

MINUTES OF THE ANNUAL GENERAL MEETING OF MEMBERS HELD ON 24 JUNE 2025 AT 10:00

Attendees joined the meeting at the venues indicated below and linked to the proceedings via video conferencing:

Western Cape: Conference Room, Ground Floor, Engen Court, Thibault Square, Cape Town

KwaZulu-Natal: ERO Westville VC: 2100 Video Conference Room, Second Floor, 171 Rodger Sishi Road. ENGEN House, Westville North, Durban

Free State: Office Video Conferencing: 1st floor: Engen House, 169 A Nelson Mandela Drive, Westdene, Bloemfontein

Gauteng: Gauteng Regional Office Video Conferencing: GRO Auditorium Room 3009, 88 Stella Street, Sandown Mews East Building, Sandton 2191

Gqeberha: Greenacres Convenience Centre, Corner Newmarket & Ring Road, Greenacres 6057

Trustees

Ms S Moroka-Mosia	Chairperson and Employer Appointed Trustee
Mr J Gumede	Employer Appointed Trustee
Ms N Rabochene	Member-Elected Trustee
Mr M Tshabalala	Member-Elected Trustee
Mr R Marchant	Member-Elected Trustee
Ms L Shaw	Principal Officer

By Invitation

Ms D du Toit	Discovery Health – Fund Manager
Mr D Spangenberg	Discovery Health – Senior Finance Manager
Ms A Pietersen	Discovery Health – Fund Coordinator
Ms G Jassiem	Discovery Health – Fund Coordinator
Ms M Martin	Discovery Health – Client Liaison Officer
Ms S Phillips	Insights Actuaries (Check title)
Ms P Xuza	Council of Medical Schemes –Investigator Officer

Apologies

Ms A Bennetts	Member Elected Trustee
Mr D Wright	Member
Mr A Williams	Member Elected Trustee
Mr P Emery	Member
Mr E Fletcher	Member

Members

In addition to the Trustees who are members of the Fund, and were in attendance, 40 members of the Fund attended the meeting.

1. WELCOME AND QUORUM

At 10:11, it was confirmed that the meeting was properly constituted as a quorum was present with more than 30 members in attendance. The meeting was declared duly constituted and proceeded accordingly.

The Chairperson, Ms S Moroka-Mosia, welcomed all attendees present and opened the meeting.

A special word of welcome was extended to the representative from the Council for Medical Schemes, Ms. Xuza.

No additional matters were raised for discussion.

2. NOTICE CONVENING THE MEETING

The Chairperson confirmed that the Notice of the Annual General Meeting had been distributed to all members within the required timeframe. The notice was taken as read.

It was further noted that copies of the Notice of the Annual General Meeting were made available to all attendees at the various venues.

3. APPROVAL OF THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 27 JUNE 2023









There were no comments or corrections to the draft minutes of the Annual General Meeting held on 27 June 2024, and the minutes were duly confirmed as a true and accurate record of the Meeting.

4. MATTERS ARISING FROM THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 27 JUNE 2024

Minute Item	Feedback
12.1	<p>The Principal Officer referenced the matter pertaining to the concern raised by a member who repeatedly received calls from Discovery representatives attempting to sell insurance services. It had been agreed that the Fund's Privacy Policy statement would be reviewed to prevent further unsolicited contact with members. It was confirmed that the Privacy Policy statement had been reviewed and amended accordingly. Only principal members who hold Discovery insurance products in their personal capacity may be contacted. Matter closed.</p> <p>The second matter noted related to perceived shortcomings in the benefits offered. It was reported that this concern had been addressed during the 2025 pricing and benefits review process. Several benefit changes have been implemented to ensure the sustainability of the Fund. Matter closed.</p>

5. INTRODUCTION AND ADOPTION OF THE CHAIRPERSON’S REPORT FOR YEAR ENDED 31 DECEMBER 2024

The Principal Officer highlighted key aspects of the Fund’s performance during 2024, by referencing points from the Chairperson’s Report which had been previously circulated to all members as part of the Notice of the 2024 Annual General Meeting:

Key indicator	2023 VS 2024	Indicator	Status
Membership	1%		Decreased from 3,028 in 2023 to 3,002 (2024)
Average age (beneficiaries)	0.14 years		Increased slightly from 42.83 (2023) to 42.97 (2024)
Lives >65 years (pensioner ratio)	0.45%		Increased to 21.85% (2024) from 20.40% in 2023
Solvency	0.3%		Slightly lower at 127.27% (R323.46m) in 2024 from 127.57% (R237.18m) in 2023
Insurance liability to future members	R15,737 per member		<i>Accumulated funds</i> increased from R116 175 (2023) to R131,912 per member in 2024
Insurance service result (before investments)	R12,98m		Surplus of R13.81m in 2024 vs a surplus of R835k (2023)
Claims ratio	5.6%		Decreased from 99.7% (2023) to 94.1% in 2024
Non-healthcare costs as % of risk contributions	0.1%		Decreased slightly from 5.81% in 2023 to 5.73% in 2024

The Principal Officer reported that, as noted at the AGM held in June 2024, the Council for Medical Schemes (CMS) conducted a Routine Investigation into the affairs of the Fund at the end of 2023. The Fund responded to the findings outlined in the CMS Draft Report in March 2024.

It was noted that several changes had already been implemented to address the issues raised, including measures to ensure that all Trustees appointed to the Board and its sub-committees meet the required “fit and proper” standards. In addition, relevant policies have been developed and adopted to support governance improvements. As of May 2025, the Fund is still awaiting the final report from CMS.

Updates were provided on the statuses of several key industry matters including:

- The implementation of the National Health Insurance Act;
- Ongoing matter of the Road Accident Fund not settling claims for medical scheme members;
- The Competition Commission complaint lodged by the Health Funders Association;
- Progress on the Section 59 Inquiry; and
- The SA Society of Physiotherapists’ legal action against medical schemes and the CMS, for which an appeal has been filed with the High Court.

No questions were raised, and the members present adopted the Chairperson’s Report, by a show of hands. The Chairperson expressed appreciation to the members for their continued loyal support.

6. CONSIDER AND ACCEPT THE ANNUAL FINANCIAL STATEMENTS AND AUDITORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The Principal Officer confirmed that highlights from the Annual Financial Statements for 2024 were included in the Notice of the Annual General Meeting. In addition, the full Annual Financial Statements were made available to members prior to the Meeting via the Fund's website and on request.

The Principal Officer introduced Mr. Dirk Spangenberg, Snr Finance Manager at Discovery Health, who highlighted key aspects from the Fund's performance as reflected in the 2024 Annual Financial Statements. Mr. Spangenberg also briefed the Meeting on the main impacts of the introduction of the new accounting standard, IFRS 17, on these Financial Statements.

Mr. Spangenberg confirmed the following non-compliance matters, as disclosed in the 2024 Annual Financial Statements:

1. Contravention of S 35(8)(c) of the Act: Shareholding in the holding company of the Administrator or any other administrator: indirect investments held in Discovery Holdings Ltd. *The Fund applied, and the CMS has granted exemption from the requirements until 30 November 2025.*
2. Contravention of S 26(7) of the Act: Contributions not paid within three days of their due date. *A limited number of exceptions were noted during the year. Membership changes may cause reconciliation items between the employer and the Fund records.*
3. Contravention of S 59(2) and Reg 6(2) of the Act: Claims not settled within 30 days of receipt. *A limited number of exceptions were noted where complex claims settlements took longer than 30 days from receipt.*

The Chairperson informed the Meeting that a copy of the Report of the Fund's Independent Auditors, Harris Dowden & Fontaine, was included in the Notice to members and that the auditors had issued an unqualified opinion on the 2025 Annual Financial Statements, which were prepared by the Administrator.

No questions were raised, and the Annual Financial Statements and the Auditor's Report were adopted by the members present, by a show of hands.

7. CONFIRM THE RE-APPOINTMENT OF HARRIS DOWDEN AND FONTAINE AS THE FUND'S EXTERNAL AUDITORS FOR 2025

The Chairperson reported that the Audit and Risk Sub-Committee's recommendation to the Board to reappoint *Harris Dowden and Fontaine* as the Fund's external auditors for the 2025 financial year, was approved by the Board of Trustees.

The members present ratified the Board's decision and requested the Board of Trustees seek approval for the re-appointment of *Harris Dowden and Fontaine* from the Council for Medical Schemes, in accordance with regulatory requirements.

8. COMPOSITION OF THE BOARD

TO CONFIRM APPOINTMENTS MADE BY THE EMPLOYER AND RECEIVE THE RESULTS OF THE TRUSTEE ELECTION HELD DURING JUNE 2025

The Meeting noted that, due to resignations or the expiry of terms, the following Board positions were filled:

- The Board accepted the nomination for Ms. L Shaw to serve as Principal Officer for a five year term, from 1 May 2024 to 30 April 2029, following her resignation as a Trustee.
- The new Employer elected trustees are:
 - Ms. Thambiran whose term ends on 14 November 2027;
 - Mr. Govender whose term ends on 17 April 2027; and
 - Mr. Moola whose term ends on 16 April 2028.

It was noted that Mr. Villo and Ms. Waterson no longer serve on the Board.

The Chairperson indicated that a Trustee election process was initiated to fill two Member-elected vacancies on the Board. Nominations were received for four candidates.

Following the election, the two candidates, who received the majority votes, were elected to serve as Member-elected Trustees for a three-year term, from 1 July 2025 to 30 June 2028:

- Mr M Tshabalala (re-elected)
- Mr B Sebetlele

The Meeting ratified the changes to the composition of the Board of Trustees resulting from the appointments made by the Employer and the outcome of the Trustee election process.

The Chairperson thanked the outgoing Trustees for their dedicated service to the Fund and welcomed the newly appointed Trustees to the Board.

9. TO APPOINT MEMBERS OF THE DISPUTES COMMITTEE

The meeting noted that the composition of the Disputes Committee was included in the meeting pack, and their terms as committee members had been previously noted. The committee comprises of the following members:

- Mr. J Masuku term ending 19 April 2027
- Mr. M Kroqwana term ending 19 April 2027
- Dr Greg Kew term ending 19 April 2027
- Ms. N Kent-Cross term ending 14 November 2027.

10. OTHER BUSINESS OF WHICH DUE NOTICE HAS BEEN GIVEN

The meeting noted that the Principal Officer had received a motion for discussion regarding the Fund's Trustee Vetting Policy. It was further noted that the member who submitted the motion is not present at the meeting.

In their absence, the Principal Officer clarified that where nominations for trustees had been received, before those nominated were put forward for election, the Fund applies its vetting policy which aligns with the CMS rules and applicable circulars. This vetting process includes checks for insolvency, criminal convictions, and creditworthiness, among other criteria.

In this instance, one nominee was found not to meet one of the required criteria and therefore excluded from the election process. The Fund shared the full vetting process with the member who had tabled the motion, which included the policy itself and relevant CMS communication and circulars.

The Chairperson noted that this vetting policy was introduced in response to a previous CMS finding and has since been implemented to ensure compliance.

A question was raised online regarding the vetting process, specifically why individuals with a criminal record “hit” are not given the opportunity to obtain a police clearance. It was clarified that a police clearance certificate may be applied for if the incident in question occurred more than 10 years ago. If valid, the clearance will be reflected in future vetting checks.

11. GENERAL

The Principal Officer confirmed that no further point were brought up to be considered by the Meeting.

12. CLOSURE

The Chairperson expressed thanks and appreciation to the members and service providers for their ongoing support.

The Chairperson reiterated that the Board of Trustees remained committed to the future sustainability of the Engen Medical Benefit Fund, and to ensuring that competitive benefits continue to be offered to members.

There being no further matters for discussion, the Chairperson thanked all present for their attendance and declared the Meeting closed at 10:40.

CERTIFIED TO BE A TRUE RECORD OF THE PROCEEDINGS

Chairperson Signature

Date