

## **MINUTES OF THE FORTIETH ANNUAL GENERAL MEETING OF SUREMED HEALTH**

**VENUE:** The Club House, Century City, Cape Town & MS Teams

**DATE :** Tuesday, 04 June 2024

**TIME :** 13h00

### **PRESENT**

A B Vermeulen	Chairperson (& Suremed Member)
J Janse van Rensburg	Principal Officer (& Suremed Member)
J L O Fernandes	Trustee (& Suremed Member)
Nicole Louw	Trustee (& Suremed Member)
Talya Jawno	Suremed Member
Charlotte Joseph	Suremed Member
Jeffrey Fernandes	Suremed Member
Per Holm	Suremed Member
Daniel Smyth	Suremed Member
Matilda Mwamba	Suremed Member
Petro Janse van Rensburg	Suremed Member
Riana Lindford	Suremed Member
Sylvester Appasamy	Suremed Member
Mike Odendaal	Suremed Member
Amos Mavuso	Council of Medical Schemes Official

### **IN ATTENDANCE**

Morne Völker	Momentum TYB
Loren Erasmus	Momentum TYB

#### **1. NOTICE OF MEETING**

The Chairperson welcomed everyone to the Annual General Meeting (AGM) of the Scheme and thanked the members for their attendance even during these difficult times. The Chairperson confirmed that there were sufficient members in terms of the Rules to constitute a quorum. The Chairperson confirmed that due notice of the AGM was given in accordance with the provision in the Scheme rules.

#### **2. CONFIRMATION OF MINUTES**

The Chairperson enquired whether the minutes of the Annual General Meeting held on Wednesday, 14<sup>th</sup> June 2023 circulated and taken as read, could be accepted as a true reflection of the proceedings of that meeting.

Acceptance of these minutes was proposed by Charlotte Joseph and seconded by Daniel Smyth. All present voted in favour.

### **3. ANNUAL REPORTS**

#### **3.1 FINANCIAL STATEMENTS**

The Chairperson confirmed that the Abridged Financial Statements for the year ending 31 December 2023 had been circulated to the members prior to the meeting and the full Annual Financial Statements were available on request. There were no queries or comments with regard to the financial statements. Charlotte Joseph proposed that they be accepted, and Jeffrey Fernandes seconded the proposal. All members voted in favour of this proposal.

#### **3.2 BOARD OF TRUSTEES REPORT**

The Chairperson confirmed that the Board of Trustees Report had been circulated to the members prior to the meeting. There were no queries or comments in this regard. Daniel Smyth proposed that they be accepted, and Charlotte Joseph seconded the proposal. All members voted in favour of this proposal.

### **4. REMUNERATION OF TRUSTEES**

The Chairperson advised that the Remuneration of Trustees for the 2023 year was detailed in the financial statements. A schedule as recommended by the Remuneration Committee for the 2024/25 year was available for comment. Matilda Mwamba proposed that they be accepted, and Talya Jawno seconded the proposal. All members voted in favour of this proposal.

### **5. APPOINTMENT OF AUDITORS**

The Chairperson informed the members that PriceWaterhouse Coopers Inc, were the Scheme's appointed auditors for 2023. Daniel Smyth proposed that they be retained for 2024, and Charlotte Joseph seconded the proposal. All members voted in favour of this proposal.

### **6. ELECTION OF TRUSTEES**

The Chairperson advised that in terms of the rules, the Scheme should have a minimum of three trustees. There was a no vacancies and no nominations had been received.

### **7. APPROVAL OF RULE CHANGE**

The Chairperson advised according to the current scheme rules that for a merger to take place, 50% of members need to vote, with the majority decision being decisive. He further advised that the Board is seeking a merger partner, but it has been challenging to get 50% of the members to vote. To streamline any future merger voting process, it is proposed to reduce the 50% of members needing to vote, to that of 25% of members needing to vote with the majority decision being decisive.

Sylvester Appasamy raised concerns about members' lack of awareness and understanding of the merger process, suggesting that CMS (Council for Medical Schemes) be consulted for guidance on good practices and minimum voting thresholds. Amos Mavuso the council of medical schemes representative advised that he is just in attendance in an observing capacity and cannot comment on any legislation. Sylvester Appasamy further expressed the merits of the proposed voting change, expressing concerns that 25% might be too low. The Principal

Officer explained that lowering the voting percentage can either be beneficial to the members and work in favor of the scheme's members or against them. If a good merger partner is found, a high voting percentage can delay or even prevent such a beneficial merger. Regardless the reduction of the voting percentage, the requirement that the majority decision being decisive for a merger to proceed or not remains in place. He further emphasized that the proposal only deals with the rule change. Members will in due course again be informed of any potential merger with another scheme. The Principal Officer proposed to all members present that a vote is taken by the members for the rule change to be accepted. All members voted in favour of this proposal and APPROVED the rule change.

Daniel Smyth discussed concerns about the unsuccessful merger with CompCare, highlighting the lack of knowledge among members about the potential outcomes of a merger and how members felt uninformed and uncertain about the implications of their decisions. He further emphasized the need for more information and clearer communication about the merger process and its possible consequences before members can make an informed decision.

## 8. **SUBMITTED MOTIONS**

No motions were received by the Board prior to the AGM and no motions were tabled at the AGM.

## 9.

### **GENERAL**

The Chairperson explained to the members why a merger was required and provided the members with an explanation of the outcome from the merge between CompCare and Suremed. The Chairperson further expressed that the Council for Medical Schemes (CMS) has been pressuring Suremed to merge with another scheme due to its small size. This pressure has been ongoing for the past few years, and late 2022 it reached a point where the CMS instructed the BOT to find a suitable merger partner, or the matter would be handed over to the CMS's Compliance Department which will result in possible legal action against the Scheme. Despite Suremed's financial stability and having just under 800 members, the size of the scheme is considered too small by the CMS, leading to increased pressure to find a merger partner.

Based on this directive from the CMS, Suremed initiated a merger with another scheme, CompCare. Due to CompCare experiencing significant financial losses towards the end of the 2023-year Suremed decided to put the merger on hold and formally informed the CMS of this decision, requesting a postponement of the merger for a 6 – 12-month period. The CMS subsequently declined the merger in May due to CompCare's financial instability.

The Chairperson emphasized that the pressure from the CMS to merge will not subside. Suremed are still required by the CMS to find a suitable merger partner and therefore the search for a stable and financially secure partner will continue. The Chairperson reassured members that the trustees are committed to making informed decisions to ensure the best possible outcome for the Suremed members.

The Principal Officer discussed the need for strong communication and guidance among members, emphasizing the importance of making sure everyone understands the information communicated and made available on the Suremed website. He encouraged contacting trustees for any clarifications and stressed their role in ensuring members are well-informed. Sylvester Appasamy suggested that once a shortlist of schemes is created, the Board should present this shortlist along with their recommendations to the members. Suggesting that this

approach could facilitate a quicker and smoother voting process. The Chairperson agreed that member communication will be one of the aspects that the BOT will focus regarding any potential future mergers.

SIGNED AS A CORRECT RECORD

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
DATE