

**PICK N PAY MEDICAL SCHEME  
MINUTES OF THE TWENTY-SIXTH ANNUAL GENERAL MEETING HELD ON THURSDAY, 7 JULY 2022 AT  
13:30 VIA ZOOM CONFERENCE**

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**MEMBERS IN ATTENDANCE:** 54 (via video conference, list of attendees – available on request); two proxies were received

**PRESENT**

Helen de Light	Member-elected Trustee (Chairperson)
Vaughan Pierce	Employer-appointed Trustee (Vice-Chairperson)
Gary Lea	Employer-appointed Trustee
Penny Gerber	Employer-appointed Trustee
Ryan Johnson	Member-elected Trustee
Riaan Faasen	Member-elected Trustee
Lucille Andrews	Member-elected Trustee
Radhia Sattar	Alternate Member-elected Trustee
Melissa Mannion	Alternate Member-elected Trustee
Pamela Botha	Principal Officer

**BY INVITATION**

Munaaf Roshan	Momentum Health Solutions
Alison Brandes	Momentum Health Solutions
Dawn Theron	Momentum Health Solutions
Zaida Mohidin	Momentum Health Solutions
Annette Prins	Momentum Health Solutions
Rod Leerkamp	NMG

Bontle Tshele	CMS
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**APOLOGIES**

Jeff Dube	Employer-appointed Trustee
Veruschka de Nobrega	Alternate Member-elected Trustee
Casper de Vries	NMG

**1. OPENING AND WELCOME**

The Chairperson opened the meeting and welcomed all present at the video conference. She requested that those present adhere to the code of conduct document that had been distributed to all attendees. She also requested that all attendees sign in with their full names so that attendance could be recorded accurately.

The Chairperson confirmed that a quorum was present.

**2. MINUTES OF THE ANNUAL GENERAL MEETING (AGM) HELD ON 8 JULY 2021**

The Chairperson proposed that the minutes of the 2021 AGM, as distributed to members prior to the AGM, be approved and adopted. This proposal was seconded by Mr Visser. The minutes were subsequently adopted and signed by the Chairperson.

**3. ANNUAL REPORT OF THE CHAIRPERSON OF THE BOARD OF TRUSTEES**

The Chairperson presented the Chairperson's report, which had been circulated to members prior to the AGM as part of the meeting pack, drawing specific attention to various items, which included:

- the Trustees' priority to ensuring that, whilst continuing to provide members with a comprehensive and competitive benefit offering, the Scheme remains financially viable, thereby ensuring its long-term sustainability. The Scheme remains committed to ensuring that its contributions are competitive, without compromising on the quality of care that the members and their families receive.
- Covid-19 continued to have an impact on everyone in 2021, but the Scheme was pleased to see that a large number of members had been vaccinated, reducing the risk of severe illness and death as a result of Covid-19. The Board of Trustees continues to monitor and mitigate the impact of future outbreaks on the Scheme and its members in the best way possible.
- membership had decreased by 135 principal members from January to December 2021. The average age of beneficiaries was 31.3 and the pensioner ratio was 4.4%.

*Continued overleaf*

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**3. ANNUAL REPORT OF THE CHAIRPERSON OF THE BOARD OF TRUSTEES (CONTINUED)**

- the Scheme's reserve ratio of 131% as at 31 December 2021 was much higher than the required statutory 25% and serves as a safeguard to guarantee the financial viability of the Scheme for many years to come.
- including investment returns during the year, and together with the higher-than-expected claims expenditure, the Scheme made a net profit of R65,717,443 for the year ended 31 December 2021.
- the Board of Trustees has an Investment Committee constituted of five suitably qualified individuals. The committee is also assisted by representatives from the Scheme's Administrator, actuarial consultants and Willis Towers Watson, the Scheme's investment consultants. The actions of the committee are governed by the Investment Committee Charter and the Statement of Investment Principles (SIP) and any changes to these two documents require approval from the Board of Trustees.
- to keep contribution increases as low as possible, the Board of Trustees decided to keep all benefits the same for 2021, but approved an increase of 4.3% (2022: 4.6%) on benefit limits. This was done to minimise the impact of medical inflation, increased tariffs by medical professionals and to limit any out-of-pocket payments for members.
- the Board of Trustees have kept contribution increases as low as possible in order to ensure that the Scheme remains financially viable for years to come. The contributions increased by 3.3% (2022: 4%) on the Plus and Primary options for 2021. These increases were well below the average increases announced by other medical schemes.
- to further ease the burden on household budgets, each year the income bands are increased to prevent those members who are currently at the top of their income bands from being pushed into a higher bracket, where they would have to pay higher contributions when increases come into effect. The income bands were increased by 4.3% on both options in 2021.
- to assist pensioner members, it was agreed to reduce the percentage of salary on which the contributions were calculated so that the majority of the pensioners were moved to a lower income bracket from 2022, resulting in lower monthly contributions for a large number of the pensioners. This financial relief had been well-received by many of the pensioner members.

The Chairperson expressed appreciation and thanks to the following people/organisations:

- Mr Amile Visser, who served as Principal Officer for the last 12 years and has now retired; our heartfelt thanks go out to Mr Visser for his years of commitment and dedication and we wish him a healthy and happy retirement;
- Ms Pamela Botha, who served as Deputy Principal Officer for many years and was appointed as the Principal Officer effective 1 April 2022;
- the Company for its continued support;
- the members for their continued efforts in pro-actively managing their health and wellness, thereby ensuring the well-being of the Scheme;
- our colleagues on the Board of Trustees and the various sub-committees for their commitment to leadership;
- the management and staff at Momentum Health Solutions for the efficient manner in which they have managed the day-to-day affairs of the Scheme;
- the management and staff of the managed care providers – Private Health Administrators, MediKredit, ER24 Emergency Medical Services and the Centre for Diabetes and Endocrinology (CDE) – for the efficient manner in which they have managed the various managed care programmes;
- the management and staff of our value-added services partners – Ambledown Gap Cover, HealthSaver and Multiply – for the efficient manner in which they have managed the additional products offered to our members;
- the Medical Advisor, Dr Martin Bailey, for his continued dedication and commitment to the Scheme;
- Willis Towers Watson for their assistance in managing the Scheme's investments;
- the External Auditor, Ernst Young Inc, for the manner in which they conducted their audit;
- the Registrar of Medical Schemes and his staff for their assistance during the year; and
- all other service providers.

**4. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

The Principal Officer presented an overview of the annual financial statements for the year ended 31 December 2021.

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**4. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

With reference to page 9 of the AGM document, namely the annual summary of results for the year ended 31 December 2021, the Principal Officer highlighted the following salient points:

- The Investment Committee's philosophy had not changed, particularly regarding the Scheme's investment in SA equities.
- The Investment Committee is chaired by Mr Gary Lea and the Investment Committee meet on a quarterly basis.
- The Board of Trustees has appointed Willis Towers Watson as their Investment Consultants to advise the Investment Committee and Board of Trustees on matters related to the Scheme's investments, including investment performance monitoring, asset allocation decisions and investment manager selection.
- Long-term assets – the strategic asset allocation for SA equities was 42%, SA Cash 30%, SA Listed Property 5%, SA bonds 16% and International Bonds and Cash 7%. The aim was to grow the investments of the Scheme by 4% per annum above inflation over the long term.
- The investment analysis on page 10 of the AGM document reflected the cash flow of the Scheme during 2021.
- The personal medical savings accounts (PMSAs) are invested mainly in cash and money-market investments, separately from the liquidity assets and long-term assets.

Having confirmed that the annual financial statements had been accepted by the Board of Trustees, as per the recommendation from the Audit Committee and external auditors, the Chairperson invited members to pose questions regarding the financial statements for consideration and discussion.

No further questions were posed or any concerns raised by members regarding the annual financial statements for the year ended 31 December 2021.

Mr Johnson proposed that the annual financial statements be accepted and approved. The proposal was seconded by Ms Gerber.

**5. CONFIRMATION OF THE DISPUTES COMMITTEE**

The Chairperson explained the responsibilities of the Disputes Committee. The Disputes Committee members were appointed as follows:

- Ms M Magnussen;
- Mr M Marsden; and
- Ms C Hoffman.

The Principal Officer proposed that the confirmation of the Disputes Committee be accepted and approved. The proposal was approved.

**6. APPOINTMENT OF THE EXTERNAL AUDITORS**

The Principal Officer advised that the Scheme had received notification of the resignation of the External Auditors, Ernst & Young. This was due to the fact that the two audit partners who had Council for Medical Schemes accreditation and were required to be able to perform audits for medical schemes had left the company and Ernst & Young no longer had accredited audit partners, leading to the intention to resign as Auditors of the Scheme.

The vacancy for an auditor is being treated as a matter of urgency and a request has already been issued in respect of acquiring tenders. As soon as these are received, they will be evaluated and a successor would be appointed.

Mr Lea requested that when the Board of Trustees have made an appointment, the Principal Officer send out a notification of appointment to all attendees of this meeting.

Mr Jakoet asked who had been requested to tender. The Principal Officer responded that five Cape Town-based companies had been invited to tender. They were BDO, PriceWaterhouseCoopers (PwC), KPMG, Deloitte and Mazars.

Mr Jakoet noted that the profession was currently going through a massive change and that some of the big audit firms were no longer keen to audit medical schemes, given they would rather do listed company audits. He urged the Board of Trustees to seriously consider where the Scheme could get better service.

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**7. GENERAL**

The Chairperson took a moment to assure the members that the Board of Trustees was comfortable that the Administrator, Momentum Health Solutions (MHS), was fully compliant in terms of regulations required by the POPI Act.

The Chairperson then invited the members to pose any questions. There were no questions posed.

**8. CLOSURE**

There being no further questions from members and no further business for discussion, the Chairperson thanked all present for their attendance and participation and declared the meeting closed at 14:07.

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**HELEN DE LIGHT**  
CHAIRPERSON

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**DATE**