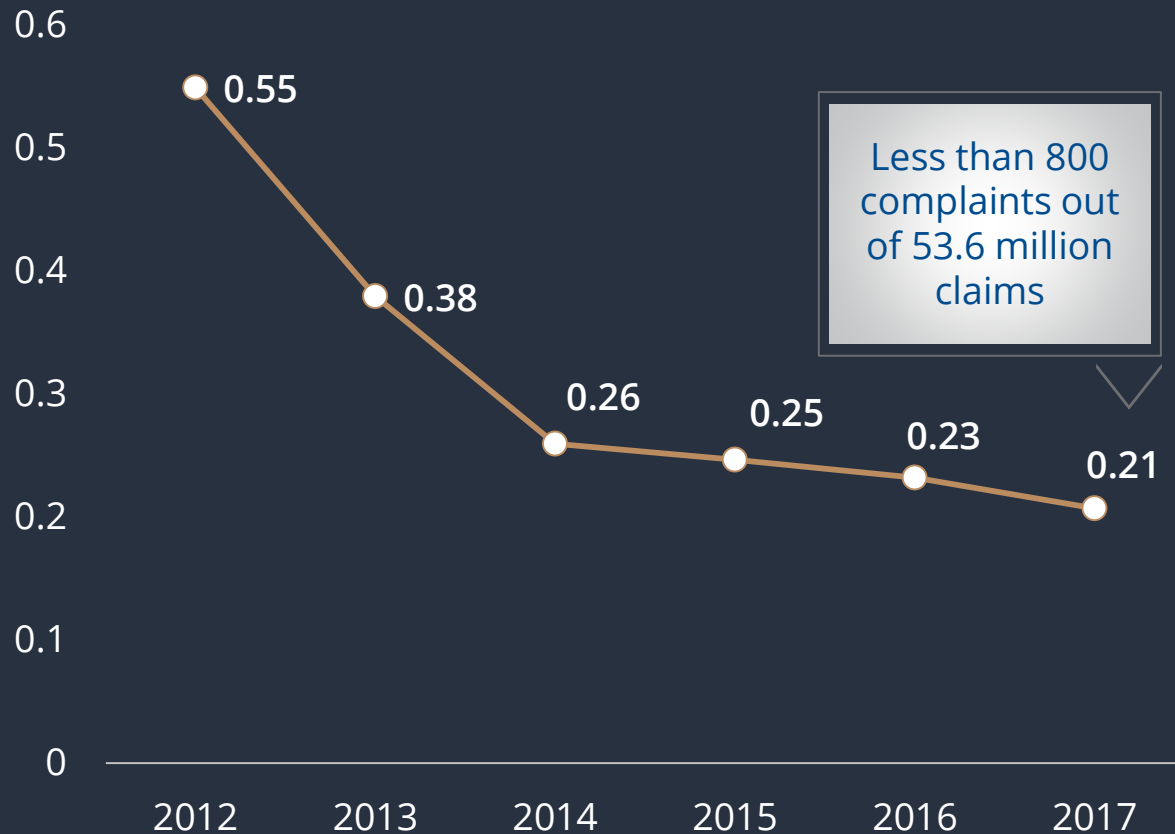


Our efforts are realised through lower levels of complaints improving member satisfaction

Lower levels of CMS complaints

Consistently high member satisfaction

CMS complaints per 1,000 beneficiaries



Member Perception Score



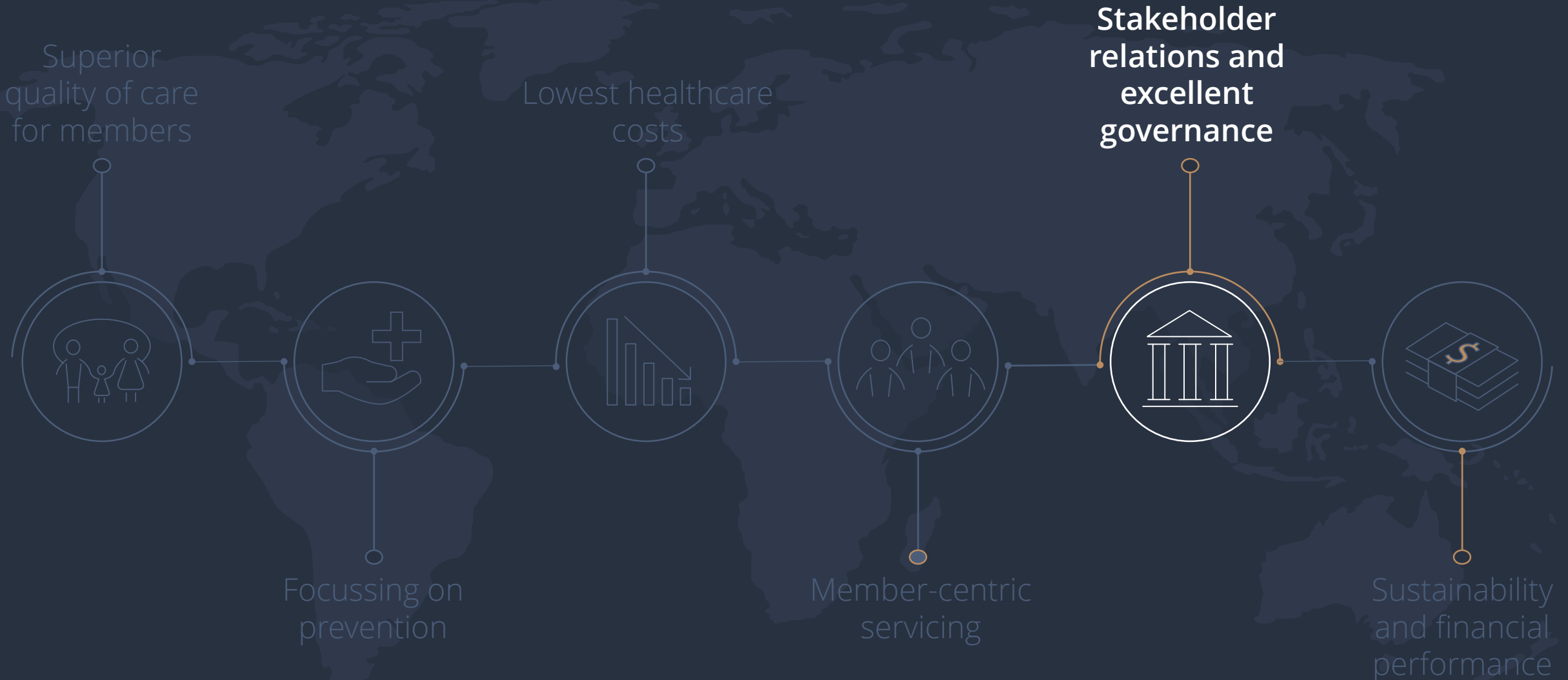
9.14
out of
10

Overall Perception Score

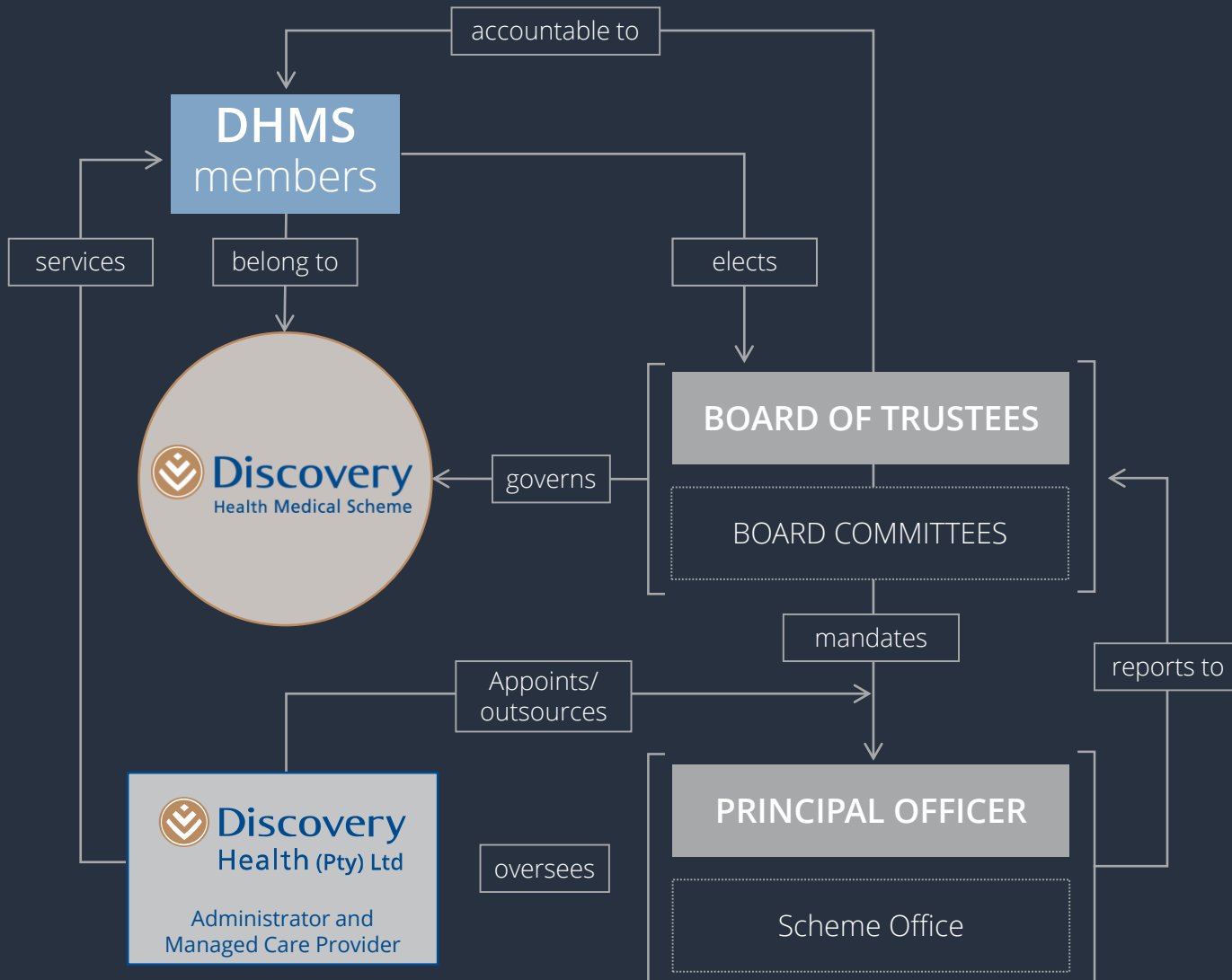


8.85
out of
10

How do we deliver on our purpose and vision?



We protect our members' funds through strong, independent governance structures



Board Committees

- Audit
- Clinical Governance
- Disputes
- Investment
- Nomination
- Non-healthcare Expenses
- Product
- Remuneration
- Risk
- Stakeholder Relations and Ethics

Our role in ensuring members receive a seamless experience



We apply a best-practice outsourcing model to govern our relationship with Discovery Health



THE FIVE CORE PRINCIPLES OF THE VESTED OUTSOURCING MODEL

A system of continuous value creation

The outsourced model relationship is focused on outcomes and not just transactions.



The contracts focus on what is to be achieved, leaving leeway open to the service provider on how to achieve it.



There is agreement on clearly defined and measurable outcomes.



The pricing model ensures that optimal cost or service trade-offs are achieved.

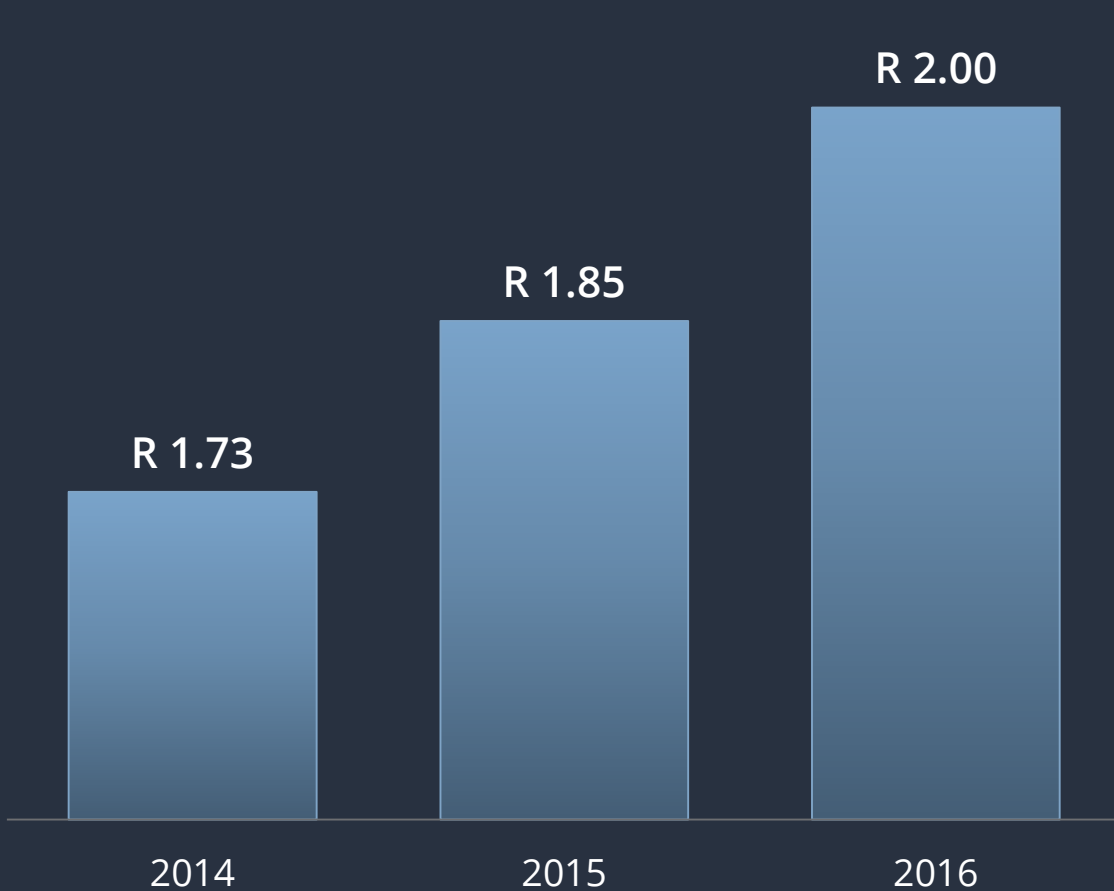


The governance structure provides the Scheme with highly effective oversight, as well as significant insight into how Discovery Health conducts the Scheme's business.



Our members receive increasing value from Discovery Health

Value generated for DHMS members



For every R1 spent on managed care and administration fees, members of DHMS derived R2 in value

Deloitte.
Reviewed by Deloitte

How do we deliver on our purpose and vision?

Superior
quality of care
for members



Focussing on
prevention



Lowest healthcare
costs



Member-centric
servicing



Stakeholder relations
and excellent
governance



**Sustainability
and financial
performance**



2017 DHMS financial highlights: members' funds are secure

Measure	2016	2017	% change pampm ¹
	(R million)	(R million)	
Gross Contribution Income	54,056	59,711	8.4%
Less savings contribution income	(10,430)	(11,009)	3.6%
Net contribution income	43,626	48,702	9.5%
Relevant healthcare expenditure ²	(38,036)	(41,748)	7.7%
Gross healthcare result (contributions – claims)	5,591	6,954	
Broker service fees	(1,102)	(1,214)	8.1%
Expenses for administration	(4,150)	(4,512)	6.6%
Other operating expenses	(236)	(261)	8.2%
Net healthcare result (contributions – claims – expenses)	103	968	
Net investment and other income ³	1,203	1,482	20.9%
Net surplus for the year (including investment income)	1,306	2,450	

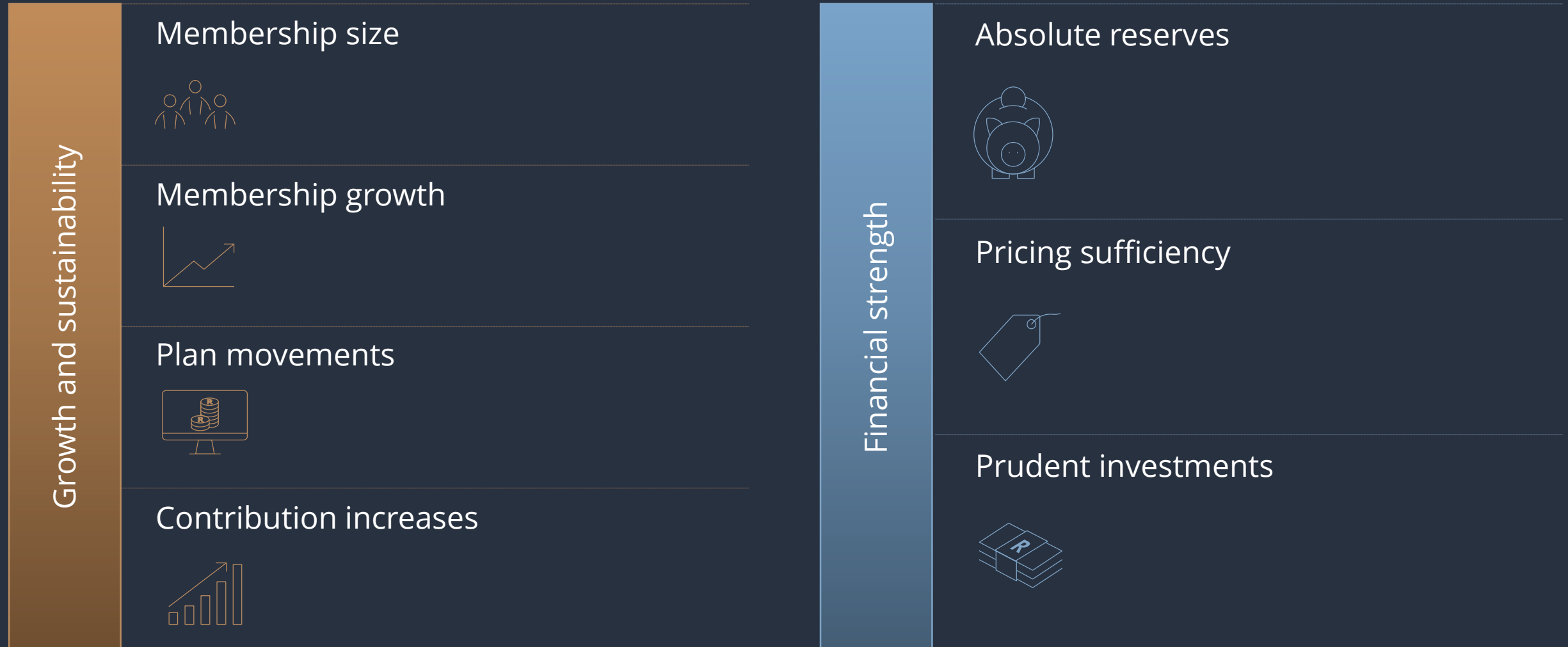
¹Per average member per month

²Includes accredited managed healthcare fees

³Net investment income and other income (net gains on financial assets at fair value through profit or loss, and sundry income) less other expenses (expenses for asset management services rendered and interest paid)

How we know if we are delivering on our purpose and vision?

We measure key metrics for a sustainable medical scheme:



Membership size



Greater risk pooling means **more predictable claims experience** and accuracy in pricing, leading to stable performance.

Membership growth



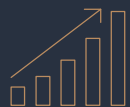
Continuous growth of young and healthy beneficiaries **improves risk pooling** and reflects attractiveness and competitiveness of the Scheme through cross-subsidisation principles.

Plan movements



Indicates **satisfaction**, stability in benefit design and appropriate pricing.

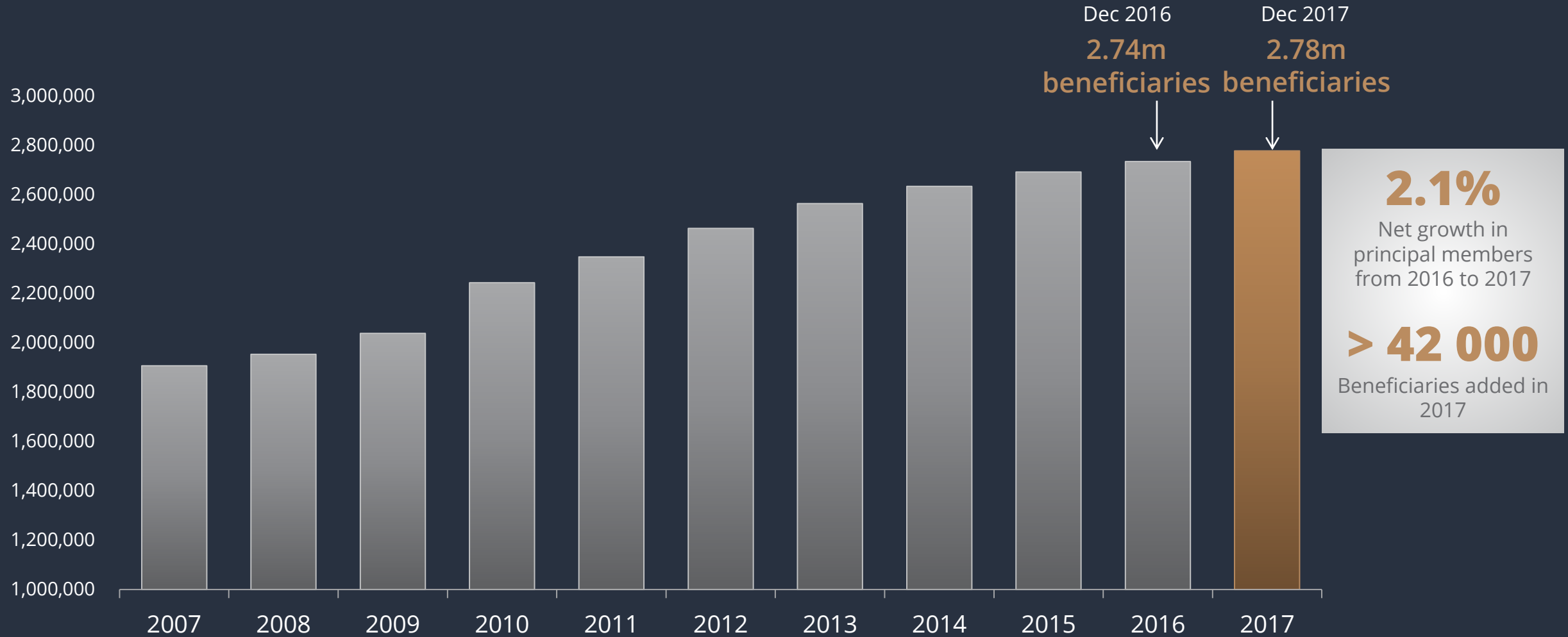
Contribution increases



Reflects **effective risk management** and **value proposition** to members.

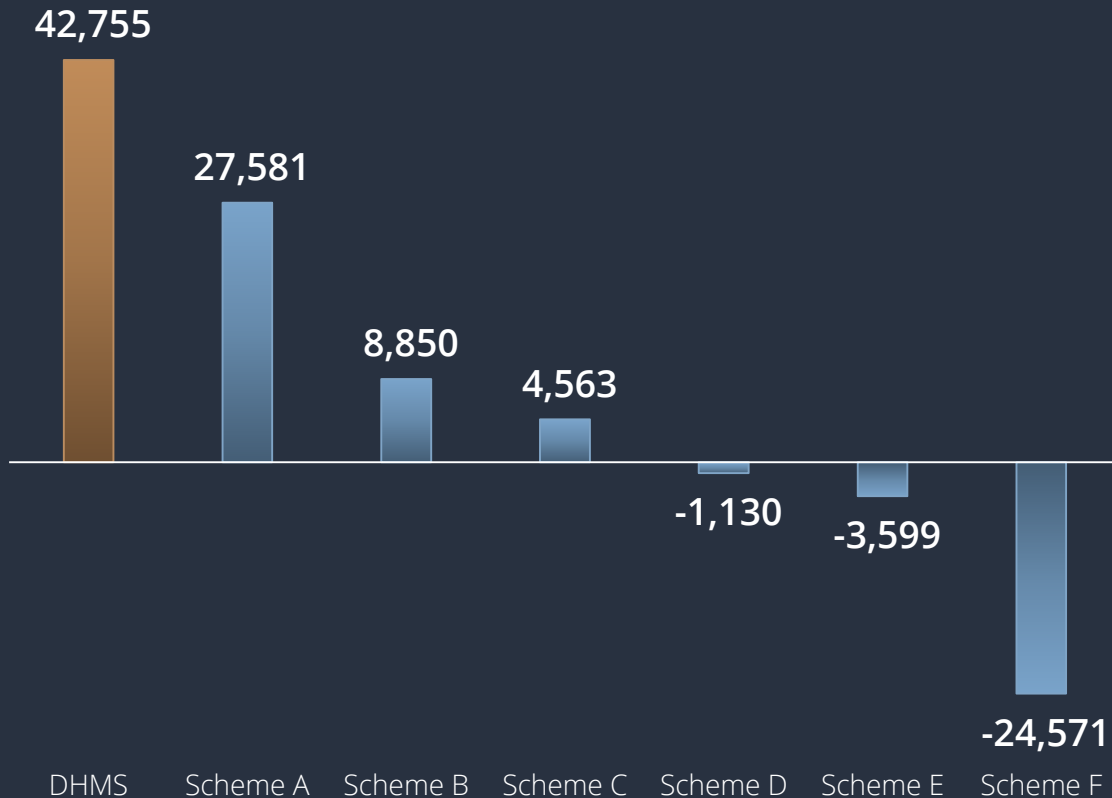
DHMS continues to grow and attract new members

DHMS beneficiaries covered

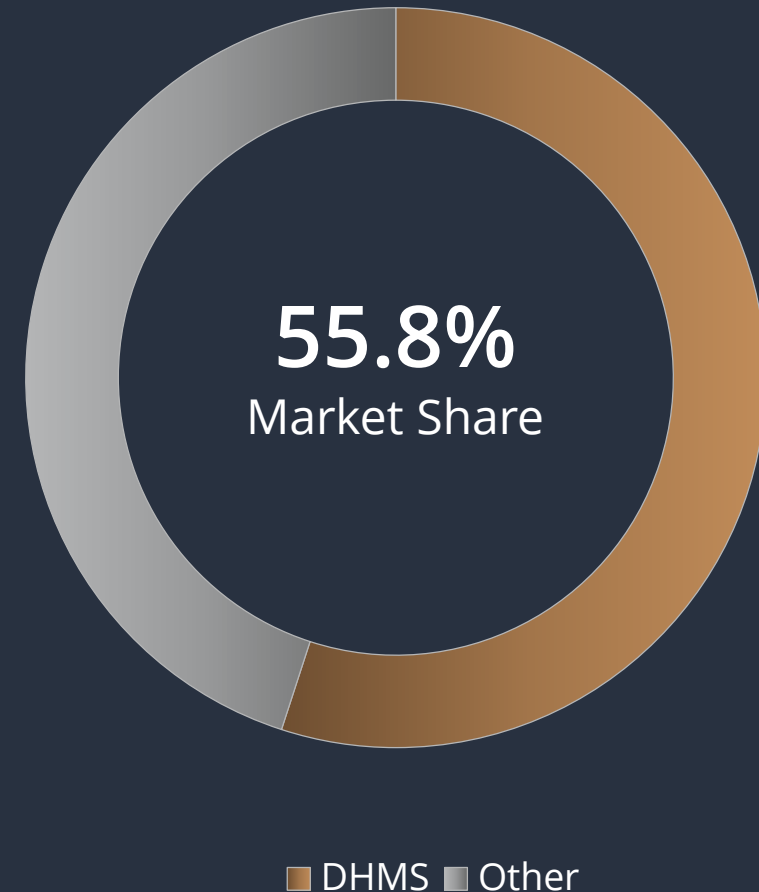


Members are choosing DHMS as their preferred healthcare partner

Net growth in beneficiaries (2017)



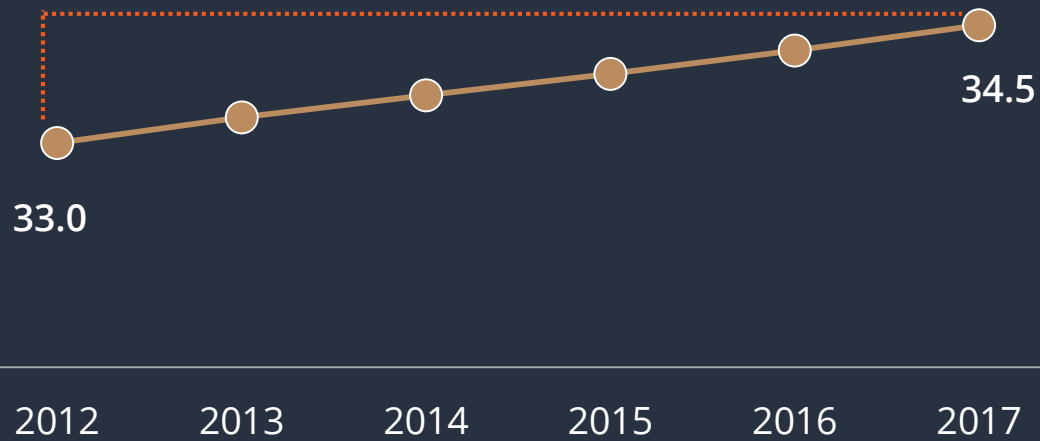
Open schemes market share (2017 Q3)



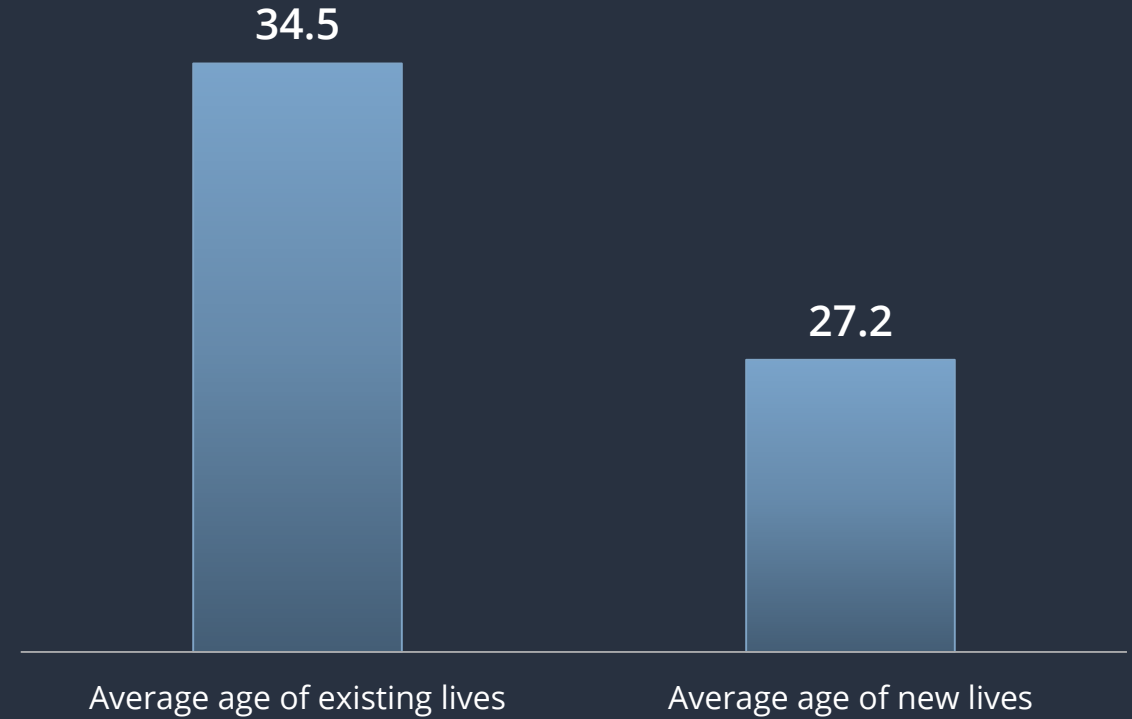
New members are younger which positively impacts the Scheme's risk profile

DHMS ages less than a year annually

1.5 years aging over a 5-year period



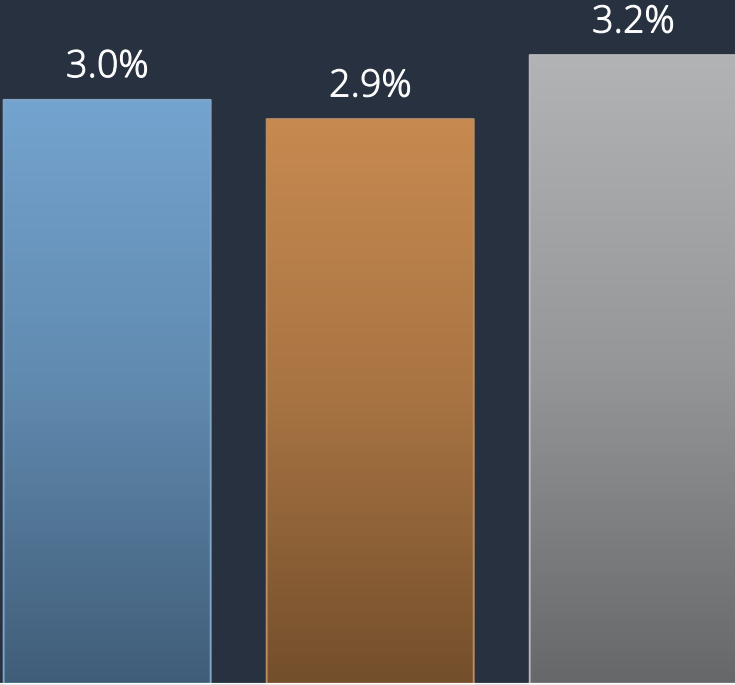
New beneficiaries present a healthy demographic profile



Average claims of a medical scheme increase by 2.5% for every year that the average age of a medical scheme increases

Consistent stability in plan movements

More upgrades in 2017 than in 2016



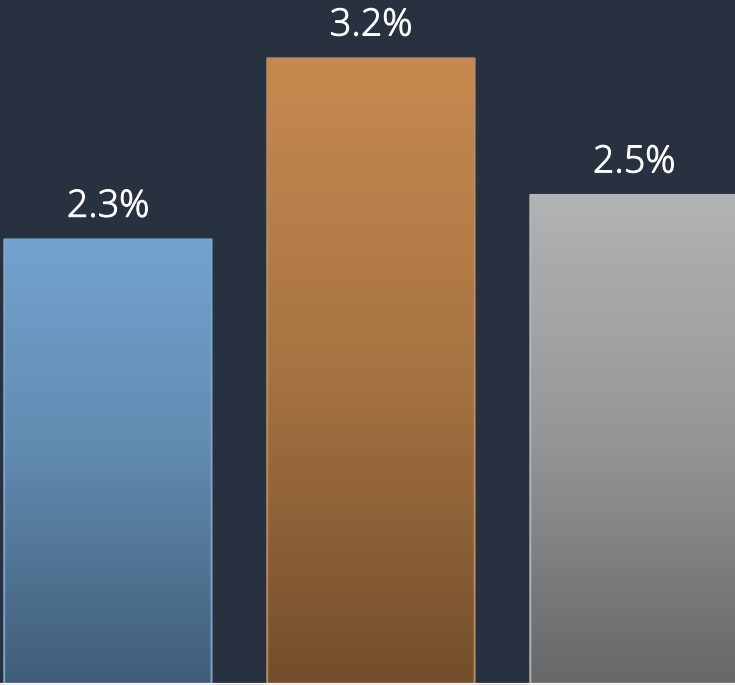
Upgrades

2015

2016

2017

Fewer downgrades in 2017 than in 2016



Downgrades

2015

2016

2017

We measure key metrics of a sustainable medical scheme

Financial strength

Absolute reserves



Demonstrates ability to **meet large, unexpected claims variation.**

Pricing sufficiency



Surplus year-on-year reflects **contribution levels** that are in line with expected membership and claims.

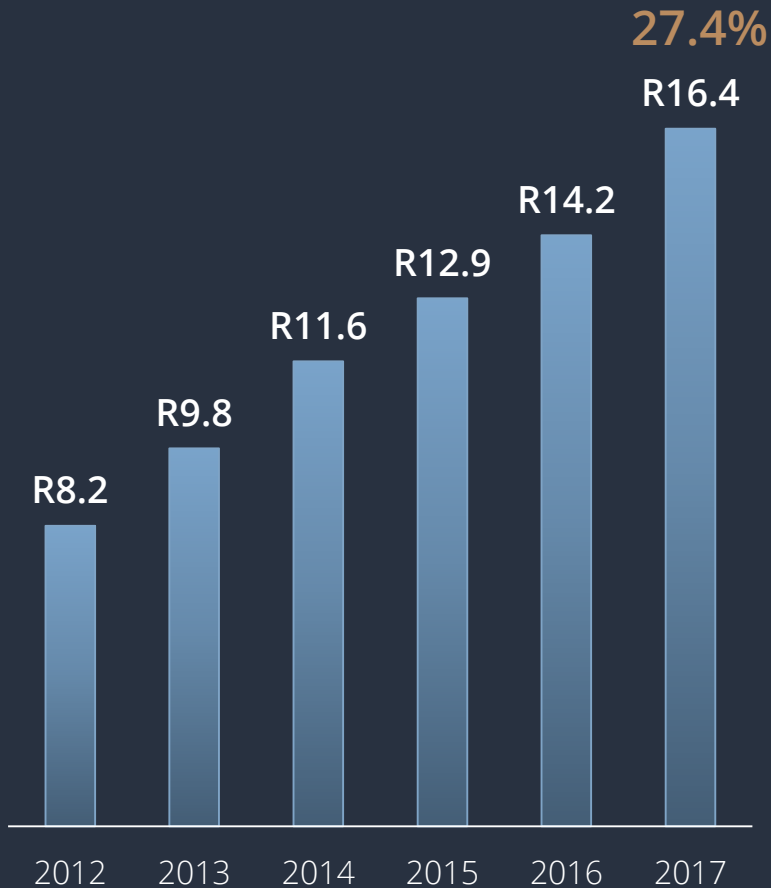
Prudent investments



Ensuring that **investment returns** are maximised within an acceptable and conservative level of risk

DHMS has significant reserves to fund members' claims

Reserves¹ (R billions) and solvency level



Investment returns

10% p.a.
ROI

Industry ceiling credit rating

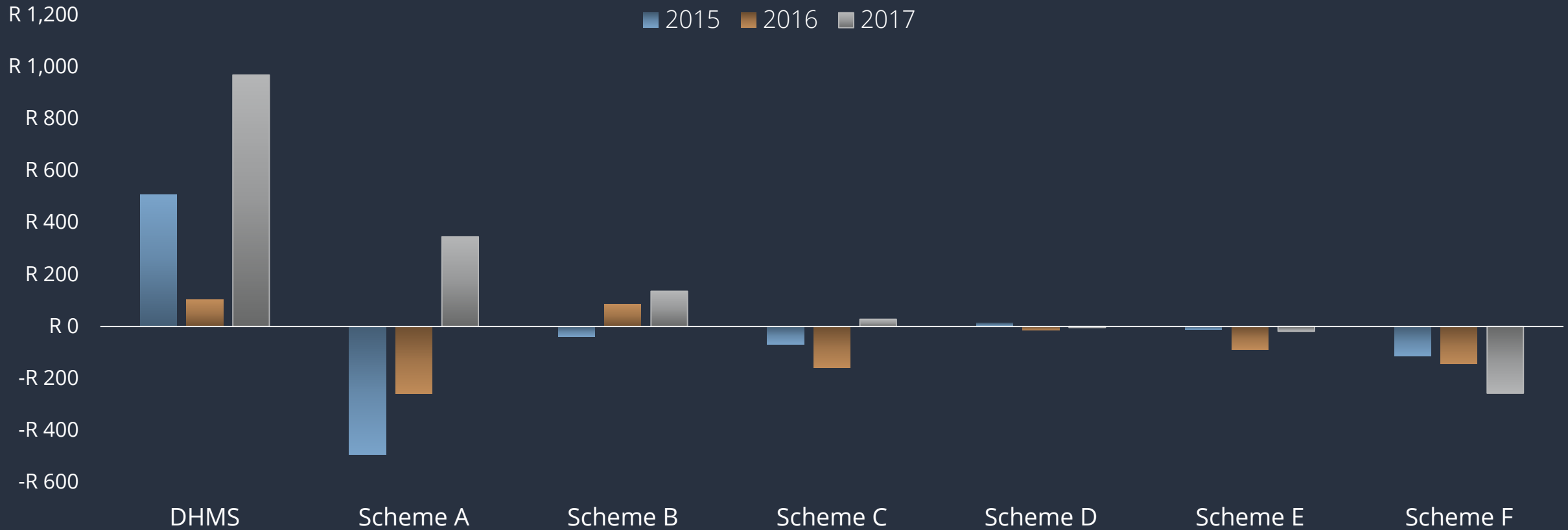


DHMS reserves higher than combined reserves for next

17
largest open schemes

DHMS has consistently generated positive net healthcare results, in contrast to many other open schemes

DHMS net healthcare result vs competitors (R millions)



How we know if we are delivering on our purpose and vision?

Value for money

For every R1 spent on managed care and administration fees, members of DHMS derived **R2 in value**

Growth and sustainability



Membership size

2.8m

beneficiaries

55.8%

market share



Membership growth

34.5

Average age

42,000

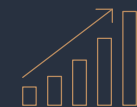
Net membership growth



Plan movements

94.2%

Members remained on same plan as 2016



Contribution increases

7.9%

Headline contribution increase

Financial strength



Absolute reserves

R16.4bn

Reserves

27.4%

Solvency



Pricing sufficiency

R968m

Net healthcare result



Prudent investments

10.0%

Average investment return



**FOR OUR
MEMBERS**

Discovery Health Medical Scheme: Annual General Meeting

Dr Nozipho Sangweni, Principal Officer

21 June 2018

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DHMS AGM

Dr Jonathan Broomberg, CEO of Discovery Health

21 June 2018



01 | Review of 2017 performance

02 | Key trends impacting DH and DHMS in 2018 and beyond

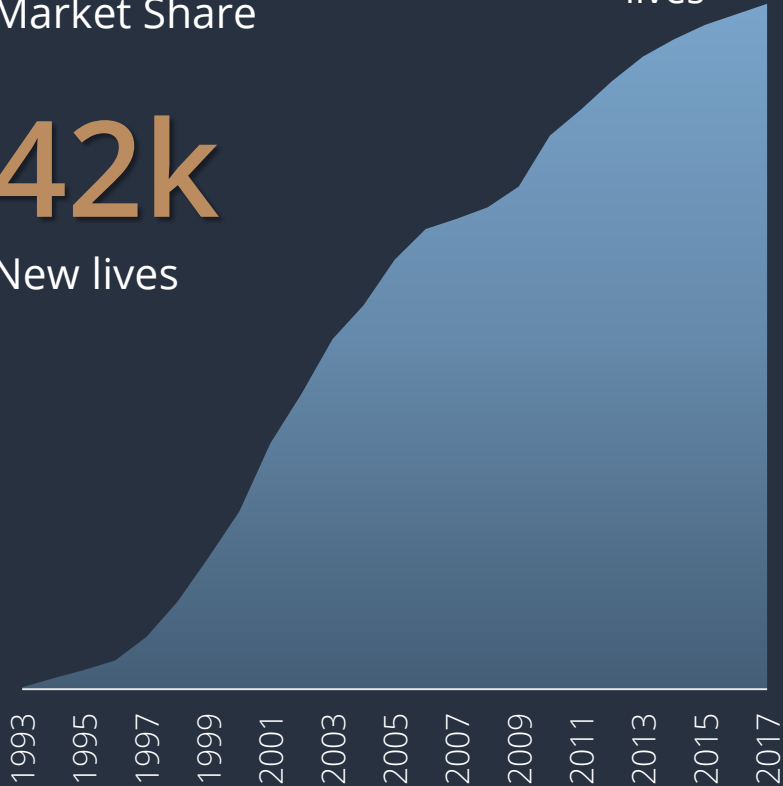
03 | 2018 Strategic objectives

Growth

56%
Market Share

42k
New lives

2.8 million
lives



Stability

94% ↔ No movement

3% ↑ Upgrade

3% ↓ Downgrade

5% Annualised lapse rate

Security

27.44%
Solvency

R16.4bn
Reserves

R2.45bn
Net surplus

AAA
GCR credit rating

1

LOCAL TRENDS

Trend

- **Slow GDP** and **employment** growth
- Increasing **disease burden**
- **Inefficiency** and **quality of care** challenges

Challenge

- Pressure on **scheme growth**
- Increasing **claims** and **premium inflation**

2



GLOBAL TRENDS

Trend

- **Rapid advances** in medtech and pharma with very **high cost** products
- **Omics** and **wearable devices**
- **Apps**
- **Telemedicine**
- **Artificial Intelligence**

Challenge

- **Claims inflation pressure**
- Opportunities in:
 - **Genomics** and **personalised** wellness/care
 - **Personalised** disease prediction and management



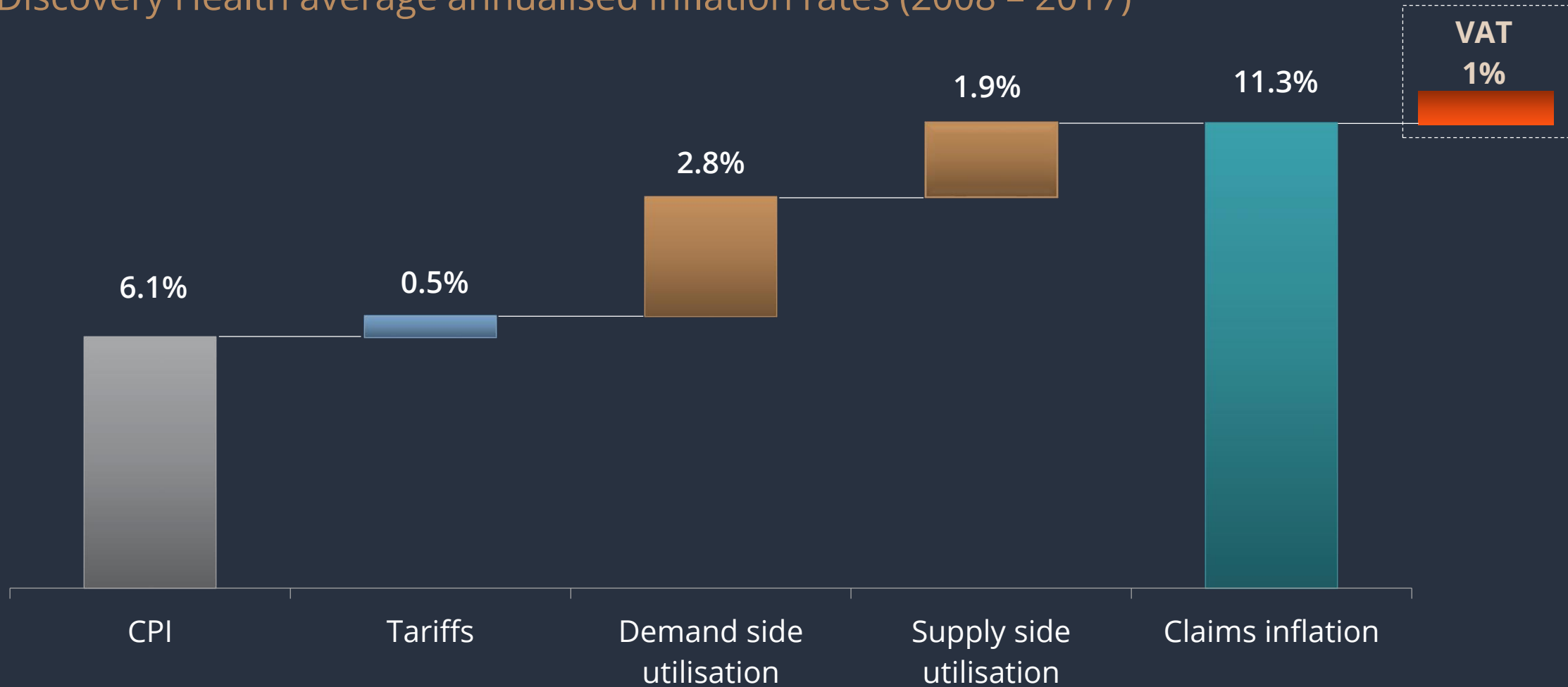
01 | Lowering healthcare costs

02 | Superior quality of care for scheme members

03 | Using digital technology to transform healthcare and member servicing

04 | Making members healthier

Discovery Health average annualised inflation rates (2008 – 2017)



April 2018: VAT increase from 14% to 15% for the first time in a democratic South Africa

Discovery Health has built a comprehensive and experienced fraud team
– 71 fraud experts and proprietary software assets



~3.5 million
lives covered



19
schemes



213 fraud probes
conducted in the field
each month



100 meetings with
suspected perpetrators &
300 cases per month



31 636 lines
audited per month



14 376 lines
reversed per month



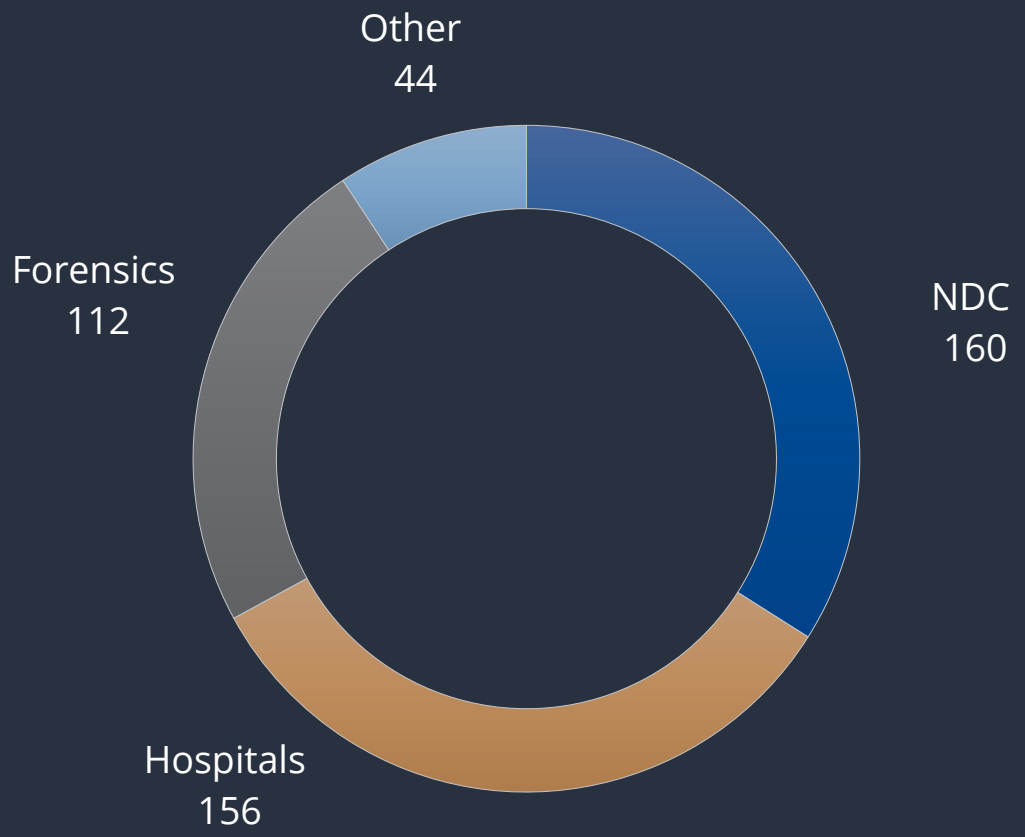
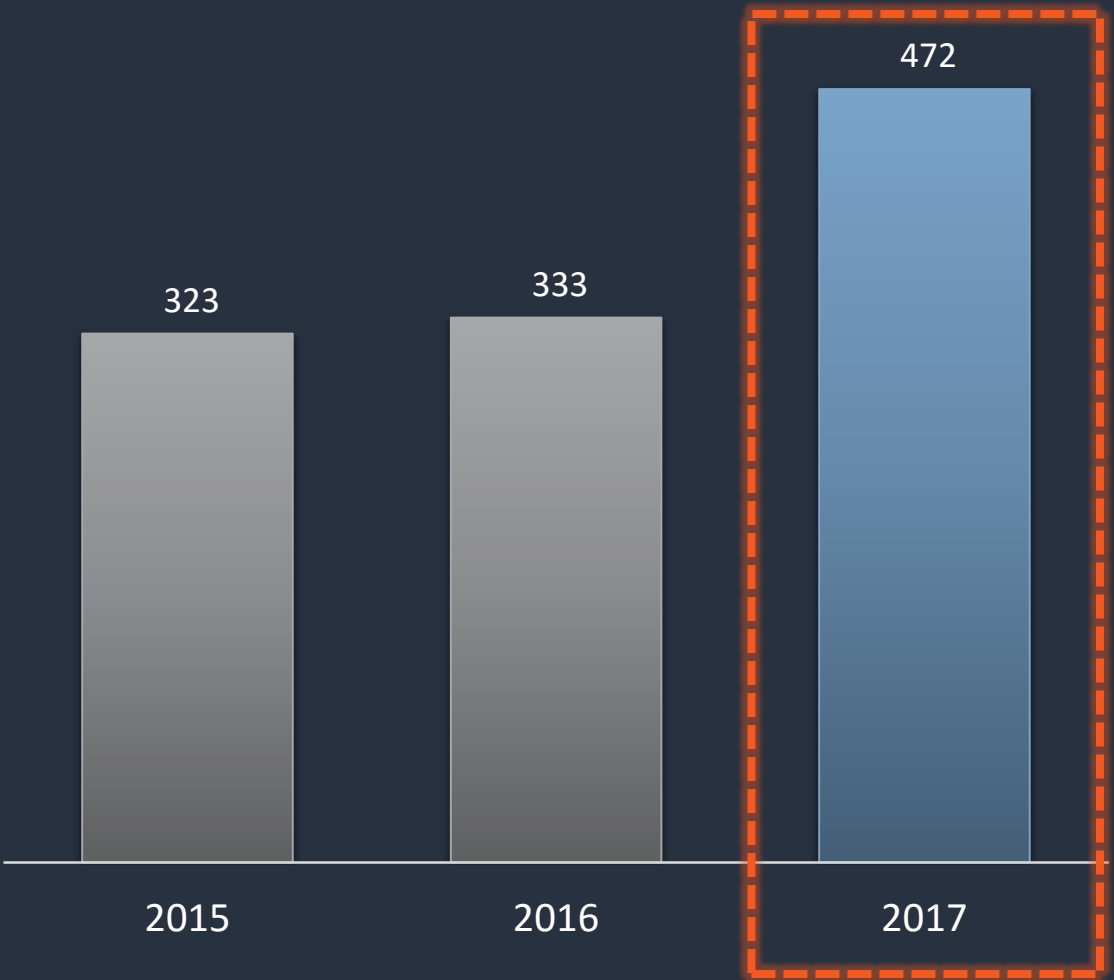
~R28m
fraud recoveries per
month



5.9 million claims with
24 million claim lines
processed daily

Over R470 million in fraud recoveries and savings in 2017

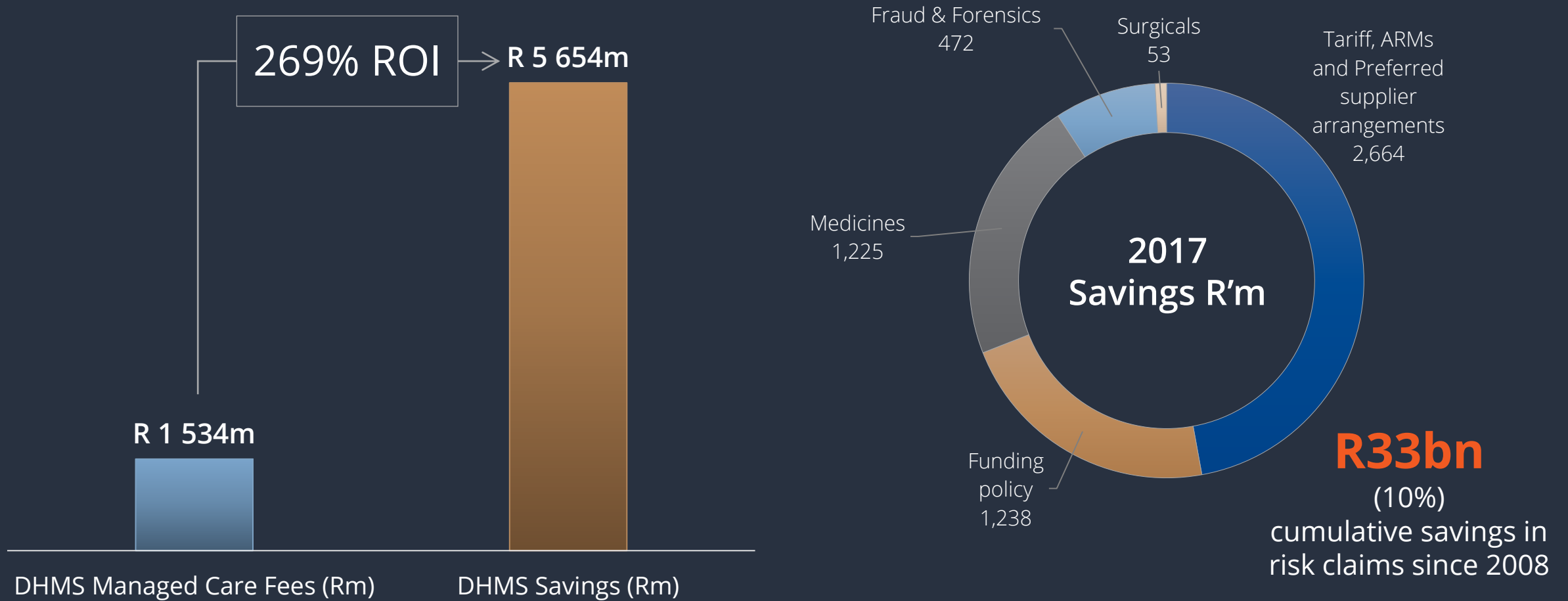
Recoveries and savings - 2015 to 2017 (R' million)



Note: Figures unaudited

Managed care interventions generated a 269% ROI

Discovery Health managed care interventions in 2017 (R' million)



Note: Figures unaudited

Discovery Health's strategy for DHMS



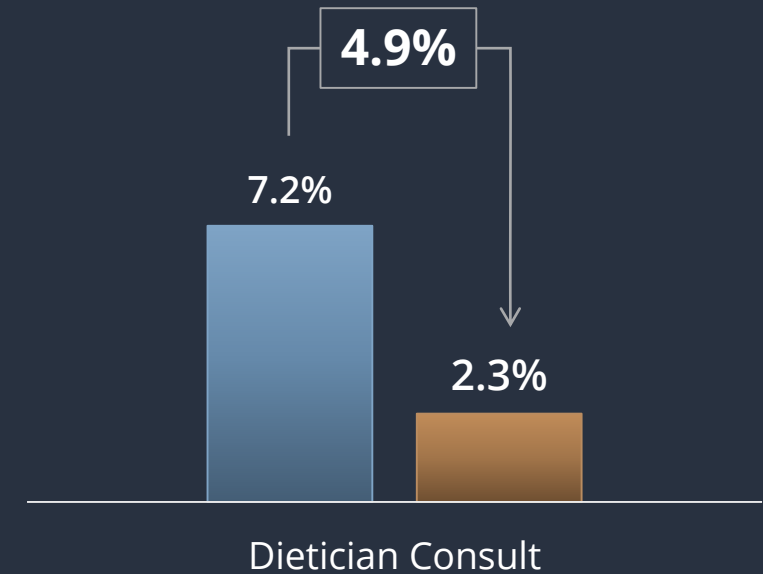
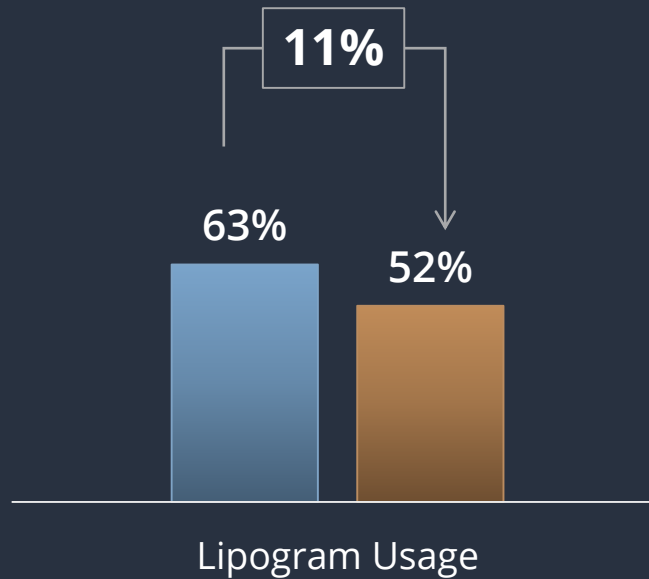
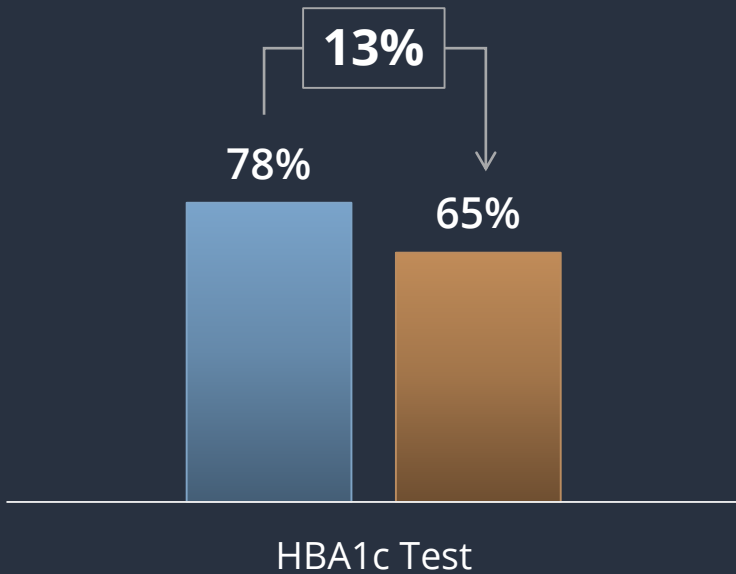
01 | Lowering healthcare costs

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DiabetesCare programme: leveraging incentives and technology to change patient and doctor behaviour



■ Diabetes Care (Sept 2017)
■ Non-Diabetes Care (Sept 2017)

■ Diabetes Care ■ Non-Diabetes Care

■ Diabetes Care ■ Non-Diabetes Care

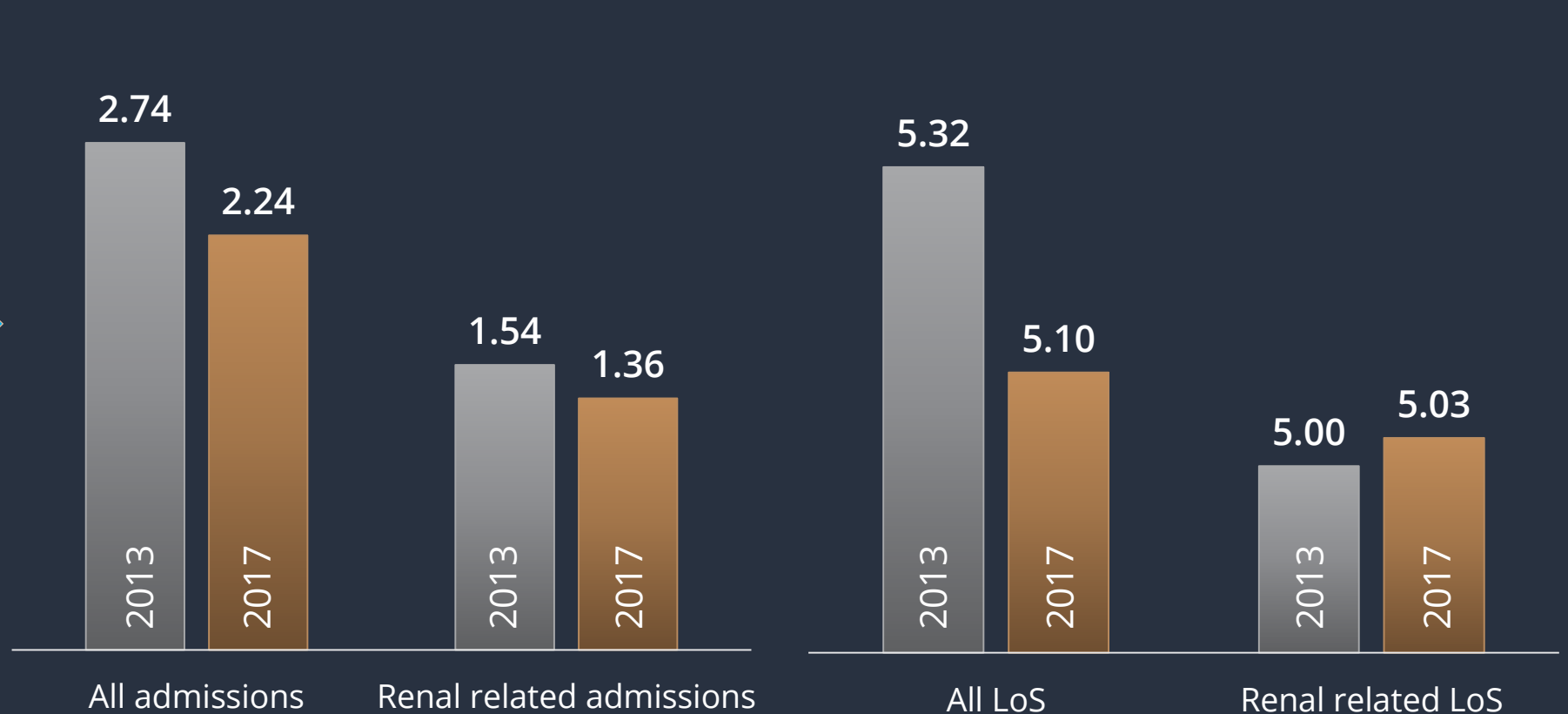
KidneyCare Programme: partnering with dialysis providers and specialists to measure and improve outcomes



- Detailed monitoring of key dialysis metrics
- 100% of dialysis centres and patients enrolled
- Detailed reporting and feedback

Admission rate

Length of Stay per admission



High level trends

- Sent: 146,851
- Received: 26,049
- Response Rate: 17.8%
- Doctors involved: 5,510

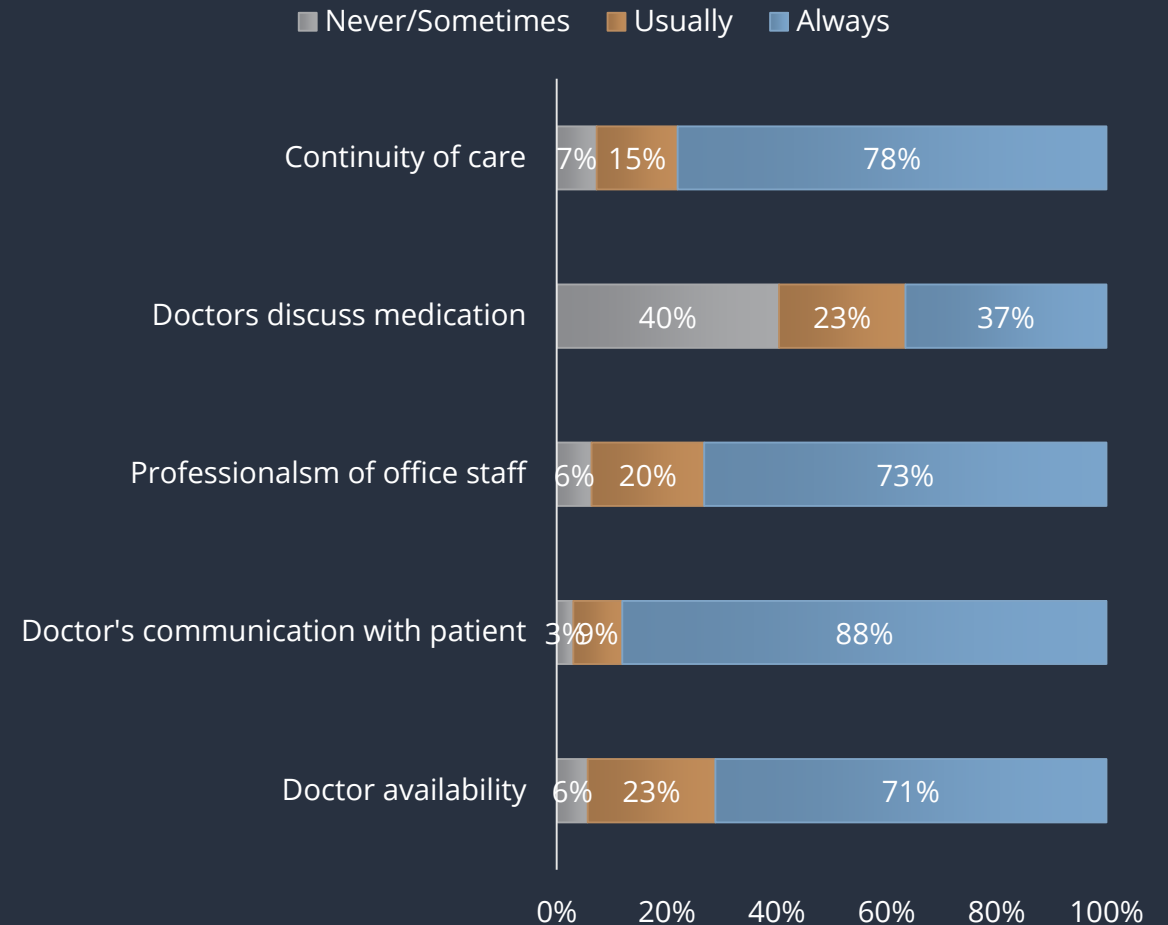


89.8% of GPs were **rated 8 or higher** for the survey period

82.4% of members **would recommend** their GP

Net Promoter Score of 70%

GP patient survey measures



Discovery Health's strategy for DHMS



01 | Lowering healthcare costs

02 | Superior quality of care for scheme members

03 | Using digital technology to transform healthcare and member servicing

04 | Making members healthier

Comprehensive digital platform for DHMS members and doctors

Members

- Personal Health Record
- SmartPlan
- App and web tools
- Virtual Assistant
- Pypestream
- Medical library
- Virtual consults

Healthcare Providers

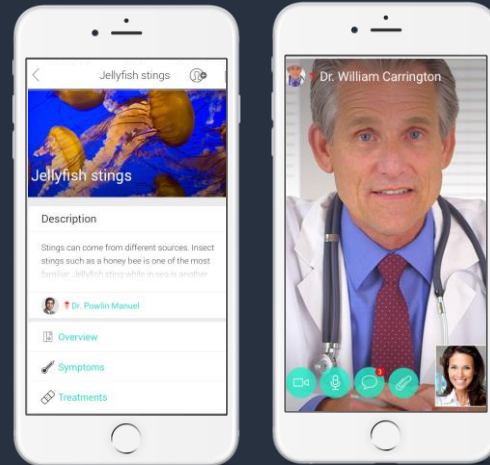
- HealthID
- Practice Manager Connect
- Vitality Active Rewards FOR DOCTORS
- Patient engagement tools
- Electronic medical records

Case Managers

- Benefit Management System
- Clinical Vault
- Care Management

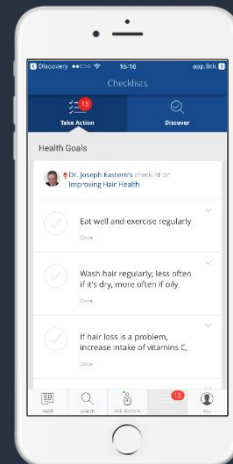
Ask Questions

Current features



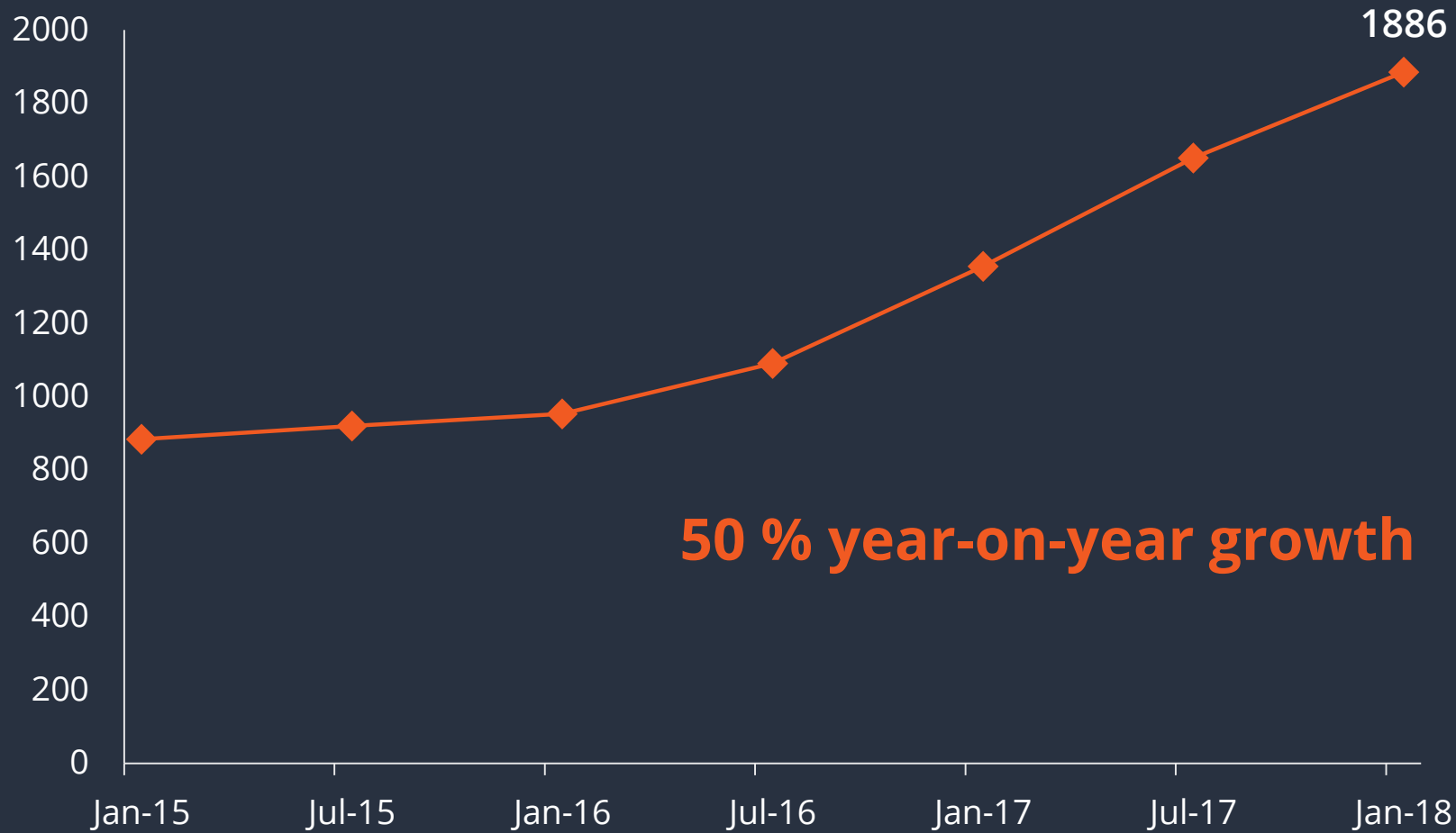
- **140 000 doctors** worldwide. >7 billion questions and answers. AI enabled
- **Video, voice or text** follow up consultations
- **Personalised tips** and **checklists** for your health

Get Health Tips



Significant member and doctor engagement with HealthID

HealthID – regular users



% of engaged doctors*

68%

Member consents

>1.7m

*"Electronic health record systems such as Discovery Health's HealthID improve the efficiency of the consultation and have the potential of indirectly improving quality of care"****

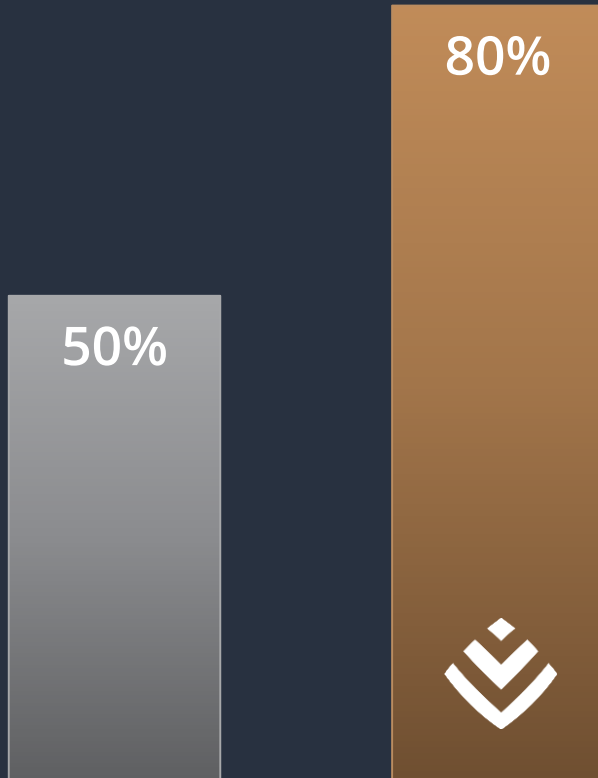


*As a percentage of doctors targeted (3 000)

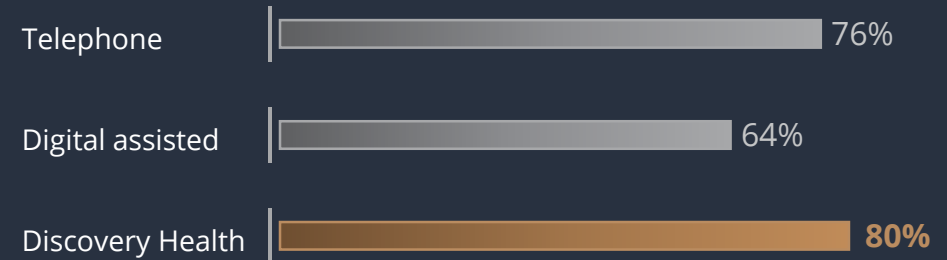
**Paper submitted by UCT Faculty of Health Sciences to African Journal of Primary Healthcare and Family Medicine

Operational performance is consistently better than global best practice benchmarks

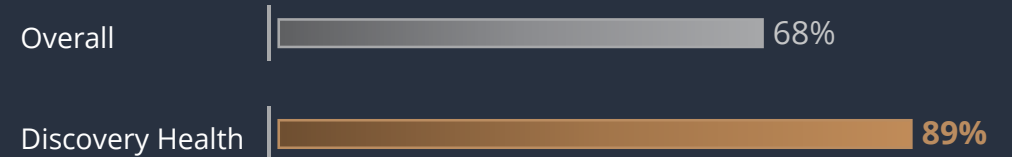
Customer effort score



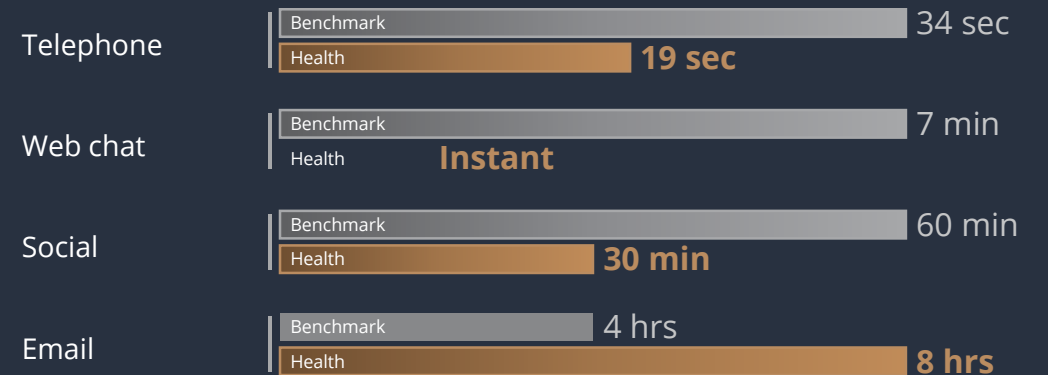
First call resolution



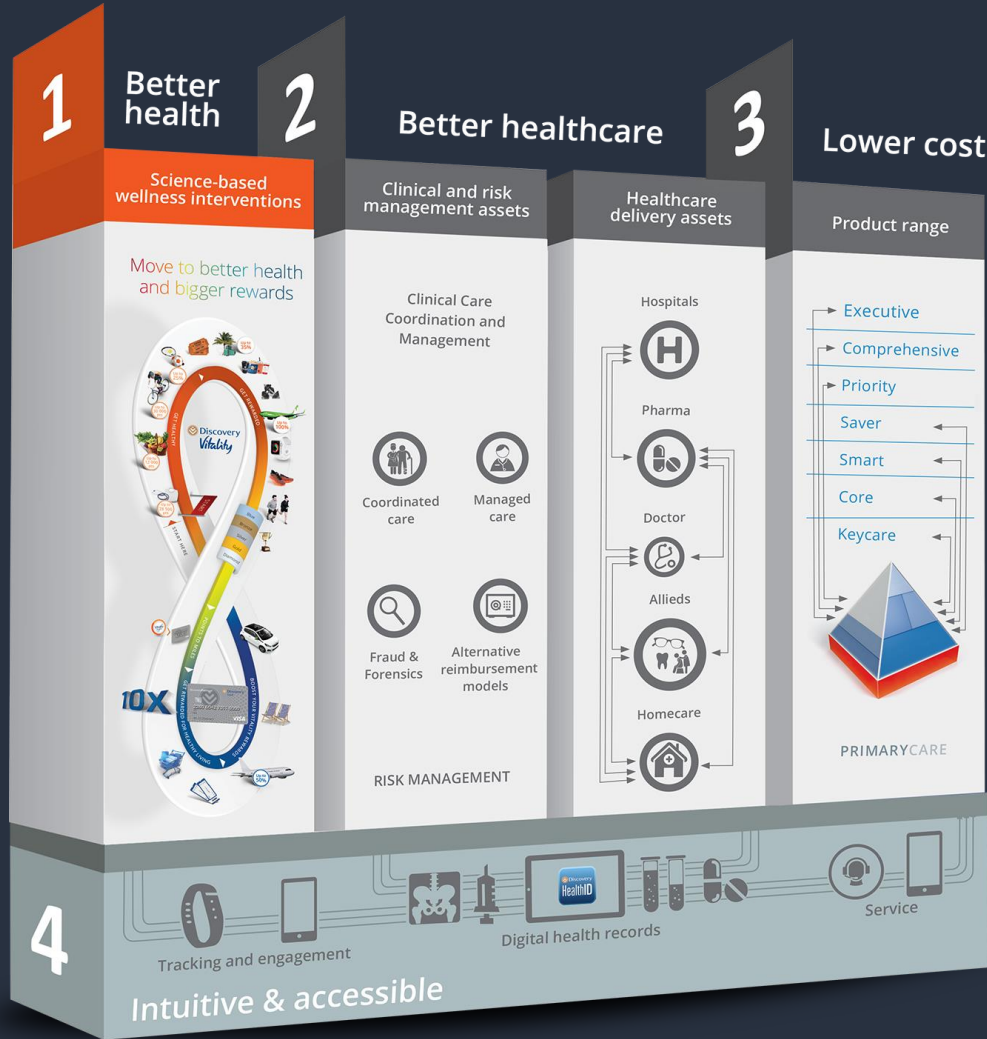
MBR Satisfaction



Response time



Discovery Health's strategy for DHMS



01 | Lowering healthcare costs

02 | Superior quality of care for scheme members

03 | Using digital technology to transform healthcare and member servicing

04 | Making members healthier

Combined Wellness Days

A Premier offering combining all screenings into one event:

- Premier screening for members on a scheme administered by Discovery Health
- Traditional Wellness Day screening for non-members and uninsured
- Traditional Wellness Day for PrimaryCare employees

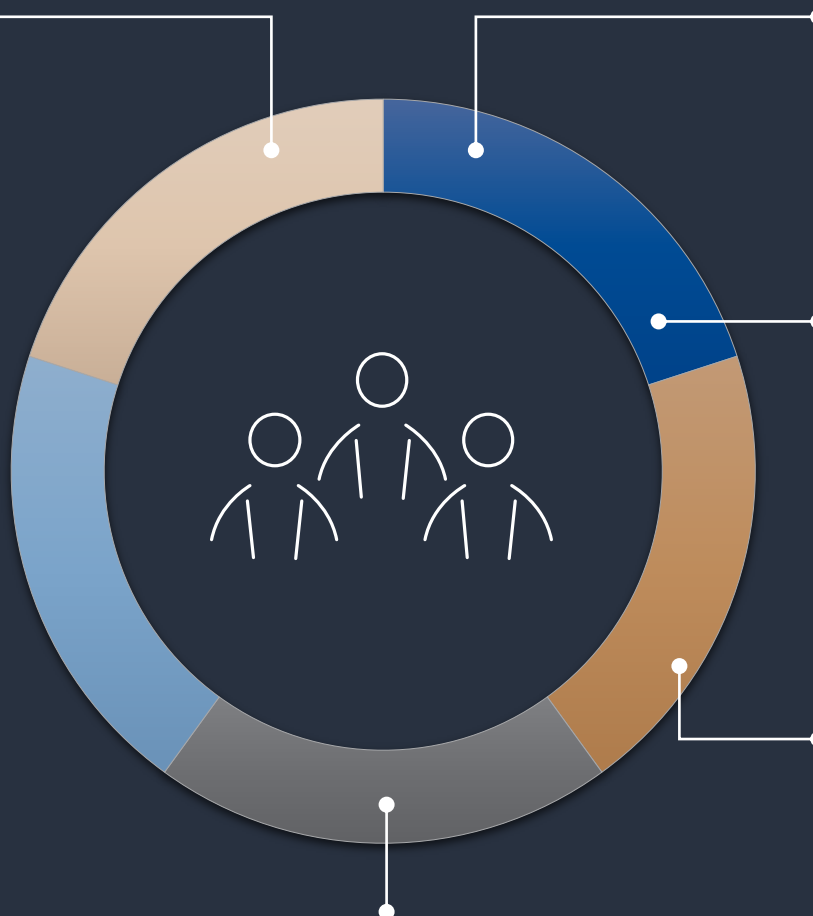
Wellness Centers

- Corporate on-site clinics with option of occupational health

Introduction of national coastal tiered offerings for executive wellness

Premier & Mobile Wellness Days

- Premier screenings for 80+ participants
- Mobile screenings for smaller corporates



Traditional Wellness Days

15 health tests
completed
12 minutes

164 151 members screened during wellness days in **2017**

Healthy Company | Integrated data analytics and personalised pathways allow for proactive intervention





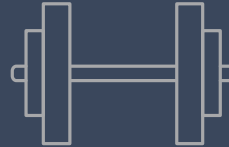


Know your health > Improve your health > Get rewarded

Get Healthy



290 000
Vitality Health checks



28 million
gym visits



20 million
Healthy Food baskets bought

Get Rewarded



2.7 million
movies watched



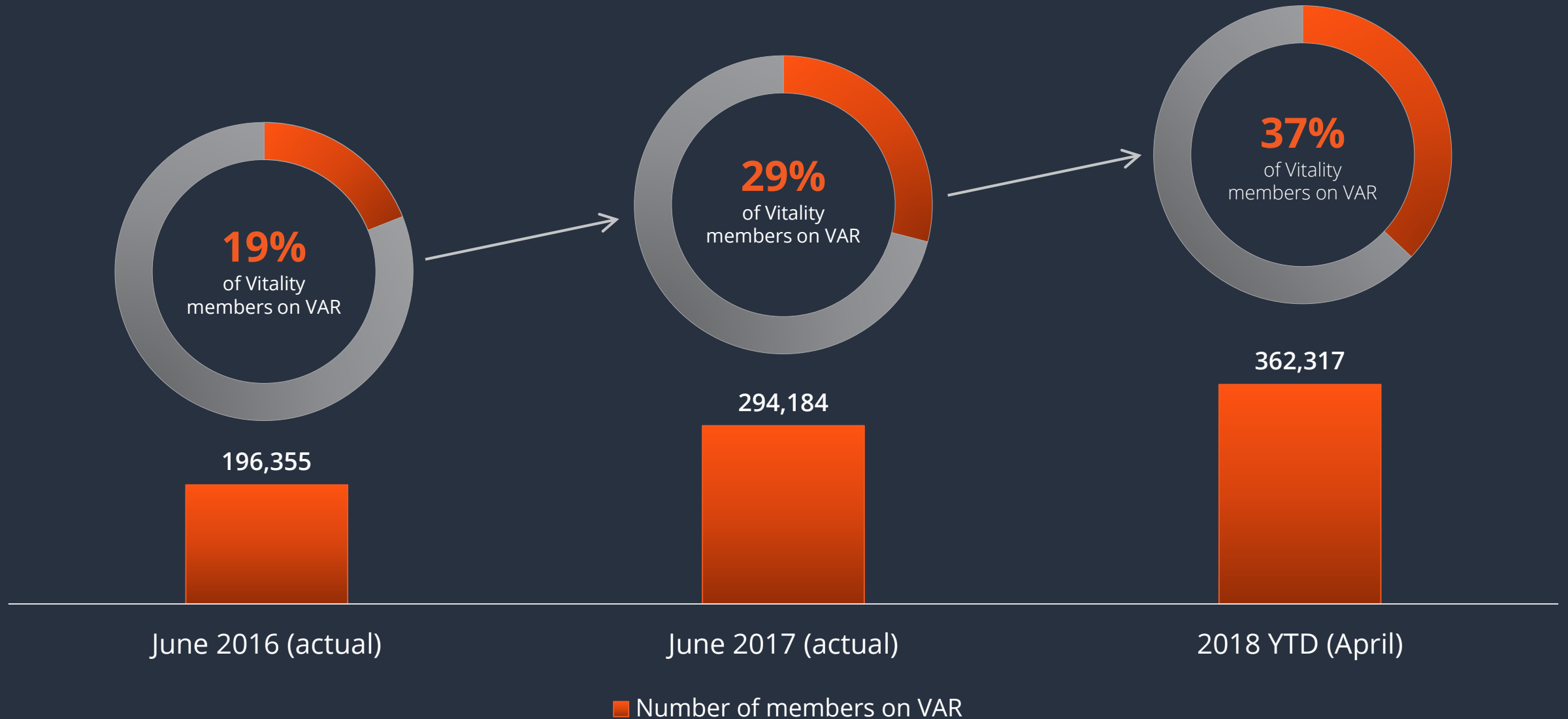
3 milion
Vitality Active Rewards earned



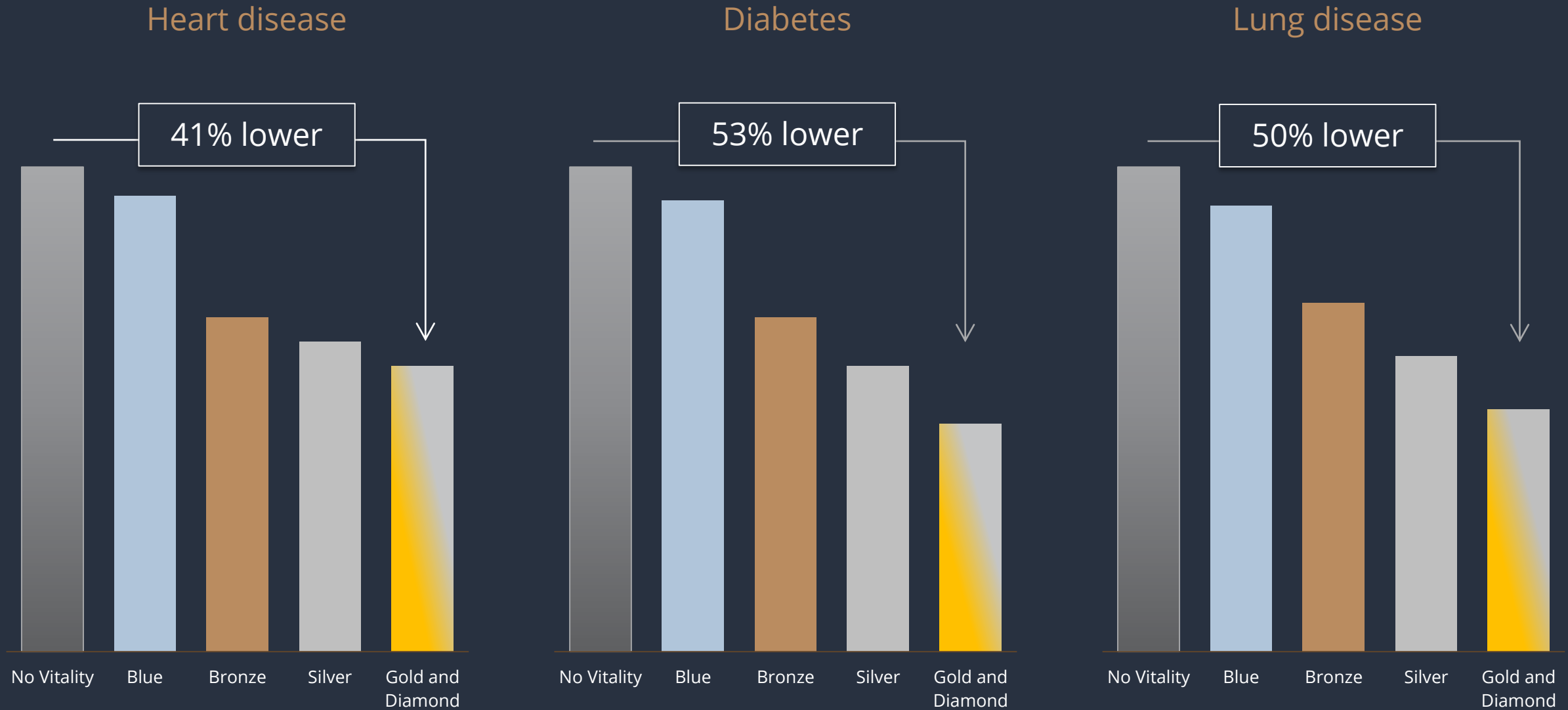
1.25 million
flights booked

An increasing number of DHMS members are engaging with Vitality Active Rewards, with positive behaviour change

Vitality Active Rewards Trends (June 2016 to April 2018)



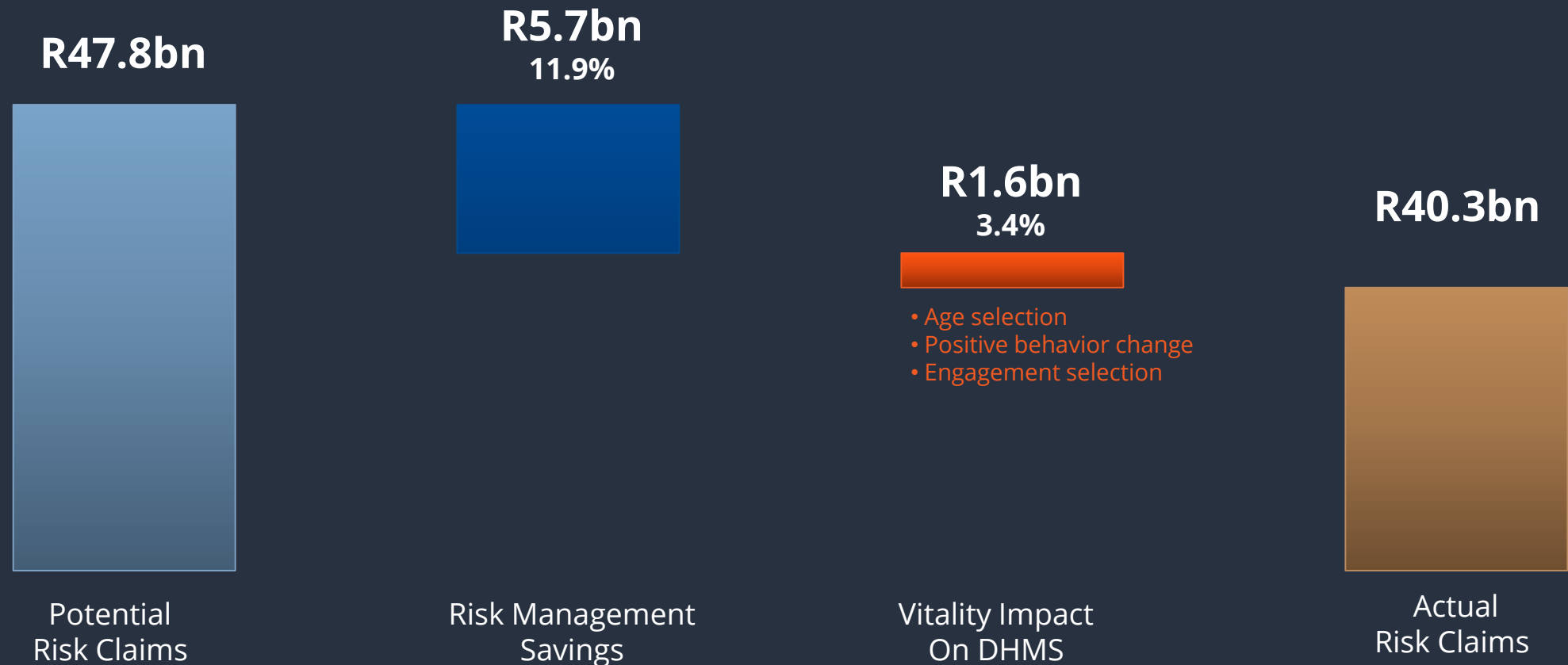
Vitality engagement lowers disease burden and makes members healthier



Note: Disease specific risk claims in 2016, standardized for Age, Gender, Health Plan and Socio-Economic Status

Discovery Health and Vitality interventions saved DHMS R7.3 bn in 2017

Impact of Discovery Health and Vitality on DHMS risk claims in 2017



Discovery Health and Vitality: 15.3% effective reduction in DHMS risk claims

The Discovery Health System

Better health



Healthy Company:

160 000+ screenings

Vitality Active Rewards:

37% uptake for members on Vitality

Technology

R800m invested in systems & technology per annum



HealthID

1.7 member consents



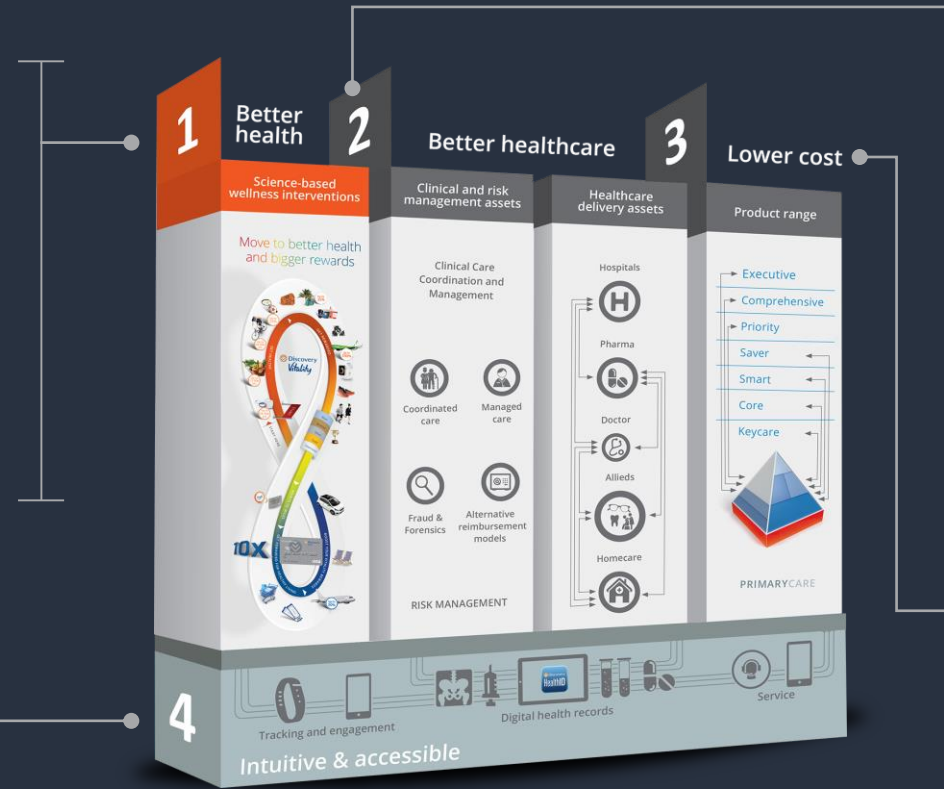
Discovery Member App

4.3m monthly logins



DrConnect

326k member downloads



Better healthcare



Managed Care Programmes

KidneyCare, CADCare, DiabetesCare

Lower cost

16% lower premium than market



269% ROI on Managed Care Fees negotiation



R5.7bn Scheme savings





DHMS AGM

Dr Jonathan Broomberg, CEO of Discovery Health

21 June 2018

1. Welcome and quorum
2. Minutes of the 2017 Annual General Meeting - for approval
3. Tabling of the 2017 Integrated Report
 - 3.1 Presentation by the Principal Officer of Discovery Health Medical Scheme
 - 3.2 Presentation by the CEO of Discovery Health
4. Governance
 - 4.1 Discovery Health Medical Scheme Trustee Remuneration Policy and approval of the 2018 Trustee Remuneration
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8. Member Engagement

The Board of Trustees invites members to engage with the Principal Officer and the Board of Trustees on specific Scheme matters of their choice immediately after the closure of the AGM.



FOR OUR MEMBERS

2018 Annual General Meeting
Remuneration Presentation

1. Remuneration Governance
2. Trustee Remuneration Policy
 - Remuneration Methodology
 - Remuneration of the Board of Trustees
3. Proposed 2018 Trustee Remuneration
 - Trustees
 - Chairpersons

- ❑ The Board of Trustees is responsible for the development and implementation of a Remuneration Policy for Scheme employees as well as the Board of Trustees and Board Committee members.
- ❑ The Board of Trustees has delegated the responsibility of Scheme remuneration oversight to a Remuneration Committee (REMCO).
- ❑ REMCO constitution – Four Trustees, one of whom is the Chair and an Independent member.
- ❑ REMCO makes use of independent expert consultants and market benchmarking to assist the Committee in terms of best remuneration practices.

❑ **Adoption and Approval of Remuneration**

- Trustee remuneration - presented at this AGM for majority vote by members, after the approval thereof by the Board of Trustees, on recommendation of the REMCO.

❑ **Approval of Trustee Remuneration Policy**

- The Scheme's Trustee and Board Committee member remuneration for each prospective financial year is reviewed and recommended by the REMCO to the Board for approval and thereafter tabled at the 2015, 2016, 2017 and this AGM for a non-binding advisory vote by members.

❑ **Trustee Remuneration Disclosure**

- AGM – members;
- Regulator - Council for Medical Schemes;
- Integrated Annual Report.

- ❑ Multi-year phased-in approach approved by 94.57% of the members in attendance during the 2015 AGM
 - R4 000 less 40%

- ❑ The 2016 Trustee fee based on a professional fee rate and approved by 98% of the members in attendance during the 2016 AGM
 - R4 240 less 35%

- ❑ The 2017 Trustee fee based on a professional fee rate and approved by 98% of the members in attendance during the 2017 AGM
 - R4 515 less 30%

- ❑ 2018 onwards – annual fee benchmark
 - R4 786.54 less 30%

The total annual projected Trustee and Committee Member remuneration budget will not exceed 0.01% of gross annual contribution income per year, for the period 2015 - 2017.

- ❑ The objective of the remuneration policy for the Board and Board Committees is to provide a legal and policy framework against which all remuneration decisions are made, validated, implemented, approved and reported by the Scheme.
- ❑ The DHMS REMCO engaged PwC's Remuneration Practice in 2014 to assist in developing a new remuneration methodology and benchmark applicable to Trustees, taking into account that DHMS is a non-profit organisation and the guidelines of Circular 41 of 2014 issued by the CMS. This methodology was submitted to the CMS on 24 November 2014.
- ❑ In terms of this methodology:
 - Trustee remuneration is based on a professional fee and an hourly rate. The fees take into account the fact that the Scheme is a non-profit entity.
 - For 2018 this hourly rate is R3 350.58 which members are required to vote on via ballot: i.e. R4 786.54 (professional fee) less 30% = R3 350.58 (hourly rate)

- ❑ The total remuneration paid to Trustees is determined by the following elements and illustrative examples will be provided:
 - Number of meetings planned per year.
 - Preparation time for each meeting.
 - Duration of meetings.
 - Estimated time between meetings required by the Chairpersons.
 - The number of actual meetings attended.

- ❑ The total annual fees payable to Trustees and Board Committee members is split into:-
 - “Annual Base Fee” (70%).
 - “Fee per Meeting” (30%).

- ❑ The Annual Base Fees and Fees per Meeting payable to Board Committee members differ from those payable to Trustees insofar as the duration and frequency of their meetings differ from Board of Trustee Meetings.

- ❑ For 2018 the Scheme has made additions to the Remuneration policy. The changes made to the policy, do not deviate from the methodology and structure of fees as set out in the submission made to the CMS on 24 November 2014.
- ❑ The policy has been updated to clarify the manner in which Trustees and Independent Board Committee members are remunerated for the various forums and meetings that they participate in.
- ❑ Trustee and/or Board Committee Member fees are exclusive of VAT. Where Trustees and/or Board Committee Members are registered for VAT, they issue a tax invoice to the Scheme clearly reflecting the VAT element in addition to their total fees for the period.
- ❑ **Attendance at a Board or Board Committee meeting as an observer** - No remuneration is payable.
- ❑ **Attendance at an Annual General Meeting (“AGM”) or a Special General Meeting (“SGM”)**
 - Trustees
 - AGM - receive the “Fee per Meeting”
 - SGM - will receive remuneration at the hourly rate for preparation time, as agreed to by the Chair, and the duration of their attendance.
 - Independent Board Committee members
 - Will receive remuneration at the hourly rate for the duration of their attendance.

❑ **Attendance at Board strategy sessions and other Board Committee strategy sessions**

- Board Strategy session - Trustees attending will receive the “Fee per Meeting” and Independent Board Committee members will receive remuneration at the hourly rate for the duration of their attendance.
- For Board Committee Strategy session - Trustees or Independent Board Committee members, as the case may be, will receive remuneration at the hourly rate for the duration of their attendance.

❑ **Attendance at a meeting at the request of a Chairperson**

- Independent Board Committee member invited to attend a Board meeting or Trustee invited to attend a Board Committee meeting - Will receive remuneration at the hourly rate for preparation time, as agreed to by the relevant Chair, and the duration of their attendance.

❑ **Attendance at a Board meeting of an Independent Board Committee Chairperson**

- Such an Independent Board Committee Chairperson will receive remuneration at the hourly rate for preparation time, as agreed to by the Chair of the Board, and the duration of their attendance.

❑ **Trustee training**

- Trustees are NOT paid for attending training or conferences over and above the training fees, travel costs, accommodation and subsistence costs.

❑ **Consulting fees**

- Trustees are NOT paid any consulting fees.

❑ **Incentive programmes**

- Trustees do not participate in any incentive programmes.

❑ **Reimbursement of expenses**

- Trustees are reimbursed all reasonable expenses incurred by them in the performance of their duties as a Trustee.

Proposed 2018 Trustee Remuneration – Board Chair

The table below provides an overview of the 2018 Proposed Board Chairman’s remuneration and is based on the methodology as discussed in the Remuneration Policy. The fees presented are on a VAT exclusive basis.

Proposed fee build up for the Remuneration of the Chairman of the Board of Trustees	
Additional time requirements and preparation for Board of Trustee Meetings	20
Attendance at Board of Trustee Meetings	8
Total number of hours per Board of Trustee Meetings	28
Number of meetings per year (average)	8
Total number of hours per year for the Board of Trustees meetings (average)	224
Proposed 2018 professional hourly rate	R3 350
Total fee for Board of Trustee meetings	R750 528.84

The total fees as indicated will vary depending on the number of meetings attended per year.

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

Proposed 2018 Trustee Remuneration – Trustees

The table below provides an overview of the 2018 Proposed Trustee remuneration and is based on the methodology as discussed in the Remuneration Policy. The fees presented are on a VAT exclusive basis.

Proposed fee build up for the Remuneration of Trustees	
Preparation for Board of Trustee Meetings	8
Attendance at Board of Trustee Meetings	8
Total number of hours per Board of Trustee Meeting	16
Number of meetings per year (average)	8
Total number of hours per year for the Board of Trustee meetings (average)	128
Proposed 2018 professional hourly rate	R3 350
Total fee for attendance at a Board of Trustee meeting	R428 873.63

The total fees as indicated will vary depending on the number of 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 2018 Trustee Remuneration – Chair of a Board Committee

The table below provides an overview of the 2018 Proposed Chair of a Board Committee’s remuneration and is based on the methodology as discussed in the Remuneration Policy. The fees presented are on a VAT exclusive basis.

Proposed fee build up for the Chair of a Board Committee	
Preparation for Board Committee Meetings	11
Attendance at Board Committee Meetings	4
Total number of hours per Board Committee Meeting	15
Number of meetings per year (average)	5
Total number of hours per year for the Board Committee meetings (average)	75
Proposed 2018 professional hourly rate	R3 350
Total fee for attendance at a Board Committee meeting	R251 293,14

The Audit Committee is used as an example.

The total fees as indicated in the tables will vary depending on the number of meetings attended per year.

The additional time requirements are for matters that require preparation for Committee meetings, deliberation at the Board meetings, matters that arose from the previous meetings that require attention and resolution and Scheme strategic matters which require the Chair’s involvement.



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