MINUTES OF THE ANNUAL GENERAL MEETING
HELD AT THREE OAKS, 85 SOUTH STREET, CENTURION ON THURSDAY, 29 OCTOBER 2015, AT 14:00.

ATTENDANCE
Directors present: T Mvusi (Chairperson), M Piater, A Mukhuba, E Visser, L De Villiers, W Van Heerden, JSJ Nel, and PD Wolmarans.
Secretariat: Mr PDF van Dyk
Members: 68 members present at the meeting.
Apologies: BP Botha and V Sampula by prior arrangement.
By invitation: M Meyer from PwC.
Minutes: Mrs EC van der Merwe

1. OPENING AND WELCOME

The Chairman welcomed all members present to the 2015 Annual General Meeting. He confirmed that the meeting was convened on authority of the Iemas Board and that he will proceed with the meeting as per the agenda. The agenda as well as the notice of the meeting was distributed prior to the meeting to all members of the Co-operative as prescribed by Co-operatives Act. It was confirmed that the Board has not received any matters from members which needed to be tabled for consideration and discussion by the meeting.

2. QUORUM

The Secretary confirmed that the minimum number of 50 members required by the Iemas Constitution was present at the meeting to form a quorum and that the meeting was thus properly constituted.

3. VOTING PROCEDURES

The Chairman announced that, except for the adoption of the special resolution, voting at the Annual General Meeting will take place by a show of hands. However, members were reminded of their right to cast their votes by way of ballot paper if so requested by five or more members present at the meeting. No such request was made.

Representatives of the Internal Audit Department were appointed by the Chairperson to deal with the counting of votes.

4. PREVIOUS MINUTES

An overview of the minutes of the Annual General Meeting held in 2014 was presented to the meeting. An extract of the draft minutes was communicated to members via the Iempact and Iemployer after the conclusion of the meeting in 2014. The draft minutes of the meeting was tabled and considered by the Iemas Board and was recommended for final approval to the AGM. The Chairperson confirmed that he has inspected the minutes and was satisfied that it accurately reflect the processes, matters discussed and decisions taken at the 2014 Annual General Meeting.
Resolution:
The minutes of the Annual General Meeting held on 30 October 2014 were approved without any amendments.

5. ADOPTION OF THE SPECIAL RESOLUTION

Ms Pieter, Vice-Chairperson of the Board proposed a special resolution to the members of the AGM to extend the term of office for Non-executive Directors to a maximum term of seven years. She gave an overview of the current constitution and Co-operative's Act of 2005, which stipulated that Non-executive Directors were elected for a single term of office of two years and may be re-elected for a second term of two years, which equals to a maximum of four years uninterrupted.

Ms Pieter further advised that should the special resolution be adopted by the members of the AGM, the term of office for Mr Temba Mvusi and Mr Eric Visser would be extended. If the special resolution was not approved, both Mr Temba Mvusi and Mr Eric Visser would step down from the Board after the AGM and the Board would then have the authority to fill the two casual vacancies.

An ordinary resolution was also proposed that any Director or the Secretary of the Co-operative be authorised to perform legal acts on behalf of the Board and the Co-operative for the implementing and giving effect of the special resolution.

Resolution:
In accordance with the provisions of the Iemas Constitution, the special resolution and ordinary resolution was adopted with more majority of the votes cast.

6. REPORT BY THE IEMAS BOARD OF DIRECTORS AND FUTURE BUSINESS OF THE CO-OPERATIVE

The Chief Executive Officer provided an overview of the Directors’ Report as incorporated in the 2015 Annual Report. As per the latest data received from the National Credit Regulator financial distress amongst indebted consumers kept rising. The percentage of credit-active consumers with impaired records increased to 45%.

The Chief Executive Officer mentioned the Iemas’ strategy in 2015 was to maintain momentum with business modernization through the implementation of the information technology systems, such as the implementation of the enterprise resource planning system. He also mentioned the development of a combined assurance model and that credit management remained a strategic priority.

In terms of Corporate Governance, Iemas complied with King III principles as far as it was practical for the Co-operative and its stakeholders.

Iemas’s financial performance was also satisfactory given the current economic conditions. Net profit before taxation and benefits to members increased from R288 million to R295 million. The Chief Executive Officer highlighted some focus areas and challenges for the 2015/2016 budget.

Iemas’s involvement in communities was clearly illustrated by the successes achieved with its corporate social responsibility programme. Various initiatives were undertaken during the year, including the participation in wellness days and fun days at our employer groups.
Resolution:

In response to a motion tabled by the Chairman, the members approved the report by the Board for the financial year ended on 31 August 2014 by a show of hands.

7. FINANCIAL STATEMENTS AND AUDITOR’S REPORT

An overview of the financial results of the Co-operative, as contained in the Annual Financial Statements, was presented by the Chief Executive Officer. The audited Annual Financial Statements were available to members more than fourteen days prior to the meeting and were also available on request at the Iemas Regional and Branch Offices. The Annual Financial Statements were prepared on the going-concern basis.

The Audit and Risk Committee had considered the Annual Financial Statements at its meeting on 8 October 2015 and it was finally approved for recommendation to the Annual General Meeting by the Board on 15 October 2015.

An unqualified report was issued by PricewaterhouseCoopers.

Resolution:

In response to a motion tabled by the Chairman, the members approved the Annual Financial Statements and auditor’s report for the financial year ended on 31 August 2014 by a show of hands.

8. APPROPRIATION OF SURPLUS

The proposed appropriation of the surplus for 2015 was dealt with by the Chief Executive Officer. The distribution of the surplus by means of an allocation of bonuses and payment of interest on members’ funds amounted to R135.15 million for 2015, compared to R127 million in 2014.

An analysis of the proposed allocation per product was presented to the meeting. The proposed percentage benefit allocation for the different products remained unchanged. An interest rate of 6.50% on members’ credit in their reserve fund was proposed.

The main considerations which the Board took into account in proposing the changes were to ensure sustainability of the co-operative in retaining more income should the economic conditions deteriorate further and negatively impact the ability of members to honour their financial commitments.

Resolution:

In response to a motion tabled by the Chairman, the members approved the Board’s proposal for the appropriation of the distributable surplus for 2015 by a show of hands.

9. APPOINTMENT OF EXTERNAL AUDITORS

The Board proposed the re-appointment of PricewaterhouseCoopers as external auditors for the 2015/2016 financial year. PricewaterhouseCoopers has an in-depth knowledge of the financial services sector and performed the audits of a large number of financial institutions and has over the years gained excellent knowledge of Iemas’s business model as well as the Co-operative’s Act.
PricewaterhouseCoopers also has a rotation policy to rotate the responsible partner/director every five years and the audit manager every eight years to ensure independence.

**Resolution:**

In response to a motion tabled by the Chairman, the members approved the re-appointment of PwC as external auditors for the 2015 financial year by a show of hands.

10. **CLOSURE**

The Chairman thanked the participants for their attendance and declared the meeting closed at 15:00.

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Minutes approved by: