



# GOVERNANCE AND REMUNERATION

## **Statement of corporate governance**

The Government Employees Medical Scheme is committed to the principles and practice of fairness, openness, integrity, and accountability in all dealings with its stakeholders. The Board conducts all its affairs according to ethical values and within a recognised governance framework made up of the Rules of GEMS, the GEMS Board Charter and Scheme policies. A formal integrated framework is under development.

The Scheme acknowledges its role within the medical schemes industry as well as its responsibilities to each individual beneficiary and the wider community. The Scheme recognises that sustainability can only be achieved through strong relationships with all stakeholders and responsible management of risk.

## **Transparency and Ethics**

The Scheme has adopted a stakeholder-inclusive approach to corporate governance and is bound by mandates and principles of treating members fairly. The close stakeholder relationship and the election and appointment of the Board of Trustees by the members and the Employer allow the Scheme to recognise the concerns and objectives of stakeholders in its decision-making process.

The Board of Trustees acknowledges that the perception of stakeholders affects the reputation of the Scheme.

Therefore, clear, and open communication with stakeholders enhances the reputation of the Scheme. The Trustees have produced a holistic and reliable integrated report to illustrate both the financial and non-financial performance of the Scheme.

## **Board of Trustees**

The Board of Trustees is responsible for the stewardship and governance of the Scheme. The Trustees are elected and appointed by the members of the Scheme and the Employer respectively (i.e. the Minister for Public Service and Administration), according to the provisions of the Medical Schemes Act, No 131 of 1998, as amended, and the Rules of the Scheme. The Trustees are representatives of the Scheme's members and are legally responsible for the management and strategic direction of the Scheme on behalf of the members.

The Board meets regularly and monitors the performance of the Scheme's employees, administrators, and other contracted service providers. The Board addresses a range of issues and ensures that discussion of strategy, policy, risk management, fraud management and operational performance are critical, informed, and constructive. The affairs of the Scheme are managed according to the Rules of the Scheme and adhere to all aspects of governance as required by the Medical Schemes Act 131 of 1998, as amended. The Board is committed to the principles as set out in the King IV Report on Corporate Governance for South Africa.

A collective board-effectiveness evaluation and peer review is required every second year. The Chairperson meets with individual Trustees on a one-to-one basis, during induction training of new Trustees and should the need arise.

All Trustees have access to the Principal Officer and, where appropriate, may seek independent professional advice at the expense of the Scheme.

## Internal controls

Management and the administrators of the Scheme maintain internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to safeguard, verify and maintain accountability for its assets. Such controls are based on established policies and procedures and are implemented by trained personnel with the appropriate segregation of duties.

The Scheme's Internal Audit service also performs an independent analysis of the controls of the Scheme as well as those of the service providers of the Scheme as part of its annual audit plan.

The Board-appointed Risk Social and Ethics Committee consisting of Board of Trustee members, a co-opted audit committee independent member and attended by senior management of the Scheme has the duty to assess the risk register and plans to mitigate the risks. This Committee reports to the Board of Trustees independently.

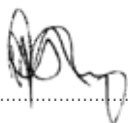
On an annual basis the Board assesses the risks facing the Scheme and determines the impact and likelihood of such risks through the development of a risk register. Once the risk register is approved by the Board, monitoring of the implementation of mitigation measures and internal controls takes place at least quarterly to ensure that all risks are effectively managed. No event or item has come to the attention of the Board of Trustees that indicates any material breakdown in the functioning of the key internal control and systems during the year under review.

## Integrated reporting

The GEMS Board of Trustees acknowledges its responsibility for assuring the integrity of the GEMS annual integrated report.

It has applied its collective mind to the report's preparation and presentation.

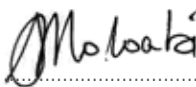
The development of this report was guided by the guiding principles and content elements of the International Integrated Reporting Framework, published in January 2021.



**Dr SM Hlatshwayo**  
**Chairperson**  
30 May 2023



**ME Phophi**  
**Deputy Chairperson**  
30 May 2023



**Dr BOS Moloabi**  
**Principal Officer**  
30 May 2023

## **GEMS is governed to protect and maintain value**

In this section, we disclose how the GEMS governance structure supports GEMS' ability to create value

### **Structures and processes for governance**

An independent Board of Trustees forms the core of the Scheme's corporate governance structure and is ultimately accountable and responsible for the performance and affairs of the Scheme.

The GEMS Board Charter defines the governance parameters within which the Board operates, sets out the role of the Board and specific responsibilities and duties to be discharged by the Board and Trustees collectively, as well as certain roles and responsibilities incumbent upon Trustees. As such, the GEMS Board Charter is aligned to the provisions of the Medical Schemes Act, 1998 (the Act), as amended; the Regulations promulgated under the Act, the registered Rules of GEMS and the King IV Report on Corporate Governance in Southern Africa. The full Board Charter and King IV Application Register is available from [www.gems.gov.za](http://www.gems.gov.za).

The Board of Trustees has a process in place to perform reviews of the effectiveness, the role of the Board and its Chairperson, as well as the effectiveness of the respective Board Committees. This takes place every second year, however, the most recent review commenced in 2020 and was completed in 2021. The overall conclusion of the most recent review was that the Board and Standing Committees were functioning effectively.

The Board is responsible for providing strategic guidance and oversight to the Scheme. Performance and outcomes monitoring by the Board in respect of strategic objectives:

**Members elect six trustees directly from their ranks**

**Minister for Public Service and Administration appoints six trustees**

**Standing committee structure for compliance to regulatory requirements and aligned to strategy and operating model to oversee performance, monitor outcomes and risk reporting according to escalation protocol:**  
 Quarterly reporting to the Board

**The Medical Schemes Act and GEMS Rules stipulate the powers and duties of the Board**

The Board appoints the Principal Officer of GEMS and the Scheme Executive and delegates authority under a set policy

The Board sets the GEMS strategic direction, strategic objectives, performance metrics and annual targets (page 44)

The Board monitors all strategic risks exceeding risk tolerance (page 50)

The Board appoints standing committees to support business and performance monitoring using formal written terms of reference

The Board sets policies and frameworks to govern the management of finances, risk, assurance, ethics, compliance, supply chain management, stakeholder management, remuneration, performance management, ICT and data management, clinical governance and member affairs and communication (e.g. complaints management)

**The GEMS Board of Trustees is accountable and responsible for the performance and affairs of GEMS**

**The GEMS Board Charter stipulates performance requirements for the Board of Trustees collectively and individual Trustees**

**AUDIT COMMITTEE**  
 28  
**Risk reporting and escalation:** According to combined assurance model

**CLINICAL GOVERNANCE AND ADMINISTRATION COMMITTEE**  
 1 2 3 4 11 20  
 25 2 3 4 5 6

**FINANCE AND INVESTMENT COMMITTEE**  
 5 6 7 8 21  
 24 26 1 4

**HUMAN RESOURCES AND REMUNERATION COMMITTEE**  
 9

**RISK SOCIAL AND ETHICS COMMITTEE**  
 27 29 7  
**Risk reporting and escalation:** According to combined assurance model

**OVERSIGHT COMMITTEE FOR SPECIAL PROGRAMMES AND PROJECTS**  
 10 6

The GEMS Standing Committee Responsibility Matrix specifies how committee responsibilities complement each other

The Board's performance is measured by means of an independent board effectiveness assessment. The most recent review 2020/21 concluded that the Board and its committees are functioning effectively. The Board encourages high performance of GEMS employees through target setting and appropriate performance management policies, page 144

○ KPI    ○ Risk

An annual strategic plan gives effect to the Board's responsibility to govern the affairs of the Scheme by directing the activities of the Principal Officer, management and employees, providing an effective oversight through which performance can be monitored and ensure that the business of the Scheme operates efficiently and effectively. The Scheme's Five-year Strategic Plan for 2022 to 2026 was approved by the Board. The Board monitored the implementation of the approved Strategic Plan by means of quarterly reports from Scheme Management on performance against defined key performance areas. Throughout 2022, the Board was kept apprised of the status of the business by means of standardised presentations covering key business indicators, including membership growth, financial performance, and stakeholder engagement.

The performance targets in the five-year strategic plan are reviewed annually by the Board and are adjusted based on changing realities and interrelated plans such as the business plans approved for the Scheme by the Registrar of Medical Schemes from time to time.

The Board of Trustees is responsible to govern the management of risk and a formal risk management process is in place in accordance with the Scheme's approved Risk Management Policy. The approach to risk management and the governance of risk is discussed in detail in the Annual Integrated report.

The Board monitored the implementation of the approved strategic and operational risk mitigation measures as well as the Scheme's changing risk environment during 2022 by means of quarterly and ad hoc reports from Scheme Management. The Board is comfortable that the residual risks facing the Scheme were managed throughout 2022 and that risk assessments and mitigation measures, aimed at safeguarding Scheme and member interests, were effective.

The Board's approach to the governance of ethics (p 21), compliance (p 23) and information technology and data (p 19) shows that value created for members are protected.

King IV Report on Corporate Governance for South Africa, 2016:

The Board of Trustees formally adopted the King IV Report on Corporate Governance for South Africa, 2016 (King IV Report) with effect from 1 January 2018 by means of a Board Resolution. The Scheme uses the Governance and Compliance Instrument (GCI), an online tool developed by The Global Platform for Intellectual Property, as recommended by the Council for Medical Schemes, to assess whether the recommended King IV Report practices are followed.

The Scheme has satisfactorily applied the seventeen (17) principles of the King IV Report, however, there is room for improvement in respect of Principle 14 which relates to Remuneration Governance. The aspects of this principle that require improvement pertain to remuneration, termination and restraints of trade. Our explanation of the GEMS business practices is available on the GEMS website [www.gems.gov.za](http://www.gems.gov.za).

## Structures and Officers

The Board consists of 12 Trustees made up as follows:  
50%, i.e., 6 Trustees elected by the Members of the Scheme; and  
50%, i.e., 6 Trustees appointed by the Minister for the Public Service and Administration.

### Board of Trustees:

Our Trustees in **2022** were:

**Table 12:**

Name	Elected or Appointed	Qualifications	GEMS Board Committees in 2022 <sup>1</sup>	Other Significant Positions held during 2022
Mr Marthinus Brand (18 August 1947)	Elected, tenure commenced on 25 September 2019 and ends on 24 September 2025	BA Stellenbosch Univ. 1968, Hons BA: History, Stellenbosch Univ. 1980, B Ed, Stellenbosch Univ. 1986	Finance and Investment Human Resources and Remuneration Risk, Social and Ethics	Role during 2022: Retired
Dr S Millicent Hlatshwayo Board Chairperson (9 January 1964)	Appointed, tenure commenced 20 February 2018 and ends 19 February 2024	BSc (Medunsa); MBChB (Medunsa)  Travel Medicine 2021 (Wits)	Clinical Governance and Administration Human Resources and Remuneration	Casualty Doctor: Arwyp Private and OR Tambo Travel Clinic Consultant: GPAA Advisory panel member: Gauteng Pharmaceutical company Director: Meneli Medicals
Mr Rakgama Andries Billy Manoko (6 June 1966)	Appointed, tenure commenced 20 February 2018 and ends 19 February 2024	B.Proc (1989) (Univ of the North; LLB (Univ of the North)	Audit Clinical Governance and Administration Oversight on Special Projects and Programmes	Founder and Managing Director: Manoko & Associates Inc. Attorney
Dr Esthras Tlou Confidence Moloko (16 May 1959)	Appointed 28 October 2016 tenure ended 27 October 2022	M.B.Ch.B., (MEDUNSA) B.Sc. (Med), Medical University of Southern Africa (MEDUNSA)	Clinical Governance and Administration Finance and Investment Oversight on Special Projects and Programmes	Chairperson: Health and Welfare Sector Education and Training Authority (HWSETA)

<sup>8</sup> The Board periodically revises the membership of the standing committees

Name	Elected or Appointed	Qualifications	GEMS Board Committees in 2022 <sup>1</sup>	Other Significant Positions held during 2022
Ms Nkobane Constance Ntshane (17 May 1974)	Elected, tenure commenced on 25 September 2019 and ends on 24 September 2025	BA Hon.: Social Work – UNISA – 2001, Certificates: Gender Excellence – UP, Employee Assistance Programme (EAP) – UP, Employee Wellness Programme – UP	Finance and Investment Oversight on Special Projects and Programmes	DoH Mpumalanga – Wellness Manager
Mr E Mparise-ni Erasmus Phophi (6 October 1952)	Appointed, tenure commenced 26 Sept 2017 and ends 25 Sept 2023	BA (Human Resource Management); International Labour Organization (ILO) Course on Labour Relations and performance management in the Public Service; International Labour Organization (ILO) Course on Advanced Negotiations Skills.	Clinical Governance and Administration Human Resources Risk, Social and Ethics Oversight on Special Projects and Programmes	N/A
Dr Izak Jacobus van Zyl (31 January 1951)	Elected, tenure commenced 30 July 2020, and ended on 28 July 2021. Re-elected from 29 July 2021 to 28 July 2026	B Mil, Hons B Com (Personnel Management), MBA, PhD (Industrial Economics), Industrial Relations Development Programme	Finance and Investment Human Resources and Remuneration Risk, Social and Ethics Oversight on Special Projects and Programmes	Role during 2022: Retired
Mr Nkosinathi L Theledi (30 June 1963)	Appointed 09 September 2013, tenure ended 08 September 2019. Appointed for a final term of 3 years from 3 December 2020, tenure ended 2 December 2022	B Tech (TUT); ND. Human Resource (UJ); Public Mgt. & Dev. (Wits Graduate School of Public and Management); MTech (TUT)	Clinical Governance and Administration Human Resources and Remuneration Oversight on Special Projects and Programmes	Secretary General: POPCRU



Name	Elected or Appointed	Qualifications	GEMS Board Committees in 2022 <sup>1</sup>	Other Significant Positions held during 2022
Dr Nomzamo Tutu (12 December 1965)	Appointed, 30 July 2020, tenure ends 29 July 2026	MBChB; BSc; Post Graduate Diploma in Occupational Health; Post Graduate Diploma in HIV/AIDS Management in the World of Work.	Audit Finance and Investment	Member of the Board of Engineering Council of South Africa (ECSA 2012-2020) Chairperson of the Transformation Committee-Engineering Council of South Africa (ECSA)( 2012-2016) Chairperson of Finance and Staff Committee (HR Committee)-Engineering Council of South Africa (ECSA) (2016-2020) Member of the KwaZulu Natal Provincial Planning Commission (KZNPPC) (2020-2026) Directorships in various private companies
Dr Johan Frederik Smit (22 July 1951)	Elected, tenure commenced 30 July 2021, and ends 28 July 2027	BCHD (Dentistry) UP, DTVG (Dental Public Health) UP and DGA (Public Health Administration) UP.	Clinical Governance and Administration Risk, Social and Ethics	Role during 2022: Retired
Mr Pierre de Villiers (25 June 1960)	Elected, tenure commenced 30 August 2021, and ends 29 August 2027	NND (Engineering Studies) from Ekurhuleni West TVET College, Teachers Diploma from the University of Pretoria and a B.Ed. and M.Ed.	Finance and Investment Risk, Social and Ethics Oversight on Special Projects and Programmes	Role during 2022: Retired Overseer Board - Ekurhuleni West TVET College
Ms Lebohlang Precious Khumalo (25 March 1980)	Elected, tenure commenced 30 August 2021, and ends 24 September 2025	Diploma in Clinical Nursing Science and a Diploma In General Nursing. An Advanced Certificate in Project Management from the University of Kwa-Zulu Natal and Advance Certificate in Healthcare Management from the Foundation for Professional Development.	Clinical Governance and Administration Human Resources and Remuneration	Role during 2021: Nursing Professional

Note: Trustees' qualifications are verified by means of the Scheme's annual vetting procedure

## Board Meetings in 2022

The GEMS Board of Trustees (BOT) held 48 meetings during 2022 (20: 2021); one (1) Strategic Planning Meeting (2: 2021); one (1) Annual General Meeting (AGM) (1: 2021), and one (1) workshop (1: 2021). All meetings were held hybrid and most attendees attended in person:

1. 24 January 2022 (Urgent Meeting);
2. 27 January 2022 (Special Meeting);
3. 28 January 2022 (Special Meeting);
4. 24 February 2022 (Quarterly Meeting);
5. 28 February 2022 (Quarterly Meeting Continuation);
6. 23 March 2022 (Special Meeting)
7. 24 March 2022 (Special Meeting)
8. 25 April 2022 (Quarterly Meeting);
9. 18 May 2022 (Special Meeting);
10. 21 May 2022 (Special Meeting – Multivitamin Matter);
11. 20 June 2022 (Special Meeting – Multivitamin Matter);
12. 30 June 2022 (Interim Meeting - AGM Matters);
13. 28 July 2022 (Quarterly Meeting - AGM Prep. Meeting);
14. 30 August 2022 (Special Meeting);
15. 22 September 2022 (Interim BOT Meeting to consider Benefit Design Recommendations);
16. 20 - 23 September 2022 (BOT and ICM Strategic Planning Meeting);
17. 27 October 2022 (Quarterly BOT Meeting);
18. 30 November 2022 and 06 December 2022 (Special Meetings with PO);
19. 1 December 2022 (Interim BOT Meeting focused on key approvals required for 2023);
20. 29 July 2022 (Hybrid AGM); and
21. 19 September 2022 (Annual Risk Identification and Assessment Workshop).

The Board of Trustees, established Task Teams to deal with difference matters like COO and CAE Appointment; Mediation, Hybrid / New Way of Work Model; Interviews for COO and CAE Positions and other Business-Related Matters:

1. 17-18 March 2022 (COO Interviews);
2. 13 April 2022 (PO Performance Review);
3. 15 June 2022 (1-on-1 Meetings with Newly Appointed Trustees);
4. 4 July 2022 (Mediation Task Team);
5. 7 July 2022 (Mediation Task Team);
6. 11 July 2022 (Mediation Task Team);
7. 14 July 2022 (Hybrid Task Team);
8. 31 August 2022 (CAE Interviews);
9. 11 November (RBO Task Team);
10. 5 December 2022 (RBO Task Team); and
11. 2 December 2022 (Meeting with ICMS).

The Board of Trustees also held two (2) Presentations to the Portfolio Committee and

Parliamentary Study Group; four (4) briefings with either the Minister for the Public Service and Administration (MPSA) and Minister for the Department of Health (4: 2021); one (1) PSCBC Summit; the Annual BHF Conference as follows:

1. 18 January 2022 (Presentation to Portfolio Committee and NHI Presentation);
2. 28 March 2022 (Introductory Meeting with MDOH);
3. 28 - 31 March 2022 (PSCBC Summit)
4. 16 May 2022 (MPSA meeting);
5. 18 - 21 May 2022 (21st BHF Conference);
6. 23 – 24 May and 29 June 2022 (SPN Site Visits);
7. 24 May 2022 (Parliamentary Study Group);
8. 16 September 2022 (PSCBC Working Committee);
9. 22 September 2022 (Meeting Dr Acquina Thulare and Mr Moremi Nkosi);
10. 13 October 2022 (Meeting with DPSA Minister); and
11. 24 October 2022 (Meeting with DPSA Deputy Minister).

Emanating from the Tokiso Report and the outcomes therefrom, the Scheme embarked on Relationship by Objective (RBO) meetings scheme-wide including at Board of Trustees level. The Board held the following RBO meetings on their own including joint sessions with EXCO and separate meetings with the PO:

1. 23 – 24 September 2022 (RBO Meeting);
2. 30 September 2022 (RBO Meeting);
3. 18-20 October 2022 (RBO Meeting with EXCO);
4. 14-16 November 2022 (RBO Meeting with EXCO); and
5. 30 November 2022 and 6 December 2022 (Meeting with the PO).

## Standing Committee Structure and Responsibilities

The Board of Trustees (BOT) has established its own governance practices and Standing Committee Structure that comply with the applicable governance and regulatory requirements. These Committees fulfil key roles in ensuring good corporate governance.

The Standing Committee Structure is based on:

- Statutory requirements.
- The King IV Report on Corporate Governance.
- The GEMS Strategic Plan Accountability and Strategic Oversight Framework.
- The GEMS operating model.
- Cost effectiveness and value for money considerations.

The Committees are mandated by the Board of Trustees by means of written Terms of Reference (TOR) as to their membership, authority, and duties. A Standing Committee Responsibility Matrix (RACI matrix) is used to clarify and demarcate the Standing Committees' responsibility areas.

The Standing Committees meet at least quarterly and as indicated in the year planner approved for each year. Committee meetings are attended by Scheme Management in keeping with the Board's requirements.

**The Committees in operation in 2022 were:**

## Audit Committee (AC)

The Audit Committee (AC) is mandated by the Board of Trustees by means of a written Audit Committee Charter as to its membership, authority, and duties. The Committee's Charter was reviewed and approved by the Board of Trustees in December 2022 for 2023.

The primary responsibilities of the Audit Committee include assisting the Board of Trustees in its evaluation of the adequacy and efficiency of the internal control systems, accounting practices, financial reporting processes, financial and other reporting risks, information systems, oversight of assurance provided over external reports other than financial statements; and oversight of combined assurance processes applied by the Scheme and its service providers' network. With regard to the external auditors, the Audit Committee considers and recommends the appointment of the external auditors and monitors and reports on their independence. The Committee is also responsible for the appointment, performance assessment and / or dismissal of the Chief Audit Executive, approval of the internal audit plan as well as the annual review and approval of the Internal Audit Charter.

Committee composition, including members' qualifications and experience

The Committee consisted of five members of which two were members of the Board of Trustees. Most of the members, including the Chairperson, are not Trustees, Officers of the Scheme or of any of its service providers. For the year ended 31 December 2022, the committee members were:

**Table 13**

Name	Designation	Qualifications	Recent work experience
Mr Motshoanedi Johannes Lesejane (29 February 1956)	Independent Member -Chairperson, appointed with effect from 1 January 2018	Chartered Director South Africa (CD SA) CA (SA), Fellow Chartered Management Accountant (Global Management Accountant), B.Com Hons Accounting Science, B.Com Accountancy.	Role in 2022: Independent Non- Executive Director, Consultant, Lecturer at Wits Business School (WBS)
MsCarolynn Chalmers (12 September 1968)	Independent Committee Member, appointed with effect from 01 April 2019 – resigned 30 November 2022	Postgrad Dip: Marketing, Management; Bachelor Sc. Honors; Comp Sc. Masters; Bachelor Comp Sc.	Role during 2022: Consultant
Ms Malande Sibongile Tonjeni (15 August 1978)	Independent Committee Member appointed for a final term with effect from 1 April 2019 up to 31 March 2022	CA (SA), BCom Acct, BCom Hons Acct, Post graduate diplomas in Mining Engineering, Mining Tax, Banking Law, INSEAD Programme.	Role during 2022: Independent non-executive director and trustee; and Consultant

Name	Designation	Qualifications	Recent work experience
Ms Aziza Galiel (10 August 1969)	Independent Committee Member appointed for 1st term with effect from 1 April 2022 up to 31 March 2025	CA (SA), BComm – Degree of Bachelor of Commerce PGDA - Postgraduate diploma: Accounting	Role during 2022: Independent Non- Executive Director (NED) and Entrepreneur
Mr Rakgama Andries Manoko (6 June 1966)	Trustee, appointed term commenced on 06 March 2018, appointed as AC member from 28 June 2018	Gradum Baccalaurei Procurations, Gradum Baccalaurei Legum, Admitted Attorney, Corporate Governance, Commercial Law	Role during 2022: Founder and MD: Manoko & Associates Inc.
Dr Nomzamo Tutu (12 December 1965)	Trustee, appointed term commenced on 30 July 2020, appointed as AC member from 30 July 2020	MBChB; BSc; Post Graduate Diploma in Occupational Health; Post Graduate Diploma in HIV/AIDS Management in the World of Work.	Role during 2022: Chairperson: Transformation Committee of the Engineering Council of South Africa Strategic Advisor to Busane Development Trust

The Audit Committee (AC) carried out its responsibilities in terms of the Board approved Audit Committee Charter. The external auditors and internal auditors reported formally to the Committee on critical findings arising from audit activities.

The Committee met on 9 occasions during 2022 (9: 2021). All meetings were held hybrid and most attendees attended in person:

1. 3 February 2022 (Quarterly Meeting);
2. 22 February 2022 (In-Committee Continuation Meeting)
3. 10 March 2022 (Special Meeting);
4. 12 April 2022 (Quarterly Meeting);
5. 21 April 2022 (Continuation of 12 April 2022 In-Committee Meeting);
6. 20 June 2022 (ICT Meeting – Joint with FIC);
7. 14 July 2022 (Quarterly Meeting);
8. 21 July 2022 (Continuation of 15 July 2021 In-Committee Meeting); and
9. 24 October 2022 (Quarterly Meeting);

The Principal Officer, the Chief Financial Officer of the Scheme, the Chief Audit Executive, the Scheme’s internal auditors and the external auditors attended Committee meetings upon invitation and had unrestricted access to the Chairperson of the Audit Committee.

## **Benefit Design Committee (BDC) – Committee additional to the Standing Committees**

Recommendations pertaining to the GEMS Benefits and Contributions for 2023 were developed by the GEMS Benefit Design Committee for the Board’s consideration.

The Committee met on 2 occasions in 2022 (2: 2021). All meetings were held hybrid and most attendees attended in person:

- 17 August 2022; and
- 14 September 2022.

For the year ended 31 December 2022, attendance of Benefit Design Committee meetings was open to all Trustees and most Trustees attended these meetings in 2022.

## Clinical Governance and Administration Committee (CGAC)

The primary responsibility of the Committee is to assist the Board of Trustees in ensuring the efficient operations of the Scheme by providing oversight, assessment, and review of all administration aspects of the business of the Scheme. To this end, the Committee assists the Board of Trustees in ensuring that seamless interaction takes place between the various service providers to meet the operational objectives of the Scheme. The Committee also assists the Board in ensuring growth in scheme membership and excellent member affairs by overseeing communication and marketing activities, Stakeholder Relations and the Complaints Management Function as well as to:

- Assess, decide, and report on the approval of ex gratia applications and payments to members of the Scheme. The Committee is mandated to approve ex gratia payments more than R50 000.00 and where the condition and the withholding of therapy is life threatening, the treatment will result in the improved quality of life of the applicant, the treatment is clinically appropriate and based on internationally accepted evidence-based treatment guidelines and protocols or the applicant has proven a financial inability to afford the treatment by any other means.
- Assist the Board in ensuring the implementation of the Healthcare Management Strategic Objective namely: To improve the Scheme's clinical risk profile and contain claims experience; and
- Oversee the Scheme's product development and benefit design work.

The Committee met over 2 days, every quarter, for a total of 7 meetings in 2022 (7: 2021). All meetings were held hybrid and most attendees attended in person:

10. 15-16 February 2022 (Quarterly Meeting);
11. 24 May 2022 (Healthcare Innovation / Value Based Care Strategy Meeting)
12. 25-26 May 2022 (Quarterly Meeting);
13. 29 June 2022 (Continuation of 24 May 2022 Meeting)
14. 16 August 2022 (Special Joint Meeting with FIC focused on Strategic Planning and Scheme's 2023 benefit design);
15. 23-24 August 2022 (Quarterly Meeting); and
16. 9-10 November 2022 (Quarterly Meeting); and

For the year ended 31 December 2022, the committee members were:

- Dr MS Hlatshwayo (Trustee, appointed - Chairperson, tenure commenced 06 March 2018)
- Ms LP Khumalo (Trustee, elected, tenure commenced 30 August 2021);
- Mr RA Manoko (Trustee, appointed, tenure commenced 06 March 2018);
- Dr ETC Moloko (Trustee, appointed - Chairperson, tenure commenced on 28 October 2016);

- Mr ME Phophi (Trustee, appointed, tenure commenced 19 September 2016);
- Dr JF Smit (Trustee, elected, tenure commenced 29 July 2021); and
- Mr NL Theledi (Trustee, appointed, tenure ended on 26 September 2019)

## Finance and Investment Committee (FIC)

The Finance and Investment Committee was set up by the Board in December 2013 and commenced its work in March 2014. The primary responsibility of the Committee is to assist the Board in fulfilling its oversight responsibilities of the Scheme's investment activities and consider issues arising from investment decisions and activities. Monitoring the Scheme's organisational and financial performance are key responsibilities of the Committee. Oversight by this Committee is necessitated by the Scheme's business model which requires ongoing review of the contracting of service providers to render scheme services. As such, the Committee monitors the Scheme's cash flow position, investment performance and compliance to the regulatory framework applicable to medical scheme investments. The Committee oversees the Scheme's Information Communication and Technology function and is also responsible to oversee the performance of the Scheme's contracted asset consultants and managers.

The Committee met on 9 occasions in 2022 (7:2021). All meetings were held hybrid and most attendees attended in person:

17. 20 January 2022 (Combined FIC and RSEC Meeting and Training)
18. 17 February 2022 (Quarterly Meeting);
19. 16 May 2022 (Quarterly Meeting);
20. 21 May 2022 (Special Meeting)
21. 20 June 2022 (ICT Meeting – Joint with AC)
22. 16 August 2022 (Special Joint Meeting with CGAC focused on Strategic Planning and Scheme's 2023 benefit design);
23. 16 August 2022 (Special Meeting);
24. 15 September 2022 (Quarterly Meeting); and
25. 24 November 2022 (Quarterly Meeting).

For the year ended 31 December 2021, the committee members in 2022 were:

- Dr ETC Moloko (Trustee, appointed - Chairperson, tenure commenced on 28 October 2016);
- Mr M Brand (Trustee, elected, tenure commenced 23 September 2019);
- Mr P de Villiers (Trustee, elected, tenure commenced 30 August 2021);
- Ms C Ntshane (Trustee, elected, tenure commenced 23 September 2019);
- Dr N Tutu (Trustee, appointed tenure commenced on 30 July 2020);
- Dr IJ van Zyl (Trustee, elected, tenure commenced on 30 July 2014, ended 28 July 2021, and re-elected from 29 July 2021)
- Ms A Galiel (ICM Co-opted from the AC, tenure commenced 01 April 2022 and ended on 2 December 2022); and
- Ms M Tonjeni (ICM Co-opted from the AC, tenure commenced 01 April 2019 and ended on 31 March 2022).

## Human Resources and Remuneration Committee (HRRC)

The primary responsibility of the Committee is to ensure sound people management of Scheme employees by providing oversight, assessment, and review of the maintenance of relevant Human Resources and Remuneration policies of the Scheme. In addition, the Committee's responsibilities include advising the Board on the annual cost of living adjustment for Scheme employees; the criteria to be used in benchmark exercises pertaining to annual remuneration surveys, the remuneration rates applicable to employees, trustees and independent committee members; the implementation of remuneration survey results; the implementation of performance reward measures for employees and overseeing the disclosure of the remuneration of trustees, independent committee members and members of the GEMS Executive Committee in the Scheme's annual integrated report.

The Human Resources and Remuneration Committee met on 6 occasions in 2022 (6:2021). All meetings were held hybrid and most attendees attended in person:

26. 2 February 2022 (Quarterly Meeting);
27. 19 April 2022 (Quarterly Meeting);
28. 9 June 2022 (Quarterly Meeting)
29. 25 August 2022 (Special Meeting);
30. 17 October 2022 (Quarterly Meeting); and
31. 23 November 2022 (Special Meeting).

For the year ended 31 December 2022, the committee members were:

- Mr NL Theledi (Trustee, appointed - Chairperson, tenure ended on 26 September 2019)
- Mr M Brand (Trustee, elected, tenure commenced 23 September 2019);
- Dr SM Hlatshwayo (Trustee, appointed, tenure commenced 06 March 2018);
- Ms LP Khumalo (Trustee, elected, tenure commenced 30 August 2021);
- Mr ME Phophi (Trustee, appointed, tenure commenced 19 September 2016); and
- Dr IJ van Zyl (Trustee, official term ended on 30 July 2020 but given Covid-19 and Lockdown, Trustee term was extended until 29 July 2021. Trustee, re-elected term commenced on 29 July 2021).

## Oversight Committee on Special Projects and Programmes

The Board of Trustees, on the recommendation of the Risk Social and Ethics Committee established the Ad-Hoc Oversight Committee on Special Projects and Programmes. The Committee held its Inaugural Meeting and commenced its duties from 10 August 2021 and was later changed to Oversight Committee on Special Projects and Programmes.

The primary role of the Committee is to support the Board of Trustees of the Government Employees Medical Scheme (GEMS) in ensuring effective oversight of GEMS projects, programmes and other such change activities (Initiatives), as defined in the scope of this Terms of Reference (ToR), and reporting to the Board on the initiatives.

- Governance, risk and compliance management.
- Assurance.
- Application of Board directives and defined parameters.
- Strategic analysis, alignment and prioritisation;
- Planning and lifecycle management.



- Considerations of GEMS' clinical, operational, financial, ICT, human resource, legal, compliance and change management requirements.
- Liaison with Interim NHI Advisory Structures; and
- Insourcing of Capabilities.

The Committee is responsible to ensure effective communication with and between associated Board Committees on matters relating to this Committee's responsibilities.

The Committee met for a total of 7 meetings in 2022 (2: 2021). All meetings were held hybrid and most attendees attended in person:

32. 26 January 2022 (Quarterly Meeting);
33. 18 February 2022 (continuation meeting)
34. 7 April 2022 (Quarterly Meeting);
35. 12 July 2022 (Quarterly Meeting);
36. 19 August 2022 (Special Meeting);
37. 24 August 2022 (Quarterly Meeting); and
38. 12 October 2022 (Quarterly Meeting).

For the year ended 31 December 2022, the committee members were:

- Ms Constance Ntshane (Trustee, elected - Chairperson, tenure commenced 23 September 2019);
- Mr P de Villiers (Trustee, elected, tenure commenced 30 August 2021);
- Mr RA Manoko (Trustee, appointed, tenure commenced 06 March 2018);
- Dr ETC Moloko (Trustee, appointed, tenure commenced on 28 October 2016);
- Mr NL Theledi (Trustee, appointed, tenure ended on 26 September 2019);
- Mr ME Phophi (Trustee, appointed, tenure commenced 19 September 2016); and
- MsCarolynn Chalmers (AC ICM, tenure commenced 01 April 2019).

## Risk Social and Ethics Committee (RSEC)

The Committee has been mandated by the Board of Trustees to ensure sound corporate governance by providing oversight, assessment and review of the risk management, ethics management and compliance management aspects of the Scheme. The Committee's responsibilities include ensuring compliance with the Medical Schemes Act and its Regulations; patent and trademark legislation; and any other legislative framework relevant to the business of the Scheme.

The Committee met on 5 occasions in 2022 (6: 2021). All meetings were held hybrid and most attendees attended in person:

39. 20 January 2022 (Combined FIC and RSEC Meeting)
40. 10 February 2022 (Quarterly Meeting);
41. 10 May 2022 (Quarterly Meeting);
42. 18 August 2022 (Quarterly Meeting); and
43. 17 November 2022 (Quarterly Meeting).

For the year ended 31 December 2022, the committee members were:

- Mr ME Phophi (Trustee, appointed - Chairperson tenure commenced 19 September 2016)
- Mr M Brand (Trustee, elected, tenure commenced 23 September 2019)
- Mr P de Villiers (Trustee, elected, tenure commenced 30 August 2021)
- Dr ETC Moloko (Trustee, appointed, tenure commenced on 28 October 2016)
- Dr JF Smit (Trustee, elected, tenure commenced 29 July 2021)
- Dr IJ van Zyl (Trustee, official term ended on 30 July 2020 but given Covid-19 and Lockdown, Trustee term was extended until 29 July 2021. Trustee, re-elected term commenced on 29 July 2021); and
- MsCarolynn Chalmers (ICM Co-opted from the AC, tenure commenced 01 April 2019)

Table 14: Trustee and Principal Officer meeting attendance in 2022:  
A – Meetings attended, B – Meetings that could be attended

	AGM	BOT	AC	BDC	CGAC	FIC	HRRC	OCSPP	RSEC	TRAINING	STKH	Task Teams &RBO	W/S
TRUSTEE	AGM	A B	A B	A B	A B	A B	A B	A B	A B			A B	
Brand, M	1	21 21		2 2		6 6			5 5	7	4	11 10	1
De Villiers P	1	21 20		2 2		9 9		7 6	5 5	9	3	11 11	1
Hlatshwayo, SM	1	21 21		2 2	7 7	1 1	6 6	1 1	1 1	10	8	16 16	1
Khumalo LP	1	21 21		2 2	7 7		6 6			4	5	15 15	1
Manoko, RA	1	21 21	9 8	2 2	7 7			7 7		6	8	15 15	1
Moloko, ETC	1	21 20		2 2		8 8		7 7		2	8	8 8	1
Ntshane, NC	1	21 21		2 2		9 9		7 7	5 4	6	5	11 11	1
Phophi, ME	1	21 21		2 2		6 6			5 5	5	11	16 16	1
Smit, JF	1	21 21		2 2	7 7				5 5	5	5	11 11	1
Theledi, N	1	21 21		2 2	7 7		6 6	7 7		2	8	10 10	1
Tutu, N	1	21 21	9 9	2 2		9 9	3 3			10	5	11 11	1
Van Zyl, IJ	1	21 19		2 2		9 7	6 6		5 4	2	3	12 12	1
Molobabi, (PO)	1	21 21	9 9	2 2	7 5	9 8	6 6	7 6	5 4	2	5	8 8	1

Table 15: GEMS INDEPENDENT COMMITTEE MEMBERS' ATTENDANCE OF BOARD AND COMMITTEE MEETINGS

A – Meetings attended  
B – Meetings that could be attended

	AGM	BOT	AC	BDC	CGAC	FIC	HRRC	OCSPP	RSEC	TRAINING	STKH	Task Teams &RBO	W/S
Lesejane, MJ	1	10 10	9 9							4	2	8 1	
Chalmers, C			9 9					7 7	5 4	1		1 1	1
Tonjeni, MS			9 2			1 1							1
A Gallel			9 6			8 7				4		1 1	1

## Governance of Information and Technology

**King IV Principle 12: The governing body should govern technology and information in a way that supports the organization setting and achieving its strategic objectives. (NOTE: A hyperlink to the King IV Application Register on the GEMS website will be inserted)**

The GEMS Information and Communication and Technology Division reports to the Finance and Investment Committee and the Board of Trustees. The division is headed by the Chief Information Officer and the structure of the division is based on 5 key areas of Applications, Infrastructure & Operations, Data Analytics & BI, Business Continuity and Security Management. Other areas of focus within the ICT division are Administration, Strategy & Governance and Service Planning & Enterprise Architecture.

Strategic plan alignment: The division's work supports the achievement of Strategic **Objective #4: Be an agile data-driven scheme that leverages research, information, technology and platforms.**

The division achieved and exceeded important performance indicators under the key result area of **"DATA MANAGEMENT, ANALYTICS, BI, AND DIGITAL FIRST"** in 2022.

Key strategic projects within the Scheme such as Intelligems and Insourcing of Capabilities are driven through the division with the support of PMO and other divisions within the Scheme. The division provides the Scheme with an intranet platform called Gemzito, where users are able to access the different documents of their divisions and the Scheme, managed through the necessary restrictions and workflow based on the users' role within the Scheme; utility tools such as email, office suite of solutions; the Enterprise-Wide Resource System for managing the Scheme's finances; a Customer Relationship Management solution to enable services that the Client Liaison Officers provide to members; the GEMS Website and Member App and Portal to facilitate member's access to real time information about their benefits and information they may need to access the Scheme services.

The adequacy and effectiveness of technology and information management are monitored through risk management control effectiveness reviews by management supported by the GEMS risk management function. Periodic independent reviews are performed by GEMS's internal audit and external assurance providers. The successful achievement of the third phase of the strategic plan themed, 'innovate for member value proposition' and the strategic objective of becoming the blueprint for NHI, is premised on advanced ICT systems for enhanced member experience and decision making, data-driven healthcare management operational improvement and risk management.

Significant policy review work was concluded by ICT in 2022 which mostly included the development of new policies and updates to policies that already existed. The policies that were reviewed and developed are detailed below.

**Table 16:**

Policy	Purpose of policy
Data and Information Classification Policy	To ensure that Data and information is identified, classified, labelled, and properly handled and protected in accordance with its importance and potential impact to the Scheme
Data and Information Retention Policy	The purpose of this Policy is to ensure that Data and Information of the Scheme is adequately retained and maintained based on legal and business requirements. It is further to establish minimum standards for data retention that will be used across GEMS and the SPN with regards to identification, creation, maintenance, archiving and disposal of data and information records.
Electronic and Digital Signature Policy (new)	To provide Policy measures and guidelines on the use of electronic & digital signatures in GEMS.

**Table 17:**

2022 key focus areas	Future focus areas
<ul style="list-style-type: none"> <li>• Implementation of digital strategy initiatives.</li> <li>• Development of business intelligence data management and digital first initiatives.</li> <li>• Further enhancement of provider and member digital services.</li> <li>• Complete analysis and development of the core information management programme.</li> <li>• Development and Implementation of Cyber Security Strategy</li> <li>• Development and implementation of information security management capability.</li> <li>• Adoption of fourth industrial revolution technologies such as cloud solutions, digitising on the inside and outside and positioning for NHL.</li> <li>• Completion and Implementation of the ICT Governance Framework and Structures</li> <li>• Implementation of Multi-cloud (Azure, AWS, Google Analytics7 iCloud) ; Office 365</li> <li>• Access to fast mobile broadband network</li> <li>• Significant policy reviews finalized.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop Core Information Management capability.</li> <li>• Building a data driven backbone which enables one data platform comprising of an enterprise big data (lake) powering the Enterprise Data Architecture and Modern Data Architecture.</li> <li>• Deployment of fourth industrial revolution (4IR) and fifth industrial revolution (5IR) technologies through digitisation and automation</li> <li>• Adopt agile infrastructure architectures; including cloud and next generation networks (5G) and cloud strategy.</li> <li>• Optimisation of Cybersecurity and security systems</li> <li>• Innovation, DevOps, ICT Governance and ICT Research and Development</li> </ul>

# Report from the Risk Social and Ethics Committee on protecting and preserving value through ethical leadership and governance of compliance

## Governance of ethics

**Principle 1: The governing body should lead ethically and effectively.**  
**Principle 2: The governing body should govern the ethics of an organisation in a way that supports the establishment of an ethical culture.**

The Board exercises ethical leadership and assumes responsibility for the governance of ethics by **setting the direction** for how ethics should be approached and addressed by the Scheme in all its dealings.

The Risk Social and Ethics Committee is mandated by the Board to play an oversight role in the implementation of the Ethics Management Strategy, which is translated into the Ethics Management Plan. The approval of these documents is also done by the Risk Social and Ethics Committee annually. The progress made against the deliverables on the Ethics Management Plan is reported to and monitored by the Risk Social and Ethics Committee on a quarterly basis.

The ethics culture risk index is tracked by the Risk Management and Compliance Division and reported to the management committees, Risk Social and Ethics Committee and the Board. The committees also make recommendations that are implemented at an operational level within the Scheme.

**The Board monitors the tone at the top, the ethics culture of the Scheme and considers reports on ethics transgressions and how the Scheme responds to these. The Board does this by:**

What:	How:
Setting requirements for itself, GEMS employees, contracted providers, members and healthcare providers in their dealings with GEMS: <ul style="list-style-type: none"> <li>• Fit-and-proper requirements</li> <li>• Skills and qualifications</li> <li>• Conflict of interest</li> <li>• Zero tolerance to corruption and fraud</li> <li>• Preventing corruption, fraud, waste and abuse</li> <li>• Protecting human rights</li> </ul>	1. The Rules of GEMS (registered in terms of the Medical Schemes Act) 2. Terms of reference for Risk Social and Ethics Committee 3. The GEMS Code of Ethics and Business Conduct 4. The GEMS Supply Chain Management Code of Conduct 5. Code of Conduct for Trustees and Independent Committee Members 6. GEMS ethics policies that include conflict of interest, vetting, supply chain management, fraud waste and abuse, whistleblowing and stakeholder engagement 7. Ethics Management Strategy and Plan
Monitoring ethics culture risk as a strategic risk	Quarterly risk monitoring report
Reviewing the effectiveness of controls	The Audit Committee oversees the effectiveness of the Scheme's ethics controls
Setting the ethics strategy and monitoring ethics programme implementation	The Risk Social and Ethics Committee monitors the completion of the annual ethics management plan
Raising awareness	Ethics awareness training for trustees, employees and contracted providers

The Board of Trustees reviews the Scheme's vision, mission and value statements annually to ensure that they reflect its commitment to building and sustaining an ethical organisation.

The responsibility to implement the annual ethics management plan is delegated to Scheme management

The Ethics Function (located in the Risk Management and Compliance division) supports the achievement of strategic objective #6: **Be a good corporate citizen, prevent or reduce negative impacts on the environment and function as an ethical, caring, innovative leader in the South African healthcare sector.**

In 2022, the Ethics Function exceeded KPI #26 Ethical risk residual level.

Scheme management discusses ethics and values and designs and implements policies and processes to achieve sound ethics management. Scheme management submits policies to the Board for approval and accounts to the Board on implementation of policies to achieve effective ethics management. Management pursues collaboration and shared accountability for the achievement of desired outcomes.

Scheme employees annually sign the Code of Ethics and Business Conduct and the Supply Chain Management Code of Conduct. The Risk Social and Ethics Committee monitors compliance with GEMS Code of Ethics and Business Conduct, other social, ethical and legal requirements, and best practice.

## Highlights in 2022

- Implementation of the ethics strategy and management plan that was developed in 2021 through collaboration and based on the outcome of an external ethics risk assessment conducted in 2020. The ethics strategy and plan are implementable until the end of 2024.
- Strengthened controls through the full implementation of lifestyle audits for chief officers. No red flags were identified by the external forensic investigation firm that conducted lifestyle audits on behalf of GEMS in 2022.
- Heightened employee ethics awareness levels through extensive training.
- Achievement of the required ethics culture risk level for 2022.
- Comprehensive review and restructuring of the Ethics Policy into the following policies:
  - Ethics Policy;
  - Conflict of Interest Policy;
  - Gift and Hospitality Policy and;
  - Other Work Outside GEMS Policy.
- Commencement of the automation of ethics documentation submission process for improved performance by the Ethics Function and adherence by employees.

## Key focus areas in 2023

- Further building a mature ethics culture by executing the 2023 Ethics Management Strategy and Plan.
- More initiatives relating and encouraging “setting the tone at the top” for GEMS management.
- Ethical Leadership training to ensure that a mature ethics culture is created.
- Implementation of the new policy on other work outside GEMS by employees.
- Conducting an internal ethics survey to gauge the effectiveness of the ethics management strategy.

## Compliance

### Structures and processes for compliance management and non-compliance matters

Compliance with regulatory requirements contributes to and forms part of business efforts to create an ethical and sustainable medical scheme and a scheme which behaves as a good corporate citizen. As such, the Scheme is committed to identifying regulatory requirements, continuously monitoring the effectiveness of compliance to regulatory requirements, and appropriately responding where change is required.

Effective management of compliance risk means meeting the GEMS compliance obligations and protecting GEMS from loss or damage, noting that it is not only an obligation but a source of rights and protection. It requires a holistic view on how applicable laws and non-binding rules, codes and standards relate to one another and their ability to affect GEMS's ability to create value over time.

The Risk, Social and Ethics Committee is delegated by the Board of Trustees to oversee the overall monitoring of compliance risks and progress against the approved compliance coverage plan. In managing the mitigation and monitoring of compliance risks, a Compliance Coverage Plan which details the compliance plan of action is submitted to the Risk Social and Ethics Committee in Q4 of each preceding year for approval and implementation in the following year. Compliance Reports are submitted to the Risk and Social Ethics Committee on a quarterly basis and to the management committees and forums of the Scheme, where progress against the plan is also indicated. Issues of compliance risks affecting the Scheme are also reported and discussed at the meetings. Compliance risks are captured and tracked in the divisional risk registers and the Scheme's progress against the Compliance Index is submitted as part of the Compliance Report to the Risk Social and Ethics Committee and the Audit Committee.

**Principle 13: The governing body should govern compliance with applicable laws and adopted non-binding rules, codes and standards in a way that supports the organisation being ethical and a good citizen.**



The GEMS Board Charter requires the Board to govern the Scheme's compliance by setting and steering the Scheme's compliance approach and management.

The GEMS compliance function reports to the Audit Committee on the system for monitoring compliance with applicable laws and regulation and the Risk Social and Ethics Committee on the outcomes of compliance risk management. More information on the composition of the Audit Committee and the Risk Social and Ethics Committee and a summary of the committees' responsibilities can be found from page 106 and 113 respectively in the Annual Integrated Report.

The Compliance Function (located in the Risk and Compliance Management division) supports the achievement of strategic objective #6: **Be a good corporate citizen, prevent or reduce negative impacts on the environment and function as an ethical, caring, innovative leader in the South African healthcare sector.**

The Scheme applies a compliance index to monitor performance with a target of 90% included in the strategic plan. Performance relating to the compliance index for 2022 was closed at 98% (target 90%) for 2022.

The adequacy and effectiveness of the Scheme's compliance management function is assessed periodically by the Scheme's internal audit function with the most recent review conducted in Quarter 4 of 2021. In 2022 the Compliance function attended to and cleared the audit findings of the 2021 Compliance Review by strengthening its governance documents in line with audit undertakings.

The compliance function forms part of the second line of defense in the Scheme's combined assurance framework:



The Compliance Function is located in the Risk Management and Compliance Division and is represented on the Scheme's Combined Assurance Forum convened by the Chief Audit Executive.

The Scheme has established a Risk, Compliance and Ethics Forum, comprising risk, compliance and ethics champions from all Scheme divisions and the Scheme's service provider network. The Forum monitors compliance with its compliance universe, including the Rules of GEMS and applicable legislation.

The GEMS compliance function aligns to the Generally Accepted Compliance Practice Framework (Compliance Institute South Africa). Our compliance governance documents are streamlined into a Compliance Framework and Compliance Coverage Plan supported by a Compliance Policy and a Compliance Monitoring and Reporting Standard Operating Procedure.

The process of compliance management encompasses:

- Identifying and prioritising all Acts and regulations at all levels applicable to the Scheme;
- Incorporating regulatory requirements into control measures such as standard operating procedures, processes, manuals and policies;
- Recommending corrective measures or steps to ensure compliance; and
- Monitoring compliance through the adequacy and effectiveness of control measures.

The risk of non-compliance is managed through:

- Annual review and update of the Scheme's regulatory universe;
- Compilation of compliance risk management plans for high-risk legislation; and
- Continuous monitoring of the regulatory environment.

**Table 18**

Highlights for 2022:	Focus areas 2023:
<ul style="list-style-type: none"> <li>• Embedding POPIA compliance and supporting the business.</li> <li>• 2022 Compliance Coverage Plan execution.</li> <li>• Achieving a GEMS Compliance Index rating of 98%</li> <li>• Publishing the GEMS King IV Report disclosure register on the Scheme's website .</li> <li>• Successful management of policy development and maintenance.</li> <li>• Providing guidance to the Scheme's service provider network to ensure the correct application of the Rules of GEMS.</li> <li>• Submitting the application for the registration of GEMS as a Financial Services Provider under the Financial Advisory and Intermediary Services Act - Initiating compliance by doing compliance groundwork and research.</li> </ul>	<ul style="list-style-type: none"> <li>• Embedding enhanced compliance processes in accordance with the 2023 GEMS Compliance Universe</li> <li>• Compliance Risk Management Plan for the Scheme Rules.</li> <li>• Continuous compliance awareness training.</li> <li>• Topical legislation training, including Board training.</li> <li>• Implementation and monitoring of the 2023 Compliance Coverage Plan</li> <li>• Adequately capacitating the Compliance Function to ensure that proper compliance and ethics support is provided to the business in terms of the GEMS strategy.</li> <li>• On approval of the Scheme's application as a Financial Services Provider (FSP), support the efforts of the Scheme in ensuring compliance with the requirements of being a registered FSP, including training.</li> </ul>

## **Regulatory Matters:**

GEMS did not attract regulatory penalties in 2022.

## **Disclosure on ongoing Regulatory Matters/ Section 43 Enquiries:**

### **Trustee Vetting information**

The CMS requested the Scheme to provide them with the vetting reports regarding certain scheme officers (Trustees). Based on a legal opinion from the Scheme attorneys, the Scheme declined to do so and lodged an appeal against the request from the CMS. The Scheme is still awaiting a response from CMS regarding this matter.

### **Section 43 Enquiry – Medscheme Managed Care Accreditation**

The Scheme consolidated its managed care offering and put same out to tender. Medscheme were awarded the tender based on the procurement policies and procedures of the Scheme and was appointed.

In 2022 the CMS launched a Section 43 Enquiry into the appointment of Medscheme, stating that they were not accredited to provide some of the services contracted for. The Scheme provided a response to the Section 43 Enquiry. In March 2023 the Scheme received a preliminary report regarding the Section 43 Enquiry, to which it responded. The Scheme is still awaiting the final report from the CMS.

### **Section 59 Investigation**

GEMS responded formally to the Section 59 Investigation Interim Report in April 2021 and will respond to the final report when issued.

### **CMS Inspection 2017/18**

GEMS responded formally to the final inspection report.

## REGULATORY NON – COMPLIANCE

To the best of the Scheme's knowledge, the compliance matters listed below cover all the non-compliance matters for the 2022 financial year.

### Late paying Employer groups

#### Nature

In terms of Rule 13.2 of GEMS' Scheme Rules and Section 26 (7) of the Medical Schemes Act members' contributions are due monthly in arrears and payable by no later than the third day of each month.

#### Cause

During the period under review, certain employer groups paid over contributions on behalf of their members after the third day of the month. Late payment may result in a loss of interest earned for the Scheme; however, this is not significant due to the short duration of the contributions being outstanding.

#### Corrective Action

Scheme management engaged with the employer groups concerned to ascertain the reasons for the late payment of contributions and to highlight the impact of this practice on members of the Scheme. The Council for Medical Scheme's is informed quarterly of any late payers. At year end there were two late paying employer groups. Subsequently these amounts have been received.

### Benefit Options

#### Nature

In terms of Section 33 (2) of the Medical Scheme's Act, medical scheme options shall be self-sufficient in terms of membership and financial performance.

#### Cause

The Scheme's Beryl, Emerald and Onyx options did not meet the self-sufficiency requirement in terms of Section 33(2) of the Medical Schemes Act. Loss making options adversely affect the financial performance of the Scheme and the reserve ratio.

The deficit on the Onyx option was mainly driven by the older demographic profile which resulted in higher healthcare costs related to chronic conditions.

The deficits on the Beryl and Emerald options were intentionally budgeted for to give back some of the reserves to members through lower contribution increase which was 2.02% for the 2022 financial year. This increase was below healthcare inflation of 7.6% and CMS recommended increase of 4.2%. During 2020 and 2021 financial years the Scheme experienced a reduction in utilisation of healthcare benefits which significantly increased the reserves. Although these options incurred operating deficits, they still performed better than anticipated.

## Corrective Action

The Scheme's current reserves can comfortably absorb these deficits in the short term to medium term. Long-term forecasts, scenario planning and sensitivity analysis are constantly applied to the Scheme solvency to manage the risk of the reserve ratio falling to below the statutory level. The Registrar was notified of the Scheme's performance throughout the 2022 financial year with the submission of quarterly performance reports and meetings with the Council for Medical Schemes.

## Prescribed minimum benefits applied incorrectly

### Nature

In order for a procedure to be considered for payment as a PMB and funded at cost as per the Regulations, the following criteria must be met:

- The diagnosis must be a PMB condition, as defined in the Regulations of the Medical Schemes Act.
- The diagnosis must thus be a condition which is included in one of the "Diagnostic and Treatment Pairs" (DTP's) or be on the list of 26 chronic diseases (with their associated ICD-10 codes), described in Annexure A of the Regulations or an emergency medical condition".

According to the GEMS PMB manual and PMB legislation in the event of involuntary use of a non-DSP no co-payment or deductible may be imposed.

### Cause

The PMB hospital emergency authorisation's processed from the period 01 July 2021 to 28 February 2022, eleven (11) instances were identified where a co-payment was applied incorrectly despite the cases being authorised and classified as hospital emergencies.

## Corrective Action

The error was subsequently corrected by management. The following mitigations plans were agreed with management:

1. Retrain on waiving of co-payment for emergency cases as per PMB manual and Network hospital SOP for cases where a network co-payment was applied.

2. Review the current templates used to respond with funding instruction to ensure it clearly indicates when co-payment is not waived because of available network facility within the member's residential area.
3. Review the exception report for gaps in identifying the emergency cases and correcting the gaps to ensure efficiency.

## **Scheme rules non - compliance**

### **PMB claim was processed while the beneficiary was on the waiting period.**

#### **Nature**

The beneficiary claim was settled while the beneficiary was on a General and PMB waiting period.

In terms of the GEMS Scheme Rules section 8.3, the Scheme may impose upon a person in respect of whom an application is made for membership of the Scheme or admission as a Dependand and who was not a beneficiary of a medical scheme for a period of at least ninety (90) days preceding the date of application:

1. a General Waiting Period of up to three (3) months;
2. a Condition-Specific Waiting Period of up to twelve (12) months, where applicable; and
3. may also exclude Prescribed Minimum Benefits during any such waiting periods

#### **Cause**

The system failed to identify and reject claims while the beneficiary was on a waiting period. The Cardholder file and the Waiting Period file were not aligned. The Card Holder file showed an Active (00) status instead of General Waiting Period status (07). This caused the Waiting Period file to be ignored upon processing due to misinterpretation of the waiting period.

#### **Corrective Action**

Management has committed to revising underwriting processes such that when claims are submitted while beneficiaries are subject to underwriting, these will be processed correctly in line with the GEMS Scheme Rules. The following processes will be further refined:

1. An exception management process will put in place.
2. SOP will be updated with the agreed process.

## Failure to update the beneficiary type of students above 28 years on the system

### Nature

In terms of Scheme Rules: 4. Definition: 4.9 “Child Dependant” states that a child of a member who is under the age of twenty-one (21) years and who, for the purposes of these Rules shall include: any dependant below twenty-eight (28) years of age, for the duration of any course for which that dependant is registered as a bona-fide student at any educational institution recognised as such by the Board within the Republic of South Africa, or any other educational institution abroad (whether or not specifically recognised as such by the Board). Dependants above 28 years must be classified as adults.

There were instances where individuals above the age of 28 years were classified as Students (U) on the system instead of as adults.

### Cause

The current systems in place are not configured to update dependant details once the dependant reaches the age of 28 years.

### Corrective Action

Scheme Administrators have already identified the gaps in the student review process, and a project was logged with IT to mitigate errors and implement system validations.

## Individuals found to be no longer eligible for GEMS Membership

### Nature

In terms of Scheme rule 6.2, it states that the membership of the Scheme is limited to those Members and their Dependants who are ordinarily resident within the Republic of South Africa, or who are stationed abroad on or by virtue of instructions, requirements, or obligations of the Member’s Employer, or who are studying abroad.

### Cause

It was found that some members have retired from the employer’s service and have either emigrated or are living abroad for extended periods. It appears that no checks were done to confirm whether these members still satisfy the conditions for membership.

## Corrective Action

An SOP was developed to manage the process, and letters were sent out to the affected members as of 01 April 2021.

The Scheme's Administrator reviewed the responses and met with the relevant Scheme officials on 5 August 2021 to provide an update on this process. An updated report was submitted to the Scheme on 7 March 2022. To date, all the identified affected memberships have been addressed, with some memberships being terminated and others returning to the country.

## Guarantees

### Nature

Section 35(6) (a) of the Medical Scheme Act states that a medical scheme shall not encumber its assets.

### Cause

The guarantee in favour of the Council for Medical Scheme's has been issued in terms of Section 24(5) of the Medical Scheme's Act, 1998 to the value of R2,5 million. The Scheme's banker issued these guarantees as part of the Scheme's banking facilities. The guarantee of R5 million in favour of the South African Post Office allows the Scheme to transact directly with the service provider for the provision of postal services, rather than procuring these services on an agency basis.

## Corrective Action

Council for Medical Schemes has issued GEMS an exemption from the provision of Section 35(6) of the MSA for a period of two years effective from 05 December 2019. The Scheme applied for another exemption which was granted by CMS for a period of three years effective from 09 March 2022.

## Investment in Medical Scheme Administrator

### Nature

Section 35 (8) (a), (c) and (d) of the Act states that a medical scheme shall not invest any of its assets in the business of an employer who participates in the Scheme, or any administrator or any arrangement associated with the Scheme. The Scheme has investments in certain administrators.



## Cause

The Scheme has investments in certain companies associated with the administrators of the scheme within its diversified investment portfolio.

## Corrective action

CMS has granted GEMS an exemption for a period of three years effective from 05 December 2019. Additionally, we obtained an exemption for three years from 15 December 2022.

## Claims settled after 30 days

### Nature

In terms of Section 59 (2) of the Medical Schemes Act, the Scheme shall, in the case where an account has been rendered, pay to a member or a supplier of service, any benefit owing to that member or supplier of service within 30 days after the day on which the claim in respect of such benefit was received by the Scheme.

### Cause

During the financial year, there were instances that were identified where the above regulation had not been complied with.

### Corrective Action

Additional controls have been put in place at the Administrator to mitigate the risk of non-compliance and the Scheme will ensure that these are tested as part of the Internal Audit process of the Scheme during the coming year.

## Credit Facility

### Nature

Section 35(6) (C) of the Medical Scheme Act states that a medical scheme shall not directly or indirectly borrow money.

### Cause

The Scheme has credit facilities with RMB/FNB for the corporate and auto cards to the value of R3,3 million. The corporate cards are issued to Scheme executives as well as regional managers for work related expenses and the travel agency to manage the Scheme's travel bookings. The autocards are used for the fuel and maintenance of the Scheme's fleet. The balances on the cards are settled within 30 days.

## Corrective Action

The Scheme has been granted an exemption from the provisions of section 35 (6) of the MSA for a period of three years effective from 09 March 2022. There was a gap in the exemption from 05 December 2021 to 08 March 2022.

## Committee assurance

The Risk Social and Ethics Committee is satisfied that it complied with its legal, regulatory and other responsibilities during 2022.



Dr SM Hlatshwayo  
Chairperson  
30 May 2023



ME Phophi  
Deputy Chairperson  
30 May 2023



Dr BOS Moloabi  
Principal Officer  
30 May 2023

# Remuneration report

## Introduction

The Board resolved on 28 February 2017 to adopt the King IV Report on Corporate Governance with effect from 1 January 2018.

The Scheme has a dedicated Board committee to oversee remuneration, inclusive of trustee and independent committee members' remuneration, remuneration of executives and general staff and related matters. Information on the mandate, composition and attendance of meetings held by the Human Resources and Remuneration Committee in 2022 is provided on page 125 of the report.

## Background

The key factors that influenced remuneration decisions during 2022:

### The impact of Covid-19:

For decision-making on salary adjustments for the 2023 financial year, the Board considered the impact of the country's economic conditions and the 2023 GEMS contribution increase.

### Other factors

#### SCHEME PERFORMANCE



The financial performance of the Scheme has had an influence on the performance management process and in turn employee performance bonuses for senior managerial employees.

#### RELEVANT INDUSTRY DATA



The consumer price index (CPI), the current economic climate and salary benchmarking had an impact as these factors are taken into consideration when determining annual remuneration adjustments.

#### KEY PRINCIPLES



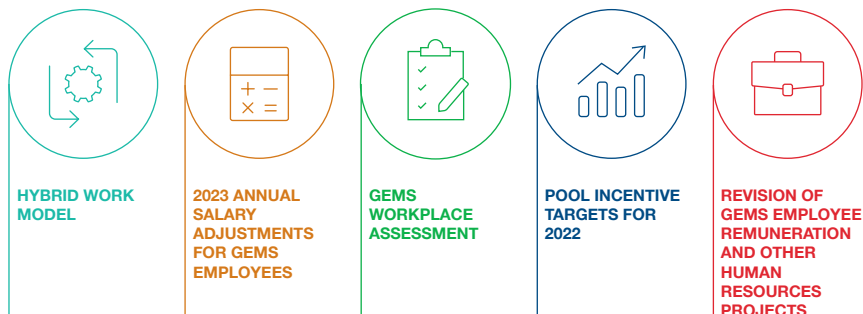
The responsibility of the board to ensure that remuneration is fair, equitable and justifiable found expression in the approval of salary increases based on a sliding scale for general staff, senior managers and executive management.

#### NEGOTIATIONS AND STAKEHOLDER CONSIDERATIONS



The salary determination process is also influenced by negotiations with NEHAWU for employees below senior management level. The Board of Trustees remained considerate of views expressed by the members and stakeholders of GEMS in respect of the trustee remuneration.

The key focus areas and key decisions of the Human Resources and Remuneration Committee in 2022 were:



## Using remuneration consultants

A benchmark remuneration salary survey was performed for general staff, senior managers, executive management and the Principal Officer under the auspices of the Human Resources and Remuneration Committee in 2022. The work was allocated to an organisation well versed in this area and the committee is satisfied with its independence and objectivity.

## Remuneration benchmarks

GEMS, as with other organisations, strives to attract and retain key talent, thereby driving business strategy with the right people. The risk of losing key talent is high in most organisations.

Variation in pay is one of the key determinants in retaining or losing key individuals. It requires a benchmarking exercise for organisations to determine if pay practices are aligned with those of other businesses. The GEMS benchmarking process is conducted against healthcare, financial and national industries as its products and services compare well to these.

## Meeting the stated remuneration policy objectives

GEMS is committed to developing, implementing and upholding remuneration strategies and practices that support its vision, mission, values and strategic objectives, while pursuing the best interests of the Scheme. It ensures that remuneration is fair, equitable and justifiable.

The committee is satisfied that the GEMS Employee Remuneration Policy has met its stated policy objectives in that it supports the Scheme's commitment to attracting and retaining highly skilled talent. The total reward packages and benefits offered contributed to attracting and retaining key talent. A low staff turnover rate of 5.56% was recorded for 2022. The GEMS Performance Management Policy and process entrench this commitment by rewarding high performers.

## Future focus areas

The GEMS Employee Remuneration Policy continues to evolve as the Scheme ensures that employees are paid according to market standards while considering the current economic environment. The success of the strategic plan is dependent on the Scheme's ability to attract and retain highly skilled talent. It strives to be an employer of choice and the policy is under review to ensure that it optimally supports the strategic plan. Key future focuses are talent attraction and retention.

## Key remuneration policy principles

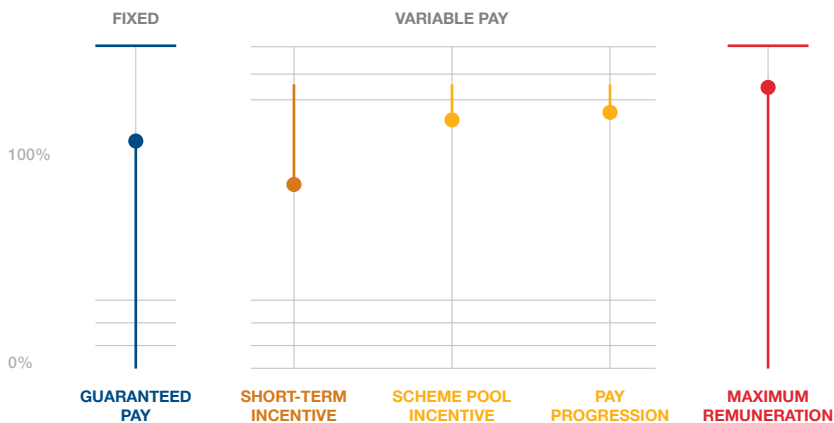
The remuneration philosophy reflects GEMS' commitment to attracting and retaining highly skilled, high-performing employees who enable organisational performance. The philosophy is aligned to the Scheme's business strategy, objectives and values and to achieving long-term sustainability. The GEMS Employee Remuneration Policy is based on this remuneration philosophy and strategy.

The Board of Trustees determines the remuneration and reward structures of employees in keeping with the policy and ensures that employees are appropriately compensated. In determining appropriate remuneration:



Remuneration is provided to employees in guaranteed and variable pay, namely performance bonuses and short-term incentives. Guaranteed pay includes basic salary and benefits. Variable pay is aligned to the achievement of business objectives and individual performance.

In addition to market-related remuneration, GEMS employees can earn an up to an additional 35% of guaranteed pay



Performance bonuses and short-term incentives are determined under the GEMS Performance Management Policy, which states that GEMS will strive to improve employee contribution by linking rewards and recognition with performance management outputs. The performance management system and practices support ongoing and aligned levels of employee motivation and retention of top talent. Performance management drives the achievement of strategic objectives and supports key performance indicators.

The relationship between remuneration, including short-term incentives, and value creation is shown under the heading below.

## Performance framework and measures

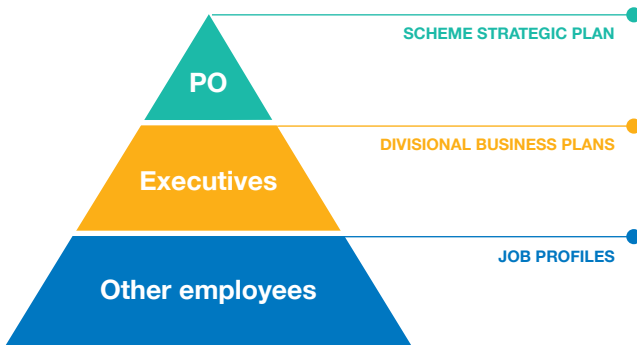
To achieve strategic objectives and positive outcomes, the Scheme uses a standardised and integrated three-tiered performance management system as an institutional framework for managing and linking Scheme performance to divisional and employee performance.

A standardised balanced scorecard measures performance in four areas:



The GEMS balanced scorecard is a key performance management tool to measure outputs and results against key performance indicators that are linked to GEMS’ strategic objectives.

The system ensures that performance is measured holistically at Scheme, divisional and individual employee levels as follows:



Annual employee performance contracting and assessment are done by performance scorecards based on key performance areas and competencies. The areas are aligned to the Scheme’s strategic objectives and competencies are linked to occupational levels. The allocation of weightings to both is depicted below:

**Table 19**

Level of management	Key performance areas	Core/management competencies	Values	Total weight in % of 100
Principal Officer	40	50	10	100
Executives	60	30	10	100
Senior management	80	10	10	100
Other employees	80	10	10	100

The Scheme promotes improved employee contribution to performance by linking rewards and recognition with performance management outputs. Employees are considered for performance rewards for sustained performance significantly above expectations. For the Principal Officer and executives, performance bonuses are dependent on a minimum individual performance rating, an unqualified audit report, the achievement of a surplus and a complaints ratio approved by the Board.

The table below illustrates the effect on total remuneration for executive management of applying the GEMS Performance Management Policy under minimum, on-target and maximum performance outcomes.

**Table 20**

Performance bonus percentage	0%	10%	30%
Total, including annual remuneration	R36 713 292	R40 384 622	R47 727 280

The Scheme's pool incentive and pay progression were implemented in 2020. Payment of the reward rests on the Board's consideration of annual performance against stretch targets for the reserve ratio, complaint ratio and external audit outcome. Pool incentives were not awarded for 2022

**Table 21:** Executive remuneration in 2022

	Annual earnings	Bonus 2022	Pool incentive bonus 2022	Total remuneration 2022	Total remuneration 2021
Jeannie Combrink*	R2 060 578	-	-	R2 060 578	R3 185 988.29
Karyna van Lingen	R3 909 661	R578 872	-	R4 488 532	R4 410 449.82
Gloria Nkadameng	R2 708 018	R266 904	-	R2 974 923	R2 796 139.50
Sam Lewatle	R3 664 354	R538 444	-	R4 202 798	R3 931 499.25
Vuyokazi Gqola	R3 658 200	R897 407	-	R4 555 607	R3 931 499.25
Evan Theys	R2 708 018	R266 904	-	R2 974 923	R2 796 139.50
Veni Singh	R2 719 934	R400 356	-	R3 120 291	R2 796 139.50
Stanley Moloabi	R5 369 736	R796 039	-	R6 165 775	R5 840 160.00
Phumelela Dhlomo	R2 669 042	R400 356	-	R3 069 399	R2 541 945.00
Selaelo Mametja	R2 743 766	R400 356	-	R3 144 123	R3 018 187.09
Ingrid Poee**	R2 465 014	-	-	R2 465 014	-
Masingita Chavalala**	R1 579 677	R389 235	-	R1 968 912	-
Zaahir Elias***	R457 294	-	-	R457 294	-

\* Retired 30 September 2022

\*\* Pro-rata salary joined 1 June 2022

\*\*\* Pro-rata salary joined 1 November 2022



## Compliance statement

The Scheme complied with its approved Employee Remuneration Policy in 2022 without deviation. There are currently no voting results for the policy.

The GEMS Performance Management Policy is still being implemented. The Scheme complied without deviation with the components of the policy already implemented.

## Trustee remuneration in 2022

**Close oversight maintained by the Board is crucial to continued financial and operational performance as evidenced by the Scheme's track record of unqualified audits, sound procurement processes, responsiveness to member concerns and sound stakeholder relationships. The performance and effectiveness of the Board impact directly on the Scheme's ability to create value for its members, the Minister for the Public Service and Administration and stakeholders.**

**Effective oversight and intensified outcomes monitoring associated with the implementation of phase three of the five-year strategic plan for 2017 to 2021 informed the establishment of a new standing committee, the Oversight Committee for Special Programmes and Projects. An increase in the number of meetings needed for effective oversight was recorded in 2021 and continued in 2022.**

**During 2022, the Board and the GEMS executive management team undertook a programme to maintain constructive relationships, namely the RBO programme. The Board attended additional meetings in 2022 to participate in the RBO programme.**

The GEMS Board of Trustees and 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 governance requirements related to the Scheme's business model and requirements
- Guide Scheme management on stakeholder engagements considering the Scheme's complex stakeholder relations environment.

## 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:

- Meetings not attended
- Participating in the Scheme's Board effectiveness assessment
- Attendance of training sessions
- Attendance of Scheme events where trustees are not required to perform work
- 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 2020.

### 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 with effect from 1 January 2022.

## Trustee remuneration 2022

The remuneration paid in 2022 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 the Regulations of the MSA, 1998, as amended.

### Board of Trustees' remuneration

#### 2022

	Term end	Attendance fees R '000	Travel and accommodation R '000	Reimbursements and allowances R '000	Training R '000	Total R '000
NL Theledi	2022/12/04	1 253	133	11	26	1 423
Dr IJ van Zyl	2027/08/29	855	80	21	9	965
Dr C Moloko	2022/10/27	964	72	12	26	1 074
M Phophi (Deputy Chairperson)	2023/09/23	1 212	95	149	21	1 477
Dr SM Hlatshwayo (Chairperson)	2024/02/19	1 675	274	12	47	2 008
RA Manoko	2024/03/05	1 201	143	24	25	1 393
C Ntshane	2025/09/24	1 105	307	24	31	1 467
M Brand	2025/09/24	1 008	146	12	21	1 187
Dr N Tutu	2026/07/30	1 079	350	2	42	1 473
L Khumalo	2025/09/24	1 075	158	15	25	1 273
P de Villiers	2027/08/29	967	76	15	31	1 089
Dr J Smit	2027/08/29	970	260	60	25	1 315
		<b>13 364</b>	<b>2 094</b>	<b>357</b>	<b>329</b>	<b>16 144</b>

Trustee remuneration paid in 2022 was R16.1 million (2021: R11.2 million), an increase of 44.6%. Of this, R13.7 million (85.1%) was meeting fees and the monthly stipend. The balance of R2.4 million was for travel and accommodation costs and fees paid to trainers.

GEMS trustees undertook additional duties voluntarily during 2022 to represent the Scheme at important stakeholder events and to support Scheme management at important engagements with key stakeholders such as unions.

In 2022, trustee fees as a percentage of contributions were 0.03% and as a percentage of the Scheme's non-healthcare costs, 0.65%.

## Conclusion

The Human Resources and Remuneration Committee recommended the GEMS 2022 remuneration report to the Board of Trustees. We are satisfied that the committee fulfilled its obligations in 2022.

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



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**ME Phophi**  
**Chairperson:**  
**Human Resources and Remuneration Committee**