



Reference: AGM, SGM & Trustee Election notification
Contact person: Ms. Neo Mnzilwa
Tel: 012 431 0568
E-mail: agm@medicalschemes.com
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Circular 23 of 2020: Notice to Medical Schemes for annual meetings and elections

The Council for Medical Schemes (CMS) has taken into account the recent pronouncements by President Cyril Ramaphosa, on measures to combat the coronavirus pandemic. Amongst the measures, physical contact is discouraged and gatherings with more than 100 people are prohibited.

As the regulator of private healthcare, we take the safety and health of our beneficiaries and stakeholders seriously, therefore amidst the emerging and rapidly evolving pandemic, we urge medical schemes to follow best practice protocols as put forth by the Department of Health (DOH), and the World Health Organization (WHO) when arranging annual general meetings.

Where medical schemes are of the view that holding the annual meetings will expose beneficiaries to the coronavirus, we encourage them to make use of our exemption application process to postpone the annual meeting till such time that the impact of the pandemic has been brought under control.

All application for exemptions should be submitted to the Office on or before 30 April 2020.

Process for convening AGMs, SGMs and Trustee Elections

All medical schemes are to notify the CMS, in writing, of the date and venue of their Annual General meetings (AGMs) and/or Special General meetings (SGMs) for the 2020 financial year. Where trustee elections will be held, schemes are to also notify the CMS of the date and venue of such.

The CMS is enjoined to protect the interests of the beneficiaries at all times. To this end, the CMS monitors medical schemes' compliance with the provisions of the Medical Schemes Act 131 of 1998 (the Act) as well as other applicable legislation. Part of this is compliance monitoring.

1. Information required by the CMS

- 1.1. All medical schemes are required to give written notice to the CMS pertaining to information on convening the scheme meeting in terms of the rules, of a date on which they intend to hold an AGM, SGM or trustee election meeting. The notification must be submitted to the CMS on or before 30 April 2020. The notification shall contain the following:

- 1.1.1. The date on which the meeting will be held;
 - 1.1.2. The venue or geographical area in which the scheme intends to hold its meeting; and
 - 1.1.3. Whether or not the scheme will be holding elections for the 2019 financial period.
- 1.2. All medical schemes are required to provide the CMS (20 days before AGM and /or SGM) with a full meeting pack. The meeting pack shall contain the following, amongst others:
- 1.2.1. The date, time and venue of the meeting and/or elections to be held;
 - 1.2.2. The standard procedures that shall be followed by the medical scheme to convene and hold such a meeting and/or election as well as confirmation that the scheme's procedures are consistent with the registered rules of the scheme;
 - 1.2.3. The measures that the scheme intends to put in place to protect and secure the venue on the day of the meeting and/or elections;
 - 1.2.4. A detailed budget on the estimated cost of the AGM and/or SGM and/or Elections. Including but not limited to:
 - a. the cost of preparing and distributing the notice/meeting pack to members,
 - b. the cost of the venue (including food and security),
 - c. the travelling and accommodation costs (e.g. travelling cost for scheme officers),
 - d. meeting attendance fees for scheme officers and/or service providers, and
 - e. the costs associated with the elections process (if applicable).

2. Information post the AGM/SGM/Election Process

All medical schemes are requested to provide the Office with the following information post the AGM/SGM/Trustee election meeting:

- 2.1 The Attendance register(s) as well as confirmation that the quorum (per the rules of the scheme) was achieved for the meeting, within 30 days of the conclusion of the AGM or the SGM or the election process.
- 2.2 A detailed report on the election process with the full CVs of the elected persons within 30 days of the conclusion of the AGM or the SGM or the election process.
- 2.3 The actual cost of the AGM and/or SGM and/or Election Process within 30 days of the conclusion of the AGM or the SGM or the election process.

3. Submission Process

The CMS is in the process of moving to a paperless environment therefore you are urged to submit all the information requested above electronically to agm@medicalschemes.com.

This Circular is effective upon the date of release.



Dr. Siphon Kabane
Chief Executive & Registrar
Council for Medical Schemes