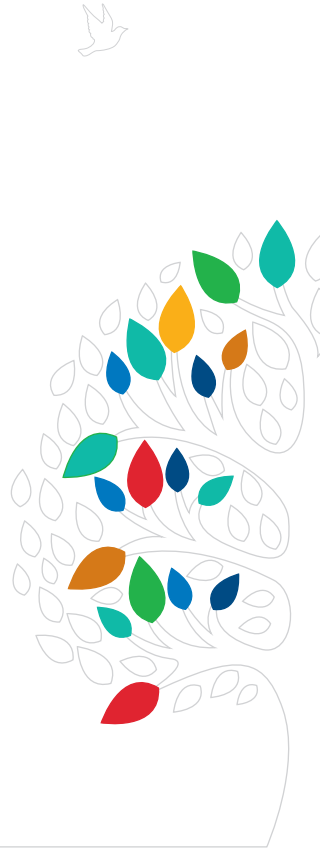


20  
21

**ANNUAL  
GENERAL  
MEETING**  
**MEMBER GUIDE**



31 August 2021 - 15h00



# 2021 ANNUAL GENERAL MEETING GUIDE

## ANNUAL GENERAL MEETING OF MEMBERS

Under the Medical Schemes Act, medical schemes must hold a general meeting of members every year, called an annual general meeting (**AGM**), where members may voice their views and vote on motions.

The GEMS Rules say that the Scheme's annual financial statements (including the reports of the Board of Trustees (**Board**) and the Scheme's external auditor), as well as the draft minutes of the previous AGM, must be laid before the AGM. The GEMS Rules also require that the Scheme's external auditor be appointed at the AGM.

It is important that GEMS members participate in the work leading up to the AGM and in the AGM itself.

This guide provides GEMS members with the information needed to participate well and to adhere to the GEMS Rules on the AGM.

## BEFORE THE AGM

The AGM must be held **by no later than 31 December** of each year.

Members are given at least eight weeks' notice of the date and the place of the AGM, as well as the AGM meeting rules and conditions, and the consequences of failing to meet them, which notice is included in the Scheme's annual integrated report on how GEMS has operated for the year.

The annual integrated report includes changes, successes and challenges experienced. It also features a report on the Scheme's finances, which was checked by independent external auditors and which sets out the Scheme's income, expenses, investments and what is in reserve for tough times.

Members are advised on matters to be discussed at the AGM. Should you have any motions or objections to add or raise on the provisional AGM agenda, you must notify the Principal Officer in detail at least five weeks before the meeting.

When they receive your written notice, the Principal Officer and the Board will check your proposal against the Medical Schemes Act and the GEMS Rules, and will let you know if your motion or objection has changed the provisional AGM agenda. Should you not agree with them, you may appeal to the Council for Medical Schemes.

All members will be notified at least three weeks before the AGM of the final agenda. Members who are unable to attend the meeting may nominate a representative, who should also be a GEMS member, to vote on their behalf at the meeting.

**Please note** that medical schemes operate under very strict rules and regulations prescribed by the Medical Schemes Act, primarily to protect members. Hence, the GEMS Rules cannot be changed at the AGM as they may at, for example, a union's annual general meeting.

**It is also important to note** that the GEMS Board members cannot be removed from office as a result of discussions at the AGM, nor can the results of trustee elections be set aside.

You may think - **then why attend?** - but there are good reasons to do so.

There are always matters to be discussed at the AGM and voted on, either in person or virtually, or via your nominated proxy. For the last-mentioned option, a proxy form needs to be completed and received by the Principal Officer at least one week before the AGM. The Scheme will send you the form at least three weeks before the meeting.

**Therefore, it is important** to read the Scheme's annual integrated report early to consider the matters that affect you.

Please contact the **GEMS Call Centre at 0860 004 367** for assistance, if you have not received a copy of the Scheme's annual integrated report, the proxy form, or any of the notices referred to above, or if you require more information on the AGM.

For the AGM to be valid, it must be attended by a certain number of members. This number is calculated as the total number of members registered on the Scheme at the date of the AGM, divided by 10 000, or 30, whichever is higher. If, 30 minutes into the meeting, there are not enough members, the AGM must be cancelled and a new date set for 30 days later, but not on a Saturday, Sunday or public holiday. Within 14 days of the postponement, members must be given notice of the new date.

## AT THE AGM

Attendance at the AGM is limited to members, officers of the Scheme and individuals or organisations invited by the Scheme. **It is important to note** that only members have a say and may vote at the AGM.

The AGM is chaired by the Chairperson or Deputy Chairperson of the GEMS Board.

Every member at the meeting may speak and vote. The GEMS Rules state that AGM motions must be passed through a vote by both the members physically or virtually present and the members represented by proxy. The Chairperson decides whether voting will be by ballot (a vote on paper), or by a show of hands (physically or virtually). Should the votes be equal, the Chairperson has the deciding vote, in addition to his/her own vote, provided that he/she is a member. If not, he/she is not entitled to vote and the Deputy Chairperson will have these votes, if a member. If not, any Board member nominated by the independent Audit Committee chairperson may exercise these votes, if a member.

At the AGM, members decide on the appointment of the Scheme's external auditor. To do so:

- Audit firms are invited by the Scheme to apply for the work through an open tender.
- In terms of the GEMS Supply Chain Management Policy and the Council for Medical

Schemes and Independent Regulatory Board of Auditors regulations, the Board chooses the best audit firm for the work to propose to the AGM. In doing so, the Board considers a firm's demonstrated ability to do the work, its knowledge, skills, experience, price and broad-based black economic empowerment status.

- The name of the proposed firm is submitted to the Scheme's independent Audit Committee and the GEMS Board for consideration, and then to the AGM for a decision.

## WHY IS THIS IMPORTANT?

The external auditor reports to members in the Scheme's annual integrated report and at the AGM, and is a 'watchdog' that protects members. He/she confirms that the numbers reported in the Scheme's annual financial statements are correct and reports any irregularities to the Council for Medical Schemes. Members must have confidence in and trust that the audit firm recommended by the Board will fulfil this role, and must ensure that the best firm is appointed.

## SPECIAL GENERAL MEETING

The GEMS Board may call a special general meeting (SGM) if it believes it necessary, or if requested to by at least 450 members, comprising a minimum of 50 members from each province.

All requesting members must sign the written request, which must explain the reasons for and objectives of the requested meeting. The request must be submitted to the Scheme's registered office. The Principal Officer will ensure that the request follows the correct procedures and that the reasons for the proposed meeting do not conflict with the Medical Schemes Act, the GEMS Rules, or the objectives of the Scheme.

If the Principal Officer declines the request, the requesting members will be notified of the reasons within 45 days of the request receipt. Should the requesting members be aggrieved, the decision may be appealed to the Council for Medical Schemes.

If the Principal Officer sanctions the SGM, the meeting must take place within 30 days of the request receipt. All members must then be notified of the meeting at least 14 days before and be given the reasons for the meeting.

As SGM rules are similar to those for an AGM, a certain number of members must attend for it to be valid. This number is calculated as the total number of members registered on the Scheme at the date of the SGM, divided by 10 000, or 50, whichever is the higher. Only matters in the SGM notice may be discussed. If too few members attend, the meeting must be cancelled.

## GENERAL

For more information about the 2020 GEMS Annual Integrated Report or the 2021 GEMS AGM, please contact the **GEMS Call Centre** at **0860 004 367**.

# AGM SCHEMATIC

## STEP 1:

Members receive the 2020 GEMS Annual Integrated Report, including the first AGM notice and provisional AGM agenda.  
(eight weeks before the AGM, i.e. **6 July 2021**)

## STEP 2:

Members submit their proposed motions and objections to the provisional AGM agenda to the GEMS Principal Officer for consideration and possible inclusion on the final AGM agenda.  
(five weeks before the AGM, i.e. **27 July 2021, 16:00**)

## STEP 3:

Members receive the Scheme's second AGM notice, including the final AGM agenda, proxy form and online registration details.  
(three weeks before the AGM, i.e. **10 August 2021**)

## STEP 4:

Members register online for the AGM or submit their proxy forms to the Scheme.  
(one week before the AGM, i.e. **24 August 2021, 16:00**)

## STEP 5:

Members attend the virtual AGM.  
**(31 August 2021, 15:00 – 17:00)**