DURBAN PENSION FUND

MINUTES OF THE ANNUAL GENERAL MEETING HELD AT DURBAN BOTANIC GARDENS CONFERENCE HALL, 9A JOHN ZIKHALI ROAD, BEREA ON 20 JUNE 2024 AT 14:00

1. **NOTICE CONVENING THE MEETING**

The notice of the meeting, which was sent via SMS to all members and was available on the Fund's website, was taken as read.

2. **WELCOME**

The Chairperson, Mr Rogers, welcomed all those present at the meeting. He introduced the Vice-Chairperson, those Trustees who were present, the Principal Officer, the Deputy Principal Officer, the Secretariat and the translator Ms Thando Sokhela.

3. **APOLOGIES**

The Chairperson advised that he had received five apologies from the Appointed Trustees and several other apologies from the members of the Fund.

PRESENT

Approximately 150 attendees (including 7 Trustees, the Principal Officer, the Deputy Principal Officer and the Secretariat) attended the meeting.

4. **APPROVAL OF MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 22 JUNE 2023**

The Chairperson confirmed that the minutes of the Annual General Meeting (AGM) held on 22 June 2023 had been confirmed by the Trustees and were available on the Fund's website. Those members who attended the AGM approved the minutes of the AGM held on 22 June 2023.

5. **MATTERS ARISING FROM THE MINUTES**

The Chairperson noted that there were no matters arising from the previous AGM that were not already included in the agenda.

6. **REPORT BY THE CHAIRPERSON**

The Chairperson noted that it had been another tumultuous year for the Fund. He discussed the following main aspects:

➢ **SALGBC/MRO COURT CASE**

He provided an update on the SALGBC/MRO court case that was ongoing in relation to SALGBC's attempt to regulate by collective agreement the pension funds in which local authorities participated. The Fund's interests continued to be represented by the MRO (Municipal Retirement Organisation) of which the Fund was a member.

He informed the members that he had provided a summary of events at last year's AGM and noted these briefly again at this AGM. The highlight at last years' AGM was that the MRO had won the case with costs awarded against the SALGBC. The SALGBC put in application to appeal the ruling.

He informed the members that the latest developments since then were as follows:

- Leave to appeal was successful – this was not unexpected given the significance of the matter
- The parties have submitted their respective legal arguments /counter legal arguments
- The case now proceeds to the supreme court of appeal (SCA)
- The MRO is awaiting a date for the appeal to be heard

- Further communication will be provided to members following the court case.

➢ **FSCA TRUSTEE TRAINING**

He informed the members that in the latter part of last year, the Financial Sector Conduct Authority (FSCA), the regulatory authority for pension funds, deemed it obligatory for all pension fund Trustees to undergo additional pension fund training which was named the Trustee Training Toolkit program comprising 11 modules of training culminating in an examination.

He informed the members that all the Durban Pension Fund Trustees had met the deadline of completing the Trustee Toolkit prior to the required date being end March 2024 and congratulated his colleagues on completing this task in the required time.

He informed the members that the Trustees were now required to complete the 2nd phase of the Trustee Toolkit which included a further 11 modules and was required to be completed by the end of September 2024.

He was confident that the Trustees will complete the required training before the due date.

➢ **FUND'S 125th ANNIVERSARY**

The Chairperson informed the members that the Fund had reached a significant milestone in reaching its 125-year anniversary during 2024.

He informed the members that at the March 2024 Board meeting, Mr HD Naidoo had arranged for an anniversary cake to be cut at the meeting to celebrate the Fund's momentous 125-year anniversary. He thanked Mr HD Naidoo for arranging the cake, inviting the press and arranging photos in respect of the momentous occasion.

➢ **ELECTION OF DPF TRUSTEES**

The Chairperson informed the members that following the recent elections he was pleased to advise that Keith Goodsell, Krish Kumar, Chris Nagooroo, Ebrahim Seedat and he were re-elected.

It was reassuring to note that collectively the above 5 re-elected Trustees had several years of experience and knowledge between them, which will undoubtedly continue to stand the Fund in good stead over the next three years.

In addition to the above, the Fund also elected a new Trustee, Mr John Beugger who although relatively new to pension fund matters, brings extensive Human Capital experience to the Board which will be of immense value. He welcomed Mr J Beugger to the Board.

He also advised the members that Mr G Horstman who was a Trustee over the last few terms had decided not to seek re-election for personal reasons. He thanked Mr Horstman for his dedication and commitment to the Fund in his tenure as a Trustee and on behalf of the Board he wished him well in the future.

He informed the members that the Fund would continue to communicate with members as and when new developments arose.

He handed over to the Principal Officer, Samantha Davidson, to present the annual financial Statements of the Fund as at 31 December 2023 and to provide a brief update on the two pot system (per items 7 and 9 in the agenda).

7. FUND'S AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

- The Principal Officer, Ms Samantha Davidson, welcomed all members in attendance. She presented the audited annual financial statements (AFS) of the Fund for the year ended 31 December 2023, which were available on the Fund's website. She advised that the AFS was presented in the format prescribed by the FSCA. The Fund once again received an unqualified audit from their current auditors, BDO.

- The auditors confirmed that the Fund complies with Regulation 28
- The Fund was well funded as at 31 December 2023.

9. <u>PROPOSED TWO POT SYSTEM EFFECTIVE 1 SEPTEMBER 2024</u>

The Principal Officer informed the members that the two pot system comes into effect on 1 September 2024 and this change only applies to active members and not to pensioners. She confirmed that the Fund has amended its rules and the administrator is able to accommodate the two pot system.

The Principal Officer then handed back to the Chairperson.

8. <u>PENSION INCREASE EFFECTIVE 1 JULY 2024</u>

The Chairperson reminded the members of the following:

- The Fund's had changed its pension increase policy a few years ago from 60% of the increase in the consumer price index to 100% of the increase in the consumer price index.
- The Fund had a mechanism of providing a 14th cheque in July provided this was affordable.
- The change in the Fund's rules to provide for a full 13th cheque to be paid by the Fund (prior to this change half was paid by the Fund and half was paid by the Employer).
- The Fund had made provisions for the Employer to contribute to the Fund at a reduced level.

He advised that the Fund had granted the following pension increases over the last few years, in addition to the 13th cheque and a special 14th cheque:

- 12.24% in 2022 (100% of CPI being 5.9% and an additional increase of 6.1% compounded)
- 11.0% in 2023 (100% of CPI being 7.1% and an additional increase of 3.9%)

Pension increase with effect from 1 July 2024
He informed the members that the Board approved a pension increase of 10% (100% of CPI being 5.3% and an additional increase of 4.7%) with effect from 1 July 2024.

The Board also approved the payment of a special 14th cheque to pensioners after allowing for the above 10% increase.

10. <u>GENERAL</u>

The Chairperson thanked Mr HD Naidoo as the chief organiser of the AGM. He also thanked those volunteers who assisted with the refreshments and the registration and thanked the translator, Ms Thando Sokhela, for assisting with the translation.

<u>CLOSURE</u>

The Chairperson extended his sincere thanks and appreciation to his fellow Trustees, Ms S Davidson (Principal Officer), Mr HD Naidoo (Deputy Principal Officer), Mr G Velcich (Actuary), Mr R Naidoo (Secretariat), the Asset Consultants and Investment Managers who collectively work tirelessly to contribute to the success of the Fund.

The Chairperson thanked the members for their attendance and declared the meeting closed at 15h17.

CONFIRMED TO BE A TRUE RECORD OF PROCEEDINGS

	08/08/2024
CHAIRPERSON	**DATE**