

WOOLTRU HEALTHCARE FUND

RULES

With effect 1 January 2009

1. NAME

The name of the Scheme is Wooltru Healthcare Fund, 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 Metropolitan Health Group (Pty) Ltd, 61 Town Square, St Georges Mall, Cape Town, 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 the masculine gender includes the feminine;
- (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), as amended, and the regulations framed thereunder;

4.2 "Additional Adult Dependant"

any Dependant, over the age of 21, who is not the Spouse or Partner of a Member, with the exception of a Child over the age of 21 who due to a mental or physical disability is dependent upon the Member;

4.3 "Admission date" shall mean-

4.3.1 in respect of an Employer, the date on which the contract between the Scheme and the Employer becomes operative;

4.3.2 in respect of a Member, the date on which he is admitted as a Member; and

4.3.3 in respect of a Dependant of a Member, the date upon which such Dependant is registered as a Dependant in terms of these Rules;

4.4 "Agreed Tariff",

in relation to a benefit, the net or final tariff payable in respect of a relevant health service as negotiated with any Designated Service Provider;

- 4.5 "Annual Limits",**
the maximum benefits to which a Beneficiary is entitled in terms of these Rules, and such shall be pro-rated according to the Beneficiary's date of admission and calculated per Financial Year according to Date of Service;
- 4.6 "Annual Medical Limit",**
the maximum annual benefits to which a Beneficiary is entitled in respect of primary healthcare benefits in terms of Annexure B2 and Annexure B3 of these Rules, and such shall be pro-rated according to the Beneficiary's date of admission and calculated per Financial Year according to the Date of Service;
- 4.7 "Applicant",**
a person who applies for Membership for himself and/or for the registration of his Dependants;
- 4.8 "Application"**
an application, on a form/s approved by the Board, for Membership and/or for registration of a Dependant;
- 4.9 "Approval",**
prior written approval of the Board or its authorised representative;
- 4.10 "Associate",**
means any company in which a Principal Employer owns more than 20% but less than a majority of the shares of such company.
- 4.11 "Associated Employer"**
any Subsidiary or Associate company of a Principal Employer, which company has, with the consent of that Principal Employer and the Board, contracted with the Scheme for purposes of admission of its employees as Members of the Scheme.

- 4.12 "Auditor",**
an auditor registered in terms of the Public Accountants' and Auditors' Act, 1991, (Act No. 80 of 1991);
- 4.13 "Beneficiary",**
a Member or a person admitted as a Dependant of a Member.
- 4.14 "Board",**
the Board of Trustees constituted to manage the Scheme in terms of the Act and these Rules;
- 4.15 "Capitation Agreement",**
means an arrangement entered into between the Scheme and an independent person or organization, whereby the Scheme pays to such independent person or organization a pre-negotiated fixed fee in return for the delivery, or arrangement for the delivery of, specified benefits to some or all of the Beneficiaries of the Scheme;
- 4.16 "Case Management",**
the process whereby a Beneficiary's specific health care needs are identified, and whereby utilisation management plans or programmes are implemented in order to efficiently utilise health care benefits to achieve optimum patient care in the most cost-effective manner;
- 4.17 "Child",**
a Member's natural child, or stepchild or legally adopted child or a fostered child, or a child in process of being fostered or legally adopted, or a child who has been placed in the legal custody of the Member or his Spouse or Partner and for whom the Member has a duty of support, provided that any such child is not a beneficiary of any other medical scheme.

- 4.18 "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, diagnoses, care or treatment was recommended or received within the twelve-month period ending on the date on which an Application for Membership was made.
- 4.19 "Continuation Member",**
a Member who retains his membership of the Scheme in terms of rule 6.2 or a Dependant who becomes a Member of the Scheme in terms of Rule 6.3;
- 4.20 "Contracted Fee"**
the fee determined in terms of an agreement between the Scheme and a service provider or group of service providers in respect of the payment of relevant health services.
- 4.21 "Contribution"**
in relation to a Member, the amount, exclusive of interest, paid by, or in respect of, the Member and his registered Dependents if any, as membership fees and shall include contributions to personal medical savings accounts if applicable;
- 4.22 "Cost"**
in relation to a benefit, the net or final amount payable in respect of a relevant health service;
- 4.23 "Council"**
the Council for Medical Schemes as contemplated in the Act.

4.24 "Date of Service",

4.24.1 in the event of a consultation, visit or treatment by a person providing a relevant health service, the date on which the consultation, visit or treatment occurred, whether for the same sickness condition or not;

4.24.2 in the event of an operation, procedure or confinement, the date on which each operation or procedure was performed or confinement occurred;

4.24.3 in the event of hospitalisation, the date of each discharge from a hospital or nursing home or the date of termination of membership, whichever date occurs first; and

4.24.4 in the event of any other service or requirement, the date on which such service was rendered or requirement was received by the Beneficiary.

4.25 "Dependant",

4.25.1 a Member's Spouse or Partner who is not a member or a registered dependant of a member of any other medical scheme; and

4.25.2 a Member's dependent Child, under the age of 21 years, who is not a member or a registered dependant of a member of any other medical scheme; and

4.25.3 the parent of a Member in respect of whom the Member is legally liable for family care and support; and

- 4.25.4** a divorced Spouse of a Member in respect of whom the Member is legally liable in terms of the divorce settlement, to provide the ex-spouse with medical benefits ; and
- 4.25.5** a Child of the Member, between the ages of 21 and 25, who is unemployed, unmarried and financially dependent on the Member for family care and support and who was registered as a Dependant on the Fund prior to turning 21; and
- 4.25.6** in exceptional circumstances (the details of which must be stated) any other persons who are recognised by the Board as Dependants for purposes of these Rules;
- 4.26** **“Dependent”**,
in relation to a Child, a Child under the age of 21 who is not in receipt of a regular remuneration of more than the maximum social pension per month; or a Child who, due to a mental or physical disability, is dependent upon the Member;
- 4.27** **“Designated Service Provider” or “DSP”**
A healthcare provider or group of providers selected by the Scheme as preferred provider/s to provide to the Beneficiaries, diagnosis treatment and care in respect of any benefit in terms of an agreement between the Scheme and the Designated Service Provider and shall include any service contracted through a Managed Healthcare Organisation.
- 4.28** **“Domicilium Citandi et Executandi”**
the Member’s chosen physical address at which notices in terms of Rules 11 and 12 as well as legal process, or any action arising there from, may be validly delivered and served.

- 4.29 "Emergency Medical Condition"**
means the sudden and, at the time, unexpected onset of a health condition that requires immediate medical or surgical treatment, where failure to provide medical or surgical treatment would result in serious impairment to bodily functions or serious dysfunction of a bodily organ or part, or would place the person's life in serious jeopardy;
- 4.30 "Employee",**
a person in the employment of an Employer who, in terms of his conditions of employment by that Employer, is obliged to belong to a medical scheme, being either the Scheme, or his Spouse's medical scheme, or a medical scheme to which he is entitled to belong in terms of a recognition agreement between that Employer and any trade union;
- 4.31 "Employer",**
any Principal Employer or Associated Employer;
- 4.32 "Financial Year"**
shall mean each period of twelve months ending on 31 December of each year;
- 4.33 "General Waiting Period",**
a period in which a Beneficiary is not entitled to claim any benefit;
- 4.34 "Guide",**
the guide/s to fees determined by the respective health care professions;
- 4.35 "Income",** for the purposes of calculating contributions in respect of a:

- 4.35.1** **“Member who is an Employee;**
the remuneration of the Employee as determined by the Employer of such person and in terms of which Contributions to the Scheme are made;
- 4.35.2** **Continuation Member;**
the income category of the Member at the time of his retirement from an Employer and conversion to a Continuation Member.
- 4.36** **“Managed Health Care”;**
clinical and financial risk assessment and management of health care, with a view to facilitating appropriateness and cost effectiveness of relevant health services within the constraints of what is affordable, through the use of rules-based and clinical management-based programmes.
- 4.37** **“Managed Health Care Organization”** a person or organization who has contracted with the Scheme in terms of regulation 15A to provide a Managed Health Care service.
- 4.38** **“Medical Advisor”,**
the person appointed by the Board to advise the Board on clinical matters.
- 4.39** **"Member",**
any person who is admitted as a Member of the Scheme in terms of these Rules, and who contributes to the Scheme in order to obtain the benefits referred to under these Rules either for himself or for any of his Dependents;
- 4.40** **"Member family",**
the Member and all his registered Dependents;

- 4.41 "Month"**
shall mean a period extending from the first day to the last day of any one of the twelve months of the year;
- 4.42 "National Scheme Tariff (NST)"**
the tariff set by the Scheme for reimbursement of claims (based on the National Health Reference Price list (NHRPL), as published by the Department of Health), in the absence of any other agreed or contracted tariff with any service provider;
- 4.43 "Non-DSP"**

A healthcare provider or group of providers that is not a Designated Service Provider as defined in 4.27 above.
- 4.44 "Option"**
the selection of benefits and the associated contribution rates as set out in the Annexure's.
- 4.45 "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;
- 4.46 "Pre-Authorisation"**
shall mean authorisation in advance, of a medically appropriate relevant health service, and/or treatment plan for specified services;

- 4.47 "Prescribed Minimum Benefits",**
the benefits contemplated in section 29(1)(o) of the Act, and consisting of the provision of the diagnosis, treatment and care costs of -
- (a) the Diagnosis and Treatment Pairs listed in Annexure A of the Regulations, subject to any limitations specified in Annexure A;
and;
 - (b) any emergency medical condition;
- 4.48 "Prescribed Minimum Benefit Condition"**
a condition contemplated in the Diagnosis and Treatment Pairs listed in Annexure A of the Regulations or any Emergency Medical Condition.
- 4.49 "Principal Employer"**
means Woolworths, Truworths and Unison and any other Associate or Subsidiary of Wooltru.
- 4.50 "Principal Officer"**
shall mean the principal executive officer of the Scheme appointed in terms of Rule 19.5 to administer the business of the Scheme;
- 4.51 "Registrar",**
the Registrar or Deputy Registrar/s of Medical Schemes appointed in terms of section 18 of the Act;
- 4.52 "Rules"**
shall mean the rules of the Scheme and shall include the annexures and any other provisions relating to the benefits which may be granted and the Contributions which are payable in terms of these rules;

- 4.53 "Social Pension",**
the appropriate maximum basic social pension prescribed by the Social Pensions Act, 1992 (Act No. 59 of 1992).
- 4.54 "Southern Africa"**
South Africa, Namibia, Lesotho and Swaziland.
- 4.55 "Spouse",**
the person to whom the Member is married in terms of the Marriage Act, 1961 or any other monogamous marriage legally recognised as such in South African law; and includes a person to whom a Member is married according to custom;
- 4.56 "Subsidiary"**
means any company which is a subsidiary of a Principal Employer in terms of the definition of subsidiary company as contained in the Companies Act 61 of 1973.
- 4.57 "Trustee"**
means an elected or appointed member of the Board.
- 4.58 "Truworths"**
means Truworths International Limited, (Registration number: 1940/013923/06).
- 4.59 "Unison"**
means Unison Risk Management Alliance (Proprietary) Limited, (Registration number: 1982/003473/07).
- 4.60 "Woolworths"**
means Woolworths Holdings Limited, (Registration number: 1956/000518/07).

4.61 “Wooltru”

means Wooltru Limited, (Registration number: 1936/008278/06).

5. OBJECTS

The objects of the Scheme are to promote the health of its Beneficiaries in a restricted Membership scheme and to undertake liability, in respect of its Beneficiaries, in return for a Contribution —

- (a) to make provision for the obtaining of any relevant health service;
- (b) to grant assistance in defraying expenditure incurred in connection with the rendering of any relevant health service; and/ or
- (c) to render a relevant health service, either by the Scheme itself, or by any supplier or group of suppliers of a relevant health service or by any person in association with, or in terms of an agreement with, the Scheme.

6. MEMBERSHIP

6.1 Eligibility

Subject to rule 8, Membership of the Scheme is restricted to Employees, or former Employees, as contemplated in rule 6.2, of the Employer or his predecessor or successor in title as defined in these Rules.

6.1.1 Where an Employer promotes an Employee to a status where Scheme Membership becomes a condition of employment, such an Employee and his Dependants are entitled to Scheme Membership without the imposition of a waiting period or restrictions on account of health status or age.

6.2 Retirees

- 6.2.1** A Member shall retain his Membership of the Scheme with his registered Dependants, if any, in the event of his retiring from the service of his Employer or his employment being terminated by his Employer on account of age, ill-health or other disability.
- 6.2.2** The Scheme shall inform the Member of his right to continue his Membership and of the Contribution payable from the date of retirement or termination of his employment. Unless such Member informs the Board in writing of his desire to terminate his Membership, he 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 that Member's Dependants at the time of such Member's death, shall be entitled to membership of the Scheme without any new restrictions, limitations or waiting periods.
- 6.3.2** The Scheme shall inform the Dependant of his right to membership and of the Contributions payable in respect thereof.
- 6.3.3** The Dependants registered at the time of the Member's death, shall remain Dependants on the deceased Member's membership until the end of the month in which the death of the Member occurred.
- 6.3.4** The surviving Spouse of a deceased Member will be registered as a Member in his own right, and any Child Dependants of the deceased Member registered as Dependants at the time of the death of the Member shall become Dependants of the surviving Spouse from the first day of the month following the Member's

death. A new membership number and membership card will be issued to the surviving Spouse.

6.3.5 Where Child Dependants have been orphaned, the eldest Child will be deemed to be the Member, and any younger siblings, his Dependants. A new membership number and membership card will be issued to the eldest Child.

6.3.6 A divorced Spouse, who was registered as a Dependant at the time of the death of the Member and was financially dependent on the Member at the time of his death, will be registered as a Member in his own right and any Child Dependants of the divorced Spouse registered as Dependants at the time of the death of the Member shall become Dependants of the divorced Spouse from the first day of the month following the Member's death. A new membership number and membership card will be issued to the divorced Spouse. If the divorced Spouse is unable to prove financial dependence on the deceased Member at the time of his death, membership shall terminate with effect from the end of the month in which the Member's death occurred. Where the divorced Spouse is unable to prove financial dependence on the deceased Member at the time of his death, any Child Dependants who were registered at the time of the Member's death who were financially dependent on the Member at the date of his death, will be registered in terms of Rule 6.3.5 above.

6.3.7 Membership of Members contemplated in this Rule, shall terminate if –

6.3.7.1 Contributions or any other outstanding amounts are not received by the Scheme as required by these Rules;

6.3.7.2 he becomes a Member of, or a Dependant of a Member of, another medical scheme;

6.3.7.3 subject to Rule 12.1, he resigns as a Member of the Scheme.

7. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS

7.1 REGISTRATION OF DEPENDANTS

7.1.1 A Member may apply for the registration of his Dependants at the time that he applies for membership in terms of Rule 8.

7.1.2 If a Member applies to register a newborn or newly adopted Child within 90 days of the date of birth or adoption of the Child, such Child shall thereupon be registered by the Scheme as a Dependant. Increased Contributions shall then be due as from the first day of the month following the month of birth or adoption and benefits will accrue as from the date of birth or adoption.

7.1.3 Members who marry, or who are divorced or widowed subsequent to joining the Scheme must notify the Scheme within 30 days thereof, and contribute at the amended rates from the first day of the month following the change in their marital status. In the case of marriage, the Spouse shall qualify for benefits from the actual date of such marriage. In the case of divorce, benefits in respect of such Spouse will cease from the actual date of divorce.

7.1.4 In the event of any person becoming eligible for registration as a Dependant other than in the circumstances set out in Rules 7.1.1 to 7.1.3, the Member may apply to the Scheme for the registration of such person as a Dependant, whereupon the provisions of Rule 8 shall apply *mutatis mutandis*.

7.2 DE-REGISTRATION OF DEPENDANTS

- 7.2.1** A Member shall inform the Scheme within 30 days of the occurrence of any event, which results in any one of his Dependants no longer satisfying the conditions in terms of which he may be a Dependant.
- 7.2.2** When a Dependant ceases to be eligible to be a Dependant, he shall resign as a Dependant, and he shall no longer be deemed to be registered as such for the purpose of these Rules or entitled to receive any benefits, regardless of whether notice has been given in terms of these Rules or otherwise.
- 7.2.3** Should a Dependant cease to be eligible in terms of Rule 7.2.1, his cover shall cease at the end of the month in which the resignation took place and all rights to benefits shall thereupon cease, except for claims in respect of services rendered prior thereto. Contributions in respect of the Dependant shall be payable for the month in which the resignation took place.

8. TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP

- 8.1** A minor may become a Member with the consent of his parent or guardian.
- 8.2** No person may be a Member of more than one medical scheme or a Dependant -
- 8.2.1** of more than one Member of a particular medical scheme; or
- 8.2.2** of Members of different medical schemes or;

8.2.3 claim or accept benefits in respect of himself or any of his Dependants from any medical scheme in relation to which he is not a Member or a Dependant of a Member.

8.3 Prospective Members shall, prior to admission, complete and submit the Application forms required by the Scheme, together with satisfactory evidence in respect of himself and his Dependants, of age, income, state of his health and the health of his Dependants and any prior membership or admission as Dependant of any other medical scheme. 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 twelve-month period ending on the date on which Application for membership was made. The costs of any medical tests or examinations required to provide such medical report will be paid by the Scheme. The Scheme may however designate a provider to conduct such tests or examinations.

8.3.1 Prospective Members shall, prior to admission, indicate a valid identity or passport number in respect of himself and his Dependants, on the required Application forms. Members shall be allowed a 3 month period following the birth of babies to furnish a valid identity number in respect of such babies for the purposes of their Registration as Dependants.

8.4 WAITING PERIODS

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 - and subject to rule 8.5 and 8.6.

- 8.4.1** a general waiting period of three months, during which period no insured benefits whatsoever shall accrue, but Contributions shall be paid to the Scheme in full;
- 8.4.2** a condition-specific waiting period of up to 9 months on existing pregnancies in respect of all pregnancy-related services; and
- 8.4.3** a condition-specific waiting period of up to 12 months in respect of any condition contemplated in rule 8.3. If both a general waiting period and a condition-specific waiting period are imposed, they will run concurrently, but the provisions of the general waiting period shall predominate. No insured benefits shall accrue for services in respect of a condition for which a waiting period has been imposed, but Contributions shall be paid to the Scheme in full.
- 8.4.4** 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 up to 24 months, terminating less than 90 days immediately prior to the date of Application -
- 8.4.4.1** 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;
- 8.4.4.2** in respect of any person contemplated in this sub-rule, 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 shall apply for the unexpired duration of such waiting period imposed by the former medical scheme.

8.4.5 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 general waiting period of up to three months, except in respect of any treatment or diagnostic procedures covered within the Prescribed Minimum Benefits.

8.5 No waiting periods may be imposed on:

8.5.1 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_

8.5.2 change of employment; or

8.5.3 an Employer changing or terminating the medical scheme of its Employees, in which case such transfer shall occur at the beginning of the Financial Year, or reasonable notice must have been furnished to the Scheme to which an application is made for such transfer to occur at the beginning of the Financial Year

Where the former medical scheme had imposed a general or condition- specific waiting period in respect of a person referred to in this rule, and such waiting period had not expired at the time of termination of Membership, the Scheme may impose such waiting period for the unexpired duration of a waiting period imposed by the former medical scheme.

- 8.5.4** a Beneficiary who changes from one Option to another within the Scheme unless that Beneficiary is subject to a waiting period on the current Option in which case the remaining period may be applied;
- 8.5.5** a Child Dependant born during the period of membership
- 8.6** The registered Dependants of a Member must participate in the same Option as the Member.
- 8.7** Every Member will, on admission to membership, receive a summary of these Rules, which shall include Contributions, benefits, limitations, and the Member's rights and obligations. 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.
- 8.8** A Member may not cede, transfer, pledge or hypothecate or make over to any third party any claim, or part of a claim or any right to a benefit which he may have against the Scheme. The Scheme may withhold, suspend or discontinue the payment of a benefit to which a Member is entitled under these Rules, or any right in respect of such benefit or payment of such benefit to such Member, if a Member attempts to assign or transfer, or otherwise cede or pledge or hypothecate such benefit.

9. TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME

If the members of another medical scheme, who are members of that scheme by virtue of their employment by a particular employer, (who qualifies as an Employer in terms of rule 4.30), 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, any member of such first-mentioned scheme including any member who is a continuation member by virtue of his past employment by the particular employer, and admit any person who has been a registered Dependant of such Member, as a Dependant.

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. This card must be exhibited to the supplier of a service on request. It remains the property of the Scheme and must be returned to the Scheme on termination of membership.

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

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

11. CHANGE OF ADDRESS OF MEMBER

A Member must notify the Scheme within 30 days of any change of address including his Domicilium Citandi et Executandi. The Scheme shall not be held liable if a Beneficiary'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 Resignation

12.1.1 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.

12.1.2 A Member who resigns from the service of an Employer, will cease to be a Member at the end of the month in which the resignation took place and all rights to benefits shall thereupon cease, except in respect of services rendered prior thereto. Contributions shall be payable for the month in which the resignation took place.

12.2 Voluntary termination of Membership

12.2.1 A Member, who is not required in terms of his conditions of employment to be a Member, may terminate his Membership of the Scheme on giving one month's written notice. All rights to benefits cease at the end of the month in which the resignation took place and all rights to benefits shall thereupon cease, except in respect of services rendered prior thereto. Contributions shall be payable for the month in which the resignation took place.

12.2.2 Membership shall automatically cease in the event of an Employer withdrawing his participation from the Scheme with the object of obtaining membership of another scheme or of establishing a new scheme, in which event the Scheme shall cause the termination of the membership of all the Members including the Continuation Members who derived their membership by virtue of their association with such Employer. A three-month written notice period prior to such withdrawal is required.

12.3 Death

On the death of a Member, membership shall cease at the end of the month in which the death took place and all rights to benefits shall thereupon cease, except in respect of services rendered prior thereto. Contributions shall be payable for the month in which the death took place.

12.4 Failure to pay amounts due to the Scheme

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

12.5 Abuse of privileges, False claims, Misrepresentation and Non-disclosure of Factual information

The Board may exclude from benefits or terminate the membership of a Beneficiary 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. CONTRIBUTIONS

- 13.1** The total monthly Contributions payable to the Scheme by or in respect of a Member are as stipulated in Annexure A.
- 13.2** Contributions shall be due monthly in arrears 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 thirty (30) days of the due date, the Scheme shall have the right –
- 13.2.1** to suspend all benefit payments which arose during the period of default;
- 13.2.2** to give the Member written notice at his Domicilium Citandi et Executandi that if Contributions or such other debts are not paid within twenty one (21) days of posting of such notice, membership may be cancelled
- 13.2.3** A notice sent by prepaid registered post to the Member at his 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 Application form shall be deemed to be his Domicilium Citandi et Executandi.

13.3 In the event that payments are brought up to date, and provided Membership has not been cancelled in accordance with rule 13.2.2, 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 and to recover interest on the arrear amount at the prime overdraft rate of the Scheme's bankers. If such payments are not brought up to date, no benefits shall be due to the Member from the date of default and any such benefit paid may be recovered by the Scheme.

13.4 No refund of any assets of the Scheme or any portion of contribution shall be paid to any person where such Member's membership or cover in respect of any Dependant terminates during the course of the month.

14. LIABILITIES OF EMPLOYER AND MEMBER

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

14.2 The liability of a Member to the Scheme is limited to the amount of his unpaid Contributions together with any sum disbursed by the Scheme on his behalf or on behalf of his Dependents that has not been repaid to the Scheme.

14.3 In the event of a Member ceasing to be a Member, any amount still owing by such Member is a debt due to the Scheme and recoverable by it.

15. CLAIMS PROCEDURE

- 15.1** Every claim submitted to the Scheme in respect of the rendering of a relevant health service as contemplated in these Rules, must be accompanied by an account or statement as prescribed and as detailed 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 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.
- 15.3** 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.
- 15.4** Where a Member has paid an account, he shall, in support of his claim, submit a receipt.
- 15.5** Accounts for treatment of injuries or expenses recoverable from third parties, must be supported by a statement, setting out 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, it must inform both the Member and the relevant health care provider within 30 days after receipt of such account, statement or claim that it is erroneous or unacceptable for payment and state the reasons for such an opinion;

After the Member and the relevant health care provider have been informed as referred to in 15.6, such Member and provider must be afforded an opportunity to correct and resubmit such account or statement within a period of sixty days following the date from which it was returned for correction;

16. BENEFITS

- 16.1** Members are entitled to benefits during a Financial Year, as per Annexure B, and such benefits extend through the Member to his registered Dependants. A Member must, on admission, elect to participate in any one of the available Options, detailed in Annexure B.

- 16.2** A Member is entitled to change from one to another Option subject to the following conditions -

16.2.1 The change may be made only with effect from 1 January of any Financial Year. The Board may, in its absolute discretion, permit a Member to change from one to another Option on any other date provided that the Member may change to another Option in the case of mid-year Contribution increases or benefit changes.

16.2.2 Application to change from one Option to another must be in writing and lodged with the Scheme by no later than 31 December or such other date determined by the Board, prior to the year upon which it is intended that the change will take place, provided that the Member has had at least 30 days prior

notification of any intended changes in benefits or Contributions for the next year.

- 16.3** The Scheme shall, where an account has been rendered, pay any benefit due to a Member, either to that Member or to the supplier of the relevant health service who rendered the account, within 30 days after the date of receipt of the claim pertaining to such benefit.
- 16.4** Any Option offered in Annexure B covers the cost of the Prescribed Minimum Benefits, in accordance with Annexure F.
- 16.5** No limitations or exclusions will be applied to the Prescribed Minimum Benefits.
- 16.6** The Scheme may exclude services from benefits as set out in Annexure C.

17. PAYMENT OF ACCOUNTS

- 17.1** Payment of accounts or reimbursement of claims is restricted to the net amount payable in respect of such benefit and maximum amount of the benefit to which the Member is entitled in terms of the applicable benefit.
- 17.2** Any discount whether on an individual basis or bulk discount received in respect of a relevant health service shall be for the benefit of the Member in determining the net amount payable for the service and appropriate deduction from the applicable benefit limit, or medical savings account, as the case may be.
- 17.3** The Scheme may, whether by agreement or not, pay the benefit to which the Member is entitled, directly to the supplier or group of suppliers who rendered the service.

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

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

18. GOVERNANCE

18.1 The management, control and administration of the Scheme will vest in a Board of Trustees consisting of ten persons, who shall be appointed in accordance with the provisions of sub rules 18.1.1, 18.1.2, 18.1.3 and 18.3.

18.1.1 The Principal Employers shall jointly appoint one Trustee;

18.1.2 Woolworths shall appoint two Trustees;

18.1.3 Truworths shall appoint two Trustees;

18.1.4 The Board shall:

18.1.4.1 Arrange for the nomination of two Trustees by the Members in the employ of Woolworths and Unison and/or any of their Associated Employers;

18.1.4.2 Arrange for the nomination of two Trustees by the Members in the employ of Truworths and/or any of its Associated Employers;

18.1.4.3 Arrange for the nomination of one Trustee by the Continuation Members; and arrange for the appointment of such Trustee in accordance with the provisions of sub-rule 18.3.

- 18.1.5** An alternate Trustee may be appointed in the same manner as each Trustee, ie: in accordance with sub-rules 18.1.1, 18.1.2, 18.1.3 and 18.3. Such alternate Trustee shall attend meetings of the Board only in the absence of the Trustee.
- 18.2** Only persons who are Members or Continuation Members of the Scheme shall be eligible to be Trustees.
- 18.3** The Trustees nominated by the Members and Continuation Members in accordance with sub-rule 18.14 shall be appointed at the Annual General Meeting.
- 18.4** The following persons are not eligible to serve as Trustees-
- 18.4.1** a person under the age of 21 years;
- 18.4.2** an employee, director, officer, consultant, or contractor of the administrator of the Scheme or of the holding company, subsidiary, joint venture or associate of that administrator.
- 18.4.3** a broker;
- 18.4.4** the Principal Officer of the Scheme; and
- 18.4.5** the Auditor of the Scheme.
- 18.5** Trustees shall serve terms of office of three years each. Retiring Trustees are eligible for re-appointment.

The respective Principal Employers shall, in respect of a Trustee appointed in accordance with sub-rules 18.1.1, 18.1.2, and 18.1.3, fill a vacancy arising as a result of such Trustee resigning in terms of rule 18.12 or ceasing to hold office in terms of rule 18.13, as soon as the vacancy occurs. Such vacancy shall

ordinarily be filled by appointing the duly appointed alternate Trustee (if any) as Trustee. In the even of a delay in filling such vacancy, the Board may temporarily fill such vacancy arising. A person temporarily appointed by the Board must retire once a Trustee is appointed by the respective Principal Employer.

18.5.2 The Board shall, in respect of a Trustee appointed in accordance with sub-rule 18.3, fill a vacancy arising as a result of such Trustee resigning in terms of rule 18.12 or ceasing to hold office in terms of rule 18.13, as soon as the vacancy occurs. Such vacancy shall ordinarily be filled by appointing the duly appointed or nominated alternate Trustee as Trustee for the unexpired portion of the term of office of the vacating Trustee. In the event of a delay in filling the vacancy in such a manner, the Board may temporarily fill such vacancy by appointing any other suitable person. A person so appointed by the Board must, unless he or she has been nominated by the Members in accordance with the provisions of sub-rules 18.1.4.1, 18.1.4.2 or 18.1.4.3, retire at the first ensuing annual general meeting.

18.6 Nominations to fill vacancies in respect of Trustees to be appointed in accordance with Rule 18.3, signed by a proposer and seconder in good standing with the Scheme, must be signed by the candidate signifying his consent to such appointment and must be submitted to the Scheme together with a current curriculum vitae by 31 March of the year concerned and the election must be carried out by the Members present at the annual general meeting of the Scheme.

18.7 The Board may co-opt a knowledgeable person to assist it in its deliberations provided that such person shall not have a vote.

18.8 A quorum is constituted by a number of Trustees physically present at a meeting of the Board, which number shall be not less

than half of the Board plus one. Trustees will, for the purposes of constituting a quorum, not include suspended Trustee.

- 18.9** The Board must elect from its number the chairperson and vice-chairperson who shall serve terms of office of three years each, and who shall be eligible for re-election.
- 18.10** In the absence of the chairperson and vice-chairperson, the Trustees present must elect one of their number to preside.
- 18.11** Subject to the provisions of rule 33, matters serving before the Board must be decided by a majority vote.
- 18.12** A Trustee may resign at any time by giving written notice to the Board.
- 18.13** A Trustee ceases to hold office if —
- 18.13.1** he becomes mentally ill or incapable of managing his affairs;
 - 18.13.2** he is declared insolvent or has surrendered his estate for the benefit of his creditors;
 - 18.13.3** he is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering of a forged document or perjury;
 - 18.13.4** he is removed by the court from any office of trust on account of misconduct;
 - 18.13.5** he is disqualified under any law from carrying on his profession;
 - 18.13.6** he ceases to be the appointee of an Employer, or being a Trustee elected by Members of the Scheme, he ceases to be a Member of the Scheme;

- 18.13.7** he absents himself from three consecutive meetings of the Board without the permission of the Chairperson; or
- 18.13.8** he is removed from office by the Council in terms of Section 46 of the Act.
- 18.13.9** he is removed from office terms of rule 18.17.
- 18.14** The Board must meet at least once every three months or at such Intervals as it may deem necessary.
- 18.15** The chairperson may convene a special meeting should the necessity arise. Any six Trustees may request the chairperson to convene a special meeting of the Board, stating the matters to be discussed at such meeting.
- 18.16** The Board may, subject to participation by sufficient Trustees to form a quorum, discuss and resolve matters by telephone or electronic conferencing means and may adopt resolutions on that basis.
- 18.17** A Trustee 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 –
- 18.17.1** before a decision is taken to remove the Trustee, the Board shall furnish that Trustee with full details of the evidence which the Board has at its disposal regarding the conduct complained of, and allow such Trustee a period of not less than 30 days in which to respond to the allegations;
- 18.17.2** the resolution to remove that Trustee is taken by at least two thirds of the Board;

18.17.3 the Trustee shall have recourse to the disputes resolution procedures of the scheme or complaints and appeal procedures provided for in the Act.

18.18 Trustees may be reimbursed for all reasonable expenses incurred by them in the performance of their duties as trustees. Such reimbursement must be disclosed to Members in the annual general meeting.

19. DUTIES OF THE BOARD OF TRUSTEES

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

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

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

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

19.5 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 execution of the business of the Scheme, and shall determine the terms and conditions of service of the Principal Officer and of any person employed by the Scheme.

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

- 19.7** The Board must cause to be kept such minutes, accounts, entries, registers and records as are essential for the proper functioning of the Scheme.
- 19.8** The Board must ensure that proper control systems are employed by and on behalf of the Scheme.
- 19.9** 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.
- 19.10** 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.
- 19.11** The Board must take out and maintain professional indemnity insurance and fidelity guarantee insurance.
- 19.12** The Board must obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the Trustees may lack sufficient expertise.
- 19.13** The Board must ensure that the Rules, the operation and administration of the Scheme comply with the provisions of the Act and all other applicable laws.
- 19.14** The Board must take all reasonable steps to protect the confidentiality of medical records concerning any Beneficiary's state of health.
- 19.15** The Board must approve all disbursements.
- 19.16** 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.

19.17 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.

19.18 The Board must disclose annually in writing to the Registrar, any payment or considerations made to the Trustees in that particular year by the Scheme.

20. POWERS OF THE BOARD

The Board has the power —

20.1 to cause the termination of the services of any employee of the Scheme;

20.2 to take all 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 as may be made by the Board;

20.3 to appoint a committee consisting of such Trustees and other experts as it may deem appropriate;

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 appoint, contract with and compensate any accredited Managed Health Care Organisation in the prescribed manner;

- 20.6** to purchase movable and immovable property for the use of the Scheme or otherwise, and to sell it or any of it;
- 20.7** to let or hire movable or immovable property;
- 20.8** to sell movable and immovable property of the Scheme subject to sound business practice and fair value principles;
- 20.9** to provide administration services to other medical schemes;
- 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 approval of the Council, to borrow money for the Scheme from the Scheme's bankers against the security of the Scheme's assets for the purpose of bridging a temporary shortage;
- 20.12** 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 of the Scheme;
- 20.13** to donate to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or any of the Beneficiaries;
- 20.14** to grant repayable loans to Members or to make *ex gratia* payments on behalf of Members in order to assist such Members to meet commitments in regard to any matter specified in Rule 5;

- 20.15** 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.
- 20.17** to authorise the Principal Officer and /or such Trustees as it may determine from time to time, and upon such terms and conditions as the Board may determine, to sign any contract or other document binding or relating to the Scheme or any document authorising the performance of any act on behalf of the Scheme;
- 20.18** to contribute to any association instituted for the furtherance, encouragement and co-ordination of medical schemes;
- 20.19** 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.

21. DUTIES OF THE PRINCIPAL OFFICER AND STAFF

- 21.1** The staff of the Scheme must ensure the confidentiality of all information regarding its Members.
- 21.2** The Principal Officer is the executive officer of the Scheme and as such shall ensure that -
- 21.2.1** the decisions and instructions of the Board are executed without unnecessary delay;
- 21.2.2** where necessary, there is proper and appropriate communication between the Scheme and those parties, affected by the decisions and instructions of the Board;

21.2.3 he 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;

21.2.4 he 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;

21.2.5 he does not take any decisions concerning the affairs of the Scheme without prior authorisation by the Board and that he 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 ensure the carrying out of all of his 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 attendance may be required, and ensure proper recording of the proceedings of all meetings.

21.5 The Principal Officer shall be responsible for the supervision of the staff employed by the Scheme unless the Board decides otherwise.

21.6 The Principal Officer shall keep full and proper records of all moneys received and expenses incurred by, and of all assets, liabilities and financial transactions of the Scheme.

21.7 The Principal Officer shall prepare annual financial statements and shall ensure compliance with all statutory requirements pertaining thereto.

21.8 The following persons are not eligible to be a Principal Officer:

21.8.1 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.

21.8.2 A broker.

21.9 The provisions of rules 18.13.1 – 18.13.5 apply *mutates mutandis* to the Principal Officer.

22. INDEMNIFICATION AND FIDELITY GUARANTEE

22.1 The Board and any officer of the Scheme must 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 Trustees) having the receipt or charge of moneys or securities belonging to the Scheme.

23 FINANCIAL MATTERS

23.1 The Board shall cause such accounting records as are necessary to fairly present the state of the affairs and business of the Scheme and to explain the transactions and financial position of the Scheme to be kept. Vouchers supporting entries in the accounting records shall be kept for such periods as may be determined by the Board. The

books of account shall be made up at the end of the financial year and shall be audited by the Auditor of the Scheme.

23.2 The Scheme shall maintain a banking account with a registered commercial bank. All moneys received shall be deposited to the credit of this account and all payments shall be made as authorised from time to time by the Board.

23.3 Signing Of Contracts And Documents

All cheques, bills of exchange, promissory notes and other negotiable instruments, and all contracts and other instruments and documents whatsoever required to be signed and countersigned by or on behalf of the Scheme shall be signed by such persons as may be authorised thereto by the Board, as contemplated in rule 20.17; provided that documents to be deposited with the Registrar shall be signed as prescribed by the Act.

23.4 Custody Of Securities

Any mortgage bond, title deed or other security belonging to or held by the Scheme shall, except when in the temporary custody of another person, be kept in safe custody in a fireproof safe or strong-room at the registered office of the Scheme or with any bank approved by the Board.

23.5 Financial Statements, Statistics And Other Reports

23.5.1 The Board shall cause to be lodged with the Registrar such financial and other statements, statistics and reports as are required by the Act.

23.5.2 The Board shall cause to be prepared such financial and other statements which shall be certified by the Auditor, signed as required by the Act and shall be tabled at the annual general meeting.

24. 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.

25. BANK ACCOUNT

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

26. AUDITOR AND AUDIT COMMITTEE

26.1 An auditor (who must be approved in terms of section 36 of the Act) must be appointed by resolution at each annual general meeting, to hold office from the conclusion of that meeting to the conclusion of the next annual general meeting.

26.2 The following persons are not eligible to serve as auditor of the Scheme—

26.2.1 a Trustee;

- 26.2.2** an employee, director, officer or contractor of the Scheme or of the Scheme's administrator, or of the holding company, subsidiary, joint venture or associate of the administrator;
- 26.2.3** a person not engaged in public practice as an auditor;
- 26.2.4** a person who is disqualified from acting as an auditor in terms of the Companies Act, 1973.
- 26.3** Whenever for any reason an auditor vacates his office prior to the expiration of the period for which he has been appointed, the Board must within 30 days appoint another auditor to fill the vacancy for the un-expired period.
- 26.4** 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.
- 26.5** The auditor of the Scheme at all times has a right of access to the books, records, accounts, documents and other effects of the Scheme, and is entitled to require from the Board and the officers of the Scheme such information and explanations as he deems necessary for the performance of his duties.
- 26.6** 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.
- 26.7** The Board must appoint an audit committee of at least five Members of whom at least two must be Members of the Board.

27. GENERAL MEETINGS

27.1 Annual general meeting

27.1.1 The annual general meeting of Members must be held not later than 30th June of each year on a date which may be shown to permit reasonable attendance by Members

27.1.2 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.

27.1.3 At least 15 Members of the Scheme present in person constitute a quorum. If a quorum is not present after the lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting must be postponed to a date determined by the Board, and Members then present constitute a quorum.

27.1.4 The financial statements and reports specified in rule 23.5.2 must be laid before the meeting.

27.1.5 Notices of motions 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.

27.2 Special general meeting

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

27.2.2 On the requisition of at least 5 Members 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.

27.2.3 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.

27.2.4 At least 30 Members present in person constitute a quorum. If a quorum is not present at a special general meeting after the lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting is regarded as cancelled.

28. VOTING AT MEETINGS

28.1 Every Member who is present at a general meeting of the Scheme and whose Contribution is not in arrears, 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 stead.

28.2 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.

28.3 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 deliberative vote.

29. COMPLAINTS AND DISPUTES

29.1 Members may lodge their complaints, in writing, to the Scheme. The Scheme or its administrators shall also provide a dedicated toll free telephone number that may be used for dealing with telephonic complaints.

29.2 All complaints received in writing will be responded to by the Scheme in writing within 30 days of receipt thereof.

29.3 A disputes committee of three persons, who may not be Members of the Board, employees of the administrator of the Scheme or officers of the Scheme, must be appointed by the Board to serve a term of office of 3 years. At least one of such Members shall be a person with legal expertise

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.

- 29.5** On receipt of a dispute 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.
- 29.6** The disputes committee may determine the procedure to be followed.
- 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 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 three months after the date on which the decision concerned was made.
- 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 to the Act.

30. 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 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.

- 30.4** Every Member must be requested to return his ballot paper duly completed before a set date. If at least 50 per cent 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, in consultation with the Registrar, a competent person as liquidator.

31. AMALGAMATION AND TRANSFER OF BUSINESS

- 31.1** 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.

- 31.2** If at least 50 per cent of the Members return their ballot papers duly completed and if the majority thereof is in favour of the amalgamation or transfer then, the transaction may be concluded in the prescribed manner.

- 31.3** The Registrar may, on good cause shown, ratify a lower percentage.

32. RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS

- 32.1** Any Beneficiary must on request and on payment of a fee of R50 be supplied by the Scheme with a copy of the following documents:

- 32.1.1** The Rules of the Scheme;

32.1.2 the latest audited annual financial statements, returns, Trustees' report and auditor's report of the Scheme and accompanying management accounts in respect of its 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 there from.

32.3 This Rule shall not be construed to restrict a person's right in terms of the Promotion of Access to Information Act, Act No 2 of 2000.

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, provided that rules 18.1, 18.2, 18.5, 18.8, 18.11 and this rule 33.1 may only be altered or rescinded and any additional rule or annexure which seeks to amend or limit the application of rules 18.1, 18.2, 18.5, 18.8, 18.11 and this rule 33.1 shall only be made by a vote of not less than 75% of all the Trustees serving on the Board at that time.

33.2 No amendment, rescission or addition which affects the objects of the Scheme or which increases the rates of Contribution or decreases the extent of benefits of the Scheme or of any particular benefit option 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 a special meeting or by ballot.

33.3 Members must be furnished with a copy of such amendment within 14 days after registration thereof. Should a Member's rights, obligations, contributions or benefits be amended, he shall be given 30 days advance notice of such change.

33.4 Notwithstanding the provisions of rule 33.3 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.

No alteration, rescission or addition shall be valid unless it has been approved and registered by the Registrar in terms of the Act.

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