

PICK N PAY MEDICAL SCHEME

MINUTES OF THE TWENTY-EIGHTH ANNUAL GENERAL MEETING HELD ON THURSDAY, 4 JULY 2024 AT 13:00 VIA A HYBRID MEETING IN THE AUDITORIUM, CONFERENCE CENTRE, PICK N PAY OFFICE PARK, 101 ROSMEAD AVENUE, KENILWORTH, AS WELL AS A TEAMS CONFERENCE MEETING

MEMBERS IN ATTENDANCE: 47 (via video conference; list of attendees available on request); no proxies were received

PRESENT

Helen de Light
Vaughan Pierce
Ryan Johnson
Riaan Faasen
Melissa Mannion
Dawn Theron

Member-elected Trustee (Chairperson)
Employer-appointed Trustee (Vice-Chairperson)
Member-elected Trustee
Member-elected Trustee
Alternate Member-elected Trustee
Principal Officer

BY INVITATION

Munaaf Roshan
Alison Brandes
Zaida Mohidin
Annette Prins
Rod Leerkamp

Momentum Health Solutions
Momentum Health Solutions
Momentum Health Solutions
Momentum Health Solutions
NMG

Neo Mminzelwa

CMS

APOLOGIES

There were no apologies.

1. OPENING AND WELCOME

The Vice-Chairperson opened the meeting and welcomed all present in person and by way of video conference. He further noted that he would be chairing the meeting, as the Chairperson, Ms de Light, was attending virtually from overseas.

The Vice-Chairperson confirmed that a quorum was present and that the meeting was properly constituted.

2. MINUTES OF THE ANNUAL GENERAL MEETING (AGM) HELD ON 6 JULY 2023

The Vice-Chairperson took the meeting attendees through the minutes of the 2023 AGM, as distributed to members prior to the AGM. He then requested that these be approved and adopted and requested a proposer and a seconder. Mr Johnson proposed the approval of the minutes and Ms Magnusson seconded the motion. The minutes were subsequently adopted and signed by the Vice-Chairperson.

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

The Vice-Chairperson presented the Chairperson's Report for the year ended 31 December 2023, which had been circulated to members prior to the AGM as part of the meeting pack, drawing specific attention to various items, which included:

- It remained the Board of Trustees' priority to ensure that, whilst continuing to provide our members with a comprehensive and competitive benefit offering, the Scheme remained financially viable, thereby ensuring its long-term sustainability. Pick n Pay Medical Scheme remained committed to ensuring that its contributions were competitive, without compromising on the quality of care that members and their families received.
- Membership decreased by 968 principal members from January to December 2023. The average age of beneficiaries was 32.4 and the pensioner ratio increased to 5.5%.
- Legislative developments, including the National Health Insurance (NHI), were closely monitored on a continuous basis with the aim to pre-empt and minimise the impact on the Scheme. The issues around NHI and its risks had been debated and discussed with the various consultants and the Board of Trustees would continue to keep a close eye on any future developments in this regard.
- The Scheme remained financially sound with a solvency ratio of 132,2% as at 31 December 2023. These reserves were well in excess of the legislated targets, but appropriate for the long-term sustainability of our Scheme.

Continued overleaf

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

- Taking into consideration investment returns during the year, the higher-than-expected claims expenditure and the loss of members as a result of the Company's restructuring exercises, the Scheme experienced a net deficit of R5,2 million for the year ended 31 December 2023. The Scheme did, however, remain financially sound and was able to meet its commitments in terms of the payment of claims.
- The Board of Trustees had an Investment Committee constituted of five suitably qualified individuals. The Committee was assisted by representatives from the Scheme's Administrator, our Actuarial Consultants and Willis Towers Watson, the Scheme's Investment Consultants. The actions of the Committee were governed by the Investment Committee Charter and the Statement of Investment Principles (SIP) and any changes to these two documents required approval from the Board of Trustees.
- To keep contribution increases as low as possible, the Board decided to keep all benefits the same for 2023, but approved an increase of 6.5% 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 co-payments for members.
- The Board of Trustees tried very hard to keep contribution increases as low as possible to balance the impact on household budgets amidst the rising cost of living to ensure that the Scheme remained financially viable for years to come. Contributions were increased by 6.5% on the Primary Option and 7.5% on the Plus Option in 2023. These increases were well below the average increases announced by other medical schemes.
- To further ease the burden on household budgets, income bands have been increased annually to prevent those members who were at the top of their income bands from being pushed into a higher bracket where they would have had to pay higher contributions when the annual salary increases came into effect. The income bands were increased by 6.5% on both options in 2023.

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

- Ms Pamela Botha, the Scheme's Principal Officer for the year ending 2023 – Ms Botha provided our members with exceptional service during her time as Principal Officer and will be missed by us all;
- Ms Dawn Theron, our newly appointed Principal Officer, who joined our Pick n Pay Medical Scheme family on 1 May 2024;
- our colleagues on the Board of Trustees and the various sub-committees for their commitment and leadership;
- Mr Gary Lea for his ongoing commitment to the Scheme and for agreeing to continue to serve as Chairperson of the Investment Committee for another year;
- the management and staff at Momentum Health Solutions for the efficient manner in which they managed the day-to-day affairs of the Scheme;
- the management and staff of the managed care providers – ER24 Emergency Medical Services and the Centre for Diabetes and Endocrinology (CDE) – for the efficient manner in which they 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 managed the additional products offered to our members;
- our Actuarial Consultants, NMG Consultants and Actuaries, for their invaluable contributions throughout the year;
- our Medical Advisor, Dr Martin Bailey, for his continued dedication and commitment to the Scheme;
- Willis Towers Watson for their assistance and guidance in managing the Scheme's investments;
- the External Auditor, BDO South Africa, for the manner in which they conducted their audit;
- the Registrar for Medical Schemes and his staff for their assistance during the year;
- all other service providers; and
- our members for their continued efforts in pro-actively managing their health and wellness, thereby ensuring the wellbeing of the Scheme.

4. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Annual Financial Statements for the year ended 31 December 2023 had been distributed to members prior to the meeting. The Annual Financial Statements were taken as read.

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4. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

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 Vice-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 2023.

Mr Johnson proposed that the Annual Financial Statements be accepted and approved. The proposal was seconded by Mr Faasen.

5. RESULTS OF THE MEMBER TRUSTEE ELECTION

The Vice-Chairperson provided feedback regarding the election of Trustees and the election results.

The Vice-Chairperson expressed appreciation to all who had participated in the election process, whether as nominees or as voters.

The following five nominees had achieved the highest number of votes and would serve on the Board of Trustees, as indicated below:

- Helen de Light – Member-elected Trustee
- Ryan Johnson – Member-elected Trustee
- Riaan Faasen – Member-elected Trustee
- Lucille Andrews – Alternate Member-elected Trustee
- Melissa Mannion – Alternate Member-elected Trustee.

The Chairperson welcomed the appointed Trustees and Alternate Trustees to the Board and reminded all those present that this was a valuable commitment on their part.

6. CONFIRMATION OF THE DISPUTES COMMITTEE

The Disputes Committee members were appointed, as follows:

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

The Vice-Chairperson proposed that the confirmation of the Disputes Committee be accepted and approved. The proposal was approved.

7. APPOINTMENT OF THE EXTERNAL AUDITORS

Following a recommendation by the Audit Committee, the Vice-Chairperson confirmed that the Board of Trustees would like to renew the appointment of BDO South Africa as the External Auditors to the Scheme for the financial year ending 31 December 2024.

The Vice-Chairperson proposed that BDO South Africa be appointed as the External Auditors to the Scheme for the financial year ending 31 December 2024. The appointment of BDO South Africa was proposed by Ms Mannion and seconded by Mr Faasen.

8. GENERAL

The Vice-Chairperson confirmed that no notices had been received from members prior to the AGM and invited the members to pose any questions. There were no questions posed.

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9. CLOSURE

There being no further questions from members and no further business for discussion, the Vice-Chairperson thanked all present for their attendance and participation and declared the meeting closed at 13:28.

HELEN DE LIGHT
CHAIRPERSON

DATE