

Compliance statement

The Scheme complied with its approved Employee Remuneration Policy in 2023 without deviation. There are currently no voting results for the policy.

Components of the GEMS Performance Management Policy already in effect have been implemented without deviation.

Trustee remuneration

Trustee remuneration paid in a financial year is informed by the number of meetings attended by trustees – Board meetings, standing committee meetings, task team meetings and other meetings where trustee attendance is required. The amount is also informed by the meeting fees of trustees, their travel and accommodation expenses and the fees paid to trainers.

The Board of Trustees and the committees meet frequently to ensure effective oversight of the Scheme. Board and committee meetings are all necessary and convened to:

- Meet the Scheme's statutory obligations.
- Adhere to corporate governance standards.
- Meet the governance requirements of the Scheme's business model and requirements.
- Guide Scheme management on stakeholder engagements considering the Scheme's complex stakeholder relations environment.

Close Board oversight contributes to the Scheme's continued financial and operational performance evidenced by the Scheme's track record of unqualified audits, sound procurement processes, improving member survey results and high-quality stakeholder relationships. The performance and effectiveness of the Board directly affect the Scheme's ability to create value for its members, the Minister for the Public Service and Administration and stakeholders.

An increase in the number of meetings attended by trustees was reported for 2020 to 2022, with a decrease in 2023.

Movement in number of meetings: 2020 to 2023



The increased number of meetings was attributable to the Board's workload:

- Effective oversight and intensified outcomes monitoring associated with the Scheme's business transformation programme, including the insourcing programme, which led to the establishment of the Oversight Committee for Special Projects and Programmes in 2021. This committee continued oversight meetings in 2022 and 2023.
- Close involvement in the 2021 development of the strategic plan 2022 to 2026 and its extensive revisions in 2022 and 2023.
- Continuous strengthening of corporate governance through workshops.
- Oversight of the performance of the SPN, including the administrators, and their adherence to BBBEE obligations
- Involvement in stakeholder engagements to deal with dissatisfaction about contribution increases for 2024.
- Additional meetings to discuss with executive management stakeholder relationship programmes such as RBO.

Trustee and Independent Committee Member Remuneration Policy

Trustees and independent committee members are remunerated for attendance of Board and committee meetings. Trustees and committee members may also be reimbursed for travel and subsistence costs in the performance of their obligations. The Scheme commissions independent remuneration surveys to ensure that the remuneration paid is commensurate with the fiduciary obligations assumed by trustees and the expertise of trustees and independent committee members.

Trustees and committee members are remunerated for preparation for and attendance of meetings. They are not remunerated for the following:

- o Meetings not attended
- o Participating in the Scheme's Board effectiveness assessment
- o Attendance of training sessions
- o Attendance of Scheme events where trustees are not required to perform work
- o Attendance of member and stakeholder information and communication sessions.

Trustees and committee members are paid a fixed daily meeting fee for each day of quarterly and interim meetings. The fee is based on an average meeting duration time of six hours and 12 hours' preparation time. Trustees are paid a reduced daily meeting fee for attending ad hoc meetings.

For meetings with the Minister for the Public Service and Administration and stakeholders, the fixed meeting fee is replaced by an hourly fee based on the number of hours in the meeting plus one hour's preparation time for each hour in the meeting.

Trustees receive a monthly stipend to cover expenses such as stationery, telephone and internet fees.

The remuneration of the Chairperson of the Board and chairpersons of the committees (including the independent Chairperson of the Audit Committee) is the trustee fixed daily meeting fee multiplied by 1.5.

The GEMS Trustee and Independent Committee Member Remuneration Policy is reviewed by the Board every three years, with the last review performed in July 2021. The policy is being reviewed to bring it into line with the requirements of King IV.

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The Scheme complied with its Trustee and Independent Committee Member Remuneration Policy in 2023 without deviation. There are currently no voting results for the policy.

Remuneration benchmarks

Trustee remuneration benchmarking compares remuneration from at least 10 of the largest closed and open medical schemes in the industry.

The Board decided in 2021 to increase the fixed daily meeting fee of trustees from 1 January 2022. No increase was made for 2023.

Trustee remuneration 2023

The remuneration paid in 2023 per trustee is shown below. Meeting fees, travel and accommodation costs, training costs and other disbursements are disclosed separately per trustee in accordance with Regulation 6A of MSA Regulations.

Table 20: Board of Trustees' remuneration 2023

	Term end	Attendance fees	Travel and accommodation	Reimbursements and allowances	Training	Total
		R '000	R '000	R '000	R '000	R '000
Dr IJ Van Zyl	2027/08/29	931	132	40	5	1 108
M Phophi (Deputy Chairperson)	2023/09/23	890	44	115	18	1 067
Dr SM Hlatshwayo (Chairperson)	2024/02/19	1 539	312	18	55	1 924
RA Manoko	2024/03/05	1 239	209	21	58	1 527
C Ntshane	2025/09/24	1 061	461	28	49	1 599
M Brand	2025/09/24	939	177	16	51	1 183
Dr N Tutu	2026/07/30	1 071	537	2	80	1 690
L Khumalo	2025/09/24	1 145	249	26	53	1 473
P de Villiers	2027/08/29	1 060	58	14	44	1 176
Dr J Smit	2027/08/29	956	234	70	18	1 278
		10 831	2 413	350	431	14 025

Trustee remuneration paid in 2023 was R14 million (2022: R16.1 million), a decrease of 13% from 2022. Of this, R11.2 million (80%) was meeting fees and the monthly stipend. The balance of R2.8 million was for travel and accommodation costs and fees paid to trainers.

GEMS trustees undertook additional duties voluntarily during 2023 to represent the Scheme at important stakeholder events and to support Scheme management at engagements with stakeholders such as unions.

In 2023, trustee fees as a percentage of contributions were 0.03% and as a percentage of the Scheme's non-healthcare costs, 0.5%.

Conclusion

The Human Resources and Remuneration Committee recommended the GEMS 2023 remuneration report to the Board of Trustees. We are satisfied that the committee fulfilled its obligations in 2023.

The committee acknowledges the work performed by Scheme management and congratulates GEMS on its top employer status for a third consecutive year.

