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## Reporting scope and boundary

Our report provides a comprehensive view of Life Healthcare Group Holdings Limited (Life Healthcare, the Group or the Company) and covers the period 1 October 2022 to 30 September 2023 as well as all relevant information and material events after our year-end up to 8 December 2023.

References to years such as 2022, 2023 and 2024, refer to our financial year (1 October to 30 September).

## Our 2023 reporting suite and frameworks

Integrated Annual Report	Annual financial statements	Sustainability Report	Remuneration Report
			
<p>This is our primary report to stakeholders</p> <p>The Integrated Annual Report provides material information on who we are as a company, why and how we conduct our business, and the value we create for all of our shareholders.</p> <p>Reporting frameworks applied:</p> <ul style="list-style-type: none"><li>• International Integrated Reporting Council's (IIRC) International &lt;IR&gt; Framework (updated January 2021)</li><li>• Johannesburg Stock Exchange Limited (JSE) Listings Requirements and JSE Debt Listings Requirements</li><li>• South African Companies Act, No. 71 of 2008, as amended (Companies Act)</li><li>• International Financial Reporting Standards (IFRS)</li><li>• King Report on Corporate Governance for South Africa, 2016* (King IV™)</li></ul> <p><b>Where to find it:</b></p> <ul style="list-style-type: none"><li>• In print</li><li>• Download via our <a href="#">website</a></li></ul>	<p>This standalone report sets out the Group's audited annual financial statements, including the Independent Auditor's Report.</p> <p>Reporting frameworks applied:</p> <ul style="list-style-type: none"><li>• JSE Listings Requirements and JSE Debt Listings Requirements</li><li>• Companies Act</li><li>• International Financial Reporting Standards (IFRS)</li><li>• King IV™</li></ul> <p><b>Where to find it:</b></p> <ul style="list-style-type: none"><li>• Download via our <a href="#">website</a></li></ul> <p>Summarised information contained in the Integrated Annual Report <a href="#">website</a>:</p> <ul style="list-style-type: none"><li>• Group CFO review page 100</li><li>• Seven-year financial summary page 114</li></ul>	<p>This standalone report details our environmental and social impacts as well as our governance practices that determine how we run our organisation to create value for all our stakeholders. It provides numerous data points that may be of interest to shareholders, analysts and help ESG ratings agencies with their evaluation of our Group.</p> <p>Reporting frameworks applied:</p> <ul style="list-style-type: none"><li>• King IV™</li><li>• Global Reporting Initiative (GRI) Standards</li><li>• Task force on Climate-related Disclosure for health sector (TCFD)</li><li>• Sustainable Development Goals (SDG)</li></ul> <p><b>Where to find it:</b></p> <ul style="list-style-type: none"><li>• Download the full report via our <a href="#">website</a></li></ul> <p>Summarised information contained in:</p> <ul style="list-style-type: none"><li>• Natural capital section of the Integrated Annual Report <a href="#">website</a></li></ul>	<p><b>This standalone report</b> provides detail on our remuneration philosophy and how we have implemented this in both the current year and prior years.</p> <p>Reporting frameworks applied:</p> <ul style="list-style-type: none"><li>• JSE Listings Requirements and JSE Debt Listings Requirements</li><li>• Companies Act</li><li>• King IV™</li></ul> <p><b>Where to find it:</b></p> <ul style="list-style-type: none"><li>• Download the full report via our <a href="#">website</a></li></ul> <p>A summary of our Remuneration and Implementation Report can be found in the Integrated Annual Report <a href="#">website</a></p> <p><b>Additional Information</b></p> <ul style="list-style-type: none"><li>• Results presentations</li><li>• Notice of our Annual General Meeting and proxy voting form</li><li>• King IV™ application register</li><li>• Our Broad-Based Black Economic Empowerment (B-BBEE) certification</li><li>• Quality metrics for each Life Healthcare hospital</li></ul> <p><b>Where to find it:</b></p> <ul style="list-style-type: none"><li>• Access and download via our <a href="#">website</a></li></ul>

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Remuneration Report

The Remuneration Report is drafted in line with the King IV requirements and includes the following sections:



SECTION A

A report from the Chairman of the Remuneration and Human Resources Committee (RemCo) that sets out the context of the Remuneration Report and outlines the material issues considered during the year. See page 2.

SECTION B

The Remuneration Report provides details of our remuneration policy and framework, and is to be tabled at the Annual General Meeting (AGM) for a non-binding advisory vote by shareholders. See page 7.

SECTION C

The Implementation Report provides details on the implementation of our remuneration framework, and is to be tabled at the AGM for a separate non-binding advisory vote by shareholders. See page 22.

Section A – Statement from the RemCo Chairman

I am pleased to present to our shareholders, on behalf of the RemCo and the Board, our 2023 Remuneration Report. This sets out our remuneration policy for 2024, reflecting a journey to better meet our shareholder and other stakeholder requirements while offering a compelling value proposition to attract and retain employees with skills and experience. It also aligns with our commitment to maintain a fair, transparent and competitive remuneration structure. It further sets out our remuneration implementation outcomes for 2023 and the basis on which they were determined, with particular focus on Executive Directors and Prescribed Officers.

Shareholder engagement

We understand the importance of engaging with our shareholders regarding remuneration matters. We actively seek feedback, maintain open channels of communication and engage with shareholders to understand the concerns raised by them through regular meetings and informative disclosures.

At the AGM in January 2023, less than 75% of shareholders supported the Remuneration Report and the Implementation Report. The total number of votes in favour of the reports were as follows:

Life Healthcare Remuneration Policy	26%
Life Healthcare Implementation Report	25%

As a consequence of the voting in 2023, we have performed an in-depth review of our shareholder

engagement and a comprehensive strategy has been established for future engagement, including an enhancement of our disclosures in the Implementation Report.

Dissenting shareholders were invited to submit their reasons for voting against the Remuneration Report and Implementation Reports to RemCo. A summary of the key concerns and our responses to them is shown below.

Shareholder concerns	The Company's response
A more comprehensive standalone report.	This report has aimed to be more detailed, with no referrals to prior reports.
The performance metrics on the LTIP scheme need to include capital efficiency and the threshold for Group NHEPS is deemed to be too low. The targets for the ensuing year need to be included.	The performance metrics for the January 2023 LTIP allocation continue to include Group NHEPS. However, the targets for the Group take into account the challenging trading environment, and as a result, NHEPS targets are set as <b>absolute outcomes</b> , based on targeted compound annual growth rates, which are detailed under the LTIP section of the report (see page 32).  The proposed new Single Incentive Plan (SIP) will combine short- and long-term targets that are more robust and <b>include capital efficiency</b> as well as environmental, social and governance (ESG) metrics. These performance metrics are explained further in this report (see page 17).
The targets as they relate to the outcomes of the short-term incentive scheme need to be clarified.	A detailed award table disclosing the outcome of the short-term incentive scheme is included in the Remuneration Report (see page 24).  A detailed GCE scorecard is included on page 27.
The Group Chief Executive's (GCE) scorecard and outcomes need to be more detailed and ESG targets need to be linked to directors' remuneration.	Formalised environmental sustainability targets that are objective, credible to business objectives and value drivers is included in any new incentive scheme as a means of further advancing our ESG strategy.
While shareholders understand the need to retain key and critical talent, they believe that proper short- and long-term schemes should eliminate the need for <i>ad hoc</i> share awards going forward. Shareholders have advised that it would be difficult for them to support any further <i>ad hoc</i> schemes until the current Co-investment Plan vests (December 2025).	Life Healthcare has noted shareholders' concerns, and the introduction of the SIP should improve retention initiatives within the Group while not requiring <i>ad hoc</i> awards and not compromising the pay for performance principle.
Committee to use discretion to alter in-flight awards.	A key take-away from our engagements with shareholders was that the Committee is expected to independently apply discretion when it is appropriate to do so. The Committee will continue to apply its discretion responsibly in years to come where deemed appropriate. Where we do so, we will explain any changes made.
All changes to awards need to be explained.	Changes are detailed in this report and are summarised in the ensuing paragraph.

## Summary of key changes following shareholder engagement

- The Remuneration Report for 2024 is a standalone report, with no reference to prior remuneration reports. It provides detailed explanations of historic, current and future remuneration components.
- A thorough review of our incentive schemes has resulted in the introduction of a new proposed scheme SIP for 2024 and beyond, which combines both the short- and long-term schemes into one, with performance measures selected to support short-, medium- and long-term success. These performance measures include a capital efficiency metric and ESG targets.
- The outcomes of the current short-term incentive scheme and LTIP schemes are disclosed in more detail.
- Compliance with country-specific legislative requirements is shown with the introduction of director fees for the Group Chief Executive and Chief Financial Officer (CFO) in respect of formal Board meetings for our United Kingdom (UK) subsidiary.
- We report on additional participants in the Co-investment Plan (CIP) due to the need to retain key skills, with a commitment to not introduce further out-of-policy incentives for the duration of this plan.
- The Board and the Trustees resolved to amend the Share Matching Trust Deed to the effect that dividends will flow to the participants as and when distributions occur. Participants of the CIP and Matching Share Arrangements received net proceeds (after the deduction of Dividend Withholding Tax) in February and June 2023.
- The alignment of the Group Chief Executive scorecard to the Company's strategic objectives has been clearly communicated.

## Single Incentive Plan

We have embarked on a comprehensive review of our remuneration policy to both address shareholder concerns and to enhance the Employee Value Proposition (EVP).

The initial outcome of this review is presented in the section below and will be expanded on in the Remuneration Report for 2024. This includes an important development to replace our current short-term and long-term incentives with a combined SIP, which is detailed in the report below.

## Industry context

The task of setting targets and rewarding performance is particularly difficult in the context of the challenges facing the healthcare industry, where:

- Tariff increases across all markets are at or below inflation. This trend is even more acute in our core market – South Africa – where there has been limited growth in insured lives, increased buy-downs to lower benefit and network plans as well as spare private bed capacity. The tariff increases are based on CPI but medical inflation is usually higher than CPI. In addition, Life Healthcare has implemented efficiency initiatives and provides discounts to attract additional network lives.
- There is uncertainty regarding the path and implementation of the National Health Insurance (NHI), which might present additional challenges.
- The industry suffers from a shortage of key clinical skills in all markets. This fight to retain clinical staff has resulted in pay increases above inflation being the norm and this trend is expected to continue.
- Salary costs are approximately 40% of revenue and 70% of overhead costs, and so the business faces concomitant challenges to maintain organic growth at, or above inflation.
- The dynamic tension between the social expectations of a healthcare business and shareholder requirements to provide competitive financial returns presents a complex challenge.

## Overview of the year and impact on remuneration outcomes

The Group announced strong results for 2023, growing group revenue from continuing operations by 10.3% to R22.6 billion and normalised EBITDA by 4.4% to R3.6 billion on the back of a good operational performance in both acute and non-acute businesses.

The war to attract and retain critical skills in South Africa continues unabated. Retention of key nursing skills is hampered by strong demand-driven market conditions, primarily because of the Government's continued lack of support for education by the private sector.

We are pleased to report that our employment equity plan for Life Healthcare has been accepted by the Department of Employment and Labour for 2023 until 2026.

## Activities and achievements accomplished in 2023

### 2023 salary adjustments

RemCo approved the mandate to award higher salary increases to key clinical staff in non-managerial roles, specifically nurses, pharmacists, case managers and rehabilitation therapists.

We have undertaken several initiatives aimed at attracting and retaining critical skills, which are closely correlated with a reduction in employee turnover over the past year. This included a further increase in allowances to nurses working in specialised units for example, in ICU and theatres, which resulted in a substantial improvement in staff retention in this category. This adjustment was over and above the adjustment made three months prior to the annual salary review. The overall increase for all staff in January 2023 was 6.9%.

In addition, an interim cost-of-living allowance was paid to non-management employees for three months, prior to paying a 13th cheque in December 2022.

RemCo also reviewed the performance and approved the annual adjustments for the Group Executive.

### Wage negotiations

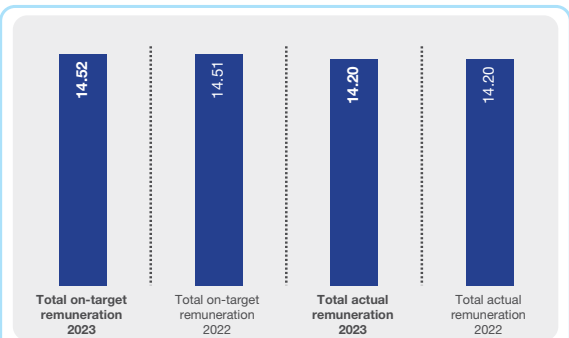
The Company is pleased to have successfully concluded wage negotiations with recognised trade unions timeously.

### Wage gap

Life Healthcare has committed to exceed South Africa's minimum wage since 2017. The Company ensures full compliance with its minimum wage policy and the minimum wage increase has been higher than the Company's general salary mandate for the past three years. The Company's minimum wage (for an employee who makes full use of the Company medical aid subsidy) is 2.26 times the South African minimum wage.

RemCo approved appropriate metrics to measure progress to deliver fair and responsible pay.

Pay ratio: top 5% vs bottom 5% earners



On-target remuneration is made up of total annual guaranteed package (GP), on-target short- and long-term incentives, while actual remuneration includes GP actual short- and vested long-term awards and any variable pay including overtime paid during the financial years.

The total top 5% of earnings are divided by the total bottom 5% of earnings. Employees in the top 5% are remunerated 14.2 times more than those employees in the bottom 5% in terms of actual remuneration for 2023.

We note that the Companies First Amendment Bill of 2023 will require the disclosure of the earnings of the Company's highest paid 5% relative to the lowest paid 5% if it is approved in its current form. This key ratio has remained relatively unchanged since 2022. The Company has commissioned a market survey house to develop a benchmark for this ratio. The outcome of this process will be shared in the 2024 Remuneration Report.

### Employee Share Plan

RemCo approved a further purchase of Life Healthcare shares to the value of R65 million in July 2023 for the benefit of permanent employees (below senior management). This resulted in 3 147 400 Life Healthcare shares being purchased, which are held in the Employee Share Trust, with vesting occurring in years 5, 6 and 7.

### Diversity and inclusion

The Company operates several programmes aimed at the development of critical skills, while addressing the diversity agenda. Diversity and inclusion objectives remain a key priority, especially at our senior leadership levels. Our overall trajectory in terms of diversity and inclusion has shown positive results and is well entrenched in management practices, including recruitment and reward interventions.

### Review of incentives

We commissioned the services of Bowman's Employee Benefit Services to review our incentive schemes in respect of structure, performance measures and targets for 2024 in response to shareholder concerns.

RemCo reviewed and approved the audited performance outcomes against targets in respect of the short-term incentive plan (VCP) for 2022 and the vesting of the 2020 LTIP. Based on these outcomes, the awards were approved for the Group Executive.

### Employee Value Proposition

2022 saw the successful launch of the Life Healthcare EVP globally. 2023 has focused on embedding the EVP in all our human resources processes and policies.

### Group Executive structure

There were no changes in the Group Executive structure during the year. Succession plans are in place to ensure continuity and sustainability of strong leadership within the Group.

Non-executive directors’ remuneration

An independent benchmarking exercise of non-executive directors’ fees was commissioned; this survey informed the adjustments made to fees which were approved at the January 2023 AGM.

Directors’ fees

In terms of tax law in the UK, the services performed by SA directors to a UK entity give rise to a fee which is subject to tax. RemCo accordingly approved the payment of Director fees based on a fee per meeting attended, for the Group Chief Executive and Group CFO in respect of Board meetings of our UK subsidiary.

Co-investment Plan

RemCo approved an additional nine participants (from South Africa and the UK) onto the CIP due to the need to retain their services in view of their valuable and significant contribution to the success and sustainability of the Company. These managers were required to defer a significant portion of the short-term VCP payment for 2022 and have a lock-in period until 1 December 2025, with an additional one-year notice period post this date.

Independent advisors

Bowmans, PwC, Remchannel and Deloitte have provided advice to RemCo in the year, and RemCo is satisfied that their advice is independent and objective.

Governance and compliance

We are committed to upholding the highest standards of corporate governance and complying with all applicable laws and regulations. Our remuneration practices align with relevant legislation, including disclosure requirements and shareholder engagement.

Conclusion

In conclusion, I want to express my gratitude to our employees for their exceptional contributions and unwavering dedication. It is their collective effort that drives our Company’s growth and success. I would like to extend my appreciation to the RemCo for their rigorous analysis and oversight in developing this report.

RemCo has monitored the implementation of the remuneration policy and confirms that there were no deviations from policy to report. Overall, it is satisfied that it has executed its duties over the reporting period, according to its terms of reference, relevant legislation, regulations and in accordance with governance standards.

RemCo continues to strive towards achieving an appropriate balance between fair and equitable remuneration that reflects alignment to Company performance, while still ensuring attraction and retention of its talent.

Yours sincerely,

AM Mothupi

Chairman: Remuneration and Human Resources Committee

Section B – Remuneration Report

Remuneration governance

The Board is responsible for the Remuneration Policy and has delegated responsibility to RemCo for the Group’s remuneration practices. RemCo comprises:

A Mothupi

Chairman of Remuneration and Human Resources Committee

M Sello

Non-executive director

G Solomon

Non-executive director

F Tonelli

Non-executive director

TP Moeketsi

Non-executive director

In attendance:

J Ranchhod

Group Company Secretary

By invitation

Dr VL Litlhakanyane

Non-Executive Director/Chairman

P Wharton-Hood

Group Chief Executive

A Parboosing

Chief People Officer

C Gouws

Human Resources Executive – South Africa

P Winchester

Human Resources Director – International

The role of RemCo

The mandate and activities of RemCo are reported in this section of the report, illustrating how remuneration is governed at Life Healthcare.

RemCo is mandated by the Board to ensure that the following objectives are achieved:

- The Group remunerates employees fairly, responsibly and transparently, and in a manner that promotes the execution of the strategy.
- Diversity is supported and promoted and also contracted for in both the short- and long-term incentives.
- The Group’s Remuneration Report and Implementation Report are approved for presentation at each AGM for non-binding advisory votes by shareholders.
- RemCo is responsible for making recommendations to the Board on Life Healthcare’s framework of executive remuneration; and for ensuring incentives are appropriately structured and awarded, in order to drive the Group’s performance and assist the Group in reaching its short-, medium- and long-term strategic goals.
- The remuneration policy and philosophy are designed to achieve these objectives, and its effectiveness is reviewed annually by RemCo.
- In South Africa, we also comply with the obligations of the JSE Listing Requirements, King IV and draft guidelines and practice notes of the IoDSA. Formal feedback is provided to the Board annually on how the policy objectives are being achieved.
- The Group’s Chief Executive, Chief People Officer and Human Resources Executives for both International and southern Africa attend the meetings of these committees and report to RemCo on relevant matters.

Non-binding advisory vote

In the event that the remuneration policy or Implementation Report, or both, have been voted against by 25% or more of the voting rights exercised by shareholders in the non-binding advisory vote, the Board will delegate representatives to actively engage with dissenting shareholders to address and collate the substantive objections and concerns, and to adapt the policy and/or report as appropriate, taking cognisance of the shareholder feedback and proposals resulting from the engagement and as approved by the Board.



# Remuneration Report continued

## Reward philosophy

Our people remain at the heart of Life Healthcare and are the key to its success. Together as a team, we expect both management and employees to be fully engaged and committed to our core values, namely:

1. Passion for people: those that are the life of our business.
2. Q<sup>e</sup> – quality to the power of ‘e’ (ethics, excellence, empowerment, empathy, energy).
3. Performance pride: we act for the right reasons, with quality in mind.
4. Personal care: adding the human touch.
5. Lifetime partnerships: with our patients at the very centre.

Aligned with these core values, Life Healthcare’s remuneration philosophy aims to provide our employees with more than a job. It also aligns with our core purpose of **Making life better** because, by improving the lives of our employees, we can provide better care for our patients. Its purpose is to attract, motivate, reward and retain high-calibre talent, by ensuring that we reward **fairly and appropriately** and in a **sustainable manner**. The ultimate objectives are to ensure that employees’ contributions promote the achievement of the Group’s strategic objectives. This is especially pertinent and challenging as we expand into different geographies and develop new lines of business.

Our remuneration framework and policies aim to promote and sustain **diversity and inclusion** for all employees. This contributes to improved motivation and productivity with a sense of purpose of “**Making life better**” for the communities we serve.

Our remuneration programmes aim to have a balanced remuneration mix, with formal pay structures in place to ensure similar jobs are paid equitably across the organisation. To ensure we remunerate employees competitively, we benchmark against the market 50th percentile, and in some cases, we will pay up to the 75th percentile for exceptional/top performing employees and for key critical skills. We, however, remain anchored at market median via a symmetrical overall payroll distribution. Incumbents’ progression on the reward curve is primarily informed by performance and increased level of competence. These structures thus allow for development and growth in competencies within an ethical and safe environment, where open communication is encouraged. Our total rewards programmes reflect a focus on business results, individual performance, and accountability.

Life Healthcare recognises “equal pay for work of equal economic value” and strives to remunerate employees doing substantially the same work, within the same range in accordance with the requirements of the Employment Equity Act. However, we recognise that there could be differences which are attributed to the following:

- Individual’s respective seniority or length of service.
- Individual’s respective qualifications, ability, competence or potential above required levels for the job.
- Individual’s performance – all employees participate in the Joint Performance Management (JPM) review system.
- Demotion due to restructuring without a concomitant reduction in remuneration.
- Individual’s lack of relevant skill for a particular job level.
- Regional differentials where market dictates certain geographic areas pay differently than others for certain jobs.
- Any other non-discriminatory differentiator.

## Remuneration and reward

Our remuneration and reward policies and practices have the following objectives and principles:

### Objectives

- Internally equitable
- Externally competitive
- Affordable
- Responsible enough to safeguard resources
- Efficient to administer
- Flexible for future changes
- Attract, retain and motivate employees
- Align employee efforts and business objectives

### Principles

- Motivate and reinforce superior performance.
- Encourage the development of organisational, team and individual performance
- Develop competencies for future business needs
- Promote the share of success of the Group
- Balance the remuneration mix to ensure Life Healthcare achieves its strategic objectives
- Be fair and non-discriminatory

## Life Healthcare’s commitment to fair and equitable pay

In a continually evolving context, we continually review our remuneration policies to ensure our approach remains relevant, fair, and responsible.

Life Healthcare’s demonstration of commitment to fair and equitable pay includes the following Group-wide practices:

- Minimum standard of adherence to national minimum wages, with a commitment to progress to a living wage where appropriate to do so
- Delivery of sustainable, competitive salary mandates that prioritise reward for our lowest earners and provide market-related pay increases
- Use of independent, reputable, external reward benchmarking tools and professional advisors to ensure that a consistent and transparent approach is applied to reward decisions
- All jobs are graded utilising the global Hay Grading System to ensure internal equity and fairness
- Equal pay analysis to mitigate the risk of unfair pay discrimination based on diversity differences, ensuring that work of equal value is rewarded fairly across all demographics
- Application of geography specific market-related pay at a country and in-country level to ensure sustainable and competitive regional pay
- Share ownership is promoted within the LTIP scheme for senior management and with the Life Healthcare Employee Share Plan for all other eligible permanent employees
- We invest in rewarding high performance and provide employees the opportunity to earn base salaries in excess of market

The Group periodically consults market survey providers for an indication of the guaranteed remuneration and annual cash incentive payments made generally and sectorally. We utilise these inputs, along with guidance from external remuneration experts, to assess our positioning compared to the market in terms of key talent.

We then overlay various contextual factors, including industry trends, the Group’s financial position and legislative requirements, evaluating our performance in delivering fair and equitable remuneration as part of our EVP.

We are committed to providing a total compensation package that is flexible enough to address a diverse and changing business and employment environment, and is tied to the attainment of individual and Group results and the achievement of organisational goals.

Ultimately, our goal is to design reward for business sustainability; balancing what is required to attract and retain the best talent, with affordability considerations.

# Remuneration Report continued

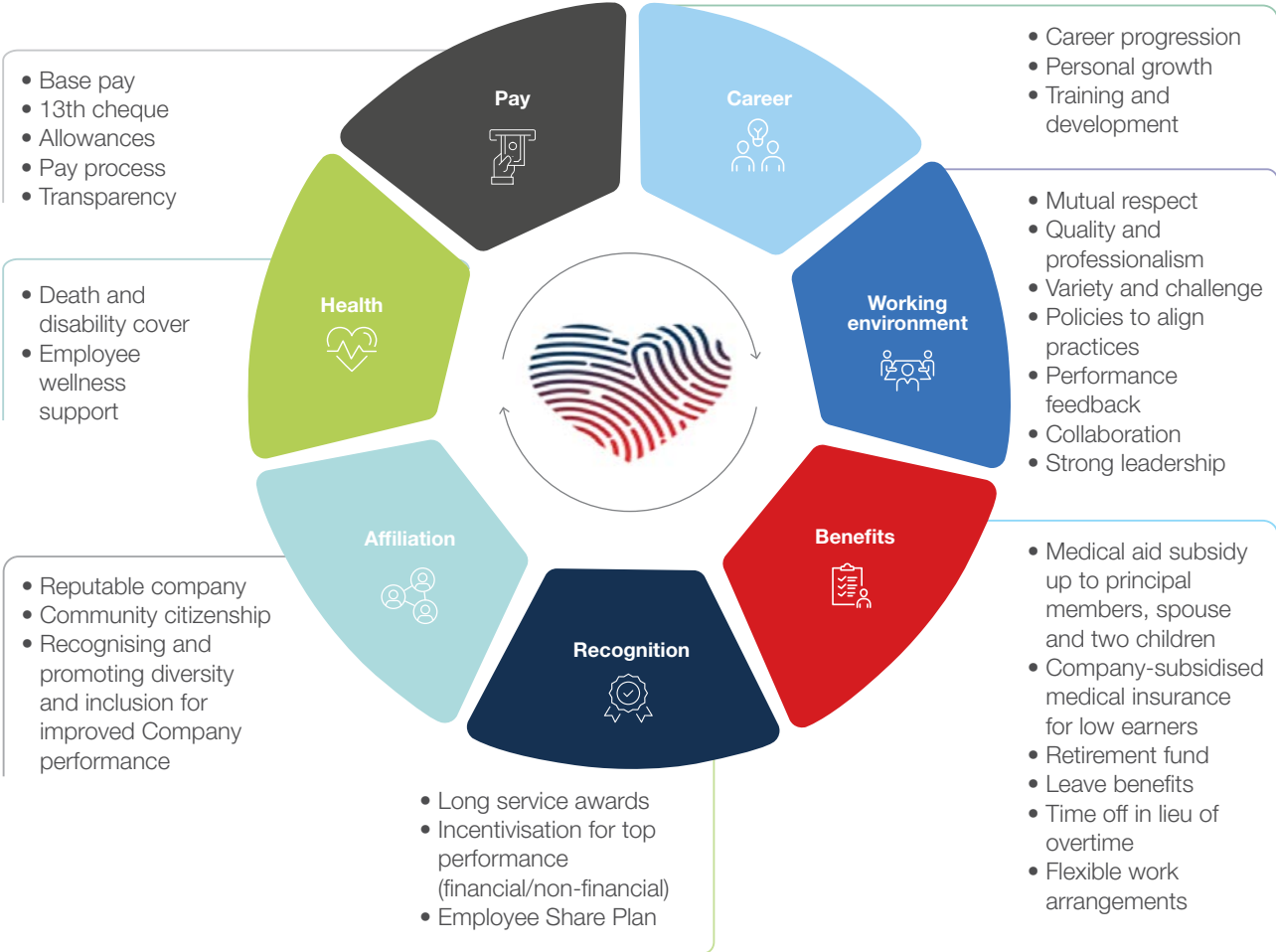
## Elements of reward

Life Healthcare follows a holistic, balanced approach across an array of remuneration elements, as set out below:

Remuneration element	Overview	Additional detail
Basic salary	A basic salary is part of the guaranteed package for all eligible employees in the Group. The packages are benchmarked typically against the market median which is determined through external market research.	See  page 12
Benefits	<p>Employee benefits for permanent employees (in SA) below senior management include:</p> <ul style="list-style-type: none"> <li>• subsidisation for compulsory medical aid membership;</li> <li>• company contributions to retirement funds, which also includes cover for death and disability;</li> <li>• guaranteed 13th cheque;</li> <li>• travel and phone allowances (where applicable); and</li> <li>• specialist and market retention allowances for specific core skills.</li> </ul> <p>The Group also offers a range of additional benefits such as leave benefits, professional registration fees and support and funding for career progression and training.</p>	See  page 13
Short-term incentives	Short-term incentives, via our VCP, focus on rewarding the achievement of annually determined strategic, financial and non-financial objectives including individual performance targets. Short-term incentives from 2024 will be incorporated in the SIP.	See  page 24
Long-term incentives (executives and senior managers)	<p><b>Historical LTIPs</b></p> <ul style="list-style-type: none"> <li>• Our LTIPs, aimed at executives and senior managers, are designed to motivate long-term sustainable performance, retain business-critical and talented employees, while also aligning management and shareholder interests.</li> <li>• The 2023 LTIP, which was allocated in January 2023, will be our last LTIP in its current form and will vest on 31 December 2025.</li> </ul> <p><b>SIP</b></p> <ul style="list-style-type: none"> <li>• From 2024 onwards, we have introduced the SIP.</li> <li>• The SIP provides a simplified reward structure combining both short-term and long-term incentives, and will be determined on the performance outcomes for each financial year using Group and/or divisional scorecards and personal performance targets</li> </ul>	See  page 29
Other share schemes	<ul style="list-style-type: none"> <li>• Unvested Company matched shares</li> <li>• CIP</li> </ul>	See  page 40
Total reward	Providing competitive and attractive total compensation with a portion paid over the medium to long term.	

Reward is more than just pay. It also comprises additional benefits, variable pay and recognition. The sum-total of all elements of reward is captured in Life Healthcare's EVP, with the South African business version depicted below.

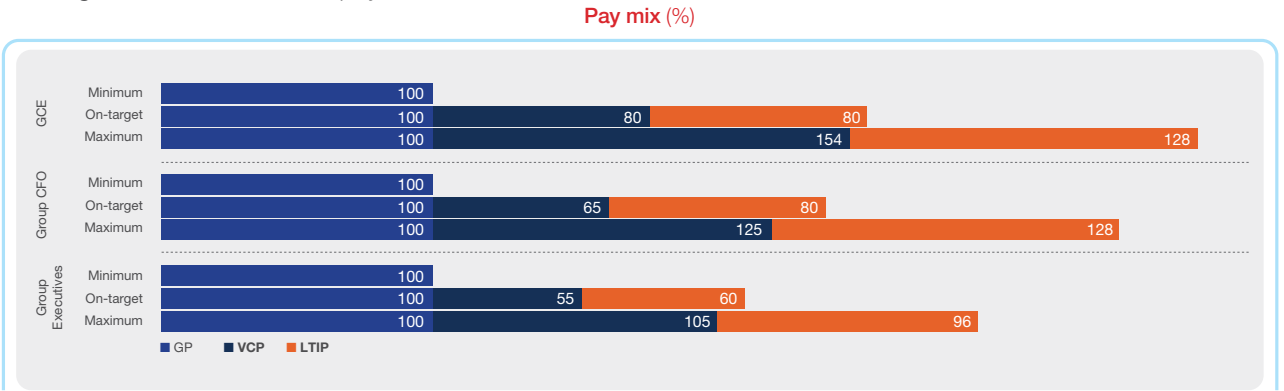
## More than a job. *It's making life better.*



## Executive remuneration

### Pay mix

The on-target and maximum pay mix apportionment for 2023 is graphically displayed below. It is strongly weighted towards variable remuneration, with performance pay contributing an average of 57% of total target mix and an average of 30% of total target reward delivered in equity.



Remuneration Report continued

Guaranteed remuneration

Element	Guaranteed package (GP)
Context	<p>GPs are influenced by the scope of the role and the knowledge, skills and experience required for the position.</p> <p>The packages are typically benchmarked against the market median which is determined through external market research. Higher benchmarks may apply for critical and core skills and key talent.</p>
Type	Fixed
Participants	All eligible employees in the Group.
Composition of pay	<p>Total GP consists of basic salary and permanent benefits for all categories except senior management and executive, where remuneration is delivered on a cost to company basis.</p> <p>We provide a competitive benefit programme designed to support the employee and his/her family across all dimensions of health, retirement, income protection and paid time off.</p> <p>In South Africa, employee benefits for permanent employees below senior management include inter-alia subsidisation for compulsory medical aid membership, company contributions to retirement funds, which also includes cover for death and disability, guaranteed 13th cheque, travel and cell allowances (where applicable) and specialist and market retention allowances for specific core skills.</p>
Desired outcome	To offer competitive market-related salaries to attract, retain and motivate talented and high-performing employees to support company strategy.
Consequences	No increases awarded to employees who do not meet minimum individual performance outputs.

Additional benefits

Life Healthcare offers a range of additional benefits, which include:

Element	Benefits
Leave Benefits	Annual leave, study leave, compassionate leave, sick leave and generous maternity and parental leave.
Professional Registration Fees	Support to professional staff to deliver our purpose, whereby the Company pays professional fees that are a requirement to practice in our business eg, South African Nursing Council registration fees for our nurses.
Long Service Awards	Long service awards recognise and reward long-serving employees.
Uniforms	Stylish and functional uniforms are provided to front-line staff to enhance their professional image
Career Progression	<p>The Company has an <b>Employee Bursary Programme</b> in place to financially support employees who wish to upskill to better respond to our industry and patient needs.</p> <p>The Company has <b>partnered with tertiary institutions</b> to address skills shortages critical to business continuity and encourages employees to explore alternative career paths and career progression. These include in-house programmes such as Management, Nurse Manager, Theatre Manager and Corporate Real Estate and Infrastructure Development Programmes.</p> <p>The <b>College</b> is a registered private higher education institute with the department of Higher Education and Training. Our seven learning centres are situated in the major centres in South Africa. Our innovative theoretical and clinical training ensures that our students receive excellent education and training. The College supports clinical competency through the implementation of the clinical education framework for qualified nursing in Life Healthcare.</p> <p>Life Healthcare has a <b>management and leadership development framework</b> in place to support our dynamic learning environment across all our employee levels.</p> <p>In addition, we have a <b>Dependant Tertiary Bursary</b> available to financially assist lower earning employees' children.</p> <p><b>Professional Career paths</b> allow employees to advance and specialise in their career pathways.</p>

We clearly and consistently communicate our approach to compensation and benefits throughout the year, cascading such communication broadly to employees via the line manager model of engagement.



Additional incentives include:

Element	Employee Share Plan
Context	Commencing in 2012, the Company has funded, via a trust, the purchase of shares on an annual basis for the benefit of employees.
Type	Variable
Participants	Permanent employees who belong to the Life Healthcare Retirement funds and have one year or more unbroken service. Group Executive and senior management do not participate in the Employee Share Plan.
Composition of pay	<p>The Life Healthcare shares are held in a Trust until years 5, 6 and 7, where vesting will occur provided participants are still in the employ of the Company.</p> <p>Year 5: 25% of rights to shares</p> <p>Year 6: 25% of rights to shares</p> <p>Year 7: 50% of rights to shares</p> <p>The shares, or after-tax equivalent in cash, are transferred from the Trust to the employee at vesting. Employees also receive any declared dividends.</p>
Desired outcome	The aim of the Employee Share Plan is to retain employees in the long term, reward and recognise loyal and long-serving employees financially and allow employees the opportunity to share in the success of the Company.
Consequences	No shares are awarded to employees who resign from the Company prior to vesting. Employees who leave due to no-fault termination still qualify for <i>pro-rata</i> right to shares at date of exit.

Changes to the reward policy for 2024

As a consequence of the review of our reward policy discussed above, the following significant changes will be applicable to the policy for the 2024 financial year, onwards.

- All variable remuneration awards from 2024 onwards will be included in a new SIP.
- No further retention awards will be granted to the current Group Executive.
- No further co-investment awards will be considered for the participants of the CIP until this scheme vests. Shareholders will be engaged prior to the implementation of any incentive schemes thereafter.

The terms and conditions of existing in-flight awards will remain unchanged.

Due to these significant changes, and for the purposes of clarity, we have detailed the reward policy for 2024 on a forward-looking basis in this policy section of the report, with a description of the in-flight schemes applicable to 2023 included in the Implementation Report.

Introducing the SIP

As noted in the background statement, the current remuneration policy has not delivered positive outcomes for either shareholders or management and the SIP is intended to address this.

The implementation of the SIP for the 2024 financial year is achieved by:

- Combining the short- and long-term incentives into a new simplified combined incentive
- Allocation of a combined annual incentive based on the individual's applicable role and assessed annual performance
- Performance measures are aligned with the role and the responsibility of the participants – the Group Executives' performance metrics have a weighting of 65% on financial performance (as determined by the Group scorecard detailed below) and 35% based on non-financial performance
- Settling a portion of the total incentive in cash and a portion in deferred awards in the form of Life Healthcare shares purchased in the open market

- The deferred awards will be subject to continued employment, with a malus and clawback condition but will not be subject to further company performance conditions
- The Group Executive's deferral period will be extended from the current three-year vesting period to a five-year vesting cycle from the inception date of the award cycle's measurement. The deferred awards will vest one-third per annum on the third, fourth, and fifth years from the start of the cycle. The vesting of the first one-third of the deferred award will align with the full vesting of the previous long-term incentive scheme, had an allocation been made, but the remaining two-thirds will vest over the following two years. As a transition measure, a modest enhancement is applied for the first five years of the SIP for the executives to mitigate the cash flow impact of this extended deferral period.
- Additional deferred shares may be awarded to participants below the level of the Group Executive in recognition of their performance, potential and value to the Group
- The deferred shares are purchased in the open market and are held in escrow for the benefit of participants, with dividends payable on the awards during the deferral period and the shares are forfeited in the case of resignation, retirement before normal retirement age or dismissal for disciplinary reasons
- In the case of retirement at normal retirement age, death, disability, or retrenchment, the awards are not accelerated, but vest on the original date, except in the case of death, where they vest as soon as practically possible
- In the case of changes in capital structure, adjustments will be made to awards, if necessary, to ensure that participants are no worse off
- All awards are subject to malus and clawback provisions

The intended benefits of the SIP are detailed below:

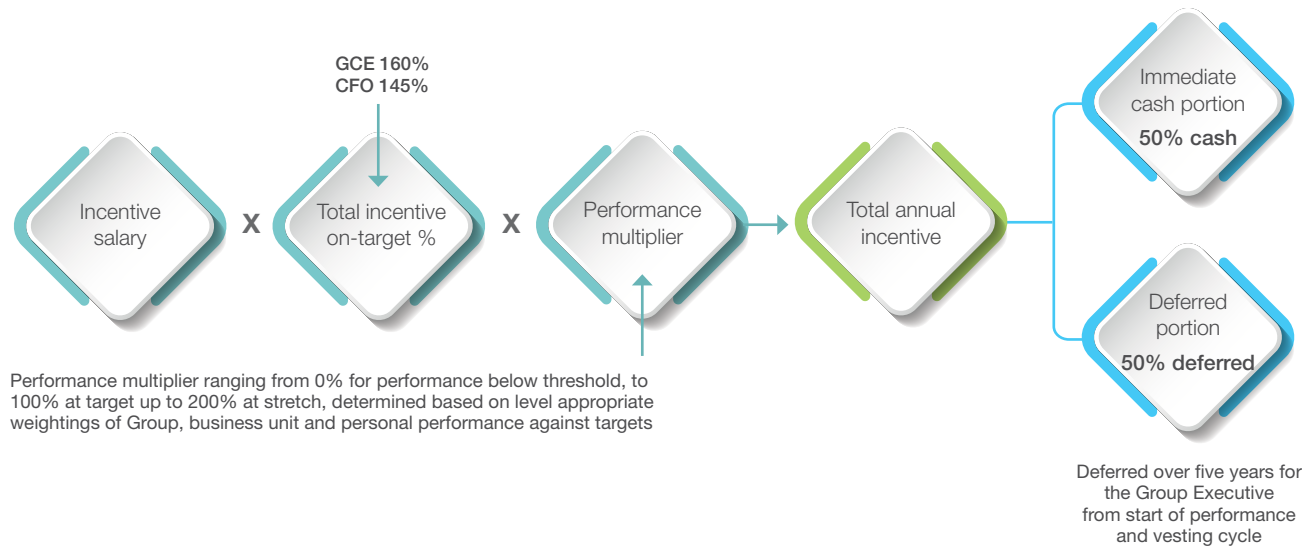


Single Incentive Plan

Element	Single incentive plan						
Context	The SIP provides a simplified combined incentive, which is determined based on the performance outcomes for the year, measured using the Group scorecard, divisional scorecards, where appropriate and personal performance. Senior executives' performance measurement is more heavily weighted to Group performance, with more weighting to divisional and personal performance for other executives and management.						
Type	Variable						
Participants	This incentive is aimed at executive and senior managers.						
Composition of pay	The targeted percentage for the Group Chief Executive and Group CFO is as follows:						
				Targeted % of GP	Targeted % of GP during transition period		
Group Chief Executive				160	180		
Group CFO				145	161		
Performance measures	2024 performance measures, respective weightings and vesting criteria for the Group Executive are summarised as follows:						
Financial measures (65%)	Performance measures			Vesting outcomes			
	Measure	Description	Weightings	Threshold	Target	Stretch	
	Vesting outcome award (%)			50%	100%	200%	
	EBITA	EBITA achievement against budget	30%	90%	100%	110%	
	Capital Efficiency (CFROI)	Cash flow return on investment (CFROI)	20%	Prior year's outcome	WACC + 1%	WACC + 2%	
	Normalised HEPS	Normalised HEPS against budget	15%	90%	100%	110%	
	Non-financial measures (35%)	Life Core Purpose	Care bundle compliance and patient experience scores	10%	90% achievement of targets results in capped 100% payment		
		ESG	Environmental sustainability	5%	80%	100%	110%
		Individual	Individual performance targets	20%	3 JPM rating	4 JPM rating	7 JPM rating
	Desired outcome	The objectives are to motivate long-term sustainable performance and retain business-critical and top talented employees.					
Consequences	Malus and clawback clauses are included.						

# Remuneration Report continued

The allocation methodology of the SIP illustrated below:



To further align management's interests with the long-term interests of shareholders and to encourage a focus on sustainable performance, the vesting cycle of the SIP's deferred shares has been extended over five years compared to three years for the previous long-term incentive plan, for the Group Executive, as show below:

Financial year	2023	2024	2025	2026	2027	2028	2029
	Oct-22 Sep-23	Oct-23 Nov-23 Dec-23	Sep-24 Oct-24 Nov-24	Dec-24 Sep-25 Oct-25 Nov-25	Dec-25 Sep-26 Oct-26	Dec-26 Nov-27	Nov-28
STI	Last STI delivery in 2023	Performance Measurement period	STI cash based on performance outcomes				
LTIP	Final LTIP allocation in Jan 2023		LTIP 2021 allocation vests 31 Dec 2023	LTIP 2022 allocation vests 31 Dec 2024	LTIP 2023 allocation vests 31 Dec 2025		
Single Incentive	Award made once performance assessed for 2024	Performance Measurement period	50% Cash based on performance outcomes			16.7% 16.7% 16.7% SIP vesting in three equal tranches	
For illustrative purposes, we have shown what the LTIP vesting profile would have been if an LTIP was awarded in 2024							
LTIP award 2024 (note no award is being made)		LTIP Performance Measurement period			100% LTIP would have vested at end Dec 2026		

## Transition period

There will be no allocation in January 2024 in respect of the historical long-term incentive scheme. As a result, an enhanced award will be implemented during a transition period of five years to ensure the Group Executives are not prejudiced by the conversion from the legacy LTIP to the new SIP. This will mitigate the impact of the decreased amounts vesting over an eight year period for the Group Executives whose vesting period is extended from three to five years.

The temporary adjustment for the five years will be as follows:

Group Executive	Enhancement to a portion of the SIP <sup>1</sup>	Total SIP as a % of GP
Group Chief Executive	1.25 x	180%
Group CFO	1.20 x	161%
Other Group Executive	1.20 x/1.25 x	141.5%/132.5%

<sup>1</sup> The SIP is a combination of the short- and long-term incentives, where the enhancement is made to the long-term incentive portion during the transition period.

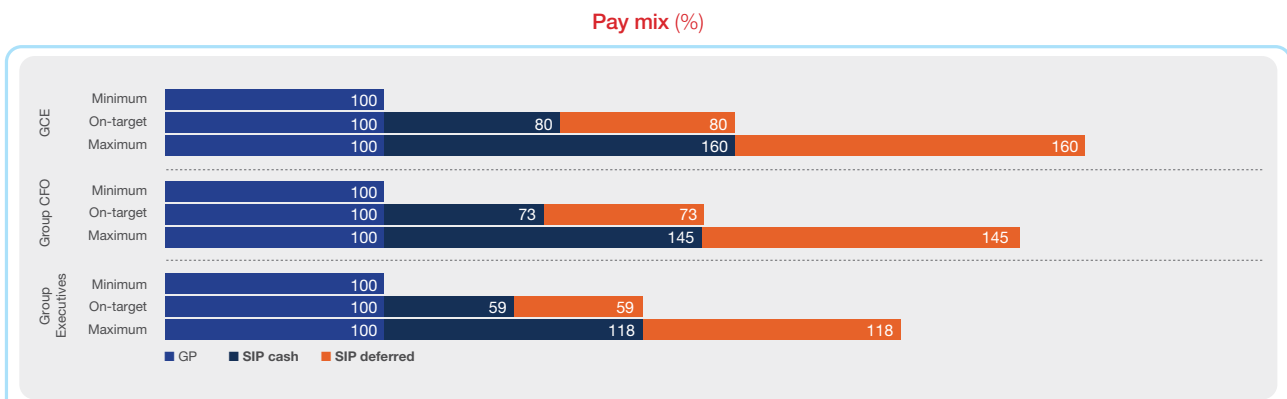
The on-target SIP percentage is:

- Increased for an initial period based on grade, and
- Each SIP cycle commences from the 1st day of the applicable financial year with cash payment occurring at the end of the financial year and deferred shares vesting in equal tranches at the end of years three, four and five measured from the inception date of the award cycle.
- The deferral percentage is adjusted accordingly to 55% for the Group Executive for the initial five year's allocation, thereafter, it will revert to a 50% deferral.

For example, for the Group Chief Executive, where an on-target SIP percentage of 160% of GP and a deferral percentage of 50% would provide a similar value to the current STI and LTIP awards if the vesting period remained at three years. To compensate for the lack of 2024 LTIP allocation, an award of 180% of GP will be made for the first five years with a deferral percentage of 55% which will vest in equal tranches in the third, fourth and fifth years, measured from the inception of the measurement cycle. This will ensure that the Group Executives are cash neutral after eight years.

## Pay mix

The total pay mix for the Group Executives under the SIP is depicted graphically below (post the transition period):





Remuneration Report continued

On-target scorecard

The on-target Group Executive scorecard for the 2024 financial year is as follows:

Category A: Group financial 65%		Category B: Group non-financial 15%		Category C: Personal 20%	
Performance measure	Weighting	Performance measure	Weighting	Performance measure	Weighting
EBITA	30%	Life Core Purpose	10%	Individual performance	20%
Capital efficiency (CFROI)	20%	ESG Assessment	5%		
Normalised HEPS	15%				
Total weighting	65%	Total weighting	15%	Total weighting	20%

Performance measures

The performance measures are defined below with the definition and rationale for the performance measure is specified below:

Performance measure	Rationale
Group Financial Performance Measures	
Normalised earnings before interest, tax and amortisation (EBITA) (30%)	Investors use EBITA as one indicator to measure the profitability and efficiency of a company and compare it with similar companies. Normalised EBITA is a non-IFRS measure.
Cash Flow Return on Investment (CFROI) (20%)	<p>A capital efficiency measure that is deemed more appropriate for our healthcare business in comparison to RONA/ROIC. In recent years, Life Healthcare has excluded a capital efficiency in its LTIP as it can discourage important capital expenditure required to meet patient needs. CFROI is comparable to the cost of capital on a sustainable basis over time and provides a fair measure of return for management and shareholders.</p> <p>The measure of CFROI will be calculated after adjusting for capital expenditure of a strategic nature, where it is expected that several years will elapse before the project yields a cash flow return above the Group's weighted average cost of capital (WACC), and where it has been agreed at the Board Investment Committee. A policy governing such adjustments will be developed to ensure standard application of the principles.</p> <p>The threshold for this measure will be set to prior year. On-target and stretch targets will be measured against WACC +1% and WACC +2% respectively on an annual basis. The WACC will be as approved by the Board Investment Committee annually.</p>
Normalised Headline Earnings per Share (NHEPS) (15%)	Aligns with shareholder evaluation of performance. This measure is the Group's reported normalised headline earnings (from continuing and discontinued operations) and is the same as the normalised EPS (NEPS) measure that we report in our financial results. NEPS and NHEPS are both non-IFRS measures.

Performance measure	Rationale								
Group Non-Financial Performance Measures									
Life Core Purpose (10%)	<p>Clinical outcomes are of paramount importance and drive long-term sustainability. The specific clinical performance measures and targets will be set annually.</p> <p>The Life Core Purpose measures for 2024 will be as follows:</p> <table><tr><th>SA</th><th>Target</th></tr><tr><td>Care bundle compliance</td><td>95%</td></tr><tr><td>Patient experience</td><td>8.4</td></tr></table>	SA	Target	Care bundle compliance	95%	Patient experience	8.4		
SA	Target								
Care bundle compliance	95%								
Patient experience	8.4								
Environment Sustainability (5%)	<p>We strongly believe in pursuing a deeper operationalisation of ESG factors in terms of safety and health, the environment (electricity, water and waste efficiencies) and people in terms of caring for patients, development of employees and supporting diversity and inclusion within all levels in the organisation. Targets will be objective, assured and credible to business objectives.</p> <p>The ESG targets for 2024 will focus on environmental sustainability and will be as follows:</p> <table><tr><th>SA</th><th>Threshold</th><th>Target</th><th>Stretch</th></tr><tr><td>A decrease in total carbon emissions in relation to activity levels*, using 2023 figures as a baseline</td><td>0.0%</td><td>(3.0%)</td><td>(4.0%)</td></tr></table> <p>* This metric will be calculated by dividing our total carbon emissions by a blended activity level for our SA business.</p>	SA	Threshold	Target	Stretch	A decrease in total carbon emissions in relation to activity levels*, using 2023 figures as a baseline	0.0%	(3.0%)	(4.0%)
SA	Threshold	Target	Stretch						
A decrease in total carbon emissions in relation to activity levels*, using 2023 figures as a baseline	0.0%	(3.0%)	(4.0%)						
Individual Performance (20%)	<p>Individual performance will be determined by evaluating the actual deliverables against the set objectives agreed with an employee at the beginning of the measurement period. The specific measures should align to the strategic focus areas of the company and are normally non-financial in nature.</p>								

# Implementation Report

## Section C – Implementation Report

In this section we provide details of the various reward elements that occurred during the current year, broken down into discrete parts:

**Part 1 – Guaranteed remuneration** (see page 23)

**Part 2 – Short-term incentivisation** (see page24)

**Part 3 – Long-term incentivisation** (see page 29)

**Part 4 – Historical unvested schemes** (see page 40)

**Part 5 – Non-Executive Director (NED) Fees** (see page 43)

### Total single figure of remuneration – Executive Directors and Prescribed Officers

Payment to directors for the year ended 30 September 2023 for services rendered are set out in the table below. It should be noted that these payments reflect cash payments made/earned to directors during the financial year and therefore all variable-pay components are reflective of performance measurements relating to previous periods.

	P Wharton-Hood		P van der Westhuizen		A Pyle		M Chapman <sup>7</sup>		
	2022	2023	2022	2023	2022	2023	2022	2023	Refer to for details
Salaries	8 256	8 782	5 825	6 199	4 662	5 037	6 253	7 316	
Benefits	705	551	312	328	211	226	647	1 011	
<b>Guaranteed package</b>	8 961	9 334	6 137	6 527	4 873	5 264	6 900	8 327	Part 1
Long service award <sup>1</sup>				–		1			
Director fees <sup>2</sup>		56		56		–		–	See page 4
VCP cash earned in FY <sup>3</sup>	8 563	9 892	4 952	5 720	3 476	4 098	4 266	5 450	Part 2
LTIP cash earned in FY <sup>4</sup>	–	–	1 231	1 722	641	1 009	703	1 275	Part 3
Dividends received <sup>5</sup>		1 152		559		358		566	Part 4
Retention shares	–	–	–	–	1 922	–	2 238	–	
Performance retention shares <sup>6</sup>						153			
<b>Other</b>	8 563	11 099	6 183	8 057	6 039	5 620	7 207	7 291	
<b>Single figure remuneration</b>	17 524	20 433	12 320	14 585	10 911	10 884	14 107	15 618	

<sup>1</sup> The CEO SA received a cash bonus for long service award of R1 175.  
<sup>2</sup> Director fees paid to the Group Chief Executive and Group Chief Financial Officer for attendance at international board meetings.  
<sup>3</sup> Actual VCP paid in November 2023, related to 2023.  
<sup>4</sup> LTIP 2020 allocation that vested in 2022 and LTIP 2021 allocation that vested in 2023.  
<sup>5</sup> Gross dividends that accrued and paid to Directors in respect of Matching shares and Co-investment shares. In addition, dividends were paid to Mark Chapman relating to his Performance Retention Shares that vested (92 892 Life Healthcare shares) in 2022.  
<sup>6</sup> The performance criteria for the CEO SA were met, i.e., continued service and a strategy implemented to appoint or source ACI successors for two executive positions. The vesting of these shares (R152 887) was however deferred until the end of the closed period.  
<sup>7</sup> M Chapman's remuneration is reflected in SA Rands applying the average exchange rate of £1 = R20.26 as of 30 September 2022 and £1 = R22.31 as of 30 September 2023.

### Part 1: Guaranteed remuneration

#### Employment contracts

Executive employment contracts for the Group Executive are typically set as follows:

- A six months' notice period
- A three months' global restraint of trade
- A twelve months' undertaking to refrain from the recruitment of Life Healthcare employees

#### Annual increases

The salary increases granted per geography were as follows:

Geography	% increase
<b>South Africa</b>	<b>6.9%</b>
<b>International</b>	
UK	5.0%
Italy	1.5%
Ireland	5.0%
Northern Europe	5.0%
Life Molecular Imaging	5.0%

#### Total directors' remuneration

The year-on-year change in GP paid to directors is tabled below:

	% change	Exceptions
Executive directors	6.8%	Except for the CEO SA who received a 9% increase due to low compa-ratio to market and direct market peers
Non-executive directors		
– SA	6.8%	Except for the Chairman of the main Board
– International	0.0%	Two-year arrangement

#### Total directors' shareholding

The total number of Life Healthcare shares held by each director as at the end of the financial year is as follows:

	Total direct shareholding	Value of shareholding as a % of GP*
P Wharton-Hood	500 000	109%
P van der Westhuizen	386 733	118%
A Pyle	266 743	100%
M Chapman	210 564	57%

\* Using a share price of R20.26 as at 30 September 2023.

# Implementation Report continued

## Part 2: Short-term incentivisation

Element	Short-term incentive (VCP)										
Context	<p>The VCP focuses on rewarding the achievement of short-term strategic, financial and non-financial objectives in the one-year business plan aligned to strategic focus areas.</p> <p>The VCP rewards management employees who meet their annual performance targets.</p>										
Type	Variable										
Participants	This is aimed at executives and management who make a line-of-sight contribution to the profitability of the business, thus sharing in its success.										
Composition of pay	<p>The VCP policy applies a balanced scorecard approach, which measures, and rewards behaviour aligned to each strategic focus area, namely quality, growth, efficiency and sustainability.</p> <p>The targeted awards for the Group Chief Executive and Group CFO are as follows:</p> <table> <tr> <th></th><th>Targeted % of GP</th></tr> <tr> <td>Group Chief Executive</td><td>80%</td></tr> <tr> <td>Group CFO</td><td>65%</td></tr> </table> <p>Performance measures include both financial and non-financial measures.</p> <p>The level of achievement determines the payment against each weighted Group performance measure.</p> <p>The VCP reward comprised a cash payment that is payable after finalisation of audited financial results, normally in November.</p> <table> <tr> <th>Performance measures</th><th>Weighting</th></tr> <tr> <td> <b>Financial metrics (50%)</b> <ul style="list-style-type: none"> <li>Group performance                             <ul style="list-style-type: none"> <li>Normalised EBITA versus budgeted amount: 40%</li> <li>Gross cash as a % of normalised EBITDA: 5%</li> <li>Capex as a % of normalised EBITDA: 5%</li> </ul> </li> <li>Strategic innovation measures (25%)                             <ul style="list-style-type: none"> <li>Measures deemed critical to long-term sustainability</li> <li>May vary from year-to-year and may be project or priority based</li> <li>May include clinical measures, ESG, diversity and inclusion targets.</li> <li>See Group Chief Executive's scorecard on page 27</li> </ul> </li> <li>Non-financial metrics (50%)                             <ul style="list-style-type: none"> <li>Clinical Outcomes</li> <li>People Strategy</li> <li>Stakeholder Management</li> <li>IT Delivery</li> <li>Operational Delivery</li> </ul> </li> <li>Personal measures (25%)                             <ul style="list-style-type: none"> <li>Strategic Delivery</li> <li>Leadership, values, culture and teamwork</li> </ul> </li> </ul> </td><td>25%</td></tr> </table>		Targeted % of GP	Group Chief Executive	80%	Group CFO	65%	Performance measures	Weighting	<b>Financial metrics (50%)</b> <ul style="list-style-type: none"> <li>Group performance                             <ul style="list-style-type: none"> <li>Normalised EBITA versus budgeted amount: 40%</li> <li>Gross cash as a % of normalised EBITDA: 5%</li> <li>Capex as a % of normalised EBITDA: 5%</li> </ul> </li> <li>Strategic innovation measures (25%)                             <ul style="list-style-type: none"> <li>Measures deemed critical to long-term sustainability</li> <li>May vary from year-to-year and may be project or priority based</li> <li>May include clinical measures, ESG, diversity and inclusion targets.</li> <li>See Group Chief Executive's scorecard on page 27</li> </ul> </li> <li>Non-financial metrics (50%)                             <ul style="list-style-type: none"> <li>Clinical Outcomes</li> <li>People Strategy</li> <li>Stakeholder Management</li> <li>IT Delivery</li> <li>Operational Delivery</li> </ul> </li> <li>Personal measures (25%)                             <ul style="list-style-type: none"> <li>Strategic Delivery</li> <li>Leadership, values, culture and teamwork</li> </ul> </li> </ul>	25%
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Performance measures	Weighting										
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Element	Short-term incentive (VCP)																																	
Performance ratings	The methodology for rating financial and non-financial metrics are slightly different.																																	
Financial metrics rankings and % awards	<p><b>The financial measures are set against stretch targets.</b> These are assigned ratings from 0 to 10, with a maximum weighted award of 225%. A “hockey-stick” award table applies, where the greater the achievement against the stretch target (budget), the higher the weighted award.</p> <table><tr><th>% Plan achieved (Stretch target)</th><th>Rating</th><th>% Payment</th></tr><tr><td>&lt;88.3%</td><td>0</td><td>0%</td></tr><tr><td>88%</td><td>2</td><td>25%</td></tr><tr><td>90%</td><td>3</td><td>50%</td></tr><tr><td>92%</td><td>4</td><td>75%</td></tr><tr><td>95%</td><td>5</td><td>100%</td></tr><tr><td>100%</td><td>6</td><td>125%</td></tr><tr><td>110%</td><td>7</td><td>150%</td></tr><tr><td>120%</td><td>8</td><td>175%</td></tr><tr><td>130%</td><td>9</td><td>200%</td></tr><tr><td>140%&gt;</td><td>10</td><td>225%</td></tr></table>	% Plan achieved (Stretch target)	Rating	% Payment	<88.3%	0	0%	88%	2	25%	90%	3	50%	92%	4	75%	95%	5	100%	100%	6	125%	110%	7	150%	120%	8	175%	130%	9	200%	140%>	10	225%
% Plan achieved (Stretch target)	Rating	% Payment																																
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140%>	10	225%																																
Personal performance ratings and awards	<p>Personal performance ratings are assigned after annual JPM meetings at which individuals' performances are assessed against their objectives for the year.</p> <table><tr><th>Performance rating</th><th>Score</th><th>% Payment achieved</th></tr><tr><td>Excellent</td><td>7</td><td>160%</td></tr><tr><td>Exceeds standard requirements in most cases</td><td>6</td><td>140%</td></tr><tr><td>Exceeds standard requirements in some cases</td><td>5</td><td>120%</td></tr><tr><td>Meets standard requirements</td><td>4</td><td>100%</td></tr><tr><td>Fulfils most key job requirements</td><td>3</td><td>70%</td></tr><tr><td>Does not satisfy many job requirements</td><td>2</td><td>0%</td></tr><tr><td>Performance is completely inadequate</td><td>1</td><td>0%</td></tr></table> <p>ESG metrics are incorporated into the incentive scheme to ensure the company's commitment to environmental, social and governance responsibilities.</p>	Performance rating	Score	% Payment achieved	Excellent	7	160%	Exceeds standard requirements in most cases	6	140%	Exceeds standard requirements in some cases	5	120%	Meets standard requirements	4	100%	Fulfils most key job requirements	3	70%	Does not satisfy many job requirements	2	0%	Performance is completely inadequate	1	0%									
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Fulfils most key job requirements	3	70%																																
Does not satisfy many job requirements	2	0%																																
Performance is completely inadequate	1	0%																																
Desired outcome	Reward employees for achieving annual stretch performance targets.																																	
Consequences	<p>As the Company is highly performance driven, should the Group's financial performance and/or personal performance be below threshold, no payment will be made.</p> <p>Malus and clawback clauses are included.</p>																																	



# Implementation Report continued

## VCP outcomes for 2023

### Performance measures, weightings and targets

The details shown here are the outcomes achieved for 2023 for our Group Chief Executive, Group CFO and CEO SA.

Area	Measures	Weightings	Target	Outcome	Rating	Reward %	Reward
				% achievement against stretched target			Weighted reward %
Financial metrics (50%)	Group performance						
	EBITA	40%	Budget	101.2%			
	Gross cash % of EBITDA	5%	100%	105.6%	6	125%	62.5%
	Capex as % of EBITDA	5%	95%	95.0%			
Non-financial metrics (50%)	Strategic Innovation measures	25%	4	See GCE's scorecard page 27	6	140%	35%
	Personal scorecard rating	25%	4	See GCE's scorecard page 27	6	140%	35%
Total reward %							132.5%

The total cost to Company for the Group Executive and the payments made in respect of each period are set out below:

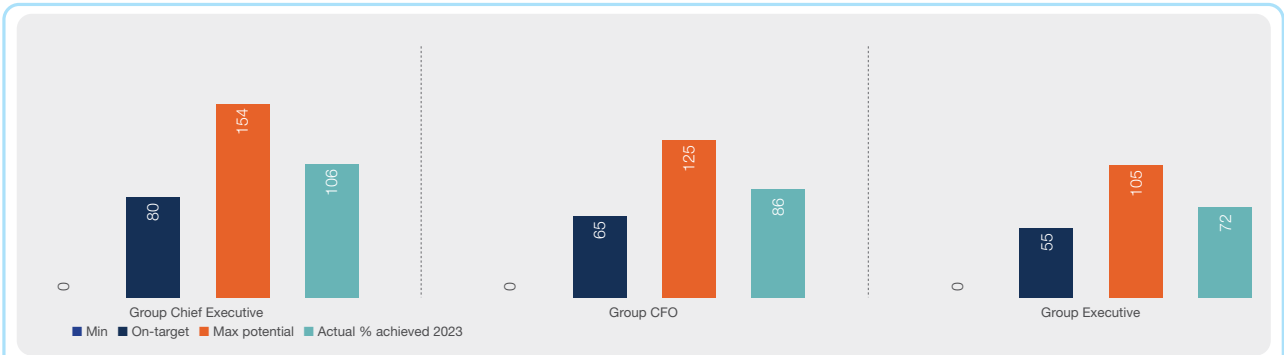
### 2023 VCP awards

Director	GP R'000	X	Targeted reward %	X	Reward % achieved	=	VCP awarded R'000	VCP as % of GP
P Wharton-Hood	9 332	X	80%	X	132.5%	=	9 892	106%
P van der Westhuizen	6 642	X	65%	X	132.5%	=	5 720	86%
A Pyle	5 379	X	57.5%	X	132.5%	=	4 098	76%
M Chapman <sup>1</sup>	7 434	X	57.5%	X	127.5%	=	5 450	73%

<sup>1</sup> Exchange rate at R20.26 and R22.31 to the pound for 2022 and 2023 respectively.

The on-target, actual payment earned in 2023 and maximum award for the Group Executive as a percentage of the GP is graphically displayed below:

STI - % of GP



## Executive scorecard (current and 2024)

### Group Chief Executive's scorecard

Peter Wharton-Hood was appointed on 29 August 2020. His contribution as Group Chief Executive has been purposeful and driven, and his unwavering focus on results has driven delivery across the business operations.

With his strong leadership, he has advanced strategic imperatives and fostered organisational stability, which has contributed to the successful financial and non-financial outcomes of the Group. The collaboration with his executive team has boosted productivity and enhanced team engagement.

An ESG strategy has been formalised with long-term targets set (see our standalone Sustainability Report).

The Group's progress in executing our strategy to deliver growth is evident in a solid set of financial results for 2023.



### Deliverables

Financial stability		✓	✓	✓
Clinical metrics	✓		✓	✓
People	✓	✓	✓	✓
Stakeholder management				✓
IT delivery		✓	✓	✓
Operations	✓	✓	✓	✓
Strategy	✓	✓	✓	✓

### The Group Chief Executive will lead the following performance objectives for 2024:

- Conclude the disposal of AMG and distribute c.R8.4 billion to shareholders;
- Achieve activity growth targets to substantiate the commitment to preferred networks;
- Continue to grow non-acute revenue through select acquisitions and organic opportunities including:
  - Additional imaging transactions,
  - Completion of the Fresenius Medical Care acquisition,
- Drive increased sales in LMI by growing our salesforce;
- Evaluate and adapt the operating model to support our strategy, with a focus on cost reduction, in order to deliver normalised EBITDA margin maintenance; and
- Review our dividend policy.

### In addition, the Board focus areas for 2024, for which the management team remain responsible, will be as follows:

- Focus on setting up LMI for success and monitoring growth in sales;
- Addressing shareholder concerns on remuneration policy;
- Continued focus on clinical quality and patient experience; and
- Continued focus on our people and progressing our ESG targets.

Implementation Report continued

Group Chief Executive's scorecard

Performance measure	Rating (/7)	Deliverables
Financial (50%)	6	Achieved budget. Motivation includes, operational performance, cashflow and capex measures scoring a 6 (see page 26).
Non-Financial (50%)	6	
Strategic Innovation measure (25%)	6	
• Clinical		Patient experience reflected a good performance during the year under review. The South African operation has managed to maintain and/or improve on most of its patient safety and quality metrics. (Refer to the Quality and Safety Report in the 2023 Integrated Annual Report).
• People		The EVP has been embedded across southern Africa and the International operations and continues to deliver exceptional results with significant improvement seen in key metrics. Our diversity and inclusion strategy continues to yield solid results. The Company's retention initiatives through targeted interventions have resulted in a decrease in overall staff turnover. Staff turnover (excluding "good" leavers) for 2023 ended on 11.5% versus 11.9% in 2022. Staff turnover of critical skills showed a 6.3% improvement in case managers, 2.3% improvement in rehabilitation therapist turnover, a 1.1% improvement in qualified specialist nurse turnover with an overall improvement of 0.7% for all registered nurses. Emphasis on training resulted in solid improvement in employee accreditation programmes, nurse as well as unit manager training programmes.
• Stakeholder Management		Partnering with government on strategic imperatives continues to remain a challenge but a real and concerted effort to drive this process took place for the year under review. A favourable impression with positive sentiment towards Life Healthcare as an institution was noted by the Department of Health. Significant engagement with positive outcomes in selective provinces were made. Strong progress was demonstrated in multiple International geographies. Meaningful engagement between the Board and Senior Executives continued and is reflected through outcomes on various strategic and operational matters throughout 2023.
• IT Delivery		We made meaningful progress and completed key IT projects during the year. These included the completion of our IT network modernisation, completing key milestones in our cloud migration project, achieving key milestones in modernising our patient accounting system (IMEDS) and having gone live with a clinical management system for our renal value-based care product.
• Operations		Our Nursing Excellence Programme initiative milestones have been achieved. Significant successful doctor recruitment has been made in 2023, where diversity objectives have been achieved. Extensive effort has been made to strengthen governance across a broad range of functions within the LMI organisation which will continue into 2024 as a strategic imperative. Solid performance has been shown across southern Africa and five-year strategic plans have been implemented across the top 40 hospitals. Good operational performance in AMG has been delivered.
Personal measures (25%)	6	An exceptional year for the GCE, which includes the successful negotiations related to the sale of AMG. Concluding network deals with Government Employees Medical Scheme and Medscheme resulted in Life Healthcare being the largest private healthcare designated network provider in South Africa. In addition, the Company concluded an agreement to acquire the renal dialysis assets of Fresenius Medical Care in southern Africa, acquiring the non-clinical operations of TheraMed Nuclear and PET Vision's imaging, achieving key milestones in the building of two cyclotrons in our Gauteng joint venture for the provision radiotracers in South Africa and launching our renal VBC during 2023. These objectives were achieved within a challenging context of IT infrastructure and macroeconomic challenges including regulatory changes and a shortage of experienced skills, both in southern Africa and International. The GCE has steered the Company through a challenging year, with purposeful leadership and in clear alignment with our core values.

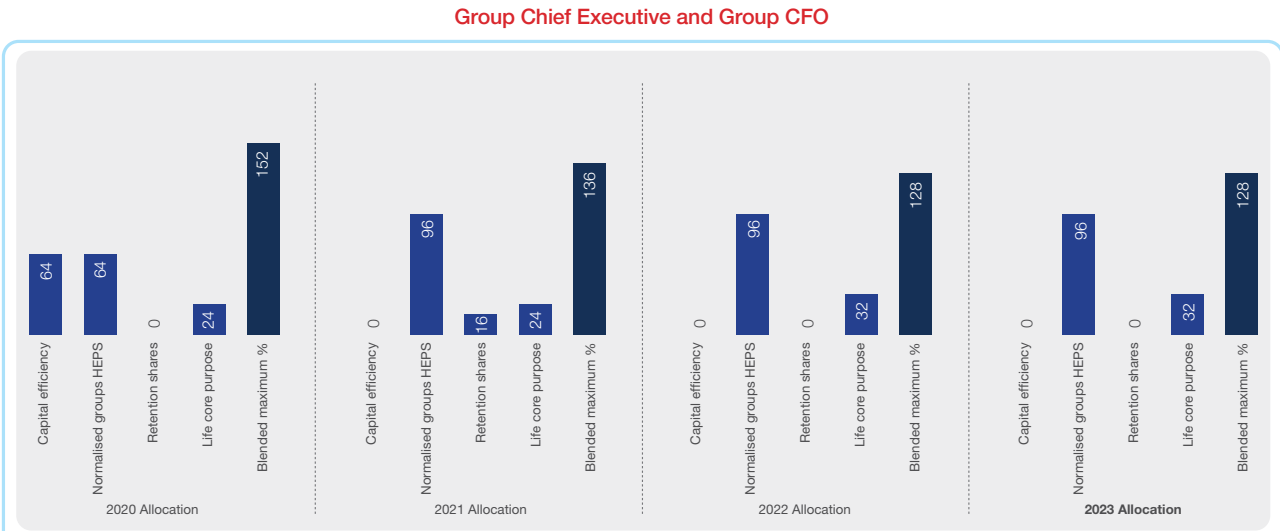
Part 3: Long-term incentivisation

Overview of the in-flight LTIPs

The maximum award for the Group Executive based on on-target allocation as a percentage of GP is as follows:

Group Chief Executive and Group CFO	128%
Other Group Executive	98%

The performance measures and blended maximum award year-on-year from the 2020 allocation to the 2023 allocation is as follows:



# Implementation Report continued

## Long-term incentivisation continued

Element	Long-term incentive plan (LTIP)																									
Context	<p>The notional performance share scheme is designed to align management and shareholder interests and grow shareholder value.</p> <p>The objectives are to motivate long-term sustainable performance and retain business-critical and top talented employees.</p>																									
Type	Variable																									
Participants	This incentive is aimed at executive and senior managers who have a more strategic focus.																									
Composition of pay	<p>The LTIP is a notional performance share scheme with a three-year performance and vesting period.</p> <p>Settlement is in equity in South Africa and either cash or equity for International (depending on the allocation)</p> <p>The performance measures and weightings are reviewed annually to ensure appropriate alignment to strategic goals of the Company.</p> <p>The allocation value is influenced by earnings, tier, individual performance and the Life Healthcare share price on the JSE using a 30-day VWAP preceding date of allocation.</p> <p>The value of the award is set to realise a targeted percentage of GP at vesting, assuming the target performance levels are achieved.</p> <p>The targeted percentage for the Group Chief Executive and Group CFO is as follows:</p> <table><tr><th>Allocation</th><th>Targeted % of GP</th></tr><tr><td>Group Chief Executive</td><td>80%</td></tr><tr><td>Group CFO</td><td>80%</td></tr></table>	Allocation	Targeted % of GP	Group Chief Executive	80%	Group CFO	80%																			
Allocation	Targeted % of GP																									
Group Chief Executive	80%																									
Group CFO	80%																									
Performance measures	<p>The following performance measures and respective weightings for the Group Executive are shown below:</p> <table><tr><th>Allocation</th><th>Capital efficiency (ROCE)</th><th>Normalised Group HEPS</th><th>Retention</th><th>Life Core Purpose</th></tr><tr><td>2020</td><td>40%</td><td>40%</td><td>–</td><td>20%</td></tr><tr><td>2021</td><td>–</td><td>60%</td><td>20%</td><td>20%</td></tr><tr><td>2022</td><td>–</td><td>60%</td><td>–</td><td>40%</td></tr><tr><td>2023</td><td>–</td><td>60%</td><td>–</td><td>40%</td></tr></table>	Allocation	Capital efficiency (ROCE)	Normalised Group HEPS	Retention	Life Core Purpose	2020	40%	40%	–	20%	2021	–	60%	20%	20%	2022	–	60%	–	40%	2023	–	60%	–	40%
Allocation	Capital efficiency (ROCE)	Normalised Group HEPS	Retention	Life Core Purpose																						
2020	40%	40%	–	20%																						
2021	–	60%	20%	20%																						
2022	–	60%	–	40%																						
2023	–	60%	–	40%																						

## Long-term incentivisation continued

Element	Long-term incentive plan (LTIP)																																																												
Vesting outcomes	The vesting outcomes for the three active long-term scheme allocations are as follows:																																																												
	Group normalised HEPS																																																												
	<table><tr><td></td><td colspan="2">Vesting outcome against inflation</td><td colspan="2">Vesting outcome based on absolute outcomes</td></tr><tr><td>CPI plus %</td><td>2021 Allocation</td><td>2022 Allocation</td><td>Actual CAGR %</td><td>2023 Allocation</td></tr><tr><td>&lt;2%</td><td>0%</td><td>0%</td><td>&lt;1%</td><td>0%</td></tr><tr><td>2%</td><td>60%</td><td>60%</td><td>1%</td><td>50%</td></tr><tr><td>3%</td><td>80%</td><td>80%</td><td>2%</td><td>100%</td></tr><tr><td>4%</td><td>100%</td><td>100%</td><td>3%</td><td>150%</td></tr><tr><td>5%</td><td>105%</td><td>105%</td><td>4%</td><td>200%</td></tr><tr><td>6%</td><td>112.5%</td><td>112.5%</td><td></td><td></td></tr><tr><td>7%</td><td>125%</td><td>125%</td><td></td><td></td></tr><tr><td>8%</td><td>140%</td><td>140%</td><td></td><td></td></tr><tr><td>9%</td><td>165%</td><td>165%</td><td></td><td></td></tr><tr><td>10%</td><td>200%</td><td>200%</td><td></td><td></td></tr></table>		Vesting outcome against inflation		Vesting outcome based on absolute outcomes		CPI plus %	2021 Allocation	2022 Allocation	Actual CAGR %	2023 Allocation	<2%	0%	0%	<1%	0%	2%	60%	60%	1%	50%	3%	80%	80%	2%	100%	4%	100%	100%	3%	150%	5%	105%	105%	4%	200%	6%	112.5%	112.5%			7%	125%	125%			8%	140%	140%			9%	165%	165%			10%	200%	200%		
		Vesting outcome against inflation		Vesting outcome based on absolute outcomes																																																									
	CPI plus %	2021 Allocation	2022 Allocation	Actual CAGR %	2023 Allocation																																																								
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	2%	60%	60%	1%	50%																																																								
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	Life Core Purpose measures																																																												
	<table><tr><td>% Achievement</td><td>% Award</td></tr><tr><td>80</td><td>0.0%</td></tr><tr><td>85</td><td>25.0%</td></tr><tr><td>90</td><td>50.0%</td></tr><tr><td>95</td><td>75.0%</td></tr><tr><td>100</td><td>100.0%</td></tr><tr><td>106</td><td>115.0%</td></tr><tr><td>107</td><td>117.5%</td></tr><tr><td>108</td><td>120.0%</td></tr><tr><td>109</td><td>122.5%</td></tr><tr><td>110</td><td>125.0%</td></tr></table>	% Achievement	% Award	80	0.0%	85	25.0%	90	50.0%	95	75.0%	100	100.0%	106	115.0%	107	117.5%	108	120.0%	109	122.5%	110	125.0%																																						
% Achievement	% Award																																																												
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108	120.0%																																																												
109	122.5%																																																												
110	125.0%																																																												
Desired outcome	Motivate long-term sustainable growth and align management and shareholders' interests by promoting shareholding.																																																												
Consequences	No shares are awarded to employees who do not meet individual performance outputs.  No shares will vest if performance conditions are not met.  Malus and clawback clauses are included.																																																												



# Implementation Report continued

## Performance conditions and vesting criteria

Performance conditions	Vesting criteria	2020 Allocation	2021 Allocation	2022 Allocation	2023 Allocation
<b>CAPITAL EFFICIENCY</b>		40% weighting	0% weighting	0% weighting	<b>0% weighting</b>
Return on Capital Expenditure ROCE (79%)	No vesting:	ROCE>WACC @ 0%			
Compared to weighted average cost of capital (WACC)	100% vesting:	ROCE>WACC @ 2%			
Vesting date calculated as a three-year rolling average	200% vesting:	ROCE>WACC @ 4%			
Satisfactory returns on business-as-usual capital versus WACC for our core business (excluding acquisitions)	Grant date WACC	11.7%			
	Three year rolling average	Three year rolling average			
EBITDA growth on growth initiatives (21%)	SA Radiology (50%)	Growth against criteria			
Prudent capital allocation for delivery of business performance in line with business case for our key growth initiatives.	New Outpatients model (12%)	Linear vesting between criteria			
	Life Molecular imaging (38%)				
<b>EARNINGS</b>		40% weighting <b>In relation to inflation</b>	60% weighting <b>In relation to inflation</b>	60% weighting <b>In relation to inflation</b>	<b>60% weighting Absolute outcomes</b>
Normalised HEPS	No vesting:	<CPI +1% per annum	CPI<2% per annum	CPI<2% per annum	<b>CAGR &lt; 1%</b>
Growth exceeding average headline inflation (CPI)	50% vesting		CPI + 2% per annum	CPI + 2% per annum	<b>CAGR = 1%</b>
Linear vesting between criteria	100% vesting:	CPI + 3% per annum	CPI + 4% per annum	CPI + 4% per annum	<b>CAGR = 2%</b>
The choice of measure reflects the ability of these executives to influence the capital structure of the Group.	150% vesting				<b>CAGR = 3%</b>
	200% vesting	CPI + 7% per annum	CPI + 10% per annum	CPI + 10% per annum	<b>CAGR = 4%&gt;</b>
	Three year rolling average	Three year rolling average	Three year rolling average	Measured on an end-to-end basis between date of offer and vesting	<b>Measured on an end-to-end basis between date of offer and vesting</b>
Normalised Country EBIT	No vesting:	75% of CPI	–	–	–
	100% vesting:	CPI + 1% per annum			
	200% vesting:	CPI + 2.5% per annum			
<b>RETENTION SHARES</b>			20% weighting		
Group Executive ONLY			No performance conditions. Continued service		

# Implementation Report continued

## Performance conditions continued

Performance conditions	Vesting criteria	2020 Allocation	2021 Allocation	2022 Allocation	2023 Allocation
<b>LIFE CORE PURPOSE MEASURES</b>					
Average performance for each of the three years.	No vesting:	Below 80% of target	Below 80% of target	Below 90% of target	<b>Below 90% of target</b>
Vesting based on average performance over period (no scaled vesting)					
Linear vesting between criteria	100% vesting:	100% of target	100% of target	100%	<b>100%</b>
	<b>Country:</b>				
As a healthcare business, patient outcomes and experience underpin everything we do. The LCP measure reflects the extent to which the Group achieves the clinical measures that drive long-term sustainability. Country-specific measures and targets are set, which are aggregated to form a Group score against which the Group Chief Executive and CFO are measured.	<b>SA</b>				
	– Patient Incident rate as a % of admissions	Less than 2.6	Less than 2.6	Less than 2.6	–
	– Care bundle compliance	–	–	–	<b>95%</b>
	– Patient experience	8.4	8.4	8.4	<b>8.4</b>
	<b>UK</b>				
	– Patient satisfaction	√	√	√	√
	– Radiology clinical audit (Grade 1 & 2)	√	–	–	–
	– Mandatory training compliance	–	√	√	√
	<b>Italy and Ireland</b>				
	– Patient satisfaction	√	√	√	√
	– Radiology clinical audit (Grade 1 & 2)	√	√	√	√
	<b>Poland</b>				
	– Pressure ulcers	√	–	–	–
	– Re-admission rates	√	√	–	–
	– Healthcare related infections	–	√	–	–
	– Return to theatre rate	–	√	–	–
	<b>Radiopharma/N Europe</b>				
	– Dose reliability performance	√	√	√	√

√ criteria measured during the vesting period.  
 – criteria not measured or no longer measured.

# Implementation Report continued

## Vesting of the 2020 LTIP allocation

The 2020 LTIP allocation vested on 31 December 2022 and participants were rewarded in either shares (SA) or cash (International). The value allocated in 2020 to eligible participants amounted to R162.1 million (5.5 million units at R29.16/share). Of the 5.5 million units only 2.5 million units vested due to onerous performance conditions following the impact of the COVID-19 pandemic (although the UK, Northern Europe and Ireland exceeded targets).

The vested units were worth R42.8 million. Participants have therefore forfeited R121.4 million in value, of which R90.2 million is because of some performance metrics not being met, as well as a decline in the value of the Life Healthcare share price (which reduced the value of vested units by R31.1 million).

A total of 760 573 Life Healthcare shares were purchased to settle liability to participants. Shares were purchased in the open market at an average share price of R17.04 and were transferred to eligible South African participants' trading accounts.

## Outcomes of the 2020 LTIP financial measures

The financial performance measures were not met, as shown below.

Performance measure	Target	Outcome	% Vesting
<b>Capital efficiency</b>			
– ROCE vs WACC (79% of weighting)	<b>WACC + 2%</b>	<b>(4.50%)</b>	<b>0.00%</b>
– Growth EBITDA for capex spend (21% of weighting)	<b>Growth against criteria</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Normalised HEPS</b>	<b>CPI + 3%</b>	<b>0.93%</b>	<b>0.00%</b>

## Outcomes of the 2020 LTIP Life Core Purpose measures

All Life Core Purpose targets were met and the weighted score per country is graphically displayed below. The overall audited outcome of 107% was achieved, which resulted in a 117.5% award for the Group Executive in respect of this KPI:

Country	LCP measure	Target	Threshold (80% achievement)	Audited outcome	% Achievement	% Achievement weighted by country*
South Africa	Patient experience (/10)	8.4	6.7	8.4	100.0%	76.8%
	Patient incident rate as a percentage of admissions (aim to be less than % target)	2.6%	3.1%	2.3%	112.1%	
UK	Patient satisfaction survey as measured by the percentage of patients who rate our service as "satisfied" or better.	90.0%	72.0%	97.0%	107.8%	14.6%
	Mandatory training compliance	90.0%	72.0%	94.7%	105.2%	
Ireland	Patient satisfaction survey responses rating the question: "How would you rate the quality of care received?"	90.0%	72.0%	97.4%	108.2%	3.6%
	Radiology clinical audit. Grade 1 and 2 discrepancies (aim to be less than % target)	1.0%	1.2%	0.3%	120.0%	
Radiopharma /Northern Europe	Dose reliability performance.	95.0%	76.0%	98.5%	103.7%	3.3%
Italy	Patient survey responses rating the question: "Would you recommend our services to other people?"	90.0%	72.0%	97.8%	108.7%	8.6%
	Radiology clinical audit. Grade 1 and 2 discrepancies (aim to be less than % target)	1.0%	1.2%	0.06%	120.0%	
<b>Total weighted achievement</b>						<b>106.9%</b>
<b>Group Executive award</b>						<b>117.5%</b>

\* Country weighting is determined using the geographic contribution to Group revenue for each year.

The outcome of performance against vesting criteria yielded the following outcomes for the Group Executive:

2020 LTIP	Outcome		
	Financial metrics		Non-financial metrics
	Capital efficiency	Normalised Group HEPS	Life Core Purpose weighted outcome
<b>Weightings (a)</b>	<b>40%</b>	<b>40%</b>	<b>20%</b>
Performance outcome (see page 36)	0%	0.93%	107%
Vesting award (b)	0%	0%	117.5%

Director	Performance units allocated in January 2020 (c)	Performance units vesting after 3 years [(vesting formula = (a) x (b) x (c))]			Total performance units vesting	Gross value vesting R'000	After tax number of shares delivered
		Capital efficiency	Normalised Group HEPS	Life Core Purpose weighted outcome			
P van der Westhuizen	434 145	–	–	102 024	102 024	1 722	55 581
A Pyle	254 531	–	–	59 815	59 815	1 009	32 587
M Chapman	290 448	–	–	68 255	68 255	1 152	Cash delivery
<b>Total</b>		–	–	230 094	230 094	3 883	88 168



# Implementation Report continued

## Vesting of the LTIP 2021 allocation

The 2021 LTIP allocation will vest on 31 December 2023 and participants will be rewarded in either shares (SA) or cash (International).

## Outcomes of the 2021 LTIP financial measures

The only financial performance measure, normalised HEPS growth was met, as shown in the audited performance outcomes below:

Earnings growth	Measure	2021	2022	2023	3-year CAGR	% Award
Normalised Group HEPS	Growth exceeding headline CPI	61.04	112.70	96.40	15.72%	191.25%
Headline CPI		5.1%	7.8%	5.5%	6.11%	

Growth in normalised HEPS exceeded inflation over the three-year LTIP period by 9.61%, which when rounded up, results in 191.25% vesting. This is calculated using a linear extrapolation of the vesting hurdles shown on page 31 above.

Retention shares, representing 20% of the overall LTIP allocation, were allocated to executive directors as a retention mechanism. The only criteria attached to these shares was to remain employed in the Group, and this condition has been met by the participants. The allocation of retention shares was discontinued in 2022.

## Outcomes of the 2021 LTIP Life Core Purpose measures

All Life Core Purpose targets have been met. The weighted outcome of the 2021 LTIP Life Core Purpose measures, based on proportionate revenue per country, is 108%. Full vesting (100% award) for the 2021 LTIP occurs on the achievement of 90% or higher against target, so the maximum award is 100%.

Country	LCP measure	Target	Audited outcome	% Achievement	% Achievement weighted by country*
South Africa	Patient experience (/10)	8.4	8.4	100.5%	101.0%
	Patient incident rate as a percentage of admissions (aim to be less than % target)	2.6%	2.6%	101.8%	
UK	Patient satisfaction survey as measured by the percentage of patients who rate our service as "satisfied" or better.	90.0%	96.8%	107.5%	106.0%
	Mandatory training compliance	90.0%	94.8%	105.3%	
Ireland	Patient satisfaction survey responses rating the question: "How would you rate the quality of care received?"	90.0%	98.4%	109.3%	115.0%
	Radiology clinical audit. Grade 1 and 2 discrepancies (aim to be less than % target)	1.0%	0.4%	120.0%	
Radiopharma / Northern Europe	Dose reliability performance.	95.0%	98.4%	103.6%	104%
Italy	Patient survey responses rating the question: "Would you recommend our services to other people?"	90.0%	98.3%	109.3%	115.0%
	Radiology clinical audit. Grade 1 and 2 discrepancies (aim to be less than % target)	1.0%	0.0%	120.0%	
Total weighted achievement					108.0%
Group Executive award					100.0%

\* Country weighting is determined using the geographic contribution to Group revenue for each year.

## Overall outcomes for the 2021 LTIP

The outcome of performance against vesting criteria yielded the following outcomes for the Group Executive:

2021 LTIP	Outcome		
	Financial metrics		Non-financial metrics
	Normalised Group HEPS	Retention shares	Life Core Purpose weighted outcome
Weightings (a)	60%	20%	20%
Performance outcome (see page 38)	9.61%	100%	107%
Vesting award (b)	191.25%	100%	100%

Director	Performance units allocated in January 2021 (c)	Performance units vesting after 3 years [(vesting formula = (a) x (b) x (c))]			Total performance units vesting	Gross value vesting R'000	After tax number of shares delivered
		Normalised Group HEPS	Retention shares	Life Core Purpose weighted outcome			
P Wharton-Hood	531 867	610 317	106 373	106 373	823 064	To be determined by the 30-day VWAP to 31 December 2023	
P van der Westhuizen	469 294	538 515	93 859	93 859	726 232		
A Pyle	344 149	394 911	68 830	68 830	532 571		
M Chapman	312 863	359 010	62 573	62 573	484 155		
Total		1 579 644	275 319	275 319	2 130 282		

The final reward is a factor of the number of units vesting multiplied by the 30-day VWAP of the Life Healthcare share calculated at the end of December 2023. The after-tax value of this amount will be utilised to purchase Life Healthcare shares in the open market. These shares will be delivered to the trading accounts of the respective Prescribed Officers, except for Mark Chapman who will receive cash payments, net of local legislative payments. This will be communicated with the next Implementation Report.

Part 4: Historical unvested schemes

Unvested long-term incentives

The details of LTIP allocations made from 2021 to 2023 are set out below, and will only vest at the vesting date should performance conditions be met:

LTI Plan	Title	Date of allocation	Offer price	Performance shares	Vesting date	Allocation value R'000	Value based on 30 Sept 2023 share price R'000
2021 LTIP Allocation	P Wharton-Hood	01-Jan-21	15.98	531 867	31-Dec-23	8 500	10 776
	P van der Westhuizen	01-Jan-21	15.98	469 294	31-Dec-23	7 500	9 508
	A Pyle	01-Jan-21	15.98	344 149	31-Dec-23	5 500	6 972
	M Chapman	01-Jan-21	15.98	312 863	31-Dec-23	5 000	6 339
2022 LTIP Allocation	P Wharton-Hood	01-Jan-22	23.23	421 205	31-Dec-24	9 786	8 534
	P van der Westhuizen	01-Jan-22	23.23	299 795	31-Dec-24	6 965	6 074
	A Pyle	01-Jan-22	23.23	208 163	31-Dec-24	4 836	4 217
	M Chapman	01-Jan-22	23.23	196 660	31-Dec-24	4 569	3 984
2023 LTIP Allocation	P Wharton-Hood	01-Jan-23	16.88	619 159	31-Dec-25	10 451	12 544
	P van der Westhuizen	01-Jan-23	16.88	440 689	31-Dec-25	7 439	8 928
	A Pyle	01-Jan-23	16.88	312 297	31-Dec-25	5 272	6 327
	M Chapman	01-Jan-23	16.88	299 198	31-Dec-25	5 050	6 062

The 2021 LTIP allocation vests on 31 December 2023. The 2021 LTIP figures shown in this table are the performance shares allocated at the award date. We have shown the actual vesting allocations above, on page 39.

Unvested Company matched shares

In 2020 the Company offered a once-off opportunity of Company-matched shares to the four directors based on their investment. The intention of this offer was to retain the executive as well as to encourage shareholding in the Company thereby aligning to shareholder interests. The matched shares are restricted and held in an escrow account and will vest over five years, in equal tranches, provided certain performance conditions (set out below) are met. Forfeiture of the matched Company shares will apply should the performance and employment conditions not be met.

Vesting will occur in three equal tranches, i.e. in December 2023, December 2024 and December 2025.

Executive	Performance conditions
GCE	<ul style="list-style-type: none"><li>To remain in service for at least five years and to groom a successor.</li><li>To retain a level of investment in Company shares of at least this initial investment over the vesting period.</li><li>Total Shareholder Return (TSR) of the Company from date of engagement to respective vesting dates must exceed the average of the TSR of our direct competitors.</li><li>Progress on transformation, diversity and stakeholder relationships will be considered by the Board.</li><li>Termination of employment and change in capital structure will align to the Company LTIP scheme, except in the case of change of control and the appointment of a successor, in which case the shares will vest with no time pro-rating for the period of the vesting period. However, the applicable performance conditions will not be waived.</li></ul>
Group CFO, CEO SA and CEO International	<ul style="list-style-type: none"><li>TSR of the Company from date of engagement to respective vesting dates must exceed the average of the TSR of our direct competitors.</li><li>Progress on transformation, diversity and stakeholder relationships will be considered by the Board.</li><li>Termination of employment and change in capital structure will align to the Company's LTIP scheme, except in the case of change of control and the appointment of a successor, in which case the shares will vest with no time pro-rating for the period of the vesting period, although the applicable performance conditions will not be waived.</li></ul>

The unvested Company-matched shares per Director are detailed below:

All values in ZAR '000	Executive investment value at purchase	Date of allocation	Offer price	Company-matched purchase value	Company-matched shares	Vesting date	Value based on 30 Sept 2023 share price	Dividends paid to directors <sup>1</sup>
P Wharton-Hood	5 000	Aug-20	17.23	14 869	287 568 287 568 287 570	31-Dec-23 31-Dec-24 31-Dec-25	17 478	707
P van der Westhuizen	1 986	Dec-20	16.96	5 947	116 866 116 866 116 868	31-Dec-23 31-Dec-24 31-Dec-25	7 103	287
A Pyle	1 240	Jan-21	18.98	3 707	65 074 65 074 65 074	31-Dec-23 31-Dec-24 31-Dec-25	3 955	160
M Chapman <sup>2</sup> £100 000	2 052	Jan-21	18.27	6 156	112 309 112 309 112 309	31-Dec-23 31-Dec-24 31-Dec-25	6 826	276

<sup>1</sup> Gross dividends paid in respect of the CIP and Matched Share Arrangements in respect of dividends declared in December 2021, June 2022, December 2022 and June 2023.  
<sup>2</sup> The exchange rate of £1 = R20.42 at allocation date.

Co-investment Plan

Element	Co-investment Plan (CIP)
Context	A once-off allocation made in 2021 to promote retention and employee ownership through an invitation to invest in the Group and acquire shares by deferring a sizeable portion of their VCP (70% of bonus).
Type	Variable
Participants	A select group of executives and senior managers who are critical to retain due to their ability to influence long-term performance and sustainability of the Group.
Composition of pay	<p>Additional restricted Company-matched shares and performance/conditional shares are awarded to participants based on the individual's deferral of their 2021 VCP Bonus.</p> <p>The shares were purchased in the market and are held in a Trust with a four-year vesting period. Extended notice periods and restraints of trade are applied.</p> <p>The bonus and matched shares hold no performance conditions besides continued employment. The performance shares will however only vest if performance conditions are met.</p>
Desired outcome	Promotes retention and employee ownership of key critical skills.
Consequences	Should participants resign prior to vesting, the matched and performance shares are forfeited.

# Implementation Report continued

The unvested CIP shares per Director are detailed below:

Title	Date of allocation	Offer price	Total Co-investment Shares	Vesting date	Value based on 30 Sept 2023 share price <sup>2</sup> R'000	Dividends distributed in February and June 2023 <sup>1</sup>
P Wharton-Hood	Dec-21	23.51	1 058 449	1-Dec-25	21 444	445
P van der Westhuizen	Dec-21		647 533		13 119	272
A Pyle	Dec-21		471 859		9 560	198
M Chapman	Dec-21		635 202		12 869	267

<sup>1</sup> Dividends declared of 25 cents per share in December 2022 and 17 cents per share in June 2023 were delivered to the participants, as approved by the Board.  
<sup>2</sup> Using a share price of R20.26 as at 30 September 2023.

## Part 5: Non-Executive Director (NED) fees

### Financial year 2023

In SA, two independent NED surveys by PwC and Deloitte were utilised to benchmark the proposed fees for South Africa. A 6.8% increase was recommended by the Remuneration Committee and approved by the Board under the authority granted by shareholders at the AGM held on 25 January 2023, across all Committees, except for the Chairman of the main Board, where a 10% increase was approved as a process over time to address market lag as well as additional global responsibilities added to the portfolio.

In International, the NED fee increases for International were approved at a Special General Meeting held on 5 July 2022, with the provision that these fees would only be reviewed in 2024.

The tables below set out the number of meetings, the fees paid to NEDs, excluding VAT, for the period from October 2022 to September 2023 as well as the proposed fees which will be table for approval at the 2024 AGM.

The following number of meetings were held during the 2023 period:

Committee	Number of meetings	Number of AMG transaction meetings	Total number of meetings
Main Board	4	9	13
Audit	6	2	8
Remuneration	6	3	9
Risk, Compliance and IT Governance	4		4
Investment	6	7	13
Clinical	4		4
Social Ethics and Transformation	4		4
Nominations and Governance	3		3

This year additional special meetings were held in relation to the sale of the AMG. These fees (SA and International) are reflected separately in the table below.

Non-Executive Directors R'000	2022	2023		
		Standard retainer and Committee meetings	Additional meetings AMG transaction	Total NED
Dr JE Bolger <sup>1</sup>	173	2 008	729	2 737
PJ Golesworthy	1 305	1 167	265	1 432
Prof ME Jacobs	807	762	135	896
CM Henry	744	892	297	1 189
LE Holmqvist <sup>1</sup>	222	2 255	583	2 839
Dr VL Litlhakanyane	1 803	1 776	326	2 103
TP Moeketsi	–	424	203	627
AM Mothupi	1 012	916	118	1 033
JK Netshitenzhe	702	695	157	852
Dr MP Ngatane	610	304	22	327
M Sello	764	913	191	1 104
GC Solomon	929	832	204	1 035
F Tonelli	–	397	158	555
RT Vice	952	327	–	327
CJ Hess	250	–	–	–
<b>Total NED fees</b>	10 273	<b>13 669</b>	<b>3 388</b>	<b>17 056</b>

<sup>1</sup> Exchange rate of Euro converted to Rand at R19.38.

Implementation Report continued

Financial year 2024

The following fees are proposed for 2024:

Southern Africa

The Committee has submitted to the Board, a 6% increase on the NED fees for SA for 2024 except for the Lead Independent Director, where a 10% increase was submitted as a process to address market lag:

			Current annual cost R'000	Proposed annual cost R'000
Committee	Entity	Number of meetings		
Directors' fees	Chairperson	4	1 289	1 366
	Board member		346	367
Lead independent director	Board member	4	506	557
Audit	Chairperson	4	336	356
	Board member		189	200
Remuneration**	Chairperson	4	269	285
	Board member		137	146
Nominations	Chairperson	3	221	234
	Board member		115	122
Risk	Chairperson	4	249	264
	Board member		130	137
Investment	Chairperson	4	278	295
	Board member		146	155
Clinical Governance, Quality and Safety	Chairperson	4	232	246
	Board member		126	134
Social Ethics and Transformation	Chairperson	3	205	218
	Board member		100	106
Additional fee per ad hoc meeting (R'000):				
Main Board	Chairperson		33.6	35.7
	Board member		22.4	23.8
All Committees	Chairperson		16.8	17.8
	Board member		11.4	12.1

International

The Committee has submitted to the Board for approval, a 4.5% increase in the NED fees for International for 2024.

The NED fees per Committee are detailed below:

				Proposed annual cost €'000
Committee	Entity	Number of meetings	Annual cost €'000	
Board	Board member	4	55.5	58.0
Audit	Chairperson	4	53.8	56.2
	Board member		30.2	31.6
Human Resources and Remuneration	Chairperson	4	43.0	44.9
	Board member		22.0	23.0
Nominations and Governance	Chairperson	3	35.5	37.1
	Board member		18.4	19.3
Risk, Compliance and IT Governance	Chairperson	4	39.9	41.7
	Board member		20.7	21.6
Investment	Chairperson	4	44.6	46.6
	Board member		23.4	24.5
Clinical	Chairperson	4	37.2	38.9
	Board member		20.2	21.1
Social Ethics and Transformation	Chairperson	3	33.0	34.5
	Board member		16.1	16.8
Additional fee per ad hoc meeting (€'000):				
Main Board	Board member		3.5	3.7
All Committees	Chairperson		2.7	2.8
	Board member		1.8	1.9



# Glossary

<b>ACI</b>	African, Coloured and Indian
<b>AGM</b>	Annual general meeting
<b>B-BBEE</b>	Broad-based black economic empowerment
<b>CAGR</b>	Compound annual growth rate
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CFROI</b>	Cash flow return on investment
<b>CIP</b>	Co-investment plan
<b>Companies Act</b>	South African Companies Act, 71 of 2008 (as amended)
<b>CPI</b>	Consumer price index
<b>EBIT</b>	Earnings before interest and tax
<b>EBITA</b>	Earnings before interest, tax and depreciation
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>EPS</b>	Earnings per share
<b>ESG</b>	Environment, social and governance
<b>EVP</b>	Employee value proposition
<b>GCE</b>	Group Chief Executive
<b>GP</b>	Guaranteed package
<b>GRI</b>	Global Reporting Initiative
<b>ICU</b>	Intensive care unit
<b>IoDSA</b>	Institute of Directors South Africa
<b>IFRS</b>	International Financial Reporting Standards
<b>International &lt;IR&gt; Framework</b>	International <IR> Framework (January 2021)

<b>IT</b>	Information technology
<b>JPM</b>	Joint performance management
<b>JSE</b>	Johannesburg Stock Exchange Limited
<b>King IV™</b>	King IV™ Report on Corporate Governance for South Africa, 2016
<b>KPI</b>	Key performance indicator
<b>LCP</b>	Life core purpose
<b>LMI</b>	Life Molecular Imaging
<b>LTIP</b>	Long-term incentive plan
<b>NED</b>	Non-executive director
<b>NHEPS</b>	Normalised headline earnings per share
<b>NHI</b>	National Health Insurance
<b>PET-CT</b>	Positron emission computerised tomography
<b>RemCo</b>	Human Resources and Remuneration Committee
<b>ROCE</b>	Return on capital employed
<b>ROIC</b>	Return on invested capital
<b>RONA</b>	Return in net assets
<b>SA</b>	South Africa
<b>SIP</b>	Single incentive plan
<b>TSR</b>	Total shareholder return
<b>UK</b>	United Kingdom
<b>VCP</b>	Variable compensation plan
<b>VWAP</b>	Volume weighted average price
<b>WACC</b>	Weighted average cost of capital