



TO: ALL EMPLOYEES OF:

- **NAMDEB DIAMOND CORPORATION (PTY) LTD;**
- **DE BEERS MARINE NAMIBIA (PTY) LTD and**
- **NAMIBIA DIAMOND TRADING COMPANY (PTY) LTD**

**FROM II Zaamwani-Kamwi – Namdeb Diamond Corporation (Pty) Ltd
ON Shikongo – De Beers Marine Namibia (Pty) Ltd
S Ndjaba – Namibia Diamond Trading Company (Pty) Ltd**

SUBJECT: NAMDEB MEDICAL SCHEME

DATE: 12 APRIL 2012

Dear Employees

1. PURPOSE OF THE CIRCULAR:

- 1.1. This joint circular is issued by the Employers and serves to inform all employees, being members of the Namdeb Medical Scheme (the "Scheme"),
- 1.1.1. of general information regarding the Scheme and
 - 1.1.2. of the recent developments relating to the Scheme that have been brought to the attention of the employers.

2. THE NAMDEB MEDICAL SCHEME:

- 2.1. The Namdeb Medical Scheme is a separate legal entity which provides medical aid benefits to employees of Namdeb, Debmarmine Namibia and NDTC.

- 2.2. The Scheme is independently managed by [REDACTED]


- 2.4. The Namdeb Medical Scheme is considered to be well-structured and one of the best managed closed Medical Aid Schemes in Namibia, both in terms of its Rules and the benefits it offers.
- 2.5. We have been informed that the Scheme is financially sound and sustainable, which position has been confirmed by NAMFISA.
- 2.6. The Board of Trustees comprises of twelve members, 6 (six) elected by members of the Scheme at the Annual General Meeting and 6 (six) appointed by the participating employers. The Trustees serve for a period of three (3) years.
- 2.7. The Board of Trustees is headed by a Chairman who is appointed by the Trustees to serve for a period of 1 (one) year in terms of the Rules.

3. THE SPECIAL GENERAL MEETING HELD ON 22 FEBRUARY 2012


- 3.1. We have been notified that a Special General Meeting ("SGM") of the Scheme was held at Oranjemund on 22 February 2011.
- 3.2. Although we have not been provided with the record of the SGM, the Chairman of the Scheme at the time, Mr Paulus Nakapunda, has communicated to us that certain decisions had been taken at the SGM, namely:
 - 3.2.1. That the members had extended the term of Mr Nakapunda as Chairman for an additional year;
 - 3.2.2. That the members had declared a vote of no confidence in 8 Trustees and demanded their removal as trustees;
 - 3.2.3. That the members had declared a vote of no confidence in the Administrator of the Scheme, and requested the termination of the Service Level Agreement between the Scheme and the Administrator; and
 - 3.2.4. That the members had directed the Trustees to notify the Anti-Corruption Commission of misappropriation of funds of the Scheme.

4. RESPONSE TO INFORMATION RECEIVED REGARDING THE SGM

- 4.1. Without prejudice to any rights or remedies that we as the Employers may have at law, we wish to respond to the above information received and we reserve all our rights herein.
- 4.2. We have forwarded the above communication to the Board of Trustees for their attention.

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- 4.3. Extension of office as Chairman - Mr. P Nakapunda:
- 4.3.1. The Rules empower the Trustees at a meeting of trustees to elect a chairman for a period of 1 (one) year. The chairman's term of office therefore comes to an end after one year.
- 4.3.2. The Trustees have informed us that Mr Nakapunda was duly elected as chairman for the period 3 March 2011 – 2 March 2012 in accordance with the Rules of the Scheme.
- 4.3.3. ~~The Trustees have informed us that they have duly~~ elected Mr Elias Kahuva as chairman for the period 07 March 2012 – 06 March 2013 in accordance with the Rules of the Scheme.
- 4.3.4. The Trustees have further informed us that the Rules have not been altered to empower or permit the members at a SGM to appoint or extend the term of office of the chairman.
- 4.4. Removal of Trustees:
- 4.4.1. The business of the Scheme ~~has to be conducted~~ within the confines of the Rules.
- 4.4.2. The Rules of the Scheme make specific provision for the circumstances in which a trustee may be removed.
- 4.4.3. To remove trustees from the Board of Trustees is outside the rules of the scheme as the trustees mentioned were appointed by the participating employers. We, as CEO's of the participating companies have full confidence in the ability of the appointed trustees to manage the affairs of the Scheme and confirm the legitimacy of their appointments.
- 4.5. Vote of no-confidence in the Administrator and demand for termination of the Agreement:
- 4.5.1. We once again emphasize that the ~~business of the~~ Scheme has to be conducted in strict compliance of the Rules.
- 4.5.2. According to the Rules only the Trustees have the ~~power to~~ appoint an Administrator.
- 4.5.3. We have been informed that the appointment of the Administrator has occurred pursuant to the signature of a legally binding agreement between the parties.
- 4.5.4. The Trustees are duty bound to equally comply with the agreement and to monitor the Administrator's compliance with the agreement.
- 4.5.5. The Trustees are empowered to take appropriate steps to ensure compliance with the agreement in the best interests of the Scheme and its members.

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- 4.6. Anti Corruption Commission / Forensic Investigation:
- 4.6.1. The management of the Scheme is entrusted to the Trustees to ensure that the Scheme is managed efficiently, ethically and transparently; and in accordance with the Rules and the Act.
- 4.6.2. The concerns raised by the members at the SGM have been forwarded to the Trustees.
- 4.6.3. The Trustees have further informed us that, as part of their fiduciary duties, they have brought certain matters to the attention of NAMFISA and that pursuant thereto they have taken NAMFISA's findings and responses under advisement and are attending to them in accordance with their powers and responsibilities under the Rules and the Act.

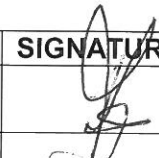
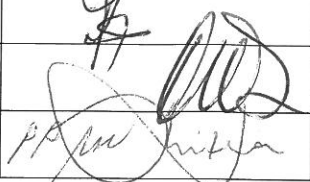
5. RESIGNATION OF TRUSTEES

- 5.1. On 14 March 2012, the Employers received a joint letter of resignation from 3 trustees, namely, Mr P Nakapunda, Dr A Ruider and Ms L Murangi, in which they tendered their resignation with immediate effect.
- 5.2. The above trustees do not form part of the eight trustees referred to in the SGM.
- 5.3. The letter of resignation was duly forwarded to the Chairman of the Board of Trustees.

6. GENERAL

- 6.1 The Board of Trustees is tasked to manage the Scheme in the best interest of all members and of the Scheme, and we encourage members to provide their unqualified support and adherence to the Rules of the Scheme.
- 6.2 We also encourage members to guard against any unlawful actions that could be regarded as interfering in the management of the Scheme.
- 6.3 Members are herewith made aware that NAMFISA is empowered to take action in terms of the Medical Aid Funds Act, which may ultimately have a significant impact on the continuation of the Scheme and on the interests of its members.

Yours truly,

EMPLOYER	REPRESENTED BY	CAPACITY	SIGNATURE
Namdeb Diamond Corporation (Pty) Ltd	I I Zaamwani - Kamwi	CEO	
De Beers Marine Namibia (Pty) Ltd	O N Shikongo	CEO	
Namibia Diamond Trading Corporation (Pty) Ltd	S E Ndjaba	CEO	