Remuneration Policy

Approved by the Board
15 April 2026

Contents

1. Principal Officer

1.1. Preamble

In order to ensure the best service to members, the Remuneration Policy of Profmed should reflect its philosophy of attracting, retaining, and motivating a Principal Officer of exceptional talent. The Principal Officer should be remunerated in such a way as to attract and retain a person of above average ability, capable not only of performing appropriate management functions but also of actively promoting the growth and sustainability of Profmed, driving superior performance, and pursuing business opportunities which will enhance the value of Profmed to its members over the long term.

1.2. Policy

1.2.1. The remuneration element comprises three components, namely a fixed component which is guaranteed and a variable component using a base of 75% of the fixed component, which variable component is performance linked. The variable component is split between a Short-Term Incentive and a Long-Term Incentive. The incentives are aimed to encourage performance, growth, sustainability, the pursuance of business opportunities and to retain the Principal Officer.

1.2.2. The fixed component of the remuneration package is on a “total cost to company” basis.

1.2.3. The “total cost to company” of the package aims to remunerate in line with the 60th Percentile of the market of the fixed component of comparable positions as indicated by market surveys conducted by independent consultants with access to up-to-date and reliable survey data. These surveys are to be conducted biennially and will provide sufficient comparison to establish market relativity for the Principal Officer. It will take into account the appropriateness of the fixed remuneration in 1.3 below.

1.3. Fixed Remuneration

When fixing the package and when considering annual increases, various benchmarking points will be considered for roles with similar responsibilities:

1.3.1. What the market is paying persons in similar positions with similar responsibilities in open and closed schemes, as well as schemes of similar stature, size and complexity to Profmed. Where possible, a bespoke survey may also be performed to establish an appropriate benchmark;

1.3.2. Consideration of inflation and macroeconomic factors;

1.3.3. Fees payable to similar roles such as Chief Executive Officers of JSE Small Cap Health & Consumer Services or nearest benchmark; and

1.3.4. The affordability to Profmed.

1.4. Key Performance Areas (KPAs)

The assessment of the Principal Officer's performance is conducted as set out below.

1.4.1. In order to assess the Principal Officer's performance, Key Performance Areas **("KPAs")** in support of the strategic objectives of the organisation must be agreed between the Principal Officer and the Board of Trustees (herein after referred to as Trustees) before (or at the beginning of) the year. These must as far as possible be based on specific and measurable performance criteria and be supported by objectives and Key Performance Indicators **("KPIs")** and each objective must be appropriately weighted providing a basis for the Board to determine underperformance, on target or exceeding performance.

1.4.2. The Trustees will monitor the Principal Officer's KPAs and KPIs at every mid-year (to 30 June of each year) and the KPAs and KPIs will be assessed, for purposes of the incentive bonus, on an annual basis for the period 1 January to 31 December of each year.

1.4.3. When setting the indicators, the difficulties of setting easily measurable indicators in the light of Profmed's non-profit nature must be recognised. This will make assessment relatively more difficult but will not obviate the need for such indicators.

1.5. Incentive Remuneration

1.5.1. Incentive remuneration will be determined according to the Principal Officer's performance and will be annually measured by the Trustees, on an agreed and pre-approved balanced scorecard comprising of KPAs, with specific and measurable KPIs for each KPA.

1.5.2. The Remuneration Committee (Remco) will recommend to the Board the quantum of the Principal Officer's remuneration after considering the report of the Trustees on the evaluation.

1.5.3. An incentive bonus based on an on-target performance of 70% of the fixed component of the remuneration package may be awarded annually. The incentive bonus will be split as a 70% short-term incentive bonus and 30% long-term incentive bonus.

1.5.4. Any short-term incentive bonus awarded will be in respect of the preceding year's KPAs and KPIs and paid on or before 31 May of the immediately following year, based on the audited financial statements for the preceding year.

1.5.5. Any long-term incentive bonus awarded will be in respect of the preceding year's KPAs and KPIs and maintained in an implied interest account managed by the Chief Financial Officer (CFO) of the Administrator.

1.5.6. As the incentive pertains to a specific year's performance, the long-term portion along with the implied interest will be payable in December, i.e., two (2) years subsequent to the relevant year the performance incentive relates to.

1.5.7. Any long-term incentive bonuses awarded will be entirely forfeited by the Principal Officer in the event of his/her resignation or dismissal and in the event of any illegal act, dishonesty, maladministration, or deliberate concealment of pertinent information from the internal auditors, external auditors, any regulator or the Trustees.

1.5.8. Any long-term incentive bonuses awarded may be entirely forfeited by the Principal Officer for any reason(s) outside of the circumstances stipulated above and will be at the discretion of the Board.

1.5.9. The long-term incentive bonus may vest in full where the Principal Officer exits on a good leaver basis. In this case, the Board's discretion will apply

1.5.10. Any long-term incentive bonuses or portions thereof; awarded in the previous year may be clawed back from the Principal Officer for reason(s) of misrepresentation or malus, based on the sole determination of the Board.

2. Members of the Board and Board Committees

2.1. Preamble

2.1.1. Remuneration of the members of the Board and Board committees must recognise that most persons occupying such positions sacrifice their professional income in order to be able to serve on the Board or committee and must also recognise the serious responsibilities borne by these individuals serving on the Board and its committees. Accordingly, remuneration must be reasonable, fair and market related in order to attract the most appropriately skilled and competent people with relevant expertise to make themselves available.

2.1.2. When determining the trustee and committee member remuneration and structure, the Council for Medical Schemes' (CMS) guidelines and the King V principles on remuneration should also be taken into account.

2.1.3. Trustees, independent committee members and the Chairperson of the Board's remuneration will be benchmarked biennially to determine the relative position of the Trustees' remuneration to the market. In order to attract high calibre professionals with the necessary technical expertise, fees will be set towards the 75th percentile of the market.

2.1.4. Various benchmarking reference points will be used to determine fees:

2.1.4.1. the primary reference point will be based on a fee build-up analysis that is used consistently for all roles. This approach utilises an appropriate hourly professional fee for professionals in the field of finance, law, medicine and actuarial science and discounting such fee by an appropriate ratio to take the non-profit nature of Profmed into consideration, as provided for in the CMS guidelines. The hourly determined fee is then multiplied by the total hours per meeting (preparation and attendance) and in the case of the chairperson of the sub- committees, further adjusted by a 50% premium.

2.1.4.2. The following secondary reference points will be used as a sense check, namely

i) information from comparator group companies of medical schemes with a similar profile to that of Profmed;
ii) consideration of inflation and macroeconomic factors;
iii) Council of Medical Schemes ("CMS") trend analysis; and
iv) fees payable to non-executive directors of JSE Small Cap Health & Consumer Services.

2.2. Policy

2.2.1. The Chairperson receives a monthly retainer plus an hourly fee for the time he/she spends on Board and Committee matters, the completion and the signing of quarterly and annual statutory reports, as well as *ad-hoc* meetings attended relating to Profmed's affairs, and the expertise he/she makes available to Profmed, capped at a maximum of 220 hours per annum.

2.2.2. Board members other than the Chairperson are paid a base fee and a fee per Board and/or committee meeting attended. Independent committee members are paid a fee per meeting attended. The fee per meeting includes time for preparation and attendance of the meeting. *Ad hoc* official activities engaged in Profmed affairs are remunerated at an hourly rate. The Scheme has a travel and subsistence policy for the Board and Committee members, which establishes the procedures and provides guidelines for trustees and committee members incurring travel expenses in respect of Profmed-related business.

2.2.3. The chairmen of the Board committees are remunerated at a 50% premium to the rate paid to the committee members.

2.2.4. The amounts payable in terms of 2.2.1, 2.2.2 and 2.2.3 above will be determined after taking into account:

2.2.4.1. CMS guidelines for setting trustees' fees.

2.2.4.2. The King V principles. In order to facilitate this, the services of a consultant having access to up-to-date and reliable market surveys, must be regularly engaged.

2.2.4.3. The affordability to Profmed.

2.2.4.4. In the case of the Chairperson, the estimated time spent on Profmed's affairs and the expertise he/she is likely to make available to Profmed.

3. Scheme Staff

3.1. In order to ensure the best service to Profmed members, the Remuneration Policy recognises the need to remunerate the staff of the Executive Office in such a way as to attract and retain persons of above average ability.

3.2. The Principal Officer is responsible for determining the remuneration of staff in relation to the annual budget as approved by the Trustees and in accordance with

the staff remuneration policy as approved by the Board.

3.3. The Remco will recommend to the Board the average percentage increase to be applied to Scheme staff.

4. Authority

All the amounts payable in terms of the above will be recommended by the Remco in accordance with the policy as laid down by the Board and set out above.

5. Reporting

5.1. Full disclosure of each individual trustee's and the Principal Officer's remuneration, giving details of guaranteed pay, bonuses, and all other benefits, must be provided in the annual remuneration report, to be included in the annual integrated report.

5.2. The remuneration policies followed throughout the Scheme must be explained, with special focus on executive management, and the strategic objectives that it seeks to achieve, and must provide clear disclosure of the implementation of those policies. The report should indicate the members of the Remco, a summary of the purpose of the Remco and its roles and responsibilities, and a schedule of the Remco meetings held and attendance by its members.

5.3. The remuneration report must explain the policy on guaranteed pay and incentives, including the use of appropriate benchmarks. It must also explain and justify any material *ex gratia* payments.

6. Policy Review

This policy shall be reviewed annually by the Remco and any substantive review thereof shall be recommended to the Board for approval and recommendation to the Annual General Meeting for a non-binding advisory vote.