

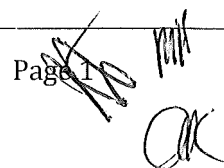
---

# **TFG Medical Aid Scheme 2024**

## **Main Body Rules**

# TFG MEDICAL AID SCHEME

RULE	TABLE OF CONTENTS
PAGE	
1.	NAME..... 3
2.	LEGAL PERSONA/LEGAL PROCEEDINGS..... 3
3.	REGISTERED OFFICE..... 3
4.	DEFINITIONS ..... 4
5.	BUSINESS OF A MEDICAL SCHEME ..... 16
6.	MEMBERSHIP ..... 17
7.	REGISTRATION AND DE-REGISTRATION OF DEPENDANTS ..... 18
8.	TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP..... 20
9.	TRANSFER OF COMPANY GROUPS FROM ANOTHER SCHEME ..... 23
10.	MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP ..... 23
11.	CHANGE OF ADDRESS OF MEMBERS ..... 24
12.	TERMINATION OF MEMBERSHIP ..... 24
13.	CONTRIBUTIONS..... 25
14.	LIABILITY OF EMPLOYER AND MEMBER ..... 27
15.	CLAIMS PROCEDURE ..... 28
16.	BENEFITS..... 30
17.	PAYMENT OF ACCOUNTS ..... 35
18.	GOVERNANCE..... 36
19.	FIDUCIARY DUTIES OF THE BOARD OF TRUSTEES..... 40
20.	POWERS OF BOARD..... 42
21.	DUTIES OF PRINCIPAL OFFICER AND STAFF ..... 44
22.	INDEMNIFICATIONS AND FIDELITY GUARANTEE ..... 46
23.	FINANCIAL YEAR OF THE SCHEME ..... 46
24.	BANKING ACCOUNT ..... 46
25.	AUDITORS AND AUDIT COMMITTEE ..... 46
26.	GENERAL MEETINGS..... 47
27.	VOTING AT MEETINGS ..... 49
28.	COMPLAINTS AND DISPUTES..... 50
29.	TERMINATION OR DISSOLUTION ..... 52
30.	AMALGAMATION AND TRANSFER OF BUSINESS ..... 53
31.	RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS..... 53
32.	AMENDMENT OF RULES ..... 54



1. Annexure A - Rates of Contribution
2. Annexure B - Benefit Plan Table and Benefit Schedule: TFG Health Plan **Rule 33**
3. Annexure B1 - TFG Health Plan: Severe Dental and Oral Surgery
4. Annexure B2 - TFG Health Plan: Oncology Treatment Programme
5. Annexure B3 - TFG Health Plan: Day-Case Procedures
6. Annexure B4 - TFG Health Plan: Cover for Prescribed Minimum Benefits
7. Annexure C - Benefit Plan Table: TFG Health **Plus** Plan **Rule 34**
8. Annexure C1 - Benefit Plan Schedule: TFG Health **Plus** (To be read in conjunction with Annexure C)
9. Annexure C2 - TFG Health **Plus** Plan: Cover for Prescribed Minimum Benefits
10. Annexure D - General exclusions and limitations
11. Annexure D1 - TFG Health Plan Additional Exclusions

*MMS*  
*OK*

# TFG MEDICAL AID SCHEME

## RULES

### 1. NAME

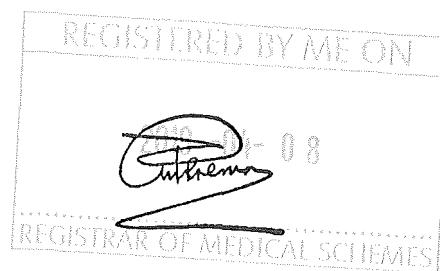
The name of the Scheme is "**TFG Medical Aid Scheme**" (hereinafter referred to as "the Scheme").

### 2. LEGAL PERSONA/LEGAL PROCEEDINGS

The Scheme is a body corporate who in its own name, is 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, Regulations and these Rules.

### 3. REGISTERED OFFICE

The Registered Office of the Scheme shall be situated at 1 Discovery Place, Sandhurst, Sandton, 2196, but the Board shall have the right to transfer such office to any other location in the Republic of South Africa, should circumstances so dictate.

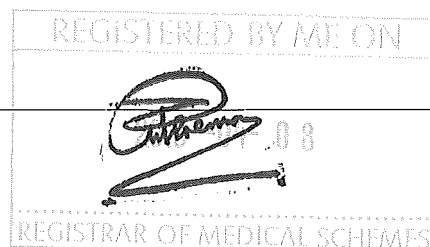


*[Handwritten signatures and initials]*

#### 4. DEFINITIONS

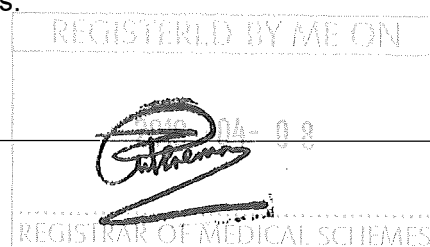
In these Rules, words and expressions defined in the Medical Schemes Act (Act No. 131 of 1998) bears the meaning thus assigned to it and, unless inconsistent with the context:

- (a) a words and expression in the masculine gender includes the feminine and *vice versa*;
  - (b) a word in the singular number includes the plural and *vice versa*; and
  - (c) the expressions below have the following meanings:
- 4.1. **"Act"**, shall mean the Medical Schemes Act (Act No 131 of 1998), as amended and the Regulations framed thereunder.
- 4.2. **"Acute Medicine"**, shall mean Medicine used for diseases or conditions that have a rapid onset, severe symptoms, and that require a short course of Medicine Treatment.
- 4.3. **"Administrators"**, shall mean the person or firm appointed to administer the Scheme in accordance with these Rules.
- 4.4. **"Admission Date"**, shall mean the date upon which a person becomes a Member or, in respect of a Dependant, the date upon which such Dependant is registered as a Dependant in terms of these Rules.
- 4.5. **"Agreed Rate"**, shall mean the rate determined in terms of an agreement between the Scheme and a Service Provider or a group of providers in respect of the payment of Relevant health services.
- 4.6. **"Algorithms"**, shall mean the Treatment guidelines developed by the Council for Medical Schemes for each PMB condition that specify which classes of drugs are appropriate for the Treatment of the PMB conditions and the sequence in which the various classes of drugs should be used.
- 4.7. **"An Accident"**, shall mean an unforeseen event which could not reasonably have been expected to occur and was not planned, caused directly and independently of all other causes, by some external and visible means arising from the said event at an identifiable time and place.



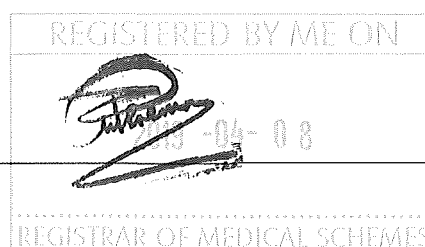
Handwritten initials 'MIB' and 'AK' are visible in the bottom right corner of the page.

- 4.8. **"Annual Benefit"**, shall mean the maximum benefits to which a Member and his registered Dependants are entitled in terms of these Rules, and shall be calculated annually to coincide with the Financial year of the Scheme.
- 4.9. **"Applicable Tariff"**, shall mean, in respect of any healthcare service, the tariff inherent in the Member's Benefit Plan, provided that where the cost of any healthcare service is less than the tariff, the Applicable Tariff shall be deemed to be equal to such lower Cost;
- 4.10. **"Approval"**, shall mean prior written or telephonic approval.
- 4.11. **"Auditor"**, shall mean an Auditor registered under the Public Accountants' and Auditors' Act 1991 (Act No 80 of 1991).
- 4.12. **"Baskets of Care"**, shall mean a list of consultations, investigations and other procedures that pertain to the care of a CDL condition (Chronic Disease List condition as per the Medical Schemes Act and its relevant regulations and amendments for Prescribed Minimum Benefits), over a period of time which may be adaptable to the patient's specific needs through a process of interaction and consultation with the Scheme's contracted managed care entity and/or medical advisors and which will be associated, where applicable, with the drugs as listed in the Council for Medical Schemes' Algorithms for the specific CDL conditions.
- 4.13. **"Beneficiary"**, shall mean a Member or a person admitted as a Dependant of a Member.
- 4.14. **"Benefit Plan"**, shall mean the benefits which have been chosen by a Member in terms of these Rules.
- 4.15. **"Billing Guidelines"**, shall mean the guidelines applied to evaluate individual code submission reported in provider claims, as part of the claims adjudication process.
- 4.16. **"Board"**, shall mean the Board of Trustees constituted to manage the Scheme in terms of the Act and these Rules.



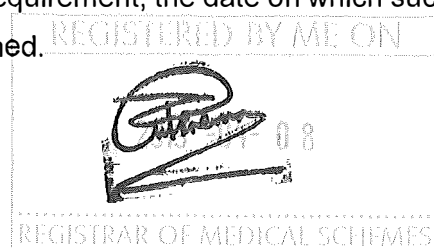
*[Handwritten signatures and initials]*

- 4.17. **"Case management"**, shall mean the process whereby Members' specific health care needs are identified and Utilisation management plans or programmes implemented which efficiently utilise health care benefits to achieve optimum patient care in the most cost-effective manner; whether the Scheme prescribes it, or approves it on application by a Beneficiary.
- 4.18. **"Child"**, shall mean a Member's natural Child, or a stepchild or legally adopted Child, or a Child in the process of being legally adopted, or a Child in the process of being placed in foster care, or a Child who has been placed in the custody of the Member, or his/her Spouse or Partner in terms of an order of court or competent authority and who is not a Beneficiary of any other medical scheme and who is Substantially dependent on the Member.
- 4.19. **"Chronic Drug Amount (CDA)"**, means the amount up to which chronic Medicine that is not on the Scheme's Medicine List is funded by the Scheme.
- 4.20. **"Chronic Medication"**, shall mean Medicine prescribed by a person legally entitled to prescribe for an uninterrupted period of at least 3 months and which has been applied for in the manner, and at the frequency, prescribed by the Scheme from time to time, and which application has been accepted by the Scheme.
- 4.21. **"Commencement"/"Commence"**, shall mean the date on which a person becomes eligible for Membership or, in the case of an Employer, the date on which such an Employer may participate in the Scheme in terms of these Rules.
- 4.22. **"Condition specific waiting period"**, shall mean a period of twelve consecutive months 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.
- 4.23. **"Continuation Member"**, shall mean 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.



Page 6

- 4.24. "Contribution"**, in relation to a Member, shall mean the amount, exclusive of interest, paid by or in respect of the Member and his Dependants, if any, as membership fees as set out in Annexure A of these Rules.
- 4.25. "Council"**, shall mean the Council for Medical Schemes as contemplated in the Act.
- 4.26. "Cost"**, In relation to a benefit, shall mean the net amount payable in respect of a relevant health service.
- 4.27. "Creditable coverage"** means any period in which a Late Joiner was:
- 4.27.1** a Member or a Dependant of a medical scheme;
  - 4.27.2** a Member or a Dependant of an entity doing the business of a medical scheme which, at the time of his or her membership of such entity, was exempt from the provisions of the Act;
  - 4.27.3** a uniformed Employee of the South African National Defence Force, or
  - 4.27.4** a Dependent of such Employee, who received medical benefits from the South African National Defence Force; or
  - 4.27.5** a Member or a Dependant of the Permanent Force Continuation Fund;
- but excluding any period of coverage as a Dependant under the age of 21 years.
- 4.28. "Date of Service"**, shall mean:
- 4.28.1** In the event of a consultation, visit or Treatment, the date on which the consultation, visit or Treatment occurred, whether for the same illness or not;
  - 4.28.2** in the event of an operation, procedure or confinement, the date on which each operation, procedure or confinement occurred;
  - 4.28.3** in the event of hospitalisation, the date of each discharge from a Hospital or nursing home, or date of cessation of membership, whichever date occurs first;
  - 4.28.4** in the event of any other service or requirement, the date on which such service was rendered or requirement obtained.
- 4.29. "Dependant"**, shall mean either:
- 4.29.1** a Member's Spouse or Partner; or
  - 4.29.2** a Member's Dependent Child; or



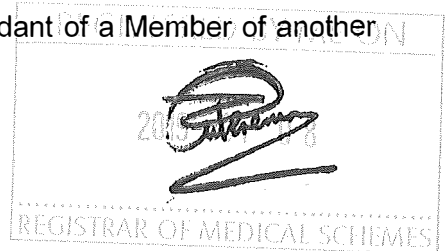
*Handwritten initials/signature*  
*OK*



**4.29.3** a Member of the Immediate family of a Member in respect of whom the Member is liable by law for family care and support and who is Substantially dependent on the Member; or

such other persons who are substantially Dependant on the Member and who are recognised by the Board as Dependants for purposes of these Rules;

and who is not a Member or a registered Dependant of a Member of another medical scheme.



**4.30.** **"Dependent"**, in relation to a Child, shall mean:

**4.30.1** a Child under the age of 21; or

**4.30.2** a Child under the age of 25 years who, due to a mental or physical disability, is dependent upon the Member; or

**4.30.3** a Child who is over the age of 21 years, but not over the age of 25 years, who at the Commencement of each academic year provides proof of registration as a student at a University or recognised college for higher education and who is not self supporting.

**4.31.** **"Designated Service Provider"/"DPA"**, means a healthcare provider or group of providers selected by the medical scheme concerned as the Preferred provider or providers to provide to it's Beneficiaries diagnosis, Treatment and care in respect of one or more Prescribed Minimum Benefit conditions or any other relevant health service covered.

**4.32.** **"Domicilium Citandi Et Executandi"**, shall mean the Member's chosen physical address at which notices in terms of Rule 17.9 as well as legal process, or any action arising there from, may be validly delivered and served.

**4.33.** **"Deductible"**, shall mean a specific payment for which a Beneficiary is personally liable, the amount of which is specifically stipulated, in terms of the Rules of the Scheme.

**4.34.** **"Emergency Medical Condition"/"Emergency"**, shall mean 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.

- 4.35. **"Employee"/"Employee member"**, shall mean any person who is in the full time service of the Employer and works at least 109 hours per calendar month.
- 4.36. **"Employer"**, shall mean The Foschini Group (TFG) Limited., and any subsidiary or associated company who has contracted with the Scheme as a participating Employer, for purposes of admission of its Employees as Members of the Scheme.
- 4.37. **"Financial year"**, shall mean the twelve month period from 1 January to 31 December during which benefits are paid in accordance with defined annual limits and benefit design and covers the twelve month accounting period at the end of which account books are closed and financial reports are prepared for filing.
- 4.38. **"Fixed fee"**, shall mean a fee that covers all Costs incurred by the facility for a specified procedure, including, but not limited to ward, theatre and drug costs, unless otherwise specifically agreed to.
- 4.39. **"Formulary"**, shall mean a list of preferred medicines considered by the Scheme to be those most useful in patient care, rated on the basis of clinical effectiveness, safety and Cost.
- 4.40. **"Frail care"**, shall mean the assistance required by persons who, due to physical or mental ailment, are wholly or partially incapable of carrying out activities associated with daily living, which activities may include attention to personal hygiene, feeding, dressing, reasonable and due attendance to personal safety and the safety of others.
- 4.41. **"General waiting period"**, shall mean a period in which a Beneficiary is not entitled to claim any benefits, limited to a maximum period of 3 months.
- 4.42. **"Global fee"**, shall mean a fee that covers all relevant medical expenses including, but not limited to, professional, facility, radiology and pathology expenses.

- 4.43. **“Grandchild”**, shall mean a Member's Grandchild, whose natural parent is the Member's Child Dependant under the age of 21, provided that the Child Dependant is Substantially dependent on the Member or a Grandchild whom the Member has legally adopted.
- 4.44. **”Hospital”**, shall mean, any institution established or registered in terms of any law as a private or government Hospital, maternity home, nursing home or similar institution where nursing is practiced, or any other private or governmental institution where surgical or other medical activities are performed, wherein accommodation is necessitated by any physical or mental defect, illness or deficiency or by a pregnancy and shall be deemed to include a day clinic, but excluding:
- 4.44.1 a facility which has as its primary function the provision of remedial, rehabilitative or convalescent care; or
- 4.44.2 a home for the aged; ;or
- 4.44.3 a long-term nursing facility; or
- 4.44.4 a rest home; or
- 4.44.5 any facility that has not been issued with a registration number by the Board of Healthcare Funders.
- 4.45. **“Hospital Network Plans”**, shall mean and refers in the context of TFG Medical Aid Scheme Benefit Plans the TFG Health Plan.
- 4.46. **“Immediate family”**, shall mean biological parents, siblings or children of the principal Member, but not further removed.
- 4.47. **“Income”**, for the purposes of calculating Contributions in respect of:
- 4.47.1. a Member who is an Employee - gross monthly salary;
- 4.47.2. a Member who registers a Spouse or Partner as a Dependant — the higher of Member or Spouse's or Partner's salary or earnings;
- 4.47.3. a Continuation Member - gross monthly earnings.
- 4.48. **“KeyCare Acute Medicine Formulary and Protocols**, means Medicine used for diseases or conditions for members registered on the TFG Health Benefit Plan that have a rapid onset, severe symptoms, and that require a short course of Medicine Treatment, for which a list of preferred medicines considered by the

Scheme to be those most useful in patient care, rated on the basis of clinical effectiveness, safety and Cost, are available, within a set of guidelines in relation to the optimal sequence of diagnostic testing and Treatments for specific conditions and includes, but is not limited to, clinical practice guidelines, standard Treatment guidelines, disease management guidelines, Treatment Algorithms and clinical pathways.

- 4.49. "KeyCare Direct Payment Arrangement"**, means a healthcare provider or group of providers selected by the medical scheme concerned as the Preferred provider or providers to provide to its Beneficiaries diagnosis, Treatment and care in respect of one or more Prescribed Minimum Benefit conditions or any other relevant health service covered.
- 4.50. "KeyCare Health DPA Specialist"**, shall mean a specialist medical practitioner who has entered into an agreement contemplated in Rule 4.85 in respect of Beneficiaries on the TFG Health Benefit Plan.
- 4.51. "KeyCare Network GP"**, shall mean a General Practitioner who has contracted with Discovery Health (Pty) Limited and/or TFG Medical Aid Scheme to be part of a GP network on the TFG Health Benefit Plan.
- 4.52. "KeyCare Network Hospital"**, shall mean a Hospital contracted to or nominated by the medical scheme for purposes of a Hospital Network Plan established for the TFG Health Benefit Plan.
- 4.53. "Late Joiner"**, means an applicant or the adult Dependant of an applicant who, at the date of application for membership or admission as a Dependant, as the case may be, is 35 years of age or older, but excludes any Beneficiary who enjoyed coverage with one or more Medical Scheme/s as from a date preceding 1 April 2001, without a break in coverage exceeding three consecutive months since 1 April 2001
- 4.54. "Managed Health Care"**, shall mean clinical and financial risk assessment and management of healthcare, 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.
- 4.55. "Managed Healthcare Organisations"**, shall mean a person who has contracted with the Scheme in terms of regulation 15A to provide a managed healthcare service.
- 4.56. "Medically necessary"**, shall mean the services, care or supplies which are appropriate and necessary and evidence-based for evaluating or determining the symptoms, diagnosis and/or clinical management of a medical condition

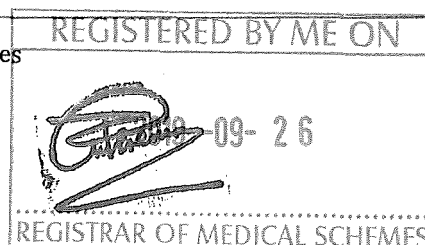
and/or is provided for the direct care and/or Treatment of a medical condition provided that the level of service, care or supply-

**4.51.1** meets the standard of good clinical practice amongst relevant medical practitioners practicing in the community within which the Member resides:

**4.51.2** is not primarily for the convenience or comfort of the Member, the medical scheme and/or the provider; and

**4.51.3** is deemed to be appropriate and necessary (relevant to and consistent with the Member's diagnosis or condition) to meet the healthcare needs of the Member, as may be determined by the Scheme or a health professional, multi-disciplinary committee or panel of experts appointed by the medical scheme to make such a determination.

- 4.57. "Medicine"**, shall mean a substance registered under the Medicines and Related Substances Control Act, 1965, as amended or replaced from time to time.
- 4.58. "Member"**, shall mean any eligible person who is admitted as Member in terms of these Rules and does not include a Dependant and in respect of whom Contributions are paid to the Scheme in order to obtain benefits in terms of these Rules.
- 4.59. "Member Family"**, shall mean the Member and all his registered Dependents.
- 4.60. "Motion"**, shall mean a written proposal formally submitted to a general meeting of Members for discussion and possible adoption <sup>and plan as</sup> as a resolution.
- 4.61. "Non-Network Hospital"**, shall mean a Hospital not contracted with the Scheme.
- 4.62. "Officer"**, shall mean any Member of the Board, Independent Board Committee Member, the Principal Officer or any other agent of the medical scheme authorised by the Board of Trustees to act on behalf of the Scheme, but does not include the Auditor.
- 4.63. "Participating Health Care Provider"**, shall mean a health care provider who, by means of a contract directly between the provider and the Scheme in terms of regulation 15A, or pursuant to an arrangement with a Managed Health Care organisation which has contracted with the Scheme in terms of regulation 15A, undertakes to provide a relevant health service to the beneficiaries of the Scheme concerned.



*[Handwritten signature]*

- 4.64. **"Partner"**, shall mean 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.
- 4.65. **"Payment in Full"**, shall mean in relation to a Prescribed Minimum Benefit, means payment according to the Service Provider's invoice (i.e. Cost) for relevant healthcare services rendered, subject to the use of Protocols, Designated Service Providers (DSPs), formularies, Pre-authorisation or such other managed care initiatives in place and provider for in these Rules.
- 4.66. **"Per Diem"**, shall mean a fee based on a set rate per day.
- 4.67. **"Planned/Elective Procedures"**, shall mean those medical procedures that are non-life threatening that develop over time, are not of sudden onset and where the timing of the procedures is generally discretionary.
- 4.68. **"Pre-authorisation"**, shall mean authorisation in advance, of the medical necessity, efficiency and or appropriateness of health care services and Treatment plans for specified services.
- 4.69. **"Pre-existing sickness condition"**, shall mean a sickness condition for which medical advice, diagnosis, care or Treatment was recommended or received within the twelve-month period ending on the date on which an application for membership was made.
- 4.70. **"Premier Plus GP"**, shall mean a General Practitioner who has contracted with Discovery Health (Pty) Limited and/or TFG Medical Aid Scheme to be part of the Discovery Premier Plus network Service Providers.
- 4.71. **"Preferred provider"**, shall mean a healthcare provider or group of providers, selected by the Scheme in terms of an agreement in which the fee/rate is determined in respect of the payment of Relevant health services.
- 4.72. **"Premier Rate"**, shall mean the rate that the Scheme will pay a Premier Rate provider in accordance with the undertaking referred to in Rule 4.71 and Rule 4.73, as may be applicable, and such provider's procedures and consultations will be paid by the Scheme in full and Beneficiaries will not be required to make any further payments to him save in instances of depleted benefits.
- 4.73. **"Premier Rate provider"**, shall mean a dental specialist or medical specialist who had undertaken *inter alia*, to bill Beneficiaries at the Premier Rate for

procedures and consultations in accordance with the relevant procedure codes and consultation codes in return for direct payment by the Scheme of benefits to which Beneficiaries are entitled.

**4.74. "Prescribed Minimum Benefits"/"PMB"**, shall mean the benefits contemplated in section 29(1)(o) of the Act and consist of the provision of the diagnosis, Treatment and care costs of –

**4.69.1** the Diagnosis and Treatment Pairs listed in Annexure A of the regulations, subject to any limitations specified therein; and

**4.69.2** any Emergency Medical Condition.

**4.75. "Prescribed Minimum Benefit Condition"**, shall mean a condition contemplated in the Diagnosis and Treatment Pairs listed in Annexure A of the Regulations or any Emergency Medical Condition.

**4.76. "Prescription or repeat prescriptions"**, shall mean all Medicine prescribed at the same time by a person legally entitled to prescribe for one person for the condition under Treatment.

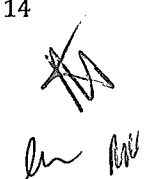
**4.77. "Principal Officer"**, shall mean the person appointed in accordance with the Rules.

**4.78. "Protocol"**, shall mean a set of guidelines in relation to the optimal sequence of diagnostic testing and Treatments for specific conditions and includes, but is not limited to, clinical practice guidelines, standard Treatment guidelines, disease management guidelines, Treatment Algorithms and clinical pathways.

**4.79. "Proxy"**, shall mean a Member authorised in terms of the Rules to act on behalf of another Member in circumstances where the Member is unable to attend a meeting.

**4.80. "Registrar"**, shall mean the Registrar or Deputy Registrar of Medical Schemes appointed under Section 18 of the Act.

**4.81. "Relevant health services"**, shall mean a service as defined in the Act which is provided for in a Benefit Plan.



- 4.82. **"Rules"**, shall mean the Rules of the Scheme and shall include the Benefit Plan schedules, Annexures and any other provisions relating to the benefits which may be granted or the Contributions which may become payable in terms of a resolution adopted in general meeting or by the Board.
- 4.83. **"Scheme Medication Rate"**, shall mean the single exit price plus the appropriate professional fee.
- 4.84. **"Second Opinion"**, shall mean an opinion of a health professional appointed by the Scheme. Such opinion will be based on: a clinical examination of the patient/Beneficiary by such healthcare professional and/or; a clinical report submitted by the Scheme to the healthcare professional
- 4.85. **"Scheme Rate"**, shall mean the fee/ rate in terms of an agreement between the Scheme and a Service Provider or group of providers in respect of the payment of Relevant health services.
- 4.86. **"Service Provider"**, shall mean a medical practitioner, dentist, pharmacist, Hospital, nurse or any other person or entity who is duly registered or licensed as such with a statutory Council or relevant state department – or if practicing in a territory outside South Africa, registered or licensed as such with a similar body in that territory.
- 4.87. **"Specialised Medicine"**, shall mean those benefits as set out in Rule 34.
- 4.88. **"Spouse"**, shall mean the person to whom the Member is married in terms of any law or customs.
- 4.89. **"Southern Africa"**, shall mean the territory of the Republic of South Africa and other territories within the Rand Monetary Area.
- 4.90. **"Substantially dependent"**, shall mean any Dependant, whether Child or otherwise, who is dependent upon the principal Member for family care and support.



4.91. "Uniform Patient Fee Schedule (UPFS)," shall mean the schedule of rates charged by the state/public facilities.

4.92. "Utilisation management", shall mean a plan or programme of managed care implemented by the Scheme and administered by or on behalf of the Scheme by means of Case management principles, which is that of direct involvement with individual Members, their Dependants and Service Providers before services are provided and while services are being provided.

4.93. "Trauma", subject to Annexures D and D1 and without derogating from Annexures B4 and C2, the following sudden, serious physical injuries of the body caused by an act of violence or An Accident –

4.91.1 injuries at work

4.91.2 burns

4.91.3 injuries sustained as a victim of crime

4.91.4 sexual assault

4.91.5 injuries as a result of a car accident

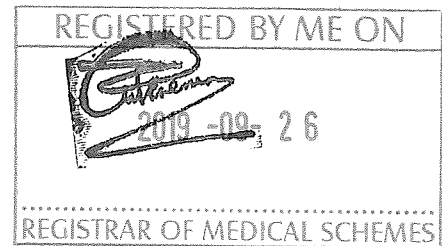
4.91.6 injuries from a fall

4.91.7 the loss of an arm, hand, leg or foot

4.91.8 near drowning

4.91.9 head injuries

4.91.10 poisoning or an anaphylactic reaction



4.94. "Treatment", shall mean the provision of healthcare services which would include, but is not limited to hospitalisation or non-hospitalisation benefits and is subject to the provisions of Rule 4.56.

4.95. "TTO"/"To Take Out", shall mean the medication that a Beneficiary is required to take at home but is prescribed to the Beneficiary whilst in Hospital.

## 5. BUSINESS OF A MEDICAL SCHEME

The business of the Scheme is:

5.1 to undertake liability, in respect of its Members and their Dependants, in return for a Contribution or premium;

5.2 to make provision for the obtaining of any relevant health service;

5.3 to grant assistance in defraying expenditure incurred in connection with the rendering of any relevant health service; and/ or

5.4 to render a relevant health service, either by the Scheme itself, or by any supplier or group of suppliers of a relevant health service or by any person in association with, or in terms of an agreement with, the Scheme.

## 6. MEMBERSHIP

### 6.1. Eligibility

- 6.1.1. Subject to Rule 8 membership of the Scheme is restricted to employment or former employment by the Employer.
- 6.1.2. Membership of the Scheme shall be voluntary or compulsory in respect of every Employee in the service of the Employer, depending on the Employee's conditions of employment.
- 6.1.3. An Employee who ceases to be a registered Dependant of this or any other Medical Scheme may become a Member subject to the provisions of Rule 8.

### 6.2. Continuation Members

- 6.2.1. With effect from 1 September 2016, a Member shall, retain his membership of the Scheme as a Continuation Member in the event of his:

6.2.1.1. retiring from the service of the Employer; or

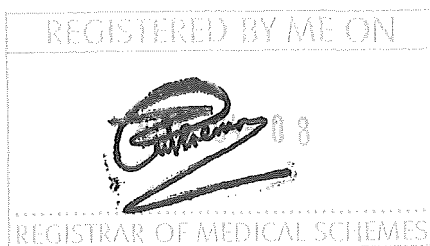
6.2.1.2. employment being terminated by the Employer on account of age, ill-health or other disability; or

6.2.1.3. employment being terminated through resigning from the service of the Employer within five years of his minimum retirement age and having not less than ten years continuous membership of the Scheme; or

6.2.1.4. employment being terminated by the Employer through retrenchment within five years of his minimum retirement age and having not less than ten years continuous membership of the Scheme.

**Provided** that where such Member is not permanently resident in Southern Africa, services will be restricted to those rendered in Southern Africa.

- 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



*Handwritten initials and signatures in the bottom right corner, including 'PWS' and 'AK'.*

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 Member**

- 6.3.1.** The Dependants of a deceased Member, who are registered with the Scheme as his 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. Unless such person informs the Board in writing of his intention not to become a Member, he shall be admitted as a Member of the Scheme.
- 6.3.3.** Such a Member's membership terminates if he becomes a Member or a Dependant of a Member of another Medical Scheme.
- 6.3.4.** Where a Child Dependant has been orphaned, the eldest Child may be deemed to be the Member, and any younger siblings, the Child Dependant/s.

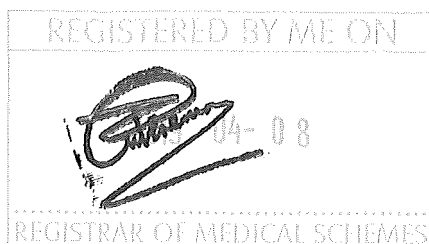
## **7. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS**

### **7.1 Registration of Dependants**

- 7.1.1** A Member may apply to the Scheme for registration of his Dependants in terms of Rule 8 at the time that he applies for membership or at any other time. In addition to the terms of Rule 8, the Scheme may require proof to its satisfaction that the Member is indeed liable for support in respect of the person for whom the application is made.

#### **7.1.2 Birth of infants and adoption of children**

A Member who wishes to register a new born or newly adopted Child as his Dependant, shall notify the Scheme within 30 days of the birth or adoption of a Child, and shall apply to the Scheme to register such Child as a Dependant. Increased Contributions shall apply as from the first day of the month following birth or adoption. Benefits will accrue as from the date of birth or adoption.



*MS*  
*AK*

### 7.1.3 Change in marital status

A Member whose marital status changes subsequent to joining the Scheme is required to notify the Scheme within 30 days thereof.

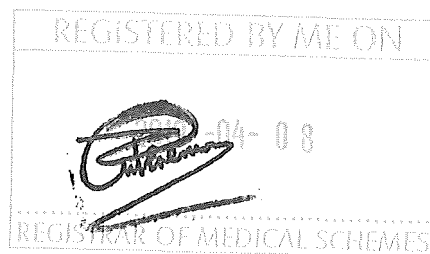
Should a newly married Member wish to register his Dependants, increased Contributions shall apply from the first day of the month following the change in his marital status. Benefits will be adjusted from the date of such change in status.

Should a Member divorce, his former Spouse is no longer eligible for membership and will be withdrawn from the Scheme. Reduced Contributions shall apply from the first day of the month following the withdrawal of the former Spouse.

## 7.2 Deregistration 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. From the time the Dependant ceases to be eligible to be a Dependant, he shall no longer 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.



*[Handwritten signatures and initials]*

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

**8.1.** A person under the age of sixteen years may not become a Member without the consent of his parent or guardian.

**8.2.** No person shall be a Member of more than one registered Medical Scheme or a Dependant:

**8.2.1.** of more than one Member of a particular Medical Scheme; or

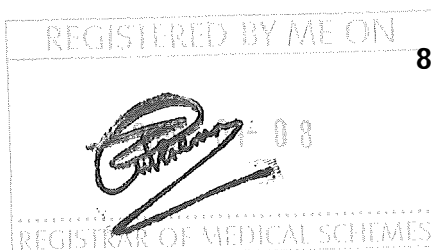
**8.2.2.** of Members of different Medical Schemes or;

**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 Date, complete and submit the application forms required by the Scheme, together with satisfactory evidence of age, Income, state of his health and the health of his Dependants and of any medical advice, diagnosis, care or Treatment recommended or obtained within a period of 12 months immediately prior to the date on which application to the Scheme was made. Proof of any prior membership of any other Medical Scheme must also be submitted. The Costs of any medical tests or examinations required, to provide such a medical report, will be paid for by the Scheme. The Scheme may however designate a provider to conduct such tests or examinations.

**8.4. Waiting periods**

**8.4.1.** On admission the Scheme may impose upon a person in respect of whom an application is made for membership or for registration 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 –



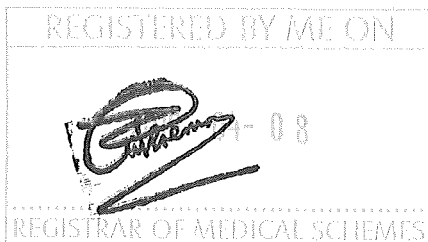
**8.4.1.1.** a General waiting period of three months, during which period no insured benefits whatsoever shall accrue, but Contributions shall be paid to the Scheme in full;

**8.4.1.2.** 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.

**8.4.2.** 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 a continuous period of up to 24 months, terminating less than 90 days immediately prior to the date of application

**8.4.2.1.** 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;

**8.4.2.2.** 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 for the unexpired duration of such waiting period imposed by the former Medical Scheme.



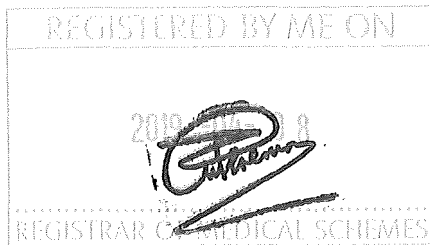
**8.4.3.** The Scheme may impose upon any person in respect of whom an application is made for membership or admission as a Dependant, and who was previously a Beneficiary of a Medical Scheme for a continuous period of more than 24 months, terminating less than 90 days immediately prior to the date of application, a 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 –

**8.5.1.1.** change of employment; or

**8.5.1.2.** 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 persons 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.

**8.5.2.** a Beneficiary who changes from one benefit Plan to another within the Scheme unless that Beneficiary is subject to a waiting period on the current benefit Plan in which case the remaining period may be applied;

**8.5.3.** a Child Dependant born during the period of membership

**8.6.** The registered Dependants of a Member must participate in the same benefit Plan as the Member.

**8.7.** Every Member will, on admission to membership, receive a detailed summary of these Rules, which shall include Contributions, benefits, limitations, the Beneficiary's rights and obligations. Members and their Dependants, and any person who claims any benefit under these Rules or whose claim is derived

*MW*  
*OR*

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 to pledge or hypothecate such benefit.

**8.9.** Nothing in these Rules shall be construed as altering in any way the Employer's right to either terminate the service of an Employee who is a Member of the Scheme or to terminate or amend any agreement between the Employer and the Employee in regard to conditions of service.

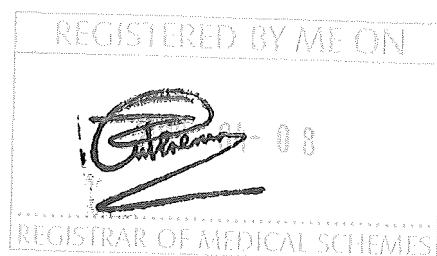
## **9. TRANSFER OF COMPANY GROUPS FROM ANOTHER SCHEME**

**9.1** If the Members of a scheme who are Members of that scheme by virtue of their employment by a particular company, terminate their membership of the said scheme with the object of obtaining membership of the Scheme, the Board shall 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 or a Dependant of such first-mentioned scheme who:

**9.1.1.** is a Member;

**9.1.2.** is a Continuation Member;

**9.1.3.** is a Continuation Member's surviving Spouse or Partner, or surviving Dependant.



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

**10.1** Every Member shall be issued with a membership card, containing such particulars as prescribed by the Act. This card must be exhibited to the supplier of a service on request. It remains the property of the Scheme and shall be returned to the Scheme on cessation of membership.

*MUS*  
*AK*



**10.2** The utilisation of a membership card by any person other than the Member or his registered Dependants, with the knowledge or consent of the Member or his Dependants, is not permitted and shall be construed as an abuse of the benefits of the Scheme and subject to penalties in Rule 12.5.

**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 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.

## **11. CHANGE OF ADDRESS OF MEMBERS**

A Member shall notify the Scheme within 30 days of any change of address including his/her Domicilium Citandi Et Executandi. The Scheme shall not be held liable if a Beneficiary's rights are prejudiced or forfeited as a result of neglecting to comply with the requirements of this Rule.

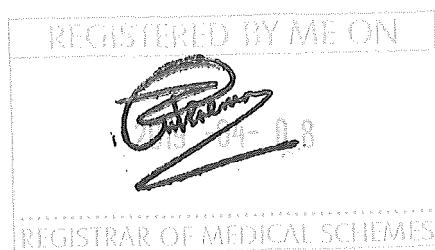
## **12. TERMINATION OF MEMBERSHIP**

### **12.1 Termination**

Subject to Rule 6.2 a Member shall cease to be a Member on ceasing to be an Employee or his Employer ceasing to be an Employer. On so ceasing to be a Member he shall have no claim on the Scheme or on its funds, except in respect of services rendered prior thereto.

### **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 by giving 30 days written notice if proof is provided of joining another registered Scheme. Where a Member, in terms of his conditions of employment, is required to be a Member of the Scheme, he may not terminate his membership while he remains an Employee without the prior written consent of the Employer. The provision of Rule 8 will apply on re-admission to membership. All rights to benefits cease after the last day of membership.



*Handwritten signatures and initials in the bottom right corner of the page.*

**12.2.2** Such notice period shall be waived in substantiated cases where membership of another Medical Scheme is compulsory as a result of a condition of employment.

**12.2.3** A participating Employer may terminate his participation with the Scheme on giving three (3) months written notice.

**12.3 Death**

Membership of a Member terminates on his death.

**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.

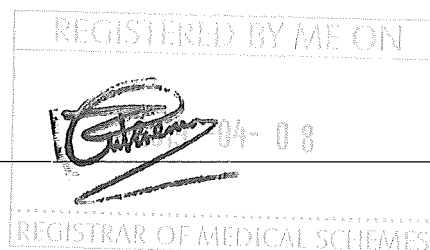
**12.5 Abuse of privileges, false claims, misrepresentation and non-disclosure of factual information**

Subject to the provisions of Rule 28 the Board may suspend the benefits or terminate the membership of a Member or the registration as a 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 the non-disclosure of factual information required in terms of the Act. In such event he shall 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 monthly Contributions payable to the Scheme by or in respect of a Member shall be as indicated in Schedule 1 and 2 of 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.

**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 –



*[Handwritten initials and signature]*

**13.2.1** to suspend all benefit payments in respect of claims which arose during the periods of default;

**13.2.2** to give the Member at his/her Domicilium Citandi Et Executandi and/or Employer written notice that if Contributions or such other debts are not paid up to date within fourteen (14) days of posting such written notice, membership may be cancelled.

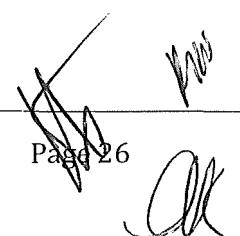
A notice sent by prepaid registered post to the Member at his/her Domicilium Citandi Et Executandi shall be deemed to have been received by the Member on the 7<sup>th</sup> day after the date of posting. In the event that, as per Rule 11, the Member has not notified the Scheme of a change in address, or 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.

**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** Contributions are calculated on the basis of:

**13.4.1** the Income of a Member or his Spouse as defined in the Rules; provided that Contributions will be calculated according to the higher of the Member or his Spouse's Income. Where a Spouse is self employed, an owner of a business, a director, a farmer, a senior executive, or a Member of a Partnership or close corporation the Contribution will be the maximum Contributions according to the family group, unless documentary proof of a lower Income can be submitted to the Board

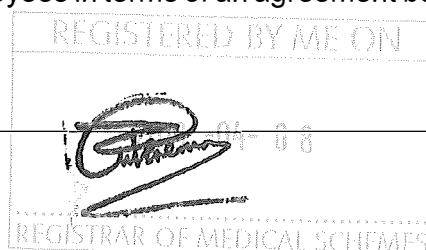
**13.4.2** the number of Dependants of the Member,



- 13.5** Beneficiaries who are Late Joiners are subject to penalties set out in Annexure A. Those penalties also apply to Beneficiaries who were subject to similar penalties at previous Medical Schemes of which they had been Members or adult Dependants of Members. However, any years of Creditable coverage, which can be demonstrated, by the Member or Dependant of the Member will be taken into account in determining the applicable penalty.
- 13.6** No portion of a Contribution shall be refunded where a Member's membership or that of any of his Dependants terminate.
- 13.7** Adjustment of Contributions as a result of increases or decreases of Income shall be effective from the first of the month during which, such increase or decrease becomes effective.
- 13.8** All Contributions in respect of new Members shall be payable from the first day of the month during which employment Commences, except when the date on which employment Commences is the 15th of the month, or thereafter, in which case the Contributions shall be payable from the first day of the month following. Benefits shall Commence from the date on which employment Commences.
- 13.9** When a Member's employment is terminated on the 15th or later of a month, Contributions for the full month shall be paid. In cases where termination takes place up to and including the 14th of the month, no Contribution is payable for that month.
- 13.10** The Contribution payable by a Continuation Member shall be paid monthly in arrears. If payment of the Contribution is not made within thirty days of the date when it is due and no satisfactory explanation is submitted to the Board, the provisions of rule 13.2 will apply.

**14. LIABILITY OF EMPLOYER AND MEMBER**

- 14.1 Liability of Employer** - The liability of the Employer shall be limited to payment of Contributions in respect of Employees in terms of an agreement between the Scheme and the Employer.



*MW*  
*AK*

**14.2 Liability of Members** - The liability of a Member shall be limited to the amount of his unpaid Contributions together with any sum disbursed by the Scheme on his behalf or on behalf of his Dependants, which has not been repaid by him 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 for in these Rules, must be accompanied by an itemised account or statement as prescribed. In order to ensure consistent and correct claims adjudication, the Scheme shall make use of practitioner-specific Billing Guidelines to ensure proper adjudication for services rendered.

**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:

**15.2.1** the name and the membership number of the Member;

**15.2.2** the name and practice number of the supplier of service;

**15.2.3** the Date of Service rendered by the supplier of service, on the account or statement, which is covered for the service concerned;

**15.2.4** the relevant code as required by the Scheme;

**15.2.5** the total amount charged for the service concerned; and

**15.2.6** the amount of the benefit awarded for such service.

**15.3** In order to qualify for benefits, any claim received from a Member or Dependant must, unless otherwise arranged:

REGISTERED BY ME ON

2019-09-13

REGISTRAR OF MEDICAL SCHEMES

*Handwritten signatures and initials*

**15.3.1** Be signed and certified as correct and shall be submitted to the Scheme no 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 proof of payment.

**15.5** Accounts for Treatment of injuries or expenses recoverable from third parties, shall be supported by a statement, setting out particulars of the circumstances in which the injury or accident was sustained. The Scheme may claim the Costs of whatsoever nature incurred for Treatment arising out of an injury sustained by a Member or a Dependant and for which the Member received a refund from any other party who may be liable from the Member. The Member is required to lodge a claim in respect of the said expenses incurred by the Member or Dependant against the other party concerned and to pursue it with due diligence, with the Scheme being kept fully informed. Should the Member or Dependant not pursue the claim against such other party to the satisfaction of the Board, it may require the Member to cede or procure the cession of such claim to the Scheme, in which event the Member or Dependant shall provide the Scheme with all such assistance and co-operation as it may reasonably require in pursuing such claim. The Member shall be obliged to pay to the Scheme so much of the damage actually recovered by him or his Dependant as relates to the service in respect of which he or his Dependant has received or benefited from such advances from the Scheme.

**15.6** Where the Scheme is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, for any reason, whatsoever including that the Treatment rendered is not Medically necessary, the Scheme shall notify the Member or the healthcare provider, whichever is applicable, accordingly within 30 days after receipt thereof. The Scheme shall state the reasons why such claim is erroneous or unacceptable and afford such Member and provider the opportunity to return such corrected claim to the Scheme within 60 days.

**15.7** In any dispute as to whether a claim was properly submitted, the Member shall bear the onus of proving that the claim was submitted in accordance with these Rules.

- 15.8** If any amount which the Scheme is liable to pay in terms of these Rules is not paid as required in terms of the Act and these Rules, then any claim which a Member may have as a result shall be a claim for specific performance against the Scheme.
- 15.9** The Scheme may at its discretion and based on justifiable reason, stop all payments to a provider where it can be shown on probable cause, that such provider has placed the Scheme, or any other Schemes, at risk.
- 15.10** The Scheme shall notify the provider in writing of such decision and reasons thereof and the provider will be entitled to dispute the decision.
- 15.11** The Member may notify the Scheme for possible payment consideration should they unwittingly be financially prejudiced as a result of the decision.
- 15.12** Members receiving services outside South Africa shall in the first instance, pay all medical accounts and thereafter, in order to verify the validity of the claim, submit the detailed accounts, together with receipts, proof of travel documents (including copies of flight tickets and passports) to the Scheme for refund, in accordance with the Scheme Rate, according to the benefits laid down in Annexures B and C.

## **16. BENEFITS**

- 16.1** Unless membership is suspended as set out in Rule 12 or a waiting period is placed in terms of Rule 8.4, 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 Annexures B and C.
- 16.2** A Member is entitled to change from one to another benefit Plan subject to the following conditions:

MW  
OK

15.4.1. Where the Scheme is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, the Scheme shall notify the member and the health care provider, whichever is applicable, accordingly within 30 days after receipt thereof. The Scheme shall state the reasons why such claim is erroneous or unacceptable and afford such member and provider the opportunity to return such corrected claim to the Scheme within 60 days of the notice.

15.5. The Scheme may at its discretion and based on justifiable reason, stop all payments to a provider where it can be shown on probable cause, that such provider has placed the Scheme, or any other Schemes, at risk.

15.5.1. The Scheme shall notify the provider in writing of such decision and reasons thereof and the provider will be entitled to dispute the decision.

15.5.2. The member may notify the Scheme for possible payment consideration should they unwittingly be financially prejudiced as a result of the decision.

15.6. Members receiving services outside South Africa shall in the first instance, pay all medical accounts and thereafter, in order to verify the validity of the claim, submit the detailed accounts, together with receipts, proof of travel documents (including copies of flight tickets and passports) to the Scheme for refund, in accordance with the Scheme Rate, according to the benefits laid down in Annexure B.

## 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:

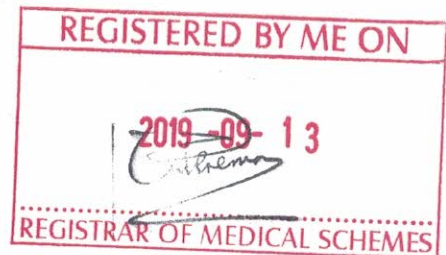
REGISTERED BY ME ON
2016-04-13 <i>[Signature]</i>
REGISTRAR OF MEDICAL SCHEMES

*[Handwritten mark]*

*[Handwritten mark]*



- 16.2.1** The change may be made with effect from 1 January of any Financial year, provided that the Board may, in its absolute discretion, permit a Member to change from one to another benefit Plan on any other date.
- 16.2.2** Application to change from one benefit Plan to another must be in writing and lodged with the Scheme within the period notified by the Scheme provided that the Member has had at least 30 days prior notification of any intended changes in benefits or Contributions for the next year;
- 16.2.3** 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.
- 16.3** The Scheme shall, in respect of the Financial Year in which a Member joins the Scheme, reduce the Annual Benefits *pro rata* to the period of membership in the Financial Year concerned and calculated from the Admission Date to the end of the Financial Year concerned.
- If, for any reason whatsoever, the Scheme pays an amount in excess of the amount which it is liable to pay in respect of a claim in terms of these Rules, then the Member will become liable to the Scheme for the amount overpaid in line with the Scheme's debt management policy in effect at the time payment falls due.
- 16.4** The Scheme shall be entitled to withhold payment of any benefits otherwise due to a Member Family whose Contribution, or any part thereof, is unpaid. The Scheme shall be entitled to recover from the Member any payment made in respect of claims processed on behalf of the Member, in the event that any Contribution or part of a Contribution remains unpaid.
- 16.5** The Scheme may exclude services from benefits as set out in Annexures D and D1.
- 16.6** Any Benefit Plan offered in Annexures B and C covers the Prescribed Minimum Benefits in accordance with Annexures B4 and C2.
- 16.7** The Scheme will be entitled to apply clinical policy and managed care Protocols to determine Members' entitlement to benefits and to determine the application of limits and sub-limits.



## **16.8 Specific Exclusions**

The Scheme shall not pay for benefits if:

**16.8.1** in the reasonable opinion of a medical Officer appointed for this purpose by the Scheme, taking into account generally accepted medical practices, the service/s

16.8.1.1 could have been reasonably rendered at a lower level of care;  
or

16.8.1.2 comprise a general exclusion to the Scheme as reflected in Annexures D and D1 to these Rules; or

16.8.1.3 is such that the quantum of the service comprises a Deductible.

## **16.9 Review**

If hospitalisation or certain non-hospitalisation benefits ("Treatment") is recommended for a Member or a Dependant then, subject to Rules 16.11 and 16.13 below, the following provisions shall apply:

**16.9.1** the Member shall give the Scheme written or verbal notice advising that such Treatment has been recommended, giving full details including the name(s) of the medical practitioner(s) who has/have made such recommendation and obtain the required authorisation from the Scheme that it will pay for the Treatment;

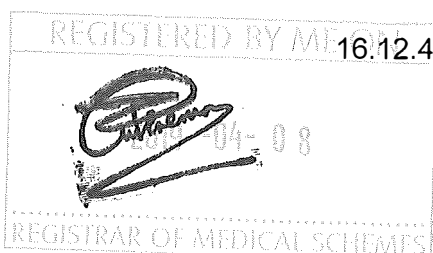
**16.9.2** the Members shall give notice to the Scheme within such reasonable period as will allow the provisions of this Rule 16.9 to be complied with; but in any event, notice of not less than 48 hours prior to the Treatment;

**16.9.3** upon receiving such notice, the Scheme shall be entitled to require the Member or his Dependant (as the case may be) to obtain a Second Opinion from a medical practitioner approved by the Scheme as to whether the recommended Treatment is necessary. The charges levied by such medical practitioner in respect of the Second Opinion shall be borne by the Scheme;

**16.9.4** immediately upon obtaining such Second Opinion, the Member shall furnish the Scheme with a copy thereof; and

MS  
H  
S

- 16.9.5** the Scheme shall, on good cause shown, be entitled to reject a request for authorisation, notwithstanding that a Second Opinion may have been furnished, if in its opinion any of the exclusions stipulated in Rule 16.8 are present;
- 16.9.6** if the Member or Dependant (as the case may be) undergoes Treatment without the Member obtaining authorisation from the Scheme in accordance with this Rule 16.9 the Scheme's liability in respect of the Treatment of the Members or Dependant shall be subject to what is stated in Rules 16.8 to 16.13 and will further be limited as set out in the Benefit Schedules and Benefit Annexures which the Board of Trustees would have approved and as may be applicable.
- 16.10** The provisions of Rule 16.9.2 insofar as they pertain to the 48 (forty eight) hour notification period shall not apply where Treatment is required by a Member or by a Dependant as a matter of urgency. For the purposes of this Rule 16.10, Treatment shall be deemed to have been required as a matter of urgency if the Member could not have been expected to comply with the provision of Rule 16.9.2 without his health or that of his Dependant being placed in jeopardy. Notwithstanding this, the Member will be required to give the Scheme notification of the Treatment as soon as he is able.
- 16.11** The onus shall be upon the Member to prove that:
- 16.11.1 he gave notice in accordance with Rule 16.9.1;
- 16.11.2 such notice was given within the time period referred to in Rule 16.9.2;
- 16.11.3 a copy of the written Second Opinion was given to the Scheme in accordance with Rule 16.9.4;
- 16.11.4 Treatment was required as a matter of urgency in terms of Rule 16.10 if a dispute in respect of any such matter arises.
- 16.12** Pre-authorisation for Beneficiaries will take place on the following basis:
- 16.12.1 The Member will ensure that either the Member Family or the Hospital calls the Scheme to pre-authorise the admission.
- 16.12.2 All admissions are subject to Pre-authorisation.
- 16.12.3 Where the Scheme receives a Hospital claim that has not been preauthorised payment will be limited in accordance with Rule 16.9.6.
- 16.12.4** The Member is obliged to make full disclosure during or after Pre-authorisation of all healthcare services even if they are subject to a general scheme exclusion. Failure to do so may lead to the entire claim being declined and may be regarded as a misrepresentation.



*MS*  
*[Handwritten signature]*

16.12.5 A Pre-authorisation is not a guarantee nor a confirmation of the Scheme's obligation to make payment of a claim.

**16.13** Admission for Beneficiaries on the Hospital Network Plans will take place in accordance with the following:

16.13.1 Should the Beneficiary be admitted to a Non-Network Hospital in the event of an emergency, the Beneficiary may be transferred to a Network Hospital as soon as the patient is stabilised.

16.13.2 Should the Beneficiary be admitted to a Non-Network Hospital for reasons other than an emergency and involuntariness in respect of a Prescribed Minimum Benefit, such admission will be covered up to a maximum of 80% of the benefit available to the Beneficiary on the particular Hospital Network Plan or with a Deductible applied as may be applicable as set out in the Annexures to these Rules.

16.13.3 Admissions of Beneficiaries on the TFG Health plan for non-emergency reasons or involuntariness to Non-Network Hospitals will not be covered save in accordance with Annexures B4 and C2.

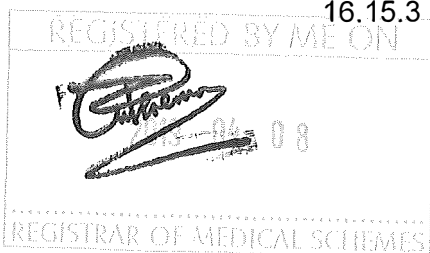
**16.14** The Scheme shall only be required to fund medical technologies and Treatments not previously funded, or existing Treatments for new clinical indications, and/or unregistered medicines if such medical Treatments meet the Scheme's Protocols, where they exist, which shall be developed on the basis of evidence-based Medicine and Cost effectiveness criteria.

**16.15** Funding only for Medically necessary healthcare services:

16.15.1 The Scheme shall only fund healthcare services provided to a Member if the service in question is Medically necessary.

16.15.2 If the Scheme reasonably determines that the healthcare service and/or level of care is not Medically necessary, the Scheme may choose not to fund or fund such service at the appropriate or cost-effective level of care.

16.15.3 The Scheme may require a Member to be medically examined for purposes of establishing whether the healthcare service is Medically necessary. Should the Member and/or the Member's family decline consent for such an examination, the Scheme may then, in keeping with generally accepted clinically practice and with the clinical



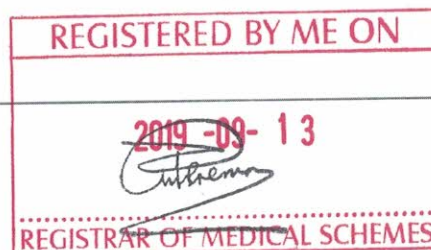
*[Handwritten initials and signature]*

information at hand, withdraw or reduce clinical funding to the recommended level of care as contemplated in Rule 4.51.

## 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 which the member is entitled to as set out in the Annexures of the Plan elected.
- 17.2** Subject to Rule 15.6, the Scheme may, whether or not by mutual agreement, and in respect of any supplier or group of suppliers of a service, pay the benefit to which the Member is entitled, directly to the supplier who rendered the service.
- 17.3** Billing Rules are the prerogative of the Scheme and this includes but is not limited to: South African Medical Association (SAMA), international practice and consultation with professional groups.
- 17.4** Where the Scheme has paid an account or portion of an account or any benefit to which a Member is not entitled, whether payment is made to the Member or to the supplier of service, the amount of any such overpayment is recoverable by the Scheme.
- 17.5** Notwithstanding the provisions of this Rule, the Scheme has the right to pay any benefit directly to the Member concerned.
- 17.6** If a supplier of service renders an account, which is not in accordance with the Scheme Rate, the benefit to which the Member is entitled, shall be based on the Scheme Rate and will be paid to the Member, who is personally liable for the settlement of such accounts.
- 17.7** The Board of Trustees may at its sole discretion, make *ex gratia* payments to or for the benefit of a Beneficiary.

### 17.8 Addresses





### 17.8.1 Postal address

**17.8.1.1.** Any notice in connection with these Rules may be addressed to a Member or an Employer at his address stated in the application form.

**17.8.1.2** The notice shall be deemed to have been duly given at such address:

17.8.1.2.1 7 days after posting to the address in Rule 17.8.1.1 if posted by prepaid registered post;

17.8.1.2.2 on delivery, if delivered;

17.8.1.2.3 on transmission, if successfully transmitted to the party's telefax number.

17.8.1.2.4 by e-mail if successfully sent to the party's e-mail address

**17.8.1.3** Any Member or Employer shall notify the Scheme within 30 days of any change of address, by notice in writing.

### 17.8.2 Address for service of legal documents

17.8.2.1 Each Employer and Member chooses the physical address stated in his application form as the address at which documents in legal proceedings may be served.

17.8.2.2 Any Employer or Member may change his address for this purpose to another physical address in the Republic of South Africa, by notice in writing subject to Rule 11.

## 18. GOVERNANCE

**18.1** Subject to Rule 18.3, the affairs of the Scheme must be managed according to these Rules by a Board of fit and proper persons (i.e. persons with the requisite character, integrity, skill, competence, financial soundness and ability to exercise a fiduciary duty).

**18.2** The following persons are not eligible to serve as Members of the Board:

**18.2.1** a person under the age of 21 years;

**18.2.2** an Employee, Partner, director, Officer, consultant, or contractor of the Administrator or the Scheme or of the holding company, subsidiary, joint venture or associate of that Administrator or any other medical scheme Administrator or provider of Managed Health Care services to

*M Wilson*  
pb CH

- a medical scheme;
- 18.2.3** a broker;
- 18.2.4** a person, including a legal person, associated with the Administrator and/or the provider of Managed Health Care services to the Scheme;
- 18.2.5** the Principal Officer of the Scheme;
- 18.2.6** the Auditor of the Scheme.

- 18.3** The Board shall be composed of 8 persons of which 4 must be –
- 18.3.1** elected from amongst Members and shall be known as “elected representatives”; and the balance
  - 18.3.2** must be appointed by the Employer and shall be known as “appointed representatives”. Appointed representatives chosen by the Employer could be independent of or employed by the Employer; however
  - 18.3.3** If at any time the number of Board Members falls below 8 due to a casual vacancy (e.g. because of resignation, death, reasons set out in Rule 18.15 below, etc.) or a termination of tenure, the Board shall continue to operate until the vacancy is filled in terms of Rule 18.6 or 18.7 below as the case may be. However, the Board must be reconstituted if at any time the number of either the “elected representatives” or “appointed representatives” as the case may be falls to below 2 (the ***Board Reconstitution Event***). To enable the reconstitution of the Board, the remaining Board Members shall continue as an Interim Board and must within 90 days of the ***Board Reconstitution Event*** occurring, take the necessary steps to constitute a new Board in accordance with Rule 18.3.1 and/or 18.3.2 and convene a Special General Meeting to confirm the appointment and/or election of the new trustees. The Interim Board shall also continue conducting the affairs of the Scheme pending the confirmation of the new Board.

**NOT APPROVED**

- 18.4** A Board Member shall serve a term of 5 years and shall be eligible for re-election or re-appointment. Retiring Board Members are eligible for re-election or re-appointment and shall not serve more than 3 terms during his/her lifetime; provided that he/she may not hold office for more than 2 terms consecutively and provided that there is at least a 2 year interval between the end of the second consecutive term and the commencement of the third term.
- 18.5** The Board may co-opt a person with the requisite skills and expertise (an Independent co-opted Member) to assist it in its deliberations. The Board may at any time withdraw such co-option. An independent co-opted Member shall not serve on the Board beyond the next Annual General Meeting, but shall be eligible for subsequent co-option. An Independent co-opted Member shall not have a vote at Board meetings.
- 18.6** Nominations to fill vacancies on the Board, must be signed by the nominator and nominee in good standing, signifying the nominee’s consent to stand for election and that he/she is not disqualified to serve on the Board for the reasons set out in Rule 18.2 above and must be submitted to the Scheme by no later than 14 days prior to the Annual General Meeting. The Board may appoint an electoral officer to assess all nominees against the eligibility criteria described in Rule 18.2 above. The Board may appoint an independent third party service provider for purposes of carrying out this function. The election must be conducted amongst the Members present in person or virtually at the Annual General Meeting of the Scheme.
- 18.7** The remaining Members of the Board may temporarily fill, by appointment any casual

*M Wilson*  
pb CH



vacancy which occurs on the Board during its term of office, within 40 days of such vacancy arising. The period of such appointment will not be deemed to be tenure of office for purposes of Rule 18.4. A person so appointed, shall retire at the first ensuing Annual General Meeting and that meeting shall elect a candidate to fill the vacancy.

- 18.8** Persons so elected/appointed to the Board must disclose at his/her first meeting of the Board and then annually all interests they have in relation to the Scheme.
- 18.9** The Board must elect from its number the chairperson and vice-chairperson at the first meeting of the Board following an AGM. The chairperson and vice-chairperson shall serve for one year and shall be eligible for re-election each year.
- 18.10** In the absence of the chairperson and vice-chairperson, the Board Members present must elect one of their numbers to preside.
- 18.11** A quorum at meetings of the Board shall be 5 Members provided that 2 Members shall be from among each of the elected and appointed representatives respectively. If a quorum cannot be confirmed at any meeting of the Board within fifteen minutes after the time set for its commencement, the meeting shall stand adjourned.
- 18.12** 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 deliberative vote.
- 18.13** If the chairperson presiding at a meeting is of the opinion that an important matter of principle is involved and that no prior notice or that insufficient notice has been given that such matter of principle would require consideration, the discussion of the matter shall stand over and the matter shall be considered either at a special meeting or at the next ordinary meeting as the Board shall determine.
- 18.14** A Board Member may resign at any time by giving written notice to the Board. Such vacancy will be filled in terms of Rule 18.7.
- 18.15** A Board Member shall be obliged to vacate office, or failing which, may be removed from office by a simple majority decision of the Board if he/she -
  - 18.15.1** becomes mentally ill or incapable of managing his/her affairs;
  - 18.15.2** is declared insolvent or has surrendered his estate for the benefit of his/her creditors;
  - 18.15.3** is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering of a forged document or perjury;
  - 18.15.4** is removed from office if he is found to have acted in a manner

*M Wilson*  
*pb CH*



REGISTERED BY ME ON

*Mf*

Mfana Maswanganyi  
21/07/2023 08:10:41 (UTC+02:00)  
Signed by Mfana Maswanganyi,  
m.maswanganyi@medicalscchemes.co.za

REGISTRAR OF MEDICAL SCHEMES

seriously prejudicial to the interest of the Scheme, subject to the procedure set out in Rule 18.16.

- 18.15.5** is removed by the court from any office of trust on account of misconduct;
  - 18.15.6** is disqualified under any law from carrying on his profession;
  - 18.15.7** if elected by Members of the Scheme, ceases to be a Member of the Scheme;
  - 18.15.8** absents himself from 3 consecutive meetings of the Board without the permission of the chairperson; or
  - 18.15.9** he is removed from office by the Council in terms of Section 46 of the Act.
- 18.16** A Member of the Board who acts in a manner which is seriously prejudicial to the interests of the beneficiaries of the Scheme may be removed by the Board, provided that:
- 18.16.1** before a decision is taken to remove a Member of the Board, the Board shall furnish that Member with full details of the evidence which the Board has at its disposal regarding the conduct complained of, and allow such member a period of not less than 30 days in which to respond to the allegations;
  - 18.16.2** the resolution to remove the Member is taken by at least two thirds of the Members of the Board;
  - 18.16.3** the Member shall have recourse to disputes procedures of the Scheme or complaints and appeal procedures provided for in the Act.
- 18.17** The Board must meet at least once every 3 months or at such intervals as it may deem necessary.
- 18.18** The Board may, discuss and resolve matters and adopt resolutions by telephone, video or electronic conferencing means, provided that the participants in such discussions are sufficient to constitute a quorum in the normal course.
- 18.19** The chairperson may convene a special meeting of the Board should the necessity arise. Any two Board Members may request the chairperson to convene a special meeting of the Board, stating the matters to be discussed at such meeting.
- 18.20** Members of the Board may be reimbursed for all reasonable expenses incurred by them in the performance of their duties as Board Members.
- 18.21** The Board shall perform a self-assessment and a review of the performance of the Chairperson on an annual basis.

*M Wilson*  
*pb CH*



**18.22** The Board may establish committees of the Board to enable it to carry out its functions. A committee may be comprised of Board Members and/or independent persons with requisite expertise (Independent Board Committee Member). An Independent Board Committee Member shall serve a term of 5 years and shall be eligible for re-appointment. Retiring Independent Board Members are eligible for re-appointment and shall not serve more than 3 terms during his/her lifetime; provided that he/she may not serve for more than 2 terms consecutively and provided that there is at least a 2 year interval between the end of the second consecutive term and the commencement of the third term. Independent Board Committee members are appointed by the Board and may at any time be removed from the committee by the Board. Independent Board Committee Members shall have a vote at their respective committee meetings. Persons so appointed to a committee must disclose at his/her first meeting of the committee then annually all interests they have in relation to the Scheme.

**18.23** The provisions of Rules 18.15 and to 18.16 apply *mutatis mutandis* to the Principal Officer.

**18.24** The Board of Trustees and Officers of the Scheme may be remunerated for, and reimbursed for all reasonable expenses incurred by them, in the performance of their duties in line with a Board approved and documented remuneration policy. This remuneration policy must be made accessible and available to members (on the Scheme's website or upon written request by a member) and may be reviewed by members at the Scheme's Annual General Meeting. All payments made to trustees in terms of this policy shall be disclosed in the annual financial statements of the Scheme for consideration at the Scheme's Annual General Meeting.

## **19. FIDUCIARY 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 and skill and in good faith.

**19.3.** 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.

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

**19.5.** The Board shall 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:

Provided that the following persons are not eligible to be a Principal Officer-

*M Wilson*  
*pb CH*

**19.5.1** 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;

**19.5.2** A broker

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

**19.7.** The Board shall cause to be kept such minutes, accounts, entries, registers and records as are essential for the proper working 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 an appropriate level of 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 Members of the Board may lack sufficient expertise.

**19.13.** 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.

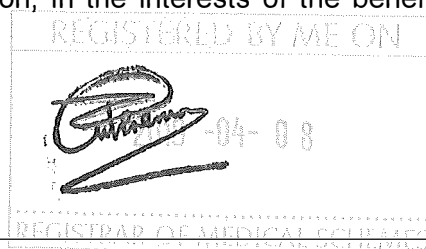
**19.14.** The Board must take all reasonable steps to protect the confidentiality of medical records concerning any Member or Dependant's state of health.

**19.15.** The Board must cause revenue and expenditure accounts to be prepared and submitted to the Board and the payments reflected therein shall be confirmed.



The terms and conditions of such appointment shall be contained in a written contract, which complies with the requirements of the Act and the regulations.

- 20.5** to institute, conduct, defend, compound or abandon any legal proceedings by or against the Scheme;
- 20.6** to contract with Managed Health Care organisations subject to the provisions of the Act and its regulations;
- 20.7** to purchase movable and immovable property for the use of the Scheme or otherwise, and to sell it or any of it;
- 20.8** to let or hire movable or immovable property;
- 20.9** to contribute towards any fund of any kind whatsoever which is conducted for the benefit of the Employees of the Scheme and To Take Out and pay for insurance policies on the lives of Employees of the Scheme for the benefit of such Employees or their Dependants;
- 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 monies upon security and to realise, re-invest or otherwise deal with such monies and investments;
- 20.11** with the prior approval of the Council for Medical Schemes, 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;

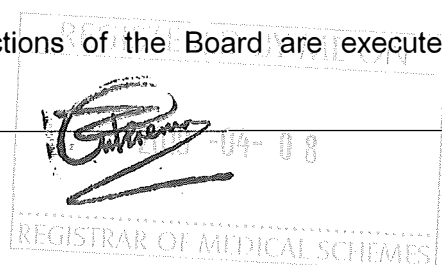


*Handwritten initials and signatures:*  
PMM  
[Signature]  
[Signature]

- 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 of the Scheme;
- 20.14** to authorise payment for services provided for in these Rules but may, in its absolute discretion, in respect of the benefits provided increase the amount payable in terms of these Rules as an *ex-gratia* award.
- 20.15** to reinsure obligations in terms of the benefits provided for in these Rules;
- 20.16** 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;
- 20.17** to contribute to any association instituted for the furtherance, encouragement and co-ordination of Medical Schemes;
- 20.18** to extend, on application, the age limit of 25 years imposed on full-time students in the definition of "Dependant", subject to such terms and conditions as it may determine; and
- 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 PRINCIPAL OFFICER AND STAFF EMPLOYED**

- 21.1** The staff of the Scheme must ensure the confidentiality of all information regarding its beneficiaries.
- 21.2** The Principal Officer is the executive Officer of the Scheme and as such shall ensure that:
  - 21.2.1** he acts in the best interests of the Members of the scheme at all times;
  - 21.2.2** the decisions and instructions of the Board are executed without unnecessary delay;



Page 44  
 [Handwritten initials/signature]

- 21.2.3** where necessary, there is proper and appropriate communication between the Scheme and those parties, affected by the decisions and instructions of the Board;
- 21.2.4** he keeps the Board sufficiently and timeously informed of the affairs of the Scheme, which relate to the duties of the Board as stated in section 57(4) of the Act;
- 21.2.5** he 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;
- 21.2.6** 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.
- 21.2.7** The Principal Officer shall cause minutes of the proceedings of all meetings to be recorded, and the minutes of such meetings shall be laid before the first succeeding respective meeting, provided that the minutes of every Special General Meeting shall, (as the Board may decide), be laid before the first succeeding Special General Meeting or the Annual General Meeting. If the minutes of any such meeting are accepted as correct, they shall be signed by the Chairman as a true record of the proceedings.
- 21.3** The Principal Officer shall be the accounting Officer of the Scheme charged with the collection of and accounting for all monies received and payments authorised by and made on behalf of the Scheme.
- 21.4** The Principal Officer shall ensure the carrying out of all of his duties as are necessary for the proper execution of the business of the Scheme. He shall attend all meetings of the Scheme and 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 of the Scheme.
- 21.5** The Principal Officer shall be responsible for the supervision of the staff employed by the Scheme.

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

**21.7** The Principal Officer shall in respect of every Financial Year cause to be prepared annual financial statements and shall within four months after the end of a Financial Year, furnish a copy of the audited statements concerned, together with the annual report and all statutory returns to the Registrar.

## **22. INDEMNIFICATIONS AND FIDELITY GUARANTEE**

**22.1** The Board and any officer of the Scheme is indemnified by 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.

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

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

The Financial year of the Scheme shall extend from the first day of January to the 31st day of December of that year.

## **24. BANKING ACCOUNT**

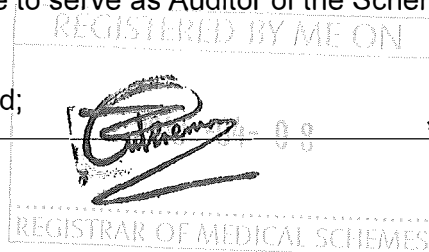
The Scheme must establish and maintain a bank account in the name of the Scheme and under its direct control with a registered commercial bank. All monies received must be deposited directly to the credit of such account. All payments must be made either by electronic transfer, tape exchange or by cheque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

## **25. AUDITORS AND AUDIT COMMITTEE**

**25.1** An Auditor approved in terms of section 36 of the Act shall be appointed by resolution at each Annual General Meeting, to hold office from the conclusion of that meeting, until the conclusion of the next Annual General Meeting.

**25.2** The following persons are not eligible to serve as Auditor of the Scheme –

**25.2.1.** a Member of the Board;



*Handwritten initials and a signature.*

*Handwritten signature.*



- 25.2.2. an Employee, Officer or contractor of the Scheme;
- 25.2.3. an Employee, director, Officer or contractor of the Scheme's administrator, or of the holding company, subsidiary, joint venture or associate of the administrator;
- 25.2.4. a person not engaged in public practise as an Auditor;
- 25.2.5. a person who is disqualified from acting as an Auditor in terms of Companies Act, 1973.

**25.3** 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 unexpired period.

**25.4** Where at an Annual General Meeting no Auditors are appointed or re-appointed, the Board shall within 30 days as from the date of the meeting appoint a person to fill the vacancy and if it fails to do so, the Registrar may at any time do so.

**25.5** The Auditor of the Scheme shall have a right of access at all times to the books and accounts and vouchers of the Scheme, and shall be entitled to require from the Board and the other Officers of the Scheme such information and explanations as he thinks necessary for the performance of his duties.

**25.6** The Auditor shall make a 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. A copy of such report shall be sent to the Company, who will exhibit it for the information of Members, and furthermore, a copy shall be available for inspection by Members at the offices of the Scheme.

**25.7** The Board must appoint an Audit Committee in the prescribed manner.

**26. GENERAL MEETINGS**

At a General Meeting of Members the Chairman of the Board or in his absence the Vice-Chairman of the Board shall be Chairman of the meeting. In the absence of the

REGISTERED BY ME ON  
2019 08  
REGISTRAR OF COMPANIES

*MS*  
*[Signature]*

Chairman or the Vice-Chairman the Members present shall choose one of their numbers to be Chairman of the meeting.

**26.1 Annual General Meeting**

REGISTERED BY ME ON  
*Mleboho*  
Mashilo Leboho 2022/05/06  
11/05/2022 10:26:44 (UTC+02:00)  
Signed by Mashilo Leboho  
m.leboho@medicalschemes.co.za

**26.1.1.** The Board shall convene an Annual General Meeting of Members within six months following the last day of December, on a date to be determined by the Board

**26.1.2.** The order of business at the Annual General Meeting shall be as follows:

**26.1.2.1.** Notice convening the meeting

**26.1.2.2.** Minutes of the previous meeting and business arising there from;

**26.1.2.3.** Report of the Auditor;

**26.1.2.4.** Report of the Board and Statement of Accounts;

**26.1.2.5.** The appointment of an Auditor for the ensuing year;

**26.1.2.6.** Any general business of which due notice has been given.

**26.1.3.** The number of Members of the Scheme present in person or virtually (subject to the Scheme's operational requirements on virtual participation in any given year) who shall constitute a quorum at an Annual General Meeting of Members shall exceed at least twice the number of Members of the Board.

**26.1.4.** If within thirty (30) minutes of the time appointed for the meeting there is no quorum, the meeting shall stand adjourned for seven days and Members then present will form a quorum: **provided** that if the day so determined is a public holiday then the adjourned meeting shall be held on the first day thereafter which is not a Sunday or a public holiday.



REGISTERED BY ME ON  
*Mashilo Leboho*  
2022/05/06  
Mashilo Leboho  
11/05/2022 10:26:54(UTC+02:00)  
Signed by Mashilo Leboho

votes the Chairman of the Meeting shall, if he is a Member, have a casting vote in addition to his deliberative vote. Voting shall be done by show of hands in person or virtually. A resolution so adopted shall be binding on all the Members.

**27.2** Any Member who is entitled to attend and vote at a General Meeting of the Scheme shall have the right to appoint a Proxy, who must also be a Member, to attend and vote in his stead.

## **28. SETTLEMENT OF COMPLAINTS AND DISPUTES**

**28.1** Any Member may lodge a complaint to the Scheme in terms of these Rules or in terms of the Act to the Registrar. These Rules deal with complaints lodged to the Scheme.

**28.2** A “complaint” means a complaint defined in the Act, and for purposes of these Rules, a “complaint” and a “dispute” bears the same meaning.

**28.3** Members may lodge their complaints, in writing (whether by post, email or telefax), to the Scheme. A complaint may also be lodged verbally by telephone but must be followed up in writing. The Scheme or its Administrators shall provide a dedicated telephone number, which may be used for dealing with telephonic complaints.

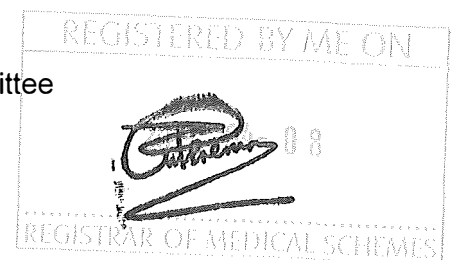
**28.4** A Member lodging a complaint must do so within 2 years of alleged service failure that gave rise to the complaint; failing which the Member’s right to lodge such complaint shall prescribe.

**28.5** A Member lodging a complaint in respect of Prescribed Minimum Benefits must do so within 3 years of alleged service failure that gave rise to the complaint; failing which the Member’s right to lodge such complaint shall prescribe.

**28.6** The Scheme shall endeavour to respond to all complaints received in writing within 30 days of receipt thereof, failing which, within a reasonable time.

**28.7** If the Scheme finds that there is no merit in the complaint, it must notify the complainant in writing of its finding and the reasons for the finding.

- 28.8** If dissatisfied with the finding on the complaint the complainant may -
- 28.8.1** within 60 days of receiving the relevant notice, refer the complaint in writing (by completing the appropriate Dispute Form) to the Principal Officer for consideration by the Scheme's Dispute Committee; or
  - 28.8.2** refer the complaint to the Registrar for consideration in terms of the Act.
- 28.9** A Disputes Committee of three persons, who may not be Members or Employees of the administrator of the Scheme or Officers of the Scheme, must be appointed by the Board annually. At least one of such Members shall be a person with legal expertise. Such person shall preside over the Dispute Committee meeting.
- 28.10** On receipt of a dispute in terms of Rule 28.9, the Principal Officer shall convene a meeting of the Disputes Committee by giving not less than 14 days notice in writing to the complainant, Members of the Board and all Members of the Disputes Committee specifying::
- 28.10.1** the date of the meeting which must not be less than 21 days from the date of submitting the notice or such earlier date as the Principal Officer and Member may agree to;
  - 28.10.2** the Commencement time and venue for the meeting
  - 28.10.3** who will comprise the Disputes Committee
  - 28.10.4** the particulars of the complaint; and
  - 28.10.5** the procedures and Rules to be applied when considering the dispute which must include the right of the complainant to be heard in person or through a representative at the Dispute Committee meeting.
- 28.11** The parties to any dispute shall have the right to be heard before such Committee either in person or through a representative. The decision of the



*Handwritten initials/signature*

said Committee shall, subject to Rule 28.8, be final and binding unless overturned by the Council for Medical Schemes appeal process.

**28.12** 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 three months after the date on which the decision concerned was made.

**28.13** The operation of any decision, which is the subject of an appeal under rule 28.8, shall be suspended pending the decision of the Council on such appeal.

**28.14** 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.

## **29. TERMINATION OR DISSOLUTION**

**29.1** The Scheme may be dissolved by order of a competent court or by voluntary dissolution.

**29.2** Members in general meeting may decide that the Scheme shall be dissolved in which event the Board shall arrange for Members to decide by ballot whether the Scheme shall be liquidated. Unless the majority of Members decide that the Scheme shall continue, the Scheme shall be liquidated in terms of Section 64 of the Act.

**29.3** In the case of a ballot the Principal Officer shall dispatch to every Member by registered post 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:

Provided that the memorandum and ballot paper shall before dispatch be forwarded to the Registrar for comment. Every Member shall 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 are in favour of the dissolution of the Scheme, the Board shall take a formal decision that the Scheme shall be dissolved with effect from a set date from which date no further Contributions shall be payable to the Scheme. If a

decision to dissolve the Scheme has been taken, the dissolution shall be affected in accordance with the memorandum and as provided for in the Act and for this purpose the Scheme shall, with the approval of the Registrar, appoint a competent person as liquidator.

### 30. AMALGAMATION AND TRANSFER OF BUSINESS

30.1. If the Employer transfers its business to or amalgamates with any other business, company or organization, the Employer may elect to:

30.1.1. withdraw wholly from the Scheme, or

30.1.2. continue to contribute to the Scheme in respect of existing Members, in which event, the Scheme shall not be affected except that Employer shall then mean the new business, company or organisation.

30.2. The Scheme may, subject to the provisions of Section 63 of the Act, amalgamate with or transfer its assets and liabilities to or take transfer of the assets and liabilities of any other registered Medical Scheme or person. Before such event the Board must arrange for Members to decide by ballot whether the proposed amalgamation/transfer should be proceeded with or not.

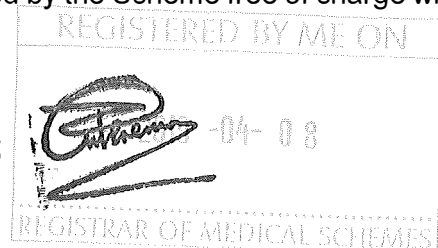
30.3. If at least 50 per cent of the Members return their ballot papers duly completed and if the majority thereof is in favour of the amalgamation or transfer then, subject to section 63 of the Act, the amalgamation or transfer may be concluded. The Registrar may, on good cause shown, ratify a lower percentage of votes.

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

31.1 The Scheme shall furnish the Member with a Member's guide, including the summary of these Rules as contemplated in Rule 8.10, on admission.

31.2 Any Beneficiary shall on request be supplied by the Scheme free of charge with the following documents:

31.2.1 a copy of the Rules of the Scheme;



*MW*  
*R*

**31.2.2** a copy of the latest audited revenue and expenditure account and balance sheet together with the agenda for the Annual General Meeting, Auditors Report and Trustees Report; and

**31.2.3** the management accounts in respect of the Scheme and all of its benefit options.

**31.3** Additional copies of the documents mentioned in Rule 31.2 shall be supplied by the Scheme on application and on payment of R10.00 per copy.

**31.4** A Beneficiary shall be entitled to inspect free of charge at the Registered Office of the Scheme any document referred to in rule 31.2 and to make copies thereof.

**31.4.1** This rule shall not be construed to restrict a person's rights in terms of the Promotion of Access to Information Act, Act No 2 of 2000.

## **32. AMENDMENT OF RULES**

**32.1** The Board shall be entitled to alter or rescind any Rule or Annexure or to make any additional Rule or Annexure. No alteration, rescission or addition which affects the objects of the Scheme or which increases the rates of Contribution or decreases the extent of benefits of the Scheme or of any particular benefit Plan 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.

**32.2** 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/she shall be given 30 days advance notice of such change.

**32.3** The Board shall, on request and to the satisfaction of the Registrar, amend any Rule that may be inconsistent with the requirements of the Act or any amendment thereto.

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