

December 2009
WE

Dear Member

BENEFITS AND CONTRIBUTIONS FOR 2010

With reference to our communication posted to you in November 2009 regarding the delay in communicating the benefits and contributions for 2010, it is with pleasure that the Fund is now able to present to you the benefits and contributions for 2010.

Accompanying this letter is the Benefits Guide, which contains information on the benefits for 2010 and includes a Step-by-Step Guide to selecting your benefit plan. Also enclosed is a Plan Selection Form. Please read the information provided before making your benefit plan change.

For 2010 the Fund has discontinued the Private Cover plus Savings Account plan. This plan has been making substantial losses and a significant contribution increase would have been needed to stabilise this plan. The Fund is therefore introducing two new benefit plans, the Private Network Core plan and Private Network Saver plan, to ensure sustainability of the Fund.

On these new benefit plans member contributions are not based on income levels, but only on the member's number of dependants. This is in line with the contributions of the majority of similar plans in the industry. The chronic medicine benefit applicable to the private benefit plans has also been structured in line with the standard benefit provided on similar plans in the industry.

After successful negotiations we are pleased to welcome Netcare and the Medi-Clinic Group as part of the Transmed Private Hospital Network. We are also pleased to introduce the Transmed Pharmacy Network, which consists of Clicks Pharmacies, Chronicare/Carecross-Alpha Pharm Pharmacies, the Amalgamated Pharmacy Group (including Family Care Pharmacies) and Medi-Rite Pharmacy Groups (pharmacies in Shoprite/Checkers stores). Please ensure that you determine which of the hospitals and pharmacies on these Networks are closest to your community.

The State plus Own Choice plan has a new maternity benefit, which provides full cover for confinement at any private hospital. Please note that this is subject to registration on the Transmed Maternity Programme. Kindly ensure that you inform the Fund as soon as you are aware that you are expecting a baby.

To provide you with sufficient time to study the Benefits Guide and make an informed plan selection for 2010, the closing date for benefit plan changes has been extended to 22 January 2010. Please note that your current benefit plan and benefits will continue until 31 January 2010 and a change in your benefit plan and new benefits for 2010 will be effective from 1 February 2010. Your contribution for January 2010 will therefore still be based on 2009 scales and your revised contribution will only be collected from February 2010. Please note that benefits allocated in January 2010 will be retrospectively pro rated if you change your benefit plan for 2010. You should therefore utilise your benefits carefully during January 2010.

On behalf of the Board of Trustees, I would like to wish you and your loved ones a happy, healthy and prosperous 2010.

Yours faithfully



PETRUS WASSERMANN
PRINCIPAL OFFICER