

MEMBERS' REPORT
2023



NOTICE IS HEREBY GIVEN THAT THE **EIGHTY-SEVENTH ANNUAL GENERAL MEETING** OF THE MEMBERS WILL BE HELD AT MORRELLS BOUTIQUE ESTATE, CORNER WELTEVREDEN ROAD AND SCOTT STREET, NORTHCLIFF, JOHANNESBURG AS WELL AS ONLINE ON THURSDAY, 29 JUNE 2023 AT 13:00.

AGENDA

1. Confirmation of the **Minutes of the Eighty-sixth Annual General Meeting** held on 30 June 2022.
2. Adoption of the **Report of the Trustees** for the year ended 31 December 2022.
3. Adoption of the **Audited Annual Financial Statements** for the year ended 31 December 2022.
4. Appointment of the **External Auditors** for the 2023 audit. It has been proposed that KPMG Inc. be appointed as the Scheme's auditors for the 2023 financial year.
5. Approval of **Trustee Remuneration** for 2023 / 2024. It is proposed that there will be an inflationary increase in Trustee remuneration for 2024.
6. **Election of Members to the Board of Trustees** in terms of Rule 17. There are four vacancies on the Board and nominations and CVs can be viewed on the AGM Zone of the Scheme's website seven days before the meeting.
7. To transact such other business as may be transacted at the Annual General Meeting of which due notice has been given.

NOTE: Notices of motions to be placed before the meeting must reach the Principal Officer at the Fedhealth Office, Block F, 35 Conrad Street, Florida North, Roodepoort, 1710, by no later than 7 days prior to the date of this meeting.

June 2023



CONTENTS

- Fedhealth **in numbers** 2022 >
- Message from the **Principal Officer, Jeremy Yatt** >
- Message from the **Chairman, Marylla Govender** >
- Organisational overview** >
- Scheme performance** in 2022 >
- Care programmes** and **initiatives outcomes** >
- 10 Highest claims** in 2022 >
- Minutes** of the AGM >



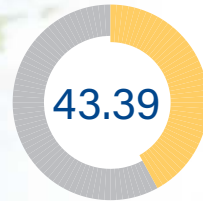
FEDHEALTH IN NUMBERS 2022



86-year
track record
in healthcare



17 consecutive years
of achieving a
AA- Global Credit Rating



43.39%
solvency level



R1,54 billion
in reserves

R211 million

paid from Risk for
unique benefits

92c

of every Rand spent
on benefits

R56 million

paid towards
births



FEDHEALTH IN NUMBERS 2022



62 823
total number of
members



116 357
number of
beneficiaries



42yrs
average age of
beneficiaries



1 539
new babies born
onto the Scheme



11 392 617
claim lines received



85% calls answered
in 20 seconds



624 139 Fedhealth
Family Room site visits



237 617
total calls answered



2 896 621
Fedhealth website visits



56 490 chats on
website chat facility



88% of queries
resolved on **first**
contact



700 331
WhatsApp sessions
with members



162 105
emails received

MESSAGE FROM THE PRINCIPAL OFFICER, Jeremy Yatt

Fedhealth has always taken great care to ensure that it harbours the members' funds carefully in order to remain financially stable and sustainable.



This was one of the reasons why, during the COVID-19 crisis, the Board decided not to impose artificially low contribution rate increases as many other schemes did, but rather take a more prudent and considered view of the pricing.

For 2022, the Board took a decision to delay the contribution rate increase until April, which effectively gave back to members **R67 million** of the Scheme's accumulated reserves. In 2022 the scheme reported a **R51 million** deficit, but it is worth noting that this was a deliberate decision by the Board and that had the Scheme not provided a contribution increase holiday, it would have generated a slight surplus.

As it now stands, the Scheme's solvency ratio is **42%**, which is an effective buffer against unforeseen medical claims. A solvency ratio is a mechanism to ensure that medical schemes have sufficient funds to cover claims, and the legislated requirement is **25%**. By having a surplus solvency not only is Fedhealth well able to manage during these uncertain times but it is able to use the additional interest generated by these reserves to increase its investment revenue, which eases some of the pressure on members' contributions. The Board will continue to adopt a prudent and sensible approach to managing the Scheme's finances while endeavouring to provide the most effective cover for the beneficiaries of the Scheme.

Business strategy

The Board of Fedhealth Medical Scheme has developed its strategic direction over a number of years. The sustainability of the Scheme in terms of meeting its future obligations towards its existing and new members required a very forward looking approach. As a result, a two-phased approach was adopted which focused on attracting new membership to the Scheme and managing the existing claims risks without compromising access to benefits.

MESSAGE FROM THE PRINCIPAL OFFICER

Fedhealth statement of strategic intent

“Maximising member value through innovation and by managing the risk pool.”

Our Purpose

“To contribute to health and wellbeing and provide peace of mind in meeting the healthcare needs of our members.”

In terms of the implementation of the strategic intent, the Board identified five strategic priorities to ensure that it could meet the challenges of the future. The COVID-19 pandemic had played havoc on the economy, placing greater strain on schemes to remain affordable. At the same time the industry noticed that during the pandemic members chose to remain on cover, but once the threat had receded the costs of medical aid were outweighing the fear of possible hospitalisation, especially with the lower risk of healthier members. The situation was aggravated by a growing prevalence of health insurance plans that, while not offering the same level of cover and comfort as medical aid products, purported to provide some cover at much more affordable rates. This was particularly attractive to younger or healthier lives.

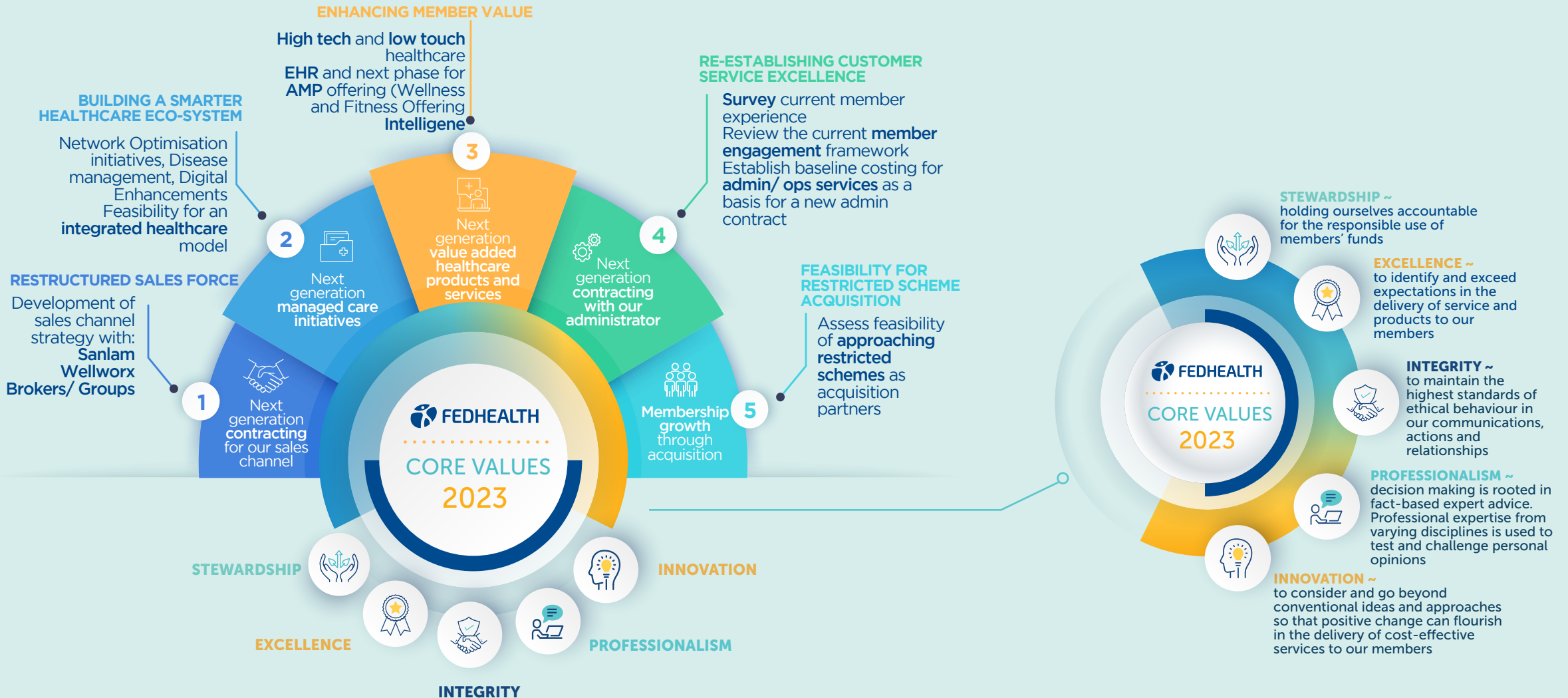
At the same time, there was also an increase in the preponderance of high-cost cases, particularly oncology claims. Possible reasons for the increase in such cases include the failure to screen adequately during lockdown as well as other environmental factors. The issue still was that claims pressures were increasing on the Scheme while contribution revenue declined due to membership losses.

While the overall pricing of the Scheme’s benefit options had remained correct in order to retain solvency adequacy, the Board was cognisant of certain other steps

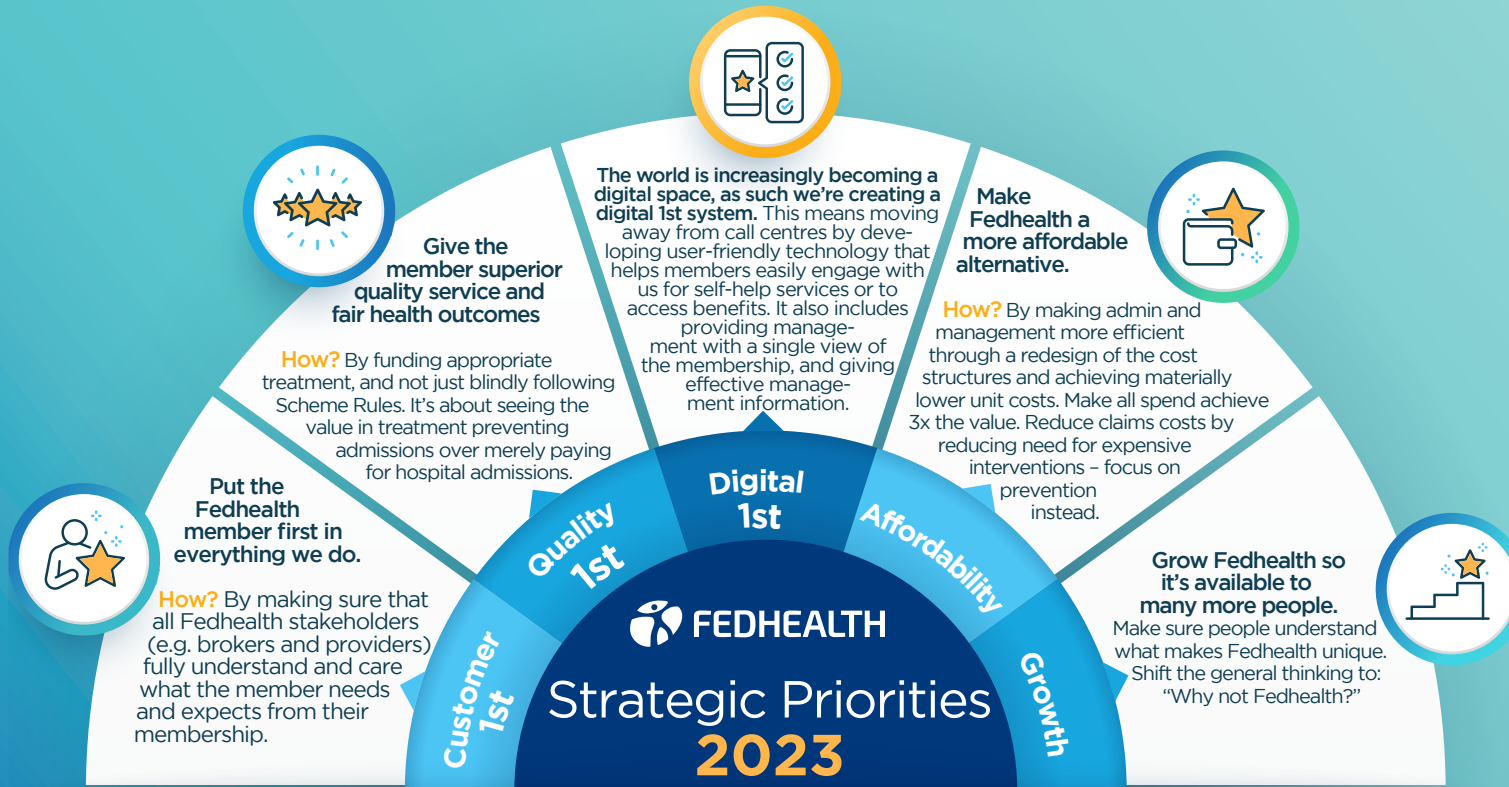
that needed to be taken. The focus here was to improve the new member acquisition in a more cost effective manner and with the correct profile to improve cross-subsidy objectives. This would be achieved in the following manner:

- A determined focus on product design to create benefit options that would compete with health insurance products while still providing the levels of care that members would expect from a medical aid. This product would potentially be a game changer in the industry and be a compelling offer for people who would otherwise not see value in a medical aid.
- Greater attention would be paid to healthcare brokers, particularly those contracted with larger employer groups as the risk profile of employer groups is more stable than that of individual members.
- The team responsible for generating membership was restructured in order to service brokers and educate the market about the superior medical aid benefit structures that Fedhealth offers. Medical aid products are complicated and it is often difficult to sort out which options offer the best value, so broker education is essential.
- Services which enhance quality of care and reduced waste in the form of unnecessary treatments or procedures where outcomes are not cost-effective. A successful example of this sort of service is Alignd, a palliative care programme that not only offers comfort, dignity and support to end-of-life patients but also ensures that futile care is not continued. Other initiatives include provider driven solutions where collaborative systems allow the Scheme to fund essential procedures without exposing it to waste or abuse.
- Technological advances in digital communication methods and services are being explored to reduce the costs of administering the Scheme as well as shortening response times and improving the service experience. Customer satisfaction remains a challenging objective for the Scheme, particularly when members are not always familiar with the details of their benefits.

SUMMARY OF STRATEGIC PRIORITIES FOR 2023



MESSAGE FROM THE PRINCIPAL OFFICER



In conclusion

The Scheme is confident that it has a very sound strategy in place to overcome the challenges faced by the healthcare industry in the foreseeable future.

I would also like to take this opportunity to thank the Fedhealth Board of Trustees for their steadfast support and tenacity in pursuing the most advantageous solutions for all Fedhealth stakeholders.

To our members, thank you for entrusting your health to us. We will continue to serve you to the best of our ability.

Strategic Priority (Goal)



Goal Description



Jeremy Yatt
Fedhealth Principal Officer

MESSAGE FROM THE CHAIRMAN, Marylla Govender

Reflecting on the past year, I am pleased to report on the Board and the Scheme's tireless efforts to keep providing our members with innovative, quality healthcare against the backdrop of an embattled South African economy.



As the world emerges from the COVID-19 pandemic, it is clear that the pandemic has left immeasurable damage in its wake. Not only in terms of the loss of human life, but also the far-reaching economic repercussions caused by extended lockdown periods. Add to the mix, South Africa's deteriorating near-term economic growth outlook as a result of a strained power grid and unique socio-economic challenges, and one can hardly be surprised that more and more ordinary citizens struggle to make ends meet – let alone are able to afford private medical aid cover. Within this context, membership growth in the medical scheme industry is largely stagnant.

The Fedhealth Board of Trustees is acutely aware of these challenges and the need to grow the Scheme's membership base for the benefit of all its members. With that in mind, Fedhealth Medical Scheme has made it its mission to make medical aid cover affordable to as many members as possible, through various initiatives such as:

Contribution increase holiday for members in 2022

Thanks to prudent investment and financial management of the Scheme's reserves, **Fedhealth was able to invest a R67 million surplus into contribution increase holidays** given to all Fedhealth members from 1 January 2022 to 31 March 2022.

This meant that Fedhealth members only started paying 2022 rates from 1 April 2022, providing much-needed relief from the economic hardships caused by COVID, and contributing to our high member retention during the year 2022.

MESSAGE FROM THE CHAIRMAN

Member-centric product design that ensures affordability

In 2022, Fedhealth embarked on a product simplification journey across its flexiFED option range with the objective to give members more control over how their medical aid cover is structured, which in turn gives them more control over how much they pay.

Apart from choosing the flexiFED option best suited to the member's life stage and family composition with benefits tailored accordingly, members can also opt for an 11% or 25% monthly discount based on their hospital network preference. Finally, Fedhealth offers flexiFED members three ways to use their day-to-day benefits, so they choose how much they pay for these benefits.

Towards the end of 2022, we launched a very affordable and competitive new option for the digital generation, flexiFED^{Savvy}, priced **from just R945** per month. We are confident that flexiFED^{Savvy}, which is only fulfilled via digital channels, will enable healthy people under 35 to enter the medical aid market at a price point they can afford, and grow the Scheme with the right member profile at the same time!

Innovation through gene testing

In another move to ensure better health outcomes for its members, Fedhealth partnered with Intelligene, a medical bio-tech company, to use genetic testing to

improve the efficiency of members' medication, mitigate health risks by identifying possible future illnesses, and optimise members' lifestyle by pinpointing the diet and lifestyle best suited to their genetic make-up.

Fedhealth is the only open medical scheme to currently offer precision-based genetic testing to its members, and looks forward to our members reaping the rewards of this partnership.

On behalf of the Fedhealth Board of Trustees, all of whom are Fedhealth members too, I can assure members that the Scheme always has their very best interests at heart, especially in these tough financial times. My thanks to the Board, the Principal Officer and his team for their continued contribution and commitment to the Scheme.

We extend our gratitude to members for their ongoing support of the Scheme as we endeavour to provide affordable and innovative healthcare.

Marylla Govender
Chairman of the Fedhealth Board of Trustees

UNIQUE BENEFITS PAID OUT IN 2022

Fedhealth's unique benefits, for which we pay more from Risk than other schemes, are formulated to make a tangible difference to our members' pockets.



MRI/
CT Scans

R128 million



Unlimited
network GP
visits

R51 million



Female
contraceptives

R7.4 million



Trauma treatment
in a casualty ward

R7.1 million



7 days of
take home
medication

R6.3 million



Mammograms

R2.9 million



Mental wellness

R2 million



Childhood
Immunisations

R1.8 million



PSA tests

R1.3 million



Cervical cancer
screening

R1.2 million



Flu
vaccinations

R1.1 million



30-day post
hospitalisation
benefit

R424 000



Bone
densitometry

R240 000



Pneumococcal
vaccination

R103 000



HIV test

R85 000

ORGANISATIONAL OVERVIEW

Medical schemes are established in terms of the Medical Schemes Act 131 of 1998 as amended, and are managed by a Board of Trustees (The Board) and a Principal Officer (PO).

The Board is responsible for formulating a strategy and effecting comprehensive oversight of the Scheme activities. In his capacity as the executive officer of the Scheme, the PO has the mandate to implement the strategy as set out by the Board.



Member elected trustees

In terms of the Scheme Rules, nine Board members are elected from amongst the Fedhealth membership base. Additional trustees may be appointed if specific expertise is required.

As members of the Scheme themselves, Trustees are well versed in the needs and challenges facing medical aid members, and therefore the aim of the Board is to make decisions which will improve the member experience. In particular, the financial challenges facing medical schemes mean that it is near impossible to please everyone, but at least members can rest assured that their interests are always a priority.

The Board has an active involvement in the development of benefits, taking into consideration new technologies, medical developments and healthcare trends. As always, there is a trade-off between what the Scheme can fund and keeping contribution rates as low as possible, as many new procedures and medicines are extremely pricey.

Another function of the Fedhealth Board is to scrutinise the monthly management accounts and the benefit utilisation reports generated by the managed care organisation, monitor claim and cost trends, and to take corrective action if needed.

In terms of the Rules of the Scheme, Mr Keith Elliott, Dr Margaret Mojapelo-Mokotedi and Dr Amaleya Goneos-Malka are due to retire. Mrs Angela Gahagan-Thomson has resigned from the Board of Trustees with effect from 1 May 2023. This has created a casual vacancy on the Board which, in terms of the Scheme rules, must be filled at the AGM following her resignation. Therefore there are four positions vacant on the Board.

ORGANISATIONAL OVERVIEW

Meet Fedhealth's Board members



Marylla Govender
Chairman
MCom (Cum laude),
MA(Econ) Economics
Consulting Economist



Chris Norton
BA Hons
Diploma in Social Science
(Oxford)
17 years' experience in
medical scheme sales



Gerrit Eloff
BCom and FIA (Fellow of
Institute of Actuaries UK)
More than 11 years'
experience in strategic
business planning and
financial modeling.



Jacobus Cloete
MBA, NHDip (Chem Eng)
NHDip (Man Prac)
23 years' experience
in programme/
project management,
business improvement/
transformation and
organisational design



**Dr Margaret Mojapelo-
Mokotedi**
MB.ChB M.A.P.
33 years' experience in
clinical medicine



Keith Elliott
B.Sc. Pharmacy, MBL
Over 31 years of
experience in the South
African healthcare
industry



Nazir Parker
BProc, MBL
30 years of legal
experience as an
attorney



**Angela Gahagan-
Thomson**
Seasoned business leader
currently focusing on the
digitisation of various
industries to enable
growth



Amaleya Goneos-Malka
PhD Marketing Communication
Management, Post-doctorates
Business and Communication
Management, MBA, BSc
Biochemistry and Physiology
Over 21 years' experience in
marketing and communications
both locally and internationally

ORGANISATIONAL OVERVIEW

Scheme management

The members of the Fedhealth Board meet frequently to conduct the business of the Scheme and approve resolutions and proposals. Seven committees handle the day-to-day running of the Scheme, and they are:



The **Audit Committee** comprises five members of whom the majority are independent of the Scheme. Two Trustees are appointed as members of the committee. This committee assists the Board in its evaluation of the adequacy and efficiency of internal control systems, accounting practices, information systems and auditing processes applied by the Scheme or its administrator in the daily management of its business.

The **Finance Committee** (Fincom) meets every month to review the management accounts and ensure that all financial processes are conducted effectively. The members of this committee examine the Scheme's position in relation to the budget, investigate any material deviations from the budget, and approve other expense items.

Fedhealth is under strict obligation to adhere to investment regulations, and as such, the **Investment Committee** (IC) ensures that the Scheme continuously complies with asset investment regulations. It works hard to optimise

the investment income since this helps to reduce member contributions, and is determined to safeguard the Scheme's accumulated funds against a volatile marketplace. The IC's objective is to ensure that Fedhealth receives the best possible returns at the lowest risk. As such, the Scheme relies heavily on the support of professional investment advisors and well-respected investment managers.

The **Managed Healthcare Committee** (MHC) meets every 30 days to discuss matters of clinical importance, the funding of new procedures and drugs, the utilisation of benefits by speciality or discipline, and to consider wellness enhancing initiatives. The MHC is particularly concerned with alleviating burdens created by non-communicable diseases (NCDs) such as diabetes, hypertension and hyperlipidaemia. In addition, it studies the outcomes of disease programmes that deal with HIV and cancer, and explores ways to make them more effective.

The **Marketing Committee** (Marco) fulfils much more than a pure marketing and advertising function; it also oversees

communication to members, and drives the Scheme's effective use of digital communications and platforms.

The **Remuneration Committee** (Remco) meets quarterly or bi-annually to review the efficiency of the Board, and determine remuneration for the Board members, independent audit committee members and the Scheme's executive employees. Where necessary, HR and personnel experts advise the Scheme with regards to comparable remuneration packages to ensure competitive compensation for its key human capital.

The **Risk and Legal Committee** (RLC) reviews the top 25 risks in the risk register every two months, and confirms that the necessary controls are in place and that mitigating measures are effective. Each Scheme committee is responsible for identifying risks in its particular area, and determining which steps need to be taken to lessen those risks. The role of the RLC is to review the risks from a broader perspective and report to the Board on the effective management of the risks.

ORGANISATIONAL OVERVIEW

Executive management team

Jeremy Yatt, Fedhealth Principal Officer, is supported by Tilana Endersby, Scheme Operational Executive.



Jeremy Yatt
Principal Officer



Tilana Endersby
Scheme Operational Executive

Outsourced administration model

Since it's a not-for-profit organisation that is actively looking to keep costs contained, the Scheme outsources its main functions to various organisations.

As such, all supplier and entity contracts are reviewed regularly, and their performances are monitored by the relevant committee to ensure that they meet service levels and that costs are market-related.

The three main suppliers in terms of costs are:

Administration

Medscheme Holdings (Pty) Ltd (Medscheme) manages all major administration functions on behalf of the Scheme, and is part of the AfroCentric Health Group.

Medscheme is one of the largest medical scheme administrators in South Africa, and has introduced various innovations and technological advances to ensure claims are paid quicker, queries are resolved more effectively, and the Scheme's financial reporting is accurate. The latter is especially important, as it allows the Board to make accurate decisions about the Scheme's future rates and benefits.

Managed Care

Medscheme also manages all managed care functions that include clinical governance and clinical policy. Their responsibilities extend to authorising certain claims such as hospital admissions, MRI scans and chronic medication.

Marketing

The Cheese Has Moved (TCHM), a marketing consultancy and a division of the AfroCentric Health Group, is the driving force behind Fedhealth's branding, sales tools and communication strategies. Apart from giving the Scheme a memorable visual identity across various platforms that speaks to the desired potential and existing membership base alike, TCHM also endeavours to put Fedhealth at the forefront of digital marketing.

SCHEME PERFORMANCE

Financial performance



Solvency
43.39%



Deficit (R'000)
(R59 852)



Reserves (R'000)
R1,54 billion



Investment returns ROI **10.2%**
Inflationary rate **7.2%**
Scheme benchmark (CPI+3.5%) of
10.7%



Accumulated funds per member
R23 724



Discrepancy ratio (remittance to billing):
December 2022 - 4.39%



Cents of every Rand spent on benefits
92c

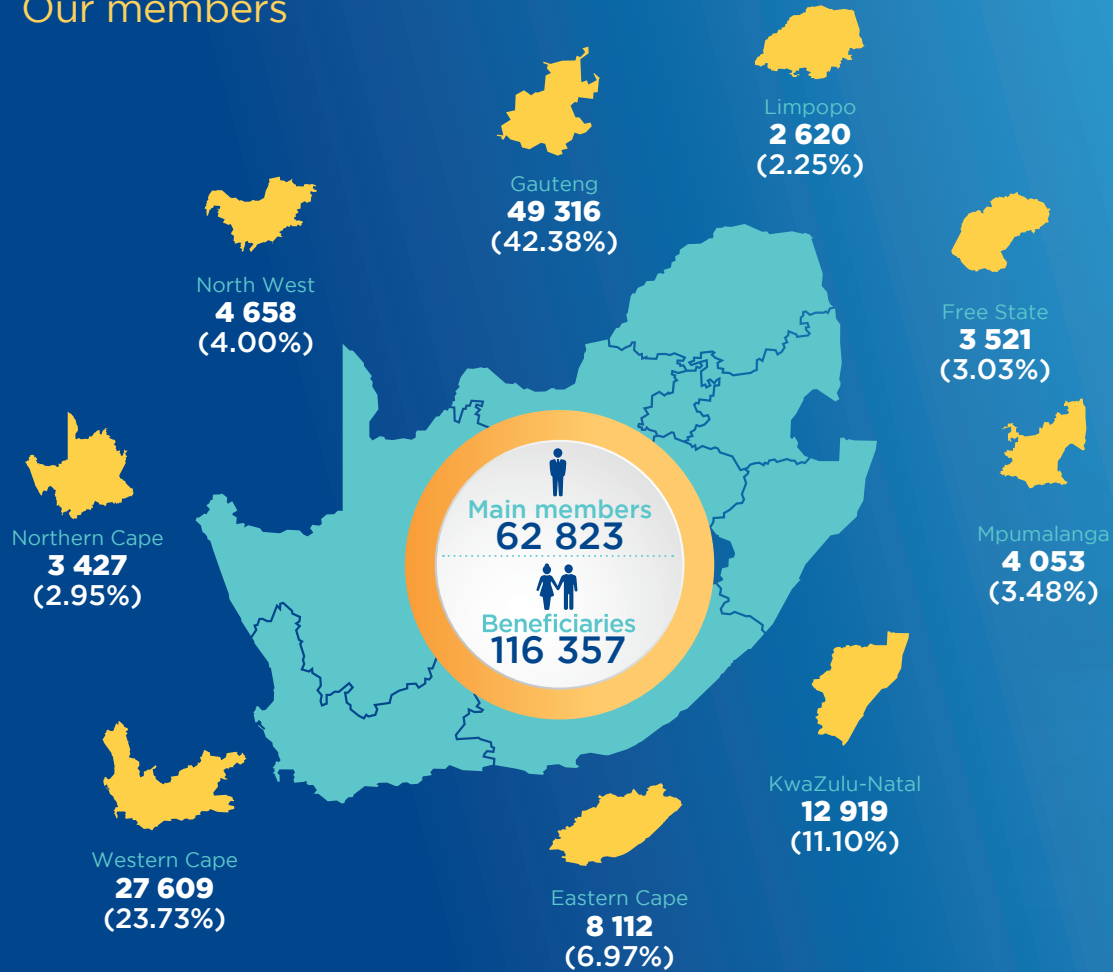


Scheme's membership profile:
Direct paying members **67.7%** (2021: 67.63%)
Group members **28.7%** (2021: 28.21%)
Persal members **3.6%** (2021: 4.16%)



SCHEME PERFORMANCE

Our members



SCHEME PERFORMANCE



Claims statistics



Claim lines received
11 392 617
Paper claims processed
406 040



Avg. time from treatment to received
4.92 days
Avg. time from received to captured
0.1 days
Avg. time from captured to finalised
5.19 days
Avg. time from finalised to paid
1.54 days
Avg. time from treatment to paid
12.74 days
Avg. time from received to paid
7.18 days



CARE PROGRAMMES AND INITIATIVES OUTCOMES

The Scheme has put various care initiatives in place to ensure that members have the support, care and benefits at their disposal to ensure quality treatment whilst keeping costs within acceptable levels.

Care not only refers to programmes like the oncology programme, the Fedhealth Conservative Back and Neck Rehabilitation Programme or the mental health programme, but also to networks for general practitioners, specialists and pharmacies, to name a few.

Care interventions make a significant impact

**R347
million**

Saved by the Scheme due to the implementation of managed care interventions

10.6%

Estimated % that **claims would increase** by in the absence of managed care initiatives

9.8%

Estimated % that **contributions would increase** by in the absence of managed care initiatives

CARE PROGRAMMES AND INITIATIVES OUTCOMES

Preventative care and screening benefits

The Scheme and the Board of Trustees have always emphasised the importance of prevention as a key strategic objective. Preventative screening is a means to stop possible serious health issues in their tracks, and help members take corrective action in time.

In recent years of course, COVID-19 seriously hampered the uptake of preventative screenings. But, regardless of that, we are pleased to share that compared to other medical schemes administered by Medscheme, Fedhealth is generally above the benchmark when it comes to the uptake of preventative care and screening benefits by members.

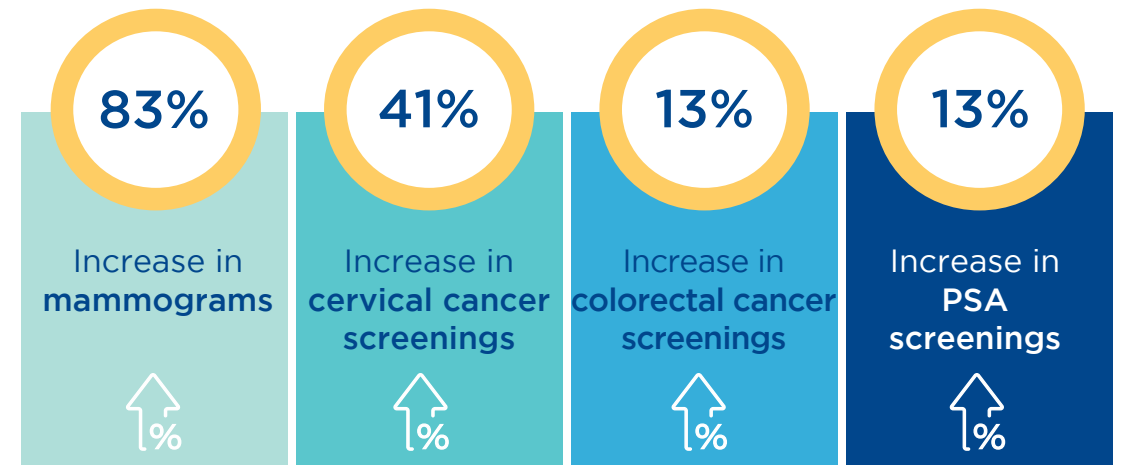
However, we still have a long way to go to achieve optimal utilisation of preventative care screenings... so we urge our members to make use of these benefits available to them!

Screening	Actual	Benchmark
Flu vaccine coverage in the year (members aged 65+)	18%	15.5%
Pneumococcal vaccine coverage in the year (members aged 65+)	0.8%	0.7%
Cervical cytology coverage previous 3 years (women aged 20 - 65 years)	28.8%	25.5%
Mammogram coverage previous 2 years (women aged 50 - 74 years)	22%	16.3%
Bone densitometry coverage in the year (members aged 65+)	5.4%	4%
Colorectal cancer screening in the year (members aged 50+)	5.3%	3.5%

Reduction following high take-up during COVID years



Active promotion of cancer screening benefits



CARE PROGRAMMES AND INITIATIVES OUTCOMES

Mental Health Programme

The prevalence of mental health conditions continues to rise and is one of Fedhealth's top cost drivers.



Members registered for Mental Health benefits (December 2022):



It is crucial that members choose the correct Fedhealth option to obtain mental health support at the adequate level.

Panda Mental Health App

Since Fedhealth has made the Panda Mental Health Support App available through the Fedhealth Member App to all members, members have been utilising this free mental health benefit. To access the Panda App, simply open the Fedhealth Member App and click on the Panda card to register.



Weight Management Programme

Fedhealth's Weight Management Programme is a 12-week, biokineticist led programme for members with a qualifying body mass index (BMI) or waist circumference. Sessions with a dietician and psychologist are also included.



CARE PROGRAMMES AND INITIATIVES OUTCOMES

Alignd Palliative Care

Alignd is intended to support patients with cancer where the cancer has metastasised or has a very poor prognosis from diagnosis.

48%

reduction in unnecessary chemotherapy in the last month of life for patients on the Alignd intervention

80%

of patients spend their final days at home with their families or in a hospice, with a 39% reduction in days spent in hospital in the last month of life

58%

reduction in surgery in last month of life for patients on Alignd intervention

“

Everything was arranged by Fedhealth. It was wonderful. A carer was sent to us as often as needed. A sister also visited, as well as a doctor. They were so caring, the whole team was amazing. My husband was very happy to see them every morning. He referred to the carers as 'my child'. Everyone treated him and our family so well. Alignd was a very positive experience for us.

”

~ Mrs O, member's wife

10 HIGHEST FEDHEALTH CLAIMS IN 2022

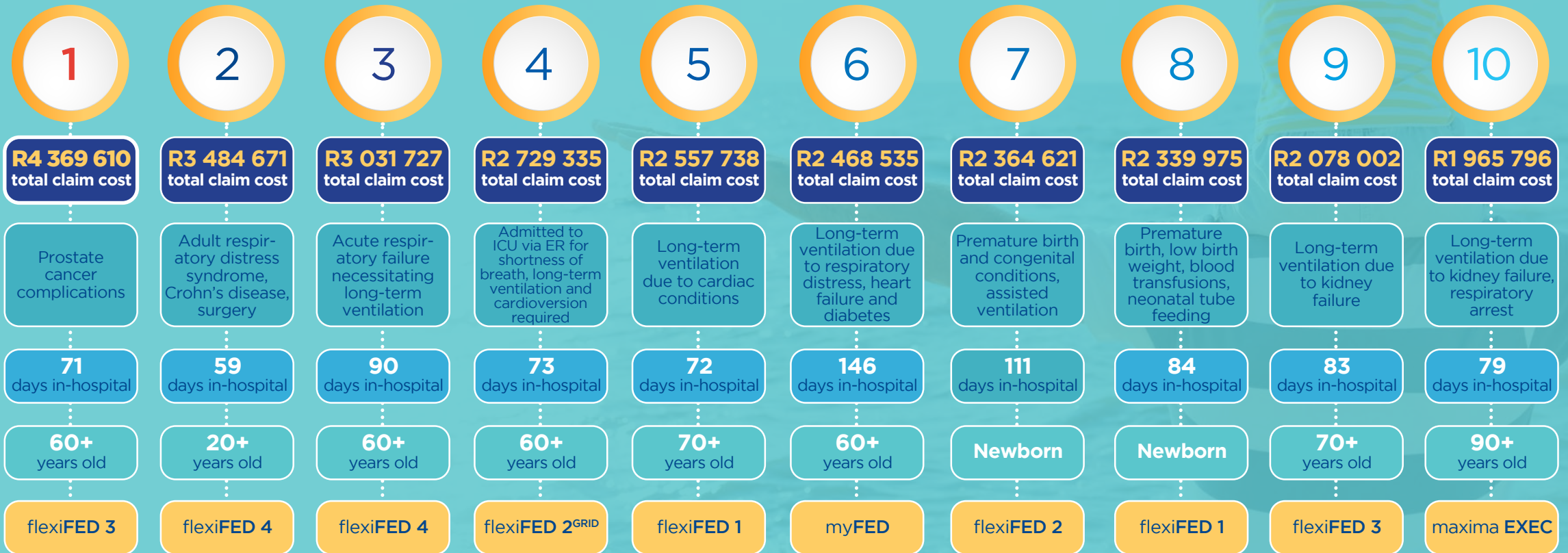
For most of us, investing in private medical aid provides the much needed peace of mind that our health will be taken care of when the unforeseen occurs.

It's having the surety that a prolonged stay in hospital, complicated procedures, specialist treatment or costly medication and therapies will be covered, especially when it's a matter of life or death.

The 10 following cases were Fedhealth's highest claims* in 2022, and are not only proof of the Scheme's financial ability to pay for our members' care even when it comes at a very high cost, but also our commitment to being there when members need us most.



10 HIGHEST FEDHEALTH CLAIMS IN 2022



* To protect members' privacy, certain details have been omitted.

MINUTES

MINUTES OF THE EIGHTY-SIXTH ANNUAL GENERAL MEETING HELD ON THURSDAY, 30 JUNE 2022, AT 13:00 VIA A VIRTUAL PLATFORM.

Present

Ms Marylla Govender	Chairman/Trustee
Mr Jacobus (Koos) Cloete	Trustee
Mr Gerrit Eloff	Trustee
Mr Phil Hemus	Trustee
Dr Margaret Mojapelo-Mokotedi	Trustee
Mr Nazir Parker	Trustee
Mr Chris Norton	Trustee
Dr Amaleya Goneos-Malka	Trustee
Ms Angela Gahagan-Thomson	Trustee

Members as per electronic Attendance Register

In Attendance

Mr Jeremy Yatt	Principal Officer
Mr Peter Brink	Chairman of the Audit committee
Mr Leon Grobler	KPMG Inc
Mr Eric Schoemaker	Medscheme General Manager
Mr Deon Lategan	Medscheme Fund Manager

Apologies

No apologies were noted

Opening, welcome and apologies

The Chairman welcomed the Fedhealth members to this, the 86th Annual General Meeting of Fedhealth Medical Scheme. The Chairman confirmed that the Scheme rules require at least 30 members of the Scheme being present in person or virtually to constitute a quorum.

The Chairman confirmed that there were currently 97 members logged onto the virtual AGM platform and it is taken that this constitutes a quorum and the meeting was therefore duly constituted and declared open.

1. Notice of meeting and confirmation of the minutes of the eighty-fifth annual meeting held on 24 June 2021

It was noted that the notice of the meeting had been duly circulated. The minutes of the Annual General Meeting held on 24 June 2021 were taken as read.

The Chairman proposed the adoption of the minutes, and being seconded by Mr Cloete the Chairman called for a vote on the adoption of the minutes and the results of the vote were as follows:

For:	205*
Against:	0*
Abstain:	10*

**All votes reflected in these minutes include proxy votes*

The minutes of the Annual General Meeting held on 24 June 2021 were therefore approved.

2. Presentation of the report of the trustees for the year ended 31 December 2021

It was noted that the Report of the Trustees for the year ended 31 December 2021 had been duly circulated and

were taken as read. The report of the Trustees for the year ended 31 December 2021 was noted by the meeting.

3. Presentation of the audited Annual Financial Statements for the year ended 31 December 2021

It was noted that the audited Annual Financial Statements for the year ended 31 December 2021 were available to be viewed on the Fedhealth website in the AGM Zone and on request and were taken as read. The Annual Financial Statements as presented were noted by the meeting.

4. Appointment of the external auditor for the 2022 audit

The Chairman noted that the appointment of the auditors for the ensuing year need to be approved by the meeting. She proposed that KPMG Inc. be reappointed as the Scheme's auditors until the end of the next Annual General Meeting. The proposal was seconded by Mr Eloff.

The Chairman called for a vote on this motion and results of the vote were as follows:

For:	207*
Against:	2*
Abstain:	6*

**All votes reflected in these minutes include proxy votes*

The appointment of KPMG Inc. as auditors for the 2022 Scheme audit was therefore confirmed.

MINUTES

5. Approval of Trustee remuneration for 2022/2023

The Chairman reported that, as required by CMS, all medical schemes that remunerate their Trustees must ensure that the fees payable to Trustees are approved by the members in advance.

In terms of the Scheme's remuneration policy for trustees, the proposed annual increase in Trustee remuneration would be the annual CPI figure as at 31 May each year.

The Chairman confirmed that the annual CPI figure as at 31 May 2022 was reported as 6.50% and the Scheme's Remuneration Committee has therefore proposed that the Trustee remuneration would increase effective 1 July 2022, as follows:

2021/2022		
	Per month	Per annum
Chairman	R 69 790	R 837 480
Trustee	R 34 895	R 418 740

2022/2023		
	Per month	Per annum
Chairman	R 74 326	R 891 912
Trustee	R 37 163	R 445 956

The Chairman called for a vote approving the Trustee remuneration for the following year and results of the vote were as follows:

For:	201*
Against:	7*
Abstain:	7*

*All votes reflected in these minutes include proxy votes

The Trustee remuneration for the following year was therefore confirmed.

6. Election of members to the board of Trustees in terms of rule 17.

The Chairman reported that in terms of Rule 17 (Governance) of the Scheme rules, the Board should consist of no more than nine member elected representatives. The member elected representatives on the Board of Trustees, elected in this meeting, would fill their position for a three year term of office, commencing on 30 June 2022. The Chairman noted that voting would take place electronically during the meeting.

The Chairman noted that the three Trustees retiring would stand for re-election, and had been duly nominated.

The three Trustees retiring at the AGM were Mr Gerrit Eloff, Mr Jacobus Cloete and Mr Nazir Parker.

The following members had therefore been duly nominated by members for election to the Board:

- Gerrit Eloff
- Jacobus Cloete
- Nazir Parker
- Jakobus Viljoen

The Chairman confirmed that the CVs of the nominated members were available to be viewed on the Fedhealth website in the AGM Zone.

The Chairman called on members to vote for a maximum of 3 nominees and after allowing sufficient time for the vote to take place the results were confirmed as follows:

• Gerrit Eloff	204 votes
• Jacobus Cloete	197 votes
• Nazir Parker	182 votes
• Jakobus Viljoen	20 votes

*All votes reflected in these minutes include proxy votes

The following nominees were therefore confirmed as being duly elected by members present and by proxy to act as Trustees on the Scheme.

- Gerrit Eloff
- Jacobus Cloete
- Nazir Parker

7. General

There being no further matters for discussion, the Chairman thanked members for their attendance and declared the meeting duly closed at 13:50.

Signed as a true record of the proceedings

CHAIRMAN
DATE

Fedhealth Customer Contact Centre
0860 002 153

Corner Ontdekkers Road and Conrad Street, Absa Building Block F,
Florida, 1716 • Private Bag X3045, Randburg 2125

www.fedhealth.co.za

