

CALL FOR NOMINATIONS

TO SERVE AS A TRUSTEE ON THE BOARD OF DISCOVERY HEALTH
MEDICAL SCHEME





THIS NOTICE IS A CALL FOR NOMINATIONS IN RESPECT OF THE 2024 TRUSTEE ELECTIONS FOR DISCOVERY HEALTH MEDICAL SCHEME (“DHMS”/“THE SCHEME”)

Principal Members of the Scheme who are in good standing with the Scheme (i.e. whose contributions are up to date and who are not suspended for any reason) need to elect one (1) Trustee to the Board of Trustees (“Board”) at the 2024 Annual General Meeting (“AGM”) of the Scheme. Principal Members will be afforded the opportunity to attend the AGM either in person or virtually, with the ability to vote regardless of how they choose to attend.

The AGM will take place on 27 June 2024. For members attending in person, the AGM will be held in Gauteng and the exact venue will be communicated through the Notice of AGM. For members attending virtually, a link to the virtual platform will be circulated closer to the date of the AGM.

In terms of the Scheme Rules, the Board may appoint a Nomination Committee to assess all nominees against the eligibility criteria described in the Scheme Rules and the Scheme’s Electoral Framework. In this regard, the Scheme has appointed a Nomination Committee, consisting of independent persons who are not Trustees. The Nomination Committee will oversee the nominations, vetting of nominees and election processes until finalisation of the voting results after the AGM.

The Board has appointed Mazars as the third party Independent Electoral Body (“IEB”) to assist the Nomination Committee in carrying out its functions.

The IEB is responsible for the following nomination, electoral and voting activities:

- Receiving and vetting of nominations
- Preparation of final candidate list
- Receiving and vetting of proxies
- Managing the actual election which will be conducted at the AGM
- Counting and producing a final validated report of all voting at the AGM

The Board hereby invites nominations for candidates from amongst the Principal Members of the Scheme, to stand for election to serve as Trustees on the Board. Each Principal Member may nominate one (1) candidate.

A nomination form must be duly completed by both:

- A Principal Member (“nominator”) who nominates another Principal Member to stand for election; and
- The Principal Member (“nominee”) who has been nominated to stand for election. The nominee must also accept their nomination and consent to stand for election.

Please note:

- Only Principal Members who are in good standing with the Scheme (i.e. whose contributions are up to date and who are not suspended for any reason) on the date and time that the call for nominations is closed at 12:00 (midday) South African Standard Time (SAST) on Wednesday, 31 January 2024, are eligible to:
 - nominate other Principal Members to stand for election; and
 - be nominated to stand for election.
- A Principal Member who is nominated for election must remain in good standing with the Scheme for the full duration of the election process.

The IEB will assist the Nomination Committee to evaluate all nominees against the provisions of the Medical Schemes Act 131 of 1998, as amended (“Act”), the Scheme Rules and the eligibility criteria as set out in the Scheme’s Electoral Framework and Vetting Policy. Should a nominee be duly elected as a Trustee, the names of such duly elected Trustees will be published on the Scheme’s webpage: <https://www.discovery.co.za/medical-aid/notices>.



All nominations must be submitted using the prescribed nomination form and all requirements contained in the form must be satisfied to avoid the nomination being disqualified. The nomination form can be accessed at <https://www.discovery.co.za/medical-aid/notices> or by clicking on the following link: <https://content.mazars.co.za/call-for-nominations-eform>.

All nomination forms must be delivered to the IEB, either by hand, post or email as follows:

- By hand to any Mazars office, nationally; or
- By post to the dedicated Mazars postal address; or
- By email to the dedicated Mazars email address.

- Email (in PDF format) to DHMS2024AGM@mazars.co.za; or
- By post to PO Box 6697, Johannesburg, 2000; or
- Physical delivery, in an envelope clearly marked DHMS 2024 Trustee Elections, for the attention of Mr Ishan Bhowani – Director, to any of the following Mazars offices:
 - Johannesburg: Mazars House, 54 Glenhove Road, Melrose Estate;
 - Pretoria: Castle Gate Offices, C/o Solomon Mahlangu Drive & Van Ryneveld Avenue, Waterkloof Ridge;
 - Durban: Ridgeside Office Park, 21 Richefond Circle, Umhlanga Ridge;
 - Cape Town: Mazars House, Rialto Road - Grand Moorings Precinct, 7441 Century City;
 - Bloemfontein: 101 on Olympus, Pentagon Park;
 - Gqeberha: Waterfront Business Park, Pommern Street, Humerail; or
 - Paarl: Suite 16, Cecilia Square, 100 Cecilia Street.

Please consider potential delays you may experience using the South African postal services which could result in your nomination form not reaching the IEB before the closing date and time, 12:00 (midday) South African Standard Time (SAST) on Wednesday, 31 January 2024. **Please note: nomination forms cannot be delivered to the Scheme Office. Any nomination form delivered to the Scheme Office and/or received after 31 January 2024 at 12:00 (midday) South African Standard Time (SAST) will not be considered.**

All queries that relate to the nomination process must be directed to the IEB only, at telephone number 011 547 4212 or email: DHMS2024AGM@mazars.co.za. The IEB will be the only party that will respond to any queries related to the nomination process.



Qualification criteria

Nominees must be Principal Members of the Scheme in good standing and must be fit and proper to stand for election and to serve on the Board. In general, “fit” relates to a person’s competence and ability to manage the affairs of the medical scheme as a trustee thereof and “proper” relates to the character and integrity of the person. A fit and proper person means someone who runs their own affairs prudently, is in a financially sound position, honest, reputable, reliable and competent to perform the role in question.

Kindly note the following Scheme Rules, which should guide your decision on whom to nominate. Extracts of the Scheme Rules and the Act are provided below for your information. A full set of the Scheme Rules is available at <https://www.discovery.co.za/medical-aid/scheme-rules>. Please note that Members will have to be logged in to their profile to access the Scheme Rules.

- 17.1 The affairs of the Scheme must be managed according to these Rules by a Board of fit and proper persons (i.e. persons with the requisite character, integrity, skill, competence, financial soundness and ability to exercise a fiduciary duty) of at least five and a maximum of eight persons. A Trustee shall serve a term of four years and shall be eligible for re-election or re-appointment. Trustees shall not serve more than two consecutive terms. Notwithstanding this however, a person will be entitled to serve as a Trustee for more than two terms in their lifetime provided that there is at least a 2 year interval between the end of the second consecutive term and the commencement of the next term. Trustees of the Scheme who were in office at 08 June 2023, by virtue of being the decision makers with regards to the extension of tenure from a three year to a four year term, shall not be eligible to benefit from extended tenure during their current trusteeship or in the event of their re-election or re-appointment to serve a second term.
- 17.4 At least half of such Trustees must be elected by Members from amongst Members.
- 17.6 Persons so elected/appointed must disclose annually all interests they have in relation to the Scheme/related entities, as well as on an ad hoc basis when such interests change.

In terms of **Rule 17.7**, the following persons are not eligible to serve as members of the Board:

- 17.7.1 A person under the age of 21
- 17.7.2 An employee, director, officer, consultant, or contractor of the Administrator of the Scheme or of the holding company, subsidiary, joint venture or associate of that administrator or any other medical scheme administrator or provider of managed care services to a medical scheme
- 17.7.3 A broker
- 17.7.4 A person, including a legal person, associated with the administrator and/or the provider of managed care services to the Scheme
- 17.7.5 The principal officer of the Scheme
- 17.7.6 Any employee of the Scheme
- 17.7.7 The Auditor of the Scheme
- 17.7.8 The legal advisors of the Scheme and of the Administrator of the Scheme
- 17.7.9 An employee, director, officer, consultant or contractor of, or any person associated with, a community pharmacy, a wholesale pharmacy, a group of pharmacies, a manufacturer of medicines and/or complementary medicines, a manufacturer of medical devices and/or medical consumables, distributor and/or wholesaler of medicines, complementary medicines, medical devices or medical consumables
- 17.7.10 An employee, director, officer, consultant or contractor of a private hospital, or hospital owning or operating group, or a pathology laboratory, or pathology owning or operating group
- 17.7.11 An employee, director, officer, consultant, contractor or person associated with a supplier of goods or services (including a relevant health service), to the Scheme or its administrator or to the holding company, subsidiary, joint venture or associate of its administrator, where the supply of such services and goods forms



a significant percentage of the supplier's business (in excess of 25% of gross revenue shall be deemed to be "a significant percentage" of the supplier's business)

17.7.12 A person holding a Trusteeship of any other medical scheme or schemes

17.7.13 A person who by virtue of holding public or other office is in a position of actual or potential conflict of interest with the Scheme

In addition, in terms of **Rule 17.16**, a nominee ceases to be a nominee, or a member of the Board or sub-committee member ceases to hold office if:

17.16.1 He becomes mentally ill or incapable of managing his affairs

17.16.2 He is declared insolvent or has surrendered his estate for the benefit of his creditors

17.16.3 He is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering of a forged document or perjury

17.16.4 He is removed by the court from any office of trust on account of misconduct

17.16.5 He is disqualified under any law from carrying on his profession

17.16.6 If elected by Members of the Scheme, he ceases to be a Member of the Scheme

17.16.7 He absents himself from 3 consecutive meetings of the Board without the permission of the Chairperson

17.16.8 He is removed from office by the Council in terms of Section 46 of the Act

17.16.9 It is subsequently determined that at the time of submitting their nomination or application, such person withheld or concealed material information which would have affected their fitness and propriety

Additional compliance checks

Further to the above, the following additional checks will be undertaken:

- SA citizenship/identity check, for the purposes of ensuring that the nominee has provided valid identification
- Directorship check, for the purposes of checking the entities of which the nominee is an active Director and whether such entities pose a direct and/or potential conflict to the Scheme
- Qualification verifications, for the purposes of validating the qualifications disclosed by the nominee
- Criminal record check, for the purposes of ensuring that the nominee does not have a criminal record
- Credit checks, for the purposes of ensuring that the nominee does not have an adverse credit history which could pose a risk to the Scheme
- PEP (Politically Exposed Persons) checks, for the purposes of ensuring that there are not sanctions affecting the potential nominee
- Tax clearance check with the South African Revenue Service, for the purposes of ensuring that the nominee's tax affairs are in order

The role and duties of Trustees

The duties of Trustees are described in the Scheme Rules and in the Act.

Rules of the Scheme

Rule 18: Fiduciary duties of the Board of Trustees

18.1 The Board is responsible for the strategic oversight and sound management of the Scheme, in terms of these Rules.

18.2 The Board must act with due care, diligence, skill and in good faith.

18.3 Members of the Board must avoid conflicts of interests, and must declare any interest they may have in any particular matter serving before the Board.

18.4 The Board must apply sound business principles and ensure the financial soundness of the Scheme.

18.5 The Board shall appoint a principal officer to manage the day-to-day affairs of the Scheme, who is fit and proper to hold such office and who may appoint any staff which in its opinion is required for the proper execution of the business of the Scheme. The Board shall delegate the collective management



responsibilities to the principal officer and determine the terms and conditions of service of the principal officer and of any person employed by the Scheme. The principal officer so appointed shall execute the Board's decisions.

- 18.6 The Chairperson must preside over meetings of the Board and ensure due and proper conduct at meetings.
- 18.7 The Board must cause to be kept such minutes, accounts, entries, registers and records as are essential for the proper functioning of the Scheme.
- 18.8 The Board must ensure that proper control systems are employed by and on behalf of the Scheme.
- 18.9 The Board must ensure that adequate and appropriate information is communicated to the Members regarding their rights, benefits, contributions and duties in terms of the Rules.
- 18.10 The Board must take all reasonable steps to ensure that contributions are paid timeously to the Scheme in accordance with the Act and the Rules.
- 18.11 The Board must take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance.
- 18.12 The Board must obtain expert advice on legal, accounting, actuarial, clinical and business matters as required, or on any other matter of which the members of the Board may lack sufficient expertise.
- 18.13 The Board must ensure that the Rules and the operation and administration of the Scheme comply with the provisions of the Act and all other applicable laws.
- 18.14 The Board shall ensure that the Scheme complies with applicable laws and considers adherence to nonbinding rules, codes and standards.
- 18.15 The Board must take steps to ensure the integrity of all documents, data and information transferred to the new administrator and/or managed care organisation, in the event of one being appointed.
- 18.16 The Board must take all reasonable steps to protect the confidentiality of medical records concerning any Member or Dependant's state of health.
- 18.17 The Board must cause to be kept in safe custody, in a safe or strong room at the registered office of the Scheme or with any financial institution approved by the Board, any mortgage bond, title deed or other security belonging to or held by the Scheme, except when in the temporary custody of another person for the purposes of the Scheme.
- 18.18 The Board must make such provision, as it deems desirable, and with due regard to normal practice and recommended guidelines pertaining to retention of documents, for the safe custody of the books, records, documents and other effects of the Scheme.
- 18.19 The Board shall disclose annually in writing to the Registrar, any payment or considerations made to them in that particular year by the Scheme.
- 18.20 The Board shall ensure that the Scheme is and is seen to be a responsible corporate citizen.
- 18.21 The Board shall cause to be done a Board effectiveness self-assessment and such other periodic assessments as it may deem appropriate, at least every second year, with due regard to best practice and recommended guidelines so as to improve the Board's effectiveness.
- 18.22 The Board shall ensure that every existing and newly appointed or elected Board member undergoes Trustee training in the form of induction training, which could include the attendance of an accredited skills programme

Medical Schemes Act 131 of 1998, as amended

Section 57 – General provisions on Governance

- (1) Every medical scheme shall have a Board of Trustees consisting of persons who are fit and proper to manage the business contemplated by the medical scheme in accordance with the applicable laws and the rules of such medical scheme
- (2) At least 50 per cent of the members of the Board of Trustees shall be elected from amongst members.
- (3) A person shall not be a member of the Board of Trustees of a medical scheme, if that person is —
 - (a) an employee, director, officer, consultant or contractor of the administrator of the medical scheme concerned, or of the holding company, subsidiary, joint venture or associate of that administrator;or



- (b) a broker.
- (4) The duties of the Board of Trustees shall be to —
 - (a) appoint a principal officer who is a fit and proper person to hold such office and shall within 30 days of such appointment give notice thereof in writing to the Registrar;
 - (b) ensure that proper registers, books and records of all operations of the medical scheme are kept, and that proper minutes are kept of all resolutions passed by the Board of Trustees;
 - (c) ensure that proper control systems are employed by or on behalf of the medical scheme;
 - (d) ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions and duties in terms of the rules of the medical scheme;
 - (e) take all reasonable steps to ensure that contributions are paid timeously to the medical scheme in accordance with this Act and its rules;
 - (f) take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance;
 - (g) obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the members of the Board of Trustees may lack sufficient expertise;
 - (h) ensure that the rules, operation and administration of the medical scheme comply with the provisions of this Act and all other applicable laws; and
 - (i) take all reasonable steps to protect the confidentiality of medical records concerning any member's state of health.
- (5) Any notice required or permitted to be given to a medical scheme in terms of this Act shall, if given to the principal officer, be deemed to have been duly given to the medical scheme.
- (6) The Board of Trustees shall —
 - (a) take all reasonable steps to ensure that the interests of beneficiaries 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; and
 - (d) act with impartiality in respect of all beneficiaries.
- (7) A person shall not be a principal officer of a medical scheme if that person is—
 - (a) an employee, director, officer, consultant or contractor of the administrator of the medical scheme concerned, or of the holding company, subsidiary, joint venture or associate of that administrator; or
 - (b) a broker.
- (8) The members of the Board of Trustees shall disclose annually in writing to the Registrar any payment or considerations made to them in that particular year by the medical scheme.

Discovery Health Medical Scheme respects your right to privacy and therefore aims to ensure that we comply with the legal requirements of the Protection of Personal Information (POPI) Act which regulates the manner in which we collect, process, store, share and destroy any personal information which you have provided to us. By providing us with the required information for this process, you explicitly consent to us processing your personal information.