

AGM RESOLUTIONS

DISCOVERY HEALTH MEDICAL SCHEME
2023





1. Extension of Trustee tenure from three (3) to four (4) years

Resolved that the Trustee term in office is changed from 3 (three) years to (four) 4 years with Trustees being eligible to serve 2 (two) consecutive terms in office with a cooling off period of two years.

Explanation and background to the resolution

This motion is pursuant to a recommendation by the Board of Trustees of the Scheme to have the term served by Trustees changed from 3 (three) years to 4 (four) years. This means that Trustees will be eligible (only if re-elected or re-appointed) to serve 2 (two) consecutive terms of 4 (four) years with a cooling off period of 2 (two) years.

As a result of the increased tenure, the cooling off period has been increased from 1(one) to 2(two) years.

Furthermore, current Trustees of the Scheme, by virtue of being the decision makers in this regard, will not be eligible to benefit from extended tenure in case they be re-elected or re-appointed to serve a second term.

2. Auditor approval

Resolved that PricewaterhouseCoopers (“PwC”) is re-appointed, as the independent external auditor of the Scheme as nominated by the Scheme’s Audit Committee for the year ended 31 December 2023.

Resolved that Deloitte Touche Tohmatsu Limited (“Deloitte”) is appointed, as the independent external auditor of the Scheme as nominated by the Scheme’s Audit Committee, with effect from 1 January 2024.

Explanation and background to the resolution

On 1 June 2017, the Independent Regulatory Board for Auditors (IRBA) issued a rule on Mandatory Audit Firm Rotation (“MAFR”) for auditors of all public interest entities in South Africa. This rule stipulates that if an audit firm has served as the appointed auditor of a public interest entity for 10 or more consecutive financial years before the financial year commencing on or after 1 April 2023, then the audit firm shall not accept re-appointment and will be required to rotate.

Being a public interest entity, the Scheme and its auditor are required to comply with this rule with effect from 1 April 2023. PwC has been the Scheme’s auditor for 22 consecutive financial years, although the engagement partner has only served on the DHMS audit for 4 (four) years. The Scheme is therefore required to appoint a new auditor for the financial year commencing 1 January 2024.

During 2022, the Audit Committee and the MAFR Committee began the process to find a suitable audit firm to succeed PwC from 1 January 2024. Following a rigorous process, the Committees identified Deloitte as a suitable audit firm to succeed PwC and made a recommendation to the Trustees which was accordingly approved. Ms Penny Binnie is the individual registered auditor who is proposed to undertake the audit for the financial year ending 31 December 2024 subject to the approval by the Council for Medical Schemes.

Summary on Annual financial statements for the year ended 31 December 2022

In terms of the Scheme Rules, the annual financial statements, including the Auditor’s report, must be laid before the meeting.

The Trustees are responsible for the preparation and fair presentation of the financial statements of the Scheme, which comprise audited annual Financial Statements, including the Statement of responsibility by the Board of Trustees, the Report of the Audit Committee and the Independent Auditor’s Report, of the Scheme for the financial year ended 31 December 2022. This includes a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (“IFRS”) and the requirements of the Medical Schemes Act.

Based on the review of the current financial position and available resources, the Trustees have no reason to believe that the Scheme will not be a going concern for the foreseeable future.

The audited annual Financial Statements, including the Statement of responsibility by the Board of Trustees, the Report of the Audit Committee and the Independent Auditor’s Report, of the Scheme for the financial year ended 31 December 2022 are included in the Integrated Report which is accessible [here](#).