

MINUTES OF THE ANNUAL GENERAL MEETING OF MEMBERS HELD ON 27 JUNE 2023 AT 10:00

The following persons attended at the following venues 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, 4 De La Rey Road, Edenburg, Rivonia, Sandton 2191

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

Trustees

Ms S Moroka-Mosia	Chairperson and Employer Appointed Trustee
Ms D Mokotjo	Employer Appointed Trustee
Ms L Shaw	Employer Appointed Trustee
Ms B Ndlovu	Employer Appointed Trustee (alternate)
Ms N Rabochene	Member-Elected Trustee
Mr M Tshabalala	Member-Elected Trustee
Mr R Marchant	Principal Officer

By Invitation

Ms D du Toit	Discovery Health – Fund Manager
Ms A Pietersen	Discovery Health – Fund Coordinator
Ms S Ashraff	Discovery Health – Corporate Health Manager
Ms M Martin	Discovery Health - Client Liaison Officer
Mr P Prema	Alexander Forbes – Actuary

Apologies

Mr J Gumede	Employer Appointed Trustee
Ms A Bennetts	Member Elected Trustee

Members

By Invitation

In addition to the Trustees who are members of the Scheme, and were in attendance, (71) seventy-one other members of the Fund attended the meeting. A list of these members is attached to the formal minutes of the meeting.

1. WELCOME AND QUORUM

At 10:10, it was noted that a quorum was present since there were more than 30 members in attendance. The meeting was declared duly constituted and proceeded on this basis.

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

No additional matters were raised for discussion.

2. NOTICE CONVENING THE MEETING

The Chairperson confirmed that the Notice of the Annual General Meeting was distributed to all members 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 to all attendees at the various venues.

3. APPROVAL OF THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 27 JUNE 2022

There were no comments or corrections to the draft minutes of the Annual General Meeting held on 27 June 2022, and it was duly confirmed as a true recording of the Meeting.

4. MATTERS ARISING FROM THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 27 JUNE 2022

Minute Item	Feedback
-------------	----------

The Principal Officer confirmed that except for Item 10.1 recorded here below, all matters arising from the previous meeting were dealt with and resolved. Where required, feedback was provided to the member who raised the matter at that meeting.

10.1	The Administrator undertook to communicate about the various managed care programmes that are available to members in next editions of the Fund Newsletter. This ongoing matter is dealt with via the Fund's continued focus on the management of chronic illnesses and the care programmes on offer through regular communication via newsletters and the placements on the Fund website. Matter closed
------	---

5. PRINCIPAL OFFICER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Principal Officer noted the following highlighted salient points from his report for 2022, which included key statics for 2022 and feedback on the sustainability of the Fund.

The Fund's value offering to members was illustrated by examples of the highest individual cost of care paid in 2022, notably that between R1.5m and R1.1m was paid per case for specific members with respiratory failure or respiratory infections (COVID-19 related), septicaemia, aortic valve disorder and chronic renal failure.

The Principal Officer also highlighted the following diseases and disorders that had the greatest impact to the in-hospital costs paid by the Fund in 2022: diseases and disorders of the musculoskeletal system, female reproductive system, and mental health.

6. TO CONSIDER AND ADOPT CHAIRPERSON'S REPORT FOR YEAR ENDED 31 DECEMBER 2022

The Principal Officer highlighted key points from the Chairperson's report, previously circulated to all members via the Notice of the 2023 Annual General Meeting.

No questions were raised, and the members present adopted the Chairperson's Report, by show of hands. The Chairperson thanked members for their loyal support.

7. ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS FOR 2022

The Principal Officer confirmed Highlights from the Annual Financial Statements for 2022 were included in the Notice of the Annual General Meeting, made available to members on request and were available on the Fund's website prior to the Meeting.

The Chairperson confirmed that the Fund's auditors, PricewaterhouseCoopers, had issued an unqualified opinion on the 2022 Annual Financial Statements, prepared by the Administrator. He indicated that a copy of the Independent Auditor's Report was included in the Notice to members.

The Principal Officer confirmed that the following non-compliance matters were highlighted in the 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 Council for Medical Schemes 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 Regulation 6(2) of the Act: claims not settled within 30 days of receipt. *A limited number of exceptions were noted where complex claims were settled more than 30 days after receipt.*

4. Sustainability of Fund S33(2) of the Act requires each benefit option to be self-supporting in terms of membership and financial performance and be financially sound. At 31 December 2022, the Fund incurred a net healthcare deficit of R5.9m (2021: net surplus of R5.5m). After investment income the Fund recorded a surplus of R8.9m (2021: surplus of R43.3m) due to higher-than-expected claims.

The Principal Officer confirmed the Board of Trustees carefully monitors the Fund's performance with the assistance of the Fund's actuaries. The Trustees were comfortable that the results were aligned to the pricing strategy of the Fund and that the Fund was in a sound financial position as at 31 December 2022.

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

8. TO APPOINT THE AUDITORS FOR THE ENSUING YEAR

The Chairperson indicated that the Audit Committee recommended the appointment of *Harris Dowden and Fontaine* as external auditors for the ensuing year, which the Board of Trustees approved.

The members present resolved to ratify the appointment of *Harris Dowden and Fontaine* as the Fund's auditors for the 2023 financial year and requested the Board of Trustees to seek approval of the appointment from the Council for Medical Funds, as per the requirements.

9. CHANGES TO THE COMPOSITION OF THE BOARD OF TRUSTEES

The Meeting noted that the following persons were nominated by the Employer to fill the vacancies for Employer nominated Trustees on the Board:

Resignation/ Term ended for	Nominated Trustee	Term
Ms N Ngema	Mr J Gumede	18 April 2023 to 17 April 2026
Ms D Mokotjo	Ms D Mokotjo	18 April 2023 to 17 April 2026
Ms L Shaw	Ms L Shaw	12 June 2023 to 11 June 2026

Member elected Trustees

The meeting noted the Board's recommendations for the following persons to serve for the remainder of the unexpired terms of the Board's current member-elected Trustee vacancies:

- Ms Asanda Nkomo to serve from 27 Jun 2023 to AGM 2024, to fill the vacancy that arose due to the resignation of Ms G King (resigned 31 March 2023).
- Mr Sharief Abrahams to serve from 27 June to AGM 2024, to fill the vacancy that arose due to the resignation of Mr D Cassidy (resigned 1 June 2023)
- Ms Afiefa Sedick to be appointed to serve as an Alternate Trustee from 27 June to AGM 2024, to fill the vacancy created due to Ms A Nkomo appointment as a trustee.

The Meeting confirmed the appointment of both the Employer-nominated Trustees, and those appointed by the Board in the interim, subject to a vetting process, and ratified the resulting changes to the composition of the Board of Trustees.

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

10. APPOINTMENT OF THE DISPUTES COMMITTEE

The composition and appointment of the members of the Disputes Committee were noted by the members present.

The following persons will serve as members of the Disputes Committee from 8 March 2021 to 8 March 2024:

- Mr E Hermanus
- Mr M Kroqwana
- Mr I Solomons

The Meeting noted that Dr G Kew was appointed by the Board to assist the Disputes Committee in providing clinical expertise, as and when it may be necessary. Dr Kew's appointment is valid until April 2024.

11. RE-APPOINTMENT OF THE PRINCIPAL OFFICER

The Board re-appointed of Mr Marchant as the Principal Officer at their meeting on 19 June 2023, for a three-year period from 14 June 2023 to 14 June 2026.

The meeting confirmed the re-appointment of Mr Marchant as the Fund's Principal Officer.

12. OTHER BUSINESS OF WHICH DUE NOTICE HAS BEEN GIVEN

Motions received

The Principal Officer noted that the Fund received eleven motions from one member. It was further noted that there was not sufficient time for the Board to investigate and discuss each of these motions at their meeting, held on 19 June 2023 in preparation for the Annual General Meeting.

It was noted that the member bringing the motions was not present at the Meeting.

The Principal Officer proceeded to read each of the motions, discussion ensued, and the Meeting agreed that the Principal Officer should engage with the member bringing the motions, to seek clarity on the member's intent with each of the motions, to enable the Board to subsequently deal with motions and report back to the next Annual General Meeting.

13. GENERAL

In response to a claim made by one of the members present that he did not receive the AGM Notice, Mr Marchant confirmed that the documents were sent to all members and made available on the Fund website.

There were further discussions about

- the independence of healthcare professionals providing third party services to the Fund,
- the deteriorating demographic profile of the Fund, best illustrated by the increasing average age of the membership, and
- PMB coding. All the issues raised were adequately addressed at the Meeting.

A member enquired about further benefits after the Oncology threshold of R250,000 is reached, and the administrator agreed to provide the information to the member to resolve his query.

14. CLOSURE

The Chairperson expressed thanks and appreciation to:

- Members of the Board of Trustees for their support and invaluable insights.
- The members of the Fund Sub-Committees: Audit, Clinical, Ex-Gratia, Benefits and Contributions, Investment and Operations for their dedication to members, the Fund and Trustees.
- The Principal Officer and his team for their dedication and commitment to service excellence.
- Discovery Health for the diligent way in which they attended to all matters relating to the administration of the Fund.
- The Employer for his 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, *Harris Dowden and Fontaine* for efficiently conducting the 2022 audit.
- Members of the Fund for their ongoing support.

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

There being no further matters for discussion, the Chairperson thanked all present for their attendance and closed the Meeting at 11:33.

CERTIFIED TO BE A TRUE RECORD OF THE PROCEEDINGS

Chairperson Signature

Date