

PICK N PAY MEDICAL SCHEME

MINUTES OF THE TWENTY-NINTH ANNUAL GENERAL MEETING HELD ON THURSDAY, 3 JULY 2025 AT 13:00 VIA A HYBRID MEETING IN THE EXECUTIVE BOARDROOM, PICK N PAY OFFICE PARK, 101 ROSMEAD AVENUE, KENILWORTH, AS WELL AS VIA A TEAMS CONFERENCE MEETING

MEMBERS IN ATTENDANCE: 46 (via video conference; list of attendees available on request); three proxies were received (two for the Chairperson and one for the Vice-Chairperson)

PRESENT

Helen de Light	Member-elected Trustee (Chairperson)
Vaughan Pierce	Employer-appointed Trustee (Vice-Chairperson)
Joan Smit	Employer-appointed Trustee
Riaan Faasen	Member-elected Trustee
Lucille Andrews	Alternate Member-elected Trustee
Melissa Mannion	Alternate Member-elected Trustee
Dawn Theron	Principal Officer

BY INVITATION

Munaaf Roshan	Momentum Health Solutions
Alison Brandes	Momentum Health Solutions
Zaida Mohidin	Momentum Health Solutions
Annette Prins	Momentum Health Solutions
Casper de Vries	NMG

APOLOGIES

Apologies were received from Mr Amile Visser and Mr David Liebrecht.

1. OPENING AND WELCOME

The Chairperson opened the meeting and welcomed all present in person and by way of video conference.

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

2. MINUTES OF THE ANNUAL GENERAL MEETING (AGM) HELD ON 4 JULY 2024

The Chairperson took the meeting attendees through the minutes of the 2024 AGM, as distributed to members prior to the AGM. She then requested that these be approved and adopted and requested a proposer and a seconder. Mr Pierce proposed the approval of the minutes and Mr Faasen seconded the motion. 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 for the year ended 31 December 2024, 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 increased by 49 principal members from January to December 2024. The average age of beneficiaries decreased to 31.8 from 32.4 in 2023 and the pensioner ratio decreased to 5.2%.
- Legislative developments are continuously closely monitored with the aim of pre-empting and minimising the impact on the Scheme.
- The Scheme remained financially sound with a reserve ratio of 139.9% as at 31 December 2024. 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)

Investments

Detailed information regarding the Scheme's investment performance for 2024 was provided in the Annual General Meeting pack. The following salient points were highlighted:

- In managing the Scheme's investments, the Board of Trustees has an Investment Committee constituted of five suitably qualified individuals. The Committee is 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 are governed by the Investment Committee Charter and the Statement of Investment Principles (SIP) and any changes to these two documents requires approval from the Board of Trustees.
- The SIP outlines rules regarding what the Scheme can and cannot invest in, including asset classes, amongst others. In addition to the SIP, the Scheme's investments are governed by Regulation B of the Medical Schemes Act of 1998 that details specific limitations on certain asset classes.
- The Scheme's investment strategy is to maximise the return on its investments on a long-term basis at an appropriate level of risk. The investment strategy takes into consideration constraints imposed both by legislation and by the Board of Trustees. This policy is reviewed annually, taking cognisance of compliance with the Act, the risk returns of the various investment instruments and available surplus funds that ideally should be invested elsewhere so as to maximise the investment return.

Membership

Membership of the Scheme increased by 49 principal members during 2024. The average age of beneficiaries decreased to 31.8 and the pensioner ratio decreased to 5.2%

Benefit changes

The Board decided to keep most benefits the same for 2024, but approved an increase of 4.7% on benefit limits and enhanced the preventative benefits. 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.

Contribution increases

As a result of the net loss of R5,2 million experienced in 2023 and the actuarial projection of a significant decline in the reserve ratio over the next 10 years, the Trustees were faced with an extremely difficult task in deciding on the contribution increase for 2025. A higher-than-usual contribution increase was approved in an effort to secure the Scheme's financial sustainability. The Trustees were aware that the contribution increase had a negative financial impact on our members at a time of financial struggle for most. It was, however, necessary and still in line with increases implemented by other medical schemes who faced the same challenges of increased claims costs and medical inflation. The contributions increased by 7.2% on the Primary Option and 10.9% on the Plus Option in 2025.

To ease the burden on household budgets, each year the income bands are increased to prevent those members who are at the top of their income bands from being pushed into a higher bracket, where they will have to pay higher contributions when the salary increases come into effect. The income bands were increased by 4.7% on both options in 2025.

While the reserve ratio may have appeared to be more than adequate to keep contribution increases low, the unpredictability of the ever-changing healthcare market and the volatility of year-on-year claims experience needed to be factored in.

A moment of appreciation

On behalf of the Pick n Pay Medical Scheme, the Chairperson expressed thanks to the following people/organisations:

- Ms Dawn Theron, our Principal Officer;
- our colleagues on the Board of Trustees and the various Sub-Committees for their commitment and leadership;

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

- 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 our managed care provider, ER24 Emergency Medical Services, for the efficient manner in which they managed the ambulatory services;
- 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 Medical Advisor, Dr Martin Bailey, for his continued dedication and commitment to the Scheme;
- our Actuarial Consultants, NMG Consultants and Actuaries, for their invaluable contributions throughout the year;
- Willis Towers Watson for their assistance and guidance in managing our investments;
- the External Auditor, BDO South Africa Incorporated, 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 proactively managing their health and wellness, thereby ensuring the wellbeing of the Pick n Pay Medical Scheme.

4. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Annual Financial Statements for the year ended 31 December 2024 had been distributed to members prior to the meeting. The Annual Financial Statements were taken as read.

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 Annual 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 2024.

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

5. CONFIRMATION OF THE DISPUTES COMMITTEE

The Disputes Committee members were appointed, as follows:

- Ms M Magnussen;
- Mr N Quirk; and
- Ms C Hoffman.

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

6. APPOINTMENT OF THE EXTERNAL AUDITORS

Following a recommendation by the Audit Committee, the 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 2025.

The Chairperson proposed that BDO South Africa be appointed as the External Auditors to the Scheme for the financial year ending 31 December 2025. The appointment of BDO South Africa was proposed by Mr Pierce and seconded by Mr Faasen.

7. GENERAL

The 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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(CONTINUED)**

8. 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 13:22.

HELEN DE LIGHT
CHAIRPERSON

DATE