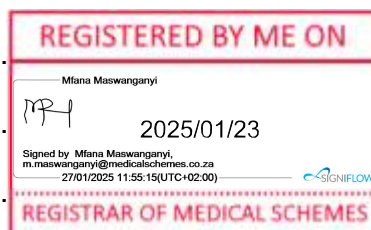


SCHEME RULES FOR THE MALCOR MEDICAL AID SCHEME AS REGISTERED WITH THE COUNCIL FOR MEDICAL SCHEMES IN TERMS OF THE MEDICAL SCHEMES ACT 131 OF 1998

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RULES AND REGULATIONS OF THE MALCOR MEDICAL AID SCHEME

1. NAME

The name of the Scheme is **Malcor Medical Aid Scheme**, hereinafter referred to as the "**Scheme**".

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 and regulations and these rules.

3. REGISTERED OFFICE

The registered office of the Scheme is situated at 1 Discovery Place, Sandhurst, Sandton, 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 (Act 131 of 1998) bears the meaning thus assigned to it and, unless inconsistent with the context-

- (a) a word or expression in one gender includes the other genders;
- (b) a word in the singular number includes the plural, and *vice versa*; and
- (c) the following expressions have the following meanings:

4.1 "Act"

the Medical Schemes Act (Act No 131 of 1998), and the Regulations framed thereunder.

4.2 "Adult Dependant"

a Member's Spouse or Child reflected on the Membership Certificate, who –

4.2.1 is not i) a member; or ii) a dependant of the Member; or iii) a beneficiary, of any other medical scheme; and

4.2.2 in respect of a Child -

4.2.2.1 who is 25 (twenty-five) years of age (current age) or older; and

4.2.2.2 who is -

4.2.2.2.1 mentally or physically disabled and dependent on the Member, or

4.2.2.2.2 financially dependent on, and residing with the Member ("**dependency**"),

provided that such mental, physical or dependency is Approved after receipt of suitable evidence by the Member as set out in Rule 8.6.1.

4.3 "**Approval**" or "**Approved**"

prior written approval of the Board or an authorised committee or representative of the Board.

4.4 "**Auditor**"

an auditor registered in terms of the Auditing Profession Act, 2005 (Act No. 26 of 2005).

4.5 "**Beneficiary**"

a Member or a person admitted as a Dependant of a Member in respect of the Scheme and indicated as such on the Membership Certificate.

4.6 "**Benefit**"

the benefits and options as set out in Annexure B, as amended from time to time.

4.7 "**BHF**"

the Board of Healthcare Funders of Southern Africa.

4.8 "**Board**"

the Board of Trustees constituted to manage the Scheme in terms of the Act and these Rules.

4.9 "**Child**"

means -

4.9.1 a Member's biological child, stepchild or legally adopted child or a child in the process of being legally adopted by the Member, subject to providing proof of such ongoing adoption process to the satisfaction of the Board; and/or

4.9.2 a child adopted by the Member in accordance with customary law, if both the biological parents of such child are deceased; and/or



- 4.9.3 a child placed in the legal custody of the Member or his/her Spouse; and/or
- 4.9.4 a child in respect of whom the Member or his/her Spouse is the legal guardian,
- 4.9.5 provided in all instances that i) the child is below the age of 25 (twenty-five) years of age (current age); ii) the child is not a member, beneficiary or dependant of any other medical scheme; and iii) the child is financially dependent on the Member. A Grandchild will not be covered in terms of these Rules unless -

the Member as the grandparent is the legal guardian or have legally adopted the Grandchild.

4.10 **"Condition Specific Waiting Period"**

a period during which a Beneficiary is not entitled to claim Benefits in terms of these Rules, and during which period no Benefits will be paid, in respect of a condition for which a Beneficiary sought, should have sought, was recommended and/or received medical advice, diagnosis, care or treatment within a period of 12 (twelve-month) calculated with effect from the Membership Start Date.

4.11 **"Continuation Member"**

a Member who retains his/her 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.

4.12 **"Contribution"**

in relation to a Member, the amount, exclusive of interest, paid by or in respect of the Member and his/her registered Dependants if any, as a Membership Contribution, details of which are set out in Annexure A.

4.13 **"Council"**

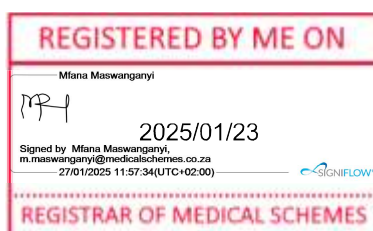
the Council for Medical Schemes as contemplated in the Act.

4.14 **"Cost"**

in relation to a Benefit, the net or final amount payable in respect of a relevant health service.

4.15 **"Date of Service"**

means -



- 4.15.1 in the case of a consultation, visit or treatment, the date on which each consultation, visit or treatment took place, whether for the same illness or not;
- 4.15.2 in the case of an operation, procedure or confinement, the date on which such operation or procedure was performed or such confinement took place;
- 4.15.3 in the case of any other service, the date on which such service was rendered, or the date of receipt by a Beneficiary of any treatment.

4.16 **"Dependant"**

- 4.16.1 a Member's Spouse who is not i) a member; or ii) a registered dependant; or iii) a beneficiary, of another medical scheme.
- 4.16.2 a Child; and/or
- 4.16.3 an Adult Dependant; and/or
- 4.16.4 the Immediate Family of a Member ; and/or
- 4.16.5 any other person who is Approved as a Dependant for purposes of these Rules,



reflected on the Membership Certificate as a Dependant.

4.17 **"Designated Service Provider"**

a healthcare provider or group of its administrator, as preferred provider/s to provide to the Beneficiaries, diagnosis, treatment and care in respect of one or more Prescribed Minimum Benefit conditions.

4.18 **"Domicilium citandi et executandi"**

a Member's chosen physical address at which notices 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 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 Beneficiary's life in serious jeopardy.

4.20 **"Employee"**

means a person who -

4.20.1 is legally eligible to work or be employed in accordance with the laws of the Republic of South Africa; and

4.20.2 receives, or is entitled to receive, payment from the Employer for the services rendered or outcome provided; and

4.20.3 either -

4.20.3.1 is in the exclusive and indefinite employment of the Employer who i) devotes at least 20 (twenty) working hours a week to the business of the Employer; and ii) is / may be a full time Employee or a part time Employee ("**Permanent Employee**"); or

4.20.3.2 contracts with the Employer for a period of at least 6 (six) Months to provide the Employer a specific outcome for which he/she is paid a fee, and is not a Permanent Employee ("**Contract Worker**"),

irrespective whether such person qualifies as an employee or entitled to the benefits of employment in terms of the applicable labour laws, and

4.20.4 a Former Employee.

4.21 "**Employer**"

any company or organisation that was previously a subsidiary or an associated company of Malbak Limited at the time of the latter's dissolution in 1996 or has subsequently been acquired by such companies or organisations.

4.22 "**Exclusions**"

the exclusions and limitations as set out in Annexure C, as amended from time to time.

4.23 "**Former Employee**"

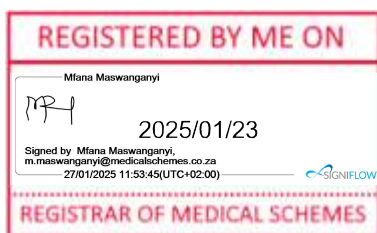
a former Permanent Employee of an Employer who met the requirements as set out in Rule 4.20 above at the time of employment with the Employer, but specifically excludes a Contract Worker.

4.24 "**General Waiting Period**"

a period during which a Beneficiary is not entitled to claim any Benefits.

4.25 "**Global Fee**"

a fee that covers all medical expenses including professional, facility, radiology and pathology expenses.





4.26 **"Grandchild"**

the Child of the Child of the Member, both qualifying as a Child as defined in Rule 4.9.

4.27 **"Guide"**

the guide/s to fees determined by the respective health care professions.

4.28 **"Immediate Family Member"**

a member of the immediate family of the Member who is financially dependent on, and residing with the Member ("**dependency**"), provided that such dependency is Approved after receipt of suitable evidence by the Member as set out in Rule 8.6.1.

4.29 **"Income"**

for the purposes of calculating Contributions in respect of -

4.29.1 an individual Member, means the gross monthly earnings of the Member;

4.29.2 a Member who registers a Spouse as a Dependant, means the gross monthly earnings of the Member;

4.29.3 a Continuation Member, means the gross monthly income of the Member from all sources, whether active or passive,

provided that additional information and/or confirmation may be requested from the Member from time to time.

4.30 **"Malcor Rate"**

the Tariff and/or the fee / rate determined in terms of an agreement between the Scheme, and/ or its administrator, and a service provider or group of providers in respect of the payment of relevant health services. In the cases where separate, individual negotiations are entered into from time to time, the negotiated tariff will apply.

4.31 **"Malcor Medication Rate" ("MMR")**

the Malcor Medication Rate is MMAP® reference pricing. In the absence of MMAP®, the single exit price plus the appropriate professional fee as determined by the Scheme, will be applied.

4.32 **"Managed Care Organisation"**

The relevant accredited managed care organisation contracted to provide benefits to members in return for a capitation fee paid by the Scheme.



2025/01/23

Signed by Miana Maswanganyi,
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27/01/2025 11:55:30(UTC+02:00)



REGISTRAR OF MEDICAL SCHEMES

4.33 "Managed Care Rate"

the rate / fee determined for Members covered in terms of Plan D in terms of an agreement between the Scheme and the Managed Care Organisation.

4.34 "Member"

any person who is admitted as a member of the Scheme in terms of these rules.

4.35 "Member Family"

the Member and all the registered Dependants and reflected as such on the Membership Certificate.

4.36 "Membership Certificate"

the certificate issued by the Scheme to the Member as evidence of Membership.

4.37 "Membership Start Date"

the start date of Membership as indicated in the Membership Certificate.

4.38 "Month"

a calendar month.

4.39 "MMAP®"

MMAP® (Maximum Medical Aid Price) serves as a guide to determine the maximum medical aid price that Scheme will reimburse for an interchangeable multi-source pharmaceutical product (medicine).

4.40 "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.

4.41 "Per diem"

a fee based on a set rate per day.

4.42 "Permanent Employee"

means an Employee who meets the requirements as set out in Rule 4.20.3.1.

4.43 "Plans"

the Benefit plans and Options as set out in Annexure B as amended from time to time, and as specified in the Membership Certificate.

4.44 "Pre-existing Sickness Condition"

a sickness condition for which medical advice, diagnosis, care or treatment was recommended or received within the 12 (twelve) month period ending on the Membership Start Date.

4.45 "Prescribed Minimum Benefits" (PMB)

the benefits contemplated in section 29(1) of the Act and consist of the provision of the diagnosis, treatment and care Costs of -

- (a) the Diagnosis and Treatment Pairs listed in Annexure A of the Regulations to the Act, subject to any limitations specified therein; and
- (b) any emergency medical condition.

4.46 "Prescribed Minimum Benefit Condition"

a condition contemplated in the Diagnosis and Treatment Pairs listed in Annexure A of the Regulations to the Act or any emergency medical condition.

4.47 "Registrar"

the Registrar or Deputy Registrar/s of Medical Schemes appointed in terms of section 18 of the Act.

4.48 "Rules"

the rules of the Scheme as set out in this document, which includes all annexures thereto, as amended from time to time.

4.49 "Scheme"

the Malcor Medical Aid Scheme registered as such in terms of the Act.

4.50 "Scheme Network GP"

a general practitioner who has contracted with the Scheme, and / or its administrator, to be part of the Scheme GP network.

4.51 "Spouse"

4.52 a person who is the permanent life Partner, spouse or civil union partner of a Member in accordance with the Marriages Act, 68 of 1961;



or the Recognition of Customary Marriages Act, 68 of 1997; or the Civil Union Act, 17 of 2006; or the tenets of a religion. "Tariff"

the fee/rate in respect of the payment of relevant health services as prescribed in the Malcor Guide to Fees;

4.53 **"Underwriting Rules"**

the underwriting rules of the Scheme, approved by the Board from time to time, and attached as Annexure E, as amended from time to time. In the event of a conflict between these Rules and the Underwriting Rules, the terms of the Underwriting Rules will prevail to the extent of the conflict.

4.54 **"Waiting Period"**

a General Waiting Period or Condition Specific Waiting Period, or either of it as the context require.

5. **OBJECTS**

The objects of the Scheme are to:

- (a) undertake liability, in respect of its Members and their Dependants, in return for a Contribution;
- (b) make provision for the obtaining of any relevant health service;
- (c) grant assistance in defraying expenditure incurred in connection with the rendering of any relevant health service; and/ or
- (d) 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**

6.1.1 Subject to Rule 8, Membership of the Scheme is restricted to –

6.1.1.1 Employees; and

6.1.1.2 Former Employees subject to Rule 6.2,

whose Membership is either voluntary or compulsory, depending on the terms and conditions of employment; and

6.1.1.3 Dependants of deceased Members who were Employees, which Dependants become Members as provided for in Rule 6.3.





6.2 Former Employees

6.2.1 Subject at all times to the provisions of Rule 8, a Member shall retain his/her Membership to the Scheme with his/her registered Dependants as reflected on the Membership Certificate, if any, in the event of i) his/her retirement or voluntary resignation from the service of his/her Employer; or ii) his/her employment being terminated by his/her Employer on account of retrenchment, age, ill- health or other disability, but specifically excluding termination of Employment as a result of dismissal in accordance with the provisions of the Labour Relations Act, 1995 (Act No. 66 of 1995).

6.2.2 The Board shall inform the Member of his/her right to continue his/her Membership and of the Contribution payable from the date of retirement, resignation or termination of his/her employment. Unless such Member informs the Scheme in writing of his/her desire to terminate his/her Membership to the Scheme, he/she 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 his/her Dependants at the time of such Member's death as reflected on the Membership Certificate, shall be entitled to continued Membership of the Scheme without any new Exclusions, restrictions, limitations or Waiting Periods.

6.3.2 The Scheme shall inform the Dependant of his/her right to Membership and of the Contributions payable in respect thereof. Unless such person informs the Board in writing of his/her intention not to become a Member, he/she shall be admitted as a Member of the Scheme.

6.3.3 Such a Member's Membership terminates automatically if he/she becomes a member or a dependant of a member of another medical scheme.

6.3.4 Where a Child Dependant/s has/have been orphaned, the eldest Child will be deemed to be the Member, and any younger siblings, the Child Dependant/s.

6.3.5 Where a Member is married to more than one Spouse, the Spouse first married to the Member shall be deemed to be the Member and the further Spouse(s), the Adult Dependants.

7. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS

7.1 Registration of dependants

7.1.1 A Member may apply for the registration of his/her Dependants –

- 7.1.1.1 at the time that he/she applies for membership in terms of rule 8, subject to the provisions of rule **Error! Reference source not found.**; or
- 7.1.1.2 at any other stage during Membership, subject to the provisions of Rule **Error! Reference source not found.**.
- 7.1.2 Whenever application is made to register Dependants, the onus of proof of eligibility and liability of the Member for mental, physical or financial dependency rests with the Member, which evidence the Board may accept or reject in its sole discretion.

7.2 De-registration of Dependants

- 7.2.1 A Member shall inform the Scheme within 30 (thirty) days of the occurrence of any event which results in any one of his/her Dependants no longer satisfying the conditions in terms of which he/she may be a Dependant.

- 7.2.2 Without limitation to the provisions of Rule 7.2.1, when a Dependant ceases to be eligible to be a Dependant, he/she shall no longer be deemed to be registered as such for the purpose of these Rules and shall no longer be entitled to receive any Benefits, regardless of whether notice has been given in terms of these Rules or otherwise. The entitlement to Benefits shall cease with effect from the date that the Dependant ceases to be eligible to be a Dependant, irrespective of the date on which notice is provided and/or when the Scheme becomes aware of the change in circumstances.



8. TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP

- 8.1 In the event of the death of the Member, a minor Child may become the Member with the consent of his/her remaining parent or guardian (who may or may not be a Dependent).
- 8.2 No person -
- 8.2.1 may be a member of more than one medical scheme; or
- 8.2.2 may be a dependant:
- 8.2.2.1 of more than one member of a particular medical scheme; or
- 8.2.2.2 of members of different medical schemes or;
- 8.2.3 may claim or accept benefits in respect of himself or any of his/her dependants from any medical scheme in relation to which he/she is not a member.

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

8.4 The Scheme may require an applicant to provide the Scheme with a medical report in relation to any proposed Beneficiary in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the 12 (twelve) month period ending on the date on which an application for Membership was made.

8.5 The Costs of any medical tests or examinations required to provide such medical report will be paid for by the Scheme. The Scheme may designate a provider to conduct such tests or examinations in their sole discretion.

8.6 **Waiting periods**

8.6.1 The Scheme may impose upon a person in respect of whom an application is made for membership or admission as a dependant, and who was not a beneficiary of a medical scheme for a period of at least 90 days preceding the date of application:

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

8.6.1.2 a condition-specific waiting period of up to 12 months, where applicable;

8.6.1.3 the waiting periods specified in 8.6.1.1 and 8.6.1.2 also apply in respect of any treatment or diagnostic procedures covered within the prescribed minimum benefits.

8.6.2 The Scheme may impose upon any person in respect of whom an application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme for less than 24 months, terminating less than 90 days immediately prior to the date of application, a waiting period that is as follows:

8.6.2.1 a condition-specific waiting period of up to 12 months, except in respect of any treatment or diagnostic procedures covered within the prescribed minimum benefits; and

8.6.2.2 where the previous medical scheme had imposed a general or condition-specific waiting period, and such waiting period had not expired at the time of termination, a general or condition-specific waiting period for the unexpired duration of such waiting period imposed by the former medical scheme.



- 8.6.3 The Scheme may impose upon any person in respect of whom an application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme for a continuous period of more than 24 months terminating less than 90 days immediately prior to the date of application a waiting period as follows:
- 8.6.3.1 a general waiting period of up to three months, except in respect of any treatment or diagnostic procedures covered within the prescribed minimum benefits.
- 8.7 The Board may, in its sole discretion, waive the Waiting Periods as set out in Rule 8.6 in the circumstances that it may determine or on a case-by-case basis.
- 8.8 The Scheme will not impose waiting periods on a person in respect of whom application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme, terminating less than 90 days immediately prior to the date of application, where the transfer of membership is required as a result of:-
- 8.8.1 change of employment; and/or
- 8.8.2 a child dependant born during the period of membership and registered within 60 days of birth/adoption; and/or
- 8.8.3 addition of a spouse/partner within 60 days of marriage.
- 8.9 No Waiting Periods shall be imposed on a Beneficiary who changes from one Benefit option to another within the Scheme unless that Beneficiary is subject to a Waiting Period on the current Benefit option in which case the remaining portion of the Waiting Period shall be applied.
- 8.10 No Waiting Periods shall be imposed on a Beneficiary who changes from one Benefit option to another within the Scheme unless that Beneficiary is subject to a Waiting Period on the current Benefit option in which case the remaining portion of the Waiting Period shall be applied.
- 8.11 The registered Dependants of a Member must participate in the same benefit option as the Member.
- 8.12 Every Member will, on admission to Membership, receive a detailed summary of these rules which shall include Contributions, benefits, limitations, the Member's rights and obligations and a Membership Certificate. Members 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.

- 8.13 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 a Benefit which he/she may have against the Scheme.
- 8.14 The Scheme shall 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 in conflict with the provisions of this Rule **Error! Reference source not found..**
- 8.15 In the event of an Employee of an Employer, who had been assigned on an expatriate contract for the Employer, returning to South Africa, the Scheme will accept such former expatriate Employee and his Dependants as Members of the Scheme without applying pre-existing condition Exclusions and/or Waiting Periods, provided that such Employee remained an Employee of the Employer during the period of absence from South Africa.

9. EVIDENCE OF MENTAL, PHYSICAL OR DEPENDENCY

- 9.1 Where a Member is required to produce evidence of mental, physical or financial or other dependency as prescribed in these Rules, the Member shall provide such information as the Board may require and prescribe from time to time, provided that the requisite evidence must include proof of mental, physical, financial dependency or such other dependency on the Member, substantiated by acceptable supporting documentation as may be requested or prescribed by the Board.
- 9.2 The Board may, accept or reject the evidence of mental, physical or financial dependency provided by a Member, or may request additional information.

10. TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME

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 this Scheme, the Board will admit as a Member, without a waiting period, or the imposition of new restrictions on account of the state of his health or the health of any of his dependants, any member of such first-mentioned Scheme who is a continuation member by virtue of his/her past employment by the particular employer and admit any person who has been a registered dependant of such member, as a dependant.

11. MEMBERSHIP CARD AND MEMBERSHIP CERTIFICATE

- 11.1 Every Member shall be furnished with a membership card, containing such particulars as may be prescribed. This card must be exhibited to the supplier of a service on request. It remains the property of the Scheme.

- 11.2 The utilisation of a membership card by any person other than the member or his/her registered dependants, with or without the knowledge or consent of the Member or his/her Dependants, is not permitted and is construed as an abuse of the privileges of Membership of the Scheme.
- 11.3 On termination of Membership or on de-registration of a Dependant, the Scheme must, within 30 (thirty) days of such termination, or at any time on request, furnish such person or any medical scheme to which the former Member or Dependant subsequently applies for membership, with a certificate of membership and cover, containing such particulars as may be prescribed.

12. CHANGE OF ADDRESS OF MEMBER

A Member must notify the Scheme within 30 (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.

13. TERMINATION OF MEMBERSHIP

13.1 Resignation

- 13.1.1 A Member who, in terms of his conditions of employment is required to be a Member of the Scheme, may not terminate his Membership while he remains an Employee without the prior written consent of his Employer. Where a Member who remains an Employee has terminated his Membership he shall be re-admitted as a member of the Scheme subject to Rule 8.

13.2 Failure to pay amounts due to the Scheme

- 13.2.1 If a Member fails to pay amounts due to the Scheme, his Membership may be terminated as provided in these Rules.

13.3 Abuse of privileges, false claims, misrepresentation and non-disclosure of factual information

- 13.3.1 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 presenting false claims or making a material misrepresentation or non-disclosure of factual information. In such event he 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.



13.4 Death

Membership of a member terminates on his/her death.



14. **INDULGENCE**

No indulgence which the Scheme or the Board may show to any member or employer shall in any way prejudice the Scheme's rights or be construed as a waiver of the Scheme's rights, or a novation of any party's rights.

15. **CONTRIBUTIONS**

15.1 The total monthly contributions payable to the Scheme by or in respect of a member are as stipulated in Annexure A. It shall be the responsibility of the member to notify the Scheme of changes in income that may necessitate a change in contribution in terms of Annexure A hereto.

15.2 Contributions shall be due monthly in advance and be payable by not later than the 3rd day of each month. Where contributions or any other debt owing to the Scheme, have not been paid within 30 days of the due date, the Scheme shall have the right -

15.2.1 to suspend all benefit payments in respect of claims which arose during the period of default;

15.2.2 to give the member and/or employer written notice at his/her *domicilium citandi et executandi* that if contributions or such other debts are not paid within 14 days of posting of such notice, membership may be cancelled.

A notice sent by prepaid registered post to the member at *his/her domicilium citandi et executandi* shall be deemed to have been received by the member on the 7th day after the date of posting. In the event that the 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*.

15.3 In the event that payments are brought up to date, and provided membership has not been cancelled in accordance with rule 14.2.2, 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. 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 will be recovered by the Scheme.

15.4 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.

16. **LIABILITIES OF EMPLOYER AND MEMBER**

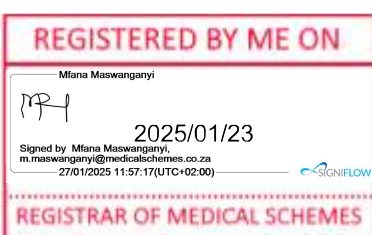
16.1 The liability of the Employer towards the Scheme is limited to any amounts payable in terms of any agreement between the Employer and the Scheme.

- 16.2 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 Dependants which has not been repaid to the Scheme.
- 16.3 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.

17. CLAIMS PROCEDURE

- 17.1 Every claim submitted to the Scheme in respect of the rendering of a relevant health service as contemplated in these rules, must be accompanied by an account or statement as prescribed, which shall contain the following:
- 17.1.1 the surname and initials of the member;
- 17.1.2 the surname, first name and other initials, if any, of the patient;
- 17.1.3 the name of the Scheme;
- 17.1.4 the membership number of the member;
- 17.1.5 the practice code number, group practice number and individual provider registration number as currently accepted by Schemes and providers;
- 17.1.6 the relevant diagnostic and such other item code numbers that relate to such relevant health service;
- 17.1.7 the date on which each relevant health service was rendered;
- 17.1.8 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 and dosage of and net amount payable by the member in respect of the medicine;
- 17.2 If an account, statement or claim is received, as the case may be, the Scheme must, 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-

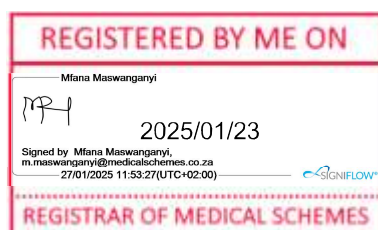
- (a) The name and the membership number of the member;
- (b) The name of the supplier of service;
- (c) The final date of service rendered by the supplier of service on the account or statement which is covered by the payment;
- (d) The total amount charged for the service concerned; and
- (e) The amount of the benefit awarded for such service.



- 17.3 In order to qualify for benefits, any claim must, unless otherwise arranged, be signed and certified as correct and must be submitted to the Scheme not later than the last day of the fourth month following the month in which the service was rendered.
- 17.4 Where a member has paid an account, he shall, in support of his/her claim, submit a receipt.
- 17.5 Accounts for treatment of injuries or expenses recoverable from third parties, must be supported by a statement, setting out particulars of the circumstances in which the injury or accident was sustained.
- 17.6 Where a member has received services outside Southern Africa he shall in the first instance pay all medical accounts or accounts received in respect of these benefits and thereafter submit the detailed accounts together with receipts to the Scheme for refund of the benefits due in terms of Annexure B.
- 17.7 If 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 relevant health care provider, within 30 days after receipt thereof and state the reasons for such an opinion. The Scheme shall afford such member and provider 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.

18. BENEFITS

- 18.1 Members are entitled to benefits during a financial year, as per Annexure B, and such benefits extend through the Member to his/her registered Dependants. A Member must, on admission, elect to participate in any one of the available options, detailed in Annexure B.
- 18.2 A member is entitled to change from one to another benefit option subject to the following conditions:
- 18.2.1 The change may be made only with effect from 1 January of any financial year. The Board may, in its absolute discretion, permit a member to change from one to another benefit option on any other date.
- 18.2.2 Application to change from one benefit option to another must be in writing and lodged with the Scheme no later than 7 December of the year prior to the one in which it is intended that the change 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.
- 18.3 The Scheme shall, where an account has been rendered, pay any benefit due to a member, either to that member or to the supplier of the relevant





health service who rendered the account, within 30 days of receipt of the claim pertaining to such benefit.

- 18.4 Any benefit option in Annexure B covers the Cost of services rendered in respect of the prescribed minimum benefits, in accordance with Appendix 2.
- 18.5 The Scheme may, in respect of the financial year in which a member joins the Scheme, reduce the annual benefits pro rata to the period remaining of membership in the financial year concerned, calculated from the admission date to the end of the financial year concerned.

Accounts for treatment of injuries or expenses recoverable from third parties, must be supported by a statement, setting out particulars of the circumstances in which the injury or accident was sustained. The Scheme, however, remains liable for such claims *ab initio*, until a settlement is made where after the Scheme would be reimbursed.

- 18.6 No limitations or exclusions will be applied to the prescribed minimum benefits.
- 18.7 All PMBs are covered at 100% of Cost provided that, where specified, a DSP is used and non-PMBs are covered at the Malcor Rate. Involuntary use of a non-DSP will result in the claim being paid at 100% of Cost.

19. PAYMENT OF ACCOUNTS

- 19.1 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.
- 19.2 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.
- 19.3 The Scheme may, whether by agreement or not, pay the benefit to which the member is entitled, directly to the supplier (or group of suppliers) who rendered the service.
- 19.4 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.
- 19.5 Notwithstanding the provisions of this rule, the Scheme has the right to pay any benefit directly to the member concerned.



20. GOVERNANCE

- 20.1 The affairs of the Scheme must be managed according to these rules by a Board consisting of a minimum of five (5) persons and a maximum of twelve (12) persons who are fit and proper to be trustees.
- 20.2 At least half of such trustees must be elected by members from amongst members. The remaining trustees shall be appointed by the employer.
- 20.3 Trustees will be permitted to serve two consecutive terms on the Board of five years each, totalling ten (10) years. A trustee who has served two consecutive five (5) year terms as a Trustee may be re-elected or reappointed to the Board as a Trustee for a third term, provided that there is a break in their trusteeship between their second and third term of no less than 12 months. This rule is effective 1 January 2024.
- 20.4 Member alternate trustees may be appointed by the Board. Employer trustees may be appointed by the employer. Alternate Trustees shall also be members of the scheme, to act only in the absence of a quorum. An alternate trustee term of office shall be the same as that of a trustee. Alternate trustees may be appointed by the Board to serve on sub-committees of the scheme.
- 20.5 The following persons are not eligible to serve as members of the Board:
- 20.5.1 A person under the age of 21 years;
- 20.5.2 An employee, director, shareholder, partner, representative, agent, officer, consultant, or contractor of the administrator of the Scheme or of the holding company, subsidiary, joint venture or associate of that administrator;
- 20.5.3 a person, including a legal person, associated with the administrator of the Scheme or of any controlling or subsidiary company of the administrator;
- 20.5.4 a broker;
- 20.5.5 the principal officer of the Scheme; and
- 20.5.6 the auditor of the Scheme.
- 20.6 The Board may fill by appointment, any vacancy arising during the term of office of a member of the Board due to such member resigning in terms of rule 20.14 or ceasing to hold office in terms of rule 20.15. 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.
- 20.7 Nominations to fill vacancies, signed by the candidate signifying his consent to stand for election, must be submitted to the Scheme prior to the Annual



General Meeting of the year concerned. The election of the members of the board of trustees will be carried out by ballot and will be decided on by simple majority of duly completed and returned ballot papers prior to the annual general meeting. The election results will be announced at the annual general meeting of the Scheme and the newly elected trustees will take office with effect from that date.

- 20.8 The Board may co-opt a knowledgeable person to assist it in its deliberations provided that such person shall not have a vote.
- 20.9 A quorum is constituted by a number of members of the Board physically or virtually present at a meeting of that Board, which number shall be not less than half of the members of the Board plus one. Members of the Board will, for the purposes of constituting a quorum, not include suspended Board members.
- 20.10 A resolution signed by not less than the number of trustees required for a quorum for a Board meeting shall be as valid and effective as if it had been passed at a meeting of the Board duly called and constituted.
- 20.11 The Board must elect from its number the chairperson.
- 20.12 In the absence of the chairperson, the Board members present must elect one of their numbers to preside.
- 20.13 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.
- 20.14 A member of the Board may resign at any time by giving written notice to the Board.
- 20.15 A member of the Board ceases to hold office if:
- 20.15.1 he becomes mentally ill or incapable of managing his/her affairs;
 - 20.15.2 he/she is declared insolvent or has surrendered his/her estate for the benefit of his/her creditors;
 - 20.15.3 he/she is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering of a forged document or perjury;
 - 20.15.4 he/she is removed by the court from any office of trust on account of misconduct;
 - 20.15.5 he/she is disqualified under any law from carrying on his/her profession;
 - 20.15.6 he/she ceases to be an appointee by a participating employer, or being a Board member elected by members of the Scheme, he/she ceases to be a member of the Scheme;



- 20.15.7 he/she absents himself from three consecutive meetings of the Board without the permission of the chairperson;
- 20.15.8 he/she is removed from office by the Council in terms of Section 46 of the Act; or
- 20.15.9 he/she is removed from office in terms of rule 19.20.
- 20.16 The Board must meet at least once every three (3) months or at such intervals as it may deem necessary.
- 20.17 The chairperson may convene a special meeting should the necessity arise. Any three (3) 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.
- 20.18 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.
- 20.19 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 approved by the Board of Trustees and disclosed to the members in the Annual General Meeting.
- 20.20 Members of the Board other than the Chairman, are not entitled to any remuneration, honorarium or any other fee in respect of services rendered in their capacity as members of the Board.
- 20.21 A member of the Board who acts in a manner which is seriously prejudicial to the interests of beneficiaries of the medical scheme may be removed by the Board, provided that -
- 20.21.1 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;
- 20.21.2 the resolution to remove that member is taken by at least two thirds of the members of the Board;
- 20.21.3 the member shall have recourse to the disputes procedures of the Scheme or complaints and appeal procedures provided for in the Act.

21. DUTIES OF BOARD OF TRUSTEES

- 21.1 The Board is responsible for the proper and sound management of the Scheme, in terms of these rules.
- 21.2 The Board must act with due care, diligence, skill and in good faith.



- 21.3 Members of the Board must avoid conflicts of interests and must declare any interest they may have in any particular matter serving before the Board.
- 21.4 The Board must apply sound business principles and ensure the financial soundness of the Scheme.
- 21.5 The Board must appoint a principal officer who is fit and proper to hold such office and may appoint any staff which in its opinion are required for the proper conditions of service of the principal officer and of any person employed by the Scheme;
- 21.6 The chairperson must preside over meetings of the Board and ensure due and proper conduct at meetings.
- 21.7 The Board must cause to be kept such minutes, accounts, entries, registers and records as are essential for the proper functioning of the Scheme.
- 21.8 The Board must ensure that proper control systems are employed by and on behalf of the Scheme.
- 21.9 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.
- 21.10 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.
- 21.11 The Board must take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance.
- 21.12 The Board may 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.
- 21.13 The Board must ensure that the rules and the operation and administration of the Scheme comply with the provisions of the Act and all other applicable laws.
- 21.14 The Board must take all reasonable steps to protect the confidentiality of medical records concerning any beneficiary's state of health.
- 21.15 The Board must approve all disbursements.
- 21.16 The Board must 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 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.



- 21.17 The Board must make such provision as it deems desirable, and with due regard to normal practice and recommended guidelines pertaining to retention of documents, for the safe custody of the books, records, documents and other effects of the Scheme.
- 21.18 The Board must disclose annually in writing to the Registrar, any payment or considerations made to them in that particular year by the Scheme as prescribed.

22. POWERS OF BOARD

The Board has the power -

- 22.1 to cause the termination of the services of any employee of the Scheme;
- 22.2 to take all necessary steps and to sign and execute all necessary documents to ensure and secure the due fulfilment of the Scheme's obligations under such appointments;
- 22.3 to appoint a committee consisting of such Board members and other experts as it may deem appropriate;
- 22.4 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;
- 22.5 to appoint, compensate, determine the levels of service and contract with any accredited person for the introduction or admission of a member to the Scheme and for ongoing services subject to the provisions of the Act and the Regulations;
- 22.6 to appoint advisors or consultants to assist it in the performance of its duties;
- 22.7 to appoint, contract with and compensate any accredited managed health care organisation in the prescribed manner;
- 22.8 to purchase movable and immovable property for the use of the Scheme;
- 22.9 to let or hire movable or immovable property;
- 22.10 to sell movable and immovable property of the Scheme subject to sound business practice and fair value principles;
- 22.11 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 moneys and investments;



- 22.12 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
- 22.13 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, home for aged persons or any similar institution, in the interests of the members of the Scheme;
- 22.14 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;
- 22.15 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;
- 22.16 to contribute to any fund conducted for the benefit of employees of the Scheme;
- 22.17 to reinsure obligations in terms of the benefits provided for in these rules provided that all such reinsurance arrangements are fully disclosed to and approved by Council, including full details of premiums, commissions, and benefits due under such arrangement;
- 22.18 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 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;
- 22.19 to contribute to any association instituted for the furtherance, encouragement and coordination of medical schemes;
- 22.20 in general, do anything, which it deems necessary or expedient to perform its functions in accordance with the provisions of the Act and these rules.

23. DUTIES OF PRINCIPAL OFFICER AND STAFF

- 23.1 The staff of the Scheme must ensure the confidentiality of all information regarding its members.
- 23.2 The principal officer is the executive officer of the Scheme and as such shall ensure that:
- 23.2.1 He acts in the best interests of the members of the Scheme at all times;
- 23.2.2 the decisions and instructions of the Board are executed without unnecessary delay;



- 23.2.3 where necessary, there is proper and appropriate communication between the Scheme and those parties affected by the decisions and instructions of the Board;
- 23.2.4 he keeps the Board sufficiently and timeously informed of the affairs of the Scheme concerning any matter relating to the duties of the Board as stated in section 57(4) of the Act;
- 23.2.5 he/she keeps the Board 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;
- 23.2.6 he 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 govern a nee of the Scheme.
- 23.3 The principal officer shall be the accounting officer of the Scheme responsible for ensuring the collection of and accounting for all moneys received and payments authorised by and made on behalf of the Scheme.
- 23.4 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 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.
- 23.5 The principal officer shall be responsible for the supervision of the staff employed by the Scheme unless the Board decides otherwise.
- 23.6 The principal officer shall ensure that full and proper records of all moneys received and expenses incurred by, and of all assets, liabilities and financial transactions of the Scheme are kept by the Scheme.
- 23.7 The principal officer shall arrange for the preparation of the annual financial statements of the Scheme and shall ensure compliance with all statutory requirements pertaining thereto.
- 23.8 The following persons are not eligible to be a principal officer:
- 23.8.1 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.
- 23.8.2 A broker.
- 23.9 The provisions of rules 19.14.1-19.14.5 apply *mutatis mutandis* to the principal officer.

24. INDEMNIFICATION & FIDELITY GUARANTEE

- 24.1 The Board and any officer of the Scheme against all proceedings, costs and expenses incurred by reason of any claim against/by the Scheme, not arising from their negligence, dishonesty or fraud.
- 24.2 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.

25. 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.

26. BANK ACCOUNT

The Scheme must establish and maintain bank accounts in the name of the Scheme and under its direct control with a registered commercial bank. All moneys received must be deposited directly to the credit of such accounts. All payments must be made either by electronic transfer and/or by cheque under the joint signature of not less than two persons duly authorised by the Board.

27. AUDITOR & AUDIT COMMITTEE

- 27.1 An auditor (who must be approved by the Registrar in terms of section 36 of the Act) must be appointed by resolution at each annual general meeting, to hold office from the conclusion of that meeting to the conclusion of the next annual general meeting.
- 27.2 The following persons are not eligible to serve as auditor of the Scheme
- 27.2.1 a member of the Board;
- 27.2.2 an employee, officer or contractor of the Scheme;
- 27.2.3 an employee, director, officer or contractor of the Scheme's administrator, or of the holding company, subsidiary, joint venture or associate of the administrator;
- 27.2.4 a person not engaged in public practice as an auditor;
- 27.2.5 a person who is disqualified from acting as an auditor in terms of the Companies Act, 71 of 2008.
- 27.3 Whenever for any reason an auditor vacates his/her office prior to the expiration of the period for which he/she has been appointed, the Board must within 30 days appoint another auditor to fill the vacancy for the unexpired period.



2025/01/23

Signed by Mfana Maswanganyi,
m.maswanganyi@medicalschemes.co.za
27/01/2025 11:54:57(UTC+02:00)

REGISTRAR OF MEDICAL SCHEMES

- 27.4 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 must within 30 days make such appointment, and if it fails to do so, the Registrar may at any time do so.
- 27.5 The auditor of the Scheme has a right of access to the books, records, accounts, documents and other effects of the Scheme at all times and is entitled to require from the Board and the officers of the Scheme such information and explanations as he deems necessary for the performance of his/her duties.
- 27.6 The auditor must report to the members of the Scheme on the accounts examined by him and on the financial statements laid before the Scheme in general meeting.
- 27.7 The Board must appoint an audit committee of at least 5 members of whom at least 2 must be members of the Board.
- 27.8 Members of the Audit and Risk Committee, other than the Chairperson, are not entitled to any remuneration, honorarium or any other fee in respect of services rendered in their capacity as members of the Committee. All remuneration of the Audit and Risk Committee Chairperson, inclusive of travel and accommodation expenses, shall be reported in the Annual Financial Statements of the Fund and any other statutory document/survey as required by the Council for Medical Schemes.

28. GENERAL MEETINGS

28.1 Annual general meeting

- 28.1.1 The annual general meeting of members must be held not later than 30 June of each year on a date which may be shown to permit reasonable attendance by members.
- 28.1.2 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 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 provided that the notice procedure followed by the Board was reasonable.
- 28.1.3 At least 30 members of the Scheme present in person, virtually or by proxy constitute a quorum. If a quorum is not present after a lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting must be postponed to a date determined by the Board, with notice of such postponed meeting being reissued in terms of rule 27.1.2, and members then present constitute a quorum.
- 28.1.4 The annual financial statements and reports specified in rule 26.1.2 must be laid before the meeting.

28.1.5

Notices of motions to be placed before the annual general meeting must reach the principal officer not later than 14 clear days prior to the date of the meeting. For purposes of submission of a motion reference to a clear day contemplates a 24-hour day beginning and ending at midnight. Motions must be framed in terms that are definite, concise and free from ambiguity. A detailed motivation shall accompany the motion. Without a detailed motivation, the motion will not be valid.

28.1.6

A motion may not deal with matters affecting the operations of the Scheme or matters that fall beyond the scope of the annual general meeting and must be for the benefit of and / or in the best interest of the Scheme and its members.

28.2 **Special general meeting**

28.2.1

The Board may call a special general meeting of members if it is deemed necessary.

28.2.2

On the requisition of at least 5% of the total membership of the Scheme, the Board must cause a special general meeting to be called within 30 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.

28.2.3

The notice convening the special general meeting, containing the agenda, must be furnished to members at least 14 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 provided that the notice procedure followed by the Board was reasonable.

28.2.4

At least 50 members present in person, virtually or by proxy constitute a quorum. If a quorum is not present at a special general meeting after a lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting is regarded as cancelled.

29. **VOTING AT MEETINGS**

29.1

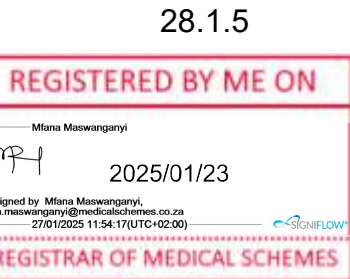
Every member who is present at a general meeting of the Scheme has the right to vote, or may, subject to this rule, appoint another member of the Scheme as proxy to attend, speak and vote in his/her stead.

29.2

The instrument appointing the proxy must be in writing, in a form determined by the Board and must be signed by the member and the person appointed as the proxy.

29.3

The chairperson must determine whether the voting must be by ballot or by a show of hands. In the event of the votes being equal, the chairperson, if he is a member, has a casting vote in addition to his/her deliberative vote.





30. COMPLAINTS AND DISPUTES

- 30.1 Members may lodge their complaints, in writing, to the Scheme. The Scheme or its administrators shall also provide a dedicated toll-free telephone number to be used for dealing with telephonic enquiries and complaints.
- 30.2 All complaints received in writing will be responded to by the Scheme in writing within 30 days of receipt thereof.
- 30.3 A disputes committee of 3 persons, who may not be members of the Board, employees or officers of the Scheme or the administrator, must be appointed by the Board to serve a term of office of 3 years. At least one of such persons shall be a person with legal expertise.
- 30.4 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.
- 30.5 On receipt of a request in terms of this rule, the principal officer must convene a meeting of the disputes committee by giving not less than 21 days' notice in writing to the complainant and all the members of the disputes committee, stating the date, time, and venue of the meeting and particulars of the dispute.
- 30.6 The disputes committee may determine the procedure to be followed.
- 30.7 The parties to any dispute have the right to be heard at the proceedings, either in person or virtually or through a representative.
- 30.8 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 Council and shall be furnished to the Registrar not later than 3 months after the date on which the decision concerned was made or such further period as the Council may for good cause shown allow, after the date on which the decision concerned was made.
- 30.9 The operation of any decision which is the subject of an appeal under rule 29.8 shall be suspended pending the decision of the Council on such appeal.

31. TERMINATION OR DISSOLUTION

- 31.1 The Scheme may be dissolved by order of a competent court or by voluntary dissolution.
- 31.2 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. Unless the majority of



members decide that the Scheme must continue, the Scheme must be liquidated in terms of section 64 of the Act.

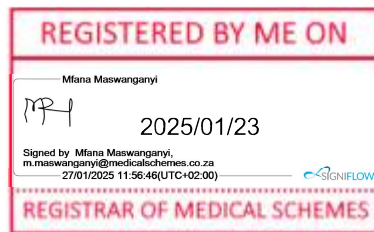
- 31.3 Pursuant to a decision by members taken in terms of rule 30.2 the principal officer must, in consultation with the Registrar, furnish to every member a memorandum containing the reasons for the proposed dissolution and setting forth the proposed basis of distribution of the assets in the event of winding up, together with a ballot paper.
- 31.4 Every member must be requested to return his/her ballot paper duly completed before a set date. If at least 50% of the members return their ballot papers duly completed and if the majority thereof is in favour of the dissolution of the Scheme, the Board must ensure compliance therewith and appoint, subject to the approval of the Registrar, a competent person as liquidator.
- 31.5 The Registrar may, on good cause shown, ratify a lower percentage.

32. AMALGAMATION AND TRANSFER OF BUSINESS

- 32.1 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 must arrange for members to be furnished with an exposition of the proposed transaction for consideration and to decide by ballot whether the proposed transaction should be proceeded with or not.
- 32.2 If at least 50% of the members return their ballot papers duly completed and if the majority thereof is in favour of the amalgamation or the transfer, the transaction may be concluded in the prescribed manner.
- 32.3 The Registrar may, on good cause shown, ratify a lower percentage.

33. RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS

- 33.1 Any beneficiary must on request and on payment of a fee of R 30 per copy, be supplied by the Scheme with a copy of the following documents:
- 33.1.1 The rules of the Scheme; and
- 33.1.2 the latest audited annual financial statements, returns, Trustees reports and auditor's report of the Scheme and accompanying management accounts in respect of its benefit options.
- 33.2 A member 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.



34. AMENDMENT OF RULES

- 34.1 The Board is entitled to alter or rescind any rule or annexure or to make any additional rule or annexure.
- 34.2 Members must be furnished with a summary of such amendments as soon as possible 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.
- 34.3 Notwithstanding the provisions of rule 33.1 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.
- 34.4 No amendment, rescission or addition of any rule shall be valid unless it has been approved and registered by the Registrar.