

**20
26 | ANNUAL
GENERAL
MEETING**

Notice is hereby given of the 60th Annual General Meeting of the Scheme, which is to be held on Tuesday, 23 June 2026 at 12:00 via a virtual platform and in person at Shoprite Home Office, Brackenfell

Please note:

- We have included details of the meeting in the cover letter to this Notice.
- This document serves as the official Notice to the event.
- We have published these details on the Scheme's website at www.retailmedicalscheme.co.za

Notification of Motions

The Rules of the Scheme require members to notify the Principal Officer of any motions for discussion at least 7 days before the date of the Meeting – i.e. not later than 12:00 on 16 June 2026. Email to rms@shoprite.co.za.

Annual Financial Statements, Trustees' Report and Minutes of the previous Annual General Meeting

The 2025 Annual Report, including the audited Annual Financial Statements and the Trustees' report, as well as the Minutes of the Annual General Meeting held on 26 June 2025, will be available from 1 June 2026 on www.retailmedicalscheme.co.za as well as from the Principal Officer, at rms@shoprite.co.za. It may also be requested from the Scheme's contact centre on 0860 101 252.

Agenda for the Meeting

1. Welcome and confirmation of quorum.
2. Noting and approval of the minutes of the Annual General Meeting held on 26 June 2025.
3. Introduction of the Chairperson's report for the year ended 31 December 2025.
4. Consider and accept the Annual Financial Statements and auditor's report for the year ended 31 December 2025.
5. Governance
 - 5.1. Confirm appointment of the Scheme external auditors for the 2026 audit.
 - 5.2. Appointment of members of the Disputes Committee.
 - 5.3. **Election of Member Trustees:** To elect Member Trustees following the expiry of the terms of office of retiring Trustees.
6. Motions received by the Principal Officer.
7. General

By order of the Board

FREDDIE OPPERMAN
Principal Officer
Cape Town
May 2026

Chairperson's Report for the 2025 financial year

Introduction

The Retail Medical Scheme (the Scheme) provides appropriate and affordable healthcare cover for employees of the Shoprite Group, their families, as well as retired members.

The Scheme is governed by a Board of Trustees responsible for overseeing its strategic direction, financial sustainability, and regulatory compliance on behalf of members. In fulfilling this mandate, the Trustees uphold the principles of fairness, transparency, and responsible governance. They are guided by the Medical Schemes Act, the Scheme Rules, and established governance practices. This ensures that all decisions are taken with due care, diligence, and objectivity, and in the best interests of the Scheme and its members.

The landscape

The healthcare industry is facing mounting pressure driven by an aging population, rising costs of care, affordability challenges, and health policy uncertainty. As life expectancy increases, demand-side pressure is intensifying due to a growing burden of lifestyle-related and chronic diseases, including mental health conditions and cancer. This shift constrains access to appropriate care, as a balance must be maintained between affordability and sustainability. At the same time, the cost of care continues to escalate, driven both by demand-side factors – such as increased utilisation – and supply-side factors such as increasing high-cost medical technology.

The interaction of these factors underscores the need for innovative solutions to enhance healthcare delivery and access, including the development and promotion of preventative mechanisms. Medical schemes must navigate these complexities by leveraging technology, refining benefit structures, and advocating for regulatory frameworks that support long-term viability.

Positioning the Scheme

The average age of the Scheme's beneficiaries is low when compared to most other schemes. This helps to keep the impact of chronic disease on both members' wellbeing and the financial health of the Scheme, as well as in-hospital cost increases, at manageable levels on an overall basis.

We also continue engaging members and healthcare professionals to promote alternative care settings and will in future focus on the role of virtual care, to bring care to members in a faster, easier and more accessible way. Hospital at Home care is already available, providing enhanced care via hospital-level treatment at home for suitable conditions, improving comfort and convenience for members.

Financial performance overview

For the year ended 31 December 2025, the Scheme generated a positive insurance service result. This indicates that member contributions were well aligned with the utilisation of healthcare services. Investment income also contributed strongly to the Scheme's financial position and helped to offset the impact of healthcare inflation.

At year end, the Scheme's solvency level remained well above the required 25%, reflecting a strong financial position and its ability to continue meeting members' healthcare needs.

The table below provides key metrics for the period under review.

METRIC	2025 VS 2024 ACTUALS		CURRENT STATUS/COMMENTARY
Membership	5.67%	↑	Principal members increased from 16 289 in 2024 to 17 213 in 2025.
Average age of beneficiaries	0.3 years	↔	The average age of the Scheme has remained largely unchanged, with a slight increase to 31.5 years from 31.2 years in 2024. This is still lower than the industry average of 34.2 years.
Proportion of beneficiaries over the age 65	1.67%	↓	This ratio of members over 65 is 2.36%, slightly lower than the 2.4% in 2024, and significantly lower than the industry average of 9.8% (CMS: 2024/25).
Relevant healthcare expenses as a percentage of contributions	0.25%	↑	96.03% of the Scheme's risk contributions are used to cover members' healthcare expenses, in line with the industry average of 96% (CMS: 2024/25).
Contribution income	12.39%	↑	The Scheme's contribution income increased to R536.9 million in 2025 (2024: R477.7 million), supported by approved contribution increases and membership growth.
Investment income	38.02%	↑	The Scheme generated higher than expected investment income of R111.8 million (2024: R69.14 million), driven by favourable market conditions.
Insurance liability to future members (previously member funds)	19.57%	↑	The insurance liability to future members increased to R755.55 million in 2025 (2024: R631.91 million).
Solvency	3.56%	↓	The Scheme's solvency position was 93.84% at 31 December 2025 (2024: 97.18%), well above the regulated minimum solvency requirement of 25%.

☰ Governance and Compliance

The Board is structured to ensure balanced and equitable representation. Half of the Trustees are elected by Scheme members, providing a strong member voice and enhancing accountability, while the remaining half are appointed by the Employer. This governance model supports transparent decision making, strengthens oversight, and promotes stability in the effective management of the Scheme.

2026 is an election year for the Trustees, with the election taking place at the Annual General Meeting. To ensure the most appropriate representation, we invite all members to attend the meeting and take part in the voting.

Board of Trustees in 2025

EMPLOYER APPOINTED TRUSTEES	MEMBER ELECTED TRUSTEES
Ms. Haseena Khan (Chairperson)	Ms. Hendrina Groenewald (elected 1 July 2025)
Mr. Freddie Opperman*	Ms. Melissa Hendricks
Mr. Zakhele Sibiya	Mr. Jaco Rossouw
Ms. Kimberly Soobramoney	Mr. Gary Sorensen

*Mr. Freddie Opperman resigned as Employer Appointed Trustee on 31 January 2026. The Employer is in the process of filling the vacancy.

Principal Officer

Mr. Freddie Opperman (appointed on 1 February 2026, following the resignation of Ms. Anthea Jaftha)

Audit Committee

The Audit Committee is made up of five members, including two representatives from the Board of Trustees. The Committee provides essential oversight on behalf of the Board, ensuring that the Scheme's financial management, internal control environment, and reporting processes remain robust, transparent, and compliant with all regulatory requirements.

Through its ongoing work, the Audit Committee strengthens the Scheme's overall governance framework and supports the Board in safeguarding the financial sustainability and long-term stability of the Scheme.

Members of the Audit Committee in 2025:

NAME	POSITION
Mr. Pieter Immelman	Independent Member (Chairperson)
Ms. Anthea Adams	Independent Member
Mr. Eugene Marais	Independent Member
Ms. Kimberly Soobramoney	Board of Trustee Member
Mr. Freddie Opperman*	Board of Trustee Member

* Mr. Freddie Opperman resigned from the Committee on 31 January 2026.

Third-party Service Providers

During 2025, the Scheme made use of the services of the following third-party providers:

Scheme Administrator	Discovery Health (Pty) Ltd
Investment managers	<ul style="list-style-type: none">Allan Gray Asset ManagementInvestec Asset ManagementABAX InvestmentsTaquanta Asset ManagersOld Mutual Investment Group
Investment adviser	Willis Towers Watson
Actuaries	NMG Consultants & Actuaries (Pty) Ltd
External auditor	BDO South Africa Incorporated

Legislative update

Following the signing into law of the National Health Insurance (NHI) Act in May 2024, developments continued into 2025 as the healthcare sector assessed its potential implications. While the Act is expected to be implemented over a number of years, it represents a significant step towards broader healthcare reform in South Africa and introduces important considerations for the future structure of the healthcare system.

The Scheme continues to monitor developments closely and remains mindful of the potential impact on the healthcare system, affordability, and the role of medical schemes. Ongoing legal and stakeholder engagements during the year have further highlighted the complexity of the reform process and the importance of achieving a sustainable and well-considered outcome. The Board supports continued engagement across the industry to help ensure that any reforms are practical, affordable, and in the best interests of members.

Conclusion

As we look ahead, our focus remains clear: to support you and your family with reliable, quality, and affordable healthcare. We are committed to managing the Scheme responsibly, adapting to changes in the healthcare environment, and introducing improvements that make your experience easier and more seamless.

Thank you for your trust and continued membership. We look forward to continuing this journey with you.

Haseena Khan
Chairperson
May 2026

Highlights of the Scheme's

Financial Results for 2025

RETAIL MEDICAL SCHEME REGISTRATION NUMBER 1176

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	2025 R	2024 R
ASSETS		
Non-current assets		
Financial assets at fair value through profit or loss	797 197 877	702 000 794
Current assets	49 275 646	3 413 331
Financial assets at amortised cost	137 788	107 047
Cash and cash equivalents	49 137 858	3 306 284
TOTAL ASSETS	846 473 523	705 414 125
LIABILITIES		
Non-current liabilities		
Insurance contract liabilities to members for future benefits	755 552 317	631 919 279
Current liabilities	90 921 206	73 494 846
Insurance contract liabilities	90 299 619	72 014 565
Trade and other payables	621 587	1 480 281
TOTAL LIABILITIES	846 473 523	705 414 125

In line with the requirements of Circular 32 and 36 of 2025, and the SAICA Medical Scheme Accounting guide, the Statement of Financial Position is disclosed in non-current and current components and not in order of liquidity that was used in 2024 annual financial statements.

Highlights of the Scheme's

Financial Results for 2025

RETAIL MEDICAL SCHEME REGISTRATION NUMBER 1176

STATEMENT OF COMPREHENSIVE INCOME AS AT 31 DECEMBER 2025

	2025 R	2024 R
INSURANCE REVENUE	530 859 084	471 415 671
INSURANCE SERVICE EXPENSE	(509 786 771)	(451 553 531)
Incurred claims *	(433 355 612)	(382 990 594)
Accredited managed healthcare services (no risk transfer) *	(24 609 134)	(22 083 631)
Third party claims recoveries	1 728 127	1 580 162
Other directly attributable expenses	(53 550 152)	(48 059 468)
Net expense from risk transfer arrangements *	(648 398)	(506 274)
Fees paid	(2 797 573)	(2 262 117)
Amounts received from risk transfer arrangements	2 149 175	1 755 843
Insurance service result	20 423 915	19 355 866
Interest from financial assets not measured at fair value through profit and loss	331 397	398 962
Investment income from investments at fair value through profit and loss	111 521 785	68 749 167
Net investment income	111 853 182	69 147 229
Finance expenses on Medical Savings Accounts	(519 293)	(566 827)
Net insurance finance expenses	(519 293)	(566 827)
Net insurance and investment result	131 757 804	87 936 267
Sundry income	40 418	114 067
Asset management fees	(1 624 702)	(1 437 732)
Other operating expenses	(6 540 482)	(6 045 050)
NET RESULT BEFORE MUTUALISATION	123 633 038	80 567 553
Amounts attributable for future benefits	(123 633 038)	(80 567 553)
NET SURPLUS FOR THE YEAR	-	-

* Relevant healthcare expenditure.

Relevant healthcare expenditure consists of net claims incurred, accredited managed healthcare services and net expense from risk transfer arrangements.

Highlights of the Scheme's

Financial Results for 2025

RETAIL MEDICAL SCHEME REGISTRATION NUMBER 1176

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 R	2024 R
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from members and providers	543 732 777	484 084 394
Cash receipts from members – contributions	542 004 650	482 504 232
Cash receipts from members and providers – other	1 728 127	1 580 162
Cash paid to providers, members and third parties	(512 925 494)	(465 366 460)
Cash paid to service providers and members – claims	(451 690 642)	(408 384 547)
Cash paid for non-healthcare expenditure	(60 841 037)	(56 434 820)
Cash paid to members – Medical Savings Account refunds	(393 815)	(547 093)
Cash generated from operations	30 807 283	18 717 934
Interest received	324 291	387 393
Net cash flows from operating activities	31 131 574	19 105 327
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of investments	(449 100 000)	(458 000 000)
Proceeds on disposal of investments	463 800 000	439 011 000
Net cash flows from investing activities	14 700 000	(18 989 000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	45 831 574	116 327
Cash and cash equivalents at beginning of year	3 306 284	3 189 957
CASH AND CASH EQUIVALENTS AT END OF YEAR	49 137 858	3 306 284

Highlights of the Scheme's

Financial Results for 2025

RETAIL MEDICAL SCHEME REGISTRATION NUMBER 1176

 SOLVENCY

KEY FINANCIAL AND SERVICE METRICS

	2025 R	2024 R
THE SOLVENCY RATIO IS CALCULATED AS FOLLOWS:		
Insurance contract liabilities to members for future liabilities	755 552 317	631 919 279
Less: Unrealised gain on fair value through profit or loss investment ***	(251 644 685)	(167 634 815)
Accumulated funds per Regulation 29	503 907 631	464 284 464
Gross annual contribution income	536 991 480	477 735 561
Accumulated funds ratio per Regulation 29	93.84%	97.18%
*** Cumulative net gains on re-measurement to fair value are calculated as follows:		
Net cumulative gains opening balance at the beginning of the year	167 634 815	128 725 524
Unrealised gains on re-measurement of financial instruments to fair value included in the accumulated funds	84 009 870	38 909 291
Cumulative net gain on re-measurement to fair value of investments included in the accumulated funds	251 644 685	167 634 815

Highlights of the Scheme's

Financial Results for 2025

RETAIL MEDICAL SCHEME REGISTRATION NUMBER 1176

✓ Matters of non-compliance

Claims paid after 30 days

In terms of Section 59(2) and Regulation 6(2) of the Act a medical scheme shall pay a member or supplier of services any benefit owing to that member or supplier within 30 days of receipt of the medical claim.

A limited number of exceptions were noted where claims were paid after the 30 day period. These were exceptions and limited to more complex claims. Management is committed to resolve these matters in a responsible manner and in the best interest of the member and the Scheme.

These are isolated cases that do not have a material effect on the Scheme.

Investments in medical scheme administrators and participating employers

In terms of Section 35(8) of the Medical Schemes Act 131 of 1998, as amended, a scheme should not have any investments in an employer who participates in the medical scheme or any administrator or any arrangement associated with the medical scheme.

At 31 December 2025 the Scheme had an indirect holding in Discovery Limited R1 589 867 (2024: R957 769), Momentum Metropolitan Holdings Limited R1 388 774 (2024: R1 107 051), Shoprite Holdings Limited R5 099 138 (2024: R2 632 569) and Sanlam Limited R4 151 291 (2024: R2 959 062).

The Scheme does not make input into the structuring of the portfolio. Funds in this specific portfolio are structured at the sole discretion of the asset manager in a manner that maximises returns.

The Scheme has received exemption from this section of the Act.



Highlights of the Scheme's

Financial Results for 2025

RETAIL MEDICAL SCHEME REGISTRATION NUMBER 1176

OPERATIONAL STATISTICS

	2025	2024
Number of members at the end of the accounting period	17 213	16 289
Average number of beneficiaries for the accounting period	28 485	27 139
Average age per beneficiary (years)	31.5	31.2
Pensioner ratio (beneficiaries 65 years and older)	2.36%	2.40%
Average net contribution per member per month	R2 634.33	R2 474.62
Relevant healthcare expenditure per member per month*	R2 275.82	R2 117.44
Relevant healthcare expenditure as a percentage of net contributions	96.03%	95.79%
Non-healthcare expenses per member per month	R298.19	R290.64
Non-healthcare expenditure as a percentage of risk contributions	11.32%	11.50%



Service centre 0860 101 252 | service@retailmedicalscheme.co.za |
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Retail Medical Scheme, registration number 1176, is administered
by Discovery Health (Pty) Ltd, registration number 1997/013480/07.
Discovery Health is an authorised financial services provider.