

**MINUTES OF THE ANNUAL GENERAL MEETING HELD  
ON THURSDAY, 31 OCTOBER 2019 @ 14:00  
AT KLEINKAAP BOUTIQUE HOTEL,  
89 JIM VAN DER MERWE STREET, CENTURION**

**ATTENDANCE**

Directors present:	WF van Heerden (Chairperson), LM De Villiers, D Sinivasan, Q Vorster, KP Lebina, A Buthelezi, BG van Vollenhoven and TD O'Connell
Secretariat:	PDF van Dyk
Members:	67 members present at the meeting and 16 by way of proxy
Apologies:	R Piater and V Sampula by prior arrangement
By invitation:	None
Minutes:	EC van der Merwe

**1. CONSTITUTION OF THE MEETING**

**1.1. OPENING AND WELCOME**

The Chairman welcomed the members of the Board, the Executive Management and all members of the Co-operative present at the 13<sup>th</sup> Annual General Meeting since Iemas became a Co-operative. 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.

**Quorum**

The Secretary confirmed to the Chairman 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. NOTICE OF MEETING AND AGENDA**

The notice of the 2019 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.

### **1.3. VOTING ARRANGEMENTS**

The Secretary of the Co-operative announced that the casting of votes will be conducted in accordance with the Iemas Constitution. Representatives of the Internal Audit department and of SAB&T were appointed to oversee the voting process as the electoral officers.

Members were informed that they were required to consider a special resolution for the amendment and replacement of the 2011 Constitution of Iemas and in accordance to the Act, voting for the adoption of the special resolution which will be done by ballot. Each member attending the AGM, either in person or by proxy, will have one vote.

The Secretary further advised the members that the outcome of the voting on the special resolution may impact the number and casting of votes for the ordinary resolutions that follows thereafter.

## **2. PREVIOUS MINUTES**

An overview of the minutes of the Annual General Meeting held in 2018 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 2018. 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 Chairman confirmed that he had inspected the minutes and was satisfied that it accurately reflected the processes, matters discussed and decisions taken at the 2018 Annual General Meeting.

### ***Resolution:***

**On a motion presented by the Chairman, the minutes of the Annual General Meeting held on 30 October 2018 was approved without any amendments.**

## **3. SPECIAL RESOLUTION**

The Chairman informed the members that the Co-operatives Act 14 of 2005 came into effect during August 2005 and the Amendment Act was published during August 2013. The Amendment Act contained specific transitional provisions which requires a co-operative to amend its constitution within a period of two years to the extent necessary in order to comply with the requirements of the amendment act. The Co-operatives Amendment Act came into operation 1 April 2019.

With the assistance of external legal counsel the amendments to the Act were considered and a draft Constitution was developed and presented to the Board for consideration. The Board recommended the adoption of the new Constitution by the Annual General Meeting.

The Co-operatives Act prescribed that a co-operative may only amend its constitution by means of a special resolution. The draft Constitution was made available to members 14 days prior to the AGM.

The Chairman put the resolution to the meeting:

By approving the special resolution, the existing Constitution of the Co-operative is replaced in its entirety by the new Constitution which shall immediately upon its adoption become applicable to the operations of the Co-operative.

Proposed by: Mr N Noko

Seconded by: Ms N Lusu

The Chairman announced the outcome of the vote:

Motion	In favour of	Against	Abstain	Total # of votes
<b>Special resolution 1:</b> Adoption and approval of the new Constitution of the Co-operative.				
<b>Number of votes</b>	<b>78</b>	<b>4</b>	<b>1</b>	<b>83</b>
<b>Percentage</b>	<b>94%</b>	<b>5%</b>	<b>1%</b>	<b>100%</b>

He therefore declared the motion carried. This means that the existing Constitution of the Co-operative is replaced by the new Constitution with immediate effect.

#### 4. ORDINARY RESOLUTIONS

##### 4.1. ORDINARY RESOLUTION 1: REPORT OF THE BOARD OF DIRECTORS

The Chairman provided an overview of the Directors' report as incorporated in the 2019 Annual Report. He mentioned that the Co-operative experienced a challenging year, mainly due to inflation that remained at 4% and unemployment that is at an all-time high. South Africa still experienced rising public debt, inefficient state-owned enterprises and spending pressures that reduced the country's global competitiveness.

Iemas operates in a highly regulated environment and the effect of constant changes and amendments to the regulatory universe remained challenging. Iemas maintained strong relationships with regulators and 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 and risk governance structures implemented to ensure risks were defined and adequately managed to acceptable tolerance levels.

The Board is committed to minimizing the risk of fraud and corruption and all employees must conduct themselves in a professional and ethical manner. A Whistleblowing Policy is in place, under which employees and any other person may in confidence, raise concern about possible matters involving fraud, corruption and employee misconduct.

Iemas also has an extensive employee wellness programme in place, and the Co-operative invest in the training and development of employees to maintain a competitive edge for the Group's continued growth and success. For the F2019, the main priority was to prepare employees for the new loan origination, loan management and debt collections systems.

The Chairman put the resolution to the meeting:

The Co-operatives Act and the Iemas Constitution requires that members approve of the report of the Board of Directors on the affairs of the Co-operative for the 2019 financial year.

Proposed by: Mr C Bassdev

Seconded by: Ms Z Stapelberg

The Chairman announced the outcome of the vote:

Motion	In favour of	Against	Abstain	Total # of votes
<b>Ordinary resolution 1:</b> Approval of the report of the Board on the affairs of the Co-operative for the 2019 financial year.				
<b>Number of votes</b>	<b>293</b>	<b>1</b>	<b>1</b>	<b>295</b>
<b>Percentage</b>	<b>99.4%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>100%</b>

He therefore declared the motion carried. This means that the members approved the report of the Board of Directors on the affairs of the Co-operative for the 2019 financial year.

#### **4.2. ORDINARY RESOLUTION 2: ANNUAL FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019**

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.

There were no material issues reported to the Audit and Risk Committee. The Audit and Risk Committee considered the Annual Financial Statements at its meeting on 10 October 2019, the Board at its meeting on 17 October 2019. The Annual Financial Statements were recommended to the Annual General Meeting for approval.

An unqualified audit report was issued by PricewaterhouseCoopers.

The Chairman put the resolution to the meeting:

The Co-operatives Act and the Iemas Constitution requires that members approve the Annual Financial Statements and the Auditor's Report for the financial year ended 31 August 2019.

Proposed by: Ms J Naidoo

Seconded by: Mr S Tsabangu

The Chairman announced the outcome of the vote:

Motion	In favour of	Against	Abstain	Total # of votes
<b>Ordinary resolution 2:</b> Approval of the Annual Financial Statements for the year ended 31 August 2019 and the Auditor's Report				
<b>Number of votes</b>	<b>292</b>	<b>2</b>	<b>1</b>	<b>295</b>
<b>Percentage</b>	<b>99.1%</b>	<b>0.6%</b>	<b>0.3%</b>	<b>100%</b>

He therefore declared the motion carried. This means that the members approved the Annual Financial Statements for the year ended 31 August 2019 and the Auditor's Report.

#### **4.3. ORDINARY RESOLUTION 3: APPOINTMENT OF EXTERNAL AUDITORS FOR THE 2020 FINANCIAL YEAR**

The Board proposed the re-appointment of PricewaterhouseCoopers Inc. as external auditors for the 2020 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. A decision was taken to go out on a Request for Proposal (RFP) in 2020 for the appointment of new auditors in 2021 fiscal year.

The Chairman put the resolution to the meeting:

The Co-operatives Act and the Iemas Constitution requires that members approve the appointment of the external auditors for the next financial year.

Proposed by: Mr P Niewoudt

Seconded by: Mr E Makhele

The Chairman announced the outcome of the vote:

Motion	In favour of	Against	Abstain	Total # of votes
<b>Ordinary resolution 2:</b> Approval of the appointment of PricewaterhouseCoopers Inc. as external auditors for the Co-operative for the 2020 financial year.				
<b>Number of votes</b>	<b>281</b>	<b>12</b>	<b>2</b>	<b>295</b>
<b>Percentage</b>	<b>95.1%</b>	<b>4.1%</b>	<b>0.6%</b>	<b>100%</b>

He therefore declared the motion carried. This means that the members approved the appointment of PricewaterhouseCoopers Inc. as external auditors for the Co-operative for the 2020 financial year.

## 5. ADVISORY INFORMATION

### 5.1. APPROPRIATION OF THE DISTRIBUTABLE SURPLUS FOR 2019

The proposed appropriation of the distributable surplus for 2019 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 R103,8 million be distributed to members for the 2019 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 6,1 million on short-term insurance business to members of the Co-operative.

The consolidated patronage rewards to members of the Co-operative for the 2019 financial year amount to R109,9 million.

### 5.2. FUTURE BUSINESS OF THE CO-OPERATIVE

The Group Chief Executive Officer, Mr van Vollenhoven gave an overview of the strategic initiatives and areas that will be focused on in the 2020 financial year. He informed the members that the Iemas business needs to be re-positioned which will require adjustments in the operating model and gave a brief overview of the short-, medium- and long-term activities plan.

Looking forward the implementation of the Iemas Business Modernization (IBM) program during Q1 of F2020 will open exciting possibilities on the net and digital channels. Iemas will continue

to grow and improve on the debtors book, as well as the Iemas card offering and to create a strong link to the rewards between all products.

**6. BOARD OF DIRECTORS**

Mr Buthelezi, member of the HR Committee introduced the independent non-executive directors of the Iemas Board and highlighted the term of office of the Iemas Board members.

**7. CLOSURE**

The Chairman thanked the members for their support and confidence in the organization and for their attendance and declared the meeting closed at 16:20.

A handwritten signature in black ink, consisting of several vertical, slightly wavy lines followed by a small flourish at the end, positioned above a horizontal line.

Minutes approved:

