



Medical scheme

**MINUTES OF THE 13TH ANNUAL GENERAL MEETING
HELD IN THE MAIN BOARDROOM, SECOND FLOOR, CORPORATE BUILDING, PICK N PAY OFFICE
PARK, 101 ROSMEAD AVENUE, KENILWORTH, ON WEDNESDAY, 20 MAY 2009 AT 13:00**

PRESENT

Trustees/voting

Erna Vause (EV)	Chairperson/Member-elected Trustee
Morag Magnussen (MM)	Member-elected Trustee
Helen de Light (HdL)	Member-elected Trustee
Dennis Cope (DC)	Employer-appointed Trustee
Isaac Motaung (IM)	Employer-appointed Trustee
Gary Lea (GL)	Employer-appointed Trustee

Members/voting

M Mannion
L Carstens
A Hammond
M Benlakein
EC Archer
E Fortune
M Marsden
DJ van Heerden
M Engelbrecht
C Leith
S Dryding
B Grovers

By invitation

George Jones (GJ)	Principal Officer
Dr Martin Bailey (MB)	Medical Advisor
Ellen Conradie (EC)	Pick n Pay Occupational Health Practitioner
Jacoba van Zyl (JvZ)	MHG
Pamela Botha (PB)	MHG
Dirk Spangenberg (DS)	MHG
Nashietah Ebrahim (NE)	MHG
Kashiefa Martin (KM)	MHG
Jeanine Schubach (JS)	NMG
Linda Webb (LW)	NMG

1. OPENING AND WELCOME

The Chairperson opened the meeting and welcomed those present.

There being a quorum of 19 members and 33 proxies present, the Chairperson confirmed that the meeting was duly constituted in accordance with the rules of the Scheme.

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2. NOTICE OF THE ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting, which was confirmed as having been circulated timeously to all members, was taken as read on proposal from Ms de Light and seconded by Ms Magnussen.

3. MINUTES OF THE ANNUAL GENERAL MEETING HELD ON THURSDAY, 22 MAY 2008

Ms Hammond proposed that the minutes of the Annual General Meeting for 2008 be approved and adopted.

Ms Fortune seconded the proposal, which was then unanimously adopted.

4. ANNUAL REPORT OF THE CHAIRPERSON OF THE BOARD OF TRUSTEES

The Chairperson commented that the Scheme maintained its strong financial position during 2008 and continued to offer members benefit enhancements while keeping contribution increases to a minimum.

The Chairperson further commented on the introduction of the diabetes programme, managed by the Centre for Diabetes and Endocrinology. The Chairperson noted that it was encouraging to see the positive lifestyle enhancements experienced by enrollees on the programme and encouraged all diabetic members who had not registered on the programme to do so.

The Chairperson advised that the Scheme's continued strong financial performance could be attributed to claims expenditure being well contained within the budget, as well as the excellent investment returns achieved during 2008. However, the Chairperson noted that the exceptional investment returns were not likely to continue during 2009 due to the current economic climate.

The Chairperson thanked everyone for their valuable contribution towards the Scheme during 2008.

Ms de Light proposed that the Annual Report of the Chairperson of the Board of Trustees for the year ended 31 December 2008 be adopted.

Ms Magnussen seconded the proposal, which was unanimously adopted.

5. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

The Chairperson informed the meeting that an abridged version of the 2008 Annual Financial Statements had been circulated to all members.

Item 5.1, Page 7: Operational Statistics

Mr Marsden referred to the pensioner ratio and requested the Board of Trustees to provide him with a report of the Scheme's pensioner movement.

Mr Marsden questioned the increase in administration fees from R7.9 million during 2007 to R9.2 million during 2008. MHG advised that an inflationary increase was applied to administration fees during 2008. In addition to this increase, it should also be noted that an increase in the number of members during 2008 impacted on administration fees, as administration fees were calculated on a per member per month basis. As such, the administration fees would also increase as the membership increased.

Mr Marsden raised a concern regarding the -1.7% investment return experienced during 2008 and mentioned that the Scheme's investment performance would have improved had the Scheme insured investments against downside risk. NMG advised that the ability to hedge against downside risk was restricted, based on the regulations contained in the Medical Schemes Act.

Mr Marsden raised a further concern regarding the affordability of contributions for pensioners. The Chairperson advised that the Scheme continuously investigated alternative and more affordable options for pensioners. Members at the meeting suggested ways in which the Employer could assist pensioners in terms of medical scheme contributions. It was noted that the Trustees could not make decisions regarding matters pertaining to the Employer. The Chairperson therefore suggested that members raise these suggestions with Pick n Pay.

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5. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

Ms de Light proposed that the Annual Financial Statements for the year ended 31 December 2008 be adopted.

Ms Magnussen seconded the proposal, which was unanimously adopted.

6. RATIFICATION OF THE MEMBER-ELECTED TRUSTEES

The appointments of the following Trustees were ratified:

- | | |
|------------------|------------------------|
| - Mr B Grovers | Member-elected Trustee |
| - Ms M Magnussen | Member-elected Trustee |
| - Ms H de Light | Member-elected Trustee |
| - Ms E Vause | Member-elected Trustee |
| - Mr H Coetzee | Alternate Trustee |
| - Mr M Pienaar | Alternate Trustee |

7. CONFIRMATION OF THE DISPUTES COMMITTEE

Mr Motaung proposed that the Disputes Committee be confirmed as follows:

- Mr J Lucas
- Ms M Mannion
- Mr Y Mola
- Mr M Marsden.

Mr Grovers seconded the proposal, which was unanimously adopted.

8. APPOINTMENT OF THE EXTERNAL AUDITORS

Ms Mannion proposed that the Scheme renew the appointment of KPMG as the auditors to the Scheme for the financial year ending 31 December 2009.

Mr Motaung seconded the proposal, which was unanimously adopted.

9. GENERAL

A written note was received from a member who thanked the Trustees for attending Board meetings and congratulated the Call Centre for the efficient manner in which enquiries were resolved.

It was noted that the concerns raised by the member were not related to the Scheme and were therefore not presented for discussion. The Principal Officer undertook to provide the member with feedback.

10. CLOSURE

There being no further questions from the floor and no further business to discuss, the Chairperson thanked the members for their attendance and declared the meeting closed.

CHAIRPERSON

DATE

Pick n Pay

Medical scheme