
OLDMUTUAL
OMSMAF
OLD MUTUAL STAFF MEDICAL AID FUND
Healthcare with heart
REPORT OF THE
BOARD OF TRUSTEES
TO MEMBERS FOR 2025
NOTICE OF THE
58TH
ANNUAL GENERAL MEETING

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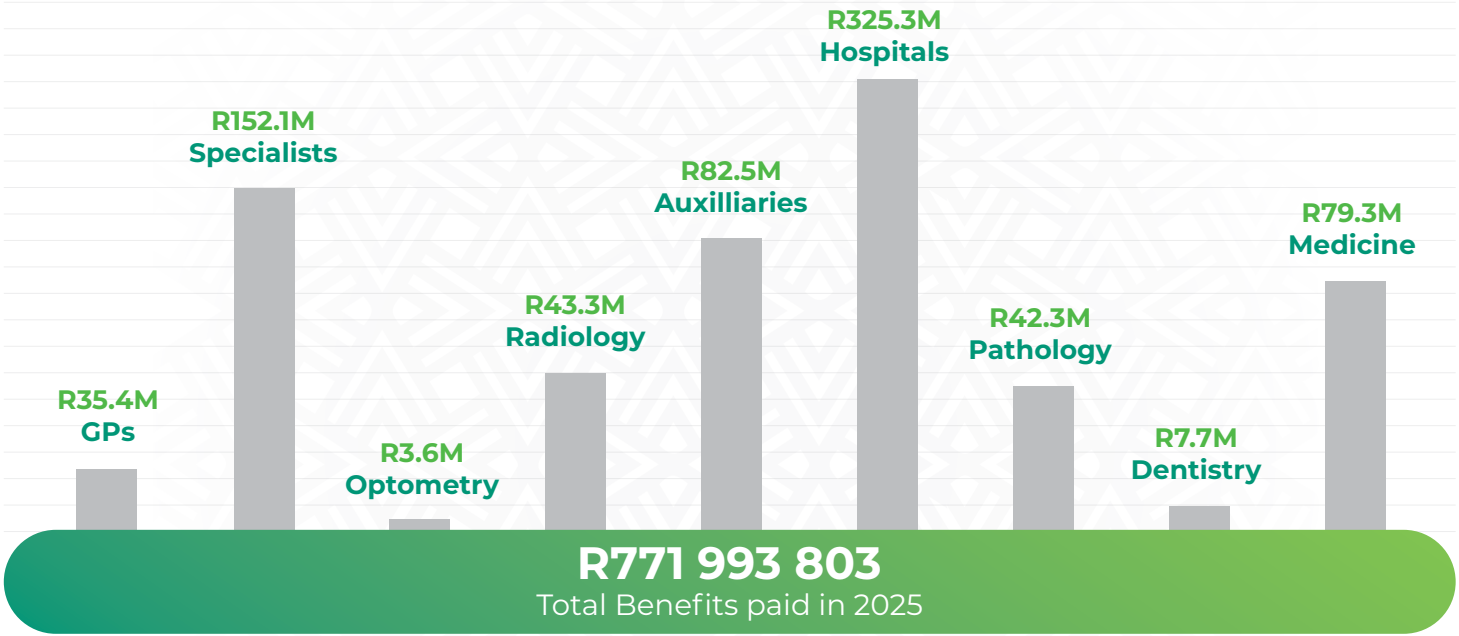
OUR MEMBERS

NETWORK PLAN	HOSPITAL PLAN	SAVINGS PLAN	TRADITIONAL PLAN	TRADITIONAL PLUS PLAN
6 324	2 750	6 960	2 253	162

BENEFITS PAID



R771 993 803
Total Benefits paid in 2025

93%
OF CONTRIBUTIONS RETURNED AS BENEFITS

R64.3M
PAID OUT IN BENEFITS PER MONTH

OUR FINANCIALS

R349 339 748
RESERVES

R57 799 820
INVESTMENT INCOME

R45 756 748
OPERATING SURPLUS

Solvency ratio

38.0%

(13% more than the required level of 25%)

BEHIND THE SCENES

Average number of claims processed per day in 2025

4 718

2025

120 460
TOTAL CALLS
(APPROXIMATELY 7.9% MORE THAN 2024)

49 372
TOTAL EMAIL ENQUIRIES
(APPROXIMATELY 7% LESS THAN 2024)

CHAIRMAN'S REPORT

INTRODUCTION

As Chairperson of the OMSMAF Board, it gives me great pleasure to share this year's report with you, our Members.
Over the past year, the Fund has continued to adapt to change while staying focused on what matters most — giving you access to reliable healthcare cover, good value, and a better service experience.

This has only been possible because of the dedication of our Trustees, management team, and service partners.

While the broader economy remains challenging, the Fund has remained stable and well managed, helping us protect affordability, maintain strong benefits, and support members with confidence.

REGULATORY AND ECONOMIC ENVIRONMENT

The Fund operates in a highly regulated environment, with ongoing changes to reporting and governance requirements. I am pleased to confirm that the Fund received a clean audit opinion from our external auditors, BDO, for the year, which gives members added assurance that the Fund is being managed responsibly.

Healthcare costs continue to rise, and we are seeing more complex and costly medical cases. Managing these pressures carefully is essential to keeping the Fund affordable and sustainable for all Members.

MEMBERSHIP AND VALUE

Membership has remained stable, with 18 449. The profile of the membership has also remained stable, which supports the long-term sustainability of the Fund and helps us manage costs and benefits more effectively for members.

FINANCIAL PERFORMANCE AND SOLVENCY

For the year ending 31 December 2025, the Fund collected R833 406 236 and paid claims of R771 993 803 . These figures reflect the scale of support provided to members and the Fund's continued role in meeting healthcare costs when they arise.

Although we planned for a small shortfall in order to keep contribution increases lower, the Fund performed better than expected and ended the year with a small surplus. This is a positive outcome for members, as it reflects careful financial management in a challenging environment.

This was further supported by strong investment returns during the year, helped by improved market conditions. These returns strengthened the Fund's reserves and overall financial position.

The Fund's solvency ratio - in simple terms, the level of reserves we hold relative to contributions - remains within our target range of 30 - 40% and well above the required minimum of 25%. This gives the Fund a strong financial buffer and provides members with reassurance that the Fund remains financially sound.

BENEFITS AND MEMBER EXPERIENCE

We remain committed to offering meaningful benefits at affordable contributions.

The introduction of the Wellness Maximiser Benefit and improvements to our digital services are part of our ongoing effort to enhance the value we offer. These changes are intended to give members easier access to benefits, more convenient support, and a better overall experience when engaging with the Fund.

Now that our finances have stabilised from the COVID impacts, we will place even greater focus on improving the overall member experience — making it easier and more convenient for you to engage with us.

GOVERNANCE AND ACKNOWLEDGEMENTS

The Board has continued to strengthen the Fund's governance and oversight to support sound decision-making and responsible management in the interests of members.

On a more personal note, I would like to thank my fellow Trustees, Sub-Committee members, the Principal Officer and her team, and our Administrator for their steadfast commitment and support over the past year and during my tenure as Chairperson.

I will be stepping down as Chairperson after the Annual General Meeting, although I will remain on the Board as an Employer-appointed Trustee. I would also like to congratulate the incoming Chairperson on their appointment. I am confident that the Fund is well placed to continue serving members with care, stability, and strong leadership.

PRINCIPAL OFFICER'S REPORT

INTRODUCTION

It is an honour to present the Principal Officer's report for 2025. This year, we have continued to build on our mission of delivering 'Healthcare with Heart', supporting Members through a dynamic healthcare landscape and ensuring access to quality care.

MEMBERSHIP AND DEMOGRAPHICS

Membership at year-end stood at 18 449 principal members, covering 29 307 total lives. The Fund welcomed 256 new Members and 467 newborns, reflecting both organic growth and the positive impact of our employer partnership. The average beneficiary age remains at 36, with a pensioner ratio of 11.2%, supporting a balanced risk pool.

OPERATIONAL HIGHLIGHTS

- **Claims and Service:** The Fund processed an average of 4 718 claims per day, with a total of 120 460 calls and 49 372 email enquiries handled by our service teams. Turnaround times for claims and member queries have remained within target, and escalations have continued to decline.

- **Digital Engagement:** Uptake of the Universal.one mobile app and the My Benefits portal has increased, empowering Members to manage their healthcare needs efficiently. Enhancements to digital channels, including WhatsApp broadcast groups and virtual consultations, have further improved member accessibility.

BENEFITS AND MANAGED CARE

The Fund paid out R771 993 803 in claims, with 93% of contributions returned as benefits. Managed care programmes, including Mental Health, HIV/AIDS, Back and Neck Rehabilitation, and Maternity, continue to deliver value and positive health outcomes. The Wellness Maximiser Benefit was designed to incentivise the uptake of preventative screenings; however, members have yet to take up this opportunity and benefit from it. The Fund will continue to promote this benefit, as it rewards members for taking proactive steps towards their health—and, in healthcare, the old adage still rings true (with a slight twist): "a test in time saves nine".

GOVERNANCE AND COMPLIANCE

The Fund has maintained robust governance, with regular reviews of provider contracts and benefit design, and ongoing compliance with the Medical Schemes Act. In addition, the Fund updates and reviews its policies and terms of reference, aligned to the governance checklist and the approved schedule of review, on an ongoing basis.

MEMBER ENGAGEMENT AND COMMUNICATION

Member education and communication remain priorities. The Fund has expanded its quarterly newsletters, benefit roadshows, and induction sessions, ensuring members are informed and empowered to make optimal healthcare choices. Our communication campaigns have also included initiatives such as podcasts and collaboration with the employer through the Be-Well portal to broaden reach and encourage two-way engagement. Member engagement is a key focus area, and we were pleased to see Members actively participate, share their views with the Fund, and help shape service improvements. In recognition of this participation, selected Members were rewarded with a cup of coffee on the Fund. Feedback from post-call and correspondence surveys continues to inform service enhancements, and we look forward to rolling out more campaigns of this nature in the year ahead.

LOOKING FORWARD

As we look to 2026 and beyond, OMSMAF will continue to focus on:

- Enhancing benefit value and affordability
- Leveraging digital innovation for member convenience
- Strengthening managed care and preventative health initiatives
- Maintaining financial sustainability and regulatory compliance

Thank you to all Members for your trust and engagement, and to the Board, Committees, and service partners for their dedication to the Fund's success. Thank you to Jan for the leadership and service you have provided as Chairperson, and I am glad we will retain your knowledge and understanding of the Fund as you remain on the Board. I look forward to working closely with our new Chairperson and continuing to deliver Healthcare with Heart to our Members

OLD MUTUAL STAFF MEDICAL AID FUND ANNUAL FINANCIAL STATEMENTS

**The full set of Annual Financial Statements will be made available to members on request. Please submit your request via email to OMSMAF_Office@oldmutual.com.*

OLD MUTUAL STAFF MEDICAL AID FUND

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025	2024
		R	R
ASSETS			
Non-current Assets		**316 153 774**	**276 194 788**
Investments held at fair value through profit and loss	2	316 153 774	276 194 788
Current Assets		**184 077 608**	**182 435 255**
Cash and cash equivalents	3	72 364 343	85 784 718
Trade and other receivables	4	340 290	364 277
Investments held at fair value through profit or loss	2	48 992 380	36 261 695
Investments held at amortised cost	5	62 380 595	60 024 565
Total Assets		**500 231 382**	**458 630 043**
LIABILITIES			
Non-current Liabilities		**410 420 403**	**355 722 655**
Insurance contract liabilities - Liability to members for future benefits	7	410 420 403	355 722 655
Current Liabilities		**89 810 979**	**102 907 388**
Trade and other payables	6	1 775 535	1 060 723
Insurance contract liabilities - Liability to current members for future benefits	7	86 495 444	91 365 665
Insurance contract liabilities - Liability to members for future benefits	7	1 540 000	10 481 000
Total Liabilities		**500 231 382**	**458 630 043**

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OLD MUTUAL STAFF MEDICAL AID FUND

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025	2024
		R	R
Insurance revenue	10	833 406 236	766 647 852
Insurance service expenses	11	(831 707 174)	(769 271 543)
Relevant healthcare expenditure		(801 944 809)	(741 598 220)
Claims incurred		(776 604 455)	(717 588 962)
Accredited management healthcare services		(25 340 354)	(24 009 258)
Directly attributable expenses		(29 762 365)	(27 673 323)
Insurance service result		**1 699 061**	**(2 623 691)**
Other income			
Investment income	12	62 875 236	44 115 988
Sundry income	13	37	29 720
Other expenditure			
Other operating expenses	15	(11 790 966)	(10 564 108)
Finance expenses from insurance contracts issued - PMSA	8	(5 075 416)	(5 629 541)
Asset management fees	14	(1 951 205)	(1 803 301)
Profit or loss for the year before amounts attributable to members for future benefits		**45 756 748**	**23 525 067**
Amounts attributable to future members		(45 756 748)	(23 525 067)
Surplus for the year		-	-
Total comprehensive income/ (loss) for the year		-	-

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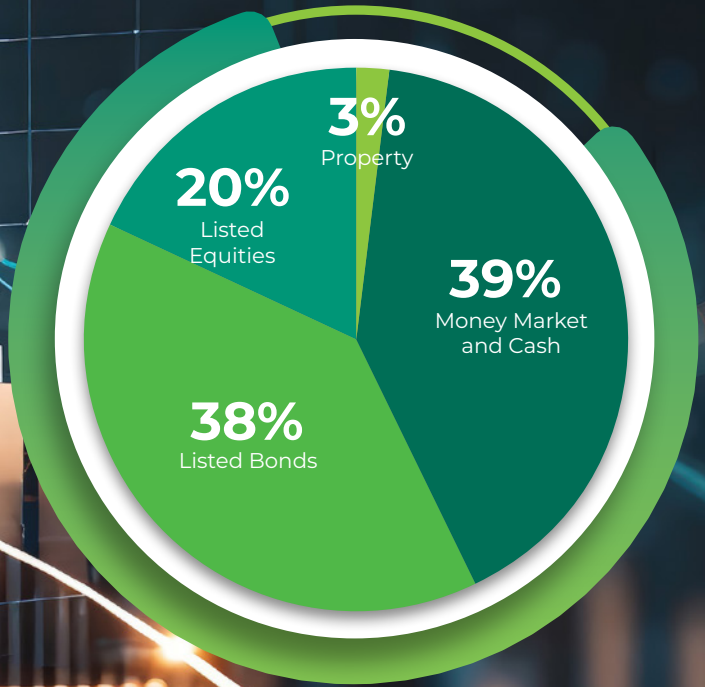
INVESTMENT TOTAL

	Investment total	
Money Market and Cash	170 467 166	39,3%
Listed Bonds	165 334 330	38,1%
Listed Equities	86 401 677	19,9%
Property	11 778 426	2,7%
Total	**433 981 599**	**100,0%**



REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES

OPERATIONAL STATISTICS

Operational Statistics for 2025	NETWORK PLAN	HOSPITAL PLAN	SAVINGS PLAN	TRADITIONAL PLAN	TRADITIONAL PLUS PLAN	2025
Average number of members during the accounting period	5 716	2 809	7 176	2 336	172	18 209
Number of members at 31 December	6 324	2 750	6 960	2 253	162	18 449
Average number of beneficiaries during the accounting period	7 774	4 338	13 080	3 821	246	29 259
Number of beneficiaries at 31 December	8 496	4 233	12 672	3 673	233	29 307
Dependant ratio at 31 December	0,3	0,5	0,8	0,6	0,4	0,6
Insurance revenue per average beneficiary per month	R 2 034	R 1 757	R 2 074	R 4 437	R 7 897	R 2 374
Insurance service expenses per average beneficiary per month	R 1 909	R 1 422	R 1 884	R 5 644	R 8 500	R 2 369
Relevant healthcare expenditure incurred per average beneficiary per month	R 1 808	R 1 335	R 1 812	R 5 565	R 8 404	R 2 286
Directly attributable insurance service expenses per average beneficiary per month	R 100	R 87	R 73	R 79	R 96	R 83
Insurance service expenses as a percentage of insurance revenue	93,8%	80,9%	90,9%	127,2%	107,6%	99,8%
Relevant healthcare expenditure as a percentage of insurance revenue	88,9%	76,0%	87,4%	125,4%	106,4%	96,3%
Directly attributable insurance service expenses as a percentage of insurance revenue	4,9%	5,0%	3,5%	1,8%	1,2%	3,5%
Average age	31	35	32	57	68	36
Pensioner ratio (per beneficiary) at 31 December	3,7%	7,1%	5,7%	46,7%	69,1%	11,2%
Average non-current insurance contract liability per member at year-end						R 20 764
Breakdown of total amounts paid to the administrators:						
- Administration fees: Universal Healthcare Administrators						R 29 043 059
Return on investments as a percentage of investments						12,6%

MANAGEMENT

BOARD OF TRUSTEES IN OFFICE DURING THE YEAR UNDER REVIEW

NAME	POSITION	
J Howell	Employer-appointed (Chairperson)	
L Osburn	Member-elected (Deputy Chairperson)	Resigned 31.07.2025
A Fuchs	Member-elected	
G Wilson	Member-elected	
A Campbell	Member-elected	
T Hulley	Member-elected	
S Cook	Alternate Member-elected	Appointed 31.07.2025
B Salie	Employer-appointed	
T Moodley	Employer-appointed	
T Motlafe	Employer-appointed	
D Sechele	Employer-appointed	

BOARD OF TRUSTEES IN OFFICE DURING THE YEAR UNDER REVIEW (CONTINUED)

Principal Officer:

P. Botha

Mutual Park

Jan Smuts Drive

Pinelands

7405

Old Mutual Staff Medical Aid Fund

PO Box 66

Cape Town

8000

REGISTERED OFFICE ADDRESS AND POSTAL ADDRESS

Mutual Park

Jan Smuts Drive

Pinelands

7405

Old Mutual Staff Medical Aid Fund

PO Box 66

Cape Town

8000

NON-COMPLIANCE WITH THE MEDICAL SCHEMES ACT ("THE ACT")

In accordance with the Council for Medical Schemes circular 11/2006 the Fund is required to report all non-compliance matters with the Act noted during the course of the audit irrespective of whether the auditor considers the non-compliance as material or immaterial.

NON-COMPLIANCE WITH SECTION 26(7) OF THE ACT - RECEIPT OF CONTRIBUTIONS

Nature and cause of non-compliance
Section 26(7) of the Act requires contributions to be paid to a Medical Fund not later than three days after payment thereof becoming due. Whilst every effort is made to enforce this requirement the onus is on the member or employer group to ensure compliance. During the financial year certain contributions were identified that were not paid to the Fund within three days of becoming due.

Possible impact of the non-compliance
The non-compliance increases the liquidity risk to the Fund and could result in amounts due to the Fund being irrecoverable. As at year end, outstanding contributions amounted to 0.08% (2024: 0.07%) of insurance revenue.

Corrective course of action adopted to ensure compliance
Outstanding amounts are actively pursued if not received within three days of becoming due.

NON-COMPLIANCE WITH SECTION 35(8)(A) OF THE ACT - INVESTMENTS IN PARTICIPATING EMPLOYERS AND MEDICAL SCHEME ADMINISTRATORS

Nature and cause of non-compliance
In terms of section 35(8)(a) of the Act a Medical Fund shall not invest any of its assets in an employer who participates in the Medical Fund or in any administrator.

Possible impact of the non-compliance
At 31 December 2025 investments were held in Old Mutual, to the value of R810,439 (2024: R54,532), Sanlam Limited, to the value of R303,278 (2024: R451,461), Momentum Metropolitan Life Limited, to the value of R36,919 (2024: R25,032), and Discovery Holdings Limited, to the value of R1,983,655 (2024: R1,457,613).

Corrective course of action adopted to ensure compliance
Underlying investment managers of pooled vehicles have full discretion to choose a combination of investments that will best achieve the benchmark. Representatives of the Fund do not give investment instructions to the underlying investment managers. The Council for Medical Schemes grants exemption where investments in medical scheme administrators and their holding companies, and employer groups is not per the discretion of the Fund.

The Fund's application for exemption in terms of Section 35(8)(a) to CMS is still awaiting approval.

Nature and cause of non-compliance
Section 33(2) of the Act stipulates that each benefit option shall be self-supporting in terms of membership and financial performance and be financially sound. The ageing profile of members on the Traditional and Traditional Plus plans creates financial challenges as the Fund would need to implement significant contribution increases for these plans in order to improve the operating results in the short-term. The imposition of such an increase could result in members buying down to lower contributing plans which would worsen the financial experience on the plan.

Possible impact of the non-compliance
At 31 December 2025, the Traditional and Traditional Plus Plans did not comply with Section 33(2). The Traditional Plan incurred a net healthcare deficit of R50 266 727 (2024: R58,873,263), while the Traditional Plus incurred a deficit of R1,407,036 (2024: R562,703 surplus). The deficits were in line with the approved budget, which anticipated a deficit of R59 337 598 for the Traditional Plan.

Corrective course of action adopted to ensure compliance
The Trustees are aware of the situation and have decided to address the loss over a longer period by implementing higher contribution increases on the Traditional Plans than on other plans. The Traditional Plus Plan was closed at the end of the 2025/2026 benefit year.

NON-COMPLIANCE OF SECTION 59(2) OF THE ACT - PAYMENT OF CLAIMS

Nature and cause of non-compliance
Section 59(2) of the Act, requires a Medical Fund, in the case where an account has been rendered, subject to the provisions of this Act and the rules of the Fund concerned, to pay to a member or

a supplier of service, any benefit owing to that member or supplier of service within 30 days after the day on which the claim in respect of such benefit was received by the Fund

Possible impact of the non-compliance

Exceptions to the 30-day claims payment period
In exceptional cases claims may be paid more than 30 days after the date of submission. These delays are generally due to members or healthcare suppliers submitting claims without the necessary details required for timely payment. Such instances are isolated and do not materially affect the Fund.

As of 31 December 2025, R3,841 (2024: R1,198,876) of the claims were paid after 30 days of becoming due.

Corrective course of action adopted to ensure compliance
These are isolated cases and thus do not have a material effect on the Fund. The necessary assistance is provided to the identified members and healthcare suppliers to ensure that these isolated cases are minimised.

NON-COMPLIANCE OF SECTION 10(4) AND 10(5) OF THE ACT - PERSONAL MEDICAL SAVINGS ACCOUNTS (PMSA)

Nature and cause of non-compliance
In terms of Regulation 10(4) and 10(5) of the Act, members' PMSA balances must be transferred to another medical scheme or paid out as a cash benefit promptly upon their exit from the Fund. In certain instances, the Fund did not comply with these requirements due to invalid or missing bank and contact information, which prevented the payment of the PMSA balances within the prescribed timeframe.

Possible impact of the non-compliance
Some resigned members have not had their PMSA refunded as required by regulation 10(4) and regulation 10(5). Unclaimed PMSA balances, where a member cannot be located within three years of leaving the Fund and after all reasonable efforts to trace the member have been exhausted, will be considered prescribed. These amounts will be written back to the Fund. In 2025, a total of R1,173,093 for 330 members, and in 2024, R1,540,362 for 312 members, were written back as income to the Fund.

Corrective course of action adopted to ensure compliance
The Fund is taking further steps in an endeavour to ensure that unclaimed balances are refunded to the members concerned. Any balances that remain unclaimed and have not been refunded will be written back to the Fund. However, should a member come forward after the amounts have been written back, they will still be entitled to claim the PMSA balance from the Fund, provided sufficient proof is submitted. These funds may be claimed by the account holder when the account comes to their attention and they are entitled to it, by way of an application supported by a certified copy of the account holder's identity document or passport.

58TH ANNUAL GENERAL MEETING (AGM)

NOTICE TO MEMBERS

Notice is hereby given to all members that the fifty-eighth Annual General Meeting (AGM) of the Old Mutual Staff Medical Aid Fund will be held on **18 June 2026** from **10:00** till **12:00** via MS Teams.

AGENDA

1. To receive and approve the 2025 AGM minutes.
2. To receive and adopt the Financial Statements for the year ended 31 December 2025, together with the Report of the Auditors and the Report to the Members of the Fund.
3. To approve the remuneration of Trustees not employed by Old Mutual for the 2026/27 Benefit Year.
4. To approve the change in the Trustee election cycle.
5. To appoint BDO as the Auditors to audit the financials for the year ending 31 December 2026.
6. To transact such other business as may, in terms of the Rules, be transacted at an Annual General Meeting. Members who are unable to attend the meeting are entitled to appoint a proxy to attend and speak on their behalf.

BY ORDER OF THE BOARD OF TRUSTEES

FOR INFORMATION: In terms of the Rule 34.1.5, notice of motions (matters to be discussed or presented) are to be submitted before the Annual General Meeting. The notices should reach the Principal Officer via E-MAIL to **OMSMAF_Office@oldmutual.com** by **10:00** on **10 June 2026**.

OLD MUTUAL STAFF MEDICAL AID FUND 57TH ANNUAL GENERAL MEETING (AGM) MINUTES

HELD VIA MS TEAMS VIDEO CONFERENCE ON 19 JUNE 2025 AT 10:00

AGENDA

ATTENDEES:

Jan Howell (Chairperson: Board of Trustees)
Pam Botha (Principal Officer)
Abdul Khan
Amukelani Baloyi
Anathi Ngalo
Andre Fuchs
Angus Campbell
Ashwin Meyers
Bielqees Salie
Busisiwe Zenzile
Craig Du Plessis
Garth Wilson
Gerda Rix
Ghihaad Abrahams
Gladman Gcasamba
Gugulethu Ngwenya
Joan Kistan
Junior Manana
Mashumi Tutu
Meloney Kleinsmith
Michele Franke
Mieraal Lagardien
Mkhululi Sithole
Munashe Makosa
Nicolene September
Obakeng Mfulwane
Ronecia Subjee
Roy Zazeraj
Samantha Du Plessis
Sarita Gordon
Sherwin Hans
Suzanna cook
Tanya Motlafe
Trevor Hulley
Warren Arumugam
Zezethu Siphoko

AGENDA Continues

IN ATTENDANCE:

Dave Mitchell (OMSMAF Audit Committee Chairperson)
Thabit Akherwary (Fund Specialist)
Chris Ward-Cox (Universal Healthcare)
Christo Vermeulen (Universal Healthcare)
Anele Williams (Universal Healthcare)
Zain Roskin (Universal Healthcare)
Nicole Williams-Cook (Universal Healthcare)
Faye Stemmett (Universal Healthcare)
Frances Herbst (Universal Healthcare)

APOLOGIES: None

REPRESENTED BY PROXY:	32
INVALID PROXY FORMS RECEIVED:	3

1. NOTICE

The necessary quorum (50 members) being present (including proxies), Mr Howell (Chairperson of the Board of Trustees) declared the Meeting duly constituted in terms of the Rules of the Fund.

Members were informed that they could post general and personal questions via the Q&A box in the MS Teams meeting. Personal questions would not be published. The Client Liaison Officers were on stand-by to address any personal queries or concerns raised by a member. General questions would be published.

2. WELCOME

Mr Howell welcomed all to the 57th Annual General Meeting of OMSMAF. The agenda would include the results of the Motions passed, the Chairperson's Overview of the Fund and operational feedback for the 2024/25 benefit year by Mrs Botha (Principal Officer).

3. VOTING RESULTS FOR MOTIONS PASSED

Mr Howell noted that four Motions had been distributed to Members prior to the meeting and the votes had been received with all motions having been approved.

The following motions had been distributed and votes were received virtually prior to the meeting. All voters were verified to be members of the Fund.

3.1. MINUTES OF THE 56th ANNUAL GENERAL MEETING HELD ON 20 JUNE 2024

Mr Howell confirmed that the motion to approve the minutes of the AGM held on 20 June 2024 had been passed via the virtual voting process.

The minutes were approved and will be signed.

RESOLVED: That the minutes of the AGM 2024 is approved.

3.2. ADOPTION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 TOGETHER WITH THE REPORT OF THE AUDITORS AND REPORT TO THE MEMBERS OF THE FUND

Mr Howell confirmed that the motion to adopt the Annual Financial Statements for F2024 had been passed via the virtual voting process.

RESOLVED: That the Annual Financial Statements for F2024 is approved.

3.3. NON-EMPLOYEE TRUSTEE REMUNERATION FEE SCHEDULE FOR THE 2025/26 BENEFIT YEAR

Mr Howell confirmed that the motion to adopt the Non-Employee Trustee Remuneration Fee Schedule for the 2025/26 Benefit Year had been passed via the virtual voting process.

RESOLVED: That the Non-Employee Trustee Remuneration Fee Schedule for the 2025/26 Benefit Year is approved.

3.4. APPOINTMENT OF AUDITORS TO AUDIT THE FINANCIALS OF THE 2025 FINANCIAL YEAR

Mr Howell confirmed that the motion to appoint BDO South Africa as the Auditors of the Fund to audit the financials of the 2025 Financial Year had been passed via the virtual voting process.

RESOLVED: That BDO South Africa is appointed as Auditor to audit the financials of the 2025 financial year.

4. COMPOSITION OF THE BOARD OF TRUSTEES

Mr Howell confirmed the current composition of the Board of Trustees, as follows:

Employer-appointed Trustees; Mr Jan Howell; Dr Bielqees Salie, Ms Dalene Sechele, Mr Tags Moodley and Ms Tanya Motlafe

Member-elected Trustees Mr Garth Wilson; Mr Trevor Hulley; Mr Angus Campbell and Mr Andre Fuchs

Mr Howell stated that Mr Lance Osburn (Member-elected Trustee) had tendered his resignation effective 31 July 2025. As from 1 August 2025 Mrs Suzanna Cook would be appointed as the alternate Member-elected Trustee having gained the next-highest number of votes at the previous Trustee election.

The remaining alternate Trustees are Mr Peter Davison-Lancaster and Mr Taurona Mhuru.

5. CHAIRPERSON'S REVIEW

Mr Howell gave an overview of the Fund focussing on the strengths, weaknesses and opportunities experienced by OMSMAF and the medical scheme industry.

Strengths of the Fund – Financial position and value-for-money offering

The Fund is in a strong financial position with good reserves and growing Membership. One of the benefits of being a closed medical aid Fund is that there is less anti-selection than in the open medical schemes market and the Fund does not need to allow for brokerage fees - with the Fund therefore able to offer good value for money. Non-healthcare costs have been very well controlled, this being 5% of the total expenditure during the 2024/25 benefit year. The non-healthcare expenditure compares favourably against the regulatory guideline of less than 10%, with a greater portion of funds available for the payment of Members' claims.

Weaknesses of the Fund and the medical scheme industry

Medical schemes – including OMSMAF – are experiencing an aging population with Members getting older and sicker resulting in an increased burden of disease. Medical costs are escalating at a higher rate than salaries and this is a primary concern within the industry and for Members as it results in higher contribution increases. Factors influencing medical costs include inflation, the increased burden of disease and the way doctors are now treating patients.

OMSMAF is currently reviewing various factors including Plan selection – to ensure that Members are on the most appropriate plan.

Opportunities for the Fund

The Fund has designed specific Wellness benefits to incentivise Members to take care of their own health and to develop healthy lifestyles – as this will have a direct impact on the Members' medical experience and their downstream medical costs. Having healthier lifestyles and reducing claims will help to reduce future contribution increases.

OMSMAF has recently considered various technological developments in the healthcare sector, particularly services and appliances that can be used to provide quick and affordable health assessments. The Fund will continue investigating such opportunities that provide easier and quicker health assessments at affordable costs.

Threats to the Fund

The medical scheme industry is very highly regulated with legislation impacting various aspects, including the benefits offered to Members. For example, the Fund is prohibited from offering a Low-Cost Benefit Option (LCO) that would offer benefits excluding the Prescribed Minimum benefits (PMBs) at a much lower contribution than the current Plans. Current legislation restricts medical schemes from having collective tariff negotiations and this also impacts on the cost of providing healthcare.

The potential implementation of National Health Insurance (NHI) is also a potential threat as it is currently not clear how medical schemes will function.

In terms of the cost of medical care, the greatest threat is from external factors, i.e. currency exchange rates and import tariffs.

2024 Financials

OMSMAF collected R766 647 852 in contributions during 2024. R740 883 787 was used to pay Members' claims. At an operational level, the Fund ended the 2024 financial year with a R13 million deficit. However, favourable returns were achieved from the investments resulting in a net surplus of R23 million.

Over the past 5 years the Fund has strategically aimed to reduce the Solvency from 49% in 2022 to the current 39.9%. This was achieved by consciously operating at a controlled deficit.

Mr Howell provided a brief overview of the claims experience for the period 2020 to 2025, particularly how Covid impacted the Fund with minimal hospital claims and lower medical claims during the lockdown period and a steady increase post-Covid, with Members undergoing delayed surgery and treatment. The Fund had taken the impact of Covid into account with conscious budgeting to allow for the reduction in the Solvency level of the Fund over the 5-year period.

The Board of Trustees is confident that the Fund can operate effectively on a long-term sustainable basis.

OMSMAF in comparison to open schemes

In comparing the OMSMAF contribution increases against various medical schemes in the open market, it was noted that over the 5-year period, OMSMAF had applied the second lowest average increase (6.8%), with Bonitas having applied a lower contribution increase (6.5%). In comparing the OMSMAF contribution increases against similar closed medical schemes, the Board of Trustees is satisfied that the OMSMAF increases are similar to other schemes.

In comparing the richness of benefits offered by OMSMAF in comparison to other schemes, the Board of Trustees is confident that the Fund offers good value. When comparing medical schemes it is important to remember that both the contributions and benefits should be taken into consideration. As OMSMAF is a closed medical aid Fund, it is able to apply income bands with contributions on a sliding scale. In the open medical scheme market only the network plans offer this advantage. The income bands are applied to ensure that the Fund remains affordable for lower-income earners.

In summary, Mr Howell stated that he is happy with the financial status of the Fund and confident that the Fund has been well managed, particularly over the past 5 years including the Covid period. The Fund continues to offer good value for money in terms of the benefit design and in comparison to the open medical scheme market.

Notes of appreciation

Mr Howell, on behalf of the Fund, expressed his appreciation to Mrs Botha and her team for their ongoing dedication and service to Members, to Universal Healthcare for the administration and managed care services over the past year and to all the third party service providers. Mr Howell thanked PWC for their work as the 2024 Financial Auditors.

Mr Howell thanked the outgoing Trustees Mrs Tracey le Roux, Ms Yolanda Adams and Mr Lance Osburn, for their service and contributions and expressed his appreciation to the current Trustees for their ongoing service to the Fund.

The Fund continues to work with Old Mutual and appreciates the continued support with the mutual understanding of the values offered by each party.

Mr Howell thanked the Members of the Fund and encouraged all Members to continue using the Fund benefits responsibly and to live the best possible healthy lifestyle, to remain healthy and stay out of hospital.

6. PRINCIPAL OFFICER'S REVIEW

Mrs Botha thanked Mr Howell for the opening welcome and Chairperson's Review. Mrs Botha presented feedback regarding the operational aspects of the Fund, as follows:

Operational and Claims Experience for the 2024/25 Benefit Year.

Mrs Botha acknowledged the work done by Universal, particularly in the call centre and correspondence division, with 95% of the claims processed within 5 days. The remaining 5% of claims were mostly hospital claims where each line item was carefully audited to ensure that the claim had been correctly billed.

The total number of beneficiaries on the Fund is 29 099 with 18 013 being Principal Members. The average age of the Fund is 36 years.

OMSMAF continues to provide 'Healthcare with Heart' to the Members. During 2024 the Fund spent R740.8 million on claims with R474 million (67%) being for Prescribed Minimum Benefits (PMBs); Oncology claims amounted to R60.3 million this being for in-hospital, chemotherapy and radiotherapy treatment.

The total spend on claims exceeding R100 000 per hospital event amounted to R195 million. The total spend on the Top 5 (most expensive) claims amounted to R9.46 million. 5 066 hospital admissions took place during 2024, this being approximately 25% of the beneficiaries requiring in-hospital treatment.

The year-on-year increase in claims was noted, this being partially due to inflation and tariff increases as well as an increase in the number of lifestyle events.

The Top 3 individual cases, in terms of cost were for cardiac procedures and a respiratory condition. Mrs Botha stated that these could possibly be lifestyle diseases.

The most expensive case amounted to R3.1 million for a cardiac procedure with the Member spending 77 days in hospital. The costs of the remaining 4 cases making up the Top 5 cases varied between R1.9 and R1.2 million - these being for a respiratory condition, a cardiac procedure, an orthopaedic event and a neonate birth.

OMSMAF offers various managed care programmes to all Members irrespective of their Plan choice. These include the Mental Health Programme (1 156 enrolees), HIV/AIDS management (671 enrolees) and Mother and Baby Care (463 births during 2024). Mrs Botha highlighted the Mother and Baby Care programme with the Fund having spent R19.5 million to ensure that premature babies received the best possible care.

6 683 beneficiaries are registered on the Disease Risk Management Programme (DRMP), this being 23% of the total Membership. These are Members who have one or more chronic condition that needs ongoing care to avoid developing more serious consequences and/or hospital admissions. The most prolific diseases are Hypertension, Hyperlipidaemia, Diabetes Type 2 and Asthma. These diseases are often related to lifestyle. Both the cost and number of Members registered on the DRMP have increased year-on-year.

Of the 6 683 beneficiaries registered on the DRMP 3 912 (59%) have 2 ore more chronic conditions. Mrs Botha stated that this is a clear indication that people need to take better care of their health so that the Fund can keep the contributions as low as possible, as there is a direct correlation between the claims paid by the Fund and the contributions paid by the Members.

The easiest way to control or minimise the contribution increases is to 'Know your Numbers' and the best way to start this is for Members to have their Health Risk Assessment (HRA). The HRA is a pharmacy-based assessment performed by the clinic sister and includes Blood Glucose, Blood Pressure, Cholesterol and Body Mass Index. The HRA benefit is available to all Members irrespective of their Plan choice and is paid from the risk benefits. Once Members have completed their pharmacy-based HRA, they receive additional benefits from the Fund, i.e., the Maximiser Wellness Benefit which includes two virtual GP consultations, prescribed medication and unlimited online nurse-based advice. Additionally, the Nutritional Assessment Benefit includes a personalised Healthy Eating Plan from a dietician.

During 2024 less than 1% of the total Membership visited a pharmacy for an HRA. Members are encouraged to undergo the HRA at the pharmacy and to 'Know their Numbers' so that the necessary steps can be taken to improve their health.

The next marketing campaign will focus on 'taking action' and will encourage Members to Eat, Move, Sleep and Connect – in ways that will improve their health and wellbeing.

Various technologies are available for Members to access information about the Fund and their benefits. This includes the revised OMSMAF website offering insightful and helpful information, the WhatsApp broadcast group and the Universal.One App for the submission of claims, to book online GP consultations and nurse-chats on the Maximiser Wellness Benefit - and to download Member statements.

In conclusion, Mrs Botha challenged the Members to have their HRA and to take action, improve their lifestyle-habits and to achieve their best health status.

7. MOTIONS, Q&A

Mrs Botha stated that Members had been invited to submit motions for discussion prior to the meeting. No motions had been received.

At the commencement of the meeting, Mrs Botha had invited members to post questions via the Q&A box. The questions were posed and answered as follows:

- **What is driving the claims experience of the Fund and hence the contribution levels?**

  Mr Howell stated that one of the primary cost drivers is the increasing burden of disease, with people getting older and being more sickly, including metabolic and lifestyle diseases. Doctors also practice differently than in previous years, often referring patients to specialists before administering treatment, i.e., a defensive practice. This also impacts medical costs.

- **Why do Members on the lowest income bands pay more on OMSMAF than the contributions on open schemes with similar level of cover? (e.g. on the Hospital Plan)**

  The OMSMAF Hospital Plan compares favourably to similar schemes, although some may be slightly cheaper offering less benefits.

Although plans may indicate 'unlimited benefits' they do include protocols – whereas OMSMAF Hospital Plan offers very rich benefits.

- Mr Howell asked the Member who posed the question to forward details of their cost comparison to him via email, particularly the plans which the Member had used for their comparison.

- **From which benefit will the HRA benefits be paid and how frequently can Members utilise this benefit?**

  Mrs Botha stated that the HRA, Wellness and Preventative screening benefits are all paid from the risk benefits, (not from PMSA or day-to-day benefits). The aim of these screenings is to identify risk factors as early as possible and to take the necessary steps to prevent the Member from developing more serious conditions. The Fund pays for these screening benefits as it is an investment from the Fund in the Members' health and wellbeing.

  The HRA Benefit is an annual benefit (once per benefit year per Beneficiary) – this being the pharmacy-based tests (Blood Glucose, Blood Pressure, Cholesterol and Body Mass Index). If any risks are identified via these tests other benefits may be utilised, e.g. a doctors consultation or further tests.

- **With reference to the High Cost Cases and Chronic Diseases that were presented during the meeting, is the Fund overly exposed in terms of Members with chronic conditions?**

  Mrs Botha stated that the Chronic Prevalence of 27% is comparable to other schemes and that the Fund is not overly exposed. However, Members who do have chronic conditions and do not manage their conditions appropriately are likely to be admitted to hospital needing serious treatment and this results in higher costs to the Fund – and influences the contributions.

  There being no further questions, Mrs Subjee reminded the Members that they may forward their questions to **omsmaf_office@oldmutual.com**.

8. OTHER BUSINESS

There were no other matters raised.

9. CLOSING COMMENTS

On behalf of the Fund, Mrs Subjee thanked Members

The Annual General Meeting closed at 11:15.

Chairperson **Date**

TRUSTEE REMUNERATION FOR NON-EMPLOYEE TRUSTEES MEETING FEES

			5% INCREASE		4% INCREASE		3.5% INCREASE	
COMMITTEE	NO OF MEETINGS PER YEAR	NO OF REMUNERATED TRUSTEES PER MEETING	07/2024-06/2025 PER MEETING FEE	ANNUAL FEE 07/2024-06/2025	07/2025-06/2026 PER MEETING FEE	ANNUAL FEE 07/2025-06/2026	07/2026-06/2027 PER MEETING FEE	ANNUAL FEE 07/2026-06/2027
Audit Committee Chairperson	3	1	R30 886	R92 658	R32 121	R96 364	R33 245	R99 735
Audit Committee Member		4	R16 027	R48 081	R16 668	R50 004	R17 250	R51 750
Board Chairperson	4						R49 525	R198 100
Board Member		5	R23 874	R95 496	R24 829	R99 316	R25 700	R102 800
Benefit Review Chairperson	8	1	R11 520	R92 160	R11 981	R95 846	R12 400	R99 200
Benefit Review Member		1	R10 240	R81 920	R10 650	R85 197	R11 025	R88 200
Clinical Risk/Ex-gratia Chairperson	4	1	R14 079	R56 316	R14 642	R58 569	R15 155	R60 620
Clinical Risk/Ex-gratia Member		0	R12 800	R51 200	R13 312	R53 248	R11 900	R47 600
Marketing and Communications Chairperson	4	0	R5 120	R20 840	R5 325	R21 674	R5 510	R22 040
Marketing and Communications Member		1	R3 840	R15 360	R3 994	R15 974	R4 135	R16 540
Investment Chairperson	4	0	R5 120	R20 480	R5 325	R21 299	R5 510	R22 040
Investment Member		0	R3 840	R15 360	R3 994	R15 974	R4 135	R16 540
Remuneration and Nomination Chairperson	2	0	R2 560	R5 120	R2 662	R5 325	R2 755	R5 510
Remuneration and Nomination Member		2	R2 560	R5 120	R2 662	R5 325	R2 755	R5 510
Risk and Governance Chairperson	4	0	R8 960	R35 840	R9 318	R37 274	R9 645	R38 580
Risk and Governance Member		2	R7 680	R30 720	R7 987	R31 949	R8 270	R33 080
Working Committee Chairperson	4	1	R8 960	R35 840	R9 318	R37 274	R9 645	R38 580
Working Committee Member		3	R7 680	R30 720	R7 987	R31 949	R8 270	R33 080

AD HOC HOURLY RATES

COMMITTEE	2024/25 PER HOUR FEE	2025/26PER HOUR FEE	2026/27 PER HOUR FEE
Adhoc Fee	R1 447	R1 505	R1 558

PROPOSAL TO AMEND THE TRUSTEE ELECTION CYCLE FROM A 1:4 CYCLE TO A 1:2:2 CYCLE

1. PURPOSE

The purpose of this proposal is to amend the current Trustee election cycle from a 1:4 cycle to a 1:2:2 cycle, in order to strengthen continuity, preserve institutional knowledge, and reduce the risk associated with the simultaneous replacement of a large proportion of the Board.

2. CURRENT ELECTION CYCLE

Under the existing 1:4 election cycle, a significant proportion of Trustees may reach the end of their terms at the same time. While this structure provides periodic renewal, it creates a risk that a substantial portion of the Board could be replaced simultaneously, especially when factoring in the terms of Employer-elected Trustees and the Employer's discretion to replace Trustees at any time.

In addition, Rule 19.3 stipulates that the maximum term of office, commencing subsequent to the Annual General Meeting in June 2022, for Employer-Appointed and Member-Elected Trustees is nine (9) years, of which only six (6) years may be consecutive. Should all four Trustees in the second cycle reach the maximum permissible term of office in the same year, the risk of simultaneous Board turnover becomes a certainty.

3. PROPOSED ELECTION CYCLE

It is proposed that the election cycle be amended to a 1:2:2 cycle, whereby:

- One Trustee is elected in the first phase of the cycle; and
- Two Trustees are elected in each of the subsequent two phases.

This staggered approach ensures more regular turnover while retaining experienced Trustees on the Board.

4. RATIONALE FOR THE PROPOSED CHANGE

The proposed 1:2:2 cycle offers the following key benefits:

- **CONTINUITY OF INSTITUTIONAL KNOWLEDGE**
  Staggered elections enable experienced Trustees to remain in office while new Trustees are onboarded and upskilled, ensuring continuity in governance, strategy, and operational oversight.

- **PREVENTION OF SIMULTANEOUS BOARD TURNOVER**
  The revised cycle reduces the risk of a substantial proportion of the Board being replaced at the same time, which could disrupt decision-making and governance stability.

- **RETENTION OF EXPERIENCE AND EXPERTISE**
  The Board retains a balanced mix of seasoned and newly elected Trustees, preserving critical skills, historical context, and organisational insight.

- **IMPROVED GOVERNANCE STABILITY**
  Gradual renewal supports sustained oversight, informed risk management, and consistent application of policies and fiduciary duties.

5. IMPACT ON ALTERNATE TRUSTEES

Although Rule 19.2.1 (included below for reference) does not specify the rotational structure of Trustee elections, and accordingly no amendment is required in that regard, Rule 19.2.2 (included below for reference) currently provides for the election of two Alternate Trustees. This provision would require a rule amendment to provide for three Alternate Trustees, thereby ensuring that each election cycle is supported by an Alternate Trustee who may assume office in the event of a Trustee resignation. This will ensure that adequate Alternates are available to support Trustees as required and that governance continuity is maintained in line with the Fund's Rules.

RULE EXCERPTS

19.2. Composition of the Board of Trustees

19.2.1. The business of the Fund, shall be conducted and managed by a Board who are fit and proper to be Trustees which shall consist of:

19.2.1.1. ten (10) Trustees, five (5) persons appointed by the Employer, of which up to two (2) may be non-members; and

19.2.1.2. five (5) members who shall be elected in line with electronic processes by the members ahead of the Annual General Meeting of the Fund.
At no point in time shall the number of Employer-Appointed Trustees exceed the number of Member-Elected Trustees.
19.2.2. The Fund may appoint a maximum of two (2) alternate Trustees, one for each election cycle. The alternate Member-Elected Trustees shall be filled by the remaining eligible candidates nominated for election in sequence of the number of votes obtained by candidates during the election process. An Alternate Member-Elected Trustee will serve as an alternate during the same election cycle in which they were recorded as alternates.

6. MEMBER APPROVAL

Rule 41.1.1 states that no alteration, rescission or addition which affects the constitution of the Board, the period of office of the Trustees, shall be valid unless it has been approved by a majority of Members present in person or by proxy at a General Meeting, or by ballot and as provided for in Rule 36.1.

In light of this, the proposed change from a 1:4 to a 1:2:2 election cycle must be approved by the members at the Annual General Meeting (AGM).

7. RECOMMENDATION

It is recommended that the Board:

1. Approves the proposal to amend the Trustee election cycle to a 1:2:2 structure;
2. Submit the proposed amendment, including the requirement for an additional Alternate Trustee, to the members for consideration and approval at the AGM: and
3. Rule 19.2.2 be amended and submitted to the Council for Medical Schemes for registration. No approval is required from Council for the change in election cycle.

The above proposal was considered, accepted, and approved by the Board of Trustees at its meeting held on 22 April 2026 and will be recommended to the members for approval at the Annual General Meeting to be held on 18 June 2026. Subject to approval by the members at the Annual General Meeting, the amendment to the Trustee Election Cycle will take effect from 1 July 2026.

Mr Jan Howell
Chairperson

Mr Andre fuchs
Deputy Chairperson

Ms Pamela Botha
Principal Officer

Notes

Notes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