

# **ANGLO MEDICAL SCHEME**

## **RULES**

**Effective 1 January 2017**

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## ANGLO MEDICAL SCHEME RULES

### 1 NAME

The name of the Scheme is the ANGLO MEDICAL SCHEME, hereinafter referred to as the "Scheme".

### 2 LEGAL PERSONA

The Scheme is a body corporate with full legal capacity, capable of suing and of being sued in its own name. The Scheme is also capable of doing anything that is necessary for, or incidental to, the exercise of its powers, or the performance of its functions, in terms of the Medical Schemes Act, 1998 (Act No 131 of 1998) and Regulations, as well as in terms of these Rules.

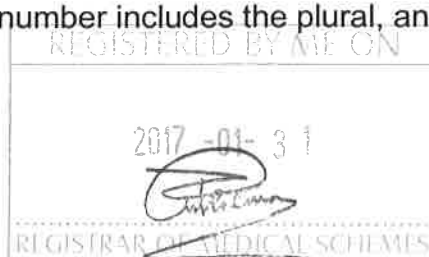
### 3 REGISTERED OFFICE

The registered office of the Scheme is 45 Main Street, Johannesburg, 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) and Regulations, bears the meaning thus assigned to it and, unless inconsistent with the context –

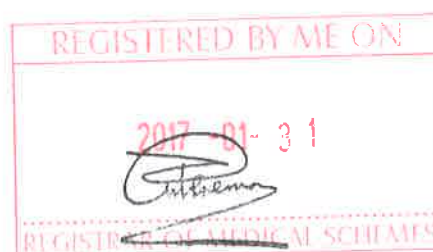
- (a) a word or expression in the masculine gender includes the feminine, and vice versa;
- (b) a word in the singular number includes the plural, and vice versa;



- (c) all references to persons includes natural and juristic persons; and
- (d) the following words or expressions have the following meanings –
- 4.1 "AASA" – Anglo American South Africa Limited (Registration Number 1917/005309/06);
- 4.2 "Act" – the Medical Schemes Act, 1998 (Act No 131 of 1998);
- 4.3 "adult dependant" – a member's spouse or partner, or any other of his/her registered dependants who are not child dependants;
- 4.4 "auditor" – an auditor registered in terms of the Public Accountants' and Auditors' Act, 1991 (Act No 80 of 1991);
- 4.5 "beneficiary" – a member or a member's registered dependant;
- 4.6 "benefit option" – a particular set of benefits offered to a member and his/her registered dependants, as set out in Annexures B1, B2 and B3 to these Rules;
- 4.7 "Board" – the Board of Trustees constituted to manage the Scheme in terms of the Act and these Rules;
- 4.8 "business unit" – a designated division of a participating employer's business;
- 4.9 "child dependant" – a member's registered dependant who is not his/her spouse or partner and who is –



- 4.9.1 twenty-three years of age, or younger, on 1 January of the financial year for which contributions are raised;
- 4.9.2 a mentally and/or physically handicapped dependant who is above twenty-three years of age but whom the Board has permitted to be a "child dependant";
- 4.9.3 a younger sibling of an orphaned child dependant who has been deemed to be a member in terms of Rule 6.3.4.2, provided that such younger sibling is twenty-three years of age, or younger.
- 4.10 "condition-specific waiting period" – a period during which a beneficiary is not entitled to claim benefits 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;
- 4.11 "continuation member" – a retiree who retains his/her membership of the Scheme in terms of Rule 6.2, or a registered dependant who becomes a member of the Scheme in terms of Rule 6.3;
- 4.12 "contribution" – the membership fee, exclusive of interest, paid by a member in respect of himself/herself and each of his/her registered dependants;
- 4.13 "cost" – the net amount payable in respect of a relevant health service



4.14 "deceased member" – a deceased person who, at the time of his/her death, was a member of the Scheme by virtue of him/her being an employee or retiree of a participating employer, or a registered dependant who had been deemed to be a member in terms of Rule 6.3;

4.15 "dependant" –

4.15.1 a member's spouse or partner;

4.15.2 a member's dependent natural child, step child or legally adopted child;

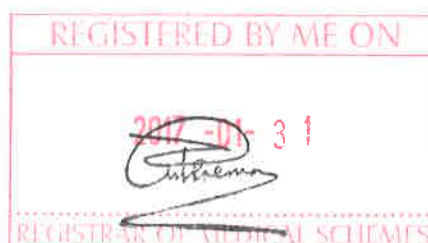
4.15.3 a member's immediate family relation (his/her first-degree blood relation) in respect of whom he/she is liable for family care and support; or

4.15.4 any other person who is recognised by the Board as being dependent on the member;

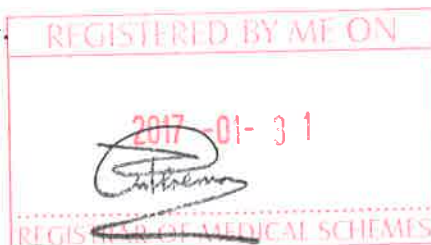
who is not a member or registered dependant of another medical scheme.

4.16 "dependent" – in relation to a dependant other than a member's spouse or partner, a person who is not in receipt of a regular remuneration of more than the tax threshold of a person younger than 65 years per month, or a person who, due to a mental or physical disability, is reliant upon the member for care and support;

4.17 "designated service provider" – a healthcare provider selected by the Scheme as the preferred provider for the diagnosis, treatment and care of a Prescribed Minimum Benefit condition;



- 4.18 *"domicilium citandi et executandi"* –
- 4.18.1 a 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;
- 4.19 "emergency medical condition" – the sudden and, at the time, unexpected onset of a medical 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;
- 4.20 "employee" – a person in the full time permanent employ of a participating employer;
- 4.21 "employer trustee" – a member of the Board who is appointed by AASA in terms of these Rules;
- 4.22 "general waiting period" – a period during which a beneficiary is not entitled to claim any benefits;
- 4.23 "medical practitioner" or "practitioner" – a medical practitioner registered as such in terms of the Health Professions Act, 1974 (Act No 56 of 1974);
- 4.24 "member" – any person who is admitted as a member of the Scheme in terms of these Rules;
- 4.25 "member trustee" – a member of the Board who is elected by members of the Scheme.





- 4.26 "member family" – a member and all his/her registered dependant/s;
- 4.27 "National Health Reference Price List" or "Reference Price List" – list of fees in respect of relevant health services, published by the Minister of Health or any other appointee as designated by the Minister from time to time.
- 4.28 "participating employer" –
- 4.28.1 a company incorporated and registered in terms of the laws of South Africa ("South African company"), which is either a subsidiary or an associated company of AASA; or
- 4.28.2 any South African company –

which is recognised by the Board as a participating employer, and which has contracted with the Scheme for the admission of its employees and/or retirees and/or registered dependants of its deceased employees or retirees, as members of the Scheme. [For the purposes of this definition, "subsidiary" shall mean a subsidiary as defined in the Companies Act, 1973 (Act No 61 of 1973) and "associated company" shall mean any South African company, which is not a subsidiary of AASA, but in which AASA, or any of its subsidiaries, beneficially owns not less than 20% and not more than 50% of the entire issued equity share capital, or other equity interests, and over which AASA, or any of its subsidiaries, exercises significant interest];

- 4.29 "partner" – a person with whom a member has a committed and serious relationship, akin to a marriage, based on objective criteria of mutual



dependency and a shared household, irrespective of the gender of either party;

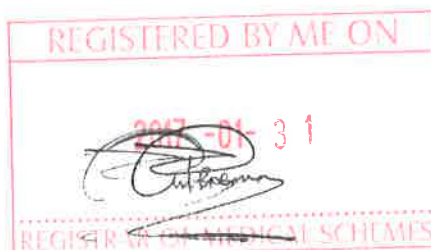
- 4.30 "personal medical savings account" – a savings account allocated to a member;
- 4.31 "prescribed minimum benefit" – a benefit in respect of the Prescribed Minimum Benefit conditions which are specified in Annexures B1, B2 and B3 to these Rules;
- 4.32 "Prescribed Minimum Benefit condition" – a condition contemplated in the Diagnosis and Treatment Pairs listed in Annexure A to the Regulations, or any emergency medical condition;
- 4.33 "principal officer" – the principal officer of the Scheme, appointed in terms of these Rules;
- 4.34 "prior rules" – the rules of the Scheme which were issued on 1 October 1994 and which have been amended from time to time;
- 4.35 "registered dependant" – a dependant of a member registered as such in terms of these Rules;
- 4.36 "Registrar" – the Registrar or Deputy Registrar/s of Medical Schemes appointed in terms of section 18 of the Act;
- 4.37 "Regulations" – the regulations promulgated in terms of the Act;
- 4.38 "relevant health service" – any health care treatment of any person by a person registered in terms of any law, which treatment has as its object –



- 4.38.1 the physical or mental examination of that person;
- 4.38.2 the diagnosis, treatment or prevention of any physical or mental defect, illness or deficiency;
- 4.38.3 the giving of advice in relation to any such defect, illness or deficiency;
- 4.38.4 the giving of advice in relation to, or treatment of, any condition arising out of a pregnancy, including the termination thereof;
- 4.38.5 the prescribing or supplying of any medicine, appliance or apparatus in relation to any such defect, illness or deficiency or a pregnancy, including the termination thereof; or
- 4.38.6 nursing or midwifery,

and includes an ambulance service, and the supply of accommodation in an institution established or registered in terms of any law as a hospital, maternity home, or nursing home or similar institution where nursing is practised, or any other institution where surgical or other medical activities are performed, and such accommodation is necessitated by any physical or mental defect, illness or deficiency, or by a pregnancy.

- 4.39 "retiree" – an employee who retires from the service of a participating employer in accordance with the participating employer's retirement policy, or an employee whose employment is terminated by a participating employer on account of age, ill health or other disability;



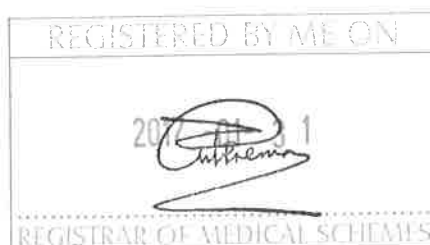
- 4.40 "Rules" – the rules of the Scheme, including the Annexures thereto, as amended from time to time;
- 4.41 "scheduled election" – an election of member trustees;
- 4.42 "spouse" – a person to whom a member is married in terms of any law or custom;
- 4.43 "supplier" – the supplier of a relevant health service

## 5 OBJECTS

The objects of the Scheme are to –

- 5.1 undertake liability, in respect of its members and their registered dependants, in return for a contribution;
- 5.2 make provision for the obtaining of relevant health services; and/or
- 5.3 grant assistance in defraying expenditure incurred in connection with the rendering of any relevant health service,
- 5.4 render 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,

in accordance with the terms and conditions contained in these Rules.



## 6. MEMBERSHIP

Subject to Rule 8, membership of the Scheme is restricted to the employees and retirees of participating employers and the registered dependants of deceased members.

### 6.1 Employees

6.1.1 Subject to the provisions of these Rules, membership of the Scheme shall be compulsory for all employees of a participating employer except –

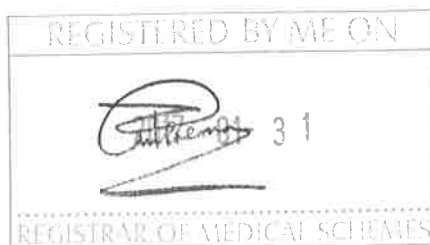
6.1.1.1 any category of employee exempt from membership by agreement between the participating employer and the Scheme; or

6.1.1.2 any individual employee exempt from membership in the sole discretion of the Board.

### 6.2 Retirees

6.2.1 A retiree shall be entitled to retain his/her membership of the Scheme with his/her registered dependants, if any.

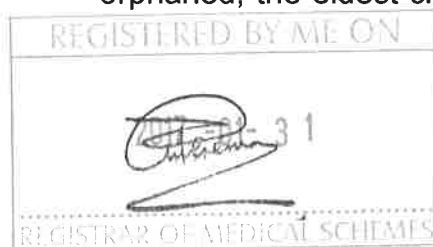
6.2.2 The Scheme shall inform the retiree of his/her right to continue his/her membership and of the contribution payable from the date of retirement or termination of his/her employment.



- 6.2.3 Unless a retiree informs the Board in writing of his/her desire to terminate his/her membership, he/she shall automatically continue to be a member.

### 6.3 **Dependants of deceased members**

- 6.3.1 Subject to Rule 6.3.4, a registered dependant of a deceased member shall, at the time of such member's death, be entitled to membership of the Scheme without any new restrictions, limitations or waiting periods.
- 6.3.2 The Scheme shall inform the registered dependant of his/her right to membership and of the contributions payable in respect thereof.
- 6.3.3 Unless the registered dependant informs the Board in writing of his/her intention not to become a member, he/she shall, subject to Rule 6.3.4, be admitted automatically as a member.
- 6.3.4 Where –
- 6.3.4.1 the registered dependants of a deceased member include a spouse or partner and children of the member, the spouse or partner will be deemed to be the member and the children will become his/her registered dependants; or
- 6.3.4.2 one or more child dependants have been orphaned, the eldest child will be deemed



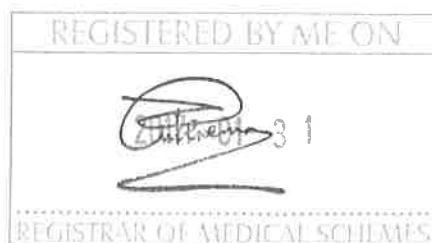
to be the member and any younger siblings will become his/her child dependants.

- 6.3.5 Such a member's membership shall terminate if he/she becomes a member, or a dependant of a member, of another medical scheme.

## **7 REGISTRATION AND DE-REGISTRATION OF DEPENDANTS**

### **7.1 Registration of dependants**

- 7.1.1 A member may apply to the Scheme for the registration of his/her dependants at the time that he/she applies for membership in terms of Rule 8.
- 7.1.2 If a member wishes to register a new born or newly adopted child as his/her child dependant, he/she must apply to do so within thirty days of the date of birth or adoption of the child. Increased contributions shall be due from the first day of the month following the month of birth or adoption and benefits will accrue from the date of birth or adoption.
- 7.1.3 If a member marries subsequent to joining the Scheme and he/she wishes to register his/her spouse as an adult dependant, he/she must apply to do so within thirty days of the date of marriage. Increased contributions shall be due from the first day of the month of registration and benefits will accrue from the date of registration.



7.1.4 In the event of any person becoming eligible for registration as a dependant in circumstances other than those set out in Rules 7.1.1 to 7.1.3, the member may apply to the Scheme for his/her registration as a dependant, whereupon the provisions of Rule 8 shall apply.

7.1.5 A registered dependant may remain registered as such for as long as –

7.1.5.1 he/she is a dependant of a member;  
and

7.1.5.2 the membership of such member has not terminated.

## 7.2 **De-registration of dependants**

7.2.1 A member must inform the Scheme within thirty days of the occurrence of any event which results in any one of his/her registered dependants no longer being eligible to be a registered dependant. Upon receipt of such notice the registered dependant will be de-registered by the Scheme from the beginning of the month following the one in which the notice was received, and he/she will no longer be entitled to receive any benefits.

7.2.2 Regardless of whether or not notice has been given in terms of Rule 7.2.1, when a registered dependant ceases to be eligible as such, he/she will be deemed to have been de-registered from the beginning of the month following the





one in which he/she ceased to be eligible, and he/she will no longer be entitled to receive any benefits.

- 7.2.3 The Board may, in its discretion, de-register a registered dependant who is found guilty of any misconduct mentioned in terms of Rule 12.6.

## **8 TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP**

- 8.1 A person under the age of eighteen may only become a member with the consent of his/her parent or guardian.

Rule 8.1 amended 2017-01-01

- 8.2 No person may –

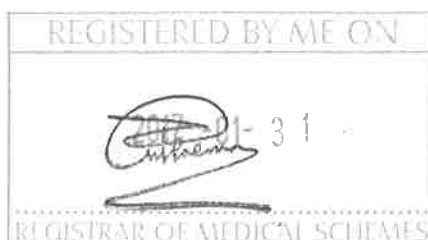
8.2.1 be a member of more than one medical scheme;

8.2.2 be registered as a dependant of more than one member of a particular medical scheme;

8.2.3 be registered as a dependant of more than one member of different medical schemes; or

8.2.4 claim or accept benefits in respect of himself/herself or any of his/her registered dependants from any medical scheme in relation to which he/she is not a member.

- 8.3 Applicants for membership must complete and submit the application forms required by the Scheme, together with satisfactory evidence, in respect of each proposed beneficiary, of age, state of health and any prior membership, or admission as a dependant, of any other medical



scheme. The Scheme may require an applicant to provide a medical report 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 application for membership was made.

8.4 If a proposed beneficiary was not a beneficiary of another medical scheme for a period of at least ninety days preceding the date of application for admission to the Scheme, the Scheme may impose upon the proposed beneficiary –

8.4.1 a general waiting period of up to three months; and

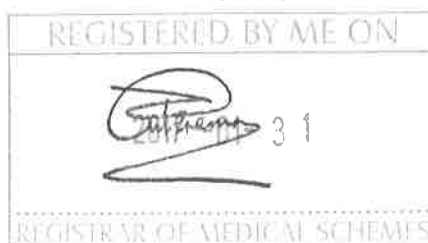
8.4.2 a condition-specific waiting period of up to twelve months;

8.5 If a proposed beneficiary was a beneficiary of another medical scheme for a continuous period of up to twenty-four months, terminating less than ninety days immediately prior to the date of application, the Scheme may impose upon the proposed beneficiary -

8.5.1 a condition-specific waiting period of up to twelve months, except in respect of any treatment or diagnostic procedures covered within the prescribed minimum benefits; and

8.5.2 the unexpired duration of any general or condition-specific waiting period that had been imposed by the proposed beneficiary's previous medical scheme.

8.6 If a proposed beneficiary was previously a beneficiary of another medical scheme for a continuous period of more than twenty-four months, terminating less than ninety days immediately prior to the date



of application, the Scheme may impose a general waiting period of up to three months upon the proposed beneficiary, except in respect of any treatment or diagnostic procedures covered within the prescribed minimum benefits.

8.7 No waiting periods shall be imposed on -

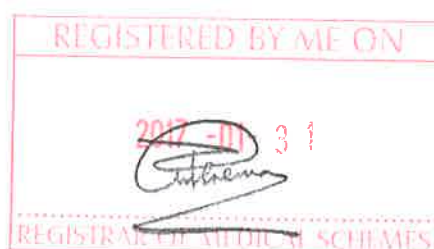
8.7.1 A beneficiary who changes from one benefit option to another, unless that beneficiary has been subjected to a waiting period on the first benefit option, in which case the unexpired duration of the waiting period will be applicable under the new benefit option;

8.7.2 a child who is born or adopted during the period of membership and who is registered as a dependant in accordance with Rule 7.1.2; or

8.7.3 a proposed beneficiary who was previously a beneficiary of another medical scheme, terminating less than ninety days immediately prior to the date of application, where the transfer of membership is required as a result of -

8.7.3.1 a change of employment; or

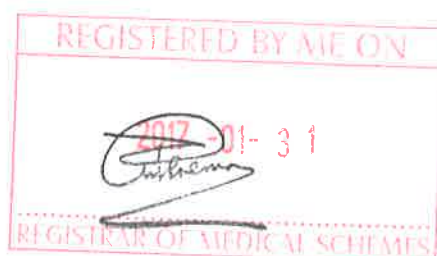
8.7.3.2 the applicant's employer becoming a participating employer, in which case the transfer will occur at the beginning of the financial year, provided reasonable notice has been furnished to the Scheme for such



transfer to occur at the beginning of the financial year,

and provided that, where the proposed beneficiary's previous medical scheme had imposed a general or condition-specific waiting period upon him/her, the Scheme will impose the unexpired duration of that waiting period upon the beneficiary.

- 8.8 The registered dependants of a member must participate in the same benefit option as the member.
- 8.9 A member may not cede, transfer, assign, pledge, hypothecate or make over to any third party any claim, or part of a claim, or any right to a benefit which he/she may have against the Scheme. The Scheme may withhold, suspend or discontinue the payment of a benefit, or any right in respect of a benefit, to any member who attempts to cede, transfer, assign, pledge or hypothecate such benefit.
- 8.10 Every member will, on admission to membership, receive a detailed summary of these Rules, which shall include information relating to the member's contributions, benefits, limitations and his/her other rights and obligations. The Rules are binding upon the member and each of his/her registered dependants, in accordance with Rule 35.
- 8.11 Members and their registered dependants shall be obliged to furnish particular information to the Scheme relating to any diagnosis, clinical investigations, procedures and treatment by a medical practitioner.



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

If the members of another medical scheme ("first scheme"), who are members of the first scheme by virtue of their employment by a particular employer, terminate their membership of the first scheme and become members of this Scheme as a result of the employer becoming a participating employer, the Board will, subject to the provisions of Rule 8, admit as a member any member of the first scheme who is a continuation member of the first scheme by virtue of his/her status as -

9.1 a retiree of the employer; or

9.2 a registered dependant of a deceased member of the first scheme,

and register as a dependant any person who is a registered dependant of such continuation member.

## **10 MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP**

10.1 Every member shall be furnished with a membership card, containing such particulars as may be prescribed in the Act. This card must be exhibited to the supplier of a relevant health service on request.

10.2 The membership card remains the property of the Scheme and must be returned to the Scheme on termination of membership.

10.3 The utilisation of a membership card by any person other than the member or his/her registered dependants is not permitted. Should the member or his/her registered dependants have knowledge of such misuse of a membership card, the misuse shall be construed as a



fraudulent act on the part of the member or registered dependant concerned and shall be punishable in accordance with Rule 12.6

- 10.4 On termination of membership, or on de-registration of a registered dependant, the Scheme will, within thirty days of such termination or de-registration, or at any time on request, furnish the previous beneficiary with a Certificate of Membership and Cover, containing such particulars as may be prescribed by the Regulations.

## 11 CHANGE OF ADDRESS OF MEMBER

A member must notify the Scheme within thirty days of any change of address, including his/her *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's neglecting to comply with the requirements of this Rule.

## 12 TERMINATION OF MEMBERSHIP

### 12.1 Cessation of employment

- 12.1.1 A member may not terminate his/her membership while he/she remains an employee of a participating employer without the prior written consent of both the employer and the Scheme, except where a member withdraws his/her membership to become a registered dependant of his/her spouse's medical scheme.



12.1.2 A member who resigns from the service of a participating employer shall, on the date of cessation of employment, or such other date as agreed to, in writing, between the member and the Board, cease to be a member and all rights to benefits shall thereupon cease, except for claims in respect of relevant health services that were rendered prior to that date.

12.1.3 A member whose employment is terminated for reasons related to the operational requirements of a participating employer may, in the discretion of the Board, be allowed continued membership of the Scheme for a maximum period of three months after his/her employment is terminated. If such member should obtain alternative employment in this time, his/her membership of the Scheme shall terminate with immediate effect.

## 12.2 Voluntary termination of membership

12.2.1 A member, whose membership is not compulsory in terms of the Rules, may terminate his/her membership of the Scheme on giving one month's written notice to the Scheme. All rights to benefits shall cease after the expiry of such notice period, except for claims in respect of relevant health services that were rendered prior to that date.



### 12.3 Participating employer ceasing to participate

12.3.1 A participating employer may terminate its contract with the Scheme by giving three months' written notice, addressed to the principal officer, of such termination.

12.3.2 Should an employer cease to be a participating employer, the membership of -

12.3.2.1 members who are employees of the employer;

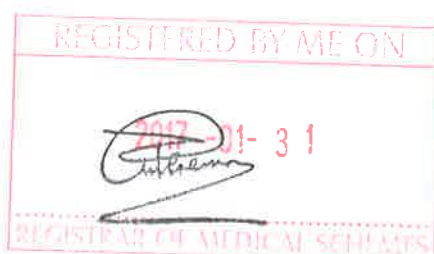
12.3.2.2 continuation members who are retirees of the employer; and

12.3.2.3 continuation members who were registered dependants of a deceased member who was an employee or retiree of the employer,

shall terminate, and their registered dependants shall cease to be registered dependants with effect from the date upon which the employer ceases to be a participating employer.

### 12.4 Death

Membership of a member terminates on his/her death.





## 12.5 **Failure to pay amounts due to the Scheme**

If a member fails to pay amounts as and when they become due to the Scheme, his/her membership may be terminated.

## 12.6 **Abuse of privileges, false claims, misrepresentation and non-disclosure of factual information**

The Board may, in its discretion, terminate the membership of a member -

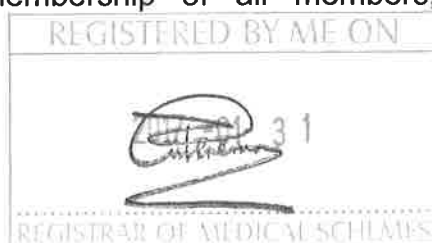
12.6.1 whom the Board finds guilty of abusing the benefits and privileges of the Scheme, by presenting false claims, or making a material misrepresentation or non-disclosure of factual information; or

12.6.2 who commits any other fraudulent act in relation to the Scheme.

In such event, the relevant member may be required to refund to the Scheme any sum which, but for his/her abuse or fraudulent act, or the abuse or fraudulent act of any of his/her registered dependants, would not have been disbursed on his/her behalf.

## 12.7 **Participating Employer selling a division, business or part of a Business**

In the event of a participating employer selling a division, business or part of its business to a third party, without retaining a sufficient interest in such division, business or part of its business for it to qualify as a subsidiary or associated company of such participating employer or AASA, the membership of all members, including continuation



members belonging to such division or part of its business, shall terminate on the effective date of the sale.

### 13 CONTRIBUTIONS

- 13.1 A member shall be responsible for the payment of all contributions payable in respect of himself/herself and each of his/her registered dependants, if any.
- 13.2 The total monthly contributions payable to the Scheme are stipulated in Annexures A1, A2 and A3.
- 13.3 Contributions shall be due monthly in arrears on the last day of each month and must be paid directly to the Scheme not later than three days thereafter. Where a member has not paid his/her contributions, or any other debt owing to the Scheme, within thirty days of the due date, the Scheme shall have the right to –
- 13.3.1 suspend all benefit payments which are in respect of claims which arose during the period of default; and
- 13.3.2 give the member notice at his/her *domicilium citandi et executandi*, by means of registered post, that if his/her contributions or other debts owing to the Scheme are not paid within twenty one days of posting of such notice, his/her membership will be terminated;
- 13.3.3 give the member's participating employer notice that its employee's membership of the Scheme will be terminated should payment not be effected in accordance with Rule 13.3.2.



A notice sent by prepaid registered post to a member at his/her *domicilium citandi et executandi* shall be deemed to have been received by the member on the 7<sup>th</sup> day after the date of posting. In the event that a member fails to nominate a *domicilium citandi et executandi*, the member's postal or residential address on his/her application form shall be deemed to be his/her *domicilium citandi et executandi*.

- 13.4 In the event that overdue payments are brought up to date, and membership has not yet been terminated in terms of Rule 13.3, benefits shall be reinstated without any break in continuity.

Rule 13.4 amended 2017-01-01

- 13.5 In the event that overdue payments are not brought up to date and the member's membership is terminated in terms of Rule 13.3, no benefits shall be due to the member in respect of any claims arising after the date of default and the Scheme may recover from the member any such claims that have already been paid.

- 13.6 Subject to the rules relating to a member's personal medical savings account, where a member's membership, or cover in respect of any registered dependant, terminates during the course of a month, no refund of any portion of the contribution paid for that month shall be paid to the member, or to any other person.

## 14 LIABILITIES OF PARTICIPATING EMPLOYER AND MEMBER

- 14.1 The liability of a participating employer towards the Scheme is limited to any amounts payable in terms of an agreement between the participating employer and the Scheme.



14.2 The liability of a member to the Scheme is limited to the amount of his/her unpaid contributions, together with any sum disbursed by the Scheme on his/her behalf or on behalf of his/her registered dependants, which is repayable by a member and which has not been repaid to the Scheme.

14.3 In the event of termination of membership, any amount still owing by a member is a debt due to the Scheme and is recoverable by it.

## 15 CLAIMS PROCEDURE

15.1 Every claim submitted to the Scheme in respect of the rendering of a relevant health service must be accompanied by an account or statement, as prescribed by the Act. A copy of Regulation 5 of the Regulations, which sets out the information which the account or statement must reflect, is contained in "Annexure D".

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 the relevant health service;

15.2.3 the final date of the service rendered by the supplier of the relevant health 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 the service.

15.3 In order to qualify for benefits, any claim must, unless otherwise arranged, be signed and certified by the member as correct, and must be submitted to the Scheme before the end of the fourth month from the date on which the service was rendered.

15.4 Where a member has paid an account, he/she must submit a receipt in support of his/her claim.

15.5 Accounts for the treatment of injuries or expenses that are recoverable from a third party, must be supported by a statement setting out the particulars of the circumstances in which the injury or accident 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 both the member and the supplier within thirty days after receipt thereof. The Scheme shall state the reasons why the account, statement or claim is erroneous or unacceptable for payment and afford the member and the supplier the opportunity to correct and resubmit the account, statement or claim to the Scheme, within sixty days following the date on which it was returned for correction.

## 16 BENEFITS

16.1 Members are entitled to benefits during a financial year, as per the benefit options set out in Annexures B1, B2 and B3 and such benefits extend through the member to his/her registered dependants. Subject



to the limitations and exclusions imposed by these Rules, a member must, on admission, elect to participate in one of the available benefit options.

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

16.2.1 the change may be made only with effect from 1 January of any financial year, provided that the Board may, in its discretion, permit a member to change from one benefit option to another on any other date

16.2.2 application to change from one benefit option to another must be in writing and lodged with the principal officer by no later than 10 December of the year prior to the one in which it is intended that the change will take place, provided that the member has had at least thirty days prior notification of any intended changes in benefits or contributions for the next year.

16.3 Subject to Rule 15, where an account has been rendered and the claim is valid, the Scheme shall pay to the member, or the supplier, any benefit due to that member within thirty days of receipt of the claim. Where a member or supplier has been notified that a claim is erroneous or unacceptable for payment, the Scheme shall pay such benefit within thirty days of receipt of a corrected claim, provided that the corrected claim is valid.

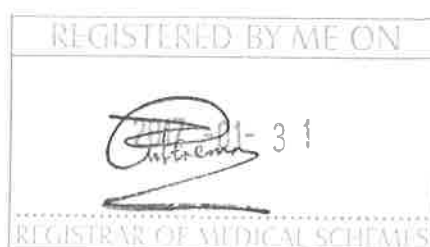
16.4 The benefit options offered in Annexures B1, B2 and B3 -



- 16.4.1 include the prescribed minimum benefits, which are not subject to any exclusions or limitations; and
- 16.4.2 are subject to such limitations as are set out in Annexures B1, B2, B3 and C.
- 16.5 The services that are set out in Annexure C are excluded from all the benefit options.
- 16.6 The Board may, in its discretion, exclude a beneficiary from benefits if he/she is found guilty of any misconduct mentioned in terms of Rules 8.9 or 12.6.

## **17 PAYMENT OF ACCOUNTS**

- 17.1 Payment of an account is restricted to the maximum amount of the member's benefit entitlement in terms of the applicable benefit option chosen by the member.
- 17.2 The Scheme may, whether or not by agreement with the member, pay the benefit to which the member is entitled, directly to the supplier who rendered the service.
- 17.3 Where the Scheme has paid an account, or a portion of an account, or any benefit to which a member is not entitled, the amount of such overpayment is recoverable by the Scheme.
- 17.4 Notwithstanding the provisions of this Rule, the Scheme has the right to pay any benefit directly to the member concerned.



## 18 GOVERNANCE

### 18.1 Board of Trustees

18.1.1 The affairs of the Scheme shall be managed, according to these Rules, by a Board comprising a minimum of six and a maximum of twelve persons, who are fit and proper to be trustees.

18.1.2 The following persons are not eligible to serve as members of the Board -

18.1.2.1 a person under the age of twenty one years;

18.1.2.2 an employee, director, officer, consultant or contractor of the administrator of the Scheme, or of the holding company, subsidiary, joint venture or associate of that administrator;

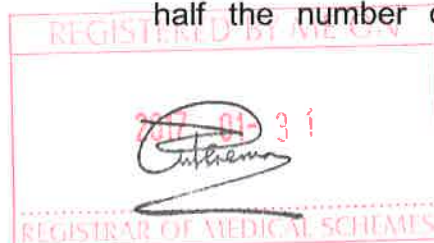
18.1.2.3 a broker;

18.1.2.4 the principal officer of the Scheme;

18.1.2.5 the auditor of the Scheme; and

18.1.3 The Board shall be comprised as follows: -

18.1.3.1 AASA will appoint, remove, and replace half the number of trustees and their





alternates, by giving the principal officer written notice to that effect;

18.1.3.2 the other half will be elected by members from amongst members, in accordance with the Act.

18.1.4 Members of the Board shall hold office for a period of five years from the date on which they are elected/appointed, unless otherwise decided by the Board.

Rule 18.1.4 amended 2015-07-06

18.1.5 The Board shall arrange for the nomination and election of member trustees to be undertaken and completed within sixty days after the conclusion of every fifth annual general meeting.

Rule 18.1.5 amended 2015-07-06

18.1.6 The member trustees who are in office on the date of a scheduled election shall retire on that date and the newly elected member trustees shall take up office with effect from such date, provided that nothing shall preclude retiring member trustees from being re-elected.

18.1.7 The seats to be occupied by member trustees pursuant to a scheduled election shall be filled by the nominees in favour of whom the highest number of votes has been cast.

18.1.8 Two nominees who have not filled a seat in terms of Rule 18.1.7, and in whose favour the next highest number of



votes has been cast, shall be alternates to the elected member trustees.

Rule 18.1.8 amended 2015-03-25

- 18.1.9 If, after a scheduled election, a member trustee ceases to hold office for any reason, the alternate trustee with the higher number of votes shall fill the vacancy until the completion of the next scheduled election.

Rule 18.1.9 amended 2015-03-25

- 18.1.9.1 In the event that an alternate trustee fills a vacancy as contemplated in 18.1.9 the nominee who obtained the most votes at the scheduled election, and who did not fill a seat on the Board and who was not an alternate, shall become an alternate trustee until the completion of the next scheduled election.

Rule 18.1.9.1 inserted 2015-03-25

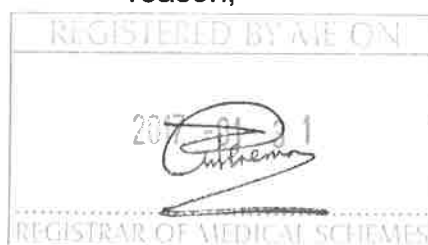
- 18.1.10 If there is no nominee to fill the vacancy, the Board shall, within sixty days after the vacancy arises, arrange for the nomination and election of a member trustee to be undertaken in such manner as the Board may determine. The nominee in favour of whom the highest number of votes is cast shall fill the vacancy until the next scheduled election and the nominee with the next highest number of votes shall be the alternate to such member trustee.

- 18.1.11 While acting in the place of a trustee, an alternate shall exercise all the functions, and discharge all the duties, of the trustee.



## Rule 18.1.11 amended 2015-03-25

- 18.1.12 A member of the Board may resign at any time by giving written notice to the Board.
- 18.1.13 A member of the Board ceases to hold office if -
- 18.1.13.1 he/she becomes mentally ill or incapable of managing his/her affairs;
  - 18.1.13.2 he/she is declared insolvent or has surrendered his/her estate for the benefit of his/her creditors;
  - 18.1.13.3 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;
  - 18.1.13.4 he/she is removed by the Court from any office of trust on account of misconduct;
  - 18.1.13.5 he/she is disqualified under any law from carrying on his/her profession;
  - 18.1.13.6 being an employer trustee, he/she is removed from office by AASA;
  - 18.1.13.7 being a member trustee, he/she ceases to be a member of the Scheme for any reason;



- 18.1.13.8 he/she absents himself/herself from three consecutive meetings of the Board without the prior permission of the Board; or
- 18.1.13.9 he/she is removed from office by the Council in terms of Section 46 of the Act.
- 18.1.14 A member of the Board who acts in a manner which is seriously prejudicial to the interests of the beneficiaries of the Scheme may be removed by the Board, provided that –
- 18.1.14.1 before a decision is taken to remove the trustee, the Board shall furnish him/her with full details of the evidence which the Board has at its disposal regarding the conduct complained of, and allow him/her a period of not less than thirty days in which to respond to the allegations;
- 18.1.14.2 the resolution to remove the trustee is taken by at least two thirds of the members of the Board; and
- 18.1.14.3 the trustee shall have recourse to disputes procedures of the Scheme or complaints and appeals procedures provided for in the Act.
- 18.1.15 Half the members of the Board shall constitute a quorum at meetings of the Board.



- 18.1.16 The members of the Board shall elect a chairperson and a vice chairperson from their number. The chairperson and vice-chairperson shall hold office for a period of five years from the date of election, unless otherwise determined by the Board.

Rule 18.1.16 amended 2015-07-06

- 18.1.17 The chairperson must preside over meetings of the Board and ensure due and proper conduct at meetings.

- 18.1.18 In the event of both the chairperson and vice-chairperson being absent at any Board meeting, the Board members present must elect one of their number to preside.

- 18.1.19 Each Board member shall have one vote in respect of matters serving before the Board.

Rule 18.1.19 amended 2017-01-01

Rule 18.1.19.1 deleted 2017-01-01

Rule 18.1.19.2 deleted 2017-01-01

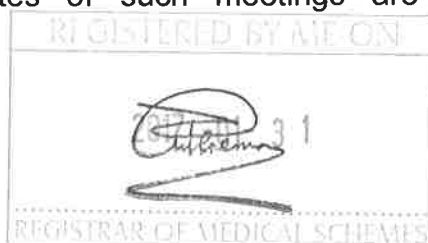
- 18.1.20 Matters serving before the Board must be decided by a majority vote and in the event of an equality of votes, the chairperson has a casting vote in addition to his/her deliberative vote.

- 18.1.21 A resolution in writing signed by not less than 75% of the Board members, including the chairperson, shall be as valid and effectual as if it had been passed at a meeting of the Board members. Such a resolution may consist of several documents in like form, provided that not less than 75% of



the Board members, including the chairperson, has signed each document.

- 18.1.22 The Board must meet at least once every three months or at such lesser intervals as it may deem necessary.
- 18.1.23 The chairperson may convene a special meeting of the Board should the necessity arise. Should he/she convene such a meeting, the Board members must be given at least fourteen days notice, in writing.
- 18.1.24 Any three members of the Board may, in writing, request the chairperson to convene a special meeting of the Board, stating the matters to be discussed at such meeting. The chairperson must, within fourteen days of receipt of such written request, give the Board members fourteen days notice, in writing, of a special meeting of the Board to deal with the matters stated therein.
- 18.1.25 The members of the Board may participate in any Board meeting through the use of a conference telephone, or other communication equipment, by means of which all persons participating in the meeting can hear each other at approximately the same time. Such participation by a Board member shall be equivalent to physical attendance at the meeting.
- 18.1.26 The Board shall ensure that all Board meetings, as well as annual and special general meetings, are properly minuted. In addition, the Board shall ensure that the minutes of such meetings are laid before the first



succeeding respective meetings. The chairperson may also decide to lay the minutes of a special general meeting before the annual general meeting. If the minutes of any meetings are accepted as correct, they shall be confirmed as such by the chairperson.

18.1.27 Members of the Board may be reimbursed for all reasonable expenses incurred by them in the performance of their duties as trustees. Such reimbursements to members of the Board will be disclosed in the Scheme's annual financial statements.

18.1.28 Members of the Board shall be paid such remuneration as may be determined by the Board from time to time. Such remuneration shall be payable quarterly in arrears. All remuneration paid to members of the Board will be disclosed in the Scheme's annual financial statements.

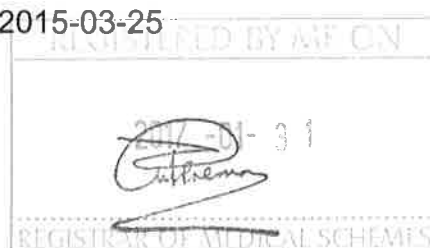
18.1.29 The members of the Board may act notwithstanding any vacancy on their body, but if and for so long as their number is reduced below six, the members of the Board may act only for the purposes of -

18.1.29.1 filling vacancies in the Board; or

18.1.29.2 arranging a scheduled election; and/or

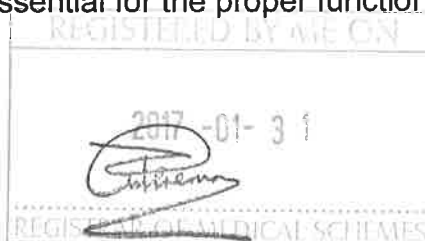
18.1.29.3 convening a special general meeting of members.

Rule 18.2 deleted 2015-03-25



## 19 DUTIES OF BOARD OF TRUSTEES

- 19.1 The Board is responsible for the proper and sound management of the Scheme.
- 19.2 The Board must take all reasonable steps to ensure that the interests of beneficiaries, in terms of the Rules and the Act, are protected at all times.
- 19.3 The Board must act with due care, diligence and skill and in good faith.
- 19.4 Members of the Board must avoid conflicts of interests, and must declare any interest they may have in any particular matter that comes before the Board.
- 19.5 The Board must act with impartiality in respect of all beneficiaries.
- 19.6 The Board must apply sound business principles and ensure the financial soundness of the Scheme.
- 19.7 The Board must appoint a principal officer, who is fit and proper to hold such office and must, within thirty days of such appointment, give notice thereof, in writing, to the Registrar. It may also appoint any staff which, in its opinion, is required for the proper execution of the business of the Scheme. The Board shall determine the terms and conditions of service of the principal officer and of any other person employed by the Scheme.
- 19.8 The Board must keep any minutes, accounts, entries, registers and records that are essential for the proper functioning of the Scheme.





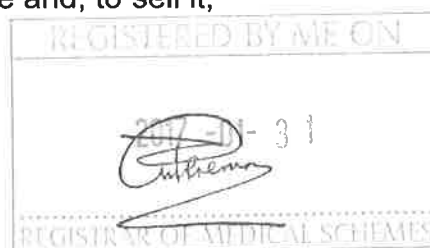
- 19.9 The Board must ensure that proper control systems are employed by, or on behalf of, the Scheme.
- 19.10 The Board must ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions and duties in terms of the Rules.
- 19.11 The Board must take all reasonable steps to ensure that contributions are paid timeously to the Scheme in accordance with the Act and the Rules.
- 19.12 The Board must take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance.
- 19.13 The Board must 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 sufficient expertise.
- 19.14 The Board must ensure that the rules, operation and administration of the Scheme comply with the provisions of the Act and all other applicable laws.
- 19.15 The Board must take all reasonable steps to protect the confidentiality of medical records concerning any beneficiary's state of health.
- 19.16 The Board must approve all disbursements.



## 20 POWERS OF BOARD

The Board has the power -

- 20.1 to terminate the services of any employee of the Scheme;
- 20.2 to take all such steps and to sign and execute all such documents as may be necessary for the exercise of any of its powers or the performance of any of its duties;
- 20.3 to appoint committees and bodies consisting of such Board members and other experts as it may deem appropriate, including a management committee, regional communication forums, an audit committee, an investment committee, an ex-gratia committee, a remuneration committee and a communications committee;  
Rule 20.3 amended 2015-03-25
- 20.4 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 must be contained in a written contract, which complies with the requirements of the Act and the Regulations;
- 20.5 to delegate any of its powers to the principal officer, or any committee appointed by the Board, or any member of the Board;
- 20.6 to contract with managed health care organisations, subject to the provisions of the Act and the Regulations;
- 20.7 to purchase movable and immovable property for the use of the Scheme or otherwise and, to sell it;



20.8 to let or hire movable or immovable property;

Rule 20.9 deleted 2017-01-01

20.10 in respect of any monies 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 deal with such moneys upon security and to realise, re-invest or otherwise deal with such monies and investments;

20.11 with the prior written 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 purposes of bridging a temporary shortage;

20.12 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, home for aged persons or any similar institution, in the interests of the beneficiaries;

20.13 to donate to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons, in the interests of the beneficiaries;

20.14 to grant repayable loans to members or to make, in the absolute discretion of the Board, *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;

20.15 to contribute to any fund conducted for the benefit of employees of the Scheme;

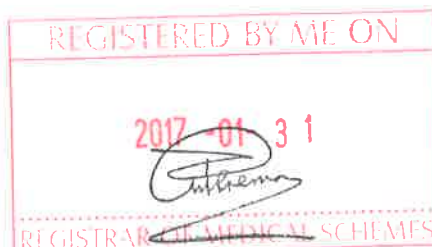


- 20.16 to reinsure obligations in terms of the benefits provided for in these Rules, in the manner prescribed by the Act;
- 20.17 to authorise the principal officer and/or such members of the Board as it may determine from time to time, and upon such terms and conditions as it may determine, to sign 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;
- 20.18 to contribute to any association instituted for the furtherance, encouragement and co-ordination of medical schemes;
- 20.19 to negotiate discounts with providers and to contract with preferred providers;
- 20.20 to appoint, remunerate and terminate the appointment of attorneys, medical advisers and other professional advisers;
- 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, the Regulations and these Rules.

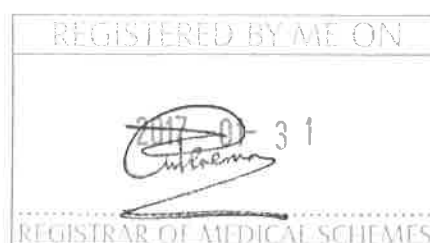
## 21 DUTIES OF PRINCIPAL OFFICER AND STAFF

The principal officer and staff of the Scheme must ensure the confidentiality of all information regarding the beneficiaries

- 21.2 The principal officer is the executive officer of the Scheme and as such shall ensure that -



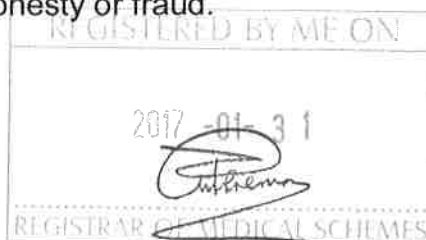
- 21.2.1 he/she acts in the best interests of the members of the Scheme at all times;
- 21.2.2 the decisions and instructions of the Board are executed without unnecessary delay;
- 21.2.3 where necessary, there is proper and appropriate communication between the Scheme and those parties affected by the decisions and instructions of the Board;
- 21.2.4 he/she keeps the Board 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;
- 21.2.5 he/she keeps the Board sufficiently and timeously informed of the affairs of the Scheme, so as to enable the Board to comply with the provisions of section 57(6) of the Act;
- 21.2.6 he/she does not take any decisions concerning the affairs of the Scheme without prior authorisation by the Board and that he/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 of, and accounting for, all moneys received and payments authorised by, and made on behalf of the Scheme.
- 21.4 The principal officer shall keep full and proper records of all money received and expenses incurred by, and of all assets, liabilities and financial transactions of the Scheme.



- 21.6 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/she shall attend all meetings of the Board, as well as the meetings of any other duly appointed committee where his/her attendance may be required, and ensure proper recording of the proceedings of all meetings of the Board and of attendance of Board members.
- 21.7 The principal officer shall be responsible for the supervision of the staff employed by the Scheme unless the Board decides otherwise.
- 21.8 The principal officer shall be responsible for the submission of all statutory returns.
- 21.9 The following persons are not eligible to be a principal officer -
- 29.1.1 an employee, director, officer, consultant or contractor of the administrator of the Scheme or of the holding company, subsidiary, joint venture or associate of that administrator;
  - 29.1.2 a broker.
- 21.10 The provisions of Rules 18.1.13.1 to 18.1.13.5 as well as Rule 18.1.13.8, apply to the principal officer.

## 22 INDEMNIFICATION & 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 claim in connection with the Scheme, not arising from their negligence, dishonesty or fraud.



- 22.2 The Board must ensure that the Scheme is insured against loss resulting from the dishonesty or fraud of any of its officers (including members of the Board) having the receipt or charge of moneys or securities belonging to the Scheme.

## **23 FINANCIAL YEAR OF THE SCHEME**

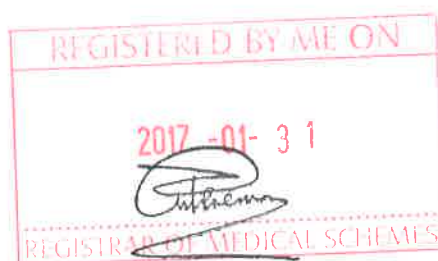
The financial year of the Scheme extends from 1 January to 31 December of each year.

## **24 BANKING ACCOUNT**

The Scheme must maintain a banking account with a registered commercial bank. All moneys received must be deposited to the credit of such account and all payments must be made by electronic transfer, tape exchange, or by cheque under the joint signature of not less than two persons duly authorised by the Board.

## **25 AUDITOR & AUDIT COMMITTEE**

- 25.1 An auditor (who must be approved in terms of section 36 of the Act) must be appointed by resolution at each annual general meeting. The appointed auditor will hold office from the conclusion of that meeting to the conclusion of the next annual general meeting.
- 25.2 At any annual general meeting a retiring auditor, shall be deemed to be re-appointed without any resolution being passed to that effect, unless



- 25.2.1 he/she is no longer eligible to serve as an auditor of the Scheme in terms of Rule 25.4;
- 25.2.2 a resolution is passed appointing another auditor in his/her place, or providing expressly that he/she is not re-appointed; or
- 25.2.3 he/she has given the Scheme notice, in writing, of his/her unwillingness to be re-appointed.
- 25.3 If the members of the Scheme fail to appoint an auditor at an annual general meeting and if an auditor is not deemed to be appointed in terms of Rule 25.2, the Board must, within thirty days, make such appointment, and if it fails to do so, the Registrar may do so.
- 25.4 The following persons are not eligible to serve as auditor of the Scheme -
- 25.4.1 a member of the Board;
- 25.4.2 an employee, officer or contractor of the Scheme;
- 25.4.3 an employee, director, officer or contractor of the Scheme's administrator, or of the holding company, subsidiary, joint venture or associate of the administrator;
- 25.4.4 a person not engaged in public practice as an auditor;
- 25.4.5 a person who is disqualified from acting as an auditor in terms of the Companies Act, 1973 (Act No 61 of 1973); and





- 25.5 The members of the Scheme may, at any general meeting, remove from office any auditor appointed or re-appointed under this rule and appoint another auditor in his/her place.
- 25.6 Whenever an auditor vacates his/her office, for any reason, prior to the expiration of the period for which he/she has been appointed, the Board must, within thirty days, appoint another auditor to fill the vacancy for the unexpired period of his/her office.
- 25.7 The auditor shall be entitled to attend any general meeting of the Scheme and to receive all notices of, and other communications relating to, any general meeting which any member of the Scheme is entitled to receive. The auditor shall also be entitled, at such meetings, to make any statement in relation to any return, account or balance sheet examined by him/her, or any report made by him/her.
- 25.8 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 the other officers of the Scheme, such information and explanations as he/she deems necessary for the performance of his/her duties.
- 25.9 The auditor must report to the members of the Scheme on the accounts examined by him/her and on the financial statements laid before the Scheme in any general meeting.
- 25.10 The Board must appoint an audit committee of at least five members, of whom at least two must be members of the Board.
- 25.11 The majority of the members, including the chairperson, of the audit committee, shall be persons who are not officers of the Scheme or the



administrator the Scheme, the controlling company of the administrator, or any subsidiary of its controlling company.

25.12 The objects of the audit committee shall, amongst others, be to –

25.12.1 assist the Board in its evaluation of the adequacy and efficiency of the internal control systems, accounting practices, information systems and auditing processes applied by the Scheme or its administrator in the day-to-day management of its business;

25.12.2 facilitate and promote communication regarding the matters referred to in Rule 25.12.1, or a related matter, between the Board, principal officer, administrator and, where applicable, the internal audit staff of the Scheme;

25.12.3 recommend the introduction of measures which the audit committee believes may enhance the credibility and objectivity of financial statements and reports concerning the affairs of the Scheme; and

25.12.4 advise on any matter referred to the audit committee by the Board.

## 26 GENERAL MEETINGS

### 26.1 Annual general meeting

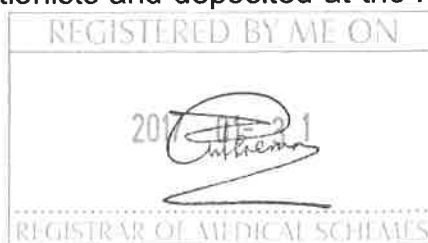
26.1.1 The annual general meeting of members must be held not later than six months after the end of each financial year.



- 26.1.2 The notice convening the annual general meeting, containing the agenda, the annual financial statements, auditor's report and annual report, must be furnished to members at least fourteen 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 fifteen members of the Scheme present in person constitute a quorum. If a quorum is not present after the lapse of thirty minutes from the time fixed for the commencement of the meeting, the meeting shall be postponed to a date determined by the Board and the members then present shall constitute a quorum.
- 26.1.4 The financial statements and reports specified in Rule 26.1.12 must be laid before the meeting.
- 26.1.5 Notices of motion to be placed before the annual general meeting must reach the principal officer not later than seven days prior to the date of the meeting.

## 26.2 **Special general meeting**

- 26.2.1 The Board may call a special general meeting of members if it is deemed necessary.
- 26.2.2 On the requisition of at least 100 members, the Board must call a special general meeting within thirty days of the deposit of the requisition. The requisition must state the objects of the meeting and must be signed by all the requisitionists and deposited at the registered office of the



Scheme. Only those matters forming the objects of the meeting may be discussed.

26.2.3 The notice convening a special general meeting, containing the agenda, must be furnished to members at least fourteen days before the date of the meeting. The non-receipt of such notice by a member does not invalidate the proceedings at such a meeting.

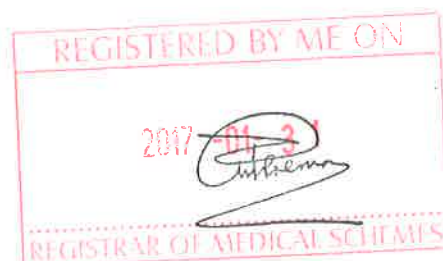
26.2.4 At least thirty members present in person constitute a quorum. If a quorum is not present at a special general meeting after the lapse of thirty minutes from the time fixed for the commencement of the meeting, the meeting shall be regarded as cancelled.

26.2.5 If any special general meeting requisitioned by members in terms of Rule 26.2.2 is cancelled in terms of Rule 26.2.4, members may not requisition another special general meeting, the objects of which are substantially the same as the cancelled special general meeting, until after the annual general meeting following the date upon which the cancelled special general meeting was to have been held.

## 27 VOTING AT MEETINGS

27.1 Every member who is present at a general meeting of the Scheme has the right to vote, or may, subject to this rule, appoint another member of the Scheme as proxy to attend, speak and vote in his/her stead.

27.2 The instrument appointing the proxy must be -



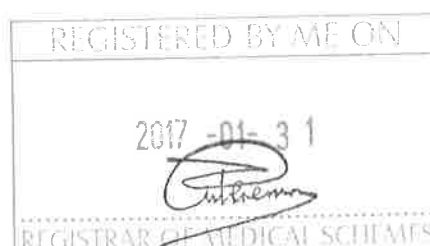
- 27.2.1 in writing, in a form determined by the Board, and must be signed by the member and the person appointed as the proxy;
- 27.2.2 deposited at the registered office of the Scheme not less than twenty-four hours before the time appointed for the holding of the general meeting.
- 27.3 The chairperson's decision as to whether or not the appointment of any proxy is valid shall be final and binding on members.
- 27.4 A member who is present at a meeting and whose contributions are in arrears cannot form part of the quorum and does not have the right to vote.
- 27.5 The chairperson must determine whether the voting at a meeting must be by ballot or by a show of hands. In the event of the votes being equal, the chairperson, if he/she is a member, has a casting vote in addition to his/her deliberative vote.

## **28 DISPUTES COMMITTEE**

Amended 2015-03-25

Rule 28.1 deleted 2015-03-25

- 28.2 A disputes committee, comprising three members, who shall not be members of the Board or of a regional committee, employees of the administrator of the Scheme or officers of the Scheme, shall be elected at each annual general meeting. The disputes committee shall perform the functions set out in Rule 29.4 to 29.7 inclusive.



## 29 COMPLAINTS AND DISPUTES

Rule 28 amended 2015-03-25

29.1 Members may lodge their complaints, in writing, with the Scheme.

29.2 All complaints received in writing will be responded to by the Scheme or an administrator of the Scheme, in writing, within thirty days of receipt thereof.

29.3 If a member -

29.3.1 is dissatisfied with any decision taken by the Board or a committee or an administrator of the Scheme in relation to the payment of any claim; or

Rule 29.3.1 amended 2015-03-25

29.3.2 is not satisfied with the response received from the Scheme in terms of Rule 29.2 and requests that the matter be reconsidered,

the matter shall be referred on appeal by the principal officer to the Board of Trustees for a determination.

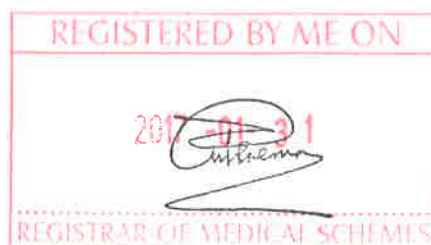
Rule 29.3 amended 2015-03-25

29.3A If a member remains dissatisfied with the outcome of the appeal the member can declare a dispute which must be referred by the principal officer to the disputes committee for adjudication. To the extent that a dispute relates to the matters referred to in Rule 29.3, such dispute shall only be referred to the disputes committee if the matter has already been referred, to the Board on appeal, and has not been resolved within thirty days of such referral to the satisfaction of the member concerned.



Rule 29.3A inserted 2015-03-25

- 29.4 Any dispute which may arise between a member, prospective member, former member, or a person claiming by virtue of such member, and the Scheme or an officer of the Scheme, must be referred by the principal officer to the disputes committee for adjudication. To the extent that a dispute relates to the matters referred to in Rule 29.3, such dispute shall only be referred to the disputes committee if the matter has already been referred to the appeals committee and has not been resolved within thirty days of such referral, to the satisfaction of the member concerned.
- 29.5 Within fourteen days of receipt of a request in terms of Rule 29.4, the principal officer must convene a meeting of the disputes committee. This shall be done by giving not less than twenty-one days notice, in writing, to the complainant, members of the Board and all the members of the disputes committee, stating the date, time, and venue of the meeting and the particulars of the dispute.
- 29.6 The disputes committee may determine the procedure to be followed in respect of a dispute.
- 29.7 The parties to any dispute have the right to be heard at the proceedings, either in person or through a representative.
- 29.8 An aggrieved person has the right to appeal to the Council for Medical Schemes against the decision of the disputes committee. Such appeal must be in the form of an affidavit directed to the Council and must be furnished to the Registrar not later than three months after the date on which the decision was made. The operation of any decision which is



the subject of such an appeal shall be suspended, pending the decision of the Council.

- 29.9 A member may appeal to the Council against a decision of a review panel established in terms of Chapter 5 of the Regulations.

### **30 TERMINATION OR DISSOLUTION**

- 30.1 The Scheme may be dissolved by order of a competent court, or by voluntary dissolution.
- 30.2 Members, in general meeting, may decide that the Scheme must be dissolved, in which event the Board must arrange for members to decide by ballot whether the Scheme must be liquidated.
- 30.3 Pursuant to a decision by members taken in terms of Rule 30.2, the principal officer must, in consultation with the Registrar, furnish every member with 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.
- 30.4 Every member must be requested to return his/her ballot paper, duly completed, before a date determined by the Board. If at least 50% of the members return their duly completed ballot papers and if the majority are in favour of the dissolution of the Scheme, the Board must ensure compliance therewith and, in consultation with the Registrar, appoint a competent person as liquidator. The dissolution of the Scheme shall be effected in accordance with the memorandum referred to in Rule 30.3 and as provided for in the Act.





### 31 AMALGAMATION AND TRANSFER OF BUSINESS

- 31.1 The Scheme may, subject to the provisions of the Act, amalgamate with, transfer its assets and liabilities to, or take transfer of the assets and liabilities of, any other medical scheme or person.
- 31.2 Before any such transaction takes place, the Board must arrange for members to decide by ballot whether the proposed amalgamation or transfer should take place.
- 31.3 If at least 50% of the members return their duly completed ballot papers, and if the majority are in favour of the amalgamation or transfer, then the amalgamation or transfer may be concluded, subject to the provisions of the Act.

### 32 RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS

- 32.1 Any beneficiary shall, on request and on payment of a fee of R10 per copy, be supplied by the Scheme with a copy of the following documents -
- 32.1.1 the Rules;
- 32.1.2 the latest audited annual financial statements, returns, trustees' reports and auditor's report of the Scheme; and
- 32.1.3 the management accounts in respect of the Scheme's benefit options.



- 32.2 A beneficiary is entitled to inspect, free of charge, at the registered office of the Scheme, any document referred to in Rule 32.1 and to make extracts therefrom.

### 33 AMENDMENT OF RULES

- 33.1 The Board is entitled to alter or rescind any rule or annexure, or to make any additional rule or annexure.
- 33.2 No alteration, rescission or addition which affects the objects of the Scheme, or which increases the rates of contribution or decreases the extent of benefits by more than twenty-five percent during any financial year, is valid, unless it has been approved by a majority of members present in a general meeting, or by ballot.
- 33.3 Members will be furnished with a copy of any amendment within fourteen days after registration thereof.
- 33.4 Should there be a change in a member's rights, obligations, contributions or benefits, or any other condition affecting his/her membership, he/she shall be given thirty days advance written notice of such change.
- 33.5 Notwithstanding the provisions of Rule 29 above, the Board must, on the request and to the satisfaction of the Registrar, amend any rule that is inconsistent with the provisions of the Act.



## 34 GENERAL

- 34.1 The participating employer shall be deemed to be the agent of the member and not of the Scheme in all dealings between the member and the Scheme.
- 34.2 Subject to the provisions of Rule 29, any matters not specifically covered by these Rules shall be left to the discretion of the Board, provided that the decisions of the Board shall not be inconsistent with the objects of the Scheme.

## 35 BINDING FORCE OF RULES

- 35.1 These Rules and any amendments of them, registered in terms of the Act, shall -
- 35.1.1 be binding on the Scheme and the members and officers of the Scheme and on any person who claims under the Rules, or whose claim is derived from a person so claiming;
- 35.1.2 supersede and replace the prior rules.
- 35.2 The member acknowledges that he/she is bound by the Rules as amended from time to time. The member also;
- 35.2.1 consents on his/her own behalf and on behalf of his/her registered dependants that the Scheme may disclose medical information relating to the member and his/her registered dependants to the Scheme's administrator whether for reporting or managed care purposes;



- 35.2.2 warrants that he/she has communicated these rules as they apply to the member's registered dependants or in the case of minor dependants, to the legal guardian(s) of such dependants where the member is not the legal guardian, and each of whom accepts to be bound by such Rules.

