



21 February 2020

NOTICE CALLING FOR NOMINATIONS TO SERVE AS A TRUSTEE ON THE MEDSHIELD MEDICAL SCHEME BOARD OF TRUSTEES

This notice serves as a call for nominations for the Medshield Medical Scheme (“Scheme”) Trustee elections. Members of the Scheme need to elect **five (5)** Trustees at the Scheme’s Annual General Meeting (“AGM”) to be held on 30 June 2020 at Wanderers Club, 21 North Street, Illovo, Johannesburg, Gauteng.

In accordance with –

Rule 18.1 of the Scheme Rules, the affairs of the Scheme shall be managed according to these Rules by a Board of Trustees consisting of up to nine (9) persons who are fit and proper to be Trustees. Subject to the above, the Board is constituted if and only if there are at least six (6) members serving, of which four (4) must be elected Trustees with due regard to Rule 18.13.

Rule 4.28 “Fit and Proper” is defined as the regulatory eligibility of a person to hold an important position of trust in a medical scheme and the regulated entities with whom it contracts, including that person’s character, integrity, competence and ability to do the job.

Rule 18.2 of the Scheme Rules, states that up to five (5) of the Trustees shall be directly elected from amongst members at the Annual General Meeting or any Special General Meeting convened specifically for the purposes of electing Trustees and up to four (4) shall be appointed in accordance with Rule 18.3.

The Scheme seeks to hold elections to fill **five (5)** vacancies in terms of its Rules.

PricewaterhouseCoopers Advisory Services (Pty) Ltd (“PwC”) has been appointed as the Independent Electoral Body (“IEB”) in respect of the following electoral processes and voting activities:

- the call for Trustee nominations;
- receiving and vetting of nominations received from members; and
- overseeing the actual election which will be conducted at the AGM to be held on 30 June 2020.

Accordingly, Medshield hereby invites nominations for candidates (nominees) amongst the principal members of the Scheme, to stand for election to serve on the Board of the Scheme, and are hereby obliged to follow the provisions set out in this invitation, should any principal member seek to nominate a person as a candidate.

In accordance with Rule 18.11 of the Scheme Rules, nominations to fill vacancies arising on the Board, must be signed by a proposer and seconder in good standing with the Scheme, and must also be signed by the candidate confirming his/her consent to stand for election. Only candidates who are members of the Scheme and who are in good standing with the Scheme shall be eligible to stand for elections. **The Scheme considers 'members in good standing' to be those whose contributions are up to date.**

The Nomination Form must be submitted together with a current curriculum vitae (CV) of the proposed candidate, and any other such information as may be required and stipulated on the Nomination Form.

All nominees will be evaluated against the provisions of the Medical Schemes Act 131 of 1998, as amended, and the Scheme Rules eligibility criteria.

Rule 18.15 provides that by agreeing to stand as a candidate to be elected as a Trustee, the candidate agrees that the Scheme may conduct any investigations into his/her background, person or conduct, and may include, without limitation, credit checks, background checks, employment history, criminal records and the like, with a view to determining whether the candidate qualifies to act as a Trustee of the Scheme, should the candidate be elected as such.

The Nomination Form must be completed fully and properly to ensure that the nomination can be considered. Failure to complete the Nomination Form as prescribed, or failure to provide any required document/s, may result in the nomination being disqualified.

Duly completed Nomination Forms are required to reach the IEB by no later than 12:00 (midday) on Tuesday, 31 March 2020, either by:

- Email (in PDF format) to za_medshieldelection2020@pwc.com; or
- Postal submission to **Ms Boitumelo Lekoko – Director: Forensic Services** at **Private Bag X100, Menlo Park, 0102**. Members are required to ensure that the postal submissions reach the IEB by no later than **12:00 (midday) on Tuesday, 31 March 2020**; or
- Hand delivered, in an envelope clearly marked **Medshield 2020 Trustee Elections, Attention: Ms Boitumelo Lekoko – Director: Forensic Services**, to any of the following PwC offices:
 - PwC Bloemfontein, 61 Second Avenue, Westdene, Bloemfontein
 - PwC Cape Town, 5 Silo Square, V&A Waterfront, Cape Town
 - PwC Durban, 34 Richefond Circle, Ridgeside Office Park, Umhlanga Ridge, Durban
 - PwC East London, Acacia House, Palm Square Business Park, Bonza Bay Road, Beacon Bay, East London
 - PwC eMalahleni (Witbank), Second Floor WCMAS Building, corner of OR Tambo and Susanna Streets, eMalahleni
 - PwC Gauteng, 4 Lisbon Lane, Waterfall City, Jukskei View
 - PwC Kimberley, Roylglen Office Park, PwC Building, corner of Welgevonden Avenue and Memorial Road, Kimberley
 - PwC Mahikeng, 32 Jones Close, Leopard Park, Mmabatho, Mahikeng
 - PwC Middelburg, 11 Dolerite Crescent, Suite D, Middelburg
 - PwC Nelspruit, Block 5, Riverside Office Park, Aqua Street Nelspruit, Mbombela
 - PwC Pietermaritzburg, Block C, 21 Cascades Crescent, Cascades, Pietermaritzburg
 - PwC Port Elizabeth, PwC Building, Ascot Office Park, 1 Ascot Road, Port Elizabeth
 - PwC Robertson, 3 Church Street, Robertson

- PwC Secunda, Kiewiet Office Park, Block A, corner of Kiewiet and Walter Sisulu Streets, Secunda
- PwC Stellenbosch, Capital Place, 15-21 Neutron Avenue, Technopark, Stellenbosch or
- PwC Worcester, corner of Mountain Mill and Eastlake Roads, Worcester

The abovementioned PwC offices will be open between **08:00 and 16:30, Mondays to Fridays**, excluding Saturdays, Sundays and public holidays.

All nominations must be submitted using the prescribed Nomination Form and all requirements contained in the Form must be fulfilled to avoid the nomination being disqualified.

No Nomination Forms may be delivered to Medshield Medical Scheme's offices. Any Nomination Forms delivered to any person or entity other than the IEB either by post, e-mail or hand will automatically be considered as being invalid and therefore disqualified.

QUALIFICATION CRITERIA

Nominees must be fit and proper to stand for election and to serve on the Board. In terms of Rule 18.4 the Scheme's fit and proper requirements relate to a person's honesty, integrity, competence and good standing.

Kindly note the following Scheme Rules, which should guide your decision on whom to nominate. Extracts of the Scheme Rules and the Act are provided below for your information. A full set of the Scheme Rules is available on www.medshield.co.za.

Rule 18.4:

A Trustee shall serve a term of office for a period of three (3) years, provided he or she does not cease to hold office in accordance with Rule 18.21, and continues to comply with the Scheme's fit and proper requirements. The Scheme's fit and proper requirements relate to a person's honesty, integrity, competence and good standing.

Rule 18.5:

Members of the Board are eligible for re-election, provided no person shall serve more than two (2) consecutive terms and no more than a total of three (3) terms.

Rule 18.6: The following persons are not eligible to serve as members of the Board:

- 18.6.1 a person under the age of twenty one (21) years;
- 18.6.2 an employee, director, officer, consultant, or contractor of the administrator of the Scheme or of the holding company, subsidiary, joint venture or associate of that administrator;
- 18.6.3 a broker;
- 18.6.4 the Principal Officer of the Scheme;
- 18.6.5 the authorised auditor of the Scheme;
- 18.6.6 any person who has been divested, either in the past or currently, of his/her powers as a Trustee or equivalent position and/or removed from office of trust by Court, or removed from a professional body for unprofessional or unethical conduct;
- 18.6.7 any person who has a material relationship with any person contracted by the Scheme or in the process of tendering to the Scheme to provide any administrative, broker, managed health care or other services, whether alone or with or through a holding company, subsidiary, joint venture or associate;
- 18.6.8 any person that is already serving as a Trustee of any other registered medical scheme.

Rule 18.9:

At least three (3) months prior to the tenure of the elected Trustee expiring, the Scheme shall send out notices to all members informing them of the date on which a Trustee's tenure expires, and inviting members to nominate candidate to be considered to be elected as Trustees. This notice shall also inform members what information is required to be submitted in respect of nominated candidates to be eligible for election as Trustees.

Rule 18.10:

Subject to the provisions of these Rules, existing elected Trustees will, subject to Rule 18.5 automatically be nominated to be elected as such for a further term unless a Trustee informs the Scheme in writing that he does not wish to be elected as a Trustee for a further term.

Rule 18.11:

Nominations to fill vacancies arising on the Board, must be signed by a proposer and seconder in good standing with the Scheme, and must also be signed by the candidate confirming his/her consent to stand for election. Only candidates who are members of the Scheme and who are in good standing with the Scheme shall be eligible to stand for elections. Nomination process must be submitted to the Scheme together with a current curriculum vitae ("CV") by a set date and the election must be carried out by the members present at the Annual General Meeting or Special General Meeting of the Scheme.

Rule 18.12:

Completed nomination forms, together with the curriculum vitae ('CV') of the candidates and any other required documents must be received by the Scheme 90 (ninety) days prior to the elections and the election must take place by ballot by the members present at the Annual General Meeting of the Scheme or at the Special General Meeting. The list of nominees and their abridged CVs must be circulated to members of the Scheme at least 30 (thirty) days before the holding of the Annual General Meeting.

Rule 18.15:

By agreeing to stand as a candidate to be elected as Trustee, the candidate agrees that the Scheme may conduct any investigations into his/her background, person or conduct, and may include, without limitation, credit checks, background checks, employment history, criminal records and the like, with a view to determining whether the candidate qualifies to act as a Trustee of the Scheme should the candidate be elected as such.

THE ROLE AND DUTIES OF TRUSTEES

The duties of Trustees are described in the Scheme Rules and in the Act.

Rules of the Scheme:

Rule 19: Duties of the Board of Trustees

- 19.1 The Board is responsible for the proper and sound management of the Scheme, in terms of these Rules;
- 19.2 The Board shall act with due care, diligence, skill and in good faith;
- 19.3 Members of the Board shall avoid conflicts of interests, and shall declare any interest they may have in any particular matter serving before the Board;
- 19.4 The Board shall apply sound business principles and ensure the financial soundness of the Scheme;
- 19.5 The Board shall appoint a principal officer who is fit and proper to hold such office and who may appoint any staff which in its opinion is required for the proper execution of the business of the Scheme, and shall determine the terms and conditions of service of the principal officer and of any person employed by the Scheme;

- 19.6 The Chairperson shall preside over meetings of the Board and ensure due and proper conduct at meetings;
- 19.7 The Board shall cause to be kept such minutes, accounts, registers and records as are essential for the proper functioning of the Scheme;
- 19.8 The Board shall ensure that proper control systems are employed by and on behalf of the Scheme;
- 19.9 The Board shall ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions and duties in terms of the Rules;
- 19.10 The Board shall take all reasonable steps to ensure that contributions are paid timeously to the Scheme in accordance with the Act and the Rules;
- 19.11 The Board shall take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance;
- 19.12 The Board shall obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the members of the Board may lack sufficient expertise;
- 19.13 The Board shall ensure that the Rules, operation and administration of the Scheme comply with the provisions of the Act and all other applicable laws;
- 19.14 The Board shall take all reasonable steps to protect the confidentiality of medical records concerning any beneficiaries' state of health;
- 19.15 The Board shall approve all valid disbursements but may delegate its authority to any members of the Board or any other persons nominated by the Board to effect disbursements on behalf of the Scheme;
- 19.16 The Board shall cause to be kept in safe custody, in a safe or strong room at the registered office of the Scheme or with any financial institution approved by the Board, any mortgage bond, title deed or other security belonging to or held by the Scheme, except when in the temporary custody of another person for the purposes of the Scheme;
- 19.17 The Board shall make such provision, as it deems desirable, and with due regard to normal practice and recommended guidelines pertaining to retention of documents, for the safe custody of the books, records, documents and other effects of the Scheme;
- 19.18 The Board shall disclose annually in writing to the Registrar, any payment or consideration made to them in that particular year by the Scheme; and
- 19.19 Neither a member of the Board or Executive Officer, nor any employee, co-director, co-shareholder, consultant, contractor, partner, family member or other connected person (as defined in the Income Tax Act 58 of 1962) of a member of the Board or Executive Officer of the Scheme shall render any consulting and/or other service to the Scheme in exchange for any form of compensation for any such service.

THE MEDICAL SCHEMES ACT 131 OF 1998, AS AMENDED

Section 57 - General provisions on governance

- (1) Every medical scheme shall have a Board of Trustees consisting of persons who are fit and proper to manage the business contemplated by the medical scheme in accordance with the applicable laws and the rules of such medical scheme.
- (2) At least 50 per cent of the members of the Board of Trustees shall be elected from amongst members.
- (3) A person shall not be a member of the Board of Trustees of a medical scheme, if that person is—
- an employee, director, officer, consultant or contractor of the administrator of the medical scheme concerned, or of the holding company, subsidiary, joint venture or associate of that administrator; or
 - a broker.
- (4) The duties of the Board of Trustees shall be to—
- appoint a principal officer who is a fit and proper person to hold such office and shall within 30 days of such appointment give notice thereof in writing to the Registrar;

- (b) ensure that proper registers, books and records of all operations of the medical scheme are kept, and that proper minutes are kept of all resolutions passed by the Board of Trustees;
 - (c) ensure that proper control systems are employed by or on behalf of the medical scheme;
 - (d) ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions and duties in terms of the rules of the medical scheme;
 - (e) take all reasonable steps to ensure that contributions are paid timeously to the medical scheme in accordance with this Act and its rules;
 - (f) take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance;
 - (g) obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the members of the Board of Trustees may lack sufficient expertise;
 - (h) ensure that the rules, operation and administration of the medical scheme comply with the provisions of this Act and all other applicable laws; and
 - (i) take all reasonable steps to protect the confidentiality of medical records concerning any member's state of health.
- (5) Any notice required or permitted to be given to a medical scheme in terms of this Act shall, if given to the principal officer, be deemed to have been duly given to the medical scheme.
- (6) The Board of Trustees shall—
- (a) take all reasonable steps to ensure that the interests of beneficiaries in terms of the rules of the medical scheme and the provisions of this Act are protected at all times;
 - (b) act with due care, diligence, skill and good faith;
 - (c) take all reasonable steps to avoid conflicts of interest; and
 - (d) act with impartiality in respect of all beneficiaries.
- (7) The members of the Board of Trustees shall disclose annually in writing to the Registrar any payment or considerations made to them in that particular year by the medical scheme.

Any election-related queries can be directed to the IEB on **012 429 0024** or email: za_medshieldelection2020@pwc.com.