

NAPOTEL MEDICAL AID FUND

MINUTES

**OF THE NAPOTEL MEDICAL AID FUND ANNUAL GENERAL MEETING
HELD ON MONDAY, 24 JUNE 2019 AT 09H40
AT AVANI HOTEL, WINDHOEK**

PRESENT:

BOARD OF TRUSTEES: D Nashandih
J Mouton
C Karokohe
L Mungunda
S Bergh
S Gawaseb
E Molatudi
H Witbooi
A Mbuende

PRINCIPAL OFFICER: G Baisako

ADMINISTRATOR : T Serfontein
I Cuff
L Chimana
C Jacobs
R Amuthenu

ERNST & YOUNG AUDITOR: D Van Wyk

1. OPENING & WELCOME

The Principal Officer of the Board welcomed all present at the meeting. The Chairperson announced that the meeting was properly constituted as a quorum was present. A total of 215 members were attendance.

She then called upon the Vice-Chairman of the Board of Trustees, Mr. Erastus Molatudi to officially open the meeting on behalf of the Board of Trustees. He welcomed all members of the Fund and all representatives of the following institutions / stakeholders: Namfisa; Ernst & Young Auditors and Prosperity Health Namibia. He expressed his delight in the turnout of the meeting. He closed his welcoming remarks with the wish that this would be a constructive and informative meeting.

The Principal Officer informed the meeting that members were requested with an official notice, in terms of the provisions of Rule 31.1.2 of the Rules of the Fund to submit any notices of motions to be added to the agenda to the Principal Officer's office not later than 10 June 2018. It was confirmed that one motion was received in writing; receipt thereof was confirmed. The agenda was adopted as presented.

The Chairperson then introduced the present Board of Trustees as well as those in absentia.

2. APPROVAL OF MINUTES OF THE MEETING HELD ON 11 JUNE 2018

The Chairperson requested any comments/corrections while paging through the minutes.

Present-PWC E&Y Auditor

Open session – Third bullet: Other alternative for Gym benefits since Namfisa cancelled the Gym benefit

The minutes were accepted as a correct and true reflection of the proceedings.

3. CHAIRPERSON & BOARD OF TRUSTEES REPORT

The Chairperson presented a brief overview of the Chairperson's report / overview, which was included in the agenda pack, amongst others, an overview of the Fund's operations during the year under review.

She stated that 2018 marked the Napotel Medical Aid Fund 20th Anniversary a milestone for the fund in many aspects, yet the business of the medical aid remains robust and challenging. However, the Fund remain positive and believe that with prudent leadership and member co-operation the Fund is able to celebrate many more milestones.

In addition to the current economic conditions the Fund continues increase in claims costs and member co-payments remain a challenge not only for Napotel but the entire industry. In order to address this challenges the Fund was looking at cost containment initiatives. It was however remarkable to note that despite this challenges we are pleased to report that Napotel Medical Aid Fund has remained financial healthy and stable. This was testament that the fundamentals by which the Fund was managed are sound in ensuring sustainability.

The Fund strategy is to attract younger members from the participating employers' groups to join the Napotel Medical Aid Fund as an increase in members, will expand the risk pool broaden the risk base and minimize the volatility whilst at the same time offering a monetary cushion against price and utilisation shocks.

She further conveyed appreciation to her fellow colleagues and Principal Officer who served as Trustees for their commitment, support and cooperation during a challenging year. Without these qualities the Fund would not be in the current sound position.

The Chairperson concluded by expressing our heartfelt gratitude to the Administrator, Actuaries and Auditors for their loyalty and dedicated hard work. She was confident that their hard work and dedication was appreciated by all members and also wish to thank the Management of the participating Employer groups for their support, our regulators, NAMFISA and NAMAFA, for their continued support and guidance in their aspiration to improve the industry.

4. PRESENTATION: ANNUAL FINANCIAL STATEMENTS: 31 DECEMBER 2016

Danica van Wyk, Partner from Ernst & Young Namibia presented the Annual Financial Statements of the Fund for the year ended 31 December 2018.

It was noted that the membership of the Fund at 31 December 2018 was 1,891 compared to 1,1,871 in 2017. The financial statements indicated a net surplus of N\$1,136,342 while the reserve level of the Fund was at 69% compared to the previous year's 74%.

In the Auditor's opinion the financial statements presented fairly and in all material aspects, the financial position of the Fund as at 31 December 2018 and its financial performance and cash flow for the year in accordance with International Financial Reporting Standards and in the manner required by the Medical Aid Funds Act of Namibia (Act 23 of 1995).

During the presentation, some of the relevant questions raised on the factors that contributed to a reduced surplus, whether the Fund was sustainable into the future, proposal to replace long serving Trustees with "new blood" and whether claims were monitored carefully by the Trustees. The Chairperson allowed questions being asked and the meeting deviated from the Agenda to a large extent, but members were allowed to ask those questions that were of concern.

The Annual Financial Statements for the year ending 31 December 2018 were approved by the members.

5. APPOINTMENT OF AUDITORS

The members approved Ernst & Young Namibia as the Fund's Auditor for the 2019 financial year.

6. REMUNERATION OF BOARD OF TRUSTEES

It was noted that as per Namfisa Circular PI/MA/3/2004 Medical Aid Funds were required to ensure that the Trustee remuneration was included as a standing agenda item at every Annual General Meeting, for the members to approve the Trustee remuneration structure. Funds were further required to ensure that the approved remuneration structure forms part of the funds amended rules and should be submitted to Namfisa for approval on an annual basis.

Mr. Molatudi presented the Fund's remuneration structure (Board and Sub-Committees) in comparison to the Industry's fees (current and proposed fees) that had been done based on information available within the Industry (four Open Funds). It was noted that the Napotel remuneration was below that of the Industry and the Board proposed an alignment over a period of two (2) years as below:

Description	Designation	Fund 1	Fund 2	Fund 3	Fund 4	Napotel	Alignment
Board of Trustee Meetings	Chairman	N\$4,173	N\$4,452	N\$4,526	N\$6,252	N\$2,573	N\$3,869
	Vice-Chairman	N\$3,338	N\$3,780	N\$3,281	N\$5,404	N\$2,339	N\$3,104
	Other Trustees	N\$2,869	N\$3,098	N\$3,281	N\$4,923	N\$1,872	N\$2,721
Committee Meetings	Chairman	N\$4,001	N\$4,410	N\$3,988	N\$6,252	N\$1,841	N\$3,524
	Vice-Chairman	N\$3,402	N\$3,281	N\$2,660	N\$5,404	N\$1,305	N\$2,623
	Other Trustees	N\$2,803	N\$3,281	N\$2,660	N\$4,923	N\$1,305	N\$2,444

The members disapproved the recommended remuneration structure alignment, and requested the Board to revert back to the 2018 resolution which approved the fees for a period of two years.

9. VOTE OF THANKS

Mr. G Capelao thanked the members for their support, Board of Trustees, Auditors and the Fund Administrators for the roles they play in managing the Fund effectively and efficiently.

8. CLOSING OF FORMALITIES

With no further issues to be discussed, the meeting was adjourned at 12:35

Duly signed:

Chairperson

Principal Officer

Minute Secretary

Date