

DE BEERS BENEFIT SOCIETY

BOARD GOVERNANCE DOCUMENT

BOARD CHARTER

Revision no	Review cycle	Effective date
010	At least every two years	28 September 2021



A registered medical scheme
Registration no. 29/4/2/1068

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Organisation	De Beers Benefit Society (the Society)				
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1. PURPOSE OF THE BOARD CHARTER

The purpose of this document is to set out the objectives, duties and responsibilities of the Board of Trustees (the Board) of the Society.

2. OBJECT OF THE BOARD

2.1. The Board recognises that it has a duty to act in the best interest of all categories of Society members (including in-service members, pensioners and their dependants - hereinafter referred to as beneficiaries), as set out in the Rules of the Society (the Rules). The Board must, with regard to all other stakeholders (such as, but not limited to, the Employer and Associated Employers, Professional Service Providers, Investment Advisors, Investment Administrators, the Society Actuary and staff), act with due care, diligence and in good faith.

2.2. The Board accordingly has a responsibility to all the Society's stakeholders, which include the present and potential beneficiaries of the benefits and services provided by the Society as well the Employer and Associated Employers , to:

- ensure the sustainability of the Society and that it will continue to achieve its strategic objectives in an efficient and cost-effective manner in the best interest of all its stakeholders;
- ensure compliance with all laws, regulations and codes of business practice applicable to the Society;
- ensure compliance with the registered and approved Rules;
- ensure the implementation and maintenance of sound governance principles and practices at all levels in the Society;
- deliver benefits to beneficiaries which are fair, and which will meet the reasonable benefit expectations of such beneficiaries as provided for in the Rules;
- give strategic direction to Society Management and retain full and effective control over the Society; and
- provide competitive, cost effective medical aid benefits, as provided for in the Rules, to Society beneficiaries.

3. FIDUCIARY DUTIES AND RESPONSIBILITIES

3.1. The individual Trustees of the Society, regardless of their status as employer-appointed or member-elected Trustees, each have a fiduciary duty to the Society and its beneficiaries as provided for in the Rules and the prevailing legislation.

3.2. In exercising their fiduciary duties and responsibilities, the Trustees are required to act independently at all times in the best interests of the Society and all its beneficiaries, and regardless of the nature of the "constituency" that may have elected or appointed them.

4. TREATING BENEFICIARIES FAIRLY

The fair and consistent treatment of beneficiaries is a key imperative of the Society. The principles of treating beneficiaries fairly are firmly embedded in the Society's culture, operations, and decision-making processes to ensure that beneficiaries experience the fairness outcomes applicable to the Society. The success of the Board in this regard will be measured through the achievement of the following outcomes:

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- 4.1. Beneficiaries are confident that they are dealing with a Society where the fair and consistent treatment of all beneficiaries is central to the Society's culture;
- 4.2. Products and choices made available to beneficiaries are designed to meet the reasonable needs of beneficiaries and are appropriately communicated to beneficiaries;
- 4.3. Beneficiaries are provided with clear and appropriate information regarding the Society, the benefits provided and the operations of the Society before joining (where applicable), on joining and during their membership of the Society, and on their exit (where applicable);
- 4.4. Beneficiaries are provided with clear and appropriate information regarding the Society, the benefits provided and the operations of the Society to make informed decisions regarding the utilisation of their benefits, taking account of their individual personal circumstances;
- 4.5. Beneficiaries are provided with benefits that are in line with what the Society has led them to expect. The associated services are both of an acceptable standard and aligned to what they have been led to expect; and
- 4.6. Beneficiaries do not face unreasonable barriers to submit a query or claim and/or to make a complaint.

5. SELECTION AND COMPOSITION OF THE BOARD

As provided for in the Rules:

- 5.1. There shall be an equal number of employer-appointed and member-elected Trustees on the Board;
- 5.2. Trustees shall be appointed or elected as indicated above and may be removed by the Board following due process; and
- 5.3. The Board may mandate Board Committees consisting of Trustees and such other persons as are deemed appropriate, to deal with specific aspects of the business of the Society, acting in accordance with Board approved and documented Terms of Reference (ToR). These Board Committees shall report regularly to the Board on their activities. The Board Committees' ToRs may be reviewed at any time by the Board and shall be reviewed at least every two years and when changes occur.

6. BOARD LEADERSHIP

- 6.1. The Chairperson of the Board shall be elected in accordance with the Rules and is required to provide proactive leadership to ensure, amongst other things, that:
 - The Board acts in the best interests of the Society and all its stakeholders and strives to achieve the stated fairness outcomes;
 - Trustee meetings are run effectively and are conducted in accordance with the agreed meeting ground rules as set out in Annexure A attached hereto;
 - Trustees act in accordance with the governance framework agreed for the Society including this Board Charter; and
 - Board Committees under the leadership of their respective Chairpersons fulfil their duties and responsibilities in accordance with their ToR and the governance framework established for the Society.

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- 6.2 A former Principal Officer will not be allowed to be elected as the Chairperson of the Board until three years have passed since his/her tenure as the Principal Officer has ended.

7. TRUSTEE EDUCATION

- 7.1. Trustees have a responsibility to acquaint themselves on an ongoing basis with their fiduciary responsibilities, as well as with issues pertaining to the operations and business of the Society and developments in the medical scheme industry to ensure that they are able to fulfil their duties effectively. To assist Trustees in this regard, all new Trustees undergo a formal induction process and Society Management will advise the Board of formal Trustee education as it becomes available. The Trustees are required to attend the education, as agreed by the Board, where possible.
- 7.2. In addition, briefings on relevant issues such as changes in legislation, regulations and other matters of interest affecting the medical scheme industry and the Society shall be held as and when required.
- 7.3. Trustees are required to complete any education required by legislation within the prescribed time period (if applicable).

8. CONFLICTS OF INTEREST

- 8.1. Full disclosure of the nature and extent of any interest in or conflict of interest arising in connection with any matter to be considered by the Board or by any Board Committee must be made in advance by any Trustee or Board Committee member having such conflict of interest;
- 8.2. Trustees and Board Committee members are required to complete and submit to the Society, at least annually, a declaration of interest form and to immediately update this when relevant circumstances change;
- 8.3. A record of declarations of interest shall be placed on the Society's confidential Trustee website;
- 8.4. Should a conflict of interest become apparent during a discussion, the conflicted Trustee or Board Committee member should immediately raise the issue with the Chairperson;
- 8.5. Should a conflict of interest arise, the Trustee or Board Committee member concerned may in terms of the Conflicts of Interest Policy be recused from any meeting while the matter giving rise to the conflict is discussed;
- 8.6. It is accepted that Trustees and Board Committee members who are employed by a Participating Employer, and/or who are beneficiaries of the Society may be unavoidably conflicted in relation to the issues being discussed by the Board. Such conflicts must be managed and noted by each individual concerned and by the Board as a unit in accordance with their fiduciary responsibilities to the Society and to its beneficiaries in general; and
- 8.7. A Conflict of Interest Policy has been codified.

9. RESERVATION OF BOARD POWERS

- 9.1. Except as provided for in the Rules and in prevailing legislation, the Board has unfettered powers to govern the Society.

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9.2. Powers, including the setting of policies, may be delegated to Board Committees and the Principal Officer, but the Board ultimately remains accountable for actions taken and decisions made.

10. BOARD COMMITTEES

10.1. The Board shall appoint and mandate the following permanent Board Committees by way of documented ToRs, but the Board shall remain accountable for the affairs of the Society that are dealt with by the Board Committees:

- Audit and Risk Board Committee
- Benefits Review Board Committee
- Communication and Education Board Committee
- Investment Board Committee
- Remuneration Board Committee

10.2. Although the Board has the power to delegate some of its functions to Board Committees, such delegation does not relieve the Board of accountability for the functions so delegated. The Board may not abdicate any of its functions and responsibilities.

10.3. The Board is required to provide proactive leadership to ensure that Board Committee meetings, under the leadership of their respective Chairpersons, are managed in the same way as Board meetings. The Board is also required to ensure that Board Committees fulfil their responsibilities in accordance with their respective ToR and the governance framework established for the Society by reviewing activities and decisions made by the Board Committees.

10.4. The Board may also establish additional permanent or ad-hoc Board Committees as it deems appropriate. Ad-hoc Board Committees will be governed by resolutions of the Board, which shall be minuted.

10.5. The Chairperson, considering the skill sets required and the skills and desires of individual Trustees, shall make proposals to the Board on the assignment of Trustees to various Board Committees. The Board shall ultimately decide on the composition of the Board Committees. Non-Trustees may also be appointed as Board Committee members and shall be subject to this Board Charter, the Trustee and Principal Officer Code of Conduct and any other applicable governance measures agreed to by the Board.

11. MEETINGS

The Trustees largely exercise their fiduciary responsibility by conducting formal Board meetings, where the respective Chairpersons of Board Committees, Society Management, Society Actuary and other advisors report to the Trustees in respect of delegated roles and responsibilities. Comprehensive written reports and background information are supplied as part of the agenda packs which are circulated timeously prior to meetings or made available on the confidential Trustee website. At these formal meetings, the Board considers and decides on matters on the agenda for the meeting in question. In this regard:

11.1. Board meetings shall be held on a regular basis, at least quarterly, as determined by the Board, in accordance with the Rules and a timetable determined annually in advance. Ad-hoc or special meetings will be scheduled as and when required;

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- 11.2. At all meetings of the Board, and in accordance with the Rules, the decision of the majority shall prevail;
- 11.3. A record shall be kept of the attendance at Board and Board Committee meetings;
- 11.4. The Principal Officer shall compile the agenda for each Board meeting. Trustees who wish to propose the inclusion of any item on the agenda shall do so in writing to the Chairperson and Principal Officer or at a meeting of the Board. Trustees may also raise any matter under "General" at the end of each meeting;
- 11.5. The Principal Officer shall also ensure that the agenda packs are distributed timeously before the scheduled meeting. The documents and material included in the agenda packs or tabled at meetings shall, as far as reasonably possible and whilst including the necessary information, not be unduly voluminous. Additional material may also be placed on the confidential Trustee website;
- 11.6. The confidential Trustee website also acts as a repository of up-to-date information and governance documentation relating to the Society. Trustees are required to access this website on a regular basis to remain abreast of Society developments and also when they are specifically referred to information on the confidential website, i.e. agenda packs and supporting documents;
- 11.7. Trustees are required to adequately prepare for meetings by reviewing the agenda packs supplied, and by directing queries to the Principal Officer and/or Secretary prior to meetings. All material included in the agenda pack or placed on the confidential Trustee website for review shall be taken as read and understood by each Trustee unless a specific query is raised or clarification is sought at the meeting;
- 11.8. Minutes of all Board and Board Committee meetings shall record the proceedings and decisions taken at the relevant meeting. All Board and Board Committee minutes are confidential;
- 11.9. Board meetings, Board Committee meetings and other events requiring Trustee attendance will be scheduled annually in advance with the Trustees. Each Trustee and Board Committee member will receive the annual schedule by no later than December of the previous year;
- 11.10. Trustee and Board Committee members shall make every effort to attend their respective Board or Board Committee meetings. Apologies for unavoidable absences shall be tendered timeously to the Chairperson or the Secretary of the Board or relevant Board Committee.
- 11.11. A Trustee or Board Committee member who fails to attend three consecutive Board or Board Committee meetings, as the case may be, without having obtained prior written leave of absence from the Chairperson, is in breach of the Trustee and Principal Officer Code of Conduct and shall be regarded as having vacated office;
- 11.12. In the event that three consecutive meetings are missed as contemplated in paragraph 11.11 above without prior written leave of absence from the Chairperson, the Chairperson shall notify the Trustee or Board Committee member concerned that he or she is regarded as having vacated office and request that the Trustee or Board Committee member, within seven days of the date of the request, make written submissions as to why he or she should not be removed from office;

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11.13. The remaining Trustees in office will consider the written submissions, and if the majority of the Trustees in office agree, the Trustee or Board Committee member concerned will either be retained in or removed from office by resolution of the Board and will be notified of the Trustees' decision. If the Trustee or Board Committee member concerned fails to make written submissions within seven days after having been requested to do so and the Board so resolves, the Trustee or Board Committee member shall be removed from office and be notified accordingly; and

11.14. In addition to the above, the Board has agreed to a set of meeting ground rules attached hereto as Annexure A. These ground rules are intended to govern conduct in preparing for, attending and participating in meetings. These ground rules apply to all Board and Board Committee meetings.

12. APPOINTMENT OF THE PRINCIPAL OFFICER

12.1. The Principal Officer of the Society shall be appointed by the Board in accordance with the Rules and any statutory requirements.

12.2. The Principal Officer, in consultation with the Chairperson, is responsible for communicating with the Employer and Associated Employers on matters of interest to them, and to act as the spokesperson of the Society when required. The Principal Officer is also responsible for managing the administrative function of the Society.

12.3. Should the Principal Officer be indisposed for a period of time as prescribed in relevant legislation or should this be deemed necessary by the Board for any reason, the Chairperson shall in consultation with the Board appoint an acting Principal Officer in terms of prevailing relevant legislation.

13. RELATIONSHIPS WITH STAFF AND EXTERNAL ADVISORS

Attendance by non-Trustees or non-Board Committee members at Board and Board Committee meetings:

13.1. The Chairperson of the Board or the relevant Board Committee may permit members of the Society staff and external third parties to attend all or part of any Board or Board Committee meeting. The purpose of such attendance is to provide the Board or Board Committee with expert insights to assist them in their deliberations and for building the capacity of potential Trustees or Board Committee members and Society staff.

Trustee access to Society Management and Society records:

13.2. Trustees have unrestricted access to consult Society Management to obtain information about the Society's operations, the records, documents (strictly on a confidential basis) and property of the Society strictly for the purposes only of enabling them to discharge their fiduciary responsibilities. Such access shall exclude access to the personal and private information of beneficiaries and shall not unduly interfere with the business and operations of the Society. Requests for access to information shall be made in writing to the Principal Officer and shall be copied to the Chairperson of the Board.

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Board and Board Committee access to external experts:

13.3. If any Trustee or Board Committee member acting collectively or individually wish to consult external professional advisors on any matter concerning the Society, they may do so if authorised by a resolution of the Board or Board Committee or, where urgent advice is required, after having consulted and reached mutual agreement with the Principal Officer and Chairperson of the Board or relevant Board Committee on the action to be taken. In the event that the parties fail to agree a special Board or Board Committee meeting may be called.

14. RISK MANAGEMENT AND INTERNAL CONTROL

Accountability for risk management resides with the Board. The Board is responsible for and cannot abrogate its responsibility for ultimately determining the policies and processes necessary to ensure the integrity of the internal controls and risk management of the Society. Specifically, the Board and Board Committees must ensure that a formal risk assessment is regularly undertaken and documented by Society Management and by each Board Committee to identify and evaluate key risk areas and mitigating actions in terms of a formal risk assessment framework and Risk Management Policy.

15. MEMBER COMMUNICATION

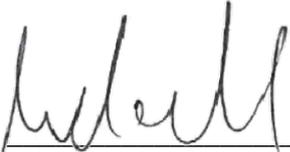
The Board is responsible for the maintenance and implementation of the Society's Communication Policy and Strategy, and ensuring that member communication takes place accordingly.

16. CODE OF CONDUCT

The Board shall review the values of the Society and establish a code of principles and standards of ethical business practice that support such values. These principles and standards shall be communicated to affected stakeholders and the Board shall assume responsibility and accountability to stakeholders for compliance by the Trustees, Board Committee members and the Principal Officer and Society staff with these principles and standards. A Trustee and Principal Officer Code of Conduct has been codified.

17. AUTHORISATION AND APPROVAL

Approved by the Board and Principal Officer.



CW COLTMAN
CHAIRPERSON OF THE SOCIETY



SM MATHONZI
PRINCIPAL OFFICER

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ANNEXURE A – MEETING GROUND RULES

The Trustees have agreed to comply with the following set of meeting ground rules and, accordingly, the Trustees or Board Committee members shall:

1. Act impartially and objectively, individual Trustees and Board Committee members do not represent any constituencies, and are required to act at all times in the best interests of the Society as a whole and all its beneficiaries. It is however accepted that a Trustee or Board Committee member may be able to offer valuable insights and inputs in relation to a particular topic being discussed by virtue of his/her status as, for example, a pensioner or an employee of one of the Employer and Associated Employers, or involvement in a role or project directly impacting on the Society and its beneficiaries, and such input may be allowed at the discretion of the Chairperson.
2. Prepare for meetings by reading the agenda pack and all other material provided and by seeking clarity from all available resources prior to the meeting as appropriate. The better prepared Trustees and Board Committee members are for meetings, the better the results of the meeting will be in terms of the efficiency and effectiveness of the decisions taken and the utilisation of time.
3. Accept that ignorance of the contents of material circulated or otherwise made available in advance of meetings, and under circumstances that allow Trustees and Committee members reasonable time to prepare for meetings, will not be accepted by the Board.
4. Approach meetings and participate in them with a positive attitude, working on each issue with fellow Trustees or Board Committee members, Society advisors, Society Actuary and Society Management to achieve the most sensible outcome for the Society's stakeholders.
5. Treat fellow Trustees and Board Committee members, the Chairperson, Society Management and other attendees with respect, both during the meeting and outside of the meeting.
6. Be respectful when speaking about any matter, person or groups of persons.
7. Listen carefully and be respectful of fellow Trustees and Board Committee members, Society Management other attendees' contentions, ideas and suggestions when they speak.
8. Make all reasonable efforts to timeously advise the Secretary or Chairperson of their inability to attend a meeting generally and specifically so as to minimise the impact their absence may have on quorum requirements for a meeting. This may include telephonic contact where the absence becomes apparent after hours, the day before the meeting.
9. Be prompt in arriving at the meeting and in returning from breaks.
10. Attend meetings (including virtual meetings) for the full duration of meetings.
11. Include, rather than exclude, fellow Trustee or Board Committee members from debate.
12. Make sure that all issues under discussion are understood and seek clarity where required. Remember that there is no such thing as a stupid question – except perhaps the one that isn't asked.
13. Allow the Chairperson to fulfil his role of controlling the meeting.
14. Put their cell phones on silent, do not use cell phones during meetings and leave laptops, iPads, etc. off the table unless utilised for the purpose of the meeting.

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15. If urgent cell phone calls need to be taken, warn the meeting in advance of the need to do so and take calls outside the meeting venue.
16. Present points of view in a positive and respectful manner.
17. Wait to be recognised by the Chairperson, be patient and do not interrupt others while they are speaking.
18. Not have side conversations during the meeting.
19. Stay on the topic being discussed.
20. Not use meetings to deal directly or indirectly with personal issues or concerns relating to the Society, except for referring to personal issues to demonstrate a point or to clarify an issue under discussion.
21. Not make threats or rude comments to fellow Trustees or Board Committee members or other attendees.
22. Address any concerns about a discussion or any proceedings at a meeting to the Chairperson. It is part of the Chairperson's role to bring the meeting to order.
23. Not judge others or point fingers.
24. Remember to maintain strict confidentiality. In particular, the privacy and confidentiality of documents relating to any of the Society's affairs must be preserved at all times. What happens in meetings is private and confidential except to the extent that the Trustees resolve to the contrary or where disclosure is required by law. Should a Trustee or a Board Committee member need assistance to destroy Society documentation previously distributed to them in their capacity as Trustee or Board Committee member, these should be returned to the Society for destruction.
25. Accept that, once a decision has been taken, it is final and there will be no further debate on the matter unless new important and relevant evidence or information becomes available. Trustees and Board Committee members should feel that they can express their views openly and honestly while a matter is under discussion but, once a decision is taken, it must be implemented. Raising the same issues repeatedly in the absence of new information or evidence is disruptive to the business of the Board.

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REVISION HISTORY

Revision no	Description	Date Reviewed	Date Approved	Minute no
001	Document created	November 2012	6 December 2012	60.12
002	Annual review	November 2013	5 December 2013	58.13
003	Annual review	September 2014	17 September 2014	43.14
004	Annual review	September 2015	16 September 2015	44.15
005	Annual review	September 2016	21 September 2016	38.16
006	Annual review	September 2017	20 September 2017	44.17
007	Annual review	September 2018	26 September 2018	49.18
008	Annual review	September 2019	18 September 2019	42.19
009	Annual review	September 2020	29 September 2020	45.20.1
010	Alignment of terminology with other policy and governance documents.	September 2021	28 September 2021	45.21.2