Minutes of the 24th Annual General Meeting of the Discovery Health Medical Scheme ("DHMS"/"Scheme") held on 21 June 2018, at The Grove Auditorium, 1 Discovery Place, Ground Floor, Corner of Rivonia Road and Katherine Street, Sandton at 09:00

1. Welcome and Quorum

The Chairman of the Board of Trustees, Mr Neil Morrison, welcomed all present to the 24th Annual General Meeting ("AGM") of Discovery Health Medical Scheme ("DHMS"/"Scheme").

The Chair called upon Mrs Josette Sheria from PricewaterhouseCoopers Advisory Services (Pty) Ltd ("PwC") to declare the meeting quorate.

Mrs Sheria addressed the meeting and indicated that, in order for the meeting to be duly constituted and quorate in terms of Scheme Rule 25.1.4 at least 15 members need to indicate that they are present in person. Mrs Sheria proceeded to call out the following people, who each indicated their presence by show of hands:

- Raffaella Ruttel
- Marilyn Tessa Perfect
- Jerome Forte
- Eric Dabbs
- David Webster
- Nicky Lakay
- Navendrie Reddy
- Devasnhi Chetty
- Zama Lamla
- Carl Hein Reiche
- Caroline Dickinson
- Isstel Broekman
- Megan Coetzee
- Charmaine van Wyk
- Mandla Lituka

Mrs Sheria confirmed that there was a quorum present.

The Chair proceeded to declare the meeting and voting open. The Chair welcomed Mr Sibonelo Cele from the Council for Medical Schemes ('CMS") to the meeting. The Chair commented that members may vote at any time after the meeting has opened. The Chair commented that a member engagement session will be held immediately after the closure of the AGM, where the Board of Trustees invites members to engage with the Principal Officer, Scheme management and the Board of Trustees on specific Scheme matters of members' choice. This engagement is not restricted to Principal members and any beneficiary may attend and speak at this forum as well.

In his opening address, the Chair commented that during 2017 the Trustees and Board Committee members spent a large amount of time on rigorous negotiations and discussions regarding the conclusion of a revised administration agreement with Discovery Health (Pty) Limited ("DH"), the Scheme's administrator and managed care provider. The agreement includes the following outcomes-based principles: improving members' experience, ensuring that the Scheme remains a world class medical scheme and the provisions regarding innovation by DH.

The Chair highlighted the scale of the operational environment and how members' needs are serviced, which includes the following:

- 264 500 claims are received per day;
- 36 200 calls are received per day;
- 2 940 hospital admissions are approved per day.

He stated that the presentations from Dr Nozipho Sangweni and Dr Jonathan Broomberg will provide further information on the efficiencies of the administrator.

Confirmation of the Agenda

The Chair presented the agenda for the meeting and requested confirmation thereof. The agenda was duly confirmed.

The agenda for the meeting was as follows:

1. Welcome and quorum
2. Minutes of the 2017 Annual General Meeting - for approval
3. Tabling of the 2017 Integrated Annual Report, including the Scheme's Annual Financial Statements for the financial year ended 31 December 2017
   - 3.1 Presentation by the Principal Officer of the Discovery Health Medical Scheme
   - 3.2 Presentation by the CEO of Discovery Health (Pty) Limited, the administrator of the Discovery Health Medical Scheme
4. Governance
   - 4.1 Discovery Health Medical Scheme Trustee Remuneration Policy and approval of the 2018 Trustee Remuneration
   - 4.2 Appointment of Auditors
5. Motions
6. General
7. Voting and Closure of the AGM
   - 7.1 2018 Trustee Remuneration
   - 7.2 Non-binding Advisory vote on the Trustee Remuneration Policy
   - 7.3 Motions
8. Member Engagement

Confirmation of the Minutes of the 2017 Annual General Meeting (for the financial year ended 31 December 2016)

The Chair referred the members to the copy of the Minutes of the 2017 AGM, as included in the meeting pack given to principal members upon registration and which were also published on the Scheme's website.

The minutes were duly approved.

2. 2017 Annual Financial Statements

The Chair advised the members that the meeting pack handed to them at registration included the highlights of the Scheme's 2017 financial results. The Chair commented that the 2017 Annual Financial Statements for the financial year ending 31 December 2017 were laid before the meeting in terms of Rule 25.1.5 of the Scheme Rules. This meant that no decision was required and that questions could be directed to the Principal Officer and/or the Scheme's Acting Chief Financial Officer, Mr Selwyn Kahlberg and Mr Shaun Osner.

The Chair commented that, before taking any questions on the 2017 Annual Financial Statements for the financial year ending 31 December 2017, the following presentations will be made:

- A presentation by Dr Nozipho Sangweni, the Principal Officer of the Scheme.
- A presentation by Dr Jonathan Broomberg, the CEO of DH, the administrator of the Scheme.

2.1 Presentation by Dr Nozipho Sangweni

A video providing a member story on breast cancer preceded the presentation and Dr Nozipho Sangweni, who thereafter commenced with her presentation. Dr Sangweni thanked all members for trusting the Scheme to care for their health and wellness needs. She highlighted the Scheme's purpose, which is:
"Our purpose is to care for our members' health and wellness by engaging the brightest minds and innovative solutions to provide access to affordable, equitable and quality, value-based healthcare that meets their needs now and sustainably into the future."

Dr Sangweni highlighted that the aim of her presentation is to help members understand how the Scheme delivers on its purpose and vision. To do this, she would focus on 6 pillars, namely:

1. Superior quality of care for members
    - Dr Sangweni commented that superior quality of care includes requesting members to share their experience as they navigate the healthcare system. One of the initiatives includes requesting members to provide a patient satisfaction score post their discharge from hospital. The Scheme tracks these scores over time, and the analysis indicates a consistent improvement in the score and an improvement in the service offered by healthcare providers since first introduced in 2013. The Scheme also uses mechanisms to safely guide members through their healthcare journey through member campaigns, disease management programmes, which include DiabetesCare and KidneyCare, and entering into value-based contracts with healthcare providers with the objective of ensuring that healthcare outcomes are optimised at the lowest possible healthcare costs for its members.
    - To illustrate that the Scheme cares for members with complex and emergency healthcare needs, Dr Sangweni provided a view of the 10 highest individual member claims paid in 2017, totalling R48 million. The highest claim of R6.8 million related to a 58 year old member who required the long-term use of a ventilator. In the absence of pooling of funds, this claim would equate to 205 years' worth of contributions for the average member.
    - In addition, Dr Sangweni highlighted that there were 7 489 individual claims over R500 000 and 1 681 claims over R1 million.

2. Focusing on prevention
    - Dr Sangweni graphically illustrated the in-hospital claims pay-out ratios and commented that in 2017 the Scheme had a 97% overall in-hospital pay-out ratio (including medical specialists). Dr Sangweni commented that the statistic is a testament to how the use of networks enables the Scheme to fund members in full.

- Dr Sangweni commented that the Scheme proactively cares for its members by encouraging and paying for screening and prevention. A graphic overview was provided of the number of members who had undergone screening tests in 2017 and the health check results in the same year. Of all the metrics exhibited by members who had undergone health checks in 2017, the most adverse outcome had been the Body Mass Index ("BMI"), where a range of 41.7 indicated that these members are overweight/obese and at risk for diabetes and hypertension.

3. Lowest healthcare costs
   - Dr Sangweni commented on the Scheme's headline contribution increase for 2018, which was the second lowest of the top 8 open medical schemes in South Africa. In 2015 the contribution differential was 13.1% and there is continuous improvement in the Scheme's contribution differential which in 2017 was 16.4% cheaper than the next 8 largest open medical schemes.
   - A graphic overview was provided of the Scheme's expense breakdown, with 86% of contributions being used to directly fund members' healthcare claims, 7.6% for administration fees, 2.6% for managed care fees, 2.5% for financial advisors and 1.4% for surplus to member reserves.
   - The prudent protection of member funds from inappropriate use is a fiduciary duty of the Scheme's Trustees and a key imperative for the Scheme. DH has spent significant time and effort in creating assets to track and combat fraud through fair and legal processes. These fraud savings and recoveries in 2017 amounted to R472 million and the current February to May 2018 savings amount is R195 million. Dr Sangweni highlighted that this enabled members to benefit through a 0.75% lower contribution increase every year.
   - A graphic overview was provided of the continuously reducing real administration fees and Dr Sangweni highlighted that, with regard to administration expenditure as a percentage of gross contribution income, the Scheme ranked the 5th lowest of 21 open schemes.

4. Member centric servicing
   - The Scheme focuses on member centric servicing using numerous tools that enable members to interact with the Scheme, including complaint mechanisms.
   - The efforts of the Scheme have resulted in a lower level of complaints, thereby improving member satisfaction. The 2017 statistics indicate less than 800 complaints out of 53.6 million claims. Dr Sangweni highlighted that the member perception score and overall member-based research scores are 9.14 and 8.85 respectively. These are indicative of positive member engagement and the Scheme will continue to strive to improve these and encourages member feedback.

5. Stakeholder relations and excellent governance
   - Dr Sangweni highlighted that the Scheme protects member funds through strong independent governance structures. A graphic overview was provided of the governance structures within the Scheme, which includes a Board of Trustees assisted by Board Committees. The Board mandates the Principal Officer to deal with the day-to-day operations of the Scheme, which includes oversight of the activities of DH as the administrator and managed care provider of the Scheme. Dr Sangweni commented that the interaction with the Board and Board Committees in terms of reporting and monitoring is extensive, with approximately 36 meetings being held per year.
   - From the time a member joins to when a claim is received and processed, the Scheme strives to ensure that the member receives a quality experience. This starts with financial advisers, who assist members to navigate the complexity of choices and advise members on which plan to join. When members require cover, the Scheme's provider networks, along with its robust network of facilities (hospitals and clinics) and pharmacies, provide members with superior levels of care.

- The Scheme applies a best practice international outsourcing model to govern the relationship with DH, which is based on a system of continuous value creation and which is outcomes and not transactions based. The 5 core principles of the model include:
  - The outsourced model relationship is focused on outcomes and not just transactions.
  - The contracts focus on what is to be achieved, leaving leeway open to the service provider on how to achieve it.
  - There is agreement on clearly defined and measurable outcomes.
  - The pricing model ensures that optimal cost or service trade-offs are achieved.
  - The governance structure provides the Scheme with highly effective oversight, as well as significant insight into how the administrator conducts the Scheme's business.
- Dr Sangweni highlighted that members receive increasing value from DH and that the Trustees conduct a formal evaluation of the value for money provided by DH to the Scheme every year. The value received by members has increased substantially from 2014 to 2016 and in 2016 is R2 for every R1 spent on fees.

6. Sustainability and financial performance
   - Dr Sangweni highlighted that the 2017 financial results are an indication that member funds are secure. The Scheme's gross healthcare result in 2017 was R6.95 billion, with a net healthcare result of R968 million and a net surplus for the year of R2.45 billion. The latter is a commendable achievement relative to the overall economic environment.
   - An overview was provided of some of the key Scheme metrics indicating sustainability and financial strength:
     - Membership size - Greater risk pooling means more predictable claims experience and accuracy in pricing, leading to stable performance.
     - Membership growth - Continuous growth of young and healthy lives improves risk pooling and reflects attractiveness and competitiveness of the Scheme through cross-subsidisation principles. The Scheme continues to grow and attract new members and as at December 2017 the Scheme had a total of 2.78 million lives. There has been a 2.1% net growth in principal members from 2016 to 2017 with more than 42 000 lives added in 2017.
     - Plan movements - Indicates satisfaction, stability in benefit design and appropriate pricing. There have been fewer plan downgrades in 2017 than in 2016.
     - Contribution increases - Reflects effective risk management and value proposition to members.
     - Absolute reserves - Demonstrates ability to meet large, unexpected claims variation. Dr Sangweni highlighted the following:
       - The Scheme reserves increased by R2.5 billion to a total of R16.4 billion in 2017, establishing the Scheme's solvency level at a strong 27.4%.
       - As the Scheme is prohibited by the Act from directly or indirectly borrowing money, it is limited to two sources of financial capital available: member contributions and returns on the investment of member funds.
       - This limitation requires balancing the resources required to meet its objectives and ensuring the long-term financial sustainability and solvency requirements required by the CMS.
       - The Trustees have a fiduciary obligation to maximise investment returns while having due regard to associated risks, thus considering issues that can impact the longer-term sustainability of investment performance is important. In this regard, the Trustees have approved a framework for responsible investment that guides the approach and model adopted when investing.
       - Despite volatile investment markets, the Scheme has achieved an investment return of 10% in 2017, up from 8.8% in 2016.

    - Global Credit Rating introduced a new industry ceiling "AAA" rating this year and DHMS was awarded this rating for 2018. This is a strong, independent endorsement of the Scheme's financial strength.
  - Pricing sufficiency - Surplus year-on-year reflects contribution levels that are in line with expected membership and claims.
  - Prudent investment management - Ensuring that investment returns are maximised within an acceptable and conservative level of risk.
- Dr Sangweni concluded the presentation with a summary of key metrics. The strong financial year experienced by the Scheme allows members to remain confident in the Scheme's ability to fulfil its purpose in the future. The metrics were summarised as follows:
  - Membership size – 2.8 million beneficiaries with a 55.8% market share.
  - Average age and membership growth – 34.5 years being the average age of the Scheme with a 42 000 net membership growth.
  - Plan movements – 94.2% of members remained on the same plan as 2016.
  - Contribution increases – The Scheme had a 7.9% headline contribution increase for 2018.
  - Absolute reserves – The Scheme ended 2017 with R16.4 billion in absolute reserves and a 27.4% solvency.
  - Pricing sufficiency –The Scheme achieved a net healthcare result of R968 million for 2017.
  - Prudent investment management resulted in a 10% average investment return.

2.2 Presentation by Dr Jonathan Broomberg

Dr Broomberg's presentation was preceded by a video providing member stories on how the DiabetesCare Programme, in consultation with their General Practitioners, had improved the condition of the members. Dr Broomberg commenced by thanking Dr Sangweni and explaining that his presentation would support that of Dr Sangweni and also provide information and insights from the administrator's perspective, focusing on:

1. Review of 2017 performance
   - Dr Broomberg commented that Dr Sangweni has, in her presentation, already highlighted that the Scheme has had an excellent 2017 which has been strong in both growth and financial sustainability.

2. Key trends impacting DH and DHMS in 2018 and beyond
   - Dr Broomberg highlighted that the key local trends for 2018 and beyond include slow Gross Domestic Product ("GDP") and employment growth, an increasing disease burden and inefficiency and quality of care challenges. The challenges that would be faced by the Scheme based on these trends are pressure on Scheme growth, increasing claims and premium inflation.
   - Global trends include rapid advances in medical technology and pharmaceuticals with high cost products, omics and wearable devices, Apps, telemedicine and Artificial Intelligence. The resultant challenge of these advances would be claims inflation pressure. On the other hand, opportunities arising are advancements in genomics and personalised wellness/care and personalised disease prediction and management. On the Artificial Intelligence front, the DH team has developed an algorithm to determine member pre-disposition to diabetes, two years in advance of the condition manifesting.

3. 2018 strategic objectives
   - DH's strategy for the Scheme focuses on the following:
     - Lower healthcare costs
       - Dr Broomberg highlighted that annual claims inflation rates have increased by an average of 11.3% year-on-year from 2008 to 2017. He went on to provide a breakdown of what has

contributed to this medical inflation number, highlighting the fact that increased utilisation of services by members (whether provider or member-driven) has been largely responsible for that portion in excess of "normal CPI" for the period in question.

- Dr Broomberg pointed out that the VAT increase from 14% to 15% in April 2018 was the first in a democratic South Africa, and will also have an effect on member contributions for 2019.
- Fraud is a growing concern to the medical schemes industry and the CMS has this as a particular focus area and is collaborating with the medical schemes industry to manage fraud. Dr Broomberg commented that efforts in combatting fraud must continue. DH has realised over R470 million in fraud recoveries and savings in 2017, which are broken down as follows:
  - R112 million from forensic matters
  - R160 million due to non-disclosures
  - R156 million from hospitals
  - R44 million from other cases
- Managed care interventions generated a 269% Return on Investment and there has been a R33 billion cumulative saving in risk claims since 2008. Dr Broomberg highlighted that the latest evaluation of the value for money provided by DH to the Scheme every year, indicates an increase in the value received by members from R2 in 2016 to R2.20 in 2017 for every R1 spent on fees.

- Superior quality of care for Scheme members
  - Dr Broomberg highlighted the investments in quality of care which include:
    - The DiabetesCare programme, which is a voluntary enrolment programme and is offered to all members registered with diabetes. General Practitioners ("GP") are invited to participate in the programme and if the GP is achieving the desired metrics for his/her patient, an added fee is paid to the GP.
    - The KidneyCare programme, which partners with dialysis providers and specialists to measure and improve outcomes and has noted a reduction in hospital admission rates, length of stay and actual improvements in mortality.
  - Dr Broomberg commented that Dr Sangweni mentioned the patient satisfaction score survey which is conducted post a member's stay in hospital. This survey has been extended to GP's and Dr Broomberg provided some statistics on the Patient Reported Experience surveys which allow patients to measure their GP's on metrics including continuity of care. This enables discussions regarding medication, professionalism of office staff, and communication by the doctor with the patient and doctor availability. The surveys indicated that 89.8% of GP's were rated 8 or higher for the survey period and 82.4% of members would recommend their GP.
- Using digital technology to transform healthcare and member servicing
  - Dr Broomberg highlighted that the administration agreement with the Scheme requires that DH invests a significant amount in innovation for the Scheme. In this regard, there has been significant investment in increasing engagement on HealthID, which has 68% of engaged doctors and where more than 1.7 million consents have been procured. This is the first technology of its kind in the country as developed by an administrator. On Dr Connect, which facilitates doctor advice on an individual's device, there are currently 140 000 doctors registered which have dealt with 7 billion questions and answers and initiatives continue to increase engagement.
  - Dr Broomberg highlighted that their operational performance is consistently better than global best practise on metrics including first call resolution, Member Based Research satisfactions and response time.

- Making members healthier
    - Dr Broomberg highlighted that Healthy Company, which is intended to manage the physical, emotional and financial wellbeing of employees and provide legal support, is being launched on 1 August 2018. The initiative is intended to be offered to employee groups on the Scheme and is intended to be a proactive programme which will deal with episode management and ongoing management and prevention and will involve an intuitive member journey with advice and coaching from a health, financial and wellness perspective.
    - Dr Broomberg concluded his presentation with an overview of Vitality, which is the separate science-based wellness programme Scheme members have access to. Dr Broomberg highlighted that Vitality impacts positively on overall health engagement levels and that statistics indicate that an increasing number of Scheme members are engaging with Vitality active rewards with positive behaviour changes. The positive impact of Vitality has been a 15.3% effective reduction in DHMS' risk claims and DH and Vitality interventions have saved the Scheme R7.3 billion in 2017.

Dr Broomberg commented that DH works hard to serve members of the Scheme and whilst they may not get everything right, all efforts are made to effectively correct errors each day.

The Chair thanked Drs Sangweni and Broomberg for their presentations and called upon Mr Selwyn Kahlberg, the Scheme's Acting Chief Financial Officer, to take a seat on the stage to answer any questions relating to the 2017 Annual Financial Statements for the financial year ending 31 December 2017.

The Chair enquired of members whether there were any questions on the 2017 Annual Financial Statements for the financial year ended 31 December 2017. There were no questions from members.

3. Governance

3.1 Discovery Health Medical Scheme Trustee Remuneration Policy and Trustee Remuneration

The Chair invited the Chairman of the DHMS Remuneration Committee, Mr Dave King, to present the DHMS Trustee Remuneration Policy and the proposed 2018 Trustee Remuneration to the meeting.

Mr King commenced his presentation and explained that the purpose of his thereof is as follows:

- To enable Scheme members to express their views on the DHMS Trustee Remuneration Policy, the Policy will be put to the meeting for a non-binding advisory vote as per King IV. This will be done via ballot which will take place as part of the voting process.
- The 2018 Trustee remuneration will need to be approved by the members present at the meeting which will also be via ballot. For 2018, the hourly rate that requires approval is R3 350.58. The presentation provides the detail and context. This fee is VAT exclusive.

The presentation will cover the following aspects:

- Remuneration governance
- The Trustee Remuneration Policy which includes:
  - Remuneration of the Board of Trustees
  - Remuneration methodology
  - Market benchmarking
- The proposed 2018 Trustee remuneration

Mr King added that all information he would deal with was included in the packs handed out at registration and had also been available on the Scheme's website prior to the AGM. He invited members to address any questions they may have to himself or any other members of the REMCO or Scheme Office after the presentation.

A. REMUNERATION GOVERNANCE

- The Board of Trustees is responsible for the development and implementation of a Remuneration Policy for Scheme employees as well as the Board of Trustees and Board Committee members. The policy for Trustees and Board Committee members is dealt with in this meeting.
- The Board of Trustees has delegated the responsibility of Scheme remuneration oversight to a Remuneration Committee ("REMCO"). The REMCO consists of 4 Trustees, including him as the Chair and an Independent member.
- It is important to note that REMCO uses independent expert consultants and independent market benchmarking to assist the Committee in terms of best remuneration practices.
- Trustee remuneration disclosure occurs in 3 forums:
  - At the AGM
  - To the regulator, being the CMS
  - In the Scheme's Integrated Annual Report

B. REMUNERATION METHODOLOGY

Mr King described how Trustees are remunerated and commented that:

- Trustee remuneration is based on a professional hourly rate, discounted to take into account that the Scheme is a non-profit entity. For 2018 this hourly rate is R4 786.54 (professional fee) less 30%, which is

R3 350.58. This is the building block of all Trustee and Board Committee remuneration, and is the rate which members are required to vote on via ballot at this meeting.

- The objective of the remuneration policy for the Board and Board Committees is to provide a legal and policy framework against which all remuneration decisions are made, validated, implemented, approved and reported by the Scheme.
- The Remuneration Policy is based on the requirement as set out by the CMS in Circular 41 of 2014 and was presented to members for the first time at the 2014 AGM, where it was approved by a majority of members in attendance.
- The total remuneration paid to Trustees is determined by the following elements and illustrative examples will be provided:
  - Number of meetings planned per year
  - Preparation time for each meeting
  - Duration of meetings
  - Estimated time between meetings required by the Chairpersons
  - The number of actual meetings attended
- Mr King commented that it is important to note that Trustees are also members of Board Committees and that each Board Committee differs with regard to preparation time, duration of meetings, and number of meetings in the year. Mr King commented that as an example, the Investment Committee meets more often and for a longer duration as they manage the Scheme's investment portfolio which is large and complex.
- The total annual fees payable to Trustees and Board Committee members is calculated based on the number of planned Board and Board Committee meetings as per the annual meeting plan and is split into:
  - "Annual Base Fee" (70% of the total annual fees, paid as a quarterly retainer).
  - "Fee per Meeting" (30% of the total annual fees, paid at the end of the month in which the meeting took place).
- If an unplanned ad hoc meeting is required outside of the annual meeting plan, the attendee is remunerated at the hourly rate.
- Trustee and/or Board Committee Member fees are exclusive of VAT. Where Trustees and/or Board Committee members are registered for VAT, they issue a tax invoice to the Scheme clearly reflecting the VAT element in addition to their total fees for the period.
- For 2018, the Scheme has made additions to the Remuneration policy in order to clarify certain eventualities which were not clearly defined previously (such as Independent Board Committee member remuneration and the treatment of unplanned meetings). The changes made to the policy do not deviate from the methodology and structure of fees as set out in the submission made to the CMS on 24 November 2014.

C. REMUNERATION OF THE BOARD OF TRUSTEES

Mr King highlighted that it is important to take the following into account:

- Trustees are NOT paid for attending training or conferences over and above the training fees, travel costs, accommodation and subsistence costs.
- Trustees are NOT paid any consulting fees.
- Trustees do not participate in any incentive programmes.
- Trustees are reimbursed all reasonable expenses incurred by them in the performance of their duties as a Trustee.

D. PROPOSED 2018 TRUSTEE REMUNERATION

- An overview was provided of the practical application of the remuneration methodology using three different examples:
  - Professional fee build up for 2018 for the Chairman of the Board - The total fee for the Chairman of the Board, based on the projections presented, amounts to R750 528.84. The Chair is remunerated for additional preparation time whereas Trustees are allocated a fixed amount for preparation time i.e. 20 hours preparation time for the Chair versus 8 hours preparation time for a Trustee.
  - Professional fee build up for 2018 for a Trustee - The total fee for a Trustee based on the projections presented amounts to R428 873.63 per year.
  - Professional fee build up for 2018 for the Chair of a Board Committee - The total fee for a Chairman of a Board Committee based on the projections presented amounts to R251 293.14 per year.

Where individuals are Trustees as well as Board Committee chairs or members, the fees for each are added together.

Mr King then invited members to ask any questions they may have relating to the material presented. With no questions forthcoming, Mr King concluded with the following proposals:

- The 2018 Trustee Remuneration, as recommended by the Remuneration Committee, and approved by the Board, be approved for the 2018 financial year.
- The Scheme members express their views on the Scheme's Remuneration Policy for Trustees as recommended by the Remuneration Committee and approved by the Board. The Trustee Remuneration Policy will be put to the meeting for a non-binding advisory vote.

The above votes will be by ballot and members will be handed a ballot form in this regard at voter registration.
The Chair thanked Mr King for his presentation.

3.2 Appointment of the Auditors

The Chair proposed that PricewaterhouseCoopers South Africa be appointed as auditors for the 2018 financial year on recommendation by the Audit Committee and as approved by the Board. Mr Eric Dadds seconded the approval of the appointment.

Motions

4. Motions

The Chair commented that no valid motions were received by the Principal Officer in terms of Rule 25.1.6 and 25.1.7.

General and Closure

5. General

The Chair enquired whether there were any other issues that any member would like to raise under general:

- Mr Ronny Silberman complimented Dr Sangweni for all the work being done by the Scheme and specifically thanked Rishana Singh and her team from the Executive Office within DH for the courteous and efficient manner in which they have dealt with and continue to deal with his queries.

- Dr Sachuthanandan Chetty requested Dr Broomberg to comment on the impact of the National Health Insurance ("NHI") Bill on the Scheme and enquired if there are any empowerment schemes. Dr Broomberg commented that the Minister of Health will be providing a media briefing at 1pm on the amendments to the National Health Bill and hence DH and the Scheme do not have insights into these bills until they have been gazetted. Dr Broomberg commented that the view is that medical schemes will continue to operate and offer benefits alongside the NHI. With regard to empowerment schemes Dr Broomberg commented that within the legislative and regulatory environment for medical schemes there are no provisions that cater for such schemes and hence none exist.
- Mrs Giulietta Talevi commented that there is a disparity between what the Scheme pays and what providers charge and does the Scheme have any comments on this. Dr Broomberg commented that Direct Payment Arrangements have been concluded with a large number of doctors and providers. Analysis indicates that 90% of all consultations are fully reimbursed. There are approximately 15% of providers who choose not to contract with the Scheme and an analysis indicates that these providers are located in affluent areas. There are a number of tools available for members to establish whether a consultation with a doctor or provider will be covered in full and this includes tools on the website, the member App and contact with the call centre.
- Mr Carl Reiche enquired whether the press and media are invited to attend the AGM and Dr Sangweni commented that an invitation is not extended to the media however if an individual that works for the media is a principal member, they are entitled to attend the meeting. Mr Reiche enquired if there was anyone from the media in attendance and Mrs Giulietta Talevi indicated that she was from the press.

6. Closure

There being no further business, the Chair closed the meeting and thanked all for attending.