

**NOTICE: 58<sup>th</sup> BESTMED MEDICAL SCHEME ANNUAL GENERAL MEETING**

The 58<sup>th</sup> Bestmed Medical Scheme Annual General Meeting (AGM) will take place at 09:00 on Thursday, 23 June 2022. To ensure the participation of all members irrespective of their geographical location and, more importantly, the safety of our members and employees, we will be hosting the AGM virtually via the link below:

<https://www.events.bestmed.co.za/>

Please note that registration will take place from 08:00 and AGM proceedings will commence from 09:00 to 12:00.

**The agenda of the 58<sup>th</sup> Bestmed Medical Scheme AGM is as follows:**

1. Opening and welcome
2. House rules for the virtual event
3. Finalisation of agenda
4. Minutes of the previous AGM held on 24 June 2021
5. Matters arising from the minutes
6. Chairperson's report
7. Financial statements and auditor's report
8. Appointment of auditors for 2022
9. Motions received in terms of rule 26.1.4
10. Proposed increase in trustee remuneration for 2022-2023
11. Closure

In support of agenda item 10, the following documents are attached to this notice:

1. The Trustee Remuneration Policy (including Annexure A indicating the proposed fees payable in 2022-2023).  
It should be noted that the body of the Policy remains unchanged from what was approved by the members at the 2021 AGM, therefore no changes are proposed. The Policy is attached to provide members with context to Annexure A which encapsulates the effect of the proposed 5% increase to the fees approved in 2021.  
Accordingly, two versions of the Trustee Remuneration Policy are included – one version reflects the proposed amendments to Annexure A and the other version is the Policy with the proposed changes incorporated into Annexure A.
2. The third document is an explanatory note which relates to the proposed amendments to Annexure A (i.e. proposed increase to the trustee remuneration for 2022-2023).

Members can access Bestmed's Highlights of the Annual Financial Statements (HAFS) on the website via this link: <https://www.bestmed.co.za/about-bestmed/annual-reports>. This document contains Bestmed's financial highlights, operational progress, reports from the Chief Executive Officer/Principal Officer and the Chairperson, as well as the 2021 AGM minutes. The main highlights for the year ended 31 December 2021 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 details provided in the last paragraph of this notification, if you would like to inspect or make extracts of the full set of Annual Financial Statements.

Members who wish to submit a motion(s) for the AGM are requested to also kindly email the relevant information to [bestmed-agm@bestmed.co.za](mailto:bestmed-agm@bestmed.co.za) by no later than Thursday, 9 June 2022.

All members attending the AGM will be required to provide their membership and identification numbers upon successful registration via the online platform. 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 be done via the virtual platform. Only members in good standing will be allowed to attend and participate in the AGM.

Should you wish to attend the AGM or have any queries, please contact Ilana Verveen by email 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 58<sup>th</sup> AGM by Thursday, 9 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 2021**

The 2021 results illustrate Bestmed Medical Scheme's ("the Scheme") unwavering commitment in ensuring that the best interests of its members are considered in maintaining a healthy financial position by delivering on its brand promise of being Personally Yours. This ongoing commitment is reflected in the fact that in 2021 we recorded membership growth in a largely stagnant market and during very challenging economic conditions, as well as in the positive and sustainable financial performance achieved, which has seen the Scheme record a positive net healthcare result once again.

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

- **Membership:** The Scheme's principal membership increased during the 2021 financial year and the Scheme ensured the sustainability thereof by enhancing benefit options to reflect stakeholder needs and by announcing a competitive weighted average contribution increase for 2022.
- **Benefits and Limits:** The Scheme manages costs through benefit sub-limits, clinical protocols, designated service provider agreements and application of Scheme tariffs. During 2021, the Scheme announced that the benefit limits would exceed the weighted average contribution increase.
- **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 and/or mitigating controls are implemented where risks have been identified.
- **Investment Strategy:** The Scheme has an effective investment strategy which focuses on maximising returns, but also safeguarding capital.

The financial highlights for 2021 are as follows:

- **Net Healthcare Results:** R51,9m (2020: R767,8m).
- **Non-healthcare Expenses as percentage of Risk Contributions:** 8.35% (2020: 8.61%).
- **Investment Income:** R294,3m (2020: R166,7m), which also contributed to the Scheme's net surplus of R288,9m in 2021 (2020: R877,9m).
- **Total Member Funds:** R3,36bn (2020: R3,0bn) with a solvency of 45,68% (2020: 44,23%), 20,68% above the statutory solvency requirement of 25%. The resultant average accumulated funds per average member as at 31 December was R33 256 (2020: R31 292).
- **Cash cover of Risk Benefits:** 8.7 months (2020: 9.6 months), which ensures that sufficient cash exists to cover unforeseen and extraordinary high-cost claims, such as the 2020 COVID-19 pandemic.