

# Principles and practices of King IV



CAPE TOWN  
18-21 May 2022

## *The* **21<sup>st</sup> Annual BHF Conference**

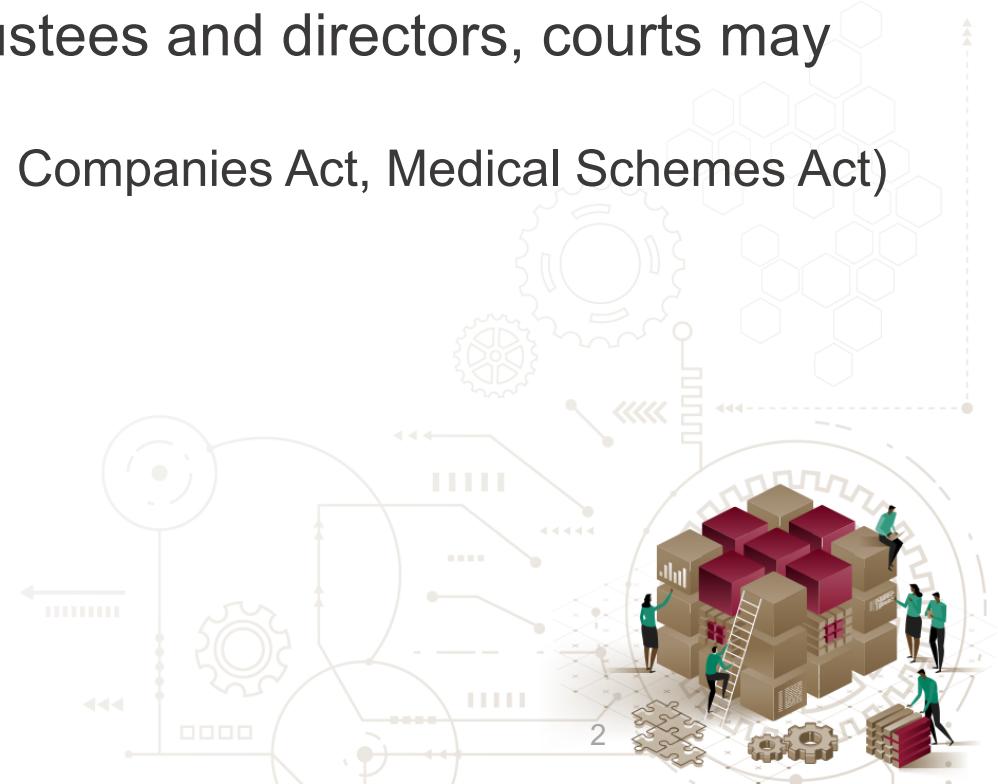
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# Why King IV is important

- 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



# 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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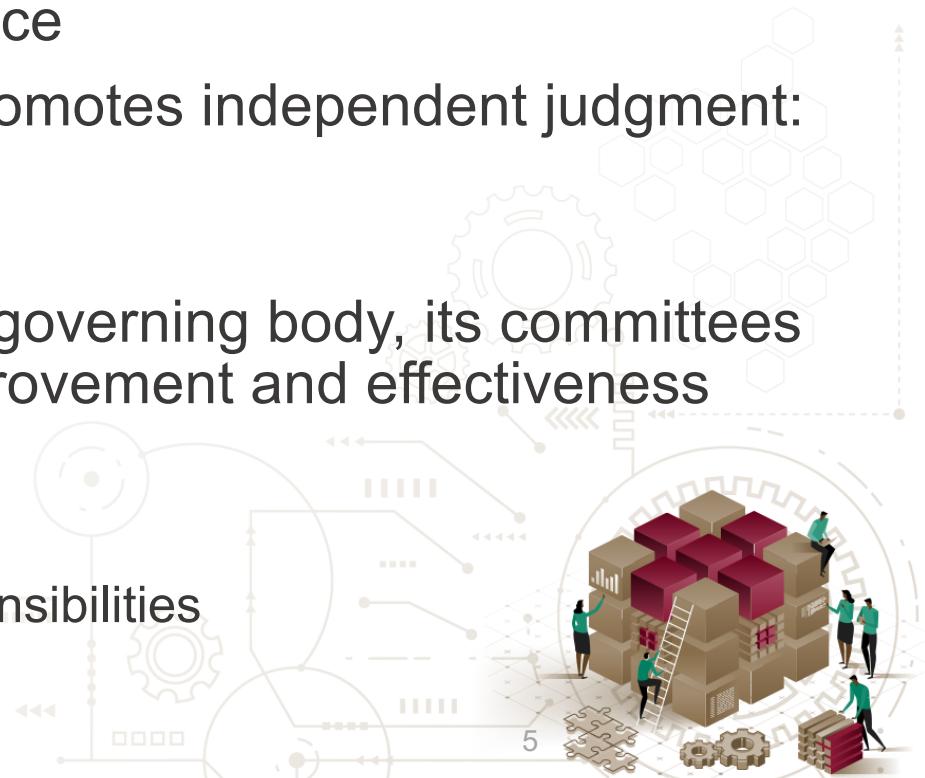
# Strategy, performance and reporting

- 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



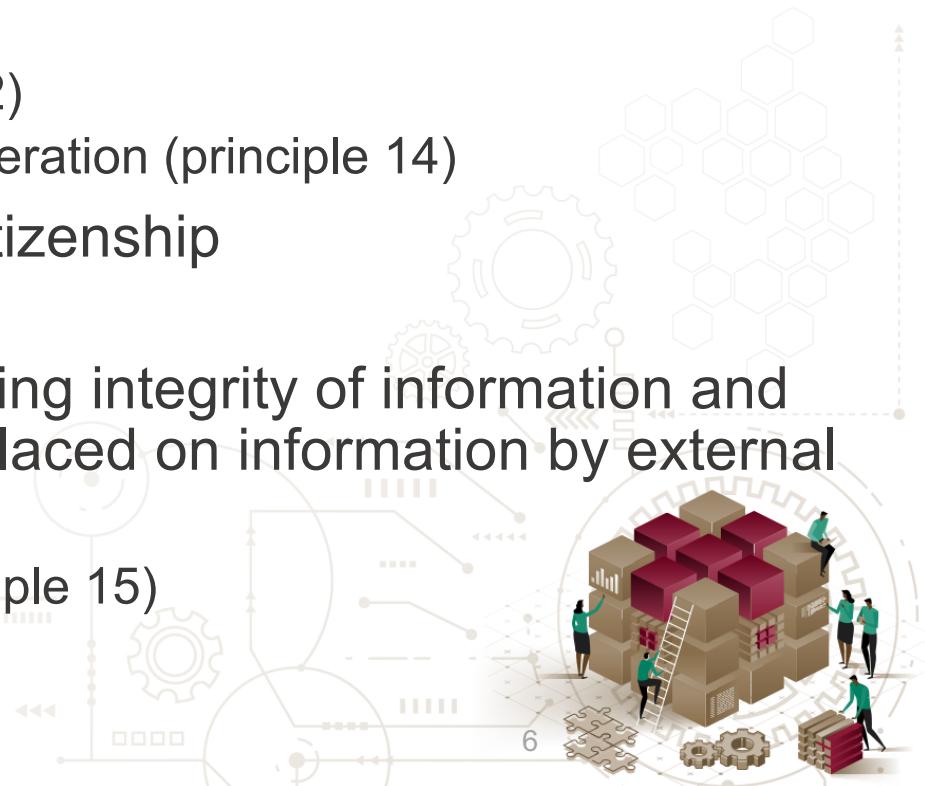
# Strategy, performance and reporting

- 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)

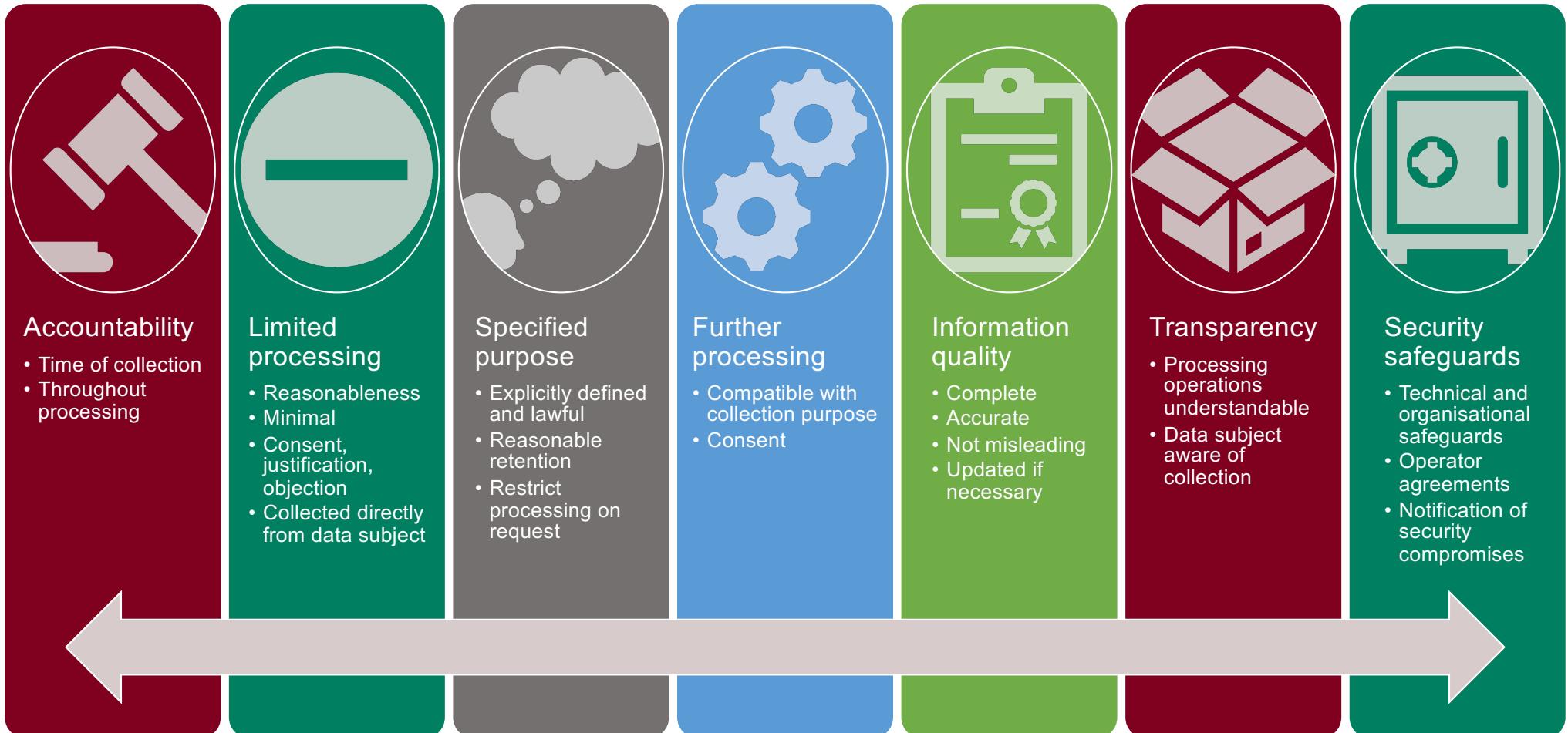


# Principle 13: compliance governance

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

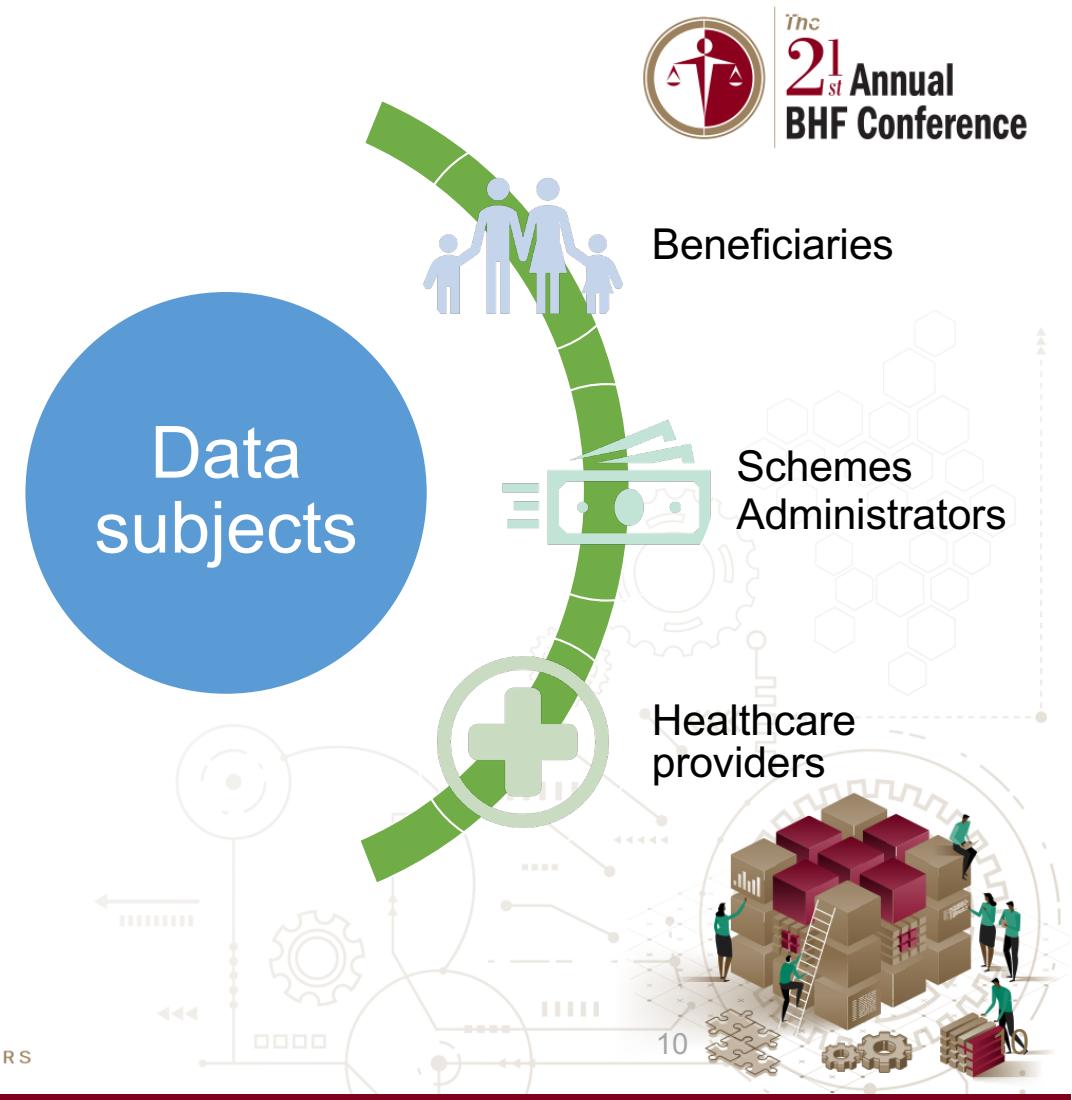


# Processing of personal information must be lawful



# 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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