

TRUSTEE REMUNERATION POLICY

1. ROLE OF THE TRUSTEES

The role of the trustees on the Board is to provide strategic oversight in the creation of long-term value for the members of Bestmed.

2. PURPOSE

The purpose of this policy is to ensure that Bestmed remunerates its trustees and other Board committee members in a fair and responsible manner to attract suitably qualified individuals with the appropriate levels of skills, competencies and experience. The trustees carry a significant responsibility and fiduciary risk in the normal duties they perform on behalf of the Scheme in terms of the Medical Schemes Act 131, 1998 (Act No 131 of 1998) and the common law.

3. SCOPE AND GENERAL PRINCIPLES

3.1 This policy will apply to all trustees and other members of Board committees.

3.2 Remuneration may consist of:

- a) A retainer fee for holding specific office or position on the Board of Trustees or being tasked with specific responsibilities;
- b) A fee or fees per Board, special task group or committee meeting attended;
- c) Any financial or material benefit paid to the trustee in the capacity as trustee.
- d) Fees in respect of the attendance and accommodation costs of internal training events/workshops

- 3.3 Fees in respect of the attendance and accommodation costs of external conferences and training events will be paid, subject to approval of the Chairman and Vice-chairman of the Board. The amount paid will be limited to the costs charged by the external provider for the conference and training event as well as accommodation.
- 3.4 In the case of Board committees, only incumbent members of the committee are entitled to meeting fees. Other trustees or other committee members co-opted on an ad hoc basis will only qualify for the payment of hourly fees if their presence is required by invitation of the chairperson of the committee. The maximum payment per meeting will, however, not exceed the fee payable to incumbent members of the committee.
- 3.5 It is the policy of Bestmed to remunerate its trustees and Board committee members fairly, responsibly and competitively, taking affordability and ability to pay into consideration.
- 3.6 Competitiveness will be maintained by:
- a) Participating in or obtaining information from approved national remuneration surveys to determine the appropriate levels of pay applicable to the position of trustee, Board committee members, chairperson and vice-chairperson of the Board and committee chairpersons.
 - b) In the case of expert non-trustee members of Board committees, a higher remuneration than applicable to trustees can be considered for positions that require scarce and critical skills and where difficulties are experienced to fill vacancies. The Board of Trustees must approve these fees prior to the commencement of duties.
- 3.7 The fees as approved by the Annual General Meeting (AGM) in terms of clause 4.3 are detailed in Annexure A of this policy. Payments outside the scope of this policy or not provided for in this annexure require approval by the AGM.
- 3.8 Trustees and members of Board committees are not eligible to participate in any performance reward or incentive schemes of the Scheme.

- 3.9 The chairperson of a meeting shall in his/her discretion decide the attendance fee payable to a trustee or other Board committee member who only attends part of a meeting.
- 3.10 The travel and subsistence expenses of trustees and other committee members are for the expense of Bestmed in terms of the relevant separate policy.

4. Responsibilities

- 4.1 In general terms, the Board's key responsibilities regarding the application of this policy are to:
- a) Ensure that authority to implement this policy is properly defined in the Delegation of Authority and terms of reference of relevant Board committees;
 - b) Ensure that the Scheme subscribes and/or obtains professional remuneration advice that aligns remuneration with the market;
 - c) Ensure at all times that the best interests of the members are served in the consideration of remuneration levels of trustees and other Board committee members;
 - d) Annually review of the fees payable to trustees and other Board committee members as defined in the table included in Annexure A and the tabling thereof at the AGM for approval.
- 4.2 Management's key responsibilities are to:
- a) Ensure that fees in terms of this policy are strictly applied and in particular that no payments are made for meetings not attended;
 - b) Alert the Board to any aspects of this policy that might require further consideration;
 - c) Ensure that any amendments to this policy are first approved by the Board where after such approved policy, with any amendments thereto, be tabled and approved by members at the next AGM of Bestmed, prior to the implementation thereof;
 - d) Ensure that members and the Council for Medical Schemes be provided with all information relating to proposed principles and remuneration of trustees, at least 21 days prior to the mentioned AGM.

4.3 Annual General Meeting

The AGM must approve any amendments to the approved fees payable as set out in Annexure A of this policy.

4.4 Process

The fees payable to trustees for attendance of all Board and sub-committee or other meetings will be done twice annually, namely:

- (i) For all meetings from the beginning of the year until the AGM (payment as soon as possible after the AGM).
- (ii) For all meetings after the AGM until the end of the year (payment as soon as possible after the last Board meeting of the year).

All fees in respect of retainers will be paid on a monthly basis.

All fees will be net of taxes and other statutory deductions.

Annexure A

ACTIVITY	2022/2023 Remuneration
Fees payable on a per meeting attended basis as from the AGM of 23 September 2020. (New fee structure approved)	
Preparation for and attendance of Board meetings	18 309
Preparation for and attendance of Board committee, sub-committee or task group meetings	10 997
Additional percentage payable to the chairperson or acting chairperson for the planning, preparation, chairing and minutes of a meeting	50%
Additional percentage payable to the vice chairperson for assisting the chairperson with the planning, preparation and general support for meetings	20%
Additional fee for travelling more than 100 km to attend any meeting as a compensation for the additional time spent on Bestmed business	1 834
Fees payable on a per day attended basis	
Preparation for and attendance of Board of Trustees Strategic Planning Session	21 056
External workshops and training events	Limited to cost of the external workshop and training event as well as accommodation costs, subject to approval of the Chairman and Vice-chairman of the Board
Fees payable on an hourly basis	
Attendance of special meetings of the board or Board committees with a limited agenda and a duration of not more than 2 hours	7 261
Attendance of the following pre-approved activities in the best interest of Bestmed (it specifically excludes meetings trustees might have in their individual capacity to prepare for meetings or develop insight in the business of the Scheme, including attendance of meetings on their own initiative) (maximum to not exceed 8 hours per day)	3 631

committee meetings of which the trustee is not a standing member	
meetings with senior management regarding Board and sub-committee matters in the execution of specifically assigned and minuted tasks	
meetings with the registrar's office, other medical schemes or service providers as part of a Bestmed delegation	
Annual General Meeting or special general meetings of Bestmed	
Internal training events/workshops	
Monthly Retainers	
Chairperson	5 083
Vice-chairperson	3 631

Table 1 – Trustee Remuneration Policy Annexure A (Extract)