2025 ANNUAL GENERAL MEETING MINUTES

Working towards a healthier you

Minutes of the 19th GEMS Annual General Meeting

31 July 2025, 15h00

The Capital Hotel (194 Bancor Avenue, Menlyn Main, Tshwane) via ZOOM

1. Opening and Welcome

1.1. The Chairperson of the GEMS Board of Trustees, Dr Nomzamo Tutu, opened the 19th GEMS Annual General Meeting of the Members of GEMS ("the Meeting") at 15h00 on 31 July 2025 and welcomed the Members in attendance. On behalf of the Scheme, the Chairperson expressed her sincerest gratitude to each and every one for taking the time to attend this year's Annual General Meeting.

1.2. The Chairperson acknowledged:

- 1.2.1. The Minister for Public Service and Administration ("PSA"), the honourable Mr Inkosi Mzamo Buthelezi;
- 1.2.2. The honourable Deputy Minister of the Public Service and Administration, Ms Pinky Kekana (Member of Parliament);
- 1.2.3. The Deputy Chairperson of the Board, Mr Siyabulela Tsengiwe and fellow members of the Board of Trustees;
- 1.2.4. The Chairperson of the GEMS Audit Committee, Ms Rene van Wyk;
- 1.2.5. The Principal Officer, Dr Stanley Moloabi; the Chief Operations Officer, Dr Vuyo Gqola; members of the Executive Team and the GEMS Officials;
- 1.2.6. All Members of the Scheme who constitute this important occasion;
- 1.2.7. The representative of the Council for Medical Schemes ("CMS"), Ms Keaorata Gadinabokao;
- 1.2.8. The General Secretary of the Public Service Co-ordinating Bargaining Council ("PSCBC"), Mr Frikkie de Bruin;
- 1.2.9. The representatives of the Employer from the Ministry of Public Service and Administration, representatives of Labour, representatives of the Public Service Coordinating Bargaining Council;
- 1.2.10. The members of the Service Provider Network ("SPN"); and
- 1.2.11. The other valued stakeholders in attendance.

1.3. The Company Secretary and Legal Counsel referred to the housekeeping rules for the 2025 GEMS AGM and advised that:

- 1.3.1. The chat section on the Zoom platform was deactivated and that Members will be allowed to voice their questions or comments under agenda item 6;
- 1.3.2. For questions or comments, Members should make use of the 'raise hand' function and once Members have raised their hands, they should please wait for their names to be called out by the Chairperson;
- 1.3.3. Once a Member's name is called out, the Member should please wait for the prompt to unmute himself/herself, from where he/she will be able to voice his/her comments or questions;
- 1.3.4. No Member will be allowed to voice his/her questions or comments, unless recognised by the Chairperson and given the opportunity to unmute themselves; and
- 1.3.5. It is important to keep questions and comments brief and to the point in order to run an efficient AGM and deal with all matters timeously.

1.4. The Company Secretary and Legal Counsel referred to the voting instructions and advised the Members on the process:

- 1.4.1. The Members were informed that three (3) motions will be put forward for consideration, and if there is a need to vote on motions, the voting protocols applicable to each motion are as follows:
  - 1.4.1.1. When a motion is put forward, all eligible Members of the Scheme will be given the opportunity to cast their vote by way of a show of hands;
  - 1.4.1.2. The Internal Auditors will count and announce the number of votes in respect of a motion voted on after each motion; and
  - 1.4.1.3. It is important to note that persons who are not Members of the Scheme must refrain from taking part in the voting in order for this process to retain its credibility.

1.5. The Company Secretary and Legal Counsel reminded the Members that any questions of a personal nature, or relating to any challenges a Member might have experienced with the Scheme, should be addressed to the Scheme via the Call Centre; by email to enquiries@gems.gov.za; by post to Private Bag X782, Cape Town, 8000; via the Walk-in-Centres or via the Client Liaison Officers ("CLOs").

1.6. The Chairperson requested the Internal Auditors to confirm whether the AGM was quorate, to which Ms Ilse-Mari Bosch (PwC) responded that the GEMS Rules required 86 or more Members in good standing for the meeting. It was confirmed that with the current 286 Members, the AGM was quorate.

2. Announcement of Agenda as finalised in accordance with GEMS Rules 28.1.5.1 to 28.1.5.6

2.1. The Chairperson presented the agenda for the 19th GEMS Annual General Meeting and confirmed that the agenda was finalised, approved and shared with all Members as part of the Notice of the 19th AGM in accordance with GEMS Rules 28.1.5.1 to 28.1.5.6.

3. Opening remarks by the Chairperson followed by a presentation by the Principal Officer on the business of the Scheme for the financial year ended 31 December 2024

3.1. The Chairperson again welcomed everyone in attendance to the 19th AGM and expressed her, the Board's, the Principal Officer's, the Scheme Executives' and the entire GEMS team's gratitude and appreciation to those being present. The Chairperson indicated that it is both a privilege and an honour for her to address this, the 19th AGM of the Government Employees Medical Scheme, that is taking place at a pivotal moment in the country's healthcare industry, that calls on everyone to lead and serve with conviction, care and with a firm commitment to the founding principles that have shaped GEMS' commitment to access to health, equity and accountability.

3.2. The Chairperson indicated that this year marks the 20th anniversary of the establishment of GEMS and that the Scheme over the past two decades has grown from an ambitious vision into the largest restricted Medical Scheme in South Africa. This is a moment to celebrate not only the Scheme's longevity but, the meaningful difference the Scheme continue to make in the lives of the Public Service employees and their families.

3.3. As Chairperson of the Board of Trustees, Dr Tutu was proud to report that in 2024, the Scheme remained focused on its core purpose: to serve the healthcare needs of South Africa's Public Service employees and their families with quality, affordability and compassionate healthcare. The past year was not without its challenges. The Scheme had rising medical costs, elevated claims and a broader economic uncertainty

that continue to place pressure on the Scheme and its Members. Despite this, the Scheme was able to respond with discipline, meaningful engagements with all the stakeholders, and above all, with a Member-centric approach.

3.4. The employees of GEMS, with the guidance and the oversight of this Board, working together with our Principal Officer, Dr Stanley Moloabi and the Executive Management team, navigated these pressures while prudently managing the Scheme, growing membership, and building on the foundations laid for a digitally enabled, data-driven, and responsive Organisation.

3.5. The release of the 2024 Annual Integrated Report ("AIR") confirmed GEMS' financial resilience, operational agility and commitment to good governance. These numbers reflect the trust that the Members placed in the Organisation and the seriousness of that trust. The year 2024 also marked a watershed moment with the signing into law of the National Health Insurance ("NHI") Act. As this country shifts towards a more inclusive and a unified healthcare system, GEMS stands ready, not only as a Scheme but, as a strategic partner in delivering on the promise of the Universal Healthcare Coverage ("UHC").

3.6. At the beginning of today's proceedings, the Chairperson acknowledged the Members and everyday heroes of the Public Service that the Scheme is working for and to who the Scheme remains fully accountable to. The voices of Members, their experiences and well-being continue to guide the decisions made and the future that everyone is building together. In this regard, the Chairperson encouraged everyone to move forward together, with purpose, clarity, and the shared belief that affordable, quality healthcare is not a privilege, but a fundamental right.

3.7. The Chairperson called upon the Principal Officer, Dr Stanley Moloabi, to present on the Scheme's performance for the 2024 financial year.

3.8. The Principal Officer indicated that in terms of greetings, all protocol is observed. The Principal Officer commenced his presentation on the Scheme's operating environment by reflecting what is happening in the global society, both from a political- and social viewpoint, and highlighted that:
healthcare, that will positively impact communities nationwide;

3.8.1. The Scheme is part of the global community. In terms of the macro-economic factors, there are issues of uneven economic growth coupled with cost-of-living issues, high interest rates, unemployment and the so-called geopolitical matters. The Principal Officer reflected on the issue of tariffs and that some of these tariffs will come into effect on 01 August 2025, with major implications.

3.8.2. From a regulatory point of view, the Principal Officer referred to the issues around policy direction that is underway with regard to the implementation of the NHI Act provisions. There is uncertainly in terms of the timelines and Section 33 of the NHI Act 20 of 2023 is under focus, which will limit the role of medical schemes when fully implemented. Medical Schemes expect the NHI to gradually expand its health coverage, thereby leaving Scheme's to cover less.

3.8.3. From a social perspective, poverty and inequity continues, and the Scheme is trying to solve the high cost of healthcare. The Scheme is constantly focusing on cybercrime. The Scheme's strategic thrust is to position GEMS to adapt to these changes, and the Scheme is desirous of being a strategic partner towards the realisation of UHC.

3.9. The Principal Officer presented some of the Scheme's highlights of 2024:

3.9.1 From a strategic perspective, the Scheme adopted a thrust to be a strategic partner towards the realisation of UHC; hence, the Scheme is engaging with all stakeholders that are involved. The Scheme is focusing on strategic partnerships and collaboration going forward, and the Scheme endeavours to foster new ideas and approaches to deliver value to Members and stakeholders through the Innovation Programme.

3.9.2 From an operational point of view, the Scheme achieved 86% in the Healthcare Provider Satisfaction survey, and the Scheme's growth in membership since 2019 remarkably translated to 72%. The Scheme competed against local- and global institutions and for the 4th year in a row, the Scheme was chosen as a top employer in South Africa. The Scheme also won industry awards at the Board of Healthcare Funders ("BHF") Awards Ceremony for its Annual Integrated Report.

3.9.3 From a financial point of view, the Scheme at the end of 2024 covered 880 563 Members. The Scheme continued to receive good global credit ratings and was graded an AA+ stable credit rating thus, the Scheme's ability to pay claims remains extremely strong. The Organisation experienced a 23.9% increase in investment income in the past reporting year. The Scheme ended 2024 with a reserve ratio of 31.14% and continued to maintain reserves above the statutory requirement of 25%. GEMS received 18 successive unqualified audit opinions.

3.10. The Principal Officer further presented on the Strategic Review and highlighted the following:

3.10.1 The membership over the last two years (2022 to 2024) increased by 9.4% despite the challenging economic environment, and from 2023 to 2024, the growth was 4.3%. This growth is against a challenging unemployment rate in South Africa that trends around 30% to 32%.

3.10.2 The Scheme experienced encouraging growth through the Rule expansion on eligibility with several entities associated with Government joining GEMS, namely: Health Squared, the Health Professions Council of South Africa, Umalusi, Legal Aid South Africa, Special Investigation Unit South Africa and the Border Management Authority.

3.10.3 It is important to ensure financial sustainability of GEMS, and although the COVID-19 pandemic affected the Scheme, the contribution increases in 2021 were basically around 4.5%. The percentage, however, increased thereafter to the infamous 13.4% in 2024. The claims ratio continues to be a challenge.

3.10.4 In terms of managing costs relating to healthcare providers, the Principal Officer specifically referred to in-hospital costs and noted that out-of-pocket payments were reduced by 0.2% over a period of time. The out-of-hospital shortfalls were reduced by 0.4% per year. For the Scheme to achieve the Members' expectation of full medical cover, Members are encouraged to make use of the GEMS networks, as out-of-pocket payments will then be unlikely. The Scheme contracted various healthcare providers onto its networks, which providers are obliged to charge the Scheme's tariffs only. The Scheme realised savings of about 19.5% as a result of Members on the Efficiency Discount Option, i.e. Emerald Value Option, making use of network healthcare providers.

3.10.5 In respect of the Scheme's extender benefit, the impact on General Practitioner shortfalls was -0.7%, Pharmacy Acute Medication -2.0% and Pathology -4.7%. As the issue around Pathology shortfalls was raised and discussed during previous AGM's, the Scheme is trying to assist the affected Members.

3.10.6 The Members were referred to the various Disease Management Programmes offered by GEMS to assist Members to manage various chronic diseases and conditions.

3.11. The Principal Officer reflected on the 2024 Financial Performance and highlighted the following:

3.11.1 The reserves peaked at 48.34% in 2022, and it was deliberately reduced by about 16% to 31.14% at the end of the reporting year. This resulted in the Scheme assisting its Members with low contribution increases except for the past year where the Scheme had to rectify the impact of the low increases.

3.11.2 The Scheme remains amongst the lowest in terms of non-healthcare costs with 5.59% reported in 2024 and 5.40% as a percentage of annual contributions in 2022.

3.11.3 As a result of the low contribution increases of 2% and 4% in previous years, and the fact that claims increased extensively post COVID-19 to peak at a claims ratio of 106% in 2024, it had an impact on the Scheme's finances. However, this is constantly being managed.

3.12. The Principal Officer further reflected on the 2025 Outlook of GEMS and that some aspects are underway in terms of implementation. This included amongst others the following:

3.12.1 The financial strategies to optimise pricing and to enhance fraud detection that is indirectly influencing Member costs;

3.12.2 The integration of the NHI principles into the Scheme's healthcare initiatives to improve efficiency and Member experience;

3.12.3 To enhance ICT and data management;

3.12.4 To enhance fraud detection to ensure the Members' funds are safeguarded.

3.12.5 The Scheme to continue strengthening its stakeholder relationships with the NHI role-players;

3.12.6 Drive the Broad-Based Black Economic Empowerment ("B-BBEE") Strategy and to reinforce governance and compliance through improved Risk Management and adherence to the Environmental, Social and Governance ("ESG") standards;

3.12.7 The financial sustainability to be maintained through optimised pricing and enhanced fraud detection; and

3.12.8 The Scheme will continue to focus on operational efficiency, technological advancements and human resources (including talent attraction, organisational culture and leadership development to support the strategic plans).

3.13. In his final closing remarks, the Principal Officer reflected on the following aspects:

3.13.1 With regard to the 2025 year-end forecast, and in particular the claims ratio, the Members were informed that the budget for the claims ratio is 98.40%. It is projected that the Scheme will end the year at 101.40%. This is still above budget and instead of the Scheme ending 2025 just above 25.62% to still be in compliance with the reserve ratio, based on the current projections, this percentage will slightly be lower at 25.1%.

3.13.2 The Principal Officer assured the Members that from a financial perspective, the Scheme's prudential management, robust benefit design and sound investment strategy will support long-term sustainability. These efforts will ensure that the Scheme continue to promote access to quality healthcare, to maintain contribution affordability and most importantly, to preserve value for Members. The current claims experience performance is a determinant of what the Scheme's pricing will be, based on the actuarial models and the results of the claims management interventions for 2026.

3.13.3 The Section 59 Investigation by the CMS was as a result of the healthcare providers complaining that the health funding industry is acting in an inappropriate manner by being bias against Black healthcare professionals. This led to the establishment of a panel comprising of eminent legal representatives. The Scheme took cognisance of the findings contained in the interim report that was released in January 2021 to determine where the Scheme could improve. The final report did not really move away from the interim report and based on the work done after the release of the interim report, the Scheme is able to focus on the recommendations in the final report to determine what else is supposed to be done. The recommendations also involve the Scheme working with the CMS.

3.13.4 The Principal Officer reiterated the importance and significance of not misinterpreting the content when working through the final report. The Principal Officer reassured the Members that the panel found no evidence that GEMS acted with racist intent. The distinction is critical because structural outcomes should not be confused with deliberate discrimination.

3.13.5 With regard to the upcoming 2025 GEMS Trustee Election process, the 6-year term of three Trustees is coming to an end on 24 September 2025. These Trustees, however, qualify for re-election, and the Scheme is already in the voting phase of the election process. The Principal Officer briefly reflected on the manner in which Members could participate in the voting, and the three phases of the elections, namely:

3.13.5.1 Nominations – took place between 09 May 2025 and 09 June 2025, and yielded 98 candidates;

3.13.5.2 Voting – is underway and Members will have until 12h00 on 06 September 2025 to cast their vote; and

3.13.5.3 Counting – the votes will be counted from 08 September 2025 to 18 September 2025. Once this phase is concluded and signed off by the Auditors, the names of the candidates with the top three highest number votes will be announced, subject to the relevant processes such as their vetting to be undertaken.

3.13.6 The Members are encouraged to vote in the GEMS Trustee Elections as their voices matter.

3.13.7 In summary, the Principal Officer assured the Members that GEMS remain sustainable over the long-term from a financial perspective and that the Scheme is committed to building a stronger health system and a healthier Public Service for the future that the Members deserve. The Section 59 Final Report found no evidence that GEMS acted with racist intent, the Members were reassured of the Scheme's commitment to fairness, transparency and zero tolerance to Fraud, Waste and Abuse ("FWA"), and that this will be done by strengthening the systems and working closely with all the stakeholders mentioned in the report, including the Regulator, to uphold trust and accountability in the administration of healthcare benefits.

3.14. The Chairperson thanked the Principal Officer for the insightful presentation to the Members.

4. Matters for Decision

4.1 Confirmation and adoption of the minutes of the 18th GEMS Annual General Meeting held virtually on 31 July 2024

4.1.1 The Chairperson referred to the minutes of the 18th GEMS Annual General

Meeting held virtually on 31 July 2024 that were circulated with the AGM Notice documents and presented the same for adoption by the AGM.

4.1.2 The Company Secretary and Legal Counsel advised the AGM that one Member is abstaining from voting on this motion.

4.1.3 As requested by the Chairperson, the minutes of the 18th GEMS Annual General Meeting were adopted and seconded by Members of GEMS in good standing.

4.1.4 The Chairperson requested the Internal Auditors to confirm the number of Members who would like to abstain from the adoption of the minutes of the 18th Annual General Meeting, to which Ms Ilse-Marie Bosch confirmed that one Member is abstaining from voting on the motion.

4.1.5 Ms Ilse-Marie Bosch confirmed that 354 Members were in favour of the motion.

Resolution:

The minutes of the 18th GEMS Annual General Meeting held on 31 July 2024 at The Capital Hotel, Pretoria, Gauteng Province, were adopted by 354 Members of the Scheme after a proposal and a secondment in favour of such adoption was received from Members in good standing with the Scheme, with one Member having abstained from the adoption of the minutes.

4.2 Receipt and adoption of the Annual Financial Statements for the financial year ended 31 December 2024, including the reports of the Board of Trustees and the External Auditor of GEMS

4.2.1 Discussion of the highlights of the Annual Financial Statements for the financial year ended 31 December 2024

4.2.1.1 The Chairperson called upon the Independent Chairperson of the GEMS Audit Committee and Independent Member of the Board, Ms Rene van Wyk, to present the highlights of the Annual Financial Statements ("AFS") for the year ended 31 December 2024. The Chairperson indicated that this will be followed by the GEMS External Auditor presenting the accompanying reports of the Board of Trustees, and that these reports form part of the 2024 GEMS Annual Integrated Report ("AIR") published on the Scheme's website, which were independently audited.

4.2.1.2 The Chairperson invited the Members to note the key messages contained in these documents, in particular the prudent financial stewardship and the Scheme's continued commitment to affordability and access.

4.2.1.3 Ms Van Wyk thanked the Members for the opportunity to present the AFS for the year ended 31 December 2024 and confirmed that the AFS had already been sent to the Members as part of the AIR.

4.2.1.4 Ms Van Wyk referred the Members to the AFS for the year ended 31 December 2024 and reflected on the following results:

4.2.1.4.1 From a financial performance perspective, the insurance revenue (referring to the contributions) increased from R51 billion in the prior year to R58 billion in the current year, mainly driven by the growth in membership.

4.2.1.4.2 The insurance service expenses (healthcare costs) that comprised mainly of claims costs, reflected a significant increase from R54 billion to R63 billion, driven by the increased utilisation of in-hospital services and associated costs, and in-hospital professional fees. The insurance service result therefore, is R5.5 billion, compared to R2.9 billion in the previous year.

4.2.1.4.3 The Scheme's investment income increased by R500 million in 2024, and the good performance benefitted from the Scheme's robust investment strategy that included an optimal mixture of growth and defensive assets.

4.2.1.4.4 The operating costs reflected a marginal increase of R109 million, and that reflects the prudent cost management of the organisation.

4.2.1.4.5 GEMS, on an overall basis, reported a deficit of R3.6 billion for the reporting period, compared to R849 million in 2023.

4.2.1.4.6 In respect of the Scheme's financial position, Ms van Wyk referred to the illustrated graphs in the presentation and informed the Members that the insurance contract liabilities (Member reserves) reduced by a R3.6 billion deficit in the 2025 year, and that it is in line with the Scheme's strategic objectives to reduce the reserves from the high levels of the prior years. The investment assets reflected a decline as a result of the Scheme using some of its investments to fund the increased healthcare costs.

4.2.1.4.7 With reference to the key ratios and as per the illustrated graphs, the reserve ratio, primarily as a result of the net deficit, decreased from 42.41% to 31.14%, the claims ratio increased from 99% to 106%, and the return on investment improved from 9.4% to 12.19% due to the strong performance of the Equity- and Bond markets. The Scheme's liquidity ratio is stable around 2.75% with both non-healthcare costs and the other operating costs reporting a marginal increase.

4.2.1.4.8 Over the years, the financial benefits that the Scheme was able to deliver to its Members included the reduction in reserves by R2.6 billion to cushion steep contribution increases, all benefit limits were increased by 4.6%, the Scheme maintained its credit rating of AA+, and offered 25% better value for money when compared to other schemes.

4.2.1.5 Ms van Wyk reflected on the industry benchmarks and highlighted that:

4.2.1.5.1 The Scheme, over time, managed to contain the increases in contributions to Members. There was a period when the Scheme was building up reserves, but the Scheme is still able to contain increases to below the average healthcare inflation costs. The Scheme was able to release some of the reserves to

support a much lower contribution increase to assist Members during the difficult COVID-19 period.

4.2.1.5.2 The Scheme was required to implement quite steep contribution increases in 2025 to ensure that GEMS retain its statutory reserves at a minimum of 25%.

4.2.1.5.3 The illustrated graph for the period from 2019 to 2024 reflected that the Scheme was able to maintain an effective contribution increase below the industry average over the same period.

4.2.1.6 Ms van Wyk assured the Members that the Scheme continues to provide value for money to Members. In comparison with the industry, the Scheme offers significantly better value for money across all the benefit options and the contributions remained relatively affordable both before and after the employee subsidies.

4.2.1.7 Ms van Wyk presented on the Scheme's long-term view and highlighted that the Scheme is on track to reach the statutory reserve level of 25% by the end of 2025, and that over the next number of years, the Scheme will continue to grow its reserves to around 28.6% in 2029.

4.2.1.8 Ms van Wyk concluded the presentation and confirmed that:

4.2.1.8.1 The AFS for the year ended 31 December 2024 were approved by the Board of Trustees and submitted to the CMS;

4.2.1.8.2 The Scheme received an unqualified audit opinion;

4.2.1.8.3 The Scheme remains financially sustainable over the long term and will continue to deliver value to Members; and

4.2.1.8.4 The Members are requested to approve the AFS for the 2024 Financial Year.

4.2.1.9 The Chairperson thanked Ms van Wyk for the presentation to the Members on the Scheme's financial position.

4.2.1.10 The Company Secretary and Legal Counsel confirmed that there are no questions from the Members on the AFS for the 2024 Financial Year.

4.2.2 Discussion of the external audit process

4.2.2.1 The Chairperson briefly commented on the external audit process:

4.2.2.1.1 As required by the GEMS Rules, and in line with governance best practices, GEMS' AFS are subject to an independent audit. This process was conducted by the Scheme's independent External Auditors, BDO, and overseen by the GEMS Audit Committee, ensuring both compliance and integrity.

4.2.2.1.2 The Chairperson expressed her sincere appreciation for the professionalism and the ongoing guidance provided by the Audit Committee.

4.2.2.1.3 The Chairperson is proud to share that GEMS has now received 18 consecutive unqualified audits since its inception. This commendable achievement reaffirms the Scheme's commitment to sound financial governance and prudence.

4.2.2.2 The Chairperson then called upon Ms Chan-ré Pietersen from BDO (the Scheme's External Auditors) to take the Members through the scope and responsibility, Trustee responsibility and four step audit process, as well as the reporting responsibility.

4.2.2.3 Ms Pietersen on behalf of BDO and its subcontractor, RAiN, is proud to issue GEMS with an unqualified audit opinion, especially as it was the External Auditors' first year of audit at GEMS. The GEMS audit is very complex and was well supported by the entire organisation and the administrative stakeholder group.

4.2.2.4 Ms Pietersen presented on the scope and auditor responsibility and highlighted the following:

4.2.2.4.1 The AFS were audited in terms of the International Financial Reporting Standards ("IFRS") and the International Standards on Auditing ("ISA"), where an unmodified opinion was then issued.

4.2.2.4.2 The Annual Statutory Returns comprised of three reports issued by BDO, namely:

4.2.2.4.2.1 A modified opinion on parts 4 to 6.1 and 6.3 to part 10 of the return in terms ISA's 800 Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks;

4.2.2.4.2.2 Limited assurance on part 6.2 of the return in terms of International Standard on Review Engagements ("ISRE") 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity; and

4.2.2.4.2.3 Limited assurance conclusion on compliance of the Scheme with specified sections of the Act in terms of ISAE 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information.

4.2.2.5 Ms Pietersen presented on the responsibilities of the Trustees, that included the following:

4.2.2.5.1 Preparation and fair presentation of the AFS;

4.2.2.5.2 Compliance with IFRS Accounting Standards;

4.2.2.5.3 Compliance with the Medical Schemes Act of South Africa and other applicable laws and regulations;

4.2.2.5.4 Preparation of the Annual Statutory Return;

4.2.2.5.5 The internal controls necessary for preparation of the AFS and the Annual Statutory Returns; and

4.2.2.5.6 Overall governance of the Scheme.

4.2.2.6 Ms Pietersen continued by taking the Members through BDO's four-stage audit process after BDO was successfully appointed as the Scheme's External Auditors:

4.2.2.6.1 As part of the client on-boarding process, BDO had

to deal with its internal risk management processes and the Scheme's predecessor External Auditors to perform the opening balance reviews, with no exceptions that were noted to the Scheme;

4.2.2.6.2 From a planning and execution point of view, covering both phases 2 and 3, a combined approach was applied to the GEMS audit that involved reliance on service organisations, namely: Medscheme and Metropolitan Health ("MH"). BDO relied on MH and Medscheme's ISAE 3402 Type 2 reports for General Information Technology Controls ("GITCS") and application controls to reduce the extent of testing performed from a substantive testing point of view.

4.2.2.6.3 In the completion phase of the audit, BDO mainly focused on the Financial Statements and the issuing of the unmodified audit opinion on 02 May 2025. The ISAE 3000 Report was issued on 13 June 2025. It was confirmed that there were no material misstatements or disclosure deficiencies for reporting to those charged with governance, namely: the Audit Committee and the Board of Trustees, and BDO was comfortable that all matters identified were housekeeping in nature.

4.2.2.7 In closure, Ms Pietersen thanked GEMS for their support in finalising the external audit process within the specified timeline. Ms Pietersen continued by confirming that BDO and RAiN remained independent as Auditors and eligible to be the External Auditors of GEMS, that there were no changes to legislation and reporting frameworks that impacted GEMS, and that BDO had no disagreement with Management. Also, it was confirmed that there were no reportable irregularities, nor were there any non-compliance matters due for reporting other than those included in the AFS. The External Auditors had received Management's written representation letter and through discussions with Management, no fraud or illegal acts were identified. The External Auditors, as part of the external audit process, reviewed all the necessary minutes of meetings of all the bodies comprising the Scheme's governance structures.

4.2.2.8 The Chairperson thanked Ms Pietersen for her presentation and the details provided to Members and invited the Members to note the key messages contained in these documents, in particular the Scheme's prudent financial stewardship and continued commitment to affordability and access. The Members would have noted the Scheme's reserve ratio (which remained above the statutory requirement), the growing membership, and the status of claims as highlighted in previous presentations. The Chairperson invited comments or clarifications on the highlights, and confirmed that as always, the Scheme is committed to transparency and welcome Members' engagement.

4.2.2.9 The Chairperson enquired from the Members if there were any clarity-seeking questions to the External Auditors.

4.2.2.10 Mr Alfred Maringa referred to the presentations made during the AGM that showed that the reserves were utilised to lower Member contributions and raised a concern that it is not the case, as contributions have increased significantly. Mr Maringa enquired from the External Auditors if the audit revealed any concern regarding the Scheme's financial sustainability in relation to the decline in reserves.

4.2.2.10.1 Ms Pietersen responded that there was no concern with regards to the Scheme's financial stability and that she is comfortable with the utilisation of the reserves. The going concern assumption applied to the AFS that is signed off by BDO, includes a thorough exercise with the Scheme. The Scheme compiled a three to five year forecast on how the solvency ratio and budgets could be met, including best utilisation of reserves.

4.2.2.10.2 Accordingly, in terms of the Scheme's financial stability, the External Auditors are comfortable with the assumption applied. Ms Pietersen advised that changes made within the business for what Members require, is not within the mandate of BDO to advise on.

4.2.2.11 Mr Bokoswane enquired if it was recommended in the audit report what the Scheme could do to increase the funding and to be more sustainable, especially in respect of the shortfalls that were presented to the Members.

4.2.2.11.1 Ms Pietersen responded that the External Auditors are only performing the audit function in terms of a particular scope and in compliance with the Medical Schemes Act, and that they are comfortable if the Scheme is above the 25% solvency ratio.

4.2.2.12 In the absence of any further questions, the Chairperson progressed and called on the Members at the meeting for the adoption of the Annual Financial Statements for the financial year ended 31 December 2024.

4.2.2.13 The Company Secretary and Legal Counsel advised the meeting that there were two Member abstentions.

4.2.2.14 The Chairperson requested the Internal Auditors to confirm the number of Members who would like to abstain from voting on this motion, to which Ms Ilse-Mari Bosch responded that there were two Members abstaining from this motion.

4.2.2.15 As requested by the Chairperson, the Annual Financial Statements for the 2024 Financial Year was adopted and seconded by Members of GEMS in good standing.

4.2.2.16 The Chairperson then requested the Internal Auditors to confirm the number of Members who agreed to the adoption of the AFS, to which Ms Ilse-Mari Bosch responded that 318 Members were in agreement for the AFS to be adopted, with one Member voting against the motion.

Resolution:

The Annual Financial Statements of the Government Employees Medical Scheme for the financial year ended 31 December 2024 were adopted by the Members of the Scheme, after a proposal and a secondment in favour of such adoption was received from Members in good standing with the Scheme, with one of the other Members at the meeting having objected to the same.

At this stage of the AGM, the Chairperson welcomed the Minister for Public Service and Administration, the honourable Mr Inkosi Mzamo Buthelezi to the AGM and informed the Members that the Minister was unable to attend from the commencement of the AGM due to another commitment at the office.

- The Minister apologised to the Members for joining late, and as an opening statement informed the AGM that on his first day at the DPSA, when meeting the entire DPSA staff, he requested them not to call him Minister, but Shenge, as it is his clan's name. The Minister then explained his request to staff in that, by calling him Shenge, they will remind him that he is a prince, and to him it meant that he was born into public service. Accordingly, the name Shenge revives the Minister's commitment to everything he does that has to do with the people he is serving

- Secondly, the staff members were also told that for them to understand the Minister and his vision, which is a collective vision, they must not listen to what he is saying, but to his heart. The Minister pleaded the same from the AGM attendees to listen to his heart, as his mouth or words might not be able to express exactly what he would like to say.

- The Minister, in his official capacity as a designated and lawful representative of the Employer, which is the Government of South Africa, and on behalf of its Public Servants who form the lifeblood and the soul membership base of the Scheme, greeted the Chairperson of the Board, the Principal Officer and the Executives of GEMS, a medical scheme that takes care of the healthcare funding needs of public service employees.

- The Minister stated clearly and unequivocally that GEMS was established in 2005 under a cabinet resolution and was formalised through the PSCBC. Its purpose is to provide government employees with access to affordable and quality healthcare where other medical schemes had failed them due to high cost and limited access. GEMS, by design, is not an open Scheme, but a closed Scheme, and is exclusive to the Public Servants of South Africa, and by extension, to their dependants. This foundational architecture and its mandate, as well as its strategic direction, falls directly under the oversight of the DPSA.

- He highlighted that the Minister for PSA is not an optional participant or a guest in these events, as the Minister is the institutional voice of every employee GEMS purports to serve. The initial decision to exclude the Minister from this AGM, relegating him to the status of just a voiceless observer, is not only procedurally flawed, but fundamentally disrespectful and institutionally alarming. The Minister indicated that he was told in no uncertain terms that he has a zero role to play at the AGM and would not be required to give any input at all as far as the AGM is concerned, yet the Scheme exists solely to serve the people that the Minister is entrusted to represent. He stated that Dr Mlecko was requested to be present at the AGM, but that the Minister was not allowed in this space, and that after a back-and-forth enquiry, it was confirmed this morning at around 10h15, that as confirmed by the Regulator, the Minister is welcome at the AGM, and even to address the AGM.

- The Minister further indicated that the Members are attending to reflect on decisions made, strategies executed, targets achieved and missed, all in the name of serving public servants, yet those same public servants through him were deliberately and systematically excluded from strategic engagement at this level. Thus, the Minister raised three questions: (1) Who's mandate was GEMS executing that he should be systematically excluded; (2) who's interest is GEMS safeguarding for meeting that has a direct bearing on the Minister; and (3) who gave the directive that the Minister must be cast aside?

- The Minister reiterated that it is not only about poor judgment, but it is disrespectful, unconstitutional and ethically unprofessional and totally unacceptable. According to the Minister, it was a deliberate move to exclude the rightful authority and accountability from the AGM, thus the Minister enquired who gave that instruction, and which of the policies, regulations or procedures substantiated that action.

- The Minister continued his address by speaking frankly about what the Scheme has become.

- The Minister stated that both the Chairperson and the Principal Officer are aware of the countless letters, complaints and enquiries that were brought before him and the Portfolio Committee. One of the Minister's responsibilities is to defend the Scheme. He indicated that he advocated for solutions and pushed back on calls to at least allow Members to join other medical schemes, as they felt GEMS is failing them. The Minister even met with the Unions that trusted him but was pushed back.

- The Minister noted that the concerns are never raised publicly, but shared with the Chairperson, and stated that it is unacceptable for him to be excluded from such a forum where solutions must be shaped.

- The Minister indicated that he felt rejected by GEMS and noted that the Scheme's reputation is damaged. He indicated that, outside of the AGM, he had never met anyone who speaks fondly or confidently about GEMS, thus, as discussed with the Chairperson of the Board, this must be addressed and actioned.

- The Minister was of the view that his attendance and participation sought to bring ideas together and to assist in ensuring that public servants, paying to belong to GEMS, at least enjoy being Members of the Scheme.

- The Minister stated that his only interest was to share strategic inputs at the AGM that will assist reframing the Scheme's strategy and trajectory, and to restore its reputation. However, he continued, that the decision to reject and reduce him to an observer, was respected, and that he chose to withhold his contributions. The Minister then instructed his advisor, Dr Mlecko, to remain and observe the AGM for the Minister to get an understanding of what happened during the two days thereof.
- The Minister, as a result of these comments and concerns, decided not to impose himself, but to honour the initial intention for him not to formally participate in the AGM. Therefore, the Minister excused himself for the Scheme to continue with the agenda of the AGM.

\4.3 The appointment of GEMS' External Auditors for the financial year ending 31 December 2025 in terms of GEMS Rules 27.1 and 27.4

4.3.1 The Chairperson indicated that upon the recommendation of the Audit Committee and the Board of Trustees, it was proposed that BDO be re-appointed as the Scheme's External Auditors for the 2025 Financial Year.

4.3.2 The Chairperson called upon the Chairperson of the GEMS Audit Committee, Ms Rene van Wyk, to provide an overview of the re-appointment of the Scheme's External Auditors for the year ending 31 December 2025.

4.3.3 Ms van Wyk requested the External Auditors to recuse themselves from this part of the AGM discussion whereafter, the External Auditors logged out from the virtual AGM as confirmed by the Company Secretary and Legal Counsel.

4.3.4 Ms van Wyk informed the Members that BDO South Africa Incorporated with RAiN Chartered Accountants were employed in terms of a competitive bidding process for five years, subject to their satisfactory performance. The Audit Committee assessed and is satisfied that their performance was indeed satisfactory. The Board of Trustees supports the re-appointment of the External Auditors for a further years; therefore, the Members are requested to grant the final approval for the re-appointment.

4.3.5 The Chairperson thanked Ms van Wyk for the confirmation to the Members on the appointment of the Scheme's External Auditors.

4.3.6 The Chairperson enquired from the Members if there were any questions on the re-appointment of the Scheme's External Auditors.

4.3.7 Mr Mokuswani raised a question on the implications if the AGM is not in favour of the decision to re-appoint the External Auditors.

4.3.7.1 The Principal Officer responded that if there is good rationale behind the rejection of the re-appointment, it has to be accepted by the Scheme. If rational, and in the intervening period when the Scheme would be without an External Auditor due to such a resolution, the CMS then chooses an External Auditor to serve until the matter is resolved. When the matter is resolved in terms of the current process, it will then be restored to normality.

4.3.8 Mr Alfred Maringa raised a concern as the agenda of the AGM was changed midway and enquired from the Board on what legal or procedural basis was the Minister's address permitted. Mr Maringa further enquired if the Minister's address was aligned with the objectives of the AGM. It was noted that according to the GEMS Rules, if there is going to be a change to the agenda, the Members are supposed to be given a notification of at least five (5) days before the changes can be effected. The Board was cautioned that this procedural irregularity could and would be reported to the CMS.

4.3.8.1 The Principal Officer responded that as the Minister's request to address the AGM was unprecedented, the Scheme had to wait for guidance from the Regulator; hence, the Minister was only informed by the Scheme at around 10h00 this morning that he may address the AGM. The Regulator indicated that as the Minister is a stakeholder, he could have an audience at the AGM. The Principal Officer further indicated that when faced with unprecedented matters, it could have a procedural impact on the AGM agenda.

4.3.9 Mr Lubisi suggested that the GEMS Rules be amended to provide for the Minister / Principals to be part of the AGM.

4.3.9.1 The Chairperson noted Mr Lubisi's input.

4.3.10 Ms Kgomotso Brits enquired about the Board's independence versus the political mandate and noted that the Minister was not supposed to be given the opportunity to address the AGM.

4.3.10.1 The Chairperson noted that the Board always maintain independence and act in the best interest of Members in applying their fiduciary duties. The Chairperson further responded that an email was sent to the CMS in which the Scheme sought their view on the proposed attendance of the Minister, as alluded to by the Principal Officer. The CMS responded that the Minister represents an Employer and may attend the AGM.

4.3.11 Mr Alfred Maringa noted that the AGM is about transparency and accountability, and that the Chairperson and the Board should assert where they have gone wrong without trying to justify the unjustifiable. Mr Maringa also commented that the Minister is represented in this AGM through the Board of Trustees as several of the Board members are appointed by the Minister. Mr Maringa was of the view that by allowing the Minister to make a presentation and to amend the agenda of the AGM, is a serious procedural concern. It was reiterated that the Members will communicate with the CMS about these irregularities.

4.3.12 In the absence of any further questions, the Chairperson then called on the Members at the meeting for the approval of the re-appointment of BDO South Africa Incorporated and their empowerment partner, RAiN Chartered Accountants, as the Scheme's External Auditors for the year ending 31 December 2025, in terms of GEMS Rule 27.1 and 27.4.

4.3.13 The Company Secretary and Legal Counsel advised the AGM that there are no Member abstentions.

4.3.14 The Chairperson requested the Internal Auditors to confirm the number of Members who would like to abstain from voting on this motion, to which Ms Ilse-Mari Bosch responded that no Members are abstaining from voting.

4.3.15 As requested by the Chairperson, the re-appointment of the External Auditors for the year ending 31 December 2025 was moved and seconded by Members of GEMS in good standing.

4.3.16 The Chairperson then requested the Internal Auditors to confirm the number of Members who agreed to the re-appointment of BDO South Africa Incorporated and their empowerment partner, RAiN Chartered Accountants, as the Scheme's External Auditors for the year ending 31 December 2025, to which Ms Ilse-Mari Bosch responded that 274 Members were in favour of accepting the re-appointment of the External Auditors and two Members voted against this motion.

Resolution:

The re-appointment of BDO South Africa Incorporated with their empowerment partner, RAiN Chartered Accountants, as the Scheme's External Auditors for the financial year ending 31 December 2025 in terms of GEMS Rule 27.1 and 27.4, was approved by the Members of the Scheme, after a proposal and a secondment in favour of such appointment was received from Members in good standing with the Scheme, with none of the Members at the meeting having abstained from voting and only two of the Members at the meeting having objected to such a re-appointment.

5. Matters for Noting

5.1. Disclosure of the GEMS Trustee Remuneration for the financial year ended 31 December 2024

5.1.1. The Chairperson invited Mr Siyabulela Tsengiwe (Deputy Chairperson of the GEMS Board of Trustees) to brief the Members on the Matters for Noting in respect of: (1) the disclosure of the GEMS Trustee Remuneration for the financial year ended 31 December 2024, and (2) the issues raised by Members at the 18th GEMS AGM.

5.1.2. The Chairperson reiterated that Member feedback is taken seriously, hence, the Scheme would like to report on the key issues raised during the 18th AGM, all of which were documented and tracked as it was resolved by the Scheme. Among these were calls for greater clarity on benefit access, more streamlined Member service channels, and improved communication on claims processing.

5.1.3. The Chairperson confirmed that the Scheme has attended to all these issues and made measurable progress, including improvements to the GEMS digital platform, and expanded support through the Walk-In Centre and Call Centres. The Chairperson thanked the Members for holding the Board accountable as the Members' engagements strengthen the Scheme.

5.1.4. Mr Tsengiwe presented an overview of the GEMS Trustee Remuneration Policy and the remuneration paid to the Board of Trustees in 2024, as well as the progress made against the 2024 AGM Action List, which contains concerns raised by the Members in previous AGMs, and the Scheme's response to those concerns.

5.1.5. Mr Tsengiwe reflected on the GEMS Board of Trustees' fiduciary responsibilities, and the Members heard that the Board:

5.1.5.1. Is obliged to take all reasonable steps to protect the interests of the Scheme's beneficiaries;

5.1.5.2. Acts with due care, diligence, skill and in good faith;

5.1.5.3. Avoids conflicts of interest; and

5.1.5.4. Acts with impartiality in respect of all of the Scheme's beneficiaries.

5.1.6. In respect of the Role of the Board, the Members noted that:

5.1.6.1. The Board of Trustees is responsible and accountable for the performance and affairs of the Scheme;

5.1.6.2. The Board is responsible for the stewardship and governance of the Scheme;

5.1.6.3. The Trustees are representatives of the Scheme's Members and are legally responsible for the Scheme's management and strategic direction on behalf of its Members; and

5.1.6.4. The Board addresses pertinent issues of the Scheme and ensures that discussions of strategy, policy, risk management, fraud management and operational performance are well informed, critical and constructive.

5.1.7. Mr Tsengiwe referred to the Trustee Remuneration Policy and advised the Members that:

5.1.7.1. The 12 Trustees, six elected by Members and six appointed by the Minister and Independent Committee Members ("ICM") are remunerated for preparing for, and attending Board- and Committee meetings. In respect of the remuneration, the Members noted that:

5.1.7.1.1. A fixed daily meeting fee and monthly stipend is paid;

5.1.7.1.2. It is determined through independent benchmarking surveys;

5.1.7.1.3. Is based on 18 hours of work per meeting; and

5.1.7.1.4. Trustees are not remunerated for attending workshops, conferences and training, as well as any other voluntary duties such as roadshows.

5.1.8. Mr Tsengiwe highlighted that the seven Committees of the Board are informed by:

5.1.8.1. Regulatory requirements (i.e. the Audit Committee);

5.1.8.2. Corporate governance benchmarks, as informed by the King IV Report (i.e. the Human Resources and Remuneration Committee and the Risk, Social and Ethics Committee); and

5.1.8.3. The GEMS Business Model and the requirement to add value (i.e. the Finance and Investment Committee, the Clinical Governance and Administration Committee, the Oversight Committee on Strategic Projects and Programmes and the Benefit Design Committee).

5.1.9. The meeting noted that each of the 12 Trustees serve in three of the Committees, and the Committees assist the Board in the specialised areas by providing an oversight function.

5.1.10. In respect of the Trustee remuneration for 2024, Mr Tsengiwe highlighted that:

5.1.10.1. The Trustees' fees amounted to R14 821 000-00, similar to the 2023 amount of R14 025 000-00;

5.1.10.2. Due to the fact that the Board treats the Trustee remuneration with all the sensitivity it deserves, a decision was taken by the Board that the Trustees will not be getting a cost of living adjustment increase for this financial year.

5.2. Addressing Member issues raised at the 18th GEMS Annual General Meeting

5.2.1. Mr Tsengiwe informed the meeting that the 18th GEMS AGM Action List comprised of issues raised by Members at the previous AGMs and the issues extracted from the Member discussion at the AGM held on 31 July 2024, as well as the Scheme's response to those concerns.

5.2.2. Mr Tsengiwe proceeded to provide Members with a high-level overview of the Sceme's progress in respect of the following items raised:

5.2.2.1. Item 1: During the 2024 GEMS AGM, Members called for an enhancement of the dental implants benefit, as the current benefit is deemed to be insufficient.

5.2.2.1.1. Progress to date: Due to affordability constraints, all product enhancements for the 2026 benefit year were placed on hold by the Scheme.

5.2.2.2. Item 2: During the 2024 GEMS AGM, Members called for 'Migraines' to be added to the Scheme's Additional Chronic Disease List.

5.2.2.2.1. Progress to date: Due to affordability constraints, all product enhancements for the 2026 benefit year were placed on hold by the Scheme.

5.2.2.3. Item 3: During the 2023 and 2024 GEMS AGMs, Members requested the Scheme to limit the number of Board meetings to the extent necessary, as they deemed

the 42 and 52 Board- and Committee meetings held during the 2022 and 2023 Financial Years to be excessive, a waste of Scheme/Member funds and not in the best interest of GEMS and its Members, given the Board's role to provide strategic direction, oversee the strategic plan and manage risk, and not to be involved in the day-to-day management of the Scheme.

5.2.2.3.1. Progress to date: Given the origins of GEMS, its size (annual revenue of R57.9 billion, 880 563 principal Members and 2.4 million lives covered as at 31 December 2024), and its operational model, the GEMS Board tends to have slightly more meetings than usual. In terms of GEMS origins, the Board must prepare for and have engagements with key stakeholders that include the DPSA, PSCBC and the Unions. The Scheme's operational model is such that the core services of the Scheme provided to Members and beneficiaries are outsourced, and whilst the Scheme is also in the process of insourcing some, it is complex. GEMS have nine (9) major SPNs providing the outsourced services together with their sub-contractors as per the B-BBEE requirements that the Board must give strategic direction on, monitor performance and meet.

5.2.2.4. Item 4: During the 2023 GEMS AGM, Members requested the Scheme to review the optical benefit to allow beneficiaries to keep their old frames, thereby saving their optical benefit, and allowing such saving to be redirected to, e.g. antiglare glasses.

5.2.2.4.1. Progress to date: This matter was considered during the 2023 and 2024 Product Development and Benefit Design processes, during which it was found that the available spectacle limits largely accommodate clinically necessary lenses and that the provision of such a benefit would cost the Scheme more than R100 million per year, which is excessive in the context of the current economic climate.

5.2.2.4.2. It is important to note that benefit shortfalls are monitored, considered and addressed by the Scheme through benefit enhancements on an ongoing basis.

5.2.2.5. Item 5: During the 2023 GEMS AGM, Members requested the Scheme to develop and distribute an article to members on "How to adequately use one's medical aid."

5.2.2.5.1. Progress to date: The Scheme conducts ongoing member education on how best to use one's medical aid via: GEMS News, G-Health Magazine, social media platforms and GEMS Day Events.

5.2.2.6. Item 6: During the 2024 GEMS AGM, Members indicated that the number of complaints raised on Hellopeter.com is growing and a cause for concern. Members

commented that these complaints are indicative of the weakening Call Centre and client-care services rendered by the Scheme. Members further advised that GEMS does not respond to complaints logged on the various social media platforms, including Hellopeter.com.

5.2.2.6.1. Progress to date: The Scheme is subscribed as a responding entity to Hellopeter and responds to complaints on this platform. The Scheme appointed two dedicated CLOs to manage and resolve queries and complaints posted on social media platforms like Facebook and Hellopeter.com.

5.2.2.7. Item 7: During the 2022 GEMS AGM, Members requested the Scheme's compliance with the 24–48-hour turnaround time for Member complaints/queries to be addressed, and to call members should such compliance not be possible, as stated in the automated response received by Members upon submitting complaints/queries to the Scheme.

5.2.2.7.1. Progress to date: Complaints received via one of the Scheme's complaint channels, e.g. Complaints@gems.gov.za are managed by means of the Scheme's complaints management system. Automated acknowledgement of receipts, indicating the applicable turnaround times ("TAT") in the complaints space, are sent to complainants on receipt. This complaints management system tracks the TATs to ensure responses to complaints within the set TATs. All complaints are managed within this complaints management system to ensure that proper record of all complaints is kept.

5.2.2.7.2. As far as Member queries are concerned, it was reported that:

5.2.2.7.2.1. During December 2022, the enquiries turnaround time was revised from 48 hours to 72 hours. However, the Scheme will implement a call-back service in the event of the 72-hour turnaround time not being met.

5.2.2.7.2.2. Some of the contracts between the Scheme and its SPNs were revised to include service levels for the timeous management and resolution of Member queries.

5.2.2.7.2.3. The Scheme will introduce an inter-SPN Standard Operating Procedure ("SOP") to ensure strict compliance with query resolution turnaround times.

5.2.2.7.2.4. The Scheme will implement an enhanced query tracking process that will improve service- and query management.

5.2.2.8. Item 8: During the 2022 GEMS AGM, Members requested

the Scheme to implement a system to properly track the receipt and resolution of Member complaints/ queries in order to ensure that all complaints/queries are finalised in good time.

5.2.2.8.1. Progress to date: The Scheme's response to this item is the same as per item 7 hereinabove.

5.2.2.9. Item 9: During the 2022 GEMS AGM, Members requested the Scheme to develop and implement mechanisms to fund original medication (instead of generic medication), as original medication tends to be more effective, although more expensive.

5.2.2.9.1. Progress to date: The Scheme responded that generic medication has the same bioavailability as the originator, and that the South African Health Product Regulatory Authority ("SAHPRA') would not register generic medication if the bioavailability was dissimilar.

5.2.2.9.2. Members do have the option of opting for the original preparations. These will be funded by the Scheme, subject to the GEMS Rules. It is important to note, however, that opting for original preparations, where there are less costly generic substitutions, will cause members to experience co-payments.

5.2.2.10. Item 10: During the 2022 GEMS AGM, Members requested the Scheme to consider deleting the beneficiary limit and to only retain the family limit applicable to some benefits, as this would empower principal Members to better manage their and their dependents' healthcare funding needs insofar as their benefits are concerned.

5.2.2.10.1. Progress to date: The Scheme considered this proposal during the 2023 Product Development and Benefit Design process. The Product Development Committee decided against it because of its prohibitively high cost, which would lead to unsustainably high contribution increases and negative impact on the affordability of Scheme membership, especially for large families.

5.2.2.11. Item 11: Members requested the Scheme to consider introducing a landline number that is linked to the 0861 Call Centre number, as this would benefit Members who make use of a Telkom landline, especially as Telkom excludes the 0861 numbers. Also, Members phoning from their cell phones incur tremendous costs when phoning the Call Centre on the 0861 number.

5.2.2.11.1. Progress to date: The Scheme now has the toll-free number as requested by Members.

5.2.3. The Chairperson thanked Mr Tsengiwe for the presentation on the Matters for Noting, and for the transparency and disclosure thereof to the AGM.

6. Question and Answer Session

6.1. The Chairperson informed the meeting that the Questions and Answers session will be facilitated by the Scheme. For ease of reference, the Chairperson requested the Company Secretary and Legal Counsel to rehash some of the Housekeeping Rules.

6.2. The Company Secretary and Legal Counsel advised that:

6.2.1. For any questions or comments, the 'raise hand' function should be used;

6.2.2. Once a Member has raised his/her hand, he/she should wait for his/her name to be called out;

6.2.3. Once a Member's name has been called out, he/she should wait for the prompt to unmute himself/herself, from where he/she will be able to voice his/her comment or question; and

6.2.4. No Member will be allowed to voice any question or comment, unless recognised by the Chairperson and they have been given the opportunity to unmute themselves.

6.3. Mr Babalwa Mcheke referred to the issue that a Member, after referral by a GP to a specialist, have to first see the GP again before being granted approval to consult with the same specialist that the Member is receiving ongoing treatment from. Thus, the question raised is why Members are required to consult with the same GP first before being referred to the same treating specialist, as Members funds are being depleted in this manner.

6.3.1. The Chief Operations Officer responded that the Tanzanite One and EVO benefit options are underpinned by care coordination and that a GP referral is needed before consulting a specialist. This is to make sure that only necessary specialist referrals consult the specialists, as some Members do tend to go directly to specialists for conditions that could be treated by a GP. The Members also derive savings of their benefits from this care coordination, because unnecessary consultations and expenditure are being saved. If a Member was referred by a GP for a specific condition to a specialist and the specialist is still continuing to treat the Member, and if the specialist has not referred the Member back to the GP, in that case there should not be a request for another referral. As long as the specialist is still looking after the Member for that specific referral, the Member should have the benefit of follow up consultations with the specialist without the need for further GP referrals.

6.3.2. However, once the specialist has completed his/her treatment for that specific condition or that referral, and should there be a need for a new referral, then a new GP referral to a specialist would be required.

6.4. Mr Babalwa Mcheke also raised a question on why albinism is not being accommodated by the Scheme, especially as it is a generic condition and should be catered for in terms of preventative measures for skin cancer. Due to the fact that spectacles are very expensive, Mr Mcheke indicated that the special needs for optical benefits such as tints are limited especially for this generic condition.

6.4.1. The Member was requested to send an email to agm@gems.gov.za for the Scheme to take care of this matter and to assist the Member accordingly.

6.5. Mr Mkhosana raised a concern, as he was recognised by the Chairperson to speak prior to the presentation conducted by the Deputy Chairperson, but was not given an opportunity despite his name being pronounced.

6.5.1. The Chairperson sincerely apologised, and it was accepted by Mr Mkhosana.

6.6. Mr Mkhosana was of the view that the Members' confidence in GEMS is at its lowest point and enquired about the Board's endeavours to save the Scheme and to rebuild confidence.

6.6.1. The Deputy Chairperson responded that the biggest concern having a negative impact on how Members feel about GEMS, pertained to the contribution increases for 2025. Thus, the Board has decided that Management must put a plan in place that will mitigate a situation where GEMS would have increases in years to come that are at this level. Management is in the process of implementing the plan to manage claims, and if successful, the Scheme is likely to experience increases that are not at the current level.

6.6.2. The Deputy Chairperson further responded that the biggest driver of contribution increases is the high level of Member claims, especially post COVID-19. All schemes, including GEMS, have experienced this trend which is having a significant impact on future contribution increases.

6.7. Mr Mkhosana further enquired about benefits that are forfeited if not utilised in a particular year, and if this could be managed somehow. He gave an example that a certain benefit amount is given for a particular year, and if not utilised in that specific year, the benefit amount is not carried over to the next year, but forfeited.

6.7.1. The Principal Officer responded that this specific question and concern is raised at the AGM every year. He informed the Members that firstly, when contributing to a medical aid, in this instance GEMS, such contributions is not deposited into a savings account, except in the case of Members on the Ruby Option. The Principal Officer gave the example that if a Member on the Ruby Option were to save R2 000-00 a month for 12 months and the accumulated R24 000-00 is not used in that year, then the R24 000-00 would be carried over to the next year and could be used by the Member in that year. Thus, for as long as the saving is not used, the money is available as a savings portion to use for healthcare. The Principal Officer reiterated that should such a Member resign from GEMS and not join another medical scheme, the saved portion would be paid out to the Member. However, should such a Member resign from GEMS to join another medical scheme that offers a savings option, and the Member decides to join that option, the savings portion would not be paid out to the Member, but transferred into the savings portion of the selected option on the other medical scheme.

6.7.2. The Principal Officer further confirmed by way of an example that a Member on a medical scheme effectively buys a fixed benefit of say R2 000-00 for spectacles for a particular benefit year, and if that benefit is not used within the two-year cycle for optical benefits, the R2 000-00 would not be carried over to the next optical cycle for the Member to then have the R2 000-00 plus another R2 000-00 for that cycle, but the Member would forfeit the unused R2 000-00 in respect of the initial benefit year.

6.7.3. The Principal Officer reaffirmed that benefits are not carried over from one year to the next and that each year has its own benefits allocated to it, subject to any adjustments.

6.8. Ms Sebabatso Molefe indicated that she has not seen any public statements being issued around the findings of the Section 59 Investigation Panel which concluded that GEMS and other medical schemes have engaged in unfair racial discrimination when investigating healthcare providers for fraud and abuse. A question was raised to the Board that, given these very damning findings, what steps will be taken to correct this institutional bias and to restore trust. Ms Molefe also mentioned that only the Deputy Chairperson had spoken about trust and that it is quite unfortunate that the other Trustees have not said anything and left it to the Deputy Chairperson, especially as the Trustees were elected for a reason to inform the Members how Members could regain their trust in GEMS.

6.8.1. The Chairperson responded that the findings in respect of the Section 59 Report were shared by the Principal Officer in his presentation. Ms Molefe might have missed the details provided because the panel in its final findings determined that GEMS has not engaged in any discriminatory behaviour. The Chairperson further referred to the recommendations in the Section 59 Report and confirmed that the Scheme has already started working on those recommendations.

6.8.2. The Chairperson reiterated that no finding of racial discrimination was recorded in the final Section 59 Report.

6.8.3. The Principal Officer commented on the concern raised by Ms Molefe and explained that in a forum such as the AGM the intention is to conduct the proceedings as efficiently as possible; hence, it was left to the Deputy Chairperson to address the Members, as not all the Trustees could do so. Accordingly, it is not a matter of the Trustees avoiding engaging with the Members.

6.8.4. The Principal Officer, in response to the comments raised by Ms Molefe around the outcome of the Section 59 Report, for ease of reference, read out an extract from the findings as stated in the final Section 59 Report:
"The Panel wishes to emphasise that any finding relating to race discrimination and a recommendation based on this finding is not a finding that the Scheme and Administrators are racist. In the public domain it appears that the concept of engaging in discrimination and being a racist are too easily conflated. The former, which may mean their fraud waste and abuse system produces disparate outcomes based on race, demonstrate that there are probably errors in the fraud waste and abuse systems which must be corrected. There are in all likelihood numerous systems in the world which would produce similar differential outcomes and the purpose of the Constitution and those tasked with implementing it is to constantly strive to undo these unfair systems. It is rightly a work in progress which requires constant monitoring and vigilance."

6.8.5. The Principal Officer further reaffirmed the Chairperson's response that the Scheme has already started working on addressing the recommendations contained in the Section 59 Report.

6.9. Mr Alfred Maringa expressed his appreciation for the Scheme's reduction in the number of Board meetings over the past year. He, however, highlighted that despite the Scheme's comparison of its Trustee fees to those of Bonitas, there is still room for improvement.

6.9.1. Dr Rabada responded that medical schemes remunerate their board members differently. With specific reference to Discovery, it was noted that their trustees receive a base payment, thus a certain value, compared to GEMS that focuses more on Board and Committee attendance. Medical schemes differ in complexity and on what should be addressed by their board of trustees.

6.9.2. Dr Rabada further responded that an independent provider was appointed to conduct and independent review of the Board's remuneration practices, i.e. whether the number of Board meetings was structured properly and if the remuneration was excessive or in line with good practice. He confirmed that the independent provider has the latitude to approach other medical schemes for information, which will inform the independent provider's recommendation to the Scheme, for the matter to be taken further (if necessary). He highlighted that from a Board perspective, such

independence is of utmost importance.

6.10. Mr Maringa commented that he had several grievances prepared regarding the Section 59 Investigation Panel and indicated to the Chairperson and the Board that they are denying the accuracy or the accusations levelled against GEMS in that document.

6.10.1. The Principal Officer noted the comment made by Mr Maringa that he had several grievances prepared regarding the Section 59 Report and raised a grievance against Mr Maringa for campaigning in the AGM, as he was candidate number 38 in the Trustee elections.

6.10.2. In order for the Scheme to have insight into Mr Maringa's view, he was requested to email the same to agm@gems.gov.za.

6.11. Mr Maringa referred to the financial report and raised issues in respect of the following:

6.11.1. In the section about regulatory non-compliance, it was mentioned that some Employer Departments make late payments and in what the Scheme had called 'corrective actions', both the point of late paying Employer groups and corrective actions are almost similar to what was written in the last two years. Thus, in 2023, 2024 and 2025 nothing different was said on this matter.

6.11.1.1. The Chief Financial Officer responded that in terms of the GEMS Rules, Employer groups are supposed to pay contributions by no later than the 3rd of a month. Some Employer groups sometimes pay late, which may be due to the weekend at the time when payment is made. Accordingly, there is some reasoning behind it. She confirmed, however, that all Employer Departments' monies are collected within a reasonable time, and that it had no impact on the Scheme's sustainability.

6.11.2. Certain of the benefit options are operating at a loss, and as per the point raised above, since 2023 the report contained the same clause and basically said nothing in respect of the corrective action taken by the Scheme.

6.11.2.1. The Chief Financial Officer responded that there are several elements that could potentially cause benefit options to operate at a loss. As mentioned by the Principal Officer and Ms van Wyk in their presentations, there has been a significant utilisation increase in respect of in-hospital benefits, particularly in 2024. Claims exceeding contributions impacts the bottom line as a negative and therefore some of these benefit options operate at a loss. It also depends on Members' benefit option selection, as at the end of every year, Members may elect to partake in another benefit option in the ensuing year. Thus, the combination of the risk profiles of Members on a particular benefit option can also play a role in the financial sustainability of that benefit option. As presented and reported, the very low contribution increases implemented during COVID-19 required the Scheme to budget for a deficit on some of its benefit options. However, the Scheme has a plan in place to move the affected benefit options back into a surplus position over the next three to four years.

6.11.3. Regarding the point on investment in associated companies, it was understood that GEMS sought exemption from the CMS until 22 December 2025, and given that there is a risk when investing in associated companies, an enquiry was made on the Board's plan of action to address this upon the expiry of the exemption.

6.11.3.1. The Chief Financial Officer responded that as per the Medical Schemes Act, the Scheme is not allowed to invest in its administrators directly. However, in some asset portfolios managed by investment managers, there are pooled assets, comprising small components of various asset classes from different entities, some of which may be one of the Scheme's administrators. So, the CMS does allow an exemption for those type of investments in those pooled or umbrella funds that the Scheme can invest in. However, the exemption is not in relation to invest directly in administrators.

6.12. With regards to the GEMS mobile app and website, and the expectation from Members on some of the benefit options to nominate a service provider of their choice, Mr Maringa noted that it is an almost impossible task to find a service provider on both the mobile app and website, as Members have to work through a long PDF document to locate a service provider in their vicinity. He added that it is frustrating to work through the spreadsheet and requested the Scheme to optimise both the mobile app and website.

6.12.1. The Scheme noted Mr Maringa's request for the enhancement of the GEMS mobile app and website.

6.12.2. The Chief Operations Officer informed the Members that the Scheme has embarked on a project through which Members will be geolocated via the GEMS app in order for them to be provided with the details of the GPs in their immediate area.

6.13. Mr Maringa commented that when participating in a virtual meeting, Members should have the same opportunities as when they participate in a physical meeting. In a physical meeting, Members may raise a point of order; hence, this should be permitted in a virtual meeting too. Mr Maringa noted that the Company Secretary & Legal Counsel, Mr Theys, had missed hands raised by Members on several occasions.

6.14. Further to the issue of virtual attendance, Mr Maringa suggested that at the time of voting, Members wishing to vote against a motion should be given the opportunity to advance their reasons for same. Furthermore, Mr Maringa referred to his complaint at the previous AGM that, when Members were requested to vote for the approval of the minutes, those minutes were not attached to the AGM notice. He informed the meeting that at the time, the Company Secretary & Legal Counsel, Mr Theys, responded that the minutes were in fact attached. Mr Maringa reiterated that the minutes were not attached and that he has not received same.

6.15. Mr Xoliswa Glakana raised a concern regarding the issue of the primary doctor and secondary doctor, especially as some Members travel from one province to another during the year and when in a certain province, Members are unable to consult a doctor in that specific province, as it is not their primary doctor. He suggested that the Scheme should explore the possibility of having an app that would enable Members to select an alternative doctor when travelling outside their usual province. He noted, however, that the Scheme permits Members to change the primary doctor every six months, should they so wish.

6.15.1. The Chief Operations Officer, Dr Gqola, referred the Members to the GEMS Rules published on the GEMS website, specifically Annexure C thereof, which provides that visits to family practitioners other than nominated family practitioners are limited to three visits per beneficiary per annum. If Members needed more than the allocated three visits per annum, preauthorisation should be obtained from the GEMS Call Centre.

6.16. Mr Glakana raised a concern that GEMS employees are not visible within some of the workplaces, especially as some of the Members needed assistance as they do not understand their medical aid.

6.16.1. The acting Chief Marketing Officer, Ms Lubbe, informed the Members that the Client Liaison Officers ("CLOs") visit Members at their workplace and are able to educate Members on the GEMS Rules. Members were encouraged to contact the Scheme if the CLOs have not visited their Department so that a visit can be arranged. The CLOs are in all nine provinces and their contact details are listed on the GEMS website.

6.17. Mr Rodney Vena referred to the live transcripts and requested the Scheme to take people living with disabilities into consideration and to ensure that there are no spelling mistakes. Mr Vena requested the Scheme to review the PMB granting limit, especially for Members with a disability, due to the challenges being faced.

6.17.1. The Chief Operations Officer, Dr Gqola, advised the AGM that the live transcripts are generated automatically via Zoom. In some instances, this system detects incorrect words, which are then transcribed incorrectly.

6.17.2. The Chief Operations Officer responded to the PMB related matter and informed the Members of ambulatory PMBs for e.g. mental and grants for people living with disabilities. She, however, noted the need for the Scheme to enhance its communication to educate Members on their available benefits.

6.18. Ms Sebabatso Molefe acknowledged the response in respect of the Section 59 Report and found it strange that all the medical schemes implied in that document indicated that it was factually incorrect. Although the Scheme is denying the racism allegations, nothing was said about the procedural unfairness that was raised as a finding.

6.19. Ms Molefe suggested that it would assist if attendees could see the actual number of people attending the virtual meeting, as it was not shared on the platform. She was concerned about the accuracy of the number of votes and suggested that the Scheme should improve the virtual platform. Ms Molefe then used the AGM virtual platform to campaign for the current Trustee Elections and requested Members to vote for her as candidate number 59.

6.19.1. The Chairperson raised a concern as Ms Molefe was using the AGM to canvass for votes in the current Trustee Elections.

6.19.2. The Principal Officer encouraged Ms Molefe, based on her follow-up on the Section 59 Report, to make use of the agm@gems.gov.za email address to share any further comments with the Scheme.

6.20. The Principal Officer thanked the Members for their participation, the Trustees for shepherding the Scheme and the GEMS Officials for their commitment.

7. Summary of Decisions

7.1. The Chairperson thanked the Members for their active participation in the AGM and for supporting the Scheme.

7.2. The Chairperson provided a summary of the resolutions taken at the AGM and confirmed that the minutes of the 19th GEMS AGM would reflect that:

7.2.1. The minutes of the 18th GEMS Annual General Meeting held virtually via Zoom on 31 July 2024 at The Capital Hotel, Pretoria, Gauteng Province, were adopted by the Members of the Scheme as being a true reflection of the proceedings of that meeting;

7.2.2. The Annual Financial Statements of the Government Employees Medical Scheme for the financial year ended 31 December 2024 were adopted by the Members of the Scheme; and

7.2.3. BDO South Africa Incorporated with RAiN Chartered Accountants (as their subcontractor) were re-appointed as the External Auditors of the Scheme for the financial year ending 31 December 2025.

8. Closure

8.1. After all matters on the 2025 GEMS AGM agenda were duly disposed of, the Chairperson delivered a closing statement:

"In line with our governance obligations and commitment to democratic participation, GEMS launched its 2025 Trustee Elections campaign to fill three positions that will become vacant later in the year, with member-elected Trustees on the Board. The process began with a nomination window that ran from 09 May to 09 June 2025, with the invitation of principal Members in good standing to submit their candidacy or be nominated, supported by 50 Members in good standing.

Voting commenced on 07 July 2025 and will run until 06 September 2025. Members can therefore still vote through multiple channels, including online via web, by post, at GEMS Walk-in Centres, or via USSD. The election is independently managed by the Elexions Agency and External Auditors to ensure complete transparency and integrity in line with the GEMS Rules.

We are encouraged by the high levels of Member engagement to date and by the strong calibre of nominees. These elections are not merely a formality. They are foundational to how we ensure representation, accountability, and GEMS' future readiness in a rapidly changing healthcare environment.

As a Member-centric scheme, these elections underscore the participatory spirit at the heart of our work.

I would like to thank all our Members, Board Members, and Scheme leadership for your participation today. We remain committed to transparency, accountability, and most importantly, to the well-being of our Members, the Public Servants of this country.

Let us continue the work on this Scheme with focus, integrity, and shared purpose.
This concludes the formal proceedings of the 19th Annual General Meeting of the Government Employees Medical Scheme.

Until the next AGM, we wish you well and all the best to those who are participating in the elections.

Thank you"

_____
Date of approval by the Members of the Scheme

_____
Chairperson

Date: _____