

ANNUAL GENERAL MEETING

2020

NOTICE IS HEREBY GIVEN THAT THE EIGHTY-FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS WILL BE HELD ONLINE ON **THURSDAY, 30 JULY 2020 AT 13:00.**

AGENDA

1. Confirmation of the Minutes of the Eighty-Third Annual and Special General Meeting held on 25 July 2019.
2. Adoption of the Report of the Trustees for the year ended 31 December 2019.
3. Adoption of the Audited Annual Financial Statements for the year ended 31 December 2019.
4. Appointment of the External Auditors for the 2020 audit. It has been proposed that KPMG Inc be appointed as the Scheme's auditors for the 2020 financial year.
5. Approval of Trustee Remuneration for 2020 / 2021. It is proposed that there will be no increase in Trustee remuneration and it will remain at R33 170 per month for Trustees and R66 340 per month for the Chairman.
6. Election of Members to the Board of Trustees in terms of Rule 17. There are three vacancies on the Board and nominations and CVs can be viewed on the AGM Zone of the Scheme's website seven days before the meeting.
7. To transact such other business as may be transacted at the Annual General Meeting of which due notice has been given.

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

July 2020

www.fedhealth.co.za

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MESSAGE FROM THE PRINCIPAL OFFICER

2019 was a very challenging year for the Scheme from a claims point of view. Despite a number of interventions to ensure that unnecessary expenditure was avoided, the Scheme experienced significant increases in claims costs. The underlying causes of such increases are difficult to determine, but the impact is easy to ascertain. Hospital costs increased by 17% year-on-year, and while usually it is the utilisation – the number of members being hospitalised – that drives increases, this year saw the cost of admission spike.

Claims costs can vary from year to year, a bit like the el Nino effect on weather, and often, like the weather, there is little one can do about it. But there is a noticeable trend that when the political or economic outlook is gloomy there is an adverse impact on claims. In 2019 there was plenty to feel concerned about: doctors were concerned what NHI would mean for their practices; members in vulnerable employment positions may have considered having procedures in anticipation of being retrenched and consequently without medical aid cover; everyone in the country is stressed and that in itself can have an adverse health impact. And that was even before the devastating and far-reaching impacts of the Coronavirus or COVID-19 outbreak towards the end of 2019 that shook the world, and our little corner of it on the Southern tip of Africa, to its core.

Whatever the cause, the impact on the Scheme's results is clear and disconcerting. And for that reason, steps need to be taken to ensure the future sustainability of the Scheme. These steps are never welcome, as they often create a conflict between what treatment a physician would ideally like to provide, and what treatment a fund can sustain. The raison d'être of a medical scheme is to help members defray medical expenses. It does not mean that all and every expense is covered, regardless of the efficacy and outcome of the medical intervention. Medical schemes apply the elements of social solidarity rather than profit making, something many members perhaps don't realise, which means that while the Scheme strives to assist members in their darkest hours, it simply cannot fund everything...

Of the issues facing the Scheme right now, the most pressing are:

Value

For healthy members who join a scheme, it is difficult to establish value other than a fear factor. While members who have expensive health conditions may, begrudgingly,

appreciate the value of their contributions, younger and healthier members struggle to see why they should continue to pay what is almost the amount of their bond or car repayment on a product that they never use. The whole concept of medical aids is that the young, healthy and wealthy subsidise the older, sicker and poorer. These are subjective standards as it doesn't necessarily follow that all old people are sicker, and younger people are at risk of contracting non-communicable conditions such as diabetes, but the important factor is that if healthier people opt out of medical aid membership, it increases the burden on us all. It is vital for us to find means to add to the value of belonging to a medical aid even when healthy, which is why Fedhealth is transforming from a curative hospital care funder to a broader-based wellness and lifestyle organisation.

Innovation

In 2019, several options were renamed as part of the flexiFED range which included the revolutionary MediVault and Wallet concepts. The thinking behind this was to free members from having to contribute a fixed amount to Savings and allow them some latitude to determine what they personally and specifically needed for their day-to-day benefits. The Scheme also broadened the application of what are known in the industry as EDOs, Efficiency Discount Options, through the GRID and Elect "sub-options". EDOs are essentially the same benefit structures per option, but by availing oneself of a network hospital provider, substantial discounts can be achieved.

While great effort was taken to promote the new structures within the Fedhealth membership base, using a number of different media platforms and mechanisms, many members did not familiarise themselves with the operation of the new benefits, particularly the activation of the MediVault. This led to congestion on the call centre as members tried to understand the new processes. However during the course

of the year members, brokers and healthcare providers became more familiar with the product, resulting in a stabilisation of the service levels.

Many people are still trying to come to grips with how the benefit design works, and we are applying the lessons learnt in communicating with members and providers and simplifying some of the processes that are needed to effect the product. We are confident that the product meets a need in our members' lives by giving them greater flexibility of cover and cost and that the innovation will be well received.

Amalgamation

During 2019, Fedhealth and Topmed medical schemes amalgamated, a process that is never easy for members, providers and administrators. As the amalgamation took place officially on 1 August 2019 there were a number of challenges faced with members' benefits: a Topmed member who had already used their entire Medical Savings benefit would be faced with a debt of the five months' contribution still due towards the utilised amount, while differences in formularies, for instance, meant that some members had to adapt their medication. Both Topmed and Fedhealth management took steps to reduce the disruption, but it was inevitable that there would be some unhappiness.

We welcome the Topmed members to the Fedhealth house and hope that they become familiar with the Fedhealth style, with four of the ex-Topmed trustees now serving on the Fedhealth Board. The circumstances leading up to the amalgamation of the two schemes were specific and the Board is not actively contemplating other amalgamation opportunities at this stage.

Following the amalgamation, Fedhealth's membership increased to 81 386. A natural consequence of any amalgamation is a drop off of membership immediately post the amalgamation, usually due to members' unhappiness at the new structures being imposed on them, but we are confident that the majority of members have settled into the new structure. The average age of the Scheme increased slightly (from 50.84 to 51.02) as a result of the amalgamation, but significant reserves of R434 million were brought onto the Scheme. As a result the reserve ratio of the Scheme increased to 44.8%, which is a comfortable buffer from the required reserve ratio of 25%. Having higher reserves does not unfortunately allow the Scheme to reduce contribution rates, as it has to maintain annual surpluses – however the comfortable reserve margin does mean that less of the contribution rate increase is allocated toward reserve building and maintenance.

Fraud, Waste and Abuse

It turns out that while most providers are concentrating on practicing good medicine, there are a number of providers and members who are trying to make additional income from nefarious activities. Fedhealth has employed forensic services which analyse the data on an empirical basis and which highlight anomalies. These anomalies are then investigated and where medical practices are unable to substantiate some of their claims against the Scheme, further investigation

takes place. By far, most practices are honest; some practice managers mistakenly use incorrect claiming codes which give rise to discussions on the correct codes, while there is a very small percentage of practices involved in out and out fraud. However it is these practices that are effectively stealing funds from the rest of the membership – your money – and steps must be taken to prevent and curtail it.

Fedhealth is committed to working with all providers to root out fake or unnecessary claims while at the same time minimising disruption to our members. We would be grateful if our members would understand that if we do investigate claims it's not to avoid payment, but to ensure that what the Scheme is paying for is reasonable and necessary. We would also appreciate members bringing to our attention claims that seem dubious or unreasonable so that they can be investigated. Many of the cases that we investigate arise from "whistle blower" tip offs, and it is only with the active involvement of our membership that we can reduce the fraud and abuse of benefits that takes place in the Scheme.

Partnerships

The Scheme's relationship with Sanlam continues to grow, particularly in the area of adding value to members. A number of exciting developments are being explored that will help members manage their financial health as well as their physical health, and will be announced over the course of the year. The Sanlam partnership adds status to our position in the healthcare environment and increases the opportunities to develop scheme membership and product offering. The alignment of the branding of Fedhealth with Sanlam increases the reach of Fedhealth, particularly in the large and well mobilised Sanlam agency force.

Digital strategy

The Scheme will continue with the development of digital solutions for communicating with members and allowing members to manage aspects of their relationship with the Scheme. The Fedhealth Family Room, introduced in 2018, has been further enhanced and ongoing development will see more functionality added, particularly allowing members to self-help rather than having to make use of the call centre.

In terms of attracting new members, especially those of the desired age profile, the digital marketing strategy has been very successful, generating a large number of leads. The successes in this space will be built on and the personalisation of the marketing strategy will enable the Scheme to talk to the desired target audience in a manner that appeals directly to them.



COVID-19 pandemic

Similar to other medical schemes in the country, the COVID-19 outbreak and the subsequent national lockdown led to a loss of members for Fedhealth as many South Africans lost their incomes, and businesses had to retrench employees. Although this was to be expected, the Scheme went out of its way to offer financial relief to members and paypoints, which was well received. Some of these measures included allowing members and employee groups to temporarily “downgrade” their options to more affordable sub-options, temporarily terminating their membership, or using accumulated Savings to pay contributions.

In terms of covering COVID-19 diagnosis and treatment, the Scheme closely followed CMS guidelines to care for affected members in the best possible way. Fedhealth also made an effort to offer ongoing communications around COVID-19 to keep members informed of the support available to them to help them cope with this unprecedented situation.

The Scheme takes great pride in how it responded, and continues to respond, to our members’ needs during the COVID-19 pandemic. By 19 June 2020, the Scheme had recorded 55 acute hospital admissions related to the virus, of which 25 had been discharged, but unfortunately eight had passed away. The average age of members admitted to hospital was 61 years, while the average hospital stay reached 8.5 days.

If one considers that the COVID-19 treatment of a patient could cost up to R173 000, especially if ICU treatment is required, it’s understandable how this pandemic will have a financial impact on the Scheme and create uncertainty. Our actuaries projected that the pandemic could eventually cost the Scheme upwards of R50 million in claims and loss of membership – costs that will definitely have repercussions for Fedhealth in the years to come.

But that said, your Scheme is in good health; it’s precisely for events like the COVID-19 outbreak that medical schemes are required by law to have reserves of no less than 25% of total contributions in place. In May 2020, Fedhealth’s reserves were sitting at **38.11%** or **R1,5 billion**.

However, in order to keep giving you the level of healthcare you deserve and are accustomed to, and to avoid unnecessarily high contribution increases down the line, the Scheme is dependent on receiving our members’ contributions every month. Please keep doing everything in your power to prioritise your medical aid contributions.

In conclusion

Thank you to the Board, our administrator Medscheme and Fedhealth staff for their tireless work in 2019, especially with regards to sorting out the teething and administrative challenges around the implementation of our innovative new product offering. Your commitment to realising our vision for the future is highly commendable and deserves a special mention.

We believe that our new product offering perfectly answers the medical aid needs of South African households in a time where incomes might be uncertain – and as always, we look forward to providing quality medical aid that gives all Fedhealth members choice, flexibility and control.

Thank you for entrusting your healthcare needs to us. May we exceed your expectations in the year to come.

Jeremy Yatt
Fedhealth Principal Officer



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

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

MEMBER ELECTED TRUSTEES

In terms of the Scheme Rules, nine Board members are elected from amongst the members of the Scheme. Additional trustees may be appointed if specific expertise is required, but this has not been necessary as the current Trustees offer considerable expertise and experience.

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

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

The Board also scrutinises the monthly management accounts and the benefit utilisation reports generated by the managed care organisation, to monitor claim and cost trends and take corrective action if needed.

According to the amalgamation agreement between Fedhealth and Topmed, Fedhealth agreed to appoint four of the Topmed Trustees to the Fedhealth Board (not elected trustees, so the nine elected Trustees as per the Scheme Rules remains as it is) for the balance of what their terms of Office would have been on Topmed.

This means that two Topmed Trustees (Nick Byrne and Don Tretheway) would have retired from Topmed in 2020 and therefore will retire from the Fedhealth Board in 2020 as appointed Trustees.

ORGANISATIONAL OVERVIEW

Furthermore, two Topmed Trustees (Jakobus Viljoen and Andre Fourie) would have retired from Topmed in 2021 and therefore will retire from the Fedhealth Board in 2021 as appointed Trustees.

All four of these Trustees may stand for re-election if they were to be nominated.

Board members' experience and qualifications

Trevor Jackson - Chairperson:

33 years' involvement in medical scheme management.

Marylla Govender - Vice Chairperson:

MCom (Cum laude), MA(Econ) Economics
Consulting Economist

Chris Norton:

BA Hons
Diploma in Social Science (Oxford)
16 years' experience in medical scheme sales.

Gerrit Eloff:

BCom and FIA (Fellow of Institute of Actuaries UK)
More than 10 years' experience in strategic business planning and financial modeling.

Jacobus Cloete:

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

Dr Maggie Mojapelo:

MB.ChB M.A.P.
32 years' experience in clinical medicine.

Mike Duly:

CFP (Healthcare & Pensions), Certificate in Strategic Marketing
More than 25 years' experience in the medical aid industry.

Nazir Parker:

BProc, MBL
29 years of legal experience as an attorney.

Phil Hemus:

BCom (Accounting), CAIB, Associate Coaching UCT GSB
28 years' experience in financial management.

Andre Fourie

B.Com (Marketing); CFP
Over 25 years' of experience in marketing, business leadership and IT, to name a few.

Don Tretheway

B.Com; CA (SA)
Over 30 years' experience in business leadership roles as well as the healthcare sector in various capacities.

Jakobus Viljoen

BA (Political Science)
More than 18 years' experience in Human Resources and Industrial Relations.

Nick Byrne

BPL: Personnel Management; BPL: Honours in Industrial Psychology; MPL: Masters in Industrial Psychology
Nick has close to 30 years' experience in the fields of industrial psychology, human resources and education.

SCHEME MANAGEMENT

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

- **Audit Committee** – The Audit Committee comprises five members of whom the majority, including the Chairman, are independent of the Scheme. Two Trustees are appointed as members of the committee. This committee assists the Board in its evaluation of the adequacy and efficiency of the internal control systems, accounting practices, information systems and auditing processes applied by the Scheme or its administrator in the everyday management of its business.
- **Finance Committee (Fincom)** – Fincom meets every month to review the management accounts and ensure that all financial processes are conducted effectively. The members of this committee examine the Scheme's position in relation to the budget, investigate any material deviations from the budget, and approve other expense items.
- **Investment Committee (IC)** – Fedhealth must strictly adhere to investment regulations, and as such, the IC has to ensure that the Scheme continuously complies with asset investment regulations. It strives to enhance the investment income as it helps to reduce member contributions, and is determined to ensure that the Scheme's accumulated funds are unaffected by a volatile marketplace. The IC's objective is to see to it that the Scheme receives the best possible returns at the lowest risk. As such, the Scheme relies heavily on the support of professional investment advisors and well-respected investment managers.
- **Managed Healthcare Committee (MHC)** – This committee meets monthly to discuss matters of clinical importance, the funding of new procedures and drugs, the utilisation of benefits by speciality or discipline, and to consider wellness enhancing initiatives. The MHC is particularly concerned with alleviating burdens created by non-communicable diseases (NCDs) like diabetes, hypertension and hyperlipidaemia. In addition, it studies the outcomes of disease programmes that deal with HIV/AIDS and cancer, and explores ways to make them more effective.
- **Marketing Committee** – The Marketing Committee fulfils much more than a pure marketing and advertising function; it also oversees communication to members, and drives the Scheme's effective use of digital communications and platforms.
- **Remuneration Committee (Remco)** – This committee meets quarterly or bi-annually to review the efficiency of the Board, and decide on remuneration for the Board members, independent audit committee members and the Scheme's executive employees. Where necessary, HR and personnel experts advise the Scheme with regards to comparable remuneration packages to ensure competitive compensation for its top talent.

- **Risk and Legal Committee (RLC)** – The RLC reviews the top 25 risks as per the risk register every two months, and confirms that the necessary controls are in place and that mitigating measures are effective. Each Scheme committee is responsible for identifying risks in its particular area, and determining which steps need to be taken to lessen those risks. The role of the RLC is to view the risks in a broader sense and report to the Board on the effective management of the risks.
- **Operations Committee (OpsComm)** – Fedhealth is committed to making every member interaction with the Scheme as simple and hassle-free as possible. The OpsComm was established to oversee Scheme operations at all member touch points. OpsComm is made up of three Trustees, the Principal Officer, Fund Manager and the operational heads of department. The team is mandated by formal terms of reference and is tasked with monitoring the Scheme's, administrator's and managed care providers' adherence to agreed service levels, customer feedback, and the performance of the systems and technology which support operations. During the bi-monthly meetings, the team discusses and makes recommendations and decisions regarding the detailed reports delivered by the operations department heads.

EXECUTIVE MANAGEMENT TEAM

In his capacity as Principal Officer, Jeremy Yatt is supported by Michelle Morton, Commercial Executive. Michelle oversees and manages the various channels that provide the Scheme with members, and facilitates the relationship with brokers who look after Fedhealth members. Tilana Endersby, Scheme Operational Executive, assists the executive management team.

OUTSOURCED ADMINISTRATION MODEL

The Scheme outsources its main functions to a number of different entities since it's a not-for-profit organisation that strives to keep costs down.

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

The three main suppliers in terms of costs are:

Administration

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

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

Managed Care

To deal with managed care functions that include clinical governance and clinical policy, the Scheme has contracted Medscheme Health Risk Solutions (MHRS), also part of the AfroCentric Health Group. MHRS is responsible for authorising certain claims like hospital admissions, MRI scans and chronic medication.

Marketing

The Cheese Has Moved (TCHM), a marketing consultancy and part of the AfroCentric Health Group, is responsible for ensuring that Fedhealth stays at the forefront of branding, sales tools and communication strategies – specifically with the aim to attract a younger, healthier membership base.

SCHEME PERFORMANCE 2019

FINANCIAL PERFORMANCE



SURPLUS

In 2019, the Scheme achieved a solvency rate of 43.43%. The underwriting deficit amounted to **R85 million**



RESERVES

The Scheme's reserves increased from **R1 116 billion** to **R1 466 billion**. Accumulated funds per member increased from **R15 338** to **R18 375**



INVESTMENT RETURNS

The Scheme achieved an investment return of **10.6%** (2018: 5.4%) over the year of 2019 for the invested funds (including assets that were transferred from Topmed), against the inflation rate of 3.6% (2018: 4.4%) and the Scheme's internal benchmark (CPI +3.5%) of 7.1% (2018: 7.9%).

The Scheme's **claims paying ability** (from cash and short-term investments) is **4 months**

CREDIT CONTROL



DISCREPANCY RATIO

(Remittance to billing): **3.68%** (2018: **2.38%**)



DEBIT ORDER SUCCESS RATE

92.84% (2018: **92.88%**)
69.12% (2018: **78.38%**) of gross contributions collected via debit order



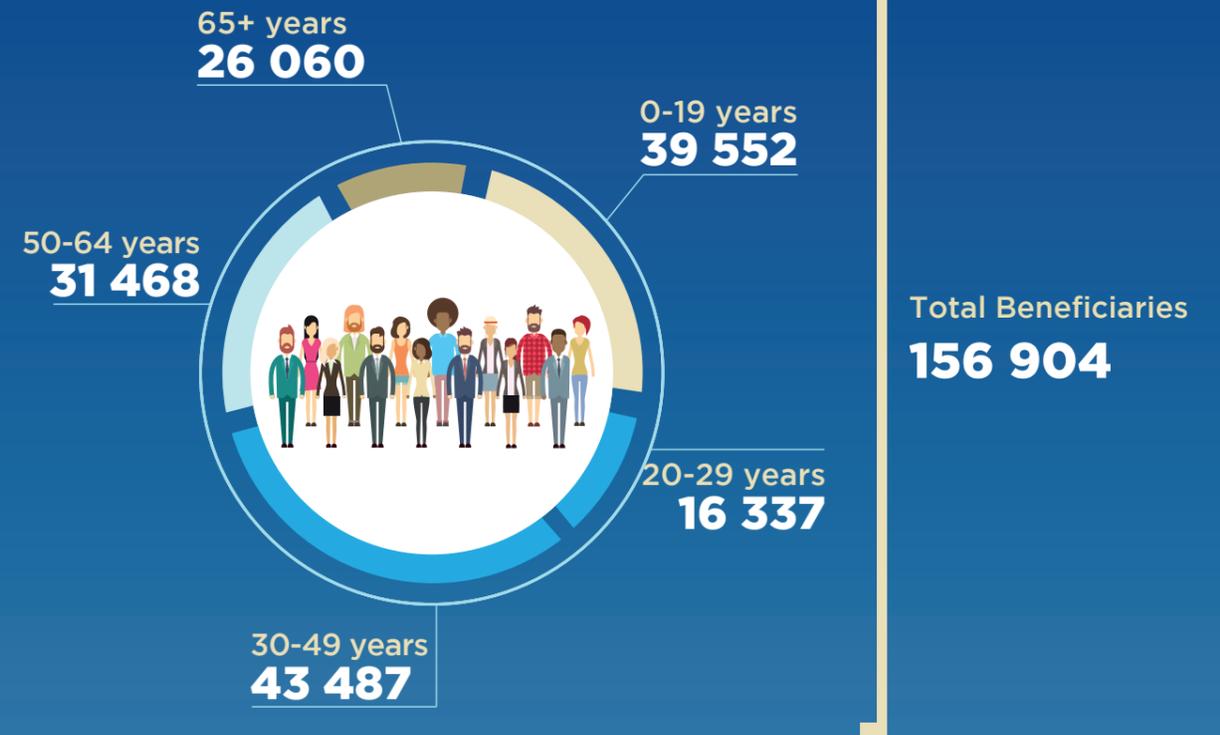
SCHEME'S MEMBERSHIP PROFILE:

Direct paying members **61.62%** (2018: **61.62%**)
Group members **31.74%** (2018: **31.74%**)
Persal members **61.64%** (2018: **61.64%**)

OPERATIONAL FACTS AT A GLANCE



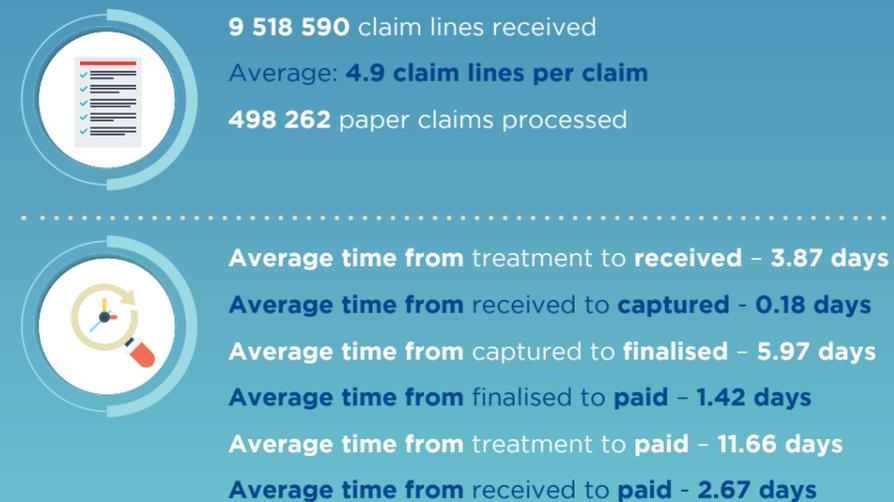
AGE BREAKDOWN



MEMBERSHIP DEMOGRAPHIC



CLAIM ASSESSMENTS AT A GLANCE



Fedhealth Medical Scheme

MINUTES OF THE EIGHTY-THIRD ANNUAL GENERAL MEETING (SPECIAL GENERAL MEETING) HELD ON THURSDAY, 25 JULY 2019, AT 13:30 AT THE AUDITORIUM, GROUND FLOOR, 37 CONRAD STREET, FLORIDA NORTH, ROODEPOORT, JOHANNESBURG.

PRESENT:

Mr Trevor Jackson	Chairman (Trustee)
Mrs Marylla Govender	Trustee
Mr Jacobus (Koos) Cloete	Trustee
Mr Mike Duly	Trustee
Mr Gerrit Eloff	Trustee
Mr Phil Hemus	Trustee
Dr Margaret Mojapelo-Mokotedi	Trustee
Mr Nazir Parker	Trustee
Mr Chris Norton	Trustee

Members as per Attendance Register

IN ATTENDANCE:

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

APOLOGIES:

No apologies were noted.

1. OPENING, WELCOME AND APOLOGIES

The Chairman welcomed the Fedhealth members to this Special General Meeting which was held in the place of the 83rd Annual General Meeting which was scheduled for 26 June 2019 but which was postponed based on a Council of Medical Schemes instruction.

The above apologies had been tendered for the meeting.

There being a quorum, the meeting was duly constituted and declared open. Members present were requested to sign the attendance register.

The chairman noted that Fedhealth Account Executives were also present and available for the purpose of resolving member queries in real time and confirmed that members would be assisted with any queries after the meeting

2. NOTICE OF MEETING AND CONFIRMATION OF THE MINUTES OF THE EIGHTY SECOND ANNUAL MEETING HELD ON 28 JUNE 2018

It was noted that the notice of the meeting had been duly circulated. The minutes of the Annual General Meeting held on 27 June 2018 were taken as read.

The chairman proposed the adoption of the minutes, and being seconded by Mr Ranger, they were approved and signed as a true record of the proceedings.

3. APPOINTMENT OF THE EXTERNAL AUDITOR FOR THE 2019 AUDIT

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

4. ELECTION OF MEMBERS TO THE BOARD OF TRUSTEES IN TERMS OF RULE 17.

The Chairman reported that in terms of Rule 17 (Governance) of the Scheme rules, the Board should consist of no more than nine member elected representatives. The member elected representatives on the Board of Trustees, elected in this meeting, would fill their position for a three year terms of office, commencing on 25 July 2019. The Chairman noted that voting would take place by ballot during the meeting.

The Chairman noted that the three Trustees retiring would stand for re-election, and had been duly nominated. In total, there were three Trustee vacancies to fill.

In terms of the Rules of the Scheme, Mr Jacobus Cloete, Mr Gerrit Eloff and Mr Nazir Parker have retired at the AGM, therefore, there are three positions vacant on the Board.

The following members have been nominated by members for election to the Board:

- Mr Jacobus Cloete (nominated for re-election)
- Mr Gerrit Eloff (nominated for re-election)
- Mr Nazir Parker (nominated for re-election)
- Mr Keith Elliott
- Dr Johannes Serfontein

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

Once it was confirmed that those members in attendance who wished to vote on the matter had completed and handed in their ballot forms, it was confirmed that the following nominees had been elected to the Board of Trustees:

- Mr Jacobus Cloete
- Mr Gerrit Eloff
- Mr Nazir Parker

5. APPROVAL OF TRUSTEE REMUNERATION FOR 2019/2020

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

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

The annual CPI figure for 31 May 2019 has been confirmed as 4.5%.

Based on the Scheme policy, the proposed increase in Trustee remuneration effective 1 August 2019 would be as follows:

	2018/2019	
	Per month	Per annum
Chairman	R 63 483	R 761 796
Trustee	R 31 741	R 380 892

	2019/2020	
	Per month	Per annum
Chairman	R 66 340	R 796 080
Trustee	R 33 170	R 398 040

6. GENERAL

There being no further matters for discussion, the Chairman thanked members for their attendance and declared the meeting duly closed at 14:15

Signed as a true record of the proceedings

CHAIRMAN



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