

Western Cape Blood Service
Minutes of the Annual General Meeting

Date: Monday, 30 November 2020 at 16:00

Venue: WCBS, Old Mill Road, Pinelands, Cape Town

1. WELCOME

Mrs Michelle Vermeulen welcomed the members of the Board, donor representatives and staff to the WCBS AGM noting that due to COVID it was a somewhat different AGM to those of previous years.

2. GOVERNANCE REPORT

Mr Paul Slack, the Board Chairman welcomed everyone and thanked them for attending the 2020 AGM.

Mr Paul Slack stated that it was difficult to find superlatives when discussing blood donors, the very real people, who make it all happen. On behalf of the Board he thanked the personnel of WCBS and stated that although the Board does it every year, it was particularly important when considering the very unusual year just past.

Mr Paul Slack thanked his fellow directors for their dedication, willingness and hard work over the year and remarked that their debates were robust, which he believed made for a good Board.

Mr Paul Slack stated that the recent testimonies before the Zondo Commission have given a graphic illustration of what a good director was not, and explained that the King Code of Corporate Governance has sixteen key principles, the first of which is “the governing body should lead ethically and effectively”, and to this end the code has identified the characteristics of a good board.

Mr Paul Slack stated that in South Africa, the land of acronyms, a new acronym has developed, namely ICRAFT: *integrity, competence, responsibility, accountability, fairness and transparency* and reiterated that most importantly this was not just words, but are the characteristics of a good board.

Mr Paul Slack stated that it was his belief, that the WCBS Board had fulfilled their mandate during 2020, and congratulated management and staff for another successful year, under incredibly trying conditions.

3. DIRECTORS' REPORT

Dr Greg Bellairs requested formal approval of the Minutes of the 2019 AGM. Mr Roger Ramsbottom proposed and Mr Paul Slack seconded the minutes.

Dr Greg Bellairs thanked everyone who were attending in person and noted that many proxies had been received from people who were unable to attend.

He introduced Noelle Greeff of Themis Commercial Legal Advisors, who is the new Company Secretary for WCBS.

Dr Greg Bellairs reported on 2019/20 financial year and presented a chart of blood donations over the past six financial years, explaining the numbers. He noted that even though the trend looked significant, the actual variance in numbers was not high and explained that over the past few years, blood donations had decreased a little each year, while showing a slight increase in 2019/20.

He reported that despite the numbers declining during the past six years, the Service has managed to maintain its blood stocks throughout the year and stated that approximately 155,000 donations per year, appears to be sufficient to supply the blood needs of the province.

Dr Greg Bellairs reported on the change in the mixture of new donors versus repeat donors and the numbers of blood donors or donations in different age groups and blood types, with Group O coming under significant pressure predominantly in the winter months, due to its disproportionate use for trauma patients.

Dr Greg Bellairs explained that there are few risks of blood donation, but most common are local risks such as bruising to the arm and the more general risk of fainting. He presented the annual data on donor adverse reactions, demonstrating that there was nothing remarkable to report.

Dr Greg Bellairs reported on patient safety and explained that every blood donation was broken into different components, to be ultimately transfused into patients in hospitals. He reported that patient safety is paramount and one of the WCBS' core mission objectives.

Dr Greg Bellairs explained that the WCBS is reliant on non-remunerated voluntary donors, who are screened at every donation. He reiterated that blood is tested every time a donor donates, and in limited circumstances the Service is able to pull the product from inventory, should the need arise.

Dr Greg Bellairs explained that the WCBS tests for infectious diseases, namely Hepatitis B, Hepatitis C, HIV and syphilis and presented the prevalence of these viruses in percentages.

Dr Greg Bellairs reported on adverse transfusion reactions and explained that these are reactions experienced by a patient in hospital who has received a blood product transfusion and possibly had an allergic, febrile or fever reaction.

Dr Greg Bellairs reported on the targeted blood collections versus actual blood collections and noted that that early on in Level 5 the Service was collecting more blood than planned, however as time went on donations leveled out to the point where the Service was undershooting its collection targets, and noted that the biggest challenge throughout the year was maintaining blood stocks, and despite the best efforts of the company, maintaining blood stocks had been challenging.

Dr Greg Bellairs reported that the Service explored temporary fixed site blood donation clinics in some shopping malls, with three new temporary fixed site clinics located in shopping malls over the festive season. He reminded all that blood donation is safe and COVID-19 is not transmissible via blood products.

Dr Greg Bellairs reported that the WCBS is collecting plasma from people who have had COVID-19 in the hope that convalescent plasma antibodies in their blood streams could help recipients, and reported that the convalescent plasma research study was currently ongoing at Mitchells Plein District Hospital.

Dr Greg Bellairs reported that the South African National Blood Congress was held in August 2019 at Sun City, with fifty-two staff members attending. The largest number of people sent to any conference.

4. APPOINTMENT OF DIRECTORS

Dr Greg Bellairs reported that the MOI allows for the rotational retirement of non-executive directors, and every year the four who have been longest in office or the longest since they were appointed, automatically came up for rotational retirement.

He explained that they were free to avail themselves for reappointment, and this year they were Dumisani Ndebele, Andrea Huggett, Mervyn Burton and Roger Ramsbottom.

Dr Greg Bellairs reported that Dr Vash Mungal-Singh has been nominated by Dr Andrea Huggett, who has elected not to stand for re-election, and précised Dr Vash Mungal-Singh's CV.

He thanked Dr Andrea Huggett for her contribution to the Board and noted that she would be missed by everyone, and asked the voting members place their votes on the form supplied.

5. FINANCIAL STATEMENTS 2019/2020

Mrs Nicky du Toit reported that during an extremely difficult and uncertain financial year the Service has had to act decisively to mitigate the financial risks; mainly risks which to date had never seemed a possibility. She assured the everyone that the Service's disaster plan has been rigorously tested over the past year, and is working.

Mrs Nicky du Toit reported that by comparison to a world full of doom and gloom, the Service ended the 2019/20 financial year in a strong position. Notwithstanding the decreasing value of the Rand and the political instability in South Africa, she was happy to report on a second year of good financial results.

Mrs Nicky du Toit presented the highlights of the Financial Statements for the year from 1 April 2019 to 31 March 2020, and also summarised the operations of the business, reporting that the revenue stream is on a secure financial footing.

She reported that it was the Service's duty to operate efficiently and economically to provide affordable blood products, and in so doing employs a cost recovery model to determine blood prices.

Mrs Nicky du Toit reported that the turnover for the 2019/20 financial year was R465 million, of which red blood cells amounted to 56% of turnover, platelets 18%, plasma 6%, services 3% and others 17%.

Mrs Nicky du Toit reported that expenses for the financial year equated to R442 million of which personnel costs amounted to R290 million or 49% of budget. Collection costs equated to R38 million or 9%, testing was 13%, product costs 12%, administration costs 9%, repairs and maintenance 3% and other 5%.

She reported that the cost of collections was increasing and to name but one of many, shopping centres that had previously allowed the Service to set up pop-up clinics free of charge, have now begun to charge rental fees for the use of the same spaces.

Mrs Nicky du Toit reported that considerable expense incurred by the COVID-19 pandemic was not budgeted for, and has proved costly.

Mrs Nicky du Toit reported that the capital budget had initially been set at R59.6 million but due to COVID-19 capital expenditure was curtailed wherever it did not negatively impact the efficient functions of the Service.

Mrs Nicky du Toit reported that the Service had invested in a rooftop solar photovoltaic system covering eighty percent of the total roof space at HQ, saving the Service more than a third of its energy requirements and reduces 300 tons of carbon emissions and saves 5,400 trees per year.

She reported that a water resilient strategy was also introduced following the severe drought in the Western Cape, and a reverse osmosis plant producing 5,000 litres of treated borehole water per hour was installed, with 30,000 litres of storage capacity.

Mrs Nicky du Toit explained that the Services aims to maintain a cash balance of at least six months cover of all expenses, should it for any reason be unable to recover revenue from customers.

Mrs Nicky du Toit reported that the Service intends to begin collecting Sourced Plasma during the 2021/22 financial year, as this would prove to be another good revenue stream.

She stated that the WCBS is confident that the financial resources available are sufficient for the organisation's continued operations into the future.

6. APPOINTMENT OF AUDITORS FOR 2020/2021

Mrs Nicky du Toit reported that the Board proposed that EY be appointed as the auditors for the 2020/21 financial year, noting that the audit would go out to tender following the 2021 audit.

She asked members (or their proxies) to indicate their votes on the ballot forms provided.

7. REMUNERATION OF NON-EXECUTIVE DIRECTORS

Mrs Nicky du Toit reported the salary increase for staff during the 2019/20 financial year was 6% and proposed the Board remuneration be increased in line with staff increases at 6%, and requested members vote on their ballot forms.

8. APPOINTMENT OF HONORARY MEMBERS

Mrs Nicky du Toit noted that honorary life members were people from the community who has supported the Service over and above his or her expected duties for an extended number of years.

She reported that to two people nominated as honorary life members are Dr Creed, a committed donor who has successfully assisted in getting the Mitchells Plain District Hospital blood donor clinic going, and Mr Adams an employee of the Strandfontein St Philips Catholic Church.

9. SPECIAL RESOLUTION

Dr Greg Bellairs stated that, as with many companies whilst drafting the Memorandum of Incorporation, it had not seemed necessary to plan for virtual AGMs and noting that Clause 12.5 of WCBS MOI prohibits the Service having its AGM entirely by electronic communication, and further prohibits one or more members participating by electronic communication.

He explained that although much has changed during 2020 the WCBS MOI precludes the Service from hosting its AGM via Zoom or any other media platform.

He reported that Noelle Greeff, the Company Secretary has helped draft a revision to Clause 12.5 of the MOI, which now states that the Service can provide for participation in a meeting by electronic means, provided that it enables people to communicate concurrently, without intermediaries and to participate reasonably effectively in a meeting, and provided the notice of any meeting of members will make it possible for members to participate by way of electronic communication and inform them of their ability to do so, and provide the information to enable them to do so, and/or their proxies.

Dr Greg Bellairs requested members vote in support of the changes to Clauses 12.5.1, 12.5.2 and 12.5.3 on their ballot forms.

10. GENERAL/QUESTIONS

None.

11. CLOSING

Dr Greg Bellairs thanked everyone for attending and participating both physically or via proxy. He also thanked the PR and Marketing Department for their efforts, whilst working in a constrained environment.

12. **BALLOT RESULTS**

Resolutions	In Favour	Against	Abstain
Ordinary Resolution 1 - Appointment of non-executive directors	93%	0%	7%
Ordinary Resolution 2 - Approval of EY as auditors	94%	0%	6%
Special Resolution 1 - Approval of directors' remuneration	86%	0%	15%
Special Resolution 2 - Amendment of MOI clause 12.5	94%	0%	7%
Ordinary Resolution 3 - Approval of honorary members	94%	1%	6%

CHAIRMAN

DATE