

Notice to Members

Dear Principal Member

As you are aware, KeyHealth Medical Scheme was placed under curatorship on 16 September 2020. My duty as Curator is to stabilise governance and other related matters of the Scheme as duly mandated in terms of a Court Order dated 25 March 2021. I believe that the purpose for which I have been appointed has been fulfilled, and that the affairs of the Scheme should now be normalised.

The Registrar for the Council for Medical Schemes to whom I report, concurs that the time has come for elections to be held for a new Board of Trustees in terms of the Rules of the Scheme, to take over the management and control of the affairs of the Scheme.

The Registrar has approved new Rules which provide for the appointment of an independent body to oversee the election process. As a result, The Elexions Agency, an **independent** professional elections administration and management service provider has been appointed to fulfil this function. The elections will be conducted between July and October 2021.

The Elexions Agency will also ensure that the election is:

- free and fair and without prejudice, and
- conducted in a manner that is in keeping with the registered and amended Rules of KeyHealth as at 18 May 2021 and the court order.
- Affords all eligible members to elect Trustees digitally and vote at identified voting stations at the various employer pay points prior to the AGM or in person at the AGM.

The Scheme has also appointed an independent audit firm, Deloitte South Africa to oversee the election and certify the outcome.

In order for an election to be held, candidates must be nominated from among the ranks of the members of the Scheme that are in good standing, meaning membership must be up to date as at the extraction date of the member data for each of the two phases, viz. nominations and voting. Nominations must be seconded by five (5) **other** members in good standing.

All Principal Members are encouraged to participate in the election process where you will vote for seven (7) member trustees, who are fit and proper and in line with section 19.2.1 of the registered Rules of KeyHealth as amended.

The purpose of this communication is to set out the election process and inform Principal Members of the steps they need to follow in order to participate in the election process.

You are hereby directed to the **Election Notice** below which will outline the different phases of the election, nomination criteria and timeframes.

Members must adhere to the procedure outlined below.

Yours faithfully



Curator: Joe Seoloane
KeyHealth Medical Scheme
28 July 2021

The Election Process Explained

The election process comprises three phases:

- **Nomination Phase;**
- **Voting Phase;** and
- **Counting Phase.**

The **Nomination Phase**, which commences with this notice, entails putting forward names of suitable members of the Scheme to become candidates for election as Trustees from amongst the ranks of members.

During the **Voting Phase**, members will receive a ballot paper with names of successfully nominated candidates to be voted for.

In both instances, members will be able to return their nomination forms and ballot papers by selected methods listed below.

Phase 1: Nomination of Candidates

1. Only **principal members** / pensioner members in **good standing** with the Scheme as at 15 July 2021 are eligible to participate in the election.
2. A principal member wishing to stand as a candidate must be nominated by a **Proposer** and supported by five **(5) other Seconders in good standing**.
3. Nominations must be submitted using the official nomination form accompanying this notice and must be completed as follows:
 - a. **Section 1** of the nomination form must be completed by a principal member in good standing making the nomination (**Proposer**) by writing down his/her full names, ID number, KeyHealth membership number, contact number, email address, signature and date.
 - b. **Section 2** must be completed by the five (5) Seconders who support the nomination as set out in 3.a. above and must complete their names, ID and KeyHealth membership numbers and accordingly sign the form.

- c. **Section 3** of the nomination form must be completed by the **nominee** (proposed candidate) by writing his/her full names, ID and KeyHealth membership numbers, contact numbers, email address, signature and date. By signing this section, the nominee declares acceptance of their nomination and that you are not disqualified from becoming a Trustee as per Rule 19.2 as outlined in section 12 below. By signing you further commit to complete and furnish the attached CV Form, provide us with an ID size photograph of yourself and to have your credentials vetted.
- d. For a nomination to be valid, apart from being duly completed, it **MUST** be made on the attached original Nomination Form and accompanied by the following:
 - A completed CV Form;
 - Copy of ID; and
 - ID size photograph (electronic ONLY).

4. **No principal member may complete more than one section of the attached Nomination Form.** You cannot nominate yourself.
5. **Completed Nominations Forms must reach The Elexions Agency Returning Officer by no later than 12h00 midday on 27 August 2021** as follows:

The Returning Officer, KEYHEALTH 2021 Board of Trustees Elections through any of the following:

- Post to P O Box 3318, Houghton 2041
- By Fax to 086 678 4123
- Scan & Email to:
keyhealth2021@elexionsagency.co.za

Nominations Boxes placed at various Pay Points.

6. Note that the following Nomination Forms **will be invalid and will not be considered**:
 - Forms that are returned after 12h00 midday on 27 August 2021; and/or
 - Forms that are sent to any other address than the address particulars provided above; and/or
 - Forms not completed correctly and in full; and/or
 - Forms submitted without the additional documentation and qualify will have details of that nominee appear without photos or biographies in the CV Booklet.

7. Upon nomination closure, the Returning Officer shall scrutinise all nominations received in order to determine their eligibility against the Scheme Rules and inform all nominees of the outcome of the nomination process.
8. The documentation to accompany the Nomination Form will assist in developing a **CV Booklet** from which members will be able to familiarise themselves with the credentials of the candidates in order to make an informed choice.
9. It needs to be stressed that nominating persons for election and voting are two distinct and different processes. The one leads and informs the other.

Nomination Criteria

10. Who is eligible to stand as a candidate?

The Rules provide that only principal members that are in good standing and are not suspended by the Scheme are eligible to stand for election.

11. Who is not eligible to stand as a candidate in line with Rule 19.2:

- a. a person under the age of 21 years;
- b. an employee, Director, Officer, Consultant or Contractor of any person contracted by the Scheme to provide administrative, marketing or managed health care services or of its holding company, subsidiary, joint venture or associate;
- c. a Broker;
- d. The Auditor of the Scheme;
- e. Any employee of the Scheme;
- f. A person who serves as a Trustee of the Board of any other medical scheme.

In addition to Rule 19.2, Rule 19.6 provides for grounds for cessation of office of trustees. Those provisions are equally applicable as regards persons who may not stand for office, particularly the following:

- g. He/she becomes mentally ill or incapable of managing his/her affairs;
- h. He/she is declared insolvent or has surrendered his estate for the benefit of his creditors;
- i. He/she is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering of a forged document or perjury;

- j. He/she is removed by the court from any office of trust on account of misconduct;
- k. He/she is disqualified under any law from carrying of his/her profession;
- l. He/she ceases to be a member of the Scheme;
- m. He/she is removed from office by the Council in terms of Section 46 of the Act.

A full set of the Rules is available on www.keyhealthmedical.co.za.

12. When is a person fit and proper to be a Trustee?

The Board of Trustees has the important responsibility of ensuring the proper and sound management of the Scheme in terms of the Rules and in the best interests of the members. It is important that members elect trustees who are honest, appropriately skilled and can execute their duties effectively and efficiently as Trustees when representing members of KeyHealth. Members of the Board must have attributes such as discipline, accountability, be responsible, independent and transparent. They must take all reasonable steps to avoid conflicts of interests and act with impartiality in respect of all members.

Your attention is drawn to section 57(1) of the Medical Schemes Act which provides that:

“Every medical scheme shall have a Board of Trustees consisting of persons who are fit and proper to manage the business contemplated by the medical scheme in accordance with the applicable laws and the rules of such medical scheme”.

“Fit” relates to a person’s competence and ability to do the job and “proper” relates to the character and integrity of the person. A fit and proper person means someone who is financially sound, honest, reputable, reliable and competent to perform the role in question.

Further, section 57(3) of the Medical Schemes Act which provides that **“A person shall not be a member of the board of trustees of a medical scheme if that person is –**

An employee, director, officer, consultant or contractor of the administrator of the medical scheme concerned, or of the holding company, subsidiary, joint venture or associate of that administrator; or A broker”.

Phase 2: Voting Phase

11. Voting will commence once the nomination process has been finalised and the final list of candidates has been published for member notification. Detailed information on the voting process will be contained in a **Voting Information Pack** that will be sent to all principal members.
12. Only names of successful nominees will be placed on the ballot paper in alphabetical order by surname first. In addition, biographies of all candidates together with those that would have submitted photographs will appear in a CV Booklet for members to familiarise themselves with the credentials of their candidates in order to make informed choices.
13. The ballot paper will have the necessary security features in order to eliminate electoral fraud completely.
14. The Voting Information Pack will comprise the following:
 - a. A ballot paper;
 - b. A CV Booklet containing summarised CVs of candidates;
 - c. Voting Instructions; and
 - d. A pre-paid self-addressed envelope.

ELECTION ENQUIRIES

Members must direct all their election related queries to:
The Returning Officer at The Elexions Agency as follows:
Shared Call Number – 0860 866 335
Email- keyhealth2021@elexionsagency.co.za
Fax – 086 678 4123

This election is managed and facilitated by The Elexions Agency (Pty) Ltd, an independent elections management company.

