

DE BEERS BENEFIT SOCIETY

SOCIETY POLICY DOCUMENT

TRUSTEE EDUCATION POLICY

<u>Revision no</u>	<u>Review cycle</u>	<u>Effective date</u>
001	At least every two years	29 September 2020



A registered medical scheme
Registration no. 2914/2/1068

SOCIETY POLICY DOCUMENT

Organisation	De Beers Benefit Society (the Society)			
Subject	Trustee Education Policy			
Revision no	001	Review cycle	At least every two years	Effective date 29 September 2020

TABLE OF CONTENTS

1. INTRODUCTION	3
2. SCOPE.....	3
3. REGULATORY FRAMEWORK	3
4. DEFINITIONS AND ACRONYMS	4
5. RESPONSIBILITIES AND AUTHORITY	4
6. RELATED DOCUMENTS	4
7. POLICY.....	5
7.1 PURPOSE	5
7.2 OBJECTIVES.....	5
7.3 TRUSTEE EDUCATION INTERVENTIONS	5
7.4 EVALUATION OF TRUSTEE EDUCATION	8
8. AUTHORISATION AND APPROVAL	8
REVISION HISTORY	9

SOCIETY POLICY DOCUMENT

Organisation	De Beers Benefit Society (the Society)				
Subject	Trustee Education Policy				
Revision no	001	Review cycle	At least every two years	Effective date	29 September 2020

1. INTRODUCTION

The Society, a self-administered restricted medical scheme, whose affairs are managed according to the rules of the Society by a Board of Trustees (the Board or Trustees) consisting of eight persons who are required to be fit and proper to serve as Trustees.

At least fifty percent of Trustees are elected by members from amongst duly nominated members to serve as Trustees and the remaining fifty percent are appointed by De Beers Group Services (Pty) Ltd (the Employer). All Trustees serve a five-year term of office with a maximum of three terms.

The Board appoints non-Trustee members with the relevant skills, knowledge and experience to serve on specific Board Committees. The rules of the Society and Board Charter also allow the Board to obtain expert advice on any matter where it may lack sufficient expertise.

Notwithstanding the above, the Trustees and non-Trustee Board Committee members should collectively have sufficient experience and understanding of the fields of administration, investment, actuarial, accounting, legal, project management, human resources and social matters to enable them to perform their duties objectively and effectively.

New Trustees and non-Trustee Board Committee members undergo a formal induction process from Society Management and formal training is provided on an ongoing basis, as appropriate. Trustees and non-Trustee Board Committee members are encouraged to undertake continuous self-development, training and education throughout their terms of office.

2. SCOPE

This policy applies to the Society, Society Management, all relevant service providers, the Board, the Trustees, the non-Trustee Board Committee members, the Communications and Education Board Committee (the Committee) and all other Board Committees.

3. REGULATORY FRAMEWORK

In providing Trustee education, the Society needs to consider all applicable legislation and governance provisions to ensure that Trustees and non-Trustee Board Committee members are adequately equipped to fulfil their fiduciary duties, in particular:

- Chapter 12(6) of the Medical Schemes Act No 131 of 1998 (the Act) which states that “*The board of trustees shall:*
 - (a) *take all reasonable steps to ensure that the interests of members in terms of the rules of the medical scheme and the provisions of this Act are protected at all times;*
 - (b) *act with due care, diligence, skill and good faith;*
 - (c) *take all reasonable steps to avoid conflicts of interest;*
 - (d) *act with impartiality in respect of all members; and*
- Rule 19.23 of the rules of the Society which states that “*The Board shall ensure that every existing and newly appointed or elected Board member undergoes trustee training in the form of induction training and attendance of the accredited skills programme provided by the Council for Medical Schemes (CMS).*”

SOCIETY POLICY DOCUMENT

Organisation	De Beers Benefit Society (the Society)				
Subject	Trustee Education Policy				
Revision no	001	Review cycle	At least every two years	Effective date	29 September 2020

4. DEFINITIONS AND ACRONYMS

Definition / Acronym	Description
The Board	Board of Trustees
CMS	Council for Medical Schemes
DSPs	Designated Service Providers
PMBs	Prescribed Minimum Benefits
The Act	Medical Schemes Act No.131 of 1998
The Committee	Communication and Education Board Committee
The Society	De Beers Benefit Society

5. RESPONSIBILITIES AND AUTHORITY

Designation	Responsibility
The Board	To approve the policy on the recommendation of the Committee.
The Committee	To review the policy and recommend revisions to the Board for approval.
Principal Officer	- To take ownership of the policy and provide interpretation as required; - To ensure that the policy is implemented and updated as appropriate; - To promote and ensure compliance with the policy by all parties; and - To deal with any enquiries in relation to the policy.
Secretarial and Communications Manager	- To draft and review of the policy, in consultation with the Society's contracted service provider of approved trustee training; - To align the policy with associated Society policies and procedures, as well as regulatory requirements and provisions; - To ensure that a communication strategy that are aligned to this policy are maintained; and - To advise the Principal Officer of any non-compliance with the policy.

Any matter concerning Trustee education not provided for in this policy must be referred to the Principal Officer who may in consultation with the Chairpersons of the Committee and the Board exercise his / her discretion in dealing with the issue prior to reporting the matter at the next scheduled meeting of the Board, along with any proposed policy changes, if appropriate.

6. RELATED DOCUMENTS

This policy should be implemented and considered in conjunction with the following policy and governance documents of the Society:

SOCIETY POLICY DOCUMENT

Organisation	De Beers Benefit Society (the Society)				
Subject	Trustee Education Policy				
Revision no	001	Review cycle	At least every two years	Effective date	29 September 2020

- Board Charter;
- Travel Policy; and
- Trustee Remuneration Policy.

7. POLICY

7.1 PURPOSE

The purpose of the policy is to:

- establish guidelines and procedures for Trustees and non-Trustee Board Committee members that recognise and affirm the importance of Trustee education in ensuring the effective and adequate discharge of their fiduciary duties; and
- encourage Trustees and non-Trustee Board Committee members to participate in educational opportunities throughout their term of office.

7.2 OBJECTIVES

The main objectives of Trustee education are to:

- ensure that all Trustees and non-Trustee Board Committee members have adequate opportunity to acquire the knowledge they need to carry out their fiduciary duties;
- empower all Trustees and non-Trustee Board Committee members to be able to engage in effective debate and decision making regarding the Society;
- ensure that individual Trustees and non-Trustee Board Committee members have sufficient knowledge and understanding of the issues and challenges facing the Society to draft policies and plans to address these, as well as to effectively monitor the implementation thereof;
- provide new Trustees and non-Trustee Board Committee members with the general introductory knowledge they require to effectively participate in Board and Board Committee deliberations in a timely manner; and
- provide all Trustees and non-Trustee Board Committee member with opportunities to broaden their knowledge through training programmes and other interventions approved by the Board.

7.3 TRUSTEE EDUCATION INTERVENTIONS

7.3.1 INDUCTION TRAINING

All new Trustees and non-Trustee Board Committee members will receive induction training from Society Management, other staff members and/or service providers, as deemed necessary, which covers an overview of the following:

- Society's governance and organisational structure;
- Current composition of the Board and Board Committees;
- Society's membership profile and demographics;
- Society's key service providers;
- Society's internal control environment, reporting processes and statutory reporting requirements;
- Society's investment philosophy and strategy;

SOCIETY POLICY DOCUMENT

Organisation	De Beers Benefit Society (the Society)				
Subject	Trustee Education Policy				
Revision no	001	Review cycle	At least every two years	Effective date	29 September 2020

- Society's risk management policy and process;
- Contribution structure and levels;
- Benefits summary;
- Roles and responsibilities of Trustees and Board Committee members;
- Fidelity insurance cover;
- Current Board issues / matters arising; and
- Administration requirements in order to register with all relevant regulatory and professional bodies.

All new Trustees will also be required to complete the CMS Induction Programme for Trustees within 12 months of appointment which aims, amongst others, to provide guidance on the following:

- Overview of the Act and compliance thereof;
- Accreditation of administrators and managed care organisations;
- Complaints and adjudication;
- Overview of healthcare and Prescribed Minimum Benefits (PMBs), costs, PMB Code of Conduct and health reforms;
- Recent court rulings and judgements; and
- Financial soundness of a medical scheme.

7.3.2 ONGOING EDUCATION AND TRAINING

In addition, to the above-mentioned induction training, Trustees and non-Trustee Board Committee members will receive the following:

- Ongoing information of an educational nature at Board and Board Committee meetings, as well as other events, as deemed appropriate;
- Literature of interest circulated to the Society by service providers, CMS and other regulatory bodies;
- Access to a secure dedicated Trustee Zone on the Society's website containing minutes of all Board and Board Committee meetings, governance related information and background information relevant to the ongoing affairs of the Society; and
- Comprehensive agenda packs prior to each meeting of the Board and Board Committees.

The Society's Secretarial and Communications Manager with the assistance of the contracted service provider of trustee training and other external technical specialists (such as the Society Actuary and/or Investment Advisors) as deemed appropriate, will be responsible to develop and review training and educational topics for Trustees and non-Trustee Board Committee members from time to time. Appropriate training and educational topics include, but are not limited to:

Regulatory and Governance Topics

- Overview of the Act and Regulations thereto;
- Overview of changes to the regulatory landscape;
- Role of CMS;

SOCIETY POLICY DOCUMENT

Organisation	De Beers Benefit Society (the Society)				
Subject	Trustee Education Policy				
Revision no	001	Review cycle	At least every two years	Effective date	29 September 2020

- Overview of fiduciary duties and powers of the Board;
- Overview of accreditation standards applicable to self-administered medical schemes;
- Overview of sound ethics and governance principles, practises and philosophies; and
- Overview of changes to the local applicable corporate governance principles and practices.

Society Specific Topics

- Society's purpose, vision, values and operating principles;
- Overview of registered rules of the Society and rulings; and
- Details of the various Board Committees, their membership and terms of references; and
- Details of the Society's various governance and policy documents.

Benefit Design Related Topics

- Difference between traditional and new generation medical schemes;
- Benefit structure design (including benefit limits, exclusions, penalties and co-payments);
- Overview and composition of Designated Service Providers (DSPs);
- Overview of PMBs benefits,
- Overview of chronic medicine benefits and formularies; and
- Overview of benefit and hospital admission pre-authorisation process and managed care protocols.

Sustainability / Funding Topics

- Overview of the solvency framework for medical schemes;
- Details of the Society's investment philosophy and strategy;
- The impact of members' claiming patterns and behaviour on the financial position of the Society and membership contribution levels;
- The impact of employer restructuring and medical inflation on the financial sustainability of the Society and membership contribution levels;
- Overview of the Society's long-term sustainability strategy; and
- Analysis of the society's solvency ratio and any other relevant financial ratios.

7.3.3 CONTINUOUS DEVELOPMENT

In order to encourage Trustees and non-Trustees Board Committee members to undertake continuous self-development, training and education throughout their terms of office, the Society will pay membership fees on behalf of individuals who qualify for membership of a single recognised South African professional association or institution, where such membership would be beneficial to the Society, subject to the discretion of and approval by the Chairperson, Principal Officer and Chief Operating Officer. In the case of the Chairperson of the Board, it will be subject to the discretion and approval by the Vice-Chairperson, Principal Officer and Chief Operating Officer.

Should a Trustee applying for this benefit also be a Trustee of the De Beers Pension Fund (the Fund) such request will be considered in conjunction with the terms and conditions

SOCIETY POLICY DOCUMENT

Organisation	De Beers Benefit Society (the Society)			
Subject	Trustee Education Policy			
Revision no	001	Review cycle	At least every two years	Effective date 29 September 2020

stipulated in the Fund's Trustee Education Policy and, if approved, the cost will be shared equally between the Society and the Fund. Trustees and non-Trustee Board Committees members who are employees of the participating employers, as per the rules of the Society, and whose membership fees of a professional association or institution are paid for by those employers, will not qualify for the above.

7.4 EVALUATION OF TRUSTEE EDUCATION

In order to evaluate the success of the Society's trustee education programmes and to ascertain what, if any, further training is required to ultimately help improve individual performance and competence, Trustees and non-Trustee Board Committee members will be requested to provide input as part of the Society's annual Trustee and Board Committee self-assessments.

8. AUTHORISATION AND APPROVAL

Approved by Board of Trustees.



GW COLTMAN
Chairperson

6/1/2021
Date

SOCIETY POLICY DOCUMENT

Organisation	De Beers Benefit Society (the Society)			
Subject	Trustee Education Policy			
Revision no	001	Review cycle	At least every two years	Effective date 29 September 2020

REVISION HISTORY

Revision no	Description	Date Reviewed	Date Approved	Minute no.
001	Policy created	10 September 2020	29 September 2020	42.20.2