

SAMED Governance Document

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Adopted by the SAMED Board on:

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A. SAMED BOARD MEMBERS: ROLES AND RESPONSIBILITIES

Members of the Board of SAMED (“the Association”) are entrusted with the ultimate responsibility for the functioning of the Association and are charged with ensuring good governance of the Association.

As Members of the Board, and custodians of corporate governance, the Board must exercise leadership, integrity, enterprise and judgment when the Board directs, governs and controls the Association.

As Members of the Board we agree to manage the Association along sound corporate governance principles. We commit to the following as Board Members of the Association:

- To serve the best interest of the Association with care, skill, diligence and courage.

What this means: Each Board member is responsible to ensure that they apply their minds to all matters before the Board, to ask questions, to verify facts, to check what previous decisions, policies and/or recommendations were, to prepare for Board meetings, to engage constructively, including to object and to support and to refer to the SAMED Constitution as its guiding document. It also means being vigilant in relation to re-hashing previous decisions, or to refrain from undermining Board decisions and policy at different forums (e.g. Committee meetings). All members of the Board must ensure that proper records (including decision registers) are kept, and that there is accountability in all financial matters. An annual risk assessment must be undertaken, and a risk register kept. A delegation framework should be developed, as well as a record kept of delegations and mandates to Board members, Committee chairs, office bearers and staff.

- To be responsible for the actions and assets of the Association and for keeping the Association on its strategic path.

What this means: To hold staff and office bearers accountable, to ensure that there are clear roles, lines of authority, clear delegations of powers and processes of assessing compliance with instructions / mandates. Each Board member should evaluate each matter for discussion, and all committee and SAMED activities against the strategic path, i.e. ensure that all SAMED activities feed into and directly relate to such strategies. Board members will hold each other to account in terms of the performance of committees headed up by them.

- To be fair to all Members of the Association by considering the legitimate interests of those who are affected by the Association and its decisions.

What this means: To ensure that all decisions consider the Constitution of SAMED, and its mandate to represent its members in accordance with the Constitution. It must be borne in mind that all members are entitled to equal levels of support, protection and assistance, and Board members may want to develop a policy to delineate the extent of support and assistance rendered, as well as policies on contentious issues that may divide the membership.

- To be transparent by disclosing information that will enable Members to hold the Association to account and that provides a holistic representation of the Association's past performance and its prospects for future value-creation.

What this means: The Board should create platforms where members obtain information and reports on the strategic direction of the Association, as well as its activities and how those serve the SAMED Constitution and the strategic direction. Members should be able to access financial- and annual reports of the Association, and be informed of their rights in relation to the calling of general membership meetings.

We further accept that as Members of the Board it is required that:-

1. We appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:
 - 1.1. informing and approving the strategy of the Association on an annual basis;
 - 1.2. ensuring that the Board is satisfied with the strategy and plans of the Association and that they are not encumbered by risks that have not been thoroughly assessed by the Board;
 - 1.3. identifying key performance indicators for the Board and its Committees and all risk areas; and
 - 1.4. ensuring that the strategy of the Association will result in measurable and sustainable outcomes.
2. We are required to provide effective leadership that stands on an ethical foundation. Effective leadership is built on four pillars, namely responsibility, accountability, fairness and transparency. This entails doing business ethically and sustainably by having regard to the Association's economic, social and environmental impact on its members, the health sector and the South African community.
3. We must ensure that the Association has ethical leadership, having regard to not only the financial aspects of the Association but also the impact that the operation of the Association has on its members, the health sector, the environment and the society within which it operates.
4. We take responsibility for all matters consistent with carrying out the objects and purposes for which the Association has been formed and to make policies, codes and/or by-laws for the better and more efficient achievement of such objects. This introduces certainty into who we are and how we operate, and proves our leadership and fairness in a concrete manner.
5. We undertake to use the funds of the Association for any of the purposes provided for in the Constitution and according to the budget as approved by the Board on an annual basis.
6. We will scan the environment in order to remain responsive to it, but also to be proactive in being prepared for changes that may occur in the environment and/or changes that may affect SAMED and its members.
7. We must ensure that the Board's ethics are managed effectively and we will undertake quarterly reviews of our own conduct and performance as a Board.
8. We understand that we act on behalf of the Association and will pass resolutions, which shall be binding upon the Association and its members and for notifying all parties with membership to the Association resolutions that affect them.
9. We must ensure that the Association has an effective Executive Committee and Treasurer, at all times, and that the Association has policies in place to ensure that risk is kept to a minimum.
10. The Board is further responsible to appoint any committees or sub-committees required by the Association and undertake to provide each committee or subcommittee with a clear mandate that relates to the Association's Constitution and any year's strategic plan.
11. We are responsible for ensuring that systems are in place to ensure appropriate document management, access to documents, document retention and proper information technology (IT) governance.
12. We are responsible together as a Board to ensure that the Association complies with any applicable laws and considers adherence to non-binding rules and standards. These include, in particular, compliance with the country's Constitution, Competition law, Codes of Practice adopted by bodies representing industry associations, etc. We will also be aware of legislation that may impact our members, and inform them of such legislation and, where in draft format, make submissions on it to appropriate authorities.

13. As Board members we will ensure that elections of office-bearers and the appointment of staff are undertaken in accordance with our Constitution, and in line with principles of fairness, which includes fair procedures and equal opportunity, bearing in mind the need to ensure that SAMED is seen as an organisation that represents a transformed industry.
14. The Chairperson should act in an independent fashion, setting the ethical tone for the Board and the Association and provide leadership to the Board and the Association. In this role the Chairperson shall be supported by the vice-chairperson and the Executive Committee.
15. All members of the Board shall be aware of the risk posed by conflicts of interest. Although Board members may have company-specific interests in matters that are raised at SAMED, when at Board meetings the interests of SAMED as an Association should be the foremost interest. In instances of direct conflicts of interest, a member of the Board shall disclose the conflict or potential conflict, and the Board may decide that, in the interest of making a valid and unbiased decision, the person should recuse him/herself from that part of the meeting.
16. We will appoint and evaluate the performance of the Chief Operating Officer and all senior staff and shall appoint persons who are suitably qualified to fulfil such duties. We will provide such persons with clear mandates and instructions, and ensure that their roles and responsibilities are clarified.
17. When acting in the best interests of the Association, members of the Board shall –
 - adhere to legal standards of conduct;
 - refrain from using the Association as a mechanism to ensure commercial gain or advantage for the member and refrain from using the Association to address matters competing entities should address individually;
 - be permitted to take independent advice in connection with their duties as Board members, but following an agreed procedure;
 - declare the nature and value of any gifts or consideration received whilst being a Board member, office bearer, staff member or acting on behalf of the Association, within a gift policy as set by the Board; and
 - address conflicts in a constructive manner.
18. Board members shall act in good faith and for a proper purpose, as is permitted by the Constitution and SAMED's strategic plan.
19. Board members are prohibited from abusing their positions of Board membership, for example by using information obtained while acting in our capacity as Board member to gain an advantage for ourselves, or for any other person (other than the Association), or to knowingly cause harm to the Association or any of the organisations SAMED is affiliated to.
20. We are aware that in the event that we transgress in our powers as Board members the Association might be bound by our action, and the Association can hold us personally liable for any loss suffered as a result and may institute legal action to recover money where financial damages were a result of the transgression of a Board member.
21. The Association may indemnify a Board member in respect of any liability, except for:
 - 21.1.1. any liability arising from situations where I, as a Board member:
 - 21.1.2. acted in the name of the Association, signed anything on behalf of the Association, or purported to bind the Association or authorise the taking of any action by or on behalf of the Association, despite knowing that as I lacked the authority to do so;
 - 21.1.3. acquiesced in the carrying on of the Association's business and goals despite knowing that it was being conducted in a reckless manner;
 - 21.2. any liability arising from wilful misconduct or wilful breach of trust, or
 - 21.3. incurred a fine as a result of a conviction on an offence in terms of national legislation.

We further commit to the following clause 18 of the SAMED Constitution

22. GENERAL POWER AND DUTIES OF THE BOARD

- 22.1. The business of the Association shall be managed by the Board who may exercise all such powers explicitly and implicitly awarded to it by the Association under this Constitution or powers required to be exercised by the Association at any meeting of members.
- 22.2. The Board shall be responsible –
 - 22.2.1. for all matters consistent with carrying out the objects and purposes for which the Association has been formed and to make codes and/or by-laws for the better and more efficient achievement of such objects;
 - 22.2.2. to act on behalf of the Association and to pass resolutions which shall be binding upon the Association and its members;
 - 22.2.3. to use the funds of the Association for any of the purposes provided for in this Constitution and according to the budget as approved by the Board;
 - 22.2.4. for managing the affairs of the Association; including but not limited to –
 - 22.2.4.1. the setting of strategic direction for the Association on an annual basis;
 - 22.2.4.2. the allocation of resources and the setting and approval of budgets;
 - 22.2.4.3. the creation of sub-committees and ad hoc teams or committees;
 - 22.2.4.4. delegating responsibilities for any activities it may choose, to subcommittee(s) or committee(s) which it will appoint in terms of this Constitution;
 - 22.2.4.5. making a final decision on any dispute concerning the interpretation of this Constitution;
 - 22.2.4.6. establishing Board- and sub-committees as may be required by good corporate governance principles from time to time;
 - 22.2.4.7. formulating policies and guidelines to give effect to good corporate governance principles for both Board- and sub committees;
 - 22.2.4.8. setting and/or subscribing to any Code or Codes of Practices on behalf of the Association and its members;
 - 22.2.4.9. all membership affairs, including –
 - 22.2.4.9.1. the raising of funds by way of membership fees and/or levies;
 - 22.2.4.9.2. the categorization of members into membership bands and the awarding of a number of votes associated with such band, which votes will only pertain to the member's right to vote in relation to election to the Board in terms of this Constitution;
 - 22.2.4.9.3. setting policies and procedures for the handling of membership queries and member interests; and
 - 22.2.4.9.4. providing feedback to members from time to time on the achievement of the objectives of SAMED, including any special projects or programmes;
 - 22.2.4.9.5. communicating resolutions, opinions or guidance to the membership of SAMED and/or to outside bodies;
 - 22.2.4.10. to, at its discretion institute, defend, bring, carry or discontinue, or refer to arbitration any proceedings, actions, suits, claims and demands for or against the Association or in regard to any matter affecting the interests of the Association;
 - 22.2.4.11. to, at its discretion, authorise and/or assist any member to institute or defend any legal proceedings if it is of opinion that the interests of the Association justify such cause of action;
 - 22.2.4.12. to, at its discretion, defend legal proceedings instituted against any member in relation to any matter or thing done or performed by such member in his/her capacity as a representative of the Association and to indemnify him/her against all costs in any such legal proceedings;
 - 22.2.4.13. to invite any person to attend any meeting of the Board or the Association, or any part thereof.
 - 22.3. The Board shall have the power from time to time to delegate, or to allocate, to any one of their members or to any other person, Committee or structure created for such purpose, whether in the Republic or not, such of the powers as are vested in the Board under this Constitution, as they may deem fit.

- 22.4. Without detracting from the provisions contained in any Code or Codes of Conduct applicable to SAMED members, Board members, Committee or Subcommittee members, representatives and office-bearers of the Association shall –
 - 22.4.1. Always act in the best interest of SAMED and in good faith;
 - 22.4.2. Declare any conflict of interest at the beginning of each meeting, and recuse him/herself when such matter is discussed;
 - 22.4.3. Refrain from using SAMED as a mechanism to ensure commercial gain or advantage for the member s/he belongs to and refrain from using SAMED to address matters competing entities should address individually;
 - 22.4.4. Declare the nature and value of any gifts or consideration received whilst acting on behalf of SAMED; and
 - 22.4.5. Make no public announcements relating to SAMED or its affairs, unless properly and in writing mandated by the Board to do so.
- 22.5. Board members in particular shall, in addition to the behavioural duties outlined elsewhere in this Constitution –
 - 22.5.1. Discuss matters inside Board meetings and in the presence of other Board member in attendance at such meetings, thus refraining from off-line and one-on-one discussions pertaining to matters before the Board;
 - 22.5.2. Resolve disputes and conflicts in a constructive manner within the Board –
 - 22.5.2.1. under the leadership of the chairperson, or if the chairperson is involved in the conflict or dispute, the vice chairperson; an
 - 22.5.2.2. the chairperson or vice chairperson, as the case may be, may seek expert assistance if required, in order to assist in the resolution of the matter; and
 - 22.5.2.3. failing which, the provisions of article 7.4.2 (of the SAMED Constitution) shall be invoked.

B. SAMED EXECUTIVE COMMITTEE OF THE BOARD: ROLES AND RESPONSIBILITIES As per article 20 of the SAMED Constitution

23. EXECUTIVE COMMITTEE OF THE BOARD

- 23.1. There shall be an Executive Committee of the Board to manage the day-to-day affairs of the Association in-between Board meetings and, without detracting from the generality of this power, to –
 - 23.1.1. make decisions within the scope of matters delegated to it by the Board;
 - 23.1.2. oversee the appointment of all full or part time salaried officials and/or employees who may be a corporate body, who shall hold office for such periods and perform such duties and receive such remuneration upon such terms as the Executive Committee may from time to time determine, so as to give effect to the objects and strategic plans of the Association;
 - 23.1.3. decide on the principal place of business of the Association;
 - 23.1.4. to open bank accounts and to administer any funds established by the Association;
 - 23.1.5. to invest, retain, realise or reinvest any monies not required for the immediate business of the Association on fixed deposits or in government or in other recognised public securities, or in any other way that the Executive Committee may from time to time decide;
 - 23.1.6. to appoint or nominate or authorise any person to act on behalf of the Association for the purpose of entering into any contract and/or to delegate any of its powers in terms of this Article to any office bearer or staff member of the Association;
 - 23.1.7. to oversee the implementation of resolutions of the Association;
 - 23.1.8. to approve and oversee any operational plan set by the EO, in line with the objects and strategic plans of the Association.
- 23.2. The Executive Committee shall meet as often as it deems necessary to ensure the efficient day-to-day management of the Association between Board meetings.
- 23.3. The Executive Committee, who shall serve a term concurrent with that of the Board, shall comprise of at least three but no more than seven Board members who are elected by the Board at its first meeting following a Board election and shall include,
 - 23.3.1. The chairperson of the Association, ex officio;

- 23.3.2. The vice-chairperson of the Association, ex officio;
- 23.3.3. The Treasurer of the Association and
- 23.3.4. Immediate past chairperson of the Association, if s/he is available;
- 23.4. The EO shall act as the secretary of the Executive Committee of the Board
- 23.5. In the event of a vacancy on the Executive Committee, the Board shall by majority vote of Board members present, elect from amongst its members a Board member to fill that vacancy for the remainder of the term of the Executive Committee.
- 23.6. The quorum necessary for the transaction of business at a meeting of the Executive Committee shall be half the number of Executive Committee members plus one.

C. SAMED CHAIRPERSON: ROLES AND RESPONSIBILITIES

The duties of the Chairperson of the Board shall be:

1. To set, with the EO, the agendas of the meetings over which s/he presides;
2. To convene, preside at and chair all Board Meetings, Executive Committee Meetings, Annual General Meetings, and all General Meetings of the membership of the Association;
3. To sign the minutes of the meetings over which s/he presides, after adoption;
4. Unless otherwise determined in terms of this Constitution, to make public statements on behalf of the Association or to mandate another Board or Board Executive Committee member or the EO or another staff member of the Association to do so, which statements have to be mandated by the Executive Committee;
5. To represent the Association at all public functions;
6. To make on behalf of SAMED any public announcement which s/he or the Board deem it necessary to make, unless a Board decision varies thus in any particular case, bearing in mind the subject-matter and context of such public function;
7. To be ex officio a member of all committees and subcommittees of the Association or designate a Board member to act in such capacity for one or more of the subcommittees
8. The Chairperson shall have a casting vote in addition to his/her deliberative vote at all meetings where s/he presides.
9. Provide leadership and ensure the effective operation of the Board and Association
10. Ensure that decisions made at meetings are implemented
11. Undertake the supervision and appraisal of the most senior member of staff and represent the Board as the employer in all staff matters of the Association
12. Provide a focus for Board and Association
13. Act as a spokesperson for the Board and Association
14. Sign and certify the annual accounts for the organisation
15. Oversee the day-to-day operations of the Association, within the policies and direction set by the Board
16. Approve invitations by third parties to Board meetings and general membership meetings
17. Seek guidance from the Board of matters that may be contentious, pertinent in or to the health sector or affecting SAMED, its reputation or operations

D. SAMED VICE CHAIRPERSON: ROLES AND RESPONSIBILITIES

The duties of the Vice Chairperson of the Board shall be:

- a) Stand in for the chairperson if s/he is away
- b) Assist the chairperson with matters between meetings
- c) Deal with specific tasks or issues as defined by the Board
- d) In the absence of the Chairperson, the Vice-Chairperson shall fulfil the functions of the Chairperson i.e.
 - a. To set, with the EO, the agendas of the meetings over which s/he presides;
 - b. To convene, preside at and chair all Board Meetings, Executive Committee Meetings, Annual General Meetings, and all General Meetings of the membership of the Association;
 - c. To sign the minutes of the meetings over which s/he presides, after adoption;

- d. Unless otherwise determined in terms of this Constitution, to make public statements on behalf of the Association or to mandate another Board or Board Executive Committee member or the EO or another staff member of the Association to do so, which statements have to be mandated by the Executive Committee;
- e. To represent the Association at all public functions;
- f. To make on behalf of SAMED any public announcement which s/he or the Board deem it necessary to make, unless a Board decision varies thus in any particular case, bearing in mind the subject-matter and context of such public function;
- g. To be ex officio a member of all committees and subcommittees of the Association or designate a Board member to act in such capacity for one or more of the subcommittees
- h. The Chairperson shall have a casting vote in addition to his/her deliberative vote at all meetings where s/he presides.
- i. Provide leadership and ensure the effective operation of the Board and Association
- j. Ensure that decisions made at meetings are implemented
- k. Undertake the supervision and appraisal of the most senior member of staff and represent the Board as the employer in all staff matters of the Association
- l. Provide a focus for Board and Association
- m. Act as a spokesperson for the Board and Association
- n. Sign and certify the annual accounts for the organisation
- o. Oversee the day-to-day operations of the Association, within the policies and direction set by the Board
- p. Approve invitations by third parties to Board meetings and general membership meetings
- q. Seek guidance from the Board of matters that may be contentious, pertinent in or to the health sector or affecting SAMED, its reputation or operations.

E. SAMED TREASURER: ROLES AND RESPONSIBILITIES

The duties of the SAMED Treasurer shall be to:

1. Look after the Association's finances
2. Chair the audit and risk committee of the Association
3. Oversee, prepare, present and approve budgets, accounts and financial statements
4. Prepare and present understandable financial reports to the Board and Exco
5. Ensure that the financial resources of the organisation meet its needs
6. Ensure compliance with tax- and banking obligations
7. Ensure that appropriate accounting procedures and controls are in place
8. Liaise with relevant people about financial matters
9. Advise on the financial implications of any new projects
10. Oversee the preparation of the annual accounts before being passed to the independent auditor
11. Present the annual accounts at the AGM.
12. Ensure that there is compliance with all financial legislation.
13. Co-sign all cheques and all transactions drawn on the funds of SAMED with the EO or alternatively the Chairperson
14. Review the monthly SAMED management accounts reports
15. report on the management accounts to the Board at Board meetings
16. Authorise all of the financial transactions of SAMED;
17. Prepare an annual budget for SAMED for approval by the Board; and
18. Oversee the preparation of financial reports to be made to the Annual General Meeting.

F. SAMED EXECUTIVE OFFICER: ROLES AND RESPONSIBILITIES

The duties of the SAMED Executive Officer shall be:

1. Support the chairperson and Board in all administrative and corporate governance duties
2. Report to the chairperson of the Board and the Board on the operations of the Association

3. Organise the logistics of Association meetings
4. Take and distribute minutes or see to it being done
5. Deal with Association and Board correspondence, within specific mandates and Association policies
6. Manage the day-to-day affairs of the Association
7. Maintain independence and neutrality towards all members
8. Interact with- and support members within mandate of Board
9. Maintain proper records and a system of Association records that are accessible, secure and that correctly classifies nature of record and levels of access.
10. Manage staff of the Association
11. Plan and execute Association activities
12. Undertake Association communications and PR activities, within the mandate as set by the Board
13. The EO has no vote at any meetings.

I hereby acknowledge that I have read and understood the contents herein.

Name:

Date:
