taking care of our own

2026 ANNUAL GENERAL MEETING

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

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Dear Moto Health Care Member

Attached for your attention kindly find the Notice of the 2026 Annual General Meeting (AGM), to be held virtually on 22 July 2026 at 11h00.

A set of documents, including the audited 2025 Annual Financial Statements, may be obtained by way of one of 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
Principal Officer

2026 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 22 July 2026 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 17 July 2025
4. Address by Chairperson
5. Financial Statements and Auditors' Report for the period ending 31 December 2025
6. Approval of Remuneration of Board of Trustees and sub-committee Fees
7. Appointment of External Auditors
8. Motions or Resolutions in terms of Rule 31.1.5
9. 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, 17 JULY 2025, AT 11h00

1. Opening & Apologies

Renee Coetsee, a member of the MHC Board of Trustees (BoT), welcomed everyone present at the virtual Annual General Meeting (AGM) of the Moto Health Care Medical Scheme (the Scheme).

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

Eugene Eakduth	The Scheme's Acting Principal Officer
Miles Mafojane	Independent Member of the MHC Audit & Risk Committee
Terry Greef	The Scheme's Operations Manager
Salome Botha	The Scheme's Member Liaison Officer
Seemita Ramnarain	Financial Manager from the Scheme's administrator MH
Advocate Lubbe	From the Independent Governance Specialists would be overseeing the AGM proceedings.
Barry Canning	Who will table the 2024 Chairperson report

Ms. Coetsee advised that LUMI were providing the platform for the virtual AGM with their representatives Jonathan Hillier, Barry Janse van Vuuren and Steven Ledwaba. Mr Jonathan Hillier would guide the Members through the technical aspects of this AGM and the voting processes.

APOLOGIES

Mrs Terblanche, Ms Avashnie Ramdhani chair of the ARC, Mrs Elsa Goddard rendered a late apology

PRESENT

Board of Trustees	Barry Canning Jan Schoeman Henry Lombard	Marwaan Davids Pieter Niemand Renee Coetsee
Moto Health Care (the Scheme)	Eugene Eakduth	Acting Principal Officer (PO)
	Terry Gucher-Greeff	Scheme Operations Manager
	Salome Botha	Member Liaison Officer
	Drini Emeric	PA to the Acting PO
Scheme Administrators Momentum Health (MH)	Annie du Plessis	Scheme Executive
	Anusha Radhakrishna	Fund Manager
	Seemita Ramnarain	Financial Manager
	Ayanda Nxumalo	Fund Secretary
Scheme Independent Body Independent Governance Specialists	Advocate Lubbe	

2. Confirmation Of Proper Notice And Quorum Present

Ms. Coetsee asked LUMI to confirm that the proper Notice was issued (which is that the notice must be provided to Members not less than 14 days prior to the AGM) and that there was a quorum. LUMI confirmed that 46 members were in attendance therefore the required quorum had been met and that the notice was sent out on 24 June 2025. Ms. Coetsee then handed the meeting over to the Acting Principal Officer, Mr. Eakduth to proceed with the rest of the Agenda.

Mr Eakduth 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 members have any non-agenda related issues, he suggested that they 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, he advised them to use the chat facility to post their messages and he would respond to them.

3. Adoption Of The Previous Minutes Of The AGM

The minutes of the AGM held on 12 September 2024 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 by members present.

4. Address Of The Chairperson

Mr Canning noted that the Chairperson's report for the year ended 31 December 2025, had been included in the agenda pack sent to the members. He noted that as he trusted that most members had read it at their leisure, he would only highlight some salient points:

He began by setting out the process to determine the benefits and contributions for the following year. This work is undertaken by the Scheme's Benefit Design Team, supported by the Actuarial Team at MH. Their aim is to enhance benefits as far as possible and determine contribution increases without compromising the Scheme's financial well-being. They rely on both internal and external data, and circulars issued by CMS. They also make assumptions regarding CPI, Scheme demographics, claims costs, investment returns, and non-healthcare expenses. The work is begun as early as February and continues through to July or August. Once they have completed their tasks, a presentation is made the Board of Trustees. The presentation sets out various scenarios based on contribution increases and their impact on the budget for the following year. The BoT takes the final decision which scenario to adopt.

The benefits and contributions for 2024 thus went through this process in 2023. Bearing in mind that medical inflation tends to outstrip CPI by 3 to 4 percent, the contribution increase would have been between 8 and 9 percent, as CPI was predicted at 5.3 percent. To ease the financial burden on members the BoT settled on a weighted average increase of 6.9 percent even though according to the actuaries, this would have resulted in a budgeted deficit of some R38 million. The Scheme's strong reserves provided the trustees a comfortable cushion to settle on the lower contribution increase.

The Scheme's Annual Financial Statements are dealt with under Item 5 of the Agenda. Scrutiny of these reveal that MHC achieved a surplus of R5.94 million by the end of 2024, a most pleasing result, which vindicated the Board's decision to opt for the lower contribution increase. This result was in the face of high-cost cases in 2024 exceeding those in 2023 by R18 million. This result boosted the Scheme's accumulated funds to R516 million and enabled it to maintain its solvency ratio at 64.4 percent. The main item that contributed to this was the Scheme's investment income outperforming budget by R30,6 million.

MHC adopted an Investment Policy Statement, the purpose of which is to provide a formal plan for investing assets. The IPS also assists the BoT in supervising, monitoring and evaluating the management of the of the Scheme's assets. Selekane Asset Consultants are the appointed consultants 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 absolute return benchmark is CPI plus 4%, while the money market benchmark is the SteFI Composite, which is an index that measures returns earned in South African money market. The Scheme's Members Savings Trust Account is managed by Aluwani Capital, with the SteFI Composite Index plus 2% as its benchmark. All the asset managers outperformed their benchmarks.

The Scheme continued to experience a net loss of members during the year, due mainly to members leaving their company and no longer employed in the retail motor industry. MHC being a restricted scheme does not have jurisdiction over individuals leaving the industry entirely and the Scheme is precluded from recruiting members in the open market. However, this has not deterred the stepping up of efforts to grow the Scheme. Christa Smart, who is head of Employer Group Services (EGS) at MH, is now leading and overseeing the EGS team responsible for crafting a service and growth strategy for MHC. Their focus is on engaging with brokers and conducting Scheme presentations at employers. In order to incentivise brokers to concentrate on recruiting new members, the Scheme has significantly improved the broker commission structure to allow for the maximum rate permitted by the Medical Schemes Act. However, none of these initiatives can guarantee that membership losses will subside. According to the CMS's 2015/2016 Annual report there were 131 medical aid schemes registered in 2005, and since then the number declined steadily to the point where there are now only 71 schemes registered, while the number of lives covered remained constant at approximately 9 million. This indicates that consolidation has taken place, driven mainly by amalgamations and mergers of schemes. These factors have prompted the Board to consider a merger with a large open scheme. It is, however, premature to expand on this.

Since President Ramaphosa signed the NHI Bill into law on 15 May 2024 push back against it has gained momentum. There were at least six legal challenges planned before the Bill was signed, while various constitutional challenges were also rumoured to be in the pipeline from groups like Solidarity, the Democratic Alliance, and the Health Funders Association. There are several grounds on which the NHI 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. I cannot stress enough how important it is for members to retain their medical aid cover. Medical emergencies could cost thousands, if not millions.

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, MH, Mediscor, DRC, PPN, and PricewaterhouseCoopers (PwC). The Scheme's gratitude was extended to them all for making 2024 a success.

The Scheme's newly appointed external auditors, PwC conducted the audit for 2024. Their work was thorough and meticulous, and provided the Annual Financial Statements in good time for them to pass through the approval process, and submission to the CMS before the deadline. So, to the team at PwC responsible for the audit I express the Scheme's appreciation. Johannes Grove, Nolwazi Radebe, and Sibida Mrubata make up the team. Equally important is MHC's internal audit. Zia Williams of KPMG continued to provide this service, and to her 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 from the word "go". Reading Mr. van Tonder'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. Mr. van Tonder'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 Mr. van Tonder to finally retire. Please join me in saluting him, and wishing him and his wife, Jantina, a long and happy life as they enter a most exciting time.

Mr. Eakduth has been appointed Acting Principal Officer to take over from Mr. van Tonder. Mr. Eakduth was the MHC Executive at MH until he joined the Scheme on 1 April 2024 as Project Manager. The Board has every confidence that he will excel in his new position.

He concluded by acknowledging the continued support from the members, without which MHC would not exist.

Mr. Eakduth requested members to use the chat 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 Chairpersons Report has been proposed and seconded by members, thus adopted.

5. Financial Statements And Auditors' Report For The Period Ending 31 December 2024

Mr. Eakduth advised that the Scheme's Audit and Risk Committee had 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 2024 audited financial statements.

The following salient summary of the results were highlighted:

- This is the second year the financial statements are in accordance with IFRS17.
- The Statement of Comprehensive Income reflects a good performance by the Scheme in 2024, with a net surplus of R5.9 million being achieved.
- In terms of revenue, there was a slight decrease from 2023 of R703.7 million due to fewer members on the Scheme in the current year.
- There was an increase in claims expenses due to the net overall claims increasing. This left the Scheme with a deficit of R37.4 million as compared to R21.9 million in the prior year.
- The Scheme achieved excellent investment returns of R71.1 million in 2024.
- This left the Scheme with a total Comprehensive Income /surplus of R5.9 million. Due to the Scheme implementing IFRS17 and the Scheme being classified as a mutual entity, the Comprehensive Income was reflected as nil due to the amount being transferred to Amounts Attributable to Future Members.
- The Statement of Financial Position reflects a healthy Balance Sheet for 2024. A third Balance Sheet had to be presented due to IFRS17 restatements.
- The Scheme investments under Assets, are split between Non-Current Assets R422.7 million and Current Assets of R160.6 million.
- The Scheme no longer shows an Accumulated Funds value but an Insurance Contract Liability to Future Members is reflected and is split between Non-Current Liabilities at R516 million. This is broken up to R483 million for Non-Current Liabilities and R33 million under Current Liabilities.
- The Scheme had a good year overall with a solvency ratio of 64.4%.

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 2024 AFS.

It was announced by LUMI that the voting had closed and that there was 75 votes for approval of the AFS, zero against, and 5 abstentions.

6. Approval Of Remuneration Of Board Of Trustees And Sub-Committee Fees

Mr Eakduth shared the MHC fee schedule and advised that in 2024, a 6,5% increase was applied to the 2023 rates and a 6% increase on the 2024 rates was now being proposed. The 6% was in line with the proposed increased for non-healthcare fees. He advised that the fees were 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. Mr. Eakduth 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 and analyse the board packs in preparation for meetings.

Mr. Eakduth advised that the proposed fees amounted to R9 906 per month for the Chairman as well as per meeting and the board members are paid 70% of the Chairpersons fee amounting to R6 367 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.

Mr. Eakduth requested members present to vote on the resolution pertaining to the Trustee remuneration for 2024.

It was announced via LUMI that the voting had closed and that there was 78 votes for approval of the Trustee fees, 4 against, and 3 abstentions.

7. Appointment Of External Auditors

Mr Eakduth advised that PricewaterhouseCoopers (PWC) were appointed in 2024 to replace Ernst & Young as the Scheme's external auditors. He noted that PWC had successfully completed the 2024 audit and both the BoT and Audit & Risk Committee had recommended that they be reappointed for another year.

Mr Eakduth requested members present to vote on PWC being appointed as Auditors for MHC for future audits.

It was announced via LUMI that the voting had closed and that there was 85 votes for the external auditor approval, 5 against, and zero abstentions.

8. Motions Or Resolutions In Terms Of Rule 31.1.5

Mr. Eakduth noted that in accordance with the Scheme Rules 31.1.5, notices of motions or resolutions sent to the Principal Officer before 5 working days of the AGM will be considered. He stated that there was two motions from a pensioner member on the Classic Option who was asking for a special concession on behalf of all pensioners. Mr. Eakduth advised that the Medical Scheme's Act does not allow for schemes to give concessions for a specific group of members such as pensioners.

The second motion was for a plan to be put forward to include Netcare hospitals and doctors. Mr. Eakduth advised that the Scheme has contracts in place with a private hospital network for the Classic Network, Hospicare Network and Custom Options but other options dealt with Netcare Hospitals. He stated that by their very nature, network options were more cost effective than non-network and the savings that came with the network options required contracts with hospital groups. The Scheme cannot contract with all hospital groups.

In terms of questions submitted, Mr Eakduth advised that the Scheme had received a query about the medical aid being too expensive and a concession be provided which was addressed earlier in the meeting. There was also a question on Prescribed Minimum Benefits (PMBs) on the option the member was on. This will be addressed offline with the member. An additional query was received pertaining to savings this will also be addressed offline.

9. Closure

Ms. Coetsee thanked the members for attending the meeting and all those that had contributed valuably to the process adding that she hoped that they had gained better insight into the operations of the Scheme, and the challenges it faces as a medical aid scheme. She assured the members that the Trustees remained committed to providing them with the best health care available.

Ms. Coetsee declared the meeting closed.

____________________ ____________________

Chairperson Date

Chairman's Report For The Year Ended

31 December 2025

2025 turned out to be a watershed year for Moto Health Care.
Allow me to explain why.

Every year since its formation, MHC consistently experienced a net loss of members so that by the end of 2025, its principal members stood at 13 440, down from over 30 000 in 2021. The continued loss of members threatened the sustainability of the Scheme.

For this reason, the strategic direction was for the Scheme to merge into a large open Scheme. In 2024 the merger discussions progressed to the point of both schemes filing exposition documents with the Council for Medical Schemes ("CMS").

Upon review of the exposition documents and engagements with the schemes, the CMS advised that it could not permit the transfer of the PMB-exempted benefit options of MHC to an open Scheme and transferring MHC's exemption to them would be disadvantageous to other open schemes in the industry. The Scheme's Custom and Essential options are currently exempt from funding prescribed minimum benefits ("PMBs") at cost, as approved by the CMS. These exemptions are valid for a year at a time. MHC must apply every year for an extension of the exemptions based on 'exceptional circumstances' faced by the Scheme. The PMB-exempt status of the two options originated at the time of the merger of Automed and Mimed (bargaining council schemes that enjoyed PMB exemptions) to create MHC. These exemptions are critical to the continued affordability of the Scheme for the bulk of the membership. If the merger were to proceed without the transfer of the PMB exemption members of the Custom option (in some income bands) and the Essential option would have faced unaffordable increases in contributions, leading to a significant loss of members.

The decision of the CMS created a dilemma for the Board, as it realised that the proposed merger would not be in the best interests of the members, as the majority would no longer be able to afford membership of the merged entity. In addition, the members of the Scheme would have to vote on approving the merger, which was unlikely in the circumstances. This resulted in the Board taking the difficult decision not to proceed with the merger as planned. The open Scheme has assured MHC that it is still interested in a merger but will need to return to the drawing board to assess how it could address the needs of MHC's membership without the security of the PMB exemptions being transferred to the merged scheme. MHC has indicated that it is open to discussion regarding a solution without the security of the PMB exemption, provided there is no negative impact on its members. There is currently no indication of when a new proposal would be forthcoming.

Trustees have fiduciary and statutory responsibilities under the Medical Schemes Act ("MSA") and other laws to discharge. This includes governing the Scheme in the best interests of the collective membership. Hence the Board had to consider the options for the Scheme going forward to ensure that these interests are protected. To deal with this a strategic session was planned for March 2026.

In the meantime, MHC embarked on several key initiatives aimed at making the Scheme more appealing to its members and adding value to its overall offering. Amongst these initiatives was the review of broker commissions to ensure its intermediaries were adequately rewarded for supporting the Scheme and servicing its members and employers. The Scheme also received bolstered administration support from its administrator in the form of dedicated employer consultants for larger employers. The benefit design committee which comprises of Scheme office management and clinical and actuarial support staff from the administrator, also decided to make bold changes to the benefit design structure to ensure maximum value for members.

During 2025 a new Principal Officer, Mr Eugene Eakduth, was appointed in an acting capacity and at the time was tasked with running with parallel strategies, one of which was focusing on the intended merger and the other focusing on the possibility of the Scheme operating as a going concern. The latter strategy encompassed a radical benefit enhancement route which saw above average benefit increases across most of MHC's benefit options for 2026, whilst maintaining affordable contribution levels.

Furthermore, a new marketing and branding strategy was crafted and accepted by the Board of Trustees with the aim of reinforcing the Scheme's presence in the motor industry. This initiative would be rolled out during 2026 to support the going concern strategy.

I am pleased to report that this change in strategy has already seen green shoots appearing, which would enable the Board to develop strategic goals for the next three years for MHC as a going concern. These would encompass sustainable membership growth whilst ensuring good financial performance and would involve 're-engineering' the Scheme's benefits in considering member and stakeholder needs.

MHC's continued satisfactory financial performance provided the Board with the added confidence to continue the Scheme as a going concern. 2025 turned out to be an exceptionally good year in which the Scheme outperformed its budget by R71.7m. Instead of a budgeted deficit of R16.6m, a surplus of R55.1m was realised. While the Scheme's relevant health care costs resulted in a negative variance of R20.6m compared to budget, its total investment returns for the year amounted to R101.4m, reflecting a positive variance of R69.8m compared to budget. MHC's asset managers continued to outperform their mandates. This enabled the Scheme to maintain its solvency ratio at 64.7%, well above the statutory requirement of 25%.

Detail of MHC's financial performance is contained in the 2025 Annual Financial Statements. These will be tabled for approval under item 5 of the agenda. These AFS can be accessed by logging onto the Scheme's member portal.

I opened my Chairman's report for the year ended 31 December 2024 by explaining how the Scheme's Benefit Design Team goes about developing enhanced benefits for the following year and determining the contributions after costing the benefits. Ideally it must seek equilibrium between its income from contributions and investments and healthcare and non-healthcare expenses. Consequently, contribution increases can vary from year to year depending on several factors such as claims experience and medical inflation. This usually leads to increases exceeding the consumer price index by some margin. Understandably this poses affordability challenges for members to the extent that some would consider switching from their medical aid to medical insurance products, premiums for which are usually somewhat lower than contributions to a medical aid. I must, however, sound a word of caution against such a move.

To do so I need to explain the differences between medical aids and medical insurance. Medical aid schemes are non-profit entities governed by the Medical Schemes Act and are legally required to provide prescribed minimum benefits, covering 270 diagnosis treatment pairs, 26 chronic conditions, and all emergencies. In contrast, medical insurance is a for-profit product regulated under short- or long-term insurance legislation, exempt from offering minimum benefits and typically paying fixed cash amounts for specific events rather than covering actual hospital costs. This leaves policyholders vulnerable to significant out-of-pocket expenses if emergencies fall outside narrow policy definitions. While switching to insurance is not inherently wrong, members must recognise what protection they are trading away. True affordability lies in how well a policy performs during crisis, not just in its monthly cost.

To illustrate what I am driving at, in 2025 MHC's high-cost cases amounted to R92,608,666, of which 141 admissions exceeded R1 million per case. The highest of these cases amounted to a substantial amount of R4,1 million. Most of these cases were medical emergencies, e.g. one was a motor-cycle accident, and another was a Transcatheter Aortic Valve Implantation (TAVI). Imagine the financial distress the families of the beneficiaries would have faced had they not had the support of MHC.

As for National Health Insurance, it is not going to happen anytime soon, if at all.

Strategically and operationally, MHC depends on many individuals and service providers. Allow me to acknowledge their contributions to the successful performance of the Scheme in 2025.

Providing sound governance and oversight is the Board of Trustees. 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. All decisions taken by the Trustees must be in the best interests of the members and beneficiaries, and in so doing enables MHC to live up to its mantra "Taking care of own". My fellow Trustees are:

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

They provided solid support throughout the year which made my task as Chairman so much easier. To each of them I extend my heartfelt thanks for their guidance and valuable contribution.

In its ongoing evaluation of the adequacy and efficiency of internal control systems, accounting practices, information systems, and Scheme risks applied to the Scheme, or its administrator in the day-today management of the business, the Audit and Risk (A&R) Committee played a pivotal role in providing the Board with peace of mind in meeting their fiduciary responsibilities. 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. To them I convey the Board's grateful thanks for yet again exceeding its expectations.

The symbiotic relationship between the Board and the various role-players in the successful performance of MHC is co-ordinated by the Scheme's small but highly effective management team. Their contribution is hugely significant. It is led by Eugene Eakduth, the Principal Officer, and he is supported by:

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

Please join me in applauding them for their continued dedication and unstinting efforts.

The Scheme's administrators of many years, Momentum Health, continued to support the operations and provide ancillary services, such as managed care, actuarial support, and forensic services. These 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 responsible for MHC are:

Annie Du Plessis	Scheme Executive
Anusha Radhakrishna	Fund Manager
Gisella Fourie	Clinical Executive
Elizabeth Vorster	Healthcare Actuary
Nomagugu Tshabangu	Actuarial Analyst
Seemita Ramnarain	Financial Manager
Chris Sauer	Manager: Forensic Corporate Claims Risk Management
Christa Smart	Head: Employer Group Service
Mesigan Chetty	Fund Consultant
Ayanda Nxumalo	Fund Secretary

They are supported by a staff complement of 153, the vast majority of who are accommodated at MH's extensive facility in Cornubia, KZN. They are grouped into various teams, each dealing with an aspect of the Schemes administration such as:

Finance and Billing
Service Recovery and Quality Assurance
Call Centre
Claims
Case Management
Primary Care Network
Prescribed Minimum Benefits and Clinical Research
Clinical Governance and Modernization
Account Executives and Internal Service Consultants
Marketing

Claims that are received invariably consist of more than one line in describing the medical need. To give you an idea of the volume of claims dealt with, 1,318,866 claim lines were received during the year, while 27,836 calls were taken relating to pre-authorisation, with 5,465 hospital authorisations being issued. Also 60,873 enquiries were dealt during the year. You will agree with me that these are significant volumes, so it is gratifying that Momentum Health continued their excellent service throughout the year. On behalf of all at MHC I extend to them sincere thanks for their continued dedicated effort.

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

HealthCare Navigator	Consultant on regulatory and governance matters *represented by Esme Prins-Van den Berg*
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 Sutcliffe and Charmaine Bunn*
AZOZA	Ambulance Services *represented by Niraksha Singh*

PricewaterhouseCoopers, having been reappointed the Scheme's auditors at the 2025 AGM, conducted the audit for 2025. Their team responsible for MHC certainly acquitted themselves well to provide the Annual Financial Statements in good time to have them, on recommendation from the Audit and Risk Committee, approved by the Board, and submission to the CMS before the deadline. The Board recommends that these be approved 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.

KPMG continued as MHC's internal auditor. Zia Williams remained their representative, and to her and her team I convey the Scheme's gratitude.

In the agenda pack you will find the Principal Officer's Scheme Report. While my report is drafted from a strategic and governance perspective, his provides detailed information on the operations and objectives of the Scheme. I urge you to read it if you have not done so already.

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
June 2026

Principal Officer's Fund Report for the 2025 Financial Year

January – December 2025

Firstly, I would like to take this opportunity to thank our outgoing Principal Officer, Mr. Danie van Tonder, who retired from his position as of 28 February 2025. Danie had served the Scheme in this capacity for 13 years and brought a wealth of experience to the role and made a profound impact on all those who worked with him. The Scheme wishes him and his family all of the very best as he enjoys his retirement.

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 Fund 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 Fund.

The Fund's Mission statement is as follows:

- "To be the medical 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 Fund 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 from:
  - 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 2025 after due consideration was given to the operational performance of the service providers. Their performance was managed consistently. Tools used to manage service providers 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, Fund management undertakes an extensive process to critically examine the benefits provided to members. The exercise, which involves various stakeholders, allows the Fund 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.

Moto Health Care Rules/AGM

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

The Fund's Annual General Meeting (AGM) took place on 17th July 2025. The meeting took place via a hybrid setup with Scheme Management and one Trustee attending in person whilst the rest of the stakeholders joined virtually. The 2025 AGM included Trustee elections, and four Trustees were elected by the members to serve for a three-year period. There were no issues raised at the meeting.

Financial Management

The total contributions were R793,6m and the total risk contributions were R730.7m. The Scheme ended with a gross healthcare surplus of R12.7m 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, as well as investment income, the Fund ended with a net surplus of R54.9m.

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

The average age of our beneficiaries increased slightly to 38.23 years with a dependent ratio of only 0.99. The average family size is 1.99 people. The pensioner ratio (>65 years) increased from 14.7% to 14.8%.

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 make a claim.
9. **High mandatory reserves** as required by the Council for Medical Schemes.
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 reimbursement system is flawed.** This system allows for over-servicing, entrenches fraud, and does little to align the incentives between the funders and the providers. Instead of focusing on healthcare outcomes for the patient, the system supports repetitive claiming.
13. **Health Insurance products.** The new demarcation Regulations are positive but there is still no timeline in sight whereby this demarcation ruling will be enforced, which allows health insurance companies to undercut medical aid scheme's contributions thereby dissuading more individuals from joining a medical scheme.
14. **National Health Insurance (NHI).** Some employers still use NHI and its potential implementation as an excuse for not subsidizing their employees' medical aid. The Fund is of the view that this delay by employers to provide credible medical coverage for their employees may end up costing employees more in the long run should they develop any dreaded disease and then require cover.

There is a continuous downward trend in the number of medical schemes that are operating in the industry. The reduction in Schemes is as a result of amalgamations and liquidations driven by the challenges in maintaining solvency levels for some medical schemes. Fortunately, Moto Health Care ended 2025 in a strong financial position, which was evident in the lower- than- industry increases passed for 2026 and the generous benefit limit increases that were granted across its options.

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 exclusively on the needs of people in the motor industry. It also offers a full range of products available for all employees in the motor industry. 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
Principal Officer
June 2026

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 reason, 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 Fund.

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 Fund'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.
Return the proxy form to:

Email: agm@mhcmf.co.za

These measures are intended to secure the process against fraud.

Closing Date

Completed forms must be received by no later than 17h00 on Wednesday, 8 July 2026. 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 Fund.

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 2026 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 Fund
- 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

taking care of our own

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