

**MINUTES OF THE ANNUAL GENERAL MEETING HELD  
ON TUESDAY, 30 OCTOBER 2018 @ 14:00  
AT KLEINKAAP BOUTIQUE HOTEL,  
89 JIM VAN DER MERWE STREET, CENTURION**

**ATTENDANCE**

Directors present:	TI Mvusi (Chairperson), LM De Villiers, WF Van Heerden, R Piater, D Sinivasan, Q Vorster, JSJ Nel, TD O'Connell and PD Wolmarans
Secretariat:	PDF van Dyk
Members:	67 members present at the meeting and 7 by way of proxy
Apologies:	KP Lebina and V Sampula by prior arrangement
By invitation:	R Oudhof from PwC
Minutes:	EC van der Merwe

**1. OPENING AND WELCOME**

The Chairman welcomed the members of the Board, the Executive Management and all members of the Co-operative present at the 2018 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 notice of the meeting as well as the proposed agenda were distributed prior to the meeting to all members of the Co-operative as prescribed by Co-operatives Act.

**1.1. Quorum**

The Secretary confirmed to the Chairperson 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.

**1.2. Voting procedures**

The Chairman announced that, except for the election of a non-executive director, 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.

## **2. NOTICE OF MEETING AND AGENDA**

The notice of the 2018 Annual General meeting, including the proposed matters to be discussed and decisions to be taken, was distributed to members within the prescribed timeframes as required by the Co-operative's Act and the Iemas Constitution. It was confirmed that the Board did not receive any additional matters from members which needed to be tabled for consideration and discussion by the meeting. The agenda was accepted as presented in the notice to members.

## **3. PREVIOUS MINUTES**

An overview of the minutes of the Annual General Meeting held in 2017 was presented to the meeting. An extract of the draft minutes was communicated to members via Iemas' website and other social media platforms after the conclusion of the meeting in 2017. The draft minutes of the meeting was tabled and considered by the Iemas Board and was recommended for approval to the Annual General Meeting. The Chairperson confirmed that he had inspected the minutes and was satisfied that it accurately reflected the processes, matters discussed and decisions taken at the 2017 Annual General Meeting.

### ***Resolution:***

**On a motion presented by the Chairperson, the minutes of the Annual General Meeting held on 31 October 2017 was approved without any amendments.**

## **4. ELECTION OF A NON-EXECUTIVE DIRECTOR**

Mrs Retha Piater, Chairman of the Human Resources Committee, informed the meeting that the nomination, selection and election of members to the Board are governed by the Co-operatives Act, as well as the requirements of the Iemas Constitution. Skills, experience and demographic profile of the Board were regularly reviewed by the Human Resources Committee to ensure that the Board's composition remained appropriate to support the strategy of the Co-operative.

Mrs Piater advised that Mr Temba Mvusi had reached the end of his term as director at the end of this meeting and that a vacancy therefore exists for a new non-executive board member to be elected. A staggered rotation of the members of the board was adopted by the Board which ensures both the retention of valuable skills, institutional knowledge and experience as well as the introduction of new board members. Mrs Piater discussed the nomination process followed and advised that one person applied for the vacant position, but did not qualify due to the fact that he did not follow the prescribed nomination process and was also not a member of the Co-operative. Two nominations were received from members of the Co-operative who both met the criteria and qualified to be considered for election as a non-executive director. Mrs Piater further advised that an Executive Director had met with the two qualifying candidates and confirmed their eligibility to be appointed as non-executive director.

The Board considered, approved and recommended the two candidates, Messrs Anton Buthelezi and Thomas Mashaba for election at its meeting of 16 October 2018. Mrs Piater gave a brief overview of the CV's of the two qualifying candidates, after which the members of the Co-operative were given the opportunity to cast their vote for one of the candidates.

Mrs Piater thanked Mr Mvusi for his contributions during his tenure as non-executive director and chairman of the board and wished him well in his future endeavors.

Mrs Piater also informed the members of the Co-operative of the retirement of the Chief Executive Officer, Mr Johan Nel on 31 December 2018. She advised that a selection committee was appointed by the board to facilitate the process of recruiting and appointing a new CEO and that an announcement would be made in due course.

***Resolution:***

**The majority of the votes casted were in favour of Mr Anton Buthelezi to fill the vacancy on the Board as a non-executive director.**

**5. 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 2018 Annual Report. He mentioned that the Co-operative experienced a challenging year, mainly due to the impact of the South African economy not growing as expected. A VAT increase in April 2018, as well as the constant rise in the fuel prices negatively impacted on members' disposable income. South African household debt levels remained high at 71,9% of gross income.

Iemas operates in a highly regulated environment and the effect of constant changes and amendments to the regulatory universe remained challenging. The necessary governance and oversight structures are in place to ensure compliance with regulatory requirements.

The Co-operative continued to execute on its risk management strategy whereby frequent formal risk reviews were conducted.

Investment in the employees of the Co-operative by means of training and development amounted to more than R2 million for the year. Various other social responsibility initiatives were undertaken during the year, including the participation in wellness days and financial wellness training. During the year, 23 learners participated in Iemas' learnership programmes of which three were permanently employed after the conclusion of the programmes.

Iemas was previously rated according to the Generic Codes of Good Practice of the Broad-Based Black Economic Empowerment Act, which resulted in a Level 3 contributor. For the year under review the rating was conducted in accordance with the new Financial Services Codes which resulted in a rating of non-compliance mainly due to the sub-minimum scores not achieved in three of the priority pillars of the scorecard.

The meeting was informed of the focus and priority areas of the Co-operative for 2018/2019 which included, amongst others, to achieve sustainable debtors growth, managing bad debts and arrears to acceptable levels, retain funding from the banks on acceptable terms and focus on acquiring new employers, especially in the non-mining and manufacturing sectors.

***Resolution:***

**In response to a motion tabled by the Chairman, the members approved by show of hands:**

- 1. the report by the Board for the financial year ended on 31 August 2018; and**
- 2. the future business of the Co-operative.**

**6. ANNUAL FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2018**

An overview of the financial results of the Co-operative, as contained in the Annual Financial Statements, was presented by the Chief Financial Officer. The audited Annual Financial Statements were available for inspection to members at the Iemas Regional and Branch Offices. The Annual Financial Statements were prepared on the going-concern basis.

The Audit and Risk Committee considered the Annual Financial Statements at its meeting on 9 October 2018, the Board at its meeting on 16 October 2018. The Annual Financial Statements are recommended to the Annual General Meeting for approval.

An unqualified audit 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 2018 by a show of hands.**

**7. APPROPRIATION OF THE DISTRIBUTABLE SURPLUS FOR 2018**

The proposed appropriation of the distributable surplus for 2018 was presented to the meeting by the Chief Financial Officer, Mr O'Connell. It was proposed that patronage rewards and interest on members' funds in the amount of R100,66 million be distributed to members for the 2018 financial year. An analysis of the proposed rewards per product was presented to the meeting.

The Board of Iemas Insurance Brokers (Pty) Ltd approved the payment of patronage rewards to the value of R 8,47 million on short-term insurance business to members of the Co-operative.

The consolidated patronage rewards to members of the Co-operative for the 2018 financial year amount to R109,13 million.

***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 2018 by a show of hands.**

## **8. APPOINTMENT OF EXTERNAL AUDITORS FOR THE 2019 FINANCIAL YEAR**

The Board proposed the re-appointment of PricewaterhouseCoopers as external auditors for the 2019 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' 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. PricewaterhouseCoopers has a level 1 B-BBEE score.

### ***Resolution:***

**In response to a motion tabled by the Chairperson, the members approved the re-appointment of PwC as external auditors for the 2019 financial year by a show of hands.**

## **9. CLOSURE**

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

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Minutes approved by:



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**Resolution:**

**In response to a motion tabled by the Chairperson, the members approved the re-appointment of PwC as external auditors for the 2019 financial year by a show of hands.**

**9. CLOSURE**

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

A handwritten signature in black ink, consisting of several vertical, slightly wavy strokes, positioned above a horizontal line.

Minutes approved by:

