

NOTICE IS HEREBY GIVEN THAT THE RESCHEDULED ANNUAL GENERAL MEETING OF THE MEMBERS OF TRANSMED MEDICAL FUND WILL BE HELD ON WEDNESDAY, 26 AUGUST 2026 AT 14:00 AT THE LAGOON BEACH HOTEL & SPA, 1 LAGOON GATE DRIVE, LAGOON BEACH, MILNERTON, CAPE TOWN.

THE MATTERS WHICH WILL BE CONSIDERED ARE SET OUT IN THE AGENDA BELOW.

AGENDA

1. Opening formalities
2. Confirmation of the minutes of the Annual General Meeting held on Wednesday, 6 August 2025
3. Matters arising from the minutes
4. Annual Financial Highlights 2025
5. Appointment of the Auditors
6. Annual Trustee fee increase
7. Discussion of motions received from members
8. Trustee appointments

NOTICE

A quorum was not reached for the Annual General Meeting of the members of Transmed Medical Fund, which was originally scheduled for 24 June 2026. In terms of the Rules of the Fund, the meeting has to be rescheduled and the members present at this meeting will constitute a quorum.

IMPORTANT

As indicated, the rescheduled meeting will be held on 26 August 2026 and will start promptly at 14:00.

Registration of members of the Fund attending the meeting will commence 45 minutes prior to the meeting.

Members will be required to identify themselves by presenting their **membership cards** to the registration personnel.

MINUTES OF THE ANNUAL GENERAL MEETING OF THE TRANSMED MEDICAL FUND HELD ON WEDNESDAY, 6 AUGUST 2025 AT 13:00 AT THE AFRICAN PRIDE, IRENE COUNTRY LODGE, NELLMAPIUS DRIVE, IRENE, GAUTENG

PRESENT

- Mr B Jonker (Chairperson)
- Mr PL Wassermann (Principal Officer)
- Mr E Weyers (Secretary)

1. OPENING FORMALITIES

The Principal Officer informed the attendees present that, in accordance with the Fund rules, no quorum was required for this Annual General Meeting (AGM), as the previous AGM held on 25 June 2025 had been postponed because a quorum had not been registered for the meeting. In terms of the rules of the Fund, another AGM was convened, as approved by the Board of Trustees, and the members present would form the quorum.

The Fund therefore fulfilled the formalities of ensuring that the AGM was properly constituted.

2. CONFIRMATION OF THE MINUTES OF THE AGM HELD ON WEDNESDAY, 31 JULY 2024

The minutes of the previous meeting were approved with no amendments. A motion for the approval was supported by Mr JJ Groenewald and seconded by Ms S Booysen.

3. MATTERS ARISING

The Principal Officer addressed the following matters arising from the previous minutes:

3.1 NATIONAL HEALTH INSURANCE (NHI) BILL

The Principal Officer advised that no material developments had occurred since the previous AGM. No further progress had been made regarding the NHI Bill beyond matters already reported in the media.

3.2 CHANGES IN POLICY/IFRS 17 IMPLEMENTATION

Members were reminded that the 2023 financial year was the first year in which the Fund implemented IFRS 17 reporting requirements applicable to insurance entities, necessitating the restatement of comparative figures back to 2022.

The Principal Officer confirmed that the implementation process had been concluded and that the 2024 financial statements were prepared fully in accordance with IFRS 17.

He further noted that the additional audit costs incurred during the first year of implementation were once-off in nature and had not recurred in 2024. As a result, audit costs for the 2024 financial year were lower.

No further matters arising were raised by members present.

4. ANNUAL FINANCIAL HIGHLIGHTS 2024

The Principal Officer presented the key financial highlights that were distributed to all members of the Fund.

4.1 SOLVENCY RATIO

The solvency ratio increased from 23.79% in 2023 to 26.65% in 2024.

The Fund generated a surplus during the 2024 financial year and successfully achieved the 25% reserve ratio required by the Council for Medical Schemes, in accordance with the approved business plan.

The Principal Officer thanked the Board of Trustees for the difficult decisions taken to achieve these objectives.

MINUTES OF THE ANNUAL GENERAL MEETING OF THE TRANSMED MEDICAL FUND HELD ON WEDNESDAY, 6 AUGUST 2025 AT 13:00 AT THE AFRICAN PRIDE, IRENE COUNTRY LODGE, NELLMAPIUS DRIVE, IRENE, GAUTENG (CONTINUED)

4. ANNUAL FINANCIAL HIGHLIGHTS 2024 (CONTINUED)

4.2 GOING CONCERN STATUS

The Principal Officer confirmed that the Fund was considered a going concern, supported by the following:

- available cash reserves and investments;
- funding support by Transnet SOC Ltd for the SATS risk pool;
- an approved business plan developed by the Trustees;
- achievement of the required reserve ratio; and
- positive actuarial projections indicating continued sustainability.

Risk assessments indicated that the Fund would remain solvent through to December 2025, with reserves remaining above the 25% threshold. The Auditors accepted the going-concern assessment.

4.3 NON-COMPLIANCE MATTERS

The following regulatory non-compliance matters and corrective actions were disclosed:

a) Self-supporting benefit options

Legislation requires all benefit options to be self-supporting. The Prime Plan was operating at a loss and was therefore non-compliant.

The Fund engaged with the Council for Medical Schemes and agreed to assess the possible closure of the Prime Plan. Despite significant contribution increases, the plan remained unsustainable due to its small membership base (112 members), all of whom were pensioners with high annual hospital utilisation.

The plan would be reviewed as part of the next annual benefit review and, if appropriate, submitted for closure approval.

b) Payment of claims within 30 days

Legislation requires valid claims to be paid within 30 days of receipt.

The Principal Officer noted that delayed claims represent only a small portion of total claims processed and are generally due to incomplete submissions or other valid administrative reasons. Where payment cannot be made, claims are rejected with feedback to providers, allowing further processing once corrected.

Controls remained in place to minimise recurrence.

c) Outstanding contributions

Contributions are collected via employers and pension fund deductions. While legislation requires receipt within three days after becoming due, delays occasionally occur, with some payments only being received around the seventh day of the month.

The Fund maintains ongoing engagement with Transnet regarding this matter and annually applies for, and receives, an exemption from the Council for Medical Schemes in respect of the three-day rule.

4.4 STATEMENT OF FINANCIAL POSITION

Total assets increased from R161 million in 2023 to R163 million in 2024, reflecting the surplus achieved during the year.

4.5 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The Fund achieved the required reserve level in December 2024. Net surplus for 2024 amounted to R5 million, compared to R31 million in the prior year. The Principal Officer invited questions from members. No questions were raised.

MINUTES OF THE ANNUAL GENERAL MEETING OF THE TRANSMED MEDICAL FUND HELD ON WEDNESDAY, 6 AUGUST 2025 AT 13:00 AT THE AFRICAN PRIDE, IRENE COUNTRY LODGE, NELLMAPIUS DRIVE, IRENE, GAUTENG (CONTINUED)

5. APPOINTMENT OF AUDITORS

The Auditors (Messrs Deloitte & Touché) were appointed as Auditors for the 2025 financial year by the Board of Trustees.

The Principal Officer noted that this represented the seventh consecutive year of appointment. Audit partner rotation requirements would continue to be observed in accordance with regulatory standards.

6. ANNUAL TRUSTEE FEE INCREASE

A proposed Trustee fee increase of 4% was tabled.

A member proposed an amendment to increase the adjustment to 5%; however, no seconder was recorded. Accordingly, the original proposal of 4% was put to vote. Following the voting process, members present approved the 4% Trustee fee increase.

7. DISCUSSION OF MOTIONS RECEIVED

The Principal Officer advised that no motions had been received from members for consideration at the meeting.

8. TRUSTEE APPOINTMENTS

The Principal Officer referred members to paragraph 2 in the Annual Financial Statements, which listed the current Employer-nominated, Labour-nominated and Member-elected Trustees.

He confirmed that there had been no changes to the Board of Trustees between 2023 and 2024.

The current Trustees' terms of office end in April 2026. The Fund planned to shortly commence the election process for the appointment of Trustees effective 1 May 2026. The process had been approved by the Board and communicated to the Council for Medical Schemes.

9. GENERAL

The Chairperson opened the floor for general discussion. The Principal Officer responded to all matters raised to the satisfaction of members present.

10. CLOSURE

There being no further business for discussion, the Chairperson thanked the members for their attendance and declared the meeting closed.

CHAIRPERSON

DATE

TRANSMED MEDICAL FUND
(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2025
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2025

The financial highlights document is a summary of the audited Financial Statements and, as such, is presented in less detail than the audited Financial Statements. For a better understanding of Transmed Medical Fund's financial position and the results of its operations, the financial highlights information should be read in conjunction with the Fund's audited Financial Statements of the corresponding year, which include all disclosures required by the relevant financial reporting framework. A complete set of the Financial Statements is available on written request from the Fund at its registered postal address.

The Board of Trustees hereby presents its annual report for the year ended 31 December 2025.

1. DESCRIPTION OF THE MEDICAL FUND

1.1 TERMS OF REGISTRATION

The Fund is a not-for-profit, restricted medical fund registered in terms of the Medical Schemes Act, 131 of 1998 (the Act), as amended.

1.2 BENEFIT PLANS WITHIN TRANSMED MEDICAL FUND

The Fund offers the following benefit plans to employees and pensioners of Transnet SOC Ltd and its subsidiaries:

- Guardian;
- Link;
- Select; and
- Prime.

The Prime plan was closed effective 31 December 2025.

2. MANAGEMENT

2.1 BOARD OF TRUSTEES IN OFFICE DURING THE YEAR UNDER REVIEW AND AT THE DATE OF THIS REPORT:

Employer and Labour-nominated Trustees

Mr HF Fourie	
Mr F Mackenzie	Vice-Chairperson
Ms JM Phokane	
Mr V Ramlugaan	
Mr L Siwani	Removed by labour union 24 November 2025
Ms C Sophete	

Member-elected Trustees

Mr C Beard	
Ms S Booysen	
Mr JJ Groenewald	
Mr B Jonker	Chairperson
Mr F Mabaso	
Mr LJ Ngaka	

2.2 PRINCIPAL OFFICER

Mr PL Wassermann

1 st Floor Eagle Canyon Office Park	PO Box 32043
C/o Dolfyn and Christiaan de Wet Streets	Braamfontein
Randpark Ridge	2017
Randburg	
2169	

TRANSMED MEDICAL FUND
(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2025
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2025 (continued)

2. MANAGEMENT (CONTINUED)

2.3 REGISTERED OFFICE ADDRESS AND POSTAL ADDRESS

1 st Floor Eagle Canyon Office Park C/o Dolfyn and Christiaan de Wet Streets Randpark Ridge Randburg 2169	PO Box 32043 Braamfontein 2017
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2.4 FUND ADMINISTRATOR

Momentum Health (Pty) Ltd

Parc du Cap Mispel Road Bellville 7530	Parc du Cap Mispel Road Bellville 7530
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Council for Medical Schemes accreditation number: 13

2.5 MANAGED CARE PROVIDERS

Momentum Health (Pty) Ltd

Parc du Cap Mispel Road Bellville 7530	Parc du Cap Mispel Road Bellville 7530
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Council for Medical Schemes accreditation number: 59

Universal Healthcare (Pty) Ltd

Universal House 15 Tambach Road Sunninghill Park Sandton 2128	PO Box 1411 Rivonia 2128
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Council for Medical Schemes accreditation number: MCO 17

2.6 INVESTMENT MANAGER

Ninety One SA (Pty) Ltd

36 Hans Strijdom Avenue
Foreshore
Cape Town
8001

Financial services provider number: 587

2.7 ACTUARIES

NMG Consultants and Actuaries (Pty) Ltd

Belvedere Office Park Block B Pasita Street Tyger Valley 7536	PO Box 3950 Tyger Valley 7536
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TRANSMED MEDICAL FUND
(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2025
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2025 (continued)

2. MANAGEMENT (CONTINUED)

2.8 AUDITOR

Deloitte & Touche

5 Magwa Crescent
Waterfall City
Midrand
2066

Private Bag X6
Gallo Manor
2052

3. INVESTMENT STRATEGY OF THE FUND

The Fund's investment objectives are to maximise the return on its investments on a long-term basis at minimal risk. The investment strategy takes into consideration both constraints imposed by legislation and those imposed by the Board of Trustees.

The Board of Trustees ensures that:

- the Fund remains solvent;
- investments are placed at minimum risk and at the best possible rate of return;
- investments made are in compliance with the Regulations of the Act; and
- a risk assessment is performed with feedback to the Board of Trustees with recommendations on the risks identified.

During 2025 the Fund invested in money-market instruments, which included bonds and cash instruments. This was done mainly to ensure that the Fund had sufficient liquidity available.

The Fund's policy is reviewed annually, taking into consideration compliance with the Act and the risk and returns of the various investment instruments and the surplus of funds available.

4. REVIEW OF THE FINANCIAL YEAR'S ACTIVITIES

4.1 RESULTS OF OPERATIONS

Working member and pensioner (WMP) risk pool

The Trustees have implemented the actions stipulated in the business plan in order to increase the reserve ratio of the WMP risk pool to reach the required 25%.

The WMP risk pool consists of three plans: Link plan, Select plan and Prime plan. Only the Select plan exceeded budget expectations at year end.

The risk profile of the risk pool deteriorated further during the year, partially as a result of the implementation of a revised subsidy structure by the employer, which has an ongoing impact on the risk pool. The revised subsidy structure allows members to belong to other open medical schemes, as approved by the employer. The strategic plan of the Fund is to attract new members to the risk pool in order to improve the risk profile.

The reserve ratio for WMP increased from 22.92% at 31 December 2024 to 30.05% at 31 December 2025.

The Trustees believe that the risk pool will remain solvent and will build reserves during the 2026 benefit year.

South African Transport Services (SATS) pensioner risk pool

Transnet SOC Ltd will continue to fund this risk pool.

TRANSMED MEDICAL FUND
(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2025
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2025 (continued)

4. REVIEW OF THE FINANCIAL YEAR'S ACTIVITIES (CONTINUED)

4.1 RESULTS OF OPERATIONS (CONTINUED)

The SATS risk pool's reserve ratio decreased from 35.50% at 31 December 2024 to 24.94% at 31 December 2025. This decrease is mainly due to Transnet having committed to funding the approved level of benefits for SATS pensioners, ensuring that the reserves of the SATS risk pool are maintained at 25% of contributions on a monthly basis.

Transnet SOC Ltd remains committed to funding the SATS risk pool to the reserve level required by the Act.

The Fund

The results of the Fund are set out in the Annual Financial Statements. The reserve ratio increased from 26.65% at the end of December 2024 to 28.74% at the end of December 2025. The Fund has regular interactions with the Council for Medical Schemes (CMS) and constantly keeps the CMS informed of developments at the Fund.

4.2 SOLVENCY RATIO

	2025	2024
	R	R
Liability to members for future benefits	126 967 293	132 122 471
Less:		
Unrealised gains on financial assets at fair value through profit or loss	(190 356)	(89 654)
Accumulated funds per regulation 29	<u>126 776 937</u>	<u>132 032 817</u>
Annual insurance revenue	441 108 600	495 373 351
Accumulated funds ratio	<u>28.74%</u>	<u>26.65%</u>

4.3 GOING CONCERN

The Board of Trustees considers the Fund to be a going concern. The Board took the following into consideration in the evaluation of the Fund's going-concern status:

- Available cash and investments at the end of the year amounted to R150 968 928.
- Transnet SOC Ltd will be providing funding to ensure that the SATS risk pool maintains a reserve level of 25%.
- A business plan has been developed by the Trustees with the assistance of the Fund's actuary in order to get the Fund to a reserve level of 25%.
- It is expected that the Fund's reserve ratio will increase from 28.74% at 31 December 2025 to 30.70% at 31 December 2026.
- An actuarial model was developed to assist the Trustees to consider the going-concern status of the Fund. Even with the most negative assumptions on membership movements and membership risk profiles, the model indicated that the Fund will be a going concern.

ANNUAL FINANCIAL HIGHLIGHTS 2025
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2025 (continued)

4. REVIEW OF THE FINANCIAL YEAR'S ACTIVITIES (CONTINUED)

4.4 OPERATIONAL STATISTICS

	2025				
	Link	Select	Prime	Guardian	Total
Number of members at the end of the accounting period	1 201	6 063	94	2 894	10 252
Average number of members for the accounting period	1 258	6 464	114	3 113	10 949
Number of beneficiaries at the end of the accounting period	2 005	9 218	107	3 295	14 625
Average number of beneficiaries for the accounting period	2 118	9 870	130	3 550	15 668
Beneficiaries per member at 31 December	1.7	1.5	1.1	1.1	1.4
Average age of beneficiaries for the accounting period	50	53	77	81	59
Pensioner ratio (beneficiaries > 65 years)	35.2%	41.9%	87.9%	95.1%	53.3%
Average insurance revenue per member per month	R2 253.09	R3 558.21	R12 995.26	R3 031.87	R3 357.27
Average insurance revenue per beneficiary per month	R1 338.10	R2 330.33	R11 415.54	R2 658.76	R2 346.16
Average relevant healthcare expenditure per member per month	R2 209.39	R3 205.85	R18 601.18	R3 527.66	R3 343.76
Average relevant healthcare expenditure per beneficiary per month	R1 312.14	R2 099.56	R16 340.00	R3 093.54	R2 336.72
Average managed care services per member per month	R104.08	R80.63	R354.68	R140.60	R103.24
Average managed care services per beneficiary per month	R61.81	R52.81	R311.56	R123.30	R72.15
Average attributable administration and other expenses per member per month	R198.94	R219.04	R1 169.21	R699.30	R363.20
Average attributable administration and other expenses per beneficiary per month	R118.15	R143.45	R1 027.08	R613.25	R253.82
Managed care services as a percentage of insurance revenue	5%	2%	3%	5%	3%
Insurance service expenses as a percentage of insurance revenue	98%	90%	143%	116%	100%
Average attributable administration and other expenses as a percentage of insurance revenue	9%	6%	9%	23%	11%
Average accumulated funds per member at 31 December*	WMP = R13 405			R9 789	R12 385
Return on investments					8.70%

* Accumulated funds are measured for the two risk pools, WMP and SATS, and for the Fund as a whole, but not per benefit plan.

ANNUAL FINANCIAL HIGHLIGHTS 2025
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2025 (continued)

4. REVIEW OF THE FINANCIAL YEAR'S ACTIVITIES (CONTINUED)

4.4 OPERATIONAL STATISTICS (CONTINUED)

	2024				
	Link	Select	Prime	Guardian	Total
Number of members at the end of the accounting period	1 308	7 010	142	3 375	11 835
Average number of members for the accounting period	1 370	7 456	162	3 614	12 601
Number of beneficiaries at the end of the accounting period	2 216	10 760	162	3 858	16 996
Average number of beneficiaries for the accounting period	2 346	11 524	188	4 129	18 187
Beneficiaries per member at 31 December	1.7	1.5	1.1	1.1	1.4
Average age of beneficiaries for the accounting period	51	53	77	82	60
Pensioner ratio (beneficiaries > 65 years)	37.7%	42.0%	87.7%	97.7%	54.5%
Average insurance revenue per member per month	R2 082.05	R3 261.81	R11 529.53	R3 387.07	R3 276.02
Average insurance revenue per beneficiary per month	R1 215.86	R2 110.38	R9 935.02	R2 964.61	R2 269.81
Average relevant healthcare expenditure per member per month	R1 847.53	R3 125.49	R16 090.31	R3 351.02	R3 218.15
Average relevant healthcare expenditure per beneficiary per month	R1 078.91	R2 022.18	R13 865.06	R2 933.05	R2 229.72
Average managed care services per member per month	R104.95	R76.79	R275.16	R133.03	R98.54
Average managed care services per beneficiary per month	R61.29	R49.68	R237.11	R116.44	R68.27
Average attributable administration and other expenses per member per month	R191.37	R192.49	R1 037.29	R647.81	R333.83
Average attributable administration and other expenses per beneficiary per month	R111.75	R124.54	R893.83	R567.01	R231.30
Managed care services as a percentage of insurance revenue	5%	2%	2%	4%	3%
Insurance service expenses as a percentage of insurance revenue	89%	96%	140%	99%	98%
Average attributable administration and other expenses as a percentage of insurance revenue	9%	6%	9%	19%	10%
Average accumulated funds per member at 31 December*	WMP = R9 449			R15 462	R11 164
Return on investments					9.51%

* Accumulated funds are measured for the two risk pools, WMP and SATS, and for the Fund as a whole, but not per benefit plan.

ANNUAL FINANCIAL HIGHLIGHTS 2025
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2025 (continued)

4. REVIEW OF THE FINANCIAL YEAR'S ACTIVITIES (CONTINUED)

4.5 LIABILITY FOR INCURRED CLAIMS (LIC)

The basis of calculation of the LIC is discussed in note 7 of the Annual Financial Statements and is consistent with the prior year. There have been no unusual movements that the Trustees believe should be brought to the attention of the members of the Fund.

5. ACTUARIAL SERVICES

The Fund's actuaries have been consulted in the determination of the contribution and benefit levels and provide regular reports to the Fund. Reporting also includes the LIC and risk adjustment (RA) calculation.

6. GUARANTEES RECEIVED BY THE FUND FROM A THIRD PARTY

No guarantees have been received by the Fund for the year ended 31 December 2025.

7. EVENTS AFTER REPORTING DATE

There have been no events that have occurred between the end of the accounting period and the date of the approval of these Annual Financial Statements that the Trustees consider should be brought to the attention of the members of the Fund.

8. INVESTMENTS IN AND LOANS TO PARTICIPATING EMPLOYERS OF MEMBERS OF THE MEDICAL FUND AND TO OTHER RELATED PARTIES

- The Fund holds no investments in participating employers of the Fund's members.
- Refer to the related-party disclosure in note 18 to the Annual Financial Statements.
- Trustee remuneration is disclosed in note 15.1 to the Annual Financial Statements.

9. MANAGEMENT OF INSURANCE RISK

The primary insurance activity carried by the Fund assumes the risk of loss from members and their dependants that are directly subject to the risk. The risk relates to the health of the Fund members. As such, the Fund is exposed to the uncertainty surrounding the timing and severity of claims under contract.

The Fund manages its insurance risk through benefit limits and sub-limits, approval procedures for transactions that involve pricing guidelines, pre-authorisation and case management and service provider profiling.

The Fund uses several methods to assess and monitor insurance risk exposures, both for individual types of risks insured and overall risks. The theory of probability is applied to pricing and provision for a portfolio of insurance contracts. The principal risk is that the frequency and severity of risk claims are greater than expected.

Insurance events are by their nature random and the actual number and size of events during any one year may vary from those estimated with established statistical techniques. There are no changes to assumptions used to measure insurance assets and liabilities that have a material effect on the Annual Financial Statements and there are no terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of the Fund's cash flows.

10. AUDIT COMMITTEE

The Audit Committee was established in accordance with the provisions of the Act. The Committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties. The Committee consists of five members of whom two are members of the Board of Trustees.

The majority of the members, including the Chairperson, are not officers of the Fund or its third-party Administrator. The Committee met on two occasions during the course of the year.

The Principal Officer of the Fund, Momentum Health (Pty) Ltd management and the internal and external Auditors attend all Audit Committee meetings and have unrestricted access to the Chairperson of the Committee.

ANNUAL FINANCIAL HIGHLIGHTS 2025
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2025 (continued)

10. AUDIT COMMITTEE (CONTINUED)

In accordance with the provisions of the Act, the primary responsibility of the Committee is to assist the Board of Trustees in carrying out its duties relating to the Fund's accounting policies, risk management, internal control systems and financial reporting practices. The internal and external Auditors formally report to the Committee on critical findings arising from audit activities.

The Committee presently comprises:

- Mr K Buthelezi (Chairperson)
- Mr MI Mchunu
- Mr V Ramlugaan
- Ms C Sophete
- Ms S Thomas.

11. BOARD OF TRUSTEE COMMITTEE MEETINGS

11.1 MANAGEMENT COMMITTEE

The Management Committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties.

The Management Committee incorporates the functions and responsibilities in the following areas:

- financial and investment management;
- supplier management;
- marketing management; and
- managed care management.

11.2 BENEFITS COMMITTEE

The mandate of the Benefits Committee is to:

- make recommendations to the Board on the benefits that are offered to members; and
- ensure the long-term viability of the benefit plans.

11.3 REMUNERATION COMMITTEE

The mandate of the Remuneration Committee is to:

- appraise the annual performance of the employee of the Fund; and
- decide on an annual increase in the remuneration of the employee of the Fund.

11.4 EX GRATIA COMMITTEE

The Ex Gratia Committee approved applications to the value of R209 798 (2024: R193 232) for ex gratia assistance to members. Applications for assistance from members are evaluated against criteria approved by the Board from time to time.

12. NON-COMPLIANCE WITH MEDICAL SCHEMES ACT, 131 OF 1998

12.1 SELF-SUPPORTING PLANS

Nature and impact

In terms of Section 33(2) of the Act, benefit plans shall be self-supporting in terms of membership and financial performance. The Guardian and Prime plans recorded losses for the year ended 31 December 2025.

Causes for the failure

The loss on Guardian plan is mainly due to the reduced Transnet subsidy, which is intended to bring the plan closer to the 25% solvency requirement, while the Prime plan had an adverse, high-cost case experience in comparison to the prior year.

ANNUAL FINANCIAL HIGHLIGHTS 2025
REPORT OF THE BOARD OF TRUSTEES
For the year ended 31 December 2025 (continued)

12. NON-COMPLIANCE WITH MEDICAL SCHEMES ACT, 131 OF 1998 (CONTINUED)

12.1 SELF-SUPPORTING PLANS (CONTINUED)

Corrective action

The Prime plan is not sustainable in the longer term on account of the following:

- the small and declining membership;
- the poor and rapidly deteriorating risk profile as a result of anti-selection;
- the poor value proposition that it offers; and
- the substantial operating losses being experienced on the plan.

The Board approved the closure of the Prime plan effective 31 December 2025.

12.2 PAYMENT OF CLAIMS WITHIN 30 DAYS

Nature and impact

In terms of Section 59(2) of the Act, a member or provider claim should be settled within 30 days of submission. Instances were noted during sample testing where settlements took more than 30 days.

Causes for the failure

Delays can occur when accounts are referred for clinical audit or other investigations. These are, however, the exceptions and claims are generally paid within the prescribed time.

Corrective action

The Administrator is aware of the requirements and complies as far as possible. It is, however, an inherent part of the industry where a limited number of problematic claims may exceed the payment requirement of 30 days.

12.3 OUTSTANDING CONTRIBUTIONS

Nature and impact

In terms of Section 26(7) of the Act, contributions should be received in accordance with the rules of the Fund. Per the Fund rules, contributions are required to be received at least three days after their due date. Instances were noted where contributions were received late.

Causes for the failure

The reason for this is due to the inherent nature of the business.

Corrective action

Ongoing communication to employer groups has occurred and will continue.

TRANSMED MEDICAL FUND
(Registration number: 1582)

ANNUAL FINANCIAL HIGHLIGHTS 2025
STATEMENT OF FINANCIAL POSITION
As at 31 December 2025

		2025	2024
		R	R
ASSETS	Notes		
Non-current assets		100 849 623	90 921 578
Equipment		18 551	24 398
Financial assets at fair value through profit or loss	2	100 831 072	90 897 180
Current assets		50 493 463	72 813 989
Financial assets at fair value through profit or loss	2	37 191 714	69 739 922
Cash and cash equivalents	3	12 946 142	2 785 273
Trade and other receivables		355 607	288 794
Total assets		151 343 086	163 735 567
LIABILITIES			
Non-current liabilities			
Liability to members for future benefits*		126 967 293	111 575 344
Current liabilities		24 375 792	52 160 222
Insurance contract liability		22 540 056	29 432 858
Liability to members for future benefits		-	20 547 127
Trade and other payables		1 835 736	2 180 238
Total liabilities		151 343 086	163 735 567

* Following the engagement with the SAICA MSPG, the new terminology agreed upon was 'Liability to members for future benefits', which was previously disclosed as 'Insurance contract liability to future members'.

ANNUAL FINANCIAL HIGHLIGHTS 2025
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2025

	2025 R	2024 R
Insurance revenue	441 108 600	495 373 351
Insurance service expenses	(439 333 586)	(486 623 346)
Net claims incurred*	(400 092 749)	(448 067 406)
Claims incurred	(400 092 749)	(448 081 115)
Third-party claims recoveries	-	13 709
Accredited managed healthcare services (no transfer of risk)*	(13 564 670)	(14 900 032)
Changes that relate to past service – adjustments to the LIC*	3 535 421	7 975 818
Directly attributable insurance service expenses	(29 068 837)	(31 455 775)
Accredited administration services	(26 129 573)	(28 629 352)
Other administration expenditure	(2 939 264)	(2 826 423)
Net impairment loss on healthcare receivables	(142 750)	(175 951)
Losses on onerous contracts and reversal of these losses	-	-
Insurance service result	1 775 014	8 750 005
Other income	11 723 660	15 465 775
Investment income	11 416 236	15 241 486
Sundry income	206 722	191 612
Unrealised gains on investments at fair value through profit or loss	100 702	32 677
Other expenditure	(18 653 852)	(19 019 604)
Administration fees and other operating expenses	(18 509 123)	(18 847 521)
Asset management fees	(142 949)	(172 083)
Sundry expenses	(1 780)	-
(Loss)/Profit for the year	(5 155 178)	5 196 176
Transfer to amounts attributable to future members	5 155 178	(5 196 176)
Total comprehensive income for the year	-	-
Relevant healthcare expenditure	(410 121 998)	(454 991 620)

*Relevant healthcare expenditure consists of net claims incurred, adjustments to the LIC and accredited managed healthcare services (no transfer risk).

TRANSMED MEDICAL FUND
(Registration number: 1582)
ANNUAL FINANCIAL HIGHLIGHTS 2025
SELECTED NOTES TO THE ANNUAL FINANCIAL HIGHLIGHTS DOCUMENT
For the year ended 31 December 2025

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied by the Fund have been listed in the Annual Financial Statements from pages 24 to 31 and are in accordance with IFRS® Accounting Standards. The Fund has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the accounting period. These policies have been consistently applied to all years presented, except for changes required by the mandatory adoption of new, revised IFRS® Accounting Standards and changes in accounting policy.

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	R	R
Fair value of investments at the beginning of the year	160 637 102	157 091 587
Additions	268 460 000	301 060 000
Disposals	(302 185 000)	(312 290 000)
Capitalised interest	10 966 453	14 861 429
Realised and unrealised gain on financial assets at fair value through profit or loss	183 976	(46 768)
Management fees and transaction costs	(39 745)	(39 146)
	<u>138 022 786</u>	<u>160 637 102</u>
Fair value of investments at the end of the year	<u>138 022 786</u>	<u>160 637 102</u>
Total financial assets at fair value through profit or loss		
Non-current	100 831 072	90 897 180
Current	<u>37 191 714</u>	<u>69 739 922</u>
	<u>138 022 786</u>	<u>160 637 102</u>
Investments are summarised as follows:		
Money-market instruments	95 481 721	134 647 203
Bonds	<u>42 541 065</u>	<u>25 989 899</u>
	<u>138 022 786</u>	<u>160 637 102</u>

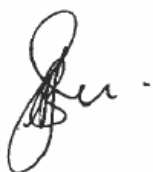
Financial assets at fair value through profit or loss consist of money-market instruments and bonds. A detailed register of investments is available for inspection at the registered office of the Fund. The maturity of the underlying instruments is disclosed on page 23 of the Financial Statements.

The weighted average interest rate received on the money-market portfolio was 8.70% (2024: 9.51%).

TRANSMED MEDICAL FUND
(Registration number: 1582)
ANNUAL FINANCIAL HIGHLIGHTS 2025
SELECTED NOTES TO THE ANNUAL FINANCIAL HIGHLIGHTS DOCUMENT
For the year ended 31 December 2025 (continued)

3. CASH AND CASH EQUIVALENTS	2025	2024
	R	R
Current accounts	12 946 142	2 785 273
	<u>12 946 142</u>	<u>2 785 273</u>

The weighted average effective interest rate on the Fund's current accounts was 4.58% (2024: 5.16%). The carrying amounts of cash and cash equivalents approximate their fair values due to the short-term maturities of these assets.



B Jonker
CHAIRPERSON



F Mackenzie
VICE-CHAIRPERSON



PL Wassermann
PRINCIPAL OFFICER

TRANSMED MEDICAL FUND**(Registration number: 1582)****TRANSMED MEDICAL FUND ANNUAL GENERAL MEETING (AGM) – 24 June 2026****Agenda item 6: Annual Trustee fee increase**

Transmed's payment philosophy for the Board of Trustees and Committees is to remunerate Trustees and Committee members in line with the mean-market benchmark. Appropriate considerations are also applied to the current and future market conditions, as well as to the economics and challenges within the Fund in terms of affordability. An additional consideration is the onerous requirements from a governance oversight monitoring and regulatory perspective that needs to be factored into the deliberations.

Proposed Trustee remuneration for 2026/2027

The Trustee Remuneration Committee is responsible for determining and recommending the remuneration of Trustees. The Committee members who participated in the remuneration determination for the 2026/2027 financial year were:

Mr Khulekani Buthelezi (Chairperson), Ms Cynthia Sophete, Mr Frank Mackenzie and Mr Ben Jonker.

In formulating its recommendation, the Committee considered:

- the Council for Medical Schemes' remuneration guidelines;
- the Transmed Trustee Remuneration Policy;
- economic data from Statistics South Africa (Stats SA); and
- monetary policy and inflation projections from the South African Reserve Bank (SARB).

The South African Reserve Bank (SARB) projects that inflation will rise to an average of 3.7% in 2026, up from the earlier forecast of 3.3%, largely due to rising oil prices and supply disruptions from the Middle East conflict. The SARB projects inflation to return to its 3% target by late 2027, assuming global tensions ease and energy prices stabilise. In the severest scenario, inflation could spike to 4%, potentially requiring an additional rate hike during the year.

According to Stats SA, annual consumer price inflation was recorded at 3.1% in March 2026, up from 3.0% in February 2026. The Consumer Price Index (CPI) increased by 0.6% month-on-month in March 2026.

Recommendation to the Annual General Meeting

Based on the above considerations, the Trustee Remuneration Committee recommends a 4.0% increase across all Trustee fees for the 2026/2027 financial year as reflected below.

Trustee fees

Annual retainer (paid quarterly)	2025/2026	2026/2027
	Current	4.0% proposes increase
Trustees	R34 275	R35 646
Chairperson of the Board	R53 752	R55 902
Board meeting attendance		
All Trustees	R7 142	R7 428
Committee meeting attendance		
Trustees	R4 285	R4 456
Chairperson of the Committee	R6 425	R6 682

Mr K Buthelezi

CHAIRPERSON: TRUSTEE REMUNERATION COMMITTEE