



Medical Aid Fund

We care for your health!

PULA MEDICAL AID FUND MINUTES OF THE ANNUAL GENERAL MEETING

OF THE MEMBERS HELD ON 6TH
DECEMBER 2019 AT 09:00AM AT
AVANI RESORT & CASINO



PULA MEDICAL AID FUND

MINUTES OF THE ANNUAL GENERAL MEETING

OF THE MEMBERS HELD ON 6TH DECEMBER 2019 AT 09:00AM AT AVANI RESORT & CASINO

PRESENT:

Board of Trustees

M. Mothibatsela Chairman

B. Thipe

G. Mahlaka

L. Meyer

O. Sebonego

A. Masunga

K. Moswela

NC. Ralebala

I Dipholo

P. De Silva Finance & Audit Committee Chairman

PRINCIPAL OFFICER'S OFFICE

K. Mapitse (Principal Officer ("PO"))

N. Otsogile (Recording)

M. Mphoeng

T. Bagopi

GENERAL MEMBERSHIP

128 members attended in person and 152 proxies.

IN ATTENDANCE:

Administrators – AFA Botswana (Pty) Ltd

D. Thela

M. Scheffers

T. Lesetedi

S. Hlophe

O. Kealotswe

P. Lukashe

EXTERNAL AUDITORS

PricewaterhouseCoopers (PwC):

Mr. Lalithkumar Mahesan

Mr. Wasantha Makolage

The meeting was called to order at 09:05hrs.



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1. NOTICE AND CONSTITUTION OF THE MEETING

The notice of the meeting having been circulated was taken as read. A quorum being present, the Chairman declared the meeting duly constituted.

2. APOLOGIES FOR NON-ATTENDANCE

There were no apologies for non-attendance.

3. ADOPTION OF THE AGENDA

The agenda was adopted as proposed following a proposal by Mr. Motlhabi, seconded by Mr. Rranyete.

4. CHAIRMAN'S OPENING REMARKS

The Chairman welcomed all present to the meeting and thanked them for their attendance. The Chairman further advised that the meeting would be divided in two sessions being the formal AGM proceedings followed by a question and answer session.

5. CONFIRMATION OF THE MINUTES OF THE ANNUAL GENERAL MEETING (AGM) HELD ON 14TH DECEMBER 2018

The minutes of the AGM held on 14th December 2018 having been duly circulated were taken as read. The minutes were approved as a true record of the proceedings on proposal by Mr. Reetsang, seconded by Mr. Petros.

a. Matters Arising from the Minutes of the Previous AGM held on 14th December 2018:

i. Item 6 – To roll out a Wellness and Chronic Disease Management Program and implement the Dental Benefits Management Program.

The Trustees reported to Members that the implementation of the said programs was delayed due to changes that had taken place in the Fund's office. The Trustees reported that the programs would be implemented during the Financial Year 2019/2020.

6. CONSIDERATION AND ADOPTION OF THE REPORT OF THE BOARD OF TRUSTEES TO THE MEMBERS FOR THE YEAR ENDED 30 JUNE 2019

Members were referred to the report for the year ended 30 June 2019, as reflected from page 12 of the 2018/2019 AGM report.

The Chairman highlighted the following salient points from the Annual Report for the Members' appreciation:

- The Fund experienced a net principal membership increase of 2% to close the period with 19 246 principal members and 46 572 total lives covered.

ACTION

Trustees/PO
14.12.2018



PULA MEDICAL AID FUND

MINUTES OF THE ANNUAL GENERAL MEETING

OF THE MEMBERS HELD ON 6TH DECEMBER 2019 AT 09:00AM AT AVANI RESORT & CASINO

- The Fund's claims ratio closed out at 87.3%, indicating an increase of 2% when compared to the prior year.
- Investment income (dividends and interest received) grew by 0.4% on the prior year to P4.98M, reflecting a challenging investment environment for the period under review.
- The Fund's overall solvency remained strong at 30.2% against 31.9% in the prior year.
- The Fund closed the year on a lower comprehensive income surplus of P2.3M compared to P5.1M the previous year.
- There were four (4) new Trustees being tabled to the AGM for approval of their appointment following a challenging year characterised by resignations of mostly employer group representatives on the Board of Trustees.
- In line with principles of good governance and independence of oversight, the Board had appointed an experienced professional to chair and lead the Board's Finance & Audit Committee.
- Following a favourable vetting result by the Non-Bank Financial Institutions Regulatory Authority, Dr. Khumoetsile Mapiitse was appointed the Principal Officer of Pula Medical Aid Fund in June 2019.

The following comments and questions were noted from the membership relative to the Trustees' Report:

- a) Mr. Reetsang sought clarity on why the Board's Remuneration & Nominations Committee had met eleven (11) times in the FY 2018/2019. The Chairman responded by informing members that the Board of Trustees was operating on only five (5) Trustees during the period under review and the Remuneration & Nominations Committee carried out a lot of intensive due diligence in recruiting Trustees and key staff members for the Fund's office, resulting in numerous meetings being held.
- b) Dr. Moeti requested for confirmation that all meetings held during the period when Trustees were only five (5) were quorate as may be prescribed in the Board's governance structures. The Chairman confirmed that all meetings held during the period were quorate.

It was **RESOLVED** that the Board of Trustees report to members for the year ended 30 June 2019 be and is hereby adopted on proposal by Mr. Motlhabi and seconded by Mr. Mpuang.

7. **CONSIDERATION AND ADOPTION OF THE AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 AND THE REPORT OF THE EXTERNAL AUDITORS**

The members were referred to the Audited Financial Statements for the year ended 30 June 2019 on page 36 – 57 of the Annual Report. The following comments and questions were noted from the membership:



PULA MEDICAL AID FUND

MINUTES OF THE ANNUAL GENERAL MEETING

OF THE MEMBERS HELD ON 6TH DECEMBER 2019 AT 09:00AM AT AVANI RESORT & CASINO

- a) Mr. Reetsang sought clarity on why the Fund's Legal Fees noted at page 56 had escalated. The Chairman explained that during the period under review, the Fund had a litigation matter that dragged for weeks before the courts of law. He reported further that the litigation was concluded in the Fund's favour and highlighted that the cost was therefore a once-off expenditure.
- b) Dr. Nsebula asked whether the Fund had a plan to curb the claims ratio from rising uncontrollably and whether enough work had been done to identify the key drivers of the ever-increasing claims ratio. The Chairman responded by stating that the Fund had put in place health risk managers to curb the increase in costs and that during the period under review, dental claims were identified as a contributing factor to escalated claims and were above industry benchmarks, hence the Fund's desire to implement a Dental Benefits Management program.
- c) Mr. Mwawe raised concern on the P1.6M spent on Trustees' fees and argued that for the period under review, the shortage in Trustees should have resulted in much lesser fees being paid out to Trustees. The Chairman and the Finance & Audit Committee Chairman clarified that the amount was as is because it was reflective of Trustees' fees and Trustees' expenses, which they assured the membership would be reported separately in future.

It was **RESOLVED** that the audited Annual Financial Statements for the year ended 30 June 2019 be and are hereby adopted on proposal by Ms. Mothelesi and seconded by Dr. Nsebula.

8. APPOINTMENT OR REAPPOINTMENT OF TRUSTEES

The Chairman reported that in terms of the PULA Rule Book, the term of office for Trustees shall be limited to five (5) years with a possibility of renewal at the Annual General Meeting for those Trustees who are at the end of their term, provided that no person shall serve on the Board for more than 10 years.

It was reported that during the year under review, the following Trustees resigned/retired from the Board:

- Mr. Batho Motubudi who was an Independent Trustee;
- Ms. Mukani Pelaelo who was an employer group representative from Botswana Unified Revenue Services; and
- Mr. Obakeng Moroka who was an employer group representative from Debswana Diamond Company.

It was reported that the following four (4) new Trustees were appointed to occupy the vacant positions following favourable vetting from the regulator, the Non-Bank Financial Institutions Regulatory Authority (NBFIRA):

- Ms. Kushatha Moswela – Independent Trustee.
- Ms. Naiko Carol Ralebala – employer group representative from Debswana Diamond Company.
- Ms. Leawetsa Meyer – employer group representative from Lenmed Bokamoso Private Hospital.



PULA MEDICAL AID FUND

MINUTES OF THE ANNUAL GENERAL MEETING

OF THE MEMBERS HELD ON 6TH DECEMBER 2019 AT 09:00AM AT AVANI RESORT & CASINO

- Mr. Ishmael Dipholo – employer group representative from Botswana Accountancy College.

On behalf of the Board of Trustees, the Chairman requested that the membership ratify the appointment of the stated Trustees and confirmed that none of the other Trustees were at the end of their tenure.

It was **RESOLVED** that the appointment of Ms. Kushatha Moswela, Ms. Naiko Carol Ralebala, Ms. Leawetsa Meyer and Mr. Ishmael Dipholo as Trustees of Pula Medical Aid Fund be and is hereby ratified on proposal by Mr. Mumbulumba and seconded by Mr. Reetsang.

APPOINTMENT OR RE-APPOINTMENT OF EXTERNAL AUDITORS OF THE FUND FOR THE ENSUING YEAR

The Chairman reported that in terms of the Pula Rule Book, members shall approve the appointment of an external auditor, who shall be a body corporate, at each Annual General Meeting, to hold office from the conclusion of that Annual General Meeting, until the conclusion of the next Annual General Meeting. Notwithstanding the above, an external auditor shall first be appointed through an open tender process; the duration and other terms thereof having been specified as part of the Terms of Reference for the tender.

The Chairman reported that the Fund's contract with PricewaterhouseCoopers (PwC) lapsed at the end of the audit for the period under review, with their last assignment being to present the Audited Financials at the 2019 Annual General Meeting. He reported that against this background, the Fund invited suitably qualified corporate entities to provide the Fund with External Audit Services. He confirmed to the membership that the Fund's procurement procedures were followed, with the tender being evaluated by the Board's Procurement & Asset Disposal Committee and subsequently making a recommendation to the Board of Trustees for appointment of the preferred bidder, subject to approval by the AGM at its meeting of 06th December 2019.

The Chairman reported that, once the Board of Trustees had satisfied itself with the due process followed throughout the tender process it recommended that the Annual General Meeting appoint Deloitte & Touche as External Auditors of the Fund for the ensuing year.

It was **RESOLVED** on proposal by Mr. Baalora and seconded by Mr. Felix that Deloitte & Touche be and are hereby appointed as auditors of the Fund from conclusion of the 2019 AGM until conclusion of the 2020 AGM at a fee to be agreed upon.

MEETING CLOSURE

There being no other business to discuss, the Chairman declared the meeting closed at 10:05hrs. The Chairman invited the members to a question and answers session and advised that the PO and the Administrators would be available to address any questions members may have.



PULA MEDICAL AID FUND

MINUTES OF THE ANNUAL GENERAL MEETING

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Verified and signed by the Chairman on this ____ day of _____ 2020.

M MOTHIBATSELA

ACTION ITEMS FROM THE 2018/2019 AGM

Item No.	Action Item	Action By
4 a. i)	To roll out a Wellness and Chronic Disease Management Program and implement the Dental	PO/Trustees