

**PICK N PAY MEDICAL SCHEME
MINUTES OF THE TWENTY-SEVENTH ANNUAL GENERAL MEETING HELD ON THURSDAY, 6 JULY 2023 AT
13:30 VIA A HYBRID MEETING IN THE MAIN BOARDROOM, 2ND FLOOR, PICK N PAY OFFICE, 101 ROSMEAD
AVENUE, KENILWORTH, AS WELL AS VIA A TEAMS CONFERENCE MEETING**

MEMBERS IN ATTENDANCE: 53 (via video conference; list of attendees available on request); one proxy was 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
Jeff Dube	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
Dawn Theron	Momentum Health Solutions
Annette Prins	Momentum Health Solutions
Rod Leerkamp	NMG
Casper de Vries	NMG

Amos Mavuso	CMS
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APOLOGIES

There were no apologies.

1. OPENING AND WELCOME

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

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

2. MINUTES OF THE ANNUAL GENERAL MEETING (AGM) HELD ON 7 JULY 2022

The Chairperson proposed that the minutes of the 2022 AGM, as distributed to members prior to the AGM, be approved and adopted. This proposal was seconded by Mr Lea. 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 2022, 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 remains the Board of Trustees' priority to ensure 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.
- Membership had decreased by 49 principal members from January to December 2022. The average age of beneficiaries was 31.7 and the pensioner ratio was 4.7%.
- The Scheme's reserve ratio of 131.2% as at 31 December 2022 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 experienced a net loss of R19,404,610 for the year ended 31 December 2022. This can be attributed, in part, to the higher-than-expected claims expenditure for the Scheme as a result of members returning to seeking medical care and attention after Covid. The Scheme does, however, still remain financially sound and is able to meet its commitments in terms of the payment of claims.

Continued overleaf

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

- 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 decided to keep all benefits the same for 2022, but approved an increase of 4.6% on benefit limits. This was done to minimise the impact of medical inflation and increased tariffs by medical professionals and to limit any out-of-pocket co-payments for members.
- The Board of Trustees has tried very hard to keep contribution increases as low as possible and has tried to balance the impact on household budgets amidst the rising cost of living to ensure that the Scheme remains financially viable for years to come. The contributions were increased by 4% for 2022. 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 4.6% on both options in 2022.
- To assist pensioner members, the calculation of the monthly contribution was adjusted by reducing the percentage by which the contribution is calculated from 60% of the last working salary to 40% of the last working salary. This resulted in a large number of pensioner members moving to lower income bands and lower monthly contributions for 2022. The Trustees hope that this exercise has brought some financial relief to many of the pensioner members.

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

- Ms Pamela Botha, who was appointed as 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 wellbeing of the Scheme;
- our colleagues on the Board of Trustees and the various sub-committees for their commitment and 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 (CED) – 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;
- our Actuarial Consultants, NMG Consultants and Actuaries, for their invaluable contributions throughout the year;
- 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, BDO SA, for the manner in which they conducted their audit;
- the Registrar for Medical Schemes and his staff for their assistance during the year; and
- all other service providers.

A special word of thanks was extended to Gary Lea, who is retiring and leaving Pick n Pay later this year. He has played a vital and critical role in the Scheme over many years, giving unwavering assistance to the Board, both as a Trustee and as Chairperson of the Investment Committee. His dedication to ensuring the ongoing viability of the Scheme is highly appreciated by all. As the Board Chairperson, and on behalf of the previous Chairperson as well, Ms de Light thanked Mr Lea for his support, guidance and assistance and wished him well in his travels and spending valuable time with his family.

In closing, the Chairperson advised that the Scheme has recently embarked on a review of its service offering to members and have some exciting initiatives in the pipeline that will enhance the service that Pick n Pay Medical Scheme members receive. The Board of Trustees is excited to be able to elevate the Scheme experience and to further partner with members on their health journeys. We look forward to introducing these initiatives in the coming months.

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4. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Annual Financial Statements for the year ended 31 December 2022 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 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 2022.

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

5. CONFIRMATION OF THE DISPUTES COMMITTEE

The Disputes Committee members were appointed, as follows:

- Ms M Magnussen;
- Mr M Marsden; 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 SA as the External Auditors to the Scheme for the financial year ending 31 December 2023.

The Chairperson proposed that BDO SA be appointed as the External Auditors to the Scheme for the financial year ending 31 December 2023. The appointment of BDO SA was approved.

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.

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 13:49.

HELEN DE LIGHT
CHAIRPERSON

DATE