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IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

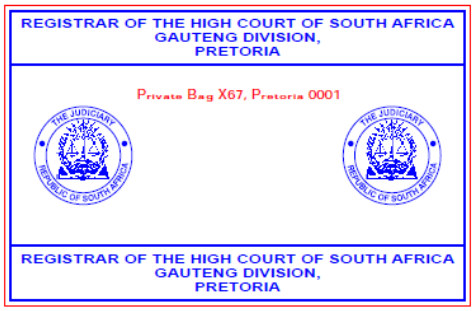
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Notice of Motion with Hearing Date

NOTE: **This document was filed electronically by the Registrar on 27/10/2026 at 10:13:24 AM South African Standard Time (SAST). The time and date the document was filed by the party is presented on the header of each page of this document.**



ELECTRONICALLY SIGNED BY:

Registrar of Pretoria , Gauteng Division,Pretoria

IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA

Case No: 2025-150109

In the application of:

IAN BRYCE FLEMING N.O. *(in his capacity as curator of Sizwe Hosmed Medical Scheme)*	**Applicant**
and	
THE REGISTRAR OF MEDICAL SCHEMES	**First Respondent**
SIZWE HOSMED MEDICAL SCHEME (IN CURATORSHIP)	**Second Respondent**
THE INDIVIDUALS LISTED IN ANNEXURE "FA5"	**Third to Thirteenth Respondents**

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
Private Bag X67, Pretoria 0001
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

In re:

THE REGISTRAR OF MEDICAL SCHEMES	Applicant
and	
SIZWE HOSMED MEDICAL SCHEME	Respondent

NOTICE OF MOTION

TAKE NOTICE THAT the applicant intends to apply to court: at 10h00 on 4 January 2027 in the event that this application is unopposed, alternatively on a date to be allocated by the Deputy Judge President / the Registrar of this Court in the event that this application is opposed, for an order in the following terms:

1. The order granted in this matter by Manamela AJ, deemed by its terms to be dated 3 September 2025, and confirmed by Makhoba J on 9 October 2025 ("**the curatorship order**") is varied as follows:

1.1 in paragraph 9.4, by the substitution for the words "*twelve (12) months*" of the words "*twenty-four (24) months*";

1.2 in paragraph 9.5, by the substitution for the words "*twelve (12) months*" of the words "*twenty-four (24) months*";

1.3 in paragraph 9.6, by the substitution for the words "*twelve (12) month period*" of the words "*twenty-four (24) month period*"; and

1.4 by recording that, for the purposes of paragraphs 9.4 to 9.6, the period of twenty-four (24) months runs from 3 September 2025 and expires on 3 September 2027.

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2. The applicant's non-compliance with paragraphs 9.4 and 9.6 of the curatorship order during the period from 3 September 2026 to the date of this order is condoned, to the extent required and to the extent disclosed in the founding affidavit.

3. The monthly reports delivered by the applicant to the first respondent since 3 September 2026, being the reports in respect of the month of August 2026 and each month thereafter, are deemed to have been delivered under paragraph 9.5 of the curatorship order as varied.

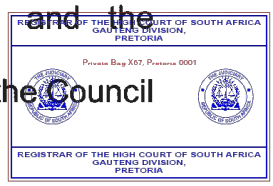
4. The applicant and the first respondent are granted leave to approach this Court on these papers, duly supplemented, for such further relief or directions as may be appropriate, including in the event that the applicant is unable to comply with any term of the curatorship order as varied.

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5. There shall be no order as to costs if the application is unopposed. Any party who opposes this application shall pay the costs occasioned by such opposition, including the costs of two counsel on Scale C.

6. Further and/or alternative relief.

TAKE NOTICE FURTHER THAT the affidavit of IAN BRYCE FLEMING, together with the annexures thereto, and the confirmatory affidavits of **IAN FULLER, BUHLE EDMUND DUMA, OPHILIA MBATHA and THABANG MAGARE**, and the confirmatory affidavits to be delivered on behalf of the first respondent and the Council for Medical Schemes, will be used in support of this application.



TAKE NOTICE FURTHER THAT the applicant has appointed Fluxmans Inc, 24 Fricker Road, Illovo, Sandton, care of Friedland Hart Solomon & Nicolson, Monument Office Park, Block 4, 3rd Floor, 79 Steenbok Avenue, Monument Park, Pretoria, as the address at which he will accept notice and service of all process and documents in these proceedings, and consents to service by email at bduma@fluxmans.com carends@fluxmans.com, painter@fhsn.co.za and loraine@fhsn.co.za.

TAKE NOTICE FURTHER THAT if you intend to oppose this application you are required:

(a) to notify the applicant's attorneys in writing of your intention to oppose within ten days of service of this notice of motion upon you;

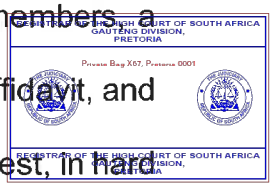
(b) in such notice, to appoint an address within 25 kilometres of the office of the Registrar of this Court, and an email address, at which you will accept notice and service of all documents in these proceedings; and

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(c) within fifteen days of delivery of your notice of intention to oppose, to deliver your answering affidavit, if any.

TAKE NOTICE FURTHER THAT if no such notice of intention to oppose is given, the application will be made on 4 January 2027 at 10h00.

TAKE NOTICE FURTHER THAT the applicant will, within five court days of the issue of this application, publish to the members of the second respondent, on its website and through the electronic channels by which it communicates with its members, a notice of this application in the form of annexure **"FA33"** to the founding affidavit, and will make the application papers available to members online and, on request, in hard copy. Any member who wishes to be heard on this application must deliver an application for leave to intervene, together with any affidavit on which he or she relies, within fifteen (15) court days of the date of publication of that notice.



TAKE NOTICE FURTHER THAT the applicant will, after service of this application and in the event that it becomes opposed, request the Deputy Judge President to allocate the application for judicial case management and an expedited hearing, and that the applicant's attorneys will furnish all parties, and any person who has applied for leave to intervene, with a copy of that request.

DATED AT JOHANNESBURG ON THIS THE 26th DAY OF OCTOBER 2026.

Page 4 of 6

FLUXMANS INC
Attorneys for the Applicant
Illovo Corner, 24 Fricker Road
Illovo, Johannesburg, 2196
Tel: 011 328 1814
Email: bduma@fluxmans.com / carends@fluxmans.com
Ref: BD/CA/pl/156177 (Mr B Duma / Ms C Arends)
c/o Friedland Hart Solomon & Nicolson
Monument Office Park
Block 4, 3rd Floor,
79 Steenbok Avenue
Monument Park
Pretoria
Email: painter@fhsn.co.za
loraine@fhsn.co.za

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA GAUTENG DIVISION, PRETORIA

TO:

THE REGISTRAR OF THE HIGH COURT
GAUTENG DIVISION, PRETORIA

AND TO:

THE REGISTRAR OF MEDICAL SCHEMES
First Respondent
c/o Mothle Jooma Sabdia Inc, attorneys of record
Duncan Manor, First Floor, Corner Duncan and Brooks Streets, Brooklyn, Pretoria
Tel: 012 362 3137
Email: thipem@mjs-inc.co.za / nadinevs@mjs-inc.co.za
Ref: Mr TA Mothle / Ms N van Schalkwyk / TAM5691
and at the offices of the Council for Medical Schemes, Block A, Eco Glades 2 Office Park, 420 Witch-Hazel Avenue, Eco Park, Centurion
Email: m.gumede@medicalschemes.co.za / j.letsoalo@medicalschemes.co.za / m.maswanganyi@medicalschemes.co.za
(*Service by hand and email*)

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AND TO:

SIZWE HOSMED MEDICAL SCHEME (IN CURATORSHIP)
Second Respondent
Waterfall Office Park, 1 Bekker Road, Vorna Valley, Midrand
Attention: the Manager: Legal and Governance, Ms O Mbatha
Email: ophilia.mbatha@sizwe-hosmed.co.za

(*Service by hand and email*)

AND TO:

THE INDIVIDUALS LISTED IN ANNEXURE "FA5" TO THE FOUNDING AFFIDAVIT
(being the persons who held office as trustees of Sizwe Hosmed Medical Scheme when the provisional curatorship order was granted, including their chairman, Mr Luyolo Makwabe)
Third to Thirteenth Respondents (cited for such interest as they may have; no relief is sought against them)
c/o Malatji & Co Attorneys
5th Floor, The Ridge, 1 Discovery Place, Corner Katherine Street and Rivonia Road, Sandton
Tel: 011 072 2600
Email: tmalatji@mcinc.africa / bmasia@mcinc.africa / nmokoka@mcinc.africa
Ref: T Malatji / B Masia / N Mokoka / M02471
c/o Ditsela Attorneys, 4th Floor, 267 West Avenue, Die Hoewes, Centurion
Email: jones@ditsela.com



(*Service by hand and email*)

AND TO:

THE COUNCIL FOR MEDICAL SCHEMES
Interested party (served for information; no relief is sought against it)
Block A, Eco Glades 2 Office Park, 420 Witch-Hazel Avenue, Eco Park, Centurion
Email: information@medicalschemes.com / legal@medicalschemes.co.za

(*Service by hand and email*)

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IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

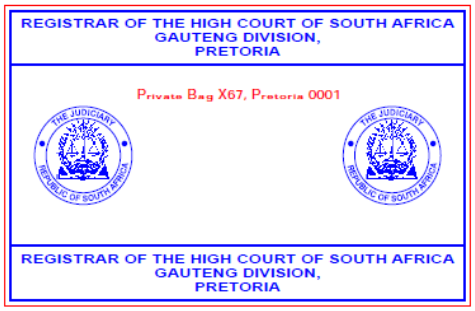
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Founding Affidavit

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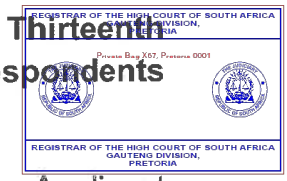
Registrar of Pretoria , Gauteng Division,Pretoria

IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA

Case No: 2025-150109

In the application of:

IAN BRYCE FLEMING N.O. *(in his capacity as curator of Sizwe Hosmed Medical Scheme)*	**Applicant**
and	
THE REGISTRAR OF MEDICAL SCHEMES	**First Respondent**
SIZWE HOSMED MEDICAL SCHEME (IN CURATORSHIP)	**Second Respondent**
THE INDIVIDUALS LISTED IN ANNEXURE "FA5"	**Third to Thirteenth Respondents**



In re:

THE REGISTRAR OF MEDICAL SCHEMES	Applicant
and	
SIZWE HOSMED MEDICAL SCHEME	Respondent

FOUNDING AFFIDAVIT

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I, the undersigned,

IAN BRYCE FLEMING

do hereby make oath and state as follows:

1. I am an adult male chartered accountant and accredited business rescue practitioner. My office is at Rosebank Quarter, 9 Walters Street, Rosebank, Johannesburg. I am the curator of Sizwe Hosmed Medical Scheme ("**the Scheme**"). I bring this application in that capacity.

2. The facts in this affidavit are within my personal knowledge unless the context indicates otherwise. They are true and correct. Where I make legal submissions, I do so on the advice of my legal representatives, which I accept as correct.

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3. Where I deal with events before my appointment, or with detailed financial and operational records, I identify the record or the person from whom the information comes. Confirmatory affidavits by Mr Ian Fuller, Mr Buhle Edmund Duma, Ms Ophilia Mbatha and Mr Thabang Magare are filed with this affidavit. The attorneys for the Registrar of Medical Schemes have indicated that they have no objection to a confirmatory affidavit being delivered on behalf of the Registrar of the Council for Medical Schemes on the matters that concern them. They will be filed shortly.

4. This Court placed the Scheme under curatorship on the application of the first respondent, the Registrar of Medical Schemes ("**the Registrar**"). Manamela AJ granted the provisional order. By its terms it is deemed to be dated 3 September 2025. Makhoba J confirmed the rule nisi on 9 October 2025. I call the order, as

confirmed, "**the curatorship order**". A copy is attached as **"FA1"**. The judgment of Makhoba J is attached as **"FA2"**.

5. The curatorship order gave the curator an initial period of a year to take control of the Scheme and manage its business, and contemplated that the curatorship might have to continue beyond that year. Paragraph 9.4 directs the curator to report on the curatorship to the Registrar and to the Scheme "*within twelve (12) months from the date of this order*", with findings and recommendations on "*the continuation, if necessary, of the curatorship*".

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6. Paragraph 9.5 directs monthly reports to the Registrar "*during the aforesaid period of twelve (12) months*". Paragraph 9.6 directs the curator:

> "*to take all steps which are necessary to convene a special general meeting of the Respondent at which a new board of trustees who are fit and proper for this purpose shall be elected and report thereon within the twelve (12) month period referred to above*".

7. The twelve months ended on 3 September 2026. No board has been elected. The Registrar and I agree that the curatorship cannot responsibly end now and should continue for a further year. On 2 October 2026, the Council for Medical Schemes ("**the Council**") directed me, in writing, to apply urgently to this Court to extend it. I do so.

8. I ask this Court for three things:

8.1 to vary the curatorship order by extending the twelve-month period in paragraphs 9.4, 9.5 and 9.6 to twenty-four months, that is, to 3 September 2027;

8.2 to condone, to the extent required, my non-compliance with paragraphs 9.4 and 9.6 between 3 September 2026 and the date of its order; and

8.3 to grant the curator and the Registrar leave to approach this Court on these papers, supplemented where necessary, for further relief.

9. The Registrar, who obtained the curatorship order, supports the application. He said so in his letter of 21 September 2026, attached as **"FA3"**. The Council said so again, in terms, in its letter of 2 October 2026, attached as **"FA4"**: "*The Scheme is directed to urgently apply to the Court to have the Curatorship term extended.*"

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10. The year the order allowed has proved too short. Five of its twelve months had passed before I took office on 11 February 2026, when this Court removed the first curator and appointed me in her place. I found a scheme in a troubled state. It had lost more than two thirds of its members. Its audited financial statements for 2023 and 2024 were outstanding. It depended entirely on an administrator whose systems the Registrar had told this Court could not be relied on. My team and I set out to stabilise it, to elect a new board at a special general meeting in September or October 2026, and to leave. That did not prove possible, as we learnt more about the Scheme and as events unfolded.

11. The decisive event came in July 2026. The administrator, 3Sixty Health (Pty) Ltd ("**3Sixty**"), told us it was in financial distress and could not carry on. The

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Scheme had no other administrator. It had some 18 000 beneficiaries whose claims had to be paid. With the Council's approval, the Scheme took over its own administration on 1 September 2026. Until then it had to fund 3Sixty's staff and critical suppliers, and defend urgent litigation aimed at the agreement that made the takeover possible.

12. The Scheme is now in the middle of that transition. It administers itself under a temporary exemption that expires on 30 April 2027. By 31 October 2026 it must deliver to the Registrar a costed plan for permanent, accredited administration. In the last quarter of 2026, the "open period", its members are free to leave and former members are free to return. On 17 February 2027 the Full Court is scheduled to hear the former trustees' appeal against the confirmation of the curatorship.

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13. In those circumstances it would not be responsible to hand the Scheme to a newly elected board. The ship has not been righted to the point where it can be handed over. The Scheme is in flux. A board elected now, without institutional knowledge, would be vulnerable, and so would the members. The Registrar agrees. The Council's legal services expressed the same view, provisionally, on 20 August 2026, and the Council has now confirmed as much and directed this application.

14. I also explain why this application was not brought before the twelve months ran out. In summary: until early August 2026 my team was working towards an election meeting in September or October 2026, weeks past the deadline, on a plan disclosed to the Council. On 20 August 2026 the Council told us in writing that only this Court could vary the order and that the curator should apply. I take

responsibility for the delay. It was not a disregard of this Court's order. I deal with it fully below.

15. The Council's letter of 2 October 2026 asks that this application "*ventilate the reasons for not having convened an AGM in terms of the Scheme Rules or an SGM as per the original Curatorship Court Order*". I do both. I explain why no annual general meeting was held by 30 August 2026, and why no election meeting was held by 3 September 2026.

16. I give this Court the following undertakings, which I deal with below. I will deliver a full interim report under paragraph 9.4, with my findings and my recommendation on the continuation of the curatorship, by 31 October 2026, and file it in these proceedings. Members will be told of this application within five court days of its issue and of the order within five court days of its grant, and will have access to the papers. I will report monthly to the Registrar against the programme set out below. If any obligation in the curatorship order cannot be met, the Registrar or I will return to this Court.

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THE PARTIES

17. I am the applicant. I bring this application in my official capacity as curator of the Scheme.

18. The first respondent is the Registrar of Medical Schemes, appointed under section 18 of the Medical Schemes Act 131 of 1998 ("**the Act**"). The Registrar is the executive officer of the Council. He is the applicant in the main application in this case and the party who obtained the curatorship order. The curator acts under his control under section 5(6) of the Financial Institutions (Protection of

Funds) Act 28 of 2001 ("**the FI Act**"). The present Registrar is Dr Musa Gumede. His attorneys of record are Mothle Jooma Sabdia Inc, Brooklyn, Pretoria.

19. The second respondent is the Scheme, a medical scheme registered under the Act with registration number 1486. Its business address is at Waterfall Office Park, 1 Bekker Road, Vorna Valley, Midrand. It is the respondent in the main application. I control and manage its business under the curatorship order. I cite it because paragraph 9.4 of the order requires the curator to report to it, paragraph 9.6 concerns a meeting of its members, the order I seek binds it, and it has a direct interest in the outcome of this application. It abides the decision of this Court.

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20. The third to thirteen respondents are the persons who held office as trustees of the Scheme when the provisional order was granted. They are listed in annexure **"FA5"**. Their chairman was Mr Luyolo Makwabe. Their attorneys are Malatji & Co, Sandton, on whom this application will be served.

21. I cite the former trustees for such interest as they may allege to have. I seek no order against them. I cite them because they contend, in the appeal pending before the Full Court under the above case number, that they retain standing in relation to the Scheme; and because they were parties to the order of 11 February 2026 under which I was appointed. Their citation concedes nothing. The section 18(3) order, which I deal with below, means that the curatorship order operates pending their appeal. While it operates, they have no power to act for the Scheme. If they elect to take part in this application, they do so in their personal capacities.

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22. This application will also be served on the Council at its offices situated at Block A, Eco Glades 2 Office Park, 420 Witch-Hazel Avenue, Eco Park, Centurion, for its information. No order is sought against the Council.

23. The members of the Scheme have a direct interest in when they will next elect a board. They are not parties, and it would not be practical to join some 8 700 of them. I explain below how they will be told of this application, how they will have access to it, and how they may be heard.

AUTHORITY TO BRING THIS APPLICATION

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
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24. Paragraph 9.3.13 of the curatorship order authorises the curator, at any time during her term of office, to apply on 48 hours' notice or *ex parte* "*for any amendment or amplification of the powers granted to her in terms hereof in the event that it is necessary to amend or amplify such powers for the effective exercise of her powers and responsibilities*". Paragraph 9.3.9 authorises the curator to institute legal proceedings on behalf of the Scheme. Paragraph 9.3.8 permits the curator to engage legal assistance and to pay its reasonable cost from the Scheme's assets.

25. I am advised and submit that section 5 of the FI Act, applies to medical schemes by section 56(2) of the Act, places the curatorship under the continuing supervision of this Court. Section 5(5) empowers the Court to make orders about the curator's powers and duties and about "*any other matter which the court deems necessary*". Section 5(8) allows any person, on good cause shown, to apply to alter a decision of the curator or the Registrar. Section 5(9) allows the Court, on good cause shown, to cancel the curator's appointment at any time.

26. On 14 September 2026 I asked the Registrar, in writing, to bring this application himself as the party who obtained the order, or to consent in writing to my bringing it. At a meeting the same day his officials said that I should bring it, with the Registrar's support. His letter of 21 September 2026 (**"FA3"**) records that "*the Curator will bring an application to vary the court order of the 4 September 2025 under case no: - 2025-150109 and particularly, request the court to extend the curatorship period by another 12 months*", and that "*the Registrar will support the said application to the extent necessary to facilitate the effective determination same thereof [sic]*". The Council's letter of 2 October 2026 (**"FA4"**) directs me to apply urgently. I deal with the correspondence below.

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27. Paragraph 9.3.13 permits an approach to this Court on short notice or *ex parte*. I bring this application on full notice, with the ordinary times for filing papers, so that anyone who wishes to be heard may be. I will separately ask the Deputy Judge President for an expedited hearing.

WHAT THE CURATORSHIP ORDER REQUIRES

28. The material terms of the curatorship order are these.

    28.1 Paragraph 9.3.1 authorises the curator to take control of the Scheme "*in the place of the board of trustees*" and to manage its business "*in accordance with the provisions of the MSA and the Respondent's rules*".

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28.2 Paragraph 9.3.2 vests in the curator all powers of control and management that would ordinarily vest in the board of trustees or the principal officer.

28.3 Paragraph 9.3.3 directs the curator to give consideration to the best interests of the members.

28.4 Paragraph 9.3.14 entitles the curator to reasonable remuneration "*as might be allowed by agreement with the Applicant*", failing which as determined by this Court, payable by the Scheme.

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28.5 Paragraphs 9.4, 9.5 and 9.6 are summarised, and paragraph 9.6 is quoted, above.

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
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29. Paragraphs 9.4, 9.5 and 9.6 work together. The Court gave the curator an initial year. Within it, the curator was to report to the Registrar monthly, to report at the year's end on whether the curatorship should continue, and to see a new, fit and proper board elected at a special general meeting. The year's end was the point at which this Court and the Registrar were to review the curatorship. That is why the three paragraphs must be varied together. It is also why I offer an interim report now rather than leaving all accountability until September 2027.

30. Paragraph 9.6 required the election to take place within the year if the curatorship was not to continue. If the curatorship was to continue, as the Registrar and I agree it must, the election must take place within the extended period, and the order must be varied to say so. To the extent that there has been non-compliance with the order that calls for condonation, I ask for it.

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31. The date of the order needs explanation. The order deems its own date to be 3 September 2025. I have treated 3 September 2026 as the deadline. (The order was stamped on 4 September 2025, and the order of 11 February 2026, to which I come below, describes it as granted on that date.) It can be argued that paragraphs 9.4 to 9.6 became operative only on confirmation of the rule nisi on 9 October 2025, so that the year ended on 9 October 2026. This application is issued after that date too. On either construction, therefore, condonation is required, and I ask for it. The alternative construction matters only to the extent of the delay. Measured from 9 October 2026, it is a matter of days.

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32. Nothing in the order ends the curatorship after twelve months. The report under paragraph 9.4 was to say whether the curatorship should continue. The election under paragraph 9.6 was the means by which control would pass back to a board. The Registrar's letter of 21 September 2026 and the Council's letter of 2 October 2026 speak of extending "*the curatorship period*" and "*the Curatorship term*". But the order fixes no period for the curatorship. It fixes a period for the report and the election. That is the period I ask to extend. This Court remains free, on good cause shown, to cancel my appointment at any time under section 5(9) of the FI Act. The Registrar remains free to ask it to do so.

THE HISTORY OF THIS CASE

33. On 28 August 2025 the Registrar, with the concurrence of the Council, applied *ex parte* and urgently to end the statutory management of the Scheme and to appoint a provisional curator. He relied on a KPMG inspection report and the reports of the statutory manager. He told this Court that the Scheme's solvency

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ratio had fallen far below the statutory minimum of 25%. He said the board had deliberately underpriced benefits, at a cost he put, on 3Sixty's estimates, at R1.6 billion. He said this went "*into the heart of the BoT's fitness and propriety to hold the office of trusteeship*". He said that "*the advantage of Curatorship is that the whole BoT will be removed and be replaced by a Curator who will work under my direction*". And he said the curator would investigate the best way to protect members' cover, "*including a possible urgent merger of the scheme*". (Registrar's founding affidavit, paragraphs 62 to 64 and 66.) To avoid prolixity I do not attach the papers in the main application. They are on CaseLines, and I will make them available at the hearing if required.

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34. Manamela AJ granted the provisional order, deemed dated 3 September 2025, with a return date of 30 October 2025. Ms Lebogang Grace Mpakati was appointed provisional curator.

35. The board of trustees then in office, acting in the Scheme's name, gave notice of opposition on 15 September 2025. On 23 September 2025 it launched an urgent counter-application to discharge the curatorship and restore statutory management. Mr Makwabe deposed to its affidavits.

36. The Registrar replied on 29 September 2025. He took the point that the board had no standing because it had ceased to exist on 4 September 2025. He also said this: "*I expect monthly reports from the provisional curator and based on those reports; I will form an opinion on what further steps to take in the interest of the Scheme's beneficiaries.*" (Replying affidavit, paragraph 123.)

37. On 9 October 2025 Makhoba J held that the board and Mr Makwabe lacked standing. He dismissed the counter-application with costs *de bonis propriis*

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against Mr Makwabe on the attorney and client scale, including the costs of two counsel, and confirmed the rule nisi. He held that the provisional order "*is clear and unambiguous*" and "*vests all powers of control and management of the Scheme to the provisional curator*" (**"FA2"**, paragraph 17).

38. The Scheme, through the former board, applied for leave to appeal on 13 October 2025.

39. The Registrar then applied under section 18(3) of the Superior Courts Act 10 of 2013 for an order that the confirmation order operate pending the appeal. On 20 and 21 October 2025 the former trustees' attorneys proposed that their clients would agree to that order if the Registrar did not oppose the application for leave to appeal. The Registrar's attorneys accepted on 21 October 2025, and the Registrar filed a notice to abide the application for leave that day. The former trustees' attorneys agreed the same day that the section 18(3) draft order be made an order of court, which appears to have occurred on 23 October 2025. The correspondence is attached as **"FA6"**. The stamped section 18(3) order is attached as **"FA7"**.

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40. Leave to appeal was refused on 30 October 2025.

41. The Scheme, through the former board, and Mr Makwabe petitioned the Supreme Court of Appeal on 13 November 2025. The Registrar opposed the petition. On 17 March 2026, under case number 1276/2025, the Supreme Court of Appeal granted leave to appeal to the Full Court of this Division. Its order is attached as **"FA8"**. The appeal is set down for 17 February 2027. The Registrar has applied under section 19(b) of the Superior Courts Act to adduce further evidence in the appeal. The affidavits have been exchanged and that

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application awaits set-down. The former trustees brought a counter-application to lead further evidence, in which their replying affidavit is awaited.

42. On 11 February 2026, in case 2026-016776 brought by Mr Makwabe against the first curator, the Registrar and "*the Trustees of Sizwe Hosmed Medical Scheme listed in Annexure X*", this Court, by agreement between all of those parties, cancelled Ms Mpakati's appointment under section 5(9) of the FI Act. It appointed me curator "*in accordance with the provisions of the order granted by Manamela AJ on 4 September 2025 and subsequently confirmed by Makhoba J on 9 October 2025*". Ms Mpakati was directed to hand over to me, and to deliver a final report to the Registrar, within 30 days. A copy of that order is attached as **"FA9"**.

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43. I am advised and submit that the pending appeal does not affect the relief I seek. The curatorship order operates pending the appeal. This application does not touch the merits of the curatorship. It concerns the timetable under which I account for it.

THE SCHEME WHEN I TOOK OFFICE

44. I describe the Scheme as I found it in February 2026. I explain what my team set out to do, and why the seven months left of the year turned out to be too few.

Membership

45. In September 2025, when the curatorship began, the Scheme had 46 386 principal members and 106 654 beneficiaries, that is, principal members and their dependants. The announcement of the curatorship set off an exodus.

Employer groups gave notice of resignation within a fortnight. From 1 November 2025 the first curator implemented a contribution increase of just over 19% on a weighted average. The former board itself had proposed that increase to the Council in August 2025, on the advice of the Scheme's actuaries.

46. The Scheme's bank accounts were frozen for a period while the authorised signatories were changed, and payments to suppliers and healthcare providers were delayed. The South African Local Government Association ("**SALGA**") had already, by a circular of 26 August 2025, withdrawn the Scheme's accreditation with effect from 1 January 2026. It cited membership below the required minimum, the absence of audited financial statements and the Scheme's precarious solvency. By early January 2026 the Scheme had lost significant numbers of SALGA members. Altogether, about 30 000 members left between September 2025 and January 2026, most of them in the open period in which members may move freely between schemes. In January 2026 the Scheme had 15 318 principal members and 32 618 beneficiaries. By the time I took office it had lost two thirds of its members.

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47. Members may leave at any time. Membership ends on death, on resignation or on non-payment of contributions. What members may do only in the last quarter of the year is change benefit options. In practice, though, the last quarter is when most movement between schemes happens.

48. The losses continued in the first months of 2026 (2 738 principal members in March and 1 698 in April) and then slowed (658 in May, 327 in June, 457 in July and 426 in August). At 31 July 2026 the Scheme had 9 114 principal members

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and 18 411 beneficiaries, some 80% fewer than when the curatorship began. At 31 August 2026 it had 8 688 principal members and 17 394 beneficiaries. The members who remain are older and sicker. The average age of a beneficiary has risen from 35 years to 43 years and the pensioner ratio from 9.5% to 22.7%. The financial information in my August 2026 report to the Council, which records these figures, is attached as **"FA10"**. Mr Fuller confirms them.

Solvency and reserves

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49. The prescribed minimum solvency ratio is 25%. In September 2025 the Scheme's ratio was 6.5%. The ratio is calculated on projected annual contribution income and so resets each January. When it reset in January 2026, on the smaller membership base, it was 33.1%. It has stood above 25% since. At 31 July 2026 it was 40.1%. At 31 August 2026 it was 42.5%.

50. Reserves under regulation 29 were R415.8 million at 31 July 2026 and R428.1 million at 31 August 2026, against gross contributions of about R1 billion a year. The improvement is real, but it must not be overstated. Part of it reflects a smaller denominator. A scheme can have a high solvency ratio and still be losing money, as this one was. Solvency was never the Scheme's only problem.

Financial statements

51. When I took office, the Scheme's audited financial statements for 2023 and 2024 had not been finalised. Members had last been given audited statements for 2022. Unsigned 2023 statements were put before the annual general meeting of 24 August 2024, and members resolved not to adopt them. Abridged

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draft 2023 statements, without an auditor's report, were tabled at the special general meeting of 27 September 2025.

52. The 2023 audit has since been completed and the statements signed. The 2024 audit is expected to be completed by the end of October 2026. The 2025 audit will follow.

Administration

53. The Scheme did not administer itself. 3Sixty administered it and provided its managed care services under a contract terminable on twelve months' notice. The member register, the contribution and claims records, and the channels through which members are reached all sat with 3Sixty. The Registrar had told this Court of "*the low level of reliance that can be placed on the administrator's system*" (founding affidavit, paragraph 62). Complaints about service, tax certificates, remittance advices and the payment of medical savings account balances were constant.

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Governance

54. The Scheme has had no functioning board since the provisional order in September 2025. The former board's fitness to hold office was the very thing the Registrar had impugned. The last elective annual general meeting was held on 24 August 2024. It elected nine trustees. A special general meeting was held on 27 September 2025 to update members. The statutory manager and the then principal officer planned it, and the first curator completed it. It was not an election meeting. The minutes of the 2024 meeting is attached as **"FA11"**.

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Handover

55. Ms Mpakati handed over to me in the weeks after 11 February 2026. Her last monthly report, for January 2026, was sent to the Council on 23 February 2026. I inherited no election work. Nothing had been done about a register for the ballot, an electoral body, nominations, vetting, notices or a budget.

THE PLAN TO END THE CURATORSHIP BY SEPTEMBER 2026

56. My team is small. All of them work under my authority as curator.

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56.1 Mr Ian Fuller, who has experience of medical scheme turnarounds, leads on finance and regulatory matters. Ms Mbalenhle Themba leads the legal workstream. Both are, like me, from Engaged Business Turnaround ("**Engaged**").

56.2 Mr Thabang Magare of Adamantem leads operations. From August 2026 he was deployed to 3Sixty's offices to oversee the administration, and the transition to self-administration, directly.

56.3 Ms Ophilia Mbatha is the Scheme's Manager: Legal and Governance.

57. From the outset, my aim was to be in and out as curator within months. I said so at every meeting with members, employer groups and brokers. I wanted to leave by the end of September 2026, ahead of the open period, with the ship righted and a new board and a new principal officer in place.

58. My monthly reports to the Council tracked the plan.

58.1 In May 2026 I reported that the focus was shifting "*to developing a viable turnaround plan for the Scheme which will enable it to exit*

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curatorship ahead of the critical open period in the fourth quarter of this year", and that a project plan had been submitted to the Council.

58.2 In June 2026 I reported that "*planning has commenced in earnest around holding an elective SGM in October should circumstances prove favourable, identifying service providers and proposing rule changes e.g. number of trustees appropriate and suitable for a smaller scheme*".

58.3 Every report from February to August 2026 was sent on or about the seventh day of the following month. The September 2026 report was sent on 7 October 2026. A schedule of the monthly reports, with the dates on which each was sent and the recipients at the Council, is attached as **"FA12"**, together with the reports for May to September 2026. The earlier reports will be produced if required.

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59. Between April and June 2026 my team held roadshows for members, employer groups and brokers to explain what we were doing and why. A newsletter carrying a message from the curator has gone out roughly monthly, by email, by SMS and on the Scheme's website. I deal with member communication more fully below.

60. Two decisions were taken with the election in mind.

60.1 On 7 May 2026 Ms Mbatha asked for a decision on the annual general meeting. Rule 27.1.1 of the Scheme's rules requires that meeting by 30 August each year. Rule 27.1.5 requires members to be told the date three months in advance. Mr Fuller replied on 11 May 2026 that a

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special general meeting might be preferable "*seeing as there is no voting*", or a postponement. The exchange is attached as **"FA13"**.

60.2 In June 2026 my team planned to start the voting process and the appointment of service providers. It proposed sending the Council a revised plan for a special general meeting and obtaining its approval of the timeline. We prepared a draft plan to this effect, with October as the fallback. It is attached as **"FA14"**.

61. For logistical and cost reasons the team chose to work towards one meeting: the court-ordered election meeting in late September or early October 2026, at which the business of the annual general meeting would also be done so far as it could be. The 2025 statements would not have been available, but the 2023 and 2024 statements would have been tabled, with a current account of the Scheme's finances and of the curatorship. That was far better than holding an annual general meeting in August 2026, with no 2024 statements to table, followed by an election meeting weeks later. It did, however, mean that the annual general meeting would not be held by 30 August 2026, and that the non-compliance with rule 27.1.1 would have to be addressed. I deal with that below.

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62. I accept that late September or early October was a few weeks beyond the deadline in the curatorship order. Those were the team's assessment, at that stage, of the earliest dates at which a compliant election could be held. The 2024 audit was due to be completed only at the end of September. The members' register sat with 3Sixty. The nomination and vetting process under rule 19.3 takes months.

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63. By June, doubt had begun to creep in. The June report told the Council that the October election would be held "*should circumstances prove favourable*". The plan was disclosed to the Council. Nobody at the Council suggested, before 20 August 2026, that an application to this Court was necessary.

JULY 2026: THE ADMINISTRATOR COLLAPSES

64. On 9 July 2026 3Sixty told my team that, because of its own financial distress, it could not continue to provide administration and managed care services to the Scheme in the existing way beyond 31 July 2026. This was an existential threat to the Scheme. On 16 July 2026 3Sixty's acting chief executive wrote to me. The letter, styled a proposal, is attached as **"FA15"**. It said that 3Sixty needed additional working capital to cover its June and July operations. It put forward an "*orderly wind-down*" as one alternative. It proposed that the Scheme take over 3Sixty's employees and service providers and administer itself. It also proposed that the Scheme waive its claims against 3Sixty. I did not agree to a waiver.

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65. My reply of 17 July 2026 forms part of **"FA16"**. The Scheme had no alternative administrator. It had some 18 000 beneficiaries whose claims had to be paid and whose calls had to be answered. Neither a merger nor a move to a new administrator was possible in the days available.

66. What followed took every working hour my team had.

66.1 On 17 July 2026 the Scheme applied to the Council under section 8(h) of the Act for exemption from the accreditation requirements, so that it

could administer itself and provide its own managed care services. The application is attached as **"FA17"**.

66.2 On 25 July 2026 the Scheme and 3Sixty concluded the Sizwe Hosmed Administration Agreement, effective 1 September 2026, under which 3Sixty's staff and the infrastructure needed to deliver administration services would pass to the Scheme. The agreement is attached as **"FA18"**.

66.3 On 27 July 2026 NIC Investments (Pty) Ltd, a shareholder in the 3Sixty group, launched an urgent application in the Gauteng Local Division, Johannesburg, under case number 2026-179926. Among other things, it sought to interdict and set aside the Administration Agreement. I was cited as the sixth respondent and the Scheme as the seventh. We answered on 6 August 2026. In letters of 9 and 11 August 2026 the applicant abandoned all relief directed at the agreement. The matter was removed from the urgent roll on 14 August 2026. It was enrolled for 8 and 9 October 2026 on urgency and costs insofar as it concerns the Scheme and me. On 8 October 2026, the application was struck from the roll for want of urgency, and the applicants were ordered to pay the costs of the Scheme and the curator on Scale C, including the costs of two counsel.

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66.4 On 29 July 2026 the Scheme lodged a supplementary exemption application, at the Council's request, dealing with section 63 of the Act. Further submissions followed on 1 August 2026.

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66.5 In August 2026 the Scheme paid 3Sixty's staff salaries and its critical suppliers, in lieu of an administration fee, to keep the administration running.

66.6 The Council's Executive Committee approved the primary exemption on 30 July 2026. The Council approved the secondary exemption on 28 August 2026. Both approvals were conveyed in a letter of 31 August 2026, attached as **"FA19"**. The primary exemption runs from 1 August 2026 to 30 April 2027. Within that period the Scheme must obtain accreditation as its own administrator and managed care provider, or engage accredited external providers, or its members must be transferred to another scheme, or it must amalgamate with one.

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66.7 The secondary exemption requires the Scheme, within 60 days, to furnish the Registrar with "*a credible and fully-costed plan for achieving permanent, accredited administration*". It lapses automatically if accreditation is not applied for and obtained within the period allowed. It requires monthly progress reports. My team and the Council treat the plan as due by 31 October 2026. I will deliver it by then.

66.8 On 1 September 2026 the Scheme began administering itself. It has taken on the staff who ran its administration at 3Sixty: as at 16 September 2026, 118 people, 76 of them permanent and 42 on fixed-term contracts. The transfer of the permanent staff under section 197 of the Labour Relations Act is being completed. Supplier contracts are being concluded afresh in the Scheme's name. IT infrastructure is being

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moved to the Scheme's Waterfall premises. The operating model is being reviewed for accreditation.

67. The election plan did not survive July. It assumed a functioning administrator holding the register, sending the notices and processing the ballots. In July that administrator told us it was on the verge of collapse. In my July 2026 report to the Council, sent on 7 August 2026, I reported that "*the project plan to end curatorship and hold an elective SGM in early October has been upended by the revelation that the Scheme's Administrator, 3Sixty Health, is in financial distress and unable to continue operations beyond 31 July 2026*". In my August 2026 report, signed and sent on 7 September 2026, I reported that "*the prospect of ending the curatorship by the 12-month anniversary (4 September) envisaged in the High Court order is no longer possible due to the demise of the Scheme's Administrator, 3Sixty Health*". Both reports form part of **"FA12"**.

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THE CHRONOLOGY FROM 6 AUGUST 2026 TO THE ISSUE OF THIS APPLICATION

68. I now set out, step by step, what was done about the court order from August 2026. I am advised that this Court must be given a full account.

69. On 6 August 2026 Mr Fuller and Ms Mbatha met Mr John Letsoalo, the Council's Senior Manager: Legal Services, to discuss the annual general meeting, the special general meeting and the court order. Mr Fuller reported to me in writing the next day. His email records that Mr Letsoalo "*advised against any form of elective conference at this stage*", a view the team shared; that "*he said we mustn't worry about the Court Order (requiring an elective SGM within 12 months)*"; that "*he said they will attend to the Court Order requirements, and*

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we should focus on an S8(h) exemption for not adhering to the Scheme rules around holding the annual AGM by 31 August"; and that the exemption had to be applied for before 30 August 2026. The email also records that the 3 October target no longer stood. It is attached as **"FA20"**.

70. My July 2026 report, sent to the Council the same day, recorded what the team understood had been agreed: "*After consultation with CMS' legal team, it has been agreed that the elective SGM envisaged in the court order and planned for early October is no longer appropriate and will be replaced with a SGM to inform members of the Scheme's financial position, progress regarding administration and tabling of annual financial statements for the 2023 and 2024 years.*"

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71. On 11 August 2026 Ms Mbatha wrote to Mr Letsoalo to confirm the options discussed. The first was "*seeking an exemption to do away with the requirement for an elective AGM in terms of the Court Order (for now)*". Mr Letsoalo replied: "*You have correctly understood the options that were discussed during our engagement.*" The exchange is attached as **"FA21"**.

72. On 18 August 2026 Mr Fuller instructed Fluxmans to prepare the exemption application.

73. On 20 August 2026 Fluxmans sent Mr Letsoalo a draft exemption application. It was prepared on the strength of what the team had been told on 6 and 11 August 2026. It asked the Council for exemption from paragraph 9.6 of the curatorship order as well as from rule 27.1.1 of the Scheme's rules. It carried a comment asking the Council to say what steps it would take about the court order, so as to avoid the risk of the curator being found in contempt.

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74. Mr Letsoalo answered the same afternoon. He wrote that paragraph 9.6 "*is an order of the High Court and not a requirement imposed by the Council*"; that the Council "*lacks the legal authority to vary, suspend, extend or condone compliance with that order*"; and that "*those powers reside exclusively with the Court that granted the order*". He advised that the application should record that the curator "*reserves the right, if necessary, to approach the Court for appropriate directions, clarification, variation or extension of the timelines contained in the order*". He also wrote that the Scheme's circumstances "*presently constitute exceptional circumstances*"; that its "*immediate priorities have shifted from ordinary governance processes to the preservation of operational continuity*"; and that "*there is a persuasive basis for contending that the election of a new board at this juncture may not advance the objectives underlying the curatorship order and may in fact undermine them*". The exchange is attached as **"FA22"**.

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75. That email changed the position. From 20 August 2026 we knew that only this Court could vary the order, and that I would have to bring this application.

76. On 21 August 2026 the exemption application was lodged with the Council. It is attached as **"FA23"**. It sought exemption from rule 27.1.1 so far as that rule required an annual general meeting by 30 August 2026. It proposed a special general meeting on 14 November 2026 at which the 2023 and 2024 financial statements would be tabled and members updated. It recorded that compliance with paragraph 9.6 "*ultimately remains a matter for the court to address*".

77. On 3 September 2026 the twelve months expired.

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78. Between 8 and 10 September 2026 the Council asked when the 2024 audit would be complete and whether the 14 November 2026 meeting was still intended. It asked for a meeting before its committee sat on 15 September 2026. On the evening of 10 September 2026 the Council's Executive: Regulation, Mr Mfana Maswanganyi, set out the Council's reading of the order: the curator "*must hold an SGM within 12 months to deal with the election as well as any other business that would ordinarily be dealt with at an AGM*", and "*only a Court can grant condonation for any failure to comply with the order as issued*". His email is attached as **"FA24"**.

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79. On 14 September 2026 Fluxmans wrote to the Registrar on my instructions. The letter, attached as **"FA25"**, answered the Council's questions on the exemption application. It explained why the Scheme could not responsibly be handed to a new board. It asked the Registrar either to bring the application to vary paragraphs 9.4 to 9.6 himself or to consent in writing to my bringing it. My team and Fluxmans met the Council's representatives that morning. It was agreed that:

79.1 the election meeting anticipated in paragraph 9.6 at the end of the twelve months was not appropriate;

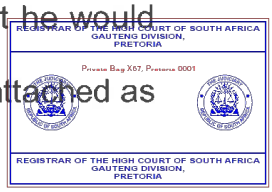
79.2 the timetable in the curatorship order should be extended by twelve months, that the Registrar would confirm this in writing, and that the curator, rather than the Registrar, should bring the application; and

79.3 the Council would respond formally to the exemption application concerning rule 27.1, which proposed that the business of the annual

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general meeting be dealt with at the special general meeting in November 2026.

80. On 15 September 2026 Fluxmans recorded that agreement in writing and asked the Registrar to confirm it. The letter, attached as **"FA26"**, said that the application would be issued before 30 September 2026 and that the draft papers would be sent to the Registrar's attorneys for comment before issue. On 18 September 2026 Fluxmans followed up. The Registrar replied that such matters were dealt with at the Council's monthly meetings and that he would advise after the Executive's month-end meeting. That exchange is attached as **"FA27"**.



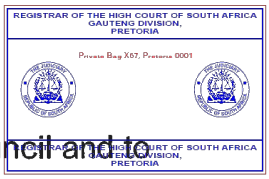
81. On 21 September 2026 the Registrar wrote the letter attached as **"FA3"**. It confirms the meeting of 14 September 2026. It records that "*the Curator will bring an application to vary the court order of the 4 September 2025 under case no: - 2025-150109 and particularly, request the court to extend the curatorship period by another 12 months*". It states that "*the Registrar will support the said application to the extent necessary to facilitate the effective determination same thereof [sic]*", and that I will continue to furnish monthly reports "*until the end of the anticipated extension or termination of the curatorship, whichever comes first*".

82. On 25 September 2026 ,the Scheme sent a written update to employer groups, broker groups, direct-paying members, unions and healthcare providers ("**the Curator's Update**"). I deal with it below.

83. On 30 September and 1 October 2026, the Council's legal advisers wrote to Fluxmans pressing for the present application. Mr Letsoalo's email of 1 October

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2026 records the Council's concern that "*the continued validity and stability of the curatorship arrangement may become open to challenge if the necessary legal steps are not taken timeously*", and asks that the application "*be finalised and filed without further delay*". Fluxmans replied the same day. The letter explained that the Registrar's decision on the exemption application, promised for after the Executive's month-end meeting, would bear on the approach taken in this application; that it would not help to issue papers that might need to be supplemented within days; and that the application would be issued as soon as that decision was known. The exchange is attached as **"FA28"**.



84. On 1 October 2026, the draft of this application was sent to the Council and to the Registrar's attorneys for comment, as promised. The draft notice of motion followed on 2 October 2026.

85. On 2 October 2026 the Registrar, as Chief Executive of the Council, wrote the letter attached as **"FA4"**. It records that the Council's Executive Committee considered the exemption application on 30 September 2026 and declined it.

86. The letter directs as follows: "*The Scheme is directed to urgently apply to the Court to have the Curatorship term extended. The application should also ventilate the reasons for not having convened an AGM in terms of the Scheme Rules or an SGM as per the original Curatorship Court Order.*"

87. The Registrar's attorneys returned their comments on the draft of this application on 8 October 2026, and were given access to the annexures on 9 October 2026. Their comments have been taken into account.

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WHY NO ANNUAL GENERAL MEETING WAS HELD BY 30 AUGUST 2026

88. Rule 27.1.1 requires an annual general meeting by 30 August each year. Rule 27.1.5 requires members to be told its date three months in advance. The Council's letter says that notice, with the agenda and other relevant information, should have been circulated by 31 July 2026. The relevant rules are attached as **"FA29"**.

89. The reasons why the relevant notice was not issued by 31 July 2026 and the AGM was not held by 30 August 2026, are as follows.

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89.1 First, the primary purpose of the annual general meeting is to put the Scheme's audited financial statements and annual report before the members, and to let them hold the board to account. In May 2026, when a date for the AGM would have had to be announced, it was clear that the 2024 audit was due to be completed only at the end of September 2026. An annual general meeting in August 2026 would have had no audited annual financial statements and annual report to table. Members had been through that experience in August 2024, when unsigned 2023 statements were tabled, and they declined to adopt them. I did not want the Scheme to repeat that costly and unproductive exercise.

89.2 Second, the curatorship order required a special general meeting to elect a board within the year. My team planned to hold *one* meeting, in late September or early October 2026, at which the election would take place and the business of the annual general meeting would be done with the 2023 and 2024 statements in hand. Two meetings of the whole

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membership within weeks of each other, each with its own notices, venue, logistics and cost, would have served the members worse at twice the expense.

89.3 Third, the three weeks before the Council's notice date of 31 July 2026 were the weeks in which the Scheme's administrator collapsed. On 9 July 2026 3Sixty said it could not continue beyond 31 July. On 16 July it proposed a wind-down. On 17 July the Scheme applied for exemption to administer itself. On 25 July it concluded the Administration Agreement. On 27 July it was served with the NIC application. The member register and every channel by which notice reaches members sat with 3Sixty. It would have been irresponsible to issue a notice by 31 July 2026 calling 8 700 members to a meeting to be held on 30 August 2026, in circumstances when the Scheme was facing material uncertainty, did not know whether it would have an administrator, and could not say what it would tell its members.

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89.4 Fourth, on 6 August 2026 the Council's Senior Manager: Legal Services advised my team not to hold any elective meeting at that stage, and to apply for an exemption from rule 27.1.1 before 31 August 2026 rather than hold the annual general meeting. The team did as he advised. The exemption application was lodged on 21 August 2026.

90. The default under rule 27.1.1 is one of timing, not substance. The business of the annual general meeting will be done at the special general meeting on 14 November 2026, eleven weeks after the meeting was due, with two years'

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audited annual financial statements and annual reports being presented to members, rather than none. I deal with that meeting below.

WHY I DID NOT APPROACH THIS COURT BEFORE 3 SEPTEMBER 2026, AND WHY I DO SO NOW

91. The initial twelve-month period was set by the curatorship order. This application has been brought *after* the twelve months. I explain why the application was not brought within the twelve months, and seek condonation for that. There are two periods I address. I deal with them in turn.

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92. The first period runs from my appointment to 20 August 2026. My team was working to a plan that put the election in late September or early October 2026, weeks past the deadline. The plan had been disclosed to the Council. Nobody in my team appreciated, before 20 August 2026, that the curator himself had to apply to this Court, and the interactions with the Council's officials described above did not suggest it. In those months the team's attention was on the audit arrears, the loss of members and, from 9 July 2026, the collapse of the administrator. From 27 July 2026 the Scheme's attorneys were fully engaged in opposing the NIC application, which threatened the only arrangement that could keep the Scheme administered after 31 August 2026. There was no wilful disregard of the order.

93. The second period runs from 20 August 2026 to the issue of this application. Counsel were briefed within eight days of the Council's email. Those eight days were used to lodge the exemption application, obtain my confirmation and assemble the brief.

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94. From 31 August 2026 I acted on counsel's advice. It was that a properly prepared application, on full notice to the Registrar and the former trustees, with a complete chronology, would serve the members and this Court better than papers assembled in three days to meet a deadline that had, in substance, already been missed. An application on 48 hours' notice under paragraph 9.3.13, without the former trustees before the Court and without the facts assembled, would have asked this Court to extend a timetable without knowing why or for how long. I did not think that was right. The application has been prepared in the weeks since, while the decisions and confirmations of the Registrar and the Council were sought and received: the Registrar's letter of 21 September 2026 and the Council's decision of 2 October 2026. In the same weeks the Scheme took over its own administration and prepared its 2027 benefit and contribution changes for launch on 29 September 2026, ahead of the open period.

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95. I emphasise four things.

95.1 The Registrar and the Council have been apprised of the position at every stage. They received my monthly reports, which said in July that the October election plan had been upended and in August that the twelve-month timetable could not be met. They met my team on 6 August and 14 September 2026. They support this application. The Council has directed it.

95.2 No one has been prejudiced by the weeks between 3 September 2026 and the issue of this application. No election could have been held in that time. Members have been kept informed, most recently by the

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Curator's Update of 25 September 2026. Reporting to the Registrar has continued without interruption.

95.3 I have not treated the order as having fallen away. I have treated it as requiring me to come to this Court as soon as a proper application could be prepared.

95.4 On the alternative construction mentioned above, the year ran from confirmation on 9 October 2025. My primary position is that the deadline was 3 September 2026 and that I missed it. On either construction the delay is measured in weeks, not months, and the whole of that time has been spent collating documents, consulting with attorneys and counsel, engaging the Council and obtaining its input, and drawing and settling the application.

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96. I ask this Court to assess the chronology as a whole described in more detail above: a plan disclosed to the regulator; an administrator that collapsed in the eleventh month; interactions with the regulator regarding the election; no wilful disregard of the order; the need for an extension in the interests of all beneficiaries; the support, and now the direction, of the regulator; and an application prepared with care as soon as the need for it was clear. I have tried to give this Court every fact it needs. I submit that the chronology shows good cause.

THE SCHEME TODAY

97. I turn to the present position. It is the reason a further twelve months is needed. The figures are as at 31 August 2026, the latest month for which management

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accounts had been closed when this affidavit was prepared. They are taken from the August 2026 management accounts, attached as **"FA30"**. They are management information, not audited figures. Mr Fuller confirms them. I will provide updated figures in reply or at the hearing so far as they have been compiled by then.

Finances

98. At 31 August 2026 the Scheme's solvency ratio was 42.5%. Its regulatory reserves under regulation 29 were R428.1 million. Its total reserves were R442.6 million. The difference of R14.5 million is made up of cumulative unrealised, non-distributable reserve movements recognised in the income statement. They count as reserves for accounting purposes but do not qualify for solvency until they are realised. The Curator's Update gave stakeholders rounded figures of 40% and R440 million. The closed management accounts give the figures I have just set out.

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99. Gross contributions for the eight months to August 2026 were R671.0 million. The net deficit for the period was R13.7 million. July showed a deficit of R19.9 million, largely because billing errors from earlier in the year were corrected in that month. August showed a surplus of R2.1 million. The results include the costs of the curatorship and of litigation. Without those items the Scheme's operations were close to break-even, which is significant given the deterioration in its risk profile. Investment income for the period was R44.2 million.

Membership

100. At 31 August 2026 the Scheme had 8 688 principal members and 17 394 beneficiaries. The rate of loss has slowed from about 30 000 in the last quarter

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of 2025 to fewer than 500 a month since June 2026, much of it through brokers moving members within employer groups to other schemes. The open period from 1 October to 31 December 2026 will be the real test. The Scheme has historically served members of the National Union of Metalworkers of South Africa ("**NUMSA**") and other unions. My team and I met NUMSA's national leadership on 6 May, 25 May, 3 June and 4 September 2026 and presented our plan. They said they wished to bring members back to the Scheme in the open period. Other unions have said the same. I put it no higher than that. Whether members return will be known by January 2027.

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101. In the Curator's Update I told members and other stakeholders that the Scheme's ambition is to grow to between 12 000 and 15 000 principal members in the open period.

Administration

102. The Scheme has administered itself since 1 September 2026 under the exemption that expires on 30 April 2027. It pays claims weekly. Over the thirteen weeks from July to September 2026 the weekly claims run averaged about R14 million. More important than the amount is that the weekly run has been processed smoothly and on time throughout the transition, and for longer. The costed plan required by the Council is due by 31 October 2026 and is being prepared. The present intention, subject to that plan and to the Registrar's approval, is to administer the Scheme in-house until about the end of January 2027 and then to hand administration to an accredited external administrator.

103. Administration is not a medical scheme's core business. Members are often better served by an established administrator with a proven track record.

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Separately, the Scheme has concluded non-disclosure agreements with three other medical schemes, whose identities I can disclose in confidence if needed, and has shared information with them. Those schemes have been approached as possible homes for the Scheme's members, by transfer or amalgamation, should that ever become necessary. They have not been approached to administer the Scheme. A transfer or amalgamation is a fall-back only. It is not the plan. Rule 31 of the Scheme's rules requires that members be given an exposition of any proposed amalgamation or transfer and decide, by ballot or otherwise, whether it should proceed. Nothing of the kind is proposed.

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The transition

104. There has been no migration of the administration system. The Scheme continues to run on the system that 3Sixty used, now under contracts concluded in the Scheme's own name. The Registrar told this Court that little reliance could be placed on that system, and my own experience bears him out. Because of recurring problems with it, an independent audit of its configuration is under way.

105. The Scheme has refunded approximately R130 million in medical savings account balances to former members. A substantial proportion of former members have no valid banking details on record, and their balances cannot be paid until they update them. A drive to obtain those details, through brokers, employers and unions, is under way. The transfer of staff, the conclusion of supplier contracts, the transfer of IT infrastructure, the review of the operating model for accreditation, the consultation over the permanent structure and the implementation of the 2027 benefit and contribution changes are all in progress.

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A tracking register kept by the transition forum records each action point, the person responsible, the target date and its status. The tracking register is attached as **"FA31"**. Mr Magare confirms the state of the transition and of the member register.

Litigation and recoveries

106. Apart from the appeal and the costs hearing in the NIC application, the Scheme is pursuing 3Sixty employees who submitted fraudulent claims of about R10 million, of which about R5.6 million was paid before the fraud was detected. The Scheme seeks to recover what was paid. It is in settlement discussions in Anton Piller proceedings. It is defending claims by service providers that appear to be unsupported.

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107. Each of these matters needs detailed knowledge of the Scheme's history that my team has built up over eight months. Each, if it succeeds, returns money to the members' funds.

Communication with members

108. From April to June 2026 roadshows for members, employer groups and brokers were held. A second round began in September 2026, ahead of the open period. In the week of 14 September 2026 my team held webinars with employers and brokers. Roadshows with major employers, broker groups, unions and healthcare providers continue.

109. A newsletter with a message from the curator is published on the Scheme's website and sent to members by email and by SMS , roughly monthly. It has dealt with the curatorship, solvency, the problems with the administrator and the move to self-administration.

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110. On 25 September 2026 the Scheme sent the Curator's Update to employer groups, broker groups, direct-paying members, unions and healthcare providers. It is attached as **"FA32"**. It tells stakeholders that the Scheme has administered itself since 1 September 2026. It reports a solvency ratio of 40% and reserves of R440 million at the end of August 2026 (the rounded figures I have explained above); 8 662 principal members and 17 394 beneficiaries; the weekly payment of claims at an average of about R14 million; the refund of approximately R130 million in savings account balances; and the reinstatement of the Scheme's governance committees. It records the webinars and roadshows and announces the launch of the Scheme's 2027 product portfolio on 29 September 2026.

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111. The Curator's Update also tells stakeholders that, as a result of the move to self-administration, the curatorship "*is now projected to end in September 2027, subject to the required regulatory and governance processes*", and that a new principal officer will be appointed and members will elect a new board. That aligns with the projection in my attorneys' letter of 14 September 2026 and in the Registrar's letter of 21 September 2026. I say three things about it.

111.1 First, the projection is expressly subject to the required regulatory and governance processes. This application is one of them. I did not, and do not, presume its outcome.

111.2 Second, the Curator's Update does not describe this application, which had not been issued when it was sent, and gives no date for the election. Members will be told of the application, of the programme and

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of how they may be heard by the notice attached as **"FA33"**, within five court days of its issue.

111.3 Third, members were entitled to know my expectation before the open period, in which they must decide whether to stay.

112. Solvency and reserves have been disclosed to members and employer groups when asked, and the Scheme's website reported a solvency ratio of 40% as at 31 July 2026. On 9 September 2026 the Scheme published a notice on its website explaining the move to self-administration and announcing a special general meeting "*later this year on a date to be confirmed*" to update members on the past year and the outlook for 2027. The notice is attached as **"FA34"**. A bundle of the member communications since February 2026 is attached as **"FA35"**.

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113. These communications keep members informed. They are not a substitute for the meeting and the election the order requires.

WHY THE ELECTION MUST WAIT

114. This Court may ask why an election cannot be held on 14 November 2026, when members are in any event to be convened. There are at least seven reasons.

115. First, the Scheme is in the middle of the transition from 3Sixty to self-administration. The decisions of the next six months will determine whether it survives as an independent scheme. They include:

115.1 the costed plan due on 31 October 2026;

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115.2 accreditation or the appointment of an external administrator by 30 April 2027;

115.3 the implementation of the 2027 benefit and contribution changes, which were launched on 29 September 2026. The 2027 contribution and benefit schedules, which form annexures to the rules and are updated each year, were submitted to the Council on 1 October 2026 under its Circular 20 and await the Registrar's approval. On my team's assessment they compare well with the market; and

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115.4 membership changes over the open period.

116. Those decisions rest on detailed knowledge of the Scheme's contracts, systems, staff and finances that my team has built over eight months and that no new board would have.

117. Second, the problems that brought the Scheme into curatorship were problems of governance and of the board's relationship with its administrator. The Registrar told this Court that the administrator's systems could not be relied on and that the board's pricing decisions impugned its fitness to govern.

118. The administrator has now gone. The structures to prevent a recurrence are being built now: the management forums, the reinstated governance committees, the contract register, the separation of the Scheme's data and systems from any administrator. To hand the Scheme to a new board before they are in place would risk repeating the failure that brought it here. In short, the Scheme is not in a position to be handed to a new board of trustees as yet.

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119. Third, the membership is about to change. The open period runs from 1 October to 31 December 2026. Members may leave; former members and new members may join. A board elected in November 2026 by the 8 700 or so members then on the register may not represent the membership of 2027. The Scheme's ambition is to grow to between 12 000 and 15 000 principal members in the open period. If even part of that ambition is realised, a large part of the 2027 membership would have had no vote. An election after the open period, on a settled register, is more likely to produce a board the members will recognise as theirs.

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120. Fourth, a ballot of the whole membership must run on a register the Scheme can vouch for, through notice channels that reach every member. Since 1 September 2026 the register and those channels have been the Scheme's own responsibility. They sit on a system whose reliability the Registrar questioned and which is now being audited. The contact and banking data are incomplete. The Scheme is putting both in order. Mr Magare describes the state of the register and the steps being taken to verify it.

121. Fifth, the Council's approval of 31 August 2026 contemplates that the Scheme's members may yet be transferred to another scheme or that the Scheme may amalgamate with one. That is not my preferred course, or the planned course. But it would not be a responsible use of members' funds to run an election in the months in which that question is decided.

122. Sixth, an election under the rules is not a formality. Rule 19.3 requires:

122.1 a body to run the electoral process;

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122.2 a call for nominations to all members;

122.3 nomination forms signed by a proposer, a seconder and the candidate;

122.4 the vetting of every candidate for fitness and propriety;

122.5 a list of vetted candidates and ballot forms sent to every member;

122.6 verification of the ballots by an independent body or the auditors; and

122.7 publication of the result.

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123. Rule 19.3.2.1 contemplates the call for nominations going out four months before the term it fills. Done properly, an election is a programme of several months. The one I propose below runs five months from the appointment of the electoral body to the meeting. It cannot be completed on a reliable register before the open period ends.

124. Seventh, there is the cost. Two members' meetings in quick succession, the information meeting on 14 November 2026 and an election meeting, would cost the members' funds twice. Mr Fuller gives the estimated cost of a compliant election under rule 19.3, including the independent electoral body and the audited count, in his affidavit.

125. The Council's legal services took the same view, provisionally and on the facts then before them, on 20 August 2026: while the Scheme was stabilising its operations with its future structure uncertain, there was "*a persuasive basis for contending that the election of a new board at this juncture may not advance the objectives underlying the curatorship order and may in fact undermine*

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them". The Registrar has since confirmed in writing that he supports this application, and the Council has directed it.

126. The election should wait until the Scheme is stable, its administration is settled and its register is reliable.

THE PROGRAMME TO THE ELECTION

127. I set out the programme in terms of which I will work if the extension is granted. The dates are targets, not promises. Some depend on third parties, including the Registrar. I will report progress against each of them in my monthly reports under paragraph 9.5.

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127.1 By 31 October 2026: delivery to the Registrar of the costed plan for permanent, accredited administration; delivery to the Registrar and the Scheme, and filing in these proceedings, of my interim report under paragraph 9.4; completion of the 2024 audit.

127.2 On 14 November 2026: the special general meeting at which the 2023 and 2024 audited financial statements are tabled and members are given a full account of the Scheme's position and of this application.

127.3 By 31 December 2026: close of the open period; implementation of the 2027 benefit and contribution changes from 1 January 2027.

127.4 By 31 January 2027: verification of the member register as it stands after the open period; appointment of the independent electoral body under rule 19.3.2; publication to members and the Registrar of the

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election timetable; transition to the permanent administration arrangement approved by the Registrar.

127.5 By 28 February 2027: call for nominations to all members under rule 19.3.2.1.

127.6 By 30 April 2027: close of nominations; vetting of all candidates for fitness and propriety; accreditation obtained or an accredited administrator appointed, as the exemption requires.

127.7 By 31 May 2027: dispatch of the list of vetted candidates and ballot forms to every member; ballot period.

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127.8 By 30 June 2027: independent verification of the ballot; the special general meeting under paragraph 9.6 at which the result is announced and the new board takes office; appointment of a principal officer by the new board.

127.9 By 3 September 2027: handover to the new board; final report under paragraph 9.4; termination of the curatorship on a date fixed by this Court or agreed with the Registrar.

128. Until this Court decides this application, I will continue to comply with the curatorship order so far as it can be complied with, including by reporting monthly to the Registrar under paragraph 9.5.

129. If any term of the curatorship order, cannot be met, I undertake to approach this Court on these papers, supplemented as necessary, on notice to all affected

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parties, to explain why and to seek appropriate relief. I ask for leave to do so in the notice of motion.

THE 14 NOVEMBER 2026 MEETING

130. The meeting on 14 November 2026 will be a special general meeting called under rule 27.2.1. For the reasons described in this application, it will not be the election meeting required by paragraph 9.6. It is an information meeting, held eleven weeks after the annual general meeting was due, at which the business of that meeting will be done so far as it can be.

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131. The 2023 and 2024 annual financial statements, the auditor's reports and the available annual report will be tabled. Members will be given a current account of solvency, reserves, membership and the transition, and of this application. Members may table motions and put questions. The notice will explain this to members in plain terms. Members will be given at least thirty days' notice. The meeting pack will go to the Council when notice goes to members, as the Council's Circular 3 of 2026 requires.

THE REGISTRAR'S AND THE COUNCIL'S POSITION

132. The Registrar obtained the curatorship order. He is defending it before the Full Court. He told this Court that the curator would work under his direction and that he would decide what further steps to take on the strength of the curator's reports. He has received every report. He was asked formally to bring this application or to consent to it. Fluxmans' letter of 15 September 2026 records that his officials agreed at the meeting of 14 September 2026 that the timetable should be extended by twelve months and that I should bring the application.

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133. His letter of 21 September 2026 (**"FA3"**) is his answer. It confirms that "*the Curator will bring an application to vary the court order . . . and particularly, request the court to extend the curatorship period by another 12 months*", and that "*the Registrar will support the said application to the extent necessary to facilitate the effective determination same thereof [sic]*".

134. The Council's letter of 2 October 2026 (**"FA4"**), signed by the Registrar as its Chief Executive, goes further. It directs the Scheme to apply to this Court urgently for the extension.

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135. The Registrar, being the party that obtained the order and the statutory guardian of the members' interests, supports the variation and has directed that it be sought. His attorneys have indicated that they have no objection to a confirmatory affidavit being delivered on his behalf. I ask this Court to give his support the weight it deserves.

NOTICE TO MEMBERS

136. The members of the Scheme should know that this application has been brought, what it asks, and that they may be heard. I undertake that within five court days of the issue of this application the Scheme will publish on its website, and send to members by the channels it uses for its newsletters, a notice in the form attached as **"FA33"**.

137. The notice will explain the relief sought and why. It will say where the papers may be read online and obtained in hard copy. It will tell members that any of them who wishes to be heard may apply for leave to intervene within fifteen

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court days of the notice. Members will be told of the outcome of the application within five court days of the order.

THE POWER TO GRANT THE RELIEF

138. I am advised and submit as follows.

138.1 Paragraph 9.3.13 of the curatorship order reserves to the curator the right to apply for an amendment of her powers where that is necessary "*for the effective exercise of her powers and responsibilities*". Paragraphs 9.4 to 9.6 define the curator's responsibilities. The timetable in them must be extended if those responsibilities are to be exercised effectively and in the best interests of the Scheme's beneficiaries.

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138.2 Section 5 of the FI Act, applied by section 56(2) of the Act, gives this Court continuing supervision over the curatorship. Section 5(2)(a) contemplates an appointment "*on such conditions and for such a period as the court deems fit*". Section 5(5) empowers the Court to make orders as to the curator's powers and duties and any other matter it deems necessary. Sections 5(8) and 5(9) confirm that its supervision continues for the life of the curatorship.

138.3 In the alternative, and insofar as it applies to a period of this kind, rule 27(1) of the Uniform Rules permits this Court, on application on notice and on good cause shown, to extend a time fixed by an order of court. Rule 27(2) permits it to do so after the time has expired and to make such order as it deems fit as to the consequences of the default.

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138.4 This Court also has the inherent power under section 173 of the Constitution to protect and regulate its own process. The relevant parts of the curatorship order are supervisory and interlocutory by nature. They direct an officer of the Court to take steps over a period, and they are not fully executed while the curatorship runs. The Court that made the order may adjust its timetable when circumstances change.

138.5 A party bound by an order it cannot meet must return to the court that made it and seek a relaxation of its terms. That is what I do.

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138.6 This Court is not asked to revisit the merits of the curatorship. This application does not affect them. It asks for an adjustment of the timetable under the powers that the order and the statute reserve.

138.7 This Court has already exercised its supervisory power over this curatorship since confirmation, at the former trustees' instance. On 11 February 2026, by agreement with them, it cancelled the first curator's appointment and appointed me under the same order. Nobody suggested then that the Court could not alter the order after confirmation and pending the appeal. The variation I seek is less intrusive: an extension of the timetable, with the approval of the regulator and in the interests of the beneficiaries, not a reconsideration of the decision to impose the curatorship.

CONDONATION

139. I ask this Court to condone my non-compliance with paragraphs 9.4 and 9.6 of the curatorship order from 3 September 2026 to the date of its order, and to

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treat the monthly reports delivered since 3 September 2026 as delivered under paragraph 9.5 as extended.

140. The condonation I ask for is confined to the defaults disclosed in this affidavit. I am advised and submit that this Court weighs the extent of the default, the explanation for it, the prejudice to others and the merits of the relief sought. I deal with each.

141. The default is measured in weeks. I have given the explanation above. The Registrar has at all times had the information that paragraph 9.4 was designed to give him. The July and August 2026 reports told him that the curatorship could not end in September 2026. No proper election could have been held by 3 September 2026 without harm to the members. No annual general meeting could responsibly have been called in the weeks in which the administrator collapsed.

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PRETORIA

142. No separate report under paragraph 9.4 was delivered by 3 September 2026. I have undertaken to deliver one by 31 October 2026.

143. There is no prejudice that the programme and the safeguards cannot cure. The Registrar supports the application and the Council has directed it. The members have been kept informed and will meet on 14 November 2026. The former trustees' appeal is unaffected. The weeks since 3 September 2026 have been spent engaging with the Registrar and the Council, awaiting their decisions, running the Scheme and preparing this application.

144. I have not wilfully disregarded this Court's order. Until August 2026 my team worked to a plan disclosed to the regulator under whose control I act. In August

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2026 it acted on that regulator's advice. From 20 August 2026 it acted on counsel's. I have come to this Court as soon as a proper application could be prepared. The merits of the extension are set out above.

PREJUDICE

145. The members have had no elected board since September 2025. Postponing the election defers their choice and prolongs the curatorship. I do not minimise that.

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146. But it is outweighed by the alternative. The history of this Scheme shows how quickly members and employers react to governance news: employer groups resigned within a fortnight of the curatorship announcement, and some 30 000 members left within months. An election rushed through the open period, on an unverified register, under rules in the course of amendment, with the Scheme's administration and structure unsettled, would risk a disputed or inquorate result and a board that could not govern.

147. The extension will allow a properly run election in mid-2027, in a stable Scheme, on a settled register. That serves the members better. That is my view as the officer this Court appointed to consider their interests. It is also the view of the statutory guardian, the Registrar and the Council.

EXPEDITION

148. This application allows the ordinary periods for notice and answer. But it should be heard as soon as possible. The Council has directed that it be brought as soon as possible, and has recorded its concern that the stability of the curatorship may be open to challenge until the order is varied. The interim

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report falls due on 31 October 2026 and the members meet on 14 November 2026. The Scheme's affairs should be regularised before then, so that the steps my team must take in the coming months are not exposed to needless and costly challenge. The notice of motion states the date on which the application will be heard if it is not opposed. Once the papers have been served, my attorneys will ask the Deputy Judge President for judicial case management and an expedited allocation.

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COSTS

149. If the application is unopposed I ask for no order as to costs. The costs are costs of the curatorship under paragraphs 9.3.6 and 9.3.8 of the order, payable from the Scheme's assets, and will be reported to the Registrar in the ordinary course.

150. If the application is opposed, I ask that the party opposing pay the costs occasioned by the opposition, including the costs of two counsel on Scale C.

CONCLUSION

151. The curatorship order gave the curator a year to stabilise the Scheme and return it to an elected board. Five months of that year had passed before I was appointed. The last few were consumed by the collapse of the Scheme's administrator. The Scheme has survived that. It is paying its claims, refunding savings balances and taking its 2027 benefit options to the market. It now needs time to complete the transition, to settle its rules, its register and its membership through the open period, and to elect, through a fair process, a board fit to take it forward. The regulator has directed me to ask for that time. I ask for it, on the

Page 54 of 55

programme set out above, under this Court's supervision, with an interim account now, with notice to the members, and with the Registrar's support.

152. I accordingly ask for an order in terms of the notice of motion.

IAN BRYCE FLEMING

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I hereby certify that the deponent knows and understands the contents of this affidavit and that it is to the best of the deponent's knowledge both true and correct. This affidavit was signed and sworn to before me at PRETORIA on this the 21 day of OCTOBER 2026, the Regulations contained in Government Notice R.1258 of 21 July 1972, as amended, having been complied with.

SOUTH AFRICAN POLICE SERVICE
O.R. TAMBO INTERNATIONAL AIRPORT
2026 -10- 21
CLIENT SERVICE CENTRE
DIVISION: VISIBLE POLICING AND OPERATIONS
SOUTH AFRICAN POLICE SERVICE

COMMISSIONER OF OATHS

Full names: Selvidri Ramuckunt
Address: PRETORIA.
Capacity: Sergeant

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COURT ONLINE COVER PAGE

IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

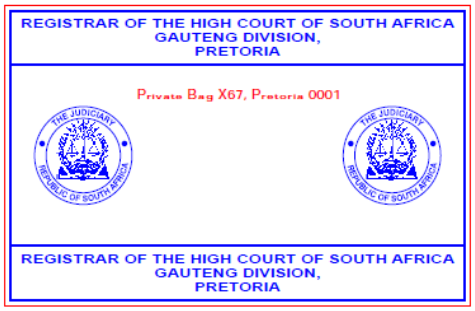
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Annexure 01

NOTE: **This document was filed electronically by the Registrar on 21/10/2026 at 3:28:23 PM South African Standard Time (SAST). The time and date the document was filed by the party is presented on the header of each page of this document.**



ELECTRONICALLY SIGNED BY:

Registrar of Pretoria , Gauteng Division,Pretoria

IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA

CASE NUMBER: 2025-150109

AT PRETORIA ON THE 03rd DAY OF SEPTEMBER 2025
BEFORE THE HONOURABLE JUSTICE K MANAMELA AJ

In the Ex Parte Application of

THE REGISTRAR OF MEDICAL SCHEMES Applicant

and

SIZWE HOSMED MEDICAL SCHEME Respondent

This Order is made an Order of Court and the Judge whose name is reflected herein, duly stamped by the Registrar of the Court, and is submitted electronically to the Parties/their legal representatives by email. The date of Order is deemed to be Wednesday, the 03rd of September 2025.

COURT ORDER

HAVING read the filed papers of record, having heard Counsel and having considered the matter:

IT IS ORDERED THAT:

1. The Applicant's non-compliance with the forms, service and time limits provided for in the rules, in terms of the provisions of Rule 6(12)(a) is hereby condoned and this matter is heard as one of urgency;

2. The failure of the Applicant to serve these papers on the Respondent prior to the application for the relief set out herein is hereby condoned and this application is heard *ex parte*.

3. The Applicant is granted leave for the application to be heard on in camera in terms of the provisions of Section 32 of the Superior Courts Act 10 of 2013 and the Registrar of the High Court is ordered not to place the matter for hearing on the roll for open court, before service of the application on the Respondent.

4. The statutory management Order granted on 06 May 2025 under **Case Number: 109433/2024** is hereby terminated in terms of Section 5A(8) of the Financial Institutions (Protection of Funds) Act, No. 28 of 2001 ("*the FI Act*");

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5. The Respondent is placed under provisional Curatorship as contemplated by the provisions of Section 56(1) of the Medical Schemes Act, No. 131 of 1998 ("*the MSA*), read together with Section 5(1) and (2) of the FI Act, pending the outcome of the return date of the rule *nisi* referred to herein;

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PRETORIA

6. Lebogane Grace Mpakati is appointed as the provisional Curator ("*the provisional Curator*") of the Respondent, pending the outcome of the return date of the rule *nisi* referred to herein, in terms of the provisions of Section 56(1) of the MSA, read together with Section 5(1) and (2) of the FI Act;

7. That pending the outcome of the return date of the rule *nisi,* and subject to the control of the Applicant, the provisional Curator be and is hereby -

   7.1 authorised to take immediate control of, and in the place of the board of trustees, manage the business and operations of and concerning the Respondent, together with all assets and interests relating to the business of the Respondent, in accordance with the provisions of the MSA and the Respondent's rules;

   7.2 vested with all powers of control and management which would ordinarily be vested in and exercised by the board of trustees or principal officer of

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the Respondent, whether by law or in terms of the rules of the Respondent;

7.3 directed to give consideration to the best interests of the members of the Respondent;

7.4 directed to exercise the powers vested in her with the view to conserving the business of the Respondent and not without the leave of the Applicant to alienate or dispose of any of the property of the Respondent, save to the extent and for the purposes set out hereunder;

7.5 directed to take control of the cash, cash investments, shares and other securities, as well as of all other assets owned, held or administered by or on behalf of the Respondent;

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA GAUTENG DIVISION, PRETORIA
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7.6 authorised to incur such reasonable expenses and costs as may be necessary or expedient for the Curatorship and control of the business and operations of the Respondent, and to pay same from the assets owned, administered or held by or on behalf of the Respondent;

7.7 authorised to pay claims or other benefits to the Respondent's members, having regard to the rules of the Respondent and its financial position;

7.8 permitted to engage such assistance of a legal, accounting, actuarial, administrative or other professional nature, as she may reasonably deem necessary for the performance of her duties in terms of this order, and to defray reasonable charges and expenses thus incurred from the assets owned, administered or held by or on behalf of the Respondent;

7.9 authorised to institute or prosecute any legal proceedings on behalf of the Respondent and to defend any action against the Respondent;

7.10 authorised to invest such funds as are not required for the immediate purposes of the business, with an institution or financial instruments as he may regard financially sound and appropriate;

7.11 authorised to take control of and to operate or close existing banking accounts of the Respondent whether conducted in South Africa or off-shore, and to open and operate any new banking accounts for the purposes of the Curatorship;

7.12 authorised to investigate allegations of financial and governance irregularities set out in the founding affidavit attached to this notice of motion and to recommend the appropriate action to be taken to address same and where necessary, recommend action to be taken against any person who may be guilty of misconduct or a crime;

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7.13 authorised, at any time during her term of office, to apply on 48 hours' notice or on an ex *parte* basis for any amendment or amplification of the powers granted to him in terms hereof in the event that it is necessary to amend or amplify such powers for the effective exercise of her powers and responsibilities; and

7.14 authorised to be entitled to reasonable remuneration and disbursements, as might be allowed by agreement with the applicant, alternatively, failing such agreement as may be determined later by this Court, and that such remuneration shall be paid by the Respondent and shall be a first charge upon the Respondent's assets;

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PRETORIA

8. That the disclosure of the reports into the affairs of the Respondent and associated entities, compiled by KPMG and the Statutory Manager, is authorised as annexure to these papers in terms of the provisions of Section 10(1)(b) of the Inspection of Financial Institutions Act, No. 80 of 1998 ("*the Inspections Act*");

9. That a rule *nisi* be issued calling upon the Respondent and other interested persons to show cause, if any on **30 October 2025** at 10:00 or so soon thereafter as Counsel may be heard, why an Order should not be made in the following terms:

9.1 Confirming the Curatorship of the Respondent as contemplated by the provisions of Section 56(1) of the MSA, read together with Section 5(1) and (2) of the FI Act;

9.2 Confirming the appointment of Lebogane Mpakati as Curator (*"the Curator"*) of the Respondent, in terms of the provisions of Section 56(1) of the MSA, read together with Section 5(1) and (2) of the FI Act;

9.3 Confirming the powers and mandate of the Curator to be that she is –

9.3.1 authorised to take immediate control of, and in the place of the board of trustees, manage the business and operations of and concerning the Respondent, together with all assets and interests relating to the business of the Respondent, in accordance with the provisions of the MSA and the Respondent's rules;

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9.3.2 vested with all powers of control and management which would ordinarily be vested in and exercised by the board of trustees or principal officer of the Respondent, whether by law or in terms of the rules of the Respondent;

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GAUTENG DIVISION,
PRETORIA

9.3.3 directed to give consideration to the best interests of the members of the Respondent;

9.3.4 directed to exercise the powers vested in her with the view to conserving the business of the Respondent and not without the leave of the applicant to alienate or dispose of any of the property of the Respondent, save to the extent and for the purposes set out hereunder;

9.3.5 directed to take control of the cash, cash investments, shares and other securities, as well as of all other assets owned, held or administered by or on behalf of the Respondent;

9.3.6 authorised to incur such reasonable expenses and costs as may be necessary or expedient for the Curatorship and control of the business and operations of the Respondent, and to pay same from the assets owned, administered or held by or on behalf of the Respondent;

9.3.7 authorised to pay claims or other benefits to the Respondent's members, having regard to the rules of the Respondent and its financial position;

9.3.8 permitted to engage such assistance of a legal, accounting, actuarial, administrative or other professional nature, as she may reasonably deem necessary for the performance of her duties in terms of this order, and to defray reasonable charges and expenses thus incurred from the assets owned, administered or held by or on behalf of the Respondent;

9.3.9 authorised to institute or prosecute any legal proceedings on behalf of the Respondent and to defend any action against the Respondent;

9.3.10 authorised to invest such funds as are not required for the immediate purposes of the business, with an institution or financial instruments as he may regard financially sound and appropriate;

9.3.11 authorised to take control of and to operate or close existing banking accounts of the Respondent whether conducted in South Africa or off-shore, and to open and operate any new banking accounts for the purposes of the Curatorship;

9.3.12 authorised to investigate allegations of financial and governance irregularities set out in the founding affidavit attached to this notice of motion and to recommend the appropriate action to be taken to address same and where necessary, recommend action to be

taken against any person who may be guilty of misconduct or a crime;

9.3.13 authorised, at any time during her term of office, to apply on 48 hours' notice or on an ex parte basis for any amendment or amplification of the powers granted to her in terms hereof in the event that it is necessary to amend or amplify such powers for the effective exercise of her powers and responsibilities; and

9.3.14 authorised to be entitled to reasonable remuneration and disbursements, as might be allowed by agreement with the applicant, alternatively; failing such agreement as may be determined later by this Court, and that such remuneration shall be paid by the Respondent and shall be a first charge upon the Respondent's assets;

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA GAUTENG DIVISION, PRETORIA

2025 -09- 04

9.4 Directing the Curator to report on her Curatorship to the applicant and the Respondent within twelve (12) months from the date of this order and to include in her report a statement of her findings and recommendations concerning the Respondent's affairs and the continuation, if necessary, of the Curatorship;

9.5 Directing the Curator to report on the Respondent's affairs to the applicant on a monthly basis during the aforesaid period of twelve (12) months;

9.6 Directing the Curator to take all steps which are necessary to convene a special general meeting of the Respondent at which a new board of trustees who are fit and proper for this purpose shall be elected and report thereon within the twelve (12) month period referred to above;

9.7 Directing that the costs of this application on the scale between attorney and own client be paid by the Respondent, which costs are to include costs of two counsel, one being a senior counsel.

10. That a copy of this Order, including the rule *nisi*, as well as the Notice of Motion

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herein and the Founding Affidavit together with the Annexures thereto, be served on the Respondent at Treur Close (Old Pragma Building), Bekker Road, Midrand, Gauteng, as well as on the Statutory Manager, Mr Joe Seloane.

BY THE COURT

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA GAUTENG DIVISION, PRETORIA
Private Bag X67, Pretoria 0001
2025 -09- 04
QD-PRET-017
REGISTRAR

Applicant's counsel:

Adv J.J. Brett SC : 011 535 0806

Adv L. A. Makua : leks@leksma.co.za

Mothle Jooma Sabdia Attorneys

Ref: Thipe Mothle / Email: thipem&mjs-inc.co.za

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IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

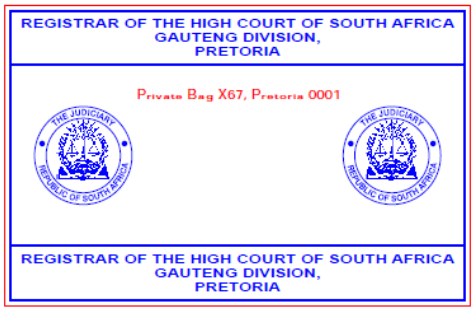
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Annexure 02

NOTE: **This document was filed electronically by the Registrar on 21/10/2026 at 3:29:23 PM South African Standard Time (SAST). The time and date the document was filed by the party is presented on the header of each page of this document.**



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Registrar of Pretoria , Gauteng Division,Pretoria

REPUBLIC OF SOUTH AFRICA

IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA

Case Number: 150109/2025

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

(1) REPORTABLE: NO/Y
(2) OF INTEREST TO OTHER JUDGES: NO/Y
(3) REVISED: NO/Y

09 OCTOBER 2025
DATE

SIGNATURE

In the matter between:

THE REGISTRAR OF MEDICAL SCHEMES Applicant

and

SIZWE HOSMED MEDICAL SCHEME Respondent

Delivered: *This judgment was prepared and authored by the Judge whose name is reflected and is handed down electronically by circulation to the parties/their legal representatives by e-mail and by uploading it to the electronic file of this matter on Caselines. The date for hand-down is deemed to be 09 October 2025.*

JUDGMENT

MAKHOBA, J

[1] On 28 August 2025, the Registrar of Medical Schemes ("Registrar") under an urgent *exparte* application approached this court and was granted an order provisionally placing Sizwe-Hosmed Medical Scheme ("Sizwe-Hosmed" or "the Scheme" or "the Respondent") under curatorship in terms of section 56(1) of the Medical Schemes Act, 131 of 1998 ("MSA") read together with the Financial Institutions (Protection of Funds) Act No. 28 of 2001 ("FI Act").

[2] The court also terminated the Statutory Management that had been in place in terms of an order of this court dated 06 May 2025. The Order placing Sizwe-Hosmed under provisional curatorship was granted on 03 September 2025. Lebogang Mpakati was appointed provisional curator to take control of the scheme.

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

[3] The provisional order calls upon Sizwe-Hosmed to show cause on 30 October 2025 why the provisional order should not be confirmed.

[4] For purposes of this Judgment, I will refer to the Applicant in the counter-application as Sizwe-Hosmed and the Applicant as the Registrar of Medical Scheme.

[5] The Registrar disputes (in limine) the urgency of the proceedings, the legal standing of Sizwe-Hosmed, the Principal Officer ("PO") and the Board of Trustees to approach the court for relief (both in terms of the counter application and to oppose the confirmation of the order).

[6] The relief in issue is the discharge of the provisional curatorship order and the relief regarding statutory management.

[7] Counsel for Sizwe-Hosmed argued that the statutory management is therefore preferable alternative that the Registrar unreasonably jettisoned in preference to curatorship.

[8] It is further argued that the conduct of the Registrar and provisional curatorship has led to serious and continuing adverse consequences to the Scheme, its

members and beneficiaries. These adverse consequences may prove irreversible if urgent relief is not granted.

[9] It is submitted on behalf of Sizwe-Hosmed that the provisional curator only has a financial interest in the confirmation of the provisional order. She has no legal interest that will be affected by the order of the court.

[10] On behalf of the Registrar it is submitted that the Scheme is in a poor financial state for various reasons.

[11] It is further submitted on behalf of the Registrar that, based on the KPMG and the Statutory Management's reports the Registrar was of the opinion that it is in the interest of beneficiaries and it is desirable because of material irregularities and because the Scheme is not in a sound financial condition to apply for the appointment of a curator.

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
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PRETORIA

[12] Counsel for the Registrar argued that based on the statutory Management's reports, the Registrar formed an opinion that the continuation of the Statutory Management was no longer practicable.

[13] It is further argued that the material irregularities at the Scheme and the void in the administration of the Scheme necessitated the urgent placement of the Scheme under the provisional curatorship and appointment of the provisional curator.

[14] Finally, counsel for the Registrar referred the court to the decision in *The Registrar of Medical Schemes v Keyhealth Medical Scheme and eight others Case No. 35478/2020, delivered on 25 March 2021 Gauteng Division Pretoria.*

[15] Referring to the above decision counsel contended that the Scheme or alternatively Mr Makwabe does not have locus standi to institute or defend the application made in terms of Rule 6(12) of the Uniform Rules of Court.

[16] Counsel finally contended that the Scheme counter application ought to be dismissed with costs payable by Mr Luyolo Makwabe de bonis propriis on attorney and client scale, such costs to include the costs consequent upon the employment of two counsel.

[17] The court order by Manamela AJ (Caselines 007-3), in my view it is clear and unambiguous. It vests all powers of control and management of the Scheme to the provisional curator.

[18] *Keyhealth Medical Scheme* decision referred to above Kollapen J in par 18 said the following:

"[18] It is common cause that the current trustees of the respondent no longer exercise any control over the respondent, particularly in light of the order of this Court of 16 September 2020 which expressly authorises the curator to take immediate control and in the place of the board of trustees manage the business and operations of the respondent. They accordingly cannot seek to intervene as the board of the respondent as such a board does not exist for now or at the very least is not functional nor possessed of any power or authority. It is the curator who now manages the respondent and who has assumed the powers of the board."

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA

[19] I am of the view therefore that, the board of trustees and Mr Makwabe did not have locus standi to institute or defend the application made in terms of Rule 6(12)(c).

[20] Furthermore I am of the view that the return date of the Rule Nisi was in about three weeks, it was not necessary for the Scheme to bring this application on extreme urgent basis. The matter is not urgent.

[21] Taking into account that the Scheme did not have locus standi to bring the counter application, the counter application must be dismissed.

[22] It was submitted that Mr Luyolo Makwabe must pay the costs de bonis propriis.

[23] *In Blou v Lampert and Chipkin, N.N.O and Others 1973(1) (A.D) at page 14, the court held that: "costs de bonis propriis against a trustee can only be granted when he acted in bad faith, or negligently or unreasonably."*

[24] In my view Mr Luyolo Makwabe not only did he disregard Manamela AJ'S order, he also acted unreasonably by not waiting for the return date of the Rule Nisi, which was in four weeks time, for that reason, I am of the view that he must pay costs de bonis propriis.

[25] I make the following order:

25.1. The counter-application is dismissed with de bonis propriis costs on an attorney and client scale including the costs consequent upon the employment of two counsel to be paid by the deponent of the Respondent's Affidavits, Mr Luyolo Makwabe.

25.2. The Rule Nisi is confirmed.

D. MAKHOBA J

JUDGE OF THE HIGH COURT

PRETORIA

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
Private Bag X67, Pretoria 0001
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

Date of Hearing: 08 October 2025

Judgment delivered: 09 October 2025

Appearances

For Applicant: ADV J.J BRETT SC
ADV L.A. MAKUA

For Respondent: ADV H.M. MAENETJE SC
ADV A. NGIDI

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IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

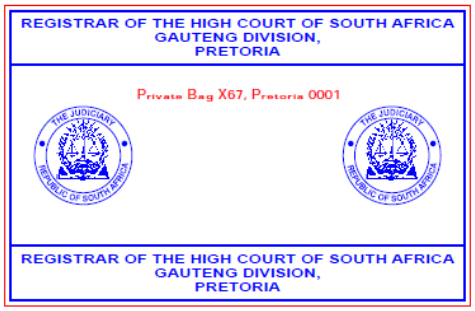
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Annexure 03

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ELECTRONICALLY SIGNED BY:

Registrar of Pretoria , Gauteng Division,Pretoria

"FA3"

Chardonnay Arends

From: Sbongile Rabosiwana <s.rabosiwana@medicalschemes.co.za>
Sent: Monday, 21 September 2026 15:40
To: Buhle Duma; Chardonnay Arends; thipem; Nadine Van Schalkwyk
Cc: Musa Gumede; Mfana Maswanganyi; Hannelie Cornelius; Amos Mavuso; Itumeleng Bokaba; John Letsoalo; Thembalethu Ntimbane
Subject: SizweHosmed Medical Scheme
Attachments: Fluxsmans Inc-letter to - 21 september 2026.pdf

Categories: [SharePoint] This message was saved in 'matters > BDUMA > 00156177-SIZ-C0039462 > Emails'



Good day

I trust that you are well.

Kindly find attach herewith a letter for your urgent attention.

Warm regards
Sbongile

Sbongile Rabosiwana
Paralegal: Legal Services
Council for Medical Schemes
t:
e: s.rabosiwana@medicalschemes.co.za
Disclaimer

Fluxmans Attonerys
Director
24 Fricker Road
Illovo
Sandton
2196

Ref: Sizwe Hosmed/exemption app
Enq: Legal/J Letsoalo
t: 0124310516
e: j.letsoalo@medicalschemes.co.za
Date: 21 September 2026

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
Private Bag X67, Pretoria 0001
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

Attention: Mr. Buhle Duma
Email: bduma@fluxsmans.com

Dear Sirs/Madams,

RE: SIZWE HOSMED MEDICAL SCHEME (IN CURATORSHIP) – REGISTRAR OF THE MEDICAL SCHEMES v SIZWE HOSMED MEDICAL SCHEME: - CASE no: - 2025-150109, GAUTENG DIVISION, PRETORIA – PARAGRAPH 9.6 OF THE CURATORSHIP COURT ORDER – OUTCOME OF THE MEETING OF 14 SEPTEMBER 2026.

1. We refer to your letter of 15 September 2026; the respective court orders dated11 February 2026; 4 September 2025 and further confirm that a virtual meeting was held between the Curator 'team as well as the CMS 'team on the 14 September 2026.

2. We confirm that the Curator will bring an application to vary the court order of the 4 September 2025 under case no: - 2025-150109 and particularly, request the court to extend the curatorship period by another 12 months. The Registrar will support the said application to the extent necessary to facilitate the effective determination same thereof.

3. Accordingly, the curator will continue to furnish the Registrar and CMS with his monthly reports until the end of the anticipated extension or termination of the curatorship, which ever comes first. Simply put, the curator will continue to adhere to clause 9.5 of the court of 4 September 2025.

4. Thank you.

Yours faithfully,

Musa Gumede
Signed by Musa Gumede, m.gumede@medicalschemes.co.za
21/09/2026 15:27:50(UTC+02:00) SIGNFLOW

Dr M Gumede
Chief Executive & Registrar
Council for Medical Schemes

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
Private Bag X67, Pretoria 0001
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

COURT ONLINE COVER PAGE

IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

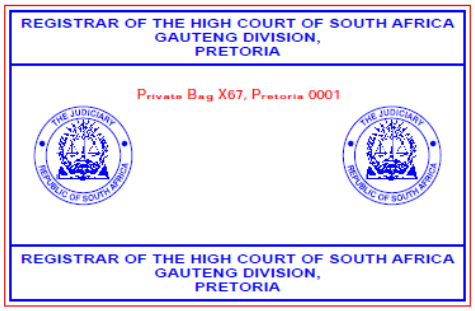
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Annexure 04

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ELECTRONICALLY SIGNED BY:

Registrar of Pretoria , Gauteng Division,Pretoria

"FA4"

Chardonnay Arends

From: Thembalethu Ntimbane <t.ntimbane@medicalschemes.co.za>
Sent: Friday, 02 October 2026 16:01
To: Ian Fleming
Cc: Mfana Maswanganyi; Hannelie Cornelius; John Letsoalo; Amos Mavuso; Itumeleng Bokaba; Buhle Duma; Ian Fuller; Chardonnay Arends; Thabang Magare; Mbalenhle Themba
Subject: Sizwe Hosmed Medical Scheme - AGM exemption application letter
Attachments: Sizwe Hosmed_ AGM exempt appl_Non-approval letter 2 Oct 26.pdf

Categories: [SharePoint] This message was saved in 'matters > BDUMA > 00156177-SIZ-C0039462 > Emails'

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
Private Bag X67, Pretoria 0001
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

Dear Mr Flemming

I trust you are well.

Kindly find attached the AGM exemption application letter, for your attention.

Kindly confirm receipt.

Kind Regards

Thembalethu Ntimbane
Executive Assistant: Regulation

t: 012 431 0568 **m:** 060 768 2849 **e:** t.ntimbane@medicalschemes.co.za

Customer Care: 0861 123 267 Email: information@medicalschemes.co.za
Block A, Eco Glades 2 Office Park, 420 Witch-Hazel Avenue, Eco Park, Centurion, 0157

Thembalethu Ntimbane
Executive Assistant: Regulation
Council for Medical Schemes
t:
e: t.ntimbane@medicalschemes.co.za
Disclaimer

Mr Ian Fleming
Curator
Sizwe Hosmed Medical Scheme
Waterfall Office Park
1 Bekker Road
Vorna Valley
Midrand

Ref: Section 8(h) AGM Exemption/ Sizwe Hosmed
Enq: Hannelie Cornelius
t: 012 431 0406
e: h.cornelius@medicalschemes.co.za
Date: 2 October 2026

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA GAUTENG DIVISION, PRETORIA

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA GAUTENG DIVISION, PRETORIA

Per email: ian@engagedbt.co.za
ianfuller@engagedbt.co.za

Dear Mr Fleming

SIZWE HOSMED MEDICAL SCHEME – SECTION 8(h) EXEMPTION APPLICATION RE SECTION 29(1)(m) AND SCHEME RULE 27

1. Reference is made to the exemption application dated 21 August 2026 to be exempted from compliance with section 29(1)(m) of the Medical Schemes Act 131 of 1998 ("the Act / MSA"), and in particular Scheme Rule 27, in terms of Section 8(h) of the Act.

2. The purpose of this letter is to inform the Scheme that the application received due consideration from the Council for Medical Schemes ("the Council") in terms of section 8(h) of the Act and was declined as indicated below.

3. The exemption application dated 21 August 2026 under section 8(h) in respect of compliance with section 29(1)(m) of the MSA, and in particular Scheme Rule 27, was considered via MS Teams by the Council's Executive Committee on 30 September 2026.

4. Council resolved to decline the exemption application for the following reasons:

4.1. The Scheme has not advanced sufficient evidence / explanations to demonstrate exceptional circumstances in that the exemption application was filed late. Per the Scheme Rules the AGM should have been held by 30 August 2026, and the notice of such meeting, together with the agenda and other relevant information, should have been circulated to members at least 30 days prior to the meeting date, i.e. by 31 July 2026.

4.2. No valid justification has been provided by the Curator of the Scheme for not having convened an SGM as directed per the Curatorship Court Order within 12 months of the order having been made.

4.3. Per the Curatorship Court Order, the Curator's non-compliance with the Court order must be dealt with by the Court.

5. The Scheme is directed to urgently apply to the Court to have the Curatorship term extended. The application should also ventilate the reasons for not having convened an AGM in terms of the Scheme Rules or an SGM as per the original Curatorship Court Order.

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
0001
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

6. Kindly acknowledge receipt of this letter.

Yours faithfully

Musa Gumede

Signed by: Musa Gumede
m.gumede@medicalschemes.co.za
02/10/2026 15:23:57(UTC+02:00)

SIGNFLOW

DR MUSA GUMEDE
CHIEF EXECUTIVE & REGISTRAR
COUNCIL FOR MEDICAL SCHEMES

COURT ONLINE COVER PAGE

IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

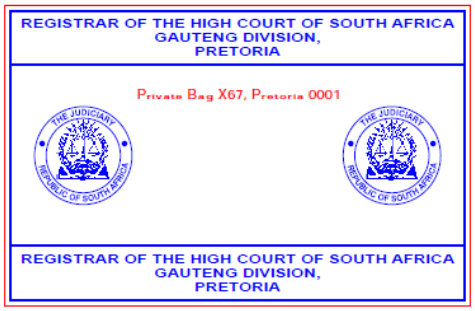
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Annexure 05

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ELECTRONICALLY SIGNED BY:

Registrar of Pretoria , Gauteng Division,Pretoria

"FA5"

LIST OF SIZWE HOSMED MEDICAL SCHEME'S FORMER BOARD OF TRUSTEES

1. Luyolo Makwabe
2. Alex Nhlapo
3. Ayanda Phikani
4. Chrystolene Rensburg
5. Linda Gxasheka
6. Luvuyo Pokomela
7. Mandla Shamase
8. Zonwabele King
9. Zukiswa Maitikinca
10. Boitumelo Madiba
11. Simphiwe Suswana

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
Private Bag X67, Pretoria 0001
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

COURT ONLINE COVER PAGE

IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

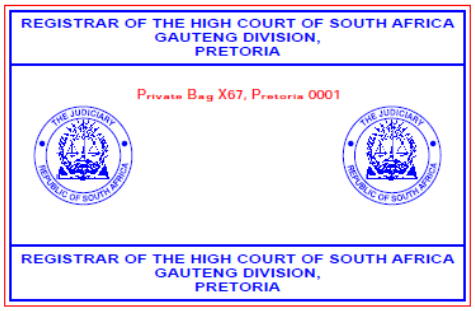
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Annexure 06

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ELECTRONICALLY SIGNED BY:

Registrar of Pretoria , Gauteng Division,Pretoria

"FA6"

Chardonnay Arends

From: Tebogo Malatji <tmalatji@mcinc.africa>
Sent: Tuesday, 21 October 2025 14:39
To: Thipe Mothle; Neo Mokoka
Cc: Shani Mitchell; shumeezh; Nadine Van Schalkwyk; Bonang Masia; Jemma Kihm
Subject: RE: THE REGISTRAR OF MEDICAL SCHEME V SIZWE HOSMED MEDICAL SCHEME CASE NUMBER: 150109/2025

EXTERNAL EMAIL BE CAREFUL

Dear Thipe

Our client agrees that the draft order be made an order of court on 23 October 2025.

Our client also accepts your client's position of filing a notice of intention to abide the application for leave to appeal..

Regards

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
Private Bag X67, Pretoria 0001
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

MALATJI & CO
ATTORNEYS

Tebogo Malatji | Managing Director

T: 011 072 2601 | **M:** 083 676 6238
E: tmalatji@mcinc.africa | **W:** https://mcinc.africa | **F:** 087 220 1075

A: 5th Floor, The Ridge, 1 Discovery Place, Cnr Katherine Str & Rivonia Rd, Sandton
P: Postnet Suite 104, Private Bag 9976, Sandton, 2146.

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From: Thipe Mothle <ThipeM@mjs-inc.co.za>
Sent: Tuesday, 21 October 2025 14:22
To: Tebogo Malatji <tmalatji@mcinc.africa>; Neo Mokoka <nmokoka@mcinc.africa>
Cc: Shani Mitchell <shanib@mjs-inc.co.za>; Shumeez Patel <shumeezh@mjs-inc.co.za>; Nadine Van Schalkwyk <Nadinevs@mjs-inc.co.za>; Bonang Masia <bmasia@mcinc.africa>; Jemma Kihm <Jkihm@mcinc.africa>
Subject: RE: THE REGISTRAR OF MEDICAL SCHEME V SIZWE HOSMED MEDICAL SCHEME CASE NUMBER: 150109/2025

Good day,

Be advised that, following a lengthy discussion with our client, wherein the proposal contained in paragraph 2 of your letter (i.e. that the parties agree to an order before Makohba J in terms of paragraphs 1, 2 and 3 of our clients section 18(3) application's notice of motion and that cost be in the appeal) was discussed.

In this regard our clients instructions are to accept the aforesaid proposal, for which we attach hereto the draft order, which may be made an order of court if your client is in agreement.

In respect of your paragraph 3 (i.e. that our client not oppose your client's leave to appeal) it is our clients instructions to abide by the courts decision in respect of the leave to appeal. While our client agrees to abide as aforesaid, same should not be seen as a concession of the merits of the matter. We attach hereto as well a draft notice to abide for your consideration.

Kindly confirm whether same will be in order so that we may advise our Counsel accordingly to avoid unnecessary costs in preparation for the leave to appeal.

Kind regards,

From: Tebogo Malatji <tmalatji@mcinc.africa>
Sent: 21 October 2025 09:10
To: Nadine Van Schalkwyk <Nadinevs@mjs-inc.co.za>; Neo Mokoka <nmokoka@mcinc.africa>
Cc: Thipe Mothle <ThipeM@mjs-inc.co.za>; Shani Mitchell <shanib@mjs-inc.co.za>; Shumeez Patel <shumeezh@mjs-inc.co.za>; Sandile Modise <Sandilem@mjs-inc.co.za>; Bonang Masia <bmasia@mcinc.africa>; Jemma Kihm <Jkihm@mcinc.africa>
Subject: RE: THE REGISTRAR OF MEDICAL SCHEME V SIZWE HOSMED MEDICAL SCHEME CASE NUMBER: 150109/2025

EXTERNAL EMAIL BE CAREFUL

Good day

Please see attached letter.

Regards

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
Private Bag X67, Pretoria 0001
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

MALATJI & CO
ATTORNEYS

Tebogo Malatji | Managing Director

T: 011 072 2601 | **M:** 083 676 6238
E: tmalatji@mcinc.africa | **W:** https://mcinc.africa | **F:** 087 220 1075

A: 5th Floor, The Ridge, 1 Discovery Place, Cnr Katherine Str & Rivonia Rd, Sandton
P: Postnet Suite 104, Private Bag 9976, Sandton, 2146.

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From: Tebogo Malatji <tmalatji@mcinc.africa>
Sent: Monday, 20 October 2025 16:51
To: Nadine Van Schalkwyk <Nadinevs@mjs-inc.co.za>; Neo Mokoka <nmokoka@mcinc.africa>
Cc: Thipe Mothle <ThipeM@mjs-inc.co.za>; Shani Mitchell <shanib@mjs-inc.co.za>; Shumeez Patel <shumeezh@mjs-inc.co.za>; Sandile Modise <Sandilem@mjs-inc.co.za>; Bonang Masia <bmasia@mcinc.africa>; Jemma Kihm <Jkihm@mcinc.africa>
Subject: RE: THE REGISTRAR OF MEDICAL SCHEME V SIZWE HOSMED MEDICAL SCHEME CASE NUMBER: 150109/2025

Good day

Please see our attached letter.

Regards

MALATJI & CO
ATTORNEYS

5th floor, The Ridge, 1 Discovery Place, Cnr Katherine Street & Rivonia Road, Sandton
Tel: 011 072 2600
Fax: 087 220 1075

Postnet Suite 104, Private Bag 9976, Sandton, 2146
Email: info@mcinc.africa
Web: www.mcinc.africa

Our Ref: T Malatji/ B Masia/M02471
Direct Email: tmalatji@mcinc.africa

Your Ref: Mr TA Mothle/S Mitchell/Nadine/TAM5691
Direct Tel: 011 072 2600

Date: 21 October 2025

MOTHLE JOOMA SABDIA INCORPORATED
First Floor,
Duncan Manor
Corner Duncan and Brooks Streets
Brooklyn
Pretoria

BY EMAIL: thipem@mjs-inc.zo.za
nadinevs@mjs-inc.co.za

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
Private Bag X67, Pretoria 0001
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

Dear Sirs

REGISTRAR FOR MEDICAL SCHEMES// SIZWE HOSMED MEDICAL SCHEME CASE NO:150109/2025

1 We refer to the above matter and to your client's application in terms of Section 18 (3).

2 Whereas our client does not concede that your client's application has merit, our client proposes to agree to an order before Makhoba J in terms of paragraphs 1,2 and 3 of your client's notice of motion. Our client proposes that the costs of the application should be costs in the appeal.

3 In return for the above consent order, our client proposes that your client should agree to not oppose the application for leave to appeal. Your client will no doubt agree that there is merit and great public interest in settling the law on the issue of the residual powers of Boards of Trustees such as our client, to seek to oppose opposition of confirmation of the curatorship. This is more so in light of the conflicting judgments of Makhoba J and Dippenaar J in the 3Sixty Life judgment.

4 We look forward to your urgent response.

Yours faithfully,

MALATJI & CO
PER: T Malatji/ B Masia/M02471
Electronically transmitted and thus unsigned

Directors: Tebogo Malatji | Sunelle Eloff | Bonang Masia | Amish Kika | Luise von Dürckheim-Botes (Notary) | Sayi Nindi | Ally Makgopa | Itumeleng Ledwaba | Dr. Samuel Masombuka
Practising Consultants: Willie van Wyk | Osborne Molatudi | Anushka Mthombeni | Jones Ditsela | Molatelo Mathikithela (Notary & Conveyancer) | Jack Kearns
Senior Associate: Katlego Sekati | Lehlogonolo Makgalwa
Associates: Mbali Mtshali | Neo Mokoka | Abigail Tshuma | Phineath Nkuna | Eleine Scott | Neo Mokhobo | Lufefe Gobingca
Office Manager: Tummy Seboko

Reg No: 2018/261984/21
Vat No: 4920281922

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IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

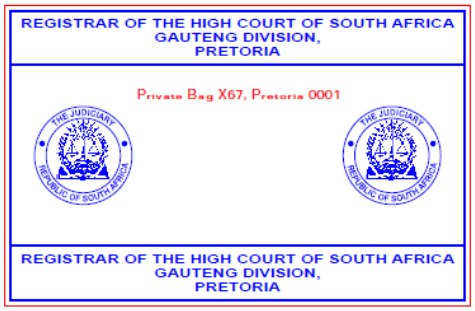
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Annexure 07

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ELECTRONICALLY SIGNED BY:

Registrar of Pretoria , Gauteng Division,Pretoria

IN THE HIGH COURT OF SOUTH AFRICA
(GAUTENG DIVISION, PRETORIA)

CASE NO: 2025-150109

ON 23 OCTOBER 2025, IN PRETORIA
BEFORE THE HONOURABLE JUSTICE MAKHOBA J
COURT ___

In the matter between:

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION
PRETORIA

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
Private Bag X67, Pretoria 0001
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

THE REGISTRAR OF MEDICAL SCHEMES Applicant

and

2025 -10- 31

GD-PRETORIA-003

SIZWE HOSMED MEDICAL SCHEME Respondent

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION
PRETORIA

This Order is made an Order of Court by the Judge whose name is reflected herein, duly stamped by the Registrar of the Court and is submitted electronically to the Parties/their legal representatives by email. This Order is further uploaded to the electronic file of this matter on Case Lines by the Judge or his/her Secretary. The date of this Order is deemed to be 23 October 2025.

DRAFT ORDER

BY AGREEMENT BETWEEN THE PARTIES:

IT IS ORDERED THAT:

1. In terms of Section 18(1), read with Section 18(3) of the Superior Courts Act, Act 10 of 2013, the operation and execution of the Judgment and Order of

23/10/2025

Makhoba J dated 09 October 2025 under case number: 150109/2025, confirming the curatorship of Sizwe Hosmed Medical Scheme, shall not be suspended pending the decision of the Respondent's appeal and the outcome of such appeal.

2. That in terms of section 18(3) of the Superior Courts Act 10 of 2013, the said order shall continue to operate and be enforced pending the outcome of the appeal and any subsequent appeal.

3. It is accordingly directed that until the final determination of all present and future leave to appeal applications and appeals:

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
Private Bag X67, Pretoria 0001

3.1 The existing curatorship of Sizwe Hosmed Medical Scheme shall be deemed to remain valid;

3.2 The curatorship of Sizwe Hosmed Medical Scheme will continue to enjoy the protections afforded by the confirmation of curatorship.

4. Costs are to be costs in the appeal.

BY THE COURT REGISTRAR

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION
PRETORIA
2025 -10- 31
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION
PRETORIA

COUNSEL FOR THE APPLICANT

Adv J.J. Brett SC
082 553 0048
brett@law.co.za
Adv L. A. Makua
082 753 1111
leks@leksma.co.za

23/10/2025

COURT ONLINE COVER PAGE

IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

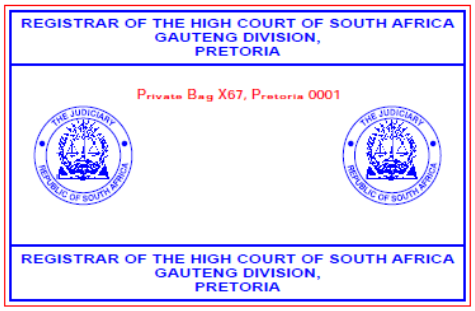
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Annexure 08

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ELECTRONICALLY SIGNED BY:

Registrar of Pretoria , Gauteng Division,Pretoria

Supreme Court of Appeal, Registrar's Office • PO Box 258, Bloemfontein, 9300 • c/o Elizabeth- & President Brand Street, Bloemfontein •
Tel (051) 4127 400 • Fax (051) 4127 449 • www.supremecourtofappeal.gov.za

Enquiries: ZVD NTAKA | Date: 12 MARCH 2026 | Ref: 1276/2025

YOUR REF: MOKOKA

HONEY ATTORNEYS
P O Box 540
BLOEMFONTEIN
9300

YOUR REF: TAM5691

HATTINGH ATTORNEYS
19 Reid Street
WESTDENE
9301

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
Private Bag X67, Pretoria 0001

Mr/Ms

APPLICATION FOR LEAVE TO APPEAL
SIZWE HOSMED MEDICAL SCHEME & ANOTHER v THE REGISTRAR OF MEDICAL SCHEME

With reference to the application lodged in this office on 17 NOVEMBER 2025 this Court ordered on 17 MARCH 2026.

Yours faithfully

ZVD NTAKA (Ms)
REGISTRAR

REGISTERED POST (H/B/D/O)

YOUR REF: 150109/2025 MAKHOBA J (Court *a quo*)

Registrar of the High Court
Cnr Von Brandis & Pritchard Street
JOHANNESBURG
2001

Copy for your information.

SUPREME COURT OF APPEAL OF SOUTH AFRICA

CASE NO: 1276/2025
GP CASE NO: 150109/2025

BEFORE THE HONOURABLE JUSTICES SMITH JA AND DIPPENAAR AJA

On the 17th MARCH 2026

In the application between:

SIZWE HOSMED MEDICAL SCHEME	**First Applicant**
LUYOLO MAKWABE	**Second Applicant**
and	
THE REGISTRAR OF MEDICAL SCHEMES	**First Respondent**

Having considered the Notice of Motion and the other documents filed.

IT IS ORDERED THAT:

1. **Leave to appeal is granted to the Full Court of the Gauteng Division of the High Court, Pretoria.**

2. **The costs order of the court *a quo* in dismissing the application for leave to appeal is set aside AND the costs of the application for leave to appeal in this court and the court *a quo* are costs in the appeal. If the applicant does not proceed with the appeal, the applicant is to pay these costs.**

3. **The leave to appeal is limited to the following issues:**

   3.1 **The first applicant is granted leave to appeal to the Full Court of the Gauteng Division of the High Court, Pretoria, against the whole of the judgment and order of the High Court handed down on 9 October 2025 per Makhoba J, leave to appeal having been refused by the High Court on 30 October 2025.**

   3.2 **The second applicant is granted leave to intervene and be joined as a second applicant in his personal capacity in the application for leave to appeal only against the personal punitive cost orders granted against him.**

BY ORDER OF THIS COURT

REGISTRAR ZVD NTAKA (Ms)

REGISTRAR OF THE SUPREME COURT OF APPEAL SOUTH AFRICA
PO Box 258, Bloemfontein 9301
2026 -03- 17
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IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

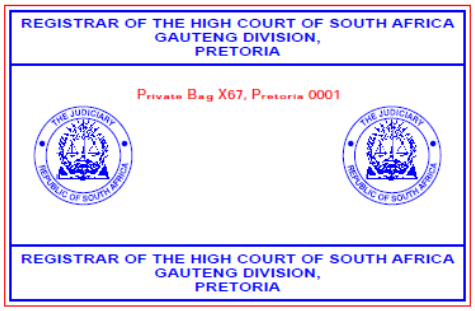
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Annexure 09

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IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA

11/2/2026

Case No: 2026-016776

In the matter between:

LUYOLO MAKWABE Applicant

and

LEBOGANG GRACE MPAKATI First Respondent
REGISTRAR OF MEDICAL SCHEMES Second Respondent
THE TRUSTEES OF SIZWE HOSMED MEDICAL SCHEME
LISTED IN ANNEXURE X Third Respondent

DRAFT ORDER

By agreement between the parties -

IT IS ORDERED THAT:

1. The Second Respondent's non-compliance with the forms, service and time limits provided for in the rules of court, in terms of the provisions of Rule 6(12)(a), is hereby condoned and this matter is heard as one of urgency.

2. The appointment of Lebogane Grace Mpakati as curator of Sizwe Hosmed Medical Scheme is hereby cancelled in terms of the provisions of Section 5(9) of the Financial Institutions (Protection of Funds) Act 28 of 2001 (the "FI Act").

3. Ian Fleming is appointed as the Curator of Sizwe Hosmed Medical Scheme with effect from the date of this Order in accordance with the provisions of the

order granted by Manamela AJ on 4 September 2025 and subsequently confirmed by Makhoba J on 9 October 2025. (Annexure "A" hereto).

4. Lebogane Grace Mpakati is directed to handover all information, documentation, and equipment in her possession, and/or under her control, pertaining to Sizwe Hosmed Medical Scheme, to Ian Fleming within 30 (thirty) days of this Order.

5. Lebogane Grace Mpakati is further directed to provide a final report to the Second Respondent within 30 (thirty) days of this Order.

6. Lebogane Grace Mpakati will be remunerated, at the current approved rate of R2 500.00 per hour, for the handover period subject to the approval of her invoice by the new Curator Mr Ian Fleming.

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7. Directing Sizwe Hosmed Medical Scheme to pay the Second Respondent's costs on an attorney and client scale including the costs consequent upon the employment of two Counsel on Scale C.

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ANNEXURE "A"

NO. 33

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IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA

CASE NUMBER: 2025-150109

AT PRETORIA ON THE 03rd DAY OF SEPTEMBER 2025
BEFORE THE HONOURABLE JUSTICE K MANAMELA AJ

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA
Private Bag X67, Pretoria 0001
2025 -09- 04
GD-PRET-017

In the Ex Parte Application of

THE REGISTRAR OF MEDICAL SCHEMES Applicant

and

SIZWE HOSMED MEDICAL SCHEME Respondent

This Order is made an Order of Court and the Judge whose name is reflected herein, duly stamped by the Registrar of the Court, and is submitted electronically to the Parties/their legal representatives by email. The date of Order is deemed to be Wednesday, the 03rd of September 2025.

COURT ORDER

HAVING read the filed papers of record, having heard Counsel and having considered the matter:

IT IS ORDERED THAT:

1. The Applicant's non-compliance with the forms, service and time limits provided for in the rules, in terms of the provisions of Rule 6(12)(a) is hereby condoned and this matter is heard as one of urgency;

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2. The failure of the Applicant to serve these papers on the Respondent prior to the application for the relief set out herein is hereby condoned and this application is heard *ex parte*.

3. The Applicant is granted leave for the application to be heard on in camera in terms of the provisions of Section 32 of the Superior Courts Act 10 of 2013 and the Registrar of the High Court is ordered not to place the matter for hearing on the roll for open court, before service of the application on the Respondent.

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4. The statutory management Order granted on 06 May 2025 under **Case Number: 109433/2024** is hereby terminated in terms of Section 5A(8) of the Financial Institutions (Protection of Funds) Act, No. 28 of 2001 ("*the FI Act*");

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5. The Respondent is placed under provisional Curatorship as contemplated by the provisions of Section 56(1) of the Medical Schemes Act, No. 131 of 1998 ("*the MSA*"), read together with Section 5(1) and (2) of the FI Act, pending the outcome of the return date of the rule *nisi* referred to herein;

6. Lebogane Grace Mpakati is appointed as the provisional Curator ("*the provisional Curator*") of the Respondent, pending the outcome of the return date of the rule *nisi* referred to herein, in terms of the provisions of Section 56(1) of the MSA, read together with Section 5(1) and (2) of the FI Act;

7. That pending the outcome of the return date of the rule *nisi*, and subject to the control of the Applicant, the provisional Curator be and is hereby -

   7.1 authorised to take immediate control of, and in the place of the board of trustees, manage the business and operations of and concerning the Respondent, together with all assets and interests relating to the business of the Respondent, in accordance with the provisions of the MSA and the Respondent's rules;

   7.2 vested with all powers of control and management which would ordinarily be vested in and exercised by the board of trustees or principal officer of

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the Respondent, whether by law or in terms of the rules of the Respondent;

7.3 directed to give consideration to the best interests of the members of the Respondent;

7.4 directed to exercise the powers vested in her with the view to conserving the business of the Respondent and not without the leave of the Applicant to alienate or dispose of any of the property of the Respondent, save to the extent and for the purposes set out hereunder;

7.5 directed to take control of the cash, cash investments, shares and other securities, as well as of all other assets owned, held or administered by or on behalf of the Respondent;

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PRETORIA
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7.6 authorised to incur such reasonable expenses and costs as may be necessary or expedient for the Curatorship and control of the business and operations of the Respondent, and to pay same from the assets owned, administered or held by or on behalf of the Respondent;

7.7 authorised to pay claims or other benefits to the Respondent's members, having regard to the rules of the Respondent and its financial position;

7.8 permitted to engage such assistance of a legal, accounting, actuarial, administrative or other professional nature, as she may reasonably deem necessary for the performance of her duties in terms of this order, and to defray reasonable charges and expenses thus incurred from the assets owned, administered or held by or on behalf of the Respondent;

7.9 authorised to institute or prosecute any legal proceedings on behalf of the Respondent and to defend any action against the Respondent;

7.10 authorised to invest such funds as are not required for the immediate purposes of the business, with an institution or financial instruments as he may regard financially sound and appropriate;

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7.11 authorised to take control of and to operate or close existing banking accounts of the Respondent whether conducted in South Africa or off-shore, and to open and operate any new banking accounts for the purposes of the Curatorship;

7.12 authorised to investigate allegations of financial and governance irregularities set out in the founding affidavit attached to this notice of motion and to recommend the appropriate action to be taken to address same and where necessary, recommend action to be taken against any person who may be guilty of misconduct or a crime;

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7.13 authorised, at any time during her term of office, to apply on 48 hours' notice or on an ex *parte* basis for any amendment or amplification of the powers granted to him in terms hereof in the event that it is necessary to amend or amplify such powers for the effective exercise of her powers and responsibilities; and

7.14 authorised to be entitled to reasonable remuneration and disbursements, as might be allowed by agreement with the applicant, alternatively, failing such agreement as may be determined later by this Court, and that such remuneration shall be paid by the Respondent and shall be a first charge upon the Respondent's assets;

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8. That the disclosure of the reports into the affairs of the Respondent and associated entities, compiled by KPMG and the Statutory Manager, is authorised as annexure to these papers in terms of the provisions of Section 10(1)(b) of the Inspection of Financial Institutions Act, No. 80 of 1998 ("*the Inspections Act*");

9. That a rule *nisi* be issued calling upon the Respondent and other interested persons to show cause, if any on **30 October 2025** at 10:00 or so soon thereafter as Counsel may be heard, why an Order should not be made in the following terms:

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9.1 Confirming the Curatorship of the Respondent as contemplated by the provisions of Section 56(1) of the MSA, read together with Section 5(1) and (2) of the FI Act;

9.2 Confirming the appointment of Lebogane Mpakati as Curator (*"the Curator"*) of the Respondent, in terms of the provisions of Section 56(1) of the MSA, read together with Section 5(1) and (2) of the FI Act;

9.3 Confirming the powers and mandate of the Curator to be that she is –

9.3.1 authorised to take immediate control of, and in the place of the board of trustees, manage the business and operations of and concerning the Respondent, together with all assets and interests relating to the business of the Respondent, in accordance with the provisions of the MSA and the Respondent's rules;

9.3.2 vested with all powers of control and management which would ordinarily be vested in and exercised by the board of trustees or principal officer of the Respondent, whether by law or in terms of the rules of the Respondent;

9.3.3 directed to give consideration to the best interests of the members of the Respondent;

9.3.4 directed to exercise the powers vested in her with the view to conserving the business of the Respondent and not without the leave of the applicant to alienate or dispose of any of the property of the Respondent, save to the extent and for the purposes set out hereunder;

9.3.5 directed to take control of the cash, cash investments, shares and other securities, as well as of all other assets owned, held or administered by or on behalf of the Respondent;

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9.3.6 authorised to incur such reasonable expenses and costs as may be necessary or expedient for the Curatorship and control of the business and operations of the Respondent, and to pay same from the assets owned, administered or held by or on behalf of the Respondent;

9.3.7 authorised to pay claims or other benefits to the Respondent's members, having regard to the rules of the Respondent and its financial position;

9.3.8 permitted to engage such assistance of a legal, accounting, actuarial, administrative or other professional nature, as she may reasonably deem necessary for the performance of her duties in terms of this order, and to defray reasonable charges and expenses thus incurred from the assets owned, administered or held by or on behalf of the Respondent;

9.3.9 authorised to institute or prosecute any legal proceedings on behalf of the Respondent and to defend any action against the Respondent;

9.3.10 authorised to invest such funds as are not required for the immediate purposes of the business, with an institution or financial instruments as he may regard financially sound and appropriate;

9.3.11 authorised to take control of and to operate or close existing banking accounts of the Respondent whether conducted in South Africa or off-shore, and to open and operate any new banking accounts for the purposes of the Curatorship;

9.3.12 authorised to investigate allegations of financial and governance irregularities set out in the founding affidavit attached to this notice of motion and to recommend the appropriate action to be taken to address same and where necessary, recommend action to be

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taken against any person who may be guilty of misconduct or a crime;

9.3.13 authorised, at any time during her term of office, to apply on 48 hours' notice or on an ex parte basis for any amendment or amplification of the powers granted to her in terms hereof in the event that it is necessary to amend or amplify such powers for the effective exercise of her powers and responsibilities; and

9.3.14 authorised to be entitled to reasonable remuneration and disbursements, as might be allowed by agreement with the applicant, alternatively; failing such agreement as may be determined later by this Court, and that such remuneration be paid by the Respondent and shall be a first charge upon the Respondent's assets;

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9.4 Directing the Curator to report on her Curatorship to the applicant and the Respondent within twelve (12) months from the date of this order and to include in her report a statement of her findings and recommendations concerning the Respondent's affairs and the continuation, if necessary, of the Curatorship;

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9.5 Directing the Curator to report on the Respondent's affairs to the applicant on a monthly basis during the aforesaid period of twelve (12) months;

9.6 Directing the Curator to take all steps which are necessary to convene a special general meeting of the Respondent at which a new board of trustees who are fit and proper for this purpose shall be elected and report thereon within the twelve (12) month period referred to above;

9.7 Directing that the costs of this application on the scale between attorney and own client be paid by the Respondent, which costs are to include costs of two counsel, one being a senior counsel.

10. That a copy of this Order, including the rule *nisi*, as well as the Notice of Motion

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herein and the Founding Affidavit together with the Annexures thereto, be served on the Respondent at Treur Close (Old Pragma Building), Bekker Road, Midrand, Gauteng, as well as on the Statutory Manager, Mr Joe Seloane.

BY THE COURT



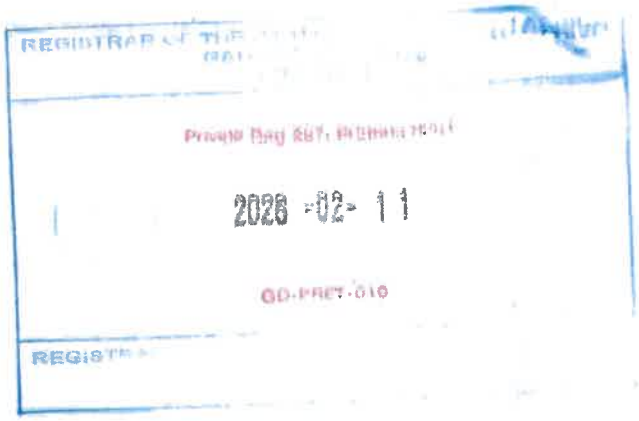
Applicant's counsel:

Adv J.J. Brett SC : 011 535 0806

Adv L. A. Makua : leks@leksma.co.za

Mothle Jooma Sabdia Attorneys

Ref: Thipe Mothle / Email: thipem&mjs-inc.co.za



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IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

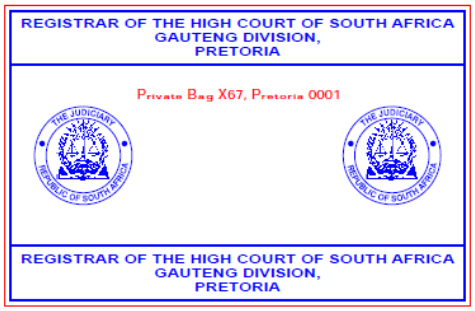
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Annexure 10

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2. Financial Information

	For the YTD July 2026	For the Month of July 2026	Information as at the month of Curatorship (September 2025)
Members at period end	9 114	9 114	46 386
Beneficiaries at period end	18 411	18 411	106 654
Average beneficiaries	24 205	18 935	107 550
Average age per beneficiary	43	43	35
Pensioner ratio	22.7%	22.7%	9.5%
Solvency ratio	40.1%	40.1%	6.5%
Non-healthcare Exp/RCI	16.6%	22.3%	11.0%
Gross contributions (GC)	605 259 340	63 396 326	318 168 270
Risk contributions income (RCI)*	535 168 641	55 627 388	280 842 433
Net relevant healthcare expenditure*	-504 279 646	-69 841 692	-257 908 598
Gross healthcare results	30 888 995	-14 214 304	22 933 835
Net non-healthcare expenditure	-88 847 324	-12 405 370	-31 029 383
Other income	2 838 928	1 318 138	1 062 936
Investment Income	39 311 768	5 394 810	10 337 535
Net surplus/(deficit)	-15 807 633	-19 906 726	3 304 923
Reserves as per Regulation 29	415 801 536	415 801 536	287 266 661
GC pabpm	3 572	3 348	2 958
RCI pabpm	3 159	2 938	2 611
Net relevant healthcare expenditure pabpm	2 976	3 688	2 398
Net non-healthcare expenditure pabpm	524	655	288

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IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

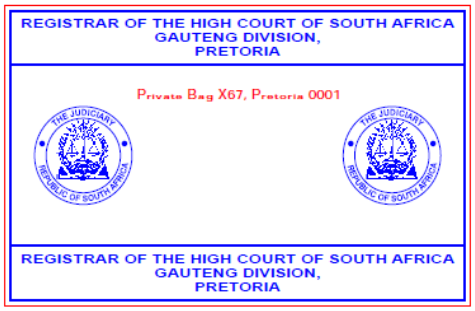
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Annexure 11

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SIZWE-HOSMED MEDICAL SCHEME
Your choice for quality care

MINUTES OF THE SIZWE HOSMED MEDICAL SCHEME ANNUAL GENERAL MEETING ("AGM") MEMBERS HELD ON SATURDAY, 24 AUGUST AT 10H00 AT THE PRESIDENT HOTEL, 1 UNION AVENUE, BLOEMFONTEIN

PRESENT:

Mr. Luyolo Makwabe	Board Chairperson
Ms. Zukiswa Matikinca	Deputy Chairperson
Mr. Mandla Shamase	Trustee
Mr. Alex Nhlapo	Trustee
Ms. Chrystolene van Rensburg	Trustee
Mr. Zonwabele King	Trustee
Mr. Mpho Monei	Trustee
Mr. Ayanda Phikani	Trustee
Mr. Luvuyo Pokomela	Trustee
Mr. Pogiso Shikwane	Trustee
Mr. Nicolaas Erasmus	Trustee

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IN ATTENDANCE:

Ms. Nozibele Tshobeni	Principal Executive Officer
Dr. Lebogang Maroo	Clinical and Operations Executive
Ms. Belinda Madengwane	Chief Financial Officer
Mr. Maphelo Magodla	Acting Chief Operations Officer
Ms. Ophilia Mbatha	Manager: Legal and Compliance
Mr. Thomas Kgokolo	Chairperson of the Audit and Risk Committee
Ms. Matlhodi Ngwenya	Chairperson of the HR and Remuneration Committee
Mr. Tebogo Malatji	Malatji & Co Attorneys
Mr. Amos Mavuso	Council for Medical Schemes (CMS)
Ms. Sindi Phungula	SkX
Ms. S Mabasa	Deloitte
Mr. P Malavi	Deloitte
Ms. Bertha Chaora	Statucor(Pty) Ltd-Minutes

APOLOGIES:
None

ITEM

1. OPENING AND WELCOME

The Chairperson, Mr. L Makwabe, opened the meeting. He welcomed all present at the 2024 Sizwe Hosmed Medical Scheme Annual General Meeting (AGM) at the President Hotel.

The Chairperson briefly shared the current challenges the Scheme faces regarding the decrease in reserves, the solvency position, and the collaboration between the Scheme and CMS in the appointment of the Statutory Manager, Mr. Joe Seoloane. He emphasized that the appointment of the Statutory Manager does not imply that the Scheme is under curatorship, as some members interpreted it after the publication of the appointment.

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Your choice for quality care

QUORUM

2. Mr. Maphelo Magodla confirmed that the required quorum was attained, and therefore, the meeting was duly constituted in terms of Scheme Rule 27.1.3. Seventy-three members were physically present, 225 members registered for the webinar, and 10 members were in attendance through online participation.

Mr. M Maqungo inquired how the online attendees would participate in the meeting and was informed that they would participate through a messaging platform that Mr. Magodla would manage. Mr. Magodla would convey the online attendees' concerns or queries to the Chairperson. Mr. Thabang M raised concern regarding the restrictive online participation and proposed that the platform be altered to include voice participation.

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GAUTENG DIVISION
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Mr. S Zondi requested that the absence of a CMS representative be addressed. The Chairperson highlighted that Mr. J Seoloane could represent CMS; however, Mr. Manqungo pointed out that Mr. Joe Seoloane cannot represent two entities in one meeting. Mr. J Seoloane could either attend as a Statutory Manager for the Scheme or as a CMS representative; clarity should be provided in this regard. It was noted that the technical team would work behind the scenes to ensure that the CMS representative fully participates online.

3. **SAFETY BRIEFING**

The Chairperson requested the President Hotel staff to provide a safety brief to the meeting.

Mr. Scott provided a safety brief to the meeting.

4. **CONFIRMATION OF PROPER NOTICE GIVEN**

In terms of Rule 27.1.2 of the Scheme, a 90-day notice period was required to be served to the members regarding the holding of the AGM.

The Chairperson confirmed that the notice of the AGM met the requirements of the Scheme Rules and accordingly confirmed proper notice of the AGM.

Mr. S Zondi raised concerns that hard copy AGM packs were not distributed to members, considering that it is a challenge for elderly members to use and access online platforms. The Chairperson clarified that this is the only year AGM packs were not distributed, unlike the previously held AGMs. Mr M Manqungo highlighted the need for the Scheme to provide clarity on more forms of communication. He noted that previously, members discouraged posting AGM packs as members in the rural areas have no access to the Post Office.

The Chairperson reminded the members that the Scheme was outlined as one of the largest AGM spenders in the CMS report; therefore, the Scheme had implemented cost-effective measures to reduce spending. Some of the previously faced challenges included the closure of several post offices, which impacted the posting of AGM packs. Some of the measures that were implemented included SMS and WhatsApp messaging platforms. The SMS platform was utilized to distribute the link for the electronic AGM pack, and further AGM-related communication was done through the WhatsApp platform. Mr. R Swats noted the non-circulation of hard copy AGM packs due to limited funds. He commended the Scheme for the

implemented communication platforms and urged the Scheme to send out a communication to all members to update their contact details. Mr. Makhado concurred with Mr. R Swarts' sentiments and encouraged members to move towards the implementation of the 4th industrial revolution. In response to Mr. T Zama's query regarding the way forward, the Chairperson confirmed that the Scheme will continue with the current means of communication but will assist members who require hard copies. All members were to update their contact details so that they receive all communication.

5. ADOPTION OF THE AGENDA

Members considered the agenda, which was taken as read and adopted without any amendments.

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PRETORIA

RESOLUTION 1 OF 24 AUGUST 2024
IT WAS RESOLVED THAT the agenda be adopted.

Mr. A Ndlovu and Mr. R Swats moved and seconded the adoption of the agenda.

6. DECLARATION OF CONFLICT OF INTEREST

No declarations of conflict of interest were made in the meeting.

7. ADOPTION OF THE MINUTES OF THE PREVIOUS MEETING

The minutes of the AGM held on 22 July 2023 were taken as read and approved as a true reflection of proceedings.

RESOLUTION 2 OF 24 AUGUST 2024
IT WAS RESOLVED THAT the minutes of the meeting held on 22 July 2023 be approved.

Mr. S Zondi and Mr. Swats moved and seconded the approval of the minutes.

8. MATTERS ARISING FROM THE MEETING HELD ON 22 JULY 2023

The matters arising from the AGM held on 22 July 2023 were completed and closed.

9. CHAIRMAN'S REPORT

The Chairman presented his report and highlighted the following salient points:

a. The Sizwe Hosmed Medical Scheme's relationship with the regulator, the Council of Medical Schemes (CMS), has significantly improved.
b. The Scheme appointed Ms. Nozibele Tshobeni, previously the Scheme's Chief Financial Officer, as the new Principal Officer, and she reported to be doing an excellent job.
c. The solvency position remains a challenge due to the under-pricing of some of the options, which the Scheme's actuaries need to revise.
d. Previously, Mr. J Seoloane assisted the Scheme from a turnaround strategy perspective. However, the Scheme recently formalized the appointment of Mr. J Seoloane as the Scheme's Statutory Manager with CMS.
e. From a global rating point of view, the Scheme was rated A(ZA).

f. A business plan that maps the way forward was submitted to CMS, which the Scheme and CMS are closely monitoring.
g. One of the issues raised at the 2023 AGM was the bloated Board of Trustees, which previously consisted of 18 Trustee members.
h. Considering the exposition document stipulating a Board of 12 members, a decision was made not to renew the professional Trustees contracts, reducing the Board to 14 members.
i. After that, the Board of Trustees was reduced to 11 Members due to resignations, particularly from the Board Chairperson, Mr. Songandaba Langa, the Audit and Risk Committee Chairperson, Mr. Andre Van Staden, Ms. Priscilla Dumelakgosi, and Ms. Zinhle Maseko.
j. The Scheme has facilitated several indabas in the country to raise awareness regarding the National Health Insurance (NHI) and conducted meetings with the honorable Minister, Mr. Joe Phaahla.
k. The existing Board of Trustees' term of office comes to an end on 24 August 2024. A democratic process of voting for new Trustees was undertaken, and the voting outcome will be announced in this meeting.

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
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Comments and questions

The Chairman proceeded to open the floor to the members for comments and questions on the Chairman's report as presented. The members raised the following salient points:

a. Mr. Vusumuzi Phetshwa inquired about the reason for the Trustee resignations, whether they adversely affected the Scheme, and, if so, to advise on the economic impact of the resigned Trustees' conduct and interrogate the matter further.
b. Mr. Tebogo Tsibulane inquired if there were no hiccups at the meetings with the Minister, Mr. Joe Phaahla.
c. Mr. R Swarts observed that the Trustees' resignations coincide with the Scheme's current financial position and noted the appointment of the new Principal Office as per the media publication.
d. He further raised concern if there were any other issues the members should be made aware of as the members are usually impacted by any issues that impact the Scheme.
e. Furthermore, he emphasized that legal action be pursued against any misconduct of any persons who might have been aware of the claims build-up into the merger.
f. A request was made to share the investigative report from a lesson learnt past the merger point of view and to take the members into confidence regarding the Trustee resignations.
g. Mr. R Swarts commended the Board for consenting to the appointment of the Statutory Manager and highlighted the need to see positive results after implementing the turnaround strategy.
h. Noting the Chairman's report, Mr. Andile Zitho outlined that Mr. J Seoloane had been working with the Scheme for one and a half years and linked that to the current reserves, which are below the required threshold.
i. He wondered what transpired under Mr. J Seoloane's stewardship that made the Scheme assume there would be a quick turnaround beyond the merger.
j. Mr. Andile Bloko expressed concern about the many queries and believed the reports would address most of these issues.

k. He proposed that all reports be presented so that the members can make informed decisions and have all the necessary information.
l. Further understanding was required regarding the solvency status and its implication, Trustee resignations, and the role of the Statutory Manager.
m. Mr. Linda Mbeki stated that the Chairman's report alluded that the low reserves were attributable to under-pricing of some of the options.
n. He wondered if the Scheme has actuaries who are assisting in reviewing the options and benefits considering that the previous actuaries made significant mistakes which led to double contribution increases in the prior year.
o. Noting that the Scheme solvency ratio declined sharply since the merger, Mr. Njabulo Mlambo inquired if the Scheme is in a crisis, if so, proposed that the Scheme consider divorcing Hosmed.
p. He highlighted that members are now being restricted to consult some of the GPs and to access previously authorised medication.
q. Mr. M Maqungo supported the motion by Mr. A Blocko to proceed in presenting all reports.
r. He further observed that Mr. J Seoloane does not form part of the approved agenda and urged the members to allow the PO to address some of the raised concerns if the issues cannot be addressed for now.
s. He also pointed out that the PO could bring alongside Mr. Seoloane as she deems fit.
t. Mr. Given Monama further seconded the motion for the AGM to proceed in presenting all the reports.
u. Regarding the actuaries, the Chairperson confirmed that the previous Scheme actuaries were Matlotlo, headed by Mr. Ranti Mothapo, but parted ways, and the Scheme has since appointed GLM actuaries.
v. The Chairperson indicated that there are no hiccups at the indabas as the Scheme and the Administrator are facilitating these frank and open engagements and the panellists are jointly invited by the Scheme and the Administrator.
w. He explained that some of the reasons for the Chairperson's resignation attributed to him seeking to process issues by himself without involvement from the rest of the Trustees.
x. The Chairperson indicated that KPMG is currently undertaking an investigation, and the report will be shared once it is completed.
y. Furthermore, the Marketing Executive resigned, and investigations are underway regarding the bloated marketing spending.
z. Mr. Jabu Sibanyoni flagged that the Scheme was faced with contribution increases the previous year and is now faced with another potential adjustment.
aa. He requested more details regarding the actuaries, particularly the period of issues that were previously faced and when the challenges that were currently faced emerged.
bb. The Chairperson explained that the Scheme decided to do a peer review to work alongside Matlotlo to identify the period the issues commenced; however, Matlotlo was unwilling to share the required information with GLM actuaries.
cc. The matter was escalated to the Board, and the Board decided to part ways with Matlotlo.
dd. Both Mr. R Swarts and Mr. V Khoza further requested the PO to present her report which would potentially address all raised queries.

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10. PRINCIPAL OFFICER'S REPORT

Ms. Nozibele Tshobeni, the Principal Officer (PO), presented her report and highlighted the following salient points:

a. Ms. Tshobeni reported that she was appointed in February 2024 as the Scheme's new Principal Officer.
b. She pledged to serve the Scheme members and leadership with great honor and diligence.
c. The Scheme is governed by the leadership of the Board of Trustees and the recently appointed Statutory Manager, Mr. J Seoloane who carries a tie breaking vote.
d. It was noted that the PO has been working alongside Mr. J Seoloane since February 2024 with clear distinct roles between that of the PO and Mr. J Seoloane.
e. Furthermore, Mr. J Seoloane signed an SLA with CMS and co-signed with the Scheme with expected deliverables and he would be reporting directly to the CMS.
f. There were two changes related to the sub-committees, namely, the dissolvement of the Procurement Committee, and the Finance and Investment Committee was streamlined to an Investment Committee that mainly focuses on investment management.
g. The PO reported that the Board now comprises eleven Trustees and by close of the AGM will consist of nine newly elected Trustees, who will in turn appoint three professional Trustees.
h. The performance of the Board and the sub-committees was evaluated by the Institute of Directors of South Africa (IoDSA).
i. The Board received an overall score of 4.1 out of 5 (82%) while the sub-committees reached an overall score of 4.2 out of 5 (84%) which indicates that the governance structures are appropriately composed, with the requisite skills set and undertake robust discussions.
j. The environmental analysis remains unchanged.
k. The Scheme released communication when the NHI Bill was pronounced, and the PO highlighted that most of the Schemes form part of the Board of Healthcare Funders ("BHF"), which believes that medical schemes have a significant role to play in the overall ecosystem.
l. The overall industry is willing to work with the government to provide an NHI that encompasses all the role players.
m. Frank dialogue sessions have been held to discuss the NHI with critical stakeholders and any other interested role players.
n. The Scheme is currently operating in a highly competitive environment with high unemployment rates causing a significant decline in membership.
o. Strategic risks were outlined as the solvency position, SALGA accreditation, non-compliance with regulations, industry uncertainty due to the NHI, and deteriorating member health.
p. Emphasis was made regarding the importance of retaining SALGA membership considering that the loss of accreditation would result in a loss of 15 000 members.
q. It was reported that the Scheme is working on building sound relationship with the brokers, employer groups and members.
r. A CMS inspection was undertaken during the year, and no substantive issues were raised; the Scheme is mainly compliant.
s. High levels of chronicity are being addressed through the Disease Risk Management programs and revamping the wellness program.
t. Although the 25% by 2025 strategy was overrun by events, the vision to expedite the solvency position remains unchanged.

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u. The Scheme strategy comprises three key pillars, namely, sustainable membership growth, improved member health, and organizational sustainability.
v. These three pillars comprise of six priorities, namely, SALGA accreditation, corporate membership, customer satisfaction, patient satisfaction, solvency and compliance.
w. As of the end of December 2023, the Scheme closed membership at 58 269, the claims ratio was sitting at 98%, while the solvency ratio was reported at 15.7% against the forecasted 19.1% and the non-health care costs were reported at 10.47%.
x. Fraud, Waste, and Abuse investigations are underway, with approximately R7 million saved to date.
y. The Scheme achieved an above-target investment return of 9.04% as of the end of December 2023; the Scheme has a GCR rating of A (ZA) and successfully implemented IFRS17.
z. The decline in solvency was attributed to the Hosmed claims and under-pricing.
aa. Hosmed previously made a provision for R87 million for claims; however, approximately R250 million of the Scheme reserves were used to settle the Hosmed claims. Furthermore, low contribution increases were implemented over time, which eroded the Scheme's buffers.
bb. Several initiatives are underway, including investigations to curb potential fraud, waste, and abuse, actuarial reviews from a product rationalization perspective, cost containment measures, value-based contracting, and other operational efficiencies to address the solvency position.
cc. The 2025 benefit design and pricing process is underway. The outcome will be tabled at the Clinical and Governance Committee and the Audit and Risk Committee for recommendation to the Board for approval and submitted to the CMS before publication.
dd. The PO noted that the Scheme's products are priced competitively and are cheaper than the competitive options.
ee. The KPMG investigation regarding the pre-merger claims is ongoing, and the Scheme engaged Malatji and Co Attorneys to determine who should be held accountable for the pre-merger claims.
ff. Based on the current trajectory, the Scheme is anticipated to reach a solvency ratio of 25% by 2028 unless the members consent to significant contribution increases of approximately 30%.
gg. Mr. J Seoloane acknowledged the members and confirmed that Mr. Mavuso (CMS) was online to attend to the members' queries.
hh. He reported that on 31 July 2024, the CMS and the Board jointly decided that he could transition from a consultant to the role of a Statutory Manager.
ii. Section 5A of the Financial Institutions (Protection of Funds) Act 28 of 2001 ("FI Act") brings about the statutory management process, which means that the Scheme is now being co-managed by CMS, the Trustees, and executive management, but the Statutory Management has a say in decisions made by the Scheme.
jj. If there is no agreement regarding the substantive issues, the CMS will take guidance on the course of action as advised by the Statutory Manager.
kk. On 31 July 2024, a public announcement regarding the appointment of the Statutory Manager was made, as was internal communication to all relevant stakeholders.
ll. Mr. J Seoloane highlighted that part of his consultant role included identifying a capable Principal Officer, undertake preliminary analysis which reflected some form of under-pricing, and this was subject to actuarial review.

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mm. Mr. J Seoloane and Ms. Tshobeni jointly engaged Fidelity Insurance regarding the persistent claims.
nn. The Statutory Manager's role is to assist the Trustees to run the Scheme until pressing issues have been resolved and clarified that statutory management is neither curatorship nor liquidation.
oo. Members in good standing will continue to enjoy their benefits subject to the Scheme protocols and procedures.
pp. Statutory management entails a though investigation of pre-merger claims and address past under-pricing related issues and updating CMS regularly on progress in addressing past issues.
qq. Mr. J Seoloane and the Trustees are jointly required to compile an assessment report for submission to CMS by 30 August 2024 that will map the way forward.

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Comments and Questions

a. Mr. Lance Matlabo highlighted that the turnaround strategy should be linked with decision-making.
b. He raised concerns regarding double hiring with reference to the appointment of GLM actuaries to assist Matlotlo and inquired if the statutory manager's powers supersede those of the trustees.
c. Furthermore, he flagged that if the marketing strategy depends on the brokers, it should be relooked as some of these brokers have been bad-mouthing the Scheme.
d. Lastly, he inquired if the marketing aspect is now being outsourced.
e. Mr. G Monama narrated the solvency movement over time, which resulted in double contribution increases.
f. He flagged that the implemented measures have yet to yield the desired outcome and queried the leadership's capacity to turn around the current situation.
g. Mr. A Bloko appreciated that the Board will compromise of nine Trustees that will further appoint three professional Trustees.
h. Noting that the Statutory Manager must provide a report by 30 August 2024, Mr. A Bloko inquired regarding Mr. J Seoloane's role in recouping the R162 million paid towards historical claims and needed to understand the purported under-pricing of options.
i. Furthermore, he queried the cost the Scheme is likely to incur for the Statutory Manager role, considering that the PO now fully understands the turnaround strategy and the reason for the duplication of roles.
j. The financial implications of the four-year recoup had yet to be included in the PO's report.
k. Mr. A Bloko stated that Hosmed had a low solvency position pre-merger, he inquired the possibility of disbanding the merger to merge with a better Scheme and consider including these issues in the turnaround strategy.
l. Mr. A Zitho proposed a 10-minute break and pointed out that the PO reflected that the Scheme is stable but critical, that she simplified the pre-merger process, core issues and historical under-pricing.
m. Mr. V Phetshwa expressed confusion regarding the PO's report, which reflects that the Scheme is properly governed considering the current challenges.
n. He believed that the Scheme is not properly marketed, in addition, the solvency position should be addressed and queried if due diligence was undertaken before the merger.

o. He highlighted that further pricing changes would plunge the Scheme into a deeper crisis and suggested the Scheme consider other alternative options to address the current challenges.
p. Noting that the member's satisfaction was rated at 87% he queried what informed the reflected stats considering the current faced challenges.
q. He indicated that one of the contributing factors in the decrease in membership is the Scheme's decisions, case in point, the frequency of spectacle replacement was changed from two years to three years.
r. Mr. J Sibanyoni indicated that he is not at ease regarding the statutory management.
s. He highlighted that brokers are not presenting the Scheme and are continuously discouraging potential members from joining the Scheme.
t. He believed that someone advised Hosmed to hold back settling claims until the merger; he inquired about the conditions of the merger and the solvency ratio of Hosmed at the time of the merger.
u. Furthermore, he concurred that the proposal to dissolve the merger would not be contested.
v. Mr. M Khoza highlighted that the PO tried to be as transparent as she could regarding the current challenges.
w. He inquired how the Scheme will manage to pull away from the current solvency position and wondered if a risk assessment was undertaken before the merger.
x. He also inquired if there are any other unprocessed Hosmed claims and, secondly, if there are any underlying issues besides under-pricing that are putting the Scheme at risk.
y. Thirdly, he queried if the current situation is likely to improve and proposed that the Scheme should consider dissolving the merger and merge with a financially suitable Scheme.
z. Lastly, he inquired if those tasked to grow the Scheme have done enough to recruit and source new Scheme members.
aa. Mr. R Swarts inquired about the CMS role during the merger process as it seemed that some of the information was understated, and CMS has access to all Schemes financial information.
bb. Secondly, he inquired about the strategy for the Scheme's future growth.
cc. He stated that there seemed to be undesirable conduct from the marketing executive perspective and wondered what was being done to address this matter.
dd. As much as the members are required to contribute more membership fees, the Trustees should also consider cutting their remuneration, considering that the Scheme managed to successfully complete the tariff deductions with the various SPNs.
ee. Mr. R Swarts expressed concern regarding Mr. J Seoloane's veto power and inquired if there was some form of maladministration during the merger process.
ff. Mr. M Maqungo inquired regarding the termination of contract conditions with Matlotlo, particularly if the Scheme bought off Matlotlo.
gg. Secondly, he believed that if the KPMG investigation will not help the Scheme in recouping the financial losses, then the investigation should be halted to curb further incurred costs.
hh. He highlighted that each year a benefit design process is undertaken and submitted to CMS for provisional for the proposed benefits which does not explain the raised under-pricing aspect.

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ii. He mentioned that the rationalization of dissolving the Procurement Committee was a wise decision.
jj. Mr. Maqungo further indicated that Hosmed was under curatorship in 2014, he urged members not to contest against one another and that Medscheme should take responsibility therefore he discouraged the motion to divorce Hosmed as it would negatively impact the members.
kk. He stated that the solvency position was at 15.75% in 2023 and urged the CFO to take members into confidence where the reserves are currently at.
ll. He highlighted that the members would not support double increases, that no one would be able to pay high contribution increases, and believed that there were some operational issues.
mm. Regarding addressing the solvency issue, the PO explained that the contributions should, at a minimum, cover the costs of running a Scheme and ensure proper claim management processes. The PO indicated that a decline in solvency can happen overnight but requires more time to fix.
nn. She confirmed that there are no further Hosmed claims, and the current claims are about four months and less old.
oo. It was noted that the Scheme is always on the lookout of potential merger partners as and when mandated by the Board.
pp. The PO confirmed that 3Sixty is performing as expected from a marketing perspective and anticipates that the work underway will yield a positive outcome.
qq. The exposition document went through CMS, and only CMS can provide feedback regarding the pre-merger issues.
rr. The SALGA strategy is to grow member numbers, structures have been created to recruit new members, increase visibility and not entirely rely on the current brokers but appoint new younger brokers.
ss. The marketing activities investigation report was recently received and is yet to be reviewed by management.
tt. The PO indicated that the Board and sub-committees had significantly reduced the number of meetings, resulting in a decrease in Board fees.
uu. The KPMG investigation report will determine if there was any form of maladministration in the pre-merger claims, and the Fidelity guarantee will have to respond accordingly.
vv. The PO believed that the marketing strategy could have been implemented better; however, work is underway to market the Scheme.
ww. Two due diligences were done on Hosmed by Sizwe prior the merger which related to the financial and legal obligations with no significant findings that would have discouraged the merger.
xx. It was noted that not all options were underpriced, and the appropriately priced options will not be penalized.
yy. The request for Medscheme to be held liable would be held in abeyance until the conclusion of the KPMG investigation, and the outcome will also inform the lessons derived from the merger.
zz. The PO highlighted that there would be no double increases; claims usually pick up around July 2024 and, therefore, cannot confirm the current solvency position.
aaa. She explained that the members are satisfied with the call centre service, and this informs the customer satisfaction outcome of 87%.
bbb. The Hosmed solvency position the day before the merger was tracking at 23%.

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ccc. In terms of the Matlotlo contract, there was a three-month termination clause.
ddd. The business model contributed to the bloating of the marketing budget; however, this has since been addressed, and the Board decided to retain the outsourcing function, which has resulted in a decrease in the marketing spend.
eee. Mr. J Seoloane indicated that there is a five-year strategy with several scenarios that are subject to Board approval.
fff. The assessment report for submission to CMS will entail if the Scheme's situation can be turned around, the steps forward and if the Scheme is being properly administered.
ggg. Mr. J Seoloane believed that the veto power is highly unlikely to be exercised due to the current positive relationship between him and the Trustees.
hhh. He further highlighted that part of his responsibility is to ensure that responsible persons are held liable once the investigation has been finalized.

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11. PRESENTATION OF THE 2023 ANNUAL FINANCIAL STATEMENTS AND THE EXTERNAL AUDITORS REPORT

Ms. N Tshobeni, the Principal (PO), presented the 2023 Annual Financial Statements report and highlighted the following salient points:

a. Ms. Belinda Madengwane, the new Chief Financial Officer, was introduced to the members, and she briefly shared her background and areas of expertise.
b. It was noted that the Scheme cannot present signed annual financial statements due to various reasons that would be addressed by Deloitte.
c. She highlighted that the Scheme is not in a unique position as many Schemes have not been able to have signed financials submitted to CMS due to technical glitches from a CMS system side.
d. The Scheme is required to share the final signed financials with members once finalised and adopt these financials at the upcoming AGM.
e. The Scheme adopted IFRS17, which relates to the insurance contract standard that replaced IFRS4.
f. Mr. M Maqungo highlighted that CMS would have penalized the Scheme for unsigned financials if the fault had not been on the CMS side.
g. He believed that there was no reason to adopt the unsigned 2023 annual financial statements.

RESOLUTION 3 OF 24 AUGUST 2024
IT WAS RESOLVED THAT the unsigned 2023 Annual Financial Statements be not adopted.

Mr. M Maqungo and Mr. A Zitho moved and seconded not to adopt the unsigned 2023 annual financial statements.

12. REPORT OF THE BOARD OF TRUSTEES

Mr. M Shamase, presented the Board of Trustees report. The following salient points were highlighted:

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a. It was noted that the Sizwe Hosmed Medical Scheme is a not-for-profit medical scheme registered in terms of Medical Schemes Act No. 131 of 1998.
b. The Scheme offered the following eight benefit options to employers and members during the year:
    - Titanium Executive Plan
    - Platinum Enhanced Plan
    - Gold Ascend Plan
    - Silver Hospital Plan
    - Plus Option
    - Value Option
    - Essential Copper Option
    - Access Saver Option
c. There were no risk transfer arrangements for 2023.
d. The unallocated funds as of 31 December 2023 amounted to R2,360,602 against R8,229,787 (2022).

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13. CONFIRMATION OF THE APPOINTMENT OF EXTERNAL AUDITORS

Mr. Thomas Kgokolo, the Audit and Risk independent Chairperson, presented the appointment of the external auditors' proposal. The following salient points were highlighted:

a. Deloitte was appointed for a three-year term of service and required to confirm their appointment annually in line with the Scheme rules.
b. The Audit and Risk Committee has formal Terms of Reference, which are approved by the Board.
c. The Committee's roles and responsibilities include statutory duties outlined in the Medical Schemes Act and any additional responsibilities assigned by the Board.
d. The Committee considered Deloitte's performance and independence and, therefore, is comfortable to recommend the re-appointment of Deloitte as the Scheme auditors for 2024.
e. Furthermore, the Committee reviewed the accounting policies and the unsigned annual financial statements and was comfortable with the fact that they comply with international reporting standards, the Medical Schemes Act, and circulars issued by CMS.

RESOLUTION 4 OF 24 AUGUST 2024

IT WAS RESOLVED THAT the re-appointment of Deloitte as Sizwe Hosmed Medical Scheme external auditor for the next audit year be approved.

Mr. K Mawela and Mr. M Maqungo moved and seconded the re-appointment of Deloitte as the external auditors for the next financial year.

14. APPROVAL OF BOARD OF TRUSTEES' REMUNERATION

The Board of Trustees was recused from the meeting at this point.

a. The HR and Remuneration Committee Chairperson, Ms. Matlhodi Ngwenya presented the HR and Remuneration Committee achievements and the proposed Board of Trustees 2024 remuneration structure.
b. She highlighted that the Committee approved the organizational structure, which will result in a total of 23 permanent employees, six vacancies, and one temporary employee.
c. From an employment equity point of view, the staff complement has more females than males.
d. The succession plan was approved last year, and the Scheme was able to mitigate the executive vacancies as well as complete the appointment of the Principal Officer.
e. The Pension Fund run by Alexander Forber is in place, the Scheme maintained a B-BBEE Level 3 score rating and the Scheme is aiming for Level 2 in the coming year.
f. There are no labour relations matters, and one occupational health and safety incident was addressed.
g. In line with the Scheme rule 19.16 to seek approval for the Trustee's remuneration, the Committee resolved to maintain the current status quo; therefore, no increases are recommended for approval.

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RESOLUTION 5 OF 24 AUGUST 2024
IT WAS RESOLVED THAT the current BoT remuneration structure remain unchanged.

Mr. K Mawela and Mr. T Mahlala moved and seconded for the current BoT remuneration structure to remain unchanged until the next AGM.

The Trustees re-joined the meeting at this point.

15. MOTIONS RECEIVED IN TERMS OF RULE 27.1.5

The PO confirmed that no motions were received in terms of Rule 27.1.5; however, received queries were forwarded to 3Sixty to be addressed.

Mr. M Manqungo flagged the Scheme rule amendment, and the PO explained that Rule 19.3.1, which outlines that the formulation of the Nominations Committee should comprise the Board Chairperson and three Trustees, was problematic in that the entire Board was seeking re-election and, therefore, all Trustees would be conflicted to form part of the Nominations Committee.

The PO recommended that Rule 19.3.1 be removed.

RESOLUTION 6 OF 24 AUGUST 2024
IT WAS RESOLVED THAT the Rule 19.3.1 be removed.

Mr. A Zitho and Mr. R Swarts moved and seconded the removal of Rule 19.3.1.

16. AUTHORISATION TO SIGN THE AGM RESOLUTIONS

RESOLUTION 7 OF 24 AUGUST 2024
IT WAS RESOLVED THAT the new Board Chairperson is authorized to sign the AGM

resolutions.

Mr. M Kholisi and Mr. R Swarts moved and seconded the approval for the Board Chairperson to sign the AGM resolutions.

17. DECLARATION OF THE ELECTORAL PROCESS

The PO presented the electoral process report to the members. The following salient points were highlighted:

a. The term of the current trustees has come to an end.
b. The election notice was circulated on 24 August 2024 in line with the Scheme rules.
c. The voting process commenced 45 days before the AGM.
d. An independent Elections Agency was appointed to run the electoral process.
e. Furthermore, independent Elections Auditors were appointed to audit the voting and electoral process.
f. The Board is required to ensure that elections are free and fair.
g. The Nominations Committee was chaired by the Audit and Risk Committee Chairperson.

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18. AUDIT OPINION ON ELECTIONS AUDIT

Ms. Sindi Phungula presented the Audit opinion on the elections audit. The following salient points were highlighted:

a. SkX inspected all the ballot papers, sealed ballot boxes, online voting, and SMS votes.
b. The counting of votes was undertaken, and data analytics used to eliminate any duplicate votes and invalid membership numbers.
c. The vote's outcome was noted as follows:

- Received votes - 28 261
- Spoilt votes – 302
- Manual votes – 27 787
- Online votes - 326
- SMS votes – 148
- Valid votes – 23 571 (across all three platforms)

d. SkX confirmed that the voting was free and fair.

19. ANNOUNCEMENT OF ELECTION RESULTS

a. The PO announced the election results as follows:
   - Mandla Shamase – 2 735 votes.
   - Simphiwe Philemon Siswana - 2 429 votes.
   - Alex Nhlapho – 2 415 votes.
   - Chrystolene Rensburg – 2 410 votes.
   - Advocate Ayanda Phikane – 2 407 votes.
   - Zukiswa Matikinca – 2 407 votes.
   - Zonwabele King – 2 384 votes.
   - Luyolo Makwabe – 2 382 votes.
   - Luvuyo Pokomela – 2 354 votes.

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b. Considering the request by Mr. M Maqungo, The PO announced that Dizzy Mugoni, Millicent Magwaza, and Vanessa Le Roux were number 10, 11, and 12, respectively.

20. CLOSING REMARKS

Mr. J Seolane congratulated the newly elected Trustees and highlighted that the Board Chairperson and the Deputy Chairperson would be appointed at the first Board meeting. Furthermore, the new Trustees will appoint the three professional Trustees.

He thanked those in attendance, both physically present and those online, for their time and participation.

21. CLOSURE

There being no further business to discuss, the meeting was closed at 16h00.

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Adopted as a true reflection of proceeding at the meeting.

Chairperson

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IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

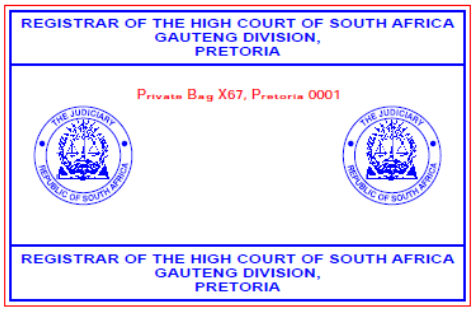
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Annexure 12

NOTE: **This document was filed electronically by the Registrar on 21/10/2026 at 3:31:28 PM South African Standard Time (SAST). The time and date the document was filed by the party is presented on the header of each page of this document.**



ELECTRONICALLY SIGNED BY:

Registrar of Pretoria , Gauteng Division,Pretoria

"FA12"

Schedule of Curator's Monthly Reports

Item no.	Description	Date	Transmission Date	Recipients
	Previous Curator's Monthly Reports			
1.	September 2025 Monthly Report	28 September 2025	unknown	unknown
2.	October 2025 Monthly Report	27 October 2025	unknown	unknown
3.	November 2025 Monthly Report	26 November 2025	unknown	unknown
4.	December 2025 Monthly Report	December 2025	unknown	unknown
5.	Addendum to November 2025 Monthly Report	17 December 2025	unknown	unknown
6.	Addendum to December 2025 Monthly Report	29 January 2026	unknown	unknown
7.	January 2026 Monthly Report (unsigned) – we are uncertain whether this constitutes the previous curator's final report contemplated in paragraph 5 of the substitution order.	January 2026	23 February 2026	Amos Mavuso: Senior Compliance Officer, Hannelie Cornelius Senior Manager: Administrator and MCO Accreditation and Thembalethu Ntimbane Executive Assistant
	New Curator's Monthly Reports			
8.	February 2026 Monthly Report	6 March 2026	6 March 2026	Amos Mavuso: Senior Compliance Officer, Hannelie Cornelius Senior Manager: Administrator and MCO Accreditation and Thembalethu Ntimbane Executive Assistant
9.	March 2026 Monthly Report	7 April 2026	7 April 2026	Amos Mavuso: Senior Compliance Officer, Hannelie Cornelius Senior Manager: Administrator and MCO Accreditation and Thembalethu

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				Ntimbane Executive Assistant
10.	April 2026 Monthly Report	April 2026	7 May 2026	Amos Mavuso: Senior Compliance Officer, Hannelie Cornelius Senior Manager: Administrator and MCO Accreditation and Thembalethu Ntimbane Executive Assistant
11.	May 2026 Monthly Report	May 2026	5 June 2026	Amos Mavuso: Senior Compliance Officer, Hannelie Cornelius Senior Manager: Administrator and MCO Accreditation and Thembalethu Ntimbane Executive Assistant
12.	June 2026 Monthly Report	June 2026	7 July 2026	Amos Mavuso: Senior Compliance Officer, Hannelie Cornelius Senior Manager: Administrator and MCO Accreditation and Thembalethu Ntimbane Executive Assistant
13.	July 2026 Monthly Report	July 2026	7 August 2026	Amos Mavuso: Senior Compliance Officer, Hannelie Cornelius Senior Manager: Administrator and MCO Accreditation and Thembalethu Ntimbane Executive Assistant
14.	August 2026 Monthly Report	August 2026	7 September 2026	Amos Mavuso: Senior Compliance Officer, Hannelie Cornelius Senior Manager: Administrator and MCO Accreditation and Thembalethu Ntimbane Executive Assistant
	September 2026 Monthly Report	September 2026	7 October 2026	Amos Mavuso: Senior Compliance Officer, Hannelie Cornelius Senior Manager: Administrator and MCO Accreditation and Thembalethu

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REPORT OF MR IAN FLEMING (CURATOR)
TO
THE COUNCIL FOR MEDICAL SCHEMES

MAY 2026

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1. Feedback regarding Curatorship
2. Financial Information
3. Update in respect of legal and contract issues
4. Update in respect of issues related to the Administrator
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1. Feedback Regarding Curatorship

The key stakeholder engagements which started in April continued into May. It has become clear that improving the member experience is the key issue preventing brokers and employers from considering bringing members back to the Scheme. To this end the Curator has agreed a set of Key Performance Indicators (KPI's) which must be achieved by 7 July 2026 so that the Scheme can engage further with employer groups, brokers and individual members (who now form a significant portion of current membership) ahead of the open period later this year. It is pleasing that the engagement with Mediclinic has resulted in them extending a R10 million credit line to the Scheme enabling members once again to access their facilities.

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Work continues with the Administrator to address the many issues highlighted in members' complaints including paying long outstanding claims, statements and remittance advices, billing issues and call centre performance. The value of claims runs has increased largely as a result of addressing backlogs and other operational issues but so has the rigour applied to vetting them before they are released. Resolving these issues is critical for member retention. The Scheme lost 1 700 during April and a further 658 during May resulting in the current membership dipping to just below 10 000.

The focus is shifting from dealing with legacy operational and legal issues to developing a viable turnaround plan for the Scheme which will enable it to exit curatorship ahead of the critical open period in the fourth quarter of this year. A project plan has been submitted to CMS for their consideration and input. On the critical path of this project plan is the requirement, in terms of the Scheme rules (27.1.5), to provide members with ninety days' notice of a date for the AGM.

Another key element of the turnaround plan is to attract new and former members back to the Scheme. Given the historical experience of the Scheme, the Curator is applying his mind to the best structure and partnerships for a future business development agreement, as the previous business development agreement was ineffective and unaffordable due to fundamental shortcomings in the way it was structured.

Further information on the Scheme's financial position and other initiatives follow below.

2. Financial Information

	For the YTD April 2026	For the Month of April 2026	Information as at the month of Curatorship (September 2025)
Members at month end	10 556	10 556	46 386
Beneficiaries at month end	21 698	21 698	106 654
Average beneficiaries	27 853	23 697	107 550
Average age per beneficiary	39	42	35
Pensioner ratio	21.0%	21.0%	9.5%
Solvency ratio	40.9%	40.9%	6.5%
Non-healthcare Exp/RCI	13.6%	15.4%	11.0%
Gross contributions (GC)	428 172 404	84 675 109	318 168 270
Risk contributions income (RCI)	379 223 888	74 679 935	280 842 433
Net relevant healthcare expenditure	-348 355 134	-58 828 864	-257 908 598
Gross healthcare results	30 868 754	15 851 071	22 933 835
Net non-healthcare expenditure	-51 704 828	-11 529 059	-31 029 383
Other income	620 804	204 388	1 062 936
Investment Income	23 275 346	5 361 210	10 337 535
Net surplus/(deficit)	3 060 077	9 887 610	3 304 923
Reserves as per Regulation 29	546 137 558	546 137 558	287 266 661
GC pabpm	3 843	3 573	2 958
RCI pabpm	3 403	3 151	2 611
Net relevant healthcare expenditure pabpm*	3 126	2 483	2 398
Net non-healthcare expenditure pabpm*	464	487	288

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3. Update in respect of legal and contract issues

Recovery of Funds: Malatji & Co Attorneys	Completed
Disciplinary Proceedings: Principal Officer	The disciplinary proceedings relating to the suspended Principal Officer were finalised during this reporting period. Following discussions between the parties, the employment relationship between the Scheme and the Principal Officer was terminated by way of a mutual separation agreement concluded during May 2026. The agreement records that the termination took effect on 7 May 2026 and includes provisions relating to: • resignation and termination of employment; • handover of Scheme property and information; • confidentiality undertakings; • full and final settlement of employment-related claims; and • post-employment obligations. The matter has accordingly been finalised from an employment perspective. This approach has brought finality and certainty to the matter in a fashion that is expeditious and cost-effective and avoids further employment related litigation which can be protracted, unpredictable and expensive.
Disciplinary Proceedings: HR Manager	During this reporting period, the Scheme issued a Final Written Warning to the Human Resources Manager following the conclusion of an internal investigation into certain procurement and contractual processes. The investigation identified concerns relating to: • alleged failures to ensure compliance with the Scheme's Procurement Policy; • inadequate escalation of procurement and governance concerns; • deficiencies in record-keeping and procurement oversight; and • the handling and administration of certain contractual arrangements. The sanction was imposed in light of the seriousness of the findings and the employee's senior role within the organisation. The Scheme continues to emphasise strict compliance with governance, procurement and internal control processes across all operational divisions.

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Anton Piller Proceedings	The Scheme's attorneys received a response from the Administrator's attorneys, Webber Wentzel, rejecting the Scheme's settlement proposal and containing a counter settlement proposal. The Scheme's attorneys have responded to the Administrator's counter proposal in respect of which the Scheme's attorneys are still awaiting a response from the Administrator's attorneys. Accordingly, the settlement discussions remain ongoing.
Return of property in the possession of the Scheme's former Board of Trustees	The former Board of Trustees ("former BoT") remain in possession of the Scheme's assets, including devices such as cell phones and laptops. Malatji and Co Attorneys sent a letter on 5 May 2026 in which they contend that the former BoT is entitled to retain the devices in terms of clause 9.3 of the Scheme's remuneration policy. The Scheme's attorneys are of the opinion that this is a valid point and given that the amounts involved are not significant enough to warrant protracted legal correspondence, has at the Scheme's request, proposed that the former BoT retain the devices and take over the remaining portion of the Scheme's contract with Vodacom with effect from 1 July 2026.
RenalPro Dialysis Summons	A meeting was convened between TFS Africa, 3 Sixty Risk, the Scheme's Compliance Department, Dr Zaheen Omar in his capacity as the Fraud, Waste and Abuse Chairperson, and Thabang Magare (a curator team member), it was resolved that the legitimate claims relating to RenalPro Dialysis ("the service provider") should be paid. The Scheme could not process the payment as the bank details provided were those of the facility rather than Mr Makamba, under whose name the services were rendered. It has also come to light that of the claims submitted by the service provider, there are members who were transferred from a syndicate known as Zurich. A decision has been made to place a restriction on these claims to prevent them from being paid until further investigations have been completed. The Administrator is presently updating the claims file to exclude restricted claims, and it is anticipated that the legitimate claims will be processed in the payment run scheduled for the week commencing 8 June 2026.
Provider Network Invoices from 3Sixty Health (Pty) Ltd	The Administrator has been sending invoices to the Scheme regarding Provider Network Management Services allegedly rendered by them to the Scheme since 2024. The Scheme addressed a letter to the Administrator advising that, in terms of Regulation 15A of the Medical Schemes Act Regulations, managed health care arrangements are required to be reduced to writing and that in the absence of a written and signed agreement, the Scheme cannot confirm the existence of any valid and binding contractual relationship authorising the rendering of these services or the associated billing. The Scheme accordingly, requested that the Administrator immediately cease invoicing the Scheme for these services. To date the Scheme has not received a response to the letter.

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Contracts Review and Renegotiation	The ongoing review of non-healthcare expenditure and contractual arrangements remains active, with particular focus on historical procurement processes, governance failures and high-value contractual commitments concluded outside of approved procurement processes. A separate detailed report dealing specifically with contractual governance, contractual regularisation processes and related interventions has been prepared and should be read together with this report. Investigations and internal reviews undertaken during this reporting period identified several procurement and governance concerns relating to the appointment of service providers, office relocation arrangements and the administration of certain contractual relationships. These matters are currently being addressed through appropriate internal governance and disciplinary processes. The Scheme continues to implement measures aimed at: • strengthening procurement oversight and compliance; • ensuring proper involvement of Legal, Compliance and Procurement monitoring and oversight in material transactions; • improving record-keeping and contract management processes; • reducing exposure to irregular expenditure and contractual disputes; and • reinforcing accountability mechanisms within operational structures. This process forms part of the broader governance and financial sustainability strategy being implemented during curatorship.

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4. Update in respect of issues related to the Administrator

Administrator Operations Review	The established operations stabilisation forum has continued to monitor the resolution of the operational issues highlighted by the operation review report. There have been changes in terms of personnel at the Administrator following the resignation of the Operations Executive with effect from 15 May 2026. The administrator decided to split the portfolio of functions associated with the role as follows: • Operations Claims – Cecilia Higgins. • Operations Call Centre – Gert Botha. • Operations Billing and Membership – Zaheer Suleman. The focus for this reporting period has been to ensure improvements in the following areas: • Resolution of billing queries through a high-level reconciliation for the period January 2026 to April 2026.

	• Walkthrough of the managed health care department with a focus on the pre-authorisations and case management. • Follow-up on the results of the weekly claims analysis performed to ensure that the FWA discipline is enhanced.
Contact Centre performance, Member and Provider queries	Call volumes have decreased when compared to the first quarter of 2026. Service Level Agreement (SLA) was achieved for the active queue, primarily due to volume pressures and extended hold times on the legacy lines rather than service quality once calls were answered. The total number of calls received for the month of April was 20 352, split into 8 295 calls from members and 12 057 calls from providers. The answer rate for calls from members was 98% on the active queue and 81% on the legacy queue, and the answer rate of provider calls was 97% on the active queue and 85% on the legacy queue. The performance of the call centre will continue to be monitored due to the anticipation of an increase in members queries as a result of the start of the tax season and the refund of member savings accounts.
Marketing Services and Business Development Agreements	Whilst these contracts have been terminated, the Scheme is seeking to recoup a significant amount of money due to underperformance and perceived non-delivery of services. The Curator has met with 3Sixty representatives regarding the Scheme's strongest and most quantifiable claims. 3Sixty advised that the counterparty (3Sixty Marketing Services) is effectively a shell company/ SPV and that protracted litigation would lead to a pyrrhic victory. Nevertheless, the Curator is pursuing compensation in some form and a future business development contract will take on a very different structure.
Claims Payment Run	The weekly claims run review has proven valuable. A number of fraudulent claims and service providers have been identified and removed. The flow of claims is also picking up as older claims processing issues are resolved.
Implementation of the Administration System	The system specification and configuration document has been provided by the Administrator, and a workshop will be scheduled to demonstrate the configuration and functionality. The Administrator has advised that the report for the system post implementation review conducted by Origin Advisory is undergoing final reviews and will be provided soon thereafter.

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5. Update in respect of issues related to the Scheme

Solvency	The Scheme's solvency ratio improved to 40.9% as at 30 April 2026. This was influenced by a further loss of members, a positive operating surplus and improved investment returns.
Membership attrition	The further loss of 1 698 members in April is of the most serious threat facing the Scheme. Improving the member experience is a key feature of the turnaround plan. To this end the Curator has agreed a set of KPI's with the Administrator that must be met by 7 July 2026 so that the Scheme can encourage broker and employer groups to bring members to the Scheme.
Non-Healthcare Expenditure	Non-healthcare costs (excluding cost related to curatorship) continue to decline in nominal terms partly as a result of fewer members but also tight control over discretionary spend and the renegotiation (cancellation, suspension, reductions) of contracts.
Balance Sheet Clean-up (Debtors and Creditors)	The balance sheet clean-up is focussed on accounts receivable and accounts payable. However, the write-off of stale and prescribed debtors is also linked to removing them from the administration system and resolving billing issues. The system issues were resolved towards the end of May and in the meantime, we are looking to increase the Expected Credit Loss reserve appropriately.
Stakeholder Engagements	As previously reported, the curator intensified the roadshows with key stakeholders which culminated in 16 sessions in total covering the following stakeholders: Alexander Forbes (Online), NMG (Online), Ford SA (Silverton Pretoria), Progress Administrators (Midrand), Numsa Financial Services (Johannesburg), ASPEN (Gqeberha), VWSA (Gqeberha), Toyota SA (Durban), Smiths & Automould (Durban), Numsa (Johannesburg), Isuzu & GMSA (Online), Drs Holt and Partners (Online). The reception from the various stakeholders was warm and the discussions have been robust and transparent. Further sessions have been scheduled, and the following are confirmed: • Eastern Cape Independent Practitioners Association (Gqeberha) – Wednesday, 03 June 2026; • Bay Radiology – Wednesday, 03 June 2026;
Reinstatement of credit line with Mediclinic	Mediclinic agreed to re-open a line of credit to Sizwe Hosmed members effective from 20 May 2026 within the provisions of the existing Designated Service Provider ("DSP") Agreement with Mediclinic. The credit line is subject to the following conditions which the curator team will be monitoring closely in these early stages: • Credit exposure to be capped at a maximum aggregate ledger value of R10 million. • Payment to be made within 30 days of receipt of claims, in line with agreed settlement discount terms.

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	• Efficient case management processes with minimal disruption or administrative burden to hospitals and treating doctors. • Accurate and timeous remittance advices to accompany payments.
Annual Financial Statements	A special seating of the Audit and Risk Committee was held on Monday, 04 May 2026 to consider and recommend the 2023 annual financial statements for approval by the curator. The financial statements were signed off by Deloitte on Friday, 08 May 2026. The incoming auditors Nexia-Sabt Audit, Tax & Advisory have been advised about the finalisation of the 2023 audit, they are currently conducting their pre-engagement activities in order to commence the audit for the 2024 financial period.
Relationship with Administrator	The Curator has agreed a set of Key Performance Indicators covering operational and member experience governance related issues. The Administrator has continued to downsize following the loss of SABMAS and the decline in Sizwe Hosmed membership. The Administrator has also advised the Curator of its intention to separate from the greater 3 Sixty group, that the process has commenced and has been agreed to in principle by all key stakeholders.
Forensic Report by KPMG	Many of the claims processing and system related issues raised by KPMG have been or are being addressed. Potential claims against the Administrator arising from this report have not been forgotten but more recent and quantifiable claims are being pursued first. The curator team ultimately intends to address all claims against the Administrator cumulatively, once quantified and verified, in an endeavour to arrive at a global settlement that will be acceptable to the Curator and the relevant stakeholders.
Fraud, Waste and Abuse	It would appear that certain service providers and syndicates may be targeting the Scheme perceiving it to be vulnerable or an easy target. Consequently, the Curator has adopted a stringent approach to vetting every claims run and has full control of the bank accounts.
Quality of data and risk pool	The changes to the underlying membership, with the loss of almost 90 000 beneficiaries with an average age of 31.8 at the end of 2025 and changes to the option split moved the needle in terms of average age across all options. Current Scheme average age is 42, which has increased from 35.6 at the start of 2025. This indicates ageing of 6.3 years over and above chronological ageing over this time period. The pensioner ratio for the scheme (here taken as those beneficiaries aged 65 and older) has increased from 9.6% in Jan 2025 to 12.2% in December 2025 and then to 21.0% in April 2026. According to the data at our disposal the overall chronicity (i.e. chronic prevalence) for the Scheme has increased from 31.4% to 34.1% over the last 15 months. All of the above indicates that the Scheme risk profile has shifted significantly, as well as the exposure to additional volatility by nature

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	of a smaller scheme membership base. This will have an impact on the Scheme's assumptions regarding claims inflation for the coming benefit year as claims experience is directly linked to age, pensioner ratio and chronicity.
Governance Structures and Operational Oversight	The Scheme remains under curatorship, and formal governance structures have not yet been fully reconstituted. Operational governance continues through established internal forums, including: • Combined EXCO and MANCO Forum; • SLA Forum; • Marketing and Business Development Forum; • Exco to Exco; • Fraud, Waste and Abuse Forum; and • Service Excellence Forum. The consolidation of EXCO and MANCO into a single operational governance forum remains in place and continues to improve coordination, reporting lines and decision-making efficiency. The first combined EXCO-MANCO sitting was held on 21 May 2026 as part of the Scheme's broader governance alignment and operational oversight initiatives. The Scheme further continues to review governance structures and reporting mechanisms to ensure alignment with regulatory requirements and the Curator's mandate. As contractual governance and operational processes continue to stabilise, the Scheme will commence the next phase of its governance reform initiatives, which will include a comprehensive review and strengthening of internal policies, governance frameworks and operational procedures.
Underutilised corporate offices and onerous lease	Whilst being open to engagements and sympathising with the Scheme's predicament, Growthpoint responded to our eight requests for relaxation of various clauses in the lease agreement with a letter from their attorneys advising that all eight requests were denied. Curiously, they still left the door open for further engagement.

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Ian Fleming

Curator – Sizwe Hosmed Medical Scheme

5 June 2026

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REPORT OF MR IAN FLEMING (CURATOR)
TO
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JUNE 2026

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1. Feedback Regarding Curatorship

Much effort was devoted to resolving claims processing issues including removing the backlog of older claims, reducing complaints and identifying potential fraud. TFS Africa assisted greatly with reviewing the weekly claims run and identified a syndicate operating in the audiology space. Criminal charges were laid against six service providers, and PRECCA reports were submitted.

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Equally, a huge effort went into trying to payout medical savings accounts to the vast number of members that terminated last year. However, obstacles were encountered with limitations to process bulk MSA refunds within the system, gaps in information regarding former members' new options and banking details on record. The Curator has issued a communication to all former members explaining the process and requesting assistance with outstanding information.

The first four steps of the project plan to end curatorship are on track and the next key step is to engage with the Administrator regarding its performance against the KPIs agreed to.

Progress has also been made regarding legal issues and defending the Scheme against dubious claims and more potential fraud. Contract negotiations also advanced with savings from Bumbatech (tech support and licences), Allgrace (communications and marketing) and IAC (actuaries) as well as addressing issues with evergreen contracts and other technical issues.

Planning has commenced in earnest around holding an elective SGM in October should circumstances prove favourable, identifying service providers and proposing rule changes e.g. number of trustees appropriate and suitable for a smaller scheme.

The financial performance improved mainly as a result of the actuaries concluding that the risk around claims had reduced enough to warrant a reduction in the conservative provisioning for IBNR.

A key piece of work has commenced regarding the review of benefits, options and contribution increases for 2027 and high-level objectives have been agreed.

Further information on the Scheme's financial position and other initiatives follow below.

2. Financial Information

	For the YTD May 2026	For the Month of May 2026	Information as at the month of Curatorship (September 2025)
Members at period end	9 898	9 898	46 386
Beneficiaries at period end	20 157	20 157	106 654
Average beneficiaries	26 314	20 928	107 550
Average age per beneficiary	40	42	35
Pensioner ratio	21.8%	21.8%	9.5%
Solvency ratio	44.1%	44.1%	6.5%
Non-healthcare Exp/RCI	14.5%	19.1%	11.0%
Gross contributions (GC)	506 637 610	78 465 206	318 168 270
Risk contributions income (RCI)	448 593 624	69 369 736	280 842 433
Net relevant healthcare expenditure*	-357 361 692	-9 006 559	-257 908 598
Gross healthcare results	91 231 932	60 363 177	22 933 835
Net non-healthcare expenditure	-64 931 836	-13 227 008	-31 029 383
Other income	1 470 184	849 380	1 062 936
Investment Income	28 236 973	4 961 626	10 337 535
Net surplus/(deficit)	56 007 253	52 947 176	3 304 923
Reserves as per Regulation 29	536 182 343	536 182 343	287 266 661
GC pabpm	3 851	3 749	2 958
RCI pabpm	3 410	3 315	2 611
Net relevant healthcare expenditure pabpm*	2 716	430	2 398
Net non-healthcare expenditure pabpm*	494	632	288

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*Healthcare expenditure was affected by a R63.3m reduction in IBNR during May 2026 (YTD +R1.0m)

3. Update in respect of legal and contract issues

Recovery of Funds: Malatji & Co Attorneys	Completed
Disciplinary Proceedings: Principal Officer	Completed
Disciplinary Proceedings: HR Manager	Completed
Anton Piller Proceedings	The Scheme's attorneys received a response from the Administrator's attorneys, Webber Wentzel, rejecting the Scheme's settlement proposal and containing a counter settlement proposal. The Scheme's attorneys have responded to the Administrator's counter proposal in respect of which the Scheme's attorneys are still awaiting a response from the Administrator's attorneys. Accordingly, the settlement discussions remain ongoing. We have not pressed Webber Wentzel for a response because they want the Scheme to tender and pay the legal costs of the Anton Piller proceedings.
Return of property in the possession of the Scheme's former Board of Trustees	The Scheme's attorneys sent Malatji and Co Attorneys' a letter advising that the Scheme is prepared to let the former Board of Trustees ("former BoT") retain the Scheme's assets provided that the former BoT assumes responsibility and liability for the monthly contracts with Vodacom in respect of the devices in their possession with effect from 1 July 2026. On 3 July 2026 Malatji and Co Attorneys sent a letter to the Scheme's attorneys rejecting the aforesaid settlement proposal. The Scheme's attorneys are considering the most appropriate course of action available to the Scheme.
RenalPro Dialysis Summons	Pursuant to a meeting between the curator team and the Scheme's Administrator, 3Sixty Health, based on the Administrator's investigations and recommendation, it was resolved that RenalPro Dialysis claims should not be paid by the Scheme as they appear to be *inter alia* fraudulent, unsupported and suspicious. During the meeting, it was resolved further that the Scheme would take the necessary steps to suspend the implicated members in question in terms of the scheme rules and all applicable statutory and regulatory provisions.
Provider Network Invoices from 3Sixty Health (Pty) Ltd	As previously reported, the Administrator sent the Scheme invoices regarding Provider Network Management Services allegedly rendered by them to the Scheme since 2024. During the previous reporting period, the Scheme sent a letter disputing liability and requesting that the Administrator immediately cease invoicing the Scheme for these alleged services. Notwithstanding the aforesaid letter, the Scheme received an email from the Administrator on 3 July 2026 requesting that the outstanding amount in respect of the

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	Provider Network Services be settled. The Scheme's stance remains unchanged in this regard.
Wellness Clinic Summons	The Wellness Clinic in Gqeberha recently issued summons against the Scheme for the aggregate amount of R736 805 for professional services allegedly rendered to the Scheme's members between June 2022 to June 2025. In the summons, it is alleged that the Wellness Clinic's fees remain unpaid or unreasonably rejected by the Scheme even though the correct procedure was followed for authorisation and provision of the service. The Scheme's attorneys sent the Wellness Clinic a without prejudice letter without admitting liability, reserving the Scheme's rights, requesting any and all supporting documents relating to the claims concerned and asking the Wellness Clinic to agree to the suspension of the prosecution of the action and the applicable time periods pending an investigation into the matter. The Scheme's attorneys have not received a response to the letter yet and have thus delivered a notice of intention to defend to protect the Scheme's interests in the interim. In any event, the Scheme has several defences it intends raising should the matter not be resolved amicably.
Contracts Review and Renegotiation	During this reporting period, the Scheme continued to prioritise governance reform, procurement compliance and contractual regularisation as part of the Curator's mandate to strengthen internal controls, enhance accountability and reduce legal, operational and financial risk. As of 30 June 2026, the Scheme's contract register comprised 52 contracts in total. Of these, 27 are active, 19 have expired, been suspended or terminated, and 4 remain evergreen (while 1 is pending termination) and are currently subject to legal review as part of the regularisation process. A further 10 contracts are under review or subject to the addendum process. The register remains substantially unchanged from the previous reporting period, save for the continued progress made in regularising the evergreen contracts, which is nearing completion. In line with recommendations made by the Council for Medical Schemes (CMS) following the inspection conducted during 2024, the Scheme has adopted the principle that all service level agreements and commercial contracts must contain clearly defined commencement and expiry dates. The Scheme is actively eliminating evergreen contracts to ensure that all contractual relationships are subject to periodic review, appropriate procurement processes and formal renewal where necessary. This initiative is intended to strengthen contractual governance and ensure ongoing compliance with the Medical Schemes Act (as read with its Regulations) and sound governance principles. The ongoing review of non-healthcare expenditure and contractual arrangements remains active, with particular focus on historical procurement processes, governance shortcomings and high-value contractual commitments concluded outside approved procurement processes. A separate detailed report dealing specifically with contractual governance, the contract register and the contract regularisation

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	process, dated 25 June 2026, has been prepared and should be read together with this report. The Scheme continues to implement measures aimed at: • strengthening procurement oversight and compliance; • ensuring appropriate involvement of Legal, Compliance and Procurement oversight and scrutiny in all material transactions; • improving contract administration, record keeping and contract lifecycle management; • eliminating evergreen contractual arrangements in favour of fixed-term agreements with defined review periods; • reducing exposure to irregular expenditure and contractual disputes; and • reinforcing accountability and governance across all operational structures. Legal and Finance workstreams have commenced Phase 2 of the Contract Management Project. Over the past two months, the exercise has focused on reconciling: • Active contracts held by the Legal Department. • The contract register. • Payments processed by the Finance department during the previous two months. Through this exercise, twenty (20) transactions and/or service providers have been identified where the Scheme does not currently hold corresponding active contracts on record. These items have been flagged for further investigation and validation with the relevant departments to establish whether formal contractual arrangements should exist and whether any corrective action is required. The exercise is aimed at ensuring that no payments are made in the absence of a valid and active contract, with a view to strengthening contractual governance, improving internal controls and preventing future non-compliance. These initiatives form part of the broader governance reform and financial sustainability programme currently being implemented during curatorship.

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4. Update in respect of issues related to the Administrator

Administrator Operations Review	The efforts of the operations stabilisation forum have been entrenched and continue to monitor the performance of the administrator in line with the following key performance areas. 1. **Processing of Claims Payment** We have seen an improvement towards achieving seamless processing of claims on a weekly basis. In the month of June 2026 there were five (5) weekly claims run processed. There are also

	indications that significant progress is being made with the resolution of claims queries relating to the period October, November and December 2025 as reflected by the amount processed in the month of June 2026. There is also a concerted effort including the deployment of a special task team to attend to claims queries at a service provider level and extending of working hours to include weekends. This has assisted greatly in expediting the resolution of long outstanding queries which is key to the reopening of credit lines by providers in Gqeberha and Durban. The issues relating to the timely issuing of remittances advice to service providers continues to be a challenge. The system operations team is currently undertaking the necessary system development work to resolve the issue. 2. **Billing Reconciliation** A reconciliation comparing amounts billed to the amounts received in the bank has been performed for the period January to April 2026. The reconciliation has identified variances which are currently being investigated by the Administrator to ensure that corrective action is taken. The main cause of the variances is the timing of the processing of member terminations. The variances for the month of May and June indicate an improvement in the billing process. 3. **Managed Healthcare (MHC)** The curator team conducted a review which focused on the managed healthcare department. The focus of the review covered the following areas: • Active Disease Risk Management with a focus on Oncology authorisations and management of the treatment plans. • Case management. • Pre-authorisation for hospital admissions and in hospital medical care. A draft report has been shared with the Administrator to provide their comments on the observations. A meeting was also held with the relevant executives (Clinical Executive, Chief Information Officer, Chief Commercial Officer & Claims Manager) at the Administrator to discuss the observations on Monday, 22 June 2026.
Contact Centre performance, Member and Provider queries	The call centre delivered a strong month-on-month improvement in performance for the month of May, successfully managing higher call volumes while significantly enhancing member service levels across both the Active and Legacy Member Queues. Key performance indicators showed a marked increase in answered calls and a substantial reduction in abandoned calls, reflecting the

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	positive impact of ongoing operational improvements, workforce optimisation, and enhanced queue management. The total number of calls received for the month of May was 21 799, split into 9 161 calls from members and 12 638 calls from providers. The answer rate for calls from members was 99.33% on the active queue and 93.81% on the legacy queue, and the answer rate of provider calls was 97% on the active queue and 85% on the legacy queue.
Marketing Services and Business Development Agreements	Unchanged: Whilst these contracts have been terminated, the Scheme is seeking to recoup a significant amount of money due to underperformance and perceived non-delivery of services. The Curator has met with 3Sixty representatives regarding the Scheme's strongest and most quantifiable claims. 3Sixty advised that the counterparty (3Sixty Marketing Services) is effectively a shell company/ SPV and that protracted litigation would lead to a pyrrhic victory. Nevertheless, the Curator is pursuing compensation in some form, and a future business development contract will take on a very different structure to the previous agreement.
Claims Payment Run	The weekly claim runs for June were relatively trouble free but nevertheless reviewed by TFSA who highlight red flags for further investigation. Approximately 25% of claims paid were for prior years (subject to the usual rules) which would indicate a reduction in the backlog of old claims. The team is working weekends to achieve this. The actuaries (GLM) acknowledged this improvement with a tempering of their conservative assumptions in the calculation of the OCR. Nevertheless, the OCR is still higher than as at December 2025.
Implementation of the Administration System	A session has been scheduled for the week commencing Monday, 06 July 2026 with the National Health Group (PBTit) to demonstrate the configuration of the various modules in iSquared. We are still awaiting the system post implementation review report from Origin Advisory.

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5. Update in respect of issues related to the Scheme

Project Plan to end Curatorship	1. A more detailed business development proposal has been received from the Administrator and reviewed by the curator team. It does not yet address numerous concerns raised by the Curator and is therefore only a basis for further discussion at this stage. 2. A kick-off meeting with the actuaries (GLM) to review options, contributions and benefits for 2027 has taken place and key objectives have been agreed. 3. 2027 tariff negotiations have commenced and will accelerate towards the end of the year in line with the 2027 review. 4. Detailed planning for an SGM has been done and will be refined once the review of the Administrator's KPIs has taken place.

Solvency	The Scheme's solvency ratio improved to 44.1% as at 31 May 2026. This was influenced by a further loss of 658 members, a positive operating surplus as a result of a significant reduction in IBNR offset by increased ECL for 2024 and 2025.
Membership attrition	Whilst membership attrition has slowed (April – 1698, May - 657, June – 327), it remains a major concern. However, there are some promising signs of members wishing to return now that access to service providers has normalised and solvency issues have been addressed.
Non-Healthcare Expenditure	Further inroads were made during June in reducing contractual non-healthcare costs. However, one-off costs such as professional fees and the costs related to the termination of the erstwhile PO are impacting the ratio in the short term.
Balance Sheet Clean-up (Debtors and Creditors)	ECL for 2024 and 2025 together with some write-offs took place in June (effective for prior years). At the same time IBNR which increased significantly in January was reduced by R63.3 million in May. Billing issues also received significant attention during June.
2027 Contribution and Benefits Review	A kick-off meeting with the actuaries (GLM) to review options, contributions and benefits for 2027 has taken place and key objectives have been agreed.
Stakeholder Roadshows	The stakeholder engagements were focused on service providers, with a further ten (10) engagements with stakeholders which covered ECIPA (Gqeberha), UDIPA (Gqeberha), Bay Radiology (Gqeberha), ASAIPA (Gqeberha), Isuzu Employee Representatives (Gqeberha), Jakparsad Radiology (Durban), Lake Smit & Partners (Durban), JMH (Durban), Gebs Radiology (Durban) & KZNDHC (Durban). This brought the total number of engagements to twenty-six. The engagements have been well received and have provided insights on the key issues that require urgent attention to resolve the access issues.
Reinstatement of credit line with Mediclinic	There has been a steady increase in the number of members admitted at Mediclinic facilities since the re-opening of the credit line on 20 May 2026. The conditions stipulated by Mediclinic have been closely monitored by the Managed Healthcare department which has included a working session between the case management teams.
Annual Financial Statements	A meeting was held with Nexia-Sabt Audit, Tax & Advisory as the new auditors of the Scheme to discuss the onboarding process and their requirements for the commencement of the audit for the 2024 financial period. It is anticipated that the audit will commence in the month of July and is expected to take approximately four (4) months.

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	We are currently awaiting the engagement letter from the auditors which will pave the way for the commencement of the field work.
Relationship with Administrator	The performance of the Administrator against the KPIs agreed to and communicated to CMS will be assessed during July as per the Project Plan. On Friday, 26 June 2026, Dr Mahanjana was reportedly suspended as the CEO of 3Sixty GSG, which also suspended his acting capacity as CEO of 3Sixty Health. 3Sixty Health is currently being led by Ms Minki Rasenyalo as Acting CEO, the executive team comprising Mr Gert Botha as Acting COO, assisted by Patrick Lubbe and Zaheer Suleman.
Forensic Report by KPMG	Unchanged: Many of the claims processing and system related issues raised by KPMG have been or are being addressed. Potential claims against the Administrator arising from this report have not been forgotten but more recent and quantifiable claims are being pursued first. The curator team ultimately intends to address all claims against the Administrator cumulatively, once quantified and verified, in an endeavour to arrive at a global settlement that will be acceptable to the Curator and the relevant stakeholders, without resolving the claims concerned on a piecemeal basis.
Fraud, Waste and Abuse	Following suspicious claims picked up during April 2026, TFSA has completed their investigation into a syndicate of six audiologists/speech therapists and a switching house that were targeting Netcare hospitals and the Scheme possibly with help inside both organisations (according to one of the parties interviewed). Criminal cases have been registered and PRECCA reports submitted following the obtaining of numerous affidavits from affected members. A clear modus operandi and ringleader were identified.
Quality of data and risk pool	Risk metrics will receive due attention during the 2027 review of benefits and contribution increases. The current view has been somewhat muddied by the increase in processed claims relating to prior years and other factors. It remains a concern and will be monitored closely.
Governance Structures and Operational Oversight	The Scheme continues to make significant progress in strengthening its governance framework during curatorship. In addition to the operational governance forums currently functioning within the Scheme, formal governance committee structures have now been established to improve oversight, accountability and strategic decision-making. The Curator will continue to assume the responsibilities ordinarily exercised by the Board of Trustees and all relevant structures. This arrangement will remain in place pending the appointment of a duly constituted BoT.

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	The following governance committees have been constituted: • Audit and Risk Committee; • Human Resources and Remuneration Committee (HR and REMCO); • Clinical Governance Committee; • Dispute Resolution Committee; • Investment Committee; and • Ad hoc Procurement Committee, which convenes as and when procurement matters require consideration. These governance structures are intended to enhance oversight across key operational, financial, clinical and governance functions while supporting the Curator in implementing sound governance practices aligned with regulatory expectations. The Scheme is also in the process of planning for a new Board of Trustees through a Special General Meeting, which is being facilitated with the guidance and support of officials from the Council for Medical Schemes. Once the governance structures have been fully reconstituted and operational stability has been achieved, the Scheme intends convening its next Annual General Meeting during the forthcoming reporting cycle (next year). Governance structures and reporting mechanisms will continue to be reviewed through the Curator's office and strengthened to ensure ongoing compliance with the Medical Schemes Act, regulatory requirements and the objectives of the curatorship.
Underutilised corporate offices and onerous lease	Unchanged: Whilst being open to engagements and sympathising with the Scheme's predicament, Growthpoint responded to our eight requests for relaxation of various clauses in the lease agreement with a letter from their attorneys advising that all eight requests were denied. Curiously, they still left the door open for further engagement.

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Ian Fleming

Curator – Sizwe Hosmed Medical Scheme

7 July 2026

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SIZWE HOSMED MEDICAL SCHEME
(UNDER CURATORSHIP)

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REPORT OF MR IAN FLEMING (CURATOR)
TO
THE COUNCIL FOR MEDICAL SCHEMES

JULY 2026

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2. Financial Information
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1. Feedback Regarding Curatorship

The month of July was characterised by the revelation from 3Sixty Health, the Scheme's Administrator, that it was experiencing financial distress and was not in a position to pay staff or critical service providers nor able to continue operations beyond 31 July 2026. Tensions at the shareholder level also spilled out into the open adding complexity to negotiations aimed at finding a way forward. The loss of 80% of the Scheme's membership since the start of curatorship, together with the Administrator's only other client, SABMAS, giving them notice in February has had a crippling effect on them financially with operating losses year-to-date of R29 million, and an inability to continue operations into the future.

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The curator team considered several options, but time was the major constraint and a sudden halt to systems availability and an exodus of experienced staff from the Administrator would have been catastrophic for the Scheme. Neither an expedited merger nor a transition to a new Administrator was possible within the few days available and therefore the only practical solution was to take over the administration and managed health care functions. After much debate an agreement was negotiated and concluded whereby the Scheme would pay its July administration and managed care fee early in order to cover the Administrator's salaries, and selected service providers of the Administrator would be paid by the Scheme during August to ensure continuity of operations.

CMS was kept informed at all times and their guidance in navigating the requirements of the Medical Schemes Act as well as ensuring that the necessary exemption applications would be tabled timeously was extremely helpful.

On 27 July 2026, one of the shareholders of the 3Sixty Group brought an urgent application challenging, amongst other issues, the validity of the agreement. The Scheme, cited as a respondent in the application alongside the Curator, has had to oppose the motion in order to help ensure its own survival. The Scheme now awaits the outcome of the urgent application and approval of the exemption applications and the agreement concerned. If successful, the transition of the Scheme towards self-administration will continue during August with full control starting with effect from 1 September 2026. Once this transition has been stabilised, the Scheme's longer-term options will be revisited.

After consultation with CMS's legal team, it has been agreed that the elective SGM envisaged in the court order and planned for early October is no longer appropriate and will be replaced with a SGM to inform members of the Scheme's financial position, progress regarding administration and tabling of annual financial statements for the 2023 and 2024 years.

Further information on the Scheme's financial position and other initiatives follow below.

2. Financial Information

	For the YTD June 2026	For the Month of June 2026	Information as at the month of Curatorship (September 2025)
Members at period end	9 571	9 571	46 386
Beneficiaries at period end	19 459	19 459	106 654
Average beneficiaries	25 171	19 808	107 550
Average age per beneficiary	42	42	35
Pensioner ratio	22.1%	22.1%	9.5%
Solvency ratio	38.8%	38.8%	6.5%
Non-healthcare Exp/RCI	16.3%	52.8%	11.0%
Gross contributions (GC)*	541 863 014	35 225 404	318 168 270
Risk contributions income (RCI)*	470 391 029	21 797 405	280 842 433
Net relevant healthcare expenditure*	-434 437 954	-77 076 262	-257 908 598
Gross healthcare results	35 953 075	-55 278 857	22 933 835
Net non-healthcare expenditure	-76 441 954	-11 510 118	-31 029 383
Other income	1 520 790	50 606	1 062 936
Investment Income	35 916 957	5 679 985	10 337 535
Net surplus/(deficit)	-5 051 131	-61 058 304	3 304 923
Reserves as per Regulation 29	420 104 195	420 104 195	287 266 661
GC pabpm*	3 587	1 778	2 958
RCI pabpm*	3 114	1 100	2 611
Net relevant healthcare expenditure pabpm	2 877	3 891	2 398
Net non-healthcare expenditure pabpm	506	581	288

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*GC and RCI for the month of June were affected by a reversal of R40 million in respect of over billing for terminated members.

3. Update in respect of legal and contract issues

Recovery of Funds: Malatji & Co Attorneys	Completed
Disciplinary Proceedings: Principal Officer	Completed
Disciplinary Proceedings: HR Manager	Completed
Anton Piller Proceedings	The Scheme's attorneys received a response from the Administrator's attorneys, Webber Wentzel, rejecting the Scheme's settlement proposal and containing a counter settlement proposal. The Scheme's attorneys have responded to the Administrator's counter proposal in respect of which the Scheme's attorneys are still awaiting a response from the Administrator's attorneys. Accordingly, the settlement discussions remain ongoing. We have not pressed Webber Wentzel for a response because they want the Scheme to tender and pay the legal costs of the Anton Piller proceedings.
Return of property in the possession of the Scheme's former Board of Trustees	The Scheme's attorneys sent Malatji and Co Attorneys' a letter advising that the Scheme is prepared to let the former Board of Trustees ("former BoT") retain the Scheme's assets provided that the former BoT assumes responsibility and liability for the monthly contracts with Vodacom in respect of the devices in their possession with effect from 1 July 2026. On 3 July 2026 Malatji and Co Attorneys sent a letter to the Scheme's attorneys rejecting the previously mentioned settlement proposal. In an endeavour to bring the matter to an end and to avoid incurring further unnecessary costs occasioned by continued litigation, the Scheme has paid the outstanding amounts due under the contracts in question. This was a commercial decision because the costs of litigation would have exceeded the amounts paid to Vodacom to settle the remaining contracts.
RenalPro Dialysis Summons	Pursuant to a meeting between the curator team and the Scheme's Administrator, 3Sixty, based on the Administrator's investigations and recommendation, it was resolved that RenalPro Dialysis claims should not be paid by the Scheme as they appear to be inter alia fraudulent, unsupported and suspicious. During the meeting, it was resolved further that the Scheme would take the necessary steps to suspend the implicated members in question in terms of the Scheme rules and all applicable statutory and regulatory provisions.
Provider Network Invoices from 3Sixty Health (Pty) Ltd	As previously reported, the Administrator sent the Scheme invoices regarding Provider Network Management Services allegedly rendered by them to the Scheme since 2024. During the previous reporting period, the Scheme sent a letter disputing liability and requesting that the Administrator immediately cease invoicing the Scheme for these alleged services. Notwithstanding the aforesaid

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	letter, the Scheme received an email from the Administrator on 3 July 2026 requesting that the outstanding amount in respect of the Provider Network Services be settled. The Scheme's stance remains unchanged in this regard. The Scheme will not pay these invoices.
Wellness Clinic Summons	During the previous reporting period The Wellness Clinic in Gqeberha issued summons against the Scheme for the aggregate amount of R736 805 for professional services allegedly rendered to the Scheme's members between June 2022 to June 2025. The Scheme delivered a notice of intention to defend while awaiting a response to its without prejudice letter requesting all of the supporting documents related to the services allegedly rendered to the Scheme's members. The Scheme's attorneys have also delivered a Rule 47 notice calling upon the plaintiff to furnish the Scheme with security for costs, and the dies for the plaintiff to respond to the notice expired on 5 August 2026. To date the Scheme's attorneys have not received a response to the Rule 47 notice from the plaintiff and are thus considering the most appropriate course of action available to the Scheme.
3One Consulting Actuaries Report	The Scheme's attorneys sent a letter concerning the 3One Consulting Actuaries ("3One") Review of Sizwe Hosmed's 2026 Financial Forecast dated 27 January 2026 ("the report"), which was attached as "LM1" to the former BoT's answering affidavit and conditional counter application in the Registrar's section 19 application. The report discloses that 3One was instructed by Malatji and Co Attorneys to provide an actuarial opinion on updated 2026 projections in relation to the Scheme's financial position, relying on, *inter alia*, membership, claims and management-account information allegedly furnished to 3One by the Administrator, the Scheme and Malatji and Co Attorneys. The data relied on to compile the report is sensitive, confidential and belongs to the Scheme, which neither authorised nor consented to its disclosure and/or dissemination. The Scheme's attorneys accordingly demanded that Malatji and Co Attorneys disclose the identity of the persons who instructed and authorised the report, and who furnished Malatji and Co Attorneys with the underlying data. Despite this demand, the Scheme's attorneys have not received a response. If Malatji and Co Attorneys fail or refuse to respond to the demand, the Scheme's attorneys will advise them that should they fail to respond, they will be reported to the LPC.
The Sizwe Administration Agreement and the Exemption Applications	On 9 July 2026, the Administrator advised that, due to financial distress, it could not continue providing administration and managed health care services to the Scheme beyond 31 July 2026, which was confirmed in writing on 16 July 2026. Subsequently, the Scheme submitted its main exemption application to the Council for Medical Schemes on 17 July 2026, seeking urgent temporary approval to self-administer and provide managed health care services to the Scheme's members for 6 to 9 months. To avoid disruption to members, service providers and other stakeholders, the curator concluded the Sizwe Administration Agreement with the Administrator on 25 July 2026. The agreement provides for a transition period from 1 August 2026 during which the Scheme shall

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	take control of, *inter alia*, the IT systems, data and employees of the Administrator, whereafter, from 1 September 2026, the services in question, shall be fully transferred and handed over to the Scheme by the Administrator. Following CMS's concerns regarding the financial impact, member interests and possible section 63 implications under the Medical Schemes Act, the Scheme submitted a supplementary exemption application on 29 July 2026 seeking, to the extent necessary, exemption from section 63 and any related statutory requirements triggered by the aforesaid agreement. On 1 August 2026 the Scheme submitted further written submissions to address queries subsequently raised by the Council for Medical Schemes. The Scheme awaits CMS' feedback on both exemption applications.
NIC Investments (Pty) Ltd	On 26 July 2026 the curator received a letter from Webber Wentzel, representing NIC Investment (Pty) Ltd, raising what appeared to be an internal dispute between the shareholders of 3Sixty Global Solutions Group (Pty) Ltd and the Administrator, and seeking an undertaking that the Scheme's administration agreement would not be implemented on the basis that it was allegedly not duly authorised. In response, the Administrator wrote to Webber Wentzel on 27 July 2026 disputing the authority challenge and refusing the undertaking, while reserving its rights. On the same day, NIC Investment launched an urgent application seeking, among other things, to set aside the administration agreement under the Companies Act 71 of 2008. The Scheme has resolved to oppose the matter, which has been set down for hearing in the week commencing 11 August 2026.
Contracts Review and Renegotiation	A separate report is attached detailing the progress made with the contracts regularisation project as well as an Addendum A detailing contracts (2021 – 2024) related to payments listed in the Phandahanu Report.

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4. Update in respect of issues related to the Administrator

Administrator Operations Review	The efforts of the operations stabilisation forum have been entrenched and continued to monitor the performance of the administrator in line with the following key performance areas. **1. Processing of Claims Payment** The claims payment processing has continued to perform well with payments being made every week in the month of July. The best part about the trend observed in the weekly claims data is that 80% or more of the claims processed for payment relate to the period within the last three months. The work on long outstanding queries which is key to the reopening of credit lines by providers in Gqeberha and Durban continues with regular working sessions with the affected health care providers. The issuing of remittance advice to providers has been resolved and the systems team continues to monitor performance in this regard.

	2. Billing Reconciliation The membership and billings team has made progress with regards to determining the causes of the variances which were mainly due to timing of some of the bulk terminations. The focus of the membership and billing team is to process the adjustments in the financial records to correct the billings identified errors. The team is currently working with the systems operations team to develop and implement a process to effect the corrections. **3. Managed Healthcare (MHC)** The administrator has provided comments to the draft report on the observations emanating from the process walkthrough. The comments are being considered in order for the report to be finalised. Elements of the recommendations of the report have been implemented including the hosting of a training session by technology partner HealthLogik with the MHC team on 29 July 2026. There are follow-up sessions planned based on the feedback and action points from the training session that was held.
Contact Centre performance, Member and Provider queries	The performance in the contact centre started to decline during the month of June 2026. This was driven mainly by the massive and frustrating issues relating to the medical tax certificates. The administrator could not provide data regarding the performance of the call centre as the focus was on dealing with the influx of calls and CMS escalations. The scheme has requested that the data for both the month of June and July 2026 be provided to ensure adequate reporting in this regard for future reports.
Marketing Services and Business Development Agreements	These contracts have been terminated, and the prospect of recovering any of the funds appears remote. The investigation by Naledi Advisory is ongoing and seeks to determine what services, if any, were rendered and what the flow of funds were. It remains to be seen if 3Sixty Marketing will be forthcoming with this information and we await Naledi's final report before deciding what further action would be appropriate. In the meantime, the Curator has declined recent approaches to enter into a new agreement.
Claims Payment Run	The weekly claims run continues to receive attention and is reviewed by TFSA before approval. That said, the process is going well and the percentage of older (but valid) claims has reduced considerably.
Implementation of the Administration System	The session with the National Health Group (PBTit) on Thursday, 09 July 2026 at the offices in Cape Town focused on giving a high-level demonstration of various modules in iSquared. The session also provided insights into the nature of the relationship between HealthLogik and 3 Sixty Health. HealthLogik acquired the

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	system from PBTit and has contracted with 3 Sixty Health for the use of the system. The session further provided background on the issue relating to the medical tax certificates. We are still awaiting the system post implementation review report from Origin Advisory.

5. Update in respect of issues related to the Scheme

Project Plan to end Curatorship	The project plan to end curatorship and hold an elective SGM in early October has been upended by the revelation that the Scheme's Administrator, 3Sixty Health, is in financial distress and unable to continue operations beyond 31 July 2026. The Scheme utilised its July Administration fee to fund the Administrator's salaries for July. The focus now is to ensure continuity of operations and bring the administration inhouse until a permanent solution can be found. After consultation with CMS (Legal), it has been agreed that a non-elective SGM will be held to inform members of the Scheme's financial position, table annual financial statements and inform on the progress with self-administration and other major initiatives.
Solvency	The Scheme's solvency ratio dropped to 38.8%% as at 30 June 2026 (May 2026: 44.1%). This was influenced by a loss of 327 members, an operating deficit of R61 million primarily as a result of correcting overbilling issues (R40 million), a net increase in Expected Credit Loss reserves of R61 million offset by a reduction in OCR R23 million.
Membership attrition	Whilst membership attrition has moderated (April – 1698, May - 657, June – 327, July - 457), it remains a major concern. Service issues persist, particularly with tax certificates and MSA refunds, and morale amongst administration staff is low.
Non-Healthcare Expenditure	Costs related to legal issues, the curatorship and the insourcing of the administration function are likely to impact non-healthcare costs in the short term. Once continuity of operations has been secured, a retrenchment exercise will be necessary. The shareholders of 3Sixty Health's holding company are engaged in a costly legal battle, and the Scheme has had to file an answering affidavit to ensure that its agreement with 3Sixty Health to self-administer is not interdicted.
Balance Sheet Clean-up (Debtors and Creditors)	The major elements of the balance sheet clean-up exercise were concluded during June 2026. Overbilling of some R40 million was reversed and the expected credit loss reserve (ECL) was increased by a net R61 million. On the liability side the OCR has normalised, and the first tranche of MSA refunds (R42 million) was paid out during July 2026. The Curator is comfortable that the solvency ratio reflects more accurately the financial position of the Scheme.
2027 Contribution and Benefits Review	The 2027 benefits and contribution review is now well underway. Benefits have been tweaked downwards yet remain competitive

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	which will result in a 1-2% relief in contributions. There will also be a shift between the savings and risk components which will ensure that contribution increases will be on average market related.
Stakeholder Roadshows	The focus continued to be on stakeholder engagements with health care providers to facilitate access to services by members. There were a further eight (8) engagements with stakeholders which covered Bay Radiology working session (via MS Teams), University of the Western Cape (via MS Teams), Lake Smit & Partners (via MS Teams), Jackpersad Radiology (via MS Teams), Netcare Greenacres (Gqeberha), Life Hospital Mercantile (Gqeberha), Numsa Regional Office (Gqeberha), Bay Radiology (Gqeberha). This brought the total number of engagements to thirty-four (34). Progress has been slower than expected in resolving the issues relating to the radiology healthcare providers. Early indications are that the main driver of the issues may be the configuration of the tariff codes in the system. Further work will be performed to ensure that the necessary system development is performed to address the root cause of the short payment/rejection of claims.
Reinstatement of credit line with Mediclinic	The Scheme has not experienced a drastic increase in the number of members visiting the Mediclinic facilities as measured by the number of authorisations and claims processed for payment. The majority of the remaining members seem to be electing to visit the Netcare facilities which is still the dominant hospital in terms of authorisations and claims processed for payment. The Managed Health Care and Benefit Management teams continue to monitor the conditions set out by Mediclinic to ensure full compliance and avoid the risk of suspension of the credit line.
Annual Financial Statements (2024)	The engagement letter confirming the terms of the audit services with Nexia-Sabt Audit, Tax & Advisory ("Nexia-Sabt") has been signed. The audit field work commenced on the second week of July. The auditors have also provided a list of audit requirements at the audit kick-off meeting with the relevant staff at the Scheme and the administrator. The auditors have indicated that they will need to consider the impact of the outcome of the exemption application made to CMS for self-administration on the audit process.
Relationship with Administrator	As mentioned elsewhere in this report, the relationship with the Administrator took a dramatic turn during July when they declared that they were experiencing financial distress and unable pay salaries for July or continue operating beyond 31 July. After much effort and negotiations, the Curator concluded an agreement with 3Sixty Health to provide limited assistance to ensure continuity of operations and bring the administration function inhouse. However, there is a legal challenge to this agreement as the ultimate shareholders of 3Sixty Health engage in a battle for control of the Group.

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Forensic Report by KPMG	Many of the claims processing and system related issues raised by KPMG have been or are being addressed. The Sizwe Hosmed Administration Agreement contemplates that neither of the parties (The Scheme and 3Sixty Health) shall have any claims against each other following the implementation of the agreement.
Fraud, Waste and Abuse	The scheme together with forensic investigators TFSA continue to apply rigour to the weekly claims process and identify fraudulent and suspect service providers. Several police dockets have been opened resulting in two recent arrests. The audiology / speech therapy space is particularly prone to abuse.
Quality of data and risk pool	The Scheme's actuaries (GLM) have reported that tighter controls in the new administration system, stricter adherence to negotiated tariffs and increased scrutiny of the weekly claims run appear to be reasons why the deteriorating risk metrics are not reflecting in increased healthcare claims on a pabm basis. Nevertheless, these metrics remain worse than the industry average.
Governance Structures and Operational Oversight	During the reporting period, the Scheme continued to make significant progress in implementing the governance reform programme under the Curator's direction. The Legal and Governance Department remained focused on strengthening governance, improving procurement oversight, enhancing contract management controls and ensuring compliance with the Medical Schemes Act, the Scheme Rules and recognised principles of good corporate governance. **Governance Structures and Operational Oversight** Following the establishment of the governance committee structures, the inaugural meetings of the respective committees were successfully convened during the reporting period. These meetings focused on formally constituting each committee and establishing the governance framework required to support effective oversight. Each committee reviewed and considered its respective Charter and Terms of Reference to ensure that its mandate, roles and responsibilities are clearly defined and aligned with the Medical Schemes Act, the Scheme Rules and recognised corporate governance principles. The committees also considered their annual work plans and governance responsibilities to ensure consistent oversight of matters falling within their respective mandates. Chairpersons were duly elected for the various governance committees, enabling the committees to commence the execution of their oversight responsibilities in accordance with their approved governance framework. The governance committees have also commenced reviewing the policies allocated to their respective areas of responsibility. These reviews are intended to strengthen governance, improve internal controls and address weaknesses identified prior to the commencement of curatorship. The objective is to ensure that governance failures previously experienced by the Scheme are appropriately addressed through strengthened policies, clearly

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	defined governance responsibilities and enhanced oversight mechanisms. The following governance committees are now operational. Meetings for this quarter have already been held for the committees listed below, with the exception of the **Investment Committee**, which has not yet convened as a suitable meeting date is still being finalised. The Audit and Risk Committee (ARC) meeting is scheduled to take place on **6 August 2026**, while the **Procurement Committee** will meet on an ad hoc basis, as and when required • Audit and Risk Committee; • Human Resources and Remuneration Committee (HR & REMCO); • Clinical Governance Committee; • Investment Committee; • Dispute Resolution Committee; and • Ad Hoc Procurement Committee. These governance structures continue to provide strategic oversight across the Scheme's operational, financial, clinical and governance functions while supporting the Curator in exercising the responsibilities ordinarily vested in the Board of Trustees. The Curator will continue to oversee and perform the functions of the governance structures and Board of Trustees pending the election and appointment of a duly constituted Board. The process towards the appointment of a new Board of Trustees remains ongoing and continues to be undertaken in consultation with the Council for Medical Schemes. The Legal and Governance Department will continue supporting the governance committees through the implementation of committee resolutions, policy reviews, governance reporting and ongoing legal advisory services to ensure continued compliance with regulatory requirements and the objectives of the curatorship.
Underutilised corporate offices and onerous lease	The move to self-administration has had an unexpected impact on the Scheme's underutilised corporate offices. The Scheme plans to relocate the majority of the administration and managed healthcare functions to these premises and there is an excellent chance that this onerous lease will be put to good use.
An update on the fraud perpetrated against the Scheme by the administrator's staff.	The fraud perpetrated against the Scheme by the Administrator's staff during December 2025 is being investigated by Naledi Advisory Services (forensic investigators) as part of phase 2 of their mandate. the outcome of this investigation will be released during August. However, it has come to light that the quantum was in the region of R10 million of which approximately R5 million was blocked and a further R2-3 million was recovered.
Medical Aid Tax Certificates	There was a delay in producing the medical aid tax certificates on time and when they were produced there were a small percentage that were incorrect. The root cause of both the delay and the errors was a combination of the migration to a new system during the tax

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	year (requiring data to be sourced from each) as well the high volume of terminations during the fourth quarter of 2025. The end result was that the volume of queries to your Office as well as our contact centre escalated to unacceptable levels. This has now been resolved, and members have received their correct tax certificates by email as well as WhatsApp.
Payments made to Scarybyte (Pty) Limited	The Scheme has received a comprehensive report from Naledi Advisory Services following their investigation into payments made to Scarybyte for cyber security services. The quantum is R20 million including VAT for no discernible services rendered. The report and its annexures have been handed over to the Scheme's lawyers for further action and recovery. The company is still active and, judging by recent media reports, may have substantial resources.





Ian Fleming

Curator – Sizwe Hosmed Medical Scheme

7 August 2026

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REPORT OF MR IAN FLEMING (CURATOR)
TO
THE COUNCIL FOR MEDICAL SCHEMES

AUGUST 2026

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1. Feedback Regarding Curatorship

Whilst awaiting the outcome of its exemption applications in order to move to self-administration and thereby insource the operations of 3Sixty Health, the focus was on ensuring continuity of business operations. Aside from the funding implications, engagements were held with staff and critical service providers especially in the technology space.

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Staff salaries for August were again funded by the Scheme in lieu of an administration fee and all key personnel were fortunately retained. The section 197 transfer of staff from the Administrator to the Scheme will now take place during September together with the rest of the transitional activities. Only the contact centre will remain in Houghton for a few months whilst the Scheme's Waterfall premises are reconfigured.

Non-healthcare costs will be elevated during this period while the consultation process for the retrenchment of surplus staff is underway. Contracts with service providers will be ceded from the Administrator to the Scheme or renegotiated to ensure that the Scheme's needs are met taking into consideration its current size.

At the same time discussions are being held with Bonitas, Momentum & Discovery regarding a possible merger or administration services. This provides the Scheme with options in the medium term should self-administration not be viable or if membership attrition is not addressed during the upcoming open period. NDAs have been signed with all three schemes, and key information has been shared with them for their due diligence. They have all acknowledged receipt of the information and advised they will be in touch once they have considered the submission.

The demise of 3Sixty Health also triggered a slew of legal actions between the principals including a challenge to the Scheme's administration agreement. This was subsequently withdrawn and we await a costs order in the Scheme's favour.

In the meantime, business as usual continues. Planning for the upcoming open period and SGM are well underway and the 2027 benefits and contribution review is at an advanced stage. We are planning for market-related increases in contributions and have had some encouraging signs that some former members and employers would like to return now that access to service providers and concerns around solvency have been addressed.

Financial information and further information on specific issues follows.

2. Financial Information

	For the YTD July 2026	For the Month of July 2026	Information as at the month of Curatorship (September 2025)
Members at period end	9 114	9 114	46 386
Beneficiaries at period end	18 411	18 411	106 654
Average beneficiaries	24 205	18 935	107 550
Average age per beneficiary	43	43	35
Pensioner ratio	22.7%	22.7%	9.5%
Solvency ratio	40.1%	40.1%	6.5%
Non-healthcare Exp/RCI	16.6%	22.3%	11.0%
Gross contributions (GC)	605 259 340	63 396 326	318 168 270
Risk contributions income (RCI)*	535 168 641	55 627 388	280 842 433
Net relevant healthcare expenditure*	-504 279 646	-69 841 692	-257 908 598
Gross healthcare results	30 888 995	-14 214 304	22 933 835
Net non-healthcare expenditure	-88 847 324	-12 405 370	-31 029 383
Other income	2 838 928	1 318 138	1 062 936
Investment Income	39 311 768	5 394 810	10 337 535
Net surplus/(deficit)	-15 807 633	-19 906 726	3 304 923
Reserves as per Regulation 29	415 801 536	415 801 536	287 266 661
GC pabpm	3 572	3 348	2 958
RCI pabpm	3 159	2 938	2 611
Net relevant healthcare expenditure pabpm	2 976	3 688	2 398
Net non-healthcare expenditure pabpm	524	655	288

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3. Update in respect of legal and contract issues

Recovery of Funds: Malatji & Co Attorneys	Completed
Disciplinary Proceedings: Principal Officer	Completed
Disciplinary Proceedings: HR Manager	Completed
Return of property in the possession of the Scheme's former Board of Trustees	Completed
Anton Piller Proceedings	The Scheme's attorneys received a response from the Administrator's attorneys, Webber Wentzel, rejecting the Scheme's settlement proposal and containing a counter settlement proposal. The Scheme's attorneys have responded to the Administrator's counter proposal in respect of which the Scheme's attorneys are still awaiting a response from the Administrator's attorneys. Accordingly, the settlement discussions remain ongoing. We have not pressed Webber Wentzel for a response because they want the Scheme to tender and pay the legal costs of the Anton Piller proceedings.
RenalPro Dialysis Summons	Pursuant to a meeting between the curator team and the Scheme's Administrator, 3Sixty, based on the Administrator's investigations and recommendation, it was resolved that RenalPro Dialysis claims should not be paid by the Scheme as they appear to be *inter alia* fraudulent, unsupported and suspicious. During the meeting, it was resolved further that the Scheme would take the necessary steps to suspend the implicated members in question in terms of the Scheme rules and all applicable statutory and regulatory provisions. On 26 August 2026 the Scheme received a letter of demand from Jothi Chellan Attorneys on behalf of the RenalPro Dialysis Centre demanding payment in the amount of R376 391.00. The Scheme's attorneys have addressed a holding letter to RenalPro Dialysis' attorneys, advising that they will respond in due course.
Provider Network Invoices from 3Sixty Health (Pty) Ltd	As previously reported, the Administrator sent the Scheme invoices regarding Provider Network Management Services allegedly rendered by them to the Scheme since 2024. During the June 2026 reporting period, the Scheme sent a letter disputing liability and requesting that the Administrator immediately cease invoicing the Scheme for these alleged services. Notwithstanding the aforesaid letter, the Scheme received an email from the Administrator on 3 July 2026 requesting that the outstanding amount in respect of the Provider Network Services be settled. The Scheme's stance remains unchanged in this regard. The Scheme will not pay these invoices.

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Wellness Clinic Summons	During the June 2026 reporting period, The Wellness Clinic in Gqeberha issued summons against the Scheme for the aggregate amount of R736 805 for professional services allegedly rendered to the Scheme's members between June 2022 to June 2025. The Scheme delivered a notice of intention to defend while awaiting a response to its without prejudice letter requesting all the supporting documents related to the services allegedly rendered to the Scheme's members. The Scheme's attorneys have also delivered a Rule 47 notice calling upon the plaintiff to furnish the Scheme with security for costs, and the *dies* for the plaintiff to respond to the notice expired on 5 August 2026. To date the Scheme's attorneys have not received a response to the Rule 47 notice from the plaintiff. It was accordingly resolved that the Scheme would not launch a consequential court application to compel the Wellness Clinic to furnish security for costs. This, to save and minimise costs. Instead, the Scheme will take exception or file a plea raising the Scheme's defences in due course. Consistent with saving and minimising legal costs, the Scheme will not let the pace of the legal proceedings be determined by the plaintiff.
3One Consulting Actuaries Report	During the previous reporting period the Scheme's attorneys sent a letter concerning the 3One Consulting Actuaries ("3One") Review of Sizwe Hosmed's 2026 Financial Forecast dated 27 January 2026 ("the report"), which was attached as "LM1" to the former BoT's answering affidavit and conditional counter-application in the Registrar's section 19 application, demanding that Malatji and Co Attorneys disclose the identity of the persons who instructed and authorised the report, and who furnished Malatji and Co Attorneys with the underlying data. On 7 August 2026 the Scheme's attorneys received a reply from Malatji and Co Attorneys advising that the information sought was obtained during legally privileged attorney and client communications and that they would therefore not respond to the enquiry as it will result in a breach of their ethical duties. The curator team is accordingly in the process of investigating and enquiring from 3Sixty representatives whether they can shed some light in that regard.
The Sizwe Administration Agreement and the Exemption Applications	On 9 July 2026, the Administrator advised that, due to financial distress, it could not continue providing administration and managed health care services to the Scheme beyond 31 July 2026, which was confirmed in writing on 16 July 2026. Subsequently, the Scheme submitted its main exemption application to the Council for Medical Schemes on 17 July 2026, seeking urgent temporary approval to self-administer and provide managed health care services to the Scheme's members for 6 to 9 months. To avoid disruption to members, service providers and other stakeholders, the Scheme concluded the Sizwe Administration Agreement with the Administrator on 25 July 2026. The effective date of the agreement is 1 September 2026. Following CMS's concerns regarding the financial impact, member interests and possible section 63 implications under the Medical Schemes Act, the Scheme submitted a supplementary exemption application on 29 July 2026 seeking, to the extent necessary, exemption from section 63 and any related statutory requirements triggered by the aforesaid agreement. On

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	1 August 2026 the Scheme submitted further written submissions to address queries subsequently raised by the Council for Medical Schemes. The Scheme received a letter from CMS on 31 August 2026 approving both exemption applications subject to certain conditions.
AGM/SGM Exemption Application	The Scheme's Administrator, 3Sixty Health, unexpectedly advised that it was in financial distress and unable to continue providing administration and managed healthcare services. This required the curator to divert all available time and resources to maintaining operational continuity, funding critical services, stabilising administration functions, addressing service-delivery failures and planning a lawful transition to self-administration. The Scheme is accordingly unable to hold an AGM as contemplated in rule 27.1.1 of the Scheme rules or an elective SGM by 3 September 2026 as contemplated in paragraph 9.6 of the curatorship order granted by Manamela AJ on 3 September 2025 and confirmed by Makhoba J on 9 October 2025 ("the curatorship order"), at this time, because of the exceptional and unforeseen circumstances under the ongoing curatorship which have made it impractical, undesirable and potentially contrary to members' interests to convene an elective SGM to appoint a new board of trustees while there is a possibility of the Scheme members being transferred to or merged with another scheme. The Scheme thus applied to CMS on 21 August 2026 for exemption from holding the AGM by 30 August 2026 as stipulated in the scheme rules and proposed convening for now an SGM on 14 November 2026 instead and the Scheme's attorneys are currently considering and attending to the best course of action to address paragraph 9.6 of the curatorship order.
NIC Investments (Pty) Ltd	During the previous reporting period, NIC Investments (Pty) Ltd launched an urgent application to, *inter alia*, set aside the Sizwe Administration Agreement. This application, together with the related matter under case number 2026-179976 (NIC Investments (Pty) Ltd v Altrex Investments (Pty) Ltd and Others), was enrolled for hearing on 11 August 2026 before Ndlokovane AJ. However, before the hearing, the applicant abandoned all relief impugning or restraining the conclusion, validity or implementation of the Sizwe Administration Agreement by letters dated 9 and 11 August 2026. The applicant has nevertheless not abandoned its prayer for urgency against the curator and the Scheme, nor tendered their costs. On 11 August 2026, the Court stood the matter down to 14 August 2026 for argument on urgency and the points *in limine*. On the afternoon before that hearing (i.e. 13 August 2026), the court-appointed curator of 3Sixty Life Limited belatedly served an intervention application in the related matter, to which the Scheme is not a party. On 14 August 2026, the judge advised that, given the volume of papers in both matters, which exceeded 1000 pages, and the belated intervention application, she could not consider the matters properly that day. Both matters were therefore removed

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	from the urgent roll, with costs reserved, and the parties were directed to approach the DJP jointly for a special allocation. The applicant wrote to the DJP for a special allocation and the matters have accordingly been provisionally enrolled for hearing on 8 and 9 October 2026. The only remaining issue affecting the curator and the Scheme is the costs of the application, which will be pursued.
Invoices from Malatji and Co re: fees and disbursements for opposition to the curatorship application brought by CMS, section 5(9) application to remove the erstwhile curator and the leave to appeal Makhoba J's order and judgment confirming the curatorship	On 11 August 2026, Malatji and Co Attorneys sent the curator a letter, requesting that the Scheme pay fees and disbursements in respect of the opposition to the curatorship application brought by CMS, the section 5(9) application to remove the erstwhile curator, the application for leave to appeal and the appeal against Makhoba J's 9 October 2026 order and judgment confirming the curatorship ("the impugned proceedings"), failing which they will apply to court for a declarator that their firm was lawfully appointed by the former Board of Trustees to represent the Scheme in relation to the impugned proceedings. The Scheme's attorneys addressed a letter to Malatji and Co in response on 27 August 2026 advising, *inter alia*, that the curator did not instruct and/ or authorise the institution of the opposition to the impugned proceedings and that it is not supported or endorsed by him, that, to the extent necessary, any mandate concluded between Malatji and Co Attorneys and the Scheme to act on behalf of the Scheme was terminated by the erstwhile curator on 20 November 2025 and that there is accordingly no legal basis on which the invoices in respect thereof should be paid by the Scheme. The Scheme's attorneys have not received a response to date.
Growthpoint	On 13 August 2026 the Scheme received a letter from Growthpoint's Attorneys, Nofal Lazarides Harrison Stafford, following the Scheme's request for payment of the Tenant Installation Allowance in the amount of R622 995 as contemplated in terms of clause 5.4.9 of the Lease Agreement concluded between the Scheme and Growthpoint. In their 13 August 2026 letter, Growthpoint *inter alia* request the Scheme to furnish them with certain information and documentation in order to enable Growthpoint to consider the Scheme's demand. The information and documentation sought is irrelevant to the Scheme's demand. The Scheme's attorneys have accordingly prepared a letter which will be dispatched to Growthpoint's attorneys.
Return of money held in Shandu Attorney's Trust Account	The Scheme's attorneys have demanded payment of the money stolen by employees of the Administrator. Some of the funds have been recovered and are presently held in the trust account of the Administrator's attorneys, Shandu Attorneys. The Administrator and Shandu Attorneys were afforded until 5pm on 1 September 2026 to furnish the Scheme with proof of payment, together with all documentation and information requested in relation to this matter. On 31 August 2026, the Administrator's CEO, Ms Minki Rasenyalo, undertook to furnish the Scheme with proof of payment and that all unsold items will be handed over to the Scheme by 2 September 2026. She also undertook to furnish the Scheme with a comprehensive incident report by 3 September 2026. Unfortunately,

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	Ms Rasenyalo has not honoured her undertaking to furnish the scheme with the relevant proof of payment or a detailed incident report. The scheme's attorneys are accordingly considering all and any remedies and options available to the scheme for purposes of obtaining the outstanding information, documentation and proof of payment as aforesaid.
Contracts Review and Renegotiation	In July 2026, the Scheme reported that the central Contract Register was being updated and that work was continuing to regularise outstanding evergreen contracts, review historical contractual arrangements and reconcile contractual information against procurement and finance records. During August, this work progressed further through the continued validation, updating and reconciliation of the Contract Register. The Scheme continued to: • follow up on outstanding contracts and addenda; • engage with relevant service providers and internal stakeholders; • monitor contracts approaching expiry or requiring renewal; • review contractual amendments prior to execution; • identify gaps between contractual documentation, procurement records and payments; and • improve the overall completeness and reliability of the central Contract Register. The contract management process has therefore progressed from the initial identification and consolidation of contractual information towards active monitoring and regularisation of outstanding contractual matters. The detailed status of the Contract Register and outstanding contractual matters is addressed in the separate Contract Management report.

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4. Update in respect of issues related to the Administrator

Administrator Operations Review	The focus for the month of August was on implementing elements of the transition provisions contained in the Sizwe Hosmed Administration Agreement that could be carried out in a responsible manner whilst awaiting the outcome of the exemption applications. The starting point was the hosting of a townhall with all staff at 3Sixty Health to inform them of the decision to transfer to self-administration and the submission of the exemption application to CMS.

This entailed ensuring the timely payment of salaries and critical suppliers (in lieu of an administration fee) to minimise potential disruption to operations and access to services by members.

The major development in this regard was the deployment of a member of the curator's team together with two senior staff members from the Scheme to oversee operations at 3Sixty Health as part of the transition period.

This has proved to be highly effective as it has created an environment that gives the curator and the Scheme direct control of operations for the month of August 2026. This has also enabled quicker turnaround in relation to key decisions relating to operations.

1. Processing of Claims Payment

This is one area that has delivered consistent performance with the weekly claims payment process working seamlessly. The trend with regards to the service period in the weekly claims data has continued to show that the majority (approximately 90%) of the claims processed for payment relate to the service period within the last three months.

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The issues relating to the short payment of claims has been narrowed down to radiology and oncology claims. The root cause of the challenges in this area relates mainly to the tariffs and configuration in the system. The managed healthcare team together with the claims team are currently working in earnest with the HealthLogik and PBTit teams to troubleshoot these challenges to ensure efficient resolution.

This should address the issue with radiology healthcare providers and set the Scheme on the path of ensuring members have universal access to services in Gqeberha and Durban.

No further issues have been experienced with regards to remittance advices to providers, however, the systems operations team continues to monitor this area.

2. Billing Reconciliation

As reported previously, the majority of the variances have been investigated, and the necessary corrections were processed to the system as part of the balance sheet clean up exercise.

The Membership and Billing team continues to monitor this area which has also seen progress as measured by the unallocated deposits balance.

This will continue to be an area of focus to avoid regression.

3. Managed Healthcare (MHC)

The managed healthcare walkthrough report has been finalised.

	Further training sessions were hosted by technology partner HealthLogik with the MHC team on 20 August 2026 and 2 September 2026. It has become clear that there is a need for a training refresh on the system functionality for the MHC team which will run concurrently with the independent system review. There are also plans to conduct an independent comprehensive system review to confirm that functionality and configuration is in line with the requirements of the Scheme.
Contact Centre performance, Member and Provider queries	Contact Centre performance for the month of July improved across the Active queues, with the Active Member Queue achieving a 97.89% answer rate and the Active Provider Queue achieving 99.31%. However, Legacy queues remained below the 95% target and require continued intervention. The team also focused on the CMS query escalations where a comprehensive report was prepared and submitted with explanations of the root causes and action plan for resolution on Thursday, 20 August 2026.
Marketing Services and Business Development Agreements	These contracts have been terminated, and the prospect of recovering any of the funds appears remote. The investigation by Naledi Advisory is ongoing and seeks to determine what services, if any, were rendered and what the flow of funds were. It remains to be seen if 3Sixty Marketing will be forthcoming with this information and we await Naledi's final report before deciding what further action would be appropriate. In the meantime, the Curator has declined recent approaches to enter into a new agreement.
Implementation of the Administration System	The curator has appointed West Technologies Group to conduct a comprehensive system review to confirm the following: • System functionality is in line with the requirements from the Scheme. • System Configuration, particularly as it relates to the MHC module, has been done correctly and provides a clear action plan for the remediation of issues identified. The system review project is scheduled to commence on Friday, 04 September 2026. We are still awaiting the system post implementation review report from Origin Advisory. There has been an undertaking from 3Sixty Health that this will be provided as part of the migration of operations to self-administration.

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5. Update in respect of issues related to the Scheme

Project Plan to end Curatorship	The prospect of ending the curatorship by the 12-month anniversary (4 September) envisaged in the High Court order is no longer possible due to the demise of the Scheme's Administrator, 3Sixty Health. The focus for the next few months will be on taking over the administration, attracting new and former members during the open period and the 2027 benefit and contribution review. The Scheme will nevertheless hold an SGM on 14 November 2026 to communicate progress in respect of the move to self-administration, the financial status of the Scheme and the outlook for 2027.
Solvency	The Scheme's solvency ratio improved slightly to 40.1% as at 31 July 2026. This was influenced by a loss of 457 members offset by an operating deficit of R19.9 million.
Membership attrition	Whilst membership attrition has moderated (May -657, June –327, July –457, August -426), it remains a major concern. Fortunately, the major service issues have been resolved, and queries are being resolved expeditiously. The intention is to refund all former members that have valid banking details their medical saving account balances by mid-September. Planning for the upcoming open period is progressing well and there are promising signs of some former members willing to return.
Non-Healthcare Expenditure	Non-healthcare costs will remain elevated during the transition to self-administration and until retrenchments of surplus staff that the Scheme had to accept as part of the S197 transfer have taken place. The Scheme is also in the process of reconfiguring its Waterfall office to accommodate approximately 80 extra staff from the Administrator's Houghton premises.
Balance Sheet Clean-up (Debtors and Creditors)	The major elements of the balance sheet clean-up exercise were concluded during June 2026. During July debtors reduced by a further R9 million, creditors reduced by R10 million and the liability for medical savings accounts reduced by R40 million and will reduce significantly during September as payouts continue to flow.
2027 Contribution and Benefits Review	On track for September. The 2027 benefits and contribution review is now well underway. Benefits have been tweaked downwards yet remain competitive which will result in a 1-2% relief in contributions. There will also be a shift between the savings and risk components which will ensure that contribution increases will be on average market related.
Stakeholder Roadshows	There were a further six (6) engagements with stakeholders which covered Bay Radiology working session X2 (via MS Teams), VW South Africa (via MS Teams), Life Healthcare Head Office (Dunkeld), Netcare 911 (via MS Teams), Isuzu Uitenhage Plant (via MS Teams). This brought the total number of engagements to forty (40). It has been established that the root cause for the short payments on radiology claims is due to use of the Mediscore tariff rates which are not in line with the Radiology Society of South Africa.

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	Work is currently underway for the correct tariffs to be loaded by HealthLogik and for the short-paid claims to be reprocessed.
Reinstatement of credit line with Mediclinic	Completed.
Annual Financial Statements (2024)	The audit field work commenced on 9 August 2026, and an audit steering committee has been established which meets on a weekly basis to track progress. All indications are that the audit is currently on track and no major issues have been encountered thus far. The approval of the exemption applications will be shared with the auditors for them to consider the impact of the outcome on the audit process.
Relationship with Administrator	Despite the initial delay in transitioning to self-administration, the Administrator is cooperating and has informed all their staff accordingly. The process of handing over staff files and policies has commenced and the Scheme is actively managing the operations. Following the approval of the exemption applications (with conditions) the Scheme is engaging with 3Sixty Health to amend the administration agreement accordingly.
Forensic Report by KPMG	Given the conditions attached to the approval of the Scheme's exemption applications, the curator has engaged with the Administrator's principals to remove paragraph 18.2 and keep these claims alive.
Fraud, Waste and Abuse	FWA committee continues to meet and TFSA's review of the weekly claims run is ongoing. No significant new issues were picked up during August.
Quality of data and risk pool	Unchanged: The Scheme's actuaries (GLM) have reported that tighter controls in the new administration system, stricter adherence to negotiated tariffs and increased scrutiny of the weekly claims run appear to be reasons why the deteriorating risk metrics are not reflecting in increased healthcare claims on a pabm basis. Nevertheless, these metrics remain worse than the industry average.
Governance Structures and Operational Oversight	During August, the focus shifted from establishing the committees to supporting them in the execution of their respective mandates and oversight responsibilities. The Legal and Governance Department continued to support the committees through: • reviewing committee Terms of Reference/ Charters and mandates where required; and • supporting the implementation of committee work plans. The policy review process continued, with the relevant governance structures considering policies within their respective mandates and identifying areas requiring strengthening, updating or alignment with the Scheme's current governance and operational environment.

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	The review remains focused on ensuring that the Scheme's policies: • remain aligned with applicable legislation and regulatory requirements; • clearly define accountability and responsibilities; • support effective internal controls; • provide appropriate approval and escalation mechanisms; • address governance weaknesses identified prior to and during curatorship. The process has moved from the commencement of policy reviews towards the detailed assessment and identification of areas requiring amendment and/or strengthening.
Underutilised corporate offices and onerous lease	The Scheme's Waterfall offices are being reconfigured to accommodate the administration activities currently performed in Houghton. The Scheme can house all the additional staff at which point the premises will be fully utilised and the lease no longer considered onerous.
An update on the fraud perpetrated against the Scheme by the administrator's staff.	Details of the fraud perpetuated by employees of 3Sixty Health finally became available during August. Four employees of 3Sixty Health were identified as being involved in a coordinated scheme involving the submission and processing of fraudulent claims through collusion, with the intention of improperly extracting funds from the Scheme. The total value of the fraudulent claims submitted amounted to R10 093 713. Of this amount, R5 646 448 was actually paid out. 3Sixty Health was however able to identify and prevent the payment of a further R4 447 265, thereby preventing additional financial loss to the Scheme. The four staff members and the amounts stolen by each were: 1. Ramatsoma Mahlatse R90 372 2. Refilwe Mokoena R3 964 831 3. Tholithembelihle Radebe R741 731 4. Lesedi Thobejane R849 514 Thobejane is still on the run but bank accounts belonging to all four have been blocked or frozen and assets acquired are in the process of being liquidated. The Scheme has demanded that funds held in trust by Shandu Attorneys be paid over to the Scheme without withholding or deducting any legal fees.
Medical Aid Tax Certificates	Completed
Payments made to Scarybyte (Pty) Limited	The R20 million claim against Scarybyte (Pty) Limited has been handed over to Fluxmans for further action and will be dealt with during September.

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Medical Savings Account refunds	There were several technical issues that delayed the refund of medical savings account refunds for the large number of members that exited the Scheme particularly during the fourth quarter of 2025. These issues have largely been resolved and approximately R40 million was paid out during July 2026. During September 2026 the Scheme will refund the remaining MSA balances where valid and verified banking details are held. Unfortunately, approximately 50% do not have valid banking details and a campaign has been underway to encourage former members to supply this information. The Scheme is also engaging with brokers and employer groups to assist in this regard.





Ian Fleming

Curator – Sizwe Hosmed Medical Scheme

7 September 2026

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REPORT OF MR IAN FLEMING (CURATOR)
TO
THE COUNCIL FOR MEDICAL SCHEMES

SEPTEMBER 2026

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1. Feedback Regarding Curatorship

Following approval from CMS on 31 August 2026 for the Scheme to provide its own administration and managed care services on a temporary basis until 30 April 2027, the focus has been squarely on mitigating the risks and understanding the complexities of taking over these functions at short notice.

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It became clear early on that the financial distress of 3Sixty Health extended to the non-payment of service providers and key technology partners. Engaging with these critical stakeholders was a priority in ensuring business continuity and a seamless transfer of services to the Scheme. It is pleasing to report that this transition has been successful albeit at an extra cost in the short term.

Equally important were the engagements with staff and the retention of critical skills and institutional knowledge. An audit of the human resources files was undertaken in preparation for the section 197 transfer, and the payroll is being migrated to the Scheme's service provider. By and large, staff were relieved and motivated once the uncertainty that had prevailed had been removed. Unfortunately, the Scheme does not require all the staff and as soon as possible a voluntary retrenchment programme will be announced followed by a formal section 189 retrenchment exercise before the end of the year.

A separate monthly report as set out in the s8(h) approval letter will accompany this report and explore the future options in more detail.

During September the Scheme also finalised its 2027 benefit and contribution review resulting in a very competitive average increase in contributions of 7.74%. The launch to brokers and employer representatives took place on 29 September 2026 and was attended by more than 300 participants. The feedback was favourable and it would appear that now that the Scheme's key challenges have been addressed, many former members are keen to return. The Scheme is fully prepared to take advantage of the open period that lies ahead which will be critical in determining the way forward.

We are conscious of the need to extend the curatorship by a further twelve months and our application to the High Court in this regard is being treated as a matter of urgency. A draft of the application has been shared with CMS.

We are also very much aware of the unavoidable short-term impact these events are having on non-healthcare expenses and will endeavour to normalise these as far as possible by year end.

Financial information and further information on specific issues follows.

2. Financial Information

	For the YTD August 2026	For the Month of August 2026	Information as at the month of Curatorship (September 2025)
Members at period end	8 688	8 688	46 386
Beneficiaries at period end	17 394	17 394	106 654
Average beneficiaries	23 354	17 903	107 550
Average age per beneficiary	43	43	35
Pensioner ratio	23,4%	23.4%	9.5%
Solvency ratio	42.5%	42.5%	6.5%
Non-healthcare Exp/RCI	18.2%	32.9%	11.0%
Gross contributions (GC)	670 964 933	65 705 593	318 168 270
Risk contributions income (RCI)*	592 964 836	57 796 195	280 842 433
Net relevant healthcare expenditure*	-545 985 963	-41 706 317	-257 908 598
Gross healthcare results	46 978 873	16 089 878	22 933 835
Net non-healthcare expenditure	-107 863 271	-19 015 947	-31 029 383
Other income	3 022 881	190 382	1 062 936
Investment Income	44 177 038	4 858 841	10 337 535
Net surplus/(deficit)	-13 684 479	2 123 154	3 304 923
Reserves as per Regulation 29	428 092 126	428 092 126	287 266 661
GC pabpm	3 591	3 670	2 958
RCI pabpm	3 174	3 228	2 611
Net relevant healthcare expenditure pabpm	2 922	2 330	2 398
Net non-healthcare expenditure pabpm	577	1 062	288

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3. Update in respect of legal and contract issues

Recovery of Funds: Malatji & Co Attorneys	Completed
Disciplinary Proceedings: Principal Officer	Completed
Disciplinary Proceedings: HR Manager	Completed
Return of property in the possession of the Scheme's former Board of Trustees	Completed
Anton Piller Proceedings	Unchanged: The Scheme's attorneys received a response from the Administrator's attorneys, Webber Wentzel, rejecting the Scheme's settlement proposal and containing a counter settlement proposal. The Scheme's attorneys have responded to the Administrator's counter proposal in respect of which the Scheme's attorneys are still awaiting a response from the Administrator's attorneys. Accordingly, the settlement discussions remain ongoing. We have not pressed Webber Wentzel for a response because they want the Scheme to tender and pay the legal costs of the Anton Piller proceedings.
RenalPro Dialysis Summons	Pursuant to a meeting between the curator team and the Scheme's Administrator, 3Sixty, based on the Administrator's investigations and recommendation, it was resolved that RenalPro Dialysis claims should not be paid by the Scheme as they appear to be inter alia fraudulent, unsupported and suspicious. During the meeting, it was resolved further that the Scheme would take the necessary steps to suspend the implicated members in question in terms of the Scheme rules and all applicable statutory and regulatory provisions. On 26 August 2026 the Scheme received a letter of demand from Jothi Chellan Attorneys on behalf of the RenalPro Dialysis Centre demanding payment in the amount of R376 391.00. The Scheme's attorneys have addressed a holding letter to RenalPro Dialysis' attorneys, advising that they will respond in due course.
Provider Network Invoices from 3Sixty Health (Pty) Ltd	Unchanged: As previously reported, the Administrator sent the Scheme invoices regarding Provider Network Management Services allegedly rendered by them to the Scheme since 2024. During the June 2026 reporting period, the Scheme sent a letter disputing liability and requesting that the Administrator immediately cease invoicing the Scheme for these alleged services. Notwithstanding the aforesaid letter, the Scheme received an email from the Administrator on 3 July 2026 requesting that the outstanding amount in respect of the Provider Network Services be settled. The Scheme's stance remains unchanged in this regard. The Scheme will not pay these invoices.

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Wellness Clinic Summons	Unchanged: During the June 2026 reporting period, The Wellness Clinic in Gqeberha issued summons against the Scheme for the aggregate amount of R736 805 for professional services allegedly rendered to the Scheme's members between June 2022 to June 2025. The Scheme delivered a notice of intention to defend while awaiting a response to its without prejudice letter requesting all the supporting documents related to the services allegedly rendered to the Scheme's members. The Scheme's attorneys have also delivered a Rule 47 notice calling upon the plaintiff to furnish the Scheme with security for costs, and the dies for the plaintiff to respond to the notice expired on 5 August 2026. To date the Scheme's attorneys have not received a response to the Rule 47 notice from the plaintiff. It was accordingly resolved that the Scheme would not launch a consequential court application to compel the Wellness Clinic to furnish security for costs. This, to save and minimise costs. Instead, the Scheme will take exception or file a plea raising the Scheme's defences in due course. Consistent with saving and minimising legal costs, the Scheme will let the pace of the legal proceedings be determined by the plaintiff.
3One Consulting Actuaries Report	Unchanged: During the previous reporting period the Scheme's attorneys sent a letter concerning the 3One Consulting Actuaries ("3One") Review of Sizwe Hosmed's 2026 Financial Forecast dated 27 January 2026 ("the report"), which was attached as "LM1" to the former BoT's answering affidavit and conditional counter-application in the Registrar's section 19 application, demanding that Malatji and Co Attorneys disclose the identity of the persons who instructed and authorised the report, and who furnished Malatji and Co Attorneys with the underlying data. On 7 August 2026 the Scheme's attorneys received a reply from Malatji and Co Attorneys advising that the information sought was obtained during legally privileged attorney and client communications and that they would therefore not respond to the enquiry as it will result in a breach of their ethical duties. The curator team accordingly investigated and enquired from 3Sixty representatives whether they could shed some light in that regard, however no further information was forthcoming.
The Sizwe Administration Agreement and the Exemption Applications	In terms of the exemption application approved on 31 August 2026 a separate monthly report will be submitted to Council dealing with the progress towards temporary self-administration and MCO as well as the conditions attached thereto.
AGM/SGM Exemption Application	The Scheme's Administrator, 3Sixty Health, unexpectedly advised that it was in financial distress and unable to continue providing administration and managed healthcare services. This required the curator to divert all available time and resources to maintaining operational continuity, funding critical services, stabilising administration functions, addressing service-delivery failures and planning a lawful transition to self-administration. The Scheme is accordingly unable to hold an AGM as contemplated in rule 27.1.1 of the Scheme rules or an elective SGM by 3 September 2026 as contemplated in paragraph 9.6 of the curatorship order granted by Manamela AJ on 3 September 2025

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	and confirmed by Makhoba J on 9 October 2025 ("the curatorship order"), at this time, because of the exceptional and unforeseen circumstances under the ongoing curatorship which have made it impractical, undesirable and potentially contrary to members' interests to convene an elective SGM to appoint a new board of trustees while there is a possibility of the Scheme's members being transferred to or merged with another scheme. The Scheme thus applied to CMS on 21 August 2026 for exemption from holding the AGM by 30 August 2026 as stipulated in the scheme rules and proposed convening for now an SGM on 14 November 2026 instead. On 2 October 2026, CMS sent the Scheme a ruling rejecting that exemption application. In the interim, it has been resolved that the curator will bring an application to vary paragraph 9.4 to 9.6 of the curatorship order, notwithstanding the fact that the Registrar is the applicant in case number 2025-150109, in which the curatorship order was granted and the authority under whose control the curator acts in terms of section 5(6) of the Financial Institutions (Protection of Funds) Act 28 of 2001 ("the FI Act"). In a letter dated 21 September 2026 the Registrar confirmed inter alia that he would support this application to the extent necessary to facilitate the effective determination of the application. The Scheme's legal team has shared with CMS the draft application for its consideration and comment.
NIC Investments (Pty) Ltd Urgent Application	During the previous reporting period, NIC Investment (Pty) Ltd launched an urgent application to, inter alia, set aside the Sizwe Administration Agreement. This application, together with the related matter under case number 2026-179976 (NIC Investments (Pty) Ltd v Altrex Investments (Pty) Ltd and Others), were enrolled for hearing on 11 August 2026 before Ndlokovane AJ. However, before the hearing, the applicant abandoned all relief impugning or restraining the conclusion, validity or implementation of the Sizwe Administration Agreement by letters dated 9 and 11 August 2026. The applicant has nevertheless not abandoned its prayer for urgency against the curator and the Scheme, nor tendered their costs. On 11 August 2026, the Court stood the matter down to 14 August 2026 for argument on urgency and the points in limine. On the afternoon before that hearing (i.e. 13 August 2026), the court-appointed curator of 3Sixty Life Limited belatedly served an intervention application in the related matter, to which the Scheme is not a party. On 14 August 2026, the judge advised that, given the volume of papers in both matters, which exceeded 1000 pages, and the belated intervention application, she could not consider the matters properly that day. Both matters were therefore removed from the urgent roll, with costs reserved, and the parties were directed to approach the DJP jointly for a special allocation. All of the papers in both matters have been filed, and the matters have accordingly been enrolled for hearing on 8 and 9 October 2026. The only remaining issue affecting the curator and the Scheme is the costs of the application, which will be pursued.

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Invoices from Malatji and Co re: fees and disbursements for opposition to the curatorship application brought by CMS, section 5(9) application to remove the erstwhile curator and the leave to appeal Makhoba J's order and judgment confirming the curatorship	Unchanged: On 11 August 2026, Malatji and Co Attorneys sent the curator a letter, requesting that the Scheme pay fees and disbursements in respect of the opposition to the curatorship application brought by CMS, the section 5(9) application to remove the erstwhile curator, the application for leave to appeal and the appeal against Makhoba J's 9 October 2026 order and judgment confirming the curatorship ("the impugned proceedings"), failing which they will apply to court for a declarator that their firm was lawfully appointed by the former Board of Trustees to represent the Scheme in relation to the impugned proceedings. The Scheme's attorneys addressed a letter to Malatji and Co in response on 27 August 2026 advising, inter alia, that the curator did not instruct and/or authorise the institution of the impugned proceedings and that it is not supported or endorsed by him, that, to the extent necessary, any mandate concluded between Malatji and Co Attorneys and the Scheme to act on behalf of the Scheme was terminated by the erstwhile curator on 20 November 2025 and that there is accordingly no legal basis on which the invoices in respect thereof should be paid by the Scheme. The Scheme's attorneys have not received a response to date.
Growthpoint – Tenant Installation Allowance	On 13 August 2026 the Scheme received a letter from Growthpoint's attorneys, Nofal Lazarides Harrison Stafford, following the Scheme's request for payment of the Tenant Installation Allowance in the amount of R622 995 as contemplated in clause 5.4.9 of the Lease Agreement concluded between the Scheme and Growthpoint. In their 13 August 2026 letter, Growthpoint's attorneys inter alia requested the Scheme to furnish them with certain information and documentation in order to enable Growthpoint to consider the Scheme's demand. The information and documentation sought is irrelevant to the Scheme's demand. The Scheme's attorneys accordingly sent a letter to Growthpoint's attorneys on 18 September 2026 advising inter alia that the Scheme (i) cannot furnish the requested documentation and information and (ii) intends to reconfigure and upgrade the premises to better utilise it by bringing its administration staff to the premises, subject to the necessary approvals. On 5 October 2026 Growthpoint's attorneys advised the Scheme's attorneys that they expect to receive instructions from their client during that week (i.e. the week commencing on 5 October 2026). The Scheme's attorneys will follow up hereon and a further report will follow.
Return of money held in Shandu Attorney's Trust Account	The Scheme's attorneys have demanded payment of the money stolen by employees of the Administrator. Some of the funds have been recovered and are presently held in the trust account of the Administrator's attorneys, Shandu Attorneys. The Administrator and Shandu Attorneys were afforded until 5pm on 1 September 2026 to furnish the Scheme with proof of payment, together with all documentation and information requested in relation to this matter. On 31 August 2026, the Administrator's CEO, Ms Minki Rasenyalo, undertook to furnish the Scheme with proof of payment and that all unsold items will be handed over to the Scheme by 2 September 2026. She also undertook to furnish the Scheme with a

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	comprehensive incident report by 3 September 2026 but had failed to comply with the aforesaid undertaking. The incident report was ultimately received on 21 September 2026. On 4 September 2026, Ms Rasenyalo sent an email to the Scheme's attorneys which did not sufficiently address the issues, queries and questions raised by the Scheme's attorneys. The Scheme's attorneys subsequently addressed a further email to Ms Rasenyalo reiterating their previous requests to be furnished with all of the relevant information and documentation. There has been no response from Ms Rasenyalo to date. The unsold items will be delivered to auctioneers, and the Administrator's attorneys have paid an amount of R1 078 500 to the Scheme. The Scheme is in the process of recovering from the relevant employees amounts held in their bank accounts and owing to them in respect of their pension funds, in reduction of the amounts owing to the Scheme.
Payments made to Scarybyte (Pty) Limited	The Scheme appointed Naledi Advisory Services to conduct a forensic audit to assess the appointment of Scarybyte, the validity of payments made to Scarybyte, whether services were rendered and any losses suffered by the Scheme. Pursuant to the investigation Naledi Advisory reported that the Scheme suffered a quantifiable financial loss of R20 125 000 (Including VAT) as a result of payments made to Scarybyte on the basis of invoices that were not supported by evidence of services rendered. The Scheme's attorneys have sent a letter of demand to Scarybyte in an endeavour to recover the aforesaid amount of R20 125 000.
Contracts Review and Renegotiation	A significant area of focus during September was the finalisation and closure of the evergreen contracts previously identified as requiring regularisation. The Scheme continued to engage with the relevant service providers and internal stakeholders to ensure that outstanding contractual matters are appropriately addressed and documented. The majority of the evergreen contracts previously under review have now been closed and finalised. The only outstanding evergreen contract is the Metrofile agreement. The matter remains under engagement between the Scheme and Metrofile due to a contractual disagreement regarding the duration of the agreement. Metrofile's position is that the agreement should remain indefinite, whereas the Scheme's position is that the agreement should contain a defined contractual end date. This matter is being addressed to ensure that the final contractual arrangement is consistent with the Scheme's governance requirements and the observations arising from the CMS inspection, particularly the need to avoid indefinite contractual arrangements without a fixed contractual term.

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4. Update in respect of issues related to the Administrator

Administrator Operations Review	The month of September 2026 saw the intensification of the transition activities towards self-administration after approval was granted by the Registrar for the primary and secondary exemption applications. The curator held a meeting with the core team to consider the implications of the conditions set out in the approval letter. This was followed by a meeting with the 3Sixty Health senior management and staff to inform them of the outcome of the exemption application. **1. Processing of Claims Payment** The Claims department has continued to be the star performer within the administration with the consistent processing of the weekly payment of claims. No further issues have been experienced with regards to remittance advice to providers; however, the systems operations team continues to monitor this area. **2. Billing Reconciliation** There are still some minor issues being experienced in this area, with the main area of focus being the deployment of the auto allocate functionality to reduce the burden of manual allocations. The unallocated deposits are being monitored continuously to identify early warning signs to ensure that expeditious and timeous interventions are deployed. This will continue to be an area of focus to avoid regression. **3. Managed Healthcare (MHC)** Further investigations into the short payment of radiology claims have established that this was due to the incorrect tariffs being applied by Mediscor as the provider of the pricing file. The managed healthcare team obtained the radiology price file directly from Radiology Society of South Africa. The tariff codes updates are currently undergoing testing by the HealthLogik and PBTit teams prior to deployment to the production environment. It is believed that deployment of the updates to the production environment will resolve the current issues with radiology healthcare providers and set the Scheme on the path of ensuring members have universal access to services in Gqeberha and Durban. **4. Systems and Training** The curator has commissioned an independent review of the system including the review of the proficiency of the user community. The report of the system review is in the process of being finalised and will culminate in the rolling out of a structured update to the system together with the roll out of further training for all staff.
Contact Centre performance, Member and Provider queries	There are a number of priority initiatives which were reviewed and implemented since the deployment of the interventions introduced by the curator in the middle of August 2026. These included stabilising the employee environment, providing greater certainty to

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	staff, reviewing and reengineering key operational processes, and aligning structures and accountability. The key interventions pursued during the month of August which have had a positive impact on the performance of the contact centre included the following: • Focus on the culture to ensure that the staff morale is uplifted including the spring day activation. • Reintroducing the incentive and recognition of agent of the month. • The introduction of the upskilling and training programme. Call volumes have shown a significant and sustained reduction compared to the month of July, overall call volumes decreased by 40% in August from 34 279 calls to 20 307 calls. Member answer rate increased from 82.75% in July to 96.66% in August - an improvement of about 14.00%. Provider answer rate has also increased from 92.45% in July to 95.62% in August. The team is in the process of reviewing and refining the Query types so they can be meaningful and assist in identifying high call drivers so that the necessary interventions can be deployed.
Marketing Services and Business Development Agreements	These contracts, which were concluded with 3Sixty Marketing have been terminated and the prospect of recovering any of the funds appears remote. The Curator will nevertheless review the Scheme's options once the risk of transitioning to self-administration has been mitigated.
Implementation of the Administration System	The independent system review by West Technologies Group got underway in earnest with the following activities: • Tuesday, 01 September 2026 – Project Kick Off Meeting. • Thursday, 10 September 2026 – Project Scope Meeting. • Monday, 14 September 2026 to Friday, 18 September 2026 – Workshops with PBTit and HealthLogik to review the back-end functionality and configuration of the system. • Monday, 28 September 2026 to Tuesday, 29 September 2026 – Onsite Workshops with the user community to review proficiency and user experience on the functionality and configuration of the system. We have reviewed the preliminary findings of the system review, and the team is currently developing a plan to ensure that all the issues identified are resolved by the end of October 2026. We have been provided with the post-implementation report prepared by Origin Advisory.

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5. Update in respect of issues related to the Scheme

Project Plan to end Curatorship	Due to the unforeseen need to take the administration and MCO functions inhouse, the Curator, with the assistance of Fluxmans, is preparing an application to the High Court to extend the Curatorship by a further 12 months. CMS is supportive of the application and stressed the urgency thereof which is noted.
Solvency	The Scheme's solvency ratio improved slightly to 42.5% as at 31 August 2026. This was influenced by an operating surplus of R2 million and a net loss of 426 members thereby reducing gross contributions.
Membership attrition	Membership continued its gradual decline during September, but the marketing team is fully geared to bring back members during the open period. The 2027 benefit and contribution review has been well received with more than 300 brokers and employer representatives attending the launch on 29 September 2026. The average increase in 2027 contributions of 7.74% appears favourable when compared to other schemes that have made their announcements. Feedback so far has been positive given that the major issues plaguing the Scheme have been resolved. A successful open period marketing campaign is critical to the future of the Scheme and its choices going forward.
Non-Healthcare Expenditure	Non-healthcare costs were largely affected by the transition to self-administration and keeping 3Sixty's suppliers and technology partners on board. There were also significant staff costs as a result of the section 197 transfer of all of 3Sixty's staff and will remain elevated until the section 189 retrenchments can be effected. All of these extra expenses are temporary in nature.
Balance Sheet Clean-up (Debtors and Creditors)	The major elements of the balance sheet clean-up exercise were concluded during June 2026. The focus currently is on paying out Medical Savings Account balances which will reduce this liability as well as investment balances. We have also commenced a deep dive into the systems and processes that feed some of the high-volume accounts.
2027 Contribution and Benefits Review	The 2027 contribution and benefit review has been concluded with the timeous submission to Council on 1 October 2026. The average increase in contributions of 7.74% appears very competitive when considered alongside the Scheme's rich benefits. A launch was held on 29 September 2026 with more than 300 brokers and employer representatives in attendance. Market reaction has been overwhelmingly positive so far with clear indications that some former members wish to return.
Stakeholder Roadshows	There were a further sixteen (16) engagements with stakeholders which covered NUMSA (Uitenhage, Eastern Cape), VW South Africa (via MS Teams), Mimecast (via MS Teams), Nova Cloud (via MS Teams), Shandu Trading (via MS Teams), Bumbatech (23 West Houghton), Broker Webinar (via MS Teams), Employer Webinar (via MS Teams), UIPlay (via MS Teams), Nosipho Projects (via MS Teams), HealthLogik (via MS Teams), Bay Radiology (via MS

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	Teams), Dental Risk Company (Waterfall), Isuzu Uitenhage Plant (via MS Teams), 2027 Product Launch (Premier Hotel Midrand/live streaming), Mediclinic (23 West Houghton). This brought the total number of engagements to fifty six (56). The 2027 product launch was a highlight of the stakeholder engagements, with over 100 attendees in person and over 200 online.
Reinstatement of credit line with Mediclinic	Completed.
Annual Financial Statements (2024)	The audit field work commenced on 09 August 2026, and an audit steering committee has been established which meets on a weekly basis to track progress. All indications are that the audit is currently on track and no major issues have been encountered thus far. The approval of the exemption application will be shared with the auditors for them to consider the impact of the outcome on the audit process.
Relationship with Administrator	The Scheme has taken over full management control of the Administration and MCO functions. Staff morale is good now that a huge amount of uncertainty has been removed and salaries paid on time. Approximately 35 staff have relocated to the Scheme's Waterfall premises, and the rest will follow once additional workspaces have been created. Following the approval of the exemption applications (with conditions) the Scheme is engaging with 3Sixty Health to amend the administration agreement accordingly.
Forensic Report by KPMG	The self-administration exemption approval of 31 August 2026 required that the Scheme agrees with 3Sixty to either delete clause 18.2 of the Sizwe Administration Agreement or amend it so that at a minimum the claims against 3Sixty as a result of the KPMG report are kept alive. To this end, the curator team engaged the 3Sixty leadership who advised that they would be willing to consider this request, however they first wanted a meeting with KPMG and the curator team to establish inter alia what claims the Scheme does in fact have against 3Sixty as a result of the KPMG report. Based on the outcome of that meeting, 3Sixty may then want to have a meeting with CMS, KPMG and the curator team. The curator team did not consider this to be an unreasonable request and reached out to KPMG to arrange the aforesaid meeting. To proceed, KPMG required updated FICA information from the Scheme and further required an internal client risk re-assessment process to run its course. The latest update from KPMG is that their risk assessment process should be completed by COB Wednesday 7 October, whereafter the meeting can be arranged."
Fraud, Waste and Abuse	FWA committee continues to meet, and TFSA's review of the weekly claims run is ongoing. No significant new issues were picked up during September.

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Quality of data and risk pool	The Scheme has the capacity to attract a significant number of new members during the open period which should improve the quality of the risk pool.
Governance Structures and Operational Oversight	During July, August and September, the Scheme made progress in convening and operationalising its governance structures. During the reporting period, the various governance committees were convened and continued to execute their respective mandates. The focus has increasingly shifted towards ensuring that the committees understand their oversight responsibilities, receive appropriate information and effectively contribute to the governance of the Scheme. The Curator and the Curator's team continue to play a significant role in overseeing and supporting the governance committees during the period of curatorship. The Legal, Governance and Compliance Department continues to provide support through meeting preparation, governance advice, review of resolutions and action tracking, as well as ensuring that governance processes are appropriately documented.
Underutilised corporate offices and onerous lease	Resolved.
An update on the fraud perpetrated against the Scheme by the administrator's staff.	As previously reported, the Scheme has most of the information relating to this incident. However, the Curator, assisted by Fluxmans is pressing 3Sixty and their attorneys for the recovery of all funds and assets as well as the shortfall.
Medical Aid Tax Certificates	Completed
Medical Savings Account refunds	During September and early October, the Scheme has paid out the bulk of MSA balances where valid banking details are held. A campaign is also ongoing to collect banking details of members that are still due their refunds. Onboarding procedures have also been enhanced to ensure that the Scheme has the necessary membership details at time of take on.

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Ian Fleming

Curator – Sizwe Hosmed Medical Scheme

7 October 2026

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IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

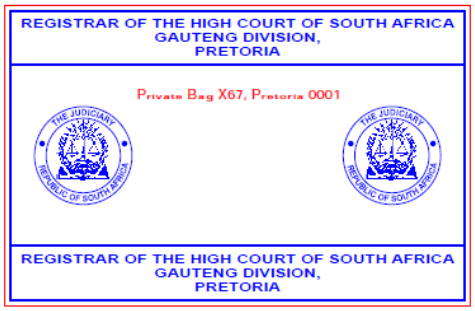
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Annexure 13

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"FA13"

Chardonnay Arends

From: Ian Fuller <IanFuller@engagedbt.co.za>
Sent: Monday, 11 May 2026 15:32
To: Ian Fleming
Cc: Ophilia Mbatha; Mbalenhle Themba; Thabang Magare; Buhle Duma; Chardonnay Arends
Subject: RE: AGM Decision and CMS Submission Requirements – Circular 3 of 2026
Attachments: Circular-3-of-2026.pdf; Compliance - Scheme Rules Feb 2026.pdf

Hi Ian

What are your views?

We could possibly have an SGM seeing as there is no voting and only 2023 AFS to table and focus on a solvency and curatorship update to members.

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Alternatively, if you feel we may need a voting AGM shortly thereafter (30 August) but before the end of the year we could apply for a postponement.

We could also discuss with Amos and Hannelie (maybe raise it at our next meeting) for guidance.

A lot depends on our view of timeframes.

Regards

Ian

From: Ophilia Mbatha <Ophilia.Mbatha@sizwe-hosmed.co.za>
Sent: Thursday, 07 May 2026 10:58
To: Ian Fuller <IanFuller@engagedbt.co.za>; Ian Fuller <Ian.Fuller@sizwe-hosmed.co.za>; Ian Fleming <Ian@engagedbt.co.za>; Ian Fleming <Ian.Fleming@sizwe-hosmed.co.za>; Mbalenhle Themba <Mbalenhle@EngagedBT.co.za>; Mbalenhle Themba <Mbalenhle.Themba@sizwe-hosmed.co.za>; Thabang Magare <tmagare@adamantem.co.za>; Thabang Magare <thabang.magare@sizwe-hosmed.co.za>
Subject: AGM Decision and CMS Submission Requirements – Circular 3 of 2026
Importance: High

Dear All

As per Circular 3 of 2026, medical schemes are required to submit a written notice to the CMS via the AGM portal regarding the convening of the Annual General Meeting (AGM).

The following information is required for submission:

1. Date and time of the AGM.
2. Type of AGM to be convened (virtual, hybrid, or in-person).
3. Venue and geographical area where the AGM will be held.
4. Confirmation of scheduled 2026 elections and the intended timeframe thereof (pre-AGM, during AGM, or post-AGM).

We have not yet submitted the required notification. However, given the current situation of the Scheme, I have engaged with CMS, and they have allowed us additional time to respond, although the submission was initially due end April.

We now urgently need direction on how the Scheme intends to proceed regarding the AGM, specifically whether:

- a normal AGM will be convened;
- a special AGM will be convened instead; or
- no AGM will be held, together with the reasons supporting such decision.

Kindly note the following provisions of the approved Scheme Rules:

- Rule 27.1.5 requires that notice of the AGM be provided to members at least 90 days prior to the AGM date. (We must communicate to members by 30 May 2026)
- Rule 27.1.1 states that the **AGM should be held no later than 30 August**, unless a special AGM is convened.
- A special AGM may be called by the Board/Curator when deemed necessary and may be convened within 30 days.
-

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In order for us to respond to CMS as soon as possible and ensure compliance with the Rules and regulatory requirements, your urgent guidance on the way forward will be appreciated.

Best Regards

Ophilia Mbatha
Manager : Legal and Governance

Waterfall Office Park, 1 Bekker Rd, Vorna Valley Midrand, 1696, South Africa

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+27 60 966 9343

Ophilia.Mbatha@sizwe-hosmed.co.za

www.sizwehosmed.co.za



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Sizwe Hosmed Medical Scheme is an Open Medical Scheme registered in accordance with the Medical Schemes Act (131 of 1998) in South Africa with the Council for Medical Schemes (CMS).
Registered Office: Waterfall Office, 1 Bekker Rd, Vorna Velly Midrand, 1696, South Africa



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IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

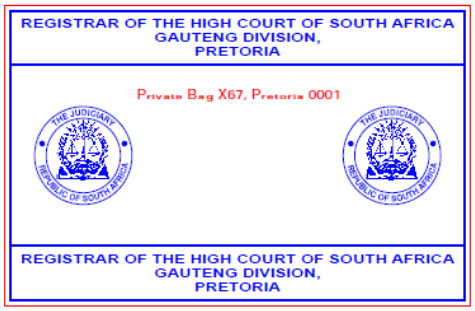
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Annexure 14

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SIZWE-HOSMED MEDICAL SCHEME

DETAILED TIMELINE FOR THE ANNUAL GENERAL MEETING (22 SEPTEMBER 2026) AND THE ELECTION OF THE BOARD OF TRUSTEES

PHASE		ITEM	DUE DATE	STATUS	NOTES / DEVIATIONS
Phase 1: Administrative Phase:	Step 1	1. Call for proposals from Service providers who are capable of running elections in order to appoint them for the purposes of running the election. 2. Appointment of the Electoral Officer and Electoral Auditor	Friday 12 June 2026		This phase will include the following behind the scenes preparations: • the design of the AGM packs, and nomination packs, • sourcing venue for in person AGM *etc* • Arrangements for hosting the AGM both virtually and in person at designated areas/ one venue – (if applicable) CMS encourages Schemes to implement a cost-effective hybrid model, based on membership needs and historical data, to host AGMs. • Have regard to CMS Circular 9 of 2024: Notice regarding Annual General Meetings, Special General Meetings and Trustee elections: (Circular 3 of 2026)

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PHASE		ITEM	DUE DATE	STATUS	NOTES / DEVIATIONS
	Step 2	Notify CMS of date of AGM and trustee elections.	**Tuesday 9 June 2026(We are late already, was suppose to have been done end of April 2026 , so CMS must be made aware of this)**		• In terms of circular, the Scheme's Data Officer must notify CMS in writing of AGM date and trustee elections. The notice should contain: o The date on which the meeting will be held; o The type of AGM to be convened (virtual, hybrid or in-person); and o The venue and geographical area in which the scheme intends to hold its meeting; and o Whether or not the scheme will be holding elections for the 2026 financial period.
	Step 3	Draft Election Notice and nomination package prepared and submitted for approval.	Wednesday, 10 June 2026 – Friday, 19 June 2026		The Scheme can prepare the Nomination Notice and AGM Notice at the same time. This would have to be finalised before by **22 June 2026** **(If we holding an AGM on the 22nd September 2026 we are late already),** to meet the deadline for the nomination notice being dispatched 4 months prior to the AGM. See steps 4 and 6 under Phase 2 below for more detail.
	Step 4	Draft Notice of AGM of members and call for motions prepared for comments and approval.	Wednesday, 10 June 2026 – Wednesday, 17 June 2026		

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PHASE		ITEM	DUE DATE	STATUS	NOTES / DEVIATIONS
Phase 2: Notice to members	Step 5	1. Notices calling for nominations of Trustees for election. 2. The Scheme to send the notice calling for nominations utilising all available platforms, postal, walk-in centres; pay-points (utilise best tools to ensure there is no nomination/ voter fraud at pay-points); USSD, Website, SMS.	Wednesday, 10 June 2026 – Wednesday, 17 June 2026 **NB: Wednesday, 22 June is the deadline.**		Rule 19.3.2.1 requires the Scheme to send out notices to members calling for nominations no later than four (4) months before the expiry of the term of any Elected Trustee. Therefore, the 4 (four) month period falls on 22 June 2026 (That's if we move the AGM to the 22 October 2026 otherwise we are late already).
	Step 6	Notify members of the date for the AGM and call for motions to be placed before the AGM, and notify members that they must be returned to the Curator 2 (two) months / 60 (sixty) days prior to the AGM.	Wednesday, 1 July 2026 – Wednesday, 15 July 2026 **NB: Friday, 22 July 2026 is the deadline.**		Rule 27.1.5 requires members to be notified of the date of the AGM 90 days before the meeting. (i.e. by 22 July 2026 (If we hold AGM on the 22nd October 2026 otherwise it will be the 22 of June 2026)- The rule further requires the motions to reach the Principal Officer (In this case the curator)60 (sixty) days before the AGM, i.e. by 22 July if we will have this AGM on the 22nd September) The Scheme can dispatch the Nomination Notice and AGM Notice at the same time. This would have to be done by (Four months before) to meet the deadline for the nomination notice being dispatched 4 months prior to the AGM.

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PHASE		ITEM	DUE DATE	STATUS	NOTES / DEVIATIONS
	Step 7	1. Motions reach the Curator two months before the AGM, i.e. by 22 July 2026. Curator considers competency of motions received.	Wednesday, 24 June 2026 – Friday, 12 July 2026 **Monday, 22 July 2026**		Rule 27.1.5 further requires that motions must reach the Curator 60 days before the AGM. (i.e. by 22 July 2026), and that the Curator shall consider such motions for competency.
	Step 8	Printing & Mailing of AGM pack	Monday, 10 August 2026– Thursday, 20 August 2026 **NB: Deadline is Wednesday, 22 August 2026**		Rule 27.1.2 requires the AGM pack should be despatched 30 days before AGM.
	Step 9	AGM Notice published in newspapers and website	Monday, 10 August 2026– Thursday, 20 August 2026 **NB: Deadline is Wednesday, 22 August 2026.**		Rule 27.1.2 requires the AGM notice and pack should be despatched 30 days before AGM.
	Step 10	Submit AGM pack and Election Notice and Nomination package to CMS 20 (twenty) days before the AGM.	Friday, 2 September 2026		1. Para 5.1.2 of Circular 9 of 2024 requires Schemes to submit the full meeting pack to CMS at least 20 days before the AGM. 2. The meeting pack should contain the information listed in para 5.1.2 of the

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PHASE		ITEM	DUE DATE	STATUS	NOTES / DEVIATIONS
					Circular, such as date, time, venue/virtual platform of the meeting and elections, standard procedures to be followed at the meeting, security measures to protect the venue and elections, loadshedding measures, estimated budget, etc.
Phase 4:	Step 11	**The nomination and election processes have the following milestones:**			
Nomination	Step 11.1	The Scheme will send out notices calling for nominations and inform members of vacancies to be filled	Wednesday, 10 June 2026 – Friday, 19 June 2026 **NB: Monday, 22 June 2026 is the deadline. (But we are late already, unless if we push the AGM to October 2026 or apply for an exemption with CMS)**		This is no later than four (4) months before the AGM in line with Rule 19.3.2.1 and 19.3.2.2 The Scheme to send the notice calling for nominations utilising all available platforms, postal, walk-in centres; pay-points (utilise best tools to ensure there is no nomination/ voter fraud at pay-points); USSD, Website, SMS.
	Step 11.2	Nominations with CVs will close 45 days from the date of dispatch allowing members at least 45 days to nominate and return	TBC		Rule 19.3.2.4 requires the completed nomination forms to be returned on a date determined by the Curator. In 2024 the Board decided on 45 days from date of dispatch.

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PHASE		ITEM	DUE DATE	STATUS	NOTES / DEVIATIONS
		nominations to the appointed Service Provider. [The Scheme has the right to determine the date of the return of nomination forms. Usually, 30 days is allowed. However, given the unreliability of the postal service, an extra 15 days should be built in to allow for members to request packs through other means, and to allow them sufficient time to canvass for proposers and seconders to nominate them]			
	Step 11.3	Checking validity of nomination forms	Wednesday 08 July 2026– Wednesday, 22 July 2026		Rule 19.3.2.3- 19.3.2.6
	Step 11.4	The appointed Service Provider shall cause a vetting process to be undertaken to ensure that nominated candidates are eligible to serve as trustees and compile a final list of candidates.	Wednesday 08 July 2026– Wednesday, 22 July 2026		Rule 19.3.2.7

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PHASE		ITEM	DUE DATE	STATUS	NOTES / DEVIATIONS
	Step 11.5	Final List of Candidates sent to members utilising all available platforms, postal, walk-in centres; pay-points, posted on the website and Posters printed and sent to identified employers with large concentration of members to allow for objections	Thursday, 23 July 2026		Rule 19.3.2.8 requires the Scheme to send all members a list of vetted eligible candidates
	Step 11.6	Nomination Report submitted to Sizwe-Hosmed by electoral officer including outcome of vetting exercise, nominees with objections and recommendations relating thereto	Monday, 27 July 2026-Monday, 03 August 2026		
Phase 5: **Elections**	Step 12	Draft election booklet and ballot paper for noting and corporate branding approval	Monday, 27 July 2026-Monday, 03 August 2026		
	Step 13	A list of candidates (abbreviated CVs) together with the ballot form shall be despatched to members. They shall be required to return ballots within 45	TBC		Rule 19.3.2.8 read together with Rule 19.3.10 require voting packs to be despatched and members to be informed on by when the ballots are to be returned to allow for verification of such ballots. The ballots are to be returned prior to the AGM on a date to be determined by the Curator.

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PHASE		ITEM	DUE DATE	STATUS	NOTES / DEVIATIONS
		days from date of despatch. (Extra time given to members to deal with postal delays and canvassing for votes)			recommend 45 days from the date of dispatch.(TBC) Sizwe-Hosmed to utilise all available platforms, postal, walk-in centres; pay-points (utilise best tools to ensure there is no nomination/ voter fraud at pay-points); USSD, Website, SMS.
	Step 14	On-Site Voting at identified employer voting stations	Monday, 03 August 2026 – Monday 17 September, 2026		
	Step 15	Pre-AGM Voting Process- 1. Verification of ballots; 2. Counting of returned ballots	Monday, 03 August 2026 – Monday 22 September, 2026		Rule 19.3.11 requires the Scheme to cause the votes received back from members' ballots to be counted.
Phase 6: **AGM**	Step 16	**2026 – AGM** 1. AGM Voting 2. AGM Vote Counting & Consolidation of pre-AGM & AGM Votes	**Tuesday, 22 September 2026**		Rule 19.3.10 allows members in good standing, present at an AGM to vote in person (provided that they have not already voted by ballot) Rule 19.3.11 allows the Fund to defer the announcement of the results to any other appropriate time after the AGM. To be sure, it provides that the results can be announced "*...at any other time as may be appropriate*". (But we announced same day last time)
Phase 7: **Results**	Step 17	The appointed service provider will count and vet the results. A report should be available 14 days after the election process has	Wednesday 7 October 2026		Rule 19.3.11 requires the Scheme to cause the votes received back from members' ballots to be counted and ... the Scheme shall require its auditors to verify the outcome of the voting process.

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PHASE		ITEM	DUE DATE	STATUS	NOTES / DEVIATIONS
		concluded and the Scheme can announce the new trustees on website. This is generally deemed to be a "reasonable period".			
	Step 18	Inform nominees of the result of the elections	Wednesday 7 October 2026		
	Step 19	Inform CMS of elected trustees	Wednesday 7 October 2026- 20 October 2026 **NB: Monday, 21 September 2026** is the last day.		Paragraph 6 of Circular 9 of 2024 requires Schemes to advise CMS of: 1. The Attendance register(s) as well as confirmation that the quorum (per the rules of the scheme) was achieved for the meeting. 2. A detailed report on the election process with the full CVs of the elected persons within 30 days of the conclusion of the AGM or the SGM or the election process. The breakdown of the actual cost of the AGM and/or SGM and/or Election Process within 30 days of the conclusion of the AGM or the SGM or the election process.

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IN THE HIGH COURT OF SOUTH AFRICA
Gauteng Division, Pretoria

CASE NO: **2025-150109**

In the matter between:

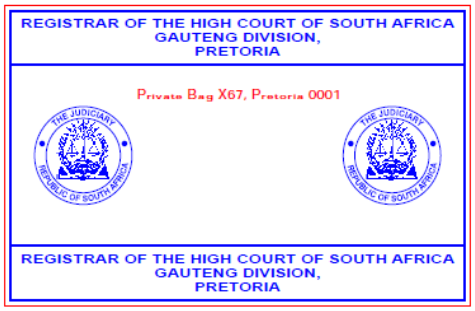
Council Plaintiff / Applicant / Appellant

and

Defendant / Respondent

Annexure 15

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"FA15"

Chardonnay Arends



From: Gillian Teixeira <Gillian.Teixeira@3SixtyHealth.co.za>
Date: Thursday, 16 July 2026 at 21:11
To: Ian Fleming <ian.fleming@sizwe-hosmed.co.za>; Ian Fleming <Ian@engagedbt.co.za>
Cc: Minki Rasenyalo <Minki.Rasenyalo@3SixtyHealth.co.za>; khandani.msibi@3sixtygsg.co.za <khandani.msibi@3sixtygsg.co.za>; Zaheer Suleman <Zaheer.Suleman@3SixtyHealth.co.za>; Gert Botha <Gert.Botha@3SixtyHealth.co.za>
Subject: 3Sixty Health Managed Healthcare & Administration Proposal

On behalf of the CEO

Dear Ian,

I trust you are doing well.

Please find the attached document for your review and consideration.

3sixty HEALTH

Thanks & Regards

Gillian Teixeira
Fund Manager

Tel:+27 (011) 353 0060
Mobile: +27 (72) 748 7359
Email: gillian.teixeira@3sixtyhealth

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16 July 2026

Sizwe Hosmed Medical Scheme

Waterfall Office Park
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Dear Ian,

I trust this letter finds you well.

Following your discussion with our Group Chairman, Mr Khandani Msibi, yesterday, I would like to take this opportunity to formally introduce myself as the Acting Chief Executive Officer of 3Sixty Health. As discussed during your engagement with Mr Msibi, please find below a summary of the matters that were discussed for your consideration.

Background

The period of curatorship under Lebo Mpakati, has had a profound impact on both SizweHosmed Medical Scheme and 3Sixty Health which resulted in the loss of approximately 80% of the scheme's membership. The decisions and events that occurred during this period of curatorship have had far-reaching operational and commercial consequences for both organisations. As the Scheme's administrator, 3Sixty Health has absorbed the financial impact of this decline while continuing to deliver administration services and support the Scheme through an exceptionally challenging period.

Notwithstanding these circumstances, 3Sixty Health remained committed to the Scheme by accepting administration fee increases below inflation and below prevailing market benchmarks in recognition of the Scheme's solvency constraints, despite the increasing cost of delivering the contracted services. This reflected our commitment to maintaining operational continuity and supporting the Scheme's long-term sustainability.

In evaluating the future of the business, the Board has carefully considered several strategic alternatives as follows:

1. Sell the business.

Dr Mahanjana offered to purchase the business at nominal value but did not follow through, and the sale collapsed.

2. Orderly wind-down of the business

The Board has also considered the orderly wind-down of 3Sixty Health should a sustainable solution not be achieved within the required timeframe.

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www.3sixtyhealth.co.za

3. Offer SizweHosmed to self-administer.

The Board believes that the self-administration by the Scheme represents the most practical and sustainable solution. It would preserve institutional knowledge, operational capability and experienced personnel, while providing the Scheme with greater control over its administration model and significantly reducing transition risk. We believe this is the safest option and best suits the scheme's need to mitigate risk.

Our Proposal

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The Board of 3Sixty Health has proposed to the Board of 3Sixty Global Solutions Group (Pty Ltd that the administration of SizweHosmed be taken over by the Scheme. The proposal is that the scheme will take over employees and service providers / third parties to enable the Scheme to continue the administration and also the scheme to waive all past , present and future claims it might have against 3Sixty Health (Pty Ltd. The shareholders are not seeking to realise a commercial profit from this transaction. Rather, the proposal is intended to secure the continued viability of the administration capability and provide the Scheme with a sustainable platform from which to operate going forward.

Given the urgency of the current circumstances, we would appreciate the Scheme's consideration of this proposal at the earliest opportunity to enable the necessary due diligence and future operating model assessment to commence without delay.

This proposal remains subject to approval by the Board of 3Sixty Global Solutions Group (Pty) Ltd by **24 July 2026**.

Short-Term Funding Requirements

In the interim, 3Sixty Health requires additional working capital to cover June and July 2026 operations and continue delivering services while these discussions are underway.

Accordingly, in addition we respectfully request that the Scheme:

- settles the outstanding administration fees to bring the account up to date

These measures will assist in maintaining operational stability while a longer-term solution is pursued.

We believe it would be beneficial to meet with you and the relevant principals at your earliest convenience to discuss this proposal and identify a sustainable path forward.

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3Sixty Health remains committed to working collaboratively with the Scheme to achieve an outcome that protects members, preserves operational capability and supports the long-term sustainability of the Scheme.

We look forward to your response.

Yours sincerely,

Minki Rasenyalo
Acting Chief Executive Officer
3Sixty Health

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