

BONITAS MEDICAL FUND

RULES

1. NAME

The name of the Scheme is BONITAS MEDICAL FUND, hereinafter referred to as the “Scheme”.

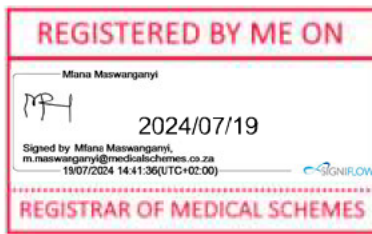
The abbreviated name of the Scheme is "Bonitas".

2. LEGAL PERSONA

The Scheme, in its own name, is a body corporate, capable of suing and of being sued and of doing or causing to be done all such things as may be necessary for or incidental to the exercise of its powers or the performance of its functions in terms of the Medical Schemes Act, the Regulations and these rules.

3. REGISTERED OFFICE

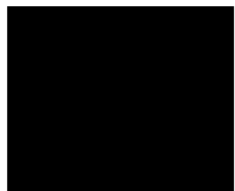
The registered office of the Scheme is situated at 2nd Floor 34 Melrose Boulevard, Melrose Arch, Melrose, Johannesburg, South Africa but the Board may transfer such office to any other location in the Republic of South Africa, should circumstances so dictate.



4. **DEFINITIONS**

In these rules, a word or expression defined in the Medical Schemes Act, 1998, (Act No. 131 of 1998) bears the meaning thus assigned to it and, unless inconsistent with the context: –

- (a) a word or expression in the masculine gender includes the feminine;
- (b) a word in the singular number includes the plural, and *vice versa*;
- (c) the following expressions have the following meanings:
 - 4.1 "Act" - the Medical Schemes Act, 1998. (Act No. 131 of 1996), and the regulations framed thereunder;
 - 4.2 "annual limit" - the maximum benefits to which a member and his registered dependents are entitled in terms of these rules, and shall be calculated annually to coincide with the commencement of each calendar year;
 - 4.3 "approval" or "authorisation" - such prior approval, whether in writing or otherwise, which may be required to be obtained from the Scheme prior to any healthcare service being obtained, as contemplated by these rules or as may be determined by the Scheme from time to time, and shall include such authorisation or pre-authorisation given by or on behalf of the Scheme where such authorisation or pre-authorisation is required by these rules and where application for such authorisation has been made by or on behalf of any beneficiary for access to the relevant healthcare service or benefit and on such terms and conditions as may be applicable to such authorisation;
 - 4.4 "auditor" - an auditor registered in terms of the Public Accountants and Auditors Act, 1991 (Act No. 80 of 1991), and may refer to the appointed Scheme auditors from time to time as the context may dictate;
 - 4.5 "beneficiary" – any member or dependent which is so registered with the Scheme, and who is entitled to claim benefits in terms of the applicable benefit option;



- 4.6 "child" - a member's natural child, or a stepchild or legally adopted child or a foster child or a child who has been placed in the legal custody of the member or his spouse or partner;
- 4.7 "continuation member" - a member who retains his membership of the Scheme in terms of rule 6.2 or a dependant who becomes a member of the Scheme in terms of rule 6.3;
- 4.8 "contribution" - in relation to a member, the amount, exclusive of interest, paid by or in respect of the member and his registered dependants if any, as membership fees and shall include contributions to personal medical savings accounts;
- 4.9 "co-payment" - that portion of a claim submitted by a member or a specific amount in relation to the access of any benefit that the member concerned may be required to pay;
- 4.10 "costs" in relation to a benefit, the net or final amount payable in respect of a relevant health service;
- 4.11 "Council", the Council for Medical Schemes established by section 3 of the Act;
- 4.12 "creditable coverage", means any period of verifiable medical scheme membership of the applicant or his dependant, but excluding membership as a child dependant, terminating two years or more before the date of the latest application for membership as per the regulations;
- 4.13 "dependant": -

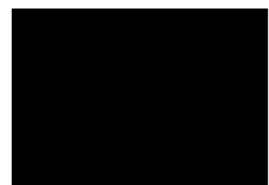
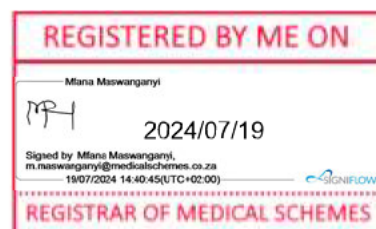
- a) a member's spouse or partner who is not a member or a registered dependant of a member of a medical scheme;
- b) a member's dependent child who is not a member or a registered dependant of a member of a medical scheme;
- c) the immediate family of a member in respect of whom the member is liable for family care and support;



d) such other persons who are recognised by the Board as dependants for purposes of these rules;

- 4.14 "dependent child" or "child dependent"- means a person registered as a dependent who is under the age of 24;
- 4.15 "designated service provider" - a healthcare provider or group of providers selected by the Scheme as preferred providers to provide to the members, diagnosis, treatment and care in respect of one or more conditions, including prescribed minimum benefit conditions, and may also be referred to as a "preferred provider" or a "network provider";
- 4.16 "domicilium citandi et executandi" - the member's chosen physical address at which notices in terms of rules 11 and 13 as well as legal process, or any action arising therefrom, may be validly delivered and served;
- 4.17 "emergency medical condition" - the sudden and, at the time, unexpected onset of a health condition that requires immediate medical or surgical treatment, where failure to provide medical or surgical treatment would result in serious impairment to bodily functions or serious dysfunction of a bodily organ or part, or would place the person's life in serious jeopardy;
- 4.18 "employee" - any member in the service of an employer;
- 4.19 "employer" - a participating employer who has contracted with the Scheme for the purposes of admission of its employees as members of the Scheme, or who has otherwise, in terms of its employment policies, has accredited the Scheme as a scheme to which its employees may belong;
- 4.20 "general waiting period" - a period in which a beneficiary is not entitled to claim benefits, other than prescribed minimum benefits;
- 4.21 "income" - means income as contemplated in Annexure "A";

- 4.22 “late joiner” - an applicant or the adult dependent of an applicant who, at the date of application for membership or admission as a dependant as the case maybe, is 35 years of age or older but excludes any beneficiary who enjoyed coverage with one or more medical schemes as from a date preceding 11 April 2001, without a break in coverage exceeding 3 consecutive months since 1 April 2001;
- 4.23 “managed health care” - such protocols and interventions implemented from time to time by the Scheme incorporating such clinical protocols with a view to performing the management of a relevant health service in order to contain costs, bring about effective rendering of healthcare services or for the ongoing review and monitoring of patients;
- 4.24 "medicine" - any medicine as defined in the Medicines and Related Substances Control Act, 1965, (No 5 of 1985) and registered in terms of Section 18 of that Act which may be procured by beneficiaries in accordance with the entitlements under the applicable benefit option, and subject to applicable managed healthcare interventions;
- 4.25 "member" - any person who is admitted as a principal member of the Scheme in terms of these rules, unless otherwise indicated by context;
- 4.26 "member family" - the member and all the registered dependents;
- 4.27 "partner” - a person with whom the member has a committed and serious relationship akin to a marriage based on objective criteria of mutual dependency and a shared and common household, irrespective of the gender of either party;
- 4.28 "prescribed minimum benefits" or “PMB” - those benefits which are required to be covered by the Scheme and in accordance with inter alia Regulation 8 of the Regulations promulgated in terms of the Act.
- 4.29 "prescribed minimum benefit condition" - a condition contemplated as being such in terms of the Regulations promulgated in terms of the Act, and as further regulated in terms of inter alia Annexure “C”;
- 4.30 "Registrar" - the Registrar or Deputy Registrar of Medical Schemes appointed in terms of section 18 of the Act;



- 4.31 "Scheme Tariff" - means the equivalent to the 2006 National Health Reference Price List, increased annually by inflation thereafter and may include applicable tariffs pertaining to the procurement of medicines by beneficiaries in accordance with their benefit entitlements;
- 4.32 "spouse" - the spouse of a member to whom the member is married in terms of any law or custom recognised in the Republic of South Africa.

5. **OBJECTS**

The objects of the Scheme are: -

- 5.1 to undertake liability, in respect of its members and their dependents, in return for a contribution or premium;
- 5.2 to make provision for the obtaining of any relevant health service;
- 5.3 to grant assistance in defraying expenditure incurred in connection with the rendering of any relevant health service; and/or
- 5.4 to render a relevant health service either by the Scheme itself, or by any supplier or group of suppliers of a relevant health service or by any person, in association with, or in terms of an agreement with the Scheme.

6. **MEMBERSHIP**

6.1 **ELIGIBILITY**

Subject to rule 8: -

- 6.1.1 Membership is open to any person or group of persons.
- 6.1.2 The Board may enter into an agreement with any company, society or organisation (including employers in the public sector) providing for the admission of the employees of such company, society or organisation as an employer and extend participation in the Scheme to the employees of such company, society or organisation or a specific category of persons specified by such company, society or organisation on such terms and conditions as may be



acceptable by the affected parties and the Scheme, and to amend, vary or otherwise augment such arrangement at any time as may be agreed by the affected parties and the Scheme from time to time, subject to the provisions of the Act.

6.2 RETIREES

6.2.1 A member shall retain membership of the Scheme with the member's registered dependants, if any, in the event of the member's retiring from the service or the member's employment being terminated by the member's employer on account of age, ill-health or other disability.

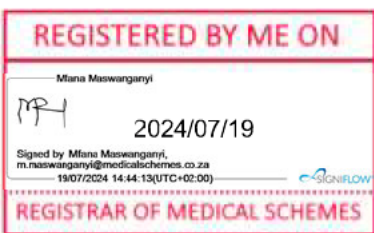
6.2.2 The Scheme shall inform the member of the right to continue membership and of the contribution payable from the date of retirement on termination of employment. Unless such member informs the Board in writing of the desire to terminate membership, the member shall continue to be a member.

6.3 DEPENDANTS OF DECEASED MEMBERS

6.3.1 The dependants of a deceased member, who are registered with the Scheme as dependants at the time of the member's death, shall be entitled to continued membership of the Scheme without any new restrictions, limitations or waiting periods.

6.3.2 The Scheme shall inform the dependants of the right to membership and of the contributions payable in respect thereof. Unless such persons inform the Board in writing of an intention not to become a member, he or she shall be admitted as a member of the Scheme. For purposes of this rule, where the member dies but leaves a spouse/partner, that spouse/partner will become the principal member and all the deceased member's dependents will become his/her dependents. Where the deceased member leaves no spouse/partner, then his/her eldest then registered dependent will become the main member, and the remaining dependents shall become his/her dependents, subject to rule 6.3.4 below.

6.3.3 Any member becoming a member or a dependent pursuant to the provisions of rule 6.3.2 above, shall lose his/her membership of the Scheme when he or she becomes a member or dependant of a member of another medical scheme.



6.3.4 If a member dies and leaves a child who, at the date of the member's death, was registered as a dependant, such child or in the case of more than one child, the eldest eligible child, will if the guardian so wishes, be admitted as a member of the Scheme. In the case of more than one child the other child or children will be accepted as dependents of that child.

7. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS

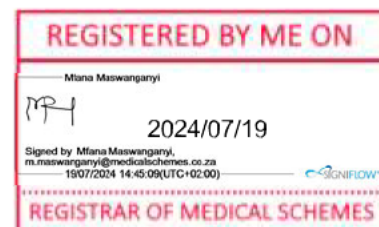
7.1 REGISTRATION OF DEPENDANTS

7.1.1 A member may apply for the registration of the member's dependents at the time that the member applies for membership in terms of rule 8, or at any other time as may be allowed in terms of these rules.

7.1.2 A member whose marital status changes subsequent to joining the Scheme and who elects to register or withdraw dependants as a result of such change or who withdraws any other registered dependant, is required to notify the Scheme within 30 days thereof. Contributions at the amended rates shall be payable from the first day of the month following such registration or withdrawal. Benefit limits will be adjusted from the date of registration of an additional dependant. Where a dependant is withdrawn, benefit limits will be adjusted on 1 January following the date of such withdrawal.

Members who marry subsequent to joining the Scheme who fail to notify the Scheme in terms of this rule will not be entitled to any benefits in respect of their additional dependants until they have given the required notice and paid the applicable contribution.

7.1.3 A member who wishes to register a new-born or adopted child as the member's registered dependant shall notify the Scheme within 30 days of the birth or adoption of a child and shall apply to the Scheme to register the child as a dependant. Increased contributions shall be due as from the first day of the month following the birth or adoption. Benefits however shall be adjusted as from the date of birth or adoption.



7.1.4 In the event of any person becoming eligible for registration as a dependant other than in the circumstances set out in rule 7.1.3, the member may apply to the Scheme for the registration of such person as a dependant, whereupon the provisions of rule 8 shall apply, *mutatis mutandis*.

7.1.5 Should a member elect not to register eligible dependents, such dependants will upon future application for registration as dependants of the member be subject to the waiting periods stipulated in paragraph 1 of Annexure “D”.

7.2 DE-REGISTRATION OF DEPENDANTS

7.2.1 A member shall inform the Scheme within 30 days of the occurrence of any event which results in any one of the member's dependents no longer satisfying the conditions in terms of which he or she may be a dependant.

7.2.2 When a dependant ceases to be eligible to be a dependant, he or she shall no longer be deemed to be registered as such for the purpose of these rules or entitled to receive any benefits, regardless of whether notice has been given in terms of these rules or otherwise.

8. TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP

8.1 A minor may become a member in his own right with the consent of the minor's parent or guardian.

8.2 No person may be a member of more than one medical scheme or claim or accept benefits in respect of the member or any of the members dependants from any medical scheme in relation to which he or she is not a member or a dependant of a member, and no person may be a dependant of: -

8.2.1 more than one member of a particular medical scheme; or

8.2.2 of different medical schemes.

8.3 Prospective members shall, prior to admission, complete and submit the application forms required by the Scheme, together with satisfactory evidence in respect of himself and his dependents, of age, income, state of health and of any prior membership or admission as dependant of any other medical scheme. The Scheme





- may require an applicant to provide it with a medical report on any proposed beneficiary in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve-month period ending on the date on which an application for membership was made. The costs of any medical tests or examinations required to provide such medical report shall be paid for by the Scheme. The Scheme may designate a provider to conduct such tests or examinations.
- 8.4 The Scheme may impose such waiting periods as further contemplated in the Act and these rules.
- 8.5 The registered dependants of a member shall participate in the same benefit option as the member.
- 8.6 Every member shall, on admission to membership, receive a detailed summary of these rules which shall include contributions, benefits, limitations, the member's rights and obligations, which summary of information may be in electronic format.
- 8.7 Members and their dependants, and any person who claims any benefit under these rules or whose claim is derived from a person so claiming are bound by these rules as amended from time to time.
- 8.8 A member may not cede, transfer, pledge or hypothecate or make over to any third party any claim, or part of a claim or any right to benefit which he may have against the Scheme. The Scheme may withhold, suspend or discontinue the payment of any benefit, or any right in respect of such benefit under these rules, if a member assigns, transfers, cedes, pledges or hypothecates such benefit.
- 8.9 Nothing in these rules shall be construed as altering in any way an employer's right to terminate the service of an employee who is a member of the Scheme or any agreement between the employer and the employee in regard to conditions of service.
- 8.10 All information pertaining to beneficiaries held by the Scheme shall be treated as confidential, provided that the Scheme may share such information with its service providers, healthcare service providers and suppliers to enable beneficiaries to obtain healthcare services, for claims to be processed, and generally for all purposes necessary to enable the Scheme to conduct the business of a medical scheme and for beneficiaries to obtain benefits. Where a beneficiary's information is shared with service providers or suppliers and where a beneficiary, in terms of any law, has the

right to opt out of any initiative, then the Scheme shall ensure that the beneficiary will be entitled to exercise such opt-out right.

9. **TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME**

9.1 If the members of a medical scheme who are members of that scheme by virtue of their employment by a particular employer, terminate their membership of such scheme with the object of obtaining membership of the Scheme, the Board shall admit as a member, without a waiting period, any member of such first-mentioned scheme who is a continuation member by virtue of his past employment by the particular employer and admit any person who has been a registered dependant of such member, as a dependent.

10. **MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP**

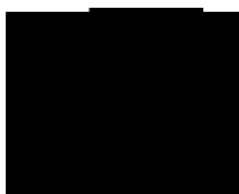
10.1 Every member shall be furnished with a membership card (which may be in digital format), containing such particulars as may be prescribed. This card shall be exhibited to the supplier of a service on request. It remains the property of the Scheme and shall be returned to the Scheme or destroyed on termination of membership.

10.2 The utilisation of a membership card by any person other than the member or his registered dependents, with the knowledge or consent of the member or his dependants, is not permitted and is construed as an abuse of the privileges of membership of the Scheme.

10.3 On termination of membership or on de-registration of a dependent, the Scheme shall, within 30 days of such termination or at any time on request, furnish such person with a certificate of membership and cover, containing such particulars as may be prescribed.

11. **CHANGE OF ADDRESS OF MEMBER**

11.1 A member shall notify the Scheme within 30 days of any change of address including his domicilium citandi et executandi. The Scheme shall not be held liable if a member's rights are prejudiced or forfeited as a result of the member neglecting to comply with the requirements of this rule.





12. TERMINATION OF MEMBERSHIP

12.1 Termination of employment: -

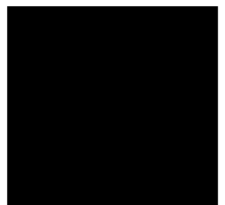
12.1.1 Subject to any provisions of rules 6.2 and 6.3 a member whose service as an employee is terminated, shall on the date of such termination, be eligible to individual membership if he so chooses without the imposition of any new restrictions that did not exist at the time of his resignation.

12.2 Voluntary termination of membership: -

12.2.1 A member may terminate his membership of the Scheme on giving one month's written notice. All rights to benefits cease after the last day of membership.

12.2.2 A participating employer may terminate his participation in the Scheme on giving one month's written notice by means as may be advised by the Scheme from time to time, to the Scheme's administrator.

12.2.3 Should all employers participating in the Scheme simultaneously give written notice in terms of rule 12.2.2 to reduce, suspend or terminate the employers' contributions to the Scheme the Board shall, as soon as possible after the receipt of such notice, arrange for members to decide by ballot in terms of rule 29 whether the Scheme shall continue business without the employers' contributions or with reduced contributions or whether the Scheme shall be liquidated. Should the majority of the members agree that they should continue their membership of the Scheme, then the members shall be entitled to become individual members without interruption or break in their benefits, with or without reduced contributions.





12.3 Death: -

12.3.1 Membership of a member terminates on his death.

12.4 Failure to pay amounts due to the Scheme: -

12.4.1 The Board shall have the right to terminate the membership of a member in accordance with rule 13.2.

12.5 The Board may exclude from benefits or terminate the membership of a member or dependant whom the Board finds guilty of abusing the benefits and privileges of the Scheme by:

12.5.1 making false claims; or

12.5.2 failing to disclose material information or making a material misrepresentation.

In such event such a member may be required by the Board to refund to the Scheme any sum which, but for his abuse of the benefits or privileges of the Scheme, would not have been disbursed on his behalf.

13. CONTRIBUTIONS

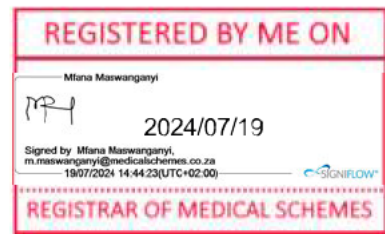
13.1 The total monthly contributions payable to the Scheme by or in respect of the member are as stipulated in Annexure “A”.

13.2 Contributions shall be due and payable to the Scheme in terms of the provisions of Annexure “A”. Where contributions or any other debt owing to the Scheme have not been paid within 3 days of the due date, the Scheme shall have the right, subject to the provisions of the Scheme’s Credit Control Policy:

13.2.1 without prior notice to the member, to immediately suspend all benefit payments which have accrued to such member irrespective of when the claim for such benefit arose; and

- 13.2.2 to give the member written notice at *domicilium citandi et executandi*, or at any other contact address of the person, whether by postal means or electronic communication, that if contributions or such other debts are not paid up to date within 30 days of such notice, membership may be cancelled.
- 13.3 A written notice sent by post to the member at his *domicilium citandi et executandi* indicating the outstanding amount shall be deemed to have been received by the member on the 7th day after the date of posting. If the communication is sent by electronic means, then such communication shall be deemed to have reached the member upon the successful transmission thereof.
- 13.4 In the event that payments are brought up to date and provided membership has not been cancelled in accordance with rule 13.2.2 above, benefits shall be reinstated without any break in continuity subject to the right of the Scheme to levy a reasonable fee to cover any expenses associated with the default and to recover interest at the prima overdraft rate of the Scheme's bankers. If such payments are not brought up to date, no benefits shall be due to the member from the date of default and any such benefit paid may be recovered by the Scheme.
- 13.5 Unless specifically provided for in the rules in respect of savings accounts, no refund of any assets of the Scheme or any portion of a contribution shall be paid to any person where such member's membership or cover in respect of any dependant terminates during the course of a month.
- 13.6 The balance standing to the credit of a member in terms of any option which provides for personal medical savings accounts shall at all times remain the property of the member.
- 13.7 All adjustments in the rates of contribution arising from an increase or decrease in the number of dependants are to be implemented on the first day of the following month. In the case of salary adjustments, the contribution is to be adjusted with effect from the month to which the salary adjustment relates.





14. **LIABILITIES OF EMPLOYER AND MEMBER**

- 14.1 The liability of the employer towards the Scheme is limited to any amounts payable in terms of any agreement between the employer and the Scheme.
- 14.2 The liability of a member to the Scheme is limited to the amount of his unpaid contributions together with any sum disbursed by the Scheme on his behalf or on behalf of his dependants which has not been repaid to the Scheme.
- 14.3 In the event of a member ceasing to be a member, any amount still owing by such member is a debt due to the Scheme and recoverable by it.

15. **CLAIMS PROCEDURE**

- 15.1 Every claim submitted to the Scheme in respect of the rendering of a relevant health care service as contemplated in these rules, shall be accompanied by an account or statement and shall contain the following particulars: -
- 15.1.1 the surname and initials of the member;
- 15.1.2 the surname, first name and other initials (if any) of the patient;
- 15.1.3 the name of the Scheme;
- 15.1.4 the membership number of the member;
- 15.1.5 the practice code number, group practice number and individual provider registration number issued by the registering authorities for providers, if applicable, of the supplier of service and, in the case of a group practice, the name of the practitioner who provided the service;
- 15.1.6 the relevant diagnostic and such other item code numbers that relate to such relevant health service;
- 15.1.7 the date on which each relevant health service was rendered;

15.1.8 the nature and cost of each relevant health service rendered, including the supply of medicine to the member concerned or to a dependant of that member; and the name, quantity, dosage of and net amount payable in respect of the medicine;

15.1.9 where a pharmacist supplies medicine according to a prescription to a member or a dependant, a copy of the original prescription or a certified copy of such prescription, if the Scheme requires it;

15.1.10 where mention is made in such account or statement of the use of a theatre: -

a) the name and relevant practice number and provider number contemplated in subparagraph 15.1.5 of the medical practitioner or dentist who performed that operation;

b) the name or names of the relevant practice number and provider number contemplated in subparagraph 15.1.5 of every medical practitioner or dentist who assisted in the performance of the operation; and

c) all procedures carried out together with the relevant item code number contemplated in sub-paragraph 15.1.6.

15.1.11 in the case of a first account or statement in respect of orthodontic treatment or other advanced dentistry, -a treatment plan indicating: -

a) the expected total amount in respect of treatment;

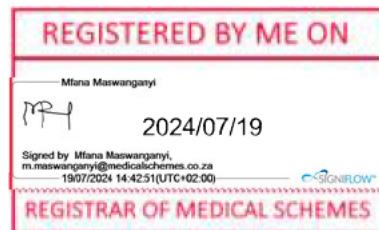
b) the expected duration of the treatment;

c) the initial amount payable; and

d) the monthly amount payable.

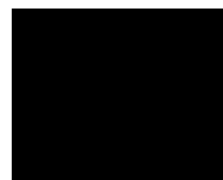
15.2 If an account, statement or claim is correct or where a corrected account, statement or claim is received, as the case may be, the Scheme shall, in addition to the payment contemplated in Section 59(2) of the Act, dispatch to the member a statement containing at least the following particulars: -





- 15.2.1 the name and the membership number of the member;
- 15.2.2 the name of the supplier of service;
- 15.2.3 the final date of service rendered by the supplier of service on the account or statement which is covered by the payment;
- 15.2.4 the total amount charged for the service concerned; and
- 15.2.5 the amount of the benefit awarded for such service.

- 15.3 In order to qualify for benefits, any claim shall, unless otherwise arranged, be signed and certified as correct and shall be submitted to the Scheme not later than the last day of the fourth (4) month following the month in which the service was rendered,
- 15.4 Where a member has paid an account, he shall, in support of his claim, submit a receipt.
- 15.5 Accounts for treatment of injuries or expenses recoverable from third parties, shall be supported by a statement setting out particulars of the circumstances in which the injury was sustained.
- 15.6 Where the Scheme is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, the Scheme shall notify the member and the health care provider within 30 days after receipt thereof and state the reasons for such an opinion. The Scheme shall afford the member and provide the opportunity to resubmit such corrected account or statement to the Scheme within 60 days following the date from which it was returned for correction.
- 15.7 These rules shall not be construed as depriving the Scheme of its discretion as contemplated in Section 59(2) of the Act to pay either the member or the service provider in respect of any claim, as the Scheme may deem fit in its sole and absolute discretion.
- 15.8 Notwithstanding that the Scheme may have any agreement with any service provider which provides that the Scheme will pay all valid claims directly to the service provider, if in the sole opinion of the Scheme, and to protect the interests of the Scheme and its members, the Scheme determines that payment should be made



directly to the member, then the Scheme is hereby authorised to deviate from such agreement with the service provider and reimburse member directly, provided that the Scheme shall notify the service provider of this decision. The member will then be liable for settling all outstanding monies with the service provider.

16. **BENEFITS**

16.1 Members are entitled to benefits during a financial year as per Annexure “B” and such benefits extend through the member to his registered dependants. A member shall on admission or at any time thereafter, and subject to the member’s right to change benefit option as governed by these rules, elect to participate in any one of the available options detailed in Annexure “B”.

16.2 A member is entitled to change from one to another benefit option subject to the following conditions: -

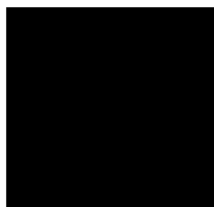
16.2.1 The change may be made only with effect from 1 January of any financial year. The Scheme may, in its absolute discretion, and upon receipt of a properly motivated request from a member, permit a member to change to another benefit option on any other date.

16.2.2 Application to change from one benefit option to another shall be in writing and lodged with the Scheme in the prescribed manner by not later than 30 November, or any other date as the Scheme may advise members from time to time, prior to the year upon which it is intended the change shall take place; provided that the member has had at least 30 days prior notification of any intended changes in benefits or contributions for the next year.

16.3 The Scheme shall, where an account has been rendered, pay any benefit due to a member, either to that member or the supplier of the relevant health service who rendered the account, within 30 days of receipt of the claim pertaining to such benefit.

16.4 Any benefit option offered in Annexure “B” covers in full the cost of the prescribed minimum benefits as negotiated by the Scheme.

16.5 The Scheme may exclude services from benefits as set out in Annexure “C”.



16.6 The benefit for any valid claim accepted by the Scheme in terms of these rules in respect of services provided outside the Republic of South Africa will be determined in accordance with the Scheme Tariff or at the cost of services, whichever is the lower and payment will be made in terms of rule 17.

17. PAYMENT OF ACCOUNTS

17.1 Payment of accounts or reimbursement of claims is restricted to the net amount payable in respect of such benefit and maximum amount of the benefit to which the member is entitled in terms of the applicable benefit.

17.2 Any discount whether on an individual basis or bulk discount received in respect of a relevant health service shall be for the benefit of the member in determining the net amount payable for the service and appropriate deduction from the applicable benefit limit or medical savings account, as the case may be.

17.3 The Scheme may, whether by agreement or not, pay the benefit to which a member is entitled, directly to the supplier (or group of suppliers) who rendered the service.

17.4 Where the Scheme has paid an account or portion of an account or any benefit to which a member is not entitled, whether payment is made to the member or to the supplier of service, the amount of any such overpayment is recoverable by the Scheme.

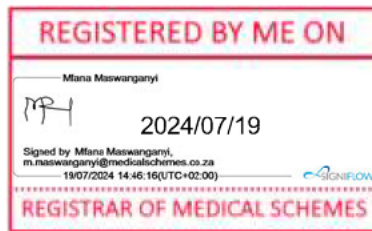
17.5 Notwithstanding the provisions of this rule, the Scheme has the right to pay any benefit directly to the member concerned,

17.6 Any valid claim accepted by the Scheme in terms of these rules in respect of services provided outside the Republic of South Africa will be paid in the currency of the Republic of South Africa.

18. GOVERNANCE

18.1 The affairs of the Scheme shall be managed according to these rules by a Board consisting of not more than 11 persons who are fit and proper, and elected or appointed as follows:





ELECTED TRUSTEES

- 18.1.1 At least 8 (eight) Trustees shall be directly elected from amongst members (“Elected Trustees”). Elections shall occur at a general meeting or otherwise by ballot, at the discretion of the Board from time to time.

APPOINTED TRUSTEES

- 18.1.2 A maximum of 3 (three) Trustees shall be appointed by the Elected Trustees (“Appointed Trustees”), provided that such appointed Trustees are:
- a) Members of the Scheme; and
 - b) Possess one or more of the following qualifications or belong to the following professions:
 - 1) Attorney or Advocate;
 - 2) Accountant or Auditor;
 - 3) Actuary;
 - 4) Medical Practitioner or Specialist; or
 - 5) Any other specialist expertise or qualification identified by the Board from time to time.
- 18.1.3 The purpose of appointing the Appointed Trustees will be to ensure that the capabilities required by the Board are able to be sourced for the benefit of the Scheme.
- 18.1.4 In determining who to appoint as an Appointed Trustee, the Board shall take into account issues of transformation and gender to address representation on the Board should it be necessary.
- 18.2 The Board must elect from its number the chairperson and vice-chairperson at the first meeting which must take place within 14 days, or as soon thereafter as practically possible, after the Annual General Meeting.

18.3 All Trustees shall serve a term of office for a period of 5 years, provided they remain in good standing with the Scheme.

18.4 The following persons are not eligible to serve as members of the Board:

18.4.1 A person under the age of 21 years;

18.4.2 An employee, director, officer, consultant or contractor of the administrator of the scheme of the holding company, subsidiary, joint venture or associate of that administrator as contemplated in Section 57(3) of the Act;

18.4.3 A broker;

18.4.4 The principal officer of the Scheme; and

18.4.5 The auditor of the Scheme.



18.5 Retiring members of the Board are eligible for re-election provided no person shall serve more than two (2) consecutive terms and no more than a total of three terms.

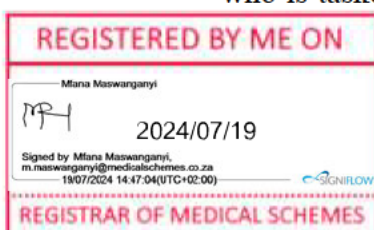
18.6 The Board may fill by appointment, any casual vacancy arising during the term of office of a member of the Board due to such member resigning in terms of rule 18.12 or ceasing to hold office in terms of rule 18.13. A person so appointed *must* retire at the first ensuing Annual General Meeting and that meeting may fill the vacancy for the unexpired period of office of the vacating member of the Board. Any person serving as a Trustee pursuant to filling in a vacancy as contemplated in this rule shall be deemed not to have served a term as contemplated in Rule 18.3 and is eligible for election in terms of rule 18.1.1 or appointment in terms of rule 18.1.2.

ELECTION PROCESS

18.7 Nominations to fill vacancies on the Board (other than casual vacancies as contemplated in Rule 18.6), which is signed by a proposer and a seconder in good standing with the Scheme, must also be signed by the candidate signifying his/her consent to stand for election and must be submitted to the Scheme together with a current curriculum vitae. Where the elections are to occur at the Annual General Meeting, the aforementioned documents must be received by 31 March of the year concerned and the election must be carried out by the members present at the Annual

General Meeting of the Scheme. Where elections are to occur by way of ballot or at a specially convened general meeting of the members, then members shall be afforded such reasonable notice and opportunity to submit the necessary documents and exercise their right to vote for Trustees as may be determined and advised by the Board from time to time.

- 18.8 The Board shall be obliged to call for elections if there are simultaneously more than three (3) vacancies in respect of the Elected Trustees. The Board shall have the right to determine, having regard to strategic and other considerations, how many of these vacancies to fill by way of election. The Board may at any time, irrespective of the number of vacancies, call for elections should it be deemed to be in the interests of the Scheme to do so.
- 18.8A Subject to the provisions of the Act and the provisions of rule 18.13, the following members are disqualified from being nominated as candidates to be elected to the office of Trustee or from being appointed as a Trustee:
- 18.8A.1 Any person who has a conflict of interest, including interest due to him/her having shares or any other financial interest in any current service provider of the Scheme, or who is a director, employee, consultant or officer or such a service provider;
- 18.8A.2 A person who has a judgement against him/her for failure to honour his/her financial obligations, provided that if the person has taken steps to successfully rescind such a judgement, then subject to the representations made by such a member to the Board or any appointed authority who is tasked with carrying out the electoral process, who may consider such representations and determine whether the member is disqualified under the circumstances;
- 18.8A.3 Any person who has been convicted of a serious criminal offense which attracted a payment of a fine of at least R10 000, or imprisonment, or imprisonment without the option of a fine; or
- 18.8A.4 Any person who, through such conduct which may come to the attention of the Scheme, may pose a risk to the reputation and standing of the Scheme, or who is the subject of any regulatory or legal investigation. Such a person shall be given the right to make representations to the Board or any appointed authority who is tasked with carrying out the electoral process, who may consider such



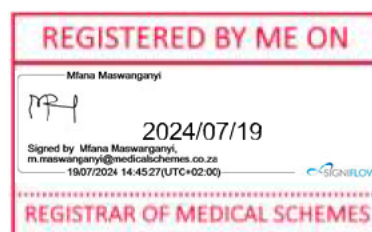
representations and determine whether the member is disqualified having regard to such representations.

BOARD MEETINGS AND RELATED MATTERS

- 18.9 A quorum for purposes of Board meetings shall be 50%, plus 1 of the Trustees, physically or otherwise present by way of real-time electronic communication.
- 18.10 In the absence of the chairperson and vice-chairperson, the Board members present must elect one of the members to preside.
- 18.11 Matters serving before the Board must be decided by a majority vote and in the event of an equality of votes, the chairperson has a casting vote in addition to his/her deliberative vote.
- 18.12 A member of the Board may resign at any time by giving thirty (30) days written notice to the Board.
- 18.13 A member of the Board ceases to hold office if:
- 18.13.1 He/she becomes mentally ill or incapable of managing his/her affairs.
 - 18.13.2 He/she is declared insolvent or has surrendered his/her estate for the benefit of his/her creditors.
 - 18.13.3 He/she is convicted, whether in the Republic of South Africa or elsewhere, of theft, fraud, forgery or uttering of a forged document or perjury, or any other crime which has dishonesty as an element thereof.
 - 18.13.4 He/she is disqualified under any law from carrying on his/her profession.
 - 18.13.5 He/she ceases to be a member of the Scheme.
 - 18.13.6 He/she absents himself from three consecutive meetings of the Board without permission of the chairperson and/or tendering an apology. Alternatively, if the member absents himself / herself (3) three of (6) duly constituted consecutive Board meetings.



- 18.13.7 He/she is removed from office by the Council in terms of Section 46 of the Act;
or
- 18.13.8 He/she is removed from office in terms in terms of rule 18.19.
- 18.14 The Board must meet at least once every two months or at such intervals as it may deem necessary.
- 18.15 The chairperson may convene a special Board meeting should the necessity arise. Any six (6) voting members of the Board may request the chairperson to convene a special meeting of the Board stating the matters to be discussed at such meeting. If there are less than 6 (six) Trustees, then at least two-thirds of the Trustees in office must request such a special Board meeting.
- 18.16 The Board may, subject to participation by sufficient members to form a quorum, discuss and resolve matters by telephone or electronic conferencing means and may adopt resolutions on that basis.
- 18.17 Members of the Board may be reimbursed for all reasonable expenses incurred by them in the performance of their duties as Trustees. Such reimbursement must be in line with the approved Trustee Remuneration Policy disclosed to the members in the Annual General Meeting.
- 18.18 In accordance with these rules and the Trustee Remuneration Policy any subsequent amendments to the Trustee Remuneration Policy, must be approved by members at the Annual General Meeting.
- 18.19 A member of the Board who acts in a manner which is seriously prejudicial to the interests of beneficiaries of the Scheme may be removed by the Board, provided that:
- 18.19.1 Before a decision is taken to remove the member of the Board, the Board shall furnish that member with full details of the evidence which the Board has at its disposal regarding the conduct complained of and allow such member a period of not less than 30 days in which to respond to the allegations.
- 18.19.2 The resolution to remove that member is taken by at least two third of the voting members of the Board.



18.19.3 The member shall have recourse to dispute procedures of the Scheme or complains and appeal procedures provided for in the Act.

18.20 The Board may from time to time appoint functional or project-based committees or task teams from amongst the members of the Board. The existence of these committees shall be based on respective projects or for the life of the Board to which they are accountable.

19. DUTIES OF BOARD OF TRUSTEES

19.1 The Board is responsible for the proper and sound management of the Scheme, in terms of these rules.

19.2 The Board shall act with due care, diligence, skill and in good faith.

19.3 Members of the Board shall avoid conflicts of interests and shall declare any interest they may have in any particular matter serving before the Board.

19.4 The Board shall apply sound business principles and ensure the financial soundness of the Scheme.

19.5 The Board shall appoint a principal officer who is a fit and proper person to hold such office and may appoint any staff which in its opinion are required for the proper execution of the business of the Scheme and shall determine the terms and conditions of service of the principal officer and of any person employed by the Scheme.

19.6 The chairperson shall preside over meetings of the Board and ensure due and proper conduct at meetings.

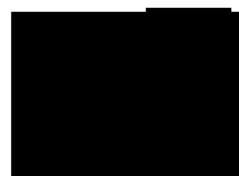
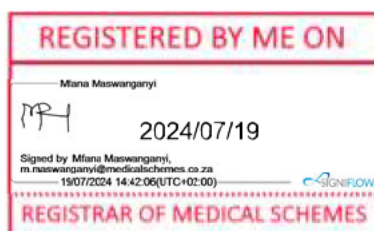
19.7 The Board shall cause to be kept such minutes, accounts, registers and records as are essential for the proper functioning of the Scheme.

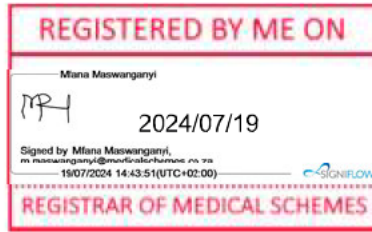
19.8 The Board shall ensure that proper control systems are employed by and on behalf of the Scheme.

19.9 The Board shall ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions and duties in terms of these rules.



- 19.10 The Board shall take all reasonable steps to ensure that contributions are paid timeously to the Scheme in accordance with the Act and the rules.
- 19.11 The Board shall take out and maintain an appropriate level of professional indemnify insurance and fidelity guarantee insurance.
- 19.12 The Board shall obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the members of the Board may lack efficient expertise.
- 19.13 The Board shall ensure that these rules, operation and administration of the Scheme comply with the provisions of this Act and all other applicable laws.
- 19.14 The Board shall take all reasonable steps to protect the confidentiality of medical records concerning any member's state of health.
- 19.15 The Board shall approve all disbursements but may delegate its authority in terms of rule 20.19.
- 19.16 The Board shall cause to be kept in safe custody, in a safe or strong room at the registered office of the Scheme or with any financial institution or other entity approved by the Board, any mortgage bond, title deed or other security belonging to or held by the Scheme, except when in the temporary custody of another person for the purposes of the Scheme.
- 19.17 The Board shall make such provision as it deems desirable, and with due regard to normal practice and recommended guidelines pertaining to retention documents, for the safe custody of the books, records, documents and other effects of the Scheme.
- 19.18 The Board shall disclose annually in writing to the Registrar, any payment or consideration made to them in that particular year by the Scheme.

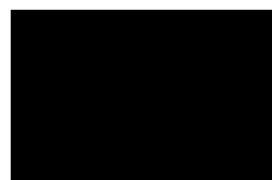




20. **POWERS OF THE BOARD**

The Board has the power: -

- 20.1 to cause the termination of the services of any employee of the Scheme;
- 20.2 to take all the necessary steps and to sign and execute as the necessary documents to ensure and secure the due fulfilment of the Scheme's obligations in regard to such appointments;
- 20.3 to appoint ad hoc committees consisting of such Board members and experts as it deems appropriate and to delegate any of its powers to such committees provided that the committees so appointed shall in the exercise of the powers conform to any rules or instructions that may be imposed or issued to them by the Board;
- 20.4 to appoint a committee in respect of benefits approved by the Board. The benefit committee so appointed shall:
 - 20.4.1 ensure the proper administration of the benefits concerned in accordance with these rules and the provisions of the relevant by-laws for the benefits committee as approved by the Board from time to time;
 - 20.4.2 be vested with the powers delegated to it by the Board;
 - 20.4.3 shall at all times comply with the requirements of the Board to ensure the financial viability of the benefit plans;
 - 20.4.4 advise the Board of the steps required from time to time to ensure such financial viability; and
 - 20.4.5 submit its proposals for amendments to these rules in general, and to the relevant annexures.
- 20.5 to appoint a duly accredited administrator on such terms and conditions as it may determine, for the proper execution of the business of the Scheme. The terms and conditions of such appointment shall be contained in a written contract which complies with the requirements of the Act and the regulations;



- 20.6 to appoint, contract with and compensate any accredited broker for the introduction or admission of a member to the Scheme and for ongoing broker support subject to the provisions of the Act and the regulations;
- 20.7 to contract with managed health care organisations subject to the provisions of the Act and the regulations;
- 20.8 to purchase movable and immovable property for use of the Scheme or otherwise and to sell it or any of it;
- 20.9 to let or hire movable or immovable property;
- 20.10 to provide administrative services to other medical schemes;
- 20.11 in respect of any moneys not immediately required to meet current charges *upon* the Scheme and subject to the provisions of the Act, and in the manner determined by the Board, to invest or otherwise to deal with such monies upon security and to realise, re-invest or otherwise deal with such monies and investments;
- 20.12 with the prior approval of the Council, to borrow money for the Scheme from the Scheme's bankers against the security of the Scheme's assets for the purpose of bridging a temporary shortage;
- 20.13 subject to the provisions of any law, to cause the Scheme, whether on its own or in association with any person, to establish or operate any pharmacy, hospital, clinic, maternity home, nursing home, infirmary, homes for aged persons or any similar institution, in the interests of the members of the Scheme;
- 20.14 to donate to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or any of the beneficiaries;
- 20.15 to grant repayable loans to members or to make ex gratia payments on behalf of members in order to assist such members to meet commitments in regard to any matter specified in rule 5;
- 20.16 to contribute to any fund conducted for the benefit of the employees of the Scheme;



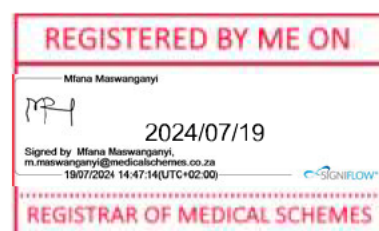
- 20.17 to reinsure obligations in terms of the benefits provided for in these rules in the prescribed manner;
- 20.18 to authorise the principal officer and/or such other person or members of the Board as it may determine from time to time, and upon such terms and conditions as the Board may determine, to sign any contract or other document binding or relating to the Scheme or any document authorising the performance of any act on behalf of the Scheme;
- 20.19 to authorise any of the members of the Board or any other persons nominated by the Board to effect disbursements on behalf of the Scheme;
- 20.20 to contribute to any association instituted for the furtherance, encouragement and co-ordination of medical schemes; and
- 20.21 in general; to do anything, which it deems necessary or expedient to perform its functions in accordance with the provisions of the Act and these rules.

21. DUTIES OF PRINCIPAL OFFICER AND STAFF

- 21.1 The staff of the Scheme shall ensure the confidentiality of information regarding its members.
- 21.2 The principal officer is the executive officer of the Scheme and as such shall ensure that:
 - 21.2.1 the decisions and instructions of the Board are executed without unnecessary delay;
 - 21.2.2 where necessary, there is proper and appropriate communication between the Scheme and those parties affected by the decisions and instructions of the Board;
 - 21.2.3 the Board is kept sufficiently and timeously informed of the affairs of the Scheme which relate to the duties of the Board as stated in section 57(4) of the Act;



- 21.2.4 the Board is kept sufficiently and timeously informed concerning the affairs of the Scheme so as to enable the Board to comply with the provisions of section 57(6) of the Act; and
- 21.2.5 he or she does not take any decisions concerning the affairs of the Scheme without prior authorisation by the Board and that he or she at all times observes the authority of the Board in its governance of the Scheme.
- 21.3 The principal officer shall be the accounting officer of the Scheme charged with the collection and accounting for all monies received and payments authorised by and made on behalf of the Scheme.
- 21.4 The principal officer shall ensure the carrying out of all of his/her duties as are necessary for the proper execution of the business of the Scheme. He or she shall attend all meetings of the Board, and any other duly appointed committee where his/her attendance may be required and ensure proper recording of the proceedings of all meetings.
- 21.5 The principal officer shall be responsible for the supervision of the staff employed by the Scheme unless the Board decides otherwise.
- 21.6 The principal officer shall keep full and proper records of all monies received and expenses incurred by and of all assets, liabilities and financial transactions of the Scheme.
- 21.7 The principal officer shall prepare annual financial statements and shall ensure compliance with all statutory requirements pertaining thereto.
- 21.8 The following persons are not eligible to be a principal officer: -
- 21.8.1 a current Trustee; or
- 21.8.2 an employee, director, officer, consultant or contractor of the Scheme's administrator or of the holding company, subsidiary joint venture or associate of that administrator; or
- 21.8.3 a broker.



21.9 The provisions of rules 18.13.1 to 18.13.5 apply *mutatis mutandis* to the principal officer.

22. **INDEMNIFICATION AND FIDELITY GUARANTEE**

22.1 The Board and any officer of the Scheme shall be indemnified by the Scheme against all proceedings, costs and expenses incurred by reason of any daft against or by the Scheme, not arising from their negligence, dishonesty or fraud.

22.2 The Board shall ensure that the Scheme is insured against loss resulting from the dishonesty or fraud of any of its officers.

23. **FINANCIAL YEAR OF THE SCHEME**

The financial year of the Scheme extends from the first day of January to the 31st day of December of that year.

24. **BANK ACCOUNT**

The Scheme shall establish and maintain a bank account under its direct control with a registered commercial bank. All monies received shall be deposited directly to the credit of such account. All payments shall be made by electronic transfer under the joint authorisation of not less than two persons duly authorised by the Board.

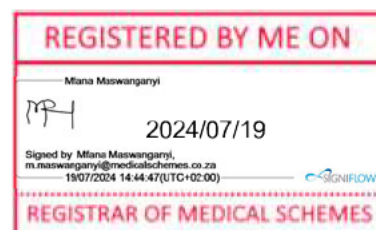
25. **AUDITOR AND AUDIT COMMITTEE**

25.1 An audit firm (who shall be approved by the Registrar in terms of Section 36 of the Act) shall be appointed by the Board, to hold office for a period of three years.

25.2 The following persons are not eligible to serve as auditor of the Scheme:

25.2.1 a member of the Board;

25.2.2 an employee, officer or contractor of the Scheme;



- 25.2.3 an employee, director, officer or contractor of the Scheme's administrator, or of the holding company, subsidiary, joint venture or associate of the administrator;
- 25.2.4 a person not engaged in public practice as an auditor; or
- 25.2.5 a person who is disqualified from acting as an auditor in terms of the Companies Act, 2008.
- 25.3 Whenever for any reason an auditor vacates his office prior to the expiration of the period for which he/she has been appointed, the Board shall within 30 days appoint another auditor to fill the vacancy for the unexpired period.
- 25.4 If the members of the Scheme at a general meeting fail to appoint an auditor required to be appointed in terms of this rule, the Board shall within 30 days make such appointment, and if it fails to do so, the Registrar may at any time do so.
- 25.5 The auditor of the Scheme at all times has a right of access to the books, records, accounts, documents and other effects of the Scheme, and is entitled to require from the Board and other officers of the Scheme such information and explanations as he or she deems necessary for the performance of his or her duties.
- 25.6 The auditor shall report to the members of the Scheme on the accounts examined by him/her and on the financial statements laid before the Scheme in general meeting.
- 25.7 The Board shall appoint an audit committee in the prescribed manner.

26. GENERAL MEETINGS

26.1 Annual General Meeting

26.1.1 The Annual General Meeting of members shall be held not later than 31 August of each year at such time and place as the Board shall determine for the purpose of: -

- a) receiving and adopting the annual financial statements together with the auditor's report and the report of the Trustees as required by the Act;
- b) appointing an auditor; and



c) any other business of which due notice has been given.

26.1.2 The notice convening the Annual General Meeting, containing the agenda, the summarised annual financial statements, auditor's report, shall be dispatched to members not less than 21 days before the date of the meeting. The non-receipt of such notice by a member does not invalidate the proceedings at such meeting.

26.1.3 At least 35 members of the Scheme present in person and/or by means of real-time audio-visual facilities constitute a quorum. If a quorum is not present after the lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting shall be postponed to a date and time determined by the Board, and members then present constitute a quorum.

26.1.4 The financial statements and reports specified in rule 26.1.2 shall be laid before the meeting.

26.1.5 Notices of motions to be placed before the Annual General Meeting shall reach the principal officer not later than 14 days prior to the date of the meeting, and shall be accompanied by an explanatory memorandum which shall set out all relevant information regarding the proposed notice of motion, the reason therefore and the desired outcome to enable the Scheme to determine whether the subject of the notice of motion can lawfully serve before the Annual General Meeting. The Scheme shall send out an amended agenda if notices of motion received pursuant to this rule 26.1.5 are duly placed on the agenda no later than 7 days prior to the date of the Annual General Meeting.

26.2 Special General Meetings

26.2.1 Convening of a meeting by the Board

A Special General Meeting of members may be called at any time by the Board if deemed necessary.

26.2.2 Requisition of meeting by members

On the requisition of at least 100 members of the Scheme, the Board shall cause a Special General Meeting to be convened within 14 days of the deposit of the requisition. The requisition shall state the objects of the meeting and shall be signed by all the requisitionists and deposited at the registered office of the



Scheme. Only those matters forming the objects of the meeting shall be discussed. The Board shall determine whether the request is valid in terms of these rules and that the objects to be discussed are competent to be discussed at such a meeting and inform the requisitionists accordingly.

Should the request be valid, and the Board fails within 14 days after the aforesaid deposit to convene such meeting the requisitionists may themselves convene such a meeting to be held within one month of such deposit.

Should the Board inform the requisitionists that a meeting will not be held, the Board shall give reasons for its decision and the requisitionists shall be entitled to approach any person or Court for appropriate relief. Should the requisitionists convene a meeting for which the Board has not granted approval, such a Special General Meeting shall be without force and effect and any costs occasioned by such a Special General Meeting shall be for the account of the requisitionists.

26.2.3 Notice

The notice convening the meeting containing the agenda shall be despatched to the members concerned at least 14 days before the date of the meeting. The non-receipt by a member of the notice convening the meeting shall not invalidate the proceedings of such meeting.

26.2.4 Quorum

60 (Sixty) members present in person and/or by means of real-time audio-visual facilities shall constitute a quorum. If a quorum is not present at a Special General Meeting called by the Board after the lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting shall be adjourned to the same day and time of the next week and the members then present shall constitute a quorum;

provided that if the same day of the next week is a public holiday the meeting will be adjourned to the first working day following the public holiday; and further provided that if a quorum is not present at a Special General Meeting convened on the requisition of members after the lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting shall be regarded as cancelled.



26.3 Any General Meeting of the Scheme may, at the discretion of the Board, be held virtually. In this context, virtually shall mean that interaction at such a meeting shall be done in a manner which will facilitate, via a digital platform, the interaction of the members of the Scheme in a General Meeting in such a manner so as to enable the business sought to be transacted at such a General Meeting to be conducted.

27. VOTING AND PARTICIPATING AT MEETINGS

27.1 Every member who is entitled to be present at a general meeting of the Scheme and whose contributions are not in arrears shall be entitled to appoint, subject to the provisions of rule 27.2, another person who shall be a member as the member's proxy to attend, speak and vote in the member's stead.

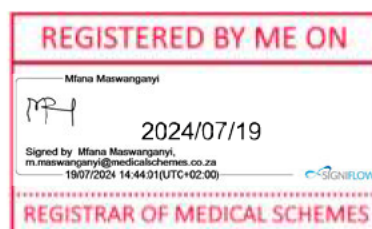
27.2 Only principal members of the Scheme who are in good standing as contemplated in rule 27.1 may attend, participate and vote at any general meeting of the Scheme. Where members are required to express their views by means of ballot, then only principal members in good standing are entitled to receive and cast such ballots.

27.3 The instrument appointing the proxy shall be in writing, in a form the Board may determine and shall be signed by the member. The proxy form shall be deposited not later than 48 hours before the time of holding the meeting at the registered office of the Scheme or such other place or places as the Board may decide.

27.4 A member may withdraw the authority given in terms of rule 27.1 at any time and in the case of a meeting adjourned to not less than 7 days after the original date set down for the meeting the member may substitute a new instrument in place of the previous one.

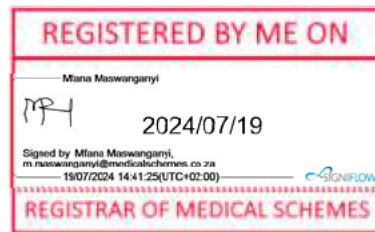
27.5 Every member who is present in person or by proxy at a general meeting convened in terms of either rule 26.1 or rule 26.2 and whose contributions are not in arrears, shall have the right to vote at the meeting concerned.

27.6 Unless otherwise provided for in these rules the chairperson of the meeting shall determine whether voting shall be by ballot (including electronic ballot) or by a show of hands. The Scheme may allow for electronic voting where appropriate, subject to the following:



- 27.6.1 Electronic voting may occur in respect of any resolution to be passed by the members in general meeting, subject to the Board allowing such a process at such a meeting;
- 27.6.2 In determining whether voting at any particular meeting is to take place by electronic means, the Board shall ensure that the electronic voting is:
- 27.6.2.1 Secure, such that the possibility of votes being intercepted or tampered with are minimised;
- 27.6.2.2 Able to be cast in real time, or over a period of time and captured accurately;
- 27.6.2.3 Able to ensure that the identity of the person casting the vote is eligible to do so; and
- 27.6.2.4 Audited by external third parties to ensure that the voting process is credible.
- 27.6.3 In respect of general meetings where voting is to take place by electronic means, the Scheme shall not allow proxies to be lodged as all members shall have the opportunity to participate individually.
- 27.7 In the event of the votes at the meeting being equal the chairperson of the meeting shall have a casting vote in addition to the chairperson's deliberative vote.
- 27.8 A declaration by the chairperson of the meeting that a motion has, on a show of hands or on a ballot, been carried by a majority of votes or lost shall be final and binding on all the members.





28. COMPLAINTS AND DISPUTES

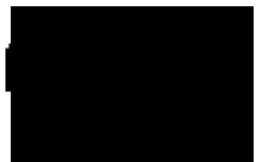
- 28.1 Members may lodge their complaints, in writing, to the Scheme. The Scheme or its administrator shall also provide a dedicated telephone number which may be used for dealing with telephonic complaints.
- 28.2 All complaints received in writing will be responded to by the Scheme in writing within 30 days of receipt thereof.
- 28.3 Should the member not be satisfied with the outcome of the complaint referred to above, the member may declare a dispute.
- 28.4 A member shall be entitled to require a dispute to be heard by the disputes committee as contemplated in these rules, and shall inform the Scheme in writing, giving full details of the dispute, should he/she require such a hearing to be convened.
- 28.5 A disputes committee of three persons, who shall not be members of the Board, employee or officers of the Scheme or the administrator shall, in the event of a dispute arising, be constituted by the Board from among experts in the field in which the dispute has arisen and shall hold office until settlement of the dispute. Three members of the disputes committee shall constitute a quorum. The chairperson shall be elected from among the members of the disputes committee at each meeting of the disputes committee.
- 28.6 Any dispute, which may arise between a member, prospective member, former member of a person claiming by virtue of such member and the Scheme, shall be referred by the principal officer to the disputes committee for adjudication.
- 28.7 On receipt of a dispute in terms of this rule, the principal officer shall convene a meeting of the disputes committee by giving not less than 14 days' notice in writing

to the complainant and all members of the disputes committee, stating the date, time and venue of the meeting and particulars of the dispute.

- 28.8 The disputes committee may determine the procedure to be followed.
- 28.9 The parties to any dispute have the right to be heard at the proceedings, either in person or through a representative.
- 28.10 An aggrieved person has the right to appeal to the Council against the decision of the disputes committee in the prescribed manner.
- 28.11 The operation of any decision which is the subject of an appeal under rule 28.10 shall be suspended pending the decision of the Council on such appeal.
- 28.12 Should an aggrieved person decide to lodge a complaint or dispute directly with the Registrar or the Council without first exhausting the disputes procedure in terms of this rule shall be deemed to have waived his or her rights to have the dispute heard by the Scheme's dispute committee as contemplated in this rule.

29. **TERMINATION OR DISSOLUTION**

- 29.1 The Scheme may be dissolved by order of a competent court or by voluntary dissolution.
- 29.2 The Board or members present or represented by proxy at a general meeting may decide by not less than a two-thirds majority that the Scheme shall be dissolved, in which event the Board shall arrange for members to decide by ballot whether the Scheme shall be liquidated.
- 29.3 Pursuant to a decision by members taken in terms of rule 29.2 the principal officer shall, in consultation with the Registrar, furnish to every member a memorandum containing the reasons for the proposed dissolution and setting forth the proposed basis of distribution of the assets in the event of winding up, together with a ballot paper.
- 29.4 Every member shall be requested to return his ballot paper duly completed before a set date. If the majority thereof is in favour of the dissolution of the Scheme, the Board shall ensure compliance therewith and appoint, subject to the approval of the



Registrar, a competent person as liquidator. If the requisite number of members fail to return their ballots as contemplated in this rule, the Board may request the Registrar to condone any lower participation by the members for purposes of fulfilling the minimum participation requirements of this rule.

30. **AMALGAMATION AND TRANSFER OF BUSINESS**

30.1 The Scheme may, subject to the provisions of section 63 of the Act, amalgamate with, transfer its assets and liabilities to, or take transfer of assets and liabilities of any other medical scheme or person. The Board shall arrange for members to be furnished with an exposition of the proposed transaction for consideration and to decide by ballot, or at a duly convened Annual General Meeting or Special General Meeting, whether the proposed transaction should be proceeded with or not.

30.2 If the approval of members as contemplated in Rule 30.1 is solicited by ballot, and if the majority thereof is in favour of the amalgamation or transfer, the transaction may be concluded in the prescribed manner. If the approval of members is solicited at an Annual General Meeting or Special General Meeting, then the provisions of rule 27 regarding voting at such meetings shall be applicable in determining whether the members have approved of the proposed amalgamation.

30.3 The Registrar may, on good cause shown, ratify a lower percentage of participation in the event that approval is sought by means of ballot.

31. **RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS**

31.1 Any beneficiary shall on request and upon payment of such reasonable fee as may be set by the Board from time to time, be supplied by the Scheme with a copy of the following documents: -

31.1.1 the rules of the Scheme;



- 31.1.2 the latest audited financial statements, annual returns, trustees' report and auditors' report of the Scheme.
- 31.2 A beneficiary is entitled to inspect free of charge at the registered office of the Scheme any document referred to in rule 31.1 and to make extracts therefrom.
- 31.3 This rule shall not be construed to restrict a person's rights in terms of the Promotion of Access to information Act, Act No 2 of 2000.

32. AMENDMENTS TO RULES

- 32.1 The Board shall be entitled to alter or rescind any rule or annexure or to make any additional rule or annexure; provided that no alteration, rescission or addition which affects the objects of the Scheme, or the constitution of the Board or the term of office of members of the Board shall be valid unless it has been approved by a majority of members present at a general meeting or by ballot; and no alteration, rescission or addition which increases the overall rates of contribution or decreases the overall extent of benefits by more than 25% during any financial year shall be valid unless a majority of the members approve such alteration, addition or rescission at a general meeting or by ballot.
- 32.2 Members shall be furnished with a copy of such amendments within 60 days after registration thereof. Should a member's rights, obligations, contributions or benefits be amended, he shall be given 30 days advance notice of such change.
- 32.3 Notwithstanding the provisions of the rule above, the Board shall, on the request and to the satisfaction of the Registrar, amend any rule that is inconsistent with the provisions of the Act.
- 32.4 No alteration, rescission or addition shall be valid unless it has been approved and registered in terms of the Act.

ooooOOOOoo

