

MINUTES OF THEBEMED MEDICAL AID SCHEME 19TH ANNUAL GENERAL MEETING

HELD AT 12H00 ON THE 29 JUNE 2023

AT ORION SAFARI HOTEL,

115 HAGIA SOPHIA DR, KLOOF, RUSTENBURG, 0300

SCHEME MANAGEMENT

1. Adv. Gugulethu Tlali (GT/PO- Principal Officer)
2. Dr Guvant Goolab (GG-Chairperson)
3. Mrs Wyna Modisapodi (WM-Trustee)
4. Mr William Lefu Moseithe (WLM-Trustee)
5. Mr Raymond Bangani (RB-Trustee)

AUDIT RISK AND INVESTMENT COMMITTEE MEMBERS

1. Ms Malande Tonjeni (MT-ARIC Chairperson)
2. Mr Suren Maharaj (SM-ARIC Independent member)

MOMENTUMTYB

1. Dr Mangaliso Mahlaba (MM - MOM TYB CEO)
2. Ms Khethie Phooko (KP - Fund Manager)
3. Ms Karabo Makhuto (KM - Fund Coordinator)
4. Ms Tebogo Khumalo (TK - Fund Coordinator)

MEMBERS PRESENT

Members attended at the Venue 93

Members attended online 2

Proxies received 257

Observers and Service Providers External Auditors Strachan and Crouse

Council of Medical Schemes Compliance and
Investigations (joined virtually)

AGM MINUTES

1. Welcome and Quorum

- 1.1 GG opened the meeting at 12:00 and welcomed everyone present at the 19th Thebemed Medical Aid Scheme Elective Annual General Meeting (AGM).
- 1.2 The PO announced that the AGM was convened in terms of rule 26.1.1 of the Scheme rules, which stipulated that the AGM should be held no later than the 30th of June each year.
- 1.3 The PO further announced that members were notified of the AGM at least 21 days prior to the AGM as required in terms of rule 26.1.2.
- 1.4 A quorum was confirmed to be met with 95 members present in person and attending virtually.

2. Announcement of venue safety procedures and meeting schedule

- 2.1 Mr Caiphus Mannye safety officer representative of Orion Safari Hotel advised members on the emergency exit and assembly points in the case fire at the venue.

3. Introduction of the Scheme Board of Trustees

- 3.1 The PO introduced Board members present to the members of the Scheme, using their brief profiles and highlighting their relevant medical aid industry experience.
- 3.2 The two of the Audit, Risk, and Investments Committee members (“**ARIC**”) present, MT and SM were also introduced to members. It was noted that a third member of the committee, TM could not attend the AGM.

4. Trustees Elections

- 4.1 The PO elucidated to members that the Board oversaw the election process, however, an independent party, appointed by the Board ran the elections as envisaged in terms of the Medical Scheme’s Act (“**the Act**”).
- 4.2 The PO highlighted that certain concerns were brought to the attention of the office of the PO and the Board by members regarding the voting process. The first

complaint was related to the requirement to register before members could vote and the second one was related to unique voting codes allocated to members for voting purposes after registration.

- 4.3 The PO explained that these two were measures put in place by the appointed independent party, the Elexions Agency, to ensure that only Thebemed members in good standing were eligible to vote, using their registered mobile numbers to prevent electoral fraud.
- 4.4 It was noted that not all members received the unique voting codes that would enable members to vote online due to them having not registered to participate in the election of trustees' process. Some members registered after the opening of the online voting process but could not receive unique voting codes because their mobile numbers on the Schemes database versus the mobile numbers the members were using at the time that did not match. This was despite a vigorous drive embarked upon by the administrator encouraging members to update their details.
- 4.5 The PO further explained that, to accommodate members, the Scheme had to request an indulgence from CMS to allow members to vote online 48 hours prior to the AGM as this was not provided for in the Scheme rules . The PO opened the floor for questions and or recommendations from Scheme members on the way forward before the meeting could adjourn for members who had not voted to vote.
- 4.6 **Mr Pontsho Masetle from Petra Diamond** company recommended that members who were present at the venue be allowed to vote onsite and that all online votes be disregarded.
- 4.7 **Mr Machama from Seriti Coal at New Vaal** branch commented that the online voting process was not user friendly, and the Scheme's members were not familiar with digital platform. Mr Machama further mentioned that voters could not view the candidate's pictures on the online voting platform as it only showed the names of candidates thus further compromising the voting process.
- 4.8 **Ms Boitumelo Seithobogeng from Sibanye Stillwaters** raised a concern that only the first and second candidates reflected on the USSD option to vote for a trustee, the remaining 10 candidates could not be viewed. This was disputed by Ms Keneilwe Sithole also from Sibanye Stillwater who indicated that she assisted several members who could not correctly use the USSD option, she confirmed that

the names of all twelve candidates were there and that members were only allowed to vote for up to two candidates of their choice.

- 4.9 **Mr Raymond Bangani from First National Batteries** company suggested the re-opening of elections after the AGM and that the Elections Agency must visit employer groups for member education on the voting process.
- 4.10 GG highlighted that Scheme rules only permitted voting to take place at the AGM, however, upon receipt of requests for online voting, the Board mandated the PO to write to CMS and request an indulgence for online voting 48 hours prior to the AGM, based on the engagements the Board had with members.
- 4.11 The PO highlighted that there was a voting station setup at the AGM venue for members who could not vote online.
- 4.12 **Mr Thapedi Mthombeni** disputed the PO's comment on the discrepancies of mobile numbers on the Scheme database versus member's active numbers. Mr Mthombeni further mentioned that the Scheme should have been pro-active and sent ballot papers to members at their workplaces to vote from there. Mr Mthombeni disagreed with the discarding of votes received via the online platforms as proposed.
- 4.13 **Mr Theo Mokoena from Petra Diamond** company asked which Stakeholders were consulted regarding the online voting as the majority in the room were not satisfied with the online voting process. Mr Mokoena further noted that Scheme rule 27.1 stated that voting should be done at the AGM, therefore, the voting process must be aligned with the Scheme rules. Mr Mokoena further highlighted that although Scheme rules accommodated the oversight of the voting process by an independent party, nowhere in the rules was it stated that the independent party may choose the method of voting for the members of the Scheme.
- 4.14 **Mr Solly Mabilu requested rotation of the AGM to other provinces as in the past consecutive years, the AGM had been held in Rustenburg.**
- 4.15 **Ms Keneilwe Sithole** disagreed with the removal of online votes and recommended the postponement of the Trustee elections to allow those who could not attend in person to attend in the next sitting.
- 4.16 **Mr Paseka Mokoena from Petra Diamond company** quoted rule 27.1 of the scheme rules to permit voting to take place at the venue and disregard online votes.
- 4.17 **Mr Thabo Mokhele from Sibanye Stillwater company** agreed with the challenges raised by other members with regards to the frustrations members had with online

voting, however he further highlighted that if online votes were disregarded, it would be unfair to members who voted using online platforms and could not attend in person.

- 4.18 **Mr Tekantsho Mokoena from Petra Diamond** company mentioned with specification that concerns around online voting were raised during a stakeholder engagement held in Cullinan and that those concerns were not taken into consideration. Mr Mokoena further mentioned that the AGM notification was received by all members, and it was up to members to ensure physical attendance, therefore recommended elections by members present at the AGM only.
- 4.19 GG suggested that a break be taken for the Board to have a caucus.
- 4.20 After the meeting reconvened, GG advised that the Board, excluding the two elected Board members who were nominees for re-elections, **RESOLVED** to continue with voting at the AGM and online for members who registered prior the closing time. The decision was taken on the basis that in the past members were allowed to vote online and manually at the AGM venue. GG further explained that CMS was consulted on the above resolution.
- 4.21 **Mr Paseka Mokoena** recommended the adoption of the agenda before commencement of voting.
- 4.22 **Mr Tekantsho Mokoena, Theo Mokoena & Pontsho Masetle** objected to the resolution taken by the Board as they had the impression that Board failed to consult with them as members of the Scheme for their opinion on the way forward regarding voting matter.
- 4.23 **Doctor from Sibanye Stillwaters company** supported the proposal of counting of online votes as Rustenburg based members were not in attendance in significant numbers since, they voted online.
- 4.24 The challenges that members had to get to the venue due to lack of transportation were raised, and GG responded that the Board would discuss the matter going forward.
- 4.25 GG further committed to members that the Board, in the next elections, would conduct extensive research on voting platforms that would be user friendly to members.
- 4.26 **Mr Tekantsho Mokoena** requested to be directed to a rule on deviation in the Scheme rules to which GG reported that at previous AGM's, there were deviations accommodated with consultation with CMS.

- 4.27 He thereafter requested an adjournment for members to have a caucus.
- 4.28 After the meeting reconvened, **Mr Paseka Mokoena** reported that members concurred that the AGM continue as per the proposed agenda, however the item on Trustee voting and announcement of election results be deferred to a special general meeting.
- 4.29 Members also proposed that agenda item number 13 must be moved to number 6 and 11 be moved to number 7 on the agenda, to which the Chairperson approved.

5. Approval of the minutes of the previous Annual General Meeting held on 26 May 2022

- 5.1 Minutes were **ADOPTED** with no changes, seconded by Mr Tekantso Mokoena.

6. Motions in terms of rule 26.1.5

- 6.1 Proposed Amendment of rule 18.1 of the Scheme rules, specifically rule 18.1.1 and 18.1.1.1.**
- 6.2 It was noted that the proposed amendment for rule 18.1.1 and 18.1.1.1 shall read as follows; “The affairs of the Scheme must be managed according to these Rules and the Act and Regulations by a Board of Trustees, consisting of 6 Trustees who shall be as follows, 4 of the Trustees shall be members of the Scheme elected by members at the Annual General meeting of the Scheme. The remaining 2 members shall be appointed within 30 days directly by the duly elected Board of Trustees.”
- 6.3 Mr Pontsho Masetle proposed that upon submission of the rule amendment, the Board motivate to CMS the need for six Board members for the Trustees to be able to cover all demographic areas the Scheme had a footprint in twice a year, as required and stated in rule 19.5 of the Scheme rules.
- 6.4 GG mentioned that the Board was cognisant of the size of the Scheme being relatively small, hence there were never deliberations to increase the number of Board members before, he therefore invited members to indicate whether they support or object to the motion.
- 6.5 The motion was **SUPPORTED and SECONDED. Members requested the PO to prioritise the submission to CMS of the rule amendment to be effective by the next special general meeting for elections.**

7. Proposed amendment of rule 18.4

- 7.1 **Members noted that the current rule read as follows:** “The Board may fill by co-option and appointment any casual vacancy which occurs during its term of office. In the case of appointment of a replacement for a member elected trustee, the replacement must be a member of the Scheme and must retire at the first ensuing annual general meeting but shall be eligible for nomination as a candidate for re-election”.
- 7.2 **Proposed wording was as follows:** “In the event of a vacancy arising on the Board such that a Trustee elected by members is not able to become a Trustee, the member who received the next highest votes at the preceding elections shall assume the position as a Trustee and hold office as such until the tenure of the Trustee he/she is replacing would have ended”.
- 7.3 **The proposed amendment was APPROVED subject to the incorporation of an ancillary clause as follows:** “In the event that three of the four elected Trustees are unable to serve at the Board at the same time, a special AGM should be convened for members to vote for three new Trustees”.
- 7.4 The proposed rule amendment was supported by Mr Sylvester Simelane and there were no objections.
- 7.5 The AGM also **RESOLVED** that the current member elected Trustees continue serving in the Board until the Special General Meeting to be held after the approval of amendments to be submitted to CMS.

8. Chairman’s Report

- 8.1 GG reported on post Curatorship developments implemented by the new Board, such as the 2023-2025 Strategic Plan and measures to increase the Scheme performance.
- 8.2 GG further highlighted the key risks affecting performance includes the high number of members living with chronic diseases such as HIV, Diabetes Mellitus and Hypertension. He reported that he was confidence that the measures in place will assist the Scheme in managing all conditions efficiently.

9. Principal Officer’s Report

- 9.1 The PO reported on the Scheme's performance against the 2023-2025 Strategic Plan and key objectives.
- 9.2 It was noted that as of 31st March 2023, the Scheme's solvency reflected 28.49%, which was below the set target of 29.3% mainly because the Scheme is losing members. It was noted that the Scheme was performing well within the set targets in respect of other key strategic objectives.
- 9.3 The PO reported on the Scheme's activities aimed at strengthening the scheme's core market and product offering and the initiatives aimed at controlling chronic diseases.
- 9.4 The PO highlighted the positive contribution by the ARIC independent members and the Scheme's investment consultant, which saw the Scheme achieving CPI+6.08% in investment returns in March 2023 when compared to an average of CPI+1% throughout 2022.
- 9.5 The PO further reported that the Scheme had subscribed to the Health Quality Assessment ("HQA") which was aimed at improving the quality of healthcare for members.
- 9.6 In conclusion, the PO reported that the Scheme seeks to comply with the Act in all it does.

10. Audit, Risk, and Investment Committee Report

- 10.1 The Chairperson took members through the Audited Financial Statements ("AFS") as of December 2022 and noted that in 2021, the Scheme ended with a surplus of R25 million as opposed to a marginal R1.6 million in 2022. That was attributed to increased healthcare expenditure in 2022 as compared to 2021.
- 10.1 The Chairperson of the Committee confirmed the independence of External Auditors and that the Committee carried out their duties as required in terms of the Act.

11. Adoption of Audited Financial Statement

- 11.1 Mr Paseka Mokoena supported the adoption of December 2022 AFS.
- 11.2 The AFS as at 31st December 2022 were **ADOPTED** by the AGM.

12. Appointment of External Auditors for the Scheme for the ensuing year

- 12.1 The Chairperson of the ARIC reported that the Board recommended the re-appointment of Strachan and Crouse as External Auditors of the Scheme for the period of 31st December 2023.
- 12.2 The Chairperson further noted that as per regulations set out by CMS, the involvement of the Scheme with the appointed External Auditors may not exceed 10 years with a 5 year cooling off period and an engagement partner for 7 years with a 5 year cooling off period.
- 12.3 A member requested to know if Strachan and Crouse Auditors were BEE compliant. GM from the external audit firm confirmed that the firm was not BEE compliant.
- 12.4 Members **ADOPTED** the proposal for Strachan and Crouse continue to provide external audit functions for the Scheme for the 2023 financial year and mandated the Board to procure services of a BEE compliant external audit firm for the 2024 financial year.

13. Approval of Trustee Remuneration

- 13.1 It was noted that the Board recommended that Trustee remuneration be increased by 7.1% in line with the CPI. The rand value of the increase would be from R21 000 to R22 491.
- 13.2 The recommendation was supported by Mr Solly Mabilu and Mr Machama and **ADOPTED** by the AGM.

14. Announcement of the election results

- 14.1 The item was deferred to a special general meeting.

15. Vote of thanks


- 15.1 The Chairperson of the Board thanked members for their continued support and attendance at the AGM.

16. Closure

- 16.1 The AGM was adjourned at 16:30.


ACTION ITEMS

TASK	RESPONSIBILITY	PROGRESS
The voting process to be in line with the current Scheme rules.	BOT	
Prioritise submission to CMS for amendment of the Scheme rule 18.4 and rule 18.1	BOT	
Special general meeting following approval of proposed rule amendments by CMS	BOT	
Consider changing venue for the next AGM and the special general meeting to accommodate members from other provinces.	BOT	
Source external audit company that is BEE compliant for 2024 financial year audit.	BOT	



Chairperson Signature

Date: 24/07/2024



Principal Officer Signature

Date: 24/07/2024