

Notice of annual general meeting

for the year ended 30 September 2009

Netcare Limited

Registration number: 1996/008242/06
(Netcare, the Company or the Group)
JSE share code: NTC
ISIN code: ZAE000011953

Notice is hereby given that the 13th annual general meeting of shareholders of Netcare will be held on Friday, 29 January 2010 at 12:00 in the auditorium, ground floor, 76 Maude Street, (corner West Street), Sandton, 2196, to consider and, if deemed fit, to pass, with or without modification, the following resolutions in the manner required the Companies Act, 61 of 1973, as amended (the Companies Act), and subject to the JSE Limited (JSE) Listing Requirements:

1. Ordinary resolution number 1 – Approval of the annual financial statements

“Resolved that the annual financial statements of the Company and the Group for the year ended 30 September 2009, be and they are hereby received and adopted.”

2. Ordinary resolution number 2 – Confirmation of the executive directors’ remuneration

“Resolved that the remuneration of the executive directors of Netcare Limited for the financial year ended 30 September 2009, as reflected in note 22 to the annual financial statements be and they are hereby confirmed.”

3. Ordinary resolution number 3 – Confirmation of the non-executive directors’ fees

“Resolved that the fees payable to non-executive directors for the financial year ending 30 September 2010 are as follows:

Payable per annum:

Board Chair	R800 000
Board members	R400 000
Audit Committee Chair	R130 000
Audit Committee members	R100 000
Remuneration Committee Chair	R100 000
Remuneration Committee members	R75 000
Risk Committee Chair	R100 000
Risk Committee members	R75 000
Nominations Committee Chair	R100 000
Nominations Committee members	R75 000
Transformation Committee Chair	R100 000
Transformation Committee members	R75 000
Quality Assurance and Clinical Risk Audit Committee Chair	R130 000
Quality Assurance and Clinical Risk Audit Committee members	R100 000

Payable per meeting:

Ad hoc Committees	R25 000”
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4. Ordinary resolution number 4 – Consulting services for non-executive directors

“Resolved that non-executive directors may be contracted to render services, in addition to the foregoing services, to the Group from time-to-time and in addition to any of the foregoing remuneration, non-executive directors shall be entitled to receive an amount of remuneration recommended by the Remuneration Committee of the Company for the additional non-executive services subject to shareholder approval at the Company’s annual general meeting from time to time, as required by the Company’s Articles of Association.”

5. Ordinary resolution number 5 – Reappointment of retiring directors

“Resolved that the reappointment of the following directors, who retire by rotation in accordance with the provisions of the Company’s Articles of Association and, being eligible, offer themselves for re-election be authorised and confirmed by separate resolution in respect of each reappointment -

- 5.1 VE Firman
- 5.2 APH Jammine
- 5.3 VLJ Litlhakanyane
- 5.4 KD Moroka
- 5.5 AA Ngcaba”

A brief curriculum vitae of the directors are contained on pages 14 and 15 of the annual report.

6. Ordinary resolution number 6 – Authority to place shares under the control of the directors

“Resolved that 112 000 000 out of the 1 072 342 345 unissued ordinary shares of 1.0 cent each in the capital of the Company (as at the last practicable date prior to the posting of this notice) be placed under the control of the directors.”

7. Ordinary resolution number 7 – Authority to issue shares for cash relating to convertible bond

“Resolved that subject to the passing of ordinary resolution number 6, and in terms of the JSE Listing Requirements as presently constituted and which may be amended from time to time, the directors are hereby authorised to issue 112 000 000 ordinary shares for cash, without restricting to whom the ordinary shares will be issued, subject to 7f) below, subject to the following conditions:

- a) that this authority shall be valid only until the next annual general meeting provided that it shall not extend beyond 15 months from the date of this resolution;

Notice of annual general meeting (continued)

for the year ended 30 September 2009

7. Ordinary resolution number 7 – Authority to issue shares for cash relating to convertible bond (continued)

- b) that a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% or more of the number of ordinary shares in issue prior to the issue/s;
- c) that issues in the aggregate in any one financial year shall not exceed 112 000 000 ordinary shares of the Company's issued ordinary share capital (including the number to be issued in the future as a result of the exercise of options or conversion of convertible securities issued in the same financial year);
- d) that, in determining the price at which an issue of ordinary shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the ordinary shares in question, as determined over the 30 business days prior to the date of the price of the issue agreed between the Company and the party subscribing for the securities;
- e) that the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue; and
- f) that any issue will only be made to public shareholders as defined in the JSE Listing Requirements, and not to any related parties."

In terms of the JSE Listing Requirements, the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the meeting, is required for this ordinary resolution to become effective.

8. Ordinary resolution number 8 – Capital reduction

"Resolved that in terms of Articles 54.1, 54.2 and 54.7 of the Company's Articles of Association and subject to the JSE Listing Requirements and the Companies Act, the directors of the Company shall be entitled, from time to time, to pay by way of a reduction of share premium, capital reductions to shareholders of the Company in lieu of a dividend, provided that:

- a) such capital reductions shall be amounts equal to the amounts which the directors would have declared and paid out of profits of the Company as interim and final dividends in respect of the financial year ending 30 September 2010;
- b) this authority shall be valid until Netcare's next annual general meeting, provided that it shall not extend beyond 15 months from the date of this annual general meeting;
- c) the payment shall be made pro rata to all shareholders;

- d) the payment shall not exceed 20% of the Company's issued stated capital, including reserves but excluding minority interests, and revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, in any one financial year, measured at the beginning of such financial year; and
- e) the Company undertaking that it will not implement the capital reduction until the Company's Sponsor has provided written confirmation to the JSE regarding the adequacy of the Company's working capital in accordance with schedule 25 of the JSE Listing Requirements."

The directors undertake that they will not implement such a capital reduction unless the following can be met:

- a) *the Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the notice of the annual general meeting;*
- b) *the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of the notice of the annual general meeting. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited annual Group financial statements;*
- c) *the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting; and*
- d) *the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting.*

9. Ordinary resolution number 9 – Amendment to the share incentive scheme

"Resolved that the deed of trust described as the Network Healthcare Holdings Limited Share Incentive Scheme (2005) (the scheme) be amended, with the approval of the JSE, in order to ensure compliance with schedule 14 to the JSE Listing Requirements, as amended during October 2008."

The amendments to the scheme to ensure compliance with schedule 14 to the JSE Listings Requirements can be summarised as follows:

- *14.1 (b) Number of securities that may be utilised for purposes of the scheme must be stated: The trust deed reflects a percentage as well as the stated amount of shares. The reference to percentage is to be removed.*

9. Ordinary resolution number 9 – Amendment to the share incentive scheme (continued)

- 14.1 (c) Fixed number of securities for any one participant: The trust deed reflects a percentage as well as the stated amount of shares. The reference to percentage is to be removed.

The scheme will be available for inspection during normal business hours at the registered office of the Company from the date of issue of the annual report of which this notice of annual general meeting forms part, up to and including the date of the annual general meeting.

In terms of the JSE Listing Requirements, the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the meeting, is required for this ordinary resolution to become effective.

10. Special resolution number 1 – General authority to repurchase shares

“Resolved that in terms of articles 13.7, 13.8 and 13bis of the Articles of Association, the Netcare directors be hereby authorised, by way of a general authority in terms of sections 85 to 89 of the Companies Act to repurchase Netcare ordinary shares or to permit a subsidiary of Netcare to purchase Netcare ordinary shares, as and when deemed appropriate, subject to the provisions of the Companies Act, the JSE Listing Requirements and provided that:

- this authority shall be valid until Netcare's next annual general meeting, provided that it shall not extend beyond 15 months from the date of this annual general meeting;
- any such repurchase be effected through the order book operated by the JSE trading system and done without any prior understanding or agreement between Netcare and the counterparty;
- a paid press release giving such details as may be required in terms of the JSE Listing Requirements, be published when Netcare or its subsidiaries have cumulatively repurchased 3% of the initial number of shares in issue and for each 3% in aggregate of the initial number which is acquired thereafter;
- a general repurchase may not in aggregate in any one financial year exceed 20% of Netcare's issued ordinary shares as at the beginning of the financial year, provided that a subsidiary of Netcare may not hold at any one time more than 10% of Netcare's issued ordinary shares;
- no repurchase will be effected during a prohibited period as defined in paragraph 3.67 of the JSE Listing Requirements unless Netcare has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to commencement of the prohibited period;
- at any point in time, Netcare may only appoint one agent to effect repurchases on its behalf;

- Netcare may only undertake a repurchase of Netcare ordinary shares if, after such repurchase, the shareholder spread of Netcare complies with the JSE Listing Requirements;
- the price at which Netcare ordinary shares may be repurchased be no more than at a maximum premium of 10% above the weighted average traded price or Netcare ordinary shares as determined over five business days immediately preceding the date of repurchase;
- the Company undertaking that it will not enter the market to repurchase the Company's shares until the Company's sponsor has provided written confirmation to the JSE regarding the adequacy of the Company's working capital in accordance with schedule 25 of the JSE Listing Requirements; and
- such repurchase shall be subject to the Companies Act and the applicable provisions of the JSE Listing Requirements.”

The directors undertake that they will not implement such a repurchase unless the following can be met:

- the Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the notice of the annual general meeting;*
- the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of the notice of the annual general meeting. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited annual Group financial statements;*
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting; and*
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting;*

Reason and effect of special resolution number 1

The reason for special resolution number 1 is to grant Netcare's directors a general authority, up to and including the date of the following annual general meeting of Netcare, to approve the purchase of Netcare ordinary shares by Netcare or one of its subsidiaries. The effect of special resolution number 1 is to grant a general authority to the Netcare directors accordingly.

The directors of Netcare have no specific intention to effect the provisions of special resolution number 1 but will however, continually review the Company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of special resolution number 1.

Notice of annual general meeting (continued)

for the year ended 30 September 2009

11. Ordinary resolution number 10 – Signature of documents

“Resolved that any two directors of Netcare be and they are hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of the resolutions to be proposed at the annual general meeting convened to consider this resolution and, insofar as any of the foregoing may have occurred prior to such annual general meeting, same be and is hereby confirmed, ratified and approved.”

12. To transact any other business that may be transacted at an annual general meeting Details in regard to other JSE listing requirements applying to ordinary resolution number 8 and special resolution number 1.

General information included in the annual report:

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Directors' responsibility statement

The directors collectively and individually accept full responsibility for the accuracy of the information pertaining to these resolutions and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that these resolutions contain all information required by law and the JSE Listing Requirements.

Material changes

Other than the facts and developments reported on in the annual report, there have been no material changes in the financial position of Netcare and its subsidiaries since the interim reporting period and the date of this notice.

Voting and proxies

Voting

Each ordinary shareholder entitled to attend and vote at the above meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and vote in his stead.

Preference shareholders

The holders of the preference shares shall be entitled to receive notice of, and to be present, either in person or by proxy, at any general meeting of the Company, but they shall not be entitled to vote at any such meeting, by virtue of or in respect of the preference shares, unless either or both of the following circumstances prevail at the date of the meeting:

- any preference dividend or any part thereof has become an arrear dividend; or
- a resolution of the company is proposed which resolution directly affects the rights attached to the preference shares or the interests of the holders thereof, including, without limitation, a resolution for the winding-up of the company or for the reduction of its capital.

At a general meeting of the Company at which holders of preference shares as well as other classes of shares are present and entitled to vote, a preference shareholder shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the par value of the preference shares held by him/her bears to the aggregate amount of the par value of all shares issued by the Company.

Subject to section 195 of the Companies Act, a holder of any preference share shall, when that holder is entitled to vote in respect of a resolution for which a shareholder's resolution is required in terms of the JSE Listings Requirements and the Companies Act, have (on the basis of the provisions set out in section 195(4) (b) of the Companies Act):

- the number of votes in respect of all preference shares of a class held by that holder, which is calculated (based on the number of votes attributable to the relevant shares using their par value) pro rata to all the issued preference shares, irrespective of class, of the Company, which issued preference shares are entitled to be voted at the relevant meeting;
- which number of votes shall be limited to that preference shareholder's said pro rata portion of the number of votes equal to 30% less one vote, of the number of votes to which all shareholders (including the holders of preference shares of whatever class) are entitled to cast (based on the number of votes attributable to the relevant shares using their par value) at the said meeting (with any cumulative fraction of a vote in respect of any shares held by a preference shareholder rounded down to the nearest whole number).

Appendix to notice of annual general meeting

for the year ended 30 September 2009

12. To transact any other business that may be transacted at an annual general meeting (continued)

Voting and proxies (continued)

Proxies

All beneficial owners of ordinary shares who have dematerialised their ordinary shares through a Central Securities Depository Participant (CSDP) or broker, other than those shareholders who have elected to dematerialise their ordinary shares with "own name" registration, and all beneficial owners of ordinary shares who hold certificated ordinary shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions. Voting instructions must reach the CSDP, broker or nominee in sufficient time to allow the CSDP, broker or nominee to advise the Company or its transfer secretaries of this instruction not less than 24 hours before the time appointed for the holding of the meeting.

Should you as the beneficial owner, however, wish to attend the meeting in person, you may do so by requesting your CSDP, broker or nominee to issue you with a letter of representation in terms of the custody agreement entered into with your CSDP, broker or nominee. Letters of representation must be lodged with the Company's transfer secretaries or at the registered office of the Company not less than 24 hours before the time appointed for the holding of the meeting.

Shareholders who hold certificated ordinary shares in their own name and shareholders who have dematerialised their ordinary shares in "own name" registrations must lodge their completed proxy forms with the Company's transfer secretaries or at the registered office of the Company not less than 24 hours before the time appointed for the holding of the meeting.



L Kok, FCIS
Company Secretary

Sandton

23 December 2009

A copy of the existing Memorandum and Articles of the Company may be inspected at the registered office of the Company, 3rd Floor, 76 Maude Street (corner West Street), Sandton, 2196 during normal business hours on any weekday excluding official public holidays.

Important notes about the annual general meeting (AGM) to be held on Friday, 29 January 2010 at 12:00.

Enquiries and questions

Shareholders intending to ask questions on the business of the AGM or on related matters are asked to register their names, addresses and questions at the question registration desk. A question form is enclosed for this purpose. Staff will be on hand to provide any advice and assistance required.

Please furthermore note:

1. Certificated members

Shareholders wishing to attend the AGM must ensure beforehand with the Company's transfer secretaries that their ordinary shares are in fact registered in their name. Should this not be the case and the ordinary shares are registered in any other name or in the name of a nominee company, it is incumbent on shareholders attending the meeting to make the necessary arrangements with the party beforehand, so as to be able to attend and vote in their personal capacity. The proxy form contains detailed instructions in this regard.

2. Uncertificated shareholders

Beneficial owners of dematerialised ordinary shares who wish to attend the AGM have to request their Central Securities Depository Participant (CSDP) or broker to provide them with a letter of representation, or instruct their CSDP or broker to vote by proxy on their behalf.

3. Proxies

Certificated shareholders, where applicable, must ensure that their proxy form reaches the Company's transfer secretaries or the registered office not later than 12:00 on Thursday, 28 January 2010.

4. Enquiries

Any shareholders having difficulties or queries in regard to the AGM or the above are invited to contact the Company Secretary, L Kok on +27 11 301-0160, fax +27 11 301-0481, e-mail Bert.kok@netcare.co.za.

Explanatory notes to the notice of annual general meeting for the year ended 30 September 2009

Resolutions

Ordinary resolution number 1

In terms of the Companies Act the directors are obliged to present to members at the annual general meeting (AGM), the annual financial statements and Group annual financial statements for the year ended 30 September 2009.

Ordinary resolution number 2

In terms of the Company's Articles of Association, the remuneration payable to the executive directors must be determined by the Company in general meeting.

Ordinary resolution number 3

In terms of the Company's Articles of Association, the fees payable to the non-executive directors must be determined by the Company in general meeting.

Ordinary resolution number 4

In terms of the Company's Articles of Association, the consulting fees payable to the non-executive directors must be determined by the Company in general meeting.

Ordinary resolution number 5

The Company's Articles of Association make provision for the annual retirement from office of a certain proportion of the Board of directors. In line with current corporate governance best practice, the appointment of each director standing for re-election will be voted on by a separate resolution.

Ordinary resolution number 6

In terms of section 221 and 222 of the Act, the members of the Company must approve the placement of the unissued ordinary shares under the control of the directors. This authority is due to expire at the forthcoming AGM, unless renewed. The authority being sought in terms of this resolution at this AGM relates to 112 million ordinary shares, being the approximate number of ordinary shares required to be issued for the potential conversion pursuant to the terms of the convertible bonds issued in October 2006.

In order to maintain technical compliance with the JSE Listings Requirements the directors require authority to issue, for cash, the requisite number of unissued ordinary shares required for this potential conversion.

This authority is required in terms of the JSE Listings Requirements.

Ordinary resolution number 7

A general authority to issue ordinary shares for cash was granted to the directors at the AGM held on Friday, 30 January 2009. This authority is due to expire at the forthcoming AGM unless renewed. This general authority is technically linked to resolution 4 which places a specific quantity of shares under the control of the directors to cater for the number of ordinary shares required to be issued on potential conversion in respect of a previous convertible bond issue.

In order to maintain technical compliance with the JSE Listings Requirements the directors require authority to issue, for cash, the requisite number of unissued ordinary shares, required for this potential conversion.

This authority is required in terms of the JSE Listings Requirements.

Ordinary resolution number 8

Article 54 of the Company's Articles of Association already permits the directors to make payments to shareholders pursuant to section 90 of the Companies Act. The annual renewal of this authority is necessary pursuant to the JSE Listings Requirements to enable the directors to pay a reduction of capital to shareholders.

Ordinary resolution number 9

Share option awards made by the Company are governed in terms of a trust deed, namely the Network Healthcare Holdings Ltd Share Incentive Trust (2005). The proposed amendment is necessary to ensure compliance with Schedule 14 to the JSE Listings Requirements, as amended during October 2008.

Special resolution number 1

This resolution is required to grant Netcare's directors a general authority, up to and including the date of the following annual general meeting of Netcare, to approve the purchase of Netcare ordinary shares by Netcare or one of its subsidiaries.

Ordinary resolution number 10

The reason for proposing this ordinary resolution is that the Board requires authorisation to take various actions and sign the documents pertaining to the resolutions to be proposed at this meeting. It is appropriate corporate practice for the members to grant this authority.