

DISCOVERY HEALTH MEDICAL SCHEME

MINUTES OF THE 17TH ANNUAL GENERAL MEETING OF THE DISCOVERY HEALTH MEDICAL SCHEME

WHERE AND WHEN

The Auditorium, Ground Floor, 155 West Street, Sandton
Thursday 23 June 2011 at 10:00

PRESENT

The attendance register is available at the office of the Principal Officer. 55 people, including members, trustees, members of the board sub- committees, auditors and other interested parties attended and signed the attendance register. Formal apologies were received from Dr Moodley.

It was noted that the trustees have agreed that Mr Puke Maserumule would stand in as chairman in the absence of Dr Moodley

1. Welcome and quorum

The acting chairman, welcomed everyone present at the 17th annual general meeting (“AGM”) of members of the Discovery Health Medical Scheme. The chairman declared that in terms of rule 25.1.1. there are more than 15 members present and therefore constitutes a quorum. The meeting was properly constituted and was declared open.

The chairman presented the agenda to the members and proposed that it be accepted with no change. The proposal was approved by Mr Ryan Noach and seconded by Mr Alain Peddle.

2. Confirmation of the minutes of the 2009 AGM held on 24 June 2010

The Chairman proposed that the minutes of the 16th AGM of the members of the Discovery Health Medical Scheme held on 24 June 2010 be confirmed. A draft copy of the minutes was submitted to the board of trustees who expressed the opinion that the minutes were an accurate reflection of the proceedings of the AGM held in 2010. The draft minutes had also been put on the website for the information and use of members in general. The minutes were approved by Prof van der Spuy and seconded by Mr Stephen Rich

3. Tabling of the annual financial statements

The acting chairman requested that before he asks for the approval of the trustees report and the annual financial statements, Mr Milton Streak (Principal Officer of DHMS) would give the meeting more background on the financial highlights of the past year.

The acting chairman thanked Mr Streak for the informative presentation.

Dr Jonathan Broomberg (CEO of Discovery Health (Pty) Ltd, the administrator of the Scheme) gave the meeting a presentation on the strategies that have been put in place by the administrator.

The acting chairman thanked Dr Broomberg for the presentation.

The acting chairman proposed that the report of the trustees and the annual financial statements for the year ended 31 December 2010 be tabled and accepted. The proposal was approved by Mr Casper Venter and seconded by Mr Hilton Kallner.

4. Governance

The meeting was informed that governance framework of the Scheme is based on the Medical Scheme's Act as well as the King III Code of best practice

4.1 Confirmation of Trustees appointed by the board during 2010

The affairs of the Scheme must be managed according to the rules of the Scheme by a board of fit and proper persons of at least five but no more than eight persons. During the 2009 AGM six new trustees were elected by members. The rules of the Scheme make provision for the incumbent Board of Trustees to appoint a maximum of two trustees based on skills required by the board to fulfil its fiduciary duties. The two additional trustees that were appointed are Mr Steve Handler (Actuary) and Mr Giles Waugh. Mr Handler was appointed on 30 June 2010 and Mr Waugh was appointed on 14 April 2011. The rules of the Scheme require that their appointment be confirmed by members at the first annual general meeting following their respective appointments. Mr Emile Stipp approved and Mr Shaun Osner seconded the appointments.

The acting chairman informed the meeting that the Scheme has the following board committees as part of its governance structure:

- Audit Committee
- Risk Committee
- Investment Committee
- Clinical governance Committee
- Remuneration Committee
- Disputes Committee

It was noted that the board commissioned PWC in 2010 to perform a governance audit of the Scheme and to recommend any improvements in the structure, based on best practice governance. The report from PWC confirmed that the governance structure of DHMS follows the principles of best practice governance.

4.2 Appointment as Auditors

The acting chairman proposed that PricewaterhouseCoopers Inc. be appointed as auditors for the ensuing year. Mr Nick Salmon approved the proposal and Mr Simon Henderson seconded the proposal.

5. General

In terms of the rule 25(1)(ii) the Principal Officer has received a number of discussion points from Mr Mario Compagnoni, a member, which Mr Streak dealt with. The detail of the questions together with the replies of Mr Streak is available at the office of the Principal Officer

There being no further questions, the acting chairman thanked all those who attended the meeting and declared the meeting closed.

Confirmed a reasonable reflection of the discussions at the meeting.

CHAIRMAN