

**NOTICE: 57<sup>th</sup> BESTMED ANNUAL GENERAL MEETING**

The 57<sup>th</sup> Bestmed Annual General Meeting (AGM) will take place at 09:00 on Thursday, 24 June 2021. Registration will take place from 08:45 and AGM proceedings will commence from 09:00 to 12:00. The safety of our members and employees remain a priority during the COVID-19 pandemic, therefore we will be hosting the AGM virtually via the link below:

[http://bit.ly/Bestmed\\_2021\\_Virtual\\_AGM\\_Event](http://bit.ly/Bestmed_2021_Virtual_AGM_Event)

**The agenda of the 57<sup>th</sup> Bestmed AGM is as follows:**

- Opening and welcome
- House rules for the virtual event format
- Finalisation of agenda
- Minutes of previous AGM held on 23 September 2020
- Matters arising from the minutes
- Chairperson's report
- Financial statements and auditors report
- Appointment of auditors for 2021
- Motions received in terms of Rule 26.1.4
- Proposed amendments to Trustee Remuneration Policy (including Trustee Remuneration for 2021/2022)
- Closure

Attached to this letter are 3 documents that have reference to the agenda item "Proposed amendments to Trustee Remuneration Policy (including Trustee Remuneration for 2021/2022)". The documents include 2 versions of the Trustee Remuneration Policy – one with the proposed amendments to the Trustee Remuneration Policy in track changes and the other with the amendments accepted and incorporated. The third document is an explanatory note relating to the proposed amendment to the trustee remuneration.

Please note that Bestmed's Highlights of the Annual Financial Statements (HAFS) is available on the website via this link: <https://www.bestmed.co.za/content/annual-reports>. This document contains Bestmed's financial highlights, operational progress, reports from the Chief Executive Officer/Principal Officer and Chairperson, as well as the 2020 AGM minutes. The main highlights for the year ended 31 December 2020 are also presented in a summarised version at the end of this notification.

You are kindly reminded to apply to the Scheme, via the contact numbers below, if you would like to inspect or make extracts of the full set of Annual Financial Statements. Members who wish to submit a motion for the AGM, are requested to kindly e-mail the relevant information to [bestmed-agm@bestmed.co.za](mailto:bestmed-agm@bestmed.co.za) by no later than Thursday, 10 June 2021.

Members who wish to attend will be required to provide their membership and identification numbers upon online registration. Only members in good standing will be allowed to attend and participate in the AGM.

Instructions on how to log in to the virtual meeting, register and vote can be obtained via email request to [bestmed-agm@bestmed.co.za](mailto:bestmed-agm@bestmed.co.za). Please note that all voting for motions and other matters will also be done virtually on the same platform.

Should you wish to attend the AGM or have any queries, please contact Refilwe Moloisane by e-mail at [bestmed-agm@bestmed.co.za](mailto:bestmed-agm@bestmed.co.za), phone at 0860 002 378 (Monday to Friday: 08:00 - 16:00) or by post to PO Box 2297, Arcadia, Pretoria, 0001, South Africa. **Please RSVP for the 57<sup>th</sup> AGM by Tuesday, 21 June 2021.**

Personally Yours,



Leo Dlamini  
Chief Executive Officer and Principal Officer

## BESTMED MEDICAL SCHEME ANNUAL FINANCIAL STATEMENTS

### Highlights for the year ended 31 December 2020

The 2020 results illustrate Bestmed Medical Scheme's ("the Scheme") unwavering commitment in ensuring that the best interests of members are considered in maintaining a healthy financial position by delivering on its promise of Personally Yours.

The following are key contributors in ensuring the financial sustainability of the Scheme:

- **Membership:** The Scheme's principal membership increased over the year and the Scheme ensured the sustainability thereof by enhancing benefit options to reflect stakeholder needs and announcing a very competitive weighted average increase for 2021.
- **Benefits and Limits:** The Scheme manages costs through benefit sub-limits, clinical protocols, designated service provider agreements and application of Scheme tariffs. During 2020, the Scheme announced that the benefit limits would increase more than the increase in the price of the options.
- **Managed Healthcare Services Providers:** The Scheme engages healthcare providers to assist in the management of Managed Healthcare programmes which include disease management, network management, hospital benefit management, dental benefit management, HIV management and pharmaceutical benefit management. Each one of these programmes contributes extensively towards managing the risk of increased benefit utilisation and claim costs to the Scheme.
- **Risk Management:** The Scheme has an effective risk management process whereby risks are monitored and flagged and the necessary corrective actions or mitigating controls are implemented.
- **Investment Strategy:** The Scheme has an effective investment strategy which focuses on maximising returns, but also safeguarding capital.

**The financial highlights for 2020 are as follows:**

- **Net Healthcare Results:** R767,8m (2019: R203,8m).
- **Non-healthcare Expenses as percentage of Risk Contributions:** 8.61% (2019: 8.96%).
- **Investment Income:** R166,7m (2019: R211,8m) which also contributed to the Scheme's net surplus of R877,9m in 2020 (2019: R349,6m).
- **Total Member Funds:** R3,0bn (2019: R2,1bn) with a solvency of 47.3% (2019: 35.4%), 22.3% above the statutory solvency requirement of 25%. The resultant average accumulated funds per average member at 31 December was R31 292 (2019: R22 771).
- **Cash cover of Risk Benefits:** 9.6 months (2019: 6.8 months) which ensures that sufficient cash exists to cover unforeseen and extraordinary high-cost claims such as the 2020 COVID-19 pandemic.