



PROFMED NOMINATION FORM FOR NOMINATION TO SERVE AS A TRUSTEE ON THE BOARD OF PROFMED MEDICAL SCHEME

THIS NOTICE IS A CALL FOR NOMINATIONS IN RESPECT OF PROFMED MEDICAL SCHEME'S 2023 TRUSTEE ELECTIONS

The Board of Trustees is calling for nominations to fill one vacancy for an elected trustee whose term of office expires at the annual general meeting in 2023. The expiring term of office is being vacated by Dr H J Woermann and a healthcare professional, specifically a medical doctor is preferable.

COMPOSITION OF THE BOARD

In terms of the Rules of Profmed ("Rules") and subject to the provisions of the Medical Schemes Act No. 131 of 1998, as amended ("the Act"), the affairs of Profmed are managed by the Board of Trustees ("Board") consisting of eight persons. Half of the trustees are elected by Profmed members from amongst members and half are appointed by the Board. The Rules provide for a four-year term of office for trustees, and retiring trustees may stand for re-election or re-appointment.

QUALIFYING CRITERIA

The Rules of the Scheme allow any principal member in good standing to nominate another principal member in good standing to stand for election. Both the proposer and the nominee must be fully-paid up members of the Scheme. A nominee may not nominate themselves for election as a trustee. Nominees must comply with rule 20 of the Scheme Rules, which sets out the governance requirements of the Board; the principles of King IV; and Regulation 57 of the Act. Regulation 57(1), in particular, and rule 4.21 of the Rules of the Scheme require that the Board be made up of trustees who are fit and proper, and who possess the appropriate skills and character to perform the duties of a trustee. Rule 20.1.9 sets out the persons who are not eligible to serve as trustees. An extract of the stipulated Rules are attached as Annexure A.

SKILLS REQUIRED

The medical scheme industry is challenging and complex, which requires a board that is appropriately skilled. The Profmed Board (including the retiring trustees) currently comprises a medical doctor, a dentist, a pharmacist with healthcare and business expertise, an advocate, an accountant, an actuary, an information technology specialist and a professor of governance. In submitting a nomination, it is important to take into account that the Board should be representative of the membership of Profmed, the race demographics of South Africa, and gender representation.

The Board has assessed the current skills on the Board and has determined that nominees with, amongst others, skills in the medical and legal fields are preferred. Nominees should also have experience in exercising fiduciary responsibility.

Nominated persons should be versatile and adaptable to cope in a fast-changing technological, socio-political and legislative environment and should bring an innovative and constructive approach to the Board and must be prepared to give of their personal time. A sound understanding and experience of the medical scheme industry and medical scheme practices, supplemented with financial knowledge, would be advantageous.

DUTIES OF A TRUSTEE

Trustees are expected to be familiar with the Scheme Rules and to embody the values and ethics of Profmed. The Board has the task of ensuring that the business as contemplated by the Scheme, is managed in accordance with legislation and the applicable Rules of the Scheme. The duties of the trustees are set out in detail in rule 21. These duties include, but are not limited to, ensuring the proper and sound management of Profmed, the avoidance of conflicts of interest and declaration of any interest that a trustee may have in any matter serving before the Board, the application of sound business principles and maintaining the financial soundness of Profmed, taking all reasonable steps to ensure that the interests of beneficiaries are promoted and the provisions of the Medical Schemes Act

and all other relevant legislation are complied with at all times and applied with impartiality in respect of all beneficiaries, maintaining the confidentiality of medical records concerning any beneficiary's state of health, and disclosing annually in writing to the Registrar of Medical Schemes any payment or consideration made to them in that year by Profmed. Trustees are expected to utilise their best endeavours to ensure the promotion of the interests of Profmed.

CONFLICTS OF INTEREST

A conflict of interest will exist should the nominee or their spouse/partner or immediate family member have a material relationship in terms of rule 4.21 of the Rules of the Scheme with any one of the Scheme's main contracted outsourced providers. A list of these providers is available on request at profmednominations2023@bdo.co.za. Such nominee will be disqualified from participating in the

SCREENING AND VETTING PROCESS

In terms of good governance, all nominations will be screened by the Profmed Nominations Committee. The screening process will take into account the criteria set out in this notice, the Rules of the Scheme, the Medical Schemes Act, the principles of King IV and any other relevant legislation, regulations and accepted standards of good corporate governance practices. Any material misinformation in, or material information found to have been omitted from the nomination and accompanying documents, will disqualify the nomination.

By accepting this nomination, you understand that it is a requirement that successful candidates undergo a vetting process at Che-Leigh Personnel Consultants, which will require relevant personal information, including fingerprints, to be provided, failure of which will result in the disqualification of a nominee.

Personal information submitted by proposers and nominees during the nomination and election process will be processed by Profmed subject to the provisions of the law and as set out in Profmed's Privacy Policy (available at www.profmed.co.za). Personal information submitted to third parties is also subject to the privacy policies of such parties.

BDO South Africa Incorporated has been appointed to audit the nomination process.

SUBMITTING A NOMINATION

Should you wish to nominate a member of Profmed for election, the nominee and nomination must take into account the criteria in this notice. The Nomination Form and Declaration of Interests form can be downloaded from the website at www.profmed.co.za or obtained from Client Services on 0860 679 200. These forms, duly completed and signed, must be accompanied by a full CV of the nominee, and a summary of the CV* (not exceeding 200 words) as well as a recent, clear, high resolution head-and-shoulders photo of the nominee in JPEG format, for publication to members. The nomination form must be completed and signed by the proposer and the Acceptance of Nomination must be completed and signed by the nominee.

SUBMISSION DEADLINE

Nominations must be submitted to the email address provided on the Nomination Form and must reach the office of the Principal Officer by not later than **15:30 on Friday 3 March 2023**.

A full set of the Scheme Rules is available on the website at www.profmed.co.za.

**The summary of the CV must be limited to the nominee's qualifications and work experience. It is not an election manifesto. Should the summary not comply with these requirements, the Nominations Committee reserves the right to amend the summary accordingly.*

Principal Officer

20 February 2023

PROFMED

CALL FOR NOMINATION FOR ELECTION OF TRUSTEE 2023

ANNEXURE A

Below are extracts of the Scheme Rules. A full set of the Rules is available at www.profmed.co.za.

4. DEFINITIONS

- 4.21 “Fit and proper”: skill, experience, character traits, diligence, honesty, integrity and judgement a responsible person shall possess to perform the duties of a trustee or principal officer;

20. GOVERNANCE

20.1 Composition of the Board

- 20.1.1 The affairs of the Scheme shall be managed according to these rules by a Board consisting of eight (8) persons who are Fit and Proper to be trustees;
- 20.1.2 Half of such trustees shall be elected by Members from amongst Members;
- 20.1.3 Half of such trustees, with relevant experience, expertise and skills shall be appointed by the Board of the Scheme from amongst Members;
- 20.1.4 Trustees shall serve a term of four (4) years;
- 20.1.5 Trustees shall undergo formal orientation to become familiar with the operations of the Scheme, its structure, policies and procedures, and orientation shall take place within sixty (60) days from the commencement of a trustee’s first term of office;
- 20.1.6 Trustees shall comply with the Trustees’ Training Policy;
- 20.1.7 The Board shall annually review and determine the skills and experience required to fulfill its fiduciary duties and responsibilities as contained in the rules of the Scheme, the Profmed Charter and the Act;
- 20.1.8 The Board shall endeavour to ensure continuity of skill and experience on the Board;
- 20.1.9 The following persons are not eligible to serve as trustees:
- 20.1.9.1 a person under the age of twenty-one (21) years;
- 20.1.9.2 an employee, director, officer, consultant or contractor of the Administrator of the Scheme or any person contracted by the Scheme to provide administrative, marketing or managed health care services, or of the holding company, subsidiary, joint venture or associate of that Administrator;
- 20.1.9.3 a person who has an interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making;
- 20.1.9.4 any person that is already serving as a trustee of any other registered medical scheme;
- 20.1.9.5 an employee of the Scheme;
- 20.1.9.6 the Principal Officer of the Scheme;
- 20.1.9.7 the Auditor of the Scheme;
- 20.1.9.8 a board member of The Professional Provident Society Holdings Trust and The Professional Provident Society Insurance Company Limited;
- 20.1.9.9 a broker or an employee, director, shareholder, officer, consultant or contractor of a person who provides broker services.
- 20.1.10 Retiring trustees are eligible for re-election or re-appointment, provided no trustee shall serve more than two (2) consecutive terms and no more than three (3) terms in total;
- 20.1.11 Should a casual vacancy of a trustee occur during a term of office, such vacancy will be filled as follows:

- 20.1.11.1 the vacancy of a trustee appointed in terms of rule 20.1.2 will be filled by appointment by the Board from Members. A person so appointed shall retire at the first ensuing annual general meeting; or
- 20.1.11.2 the vacancy of a trustee appointed in terms of rule 20.1.3 will be filled by appointment by the Board. A person so appointed shall serve the remaining period of the term of office of the trustee in whose place he is appointed;
- 20.1.12 The Board may co-opt a knowledgeable person to assist in its deliberations, provided that such person shall not have a vote;
- 20.1.13 Half of the trustees plus one (1) is a quorum at meetings of the Board;
- 20.1.14 If the number of trustees falls below the number necessary to form a quorum, the remaining trustee or trustees may continue to act, but only for the purposes of appointing additional trustees to constitute a quorum.
- 20.1.15 The Board shall elect from its number the Chairman at the first meeting of the Board of Trustees following an annual general meeting. The term of office will expire at the ensuing annual general meeting;
- 20.1.16 The Chairman may be voted out of office before the end of his term of office by a two-thirds majority;
- 20.1.17 The retiring Chairman is eligible for re-election;
- 20.1.18 In the absence of the Chairman, the trustees present shall elect one of their number to preside;
- 20.1.19 The Chairman shall preside over meetings of the Board and ensure due and proper conduct at meetings;
- 20.1.20 Matters serving before the Board shall be decided by a majority vote and in the event of an equality of votes, the Chairman has a casting vote in addition to his deliberative vote;
- 20.1.21 A trustee may resign at any time by giving written notice to the Board;
- 20.1.22 It is the responsibility of the Chairman to address any conduct by trustees that is considered undesirable by the Board;
- 20.1.23 The Board shall meet at least once every quarter or at more regular intervals, as circumstances require, or at such intervals as the Board may deem necessary;
- 20.1.24 The Chairman may convene a special meeting should the necessity arise. Any three (3) trustees may request the Chairman to convene a special meeting of the Board, stating the matters to be discussed at such meeting;
- 20.1.25 Trustees may be reimbursed for all reasonable expenses incurred by them in the performance of their duties as trustees;
- 20.1.26 Trustees may be remunerated as determined from time to time at the annual general meeting;
- 20.1.27 In the absence of the Chairman, his signing powers will be assumed by any other trustee/s mandated by the Board.

20.2 Nomination of Elected Trustees

- 20.2.1 Nominations to fill vacancies in respect of elected trustees, signed by the candidate signifying his consent to stand for election, shall be submitted to the Scheme by not later than 30 April of the year concerned and the election shall be carried out by the Members by means of a ballot vote to be received by the Scheme by a date determined by the Nominations Committee;
- 20.2.2 The nomination and election process will be undertaken under the direction of the Principal Officer;
- 20.2.3 A nominee may not nominate himself for election as a trustee;
- 20.2.4 Nominations and nominees shall be screened by the Nominations Committee to ensure that:
- 20.2.4.1 no conflict of interest exists;
- 20.2.4.2 nominees are eligible and Fit and Proper in terms of the rules of the Scheme, the Medical Schemes Act No. 131 of 1998, as amended, and the criteria identified by the Board from time to time;
- 20.2.4.3 all nominations are submitted in accordance with the stated criteria and requirements;
- 20.2.4.4 all nominees and proposers are fully paid-up Members of the Scheme on the date of nomination.
- 20.2.5 Nominations shall be:
- 20.2.5.1 submitted on the prescribed form and shall be signed and accepted by the nominee;
- 20.2.5.2 proposed and duly signed by the proposer, who shall be a Member;

20.2.5.3 accompanied by a curriculum vitae and a signed declaration of interests of the nominee.

20.3 Nomination of Appointed Trustees

20.3.1 The Board shall determine the requirements for nominations for appointment to the Board;

20.3.2 Trustees may propose a nominee to the Board for consideration in terms of the determined requirements;

20.3.3 Nominations shall be seconded by a trustee;

20.3.4 Nominees, proposers and seconders must be fully paid-up Members on the date of nomination;

20.3.5 Nominees may be interviewed by the Board at its discretion to establish the suitability of the nominees and to ensure nominees comply with the rules of the Scheme, the Medical Schemes Act No. 131 of 1998, as amended, and the skills, Fit and Proper and other criteria determined by the Board from time to time;

20.3.6 Nominees shall be appointed by a majority vote of the Board at a Board meeting.

20.4 Termination of a Trustee's Term of Office

20.4.1 A trustee may be removed from office by a majority vote of the Board at a Board meeting if he:

20.4.1.1 is absent within a twelve-month period from two (2) Board meetings without the permission of the Chairman and/or is absent from two (2) Board committee meetings without the permission of the chairman of the relevant Board committee;

20.4.1.2 is not acting in the best interests of the Scheme;

20.4.1.3 is destructive or improper in his attitude, participation and behaviour in meetings or in his general conduct as a trustee;

20.4.1.4 does not correct his conduct or a situation that has been addressed with him at least twice by the Chairman;

20.4.2 A trustee ceases to hold office if he:

20.4.2.1 becomes mentally ill or incapable of managing his affairs;

20.4.2.2 is declared insolvent or has surrendered his estate for the benefit of his creditor;

20.4.2.3 is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or perjury;

20.4.2.4 is removed by the Court from any office of trust on account of misconduct;

20.4.2.5 is disqualified from carrying on his profession;

20.4.2.6 is removed from office by the Council for Medical Schemes in terms of Section 46 of the Act;

20.4.2.7 is no longer a Member of the Scheme.

21. FIDUCIARY DUTIES OF BOARD OF TRUSTEES

21.1 The Board is responsible for the proper and sound management of the Scheme, and in terms of these rules;

21.2 The Board must act with due care, diligence, skill, and in good faith;

21.3 Trustees must avoid conflict of interest, and must declare any interest they may have in any particular matter serving before the Board;

21.4 The Board must apply sound business principles and ensure the financial soundness of the Scheme;

21.5 The Board shall appoint a Principal Officer who is Fit and Proper to hold such office and within 30 days of such appointment give notice thereof in writing to the Registrar. The Board shall determine the terms and conditions of service of the Principal Officer and the employment policies of the Scheme;

21.6 The Board may authorise the appointment of any staff by the Principal Officer which, in its opinion are required for the proper execution of the business of the Scheme and must determine the terms and conditions of service of any person employed by the Scheme;

21.7 The Board must cause to be kept such minutes, accounts, entries, registers and records as are essential for the proper functioning of the Scheme;

21.8 The Board must ensure that proper control systems are employed by and on behalf of the Scheme;

- 21.9 The Board must ensure that adequate and appropriate information is communicated to the Members regarding rights, benefits, Contributions, obligations and duties in terms of the rules;
- 21.10 The Board must take all reasonable steps to ensure that Contributions are paid timeously to the Scheme in accordance with the Act and the rules;
- 21.11 The Board must take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance;
- 21.12 The Board must obtain expert advice on legal, accounting, clinical and business matters as required, or on any other matter of which the trustees may lack sufficient expertise;
- 21.13 The Board must ensure that the rules and the operation and administration of the Scheme comply with the provisions of the Act and all other applicable laws;
- 21.14 The Board must take all reasonable steps to protect the confidentiality of the personal information under its control as may be required by the Protection of Personal Information Act No. 4 of 2013 or any other applicable law;
- 21.15 The Board must approve all disbursements subject to rule 22.19;
- 21.16 The Board must cause to be kept in safe custody, in a safe strong room at the registered office of the Scheme or with any financial institution approved by the Board, any mortgage bond, title deed or other security belonging to or held by the Scheme, except when in the temporary custody of another person for the purposes of the Scheme;
- 21.17 The Board must make such provision as it deems reasonable and desirable, and with due regard to applicable legislation, normal practice and recommended guidelines pertaining to retention of documents, for the safe custody of the books, records, documents and other effects of the Scheme;
- 21.18 The Board must take all reasonable steps to ensure that the interests of Beneficiaries in terms of the rules of the Scheme and the provisions of the Act are protected at all times and with impartiality in respect of all Beneficiaries;
- 21.19 The Board shall ensure that the recommendation to Members on trustee remuneration is tabled at the annual general meeting;
- 21.20 The Board shall disclose annually in writing to the Registrar, any payment or considerations made to them in that particular year by the Scheme;
- 21.21 The Board shall appoint an auditor and audit committee annually;
- 21.22 The Board of Trustees shall ensure that the annual financial statements are prepared in compliance with all statutory requirements pertaining thereto;
- 21.23 The Board shall undertake a self-evaluation annually and an independent assessment every three (3) with due regard to normal practice and recommended guidelines pertaining to improving the Board's effectiveness.