



BMW EMPLOYEES

Medical Aid Society

2026 NOTICE OF ANNUAL GENERAL
MEETING INFORMATION BOOKLET

NOTICE

Notice is hereby given that the Fortieth Annual General Meeting of the BMW Employees Medical Aid Society will be held at BMW Plant Rosslyn and Microsoft Teams webinar, on Sunday, 21 June 2026 at 10:00.



CONTENTS

04 CHAIRPERSON'S
REPORT

05 MINUTES OF THE
PREVIOUS MEETING

08 FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED
31 DECEMBER 2025



CHAIRPERSON'S REPORT

Looking back at 2025, geopolitical challenges and their global and local effects played havoc with the global economy, international prices and inflationary tendencies. Under these circumstances, the South African economy could just maintain the moderate growth experienced during the previous year, with inflationary pressures, fluctuating exchange rates and general economic uncertainty still impacting consumer spending and confidence. Under these circumstances, the South African medical schemes industry was facing significant pressures on ever rising costs and its struggle in maintaining affordable member benefits.

In light of these challenges, the Scheme benefitted from the introduction of quite a number of younger members during the year, positively influencing rising medical costs. With the fraud within the Scheme having been dealt with during the year and the Section 43 enquiry by the Council of Medical Schemes resulting in a favourable outcome for the Scheme, the Board of Trustees could continue with its emphasis on and commitment to governance, transparency, accountability, efficiency, operational integrity and protection of the interests of the Scheme's members.

It therefore is not surprising that the Board of Trustees remained resolute in its governance role, continuously seeking to improve the Scheme's processes and procedures, and ensure that we meet the highest standards of corporate governance and operational practices. The Board of Trustees remain committed to fostering a culture of integrity, accountability, and excellence as we navigate the complexities of the medical scheme environment.

PERFORMANCE

Under the trying circumstances, it is pleasing to report that BEMAS achieved another excellent financial performance during 2025. The prudent financial management and strategic initiatives have resulted in a robust financial position, enabling the Scheme to continue delivering quality healthcare services to its members. After having been able to hold the monthly contributions without increase for the first six months of the 2025 financial year and thereafter only increasing the monthly contributions by 5% for the remaining six months of 2025, one of the lowest contribution increases in the market for 2025, the Board of Trustees was again able to do something similar for 2026. Again, no increase was implemented at the beginning of the financial year of 2026 with only a 3% increase for the remaining six months of 2026 – that's an effective increase of only 1.5% per month for the full financial year of 2026!

The Board of Trustees continuously tracks a number of key indicators to monitor the financial health of the Society, such as the accumulated funds ratio, the net healthcare result, and the net surplus/(deficit). The accumulated funds ratio remained very stable, with the solvency again increasing somewhat. After paying for insurance service expenses (claims), the Society's insurance service result was a surplus of R14.336 million (2024: surplus R29 704 million). After considering the income from investments, BEMAS experienced a positive net insurance and investment result (net surplus) of R75.026 million (2024: surplus of R40.8 million).

The Board of Trustees maintains confidence in the Scheme's financial position and reserve levels, assuring its ability to handle any future adverse claims experiences and meet our claims payment obligations.

VOTE OF THANKS

I extend my thanks to the following stakeholders for their time, valuable contributions, and guidance throughout the year, ensuring that the Society was well-managed and continued to operate in the best interests of its members:

- The Board of Trustees
- The Schemes Audit Committee members
- External Auditors, Deloitte
- The Administrator and Managed Care providers, Discovery Health.

A special thank you to the Board of Trustees for your sustained commitment to the Scheme and its members. Your key insights and guidance have made a significant impact on the Society's governance and its operations. These words of thanks are also extended to the Scheme's Principal Officer for her support and commitment.

CONCLUDING REMARKS

Personal health is every person's greatest asset. Throughout a person's life it's imperative that every individual takes responsibility for the decisions he or she makes every day, from what we eat and drink, to whether we exercise or not, whether we smoke or have other "bad habits" and what we provide our children as nourishment, both physically and mentally. Therefore, we should own our tomorrow and remember that what we do today will impact our future. This holds true for our health and the cost of maintaining it.

The Board of Trustees is committed to keeping the Scheme's members well-informed, allowing them to make better decisions regarding their health. Thank you to all members who are investing in their health by making good choices today and using BEMAS funds responsibly.

In conclusion, while the medical aid industry remains challenging, the Scheme's Board of Trustees remain optimistic about the future. The Scheme's focus on member-centric strategies, enhanced benefits, and strong governance will guide the Board of Trustees as we continue to serve the Scheme's members and contribute positively to their health and the healthcare sector in South Africa.

Sincerely yours & best regards,

Jürgen Fegbeutel

BEMAS Chairperson

MINUTES OF THE PREVIOUS MEETING

Minutes of the thirty ninth Annual General Meeting of the BMW Employees Medical Aid Society held on 22 June 2025 at 10h00 in the main canteen, BMW SA (Pty) limited, Rosslyn and via MS Teams

PRESENT

Dr. S Kotze (Chairman)
88 Attendees (virtual and onsite combined)
36 Proxies received

IN ATTENDANCE

N Naidoo (Discovery Health)
M Buckingham (Discovery Health)
T Lamolo (Discovery Health)
K Gadinabokao (Council for Medical Schemes)

01 | Welcome

The Chairman welcomed all present to the Thirty Ninth Annual General Meeting (AGM) of the BMW Employees Medical Aid Society. A special welcome was extended to the representative from the Council for Medical Schemes, Ms. Keaorata Gadinabokao.

The Chairman confirmed that notices for the meeting were distributed to members and also placed on notice boards at the employer's premises by the requisite dates in terms of the Society Rules.

With proper notice having been given, a quorum of 30 members was present, and the meeting was declared properly constituted.

The Chairman shared the agenda and explained the online and onsite voting process to all the members present

02 | Minutes of the previous meeting

The minutes of the Thirty Eighth Annual General Meeting held on the 9th of June 2024, having been circulated with the notice of the meeting, were taken as read.

The Chairman provided attendees with the opportunity to ask questions of clarity.

The Chairman moved to accept the minutes of the Annual General Meeting (AGM) held on the 9th of June 2024. The Minutes were approved as a true reflection of the proceedings.

03 | Adoption of the Annual Financial Statements and Board of Trustees Report for the year ended 31 December 2024

The Chairman confirmed that, as is required, in terms of Rule 26.1.2 of the Society, the Notice of the AGM, Agenda, Board of Trustees Report, highlights of the Annual Financial Statements and External Auditor's Report were provided to members 14 days prior to the date of the AGM.

The Chairman confirmed that the Annual Financial Statements had been closely reviewed by the Audit and Risk Committee and further approved by the Board of Trustees as well as the Society's external auditors, Deloitte.

The Chairman motioned for the adoption of the Annual Financial Statements and the Board of Trustees Report for the year ending 31 December 2024. Dr. Fegbeutel approved the motion and Mr. Uren seconded the motion. The Chairman declared the motion as CARRIED.

MINUTES OF THE PREVIOUS MEETING (cont.)

04 | Appointment of external auditors for the ensuing financial year

The Chairman confirmed that the re-appointment of Deloitte as the Society's external auditors for the 2025 financial year had been endorsed by the Audit and Risk Committee and further approved by the Society's Board of Trustees. He proposed that the approval of Deloitte as the Society's External Auditors be adopted. The appointment was approved by Dr. Fegbeutel and seconded by Mr. Uren and the Chairperson confirmed the appointment for the ensuing financial year.

05 | Election of Trustees

The Chairman confirmed that in terms of Rule 18 of the Society, the Society would be managed by a Board consisting of nine persons who are fit and proper to be Trustees, four of whom were appointed by the Employer, and five elected by members in general meetings. All Trustees were to hold office for three years from the date that he/she was appointed or elected and would retire automatically every three years. A retiring Trustee would be eligible for re-election, provided that, with effect from 1 January 2008, no person would serve more than two consecutive terms and no more than a total of three terms.

The Chairman advised that Ms. Shilenge (Morwa) and Mr. Masuku had resigned and that Mr. Mashiloane's term ended at the conclusion of the 2025 Annual General Meeting. He confirmed that there was therefore three member-elected trustee vacancies to be filled and nominations were requested to be sent to Ms. Kunene by the 2nd of June 2024.

Valid nominations for Trustee elections were:

Mr. M Mashiloane

Dr. J Fegbeutel

Ms. L Verhoef

Ms. M Mashishi

Ms. R Lala

All submitted nominations were counted, and Mr. Mashiloane, Dr. Fegbeutel and Ms. Verhoef, with the greatest number of valid nominations, emerged as successfully elected, and congratulated the new trustees on their election and welcomed them to the Board of Trustees.

06 | General

The Chairman noted that any motions in accordance with the Society rules had to be received by 10am on the 15th of June and confirmed that no motions were submitted, and afforded members an opportunity to ask questions and raise any matters of general interest.

1. A member asked for an update on the earlier fraud incident and its effect on the Society. Mr. Kunene confirmed there was no financial impact on members, and that contribution increases for 2025 would only apply from July 1 to December 31, 2025. The Chairman added that, due to the amount involved, legal investigations and disciplinary actions led to several terminations. However, new memberships have stabilized numbers, and the Society remains financially unaffected.

The member then asked if measures have been put in place to prevent reoccurrence of the matter. The Chairman responded by saying that there had been significant enhancements to the forensics portfolio such as provider risk tool enhancements and employer risk rating comparing different schemes to find the outliers. He noted that Discovery had a fraud networks model which tracked member behaviour rather than tracking the providers. In addition to that he also reported the Discovery had committed to provider behaviour modification through billing profile reports which were shared with service providers, and service providers could assess themselves against other service providers and know that they were being monitored.

2. A member asked about the duration of the fraud investigation, given that it was identified early in 2022. The chairman explained that anomalies in the data only become apparent as claims accumulate and form patterns, making it challenging to detect fraud immediately. Investigations begin once these outliers are identified.

MINUTES OF THE PREVIOUS MEETING (cont.)

06 | General

3. A member inquired about the mechanisms available to address systemic issues, citing instances where communications were received late and had a direct impact on the member. The member also asked why BEMAS does not have a dedicated complaints email address. Ms. Naidoo stated that Discovery has SLAs in place that must be followed. She confirmed the existence of both disputes and complaints emails, recommending clearer communication to members. She also noted these complaints reach the principal officer directly.
4. The Chairman noted that discussions covered topics related to quarterly updates on fraud, as well as suggestions about future security measures and access to the plant. There were also comments regarding providing images of all nominees moving forward.

The Chairman summarized the suggestions, and noted from a trustees' point of view, the processes included identifying fraud, taking immediate steps to stop any fraudulent activity, and developing strategies for ongoing management and prevention. He noted that the board of trustees reviewed its governance practices and discussed the importance of accountability among members. Additional oversight methods were being considered in partnership with the administrative entity, Discovery, to enhance governance by implementing more policies and processes.

The chairman stated that the Board of Trustees reviewed forensic reports, which included queries related to claims; not all queries indicate fraud, but that it was closely monitored. When incidents of fraud were identified, immediate action was taken, such as terminating relationships with specific suppliers or service providers involved. Various monitoring systems and financial recovery procedures were in place to address fraudulent claims and to recover funds within the Discovery ecosystem.

Ms. Naidoo undertook to investigate fraud and how to effectively communicate it to members, as a member requested that members should be more informed.

5. There was a request for retirees to pay 20% of their monthly contribution.

No further questions were received.

07 | Closing

In conclusion, the Chairman notified the members of Mr. Meiring's passing and in remembrance thank contribution to the Board of Trustees. He thanked everyone present for their attendance.

There being no further matters to discuss, the meeting was closed.

08 | Date of the next meeting

The next meeting to be confirmed.

Minutes accepted

DR. S KOTZE
CHAIRMAN

DATE

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Statement of Responsibility by the Board of Trustees

The Board of Trustees is responsible for the preparation, integrity and fair presentation of the financial statements of BMW Employees Medical Aid Society ("the Scheme"), and to ensure that proper systems of internal control are employed by and on behalf of the Scheme. The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS) and in the manner required by the Medical Schemes Act 131 of 1998, as amended and include amounts based on judgements and estimates made by the Trustees.

The Trustees are also responsible for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Trustees have reviewed the Scheme's budget for the year ending 31 December 2026. The Trustees have made an assessment of the Scheme's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The Scheme's external auditor, Deloitte & Touche, is responsible for auditing the financial statements in terms of International Standards on Auditing and their report is presented on pages 4 - 9. Deloitte & Touche has unrestricted access to all financial records and related data, including minutes of all meetings of members, the Board of Trustees and committees of the Board. The Trustees believe that all representations made to the external auditor during their audit were valid and appropriate.

Approval of The Annual Financial Statements

The annual financial statements of BMW Employees Medical Aid Society Medical Scheme, as identified in the first paragraph, were approved and authorised for issue by the Trustees on 14 May 2026 and are signed on their behalf by:



DR JP FEGBEUTEL
CHAIRPERSON



Ms C Msibi
TRUSTEE



Ms M KUNENE
PRINCIPAL OFFICER

14 May 2026

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Statement of Corporate Governance by The Board Of Trustees

BMW Employees Medical Aid Society Medical Scheme (the Scheme) is committed to the principles and practice of responsibility, accountability, fairness and transparency in its dealings with all stakeholders and applies good governance principles.

The Scheme is committed to ensure compliance with the recognised framework and conducting affairs in accordance with ethical values, to ensure the adoption of risk assessment, evaluation and management processes with regular monitoring of third party administrators and providers in accordance with the service level agreements. This includes evaluating the performance of the Board and of the Board sub-committees against agreed terms of reference and performance targets, establishment and management of internal controls by assessing the adequacy and effectiveness through the reports of the internal auditors and calling on expert and professional advice when required. The Trustees are either appointed by the respective employers or elected by the members of the Scheme.

Board of Trustees

The Board of Trustees and its committees meet regularly and monitor the performance of the Administrator and other service providers. They address a range of key issues and ensure discussion on items of policy, strategy and performance are informed and constructive.

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

Internal Control

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

No event or item has come to the attention of the Board of Trustees that indicates any material breakdown in the functioning of the key internal controls and systems during the year under review.

Risk Management

The Trustees adhere to appropriate risk management principles which include contract review, maintaining and monitoring a risk register and review of internal and external reports.

Governance

In terms of good governance practices, the Scheme complies with a recognised governance framework which includes regular monitoring of third party service providers and the management of internal controls and the effectiveness thereof.



CHAIRPERSON
DR JP FEGBEUTEL



TRUSTEE
Ms C MSIBI



PRINCIPAL OFFICER
Ms M KUNENE

Independent Auditor's Report

To the Members of BMW Employees Medical Aid Society

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of BMW Employees Medical Aid Society (the Scheme), set out on pages 10 to 60 which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of BMW Employees Medical Aid Society as at 31 December 2025, and its financial performance and cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Medical Schemes Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Scheme in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



National Executive: *R Redfearn Chief Executive Officer *GM Berry Chief Operating Officer JW Eshun Managing Director Businesses LN Mahluza Chief People Officer *N Sing Chief Risk Officer AP Theophanides Chief Sustainability Officer *NA le Riche Chief Growth Officer *ML Tshabalala Audit & Assurance AM Babu Consulting TA Odukoya Financial Advisory G Rammego Risk Advisory DI Kubeka Tax & Legal DP Ndlovu Chair of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
<p>OUTSTANDING CLAIM PROVISION</p> <p>The insurance contract liability (Liability for Incurred Claims and Risk adjustment and Liability for Remaining Coverage) attributable to current members included in note 5 of the financial statements is made up of the liability for incurred claims of R5 300 000 (2024: R4 500 000) and Risk adjustment of R134 514 (2024: R193 875) recognised for the estimated cost of healthcare benefits that have been incurred prior to year-end but that were only reported to the Scheme after year-end balance on the Scheme's statement of financial position.</p> <p>Sources of these outstanding claim payments include:</p> <ul style="list-style-type: none"> • Benefit changes that may result in a previously uncovered claim now being eligible for payment. • Reported claims that have not yet been paid out. • Unknown and hence unreported claims. • Closed claims that may later be re-opened and require additional payments etc. <p>The calculation of the Insurance contract liability (specifically the Liability for incurred claims (LIC) and Risk adjustment (RA)) is inherently complex and represents a key judgement for the Scheme, especially in the estimation and judgement related to the Liability for Incurred Claims and Risk Adjustment.</p> <p>The Scheme actuaries have used Bornhuetter-Ferguson method ("BF"): A standard model used to calculate the LIC and used the bootstrapping methodology to determine the Risk Adjustment (RA) for non-financial risk for the Scheme on a per option level.</p> <p>The IBNR calculation is based on several factors, which include:</p> <ul style="list-style-type: none"> • The level of homogeneity of the data; • Changes in patterns of claims and claims processing; • Changes in benefit limits; and • Changes in prescribed minimum benefits. <p>We considered the Liability for incurred Claims (the IBNR and the Risk Adjustment) as a key audit matter due to:</p> <ul style="list-style-type: none"> • The materiality of the liability; and Significant judgement and estimation uncertainties in determining the future cash flow projections and the risk adjustment. 	<p>In evaluating the valuation of the IBNR and RA components of the LIC, we evaluated the calculations performed by Insight Actuarial Solutions (Pty) Ltd as an independent management expert who perform the liability calculations and performed procedures which included:</p> <ul style="list-style-type: none"> • Considering the design and implementation of the Scheme's controls relating to the preparation of the IBNR and RA calculation though gaining an understanding of the end-to end claims and LIC provision business process; • We obtained the report of the Scheme's actuary relating to the LIC provision at year end and tested the appropriateness of the estimate as follows: <ul style="list-style-type: none"> – Evaluated the competence, capabilities and objectivity of the Scheme's actuary; – Obtained an understanding of the method and models used in calculating the LIC provision estimate. With the assistance of our actuarial specialists, assessed the appropriateness of the methodology and assumptions used in determining the IBNR and RA components of the LIC in terms of acceptable methodologies, industry standards, and that they meet the measurement objectives of IFRS 17. – We evaluated the integrity of the information used in the calculation of the estimated future cash flows and the Risk Adjustment as included in the liability for incurred claims balance insurance contract liability by performing substantive procedures to ensure the completeness and accuracy of the information. – With the assistance of our internal actuarial specialists, perform an independent calculation of the estimated future cash flows and the Risk Adjustment as included in the liability for incurred claims balance Insurance contract liability using historical claims data and trends and for comparing with management's valuation. • Assessed the presentation and disclosure in respect of the LIC provision and considered the adequacy of these disclosures against the requirements of IFRS17 and relevant industry guidance. <p>Based on the procedures performed above, we are satisfied that the methodology and assumptions applied in calculating the IBNR and RA components of the LIC are appropriate.</p>

OTHER INFORMATION

The Scheme's trustees are responsible for the other information. The other information comprises the information included in the *Audited Financial Statements which includes the Report of the Board of Trustees, Statement of Responsibility by the Board of Trustees and Statement of Corporate Governance by the Board of Trustee*. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE SCHEME'S TRUSTEES FOR THE FINANCIAL STATEMENTS

The Scheme's trustees are responsible for the preparation and fair presentation of the financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Medical Schemes Act of South Africa, and for such internal control as the Scheme's trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Scheme's trustees are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Scheme's trustees either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Scheme's trustees.
- Conclude on the appropriateness of the Scheme's trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty

exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Scheme's trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Scheme's trustees, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS¹


Non-compliance with the Medical Schemes Act of South Africa

As required by the Council for Medical Schemes, we report that there are no material instances of non-compliance with the requirements of the Medical Schemes Act of South Africa that have come to our attention during the course of our audit. The instances of non-compliance have been fully disclosed in Note 16 of the Financial Statements to which the report refers.

Audit tenure

As required by the Council for Medical Schemes' Circular 38 of 2018 Audit tenure, we report that Deloitte & Touche has been the auditor of BMW Employees Medical Aid Society for seven years.

The engagement associate director, Ilze de Villiers, has been responsible for the BMW Employees Medical Aid Society audit for two years.



Deloitte & Touche
Registered Auditor
Per: Ilze de Villiers
Associate Director

20 May 2026

¹ ISA 700 (Revised), paragraphs 43 to 45.

REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees hereby presents its report for the year ended 31 December 2025

01 | Description of The Scheme

1.1 | TERMS OF REGISTRATION

The BMW Employees Medical Aid Society is a not-for-profit restricted membership Scheme registered in terms of the Medical Schemes Act, of South Africa.

1.2 | BENEFIT OPTIONS WITHIN THE BMW EMPLOYEES MEDICAL AID SOCIETY

The Scheme offers one (1) benefit option.

1.3 | SAVINGS PLAN

From 1 January 2017 the Scheme discontinued the MSA component of the benefit option. MSA balances owing to members are being refunded accordingly. The Scheme is attempting to refund all unpaid balances with assistance from the employer.

1.4 | REINSURANCE CONTRACTS

The Scheme had the Netcare 911 reinsurance contract in place during the year under review. Netcare 911 Proprietary Limited provided emergency medical advice, emergency medical response and transportation to the members of the Scheme.

In 2009, the CMS took the decision that Netcare 911 did not require accreditation as a managed healthcare provider to provide certain services to medical schemes. Following a complaint, in December 2017, the CMS found that Netcare 911 cannot perform functions which require accreditation. Netcare 911 appealed this ruling, which appeal is still pending. The effect of the pending appeal is that the 2017 Ruling remains in abeyance pending the finalisation of the appeal, in line with Section 49(2) of the Medical Schemes Act, resulting in the Scheme's agreement with Netcare 911 remaining valid.

REPORT OF THE BOARD OF TRUSTEES

02 | Management

2.1 | BOARD OF TRUSTEES IN OFFICE DURING THE YEAR AND AT THE DATE OF THIS REPORT WAS:

Employer Appointed

Dr S Kotze (Chairperson)	Appointed 1 July 2023
Ms R Nagdee	Appointed 1 January 2022
Mr A Mtsweni	Appointed 1 June 2024
Ms C Msibi	Appointed 1 October 2024

Employee elected

Dr JP Fegbeutel	Appointed 22 June 2025
Ms R Shilenge (Morwe)	Resigned 17 April 2025
Mr P Uren	Appointed 9 June 2024
Mr C Prevost	Appointed 9 June 2024
Mr P Masuku	Resigned 1 March 2025
Mr M Mashiloane	Appointed 22 June 2025
Ms L Verhoef	Appointed 22 June 2025

2.2| PRINCIPAL OFFICER

Ms M Kunene	Appointed 1 March 2021
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2.3 | REGISTERED OFFICE ADDRESS AND POSTAL ADDRESS

1 Discovery Place	PO Box 786722
Sandton	Sandton
2196	2196

2.4 | SCHEME ADMINISTRATOR DURING THE YEAR

Discovery Health Proprietary Limited

1 Discovery Place	PO Box 786722
Sandton	Sandton
2196	2196

REPORT OF THE BOARD OF TRUSTEES

2.5 | INVESTMENT MANAGERS DURING THE YEAR

The Scheme made use of the services of the following asset managers:

- Allan Gray Life Limited
- Aluwani Capital Partners Proprietary Limited
- Ashburton Investment Stable Income Fund
- Coronation Medical Aid Portfolio
- Prescient Specialist Income Fund B1
- M&G Investments Inflation Plus 5% Medical Aid Fund
- Ninty One Corporate Monet Market Fund
- Nedbank Corporate Money Market Fund

2.6 | INVESTMENT CONSULTANT DURING THE YEAR

Old Mutual Wealth Limited

1 Mutual Place	PO Box 650140
Second Floor	Benmore Gardens
107 Rivonia Road	Johannesburg
Sandton	2010
2196	

2.7 | ACTUARIES

Mr Pieter Grobler	Discovery Health Proprietary Limited
1 Discovery Place	PO Box 784262
Sandton	Sandton
2196	2196

03 | Investment Policy of The Scheme

The Trustees continue to invest funds in line with the requirements of the Act. The Scheme continues to pursue a growth-orientated investment strategy.

REPORT OF THE BOARD OF TRUSTEES

04 | Review of the Accounting Period's Activities

4.1 | OPERATIONAL STATISTICS

	2025	2024
Number of members at the end of the accounting period	3,153	2,752
Average number of members for the accounting period	3,095	3,102
Number of beneficiaries at the end of the accounting period	7,434	6,904
Average number of beneficiaries for the accounting period	7,394	8,033
Average age of beneficiaries for the accounting period	29,10	29,67
Pensioner ratio (beneficiaries > 65 years)	4,09%	4,03%
Relevant healthcare expenditure per member per month	R5,948.65	R5,428.90
Relevant healthcare expenditure per beneficiary per month	R2,490.19	R2,096.41
Relevant healthcare expenditure ratio	91,98%	84,09%
Directly attributable insurance service expenses per member per month	R370.44	R351.24
Directly attributable insurance service expenses per beneficiary per month	R155.07	R135.63
Directly attributable insurance service expenses (DAE) ratio	5,97%	5,44%
Average insurance revenue per member per month	R6,204.30	R6,456.38
Average insurance revenue per beneficiary per month	R2,597.21	R2,493.18
Average claims incurred per member per month	R6,204.30	R5,367.27
Average claims incurred per beneficiary per month	R2,597.21	R2,072.61
Average insurance service expenditure per member per month	R5,834.20	R5,664.59
Average insurance service expenditure per beneficiary per month	R2,442.28	R2,187.43
Insurance service expenditure as a percentage of insurance revenue	94,0%	87,7%
Average non-healthcare expenditure per member per month	R293.42	R285.51
Average non-healthcare expenditure per beneficiary per month	R122.83	R110.25
Average managed care costs per member per month	R128.36	R121.71
Average managed care cost per beneficiary per month	R53.73	R47.00
Managed care services as a percentage of gross contributions	2,07%	1,89%
Beneficiary ratio at 31 December	2,36	2,51
Non-healthcare expenditure as a percentage of insurance revenue	4,73%	4,42%
Liability for future members per member at 31 December	R143,138.50	R136,778.01
Return on investment	18,47%	13,27%

REPORT OF THE BOARD OF TRUSTEES

4.2 | RESULTS OF OPERATIONS

The results of the Scheme are set out in the financial statements and the Trustees believe that no further clarification is required.

4.3 | ACCUMULATED FUNDS RATIO

Movements in the Liability for Future Members (formerly known as Accumulated Funds) are set out in Note 5 of the Annual Financial Statements.

	2025 R	2024 R
Liability to members for future benefits per Statement of Financial Position	451,315,697	376,413,082
Less: Cumulative unrealised net gain on measurement of investments to fair value	(103,685,279)	(68,702,769)
Accumulated funds per Regulation 29 of the Act	347,630,418	307,710,313
Annualised gross contributions	230,440,014	240,345,235
Accumulated funds ratio = Accumulated funds/annualised gross contribution income x 100	150,86%	128,03%

4.4 | RESERVE ACCOUNTS

With the implementation of IFRS 17 there are no reserve accounts as accumulated funds are disclosed as part of insurance contract liabilities to members for future benefits in the Statement of Financial Position. Previously the movements in the reserves were disclosed in the Statement of Changes in Funds and Reserves. There have been no unusual movements that the Trustees believe should be brought to the attention of the members of the Scheme.

4.5 | INSURANCE CONTRACT LIABILITY

Movements on the liability for incurred claims are set out in note 4 to the financial statements. There have been no unusual movements that the Trustees believe should be brought to the attention of the members of the medical scheme.

05 | Actuarial Services

Insight Actuaries and Consultants provided healthcare actuarial services in calculating and verifying the Liability for incurred claims as set out in note 4 at year end.

The Scheme's actuaries have been consulted in the determination of the contribution and benefit levels. The Scheme's actuaries also calculate the annual budget and monthly actuarial reports of the Scheme.

06 | Events After The Reporting Date

There have been no facts or circumstances of a material nature that have occurred between the reporting date and the date of approval of these financial statements.

REPORT OF THE BOARD OF TRUSTEES

07 | Related Party Transactions

Discovery Health Proprietary Limited is the administrator of the Scheme.

Payments are made in terms of the administration and managed care agreements, reviewed for 2025 at the end of 2024, with Discovery Health (Pty) Ltd. Fees were paid as follows:

	2025 R	2024 R
Discovery Health Proprietary Limited	13,916,146	13,129,754
Administration fees	9,385,403	8,855,019
Managed care: management services fees	4,530,743	4,274,734

08 | Audit and Risk Committee

An Audit and Risk Committee (the Committee) was established in accordance with the provisions of the Act. The Committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties. The Committee consists of five members of which two are members of the Board of Trustees. The Committee met on three occasions during the course of the year as follows:

- 25 April 2025
- 26 August 2025
- 06 November 2025

The Administrator attend all Committee meetings and has unrestricted access to the Chairman of the Committee. The external auditor of the Scheme attend meetings on invitation only. The Chairman of the Board of Trustees has unrestricted access to the Chairman of the Committee.

In accordance with the provisions of the Act, the primary responsibility of the Committee is to assist the Board of Trustees in carrying out its duties relating to the Scheme's accounting policies, internal control systems and financial reporting practices. The external auditorz formally reports to the Committee on critical findings arising from audit activities.

This Committee also acts as a risk committee.

The Committee presently comprises:

Ms L Erasmus	Independent member	
Mr M Mahlangu	Independent member	Appointed August 2025
Mr J Badenhorst	Independent member	
Ms R Nagdee	Employer Appointed Trustee	Appointed 27 July 2022
Ms C Msibi	Employer Appointed Trustee	Appointed 1 October 2024

REPORT OF THE BOARD OF TRUSTEES

09 | Non-Compliance Matters

9.1 | Non-compliance with Section 26(7) – Late payment of contributions

Nature and impact

In terms of Section 26(7) of the Act, contributions should be received in accordance with the rules of the Scheme. Per the Scheme rules, contributions are required to be received within three days after their due date. Instances were noted where contributions were received late.

Causes of failure

Although the majority of contribution payments were made within the stipulated payment deadlines, there were a small number of instances where the Scheme received contributions after three days of becoming due. These contributions equate to 0.49% (2024: 0.37%) of the gross contributions billed and were received within the month of them becoming due. Such arrear payments are outside the agreed contribution collection agreements with paying parties and are actively addressed as and when they occur.

Corrective action

The procedures that the Scheme follows for collection of these arrear contributions are aligned with its credit risk management policies.

9.2 | NON-COMPLIANCE WITH SECTION 59(2) – PAYMENT OF CLAIMS WITHIN 30 DAYS

Nature and impact

A medical scheme shall, in the case where an account has been rendered, subject to the provisions of the Act and the rules of the medical scheme concerned, pay to a member or a supplier of service, any benefit owing to that member or supplier of service within 30 days after the day on which the claim in respect of such benefit was received by the medical scheme.

Causes of failure

A small number of claims were paid later than 30 days of the date of receipt. Delays occur when accounts are referred for clinical audit or other investigations. These are however exceptions and claims are generally paid within the prescribed time.

Corrective action

The Scheme continues to comply as far as possible. It is however an inherent part of the industry that a limited number of problematic claims may exceed the payment requirement of 30 days.

9.3 | NON-COMPLIANCE WITH SECTION 35(8)(C) – INVESTMENTS IN ANY ADMINISTRATOR

Nature and impact

In terms of Section 35(8)(c) of the Act a medical scheme shall not invest any of its assets in any administrator. During the year under review the Scheme had indirect investments in Administrators of Medical Schemes.

Causes of failure

The Scheme invests in pooled investment vehicles that allow investment managers 100% discretion to invest in a combination of shares and bonds that best achieve the stipulated benchmark.

Corrective action

The Scheme made an application to the Council for Medical Schemes for an exemption from this section of the Act.

REPORT OF THE BOARD OF TRUSTEES

10 | Meeting Attendance

The following schedules set out Board of Trustee meeting and Benefit review attendances and attendances by members of Sub-Committees:

BOARD OF TRUSTEES MEETINGS	NUMBER OF MEETINGS
NUMBER OF MEETINGS FOR THE YEAR	5
S Kotze	4
JP Fegbeutel	3
R Nagdee	1
M Mashiloane	4
A Mtsweni	5
C Prevost	5
P Uren	5
C Msibi	4
P Masuku	1
R Morwa	1
L Verhoef	3
ATTENDEES:	
M Kunene – Principal Officer	3

REPORT OF THE BOARD OF TRUSTEES

AUDIT AND RISK COMMITTEE MEETINGS	NUMBER OF MEETINGS
NUMBER OF MEETINGS FOR THE YEAR	3
J Badenhorst	3
L Erasmus	3
R Nagdee	1
C Msibi	3
M Mahlangu	2
ATTENDEES:	
M Kunene - Principal Officer	2



CHAIRMAN
Dr JP Fegbeutel
14 May 2026



TRUSTEE
Ms C MSIBI



PRINCIPAL OFFICER
Ms M KUNENE

REPORT OF THE BOARD OF TRUSTEES

Statement of financial position at 31 December 2025

	NOTES	2025 R	2024 R
ASSETS			
Financial assets at fair value through profit or loss	1	374,558,824	316,174,646
Other financial assets at amortised cost	2	25,065	55,235
Cash and cash equivalents	3	83,797,446	64,985,494
Total assets		458,381,335	381,215,375
LIABILITIES			
Liability to members for future benefits *	4,2	451,439,701	376,413,082
Insurance contract liability	4,1	6,214,458	4,167,837
Financial liabilities at amortised cost	6	727,176	634,456
Total liabilities		458,381,335	381,215,374

*This represents the obligation of the Scheme to provide healthcare benefits to its members in the future. It was previously know as the Insurance liability for future members.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2025

	NOTES	2025 R	2024 R
Insurance revenue	7	230,440,014	240,345,235
Insurance service expense		(216,569,745)	(210,870,041)
Net claims incurred*	7	(202,935,002)	(197,794,740)
Accredited managed healthcare services*	7	(4,767,602)	(4,530,743)
Directly attributable insurance services expenses	7	(8,991,141)	(8,544,558)
Accredited administration services		(8,991,141)	(8,544,558)
Net income from risk transfer arrangements/reinsurance*	7	466,541	229,169
Premiums paid		(500,523)	(482,875)
Amounts recovered from risk transfer arrangements		967,064	712,044
Insurance service result		14,336,810	29,704,363
Other income		64,812,051	36,773,444
Investment Income	8	64,805,520	36,742,558
Sundry income	9	6,531	30,886
Other expenditure		(4,122,242)	(3,868,491)
Other operating expenses	10	(1,907,104)	(2,083,722)
Asset management fees		(2,215,138)	(1,784,769)
Net surplus for the year before amounts attributable to members for future benefits		74,902,619	62,609,316
Transfer to liability to members for future benefits	4.2	(74,902,619)	(62,609,316)
Total Comprehensive Income for the year		-	-
Relevant healthcare expenditure*		(207,112,063)	(202,096,315)

*Relevant healthcare expenditure consists of net claims incurred, accredited managed healthcare services and net income from risk transfer arrangements. This foot note is provided to align with the SAICA Medical Schemes Accounting Guide.

The Scheme expanded its presentation of the Insurance service expense to reflect the breakdown of relevant healthcare expenditure and align with the medical schemes accounting guide issued by the South African Institute of Chartered Accountants.

Circular 6 of 2025 issued by the CMS requires medical schemes to present 'Amounts attributable to members for future benefits' separate from the "Insurance service expenses" and the "Insurance service result"

Insurance Service Expense in accordance with IFRS 17 includes amounts attributable to future members, the total value of insurance service expense therefore amounts to R291,596,364 (2024: R273,479,356).

STATEMENT OF CASH FLOWS

for the year ended 31 December 2025

	NOTES	2025 R	2024 R
Cash flows from operating activities			
<i>Cash receipts from members and providers</i>		230,239,412	240,383,901
Cash receipts from members – contributions	4,1	230,180,287	240,383,955
Cash receipts from members and providers – other		59,125	(54)
<i>Cash paid to members and providers</i>		(216,616,023)	(214,865,585)
Cash paid to members and providers - insurance service expense	4,1	(213,296,331)	(211,569,123)
Cash paid to reinsurer	5	(500,523)	(482,875)
Cash paid to providers – non-healthcare expenditure		(2,819,169)	(2,813,587)
Net cash generated by operating activities		13,623,390	25,518,315
Interest received		29,851,289	22,475,204
Net cash from operating activities		43,474,678	47,993,520
Cash flows from investing activities			
Proceeds from investments	1	98278196	21,930,367
Purchase of investments		(122,940,922)	(45,624,064)
Net cash used in investing activities		(24,662,726)	(23,693,697)
Net increase in cash and cash equivalents		18,811,953	24,299,823
Cash and cash equivalents at beginning of year		64,985,493	40,685,671
Cash and cash equivalents at end of year		83,797,446	64,985,494





Call centre 0860 002 107 | service@bemas.co.za | www.bemas.co.za

BMW Employees Medical Aid Society. Registration number 1526. Administered by Discovery Health (Pty) Ltd, registration number 1997/013480/07, an authorised financial services provider.