



**MINUTES OF THE ANNUAL GENERAL MEETING OF THE PG GROUP MEDICAL SCHEME ('THE SCHEME')
HELD ON THURSDAY, 29 MAY 2025 AT 10:00 AT 18 SKEEN BOULEVARD AND
VIA ZOOM VIDEO CONFERENCE**

PRESENT

CHAIRPERSON:	Phillip Edge	(PE)	(Chairperson)
PRINCIPAL OFFICER:	Chontal Dunstan	(CD)	
ADMINISTRATOR:	Mike Neubert	(MN)	(Scheme Executive)
	Gita Maniram	(GM)	(Fund Consultant)
	Zayneb Adam	(ZA)	(Financial Manager)
	Ayanda Nxumalo	(AN)	(Fund Secretary)
MEMBERS:	As per attendance register		

APOLOGIES

Lisa Massel (Investment Committee Chairperson)

1. WELCOME

Phillip Edge welcomed everyone present at the 2025 Annual General Meeting (AGM) noting that he welcomed the opportunity to engage with the Scheme's members. A special welcome was extended to the Trustees, the Scheme's service providers and Chontal Dunstan the Principal Officer, whom he thanked for the competent manner in which she managed the Scheme and its members.

The Chairperson advised that there was not a representative from the Council for Medical Schemes (CMS) present at the meeting, but the Scheme had improved its relationship with CMS through increased engagement by the Principal Officer.

The Chairperson acknowledged the online presence of the Momentum Health (MH) team led by Mike Neubert, the Scheme Executive, Gita Maniram, the Fund Consultant and Ayanda Nxumalo, the Fund Secretary. Also present were Zayneb Adam, the Financial Manager, Fatima Sallie, Account Executive and the Scheme's Actuary Adam Lowe representing NMG Actuaries.

The Chairperson informed the members that the following Trustees were present:

Employer-Appointed:

- Philip Edge (Chairperson)
- Phathizwe Malinga
- Arthur Mthombeni
- Natasha Myburg (alternate employer-appointed)

Member-Elected:

- Riaan van der Mescht
- Gontse Madumo
- Cathy Olivier
- Mpumelelo Skosana (alternate member-elected)

MINUTES OF THE ANNUAL GENERAL MEETING OF THE PG GROUP MEDICAL SCHEME ('THE SCHEME') HELD ON THURSDAY, 29 MAY 2025 AT 10:00 VIA ZOOM VIDEO CONFERENCE

The Scheme's Audit Committee Chair Theo Rochussen was also present.

Special thanks were extended to the following outgoing Trustees for their dedicated service to the Scheme over many years:

- Barry Page
- Welcome Ntshangase
- Dave Koster
- Obakeng Moroke
- Jordaan Jacobs

The above changes resulted in two thirds of both Employer-Appointed and Member-Elected Trustees being newly appointed in 2025 meaning that Phathizwe Malinga, Arthur Mthombeni, Gontse Madumo and Riaan van der Mescht had newly transitioned to their new Trustee roles. The Chairperson noted that he was confident that they would assist in taking the Scheme to the next level as the Trustees built succession and continuity within the Scheme.

2. QUORUM AND PRIOR MINUTES

76 members were in attendance online and a further 14 attended in person at Skeen Boulevard. With a quorum of at least 15 members present, the Chairperson declared the meeting duly constituted.

In terms of the AGM Notice, the Chairperson advised that it had been circulated to the members via email and asked that it be taken as read. There were no objections noted.

Having circulated the Minutes of the AGM held on 12 June 2024 to all parties, the Chairperson asked the attendees to raise their hands if they had any issues concerning the accuracy thereof. No objections were noted.

Proposed: T Rochussen
Seconded: N Myburgh

The Minutes were signed by the Chairperson as a true record of the proceedings.

3. MATTERS ARISING – RULE APPROVAL

The Chairperson advised that the update to the Scheme rules had been approved at the previous AGM and subsequently approved by the CMS in November 2024. There were two minor objections raised around the quorum required for Board of Trustee meetings versus Special General Meeting of members. The Trustees would provide clarity to CMS on the quorum requirements for both meetings. The balance of the rules with the following key features was approved:

- Enhanced definitions and clauses to improve the ease of understanding as well as improved format consistency throughout the rules.
- Provision to collect sufficient contributions over 11 months as a sustainable offering to members, while allowing for efficient and effective running of the Scheme for the benefit of members through the option to recover contributions for a 12th month (the following January) where claims experience requires it (i.e. where reserves provide for less than 13 months' cover for risk benefits or where the Trustees have some concern regarding the sustainability of the Scheme based on actuarial projections for the coming three years (13 months' cover equates to a 108% reserve ratio). This is a unique benefit for the Scheme's members.
- The AGM to take place by 31 July each year.

- The period of office of the Trustees (tenure) being three years, with a five-term limit unless motivated and approval by the Board of Trustees and ratified at the AGM. The tenure allows sufficient time to deal with the various areas of the Scheme and to add value. The Chairperson stated that as he had been on the Scheme beyond the five-term limit, motivation and approval was required from the Trustees and ratified at the AGM as per the provision in the Scheme rules.
- The constitution of the Board of Trustees, six Trustees of whom three are member-elected and three are employer-appointed Trustees plus two alternate Trustees. The purpose of the alternate Trustees was to provide the Trustees with new and bolder input into the running of the Scheme.

4. APPROVAL OF EXTENDED TENURE - PHILLIP EDGE

The Chairperson advised that in terms of Scheme Rule 18.7, retiring members of the Board of Trustees are eligible for re-election. Should the Trustee have served five consecutive three-year terms, the tenure of the Trustee may be extended for such additional terms as may be deemed necessary for the purpose of fulfilling the requirements of the Board of Trustees, and in particular for Trustees with the specific skills and knowledge required for the benefit of the Scheme.

The Chairperson noted that the Board of Trustees had motivated and approved his continued tenure as an employer-appointed Trustee, based on his skill and experience being required by the Scheme, as proposed by the employer. He asked the members to ratify the decision made by the Trustees if they had no objection to the proposal.

The members present agreed by a show of hands.

5. ADDRESS BY THE CHAIRPERSON AND COMMENTS ON THE SCHEME'S ANNUAL FINANCIAL STATEMENTS

The Chairperson referred to the Annual Financial Statements (AFS), the Report of the Board of Trustees and the Auditors' Report for the year ended 31 December 2024. He noted that Zayneb Adam, the Scheme's Financial Manager, was present to clarify any issues raised by the members and thanked her for her efforts in preparing the AFS.

The following salient points were highlighted:

- The Scheme had another year of sound financial performance and ended with an improved solvency ratio of 133.38% in 2024 in comparison to 132.49% in 2023. This was despite the unprecedented two-month contribution holiday in 2024 to assist members and was achieved through the investment income.
- The Scheme's membership decreased from 1 310 in 2023 to 1 232 in 2024 and its beneficiaries decreased from 2 634 in 2023 to 2 497 in 2024. The Chairperson noted that this was partly due to the employer allowing low-income earners to opt for a low-cost alternative and the downsizing of employees by PG Group.
- The solvency ratio is a key measure by the medical scheme regulator who requires all schemes to have a solvency ratio of at least 25%. The Chairperson explained that the solvency ratio is measured by taking accumulated available funds (or realised reserves) (R124 million) for the future benefit of members divided by the annual risk contributions (R100 million) from members. This resulted in the Scheme having a solvency ratio of 133.4% based on 10 months' contributions but the official ratio was 160.06%. The Chairperson stated that the contribution holidays were unlikely to reoccur as the CMS approved them under required exceptional circumstances. The Scheme has, however, positioned itself to allow a January contribution concession.
- The Scheme had opening reserves of R121 million from the prior year which increased by R17 million during the 12 months'. The Scheme's Insurance service result was a negative R12 million which reflected the Scheme collecting 10 months' contributions but paying for 12 months' benefits out of risk and

therefore being 2 months short on contributions. The Scheme has healthy reserves of R17 million which was due to the good investment markets of 2024. The Chairperson thanked L Massel and the Investment Committee for this achievement by the Scheme as it had helped offset the shortfall in the health result.

- The Scheme had closing reserves of R124 million as at December 2024 in comparison to R121 million in 2023. Members' savings was R36 million in 2024 which was a slight decrease from R37 million in 2023.
- In terms of the results, 80% of contributions, being the insurance revenue (or risk contributions) (R62 million), went towards the risk benefits of the Scheme and the balance to members' savings. The claims incurred increased by 10.7% from 2023 to 2024 which was a concern that was attributable to some high-cost hospital admissions.
- The investment income increased from R14 million in 2023 to R17 million in 2024. This left the Scheme with a surplus of R2.3 million attributable to future members. The financial assets totaled R143 million and R19 million in cash and cash equivalents. A portion of this was invested with Stanlib in a money market account.
- The insurance contract liability for future members was R124 million and the insurance contract liability to present members R38 million.
- In terms of the spread of investments, the risk has been diversified across three funds (Allan Gray, Sanlam Investment Managers and Coronation) whilst a portion was in a money market account with Stanlib.
- The Scheme's financial position remained strong with current assets of R162 million. The Investment Committee assisted the Trustees in making decisions in terms of investments. There was a sound investment policy which ensured that the risks were spread appropriately.

The Chairperson advised that the AFS were made available to the members online and asked if there were any questions the members wished to raise in this regard. Dalene Taylor asked why a decision was made to diversify beyond Allan Gray. The Chairperson responded that the main reason was to diversify the risk by having more than one investment house to make sure that the Scheme could maximise benefits for members through the various investment choices and minimise the risk as far as possible. He added that the Scheme continued to have most of its investments with Allan Gray but has also introduced Sanlam and Coronation to have the option of maximising the investments. The Chairperson advised that the Scheme had an Investment Committee reviewing the investments so there was minimal capital loss. He noted that medical schemes were, however, restricted by regulations in terms of what they could invest in.

The Chairperson proposed that the AFS, the Report of the Board of Trustees and the Auditors' Report be approved and adopted.

The members present agreed by a show of hands.

6. APPOINTMENT OF EXTERNAL AUDITORS

The Chairperson advised that in terms of the rules, the Scheme's Auditors were required to be appointed by resolution at each AGM. He noted that the Scheme had gone out to tender within a short period of time to have a proposal for the members at the AGM. The Audit Committee Chairperson, T Rochussen, was thanked for assisting with the tender process. The Chairperson noted the Scheme had been happy with the services provided by its previous Auditors, Deloitte, but given the unprecedented substantial fee increase of 46% (from R386 000 to R562 000) the Scheme had gone out to tender. The AC Chair managed the tender process with the following two options materializing:

- PwC came in at R450 000, which was a R112 000 saving, (but 21% up on Deloitte's 2024 fee). It was noted that although they had capability and depth, the R112 000 saving would likely be chipped away in a few years given large firm cost structures.

- Strachan & Crouse proposed a R323 000 fee, R239 000 lower than Deloitte and R127 000 lower than PwC. Not only were their costs lower, but they also audited two similar schemes to PG Group Medical Scheme on Momentum Health's platform, giving assurance that they have the necessary capabilities.

The Chairperson advised that the Board of Trustees had unanimously recommended that Strachan & Crouse be appointed due to the financial savings that will be achieved by the Scheme. The Audit Committee Chairperson, T Rochussen, agreed that their fee being competitive had been a major factor but noted that other aspects such as capability, quality, independence and objectivity had also been considered. Momentum Health, the Administrator, had also been contacted to ascertain their experience with them, as External Auditors dealt extensively with the Scheme's administrator during the auditing process. It was found that they had experience with Strachan & Crouse and provided positive feedback.

T Rochussen said he had also been impressed with their quick responses during the tender process, and the Audit Committee had recommended them based on their service levels and compelling offering. He added that it was important for the Auditors to provide good service for the money paid to them which entailed them reviewing the AFS and the statutory return and providing confirmation that they were accurate.

T Rochussen stated that the Audit Committee relied on a few service providers, one of which was KPMG, who audited internal controls at MH and provided feedback to the Scheme on whether the controls were in place. There was also a forensics team that interrogates the claims data at MH and alerted the Scheme to any fraud, waste and abuse.

The Chairperson advised that the capabilities of the Audit Committee were sound and were relied upon to review the AFS. He noted that all six Trustees had recommended that Strachan & Crouse be appointed as the Scheme's External Auditors. He proposed that their recommendation be approved by the members and asked if there were any objections from the members. No objections were noted.

The members present agreed by a show of hands.

7. SCHEME MEMBERSHIP UPDATE

The Chairperson advised that the Scheme comprised of 1 216 members and 1 227 dependants amounting to total beneficiaries covered of 2 443. Pensioner members accounted 9,5% (232 members) of the Scheme's total membership. He noted that the Scheme was now well positioned to increase its membership. The Chairperson stated that the Trustees were aware of the economic realities placed on members under financial pressure and were working to continually ensure that they investigated all opportunities to maximise the value proposition for all members. The Chairperson reminded the attendees that the Scheme was restricted and therefore benefited from the caliber of its members. He added that retiring members had a once-off option of remaining on the Scheme, as direct paying members.

8. JOINT ADDRESS BY THE CHAIRPERSON AND PRINCIPAL OFFICER

The Chairperson provided the following highlights on various Scheme matters:

- The Scheme is managed by members and focuses on enhancing its value proposition for its members. This allowed the Scheme to contain member contributions as far as possible and provide high quality benefits to members. The Scheme is ably assisted by the Administrators and specialists. The Chairperson encouraged members to also contact any of the Trustees or Principal Officer for additional assistance.
- The Board of Trustees received quarterly updates on service level adherence, health risk management outcomes, the Scheme's financial results and position, regulatory updates and healthcare landscape updates. This helped the Trustees to ascertain whether they needed to adapt their strategies in order for them to stay ahead with the Scheme's benefit offering.

- The Board of Trustees used the information from Scheme meetings in plotting the strategic direction of the Scheme whilst the Audit and Risk Committee advised of potential Scheme risks and mitigation measures to be put into place.
- During the 2024 financial year, the Scheme and the Administrator invested significant time and resources into ensuring that members' experience was as positive as possible.
- The Board of Trustees was engaged in examining benefit developments, efficiencies and costs, as well as market benchmarks.
- The Trustees and specialists continued to promote health improvements and wellness benefits from a preventative perspective to help manage rising healthcare costs. In this regard, it was clear that exercise was the number one support of good health. Members should ensure that newsletters are read in order to stay informed of opportunities. Newsletters were sent out quarterly via email/SMS link or accessed on the Scheme's website. The Chairperson urged members to read the newsletters and particularly the 2025 Quarter 1 newsletter that was sent earlier in the year. A member requested that a summary of the articles be provided in each newsletter for quick reference purposes. The Principal Officer urged members to log onto the Scheme's website and look for blogs to find more concise content to read.

Contribution History

- The Scheme's contribution increases were contained below those of competitor schemes with PGG, adding income bands were added to focus on and improve the Scheme's value proposition and market competitiveness at all levels of membership. He noted that it was the Trustees' intention to offer a contribution concession each January as long as the Scheme had healthy reserves. A member asked if members (particularly the pensioner members) could expect a contribution concession in January 2026 and the Chairperson responded that he expected it to be the case as the Scheme was currently in a good financial position. He noted that the Scheme's rules were in line with this and enabled the Scheme to collect contributions in January if the Scheme was performing poorly.
- A member asked why they needed to get permission to view their spouse's claims. The Chairperson said that this was a requirement of the Protection of Personal Information Act (POPIA) and applied to dependants 18 years and older. The Principal Officer advised that members could give consent on the mobile app or website instead of completing the consent form.
- The Chairperson advised that the Trustees had once again contained the 2025 contribution increase below those of other schemes and the income bands that had been introduced in 2024 would improve its competitiveness. Members were referred to a table reflecting the Scheme's contribution increases vs other closed schemes and open schemes over a 15-year period which showed that competitor schemes had implemented increases on average between 8.5% and 9%. This was in comparison to the scheme's average of 5.6% over the same period, which was done whilst maintaining healthy reserves near or above 100%. The table showed that the Scheme's increases were 39% lower than other closed schemes and 54% lower compared to open schemes over the 15-year period.

Value Proposition Benchmark

- In terms of the Scheme's value proposition, the Scheme's Actuaries had conducted a benchmark exercise against other schemes and found that the Scheme excelled in the comprehensive medical scheme space. The Scheme, nonetheless, remains focused on optimal benefits at the lowest cost.
- Ongoing market analysis by the Scheme's Actuaries showed that the Scheme offered great value as a comprehensive medical scheme and compared favorably with other schemes in the open market. The Scheme was working hard to find an offering for its lower income members. This was challenging as the regulations are restrictive in terms of allowing smaller schemes to offer additional options.

Wellness and Lifestyle

The Chairperson reminded members that as a closed scheme, they benefited collectively from the containment of healthcare costs and therefore contributions. The Trustees and specialists continued to promote health improvements and wellness benefits from a preventative perspective to help manage rising healthcare costs. In this regard, it was clear that exercise is the number one support of good health. He noted that members who committed themselves to healthy lifestyle changes would benefit from prolonged health and wellness. Members were encouraged to re-read the Quarter 1 newsletter which focused on lifestyle diseases affecting health globally.

Committees

The Board of Trustees had two sub-committees that they relied on. T Rochussen ably led the Audit and Risk Committee to ensure risk management and compliance standards were maintained for the benefit of members. This committee received reports from the internal and External Auditors of the scheme on financial, fraud, waste and abuse updates. This pertained to what occurred in the Scheme and other medical Schemes in the industry. Members were urged to review their statements to ensure that the charges listed pertained to them and were appropriate for the care received. The Chairperson stated that the Scheme benefited from being on Momentum Health's platform as they had a team that identified and acted against providers who abused medical scheme benefits. He expressed the Scheme's gratitude to the Momentum Health team for their diligent work.

The Investment Committee was chaired by Lisa Massel who ably led that committee to ensure member funds were invested to achieve sound outcomes in line with policy and regulation.

9. ADDED BENEFITS AND ADMINISTRATION

a) Benefits added in 2025

The Chairperson advised that the following benefit enhancements were added to the Scheme's 2025 benefit offering to its members:

- Hello Doctor virtual consultations at R278 per consultation for members with acute conditions. Members could also get sick notes and prescriptions.
- A Continuous Glucose Monitoring device and consumable up to R25 000 per beneficiary per year. Members had to pay for this out of their medical savings account (MSA).
- Standalone benefits for specialty chronic (biological) medication up to R100 000 per beneficiary per year, subject to a 20% co-payment.
- Hearing aid maintenance benefit up to R1 500 per beneficiary per year.
- External medical appliance benefit separated into sub-limits (total limit was R7 620 per family for 2024 benefit year and has been broken down into the following sub-limits for 2025:
 - Wheelchairs: R8 000 per beneficiary once every four years
 - Home Oxygen: R15 000 per beneficiary per annum
 - Stoma products: R15 000 per beneficiary per annum
 - CPAP Machine: R12 000 per beneficiary every four years
 - CPAP Machine consumables: R3 000 per beneficiary per annum
 - Orthopedic Appliances: R4 000 per beneficiary per annum
 - Other medical appliances e.g. Blood pressure monitors, glucometers, nebulizers etc: R1 500 per beneficiary every four years
- Existing GAP cover at R151 per month which was very competitive in the market. Members were encouraged not to be without this cover as it assisted them with any shortfalls when hospitalized.

b) Administration – System Enhancement

- **Co-payments refund from savings** – The Principal Officer advised that the mobile app enabled an automated savings refund process, designed specifically to assist in paying for co-payments from MSA. This eliminated the need for members to contact the Scheme to request a refund. Members could utilise the mobile app and click on the feature to get a refund from their savings account. She noted that members could only get a refund for active claims and not stale claims. Members were encouraged to refer to the Quarter 3 2024 newsletter which outlined the process. They were also reminded that the newsletters were on the Scheme's website and asked members who could not access them to contact her via email for assistance.
- **Medication Formulary Lookup** – The Scheme was promoting the use of generic medication and formulary reference pricing which extended a members annual chronic medication benefit and reduced out of pocket expenses and co-payments. The Principal Officer stated that it was crucial for members to register their chronic conditions on the Medicine Risk Management (MRM) Programme. If they did not register, the pharmacy would dispense the prescription first time and thereafter block it. She noted that the formulary could be viewed on the Scheme's website or mobile app. The formulary lookup would assist members, treating healthcare providers and pharmacies in identifying generic medication with reduced or resulted in no co-payments. Members could get more information in the Quarter 4 of 2024 newsletter.
- **Contact details update** - The Principal Officer requested members to advise the Scheme when their contact details are changed in order for them to continue receiving communication or updates about member benefits from the Scheme. This could be done electronically by logging into the Scheme's online member portal or mobile app. Details on updating member contact details were available in the Quarter 2 of 2024 newsletter.
- **Consent feature on member portal** – Members were previously required to complete a form to give consent for their spouse to access their claims. This could now be done by logging into the mobile app, and a step-by-step guide was available in the Quarter 2 of 2025 newsletter.
- **Newsletters** – The Principal Officer advised that these could be accessed by visiting the Scheme's website at www.pggmeds.co.za and clicking on the publication tab. This allowed members to view previous Scheme newsletters dating back to 2016.

10. GENERAL

- The Principal Officer reminded members to read the Scheme's newsletters and other correspondence sent out by the Scheme. They were also encouraged to exercise and embrace wellness initiatives. Members were reminded to always obtain pre-authorisation and to check their statements for any fraudulent charges as these eroded their Savings and the Scheme's reserves.
- A pensioner member, speaking on behalf of other pensioner members, expressed concern regarding the difficult financial circumstances faced by many pensioners on the Scheme. The representative requested that the Trustees take these challenges into account when considering contribution increases. The Chairperson acknowledged the concerns raised and indicated that while he empathised with the pensioners' situation, the Scheme was not able to address shortfalls in members' retirement income. He further noted that legislation prohibited medical schemes from subsidising the contributions of one demographic group using funds collected from another. The Chairperson encouraged pensioners to remain on the Scheme, highlighting that they were currently receiving benefits that exceeded the value of their contributions. He requested the Scheme's actuary, Mr A. Lowe, to investigate whether other medical schemes had implemented any special arrangements for pensioners, for consideration by the Trustees during the benefits review later in the year. Mr Lowe noted that the Medical Schemes Act permitted differentiation of contributions only on the basis of income and family size, and that schemes were therefore not permitted to charge higher or lower contributions solely on the basis of pensioner status. The Chairperson further advised that pensioners on the Scheme were charged contributions in

accordance with the income band applicable at the time of their retirement. This was acknowledged by the pensioner representative, who expressed appreciation for the previous contribution holidays granted by the Scheme, noting that these had been greatly valued by pensioner members.

- A member asked whether the Scheme could list the medications they paid for on the statements. The Principal Officer said that this was not permitted due to the Protection of Personal Information Act (POPIA). M Neubert agreed, stating that it would be difficult to accommodate this on Momentum Health's system as it would require all dependants to also give their consent for the members to view their claims.
- Mr Jennings thanked the Trustees for the good job they did in managing the Scheme. He noted that there were new cancer treatments in the market that were very expensive and asked whether there was insurance that covered these types of treatments. The Chairperson stated that the Trustees would look into this to ascertain if there was a possible solution and that the Principal Officer would provide the member with feedback if any options were found.
- In terms of the status of the National Health Insurance (NHI), A Lowe reassured members that the NHI would not replace medical schemes in the near future as the Government had acknowledged that it would take a minimum of 15 years to implement. Whilst there is a provision in Section 33 of the Act that would prevent people from joining medical schemes, it would be challenged in the Constitutional Court and would likely be deemed unconstitutional. A Lowe advised that although the Act and structures had been set up within the Department of Health, there was still no funding bill due to a dispute between Treasury and the Department of Health. He noted that there would be a gradual rollout of the NHI with vulnerable groups being prioritised when it was eventually implemented.

11. LUCKY DRAW

A lucky draw took place for the members that attended the meeting and hampers were awarded to three (3) members.

The Chairperson thanked everyone for attending and declared the meeting closed at 11h18.

CHAIRPERSON
PG Group Medical Scheme