



**POLMED**

OUR INVESTMENT OUR HEALTH OUR FUTURE

# INTEGRATED REPORT 2025

Healthy members for a safer South Africa



## LIST OF ABBREVIATIONS AND TERMINOLOGY

<b>AGM</b>	Annual General Meeting
<b>AGMC</b>	Annual General Meeting Committee
<b>ARC</b>	Audit and Risk Committee
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>BCM</b>	Business Continuity Management
<b>BHF</b>	Board of Healthcare Funders
<b>Board</b>	Board of Trustees
<b>CAM</b>	Combined Assurance
<b>CGC</b>	Clinical Governance Committee
<b>CDRC</b>	Complaints, Disputes and Resolutions Committee
<b>CMS</b>	Council for Medical Schemes
<b>CPI</b>	Consumer Price Index
<b>CoFI Bill</b>	Conduct of Financial Institutions Bill
<b>COIDA</b>	Compensation for Occupational Injuries and Diseases Act
<b>COSO</b>	Committee of Sponsoring Organisations
<b>CRMP</b>	Compliance Risk Management Plan
<b>DRMs</b>	Disease Risk Management
<b>DOA</b>	Delegation of Authority
<b>EEC</b>	Employment Equity Committee
<b>ERM</b>	Enterprise Risk Management
<b>ERP</b>	Enterprise Resource Planning
<b>ESD</b>	Enterprise Supplier Development
<b>ESG</b>	Environmental, Social and Governance
<b>FAQ's</b>	Frequently Asked Questions
<b>FSR Act</b>	Financial Sector Regulation Act, 9 of 2017
<b>FWA</b>	Fraud, Waste and Abuse
<b>HCPs</b>	Health Care Providers
<b>HCT</b>	HIV Counselling and Testing
<b>HMOs</b>	Health Maintenance Organisations
<b>HPAE</b>	Health Promotional Awareness Events
<b>HRREMCO</b>	Human Resource and Remuneration Committee
<b>IBNR</b>	Incurred But Not Reported
<b>IC</b>	Investment Committee
<b>ICT (SC)</b>	Information, Communications and Technology (Steering Committee)
<b>IOD</b>	Injury on duty
<b>ISO</b>	International Organisation for Standardisation
<b>KWh</b>	Kilo-Watt hour
<b>MS Act</b>	Medical Schemes Act 131 of 1998.
<b>MVA</b>	Motor Vehicle Accidents
<b>NH Act</b>	National Health Act, 2003 (Act No 61 of 2003)
<b>NHI</b>	The National Health Insurance
<b>NHI Bill</b>	The National Health Insurance Bill [B_11_2019]
<b>PERSAL</b>	Personnel and Salary System
<b>PMB</b>	Prescribed Minimum benefits
<b>POLMED</b>	South African Police Service Medical Scheme



## LIST OF ABBREVIATIONS AND TERMINOLOGY

<b>POPIA</b>	Protection of Personal Information Act
<b>PMPM</b>	Per Member Per Month
<b>PSA</b>	Prostate- specific Antigen
<b>RSC</b>	Risk Steering Committee
<b>SAPS</b>	South African Police Service
<b>SAPS Act</b>	South African Police Service Act (Act No 68 of 1995)
<b>SCM</b>	Supply Chain Management
<b>SDG</b>	Sustainable Development Goal
<b>SMME</b>	Small, Medium and Micro Enterprises
<b>TCF</b>	Treating Customers Fairly
<b>Trustee</b>	Member of the Board
<b>YTD</b>	Year To Date

<b>Prescribed Minimum Benefits</b>	A set of defined benefits to ensure that all medical scheme members have access to certain minimum health services, regardless of then benefit option they have selected.
<b>Board</b>	This means the Board charged with overseeing the affairs of the Scheme, which have been appointed in line with the Rules of the Scheme.
<b>Board Committees</b>	The Board established committee(s) to assist in executing its duties, powers, and authorities.
<b>Board Committee Members</b>	This means advisors/ professionals appointed to the Board Committees who are not trustees.



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01

INTRODUCING OUR  
**INTEGRATED REPORT**

# 1 INTRODUCING OUR INTEGRATED REPORT



**POLMED is pleased to present its Integrated Report, covering the year ended 31 December 2025.**

The report provides members and stakeholders with a clear and balanced overview of the Scheme's strategy, governance, operating context, performance, and the value delivered to beneficiaries during the reporting period. It also highlights how POLMED continues to safeguard long-term sustainability while supporting the health and well-being of South African Police Service (SAPS) members and their dependants.

POLMED is a restricted medical scheme registered under the Medical Schemes Act, 1998 (Act No. 131 of 1998) ("MSA"). Its purpose is to enable quality healthcare for members of the South African Police Service (SAPS) and their dependants. The Scheme places beneficiaries at the centre of its work and remains committed to supporting their wellbeing, strengthening their capacity to serve, and upholding the trust placed in POLMED by the policing community.

The Scheme's culture is rooted in the African philosophy of Ubuntu: "I am because we are." This guides how POLMED cares for, responds to, collaborates with, and respects its members and broader stakeholders. Through this ethos, the Board of Trustees and employees work to build and maintain trusted relationships and ensure ethical conduct across all areas of the organisation.

## 1.1 VISION, MISSION, AND VALUES



### Vision

Healthy members for a safer South Africa.



### Mission

To enable quality healthcare for POLMED members and their dependants by promoting wellness and ensuring timely access to quality care.



### Values

**Care:**  
Putting the wellbeing of our members and beneficiaries at the centre of everything we do.

**Respect:**  
Valuing people through fairness, dignity, and professionalism.

**Collaborate:**  
Working together with colleagues and stakeholders to deliver sustainable value.

**Respond:**  
Being proactive, responsive and accountable in meeting member's needs.

**Integrity:**  
Acting ethically, transparently and responsibly in all that we do.



## 1.2 INVESTING RESERVES FOR MEMBER VALUE

### Maintaining Affordable Contributions

Contribution increases were kept to 4.5%, among the lowest in the industry, helping to maintain affordability for members.

### Digital Enhancements

The POLMED Connect Mobile App improves member access to Scheme information, benefits management, and digital services.

### Promoting Member Wellbeing

Support for SAPS–POLMED Runs across provinces, encouraging physical activity and healthy lifestyles among members.

### Improving Access to Healthcare

Mobile clinic proof of concept programme aimed at expanding access to healthcare services, particularly in underserved areas.

### Supporting Social and Economic Development

Enterprise and Supplier Development (Cohort 2) supporting 55 participating businesses.  
Internship opportunities created for Fallen Heroes' dependants, contributing to skills development and economic participation.

### Inclusive Family and Dependant Coverage

Extended cover for adult children | Diverse partner recognition  
Lifelong Care for Disabled children

### Immediate Protection for Bereaved Families

Spouses and dependants become members immediately after the death of the principal member, with no waiting period.

### 14 Day Arrears Grace Period

Members receive a two -week window to settle outstanding contribution before facing potential suspension.

### Ex Gratia Support for Hardship

The BoT may approve payments for non-covered services in cases of extreme financial hardships

### Delayed Contribution increases

Contribution increases effective 1 April instead of 1 January of each year.  
Lower industry increase of average 4.4% over the 3 years period 2024-2026.







02

OUR APPROACH TO  
**INTEGRATED REPORTING**

## 2.1 REPORTING APPROACH

This report follows the principles of integrated reporting, drawing on the International Financial Reporting Standards Foundation's Integrated Reporting Framework. The aim of the report is to demonstrate how POLMED's resources, relationships, and capabilities work together to create value in the short-, medium- and long-term sustainability of the Scheme. The information presented is guided by relevance, materiality, and reliability.

Where appropriate, the report references the regulatory requirements of the Council for Medical Schemes (CMS), the Medical Schemes Act (MSA), and relevant governance and compliance standards applied within the Scheme.

### FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements relating to POLMED's strategic direction, future risks, and anticipated opportunities. These statements are based on the information available at the time of reporting and may change due to shifts in the policy environment, economic conditions, healthcare trends, or member needs.

POLMED does not undertake to update these statements but remains committed to transparent communication to relevant stakeholders.

### ACCESS TO INFORMATION

The Integrated Report, along with supporting documents such as the Annual Financial Statements and member communication materials, is available on [www.polmed.co.za](http://www.polmed.co.za). Members may request additional information through POLMED's communication channels.

### ASSURANCE

POLMED applies a combined assurance model to ensure that the information contained in this report is accurate, complete, and reliable. Assurance is provided through:

- Internal controls and risk management processes.
- Internal audit.
- External audit of the Scheme's financial statements.
- Oversight by the Board of Trustees and its Committees.

While the integrated report itself is not externally assured:

- The non-financial information and disclosures have been reviewed by Internal Audit (Nexia SAB&T) to ensure accuracy, consistency and alignment with the organisation's governance, risk management, and reporting processes.
- An independent audit of the Scheme's financial statements for the year under review was conducted by PricewaterhouseCoopers Inc. (PwC). PwC issued an unqualified audit opinion, stating that the financial statements present a fair financial position, in all material respects.

### MATERIALITY THEMES AND MATTERS

This integrated report was compiled on a materiality basis, which assesses a matter's capacity to impact the Scheme's ability to create and sustain value over a short, medium or long term. These matters arise from:

- The Scheme's strategic priorities
- Risk assessments and combined assurance processes
- Member health and utilisation trends
- Regulatory and policy developments
- The broader healthcare and economic environment

Material matters are revisited regularly through the Strategy, Risk, and Governance processes to ensure alignment with POLMED's evolving operating context.



## 2.2 BOARD OF TRUSTEES APPROVAL

The Board of Trustees (Board/BoT) acknowledges its responsibility for the integrity of the 2025 Integrated Report. The Board has reviewed the report and is satisfied that it presents a fair, balanced, and accurate reflection of POLMED's performance, governance, and strategic progress for the year ended 31 December 2025.

The Board is further satisfied that appropriate internal controls, combined assurance processes, and external audit activities support the reliability and completeness of the information disclosed. This report was approved by the Board on 22 April 2026.



**Mr ST Nkosi**  
BoT Chairperson



**Ms PA Mabotja**  
Vice-Chairperson



**Ms N Khaue**  
Principal Officer



**Ms IN Molefe**  
Trustee



**Mr TNL Ngwenya**  
Trustee



**Mr S Chamane**  
Trustee



**Ms PP Dimpane**  
Trustee



**Mr JT Lusenga**  
Trustee



**Mr RP Ntsime**  
Trustee



**Ms MV Kwetepane**  
Trustee



**Mr AJ Gerber**  
Trustee



**Ms LN Ngembe**  
Trustee



**Mr R Steyn**  
Trustee



**Ms BP Temba**  
Trustee



**Mr NP Nethengwe**  
Trustee



**Mr HI Collins**  
Trustee

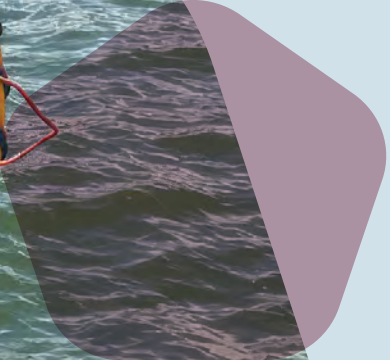


**Mr SC Matlala**  
Trustee

\* Mr HI Collins and Mr SC Matlala replaced Mr NP Nethengwe and Ms BP Temba, effective 7 April 2026.

### REPORT FEEDBACK

We welcome feedback on this Integrated Report. Stakeholders are invited to share their views, suggestions, or requests for further information by emailing [integratedreporting@polmed.co.za](mailto:integratedreporting@polmed.co.za). All feedback is reviewed as part of our commitment to continuously improving the quality and usefulness of our reporting.





03

OUR  
SCHEME

## 3.1 VIEWS FROM OUR CHAIRPERSON

As Chairperson of the Board of Trustees, I would like to begin by acknowledging the members of POLMED, the South African Police Service (SAPS), and all stakeholders who contribute to the Scheme's success. Your engagement, trust, and commitment are central to our mission of providing accessible, quality healthcare and ensuring the long-term sustainability of the Scheme.

The year 2025 marks the second year in POLMED's five-year strategic journey (2024–2028). As the Scheme continues building on the foundations laid in the previous strategic cycle (2019–2023), I am encouraged by the Scheme's progress in strengthening its operational capability and deepening member value through the implementation of its overarching preventative care strategy. Despite a challenging operating environment, POLMED has demonstrated resilience, adaptability, and a clear focus on member well-being.

During the annual strategy review, the Board reaffirmed its commitment to the Scheme's strategic priorities and approved enhancements to the mission statement, furthermore, the value of Integrity was formally incorporated as part of POLMED's organisational values, reinforcing our dedication to ethical conduct, transparency, and responsible stewardship and good governance. These refinements ensure that the Scheme's purpose, strategy, and values remain aligned to the evolving needs of our members.

### Operating Environment and Financial Resilience

Economic pressures in 2025, worsened by global economic uncertainty and ongoing geopolitical tensions, continued to place affordability pressures on members of the South African Police Service (SAPS). As a result, contribution increases remained a sensitive issue. In response, POLMED implemented the lowest contribution increase, set below the Council for Medical Schemes' (CMS) recommendation, to support members during a challenging economic period.

At the same time, the rising incidence of buy-downs, where members move to lower benefit options due to affordability pressures, remains a concern. Buy-downs can weaken option sustainability by shifting risk profiles and reducing cross-subsidisation. This reinforces the need to balance affordability with the long-term viability of benefits.

To address this, management is actively working to improve the differentiation between benefit options, ensuring that each option remains sustainable and continues to deliver value without compromising the Scheme's mandate to protect and serve our members.



MR ST NKOSI | CHAIRPERSON OF THE BOARD OF TRUSTEES



## 3.1 VIEWS FROM OUR CHAIRPERSON

### Mental Health Support

Mental health continues to be a critical priority for the Scheme. Members of the SAPS operate in demanding, high-stress environments, often encountering trauma that affects both personal well-being and family life. POLMED has continued to invest in mental health interventions, including counselling, psychological support, and structured care plans tailored to these unique needs. Our focus on holistic care remains central to our healthcare philosophy.

### Strategic Progress and Innovation

The Board was encouraged by progress made against several strategic initiatives during the year. Among the notable milestones was the launch of the POLMED Mobile Clinic proof of concept, which supports the Scheme's objective of improving healthcare accessibility, particularly in under-served and rural areas.

The launch of the POLMED Connect mobile application also marked an important step in advancing the Scheme's digital transformation journey and improving accessibility to member services.

These initiatives reflect POLMED's commitment to innovation, improved member experience, and expanding access to quality healthcare.

### Strengthening Governance and Sustainability

The Board continued to monitor key strategic matters that may influence the future sustainability of the Scheme.

Fraud, Waste, Abuse, and Error (FWAE) remains a significant concern across the healthcare funding industry. The Board maintained oversight of initiatives aimed at protecting Scheme resources and safeguarding the integrity of member contributions.

The Board also continued to oversee the integration of Environmental, Social, and Governance (ESG) considerations into the Scheme's strategic and risk management processes. As climate-related risks, changing disease patterns, and broader sustainability considerations increasingly influence healthcare systems globally, ESG remains an important area of focus for the Scheme.

### Annual General Meeting (AGM)

The 2025 Annual General Meeting, held in East London in the Eastern Cape, provided an important opportunity to engage members on the Scheme's performance, prevailing challenges, and strategic direction. The meeting created a platform for transparent reflection on the year under review and for constructive dialogue on the path ahead.

Members echoed many of the key concerns that the Board of Trustees has actively addressed throughout the year, particularly in relation to affordability, sustainability, and strategic use of our reserves to create more value for members. At the same time, members expressed support for the Board's strategic focus and the measures introduced to strengthen the Scheme's long-term position.

The Board is grateful for the engagement and the thoughtful contributions received. Such dialogue is essential in building the Scheme's operational and financial resilience. The Trustees and I look forward to welcoming and engaging with you at our 2026 elective AGM to be held in Gauteng.

### Governance Developments

During the reporting year, the BoT welcomed Ms M Mbonani, appointed as the independent member of the Audit and Risk Committee, filling a vacancy in this important oversight structure. The ARC is composed mainly of independent members and is chaired by an independent member.

In 2026, prior to the finalisation of this report, changes occurred in the composition of the Board of Trustees. The Scheme bid farewell to two trustees designated by the National Commissioner of Police (Employer Representatives), BP Temba and NP Nethengwe, and welcomed SC Matlala and HI Collins. The Board expresses its appreciation for the contributions of the outgoing trustees and looks forward to the contribution of the newly appointed trustees. No further changes were made to the Board or its Committee at the time of the finalisation of this report.

### Forward Outlook

Looking ahead, POLMED will continue to refine and strengthen its service delivery model through digital transformation, enhanced member engagement, and targeted preventative care programmes. As developments related to the National Health Insurance (NHI) evolve, POLMED remains committed to safeguarding the interests of its members and ensuring the long-term sustainability of the Scheme.

### Closing Reflection

As I approach the conclusion of my final term as Trustee and Chairperson of the Board of Trustees in line with the Scheme rules on term limits, I reflect with appreciation on the progress the Scheme has made over the years. It has been a privilege to serve POLMED and to work alongside dedicated Trustees, independent members, management, and employees committed to protecting and advancing the health and well-being of our members.

I am confident that the strong foundations established will enable POLMED to continue delivering value and navigating the changing healthcare landscape.

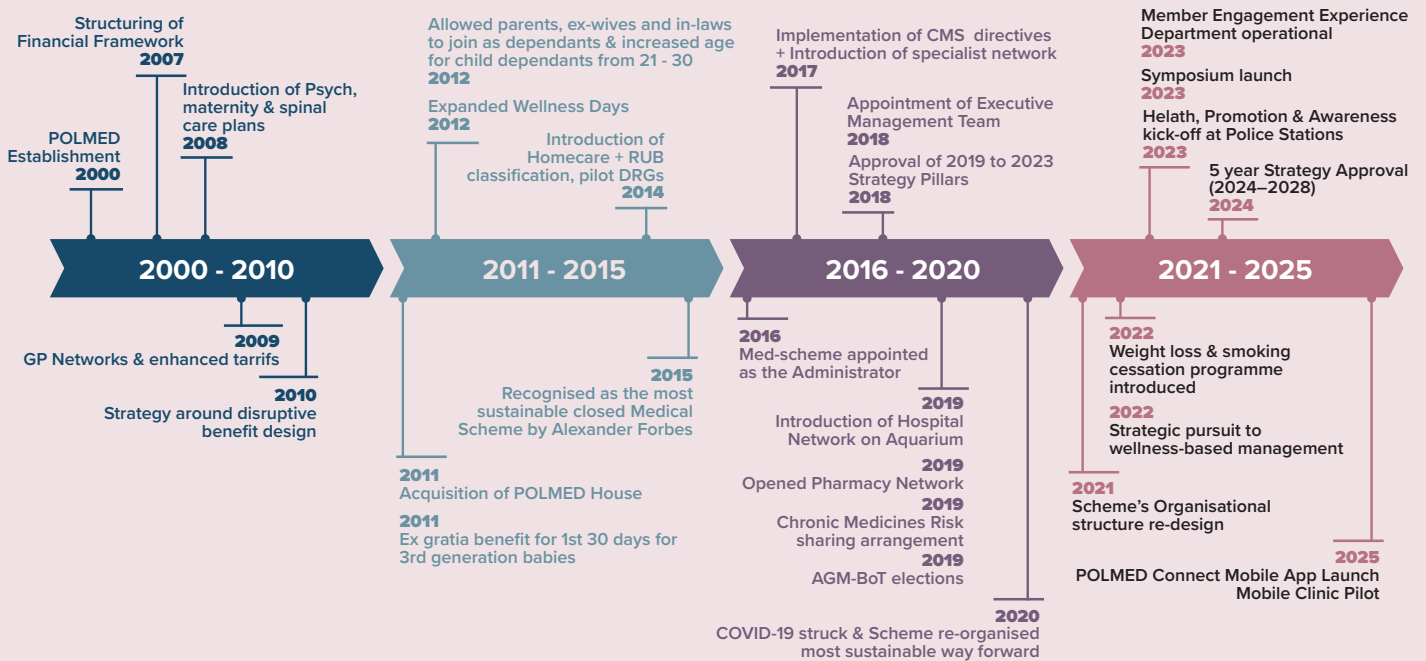
In conclusion, on behalf of the Board of Trustees, I extend my appreciation to the Principal Officer, her leadership team, and all POLMED employees for their commitment and performance throughout 2025. With continued support from our members, we are confident that 2026 will bring further progress and meaningful advances in member value, operational strength, and strategic and tangible impact.

**MR ST NKOSI**  
**CHAIRPERSON OF THE BOARD OF TRUSTEES**

## 3.2 OUR JOURNEY

POLMED's origins lie in the long-standing effort within the South African Police Service (SAPS) to establish dedicated healthcare support for its members. The Scheme was formalised under the Medical Schemes Act 131 of 1998 and has continued to evolve in line with regulatory developments, the needs of the policing environment, and changes in the national healthcare system.

Figure: The figure below highlights key milestones in POLMED's journey.



## 3.3 OUR STRATEGY AND PURPOSE

POLMED's 2024–2028 Strategic Plan, which came into effect in October 2024, sets the direction for the Scheme's performance over a five-year cycle. The strategy is designed to meet the evolving needs of our members while ensuring long-term sustainability.

Central to this strategy are four deliverables:

- 1. Wellness and Preventative Care** – Prioritising proactive health interventions to reduce the incidence of chronic conditions and improve overall member health outcomes.
- 2. Insourcing business processes** – Bringing critical services in-house to enhance control over healthcare quality, cost management, and operational efficiency.
- 3. Health Maintenance Organisation (HMO) Model** – Transitioning towards an HMO business model to provide coordinated, patient-centred care while improving affordability and sustainability.
- 4. Digital Transformation** – Accelerating technology adoption to modernise operations, improve member engagement, and deliver data-driven healthcare solutions.

The strategy is reviewed annually to ensure relevance, responsiveness, and alignment with the dynamic healthcare environment. Through this approach, POLMED is positioned to deliver meaningful value, support member well-being, and maintain financial and operational resilience throughout the five-year cycle.

Our strategic pillars for POLMED remains solid as follows:



### Scheme Sustainability

Ensuring the long-term financial stability and operational efficiency of the Scheme, balancing affordability with high-quality healthcare services for our members.



### Quality Healthcare for Scheme Beneficiaries

Delivering quality healthcare solutions with an emphasis on preventative care and wellness, improving member health outcomes while managing healthcare costs effectively.



### Sound Relationships with Stakeholders

Strengthening our partnerships and communication with SAPS, our regulator, healthcare providers, and other key stakeholders to support the Scheme's objectives and foster trust.

### Strategy Approval and Oversight

POLMED's strategic plan is approved by the Board and overseen through ongoing monitoring and annual reviews. This ensures alignment with the Scheme's mission, responsiveness to emerging healthcare trends, and proactive management of risks and opportunities. Progress against strategic objectives is reported regularly to the Board to support informed decision-making and ensure delivery of value to our members.



## 3.4 OUR STRATEGIC PILLARS AND OBJECTIVES



### Scheme Sustainability

- Managing the contribution income risk.
- Vertical integration investment and cost optimisation to ensure a positive downstream return.
- Ensure effective and efficient Scheme governance.



### Quality Healthcare for Scheme Beneficiaries

- Provide quality and evidence-based healthcare benefits for the attainment of positive health outcomes.
- Digital health eco-system enabling data driven decisions.
- Value chain optimisation and performance management of delivery partners.



### Sound Relationships with Stakeholders

- Support the NHI position and the Scheme's increase in scope to include a security services cluster.
- Improve relationships with stakeholders through effective communication strategies, interventions, and formalised brand management.
- Promote healthy lifestyle and member wellness.

### Strategy success measures

#### Scheme Sustainability

The Scheme continued to prioritise financial resilience, affordability, and disciplined governance.

#### Financial performance and affordability

- Prudent cost management and the strategic utilisation of reserves enabled a lower 4.5% contribution increase for 2026, supporting affordability for members.
- Strategic asset allocation and effective in-house treasury management strengthened financial stability.
- Achieved investment returns of 16.36% net of investment management fees for the 2025 calendar year, which is above the Scheme's long-term target of CPI + 4% across all asset classes.
- Fraud, Waste and Abuse (FWA) recoveries reached 48% year-to-date, above the 40% target.
- Managed Care interventions generated R717.4 million in savings as at December 2025, largely driven by negotiated reimbursement rates.
- Network utilisation remains strong at 70% for GP networks and 71% for Specialist networks, supporting cost-effective access to care.

#### Revenue management and benefit sustainability

- Collaboration with SAPS has strengthened contribution debt management.
- 2025 marks the commencement of a structured differentiation strategy between Marine and Aquarium to address buy-down behaviour and option sustainability.

#### Governance, compliance, and assurance

- The 2024 Annual Financial Statements with unqualified audit opinion were approved by the Board, and the Annual Report was submitted by 13 June 2025.
- AGM reporting and expenditure were submitted to CMS on 8 August 2025.
- Real Time Monitoring (RTM) was submitted in July 2025 in line with CMS Circular 13 of 2025.
- CMS complaints are responded to within 30 days.
- Adequate cybersecurity insurance is maintained at the Administrator.

- The management team continues to contribute positively to governance effectiveness and assurance maturity.

#### Innovation and forward planning

- The POLMED Mobile Clinic proof of concept was launched in November 2025.
- Member survey data informed the development of a predictive model demonstrating measurable health benefits from increased physical activity.

#### Quality Healthcare for Scheme Members

The Scheme continues to focus on access, quality, and evidence-based decision-making.

##### Access to quality and cost-effective care

- Provider network coverage remains above target, ensuring access to quality care at negotiated rates.
- Chronic formulary adherence remains on target.
- 31 000 members accessed psycho-social or counselling services, with a target of 44 000 for the year.
- Preventative care utilisation increased significantly, with 230 271 preventative claims in 2025, up from 188 974 in 2023.
- Beneficiary enrolment increased by more than 5% across four of the five leading chronic conditions.
- A 42.5% increase was recorded in beneficiaries enrolled in the Mental Health Programme.

#### Digital enablement and data-driven oversight

- Version 1 of the POLMED Connect App was launched at the July 2025 AGM, with Version 2 launched in October 2025.
- A Strategic Managed Care Dashboard was developed to support evidence-based decision-making.
- A new reporting framework with defined quality standards was introduced in 2025 to strengthen reliance on third-party data.
- Targeted in-house surveys enhanced claim analytics and predictive modelling capability.



## 3.4 OUR STRATEGIC PILLARS AND OBJECTIVES

### Operational oversight and contract management

- A floor walkabout was conducted at our Administrators premises to identify operational improvement areas, which are being monitored.
- The review of the Managed Care and Administration SLA and penalty framework has been completed.
- Strengthened contract management supports risk mitigation and value creation.
- A dedicated resource now manages direct relationships with pharmaceutical groups and network providers.

### Member experience

- A member satisfaction survey was completed in Q4 2025.
- Member and provider escalations to CMS are actively monitored and addressed to improve service quality.

### Sound Relations with Stakeholders

The Scheme continues to strengthen structured engagement, transparency, and visibility.

### Structured stakeholder engagement

- A Stakeholder Matrix and Engagement Plan was developed in May 2025 to improve proactive relationship management.
- Service providers submitted interventions to improve Net Promoter Scores (NPS), monitored through the established forum.
- Engagement with CMS shows improved openness and collaboration, including participation in a Finance Unit engagement for the first time in four years.

### Member Experience and Engagement

- 28 successful stakeholder engagements were conducted with the SAPS Provincial Management Forums, Employee Health and Wellness Forums, District Commissioners' Forums, Unions as well as Mental health presentations and workshops.
- Continuation member meetings and Pre-retirement workshops aimed at supporting members transitioning into retirement were conducted reaching a total number of 534 members
- 185 police stations were visited for health promotion, reaching 4 174 members, with 765 members referred for further care.
- 111 ad-hoc SAPS events were supported, with 7 116 members completing Health Risk Assessments.
- 11 sporting codes were supported, with 48 wellness-linked sporting events held year-to-date.
- Engagement with beneficiaries is being expanded through corporate pharmacy screening services and GP networks.

### Communication and digital presence

- Increased reach across LinkedIn, Facebook, Instagram, and TikTok, with TikTok showing the highest growth rate.
- Website traffic continues to increase through regular content refreshes.
- WhatsApp functionalities are continuously enhanced to improve accessibility and engagement.



## 3.5 OUR SERVICE DELIVERY MODEL

Governance & Strategy	Operations & Administration	Service Channels	Healthcare Offerings	Investment & Actuaries
<b>Description / Purpose</b> Provides oversight, ensures compliance with Scheme rules and regulatory requirements, and aligns operations with the Scheme's strategic objectives.	<b>Description / Purpose</b> Ensures efficient delivery of services to members and supports quality healthcare access.	<b>Description / Purpose</b> Channels through which members access benefits, information, and support.	<b>Description / Purpose</b> The range of healthcare benefits and wellness services provided to members.	<b>Description / Purpose</b> Strategic management of Scheme reserves and actuarial oversight to support sustainability, affordability, and member value.
<b>Key Elements</b> Board and Committees; Medical Schemes Act (MSA) regulatory compliance; Scheme Rules and Policy Framework; Strategic Plan and performance monitoring; Risk and opportunity management.	<b>Key Elements</b> Outsourced business model; Membership administration; Claims processing; Pre-authorisations; Case and fraud management; Operational support services.	<b>Key Elements</b> POLMED Connect Mobile App; Call centre and email support; Regional offices; Member engagement events.	<b>Key Elements</b> Managed healthcare programmes; Network service providers; Preventative care programmes.	<b>Key Elements</b> Investment of scheme reserves; Actuarial modelling and benefit pricing; Contribution setting; Solvency and sustainability management.

## YOUR GUARANTEE

As a member of POLMED, you have access to Prescribed Minimum Benefits (PMBs). PMBs are a set of defined benefits put in place to ensure that all beneficiaries have access to certain minimum healthcare services, regardless of the benefit option they have selected.

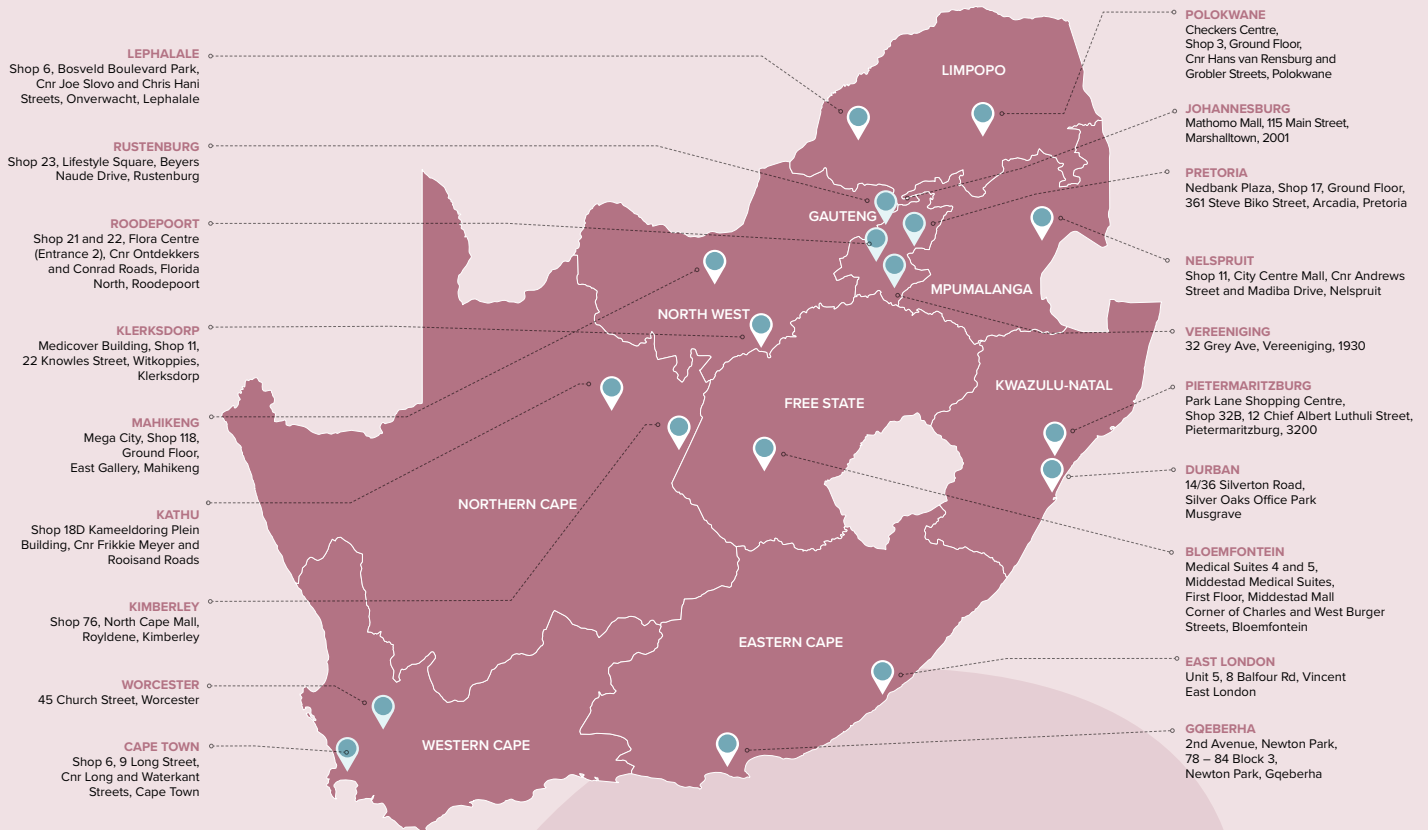
These 270 PMBs cover the most common conditions, ranging from fractured bones to various cancers, menopause management, cardiac treatment and medical emergencies. Some of them are life-threatening conditions for which cost-effective treatment would sustain and improve the member's quality of life. PMB diagnosis, treatment and care is not limited to hospitals.

Treatment can be received wherever it is most appropriate in a clinic, an outpatient setting or even at home. The access to diagnosis, medical or surgical management and treatment of these conditions is not limited and is paid according to specific protocols per condition. If your doctor has diagnosed you with a chronic PMB condition, the doctor or the pharmacist needs to call us to verify if you meet the Scheme's clinical entry criteria. If you do, your chronic condition will be registered with the Scheme so that your medicine and disease management will be funded from the correct benefit category and not from your day-to-day benefits. In addition to the 270 PMBs, you are also guaranteed treatment and medication for 26 chronic conditions.

Members with these chronic conditions will need to visit their healthcare practitioner and may have to register the condition on a specialised chronic disease management programme. Some disease management programmes are obtained from a Network Service Provider. Once registered, members will be entitled to treatment, including medication according to treatment protocols and reference pricing.



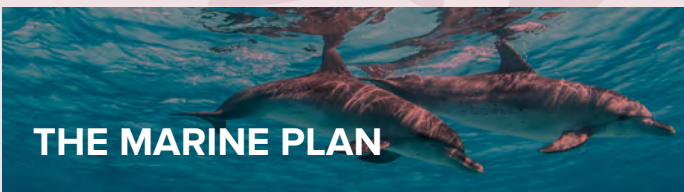
## 3.6 OUR FOOTPRINT



## 3.7 OUR HEALTHCARE PLANS

POLMED provides tailored healthcare solutions designed to meet the unique needs of SAPS members and their dependants. As a restricted medical scheme, POLMED is committed to delivering comprehensive, affordable, and member-centred healthcare coverage that prioritises wellness, preventative care, and access to quality health services. Our strategy is anchored in enhancing member value, ensuring long-term sustainability, and supporting the overall wellbeing of the SAPS community.

**POLMED offers two healthcare plans:**



### THE MARINE PLAN

**The Marine Plan** is the Scheme’s flagship programme and serves as POLMED’s premier benefit offering. It provides extensive, enhanced cover that exceeds the minimum requirements set out by the Prescribed Minimum Benefits (PMBs). Designed for members who require broad-ranging benefits and greater financial protection,

Marine offers rich in-hospital, out-of-hospital, and chronic disease management cover, supported by proactive wellness initiatives that encourage early detection and preventative care.



### THE AQUARIUM PLAN

**The Aquarium Plan** is designed to offer cost-effective, high-value benefits while maintaining essential cover for day-to-day and hospital-based healthcare needs. It provides practical and affordable access to quality care, ensuring members receive the support they need without compromising clinical outcomes.

Aquarium promotes responsible healthcare utilisation and preventative behaviours, making it a suitable option for members seeking balanced, sustainable cover.

Together, these plans reflect POLMED’s commitment to delivering accessible, member-centric healthcare solutions aligned to the evolving needs of SAPS members and their families.

## 3.8 OUR MEMBERSHIP

POLMED serves employees of the SAPS, retirees (continuing), and the dependants of active members and fallen heroes.

This membership base shapes the Scheme's benefit design, wellness programmes, and long-term sustainability planning.

The profile of our members also informs how we tailor healthcare access, engagement initiatives, and support services.

### The Scheme recognises the following categories of dependants:



- Spouses and partners, including multiple spouses (adult rate).



- Child dependants, up to three children (child rate).



- Children with disabilities, regardless of age (child rate).



- Adult child dependants aged 21–25 who are studying (child rate).
- Adult offspring dependants aged 21–30 who are financially dependent but not studying subsidised adult dependant rate).

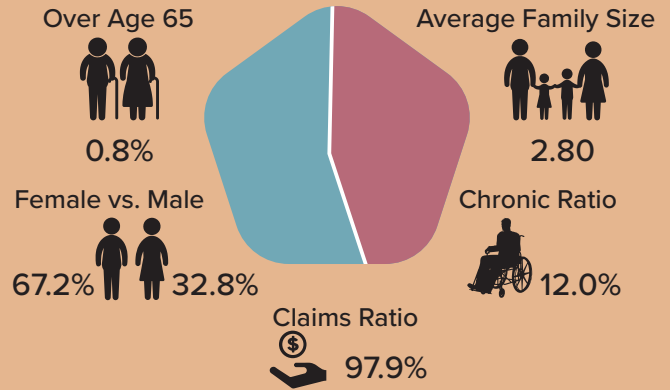


- Parents and parents-in-law (unsubsidised adult rate).

## Member Demographics (December 2025)

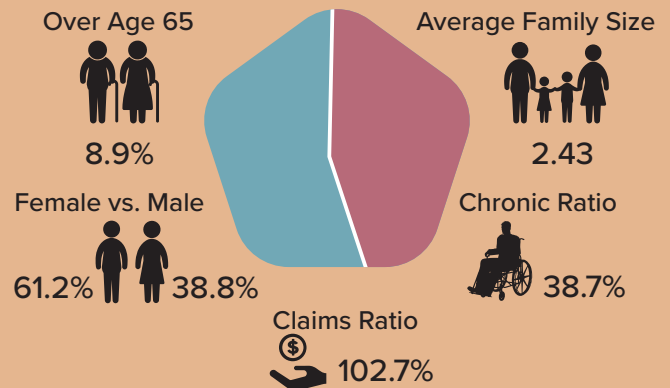
### Aquarium Plan

Members - 90 088 Beneficiaries - 252 041



### Marine Plan

Members - 99 981 Beneficiaries - 242 887



## 3.8 OUR MEMBERSHIP

### Focus on our Continuing Members

Continuing membership remains largely concentrated in the Marine Plan, which accounts for the majority of beneficiaries. At year end, the Scheme recorded a total of **75 033 continuing beneficiaries**, comprising **40 791 principal members** and **34 242 dependants**.

### The distribution across benefit options was as follows:

**Marine Option:** 65 288 beneficiaries

- 36 330 principal members
- 28 958 dependants

**Aquarium Option:** 9 745 beneficiaries

- 4 461 principal members
- 5 284 dependants

Retired members represent the largest category across both options, followed by widow(er)s and orphans.



## 3.9 OUR STAKEHOLDERS













POLMED operates within a complex healthcare ecosystem and engages a wide range of stakeholders who influence, or are affected by, the Scheme's activities.

To support effective engagement, the Scheme maintains an integrated Stakeholder Matrix and Engagement Plan. This enables management and the Board to better understand stakeholder relationships, anticipate expectations, and respond proactively to emerging issues.

Stakeholders are mapped according to their level of influence and interest, allowing for targeted engagement that supports informed decision-making, risk management, and service improvement.

The Board of Trustees provides oversight of stakeholder management to ensure that stakeholder interests are appropriately considered in line with the Scheme's objectives, while management is responsible for implementing engagement activities and maintaining ongoing relationships.

### Our Key Stakeholders and How We Engage

Stakeholder	Engagement Purpose	Frequency	Responsible Parties
 <b>POLMED Board of Trustees &amp; Committees</b>	Strategic direction, governance oversight, informed decision making quarterly & ad hoc	 <b>Quarterly &amp; ad hoc</b>	 Principal Officer Chief Legal Officer Delegated Executives
 <b>Council for Medical Schemes (CMS)</b>	Regulatory compliance and statutory alignment as required by legislation & ad hoc	 <b>As required by legislation &amp; ad hoc</b>	 Principal Officer Chief Legal Officer Delegated Executives
 <b>Members &amp; Dependants</b>	Empower informed healthcare decisions via AGM, wellness initiatives, educational campaigns, events, multi-channel communication	 <b>Ongoing</b> <small>(per outreach calendar)</small>	 Principal Officer Chief Legal Officer Delegated Executives
 <b>SAPS Leadership Team (Employer)</b>	Alignment of Scheme operations with employer objectives, collaboration via meetings, reports leadership forums	 <b>Ad hoc / on request</b>	 POLMED Board, Principal Officer, Chief of Staff, Delegated Executives



## 3.10 OUR PEOPLE

POLMED continued to strengthen its commitment to a high-performing, engaged, and future-ready workforce aligned to the Scheme's strategic direction and values.

Focus during the year was placed on strengthening organisational capability, deepening culture, and ensuring the sustainability of skills required to support service excellence and long-term growth.

### Building a Strong People Foundation

The Human Capital function implemented a refreshed People Plan structured around the Grow, Thrive, and Belong pillars. The Plan replaced the previous HR Strategy following guidance from Human Resource and Remuneration Committee (HRRECOM) and provides clearer priorities, practical actions, and measurable outcomes to strengthen organisational capability, employee wellbeing, and inclusion.

A Succession Management Framework was introduced to support long-term workforce planning, leadership continuity, and equitable access to development opportunities. The framework enhances business continuity while responding to the Scheme's evolving demographic and skills profile.

### Talent, Capability, and Performance

Targeted recruitment for specialist and leadership roles continued, supported by enhanced employer branding and improved digital sourcing. Internal mobility increased through promotions and acting opportunities, supporting retention and the transfer of institutional knowledge.

Capability development was advanced through renewed focus on learning and development, including the restoration and enhancement of the Learning Management System. Performance management maturity improved through clearer timelines, improved quality of performance conversations, and stronger alignment between performance outcomes, development, and reward.

### Wellness, Culture, and Engagement

Employee wellness remained a strategic priority with the onboarding of HealthFirst as the Scheme's wellness partner. This enabled improved health screenings,

on-site support, and structured wellness initiatives focused on prevention and early detection.

Culture and engagement were strengthened through Townhalls staff session, values-based recognition, and targeted internal communication. Recognition of employees who demonstrated the Scheme's values continued to reinforce desired behaviours and organisational cohesion.

### Governance and Risk Management

Human Capital governance was strengthened through the review and updating of key policies to ensure legislative compliance and organisational relevance. The refreshed Human Capital Enterprise Risk Register improved oversight across critical workforce risks, including talent, leave, performance, and wellness.

Greater emphasis was placed on integrity and accountability through improved discipline management processes and the planned rollout of Industrial Relations training for managers to support fair, consistent, and ethical people management.

### Looking Ahead

Building organisational capability remains central to delivering POLMED's strategic priorities. In 2026, the Human Capital function will continue to focus on strengthening organisational capability and supporting the Scheme's strategic objectives. Key priorities include the continued implementation of the People Plan, activation of the Learning Management System to support a stronger learning culture, and further automation of core Human Capital processes through Microsoft Dynamics 365.

Additional focus areas include leadership and talent development to strengthen succession depth, enhanced employer branding aligned with the Employee Value Proposition, and the expansion of values-based recognition programmes. The Scheme will also continue to advance a more data-informed performance management approach to support greater transparency, consistency, and fairness.



“POLMED remains committed to advancing employment equity”

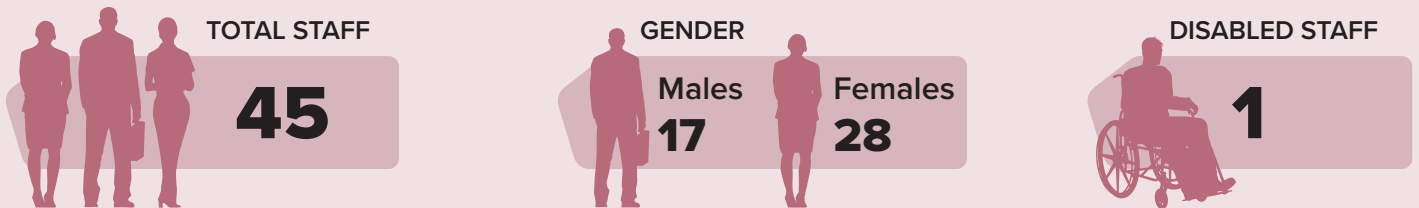
## 3.11 OUR PEOPLE

### Employment Equity and Workplace Diversity

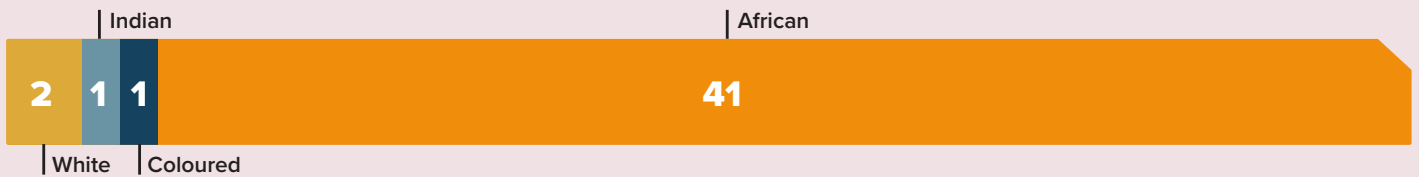
As regulated under the amended Employment Equity (EE) Act, POLMED is no longer required to submit annual EE reports, as the organisation employs fewer than 50 staff members. With effect from 1 January 2025, the Scheme is exempt from the Employment Equity reporting requirements. Notwithstanding this exemption, POLMED remains committed to advancing employment equity and will continue to support its objectives through the Employment Equity Forum. Transformation initiatives are supported through the Employment Equity Committee, which provides oversight and guidance on the implementation of the Scheme's employment equity objectives.

As at 31 December 2025, the Scheme employed 45 permanent staff members, with the workforce remaining predominantly African and women representing the majority across occupational categories.

### Workforce Profile



### RACE



### OCCUPATIONAL LEVEL:





04

OUR  
**APPROACH**

## 4 OUR APPROACH

Our approach reflects a deliberate commitment to creating value for our members while safeguarding the long-term sustainability of the Scheme. We anchor our decisions in evidence, thoughtful risk management, and a clear understanding of the concerns and challenges that matter most to our members, the South African Police Service, and other key stakeholders.

### 4.1 VALUE CREATING BUSINESS MODEL

POLMED's business model reflects its mission to enable sustainable healthcare benefits to members of the South African Police Service and their dependants. While restricted medical schemes often operate with similar processes, POLMED's model distinguishes itself through a deep understanding of the lived realities, health risks, and operational demands of policing. This long-standing relationship has enabled the Scheme to design targeted wellness initiatives, preventative care programmes, and integrated support services that directly respond to the needs of law enforcement personnel.

A key strategic focus is the transition from a traditional hospital-centred funding model towards a health maintenance approach that prioritises prevention, early detection, and chronic disease management. This approach supports improved member wellbeing while managing healthcare costs over the long term.

Strong governance and disciplined financial management underpin the business model, ensuring that member contributions and reserves are managed responsibly and that the Scheme remains sustainable in a changing healthcare environment.



## 4.2 SIX CAPITALS EMPLOYED

### Capitals Employed

POLMED draws on several forms of capital to support its operations and deliver value to members and stakeholders.

#### INPUTS - CAPITALS

- FINANCIAL CAPITAL**  
 Represents the monetary resources enabling POLMED to fund healthcare benefits, manage reserves, and invest in long-term sustainability.
  - Member contributions
  - Employer subsidy
  - Investment income
  - Scheme reserves
- HUMAN CAPITAL**  
 The skills, expertise, and dedication of employees, Trustees, independent members and service providers that underpin decision-making, governance, and service delivery.
  - 45 permanent employees
  - Independent members and Trustees with strategic, governance, clinical, and financial expertise
  - Leadership and talent development initiatives in place
- INTELLECTUAL CAPITAL**  
 POLMED's institutional knowledge, healthcare insights, policies, procedures, and managed care frameworks that support innovative, evidence-based service delivery.
  - Clinical programmes for chronic disease management, maternity, wellness, and preventative care
  - Cost containment programmes
  - Data analytics and reporting systems for informed decision-making
  - Compliance and governance frameworks
- MANUFACTURED CAPITAL**  
 Digital and physical infrastructure that enables efficient administration, member engagement, and access to healthcare.
  - POLMED Connect mobile app
  - ICT systems and platforms supporting claims processing, member data management, and reporting
  - Operational infrastructure for mobile clinics and wellness programmes
- SOCIAL AND RELATIONSHIP CAPITAL**  
 Relationships and networks with members, regulators, healthcare providers, SAPS, organised labour, and other stakeholders that foster trust and collaboration.
  - Continuing beneficiaries
  - healthcare provider partnerships across provinces
  - Active engagement and satisfaction metrics with stakeholders and members
  - Enterprise and Supplier development (cohort 2)
- NATURAL CAPITAL**  
 Responsible environmental resource management aligned with sustainability objectives.
  - Energy-efficient operations and resource-use initiatives
  - Office energy usage reduced

#### OUTPUTS – CAPITALS IN ACTION

- FINANCIAL CAPITAL**  
 Optimise income from member contributions, employer subsidies, and investments to sustain solvency and affordability.
  - Solvency ratio maintained at 8915%
  - Affordable member contributions increased by 4.79%
- HUMAN CAPITAL**  
 Develop skills, retain talent, and strengthen leadership across the Scheme.
  - Skilled and engaged workforce; 90% achieve performance ratings above 3
  - Internship opportunities for dependents of fellow heroes
- INTELLECTUAL CAPITAL**  
 Use clinical insights, policies, and analytics to improve healthcare delivery and decision-making.
  - Evidence-based managed care programmes implemented
  - Preventative care initiatives reach over 60% of members
- MANUFACTURED CAPITAL**  
 Invest in digital platforms and ICT systems to enhance member services and operational efficiency.
  - Successful launch of the POLMED Connect Mobile App
- SOCIAL AND RELATIONSHIP CAPITAL**  
 Foster trust and collaboration with members, SAPS, providers, and regulators.
  - Member satisfaction score (NPS): 41%
  - Strengthened stakeholder trust and collaboration
- NATURAL CAPITAL**  
 Reduce environmental impact through sustainable operations and responsible resource use.
  - Reduced environmental footprint through resource efficiency initiatives

### KEY ACTIVITIES – ACROSS ALL FUNCTIONS

POLMED transforms its capitals through a combination of strategic and operational activities

- LEGAL, COMPLIANCE & SCHEME SECRETARIAT**
  - Ensures adherence to regulatory acts and Scheme Rules
  - Manages contracts to mitigate risk and secure value
  - Provides compliance training and monitors ethical behaviour
  - Recovers funds from fraud, waste, and abuse
- OPERATIONS**
  - Designs and refines benefits to align with member needs and sustainability
  - Implements wellness and preventative care programmes
  - Manages claims administration and member services
  - Oversees managed care and clinical governance
  - Provides member engagement and education
  - Conducts research and data analytics to improve services
- STRATEGY & RISK**
  - Develops, monitors, and executes the Scheme's strategic plan
  - Identifies, assesses, and mitigates risks, while leveraging opportunities
  - Oversees project management of strategic initiatives
- FINANCE & PROCUREMENT**
  - Manages reserves, investments, and claim payments
  - Executes budgeting processes and ensures cost control
  - Oversees supply chain and procurement to maximise value
- INTERNAL AUDIT**
  - Provides independent assurance to the Board and management
  - Evaluates governance, risk management, and internal control effectiveness
  - Supports new initiatives to embed controls from inception

- CORPORATE SERVICES**
  - Develops ICT strategy, policies, and processes
  - Optimises physical and digital infrastructure for operational efficiency
  - Drives organisational communications and reputation management
  - Attracts, develops, and retains talent
- HUMAN RESOURCES**
  - Implements People Plan and Learning Management System
  - Strengthens performance management, leadership, and talent development
  - Ensures HR compliance with employment laws and internal policies
- MARKETING & STAKEHOLDER ENGAGEMENT**
  - Operationalises the Stakeholder Matrix and Engagement Plan
  - Coordinates targeted engagement with members, SAPS, regulators, and healthcare providers
  - Supports member communication and feedback initiatives
- PRINCIPAL OFFICER OFFICE**
  - Provides overall leadership and coordination across functions
  - Monitors implementation of strategic objectives and governance standards

#### OUTCOMES – VALUE CREATED

- Accessible, high-quality healthcare across all provinces
- Improved member wellness and health outcomes
- Affordable and sustainable contributions supporting long-term solvency
- Strong stakeholder confidence and trust
- Enhanced operational efficiency and Scheme resilience

## 4.2 SIX CAPITALS EMPLOYED

### Mindful Use and Trade-Offs of Capitals

POLMED continued to manage and balance its capitals to deliver sustainable value to members. Strategic trade-offs were applied to optimise outcomes, focusing on investing in employees, strengthening supplier partnerships, enhancing operational efficiency, and maintaining financial stability and governance standards.

This approach ensures that decisions remain aligned with members' and stakeholders' interests, supporting resilience, adaptability, and long-term sustainability in a dynamic healthcare environment.



## 4.3 RISKS AND OPPORTUNITIES

Effective risk and opportunity management enhances strategic resilience and supports long-term value creation. To this end, the Scheme maintains a strong risk culture and applies a dual approach to risk management. This approach involves the Board of Trustees, management, key service partners and employees, and is embedded in our strategy-setting process.

Our approach to risk management is not merely to minimise risks but also to capitalise on opportunities that may arise. By maintaining a proactive stance, POLMED seeks to turn potential threats into value-added opportunities, ensuring the sustainable growth of Our Scheme. To achieve this, POLMED has an Enterprise Risk Management (ERM) Policy and Framework in place, and an Enterprise Risk Management Work Plan is developed and approved every financial year, demonstrating POLMED’s commitment to ERM.

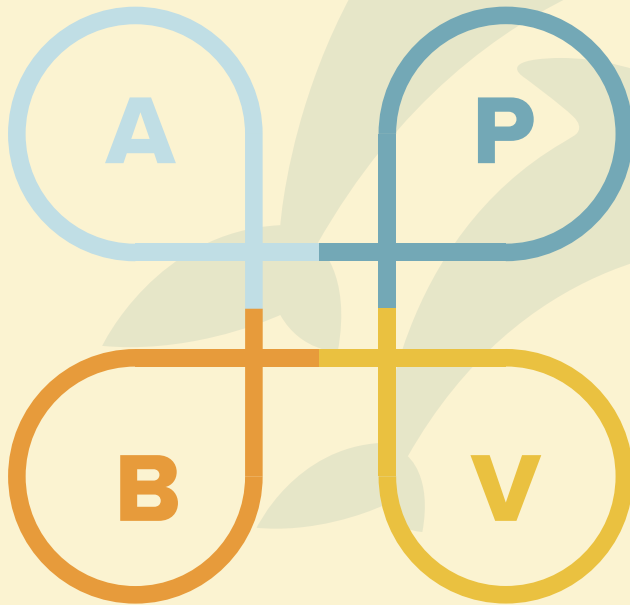
The Board recognises that ERM is an essential part of effective corporate governance. To this end, POLMED adopts international best practices and aligns its risk management processes with established frameworks such as ISO (“International Organisation for Standardisation”) 31000 and COSO (“The Committee of Sponsoring Organizations of the Treadway Commission”) ERM.

### 1 Assurance and Oversight to the Board

Implemented through the Board reporting mechanism and the utilisation of the “three lines of defense” model

### 2 Process Enhancement and Streamlining

Carried out within the Function Risk Review procedures and control enhancement efforts.



### 4 Business Continuity and Resilience

Implemented through the practices of Business Continuity Management to ensure the organisation’s resilience

### 3 Value Enhancement

A deeply ingrained approach, offering management valuable insights into risks to inform business decision-making.



## Our process

### Identification and Assessment of Risks

The journey of effective risk management begins with the identification and assessment of potential risks. Our dedicated Enterprise Risk Management team, in collaboration with the governance structures, employs a robust process to identify and categorise risks, considering both internal and external factors that may impact our operations.

Our risk assessment process is ongoing and dynamic, allowing us to respond swiftly to emerging risks or changing circumstances. We maintain an open and transparent communication channel with all employees, encouraging them to report any risks or concerns they may identify during their day-to-day activities.

### Responding, Monitoring and Realising Opportunities

Once risks are identified and assessed, we develop tailored risk mitigation strategies. Our aim is not merely to minimise risks but also to capitalise on opportunities that may arise. By maintaining a proactive stance, we seek to turn potential threats into value-added opportunities, ensuring the sustainable growth of our Scheme.

Our risk management process includes specific provision for identifying and realising business opportunities. We define an opportunity as a set of exploitable circumstances with uncertain outcomes, requiring commitment of resources that may involve exposure to risk.

## 4.3 RISKS AND OPPORTUNITIES

### Risk appetite and tolerance

POLMED applies a differentiated risk appetite, recognising that risks vary in nature and impact. The Scheme accepts measured risk in pursuit of strategic objectives while protecting members' interests and maintaining financial and operational stability. Risk appetite defines the level of risk the Scheme is willing to accept, while risk tolerance reflects its capacity to absorb risk. Risk appetite and tolerance form a core component of ERM. These are reviewed and monitored by the BoT annually.

### Combined assurance

During 2025, the Scheme transitioned from a three-line to a five-line combined assurance model, strengthening the coordination, depth, and coverage of assurance activities across POLMED. The five lines of assurance framework clarifies roles and responsibilities across management, oversight, and independent assurance providers, and enhances the Scheme's ability to obtain a holistic view of risk management, internal controls, and governance effectiveness.

The revised framework supports improved alignment between assurance providers, reduces duplication of effort, and promotes more informed decision-making by management, the Audit and Risk Committee, and the Board. While the framework continues to mature as it is further embedded into operational and governance processes, the shift represents a deliberate step toward a more integrated, structured, and robust assurance environment in line with King IV principles.

### Managing Emerging Risks

POLMED monitors emerging risks as part of strategic planning and ongoing risk assessment. These risks arise from regulatory change, technological developments, evolving member expectations, and external shocks. While such risks may disrupt operations, they also present opportunities to strengthen resilience and innovation.

#### Key emerging risks include:

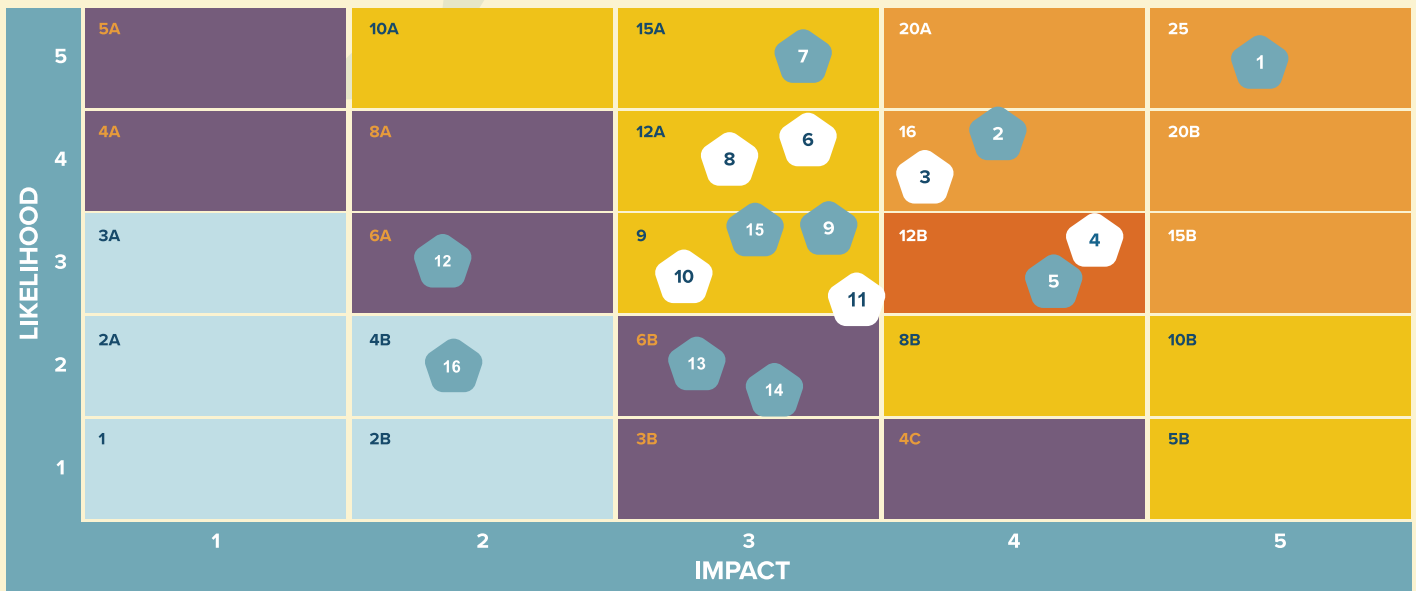
- Regulatory change and compliance, requiring continuous monitoring and adaptation.
- Technology advancement, presenting integration and cybersecurity challenges alongside efficiency gains.
- Changing member expectations, increasing demand for accessible and personalised services.
- Pandemic and systemic health risks, with potential impacts on healthcare delivery and claims management.

### Top Strategic Risks

The heat maps below illustrates the Scheme's main residual risk themes, the magnitude of their potential impact, and the likelihood.

The residual risk rating is the exposure that remains after all mitigating measures have been implemented. External variables outside management's control, such as the prolonged impact of the pandemic and the sluggish economic reset that has an impact in benefits and cost of healthcare, continue to be significant contributors to the present residual risk rating.

Table: Top 10 Strategic risks



## 4.3 RISKS AND OPPORTUNITIES

Table: Top 10 Strategic risks

No.	Risk	IR	RR	TREND
1	The impact of the implementation of the National Health Insurance (NHI) on the Scheme in its current form	25	25	N1
2	Continued exposure to cybersecurity risk	25	16	↑
3	Fraud, Waste and Abuse (FWA)	25	12B	↑
4	Escalating Healthcare Costs	20B	12B	↑
5	Over-dependence of POLMED on its Administrator	25	12B	↑
6	Strategic Execution Misalignment	20B	12A	→
7	Fiscal constraints pose a risk of a reduction in SAPS contribution	16	15A	→
8	Scheme-wide Digitisation	16	12A	→
9	External policy uncertainties	16	9	→
10	Insufficient member - centricity due to insufficient Communication, stakeholder management and member engagement	16	9	→



## 4.4 MATERIAL MATTERS

POLMED has identified the material matters that most significantly impact our ability to deliver value to members and stakeholders. These matters guide our strategic planning and ensure the Scheme remains resilient, responsive, and sustainable in a complex healthcare environment.

### Our Materiality Assessment Process

We define material matters as those that drive significant economic, environmental, and social outcomes or have the potential to influence stakeholder decisions. Our assessment considers regulatory requirements, comprehensive internal analyses, industry standards, and stakeholder engagement. This rigorous approach supports our mission to operate sustainably and responsibly while creating long-term value for members.



#### 1. National Health Insurance (NHI)

The anticipated implementation of National Health Insurance (NHI) presents both opportunities and challenges. The National Health Insurance Act was signed into law in May 2024 as part of South Africa's transition toward universal health coverage. Implementation is planned to occur in phases; however, the commencement of specific provisions of the Act has been delayed pending Constitutional Court rulings on legal challenges related to the legislative process.

##### Response:

Proactive monitoring of NHI developments and regulatory changes. Scenarios planning. Participation in industry forums and stakeholder consultations.



#### 2. Financial Sustainability and Solvency

Financial sustainability is the foundation of POLMED's ability to its mission. Rising healthcare costs, inflation, claims volatility, and economic pressures require prudent financial management, strategic investment, rigorous cost control, and maintaining solvency well above regulatory minimums.

##### Response:

Maintain solvency well above 25% minimum; cost management; strategic investment; regular sustainable checking.



#### 3. Member Contribution Affordability and Economic Pressures

POLMED must balance a fundamental and ongoing tension: keeping member contributions affordable while maintaining the financial reserves necessary to sustain the Scheme and deliver quality healthcare. This is the core of our value proposition to SAPS members and their families, who face ongoing economic pressures including salary constraints and rising cost of living.

##### Response:

Keep increases closer to CMS guidelines; actuarial analysis; negotiate employer subsidy; cost containment; benchmark against industry performance.



#### 4. Healthcare Quality, Access, and Wellness

Delivering high-quality, accessible healthcare is central to our purpose. Through preventative programs, chronic disease management, mental health support, and wellness initiatives, we aim to improve health outcomes, manage costs, and enhance the overall member experience. For SAPS members and their families, accessible healthcare is essential to maintaining their wellbeing and job performance.

##### Response:

Comprehensive provider networks; preventative screening; mental health services; clinical governance; quality assurance assessments.



#### 5. Cybersecurity and Data Protection

Cybersecurity and data protection are central to safeguarding member information and maintaining system integrity. In an increasingly digital environment, advanced threat detection, continuous monitoring, regular security audits, and comprehensive staff training ensure the confidentiality, integrity, and availability of our digital assets. Data breaches or cyber-attacks could compromise member trust and regulatory standing.

##### Response:

Comprehensive security frameworks; threat detection; POPIA compliance; multi-factor authentication; incident response plans; staff training.



#### 6. Fraud, Waste, Abuse, Error and Corruption Prevention

Preventing Fraud, Waste, Abuse, Error and Corruption (FWAEC) is critical to protecting member contributions and ensuring resources are used effectively and appropriately for healthcare provision. FWAEC depletes Scheme reserves, increases healthcare costs, erodes member trust, and threatens long-term sustainability.

##### Response:

Advanced analytics; member and provider education; forensic investigations; strict enforcement; internal and external audits; Supply Chain Management.



## 4.4 MATERIAL MATTERS

### How These Matters Connect

Strong financial management (2) enables affordable contributions (3) and quality healthcare (4), which drive member value. FWAEC prevention (6) protects reserves and supports sustainability (2). Cybersecurity (5) ensures data protection and regulatory compliance. Together, all six matters prepare POLMED for NHI implementation (1) and sustainable value creation.

### Stakeholder Alignment

Stakeholder	Key Material Matter Priorities
SAPS Members & Dependants	Affordable contributions (3), quality care (4), data security (5), scheme sustainability (2)
SAPS Leadership	Healthcare access (4), contribution sustainability (2, 3), data protection (5), NHI readiness (1)
Regulators (CMS)	Solvency (2), FWAEC prevention (6), data protection (5), NHI implementation (1)
Board of Trustees	All six matters drive governance oversight; NHI readiness (1); value creation & sustainability



## 4.5 ETHICS MANAGEMENT

Ethical leadership underpins POLMED's governance framework. Through a culture of integrity, the Scheme ensures that members' interests, regulatory obligations, and stakeholder trust remain at the centre of all governance and operational activities.

### Embedding Ethical Leadership and Accountability

The Board's decision to adopt integrity as a core value during the year further strengthens the Scheme's ethical framework. This formal recognition reinforces tone at the top and clarifies behavioural expectations across trustees, independent members, management, scheme's service provider and staff.



### Ethics oversight is embedded through the following mechanism:

- **Monthly Ethics Communication:** Ethical themes are circulated to trustees, independent members, and employees, linking ethical principles to real governance and operational scenarios.
- **Standing Board Agenda Item:** Ethics remains integrated into all Board and committee meetings, enabling transparent discussion of conflicts of interest, fiduciary duties, and conduct expectations.
- **Leadership Modelling:** Trustees and senior management demonstrate ethical decision-making, setting clear behavioural expectations throughout the Scheme.

This structured approach ensures that ethical principles are not merely written policies but lived values across all governance levels and in daily operations.

### Ethics as a Strategic Enabler

At POLMED, ethics is positioned as a strategic enabler rather than a compliance checkbox. This deliberate integration of ethical principles into governance and operational processes directly supports the Scheme's sustainability and member mandate. This approach contributes to:

- **Disciplined Decision-Making on Strategic Tensions:** When balancing member contribution affordability with financial sustainability, ethical frameworks ensure that decisions prioritize member interests alongside long-term viability. This balance is essential to POLMED's core value proposition.
- **Stakeholder Confidence:** Consistent ethical conduct with members, healthcare providers, SAPS, and regulators strengthens POLMED's credibility and relationships across the ecosystem.
- **Institutional Integrity:** Clear behavioural standards reinforce accountability and fairness, particularly in fraud, waste, abuse, error and corruption (FWAEC) prevention and appropriate stewardship of member contributions. Operational Resilience: Ethical governance supports robust risk management, responsible stewardship of member funds, and strategic readiness for the anticipated NHI transition.



Ethics at POLMED is embedded in how the Scheme operates, not through policies alone, but through decision-making that consistently prioritizes integrity. In an environment of economic pressures, NHI uncertainty, and competing stakeholder interests, ethical governance ensures that POLMED's decisions remain grounded in our mission: enabling access to quality healthcare to SAPS members and their dependants. This consistent ethical conduct strengthens POLMED's ability to navigate complexity, maintain stakeholder trust, and create sustainable value.

## 4.6 COMPLIANCE AND REGULATORY MANAGEMENT

POLMED remains committed to maintaining the highest standards of compliance, ethical conduct, and regulatory governance, in accordance with the Medical Schemes Act 131 of 1998, the Regulations, and all other oversight requirements of the Council for Medical Schemes (CMS).

During the reporting period, the Board of Trustees (BoT) exercised effective oversight of compliance and regulatory management through the established governance structures, such as the Audit and Risk Committee (ARC), the Complaints and Dispute Resolution Committee (CDRS), and the Clinical Governance Committee (CGC), supported by management and assurance providers.

The Scheme developed a comprehensive regulatory universe, tracking all applicable legislative, regulatory, and CMS requirements with regular monitoring and reporting to management and the BoT. Compliance risks were integrated into the enterprise risk management process to ensure alignment among regulatory compliance, operational controls, and strategic objectives. Ongoing engagement with CMS was prioritised to ensure transparency, timely submission of statutory returns, and responsiveness to regulatory guidance and directives.

Training and awareness initiatives were conducted to promote a culture of compliance and accountability across the Scheme, reinforcing individual and collective responsibility for regulatory adherence. Independent assurance activities, including internal audit and external audit reviews, provided additional confidence in the effectiveness of compliance controls.

Compliance is not merely a “check-box” exercise but is embedded in our Combined Assurance Model. The Scheme transitioned from a three Lines of Assurance strategy and adopted a Five Lines of Assurance strategy, which differentiates the functions that own and manage risk and those that oversee risk and compliance.

### Regulatory Environment

POLMED operates within a stringent regulatory environment designed to protect members interest and ensure the sustainability of our Scheme. The primary legislation and regulatory bodies governing our operations include the Medical Scheme Act 1998 (Act No. 131 of 1998) and its accompanying regulations, the CMS, the Financial Sector Regulation Act No. 9 of 2017 and the Protection of Personal Information Act No.4 of 2013 (POPIA). We also comply with other relevant legislations and best practices.

### Medical Scheme Act (MSA)

POLMED remains compliant with the provisions of the MS Act while adapting to regulatory changes, including the implementation of the National Health Insurance (NHI) Act. The provision where non-compliance is noted will be listed under 7.3 of this report.

With the NHI Act introducing potential reforms to the role of medical schemes, POLMED is closely monitoring developments to align its long-term strategy with future regulatory changes. Key focus areas include the

changes to the MSA anticipated in the NHI Act. This requires POLMED to ensure continued compliance with the MS Act while preparing for amendments that may arise.

POLMED ensures that all members have access to PMBs, which cover the diagnosis, treatment, and care of life-threatening and chronic conditions. POLMED continuously assesses its financial position to ensure compliance with solvency and liquidity requirements while maintaining affordability for members. The

Scheme remains aligned with CMS Circulars and directives, ensuring proactive compliance with evolving industry standards.

### Scheme Rules

POLMED is governed by scheme rules that contain relevant information that every member and potential member should know. These rules are amended from time to time and registered with the CMS, making them binding on the Scheme, the members, officers, and any other person who claims any benefit under these rules.

## 4.7 ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

POLMED recognises that Environmental, Social and Governance (ESG) considerations are integral to long-term value creation for members and stakeholders. As the Scheme navigates evolving healthcare landscapes, including the anticipated National Health Insurance (NHI) implementation, robust ESG practices support operational resilience, member confidence, and sustainable healthcare delivery.

### Our ESG Commitment

POLMED's ESG approach is grounded in three commitments:

- **Environmental Responsibility:** Reducing our operational impact through energy efficiency, waste reduction, and climate-aware practices that protect the health and wellbeing of our members and communities.
- **Social Value:** Supporting our beneficiaries through quality healthcare access, workforce inclusion and development, and community initiatives that advance health equity.
- **Governance Excellence:** Operating with transparency, ethical decision-making, and accountability through robust governance frameworks and stakeholder engagement.

### Alignment with Sustainable Development Goals (SDGs)

POLMED contributes to three United Nations Sustainable Development Goals:

3 GOOD HEALTH AND WELL-BEING



#### SDG 3 – Good Health and Well-being (Target 3.8 – Universal Health Coverage)

Through our healthcare delivery, preventative programs, mental health support, and chronic disease management, POLMED works toward universal health coverage for our beneficiaries. Our accessible healthcare and wellness initiatives support healthy lives across the lifespan.

5 GENDER EQUALITY



#### SDG 5 – Gender Equality

POLMED maintains a 62% female workforce and is committed to gender equality through diverse leadership, fair remuneration, and equal employment opportunities across all levels of the Scheme. Women represent significant representation in management, strengthening inclusive decision-making.

8 DECENT WORK AND ECONOMIC GROWTH



#### SDG 8 – Decent Work and Economic Growth

By employing skilled professionals, investing in workforce development, and maintaining fair employment practices, POLMED supports decent work. Our supply chain partnerships and enterprise development initiatives contribute to economic growth in the communities our members serve.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



#### SDG 9 – Industry, Innovation and Infrastructure

Build resilient infrastructure and foster innovation. Investment in digital platforms (POLMED Connect App), data analytics, and ICT systems that enhance healthcare management and member service delivery.

10 REDUCED INEQUALITIES



#### SDG 10 – Reduced Inequalities

POLMED reduces healthcare inequalities through inclusive membership policies that extend coverage to diverse dependant categories spouses, children (including disabled children regardless of age), studying young adults (21–25), dependent adult offspring (21–30), and aging parents. B-BBEE initiatives, and affordable contributions ensure equitable access across socioeconomic groups. This comprehensive approach supports healthcare security across all life stages.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



#### SDG 12 – Responsible Consumption and Production

POLMED is committed to reducing fraud, waste, abuse and error, promoting sustainable resource use, and ensuring responsible management of our operational footprint and non-healthcare cost. Prudent financial stewardship of member contributions reflects responsible consumption of healthcare resources.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



#### SDG 16 – Peace, Justice and Strong Institutions

POLMED demonstrates commitment to strong institutions through best practises governance principles, Scheme rules and MSA compliance, ethical decision-making, fraud and corruption prevention, whistleblower protection mechanisms, and transparent stakeholder engagement. These governance foundations build trust and integrity across the Scheme.



## 4.7 ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

### Environmental Initiatives

- Energy awareness and usage disclosure across office operations

### Social Initiatives

- 62% female workforce (strong gender diversity)
- Mental health support programs for SAPS members (core healthcare offering)
- ESD programmes
- Employment opportunities for fallen heroes' dependants

### Governance

- Corporate principles embedded in Board operations and oversight
- Ethics management framework strengthened with integrity as core value
- Fraud, Waste, Abuse, Error and Corruption (FWAEC) prevention controls implemented
- MSA compliance and data protection standards maintained

### 2026 Priorities

- Develop formal ESG strategy and governance framework
- Establish ESG metrics and targets across Environmental, Social, and Governance pillars
- Conduct comprehensive environmental footprint assessment
- Document social value creation (healthcare access, workforce development, community health)
- Align governance practices with evolving King IV guidance and regulatory requirements

### Looking Forward

POLMED recognises that comprehensive ESG integration is a multi-year journey. As the Scheme navigates healthcare transformation through NHI implementation, maintains financial sustainability, and delivers quality healthcare to SAPS members, robust ESG practices become increasingly important for stakeholder confidence and organizational resilience.





Supply Chain Management (SCM) within POLMED is a strategic enabler to ensure on-time delivery of goods and services. POLMED embeds a culture of fairness, equity, transparency, and healthy competition through the SCM value chain, ensuring good governance during procurement of goods and services.

### **SCM Governance**

The SCM function operates within an approved policy that gives effect to the principles of fairness, equity, transparency, competitiveness, and accountability across the procurement value chain. Governance oversight of SCM is maintained through:

- Defined delegations of authority and segregation of duties
- Structured approval processes supported by bid committees and assurance review structures
- Control mechanisms embedded across procurement planning, sourcing, contract management, and supplier performance monitoring

Compliance with internal policies, regulatory requirements, and ethical standards is reinforced through these governance structures, supporting POLMED's commitment to fair and ethical supply chain management.

### **Enterprise and Supplier Development (ESD) Programme**

POLMED's Enterprise and Supplier Development (ESD) programme aims to provide entrepreneurial support, training, access to market opportunities, and business support through a tailored development approach. The programme directly supports economic development and transformation, aligned with POLMED's ESG commitments and B-BBEE objectives.

The objective of the POLMED ESD programme is to provide entrepreneurs with training, access to market opportunities, and business support through a tailored Enterprise and Supplier Development Programme

2025 ESD Programme Achievements: POLMED graduated the first cohort of the ESD programme with positive impact in the following areas:

- Improved access to markets for participating enterprises
- Revenue growth achieved within participating SMEs
- Increased job creation within supported enterprises
- Contribution to business growth through extended business support services

This ESD programme demonstrates POLMED's commitment to supporting black economic empowerment, enterprise development, and economic inclusion within South Africa's small and medium enterprise sector.

## 4.9 FRAUD, WASTE, ABUSE , ERROR AND CORRUPTION

Fraud, Waste, Abuse, Error including Corruption (FWAE) in the healthcare sector directly undermine the wellbeing of medical scheme members. Each fraudulent claim or misuse of resources erodes the pool of funds intended to ensure access to essential healthcare services. The consequences are far-reaching, FWAE drives up premiums, reduces available benefits, and threatens the long-term sustainability of medical schemes. Ultimately, all members bear the cost, regardless of their individual healthcare needs.

The Scheme, through its administrator Medscheme, remains resolute in combatting FWAE. As part of its risk mitigation strategy, the Scheme has implemented a comprehensive Fraud Risk Management Programme that spans prevention, detection, investigation, mitigation, and reporting. This multi-phase approach includes industry information sharing, targeted training and communication, forensic data analysis, and both civil and criminal recovery mechanisms ensuring a robust and integrated response to fraud risk. Ongoing collaboration with key stakeholders, including the SAPS, HPCSA, and CMS, reinforces the Scheme's commitment to combating FWAE. In parallel, sustained awareness campaigns, newsletters, and direct communications are disseminated to both healthcare service providers and members, further strengthening the culture of integrity and accountability within the Scheme.

### DO WHAT'S RIGHT EVERY TIME

STOP FRAUD, WASTE, ABUSE AND ERROR.

Be alert. Be accountable.  
Be the reason we stay protected.



## Your Quick Guide

### to protecting your medical aid from FWAE

<p><b>QUESTION 1</b> <b>WHAT IS FWAE?</b></p> <p>FWAE stands for Fraud, Waste, Abuse and Error – behaviours or mistakes that drain resources from medical aid schemes.</p>	<p><b>QUESTION 2</b> <b>HOW DOES IT AFFECT ME?</b></p> <p>Every rand lost through FWAE is money taken from the shared pool of member contributions. That means higher premiums and fewer benefits for you.</p>	<p><b>QUESTION 3</b> <b>IS IT STILL FRAUD IF I JUST USE BENEFITS I DON'T REALLY NEED?</b></p> <p>Yes. Wasteful use of benefits still drains funds meant for all members and contributes to higher costs.</p>
<p><b>QUESTION 4</b> <b>WHAT HAPPENS IF SOMEONE IS CAUGHT COMMITTING FRAUD?</b></p> <p>Schemes take a zero-tolerance approach. Membership can be terminated, employment affected, and criminal charges laid.</p>	<p><b>QUESTION 5</b> <b>HOW CAN I HELP PREVENT FWAE?</b></p> <p>By checking your claims, protecting your membership details, refusing to collude in false claims, and reporting suspicious activity.</p>	<p><b>QUESTION 6</b> <b>CAN I REPORT FRAUD ANONYMOUSLY?</b></p> <p>Yes. Dedicated whistleblower hotlines allow you to report in confidence or anonymously.</p>

Fraud, Waste, Abuse & Error aren't just a scheme problem. They're everyone's problem. By following these steps, you protect your benefits - and every member's future.



- Check your claims for accuracy
- Keep your membership card and details safe
- Never share your membership number
- Don't accept cash for claims you didn't receive
- Report suspicious behaviour via the official whistleblower channels

### EIGHT WAYS TO SUBMIT A REPORT TO THE WHISTLE BLOWERS ETHICS HOTLINE

 <p><b>Call directly on the toll-free number 0800 112 811</b> Use the dedicated Whistle Blowers hotline number to make a report via the live answering service.</p>	 <p><b>Download and use the Whistle Blowers app</b> Download the secure Whistle Blowers app from Google Play or the Apple App Store. The app guides you through the reporting process.</p>
 <p><b>SMS to 33490</b> Send your report via the SMS line from anywhere in South Africa at a cost of R1.50.</p>	 <p><b>Post a letter of your report</b> Send a letter of your report to Whistle Blowers via post using the below details: <b>Freepost KZN665, Musgrave, South Africa, 4062</b></p>
 <p><b>Report online at <a href="http://www.whistleblowing.co.za">www.whistleblowing.co.za</a></b> Visit the Whistle Blowers website to report and make your submission via the online reporting platform.</p>	 <p><b>Fax your report</b> Send your report to Whistle Blowers via a fax line: Toll-free on <b>0800 212 689</b></p>
 <p><b><a href="mailto:information@whistleblowing.co.za">Email to information@whistleblowing.co.za</a></b> Send an email of your report privately to Whistle Blowers.</p>	 <p><b>WhatsApp</b> Send your report to Whistle Blowers via WhatsApp on: <b>031 308 4664</b></p>

Remember, reports can be submitted anonymously or in confidence.

## 4.10 GOVERNANCE OF INFORMATION, COMMUNICATIONS, AND TECHNOLOGY (ICT)

### ICT Environment

Over the 2024 and 2025 reporting periods, POLMED continued to advance its ICT modernisation programme to support the Scheme's transition towards strengthened insourcing, improved operational efficiency, and enhanced service delivery. Key initiatives included the implementation of an integrated ERP platform, the advancement of cloud-based services, and the continuous development of a unified data environment to enable improved reporting and data-driven decision-making.

During 2025, the focus shifted towards strengthening infrastructure resilience and cybersecurity capabilities. The successful upgrade of firewall infrastructure and network switches improved network performance, security, and scalability, while the implementation of FortiAnalyzer enhanced centralised monitoring, threat detection, and security governance. The introduction of Mimecast further strengthened email security and communication resilience, reducing exposure to phishing and email-based threats.

These initiatives collectively position ICT as a strategic enabler of POLMED's long-term sustainability, ensuring a secure, resilient, and member-centric technology environment capable of supporting the Scheme's evolving operational and regulatory requirements.





05

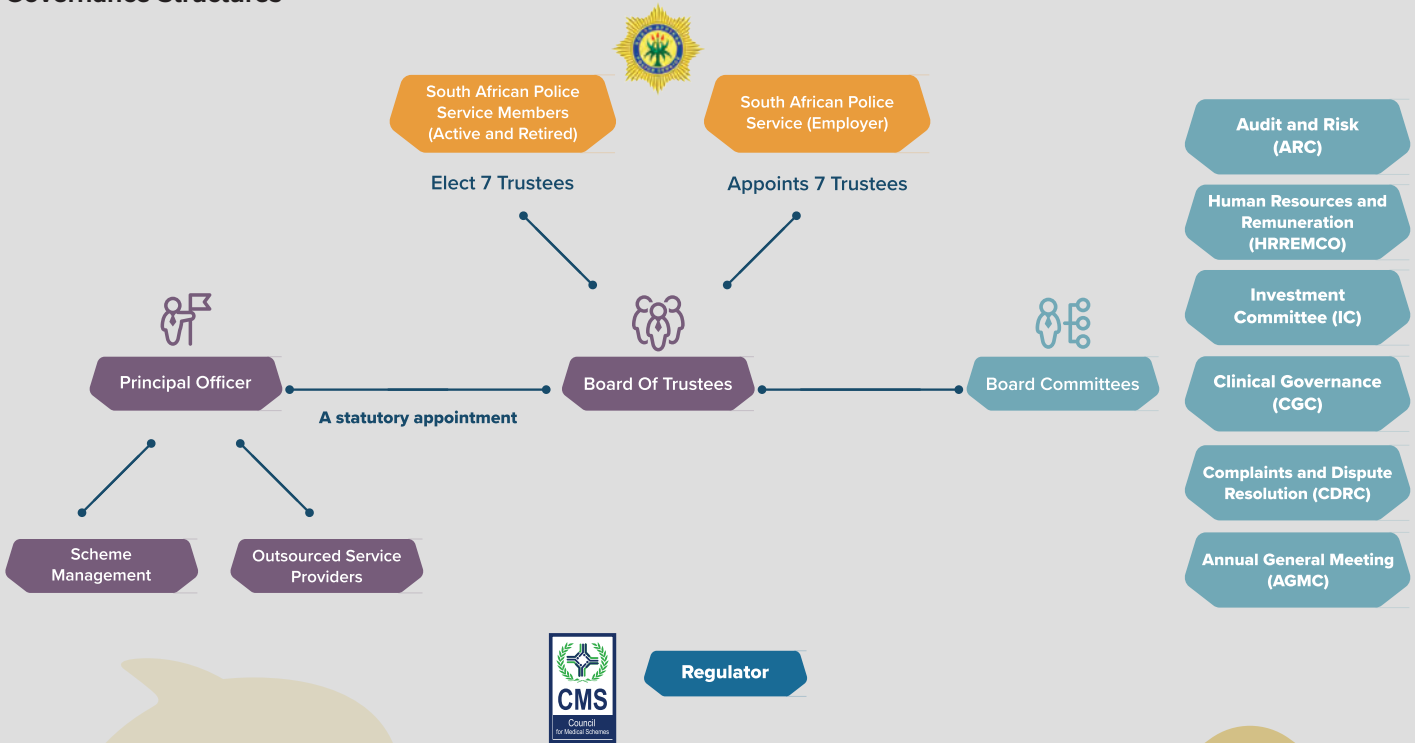
OUR  
**GOVERNANCE**

# 5 OUR GOVERNANCE

Strong governance remains central to POLMED’s ability to deliver on its mandate and sustain value for members over the long term. The Board recognises that effective oversight, ethical leadership, and disciplined accountability are essential in a healthcare funding environment characterised by regulatory complexity, cost pressures, and evolving stakeholder expectations.

POLMED’s governance approach is designed to support sound decision-making, responsible stewardship of member contributions, and alignment between strategy, risk management, and performance. The Scheme operates within the requirements of the Medical Schemes Act and its Rules, while continuously strengthening governance maturity in line with leading practices.

## Governance Structures



## 5.1 GOVERNANCE OVERVIEW

The Board retains ultimate responsibility for the governance, sustainability, and strategic direction of the Scheme. Its oversight extends to financial performance, risk management, compliance, ethical conduct, and stakeholder accountability.

To enable effective discharge of its responsibilities, the Board has established committees in accordance with the Medical Schemes Act and the Scheme Rules. These committees provide focused oversight and detailed scrutiny of matters before escalation to the full Board, strengthening informed and balanced decision-making.

## 5.2 BOARD OF TRUSTEES



The Board holds the responsibility for the stewardship and governance of the Scheme, ensuring strategic direction and accountability. The Board meets regularly to oversee and evaluate the performance of POLMED's employees, administrators, and contracted service providers. The Board is also fully committed to upholding the principles of Corporate Governance for South Africa. All trustees have open access to all Board committees, the Principal Officer, and when appropriate, may seek independent professional advice at the Scheme's expense.

### Board Diversity

The MS Act, and the Scheme Rules regulate the Board's structure, diversity, and independence. As required by these rules, the Board consists of fourteen (14) members: seven (7) appointed by the employer and seven (7) elected by members, with two (2) of the elected members being continuation members. We are pleased to report that the Board remains fully compliant with these requirements.

The Board is also committed to reflecting the diversity of the Scheme's membership in terms of race and gender within the confines of the Scheme rules. The membership of the Scheme includes a minimum of 40% female members, with a racial composition of 70% black and 30% white members. To support this diversity, the Board strives to ensure that at least one black member and one white member are elected as continuation members, with one being female and the other male.

Additionally, the Board actively monitors race and gender diversity across all levels of the Scheme's workforce, in accordance with the Employment Equity Act, Act 55 of 1998, ensuring alignment with national standards for equity and inclusion.

## 5.2 BOARD OF TRUSTEES

### Structures: Trustee Terms



#### Mr ST Nkosi

**Highest Qualifications**  
Master's in Theology,  
LLB, BTH: Policing,  
N Dip: Police administration

**Type of appointment**  
Designated

**Appointed:** 01 August 2021  
**Term Ending:** 31 July 2026



#### Ms PA Mabotja

**Highest Qualifications**  
SAPS Basic learning,  
Higher Cert in Accounting

**Type of appointment**  
Member elected

**Appointed:** 13 July 2023  
**Term Ending:** AGM 2028



#### Mr S Chamane

**Highest Qualifications**  
LLB, Diploma in Public  
Administration

**Type of appointment**  
Designated

**Appointed:** 11 January 2023  
**Term Ending:** 10 January 2028



#### Ms PP Dimpane

**Highest Qualifications**  
BCom: Accounting,  
BBA (Hons)

**Type of appointment**  
Designated

**Appointed:** 01 June 2022  
**Term Ending:** 31 May 2027



#### Mr AJ Gerber

**Highest Qualifications**  
LLB, BCom

**Type of appointment**  
Member elected

**Appointed:** 16 September 2021  
**Term Ending:** AGM 2026



#### Ms MV Kwetepane

**Highest Qualifications**  
Dip: Anti-Corruption and Commercial  
Crime Investigation,  
National Cert: Policing

**Type of appointment**  
Member elected

**Appointed:** 16 September 2021  
**Term Ending:** AGM 2026



#### Mr JT Lusenga

**Highest Qualifications**  
Cert: Labour relations, Certificate: Local  
Government Administration and Management,  
Introductory Police Development Learning  
Programme

**Type of appointment**  
Member elected

**Appointed:** 13 July 2023  
**Term Ending:** AGM 2028



#### Ms IN Molefe

**Highest Qualifications**  
MTH in Policing, BTH in  
Policing, PGDA in Labour Law

**Type of appointment**  
Member elected

**Appointed:** 13 July 2023  
**Term Ending:** AGM 2028



## 5.2 BOARD OF TRUSTEES

### Structures: Trustee Terms



#### Ms LN Ngembe

**Highest Qualifications**  
BSW, PGDA Labour Law,  
PGDA: HRM

**Type of appointment**  
Member elected

**Appointed:** 13 July 2023

**Term Ending:** AGM 2028



#### Mr RP Ntsime

**Highest Qualifications**  
National Higher Cert: Policing,  
Cert:

**Type of appointment**  
Designated

**Appointed:** 20 October 2023

**Term Ending:** 19 October 2028



#### Mr R Steyn

**Highest Qualifications**  
National Dip: Police  
Administration

**Type of appointment**  
Member elected

**Appointed:** 13 July 2023

**Term Ending:** AMG 2028



#### Mr TNL Ngwenya

**Highest Qualifications**  
Dip: Labour Relations, PGDA  
Labour Law

**Type of appointment**  
Designated

**Appointed:** 15 January 2025

**Term Ending:** 14 January 2028



#### Mr NP Nethengwe\*

**Highest Qualifications**  
LLB, Diploma in Law-Cum Laude

**Type of appointment**  
Designated

**Appointed:** 07 March 2025

**Term Ending:** 07 April 2026



#### Ms BP Temba\*

**Highest Qualifications**  
Masters: Psychology, BA Hons

**Type of appointment**  
Designated

**Appointed:** 08 July 2022

**Term Ending:** 07 April 2026



#### Mr HI Collins\*

**Highest Qualifications**  
Baccalaureus Technologiae  
Leadership Development

**Type of appointment**  
Designated

**Appointed:** 07 April 2026

**Term Ending:** 06 April 2031



#### Mr SC Matlala\*

**Highest Qualifications**  
Doctor of Philosophy (current)  
Masters in Social Work

**Type of appointment**  
Designated

**Appointed:** 07 April 2026

**Term Ending:** 06 April 2031

\* NP Nethengwe and BP Temba were terminated subsequent to the year end on 7 April 2026, and we replaced by HI Collins and SC Matlala, effective 7 April 2026

Each Board Committee acts in line with the established Charter approved by the Board. These Charters outline the purpose, membership, duties, and reporting procedures and are reviewed annually. Each Board committee has a workplan to assist the execution of the Charter.

## 5.2 BOARD OF TRUSTEES



### Board Effectiveness

The Board evaluates its effectiveness annually, including the performance of the Chairperson, Trustees and Board Committees. This process supports continuous improvement in governance practices and ensures the Board maintains the appropriate skills, independence and oversight capability.

### Ethical Leadership

The Board promotes ethical leadership and responsible corporate citizenship, ensuring that the Scheme conducts its affairs with integrity, accountability and transparency.

### Summary of key governance decisions and deliberations for 2025

- Annual General Meeting (AGM)
- Strategy approval, monitoring, and review, including strategic risk register and risk appetite statements
- Board performance and evaluation
- Benefit design and contribution increase approval
- Annual financial statements and integrated report
- Remuneration policy and implementation (EVP)
- Policy approvals (various)
- Investment strategies
- Ex-gratia applications
- National Health Insurance (NHI) developments
- Preventative care program implementation
- Proof of concepts and business cases to advance member value

### Focus During the year

- Training and Development
- Key Board Areas of Oversight
- Financial sustainability and healthcare cost pressures
- Strategic implications of National Health Insurance (NHI)
- Member value and benefit design
- Governance and regulatory compliance
- Risk management and cyber resilience
- Digital transformation and service delivery improvements



## 5.3 TRUSTEE AND INDEPENDENT MEMBERS REMUNERATION

The Scheme's Remuneration Policy covers the remuneration philosophy and methodology for Trustees and Committee members. The remuneration framework acknowledges the essential strategic oversight role of Trustees and Committee members, their fiduciary responsibilities, the risks assumed, and the significant time dedicated to serving the Scheme and its Members.

In acknowledging the above, the framework is intended to ensure that the Scheme remunerates fairly, responsibly, and transparently to promote the achievement of Strategic Objectives and attract and retain Trustees and Committee members with the appropriate level of knowledge, skill, and expertise. The Annual General Meeting Committee oversees remuneration practices and benchmarks Trustee Remuneration against similar or equivalent enterprises to establish market rates. Trustee remuneration Trustees are remunerated for their services in terms of the Scheme's Remuneration Policy. The benchmarked professional fees of Trustee and Board Committee Members are discounted in recognition of the Scheme's non-profit status.

### Remuneration Governance

The objective of this remuneration policy is to provide a legal and policy framework against which the Trustees' and Independent Committee Members' remuneration

decisions are made, validated, implemented, approved, and reported by the Scheme. The Scheme has put in place the necessary governance structures, measures, and procedures to ensure that those charged with the fiduciary responsibility of formulating and upholding the provisions of policies discharge their duties with due care and skill and are accountable to the Scheme in this regard.

The Remuneration Policy is based on the requirement set out by the CMS in Circular 41 of 2014 and was presented to members for the first time at the 2014 AGM, where it was approved by a majority of members in attendance. The Policy is reviewed annually by the Annual General Meeting Committee for Board noting and is tabled each year at the AGM for a non-binding vote by members.

The total remuneration paid to Trustees is determined by the following elements:

- Number of meetings planned per year.
- Preparation time for each meeting.
- Estimated time required for meetings.
- The number of actual meetings attended.

Trustees rates are set as approved at the AGM.



## 5.4 TRUSTEE MEETING ATTENDANCE

Trustee Members	Board of Trustees Meetings		Audit and Risk Committee Meetings		Human Resources and Remuneration Committee Meetings		Clinical Governance Committee Meetings		Investment Committee Meetings		CDRC Committee Meetings		AGM		AGM Committee Meetings		Other ADHOC Meetings	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Mr ST Nkosi	9	9											1	1			1	1
Ms ST Mabotja	9	8			4	4			4	2			1	1				
AJ Gerber	9	8			4	4							1	1	4	4		
TNL Ngwenya	8	8									3	3	1	1				
MV Kwetepane	9	9											1	1	4	4		
LN Ngebe	9	9					5	5					1	1				
IM Molefe	9	9	6	5			5	5					1	1			2	2
BP Temba	9	8									4	3	1	1	4	4		
PP Dimpane	9	9	6	6					4	4			1	1			2	2
RP Ntsime	9	8			4	4			4	4			1	1			2	2
R Steyn	9	9					5	5	4	4			1	1				
NP Nethengwe	8	8					5	5					1	1				
SW Chamane	9	9									4	4	1	1				
JT Lusenga	9	9									4	4	1	1	4	4		

**A** Planned

**B** Attended

### Audit and Risk Committee

Independent Members	Audit and Risk Committee meetings	
	Planned	Attended
Mathibela FM	6	6
Sikosana K	6	6
Mbonambi KG	3*	6

\*Ms Mbonambi KG joined the Scheme as an independent member in June 2025.

### Annual General Meeting Committee

Independent Members	Annual General Meeting Committee Meetings		Annual General Meeting	
	Planned	Attended	Planned	Attended
Simelane V	4	4	1	1
Ximba BJ	4	4	1	1
Lephoro L	4	4	1	1
Johnson C	4	4	1	1



## 5.5 BOARD COMMITTEES

The Board has established, in line with the Medical Schemes Act (MSA) and POLMED Rules, various committees to enable it to discharge its duties and responsibilities efficiently and provide guidance in the decision-making process. In line with the Scheme's Delegation of Authority, the Board is satisfied that roles are clarified, and that authority and responsibilities are exercised efficiently.

Specific functions and responsibilities as stipulated in the Board Charter have been delegated to Board Committees with defined terms of reference set out in their respective instructions.

### 5.5.1 AUDIT AND RISK COMMITTEE (ARC)

The Committee consists of the following members:



**FM Mathibela**  
Independent Chairperson



**JK Skosana**  
Independent Member



**KG Mbonambi**  
Independent Member



**PP Dimpane**  
Trustee Member



**IN Molefe**  
Trustee Member



# CHAIRPERSON'S STATEMENT

During the year, the Audit and Risk Committee continued to fulfil its oversight responsibilities in accordance with its mandate, focusing on ensuring the integrity of financial reporting, the effectiveness of internal controls, and compliance with applicable laws and regulations.

The Committee also provided strategic guidance on risk management, governance processes, and the external and internal audit functions, thereby supporting the Scheme's commitment to sound financial management and accountability.

### MANDATE OF THE COMMITTEE

The Committee functions under a mandate approved by the Board of Trustees. The Committee's key responsibilities include reviewing the effectiveness of:

- Financial reporting processes
- Accounting practices
- Management of Scheme risks, including financial risks
- Combined assurance processes
- The Scheme's process for monitoring compliance with laws, regulations, rules, and policies; information systems; and
  - Advising on any matter referred to the Committee by the Board of Trustees

### MR FM MATHIBELA | CHAIRPERSON

#### REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROLS

The Committee's assessment of the effectiveness of the internal control environment is informed by the work and reports of internal audit, external audit, and management's own evaluations. Responsibility for designing, implementing, and maintaining an efficient and effective system of internal control rests with management, while the Committee provides oversight to ensure that these controls operate as intended and support the integrity of financial reporting and compliance processes.

The Committee has reviewed and is satisfied that the internal controls in place are both adequate and effective. Furthermore, the auditors reported no significant findings during the year that would indicate a failure in the internal control system. Any weaknesses in internal controls identified by the assurance providers are actively being addressed by management to ensure continuous improvement and risk mitigation.

#### RISK MANAGEMENT

The Scheme applies an enterprise-wide risk management approach designed to ensure that the Scheme's risk universe is comprehensively addressed. This structured process of risk identification clearly distinguishes between strategic and operational risks, enabling the appropriate level of management focus to be directed to each category of identified risks.

Strategic risks are escalated to the Board of Trustees through the Audit and Risk Committee. The Committee oversee and ensures that the management strategies proposed for addressing risks are aligned with the Scheme's approved organizational framework and risk appetite.

The Committee is satisfied that the Scheme's risk management processes remain effective and efficient in ensuring both strategic and operational risks are identified, managed appropriately, and mitigated effectively.

## 5.5.1 AUDIT AND RISK COMMITTEE (ARC)

### COMBINED ASSURANCE

The Scheme continues to strengthen its efforts of embedding Combined Assurance Management (CAM). During the year, the Committee approved a significant enhancement to the Combined Assurance Model, transitioning from a process-based to a risk-based approach. This shift ensures that assurance activities are directly aligned to the Scheme's key strategic and operational risks, improving both coverage and relevance.

To further embed accountability and integration across all assurance providers, the Scheme also moved from a Three Lines of Defence structure to a Five Lines of Assurance framework. This enhanced model promotes collaboration and clearer delineation of roles and responsibilities across the organisation:

- First line: Scheme Management
- Second line: Enterprise Risk Management, Compliance Monitoring, and other Specialist Functions
- Third line: Internal Audit
- Fourth line: External Assurance Providers
- Fifth line: Governing Bodies

The Combined Assurance Management Report, presented to the Committee by the CAM Forum during the year, provided an assessment of the effectiveness and adequacy of assurance activities across all five lines. This evaluation, considered alongside the signing off of Annual Financial Statements, confirmed that the assurance environment remains robust, risk-aligned, and reliable.

The Committee is satisfied that the Combined Assurance Model continues to function effectively, promoting transparent reporting, sound governance, and integrated oversight. The model enables the Scheme to provide assurance that its systems of control are effective, that risks are managed appropriately, and that the information presented to the Board of Trustees and stakeholders is accurate, complete, and trustworthy.

### POST- IMPLEMENTATION OF IFRS 17

The Scheme has successfully implemented IFRS 17, which became effective for reporting periods beginning on 1 January 2023 in the 2023 financial period. The Committee continues to monitor industry developments and best practices to further enhance the presentation and disclosure of information in line with the evolving interpretation of the Standard. The Scheme's 2025 Annual Financial Statements are fully compliant with IFRS 17 and have been prepared in accordance with IFRS.

### EVALUATION OF FINANCIAL STATEMENTS

The Committee has:

- Reviewed the audited financial statements to be included in the annual report prepared by the Scheme for Board of Trustees approval
- Reviewed the External Auditor's management report and management's response to it
- Reviewed changes in accounting policies and practices; and
- Reviewed the Scheme's compliance with legal and regulatory provisions.

The Committee conducted a thorough review of the Annual Financial Statements for the year ended 31 December 2025 and is satisfied that they comply, in all material respects, with the relevant provisions of IFRS, the Medical Schemes Act, and the Regulations thereto.

The Committee also evaluated the appropriateness of the accounting policies and the processes applied in deriving significant financial estimates and is satisfied that these policies were applied consistently and that the estimates are reasonable and prudent.

The Committee further acknowledges the unqualified audit opinion issued by the external auditors, which reinforces confidence in the integrity and accuracy of the Scheme's financial reporting.

### COMMITTEE EVALUATION

During the 2025 financial year, the Committee conducted a formal self-evaluation to assess its performance and effectiveness. The results of the evaluation were positive, with members expressing overall satisfaction with the Committee's operations, oversight, and outcomes. No material issues of concern were identified, reflecting the Committee's ongoing commitment to maintaining high standards of governance, accountability, and continuous improvement.

### KEY ACTIVITIES DURING 2025

Other notable activities undertaken by the Committee during the 2025 financial year include:

- Approved the going concern assessment of the Scheme.
- Approved the 2025 External Audit Plan.
- Recommended the 2026 Trustee Liability Insurance to the Board of trustees
- Approved the 2026 Afrocentric Internal Audit Plan.
- Recommended the Strategic risk register to the Board of Trustees
- Recommended the Enterprise Risk Management policy to the Board of Trustees
- Recommended the Business Continuity Management Policy to the Board of Trustees

These activities reflect the Committee's proactive oversight and its dedication to ensuring the Scheme's effective governance, risk management and compliance with relevant standards and frameworks.

**Chairperson**  
**MR FM MATHIBELA**



## 5.5.2 HUMAN RESOURCES & REMUNERATION COMMITTEE (HRREMCO)

The Committee consists of the following members:



**AJ Gerber**  
Chairperson



**RP Ntsime**  
Member



**PA Mabotja**  
Member

### CHAIRPERSON'S STATEMENT

The 2025 HR strategy sought to focus on filling of critical positions, empowering employees through implementation of a learning management system, containing turnover at not more than 10% target, secession planning and employee value proposition to ensure attraction and retention of talent.

While the Human Capital function has made solid progress in some areas, performance against certain 2025 KPIs is behind target due to market challenges and internal capacity constraints.

- Critical positions filled stand at 70% (target: 90%), largely due to challenges of a highly competitive labour market.
- The Learning Management System is on track for implementation, with consultations completed and technical requirements discussed with the managed ICT services provider.
- Retention remains strong, with turnover contained at 4.8% (target: ≤10%).
- Succession planning lags at 25% (target: 80%), prompting a review of the succession management framework.



## 5.5.2 HUMAN RESOURCES & REMUNERATION COMMITTEE (HRREMCO)

### MANDATE OF THE COMMITTEE

The Committee's primary mandate is to support the Board in fulfilling its governance responsibilities with respect to human capital oversight. Its key focus areas include:

- Developing and approving an annual work plan to ensure comprehensive coverage of relevant matters in Committee meetings.
- Overseeing compliance with applicable labour relations legislation and regulatory guidelines.
- Monitoring the implementation and effectiveness of HR policies and practices.
- Establishing and maintaining an equitable remuneration and performance management framework aligned with the Scheme's strategic objectives.
- Reviewing the annual HR budget and making recommendations to the Board.
- Ensuring fair and responsible remuneration of the Principal Officer across short-, medium-, and long-term time horizons, consistent with the Scheme's best interests.

### RESPONSIBLE REMUNERATION

POLMED's Remuneration and Performance Management Policies are founded on the principles of fairness, transparency, and consistency. These principles underpin the Scheme's commitment to attracting and retaining high-calibre professionals.

To enhance employee morale and recognition, the Scheme implemented a Reward and Recognition Policy. Remuneration levels, including those of the Principal Officer, are benchmarked annually to ensure competitiveness within the market.

Furthermore, responsible remuneration practices are reinforced through targeted initiatives addressing the retention of critical and scarce skills. A dedicated Retention Policy has been developed to guide governance and implementation of talent retention incentives across the organisation.

### EMPLOYEE DEVELOPMENT AND SUCCESSION

To foster a culture of continuous learning and professional growth, the Scheme continues to enhance its Study Assistance Policy to enable employees to access reputable academic institutions for their development. Additionally, employees are provided with on-the-job training opportunities, allowing exposure to functions beyond their primary responsibilities. In 2025, over 30% of the workforce pursued academic studies to further their education.

While the succession pipeline is not yet fully optimised, there has been notable progress in building a talent pool for critical roles. Management is prioritising the finalization of a revised succession management framework to improve succession planning interventions. Significant strides have also been made in filling key Executive and Senior Management positions to strengthen leadership succession. In 2025, the Scheme appointed an acting Executive: Strategy and Risk and Chief of Staff through promotion.

### KEY HIGHLIGHTS FOR THE COMMITTEE

During the reporting period, the Committee achieved the following:

- Reviewed standing Human Resources reports and contributed to the enhancement of HR strategies, particularly in the areas of talent attraction, retention, succession management, and leadership development.
- Finalised the HRREMCO statement for inclusion in the 2025 Integrated Report.
- Reviewed and recommended the 2026 Payroll and Bonus Pool Budget, recommending:
  - A 5.4% increase for employees (including Executives and the Principal Officer) achieving a performance score of 3.5 or above in 2025, aligned with the professional fees' assumption.
  - A 3.0% CPI adjustment for all other qualifying employees.
  - The 2026 Budget reflects the revised organisational structure and includes provisions for Executives and the Principal Officer.
- Reviewed and recommended key HR policies for BoT approval, including Succession Management Policy, Study Assistance Policy, Disciplinary Policy, and Employee Retention Policy.

### CONCLUSION

These initiatives demonstrate POLMED's ongoing commitment to strengthening its human capital capability, ensuring organisational sustainability, and fostering a high-performance culture aligned with its strategic objectives.

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**Chairperson**  
**Mr AJ Gerber**



## 5.5.3 INVESTMENT COMMITTEE (IC)

The Committee consists of the following members:



**RP Ntsime**  
Chairperson



**PA Mabotja**  
Member



**PP Dimpame**  
Member



**R Steyn**  
Member

## CHAIRPERSON'S STATEMENT

As Chairperson of the Investment Committee, it is my privilege to present this report on the Scheme's Investment performance for the year. Our responsibility remains to safeguard members' funds through prudent investment management, while also adhering to regulatory requirements.

The year under review was marked by significant global and domestic economic challenges. Trade frictions between the US and its major partners dampened global growth prospects, triggering volatility in equity markets and commodity prices. For our portfolio, this particularly affected domestic listed equities with global exposure.

Locally, while lower interest rates supported consumers and economic recovery, they also compressed yields in the fixed-income and money market space.



## 5.5.3 INVESTMENT COMMITTEE (IC)

### MANDATE OF THE COMMITTEE

The Committee's overall objective is to assist the Board of Trustees in fulfilling its responsibilities relating to:

- The annual review and development of the Scheme's Investment Policy Statement and Investment
- The identification and appointment of Asset Managers to manage the Scheme's portfolios across its various asset classes.
- The review and assessment of investment risk and opportunities.
- Monitoring of investment performance.
- Monitoring compliance with the Medical Schemes Act, 1998 (Act No 131 of 1998) ("MS Act") and all applicable legislation.
- Any additional duties delegated to the Committee by the Board of Trustees

### INVESTMENT POLICY STATEMENT REVIEW

The Committee thoroughly reviewed the Scheme's Investment Policy Statement (IPS) to ensure that the investment strategy continues to support the Scheme's strategy.

One of the key improvements was the introduction of a three-bucket investment strategy aiming at Improving Scheme asset diversification and commitment towards advancing the Sustainable Development Goals. This created capacity for the Scheme to invest in non-traditional assets, including unlisted assets.

Furthermore, the updated policy encourages investments in qualifying emerging black asset managers through the Scheme's Enterprise Supplier Development programme.

### IDENTIFICATION AND APPOINTMENT OF ASSET MANAGERS

In line with the Scheme's long-term strategy and our commitment to developing emerging black asset managers, we thoroughly explored investment opportunities that promote inclusivity, while compliant with the regulatory limits for medical schemes.

Following a detailed assessment of the market landscape and potential risks, the Scheme has invested in Balondolozzi, a black owned asset manager, with a strong performance track record.

### REVIEW AND ASSESSMENT OF INVESTMENT RISK AND OPPORTUNITIES

The Committee closely monitored economic developments, particularly the impact of interest rate cuts on our liquid instruments. While declining interest rates led to reduced yields in the money market, they also presented an opportunity to secure attractive returns from medium- to long-term bonds.

During the year under review, the Committee has undertaken a strategic allocation of unlisted assets, with focus on balancing return with risk management. This was achieved through an investment in an unlisted debenture, which underwent a rigorous due diligence process prior to committing capital. We remain confident that this allocation will enhance the overall portfolio yield while preserving capital in a challenging economic environment.

### MONITORING OF INVESTMENT PERFORMANCE

The Scheme's assets have grown to R13.4 billion (2024: R11.4 billion). This growth reflects the combined impact of positive investment returns and prudent asset allocation.

As at 31 December 2025, the Scheme derived R1.1 billion (2024: R983.1 million) in returns, net of investment management fees. The consistent upward trajectory in both asset base and investment returns reflects the strength of the Scheme's governance framework and its ability to adapt to shifting market dynamics.

### 2025 HIGHLIGHTS

- Overall, we have achieved a positive return on investment and exceeded the benchmark - a true testament to the hard work and dedication of the POLMED team.
- The Scheme generated R20 million (2024: R36.6 million) in additional returns through our in-house treasury management function, underscoring its valuable contribution to the overall financial performance.
- The Equity portfolio was not hedged due to the Scheme's financial position and the capacity to absorb volatility in the short term. However, the Scheme continuously reviews its hedge and asset allocations based on material developments in the economic or financial environments in which it operates.

### COMPLIANCE WITH THE MEDICAL SCHEMES ACT

The Committee has monitored and evaluated the Scheme's compliance with the MSA and all other applicable legislation. The Scheme has obtained an exemption from complying with section 35(8) of the MSA. The Committee is comfortable with all investments being compliant with the MSA.

### OUTLOOK AND FUTURE FOCUS AREAS

Looking ahead, the Committee remains committed to maintaining a balanced approach to managing the Scheme's investments, focusing on broad capital preservation and growth, while adhering to our regulatory obligations. We will continue to –

- provide oversight and support on the Scheme's investment strategy implementation and identify areas of risk and opportunity in leveraging growth, improvement, and value creation.
- ensure management strengthens due diligence, compliance, performance measures and reporting arrangements in accordance with the Scheme strategy and the investment allocation targets.

### CHAIRPERSON Mr RP Ntsime



## 5.5.4 CLINICAL GOVERNANCE COMMITTEE (CGC)

The Committee consists of the following members:



**IN Molefe**  
Chairperson



**R Steyn**  
Member



**LN Ngembe**  
Member



**NP Nethengwe**  
Member

## CHAIRPERSON'S STATEMENT

I have the pleasure of presenting the CGC report for 2025. The Committee's overall objective is to assist the Board in fulfilling its responsibility for the clinical governance oversight of the Scheme.

### **MANDATE OF THE COMMITTEE**

The Committee is established by the Board to assist in discharging responsibilities relating to: Development and implementation of a clinical governance strategy for the Scheme; Health Risk Management; Benefit design process; and Ex-gratia management.



## 5.5.4 CLINICAL GOVERNANCE COMMITTEE (CGC)

### KEY HIGHLIGHTS FOR THE COMMITTEE

During the reporting period, the Committee achieved the following:

- Enhancement of strategies to increase uptake in preventative care and screening benefits and incorporating digital resources to service members.
- Growth of the psychosocial network by 11.3% with 3 951 additional healthcare providers joining over the past 12 months to support access to mental health services.
- Achievement of all cost coverage targets across the main provider networks enabling Scheme beneficiaries to access cost-effective care nationwide.
- Healthcare cost containment of R717,4 million was achieved.
- Development of a multi-year benefit product design that addresses the Scheme disease burden, the access to appropriate care and the sustainability of the Scheme.
- Positive outcome of 2024 Health Quality Assessment report when compared to the industry and the Scheme specific performance in previous years.
- Oversight of the management of 238 ex-gratia applications, amounting to R8,5 mil funding requests approved
- Injury On Duty (IOD) initiatives have achieved total savings of R11mil to date, exceeding the annual target of R11mil. This milestone reflects the effectiveness of our savings strategy and the value delivered through consistent effort and collaboration
- Entrenching the implementation of the planned Health Maintenance Model (HMM) to supplement the usual member insurance model through targeted member education sessions at police station level.
- Physical Activity Survey: Confirmed that regular physical activity improves health outcomes and lowers healthcare costs, supporting the development of effective wellness programs and long-term strategic planning.
- BHF published study on POLMED contribution to occupational health of the members: Found that targeted health screenings reduce hospital admissions and enhance officer wellbeing, reinforcing the value of preventive care and evidence-based, cost-efficient healthcare.

### CONCLUSION

As Chairperson of the CGC, I would like to thank the Board of Trustees for their continued support to CGC during 2025. I am confident that the continued execution of the Scheme healthcare initiatives will further enhance our commitment to delivering safe, high-quality, and cost-effective care to our members.

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**Chairperson**  
**Ms IN Molefe**



## 5.5.5 COMPLAINTS AND DISPUTES RESOLUTION COMMITTEE (CDRC)

The Board resolved to establish a Complaints and Dispute Resolution Committee, responsible for overseeing legal, ethics, and policy matters, as well as addressing and resolving complaints and disputes from both members and service providers. The Committee consists of the following members.



**SW Chamane**  
Chairperson



**JT Lusenga**  
Member



**T Ngwenya**  
Member



**BP Temba**  
Member



## CHAIRPERSON'S STATEMENT

I am pleased to present this CDRC Report, which highlights the Scheme's performance in 2025 in effectively managing complaints, resolving disputes, and upholding strong governance across legal, policy, and ethical matters, reinforcing our commitment to transparency, accountability, and stakeholder trust.

## 5.5.5 COMPLAINTS AND DISPUTES RESOLUTION COMMITTEE (CDRC)

### MANDATE OF THE COMMITTEE

The CDRC is mandated with independent oversight, monitoring and adjudication of written complaints by POLMED members. In executing this mandate, the CDRC must ensure that there are appropriate procedures and practices to ensure fair, transparent, and timely resolution of complaints.

In line with its Charter and Work Plan, the Committee was able to fulfil all its objectives for the year, which included:

- Handle all disputes and complaints referred to the Committee by the Principal Officer in terms of the Scheme Rule 28 of the Scheme Rules.
- Review Road Accident Fund (RAF) report.
- Monitoring of compliance with applicable legislative and regulatory frameworks.
- Review and assessment of litigation matters for and/or against the Scheme.
- Review and monitoring Ethics and Conflict of Interest/s matters.
- Committee's effectiveness assessment.
- Monitoring of recoveries in respect of Fraud, Waste and Abuse matters.
- Review and monitoring of claims and recoveries in respect of Motor Vehicle Accident (Road Accident Fund);
- Monitoring of stakeholder engagements; and
- Internal and External evaluation.

### COMPLIANCE WITH LEGISLATIVE AND REGULATORY REQUIREMENTS

The Committee was updated with a comprehensive overview of critical policy and regulatory developments affecting the healthcare and medical scheme landscape in 2025. The key legislative developments in 2025 included the draft NHI Fund Governance Regulations, the proposed Healthcare Tariffs Block Exemption, and the proposed Low-Cost Benefit Option frameworks. The Committee continues to ensure that the Scheme is aware of the changes in the legislative framework that pose strategic, operational, and financial implications for POLMED, requiring proactive engagement and potential adjustments to benefit structures, compliance processes, and stakeholder communications.

### MONITORING OF LITIGATION MATTERS

The Committee continues to monitor all the litigation matters and is satisfied that the matters pose no material financial and/or reputational risk that would warrant inclusion in the Scheme's risk register. The Scheme is represented by competent legal representatives in all its matters. Contingent liabilities are disclosed accordingly.

### REVIEW AND MONITORING OF ETHICS AND CONFLICT OF INTERESTS MATTERS

The Scheme created the ethics awareness throughout 2025 by sending out ethics monthly themes to the POLMED staff, the Board and the Committees. In every POLMED Board and Committee meeting, the declaration of interest/s forms are completed to uphold good governance and ethical standards.

### MONITORING THE RECOVERY OF PAST MEDICAL EXPENSES FROM MOTOR VEHICLE ACCIDENTS

Despite the Road Accident Fund's litigation proceedings regarding a directive intended to reject the payment of past medical expenses by members who are covered by medical schemes, POLMED continued to take all reasonable measures to ensure recovery of such past medical expenses as required by the Scheme Rules.

### KEY HIGHLIGHTS FOR THE COMMITTEE

- a. Favourable CMS rulings and court orders on matters that affect the interests of the Scheme and its members.
- b. Positive Motor Vehicle Accidents Recoveries above target. Positive Fraud, Waste and Abuse Recoveries above target and industry benchmark.
- c. Continuous monitoring of legislative developments, e.g. NHI, RAF, FSRA, Climate Change.
- d. Rule Amendments.
- e. Successful Stakeholder Engagements.

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**Chairperson**  
**Mr SW Chamane**



## 5.5.6 ANNUAL GENERAL MEETING COMMITTEE (AGMC)

The Board took a decision to establish an Annual General Meeting Committee which is responsible for oversight and monitoring of all activities in the period leading up to and after the AGM.

The Committee comprises the following members:



**V Simelane**  
Independent Chairperson



**MV Kwetepane**  
Member



**AJ Gerber**  
Member



**BJ Ximba**  
Independent Member



**LN Lusenga**  
Member



**LJ Lephoro**  
Independent Member



**C Johnson**  
Independent Member

## CHAIRPERSON'S STATEMENT

It gives me great pleasure to present this AGMC Report outlining the Committee's performance during 2025 as mandated by the members.

## 5.5.6 ANNUAL GENERAL MEETING COMMITTEE (AGMC)

### MANDATE OF THE COMMITTEE

The Committee's mandate is to assist the Board in ensuring the implementation of the AGM's resolutions and reporting progress to members during AGM.

In line with its Charter and Annual Work Plan, the Committee was able to fulfil all its objectives for the year, which included:

- Monitoring the implementation of the resolutions emanating from the AGM's;
- Reporting to members at the AGM on progress made in the implementation of the resolutions;
- Ensuring the delivery of successful AGM;
- Assessing and managing AGM related risks and opportunities;
- Monitoring compliance with MS Act, POLMED Rules and related applicable legislation; and
- Implementing any other additional duties set out in its Charter or otherwise delegated to the Committee by the Board.

### KEY HIGHLIGHTS FOR THE COMMITTEE:

- Successful 2025 AGM
- Approved the Trustee and Independent Members' Remuneration Policy in compliance with POLMED Rule 18.24
- Approved Trustees Remuneration adjustment in line with the Consumer Price Index.

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**Chairperson**  
**Mr V. Simelane**



## 5.7 Q&A WITH THE TRUSTEES

**Q: From a governance perspective, how would you describe the Board's focus during the year?**

**A:** The Board's primary focus remained on safeguarding the long-term sustainability of the Scheme while ensuring that members continue to receive quality healthcare benefits. Oversight centred on financial resilience, regulatory compliance, risk management, and strategic alignment. Particular attention was given to monitoring claims trends, reserve adequacy, contribution affordability, and the evolving National Health Insurance landscape. The Board remains conscious of its fiduciary responsibility to act in the best interests of members at all times.

**Q: How is the Board preparing the Scheme for regulatory uncertainty, including NHI?**

**A:** The Board has adopted a measured and forward-looking approach. Engagement with key stakeholders, Scenario planning, legislative monitoring, and structured industry engagement form part of our oversight process. While regulatory developments remain outside the Scheme's control, the Board's responsibility is to ensure preparedness, resilience, and adaptability. Our focus is on protecting member interests while maintaining compliance with the Medical Schemes Act and related governance requirements.

**Q: How does the Board ensure effective oversight of financial sustainability?**

**A:** The Board receives regular reporting on investment performance, cost containment outcomes, Fraud, Waste and Abuse recoveries, and contribution adequacy. Committees provide detailed scrutiny before matters are escalated to the full Board. This layered governance approach strengthens accountability and supports disciplined decision-making.

**Q: What steps has the Board taken to strengthen governance and ethical leadership?**

**A:** During the year, the Board formally adopted integrity as a core organisational value. This reflects a clear commitment to principled leadership, transparency, and accountability. Ethics oversight remains embedded within Board and committee processes, including conflict of interest declarations and governance evaluations. The Board recognises that tone at the top shapes institutional culture.

**Q: How does the Board assess its own effectiveness?**

**A:** Board and committee performance is subject to structured evaluation processes. These assessments consider composition, skills mix, independence, oversight quality, and alignment with strategic priorities. Continuous improvement remains central to governance maturity, particularly in a complex healthcare funding environment.



## 5.7 Q&A WITH THE TRUSTEES

**Q: How does POLMED protect member funds and ensure financial sustainability?**

**A:** POLMED maintains a solvency significantly above the statutory 25% requirement, ensuring financial stability. We implement robust risk management frameworks and fraud prevention measures to protect member contributions and maintain scheme sustainability.

**Q: How does POLMED ensure assurance over the reports submitted to the Board?**

**A:** The Scheme has implemented a Combined Assurance Model to ensure that all reports submitted to the Board (Including report to AGM) are accurate, complete, and reliable. This model integrates multiple assurance providers, including internal audit, external audit, management assurance, and regulatory oversight. The ARC also monitors the effectiveness of the Combined Assurance Model, ensuring that risks are well-managed and assurance activities remain aligned with best practices.

**Q: How does POLMED ensure its investments contribute to scheme sustainability?**

**A:** POLMED follows a diversified investment strategy to generate returns that support member benefits while maintaining a risk-balanced portfolio.

**Q: How does POLMED attract and retain skilled healthcare professionals?**

**A:** We offer competitive remuneration packages, continuous professional development opportunities, and a supportive working environment. In 2023 initiatives we introduced a Reward and Recognition Policy to enhance employee engagement and retention.

**Q: How does POLMED ensure fair and transparent remuneration?**

**A:** The Scheme benchmarks salaries every three years to maintain market competitiveness. The remuneration framework is aligned with strategic objectives and ensures fairness, transparency, and responsible governance.

**Q: How does POLMED handle member complaints and disputes?**

**A:** POLMED continues to strengthen its complaints resolution process to ensure efficient handling of member concerns.

**Q: How does POLMED ensure transparency and member participation in governance?**

**A:** The AGM serves as a key platform for member engagement, providing updates on financial performance, governance, and strategic priorities.

**Q: How is the remuneration of Trustees determined?**

**A:** Trustee remuneration is determined through a structured and transparent process that considers industry benchmarks and governance best practices. The Annual General Meeting Committee (AGMC) oversees the remuneration framework, ensuring that it is fair, responsible, and aligned with the fiduciary responsibilities of Trustees.







06

OUR  
**PERFORMANCE**

## 6.1 VIEWS FROM OUR PRINCIPAL OFFICER

This past year has reaffirmed the importance of our work at POLMED. I am grateful for the trust you place in us and for your active participation in the initiatives we are undertaking to promote health and wellness. Your commitment inspires us to continue improving services and delivering meaningful value to all our members and their dependants.

### 2025 in Perspective

2025 has been a year of meaningful progress. We maintained strong membership across the SAPS community with 190 073 principal members and 304 398 total dependants entrusting us with their healthcare.

Financially, POLMED achieved a solvency ratio of 89.15%, providing members with confidence in our long-term stability.

Our combined claims ratio of 99.29% reflects the allocation of member contributions, 99.29 cents per rand directed towards healthcare claims, with 4.79% covering non-healthcare operational cost well below the CMS threshold of 10%. This demonstrates efficient resource management and member-focused stewardship.

However, this ratio reflecting the cumulative impact of healthcare inflation outpacing contribution growth and structural changes in our membership profile.

Our Marine option membership is aging (average principal member age 53.18 years) while younger members migrate to Aquarium (average age 39.34 years). This demographic shift concentrates higher claims in Marine, creating cost pressures that require active management. We remain vigilant to the sustainability implications of rising claims ratios and are implementing targeted interventions to manage these structural challenges while maintaining member affordability and scheme viability.

### Balancing members contribution increases and Sustainability

In 2025, medical inflation reached approximately 9%, yet we managed member contribution increases to 4.5% - well below inflation and over the three-year period from 2024 to 2026, the average contribution increase remained around 4.4%, one of the lowest in the industry. This was not easy. It required disciplined cost management, strategic provider partnerships, and investment returns that supported Scheme operations.

We recognised that strong investment returns in 2025 played a significant role in helping us manage this tension. These returns are not guaranteed to repeat in 2026, so we must continue finding sustainable ways to deliver quality healthcare while keeping contributions affordable for SAPS members facing genuine economic pressure. A continued focus on combating fraud, waste, abuse, error, and corruption also remains a critical priority in protecting Scheme resources and ensuring that member contributions are used responsibly.



MS N KHAUE | PRINCIPAL OFFICER

### Strategic Execution: 2024–2028 Plan in Action

Our strategic plan guides us in shifting from reactive, hospital-based care to a proactive model centred on wellness and prevention. In 2025, we moved key initiatives from planning into execution.

These included the launch of the POLMED Connect App, expanding digital engagement with members; a mobile clinic proof of concept aimed at improving access to primary healthcare and preventative screening; and the inaugural POLMED–SAPS Marathon, which promoted healthy lifestyles and community wellbeing.

## 6.1 VIEWS FROM OUR PRINCIPAL OFFICER

### Wellness Starts with Prevention: Join Our Support Programmes

At POLMED, we continue to invest in preventive healthcare because we believe in helping members stay well, not just treating illness. Two important programmes available to all members are the Mental Health Programme and the Weight Loss Programme.

- Mental health is just as important as physical health. Through our Mental Health Programme, members can access confidential support for stress, anxiety, and other challenges. If you have been feeling overwhelmed, we encourage you to make use of this support; it is there for you.
- We also continue to offer our Weight Loss Programme, which helps members adopt healthier habits through guidance, education, and structured support. While we have seen good outcomes among those who have enrolled, uptake is still lower than we would like to see. We encourage more members to take that first step. This programme is fully available, and small changes made today can lead to lasting improvements in your health.

### The POLMED Family

Our people remain the cornerstone of everything we do. In 2025, our POLMED family grew from 42 to 45 employees, with 62% female representation. The commitment, professionalism, and resilience of our team ensure that POLMED continues to deliver on its mission to members. Through wellness initiatives, recognition programmes, and development opportunities, we remain focused on empowering our people and preparing the next generation of leaders. To the entire POLMED team, I extend my sincere appreciation.

### Governance, Compliance, and Ethical Conduct

The Scheme remains vigilant in addressing fraud, waste, abuse, error, and corruption (FWAEC) through strengthened controls that protect Scheme resources and safeguard member contributions. Alongside these efforts, we continue to enhance our data governance, cyber security, and ICT infrastructure to strengthen operational resilience, protect sensitive information, and support reliable service delivery in an increasingly digital environment. We also welcomed the regular and positive engagement with our regulator, the Council for Medical Schemes (CMS), and other key stakeholders. Governance excellence remains embedded in our daily interactions and decision-making, guided by principles of ethics and responsible stewardship.

### Social Impact and Economic Development

Our Enterprise and Supplier Development (ESD) programme reflects POLMED's commitment to supporting economic advancement in the communities where our members live. In 2025, our first ESD cohort graduated, achieving improved market access, revenue growth, increased job creation, and strengthened business capabilities. We congratulate this inaugural cohort and look forward to supporting the next cohorts on their entrepreneurial journey.

### Honouring Our Chairperson's Leadership and Legacy

As we reflect on 2025, we also mark a milestone: 2026 will see the conclusion of our Chairperson's tenure. In line with the Scheme's rules, his term comes to a natural end, and we honour his exceptional leadership, vision, and unwavering commitment to POLMED's mission.

Over his tenure, our chairperson has provided strategic guidance and governance excellence during a period of profound healthcare transformation in South Africa. He has navigated POLMED through evolving regulatory landscapes, including the development and signing of the National Health Insurance Act, positioning the Scheme to adapt and thrive regardless of the path forward. His steady hand at the Board table has ensured that POLMED remains focused on what matters most: Our members.

To our Chair: on behalf of POLMED's management, staff, and stakeholders, we extend our profound gratitude. Your leadership has been a gift to POLMED. Your legacy will endure in the governance structures we have strengthened and in the direction, you have set for our Scheme. We wish you well in the next chapter of your life, knowing that POLMED is stronger because of your service. Thank you.

### Looking Ahead: 2026 and Beyond

As we move into 2026, we face both opportunities and uncertainties. The National Health Insurance (NHI) implementation timeline remains subject to Constitutional Court rulings, creating strategic uncertainty. We are preparing rigorously, investing in scenario planning, participating in industry forums, and maintaining strong relationships with SAPS leadership to be ready for whatever changes lie ahead. Simultaneously, we remain laser-focused on our core mission.

We will continue expanding mental health services, investing in preventative health programmes, enhancing digital capabilities that improve member experience, and strengthening our governance frameworks. Our ESG journey is just beginning in 2026, we will develop formal ESG metrics and targets, strengthen our enterprise development programmes, and integrate environmental considerations into our operations.

I extend sincere appreciation to our entire Board for their strategic guidance and governance oversight. I am grateful to our members for actively engaging with POLMED, to our talented team for their dedication and professionalism, and to our channel partners for their continued support.

Thank you for the privilege of leading POLMED.

**MS N KHAUOE**  
**PRINCIPAL OFFICER**



## 6.2 Q&A WITH THE PRINCIPAL OFFICER



**Ms N Khauoe**  
Principal Officer

### **Q: How is POLMED addressing buy-down behaviour between benefit options?**

**A:** The Scheme has observed continued buy-down trends driven largely by affordability pressures. In 2025, a structured process commenced to strengthen differentiation between the Marine and Aquarium options. The objective is to ensure that each option remains actuarially sound, appropriately priced, and clearly positioned in terms of benefits and value proposition. This work includes benefit design refinement, utilisation analysis, and member communication. Managing buy-down behaviour is important to maintain balanced risk pools and long-term sustainability across both options.

### **Q: How is POLMED using technology to improve member experience and healthcare access?**

**A:** Technology remains a key enabler of service accessibility, responsiveness, and operational efficiency within the Scheme. During the year, we focused on enhancing digital touchpoints to improve the overall member experience. Ongoing improvements were made to our WhatsApp functionality to provide more efficient, user-friendly engagement and quicker access to information. During the year, POLMED launched Version 1 of the POLMED Connect App, enabling members to access benefit information and Scheme services more conveniently. This was followed by the release of Version 2 in October 2025, which includes enhanced integration with the Administrator's systems, allowing for improved claims visibility and more seamless interaction.

### **Q: How is POLMED protecting member data and ensuring cybersecurity?**

**A:** Safeguarding member information remains a governance priority. The Scheme, together with its Administrator, maintains layered cybersecurity controls designed to prevent, detect, and respond to potential threats. These measures include data encryption, secure authentication protocols, firewall and intrusion detection systems, and regular vulnerability assessments. Compliance with the Protection of Personal Information Act (POPIA) remains central to our data governance framework.

### **Q: How does POLMED measure and improve service delivery performance?**

**A:** Service delivery performance is monitored through formal service level agreements, penalty frameworks, Net Promoter Score interventions, and structured engagement forums with service providers. A recent review of the Managed Care and Administration SLA framework has been completed, with implementation aimed at strengthening accountability and operational efficiency. Escalations to the regulator are tracked and addressed to improve member experience and maintain compliance standards.



## 6.2 Q&A WITH THE PRINCIPAL OFFICER

**Q: What steps is POLMED taking to ensure the scheme remains sustainable under the National Health Insurance (NHI) framework?**

**A:** POLMED continues to engage with key stakeholders to advocate for SAPS members' interests within the NHI framework. The Scheme is actively monitoring legislative developments, conducting scenario planning, and exploring innovative healthcare models to ensure continued access to quality healthcare for members. Additionally, we are actively participating in policy discussions to ensure the best possible outcomes for our members.

**Q: Why does POLMED pay benefits at new rates from January, while member contributions remain at the old rates until April?**

**A:** POLMED operates within a unique funding structure, where benefit adjustments are effective from 1 January each year to ensure members receive improved healthcare coverage at updated rates. However, due to the timing of the employer subsidy adjustment, member contributions remain at the previous year's rates until 1 April. This results in a temporary financial strain on the Scheme, as claims are paid at the new benefit rates while contribution income lags behind.

**Q: How does the misalignment between the contribution grant and medical inflation rates impact the Scheme?**

**A:** One of the biggest challenges POLMED faces is that the contribution grant provided by the employer does not keep pace with medical inflation rates. Healthcare costs, driven by specialist consultations, hospital admissions, chronic disease management, and medicine prices, increase faster than general inflation. However, the annual increase in the employer subsidy is often lower, creating a funding gap.

This misalignment puts pressure on POLMED's ability to maintain affordable member contributions without reducing benefits. The Scheme continues to advocate for grant increase that is aligned to medical inflation. While POLMED remains financially stable, this challenge requires ongoing discussions with the employer to ensure long-term affordability for members.

**Q: How is POLMED strengthening stakeholder relationships, particularly with CMS and SAPS?**

Structured engagement remains central to stakeholder management. During the year, a formal Stakeholder Matrix and Engagement Plan was developed to enhance transparency and responsiveness. Engagement with CMS has shown improved openness. The Scheme continues to engage SAPS leadership and provincial structures through health risk profiling and targeted interventions to ensure alignment with member needs.



## 6.3 2024 BENCHMARKING POLMED

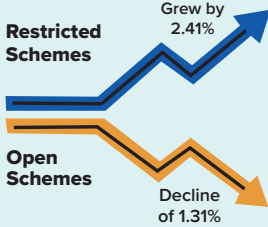
Following the release of the 2024 CMS Industry Report on 4 December 2025, Management performed a benchmarking exercise. This allowed the Scheme to evaluate its performance, solvency, and member utilization trends against the broader South African medical schemes industry to ensure continued sustainability and competitiveness.

# South Africa's Medical Schemes Landscape: 2024 Industry Overview

### MEMBERSHIP TRENDS & MARKET CONSOLIDATION

**INDUSTRY CONSOLIDATION**  
Total medical schemes dropped from 144 (2000) to 71 (2024)

**51%**



**Total Beneficiaries**  
9.17 Million



#### AGEING BENEFICIARY PROFILE

Average age increased by 0.29 years, driving demand for intensive healthcare

### FINANCIAL PERFORMANCE & EXPENDITURE

Driven by hospital services, specialists and medicines, a rise of **8.52%**

**R259.3 BILLION**  
TOTAL HEALTHCARE SPEND

Hospital Services

Specialists

Medicines

Hospital Spend Share: **35.95%** of total benefits

Solvency Ratio: **40.87%**

#### OUT-OF-POCKET PAYMENTS

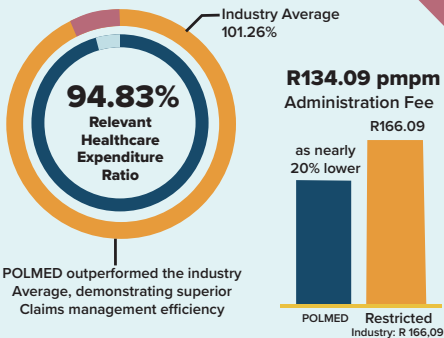
Rising costs highlight significant affordability concerns

#### HEALTH INDUSTRY SOLVENCY

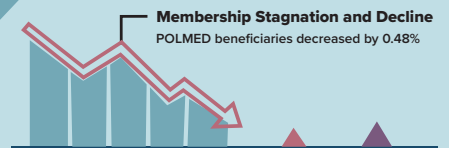
Robust solvency ratio of 40.87% despite cost pressures

## POLMED 2024: FINANCIAL RESILIENCE & STRATEGIC PERFORMANCE REVIEW

### PERFORMANCE EXCELLENCE POLMED VS. INDUSTRY AVERAGE



### STRATEGIC HEADWINDS & RISK MANAGEMENT



**R39.29 Million**  
Reinsurance Deficit

The Scitpharm contract resulted in the Highest reinsurance losses in the industry

**Bonded-Heavy Investment Strategy**

Yielded 17% Returns, buffering against operational losses

Managed Care (pmpm)

**R98.99 (Low)**

Peer (GEMS)

#### Metric

- 1 Solvency Ratio
- 2 RHE Ratio
- 3 Managed Care (pmpm)



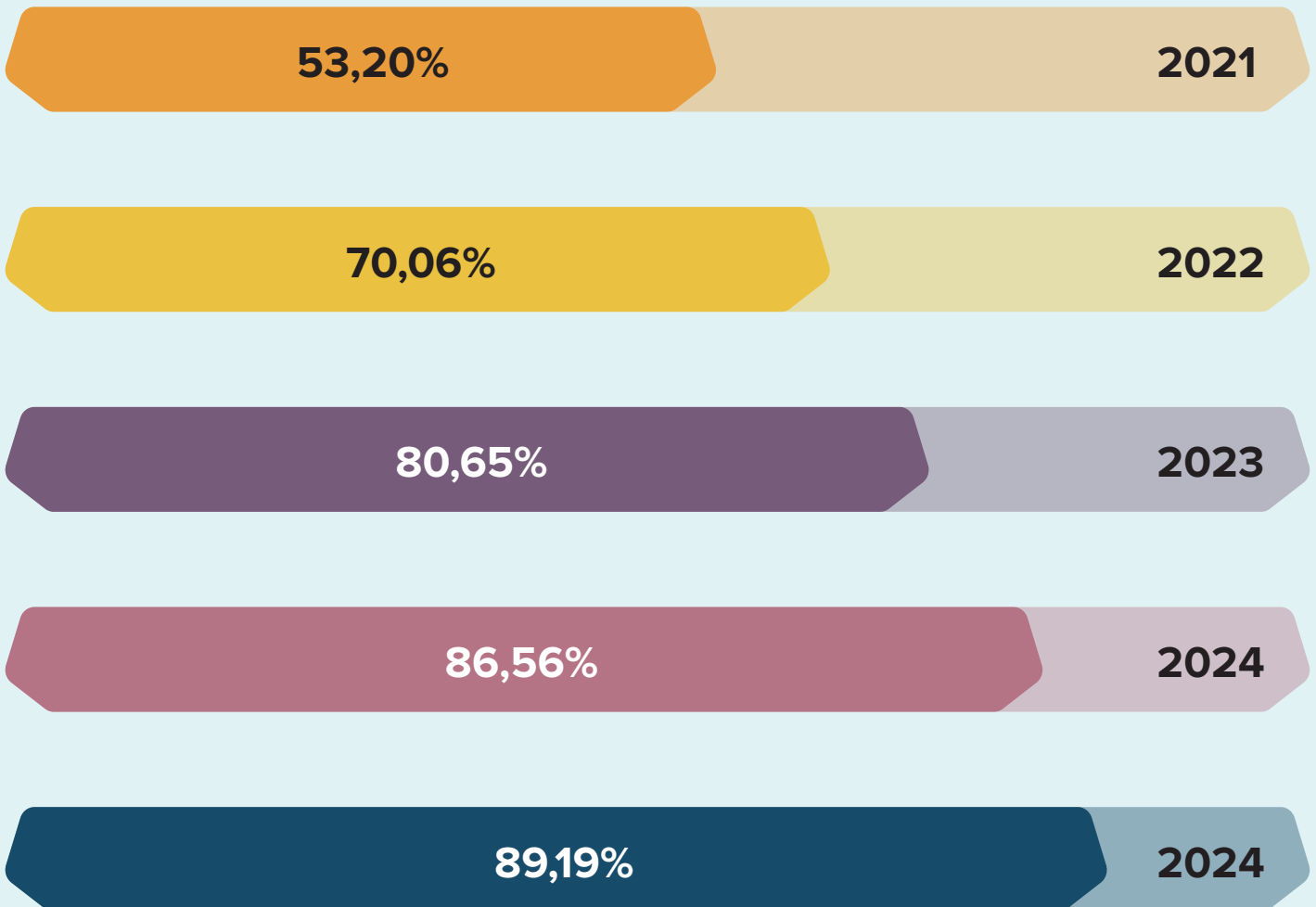
## 6.4 SCHEME SOLVENCY

POLMED's solvency has shown steady improvement over the reporting period. This upward trend has been supported by strong investment performance, disciplined cost management, and prudent financial oversight. The improved solvency position has enabled the Scheme to maintain key member benefits, including subsidised rates and competitive, below-inflation contribution increases.

While the statutory requirement is 25%, the Board of Trustees has adopted a more conservative risk-based solvency threshold of 40% to enhance the Scheme's resilience. Maintaining solvency above this benchmark supports long-term sustainability for both current and future members.

The Scheme's solvency ratio performance primarily reflects exceptional investment market conditions during 2025 rather than a board-directed strategy to accumulate reserves. The R1 billion investment return exceeded operational requirements, resulting in higher-than-planned solvency levels. The board maintains its primary objective of optimising member benefits rather than building excessive capital buffers.

### Scheme Solvency



## 6.5 NON-HEALTHCARE COSTS

POLMED's non-healthcare cost ratio of 4.79% in 2025 represents operational excellence and disciplined resource stewardship. This metric, significantly below both our budget of 8% and the CMS regulatory threshold of 10% demonstrates that the Scheme is prioritising member benefits over administrative overhead. For every rand in member contributions, only 4.79 cents support Scheme operations, with the remaining 95.21 cents directed toward healthcare delivery and reserves.

This performance reflects three key factors: First, disciplined cost management across all operational areas. Second, operational efficiencies gained through digital transformation, improved processes, and optimised resource allocation. Third, and most importantly, an organisational culture that recognises every saving in overhead is a rand that can fund member healthcare. This is not cost-cutting that compromises service; it is strategic efficiency that strengthens member value.

## 6.6 INVESTMENT INCOME

The Scheme delivered strong investment returns of R2.57 billion (2024: R1.3 billion) in 2025, outperforming its annual return targets and contributing positively to overall financial sustainability. This outperformance was driven by favourable market conditions, including strong bond and equity market performance. Interest rate cuts during the year supported asset valuations across fixed-income and growth portfolios.

Prudent asset allocation, active investment management, and alignment with the Scheme's long-term investment strategy positioned POLMED to fully benefit from these market developments. The strong investment returns further reinforced the Scheme's solvency position and enhanced its ability to deliver long-term value to members.



## 6.7 CONTRIBUTIONS



### 6.7.1 EMPLOYER CONTRIBUTIONS

The 2025/26 employer contribution increased by 6.21% compared to 2024. While this increase demonstrates continued support from SAPS, it remains 2.79 percentage points below healthcare inflation of 9%, highlighting the ongoing challenge of balancing contribution growth with escalating healthcare costs.

This dynamic has implications for the long-term sustainability of the Scheme and underscores the importance of continuous engagement with SAPS to advocate for adjustments aligned with healthcare inflation. POLMED's relationship with SAPS remains strong and mutually focused on ensuring quality healthcare for members.



## 6.7.2 MEMBER CONTRIBUTION

POLMED member contributions remain comparatively low when benchmarked against broader medical scheme industry increases, reflecting a deliberate alignment with inflation to preserve affordability. While the industry recorded an average contribution increase of 10.1%, which exceeded the projected average CPI of 3% by 7.1 percentage points, as highlighted in CMS Circular 24 of 2025.



### THE MARINE PLAN

During the benefit year 2025/2026 (Apr 2025 – Mar 2026), subsidised contributions under the Marine Plan for a principal member or adult dependant ranged between R495 and R1,564 per month.

For the following year, 2026/2027 (Apr 2026 – Mar 2027), these contributions increased slightly, ranging between R515 and R1,627 per month. For members in the lowest income band, the monthly premium rose by R20 for the main member and R5 for a child dependant.

The highest income band is R63 for the main member and R27 for a child dependant



### THE AQUARIUM PLAN

For the 2025/2026 benefit year, subsidised contributions under the Aquarium Plan for a principal member or adult dependant ranged between R122 and R546 per month.

In the subsequent year, 2026/2027, these contributions increased slightly, ranging between R127 and R590 per month. In the lowest-income band, monthly premiums rose by R5 for main members and R2 for child dependants.

At the highest-income band, increased by R44 for main members and R16 for child dependants.



## 6.8 OUR MEMBERSHIP PERFORMANCE

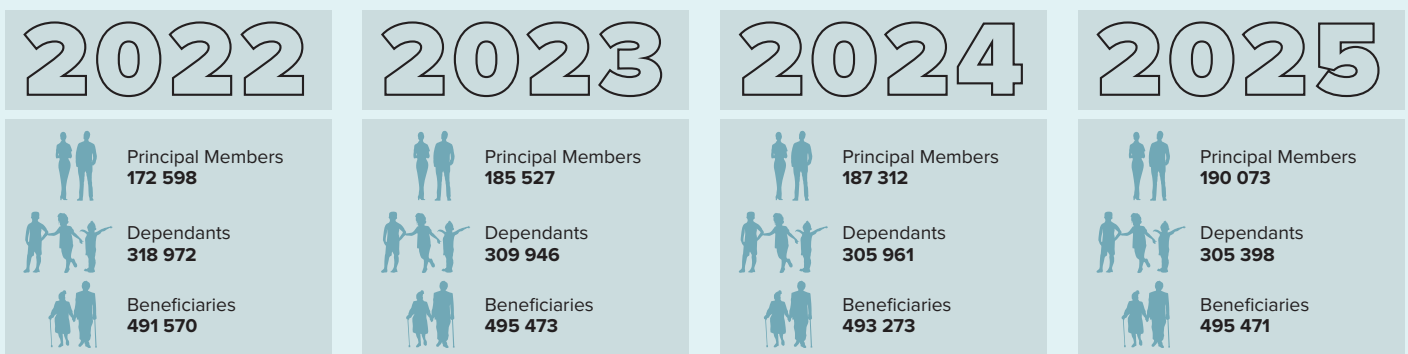


### 6.8.1 MEMBERSHIP TREND

#### Membership Growth

Overall, our membership base has remained stable over the past three years, and the stability is attributable to factors including comprehensive healthcare benefits and increased recruitment of SAPS members and ability to retain retired members, all of which contribute to membership retention.

Figure: Medical scheme members



- Principal membership increased steadily from 172,598 in 2022 to 190,073 in 2025. This increase reflects a combination of sustained confidence by eligible members in the Scheme's value proposition and ongoing recruitment within SAPS, which continues to replenish the pool of qualifying members. While membership growth is structurally constrained by the restricted nature of the Scheme, the decision by eligible employees to remain enrolled provides an important signal of perceived value, particularly in an environment of rising healthcare costs.
- Over the same period, the number of registered dependants declined from 318,972 to 305,398. This trend suggests affordability-driven coverage decisions at household level, as members adjust dependant registration while maintaining their own Scheme membership.
- As a result, the total beneficiary base remained broadly stable across the period. While this stability supports contribution income predictability in the short term, the changing composition of membership has implications for risk pooling, utilisation patterns, and long-term benefit sustainability. These dynamics continue to inform strategic planning, benefit design, and actuarial decision-making.

## 6.8.2 MEMBERSHIP HEALTH OVERVIEW

### Chronic Conditions

Over the years, we have seen changes in how chronic conditions affect our members compared to the industry.

- **2019–2023:** chronic conditions increased steadily, slightly exceeding the industry average in 2023.
- **2024:** encouragingly, we have seen a small improvement, with a one-percentage-point drop.

This progress reflects our dedication to supporting members through:

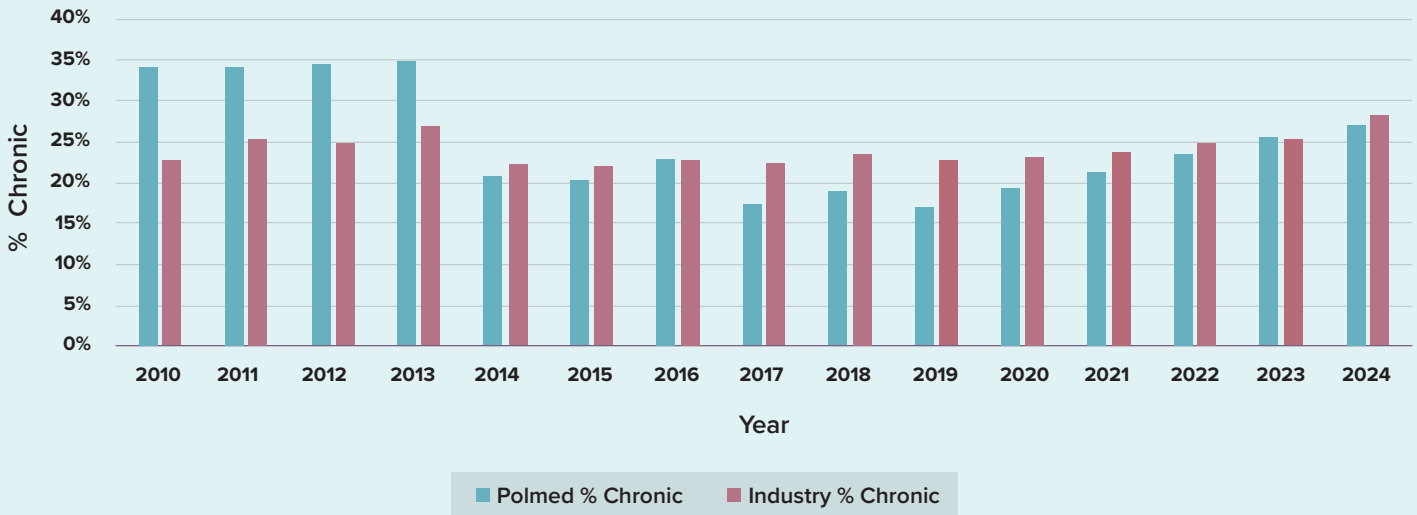
- **Healthier Choices:** encouraging better habits through wellness programs and resources.
- **Mental Health Support:** offering tools and care to promote emotional well-being.
- **Preventative Care:** providing regular screenings, vaccinations, and health education to help manage or avoid chronic conditions.

We are proud of these strides and remain focused on empowering our members to lead healthier lives. Together, we are building a stronger, healthier future for all.

The figure below highlights the trends in chronic condition prevalence among POLMED members compared to the medical scheme industry average.

Figure: Medical scheme members

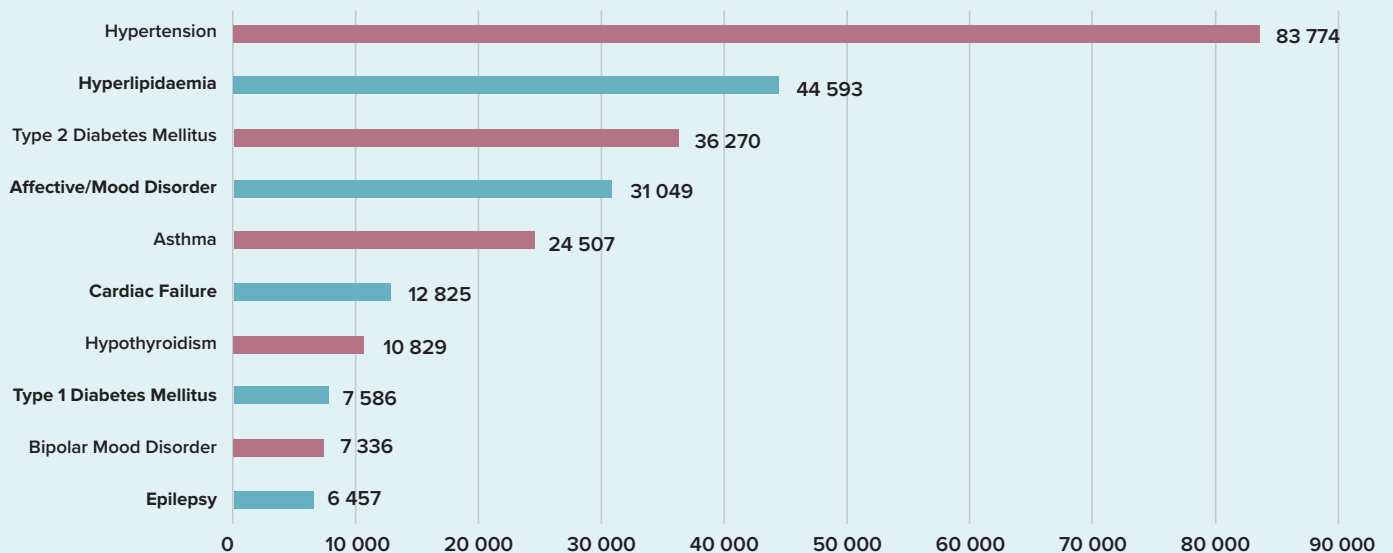
### Percentage of Chronic Conditions



### Chronic Non-Communicable Diseases

Chronic non communicable diseases remain the most significant drivers of healthcare utilisation and long-term claims expenditure within the Scheme. The growing prevalence of these conditions reflect broader epidemiological shifts, including ageing membership, lifestyle risk factors, and improved diagnostic screening.

### Top 10 Chronic Non-Communcable Diseases

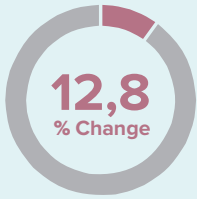


## 6.8.3 MEMBERSHIP HEALTH OVERVIEW

### Top Prevalent Chronic Conditions Enrolments Among POLMED Members

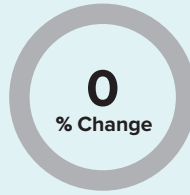
The table below presents the five most prevalent chronic disease programmes among POLMED beneficiaries, comparing registration levels between 2024 and 2025, together with the percentage change year on year.

#### Hypertension Programme



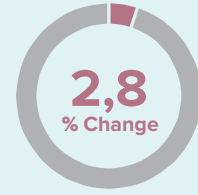
Beneficiaries Registered	
2024	2025
75 937	85 679

#### HIV/AIDS Programme



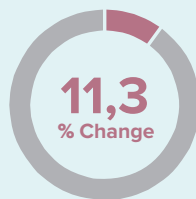
Beneficiaries Registered	
2024	2025
35 286	35 285

#### Hyperlipidaemia Programme



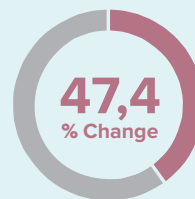
Beneficiaries Registered	
2024	2025
35 210	36 189

#### Diabetes Programme



Beneficiaries Registered	
2024	2025
34 535	38 449

#### Mental Health Programme



Beneficiaries Registered	
2024	2025
33 936	50 029

Hypertension remains the most prevalent chronic condition within the Scheme, with a notable increase of 12.8% in registered beneficiaries. Diabetes also reflects a material increase of 11.3%, indicating a growing burden of non-communicable diseases among members.

The most significant growth is observed in the Mental Health Programme, which increased by 47.4% year on year. This trend warrants closer analysis to determine whether it reflects improved access and awareness, enhanced screening, or an underlying increase in mental health morbidity.

In contrast, the HIV/AIDS Programme remained stable, with registrations effectively unchanged, while hyperlipidaemia showed modest growth of 2.8%.

Recognising that many of these conditions are lifestyle related, POLMED prioritises proactive health promotion and awareness. Key initiatives include:

- **Health Promotion and Awareness Events:** Scheduled at police stations, providing convenient access to healthcare education and screenings for members.
- **Support for Sporting codes:** POLMED actively supports sporting events that promote physical fitness, reinforcing the connection between an active lifestyle and long-term health.
- **Tailored Health Education through SAPS events:** outreach efforts focus on the regional health risk profile, ensuring that members receive relevant and impactful guidance on preventing and managing chronic conditions.
- **Symposiums:** POLMED hosts and participates in symposiums that bring together healthcare professionals, policymakers, and experts to discuss emerging health trends, preventative care strategies, and member well-being initiative

These targeted efforts reflect POLMED's commitment to empowering members with the knowledge and resources needed to lead healthier lives while effectively managing chronic conditions.

#### Key Contributors to lifestyle-related conditions include:

- Physical inactivity and sedentary behaviour
- Unhealthy dietary patterns, including high intake of salt, sugar, and saturated fats
- Tobacco use
- Harmful alcohol consumption
- Chronic stress and poor mental well-being
- Overweight and obesity



## 6.8.2 MEMBERSHIP HEALTH OVERVIEW

### Hospital Admissions

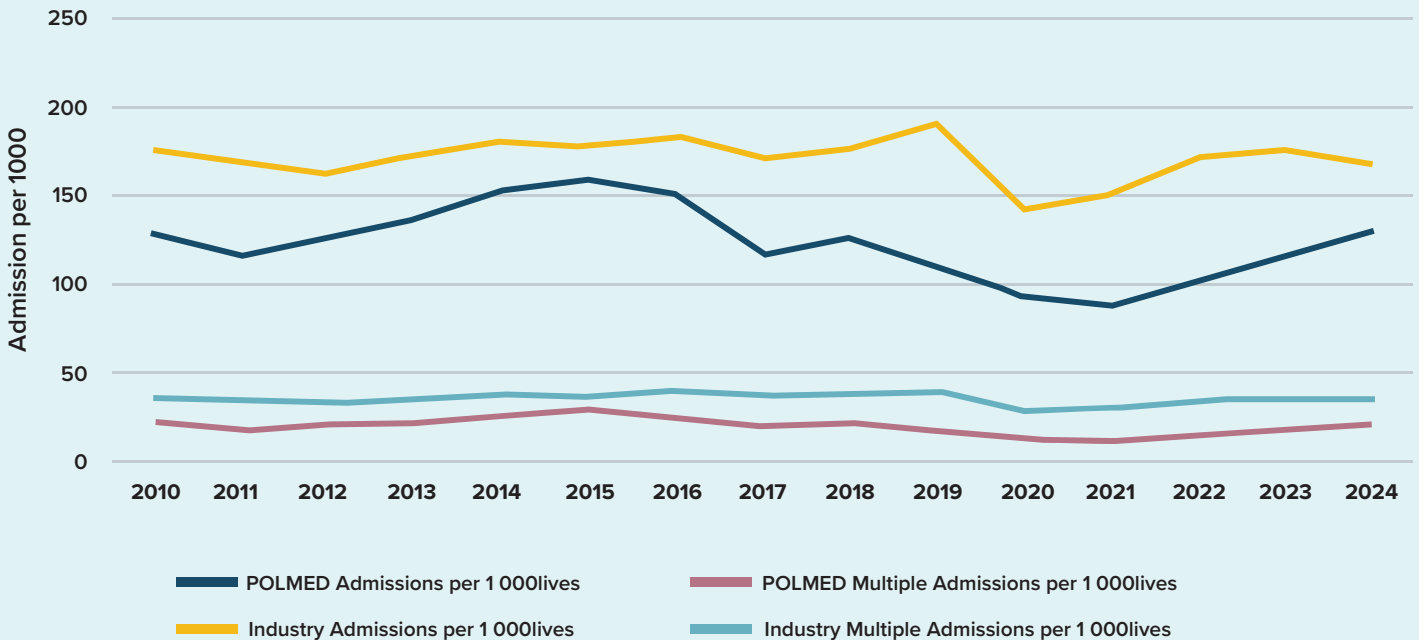
The figure below illustrates the trends in hospital admissions per 1,000 lives within the medical scheme population from 2010 to 2024. It shows the number of members requiring at least one overnight hospital stay each year. Throughout this period, hospital admissions for our members consistently remained below the industry average.

This positive outcome is a testament to our focus on proactive and preventative care. Key initiatives include:

- **Health Screenings and Vaccinations:** early detection and prevention of potential health issues.
- **Comprehensive Outpatient Care:** addressing medical needs effectively without requiring hospitalisation.
- **Chronic Condition Management:** supporting members with tailored benefits to manage long-term health conditions.
- **Accessible GP Services:** encouraging early intervention to prevent health issues from escalating.

By prioritising preventative care, we improve the health and well-being of our members while reducing the need for hospital admissions. This reflects our commitment to delivering value and quality healthcare for a healthier, more resilient member base.

### Admissions



### Member Benefit utilisation (Healthcare costs)

The table below highlights the average claims per member per month (PMPM) processed by the Scheme adjusted for the approved Scheme tariff increases. The observed changes from 2023 to 2024 reflect variations in healthcare utilisation, evolving Scheme demographics, preferences for treatments of varying cost, and other general factors influencing healthcare usage.

### Key Considerations for the Analysis:

- **Claims Processing Patterns:** while some claims remain outstanding or are incurred but not reported (IBNR), their impact on trends is expected to be minimal due to the large volume of claims processed by September 2024.
- **Exclusion of Chronic Medicine Claims:** Chronic medicine claims, which have been capitated since 2019, are excluded from this analysis to ensure consistency and comparability.

The data provides valuable insights into how members are utilising their benefits across all Scheme options, highlighting trends in claims by benefit category. This information informs the Scheme's ongoing efforts to optimise benefit design and manage healthcare costs effectively.



## 6.8.2 MEMBERSHIP HEALTH OVERVIEW

Total value YTD December 2025 R13.4 billion

Claims categories	
Discipline	Percentage of claims value
Hospitals	36%
All Specialists	27%
Pharmacies	12%
Family Practitioners	8%
Dental	3%
Other Auxiliary services	14%
<b>Total</b>	<b>100%</b>



Table: Healthcare costs split

Scheme	2023 inflated	2024 inflated	2025	2025 vs 2024 inflated
Hospital bill	1 919	1 966	2 065	5.0%
Non-chronic medicine	427	464	449	-3.1%
IH GPs and specialists	743	745	780	4.7%
OH GPs	377	358	343	-4.3%
IH Auxiliary	349	358	358	0.1%
OH Auxiliary	269	274	287	4.8%
OH Pathology	141	146	154	5.3%
IH Radiology	197	209	223	6.8%
IH Pathology	201	209	213	1.8%
OH Specialists	143	150	151	0.6%
Dental	147	145	146	0.6%
Optical	101	96	98	1.6%
OH Radiology	45	42	42	-1.6%
EMS	44	47	52	11.6%
<b>Total</b>	<b>5 147</b>	<b>5 209</b>	<b>5 360</b>	<b>2.9%</b>

## 6.8.2 MEMBERSHIP HEALTH OVERVIEW

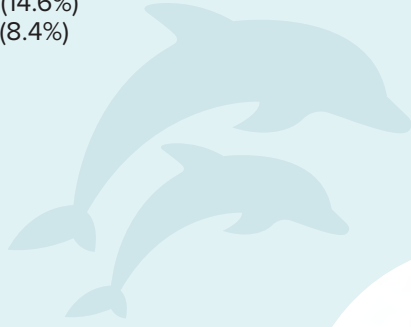
Allowing for the tariff increases from 2024 to 2025, December claims per member per month in 2025 are 2.9% higher than December 2024.

- Changes in claims per member per month are a function of changes in tariff increases, utilisation, changes in the mix of services, as well as changes in provider and member behaviour.
- The following claim categories drive 74.5% of total costs:
  - Hospital bill (38.5%)
  - IH GPs and specialists (14.6%)
  - Non-chronic medicine (8.4%)
  - OH GPs (6.4%)
  - IH Auxiliary (6.7%)

As at December 2025, the following claim categories showed the top three increases in claims per member per month compared to 2024.

- EMS (11.6%)
- IH Radiology (6.8%)
- OH Pathology (5.3%)

At an option level, Marine's per member per month claims are 4.3% higher than 2024 inflated claims while Aquarium's per member per month claims are 7.1% higher compared to 2024 inflated claims.



## 6.8.3 MEMBER ENGAGEMENT: MEMBER-CENTRED INITIATIVES

POLMED’s member engagement approach is centred on supporting informed, proactive healthcare decisions and strengthening ongoing relationships with members.

The Scheme focuses on initiatives that promote health awareness, improve access to services, and provide practical support aligned to member needs.

Through targeted programmes, partnerships, and direct engagement platforms, POLMED continues to enhance the relevance and accessibility of its healthcare offering. These initiatives also provide valuable insights into member experiences, enabling continuous improvement in service delivery and benefit design.

Key highlights of member engagement activities undertaken during 2025 are outlined below:

### 2025 POLMED Member Health Symposiums:

POLMED hosted three Member Health Symposiums in Limpopo, Mpumalanga, and the Western Cape as part of its ongoing commitment to member engagement, health education, and transparent communication. These engagements support the Scheme’s strategic objective of maintaining strong relationships with members, particularly those serving within the South African Police Service.

The Symposiums provided a platform to address key healthcare challenges, improve member understanding of Scheme operations, and reinforce the importance of responsible benefit utilisation. Key areas of focus included chronic disease management, mental health awareness, and preventative care initiatives aimed at improving long-term health outcomes.

Members were also engaged on benefit design, claims processes, and the financial position of the Scheme, enabling more informed decision-making and strengthening trust. In addition, the sessions highlighted key performance outcomes, ongoing initiatives, and innovations aimed at improving access, efficiency, and overall member experience.

SAPS Management Forums visited by the POLMED Member Experience and Engagement team

Total number of Stakeholder Engagements	Engagements	Attendees
28	3 - Provincial Commissioner’s Forum	342
	8 - EHW Provincial Strategic Wellness Forums	196
	3 - District Commissioner’s Forum	132
	2 - POPCRU Events	113
	12 - Mental Health Presentations and Workshops	1324

A continued area of emphasis was the prevention of fraud, waste, and abuse. Members were encouraged to identify and report irregular practices, reinforcing shared accountability for the sustainability of the Scheme.

The Symposiums further created an opportunity for direct engagement between members and the Scheme’s Executive and Management teams. This enabled open dialogue, clarification of concerns, and valuable feedback to inform continuous improvement.

Real-life testimonials from Wellness Ambassadors were also presented, including experiences related to mental health resilience, cancer survivorship, and weight management. These narratives demonstrated the practical impact of wellness and preventative care programmes.

### Attendance and Reach

The Symposiums were convened as follows:

- **Western Cape:** 21 May 2025 – 256 members
- **Mpumalanga:** 03 September 2025 – 138 members
- **Limpopo:** 17 November 2025 – 360 members

### In-Person Member Engagements

#### SAPS Provincial Commissioners’ Forums

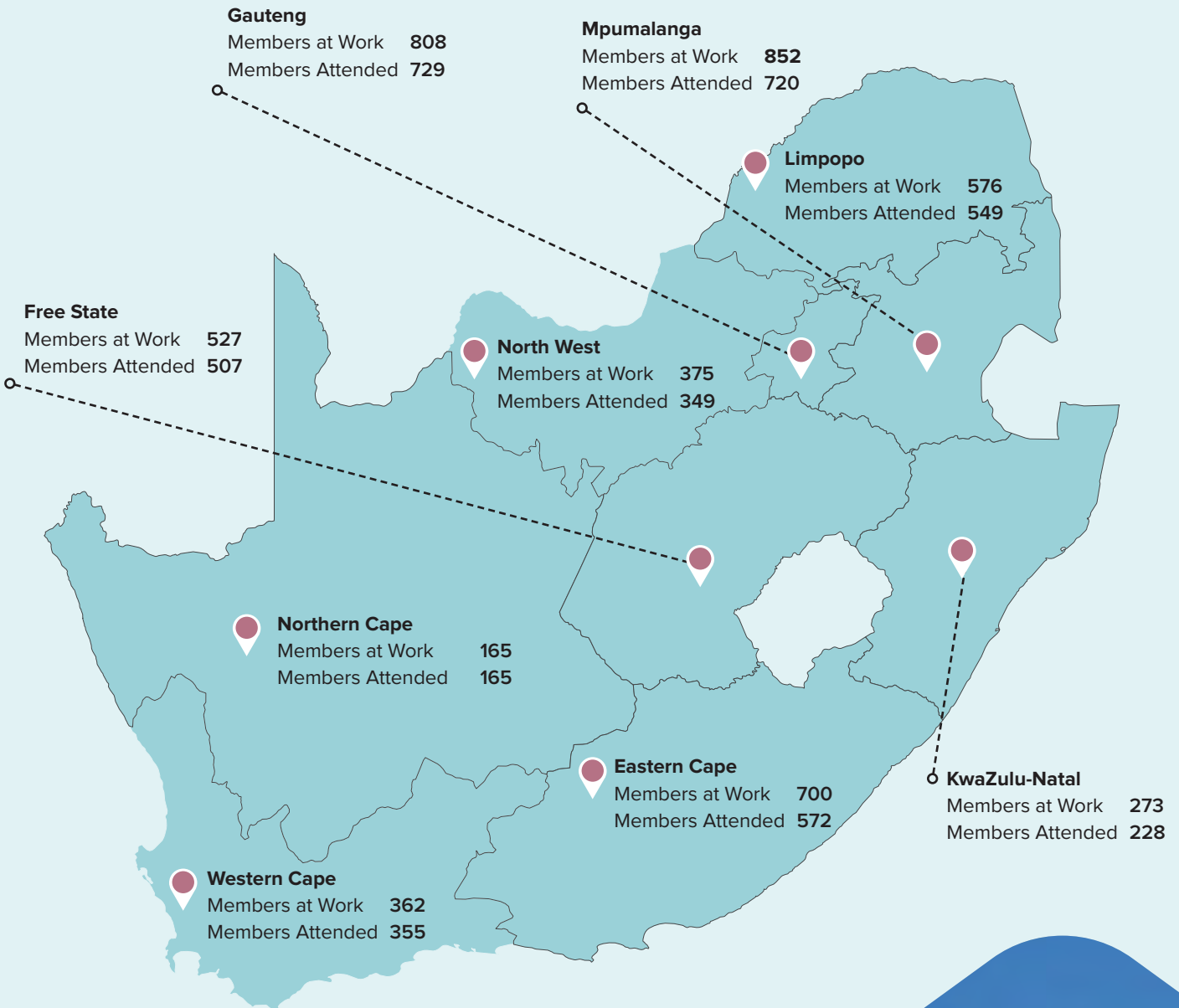
SAPS Provincial Commissioners’ Forums Meetings are an opportunity for POLMED to share the SAPS Member Health Risk Profile to respective Management teams and members in provinces. The sharing of information at this level assists the leadership teams in understanding the health risks faced by members. This leadership buy-in approach broadens the member support base and assists in implementing member-focused interventions through Health Promotion and Awareness Events (HPAEs).



## 6.8.3 MEMBER ENGAGEMENT: MEMBER-CENTRED INITIATIVES

### POLMED Health Promotion and Awareness Events (HPAE)

POLMED Member Experience and Engagement (MEE) department conducted visits to 185 police stations across all nine provinces, engaging 4,174 members on chronic disease management, healthy lifestyle practices, FWA and POLMED programmes. 765 members were referred for further care with positive clinical outcomes. 90% of targeted members attended HPAEs.



### Online Engagement

Expanding Digital Engagement: Connecting with Our Members Online  
 Recognising the growing importance of digital communication, POLMED continues to enhance its online presence to engage with members more effectively. Through social media and digital platforms, we provide real-time updates, wellness information, and interactive content that resonates with our members.

### Looking Ahead:

We are committed to growing our digital presence by enhancing member interactions, increasing engagement through educational content, and leveraging digital innovation to make health information more accessible.



## 6.8.4 HEALTHCARE ACCESS

### Walk-In Centres

In 2025, the Scheme operated 18 Walk-in Centres providing members with in-person support for claims enquiries, document management, membership card issuance, and related services.

These centres enhance accessibility, enable personalised assistance, and support the timely resolution of member queries, strengthening overall member experience.

### Member Visited Walk-in Centres

Table: Walk in Centre visits

Regional Office	Visits	Enquiries
Bloemfontein	4 871	11 585
Cape Town	5 008	12 780
Durban	8 972	23 086
East London	2 878	6 935
Florida	7 574	20 639
Johannesburg	340	749
Kathu	550	1 408
Kimberley	3 630	9 458
Klerksdorp	1 812	4 518
Lephalale	445	1 056
Mafikeng	2 474	6 091
Nelspruit	5 147	12 365
Pietermaritzburg	2 792	6 684
Polokwane	7 994	20 588
Port Elizabeth	5 031	13 394
Pretoria	16 474	44 789
Rustenburg	2 058	5 282
Vereeniging	2 977	6 890
Worcester	1 466	3 782
<b>Total</b>	<b>58 251</b>	<b>140 725</b>

Table: Member Screening participation

Province	HRA							HCT				TB		
	BMI (<18.5>24.9)		Blood Pressure (>S: 140 >D:90)		Cholesterol (>5.2 mmol/L)		Glucose (>7.8 mmol/L)		Positive All		Positive New		Risk of positive and referred	
Eastern Cape	310	(85.44%)	117	(32.2%)	166	(45.7%)	53	(14.6%)	3	(0.8%)	2	(0.6%)	31	(8.5%)
Free State	0	(0.0%)	0	(0.0%)	0	(0.0%)	0	(0.0%)	0	(0.0%)	0	(0.0%)	0	(0.0%)
Gauteng	429	(87.9%)	149	(30.5%)	123	(25.2%)	72	(14.8%)	3	(0.6%)	1	(0.2%)	30	(6.1%)
Kwazulu Natal	2009	(81.7%)	543	(22.1%)	786	(32.2%)	371	(51.1%)	7	(0.3%)	2	(0.1%)	124	(5.0%)
Limpopo	116	(66.7%)	9	(5.2%)	25	(14.4%)	12	(6.9%)	0	(0.0%)	0	(0.0%)	10	(5.7%)
Mpumalanga	125	(90.6%)	30	(21.7%)	48	(34.8%)	15	(10.9%)	2	(1.4%)	2	(1.4%)	8	(5.8%)
North West	0	(0.0%)	0	(0.0%)	0	(0.0%)	0	(0.0%)	0	(0.0%)	0	(0.0%)	0	(0.0%)
Northern Cape	1566	(84.1%)	716	(38.4%)	688	(36.9%)	224	(12.0%)	2	(0.1%)	0	(0.0%)	184	(9.9%)
Western Cape	79	(89.8%)	28	(31.8%)	47	(53.4%)	12	(13.6%)	0	(0.0%)	0	(0.0%)	3	(3.4%)



### Wellness Events and Screening Overview

The Scheme implemented targeted wellness initiatives to support members' mental, emotional, and physical well-being, with a focus on disease prevention, management of existing conditions, and promoting healthier lifestyles.

Participation is expected to increase through enhanced member engagement at police station level. Wellness screenings were delivered through wellness weeks, ad hoc events, pharmacy walk-ins, and provincial outreach initiatives.

## 6.8.5 HEALTH PREVENTATIVE MEASURE

In 2025, POLMED continued to implement and promote its preventative care strategy to improve access for members and beneficiaries. Preventative benefits available across both Marine and Aquarium options were actively promoted to support uptake.

These initiatives enabled members to participate in preventative screenings through multiple delivery channels, supporting early detection, disease prevention, and effective management of chronic conditions.

**Preventative health measures are important for maintaining well-being and reducing disease risk.**

**Utilisation:** 2025 utilisation 264 937 and increase from 230,271 (2024) preventative claims.

**Key focus areas included:**

- **Preventative Screenings:** POLMED benefits include health risk assessment screening, Cancer Screenings (prostate, breast, and cervical screenings), glaucoma screenings and HPV screenings as part of the annual preventative benefit basket.
- **Healthy lifestyle Choices:** These are promoted in member communication, wellness events and in the preventative benefits. Members have access to healthy diet counselling. Members are encouraged to include eating healthy, exercising, drinking water, reducing alcohol and smoking as part of their lifestyle choices.
- **Regular Check-ups:** Members, particularly those with moderate- to high-risk conditions, are encouraged to undergo regular check-ups, this assists in the prevention of further complications and ensuring adherence to treatment.
- **Vaccinations:** Vaccinations are provided annually as a benefit to members and are claimed from risk benefit, members are encouraged to access vaccinations to prevent infectious diseases.

These initiatives were delivered through Wellness Weeks, ad hoc events, and SAPS-related engagements, supported by GP and pharmaceutical partners.

PLAN_BENEFIT_GROUP	Utilisation
ANNUAL MEDICAL CONSULT GP	727
AUDIOLOGY SCREENING	501
BONE DENSITY WELLNESS	33
CHILD IMMUNISATION	6 164
CIRCUMCISION	3 026
DEBRIEFING SERVICES	786
DENIS DENTAL	107 006
ELISA EMIT	389
FLU_VACCINE	16 828
GLAUCOMA SCREENING	7 137
GLUCOSE SCREENING	1 682
HEALTH RISK ASSESS	23 441
HEPATITIS B VACCINE	325
HIV	34 455
HPV SCREENING PCR	7 106
HPV VACCINE	226
LIPOGRAM WELLNESS	21 697
MAMMOGRAM WELLNESS	6 061
MATERNITY PERTUSSIS VACCINE	194
OCCULT BLOOD WELLNESS	943
PAP SMEAR WELLNESS	1007
PERTUSSIS VACCINE	80
PNEUMOCOCCAL VACCINE	1176
PSA WELLNESS	23 758
TOTAL CHOLESTEROL	84
WESTERN BLOT	105
<b>TOTAL</b>	<b>264 937</b>



# CANCER WELLNESS CHAMPION MY JOURNEY OF HOPE AND HEALING

In May 2022, I was diagnosed with Stage IV Lymphoma, a cancer of the lymphatic system. This followed several alarming symptoms, including severe night sweats, blood in my stools, and swollen lymph nodes. To determine whether the cancer had spread to other organs, including the brain, I underwent a series of extensive and painful tests among them, a bone marrow scan and multiple imaging scans.



Lt. Col (Rev) RM Mahlangu

By the grace of God, the results, including the MRI scan, revealed no further spread of the disease. My journey was challenging, but I was blessed with unwavering support from my family, church community, and colleagues at work. Guided and inspired by Brigadier Makhubela, a fellow cancer survivor, I developed a positive outlook that became my anchor through the most difficult times.

I underwent eight intensive chemotherapy sessions, each lasting approximately five hours at Dr. Moyaba's Chemo Suite. The process tested both my physical and emotional endurance. However, my faith in God and steadfast belief in hope strengthened my resilience. I held firmly to the conviction that, like air, I will rise and indeed, I did.

In 2023, I was officially declared cancer-free, a milestone that continues to fill me with gratitude. I now undergo two CT scans per year for ongoing monitoring and maintain a positive and hopeful outlook on life.

To anyone facing a similar diagnosis, I offer this message of encouragement: do not lose hope. Cancer is not a death sentence. Remain steadfast in faith, follow your prescribed treatment diligently, and surround yourself with a strong support system. To my fellow men in particular, I urge you not to delay seeking medical attention when symptoms arise or after diagnosis. Early action saves lives.

Thank you POLMED.



## AMBASSADORS MP HEALTH SYMPOSIUM

### Ambassador #1: Cancer Survivor



I am Sergeant Paula P. Magagula, stationed at Bushbuckridge Police Station. I was diagnosed with cervical cancer in September 2018. Following my diagnosis, I underwent extensive treatment therapy which includes radiation and chemotherapy. I eventually underwent surgery to remove the tumour, which was a success.

The support I received from POLMED and Employee Health and Wellness (EHW) was unwavering. POLMED paid for all my medical treatments without any difficulties, seamlessly handling all my medical bills. They even went above and beyond by sending me emails with information regarding my condition, which was very helpful and educational.

My journey to recovery has not been an easy one but through the grace of God and the incredible support of family, friends, colleagues and POLMED, I made it through. Although I still have regular checkups, today I stand before you as a cancer survivor who is proof that you can conquer even the toughest challenges that life throws at you.



## 6.9 TESTIMONIALS

### AMBASSADORS MP HEALTH SYMPOSIUM

#### Ambassador #2: Mental Health/ Motor Vehicle Accident (MVA)

**“ I am Constable Hlulani O. Khoza, currently stationed at Calcutta Police Station.**  
On the 29th of April 2022, at about 12:00, I was involved in an accident whilst on duty. I was rushed to Nelspruit Hospital from the accident scene and received immediate medical attention. POLMED was there for me every step of the way until the Injury on Duty (IOD) claim was finalised. I spent six months in the hospital, however even after my discharge, my challenges were not over. I was facing a very difficult divorce, which took a significant toll on my mental health. POLMED once again stepped in, providing me access to counselling and psychological treatments. Their support has been a lifeline for me, and I am incredibly grateful for their continued support.

I can confidently say, “Forward with POLMED!” ”



**Nomvuyo Nogabe**  
Warrant Officer

**I am a Warrant Officer at Saldanha SAPS and an ETDP Step Survival Trainer at Bishop Lavis Academy.** Diagnosed with Stage 3 breast cancer in January 2021 during the COVID-19 pandemic, I underwent four surgeries, chemotherapy, and radiotherapy, and was hospitalised for 10 days during treatment. Now in remission, I manage ongoing medication (Equisin) and Lucrein injections, with annual check-ups. With strong support from my family, colleagues, and Polmed’s wellness team, I found the strength to keep going. Today, I proudly serve as the Western Cape Provincial Cancer Ambassador, sharing my journey through roadshows and awareness campaigns to encourage early detection, especially in my home province, the Eastern Cape. **I wear my scars with pride—they are my testimony of survival and hope.** ”

## WEIGHT MANAGEMENT SUCCESS STORIES

Before



#### Colonel M.C. Mabusela

**“ My goal is to reach 90 kg by April 2026 and to maintain a healthy weight thereafter.**  
Under the guidance of my dietitian, I have significantly reduced my intake of sugar and starch, focusing mainly on vegetables, fruits, white meat, rooibos tea, and lemon water, in line with my prescribed meal plan. Initially, I experienced severe knee problems and found it difficult to stand for extended periods. My specialist recommended a knee replacement but advised that I first lose weight. Since beginning this journey, my mobility has improved considerably, and my knee pain has decreased significantly. I proceeded to enrol in the Weight Management Programme, attending approximately six sessions. Based on my experience, I recommend that additional sessions be allocated specifically for dietitians, as they play a crucial role in monitoring and supporting effective weight management. ”

After



#### **Catherine Eileen Van Wyngard** Colonel: Retired

After 4 decades of dedicated service in the SAPS across 4 provinces, I faced a personal battle - my health. Years of fluctuating weight, poor eating habits, and unmanaged high blood pressure took its toll. After a health talk by POLMED staff at the station I was managing, I decided to take charge of my health. I joined the POLMED Weight Management program, introduced vegetables and a balanced meal, eliminated sugar and joined the gym. I also opted to go the natural route without using any slimming pills or shortcuts - just pure discipline and consistency. When I started on the weight loss program, I weighed 160kgs, and within a year of discipline, dropped to 114kgs. **Though I retired in November 2023, I still push myself to do at least 10 000 steps daily. It's doable.** ”



## 6.10 HEALTH PROMOTION

### MENTAL HEALTH PROGRAMME

Mental Health conditions may present in various ways such as, amongst others, difficulty in coping with daily decision making, prolonged irritability, excessive anxiety, sleep pattern disruption, abnormal eating habits, social withdrawal, substance misuse, difficulty with emotional regulation, increased risk for chronic diseases, feelings of worthlessness, symptoms of sadness and depression. Early recognition and treatment are important to ensure appropriate care and support.

The POLMED mental health programme is a comprehensive intervention designed to support members who are prone to and those diagnosed with mental health conditions. The mental health programme aims to improve quality of life, equip members with the tools to manage their mental wellbeing effectively.

#### What does the programme offer?

- Post Trauma Debriefing Sessions: 4 sessions per annum for SAPS Act members
- Up to 15 out of hospital counselling sessions or 21 hospital days of in-patient care at an approved mental or rehabilitation facility. Further benefit continuation is provided subject to the member's condition and the applicable Managed Care protocols.
- Direct access to case manager who collaborates with the member's treating provider.
- Support with treatment authorizations, guidance on wellness benefits and resolution of health-related queries.
- Educational resources to increase mental health awareness and encourage self-management.

#### Psychosocial Network

POLMED has a Psychosocial Network of providers which includes Psychologists, Registered Counselors and Social Workers. Benefits of counselling include, but not limited to;

- Improved communication and interpersonal skills
- Enhanced self-acceptance and self-esteem
- Support to change unhelpful behaviors and habits
- Better emotional regulation and expression
- Relief from anxiety, depression, and related conditions
- Improved confidence and decision-making abilities
- Better stress management and problem-solving capabilities
- Greater ability to manage interpersonal conflict
- Guidance and support on how to solve family/ psychosocial challenges





# TOP FAQs



### What documents are required to add my dependants?

- Application form to add dependants
- Copy of ID
- Copy of marriage certificate if applicable
- Copy/copies of birth certificates
- Membership certificate from previous medical aid if applicable
- POLMED affidavit A, B, C or D if applicable



### How long would I have to wait before my dependant is added after submitting the documents?

Three working days.



### Will there be waiting periods imposed on my dependant(s) after adding them?

Yes, waiting periods will be applied where applicable.



### What documentation is required from the main member for the annual overage and student review?

#### Financially Dependent Adult Child (21 - 29 years old):

- Affidavit B, confirming financial dependency.
- Copy of ID.

#### Financially dependent on member

Beneficiaries who are financially dependent on a principal member could include adult children who are not studying and are unemployed, as well as the principal member's parents or parents-in-law. This review takes place annually during the dependant's birthday month.

90 days before the dependant's birthday, the principal member will receive a notification requesting them to submit the necessary documents to the Scheme in order to retain the dependant as a beneficiary.

#### What happens when there is no response from the member?

If the principal member does not respond to the Scheme to request that the dependant is retained, the dependant's membership will be terminated at the end of the dependant's birthday month.



### What documentation is required from the main member for the annual overage and student review?

#### Can the terminated dependant be reinstated?

- Yes, the dependant can be reinstated if the principal member provides the Scheme with the required affidavit confirming financial dependency within 90 days of the termination date.
- If this 90-day period has passed, the dependant cannot be reinstated but must be re-registered on the Scheme, with all waiting periods and underwriting rules applied.

#### Students (21 - 29 years old):

- Certificate of registration at a registered tertiary learning institution – by the end of February each year.
- Copy of ID.

Student beneficiaries are defined as adult children between the ages of 21 and 29 who are still studying at a registered university. Child rates apply for students under the age of 24, while subsidised adult rates apply from the age of 25.

The annual student review takes place every November. The principal member is contacted via email and requested to submit proof of their dependant's enrolment at a registered tertiary institution. This documentation must be provided to the Scheme by the end of February the following year. Follow-up SMS reminders are sent in December and January, encouraging members to submit the required proof of study before the deadline at the end of February.

#### What happens when there is no response from the member?

- If the principal member does not respond, the Scheme will terminate the dependant's membership at the end of February. If proof of study is provided within 90 days of the termination, the dependant will be reinstated, and any arrears will be raised accordingly.
- After the 90-day period has passed, the dependant cannot be reinstated and will need to be re-registered, with waiting periods and underwriting rules applied.



### Why is my membership suspended?

Due to outstanding contributions or member claims debt. Suspension can also occur when continuation documents are not submitted to the Scheme.

#### What happens if I want to continue as a pensioner, but GEPF has not finalised my finances, including monthly pension?

You may continue as a member. The requirements are an affidavit and letter from GEPF confirming the backlog, which needs to be submitted to POLMED.

#### Am I allowed to add two partners on my medical aid?

Yes, but only one will receive a subsidy while your other partner will be charged adult unsubsidised rates.



### I've made payment, would you be able to lift the suspension?

A notification will be sent to confirm that the suspension has been lifted and that your membership is active.



### How much am I supposed to pay on a monthly basis?

The full monthly contributions, which can be found in the Benefit Guide on [www.polmed.co.za](http://www.polmed.co.za) under "Forms & Downloads". Please note that short payments may lead to suspension of benefits.

## 6.11 FREQUENTLY ASKED QUESTIONS



### Has my suspension been lifted? Is my membership active?

A notification will be sent to confirm that the suspension has been lifted and that your membership is active.



### How can I obtain confirmation of why claims have been rejected?

Your Claims Statement will reflect the reason why a claim was rejected or short paid.

Should you require further clarification, you can contact the Contact Centre on **0860 765 633** or visit any of the **POLMED Walk-in branches** for additional assistance.



### How do I request a Membership Certificate?

Please contact POLMED via the **POLMED WhatsApp** on **060 070 2547**, or call our Contact Centre on **0860 765 633**, or download it from **POLMED Connect**.

You can also visit any of the **POLMED Walk-in branches** for further assistance.



### I would like to update my contact details, cell number/ email address/address.

Kindly contact the contact centre on **0860 765 633** to update your personal details.



### How can I obtain confirmation that my monthly contributions/arrears/ payment has been received?

Once the arrears have been settled, you will receive a membership reinstatement notification via email and SMS. Always use your membership number as a reference when paying your contributions.

If you have any queries regarding your membership, contact our Customer Care Centre at **0860 765 633** or email us at **polmed@med-scheme.co.za**



### Where can I find a list of network GPs?

You can access a list of network GPs close to you on the website by using the provider locator tool on **www.polmed.co.za**, **POLMED Connect**, or **WhatsApp**.

You just need to insert your address and select your plan. A list of all the GPs with network indicators can be exported from the website.



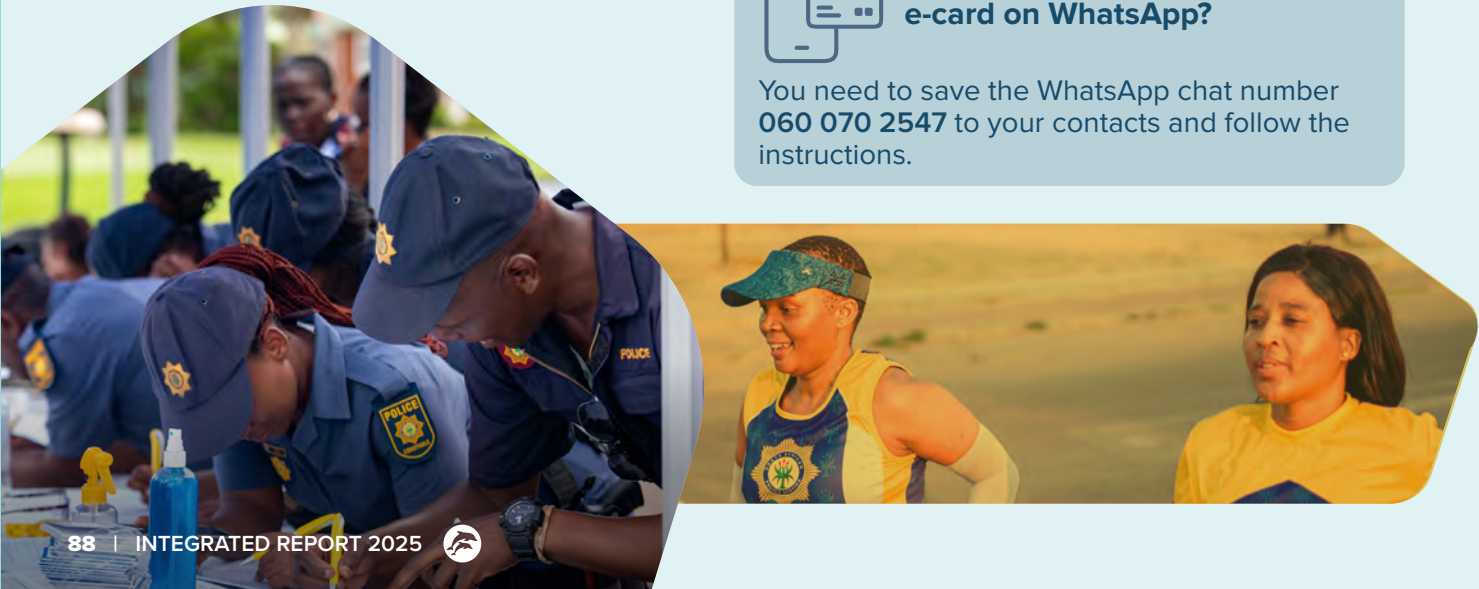
### How do I request a Tax Certificate?

Please contact POLMED via the **POLMED WhatsApp** on **060 070 2547** and request it on Self Service or call our Contact Centre on **0860 765 633**. You can also visit any of the **POLMED Walk-in branches** for further assistance.



### How do I go about getting my e-card on WhatsApp?

You need to save the WhatsApp chat number **060 070 2547** to your contacts and follow the instructions.





### What benefits do I have for a mammogram? What do my preventative care/allied health benefits entail?

- A mammogram will be paid from the Preventative Benefit for women aged 40 to 69, every two years.
- If needed outside the guidelines, a motivation letter needs to be sent to [polmedspecialcases@polmed.co.za](mailto:polmedspecialcases@polmed.co.za).

#### The mammogram will be paid from Basic Radiology if approved.

- The Preventative Benefit allows for risk assessment tests to ensure the early detection of conditions that may be completely cured or successfully managed if treated early. All services as per the specified benefit will be covered from the in-hospital benefits and will not deplete your out-of-hospital benefits. A full list of all the tests allowed under this benefit is available on page 22 and 23 of the benefit guide.
- Allied health services and alternative healthcare providers like biokineticists, chiropractors, chiropodists, dieticians, homeopaths, naturopaths, orthoptists, osteopaths, podiatrists, reflexologists, therapeutic massage therapists will be paid for clinically appropriate services.
- This benefit is ONLY available for Marine members.



### How do I nominate a Network GP (General Practitioner)?

You need to complete a GP Nomination form, which is available on the POLMED website under “Forms & Downloads”.

If you would like more info or help, please call our Contact Centre on **0860 765 633**. You can also visit any of the **POLMED Walk-in branches** for further assistance.



### Why do I need a GP referral to visit a specialist?

- There is a growing trend of fragmented care, where a number of our beneficiaries are receiving duplicate treatment from multiple doctors and providers. This leads to poor patient experience and unsatisfactory outcomes, resulting in claims' short payments and depletion of OOH benefits.
- The GP referral process ensures that our members receive appropriate and effective care.
- It also helps to ensure that their benefits last longer by avoiding duplication of tests and consultations with specialists for concerns that can be handled by a GP.
- In an effort to enhance the coordination of care, members are required to obtain a referral number from their GP before consulting with certain specialists



### What happens to a specialist's claims if I did not obtain a referral?

- If you consult a specialist without being referred, you will be charged a co-payment of up to R1 000. This will be payable by you and not refundable by the Scheme.
- To allow for unforeseen circumstances, POLMED allows two (2) specialist visits per beneficiary per year without a referral.



## 6.11 FREQUENTLY ASKED QUESTIONS



### Do I need a referral for all specialists?

The short answer is, **No**.

POLMED approved the following exceptions for both Marine and Aquarium plans, where you do not have to obtain a specialist referral:

- Gynaecologist
- Psychiatrist
- Oncologist
- Ophthalmologist
- Nephrologist
- Dental Specialist



### How do I obtain confirmation of the available out-of-hospital benefits?

You can view your out-of-hospital benefits on POLMED WhatsApp on **060 070 2547** and selecting the Self Help section.

You are also welcome to call our Contact Centre on **0860 765 633** or visit any of the **POLMED Walk-in branches** countrywide.



### How do I go about obtaining hospital authorisation?

Details required to obtain hospital or procedure authorisation

Ensure you have the details listed below before calling POLMED for an authorisation:

- ID number
- Membership number
- Name and surname of patient
- Date of birth
- Name of hospital/practice number
- Name of service provider (i.e. doctor, specialist, etc.) and practice number
- The diagnosis (ICD-10) code
- The procedure to be performed (CPT4 or tariff code)
- The date of admission
- The name and telephone number of the caller
- Whether or not the treating doctor charges medical scheme rates
- RPL codes

#### Authorisation

An authorisation number is given to the caller and immediately sent by WhatsApp or email to the hospital and your treating provider. A penalty of R5 000 may be imposed if no pre-authorisation is obtained. Should you require confirmation of the tariff amounts that will be paid per tariff code, call the Contact Centre on **0860 765 633** or email [polmedquotations@medscheme.co.za](mailto:polmedquotations@medscheme.co.za). Refer to the Provider Locator tool available on the POLMED website to check if your specialist is on the network.

#### Emergency hospitalisation process

Please note that in case of an emergency, the member or the hospital should contact POLMED within 48 hours of the event or on the next working day. A penalty of R5 000 may be imposed if no pre-authorisation is obtained. A R15 000 co-payment will be applied for admission to a non-network hospital, applicable to both the Marine and Aquarium plans. Visit the POLMED website at [www.polmed.co.za](http://www.polmed.co.za) for more information. **ER visits are payable from OOH benefits unless the member/beneficiary is admitted the same day.**

#### Contact POLMED for hospital pre-authorisation

Your admitting doctor must contact POLMED on **0860 104 111** to obtain pre-authorisation. Alternatively, you (if you have all the details) may contact POLMED on **0860 765 633** to obtain pre-authorisation.

SCAN





07

EXTRACT OF THE  
**ANNUAL FINANCIAL  
STATEMENTS**

## 7.1 STATEMENT OF RESPONSIBILITY

The Trustees are responsible for the preparation and fair presentation of the Annual Financial Statements of South African Police Service Medical Scheme (“the Scheme”), comprising the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of material accounting policies and other explanatory notes in accordance with IFRS® Accounting Standards (“IFRS”), and in the manner required by the Medical Schemes Act, No. 131 of 1998, as amended.

The Trustees in preparing the Annual Financial Statements have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The administration of the Scheme has been outsourced to an accredited medical scheme administrator, Medscheme Holdings (Pty) Ltd (“the Administrator”).

The Trustees are satisfied that the information contained in the Annual Financial Statements fairly presents the results of the operations for the year, the financial position and cash flows of the Scheme at year-end. The Trustees are responsible for ensuring that proper accounting records are kept and maintained by the Scheme and the Administrator. The accounting records disclose with reasonable accuracy the financial position and operations of the Scheme, which enables the Trustees to ensure that the Annual Financial Statements comply with the relevant legislation. The Trustees of the Scheme are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to members and to Council for Medical Schemes.

The Scheme operates in an adequate control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute assurance, that assets are safeguarded and the risks facing the business are controlled.

The Scheme’s external auditor, PricewaterhouseCoopers Inc., is responsible for auditing the Annual Financial Statements in terms of International Standards on Auditing, and reporting on the fair presentation of the Annual Financial Statements. Their report is presented on pages 20 - 25.

The going concern basis has been adopted in preparing the Annual Financial Statements. The Trustees have no reason to believe that the Scheme will not remain a going concern based on forecasts, the solvency ratio, and available cash resources. These Annual Financial Statements support the viability of the Scheme.

### APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements of the Scheme were approved by the Board of Trustees on 27 May 2026 and were signed on its behalf by:

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**ST NKOSI**  
**CHAIRPERSON**  
27 May 2026

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**PA MABOTJA**  
**DEPUTY CHAIRPERSON**  
27 May 2026

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**N KHAUOE**  
**PRINCIPAL OFFICER**  
27 May 2026



## 7.2 STATEMENT OF CORPORATE GOVERNANCE

The Scheme is committed to the principles and practices of responsibility, accountability, fairness and transparency in all dealings with its stakeholders. Fifty percent of the Trustees are elected by members of the Scheme, whilst another fifty percent are designated by the employer.

### BOARD OF TRUSTEES

The Board of Trustees meet quarterly or when required to discuss matters of policy, strategy, risk and performance.

The Board of Trustees has access to the guidance and support of the Principal Officer and the Executive team. Additionally, they are entitled to seek independent professional advice, at the expense of the Scheme, to assist them in fulfilling their responsibilities.

The Board of Trustees has ensured compliance with all applicable provisions of the Medical Schemes Act, except for the non-compliance matters noted in the Annual Financial Statements.

### BOARD EVALUATION

An independent Board evaluation was conducted during the year, in which no major issues requiring improvement were noted.

### INTERNAL CONTROL

The Scheme maintains internal controls and systems designed to provide reasonable assurance regarding the integrity and reliability of the Annual Financial Statements, as well as to safeguard, verify and maintain accountability for its assets. Such controls are based on established policies and procedures and are implemented by trained personnel with the appropriate segregation of duties. A formal internal audit function exists at the Scheme and the Administrator, with regular reporting to the Audit and Risk Committee.

No event or item has come to the attention of the Board of Trustees that suggests any material breakdown in the functioning of the key internal controls and systems during the year under review.

The Scheme has two enquiries in terms of Section 43 of the Medical Schemes Act, No. 131 of 1998, as amended, dated from the 2021 financial year-end, with regards to the following matters:

- the property purchased in the name of the former subsidiary, Polmed Property Investment (Pty) Ltd, which was subsequently purchased by the Scheme; and
- the purchase of multivitamins for members.

The two investigations remain ongoing. The multivitamins case was heard in court, and judgment was issued against the Scheme during the 2026 financial year. The Scheme has noted an appeal against the ruling.

### RISK MANAGEMENT

The Board is ultimately accountable for the complete process of risk management within the Scheme. The Board may elect to fulfil some of its functions through delegation to committees and the Principal Officer. The Combined assurance universe of the Scheme includes the Audit and Risk Committee, the Risk Steering Committee, the Principal Officer, Scheme Management, third party service providers and Independent Assurance Providers.

Risks are reviewed and identified annually, with appropriate strategies implemented to mitigate them. These strategic actions are continuously monitored on a monthly basis to ensure effectiveness and alignment with the Scheme's objectives.

The Scheme adopted a risk framework and maintains a risk register for all identified strategic and operational risks. These are monitored on an ongoing basis by Management, Risk Steering Committee, Combined Assurance Forum, Audit and Risk Committee and the Board of Trustees.

The internal audit function was outsourced to Nexia SAB&T and AfroCentric Health (RF) (Pty) Ltd Internal Audit during the period under review. The internal auditors report to the Audit and Risk Committee.

### APPROVAL OF THE STATEMENT OF CORPORATE GOVERNANCE

The statement of corporate governance was approved by the Board of Trustees on 27 May 2026 and was signed on its behalf by:

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**ST NKOSI**  
CHAIRPERSON  
27 May 2026

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**PA MABOTJA**  
DEPUTY CHAIRPERSON  
27 May 2026

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**N KHAUOE**  
PRINCIPAL OFFICER  
27 May 2026

## 7.3 REPORT OF THE BOARD OF TRUSTEES

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The Scheme adopted a risk framework and maintains a risk register for all identified strategic and operational risks. These are monitored on an ongoing basis by Management, Risk Steering Committee, Combined Assurance Forum, Audit and Risk Committee and the Board of Trustees.

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**CHAIRPERSON**  
27 May 2026

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**PA MABOTJA**  
**DEPUTY CHAIRPERSON**  
27 May 2026

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**N KHAUOE**  
**PRINCIPAL OFFICER**  
27 May 2026



## 7.3 REPORT OF THE BOARD OF TRUSTEES

### ORGANISATIONAL OVERVIEW

#### Terms of registration

South African Police Service Medical Scheme (POLMED) (“the Scheme”) is a “not for profit restricted medical scheme”, registered in terms of the Medical Schemes Act of South Africa, No 131 of 1998, as amended (the “Act”)

#### Benefit options within the Scheme

The Scheme offers two benefit options to the employees of the South African Police Service (“SAPS”), both without a savings component. These are:

- Marine Plan; and
- Aquarium Plan.

#### Risk transfer arrangement

During the year under review, the Scheme had a risk transfer arrangement with Scriptpharm Risk Management (Pty) Ltd (“Scriptpharm”). Afrocentric Health (Pty) Ltd holds a majority shareholding in Scriptpharm Risk Management (Pty) Ltd.

#### Scriptpharm Risk Management (Pty) Ltd (Scriptpharm)

Scriptpharm provides chronic medication to both plans.

The nature, terms and conditions of the Scheme’s risk transfer arrangement with Scriptpharm, including the results of the agreement thereof, is set out in note 13 of the Annual Financial Statements.

### MANAGEMENT

#### Board of Trustees in office during the year under review

Employer-designated	Appointment Date	Termination Date	Resides
ST Nkosi (Chairperson)	01 August 2021	26 July 2026	Gauteng
PP Dimpane	01 June 2022	31 May 2027	Gauteng
BP Temba	08 July 2022	7 July 2027	Gauteng
SW Chamane	11 January 2023	10 January 2028	Gauteng
RP Ntsime	22 October 2023	21 October 2028	Gauteng
Z Skade	14 March 2024	27 February 2025	Eastern Cape
NP Nethengwe	15 January 2025	14 January 2030	Gauteng
TNL Ngwenya	28 February 2025	13 March 2029	Mpumalanga

Member-elected	Appointment Date	Termination Date	Resides
AJ Gerber	01 August 2021	26 July 2026	Gauteng
MV Kwetepane	01 June 2022	31 May 2027	Gauteng
JT Lusenga	08 July 2022	7 July 2027	Gauteng
PA Mabotja	11 January 2023	10 January 2028	Gauteng
IN Molefe	22 October 2023	21 October 2028	Gauteng
LN Ngembe	14 March 2024	27 February 2025	Eastern Cape
R Steyn	15 January 2025	14 January 2030	Gauteng



## 7.3 REPORT OF THE BOARD OF TRUSTEES

### MANAGEMENT (continued)

#### Principal Officer



##### N Khaue

Crestway Office Park Block A  
20 Hotel Street Persequor Park  
Lynnwood  
0081

PO Box 14812  
Hatfield Pretoria  
0028

#### Registered office address and postal address of the Scheme



Crestway Office Park Block A  
20 Hotel Street Persequor Park  
Lynnwood  
0081

PO Box 14812  
Hatfield Pretoria  
0028

### KEY SERVICE PROVIDERS



#### Medical scheme administrator during the year

##### Medscheme Holdings (Pty) Ltd

37 Conrad Street  
Florida North  
Johannesburg 1709

PO Box 1101  
Florida Glen  
1708

Accreditation number: 21

#### Managed care provider during the year

##### Medscheme Holdings (Pty) Ltd

The Boulevard  
Buildings F & G  
Searle Street Woodstock 7925

PO Box 38632  
Pinelands  
7430

Accreditation number: MCO53

#### Investment managers during the year

##### ALUWANI Capital Partners (Pty) Ltd

EPF Office Park  
24 Georgian Crescent East  
Bryanston East Johannesburg  
2152

Postnet Suite 8  
Private Bag X75  
Bryanston  
2021

Financial Service Provider Number:  
46196

##### Ashburton Fund Managers (Pty) Ltd

2 Merchant Place  
1 Fredman Drive Sandown  
Sandton  
2196

PO Box  
782027  
Sandton  
2146

Financial Service Provider Number:  
40169

##### Balondolozzi Investment Services (Pty) Ltd

Building 1, 1st Floor  
Glenhove Square, 71 4th Street  
Houghton Estate, 2198

PO Box 542  
Melrose Arch  
Melrose, 2076

Financial Service Provider Number:  
42188

##### Mianzo Asset Management (Pty) Ltd

2nd Floor, Unit 206,  
The Colosseum, Foyer 3  
4 Century Way  
Century City, 7441

PO Box 1210  
Milnerton  
7435

Financial Service Provider Number:  
43114

##### Perpetua Investment Managers (Pty) Ltd

5th Floor, The Citadel  
15 Cavendish Street  
Claremont, Cape Town, 7708

PO Box 44367  
Claremont  
Cape Town, 7735

Financial Service Provider Number:  
29977

##### Sanlam Investment Managers (Pty) Ltd

55 Willie van Schoor Avenue  
Bellville Cape Town  
7530

Private Bag X8  
Tyger Valley  
Cape Town, 7536

Financial Service Provider Number:  
579

##### STANLIB Asset Management Ltd

17 Melrose Boulevard  
Melrose Arch  
Johannesburg  
2196

PO Box 203  
Melrose Arch  
Johannesburg  
2076

Financial Service Provider Number:  
719

##### Sesfikile Capital (Pty) Ltd

2nd Floor, 18 The High Street  
Melrose Arch  
Johannesburg  
2076

Suite 334  
Private Bag X1  
Melrose Arch  
Johannesburg  
2076

Financial Service Provider Number:  
39946



## 7.3 REPORT OF THE BOARD OF TRUSTEES

### KEY SERVICE PROVIDERS (continued)

#### Taquanta Asset Managers (Pty) Ltd

5th Floor, Draper on Main  
47 Main Road  
Claremont  
Cape Town 7708

PO Box 23540  
Claremont  
Cape Town  
7735

Financial Service Provider Number:  
618

#### Umthombo Wealth (Pty) Ltd

2nd Floor, Suite 14  
Katherine and West Building  
114 West Street  
Sandton 2196

Postnet Suite 111  
Private Bag 9976  
Sandton City  
2146

Financial Service Provider Number:  
44802

#### RH Managers (Pty) Ltd

1st Floor, Unit 12  
1 Melrose Boulevard  
Melrose Arch  
Johannesburg, 2191

1st Floor, Unit 12  
1 Melrose Boulevard  
Melrose Arch  
Johannesburg  
2191

Financial Service Provider Number:  
44811

#### Aeon Investment Management (Pty) Ltd

4th Floor, The Citadel  
15 Cavendish Street, Claremont  
Cape Town 7708

PO Box 24020  
Claremont  
7735

Financial Service Provider Number:  
27126

### Investment consultant during the year

#### Independent Actuaries & Consultants (Pty) Ltd

6th Floor, Wale Street Chambers  
38 Wale Street  
Cape Town 8001

PO Box 1172  
Cape Town  
8000

Financial Service Provider Number:  
6832

### Actuarial services during the year

#### Insight Actuaries & Consultants (Pty) Ltd

2nd Floor,  
Gateway West  
22 Magwa Crescent,  
Waterval City  
Midrand  
2066

Private Bag X17  
Halfway House  
1685

### Independent Internal Auditor

#### Nexia SAB&T

119 Witch-Hazel Avenue  
Highveld Technopark  
Centurion, 0157

PO Box 10512  
Centurion  
0046

#### Afrocentric Health (RF) (Pty) Ltd

37 Conrad Street  
Florida North Johannesburg  
1709

PO Box 1101  
Florida Glen  
1708

### Independent External Auditor

#### PricewaterhouseCoopers Inc.

4 Lisbon Lane  
Waterfall City Jukskei View  
2090

Private Bag X36  
Sunninghill  
2157



## 7.3 REPORT OF THE BOARD OF TRUSTEES

### INVESTMENT POLICY OF THE SCHEME

The investment portfolio is managed through an Investment Policy Statement and Asset Manager mandates with oversight by the Investment Committee and the Board of Trustees.

The Scheme's investments are subject to Regulation 30 of the Medical Schemes Act, read with Annexure B. The Scheme's investment strategy complies with these regulations. The investment strategy and Investment Policy Statement were reviewed and approved by the Board of Trustees during the financial year.

The Board of Trustees ensures that:

- the Scheme remains liquid;
- capital is preserved as far as possible; and
- the best possible rate of return is achieved for the determined tolerance to risk and that investments made are in compliance with the regulations of the Act.

The Scheme invested in equities, listed property, bonds, cash and unlisted investments during the year under review. The investment consultant's primary mandate was to ensure value retention and growth within the prevailing legislative constraints.

### MANAGEMENT OF INSURANCE RISK

The primary insurance risk carried by the Scheme is the risk of loss related to the health of the Scheme's members and their dependants. As such the Scheme is exposed to the uncertainty surrounding the timing and severity of claims under the contract. The Scheme also has exposure to market risk through its insurance and investment activities.

The Scheme manages its insurance risk through benefit limits, sub-limits, use of managed care tools such as pre-authorisation, medicine management, protocols and annual review of pricing guidelines. The Scheme further uses disease management techniques, hospital case management, high risk member management, service provider profiling and centralised management of the risk transfer arrangement as well as the monitoring of emerging issues to monitor and identify areas of concern on a more frequent basis. Certain risks are mitigated by entering into risk transfer arrangements.

Depending on the risk transfer arrangements, the risk transferred/shared between the Scheme and the provider include frequency risk, severity risk and intensity risk. The Scheme ensures that these risks are managed in a manner consistent with the governance universe of medical schemes.

The Scheme uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, sensitivity analysis, scenario analysis and stress testing. The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The prioritisation of risk is based on the frequency and severity of impact on claims where the claims are greater than contributions or erode on reserves.

Insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Scheme has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

The strategy is set out in the annual business plan, which specifies the benefits to be provided by each option, the preferred target market and demographic split thereof. Benefits and associated contributions are calculated taking into account the Scheme's risk concentrations, changes in utilisation based on historical data and inflationary increases.



## 7.3 REPORT OF THE BOARD OF TRUSTEES

### REVIEW OF THE SCHEME'S OPERATIONS DURING THE YEAR

#### Results of operations

The results of the Scheme are set out on pages 26 to 84 of the Annual Financial Statements. The Board of Trustees believe that the Annual Financial Statements fairly present the financial affairs of the Scheme for the year ended 31 December 2025.

#### Insurance service result

For the year ended 31 December 2025, at a Scheme level, the insurance service result was reported at a deficit of R259,897,006 (2024 : surplus of R341,300,499). In respect of the Marine plan, the insurance service result was reported at a deficit of R249,003,077 (2024 : R82,281,438) whilst the Aquarium plan reported an insurance service result deficit of R10,893,929 (2024 : surplus of R423,581,937).

The Scheme realised negative insurance service results at a consolidated and at an option level, before taking into account the amounts attributable to members for future benefits. The current year's overall insurance service results deficit increased by 176.15% as compared to the surplus of the prior year. The solvency ratio, in respect of the period under review, of 89.19% is substantially above the prescribed minimum solvency level of 25%.

#### Liability for incurred claims

The basis for the calculation of the liability for incurred claims is detailed in note 9 of the Annual Financial Statements. In calculating an appropriate liability for incurred claims, the actuaries considered the provision suggested by the traditional Chain Ladder (CL) method; the Bornhuetter-Ferguson (BF) method and the Health Monitor model (Insight in house stochastic risk management model), and compared the results to arrive at an appropriate provision. The BF method was used to estimate the liability for incurred claims at year-end.

In accordance with IFRS17, estimates of the liability for incurred claims were not based on claims data processed after the year-end reporting date. Rather, the liability for incurred claims is based on cash flows within the coverage period, and is presented along with an adjustment for non-financial risk. The non-financial risk adjustment compensates the entity for uncertainty in the timing and amount of outstanding claims. The risk adjustment is based on a Bootstrapping model developed by the Scheme's actuaries and is set with a 75% confidence level.

Movements in the liability for incurred claims as well as changes in assumptions and sensitivity to changes in key variables are also set out in note 9 of the Annual Financial Statements. There are no unusual movements to be brought to the attention of the members of the Scheme.

#### Actuarial services

The Scheme's actuaries calculated the liability for incurred claims (LIC) and the non-financial risk adjustment and have been consulted in the determination of contribution and benefit levels.

#### Administration services

Medscheme Holdings (Pty) Ltd was appointed as the administrator effective 01 January 2022 until 31 December 2026. The administration fee is calculated monthly based on principal member count and therefore fluctuations can be expected.

#### Related party transactions

Refer to related party disclosures in note 23 of the Annual Financial Statements.

#### Solvency ratio

In terms of Regulation 29(2) of the Act, a solvency ratio, which is calculated as accumulated funds (excluding unrealised gains) divided by total contributions, has to be maintained at 25%. In order to achieve this level, the Scheme follows a scientifically sound and actuarially supported benefit design and contribution setting process on an annual basis.

The solvency ratio is 89.19%. The calculation is set out in note 29 of the Annual Financial Statements.

The Board of Trustees is confident that with its solvency level being well above the regulated requirement, the Scheme's reserves are adequate to cover its members' healthcare needs.

#### Benefit design

The Board of Trustees utilise refined benefit design techniques to provide access to quality healthcare while managing the cost and ensuring the sustainability of the Scheme.

The Clinical Governance Committee provides input on actuarial calculations supplied by the actuaries and assists the Board of Trustees in carrying out its duties relating to the benefit design of the Scheme.

#### Investments in and loans to employer and members of the Scheme and to other related parties

The Scheme holds no direct investments in, nor has it made loans to the employer of members nor the members of the Scheme nor to other related parties.



## 7.3 REPORT OF THE BOARD OF TRUSTEES

### Operational statistics per benefit option

The operational statistics per benefit option have been calculated taking into account the changes in the presentation of the Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income as a result of the implementation of IFRS 17 and the requirements of CMS Circular 20 of 2024.

2025	Marine Plan	Aquarium Plan	Total Scheme
Average number of members for the year	100 899	89 682	190 581
Number of members at 31 December	99 983	90 090	190 073
Average number of beneficiaries for the year	246 196	250 403	496 599
Number of beneficiaries at 31 December	243 154	252 317	495 471
Dependant ratio at 31 December	1.43	1.80	1.61
Average insurance revenue per beneficiary per month	R 3 463	R 1 227	R 2 336
Average insurance service expense per beneficiary per month	(R3 538)	(R1 227)	(R2 373)
Average directly attributable insurance service expenses per beneficiary per month	(R 109)	(R 96)	(R 102)
Insurance service expense as a percentage of insurance revenue	102.16%	99.95%	101.58%
Directly attributable insurance service expenses as a percentage of insurance revenue	3.13%	7.78%	4.37%
Average relevant healthcare expenditure incurred per beneficiary per month	(R3 483)	(R1 174)	(R2 319)
Relevant healthcare expenditure as a percentage of insurance revenue	100.59%	95.68%	99.29%
Average age of beneficiaries	35.96	24.06	30.01
Number of beneficiaries older than 65 years at 31 December	19 366	1 664	21 030
Beneficiaries older than 65 years ratio	7.96%	0.66%	4.24%
Average liability to members for future benefits per member at 31 December	R 137 048	R 154 189	R 72 557
Return on investments as a percentage of investments	10.07%	9.07%	19.13%

2024	Marine Plan	Aquarium Plan	Total Scheme
Average number of members for the year	103 624	83 877	187 501
Number of members at 31 December	102 335	84 977	187 312
Average number of beneficiaries for the year	258 132	236 767	494 899
Number of beneficiaries at 31 December	253 946	239 327	493 273
Dependant ratio at 31 December	1.48	1.82	1.63
Average insurance revenue per beneficiary per month	R 3 163	R 1 211	R 2 229
Average insurance service expense per beneficiary per month	(R3 184)	(R1 054)	(R2 165)
Average directly attributable insurance service expenses per beneficiary per month	(R 122)	(R 65)	(R 95)
Insurance service expense as a percentage of insurance revenue	100.67%	87.02%	97.13%
Directly attributable insurance service expenses as a percentage of insurance revenue	3.85%	5.39%	4.25%
Average relevant healthcare expenditure incurred per beneficiary per month	(R3 107)	(R1 032)	(R2 114)
Relevant healthcare expenditure as a percentage of insurance revenue	98.25%	85.18%	94.85%
Average age of beneficiaries	35.06	23.73	29.40
Number of beneficiaries older than 65 years at 31 December	18 315	1 525	19 840
Beneficiaries older than 65 years ratio	7.21%	0.64%	4.02%
Average liability to members for future benefits per member at 31 December	R 114 049	R 140 899	R 63 030
Return on investments as a percentage of investments	8.23%	3.96%	12.19%



## 7.3 REPORT OF THE BOARD OF TRUSTEES

### BOARD COMMITTEES

Specific functions and responsibilities as stipulated in the Board Charter have been delegated to Board Committees with defined terms of reference set out in their respective instructions.

#### Audit and Risk Committee (ARC)

##### Roles and responsibilities of the Audit and Risk Committee

The Audit and Risk Committee was established in accordance with Section 36(10) of the Act. The Committee has adopted appropriate formal terms of reference as provided for in its Audit and Risk Committee Charter, and has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

During the period under review, the Committee had six meetings and appropriate feedback was provided to the Board of Trustees on matters that fell within the mandate of the Committee. The Committee consists of the following members:

Member	Capacity	Appointment/Term ended date
FM Mathibela (Independent)	Chairperson	Appointed 01 January 2025
JK Sikosana (Independent)	Member	Appointed 14 February 2022
PP Dimpane	Member	Appointed 19 July 2023
IN Molefe	Member	Appointed 19 July 2023
KG Mbonambi (Independent)	Member	Appointed 01 June 2025

#### Human Resources and Remuneration Committee

The function of the Committee is to recommend, to the Board of Trustees, a broad human resources and remuneration framework for the Scheme and to ensure that personnel are adequately remunerated for their contribution to the Scheme's operating performance. In fulfilling its duties, consideration is given to industry and local benchmarks.

The Committee consists of the following members:

Member	Capacity	Appointment/Term ended date
AJ Gerber	Chairperson	Appointed 30 January 2025
Z Skade	Chairperson	Term ended 30 January 2025
RP Ntsime	Member	Appointed 12 May 2022
PA Mabotja	Member	Appointed 19 July 2023

#### Clinical Governance Committee

The primary responsibility of the Committee is to assist the Board of Trustees in carrying out its duties relating to the benefit design of the Scheme. The Committee consists of the following members:

Member	Capacity	Appointment/Term ended date
IN Molefe	Chairperson	Appointed 30 January 2025
LN Ngembe	Member	Appointed 19 July 2023
NP Nethengwe	Member	Appointed 30 January 2025
R Steyn	Member	Appointed 30 January 2025
MV Kwetepane	Member	Term ended 30 January 2025

#### Investment Committee

The primary responsibility of the Committee is to assist the Board of Trustees in carrying out its duties relating to the Investment Policy Statement of the Scheme. The Committee consists of the following members:

Member	Capacity	Appointment/Term ended date
RP Ntsime	Chairperson	Appointed 12 May 2022
PP Dimpane	Member	Appointed 22 June 2022
PA Mabotja	Member	Appointed 19 July 2023
R Steyn	Member	Appointed 10 February 2025
BP Temba	Member	Term ended 10 February 2025

## 7.3 REPORT OF THE BOARD OF TRUSTEES

### BOARD COMMITTEES (continued)

#### Complaints and Dispute Resolution Committee (CDRC)

The Board has taken a decision to establish a complaints and dispute resolution committee which is responsible for legal, ethics, policy and for resolving both members' and service provider complaints and disputes. The Committee consists of the following members:

Member	Capacity	Appointment/Term ended date
SW Chamane	Chairperson	Appointed 30 January 2025
JT Lusenga	Member	Appointed 19 July 2023
BP Temba	Member	Appointed 10 February 2025
TNL Ngwenya	Member	Appointed 8 May 2025
AJ Gerber	Chairperson	Term ended 30 January 2025
R Steyn	Member	Term ended 10 February 2025

#### Annual General Meeting Committee (AGMC)

The main responsibility of the Committee is to monitor the implementation of the AGM resolutions to ensure the smooth running of the AGM and enhance the relationship between members of the Scheme and the Trustees. The Committee consists of the following members:

Member	Capacity	Appointment/Term ended date
V Simelane (Independent)	Chairperson	Appointed 15 November 2023
BJ Ximba (Independent)	Member	Appointed 7 April 2021
MV Kwetepane	Member	Appointed 11 October 2022
AJ Gerber	Member	Appointed 19 July 2023
BP Temba	Member	Appointed 19 July 2023
C Johnson (Independent)	Member	Appointed 10 October 2023
ML Lephoro (Independent)	Member	Appointed 27 February 2024
JT Lusenga	Member	Appointed 30 January 2025
Z Skade	Member	Term ended 30 January 2025



## 7.3 REPORT OF THE BOARD OF TRUSTEES

### FRAUD RISK AND FORENSIC MANAGEMENT

Effective fraud risk management is about mitigation and deterrence of actual and potential losses that may be suffered as a result of false and irregular claims submitted by the insured or on their behalf.

By combining preventative, detective and corrective controls, savings are realised, thus attaining the value of an integrated fraud risk management programme. The Scheme continues to make important strides in reducing the losses incurred by abusive and fraudulent billing. The drop in claims continued to set a new benchmark of medical necessity and clinical appropriateness.

From a forensic perspective, Medscheme Forensics uncovered new ways that practitioners and facilities tried to circumvent payment controls and took the relevant actions.

Despite the recovery and legal challenges, favourable forensic investigation outcomes were realised in the 2025 financial year-end. A return on investment of 483% was achieved.

Direct savings of R80.4 million (R63.1 million through recoveries and R17.3 million through claim intervention) was recorded in 2025. Since the Scheme contracted Medscheme to perform their healthcare forensic services in 2017, forensic initiatives saved the Scheme R2.7 billion through direct savings and a drop in billing behaviour. R1.5 billion worth of fraudulent and abusive billing has been identified and R646.6 million (R550.1 million through recoveries and R95.9 million through claim intervention) has been recovered. This money has helped keep contributions lower and benefits richer in line with the Scheme's ultimate objective.

### LEGISLATIVE ENVIRONMENT

#### Governance

The Board of Trustees has the fiduciary responsibility to look after the Scheme and to ensure that the actions of the service providers and management are in the best interest of the members.

The Board of Trustees meets regularly and monitors the performance of the Scheme. They address a range of key issues and ensure that discussion of items of policy, strategy and performance is critical, informed and constructive.

#### Prescribed minimum benefits (PMBs)

The management of PMBs remains an industry-wide challenge, as there continues to be a widely held view that medical schemes are required to reimburse providers at cost for the treatment of PMB conditions, which could impact the long-term sustainability of a number of medical schemes in the industry.

To mitigate PMB risk, the Scheme has continued to refine its PMB management process, including

enhanced assessment of provider billing behaviour to determine appropriate reimbursement levels, the ongoing expansion and optimisation of the Specialist Network, and the application of clinical protocols and designated service provider arrangements to promote cost-effective care. These measures are aimed at capping the Scheme's exposure to PMB claims through upfront tariff setting, improved contracting and strengthened utilisation management, while maintaining clinically appropriate access to benefits for members.

#### Protection of Personal Information Act (POPIA) and Regulations

The Scheme remains committed to monitoring and adhering to the requirements of POPIA and related regulations. During the year, the Scheme continued to update its internal and external documentation, including policies, procedures and privacy notices, to reflect evolving regulatory guidance, and provided ongoing training and awareness programmes for Trustees, officers, employees and relevant service providers.

POPIA related provisions have been incorporated into contracts, non disclosure agreements and service level agreements, and the Information Officer and supporting structures oversee the implementation of data protection measures, handling of data subject requests and management of security incidents to ensure continued compliance.

#### Medical Schemes Amendment Bill and National Health Insurance Bill

On 15 May 2024, the President assented to the National Health Insurance Act, 20 of 2023 (NHI Act). The NHI Act provides for the establishment of a National Health Insurance Fund to achieve universal access to quality health services, with implementation envisaged on a phased basis over the medium to long term. As at the reporting date, no commencement date for the NHI Act had been proclaimed and no regulations giving effect to its substantive provisions had been promulgated, and accordingly the NHI Act is not expected to have a direct impact on the operations, benefit options or going concern assessment of the Scheme during the 2026 financial year.

The Medical Schemes Amendment Bill, which is intended to align the medical schemes regulatory framework with the NHI policy direction, had also not been enacted as at year end.

The Scheme continues to monitor legislative and policy developments relating to the NHI and the Medical Schemes Amendment Bill, participate in relevant industry forums and engage with its stakeholders, and will consider any necessary adjustments to its strategy, benefit design and contribution structures once there is greater regulatory certainty.



## 7.3 REPORT OF THE BOARD OF TRUSTEES

### GOING CONCERN

The going concern basis has been adopted in preparing the Annual Financial Statements. The Trustees have reviewed the Scheme's financial position as at 31 December 2025, as well as the budget for the year ended 31 December 2026. The liability to members for future benefits exceeded R13 billion (2024 : R11 billion) with a solvency level of 89.19% (2024 : 86.56%) as at 31 December 2025. On the basis of this review, the Trustees considers that:

- The Scheme's total assets of R14.9 billion (2024 : R12.9 billion) exceed its current liabilities of R1.4 billion (2024 : R1.6 billion)
- The Scheme reports a current ratio of 2.42 (2024 : 1.60)
- The Scheme will be able to settle its liabilities as they arise for the foreseeable future.

The commitment of the Employer to provide the Scheme with an employer contribution each year is a key contributor to the Scheme's going concern assumption. There is no indication that the Employer will be unable to fund the employer contributions for the coming year.

The Scheme assets are weighted to short-dated money market instruments. The Scheme expects the duration and credit risks exposure to be low.

The Scheme does not foresee any impact of NHI on the operations of the Scheme for the coming year.

Based on the assessment conducted, the Trustees have no reason to believe that the Scheme will not be a going concern in the foreseeable future.

### EVENTS AFTER THE REPORTING DATE

No material events have occurred subsequent to the financial year-end that required disclosure in and adjustment to the Annual Financial Statements for the year ended 31 December 2025.



## 7.3 REPORT OF THE BOARD OF TRUSTEES

### BOARD OF TRUSTEES MEETINGS

#### Attendance at Trustee and Committee meetings

The schedule below sets out Trustee attendance at Trustee and key Committee meetings.

Trustee Members	Board of Trustees Meetings		Audit and Risk Committee Meetings		Human Resources and Remuneration Committee Meetings		Clinical Governance Committee Meetings		Investment Committee Meetings		CDRC Committee Meetings		AGM		AGM Committee Meetings		Other ADHOC Meetings	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Mr ST Nkosi	9	9											1	1			1	1
PA Mabotja	9	8			4	4			4	2			1	1				
AJ Gerber	9	8			4	4							1	1	4	4		
TNL Ngwenya	8	8									3	3	1	1				
MV Kwetepane	9	9											1	1	4	4		
LN Ngembe	9	9					5	5					1	1				
IM Molefe	9	9	6	5			5	5					1	1			2	2
BP Temba	9	8									4	3	1	1	4	4		
PP Dimpane	9	9	6	6					4	4			1	1			2	2
RP Ntsime	9	8			4	4			4	4			1	1			2	2
R Steyn	9	9					5	5	4	4			1	1				
NP Nethengwe	8	8					5	5					1	1				
SW Chamane	9	9									4	4	1	1				
JT Lusenga	9	9									4	4	1	1	4	4		

The schedule below sets out the attendance by the Independent Audit and Risk Committee members at Committee meetings.

Members	Audit and Risk Committee Meetings	
	A	B
FM Mathibela	6	6
JK Sikosana	6	6
KG Mbonambi	3	3



The schedule below sets out the attendance by the Independent Annual General Meeting Committee members at Committee meetings.

Members	Annual General Meeting Committee Meetings		Annual General Meeting	
	A	B	A	B
V Simelane	4	4	1	1
BJ Ximba	4	4	1	1
ML Lephoro	4	4	1	1
C Johnson	4	4	1	1

A - total possible number of meeting days that could have been attended

B - actual number of meetings days attended

\*\* - Some Board meetings were held over multiple days

## 7.3 REPORT OF THE BOARD OF TRUSTEES

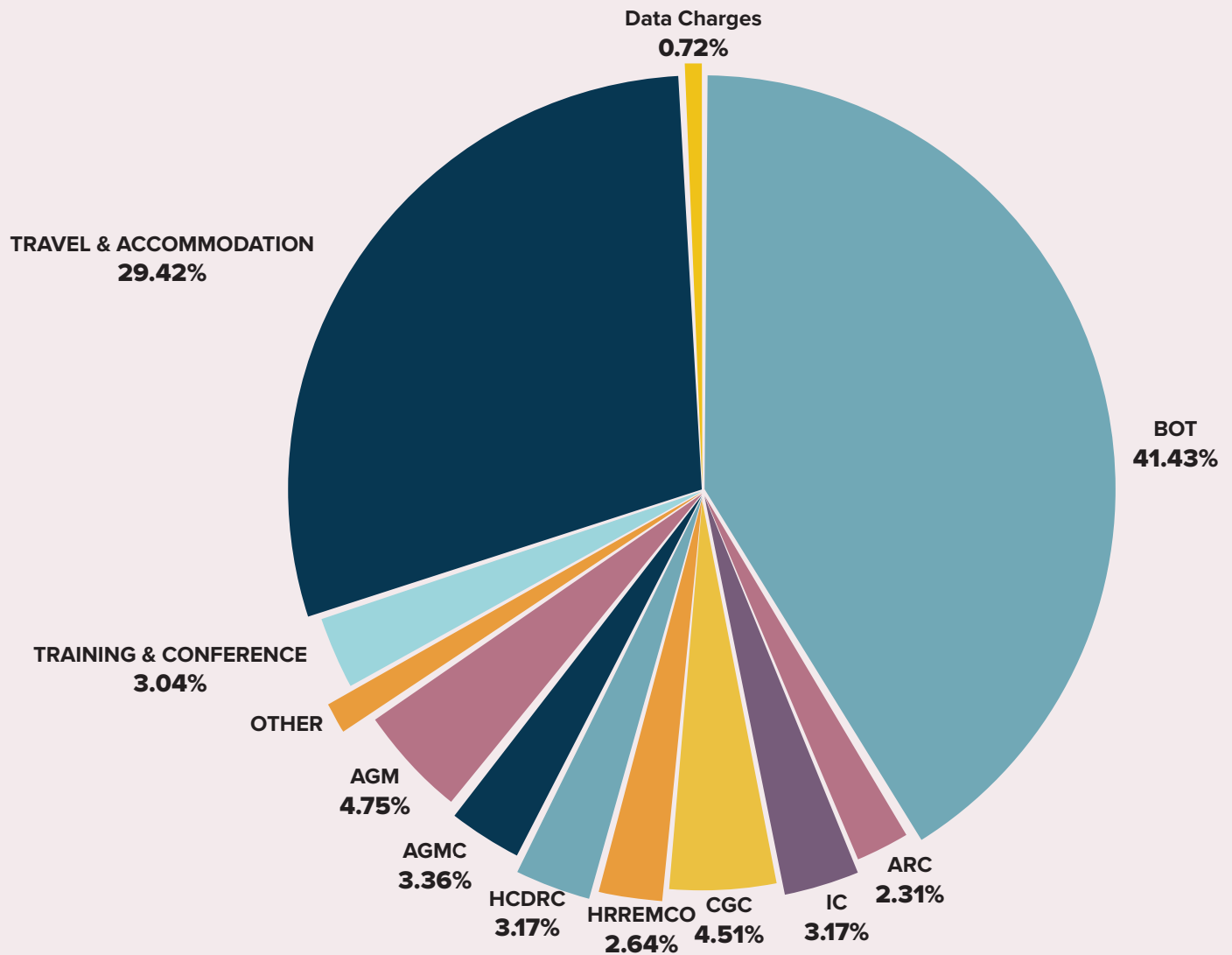
### BOARD OF TRUSTEES MEETINGS (continued)

#### Trustee honoraria and considerations Policy guidelines for Trustee honoraria

Members of the Board shall be entitled to such honoraria and other fees in respect of services rendered in their capacity as members of the Board and to such reimbursement in respect of travelling, accommodation and other expenses, which they may incur in attending meetings of the Board, as the Board may from time to time determine.

The rate of reimbursement for travelling is reviewed by the Board on an annual basis and is calculated by taking into account the South African Revenue Service rates.

#### Trustee honoraria and considerations



#### Other

The Chairperson and Deputy Chairperson of the Board were required to attend additional meetings during the year.

#### Travel and Accommodation

Reimbursement to Trustees who travel to POLMED House (Pretoria) for Trustee meetings, the AGM, pertinent Trustee training sessions and conferences.



## 7.3 REPORT OF THE BOARD OF TRUSTEES

### NON-COMPLIANCE WITH THE MEDICAL SCHEMES ACT, No. 131 OF 1998, AS AMENDED

The following areas of non-compliance with the Act were identified during the course of the financial year:

#### Contravention of Section 26(7):

##### Nature and cause of the non-compliance

In terms of Section 33 of the Medical Schemes Act of 1998, as amended, the Registrar shall not approve any benefit option under this section unless the Council for Medical Schemes is satisfied that such benefit option -

- includes the prescribed benefits;
- shall be self-supporting in terms of membership and financial performance;
- is financially sound; and
- will not jeopardise the financial soundness of any existing benefit option within the medical scheme.

Options that are considered loss making by CMS are benefit options that report a deficit after excluding amounts attributable to members for future benefits from the insurance service result.

The Marine and Aquarium plans reported a deficit in the insurance service result of R249,003,077 and R10,893,929 respectively. The Marine and Aquarium plans realised a profit for the year before amounts attributable to members for future benefits R788,771,653 and R924,972,050 respectively.

##### Corrective course of action

The Scheme continues to monitor the performance of the benefit options on a monthly basis. In alignment with this, a long-term strategy has been adopted to address the sustainability of both the Marine and Aquarium plans via the benefit design process.

#### Possible impact of the non-compliance

In terms of Section 33(4), the Registrar may withdraw the approval of such benefit options, which in the Registrar's opinion are or may not be financially sound. The Scheme may also be required to change its contribution rates accordingly with effect from a date determined by the Registrar.

#### Contravention of Explanatory Note 2 of Annexure B to the Regulations of the Medical Schemes Act

##### Nature and cause of the non-compliance

The Scheme was not compliant with Explanatory Note 2 of Annexure B, as the Scheme's assets in category 1(a)(i) and 1(a)(ii) of Annexure B fell below the required 20% threshold of the Scheme's Regulation 30 assets, reaching 17.6%.

The assessment was conducted using the aggregate fair value of liabilities and total accumulated funds, rather than the minimum accumulated funds specified in Regulation 29.

##### Corrective course of action

The Scheme met the 20% requirement in the following week with the receipt of contributions increasing category 1(a)(i) and category 1(a)(ii) assets to 22.1%. The breach was thus temporary in nature.

The breach was calculated where the denominator (liabilities plus Regulation 29 funds) includes the Scheme's accumulated reserves. If the accumulated reserves are excluded, then the Scheme's category 1(a)(i) and category 1(a)(ii) assets amount to 53.0% of the aggregate fair value of liabilities and the minimum accumulated funds to be maintained in terms of Regulation 29.

#### Possible impact of the non-compliance

There is no impact operationally to the Scheme as it has sufficient liquid assets to meet any claims as and when they fall due. The Scheme is also highly solvent.

## 7.4 STATEMENT OF FINANCIAL POSITION

### STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2025

	Note	2025 R	2024 R
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>11 433 825 441</b>	<b>10 327 394 699</b>
Property and equipment	3.1	75 376 202	51 402 432
Intangible assets	3.2	10 819 879	7 093 777
Investments			
Financial assets at fair value through profit or loss	4	5 757 383 451	4 091 768 454
Financial assets at fair value through other comprehensive income ("OCI")	5	5 590 245 909	6 177 130 036
<b>Current assets</b>		<b>3 502 691 220</b>	<b>2 575 617 589</b>
Investments			
Financial assets at fair value through profit or loss	4	1 112 729 674	658 439 548
Financial assets at fair value through other comprehensive income ("OCI")*	5	1 250 695 434	1 163 492 827
Trade and other receivables	6	27 977 739	19 243 394
Cash and cash equivalents	7	1 075 591 830	696 342 305
Reinsurance contract assets	8	35 696 543	38 099 515
<b>Total assets</b>		<b>14 936 516 661</b>	<b>12 903 012 288</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Reserves**</b>		-	-
<b>Non-current liabilities</b>		<b>13 487 638 810</b>	<b>11 297 086 199</b>
Liability to members for future benefits	9.2	13 487 638 810	11 297 086 199
<b>Current liabilities</b>		<b>1 448 877 851</b>	<b>1 605 926 089</b>
Reinsurance contract liabilities	8	994 960	1 007 596
Insurance contract liabilities	9.1	1 022 283 838	1 035 900 637
Liability to members for future benefits	9.2	340 337 062	521 072 000
Trade and other payables	10	85 261 991	47 945 856
<b>Total funds and liabilities</b>		<b>14 936 516 661</b>	<b>12 903 012 288</b>

\*\* - Refer to the footnote on page 28 regarding the Statement of Changes in Reserves for more information.



## 7.5 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 R	Restated 2024 R
<b>Insurance revenue</b>	11	<b>13 918 758 890</b>	<b>13 237 839 611</b>
<b>Insurance service expenses*</b>	12	<b>(14 138 340 543)</b>	<b>(12 857 254 376)</b>
Net claims incurred**	12	(13 530 712 923)	(12 294 485 322)
Accredited managed healthcare services (no risk transfer)**	12	(248 212 941)	(222 495 805)
Directly attributable expenses	12	(359 414 679)	(340 273 249)
<b>Net (expense)/income from risk transfer arrangement**</b>	13	<b>(40 315 353)</b>	<b>(39 284 736)</b>
Risk transfer arrangement premiums paid		(763 876 866)	(748 794 009)
Recoveries from risk transfer arrangement		691 061 847	674 489 172
Profit share arising from risk transfer arrangement		32 499 666	35 020 101
<b>Insurance service result</b>		<b>(259 897 006)</b>	<b>341 300 499</b>
<b>Other income</b>		<b>2 332 999 282</b>	<b>1 309 334 069</b>
Investment income	16	2 327 467 697	1 306 776 968
Sundry income	17	5 531 585	2 557 101
<b>Other expenditure</b>		<b>(359 358 573)</b>	<b>(282 248 953)</b>
Administration fees and other operating expenses	14	(303 623 989)	(231 895 558)
Asset management fees	19	(55 734 584)	(50 353 395)
<b>Profit/(loss) for the year before amounts attributable to members for future benefits*</b>		<b>1 713 743 703</b>	<b>1 368 385 615</b>
Liability to members for future benefits*	9.2	(2 009 817 673)	(1 537 453 662)
<b>(Loss)/profit for the year</b>		<b>(296 073 970)</b>	<b>(169 068 047)</b>
<b>Other comprehensive income for the year</b>		<b>296 073 970</b>	<b>169 068 047</b>
<b>Items that will not be reclassified to profit or loss</b>		<b>296 073 970</b>	<b>166 769 260</b>
Debt instruments at fair value through OCI – net change in fair value	16	389 786 873	138 323 299
Debt instruments at fair value through OCI – reclassified to profit or loss		(93 712 903)	28 445 961
Property revaluation		-	2 298 787
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>

\* - Following CMS Circular 12 of 2024 and Circular 6 of 2025, the Scheme has restated its presentation of insurance service expenses without the inclusion of liability to members for future benefits.

\*\* - Relevant healthcare expenditure consists of net claims incurred, accredited managed healthcare services (no risk transfer) and net (expense)/income from risk transfer arrangement (reinsurance results).

\*\*\* - To conform with the current period presentation guidelines in terms of the South African Institute of Chartered Accountants Medical Schemes accounting guide, the Scheme has restated its presentation of the Statement of Profit or Loss and Other Comprehensive Income to reflect the breakdown of relevant healthcare expenditure.

## 7.6 STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2025

	Accumulated funds	Investments at fair value through other comprehensive income reserve	Property revaluation reserve	Total reserves
	R	R	R	R
<b>Balance as at 1 January 2024</b>	(45 769 247)	45 769 247	-	-
(Loss)/profit for the year	(169 068 047)	-	-	(169 068 047)
<b>Other Comprehensive income</b> 16	-	<b>166 769 260</b>	<b>2 298 787</b>	<b>169 068 047</b>
Realised gains on disposal of investments held through fair value through other comprehensive income - 28 445 961 - 2 8 445 961	-	28 445 961	-	28 445 961
Unrealised gains on revaluation of investments held through fair value through other comprehensive income	-	138 323 299	-	138 323 299
Revaluation of property 3.1	-	-	2 298 787	2 298 787
<b>Balance as at 31 December 2024</b>	(214 837 294)	212 538 507	2 298 787	-
<b>Balance as at 1 January 2025</b>	(214 837 294)	<b>212 538 507</b>	<b>2 298 787</b>	-
(Loss)/profit for the year	(296 073 970)	-	-	(296 073 970)
<b>Other Comprehensive income</b> 16	-	<b>296 073 970</b>	-	<b>296 073 970</b>
Realised gains on disposal of investments held through fair value through other comprehensive income	-	(93 712 903)	-	205 402 179
Unrealised gains on revaluation of investments held through fair value through other comprehensive income	-	389 786 873	-	90 671 791
<b>Balance as at 31 December 2025</b>	<b>(510 911 264)</b>	<b>508 612 477</b>	<b>2 298 787</b>	<b>-</b>

\* - Mutual entity guidance requires a Scheme to utilise all surplus assets in favour of future and current members. However, in terms of IAS 1, the Scheme is required to disclose a reconciliation of accumulated funds and other comprehensive income even though IAS 1 does not require these reserves to be separately disclosed as such on the Statement of Financial Position. The Scheme has included the Statement of Changes in Reserves in order to reflect the required reconciliation.



## 7.7 STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 R	2024 R
<b>Cash flows from operating activities</b>			
<b>Cash receipts from members and providers</b>			
Cash receipts from members – contributions		13 912 100 502	13 385 126 064
Cash receipts from members and provider – other		(9 855 793)	150 207 635
<b>Cash paid to providers, employees and members</b>		<b>(14 232 599 067)</b>	<b>(12 915 035 802)</b>
Cash paid to providers and members – claims		(12 180 574 870)	(12 772 349 546)
Cash paid to providers and employees – non healthcare expenditure		(2 052 024 197)	(142 686 256)
<b>Net cash (used in)/from operating activities</b>	<b>20</b>	<b>(320 498 565)</b>	<b>470 090 262</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	<b>3</b>	(35 048 484)	(4 271 907)
Proceeds on disposal of property and equipment	<b>3 &amp; 16</b>	-	44 777
Purchase of investments		(20 824 954 353)	(16 485 846 821)
Proceeds on maturity of investments	<b>4 &amp; 5</b>	20 872 815 497	15 669 330 230
Investment income	<b>18</b>	686 935 430	642 247 212
<b>Net cash from/(used in) investing activities</b>		<b>699 748 090</b>	<b>(178 496 509)</b>
Net increase/(decrease) in cash and cash equivalents		379 249 525	291 593 753
Cash and cash equivalents at the beginning of the year		696 342 305	404 748 552
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>1 075 591 830</b>	<b>696 342 305</b>



# NOTES



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# NOTES



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