

Group Remuneration Committee's Report

Background Statement

The purpose of the PPS Group Remuneration Committee (Remco or the Committee) is to oversee the implementation of the PPS Group Remuneration Policy as a delegated responsibility from the PPS Insurance Board. The Committee regularly reviews the PPS Group's remuneration policies to ensure that the design and management of remuneration practices enable the organisation to attract and retain top talent and motivate a high-performance culture. Remco is satisfied that it has fulfilled its mandate to provide independent oversight on remuneration-related matters.

The Committee is pleased to present the PPS Group's Remuneration Report for the year ended 31 December 2025. With this report, we aim to give an overview of the remuneration framework and practices. Additionally, the report shows our commitment to transparency, accountability and fair remuneration for all.

Business performance in 2025 was strong. Operating profit increased and investment market conditions were favourable, which contributed to a record Profit-Share allocation for our members. Membership growth exceeded expectations in several areas, strengthening the organisation's footprint.

Key Remco Activities in 2025

In 2025, Remco focused on ensuring remuneration practices reinforced governance, supported sustainable performance, and retained critical talent. Highlights include:

- Reviewing and approving governance updates to the Group Remuneration Policy, Terms of Reference and alignment of practices across subsidiaries.
- Strengthening long-term value creation through incentive schemes, including new allocations, top-ups and updated rules for senior leaders nearing retirement. Efforts also expanded to include more middle management staff.
- Continuing the Group IT retention scheme to safeguard critical roles.
- Reviewing the Group Executive succession plan to ensure proactive cover for key roles.
- Monitoring employment equity, culture survey outcomes, and employee experience initiatives, with emphasis on succession planning, talent pipeline health, and workforce risk management.

Remco balanced responsible cost management with motivating and retaining high-performing teams, supporting PPS's strategic objectives and long-term sustainability and is satisfied that it has fulfilled its mandate to provide independent oversight on remuneration-related matters.

Remuneration governance

Remco is responsible for advising the PPS Group in relation to:

- Executive, senior management and staff remuneration.
- The remuneration of non-executive directors and trustees of the PPS Holding Trust and subsidiaries, as well as their respective entities.
- Key human resources and employee-related matters, including employment equity and transformation.

The role of Remco is to assist the PPS Group boards to ensure that:

- The PPS Group remunerates non-executive directors and trustees, the Group CEO, executives, management and staff fairly, responsibly and competitively.
- The disclosure of director/trustee and executive remuneration by the PPS Group is accurate and in accordance with the Companies Act and IFRS.
- The functions prescribed by the Prudential Authority in terms of the Prudential Standards are performed.

Remco is chaired by an independent non-executive director and is comprised of non-executive directors of PPS Insurance. No employee is involved in deciding their own remuneration. The Group CEO and the Group Executive: Human Resources attend the meetings of Remco by invitation; however, they are recused from any discussions and/or decisions pertaining to their own remuneration.

Remco does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management. The Committee operates in accordance with Terms of Reference approved by the PPS Insurance Board. Remco has complied with the obligations as set out in the Terms of Reference and is satisfied that the objectives of the Remuneration Policy have been achieved.

Group Remuneration Committee Members

Dr DP du Plessis (Chairman)
Mr C Erasmus
Dr SNE Seoka
Prof HE Wainer

Meeting attendance:

100%

Meetings:
20 Feb 2025
5 June 2025
5 November 2025

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Remuneration Policy

The PPS Group is dedicated to maintaining a competitive remuneration strategy that rewards both individual and corporate performance. Recognising that our people are a key strategic differentiator, we support the achievement of our organisational goals by valuing and rewarding employees' contributions. Our remuneration approach is crucial not only for attracting top talent but also for retaining, engaging and motivating our employees. It forms a fundamental part of the psychological contract between employer and employee, reinforcing our commitment to a compelling Employee Value Proposition.

Remuneration Framework

The determination of the total remuneration packages of employees is overseen on an annual basis by Remco within the context of a total reward approach, balanced design and pay mix.

The PPS Group remuneration structure is based on the following remuneration principles:

Driving high-performance culture	Balance between fixed and variable remuneration	Long-term value creation	Pay parity and fairness
<ul style="list-style-type: none"> Performance contracts include financial and non-financial, qualitative and quantitative, as well as lag and lead metrics. Performance measurement metrics are set annually and are reviewed for broad alignment to the PPS Group's objectives and strategies. The mix of short-term and long-term incentives is aligned to appropriate risk management principles, in order that management's performance is aligned with members' long-term interests and the remuneration structure does not induce excessive or inappropriate risk-taking. 	<ul style="list-style-type: none"> The mix of guaranteed pay and short- and long-term incentives is in line with the risk appetite and culture of the Group and is designed to meet the PPS Group's operational needs and strategic objectives, based on targets that are stretched, verifiable and relevant. 	<ul style="list-style-type: none"> Given the long-term nature of the business, the remuneration structure needs to support both long-term value creation and the achievement of short-term objectives. 	<ul style="list-style-type: none"> PPS employees are remunerated equitably for the work that they do, based on job role responsibilities and performance. PPS is committed to equal pay for work of equal value to eliminate disparities and build trust within the organisation.

Fair and responsible remuneration

PPS is committed to employment equity and the principle of equal pay for work of equal value. Remco ensures pay practices are fair, competitive, and aligned with industry standards.

To uphold fairness and inclusivity, disparities are actively addressed through progressive measures, while remuneration policies are regularly benchmarked against evolving market trends. Initiatives also focus on improving working conditions and fostering a supportive environment for all employees.

External advisors

Remco keeps abreast of emerging remuneration trends and leading practices in the financial services and insurance industries. Annually, Remco benchmarks PPS's employees' remuneration using Remchannel and 21st Century for niche surveys.

Executive contracts

Executive directors and prescribed officers are appointed in terms of employment contracts that are indefinite or until normal retirement age. The notice period is six months for executive directors and prescribed officers and three months for Group executives and other senior leaders. Normal retirement age is 65 years.

King V™

The King V™ Report on Corporate Governance for South Africa was released on 31 October 2025 and is effective for financial years commencing from 1 January 2026.

Remco is exploring the adoption of the King V™ Disclosure Framework to improve the clarity, consistency, and overall quality of the remuneration reporting and will review its existing policies, Terms of Reference and annual work plan to ensure alignment with the 13 King V™ principles.

Non-executive directors and trustees' remuneration

Non-executive directors/trustees are remunerated based on annual retainers, as well as attendance fees for each meeting attended. The value of the annual retainers and the attendance fees are benchmarked against fees paid in the financial and insurance industry by companies of a similar size to PPS. Non-executive directors/trustees do not participate in the PPS Group's long-term or short-term incentive schemes. The trustees' fees for the PPS Holdings Trust Board and its committees are subject to the ultimate approval by the Ordinary Members of PPS Holdings Trust at its annual general meeting (AGM) and for the remainder of the PPS Group companies at their respective AGMs.

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Remuneration Structure

The PPS Group's remuneration structure balances short and long term financial and non-financial rewards to drive a high-performance culture. The key components of this model (including policy elements) are elaborated on in the table below:

Remuneration Element	Purpose	Eligibility	Policy
Guaranteed Pay	PPS Group manages total cost to company (TCTC), which incorporates base pay, retirement, medical aid and other optional benefits. The purpose is to ensure we attract and retain the right talent that is qualified and experienced.	All Staff	Guaranteed pay is market related and informed by regular benchmarking within the Financial Services industry, targeted at the market median. The upper quartile of the market is considered where there is scarcity and criticality of skills. Increases are determined by Remco in conjunction with executive management and take into consideration market-related increases, individual and PPS Group performance and other economic indicators. Remco reviews staff increases as determined by management within guidelines approved by Remco and approves increases for PPS Group Executives and senior management.
Benefits	The PPS Group provides its employees with benefits that ensure they are well taken care of in a time of need. These benefits include retirement fund and risk benefits.	All Staff	Benefits form part of the total cost to company (TCTC) and include retirement, risk, recognition, wellness, education, etc. Reward and recognition schemes to enable performance and motivation to drive PPS Group initiatives and objectives and living up to the PPS Group's values. Other non-financial benefits are offered to staff - focusing on personal development and different aspects of well-being, such as financial, physical, social, emotional, and mental health.
Short-term Incentives	PPS Group's short-term incentives aim to reward short-term performance to drive a high performance culture that motivates and rewards substantial achievement of performance objectives.	All Staff, excluding sales employees who participate in commission-based structures	The short-term incentive bonus pool is determined and approved by Remco based on the achievement of financial, strategic and operational objectives, influenced by the financial performance of the PPS Group. This is done to encourage a high-performance culture across the Group, allowing for sufficient differentiation between performers and non-performers. The senior leadership group has the option to defer a portion of their bonus to the long-term incentive scheme.
Long-term Incentives	The key objectives of the long-term incentives are to focus participants on long-term key performance indicators in line with the vision, strategy, roles, expectations, financial and risk parameters of the organisation and to retain key members of management.	Senior Managers and Group Executives	Long-term incentives are structured to ensure alignment of the interests of key management with members' interests. Remco has final discretion over the participation of eligible employees in long-term incentives and allocation values. Long-term incentive awards are based on a five-year plan for Group Executives and senior management and a three-year plan for selected key and critical roles where retention is necessary.

On behalf of the PPS Group Remuneration Committee



Dr D P du Plessis
Chairman of Remco
25 March 2026