

Principles and practices of King IV



CAPE TOWN
18-21 May 2022

The
**21st Annual
BHF Conference**

Leading change in strengthening
our healthcare ecosystem



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Why King IV is important

- Represents governance best practice
- When measuring the conduct of trustees and directors, courts may reference:
 - Provisions of relevant legislation (e.g. Companies Act, Medical Schemes Act)
 - Case law
 - King IV



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Leadership, ethics and corporate citizenship



Principle 1: Lead ethically and effectively

Principle 2: Establish an ethical culture

Principle 3: Ensure the organisation is seen as a good corporate citizen



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Strategy, performance and reporting

- Principle 4: Value creation includes:
 - Purpose
 - Risks and opportunities
 - Strategy
 - Business model
 - Performance
 - Sustainable development
- Principle 5: Integrated reports to enable stakeholders to make informed decisions
- Principle 6: Governing body is focal point and custodian of corporate governance

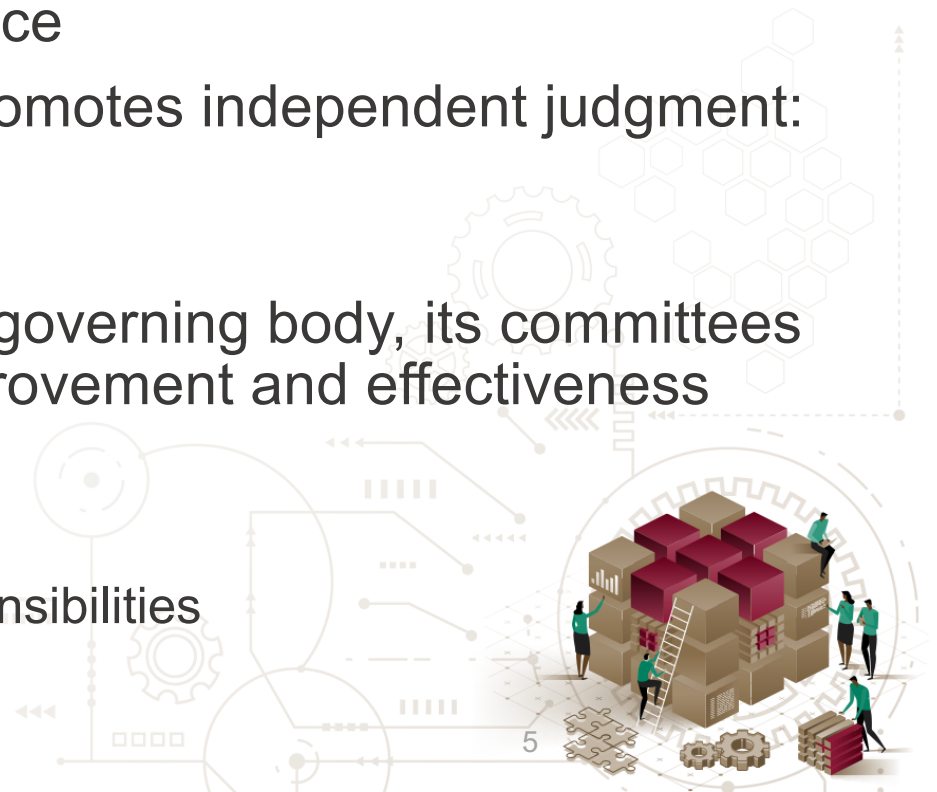


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Strategy, performance and reporting

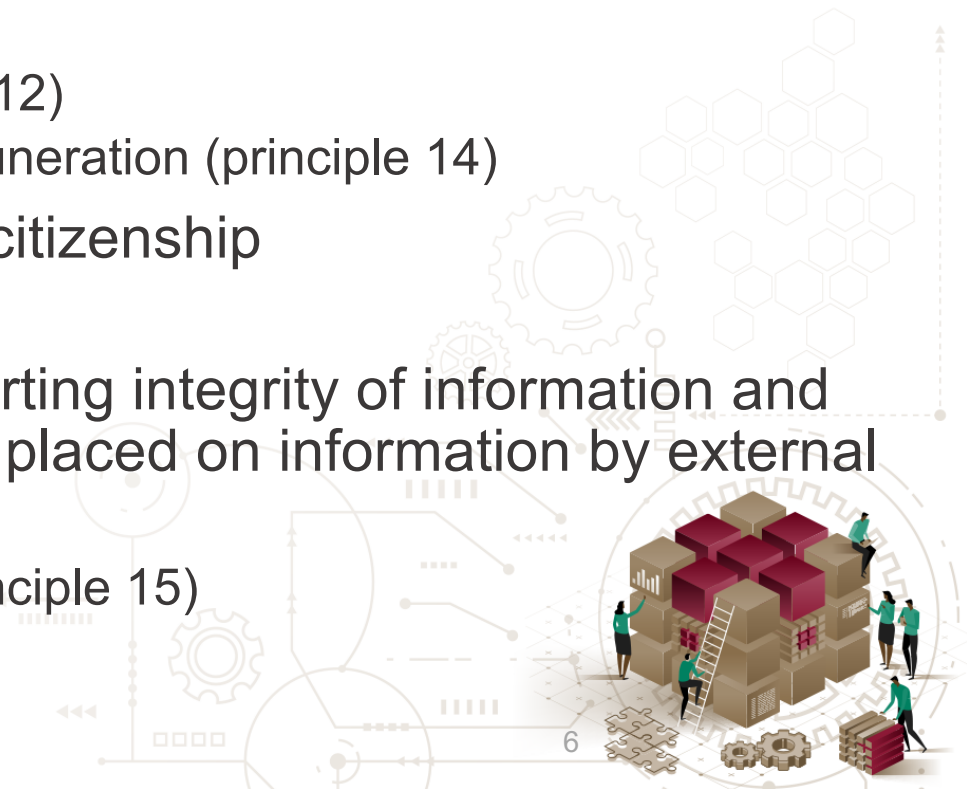
- Principle 7: Composition of governing body – knowledge, skill, experience, diversity and independence
- Principle 8: Delegation of authority promotes independent judgment:
 - Balance of power
 - Effective discharge of duties
- Principle 9: Evaluate performance of governing body, its committees and chairs to support continuous improvement and effectiveness
- Principle 10: Delegation of authority:
 - Role clarity
 - Effective exercise of authority and responsibilities





Governance functional areas

- Support achievement of strategic objectives:
 - Risk (principle 11)
 - Technology and information (principle 12)
 - Fair, responsible and transparent remuneration (principle 14)
- Support ethics and good corporate citizenship
 - Compliance (principle 13)
- Effective control environment supporting integrity of information and decision-making as well as reliance placed on information by external stakeholders
 - Assurance services and functions (principle 15)



Stakeholder relationships

- Stakeholder-inclusive approach
 - Needs, interests and expectations of material stakeholders vs best interests of organisation (principle 16)
- Responsibility of institutional investors in invested companies
 - Promote good corporate governance
 - Promotion value creation (principle 17)



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Principle 13: compliance governance



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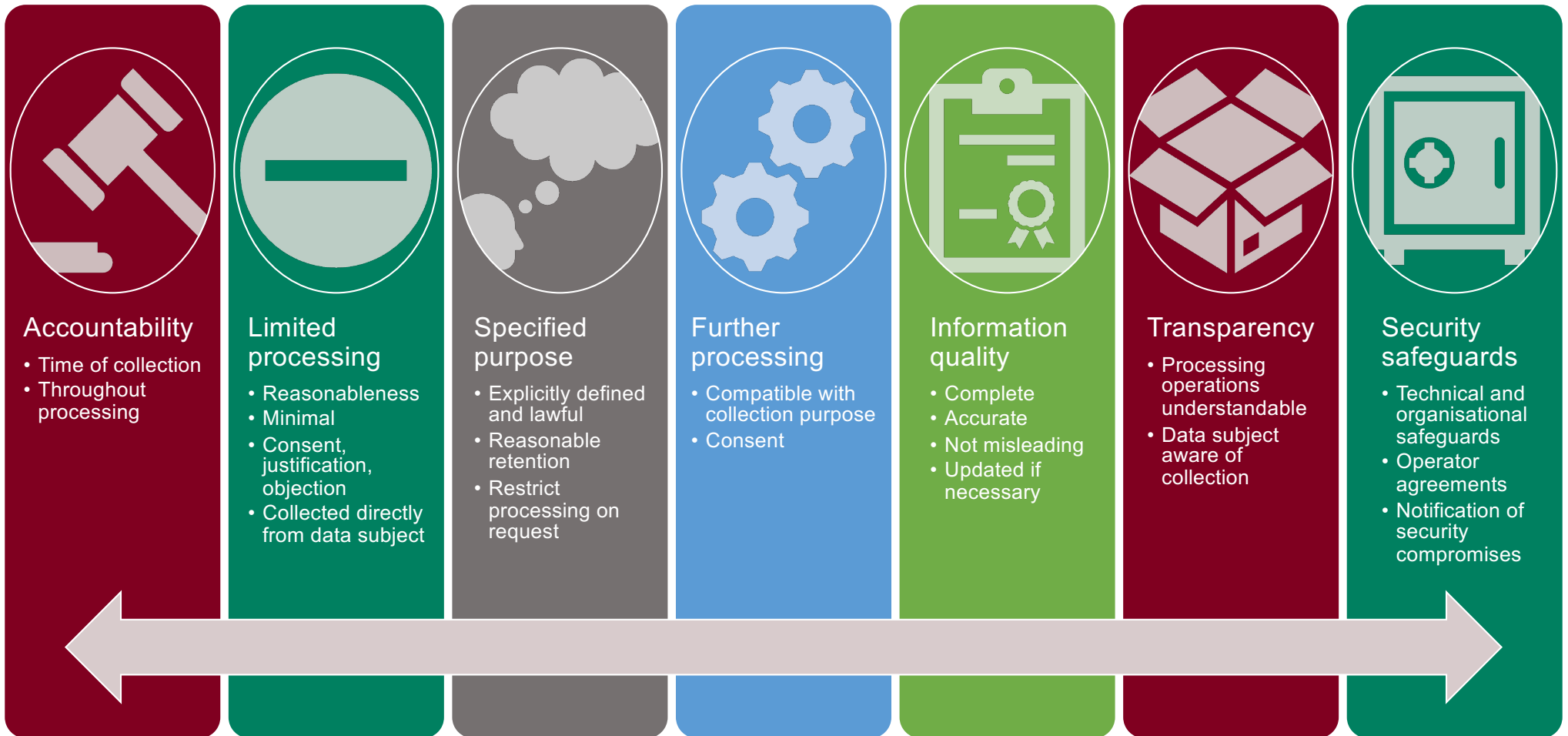
- Compliance approach
- Policy
- Compliance management process
- Protection of Personal Information Act (POPIA)



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Processing of personal information must be lawful

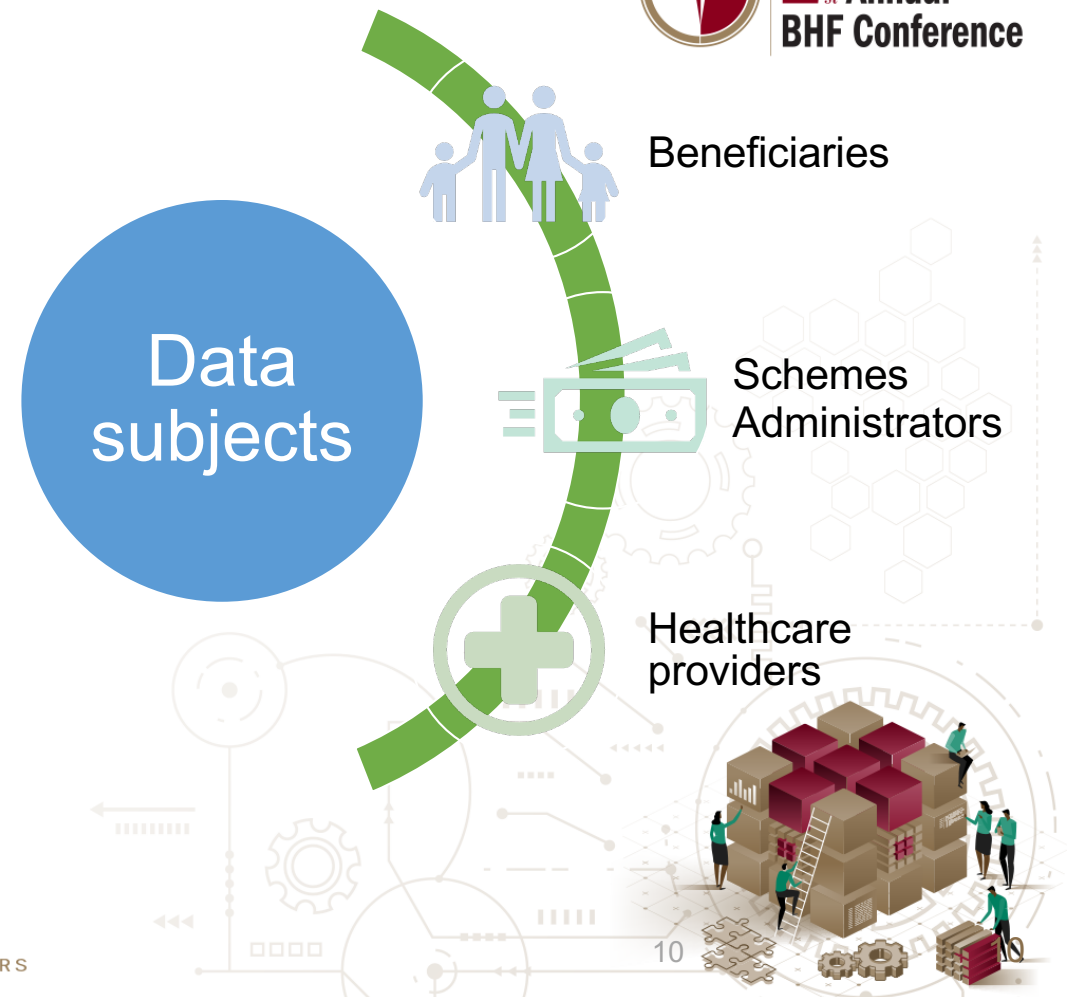


Rights of data subjects

- **Notified** when collecting personal information
- **Access** to data
- **Correction, destruction/ deletion**
- Reasonably **object** to processing of personal information
- Not to be subject to decision based solely on **automated** processing of personal information to produce a profile



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Special personal information

- Prohibition
- Includes information on health/sex life
- Exclusion for medical schemes and administrators
 - Assessed insured risk
 - Data subject does not object
 - Performance of medical scheme agreement or enforcement of contractual obligations
- Subject to confidentiality
 - Office, profession or legal provision



THANK YOU



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of the presenter here