

MINUTES OF THE ANNUAL GENERAL MEETING OF MEMBERS OF THE ENGEN MEDICAL BENEFIT FUND

Date:	13 June 2019
Time:	10:00
Venue:	Conference Room, Ground Floor, Engen Court, Thibault Square, Cape Town

The following persons were in attendance:

Trustees

Mr R Marchant	Employer appointed Trustee and Chairperson
Mr S Abrahams	Member elected Trustee
Mr W Cleverley	Member elected Trustee (alternate)
Dr A Gray	Member elected Trustee
Ms B Ndlovu	Employer-appointed Trustee (alternate)

Members

Mrs G van der Spuy	623683370
Mr P Ayers	623666120
Mr A Vismar	623696160
Ms C van Nelson	623772540
Mr P Emery	623694340
Mr J Hey	623709860
Mr A Appleby	623728260
Mr A Ngqaneka	663012010
Mr A Gazi	662295760
Ms V Ngqulunga	663300440
Mr L Chayichayi	623937310
Mr D Norton	623684690
Mr C Don	623666950
Mr M Kroqwana	623845990
Mr C Pepler	623696320
Mr M Bukani	623712240
Mr J Bosman	623817100
Mrs R De Kock	623699210
Mr N Titus	623765610
Mr B Morris	623663560
Ms F Bawa	623713070
Mr R Basson	623744420
Mr R Boje	623686180

Mr M Knickelbein	623764390
Mr A Pearson	623766600
Mr D Gildenhuis	623824940
Mr V Arendse	623759440
Mr P Sutherland	623663640
Mr J Knopp	623825930
Mr R Carr	623816860
<i>By Invitation</i>	
Mr D Spangenberg	Discovery Health – Finance Manager
Ms G Smit	Discovery Health – Client Relations
Mr E du Toit	Alexander Forbes Health - Actuarial Consultant
Ms A Pietersen	Discovery Health – Fund Coordinator
<i>Apologies</i>	
Ms L Shaw	Principal Officer
Ms A Bennetts	Member-Elected Trustee
Mr S Johnston	Discovery Health – General Manager
Ms D du Toit	Discovery Health – Fund Manager

1. WELCOME AND QUORUM

The Chairperson, Mr Marchant, welcomed all attendees present and opened the meeting.

At 10:15, it was noted that a quorum was present since there were 30 members in attendance.

No additional matters were raised for discussion.

2. NOTICE CONVENING THE MEETING

The Chairperson confirmed the Notice of the Annual General Meeting of the Engen Medical Fund was distributed within the required timeframe. The notice was taken as read.

It was noted that copies of the Notice of the Annual General Meeting were available at the Meeting.

3. CONFIRMATION OF THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 22 JUNE 2018

There were no comments or corrections to the draft minutes of the Annual General Meeting held on 22 June 2018, and it was duly confirmed as a true recording of the Meeting.

4. CHAIRPERSON'S REPORT FOR YEAR ENDED 31 DECEMBER 2018

The Chairperson's report previously circulated and included in the Notice of the 2018 Annual General Meeting, was considered read, and adopted.

The Chairperson thanked the members for the prudent management of their benefits. He further thanked the members for their support with the transition from MMI Health to Discovery Health, the Fund's new administrator. He noted that with any transition and change, there are obstacles to overcome and was pleased to report that most have been resolved. The Fund will continuously aim to provide high quality service delivery to the members.

The Chairperson assured the Meeting that the Board of Trustees and all other Sub-Committees were committed to ensure corporate governance standards are maintained in the management of the Fund. These Committees provide support to the Board of Trustees in decisions to manage the Fund in a responsible and compliant manner. It was noted that the Board also makes use of various experts and professional service providers to guide decisions. As a result, the Trustees are able to ensure the Fund's stability and provide relevant benefits to members.

It was noted that the Fund produced a surplus of R22.4m in 2018, compared to R23.8m the previous year. The Chairperson confirmed these were two very good years for the Fund. The good surplus was mainly due to lower than expected claims costs through the prudent use of the benefits by the members.

The solvency ratio increased from 56.7% in 2017 to 66.2% in 2018, which was higher than the statutory solvency ratio requirement of 25% and more in line with the actuarial recommendation of 60% for the size and demographic profile of the Fund. The 60% solvency has now been breached, and the actuaries and Trustees are comfortable that the Fund is sustainable.

There was a question raised on what the Fund strategy is around the use of the surplus. The Chairperson indicated that where possible, the Trustees will consider the use of any surplus in excess of the levels required to maintain the Fund's sustainability, to either enhance benefits or limit the levels of future contribution increases.

5. BOARD OF TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The annual report of the Board of Trustees (BOT) for the year ended 31 December 2018 was taken as read.

The Chairperson invited comments or questions on the Board of Trustees Report, but none were raised, and the Report was adopted.

6. ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS IN RESPECT OF THE 2018 FINANCIAL YEAR

The Chairperson confirmed Highlights from the Annual Financial Statements were included in the Notice of the Annual General Meeting. He indicated the Annual Financial Statements as at 31 December 2018, were made available to members on request and copies thereof were also available at the Meeting.

The Chairperson confirmed the 2018 Annual Financial Statements were audited by PricewaterhouseCoopers, who issued an unqualified opinion.

No questions were raised and the Annual Financial Statements was unanimously adopted.

7. GOVERNANCE MATTERS

7.1. Appointment of Auditors

The Chairperson indicated that the Audit Committee recommended the continuation of services rendered by PricewaterhouseCoopers as external auditors for the ensuing year, which the Board of Trustees approved.

The members present ratified the appointment of PricewaterhouseCoopers as the Fund's auditors for the 2019 financial year.

7.2. Ratification of appointment of Trustees or Alternate Trustees since the last AGM

Mr Mabotja was seconded to Petronas, resulting in an Employer-appointed vacancy on the Board of Trustees. The Employer recommended the appointment of Ms B Ndlovu to fill the vacancy, which the Board approved effective 22 November 2018.

The Terms of Office of the following three member-elected Trustees expired immediately prior to this Annual General Meeting: Mr S Abrahams, Dr A Gray and Ms A Bennetts. A Trustee election process was initiated and nominations were received for four candidates: the three retiring Trustees (who were eligible for re-election) and one other candidate, Mr M Pearson.

In a vote by the members, the following three Trustees were duly re-elected to serve a following term from 1 July 2019 to 30 June 2022: Mr S Abrahams, Dr A Gray and Ms A Bennetts. The Meeting confirmed the re-election of these Trustees, and ratified the resulting changes to the composition of the Board of Trustees.

The Chairperson welcomed the new employer-appointed Trustee, and the member-elected Trustees to the Board.

8. GENERAL

Action Items

- 8.1 There was concern around the rate at which claims were being rejected by the current administrator when compared to processes at the previous administrator. The Chairperson would address this with the administrator to determine the volume and value of rejections, whether it has increased or not.
- 8.2 Concern was noted around the Discovery statement format and layout of the information on the statement. The Chairperson indicated that he will address this with the administrator, to include sub totals for every claim line, so that it is made easier for members.
- 8.3 In response to concerns raised about SARS tax certificates, members were informed of a new requirement from SARS that the Administrators have to provide members with a breakdown summary of claims. It was noted that only when SARS audits the member, it is required to submit requested documents. The Chairperson will address a one-page summary for tax submission purposes.

The Chairperson noted a representative from Discovery Health was present to assist individual members in addressing any benefit-related queries.

No matters for discussion were submitted in advance.

9. CLOSING

The Chairperson expressed thanks and appreciation to:

- members of the Board of Trustees for their support and invaluable insights
- the Audit Committee, Clinical Sub-Committee, Ex-Gratia Committee, Benefits and Contributions Sub-Committee, Investment Sub-Committee and the Operations Sub-Committee for their untiring hard work and dedication to members, the Fund and Trustees
- the Principal Officer and her team for their dedication and commitment service excellence to the Fund
- Discovery for the diligent manner in which they effectively manage the day to day affairs of the Fund
- MMI for carrying out the last administration duties during the first 6 months of 2018, and their assistance during the transition to Discovery
- the Employer for its active support of the Engen Medical Benefit Fund
- healthcare consultants, Alexander Forbes Financial Services (Pty) Ltd for their diligent monitoring of the Fund performance, and consulting advice
- Momentum Consultants for their investment expertise and guidance
- medical advisor, Dr Anthony Davidson for his valuable contribution
- external auditors, Pricewaterhouse Coopers, for efficiently conducting their audit

- members of the Fund for their ongoing support.

The Chairperson re-iterated that the Board of Trustees remains committed to the future sustainability of the Engen Medical Benefit Fund, and will ensure competitive benefits are offered to the members.

There being no further matters for discussion, the Chairperson thanked all present for their attendance and closed the Meeting at 11:00.

CERTIFIED TO BE A TRUE RECORD OF THE PROCEEDINGS

Chairperson Signature

Date

DRAFT