

AGM NOTICE

Taking care of our own at every
stage of their health journey

2025



taking care of our own





24 June 2025

Dear Moto Health Care Member

Attached for your attention kindly find the Notice of the 2025 Annual General Meeting (AGM), to be held virtually on 17 July 2025 at 11h00.

A set of documents, including the audited 2024 Annual Financial Statements, can be obtained by the following methods:

- Call us on 0861 000 300
- Send an email to Terry@mhcmf.co.za
- Download a copy from our website at www.mhcmf.co.za

We look forward to interacting with you at our Annual General Meeting.
Kind regards

Eugene Eakduth
Acting Principal Officer

2025 ANNUAL GENERAL MEETING NOTICE

Notice is hereby given that the Annual General Meeting of Members of the Moto Health Care Medical Fund (MHC) will be held virtually on 17 July 2025 at 11h00.

Members who have registered to attend will have to login via the link sent to them prior to the meeting. Only active Principal members in good standing and in attendance at the meeting can vote. We have attached a Proxy Form for those members who are unable to attend this meeting, but wish to appoint another Principal member as proxy to act on their behalf at the meeting.

Agenda

1. Opening and apologies
2. Confirmation of proper notice and quorum present
3. Approval of the previous AGM Minutes of 12 September 2024
4. Address by Chairperson
5. Financial Statements and Auditors' Report for the period ending 31 December 2024
6. Approval of Remuneration of Board of Trustees and sub-committee Fees
7. Appointment of External Auditors
8. Trustee Elections
9. Motions or Resolutions in terms of Rule 31.1.5
10. Closure

Members who wish to place notices of motion before the AGM are advised that the provisions of the Moto Health Care Rules as set out below apply, and that the motions must be clear and fully motivated:

- 31.1.5 *Any member wishing to place matters to be discussed and resolved at the general meeting may do so provided that:*
- 31.1.5.1 *Such proposed resolution must reach the Principal Officer no later than 5(five) working days prior to the date of the annual general meeting;*
 - 31.1.5.2 *Notices of motion to be placed before the annual general meeting must reach the Principal Officer no later than 5 (five) working days prior to the date of the meeting*



**MINUTES OF THE ANNUAL GENERAL MEETING OF MOTO HEALTH CARE (MHC)
HELD VIRTUALLY ON THURSDAY, 12 SEPTEMBER 2024, AT 10h00**

1. Opening & apologies

The Chairperson, Mr B Canning, welcomed everyone present at the virtual Annual General Meeting (AGM) of the Moto Health Care Medical Scheme (the Scheme) and thanked everyone for making the effort to attend. He noted that the advantage of holding the meeting virtually was that it made it possible for more of the Scheme's members to attend.

The Chairperson extended a special welcome to Mr. A. Mavuso from the Council for Medical Schemes (CMS), who was attending as an observer. He then advised that the following people, who all had significant roles in the operations of the Scheme, would be sharing the platform with him:

Danie van Tonder - Principal Officer

Avashnie Ramdhani - Chairperson of the Scheme's Audit and Risk Committee

Eugene Eakduth – the Scheme's Project Manager

Terry Greef – the Scheme's Operations Manager

Salome Botha – the Scheme's Member Liaison Manager

Seemita Ramnarain - Financial Manager from the Scheme's administrator MHS

Ernst & Young (E&Y), would be joining as the independent body overseeing the AGM. There are represented by Khanyisa Mbekile; Daylen Chetty and Juahara Hoosen.

The Chairperson advised that LUMI were providing the platform for the virtual AGM with their representatives Jonathan Hillier, Winston Lee, Andrej Vladoar and Sabrina Paxton in the wings to guide the Scheme through the technical aspects of this AGM. They would also guide the Scheme through the any voting processes.

The Chairperson noted that as AGMs were strictly formal, he appealed to the participants not to raise any issues that were not related to any agenda items. Should there be any issues to kindly contact the MHC team via e-mail after the meeting for assistance. Should a member have a question or comment relating to an agenda item to use the chat facility to post their messages and he would respond to them.

Apologies	Drini Emeric
Present:	
Board of Trustees	Barry Canning: Chairperson Jan Schoeman Renee Coetsee Henry Lombard Marwaan Davids Pieter Niemand
Moto Health Care (the Scheme)	Danie van Tonder - Principal Officer (PO) Terry Gucher-Greeff - Scheme Operations Manager Salome Botha - Member Liaison Officer Eugene Eakduth - Projects Manager
Scheme Administrators – Momentum Health Solutions (MHS)	Annie du Plessis - Scheme Executive Anusha Radhakrishna - Fund Manager Seemita Ramnarain - Financial Manager Simon Sibeko - Regional Manager
Scheme Independent body s - Ernst & Young Inc.	Khanyisa Mbekile Daylen Chetty Juahara Hoosen

2. Confirmation of proper notice and quorum present

The PO confirmed that the first Notice was issued on 14 August 2024 which is more than the 14 days required in terms of the Scheme Rule 31.1.2. Jonathan confirmed that members in attendance had met the required quorum and the meeting could proceed.

3. Adoption of the previous minutes of the AGM

The minutes of the AGM held on 13 September 2023 having been included in the notice circulated to all members, were taken as read. The minutes were approved as a true reflection of proceedings.

LUMI confirmed that the Minutes were proposed and seconded.

4. Address by the chairperson

The Chairperson noted that the Chairperson's report for the year ended 31 December 2023, as well as the Principal Officer's report had been included in the agenda pack sent to the members. He noted that as most members had read the documents, he would only highlight some salient points:

- Due to the Scheme's 2022 AGM being postponed and held on 2 December 2022, the Scheme applied to the CMS for exemption from its Rule that required the AGM to be held by 31 October each year. Regrettably the CMS denied the exemption on technical grounds. This forced the Scheme to appeal the decision of Council. The Appeal Hearing was set for 31 March 2023, but was postponed to 29 May, and then again to 22 June. It was again postponed and it was finally heard on 5 December 2023. The Appeal was successful, which decision was notified to MHC on 13 March 2024. This meant that for the management and BOT of MHC, life in overseeing the affairs the Scheme could return to normal.
- It is pleasing to report that in 2023 the positives far outweighed the negatives. Having posted a disappointing deficit of R18.1 million in 2022, MHC experienced a significant improvement in its financial performance, posting a credible surplus of R5.7 million. With the adoption of the International Financial Reporting Standard 17 (IFRS 17), the total comprehensive income in the Scheme's 2023 Financial Statements is reflected as zero. Seemita, the Schemes Financial Manager at MHS will explain the effects of IFRS 17, which to most, this may be quite baffling.
- A significant contribution to this pleasing result was the total of high-cost cases in 2023 of R69.7 million being R19 million less than in 2022. The Chairperson's report details the monetary criteria for reporting high-cost cases for the various options. Some of the high-cost cases exceeded R2 million, which goes to show how important it is to have medical aid. It is also for this reason that medical schemes should have healthy solvency reserves to withstand the shocks of high-cost claims. It is pleasing to report that MHC ended the year with a solvency ratio of 64.9%, more than double the regulated requirement of 25%.
- The report provides an explanation of how the Benefit Design Team goes about arriving at contribution increases each year, and that for 2023, the contribution increase was kept at a weighted average of 5.9%, which compared favourably to the average CPI of 6%. While this posed a risk to the Scheme in culminating in a deficit at year end, it is pleasing that in the final event, it enjoyed a surplus.



- It has been highlighted on many occasions that MHC is regarded as a restricted scheme serving only employers and employees engaged in the retail motor industry, and as such it cannot be promoted in the open market. Nevertheless, this does not deter the Scheme's marketing team from its efforts to recruit new members, and had it not been for those efforts, the net loss of members would have been significantly higher. Some of the key risks facing the Scheme (which have been expanded on in the report) were identified as:
 - The challenging economic environment that continues to plague the retail motor industry,
 - The buying out of independent employers by the larger corporates,
 - The threat of primary care insurance products, and
 - A shrinking pool of potential members.
 - The National Health Insurance (NHI).
- The NHI Bill was passed in the National Assembly on 12 June 2023, and by the National Council of Provinces on 6 December 2023. It then landed on President Ramaphosa's desk for signing, but by 8 February 2024 he was still looking for a pen to sign the Bill. He finally found a pen, and in a public spectacle he signed the Bill on 15 May 2024. Experts have called the financing of the NHI as unrealistic, requiring an additional R200 billion to R1.3 trillion per year, depending on what data and formulas are used, achievable only through significant tax increases deemed infeasible. The Bill has also been deemed unsustainable in its current form. Experts have also warned medical aid members not to cancel their memberships, as the implementation of the NHI could take a decade or more, if at all. So, for MHC it was business as usual.
- Acknowledgement was noted of the various role players and structures that enabled MHC to deliver the excellent service it does. They are the Board of Trustees, the Audit and Risk Committee, and other ad-hoc committees, the Management Team at MHC, MHS, Mediscor, DRC, PPN, and E&Y. The Scheme's gratitude was extended to them all for making 2023 a success.
- The Principal Officer's report began by setting out the Scheme's strategic objectives, and then went on to report on operational issues. These included, Contracts, Communication and product design, the Scheme's Rules and Financial management, in which he provides more detail. He then provided an overview of the macro environment in which the medical aid industry operated. Members are urged to read it as it provided a no-holds barred summary of the challenges facing medical aids, and provided a good insight into why medical aid contributions tend to outstrip CPI significantly. He concluded by thanking all who had a hand in MHC's success.

The Chairperson requested members to use the chat/message facility to raise any questions relating to the report. There were no responses from the members.

The members were requested to vote on adopting the Chairperson's report.

LUMI confirmed that the Chairperson's Report has been proposed and seconded, thus adopted.



5. Approval of the financial statements and auditor's report for the period ending 31 December 2023

The Chairperson advised that the Scheme's Audit and Risk Committee, chaired by Ms. Avashnie Ramdhani, had engaged with the Scheme's auditors, Ernest & Young, and thoroughly interrogated the financial statements and the report. The Committee was thus able to recommend that these be approved and adopted.

Ms. S Ramnarain was requested to take the members through MHC's 2023 audited financial statements, with particular attention to the effects of the adoption of IFRS 17.

The following salient summary of the results were highlighted:

- The 2023 financial statements differed to those from prior years due to the Scheme adopting IFRS9 (financial instruments) and IFRS17 (insurance contracts) during 2023. IFRS9 replaced IFRS39 and IFRS17 replaced IFRS4 resulting in many changes to the terminology and disclosures in the financial statements.
- The Statement of Comprehensive Income reflects 2022 as restated as IFRS17 was adopted retrospectively as if it was always in effect.
- Insurance Revenue which is no longer termed Risk Contribution Income was R706.5 million vs R715.4 million in the prior year. This is a decline due to the decrease in membership.
- Insurance Service Expenses, no longer termed Relevant Healthcare Expenses, includes different line items when compared to the prior year, was R740.7 million vs R730.8 million in 2022.
- The Scheme no longer reports a total comprehensive income or loss based on the requirements of IFRS17. The Scheme was identified as a mutual entity, which differed to how things were accounted for under IFRS4 for the prior years.
- Due to the implementation of IFRS17, the most significant change is that there was no longer an accumulated funds figure as this has changed to reflect as an Insurance Contract Liability to Future Members.
- Under Current Liabilities, there is an Insurance Contract Liability of R510.2 million for 2023.
- The Statement of Financial Position shows that the Scheme has a healthy financial position, with total assets of R601.9 million. This converted to a solvency ratio of 64.9% for the Scheme.
- E&Y have given the Scheme a clean audit report on the 2023 financial statements.

The members were asked to raise any questions via the chat facility. No comments or questions were raised.

The members were requested to vote on the resolution to approve the 2023 AFS.

It was announced by LUMI that the Resolution to adopt the financial statements had passed.



6. Approval of remuneration of board of trustees and sub-committee fees

The Principal Officer (PO) advised that in line with the proposal from CMS, the Scheme had utilised the Department of Public Service and Administration's guidelines (DPSA). The hourly rate the Department paid for their consultants was used as a basis. They have not yet published a new rate so the 2023 tariff was utilised and increased by 6.5% for 2024. He noted that the methodology used was to take an average of 4.5 hours per meeting and 4.5 hours per month for preparation, round robin resolutions etc. He assured members that it took the Trustees longer than 4.5 hours to review the board packs in preparation for meetings.

The PO advised that the proposed fees amounted to R8 581 per month, for the Chairman as well as per meeting and the board members are paid 70% of the Chairpersons fee amounting to R6 006 per month as well as per meeting. He noted that meetings did not take place every month. The Audit & Risk Committee received a meeting fee based on a total fee therefore did not get a monthly remuneration. The PO advised that these fees were low in comparison to what bigger schemes in the market paid to their trustees. This is in spite that all trustees had the same responsibility, risk and fiduciary duties. He requested the members to approve the fees to the trustees who carried out their duty in their private time.

The Chairperson requested members present to vote on the resolution pertaining to the Trustee remuneration for 2024.

Terry Greeff advised that a question had been received from MIBCO querying when the Scheme would discuss the Scheme's increases. The PO clarified that this was likely in reference to the member contribution increases and not the trustee remuneration increases. Terry stated that the 2025 contribution increases would be communicated to all members in October 2024 .

It was announced via LUMI that the Resolution for the remuneration of the Board of Trustees and sub-committees had been passed by the members.

7. Election of trustees

The Chairperson advised that two vacancies had occurred, and invitations were extended to the membership at large to nominate and second eligible members to stand for election. Only two such nominations were received. They are Renee Coetzee and Marwaan Davids. He noted that given the circumstances it was unnecessary to hold an election and declared them elected unopposed. Members were invited to join the Chairperson in congratulating Renee and Marwaan. Mr. Schoeman and Mr. McCraw extended their congratulations.

8. Appointment of external auditors

The Chairperson advised that Ernst & Young (E&Y) were no longer able to accept any further appointments from the Scheme. This made it necessary for the Scheme to conduct a thorough process to identify suitable audit firms and invite them to submit proposals; should they be keen to be appointed as the Scheme's Auditors for the ensuing years. He noted that a Tender Evaluation Committee was established to deal with this, and was pleased to report that, after a thorough evaluation of the RFP's, PricewaterhouseCoopers (PWC) were recommended as the Scheme's new auditors. The Audit & Risk Committee accepted the recommendation from the Tender Evaluation Committee, and in turn recommended the appointment of PWC to the Board of Trustees, who had no hesitation in accepting the recommendation.

On behalf of MHC, the Chairperson extended sincere thanks to E&Y for their many years of excellent service.

The Chairperson requested members present to vote on the resolution of PWC being appointed as Auditors for MHC for future audits.

It was announced via LUMI that the resolution had passed so the appointment of PWC as the external auditors had been carried.

9. Motions or resolutions in terms of rule 31.1.5

The Chairperson noted that in accordance with the Scheme Rules 31.1.5, notices of motions or resolutions will be considered. He stated that he was informed that no motions or resolutions had been submitted.

10. Closure

The Chairperson thanked the members for attending the meeting and hoped that they had gained better insight into the operations of the Scheme, and the challenges it faces as a medical scheme. He assured the members that the Trustees remained committed to providing them with the best health care available.

The Chairperson declared the meeting closed.

Chairperson

Date

CHAIRMAN'S REPORT

For The Year Ended 31 December 2024

Each year as early as February, Moto Health Care's (MHC) Benefit Design Team begins work to develop benefits for the following year. This process takes a few weeks. Every effort is made to enhance benefits as far as claims costs will allow without compromising the Scheme's financial well-being. Each benefit enhancement is costed to determine the impact it would have on the total costs of the benefits for the ensuing year. The Scheme's actuaries play a pivotal role in calculating the potential impact the enhanced benefits would have on contributions. The challenge is to enhance benefits without a significant increase in contributions. The actuaries rely on historical internal Scheme data and external data sources such as circulars issued by the Council for Medical Schemes (CMS) and the Medical Schemes Act and Regulations (MSA). They also make assumptions regarding general inflation (CPI), Scheme demographics, claims costs, investment returns, and non-healthcare expenses. Once they have collated all the various inputs, and together with Benefit Design Team, a presentation that sets out various scenarios based on contribution increases is made to the Board of Trustees. This usually takes place between July and September. Once the Board decides which scenario to accept, the Scheme's administrator updates their system to have the new benefits and contributions kick in on 1 January of the following year, and a submission is made to the CMS to have the benefits and contributions approved.

So, the benefits and contributions for 2024 went through the above process in 2023. At its meeting towards the beginning of September 2023 the Board agreed on a 6.9% weighted average increase in contributions for 2024 (one of the lowest amongst all medical aids) even though it meant the Scheme could end the year with a deficit as high as R35 million, this according to the Scheme's actuary. In fact, the final budget for 2024 reflected a deficit of R38 million.

One of the AGM's agenda items is the tabling of MHC's Annual Financial Statements for the year ending 31 December 2024 for approval. Scrutiny of these will reveal that the Scheme achieved a surplus of R5,94 million as opposed to the budgeted deficit, a most pleasing result, considering that high-cost cases at a total of R87,7 million were R18 million higher than those in 2023. This boosted accumulated funds to R516 million, which included cumulative unrealised net gains of R19 million. In calculating the Scheme's solvency ratio, the unrealised net gains are excluded, leaving accumulated funds as per Regulation 29 of the MSA of R497 million. Regulation 29 requires medical aid schemes to have reserve ratios of no less than 25%. Nevertheless, the solvency ratio was maintained at 64.4%. While several of the elements of the statement of comprehensive income were marginally better than budget, it was the Scheme's investment income that made the greatest impact by beating budget by R30,6 million, thanks to the excellent performance of MHC's asset managers.

It is therefore apposite that I share with you the way in which the Scheme's investments are managed.

MHC has adopted an Investment Policy Statement, the purpose of which is to provide a formal plan for investing assets, to achieve defined investment objectives consistent with the applicable law. The IPS also assists the Board in effectively supervising, monitoring and evaluating the management of the Scheme's assets. Selethane Asset Consultants (PTY) Ltd are the Scheme's appointed consultants to provide services in terms of the Financial Advisory and Intermediary Services Act. Their role is to monitor the performance of the Scheme and the individual asset managers relative to the objectives and benchmarks set forth in the IPS. The individual asset managers are Vunani Fund Managers, Old Mutual Investment Group (SA), and Taquanta Asset Managers. Vunani and OMIGSA are responsible for the absolute return portion of the assets, while Taquanta is responsible for the money market portion. The Scheme's assets are allocated roughly a third to each of them. The absolute return benchmark is CPI plus 4%, while the money market benchmark is the STeFI Composite (an index that measures returns earned in the South African money market.) The Scheme's Members Savings Trust Account is managed by Aluwani Capital with the STeFI Composite Index plus 2% as their benchmark.

I regret to report that MHC continued to experience a net loss of members. During 2024 the Scheme's membership declined by 695 members. A redeeming feature is that the rate at which the Scheme is experiencing a loss of members is slowing. It is to be accepted that medical schemes will lose members over time for a variety of reasons. In MHC's case, because it is a Restricted Scheme confined to the retail motor industry, its challenges are unique. It loses members mainly through:

- Members leaving their company and no longer employed in the industry,
- Financial reasons/affordability,
- Death of members, and
- Transfer to a new medical scheme.

The first three bullet points account for 70% of the total loss of members, while the last bullet point accounts for only 10%, which usually occurs when companies are taken over or merge with larger corporates who require staff to transfer to their in-house medical schemes or schemes they prefer. Being a restricted scheme MHC is precluded from recruiting members in the open market, and at the same time receives stiff competition from large open schemes. For this reason, the Scheme has stepped up its marketing and recruiting efforts.



Christa Smart, who is head of Employer Group Services at Momentum Health, is now leading and overseeing the EGS team and is responsible for crafting a service and growth strategy for MHC. Their focus is on engaging with brokers and conducting Scheme presentations at employers. To incentivise brokers to concentrate on recruiting new members for it, the Scheme has significantly improved the broker commission structure to allow for the maximum permitted by the MSA. However, none of these initiatives can guarantee that membership losses will subside. For this reason, the Board of Trustees has also considered a merger with a large open scheme. A merger, if successful, will ensure that MHC's membership will form part of a larger pool of members who will benefit from economies of scale, and greater provider negotiation bargaining power. Coupled with a wider broker network for more member engagements, and more ancillary products to choose from, members will be spoilt for choice. Moreover, the merger will provide MHC members with more option choices that they are free to choose, and this will help members to customise their level of healthcare even better. According to the CMS's 2015-2016 Annual Report there were 131 medical aid schemes registered in 2005, and that since then the number declined steadily over the years to the point where there are now only 71 schemes registered, while the number of lives covered has remained constant at approximately 9 million. This indicates that consolidation has taken place driven mainly by amalgamations and mergers of medical aid schemes. It is this dynamic in the medical aid industry that prompted the Board of Trustees to consider a merger.

In my report tabled at last year's AGM, I indicated that President Ramaphosa signed the NHI Bill into law on 15 May 2024. Since then, push back against it has gained momentum. There were at least six legal challenges planned before the Bill was signed. These include challenges from the Board of the Healthcare Funders (BHF), the South African Health Professionals Collaboration (SAHPC), the South African Medical Association (SAMA), and the Health Funders Association (HFA). In addition, various constitutional challenges were also rumoured to be in the pipeline from groups like Solidarity, the Democratic Alliance (DA), and Business Unity South Africa (BUSA). There are several grounds on which the NHI Act may be constitutionally challenged. One such is that it could be argued that Section 33 of the Act, which may lead to the demise of medical aid schemes, is unconstitutional and that it limits the constitutional provision of access to healthcare services. These legal challenges will no doubt cause considerable delay in any attempts to implement the NHI Act, which could last for years if not a decade or two. It is, therefore, imperative that members retain their medical aid cover. Medical emergencies could cost thousands, if not millions.

MHC's service to its members depends on so many people and service providers, so allow me to acknowledge the various role players.





of governance and oversight. The Trustees bring a mix of skills and institutional knowledge to the table, so much so that it is not an exaggeration to suggest that the Board is greater than the sum of its parts. The Board met as often as required by the scheme rules, and in so doing ensured that delivery to its members remained at superior levels. A permanent agenda item is the continuing evaluation of the Scheme's strategic vision, not only in the short term, but also in the medium to long term. Major decisions taken are informed by this. My fellow Trustees are:

- **Jan Schoeman (Vice-Chairman)**
- **Renee Coetsee**
- **Marwaan Davids**
- **Pieter Niemand**
- **Henry Lombaard**

They provided solid support throughout the year which made my task as Chairman so much lighter. To each of them I extend my heartfelt thanks.

A structure that the Board depends on heavily to meet its fiduciary responsibilities is the

Scheme's Audit and Risk Committee. It assists the Board in evaluating the adequacy and efficiency of internal control systems, accounting practices, information systems, and auditing processes applied to the Scheme, or its administrator in the day-to-day management of the business. During the year the Committee not only met the Board's expectations but exceeded them. Serving on the A&R Committee are Avashnie Ramdhani (Chairperson), Ian Catt and Miles Mafojane as independent members, while Renee Coetsee and I represent the Board on the Committee. Having been appointed at the last year's AGM as auditors for the Scheme, PriceWaterhouseCoopers (PWC) conducted the audit of the 2024 financial year. It being their first audit, it is understandable that they would take extra care to ensure that the Annual Financial Report would meet all the various financial reporting standards. The A&R Committee interacted with PWC and played a significant role in the finalisation of the AFS, to the extent they were finally comfortable in recommending the acceptance of them to the Board of Trustees. As I stated before, the adoption of the Annual Financial Statements for the year ended 31 December 2024 is one of the agenda items. On behalf of MHC, I extend a huge thank you to the members of the A&R Committee.



Scheme. It is not involved in the day-to-day operations of it. Instead, it relies heavily on the support structures that ensure delivery to the members. The most notable structure is the management team that was led by the Scheme's Principal Officer, Danie van Tonder. Unlike South Africa's bloated cabinet, the team is small. However, it is highly effective and their contribution to the success of MHC is significant. Supporting Danie were:

- **Terry Greeff** – Operations Manager
- **Salome Botha** – Member Liaison Officer
- **Drini Emeric** – Scheme Secretary and PA to the PO

The members owe them a great deal, so please join me in conveying heartfelt thanks to them for their continued dedication and unstinting efforts.

Momentum Health (Pty) Ltd (MH) continued to administer the scheme and provide ancillary services, such as managed care, forensic services and actuarial support. These services assist in ensuring claims are dealt with correctly, contain claims costs, filter out any suspect or fraudulent claims, and track the Scheme's financial performance from month to month. The team at MH responsible for MHC are:

- **Annie Du Plessis** – Scheme Executive
- **Anusha Radhakrishna** – Fund Manager
- **Gisella Fourie** – Clinical Analyst
- **Elizabeth Vorster** – Actuarial Analyst
- **Nomagugu Tshabangu** – Actuarial Analyst
- **Seemita Ramnarain** – Financial Services
- **Chris Sauer** – Forensic Services
- **Ayanda Nxumalo** – Fund Secretary

It is my pleasure to report that MH continued to deliver the superior service to which the Scheme has become accustomed. They met and, in fact, exceeded their service levels throughout 2024. So, on behalf of all at MHC I extend to them sincere thanks for their continued dedicated efforts.

The Scheme also relies on specialist service providers. To them I also extend the Scheme's thanks. They are:

- **Mediscor** – Pharmaceutical Benefit Management – represented by Ernie Smith
- **DRC** – Dental Claims oversight – represented by Brett de Lange and Annelien Lloyd
- **PPN** – Optical Claims oversight - represented by Darren Sutcliff and Charmaine Bunn
- **Europ Assistance** – Ambulance Services – represented by Niraksha Singh.

As I stated before in my report, the Scheme's newly appointed external auditors, PWC, conducted the audit for 2024. Their team responsible for MHC certainly acquitted themselves meticulously to provide the Annual Financial Statements in good time for them to pass through the approval process, and submission to the CMS before the deadline. The Board has recommended that these be adopted at this year's AGM. Johannes Grove, Nolwazi Radebe, and Siba Mrubata are PWC's team responsible for the audit. To them I express the Scheme's appreciation. Equally important as the external audit is MHC's internal audit. KPMG continued to provide this service, and to Zia Williams, who represents them, I convey the Scheme's gratitude.

MHC's long serving Principal Officer, Danie van Tonder, has retired. He joined the Scheme at the end of 2012, and his positive impact on it was evident right from the word "go". Reading Danie's impressive CV, one would be left with no doubt that he would be the perfect fit for the role. His accomplishments over the past eleven plus years bear testimony to this. Danie's loyalty to MHC was never in doubt. This is borne out by the fact that he was due to retire at 65, some two years ago, but he willingly stayed on to steer the Scheme through the fall out that emanated from the postponed 2022 AGM. This was finally settled in February of this year, which enabled Danie to finally retire. Please join me in saluting Danie, and wishing him and his wife, Jantina, a long and happy life as they enter a most exciting time.

Eugene Eakduth has been appointed Acting Principal Officer to take over from Danie. Eugene was the MHC's Scheme Executive at Momentum Health until he joined the Scheme on 1 April 2024 as Project Manager. The Board of Trustees has every confidence that he will excel in his new position.

Finally, I must acknowledge the continued support from you, the members, without which MHC would not exist. Thank you to you all.

Barrymore Canning: Chairman of the Board of Trustees

ACTING PRINCIPAL OFFICER'S SCHEME REPORT

2024 Financial Year (Jan – Dec 2024)

We would like to take this opportunity to thank our outgoing Principal Officer Danie van Tonder with his retirement in February 2025. He has been in this Industry for more than 40 years and, we are grateful for his tremendous contributions as the Principal Officer of Moto health Care since December 2012, and the profound impact he has had on all of us.

The Medical Scheme industry is complex and unique. We will try to share with you our view of the core issues by addressing and explaining, Scheme operations, financial indicators and the macro environment.

Strategic Objectives

Management of the Fund focused on implementing the strategic objectives approved by the Trustees for the period under review, namely:

- Growing the Fund and retaining existing members.
- Developing affordable, competitive and holistic health care solutions for the motor industry.
- Effective education and communication to members and stakeholders operating in the motor industry.
- Branding Moto Health Care as the medical aid fund of choice in the motor industry.
- Maintaining the financial sustainability of MHC.
- Constantly monitoring the strategic future of the Scheme.

The Scheme's Mission statement is as follows:

- "To be the scheme of choice for all the employees of employers participating in the Motor Industry Bargaining Council."
- The main factor identified which will determine MHC's success in achieving its Mission, is by sufficiently differentiating the scheme from its competitors through:

Maximising its value proposition

As offered within the framework of a dynamic business model capable of delivering:

- The best priced benefits (affordability);
- The most appropriate selection of benefits for employees at all levels in the Motor industry;
- The most compelling set of complementary benefits to reward loyalty to MHC by:
 - Members;
 - Brokers;
 - Healthcare Service Providers.

The other Mission success factors are Regulatory and Stakeholder Support, improved service levels, and continued balanced financial performance, and sound corporate governance.

Contracts and Operations

All the Fund's major service contracts were renewed for 2024 after due consideration was given to the operational performance of the service providers. Their performance was managed consistently. Tools used to manage included SLAs, regular meetings and the review of periodic management and operational reports by service providers.



Communication and Product Design

Management implemented a number of initiatives to grow the Fund. This included distributing marketing emails to employers operating in the industry and the servicing of health care brokers.

In addition, regular advertorials were placed in industry related magazines and the Fund also issued quarterly newsletters to members and employers to keep them updated with current healthcare topics and helpful hints on benefit utilisation.

Between April and September of each year, management undertakes an extensive process to critically examine the benefits provided to members. The exercise, which involved stakeholders, allowed the scheme to design a range of benefits suited to all who operate in the motor industry. This included the re-confirmation of the two new efficiency discount options at a lower contribution to attract young and new members who are willing to be limited to network providers for hospitals and chronic medicines.

I would like to take this opportunity

Moto Health Care Rules

The rules of MHC were duly registered by the Council for Medical Schemes, without any reservations.

The Fund's virtual Annual General Meeting (AGM) took place on 12th September 2024.

There were no issues raised at the meeting.

Financial Management

The financial statements for the year ended 31st December 2024 are available. I will only highlight the main indicators as follows:

The total contributions were R772,3m and the total risk contributions were R703.7m. The Scheme ended with a gross healthcare deficit of R2.3m after claims and capitation fees were paid.

Administration costs compare favorably to the industry, especially if one considers the low average contribution of the Fund and the cost of outsourcing the marketing function. After managed healthcare and other costs and investment income, the Scheme ended with a net surplus of R5.9m.

The continuing positive reserve position of the Fund supports the 5th and final strategic objective which is that the Scheme remains viable into the future.

The average age of our beneficiaries increased slightly to 38.03 years with a dependent ratio of only 1.02. The average family size is 2.02 people. The pensioner ratio (>65 years) increased from 14.3% to 14.7%.



Macro Environment

Global Healthcare Costs are in constant increase. Healthcare inflation worldwide is then also higher than general inflation and South Africa and Moto Health Care are not different. Unlike other types of insurance, medical schemes derive no benefit from higher contributions, because there are no shareholders, dividends or bonuses to be paid out. The cost pressures on medical schemes are the result of the following factors:

- 1 Increasing use of healthcare services by members.
- 2 The spiraling cost of providing the Prescribed Minimum Benefits (PMBs).
- 3 The rising cost of new medicines and technologies.
- 4 The increase in chronic illnesses.
- 5 The cost of medical malpractice insurance is rising.
- 6 The poor quality of state healthcare services.
- 7 Increasing fraud, waste and abuse.
- 8 Anti-selection, which is when someone joins a medical scheme only when he or she is ill and needs to claim.
- 9 High mandatory reserves.
- 10 Absence of regulatory reform. Some measures were scheduled to be implemented but shifted aside when the government changed its healthcare policy focus to the implementation of National Health Insurance.
- 11 Scheme membership in general is not growing.
- 12 The current system. This system allows over-servicing, entrenches fraud and does nothing to align the incentives between the funders and the providers.
- 13 The current system. This system allows over-servicing, entrenches fraud and does nothing to align the incentives between the funders and the providers.
- 14 Insurance products. The new demarcation Regulations are positive.
- 15 National Health Insurance. Some employers still hide behind this as an excuse for not subsidizing their employees. We think that this is wrong as it will take a very long time to provide proper cover, if one considers affordability.

There is a continuous downward trend in the number of medical schemes. This drop is the result of continued amalgamations and liquidations driven by the difficulty in maintaining the sustainability in some medical schemes.

Conclusion

In closing, my thanks to our valued Board of Trustees and Audit Committee members and especially Mr. Barry Canning and Ms. Avashnie Ramdhani, the respective Chairpersons, for providing unrestricted guidance to the Fund office. I also want to thank the MHC staff and service providers for their continued commitment to MHC.

Finally, I must thank the members and employers who continue to place their confidence in us by choosing to belong to Moto Health Care. We remain committed to managing the Scheme wisely, thereby achieving positive returns for the benefit of the members. The Trustees and management of Moto Health Care all agree that we have a fantastic opportunity to provide the best health care to all our members. To this end we will constantly pursue our mission of being the Fund of choice in the motor industry and to take care of our own.

The diagnosis for Moto Health Care is positive. It is one of the larger schemes with restricted membership and is focused on the needs of people in the motor industry. It also offers the full range of products available in the market. The accumulated reserve percentage (solvency ratio) is more than double the required level, which gives Moto Health Care a clean bill of health for the future with regards to sustainability, and peace of mind to its members.

Yours in good health!

Eugene Eakduth

Acting Principal Officer
June 2025



PROXY AND VOTING PROCESS

Use of proxy form

Principal Members in good standing who attend the virtual AGM have the right to vote. Principal Members who, for whatever reasons, cannot attend the AGM, have the right to appoint a proxy in their place to attend, participate and vote at the AGM. Such proxy must be a Principal Member who is in good standing with the Scheme.

Principal Members must only use the proxy form issued herewith or one obtained on the Scheme website www.mhcmf.co.za or by request from the Scheme's office. The use of proxy forms other than those formally issued by the proper means will result in the nullification of the votes.

Only Principal Members or their duly appointed proxies, who are in good standing and in attendance, are entitled to vote at the Annual General Meeting. Spouses, children and any other dependants are not allowed to vote.

A proxy form not completed in full will be deemed to be spoilt and disregarded in the determination of a matter where voting is needed.

Remember to date and sign the form in the space provided at the bottom of the form. These measures are intended to secure the process against fraud.

Return the proxy form to: agm@mhcmf.co.za

Closing date

Completed forms must be received by no later than 17h00 on Friday, 4 July 2025. Forms returned other than in the manner described herein will not be considered.

Counting of votes and results declaration

The counting of votes, including authorised proxy votes, will be independently overseen and verified by Advocate Jaco Lubbe of Independent Governance Specialists (Pty) Ltd ("IGS") after voting at the Annual General Meeting has ended. On completion of the process, IGS will submit a report to the Board of Trustees in accordance with the Rules of the Scheme.

Contact details

The AGM process is similarly independently overseen by IGS. Enquiries pertaining to the process should be directed to jacolubbe@igspecialists.co.za.

PROCEDURE FOR THE MOTO HEALTH CARE 2025 VIRTUAL AGM

Procedure

Registering for the AGM

- You need to register to attend the AGM by clicking on the register here link in the email that you received from the Scheme
- Once you are registered, you will receive a confirmation of your registration and, prior to the AGM, a link to join the AGM will be provided
- You will be able to view this on any device with an internet connection (desktop PC; laptop or mobile phone)
- On the day of the AGM, you will need to click on the link provided in order to join the AGM



Prior to the AGM

- Read all the documentation sent to you
- Remember to register to attend the AGM
- Submit any questions you may have to agm@mhcmf.co.za



On the day of the AGM

- Make sure you have your membership number
- Have the documents for the AGM available
- Be in a place where you will not be interrupted for the duration of the AGM
- Try to join the meeting by 10h45
- Click on the link that you were provided
- Before joining the AGM, you will be asked to confirm your details
- Fill in the necessary details
- Check that your audio is working
- Enjoy the AGM

During the AGM

- The Chairperson of the Board of Trustees will be the host of the meeting
- Should you have a question, the question can be submitted by clicking on the icon and typing out your question
- All questions sent will be moderated before being sent to the Chairperson to avoid repetition.
- At relevant times in the meeting, the Chairperson will request that you vote on a proposal
- The proposal that you need to vote on will appear on your screen and you will be presented with three options, being: for, against or withheld, for your vote as well as for possible proxies you have
- Select the answer that you want to provide
- Once you have logged in your vote, it cannot be altered
- The Chairperson will declare the voting period closed and there will be a small break while the votes are provisionally tallied
- The results of the vote will be displayed on your screen
- At the end of the meeting, the Chairman will address any questions that need to be answered

2025 NOMINEES

1. Mr B. Canning

Mr Canning is the founder and a director of Canning's, a leading motor body repairer. Mr Canning has been a Board Member of Motor Industry Schemes for many years and served as the Chair of the Board of Trustees of Moto Health Care since its inception in 2007

He is available for re-election.

He has been a member of the Industry Schemes since 1973

2. Mr H. Lombard

Mr Lombard has served as a Trustee on Moto health Care since 2013. He is currently retired; but prior to that was employed as a parts salesman and was second in charge of the department.

He is available for re-election.

He has been a member since 1984

3. Mr S. Masombuka

Mr Masombuka has not yet served as a Trustee on a Medical Scheme. He is currently employed as a receiver at AutoZone.

He has been a member since 2007

4. Mr P. Niemand

Mr Niemand is the National Director of the Motor Industry Workshop Association. He has served as a Trustee on Moto health Care since 2022

He is available for re-election.

He has been a member since 2012

5. Mr J. Schoeman

Mr Schoeman is the joint CEO of the Retail Motor Industry Organisation; who as served as a Trustee on Moto health Care since 2013.

He is available for re-election.

He has been a member since 2007



taking care of our own

AGM NOTICE

Taking care of our own at every
stage of their health journey

2025