

SAMWUMED

Scheme Rules 2019

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1. NAME

The name of the Scheme is South African Municipal Workers' Union National Medical Scheme, hereinafter referred to as the "Scheme".

The abbreviated name of the Scheme is SAMWUMED.

2. LEGAL PERSONA

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

3. REGISTERED OFFICE

The registered office of the Scheme is situated at the corner of Trematon and Lascelles Roads, Athlone 7764, Cape Town, but the Board may transfer such office to any other location in the Republic of South Africa, should circumstances so dictate.

4. DEFINITIONS

In these Rules, a word or expression defined in the Act bears the meaning thus assigned to it and, unless inconsistent with the context:

- a word or expression in the masculine gender includes the feminine;
- a word in the singular number includes the plural, and vice versa; and
- the following expressions have the following meanings:

4.1 "Act"

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

4.2 "Administrator"

any legal body who has been accredited by the Council in terms of Section 58 of the Act, and shall, where any obligation has been placed on a medical Scheme in terms of the Act, also mean a self-administered medical Scheme.

4.3 **"Admission Date"**

the date on which a person becomes a Member in terms of these Rules.

4.4 **"Adult Dependant"**

a registered dependant, 21 years of age or older, including a spouse or bona-fide life partner of any age, but excluding dependants defined in terms of rule 4.21.

4.5 **"Annual Limit"**

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.

4.6 **"Approval"**

the prior, written approval by the Board or its delegated authority.

4.7 **"Auditor"**

an auditor registered in terms of the Auditing Profession Act (Act No 26 of 2005) and authorised by the Registrar.

4.8 **"Authorisation"**

the written approval for any relevant health service based on the reimbursement guidelines set by the Scheme.

4.9 **"Beneficiary"**

a Member of the Scheme or a registered dependant of a Member of the Scheme as provided in these Rules.

4.10 **"Board"**

The board of Trustees duly elected or appointed in accordance with the Act and constituted to manage the Scheme in accordance with the Rules and applicable legislation.;

4.11 **"Chronic Disease List"**

the list of chronic conditions as stipulated in accordance with the amendments of Regulations 7 and 8 of the Regulations of the Act.

4.12 **"Child dependant"**

a Member's natural or legally adopted child.

4.13 **"Condition-specific waiting period"**

a period, not exceeding 12 months, during which a beneficiary is not entitled to claim benefits in respect of a pre-existing sickness or condition.

4.14 **"Continuation Member"**

a Member who retains his membership of the Scheme in terms of Rule 7 or a dependant who becomes a Member of the Scheme in terms of Rule 8.

4.15 **"Contribution"**

in relation to a Member, the amount, exclusive of interest, paid by or in respect of the Member and his registered dependants if any, as membership fees.

4.16 **"Cost"**

in relation to a benefit, the net amount payable in terms of the Rules of the Scheme in respect of a relevant health service and in compliance to the Scheme Tariff.

4.17 **"Council"**

the Council for Medical Schemes as in the Act

4.18 **"Creditable coverage"**

any period during which a late joiner was —

4.18.1 a Member or dependant of a medical Scheme;

4.18.2 a Member or a dependant of an entity doing the business of a medical Scheme which, at the time of his/her membership of such entity, was exempt from the provisions of the Act;

- 4.18.3 a uniformed employee of the South African National Defence Force, or a dependant of such employee, who received medical benefits from the South African National Defence Force; or
- 4.18.4 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.
- 4.19 **"Date of Service"**
- 4.19.1 in the event of a consultation, visit or treatment by a medical practitioner,
- 4.19.2 dentist or medical assistant, the date on which each consultation, visit or treatment took place, whether for the same condition or not;
- 4.19.3 in the event of an operation, procedure or confinement, the date on which each operation, procedure or confinement occurred;
- 4.19.4 in the event of hospitalisation, the date of each discharge from a hospital or nursing home, or the date on which membership ceased, whichever date occurs first;
- 4.19.5 in the case of other services or requirements, the date on which such service was rendered or requirement obtained.
- 4.20 **"Day"**
means any normal working day, and excludes public holidays; Saturdays and Sundays;
- 4.21 **"Dependant"**
- 4.21.1 The following persons shall be classified as dependants:
- 4.21.2 a Member's spouse or partner who is not a Member or registered dependant of a Member of a medical Scheme;
- 4.21.3 a Member's child who is not older than the age of 21 and who is not a Member or a registered dependant of a Member of a medical Scheme;
- 4.21.4 a Member's partner in respect of whom the Board is satisfied by way of affidavit that a bona fide relationship exists, based on shared financial responsibility and a clear intent of permanence;
- 4.21.5 a Member's child who has attained the age of 21, is unmarried, and for whom, owing to a mental or physical disability or similar cause, the Member is liable

to provide family care and support, provided that an affidavit and/or other evidence proving that the dependency is bona fide may be required by the Scheme;

4.21.6 a Member's child who has attained the age of 21, but has not attained the age of 25 years, and is attending a recognised educational institution as a student and is not a Member or a dependant of a Member of any other medical Scheme;

4.21.7 The following beneficiaries will be classified as special dependants for whom the main Member shall be liable for the full contribution:

4.21.7.1 Parents and parents-in-law who, in the reasonable opinion of the Scheme, are financially dependent on the main Member, provided that an affidavit and/or other evidence proving that the dependency is bona fide may be required by the Scheme;

4.21.7.2 Grandchildren — financially dependent on the main Member for support, and is not a Member or a dependant of a Member of any other medical Scheme, provided that an affidavit and/or other evidence proving the dependency is bona fide may be required by the Scheme;

4.21.7.3 Dependants over the age of 21 – a Member's dependant over the age of 21, who is financially dependent on the main Member for support, provided that an affidavit and/or other evidence proving the dependency is bona fide may be required by the Scheme.

4.21.7.4 For all special dependants, the main Member would be responsible for the full contribution amount as determined in the Rules.

4.22 **"Designated Service Provider" or "DSP"**

means a healthcare provider or group of providers or networks selected by the medical Scheme as the designated provider or providers to provide to its Members in respect of the diagnosis, treatment and care in respect of one or more prescribed minimum benefit conditions and/or any other condition/s as defined by the Scheme.

4.23 **"Disease Management Programme"**

a programme adopted by the Scheme incorporating such clinical protocols as defined in relevant annexures to the contract between the Scheme and the institution contracted to perform such disease management for containing costs and/or on-going review and monitoring of patients.

4.24 **"Domicilium citandi et executandi"**

the Member's chosen physical or electronic address at which notices in terms of Rules 9 and 14 as well as legal processes, or any action arising therefrom, may be validly delivered and served. The Member remains solely responsible to inform the Scheme of any changes hereto.

4.25 **"Emergency medical condition"**

a 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 of bodily functions or serious dysfunction of a bodily organ or part, or would place the person's life in serious.

4.26 **"Employee"**

a person in the employment of the Employer.

4.27 **"Employer"**

a local authority and/or such entities privatised through local government restructuring, including but not limited to the following undertakings.

4.27.1 Water and sanitation,

4.27.2 Public Administration Services,

4.27.3 Health and Social Services,

4.27.4 Libraries, cultural and other community services,

4.27.5 Solid waste management and environmental services,

4.27.6 Road construction and storm water drainage,

4.27.7 Electricity generation and distribution,

4.27.8 Public transportation and traffic control,

- 4.27.9 Telecommunication and information services,
 - 4.27.10 Scientific and technical services,
 - 4.27.11 Parks and recreation,
 - 4.27.12 Safety and Security,
 - 4.27.13 Non-governmental or other such organisations providing any related services,
and
 - 4.27.14 The South African Municipal Workers' Union and shall be deemed to include
the Scheme.
- 4.28 **"Financial year"**
each period of 12 months ending on 31 December;
- 4.29 **"General waiting period"**
a period, of up to 3 months, during which a beneficiary is not entitled to claim any
benefits;
- 4.30 **"Income"**
for the purposes of calculating contributions in respect of —
- 4.30.1 a Member who is an employee - gross monthly salary;
 - 4.30.2 a Member who registers a spouse or partner as a dependant — the Member's
gross monthly earnings;
 - 4.30.3 a continuation Member — the gross monthly salary earned by the Member or
the deceased Member as the case may be immediately preceding the month
in which the Member retired or died; unless the Member provides documentary
evidence to prove otherwise.
 - 4.30.4 a Member who registers a spouse/partner as a dependant where that spouse/
partner was previously the principal Member of the Scheme — the higher of
the Member's or spouse's or partner's salary or earnings.
- 4.31 **"Late joiner"**
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 Schemes as from a date preceding 1 April 2001, without a break in coverage exceeding three (3) consecutive months since 1 April 2001. (Regulation 11)

4.32 **"Managed healthcare organisation"**

an accredited organisation appointed by the Scheme in accordance with the Act to provide managed healthcare services.

4.33 **"Managed healthcare programme"**

a programme adopted by the Scheme, incorporating such clinical protocols as defined in the relevant annexures to the contract between the Scheme and the institution or managed healthcare organisation, contracted to perform the management of a relevant managed-care service in order to contain costs or for the on-going review and monitoring of patients.

4.34 **"Medical Scheme"**

a medical Scheme registered under the Act.

4.35 **"Medicine"**

any medicine as defined in the Medicines and Related Substances Act (Act No 101 of 1965), as amended, and registered in terms of Section 15 of that Act, and any equivalent substitution.

4.36 **"Member"**

shall mean any person who is admitted to the Scheme in terms of these Rules, and who remains a Member under these Rules.

4.37 **"Negotiated professional charge"**

a charge agreed between the Scheme and relevant healthcare providers in respect of providing a relevant healthcare service to Members of the Scheme.

4.38 **"Partner/Spouse"**

the spouse of a Member to whom the Member is married in terms of any law or custom or a person in union with the Member, whether of the same or of a different sex, in respect of whom the Board is satisfied by way of a jointly signed affidavit that the parties are co-habited as if married for a period not less than one year and intend to continue such co-habitation; the continued registration being subject to an annual review.

4.39 "Preferred Service Provider"

Preferred Service Provider (PSP) means a healthcare provider or group of providers or network selected by the medical Scheme concerned as the preferred provider or providers, to provide to its Members treatment for any relevant health condition as specified in the Rules.

4.40 "Pre-authorisation"

Prior approval obtained from the Scheme and/or managed care provider/s appointed by the Scheme for planned or scheduled treatment.

4.41 "Pre-existing sickness or condition"

means a sickness or 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.

4.42 "Prescribed Minimum Benefits"

4.42.1 the benefits contemplated in section 29(1)(o) of the Act and consist of the provision of the diagnosis, treatment and care costs of —

4.42.1.1 the Diagnosis and Treatment Pairs listed in Annexure A of the Act's Regulations, subject to any limitations specified therein; and

4.42.1.2 an emergency medical condition.

4.42.2 Section 29 (1) (o) The scope and level of minimum benefits that are to be available to beneficiaries as may be prescribed.

4.42.3 Section 29 (1) (p) No limitation shall apply to the re-imburement of any relevant health service obtained by a Member from a public hospital where this

service complies with the general scope and level as contemplated in paragraph 29 (1) (o) and may not be different from the entitlement in terms of a service available to a public hospital patient.

4.42.4 Where the treatment component of a category in Annexure A is stated in general terms (i.e. — medical management or — surgical management), it should be interpreted as referring to prevailing hospital-based medical or surgical diagnostic and treatment practice for the specified condition. Where significant differences exist between Public and Private sector practices, the interpretation of the Prescribed Minimum Benefits should follow the predominant Public Hospital practice, as outlined in the relevant provincial or national public hospital clinical protocols, where these exist. Where clinical protocols do not exist, disputes should be settled by consultation with provincial health authorities to ascertain prevailing practice. The following interventions shall, however, be excluded from the generic medical/surgical management categories unless otherwise specified:

4.42.4.1 Tumour chemotherapy

4.42.4.2 Tumour radiotherapy

4.42.4.3 Bone marrow transplantation/rescue

4.42.4.4 Mechanical ventilation

4.42.4.5 Hyperbaric oxygen therapy

4.42.4.6 Organ transplantation

4.42.4.7 Treatments, drugs or devices not yet registered by the relevant authority in the Republic of South Africa.

4.43 **"Prescribed Minimum Benefit condition"**

a condition contemplated in the Diagnosis and Treatment Pairs listed in Annexure A of the Act's Regulations or any emergency medical condition (as defined by the relevant sections of the Act and Regulations).

4.44 **"Pro-rated benefits"**

Where a Member joins the Scheme after the 31st March of the year, the Scheme shall apply a pro-rated benefit, based on the following formula: -

April — June	-	75% of benefit limits
July — September	-	50% of benefit limits
October — December	-	25% of benefit limits

4.45 "Registrar"

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

4.46 "Relevant health service"

any healthcare treatment of any person by a person or institution registered in terms of any law, which treatment has as its object —

- 4.46.1 the physical or mental examination of that person;
- 4.46.2 the diagnosis, treatment or prevention of any physical or mental defect, illness or deficiency;
- 4.46.3 the giving of advice in relation to any such defect, illness or deficiency;
- 4.46.4 the giving of advice in relation to or treatment of any condition arising out of a pregnancy, including the termination thereof;
- 4.46.5 the prescribing or supplying of any medicine, appliance or apparatus in relation to any such defect, illness or deficiency, or a pregnancy including the termination thereof; or
- 4.46.6 nursing or midwifery, and
- 4.46.7 includes an ambulance service, and the supply of accommodation in an institution established or registered in terms of any law as a hospital, maternity home, nursing home or similar institution where nursing is practised, or any other institution where surgical or other medical activities are performed, and such accommodation is necessitated by any physical or mental disability, illness or deficiency or by a pregnancy.

4.47 "Routine medication programme"

the programme adopted by the Scheme for the management of claims in respect of routine medicine benefits, by applying the principles of clinical appropriateness, cost-effectiveness and affordability from the perspective of individual Members and the Scheme.

4.48 "Rules"

the Rules of the Scheme and shall include the annexures and other provisions relating to the benefits which may be granted or the contributions payable.

4.49 "Scheme Tariff"

A Scheme Tariff shall be determined and applied in respect of payments against Member claims for a relevant health service.

4.50 "Union"

The South African Municipal Workers Union.

5. BUSINESS OF A MEDICAL SCHEME

The objects of the Scheme are to undertake liability, in respect of its Members and their dependants, in return for a contribution or premium in order to —

- 5.1 make provision for the obtaining of any relevant health service, as provided for in these Rules;
- 5.2 grant assistance in defraying expenditure incurred in connection with the rendering of any relevant health service as provided for in these Rules,
- 5.3 render a relevant health service as provided for in these Rules, either by the Scheme itself, or by any supplier or group of suppliers of a relevant health service or by any person so registered to provide such service, in association with, or in terms of an agreement with the Scheme; and/ or
- 5.4 ensure that the values and practices of the organisation as enshrined in the Constitution of the Republic of South Africa, the King Commission reports on corporate governance and the SAMWUMED Code of Best Practice is upheld.

6. MEMBERSHIP

- 6.1 Subject to Rule 9, membership of the Scheme is restricted-employees to employees and/or former employees of the Employer, as defined.

7. RETIREES/CONTINUATION MEMBERS

- 7.1 A Member may retain his membership of the Scheme with his registered dependants, if any, in the event of his retiring from the service of his Employer or his employment being terminated by his Employer on account of age, ill-health or other disability.
- 7.2 The Member shall inform the Scheme of his request to continue his Membership and the date of retirement, within 90 days of such retirement, failing which the membership shall lapse.

8. DEPENDANTS OF DECEASED MEMBERS

- 8.1 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.
- 8.2 Where a child dependant/s has been orphaned, the eldest child may be deemed to be the Member, and any younger siblings, the child dependant/s, provided that the contributions payable by such Member shall be based on the gross monthly salary earned by the deceased Member in the month immediately prior to his death; until proven otherwise.
- 8.3 The spouse or partner of a deceased Member, who is registered with the Scheme as his dependant at the time of such Member's death, shall retain membership of the Scheme,
- 8.3.1 provided that his Membership of the Scheme shall terminate if he becomes a Member of, or is admitted as a dependant of a Member of, another medical scheme, and
- 8.3.2 provided further that the contributions payable by such Member shall be based on the current gross monthly salary of the surviving spouse or partner as the case may be.

- 8.4 The Scheme shall inform the dependant of his right to Membership and of the contributions payable in respect thereof. Unless such person informs the Scheme in writing of his intention not to become a Member, he shall retain membership of the Scheme.
- 8.5 Such a Member's membership terminates if he becomes a Member or a dependant of a Member of another medical Scheme.

9. TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP

- 9.1 No person may be a Member or a dependant of more than one medical Scheme and no person may:
- 9.1.1 be a Member or a dependant of more than one Member of a particular medical Scheme; or
 - 9.1.2 be a Member or dependant of Members of different medical Schemes; or
 - 9.1.3 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.
- 9.2 Prospective Members shall, prior to admission, 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 dependant/s and of any pre-existing sickness or condition. Proof of any prior membership of any other medical Scheme must also be submitted.
- 9.3 The Scheme may require an applicant to provide the Scheme with a medical report in relation to any proposed participant in respect of a Pre-existing Condition. Proof of prior Membership of a Medical Scheme may also be required. The costs will be paid by the Scheme at Scheme Tariff or DSP Tariff, as the case may be. The Scheme may designate a service provider to conduct such tests or examinations.
- 9.4 The Scheme may impose the following waiting periods, reckoned from the date of admission to membership of the Scheme:

- 9.4.1 During any waiting period imposed pursuant to the Rules, contributions shall be paid but the beneficiary concerned will not be entitled to any benefits other than those contemplated in the Rules or otherwise provided for in the Act.
- 9.4.2 The Scheme may impose upon a person in respect of whom an application is made for membership or admission as a dependant, and who was not a beneficiary of a medical scheme for a period of at least 90 days preceding the date of application—
- 9.4.2.1 a general waiting period of up to three (3) months; and
 - 9.4.2.2 a condition-specific waiting period of up to 12 months.
- 9.4.3 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 up to 24 months, terminating less than 90 days immediately prior to the date of application —
- 9.4.3.1 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;
 - 9.4.3.2 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.
- 9.4.4 The Scheme may impose upon any person in respect of whom an application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical Scheme for a continuous period of more than 24 months, terminating less than 90 days immediately prior to the date of application, a general waiting period of up to three (3) months, except in respect of any treatment or diagnostic procedures covered within the Prescribed Minimum Benefits.

- 9.5 No waiting periods or new restrictions will be imposed on account of the status of health of any Member who has been a Member or a dependant of a Member of another medical scheme for a continuous period of at least two (2) years and whose membership has been terminated because of a change of employment who applies for membership within three (3) months after the termination of membership from the other medical scheme.
- 9.6 No waiting periods may be imposed on an existing beneficiary that changes from one benefit option to another, save as otherwise provided in this Rule 9.
- 9.7 No waiting period may be imposed on a Child Dependant born during the period of membership.
- 9.8 The registered dependant/s of a Member must participate in the same benefit option as the Member.
- 9.9 Every Member will, on admission to membership, receive a detailed summary of these Rules that shall include contributions, benefits, limitations, the Member's rights and obligations. Members and their dependants, and any person who claims any benefit under these Rules or whose claim is derived from a person so claiming are bound by these Rules as amended from time to time.
- 9.10 The Scheme shall, on written request by the Member, provide the Member with a copy of these Rules in the manner agreed upon with the Member.
- 9.11 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 or purports to assign or transfer, or otherwise cede or to pledge or hypothecate such benefit.

10. BINDING FORCE OF RULES

- 10.1 Members and any person who claims any Benefit under these Rules or whose Claim is derived from a person so claiming are bound by these Rules as amended from time to time.
- 10.2 Payment by a Member or his Employer or by any third party of the Contribution, or a portion of the Contribution, to the Scheme on behalf of a Member shall

constitute the Member's acknowledgement that he is bound by these Rules and by any amendment of the Rules which may occur from time to time.

11. REGISTRATION, DE-REGISTRATION, RE-REGISTRATION AND LATE REGISTRATION OF DEPENDANTS

11.1 REGISTRATION OF DEPENDANTS

- 11.1.1 A Member may apply for the registration of his dependants at the time that he applies for membership in terms of Rule 9.
- 11.1.2 If a Member applies to register a new-born or newly-adopted child within 30 days of the date of birth or adoption of the child, such child shall thereupon be registered by the Scheme as a dependant. Increased contributions shall then be due as from the first day of the month following the month of birth or adoption. Benefits will accrue as from the date of birth or adoption. If a Member does not register his dependant within the stipulated time period, a general waiting period of 3 months shall apply.
- 11.1.3 If a Member, who marries subsequent to joining the Scheme, applies within 30 days of the date of such marriage to register his spouse as a dependant, his spouse shall thereupon be registered by the Scheme as a dependant. Increased contributions shall then be due as from the first day of the month following the month of marriage and benefits will accrue as from the date of marriage. If a Member does not register his dependant within the stipulated time period, a general waiting period of 3 months shall apply.
- 11.1.4 In the event of any person becoming eligible for registration as a dependant other than in the circumstances set out in Rules 11.1.1 to 11.1.3, the Member may apply to the Scheme for the registration of such person as a dependant, whereupon the provisions of Rule 9 shall apply mutatis mutandis.

12. DE-REGISTRATION OF DEPENDANTS

- 12.1 A Member may on one calendar month's written notice cancel the registration of a dependant.
- 12.2 A Member shall inform the Scheme within 30 days of the occurrence of any event which results in any of his dependants no longer satisfying the conditions in terms of which he may be a dependant.

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

13. LATE REGISTRATION OF DEPENDANTS

13.1 Should, at a Member's admission date, the Member elect not to apply for the registration of dependants in terms of Rule 22.1.1 or should the registration of a dependant have been cancelled in terms of Rule 12.1, the Member shall, on application, be permitted to register or re-register, as the case may be, such dependant;

13.1.1 provided that on registration or re-registration, as the case may be, of such dependant a general waiting period of three months shall apply during which period no further benefits shall accrue to the Member in respect of such dependants but contributions shall be paid to the Scheme.

13.1.2 provided further that where the partner/spouse's membership of another medical scheme is terminated through a change or a loss of employment and the spouse does not obtain membership of another medical scheme through employment, the Member may be permitted to register as dependants the spouse and other affected dependants with effect from the first day of the month following the termination of the spouse's employment.

14. TERMINATION OF MEMBERSHIP

14.1 RESIGNATION

A Member who resigns from the service of the participating Employer shall, on the date of the last day of the termination period, cease to be a Member and all rights to benefits shall thereupon cease, except for claims in respect of services rendered prior thereto.

14.2 VOLUNTARY TERMINATION OF MEMBERSHIP

14.2.1 A Member, subject to the provisions of any collective agreement entered into between the Employer and the employee, and who is not required in terms of

his conditions of employment to be a Member, may terminate his Membership of the Scheme on giving one calendar month's written notice. All rights to benefits cease after the last day of Membership.

14.2.2 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.

14.2.3 A participating Employer may terminate participation with the Scheme on giving one month's written notice.

14.2.4 An individual/continuation Member may resign from the Scheme by giving one month's written notice of termination to the Scheme and all rights and benefits shall thereupon cease on date of termination, except for claims in respect of services rendered up to and including the date of termination.

14.3 DEATH

Membership of a Member terminates on his death.

14.4 FAILURE TO PAY AMOUNTS DUE TO THE SCHEME

14.4.1 The Board shall have the right to terminate the Membership of a Member where the Member fails to pay to the Scheme any amount due by the Member to the Scheme in terms of these Rules or whose contributions are more than 30 days in arrears. The provisions of this Rule shall also apply where, in the case of an employee Member, the Member's Employer fails to pay contributions to the Scheme as required in terms of the provisions of Annexure A.

14.4.2 The Scheme shall give a Member notice by registered post or any other means as may be decided upon by the Board from time to time, that if contributions are not paid up to date within 14 days after date of receipt, membership will be terminated retrospectively with effect from the end of the month for which contributions were last received.

14.5 ABUSE OF PRIVILEGES, FALSE CLAIMS, MISREPRESENTATION AND NON-DISCLOSURE OF FACTUAL INFORMATION

14.5.1 The Board may, in its absolute discretion, exclude from benefits or terminate the Membership of a Member or dependant whom the Board finds guilty of abusing

the benefits and privileges of the Scheme by presenting false claims or making a material misrepresentation or non-disclosure of factual information or who, in the opinion of the Board, is guilty of misconduct that would either compromise the achievement of the aims and objects of the Scheme or bring the Scheme into disrepute.

14.5.2 The Board may cause into effect disciplinary proceedings in the event of a breach of the SAMWUMED Code of Conduct or any other transgression has occurred.

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

15. MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP

15.1 Every Member shall be furnished with a membership card, containing such particulars as may be prescribed. Upon a requisition from the Member, an additional membership card will be issued to the Member. The membership card must be exhibited to the supplier of a service on request. It remains the property of the Scheme and must be returned to the Scheme or destroyed on termination of membership.

15.2 The utilisation of a membership card by any person other than the Member or his registered dependant/s, with or without the knowledge or consent of the Member or his dependants, is not permitted and is construed as an abuse of the privileges of membership of the Scheme.

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

15.4 A Member who loses his/her membership card shall immediately notify the Scheme thereof. He/she shall as soon as possible thereafter be issued with a duplicate card.

16. TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME

If the Members of a medical scheme who are Members of that scheme by virtue of their employment by a particular Employer, terminate their Membership of such

scheme with the object of obtaining membership with this Scheme, the Board will admit them as Members, without a waiting period or the imposition of new restrictions on account of the state of their health or the health of any of —

their dependants, including any Member of such first mentioned scheme who is a continuation Member by virtue of his past employment by the particular Employer and register as dependant, any person who has been a registered dependant of such employee of the particular Employer.

17. CHANGE OF ADDRESS OF MEMBER

- 17.1 A Member must nominate a Domicilium Citandi et Executandi. In the event that the Member fails to nominate a Domicilium Citandi et Executandi, the Member's postal address or residential address on his or her application form shall be deemed to be his or her Domicilium Citandi et Executandi.
- 17.2 A notice sent by prepaid registered post to the Member at his or her Domicilium Citandi et Executandi shall be deemed to have been received by the Member on the seventh (7th) day after the date of posting.
- 17.3 Notices may also be sent by the Scheme to a Member's nominated email address, postal address or fax number at the Scheme's discretion or where specifically requested by the Member. If a notice is dispatched to a Member's fax number or email address, such a notice shall be deemed to have reached the Member upon successful transmission thereof. If a notice is sent to a Member's postal address, it is deemed that the Member will have received it on the seventh (7th) day after the date of posting.
- 17.4 A Member must notify the Scheme within 30 days of any change of address including his domicilium citandi et executandi. The Scheme shall not be held liable if a Member's rights are prejudiced or forfeited as a result of the Member's neglecting to comply with the requirements of this Rule.

18. CONTRIBUTIONS

- 18.1 The total monthly contributions payable to the Scheme by or in respect of a Member in respect of a benefit option including contributions in respect of dependants, are as stipulated in Annexure A to these Rules. It shall be the

responsibility of the Member to notify the Scheme of changes in income that may necessitate a change in contributions in terms of Annexure A hereto.

- 18.2 Contributions shall be due monthly as defined in the relevant annexure to these Rules and will 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 to suspend all benefit payments which have accrued to such Member irrespective of when the claim for such benefit arose, and to give the Member and/or Employer written notice at his domicilium that if contributions or such other debts are not paid up to date within twenty one (21) days after posting of such notice, membership may be cancelled.
- 18.3 In the event that payments are brought up to date and provided Membership has not been cancelled in accordance with Rule 15.2, 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 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.
- 18.4 The Scheme shall have the right to increase the Contributions payable by the Member and to amend the Benefits or any other condition affecting his or her Membership on giving the Member and the Participating Employer one calendar month's advance notice to that effect on or before the first day of the month. The increase in contributions and amendment to Benefits are subject to the prior approval of the Registrar.

19. COMPLAINTS AND DISPUTES

19.1 STAGE ONE – COMPLAINT

- 19.1.1 All complaints of whatever nature, which may arise between a Member, a prospective Member, a former Member or a person claiming by virtue of such Member and the Scheme or an officer of the Scheme, shall be lodged in writing, to the Principal Officer within a reasonable period of the Member having knowledge of the existence of the complaint.

19.1.2 The Principal Officer shall endeavour to resolve the complaint expeditiously and shall in any event respond in writing, by registered mail, to the Members domicilium address within thirty (30) days of receipt of the complaint by giving details of the proposed solution to the complaint. Should the complaint not be resolved to the satisfaction of the complainant, the Principal Officer shall refer the dispute to the Disputes Committee for adjudication in accordance with rule 19.2.2.

19.2 STAGE TWO – DISPUTE

19.2.1 In the event that the Principal Officer has not responded to the Member within the requisite period, or within such extension of time as may be agreed between the Member and the Principal Officer in writing, or in the further event that the Member is not satisfied with the outcome of the complaint which has been considered by the Principal Officer, the Principal Officer shall refer the dispute to the Disputes Committee for adjudication, in accordance with rule 19.2.2.

19.2.2 The Principal Officer must convene a meeting of the Disputes Committee in the province where the aggrieved Member is resident by giving not less than fourteen (14) days' notice in writing to the complainant and all the Members of the Disputes Committee, stating the date, time, and venue of the meeting and the particulars of the dispute.

19.2.3 The Board shall appoint a Disputes Committee in each of the provinces of the Republic of South Africa, subject to the following provisions:

19.2.3.1 the Disputes Committee shall be composed of two Members who are resident in the province where the Disputes Committee has jurisdiction, at least one of such persons will be a person with legal expertise, provided that no Member of the Disputes Committee may be a Member of the Board and provided further that no employee/s of the administrator of the Scheme or officers of the Scheme, or agents appointed by the Board shall be a Member of the Disputes Committee.

- 19.2.3.2 the Disputes Committee shall serve a term of office of 2 years, provided that the Board shall fill any vacancy in the Disputes Committee which may arise from time to time within 30 days of the vacancy occurring,
- 19.2.3.3 The Board may appoint an additional Member to the disputes committee in a case where the matter in dispute requires an expert in a specific field in which the appointed Members of the disputes resolution committee are not experts in,
- 19.2.3.4 the Principal Officer shall attend the meetings of the Disputes Committee in an ex officio capacity and shall not have any decision making power. The Principal Officer shall be responsible for the accurate recording of the proceedings and shall further report the outcome of the meeting to the Board within 14 days of the Disputes Committee's finding.
- 19.2.4 The Disputes Committee shall ensure that they have access to the appropriate expertise in the consideration of such dispute and shall have the right to co-opt appropriate human resources for this purpose.
- 19.2.5 The Board shall determine the procedure to be followed at meetings of the Disputes Committee.
- 19.2.6 The parties to any dispute have the right to be heard at the proceedings, either in person or through a representative. The parties also have the right to call any witnesses that they may deem appropriate, provided that should any costs be incurred in ensuring the presence of the witness, such cost shall be borne by the party calling such witness.
- 19.2.7 The Disputes Committee shall give a ruling within ten days of the meeting and immediately inform the parties in writing thereof.

19.3 STAGE THREE – APPEAL

- 19.3.1 An aggrieved Member has the right to lay a complaint with the Registrar in terms of section 47 of the Act.

20. LIABILITIES OF EMPLOYER AND MEMBER

- 20.1 The liability of the Employer towards the Scheme is limited to any amounts payable in terms of any agreement between the Employer and the Scheme and/or

any agreement between the Employer and the Member. Notwithstanding this provision, the Member shall at all times be responsible to ensure that his/her contributions are up to date in terms of these Rules.

- 20.2 The liability of a Member to the Scheme is limited to the amount of his unpaid contributions together with any sum disbursed by the Scheme on his behalf or on behalf of his dependant/s which has not been repaid to the Scheme.
- 20.3 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.

21. BENEFITS

- 21.1 Subject to the limitations and exclusions imposed in Annexures B and C, respectively, the minimum and maximum benefits in accordance with the set Scheme Tariff to which a Member is entitled shall be as set out in Annexure B; provided that such benefits shall accrue only from the date of admission. Upon admission a Member must elect to participate in one of the available options detailed in Annexure B.
- 21.2 A Member is entitled to change from one to another benefit option subject to the following conditions:
- 21.2.1 The change may be made only with effect from 01 January of any financial year. However, the Board may, in its sole and absolute discretion, permit a Member or a group of Members to change to another benefit option on another date, and shall determine the conditions, if any, which shall apply to such change.
- 21.2.2 Application to change from one benefit option to another must be in writing and lodged with the Scheme by not later than 31 December, prior to the year upon which it is intended that the change will take place, or such other date as the Board may in its sole and absolute discretion determine: provided that the Member has had at least thirty (30) days prior notification of any intended changes in benefits or contributions for the next year.
- 21.3 The Scheme shall, where a valid 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 thirty (30) days of receipt of the claim pertaining to such benefit, subject to the provisions of Rule 19.

21.4 Any benefit option offered in a guide to Members, booklet or any amendment or annexure to such booklet, covers in full the cost of the Prescribed Minimum Benefits rendered by a State hospital.

21.5 The Scheme may exclude services from benefits as set out in Annexure C.

22. CLAIMS PROCEDURE

22.1 Every claim submitted to the Scheme in respect of the rendering of a relevant health service as contemplated in these Rules, must be accompanied by an account or statement as prescribed by Section 59(1) of the Act and Regulation 5 of the Regulations. Accordingly, such an account or statement must contain the following:

22.1.1 The surname and initials of the Member;

22.1.2 The surname, first name and other initials, if any, of the patient;

22.1.3 The name of the Scheme;

22.1.4 The Membership number of the Member;

22.1.5 The practice code number, group practice number and individual provider registration number issued by the registering authorities for providers, if applicable, of the supplier of service and, in the case of a group practice, the name of the practitioner who provided the service;

22.1.6 The relevant diagnostic and such other item code numbers that relate to such relevant health service;

22.1.7 The date on which each relevant health service was rendered;

22.1.8 The nature and cost of each relevant health service rendered, including the supply of medicine to the Member concerned or to a Dependant of that Member; and the name, quantity and dosage of, and net amount payable by the Member in respect of the medicine;

22.1.9 Where a pharmacist supplies medicine according to a prescription to a Member or to a Dependant of a Member of the Scheme, a copy of the original prescription or a certified copy of such prescription, if required by the Scheme;

22.1.10 Where mention is made in such account or statement of the use of a theatre:

22.1.10.1 The name of the relevant practice number and provider number contemplated in Rule 19.1.5 of the medical practitioner or dentist who performed the operation;

22.1.10.2 The name or names and the relevant practice number and provider number contemplated in Rule 19.1.5 of every medical practitioner or dentist who assisted in the performance of the operation; and

22.1.10.3 All procedures carried out together with the relevant item code number contemplated in Rule 19.1.6; and

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

22.1.11.1 The expected total amount in respect of the treatment;

22.1.11.2 The expected duration of the treatment;

22.1.11.3 The initial amount payable; and

22.1.11.4 The monthly amount payable.

22.2 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 as prescribed by Regulation 6(5)-

22.2.1 The name and the Membership number of the Member;

22.2.2 The name of the supplier of service;

22.2.3 The final date of service rendered by the supplier of service on the account or statement which is covered for the service concerned;

22.2.4 The total amount charged for the service concerned;

22.2.5 The amount of the benefit awarded for such service;

22.2.6 An explanation for the non-payment, short payment or rejection of the claim.

- 22.3 In order to qualify for benefits, any claim must be received by the Scheme not later than the last day of the fourth month following the month in which the service was rendered.
- 22.4 Where a Member has paid an account, he shall, in support of his claim for reimbursement, submit an original receipt evidencing payment thereof.
- 22.5 Accounts for treatment of injuries or expenses recoverable from third parties, must be supported by a statement, setting out particulars of the circumstances in which the injury or accident was sustained.
- 22.6 Where the Scheme is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, the Scheme shall notify both the Member and/or the healthcare provider, whichever is applicable, accordingly within thirty (30) days after receipt thereof. The Scheme shall state the reasons why such claim is erroneous or unacceptable and afford such Member or provider the opportunity to return such corrected claim to the Scheme within sixty (60) days following the date from which it was returned for corrections.
- 22.7 If, after such resubmission, the Scheme remains of such opinion, the process provided for in Rule 20 shall be repeated until such time as the Scheme is able to determine whether such account, statement or claim is payable or not. If such resubmission occurs after the expiry of both the four (4) month period provided for in Rule 19.2 and the sixty (60) day period provided for in Rule 20, the Scheme shall have the right not to pay such account, statement or claim.
- 22.8 The Scheme shall suspend the payment of a claim to a healthcare provider in the event of an investigation pertaining to alleged fraudulent or irregular activity in respect of the Member, any of his/her Dependents, the healthcare provider or the account, statement or claim itself, except where to do so in particular circumstances would not be in the best interests of the Scheme, in the absolute discretion of the Board. The Scheme may, in accordance with Rule 23.4, make payment of the full amount of a claim, or the valid portion thereof which is not under such investigation, directly to the Member to whom services were rendered, upon submission of a claim in relation to those services by the Member.

23. PAYMENT OF ACCOUNTS

- 23.1 Payment of accounts or reimbursement of claims is restricted to the maximum amount of the benefit entitlement in terms of the applicable benefit and option elected, and payment is made in accordance with the Scheme Tariff.
- 23.2 The Scheme may, whether by agreement or not with 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.
- 23.3 Where the Scheme has paid (in full or in part) 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 (in its absolute discretion) from the Member or the healthcare provider to whom such overpayment was made.
- 23.4 Notwithstanding the provisions of this Rule, the Scheme has the right to pay any benefit directly to the Member concerned.
- 23.5 Payment may be withheld unless an account is submitted in the prescribed format, in terms of the Act.

24. GOVERNANCE OF THE SCHEME

24.1 Constitution of Board

- 24.1.1 The affairs of the Scheme shall be managed according to the Rules of the scheme as contemplated in section 29(1) of the Act, by a Board that consists of persons who are fit and proper as contemplated in section 57 of the Act, composed of:
- 24.1.2 no less than 10 (ten) Members elected and appointed as follows:
- 24.1.2.1 at least 6 (six) of the Members of the Board shall at all times be Members of the Scheme nominated and elected by Members of the Scheme by ballot and at an annual general meeting (“Elected Trustees”), in accordance with the processes referred to in rule 24.4.
- 24.1.2.2 at least 1 (one) of the 6 (six) Elected Trustees shall at all times be a pensioner Member of the Scheme nominated and elected by Members of

the Scheme by ballot and/or at an annual general meeting (“Pensioner Trustee”) in accordance with the processes referred to in rule 24.4.

24.1.2.3 4 (four members) appointed (“Union Appointed Trustees”) by the Central Executive Committee of the Union.

24.2 Co-option to Board

24.2.1 The Board may co-opt up to two knowledgeable persons (“Co-Opted Trustees) who need not be Members of the Scheme to assist it in its deliberations. A Co-Opted Trustee shall cease to be a Member of the Board if so determined by the Board at any time. A Co-Opted Trustee may participate in the deliberations of the Board but shall have no vote.

24.2.2 The Board shall give consideration in selecting the Co-Opted Trustees to special skills requirements identified by the Scheme through its risk management tools, with particular emphasis on legal, medical, financial, accounting and actuarial science skills and representation from large Employer groups, where appropriate.

24.2.3 The Co-Opted Trustees need not be Members of the Scheme to be considered to serve as trustees. A co-opted Member may participate in the deliberations of the Board but shall have no vote.

24.3 Term of Office

24.3.1 An Elected Trustee, Union Appointed Trustee and/or Pensioner Trustee shall, unless he/she becomes disqualified to serve as trustee in terms of these Rules and/or the Act, serve for a term of 3 (three) years with effect from the Annual or Special General Meeting of the year in which an election was held.

24.3.2 Co-Opted Trustees shall serve for a term of 3 (three) years with effect from the year in which the appointment was made unless if their appointment is terminated by the Board in terms of Rule 21.2.1.

24.3.3 Retiring trustees shall, subject to rule 24.3, be eligible for re-election by the annual general meeting or special general meeting in the case of Elected Trustees and Pensioner Trustee, and by the Board in the case of Co-Opted Trustees.

- 24.3.4 A Member of the Board may resign at any time by giving written notice to the Board of his/her intention not to remain a Board Member.
- 24.3.5 The term of office of a trustee expires at an Annual or Special general Meeting notwithstanding that such meeting may be held at an earlier or later date than the end of the third year of their term of office.
- 24.3.6 No person Co-opted, appointed or elected as a Trustee may serve as such for more than two (2) consecutive terms on the Board. Notwithstanding this, a person is entitled to serve more than two (2) terms where such terms are not consecutive.

24.4 Nomination and Election of Trustees to the Board

The Board shall ensure that best practices are followed to ensure that the trustee nomination and election process is free and fair and shall, appoint an independent body to oversee and conduct the nomination process and the elections. The nomination and election procedures are as follows:

- 24.4.1 The Scheme shall send out notices calling for nominations to all Members no later than 4 (four) months before the expiry of the term of any Elected Trustee.
- 24.4.2 The notices calling for nominations shall inform Members of vacancies to be filled, the nomination process, together with a nomination form approved by the Board.
- 24.4.3 Each nomination shall contain at least a short CV of the candidate in a format specified in the nomination notice.
- 24.4.4 Original nomination forms duly completed and signed by Members of the Scheme, must be received by a date determined by the Board.
- 24.4.5 Each nomination form must be made on the original form provided by the Scheme, signed by the proposer, and at least nine (nine) seconders and the candidate, provided that a candidate may not propose or second himself/herself. Members whose membership contributions are in arrears for a period of at least three months, for whatever reason, shall not be eligible to nominate nor second a nomination of another member for election as a trustee.

- 24.4.6 A nomination shall be invalid if it is received by the Scheme after the closing date, if it is not completed in full or if it is not signed by all 11 (eleven) abovementioned signatories.
- 24.4.7 The Scheme shall cause a vetting process to be undertaken to ensure that nominated candidates are eligible to serve as trustees and shall compile a final list of candidates that are eligible for election. Such a vetting process may include inviting Members of the Scheme to submit written objections to nominees.
- 24.4.8 The Scheme shall send to all Members a list of vetted eligible candidates for receiving nominations as stipulated in rule 24.6, together with:
- 24.4.8.1 summarised CV of each vetted eligible candidate;
 - 24.4.8.2 a ballot form; and
 - 24.4.8.3 a letter indicating to the Members by when and through which means their ballot forms must be received by the Scheme.
- 24.4.9 The Board may employ any resources and processes necessary and delegate any necessary authority to any competent person or committee to take decisions and implement processes related to the nomination and electoral process. The resources and processes contemplated herein include, but are not limited to, processing and receipt of the nomination and ballot packs and returning nominations or ballots to the electoral body through electronic means and member walk-in centres.
- 24.4.10 Members ballots shall be received on a date prior to an Annual or Special General Meeting as may be determined by the Board to allow for verification of such ballots to be undertaken. Members present at an Annual or Special General Meeting and who have not returned their cast ballots shall have a right to vote in an election in person at the aforesaid meeting provided that they are Members in good standing with the Scheme.
- 24.4.11 The Scheme shall cause the votes received back from Members' ballots to be counted by the electoral body. The Scheme shall require its auditors to verify the outcome of the voting process. The Scheme shall be obliged to inform the Members of the outcome of the election process at an Annual or Special general

meeting immediately following the voting process, or at any other time as may be appropriate. The results of an election of trustees need not be announced at a general meeting and may be announced at a later stage, should it be deemed appropriate by the Board provided that such later date is not later than 30 (thirty) days after the Annual or Special General Meeting. The Board is entitled to take into account the results of such voting as may have taken place at a general meeting notwithstanding that the meeting may have been interrupted and not have concluded its business. In the event that the trustees do not announce the election results with 30 days of an Annual or Special General meeting, the Registrar of Medical Schemes shall review the election process and have the power to declare such results.

24.4.12 Candidates who receive the most votes, in descending order, shall be elected as trustees until all vacancies have been filled.

24.4.13 In the event that more than 1 (one) candidate receives the same number of votes, and there are insufficient seats on the Board available for all such candidates, then where the outcome of the election is to be announced at the annual general meeting, Members at the annual general meeting shall be asked to cast their votes in respect of such candidates. The candidates who receive the highest number of votes shall be appointed as trustees.

24.5 Casual Vacancies

24.5.1 The Board shall have the right to fill any casual vacancy which may occur on the Board as soon as possible after the vacancy occurs.

24.5.2 A person so appointed to fill a casual vacancy shall assume all the rights, obligations and powers of the trustee in whose position he is appointed, provided that such a trustee shall retire at the first ensuing annual general meeting of the Scheme, unless that meeting confirms his appointment, in which case, the trustee appointed to fill the casual vacancy shall be confirmed as a trustee and shall remain in office as such for the unexpired duration of the period of the office of the trustee who he was appointed to replace.

24.5.3 Should the Members of the Board no longer constitute a quorum then those Members of the Board remaining shall be obliged to call for elections and make

such appointments of trustees as may be necessary, within 60 (sixty) days of it becoming inquorate, to ensure that the Board becomes quorate. The remaining Members of the Board, pending the finalization of the election and appointment of trustees as contemplated herein, shall in the interim constitute the Board with full powers to do all that may be necessary in respect of the business of the Scheme as if it were fully and properly constituted.

24.6 Eligibility of Trustees

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

- 24.6.1.1 a person under the age of 21 years;
- 24.6.1.2 an employee, director, officer, consultant, or contractor of the administrator of the Scheme or of the holding company, subsidiary, joint venture or associate of that administrator;
- 24.6.1.3 a broker;
- 24.6.1.4 the principal officer of the Scheme;
- 24.6.1.5 the auditor of the Scheme;
- 24.6.1.6 a consultant, advisor, co-administrator, or any person irrespective of title, who is providing advice, services or recommendations of any nature to a medical scheme/schemes (as defined in the Medical Schemes Act or Regulations) other than SAMWUMED;
- 24.6.1.7 an employee, director, officer, consultant or contractor of, or any person associated with, a manufacturer, distributor and / or wholesaler of prescription or over-the-counter pharmaceuticals, complementary medicines, medical devices and medical consumables;
- 24.6.1.8 an employee, director, officer, consultant or contractor of a hospital;
- 24.6.1.9 a person holding a trusteeship of any other medical scheme or schemes;
- 24.6.1.10 a person disqualified from being a director of a company or from acting as a trustee under the Companies Act, 2008 or any other law;
- 24.6.1.11 an elected trustee who is not a Member of SAMWUMED;
- 24.6.1.12 a person whose Membership contributions are in arrears for a period of at least three months, for whatever reason;

24.6.1.13 a person who has contravened the Scheme's Rules and/or the provisions of the Act, and who in the opinion of the Board on good cause shown is not fit and proper to undertake the fiduciary responsibilities of a Trustee.

24.7 Cessation of office

24.7.1 A Member of the Board shall cease to hold office if the Member:

- 24.7.1.1 becomes of unsound mind or is subject to a reception order in terms of the Mental Health Act 18 of 1973, or has been declared by a competent court to be incapable of managing his affairs;
- 24.7.1.2 has been declared insolvent or has surrendered his/her estate for the benefit of his creditors;
- 24.7.1.3 is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering of a forged document or perjury;
- 24.7.1.4 is removed by the court from any office of trust on account of misconduct;
- 24.7.1.5 is disqualified under any law from carrying on his/her profession;
- 24.7.1.6 absents him/herself from three consecutive meetings of the Board without the permission of the Chairperson;
- 24.7.1.7 upon written notice from the Union that he should cease to hold office of trustee as he is no longer an appointee of the Union.
- 24.7.1.8 is removed from office by the Council in terms of Section 46 of the Act; or
- 24.7.1.9 acts in a manner which is seriously prejudicial to the interests of beneficiaries of the medical scheme may be removed by the Board, provided that:
 - 24.7.1.10 before a decision is taken to remove the Member of the Board, the Board shall furnish that Member with full details of the evidence which the Board has at its disposal regarding the conduct complained of, and allow such Member a period of not less than 30 days in which to respond to the allegations;
 - 24.7.1.11 the resolution to remove that Member is taken by at least two thirds of the Members of the Board;
 - 24.7.1.12 the Member shall have recourse to dispute procedures of the scheme or complaints and appeal procedures provided for in the Act.

24.8 Election of office bearers

- 24.8.1 The Board shall, at its first Board of Trustees meeting after each AGM, or after a special general meeting elect a chairperson and deputy chairperson of the Board from the ranks of the Trustees.
- 24.8.2 The Board shall call for nominations for the position of chairperson of the Board, and trustees with the highest votes shall be elected as Chairperson and deputy chairperson respectively.
- 24.8.3 The election will be conducted through ballot and the results shall be known and announced to the Board and the Principal Officer immediately upon the result being known.
- 24.8.4 Should the chairperson resign or cease to be a Member of the Board or be removed from Office by the Board or is in any other way disqualified, the Board shall elect from within the ranks of the Trustees, another chairperson to fill the vacancy for the remaining period for which the previous incumbent was elected.
- 24.8.5 In the event of both the chairperson and deputy chairperson being absent from a meeting, the Board shall appoint an acting chairperson from within the ranks of the Trustees.

24.9 Meetings of Board

- 24.9.1 The Board must meet at least once in every two (2) months or at such intervals as it may deem necessary;
- 24.9.2 Seven (7) clear days' notice of a Board meeting, unless otherwise agreed by the Board, shall be given to each Member of the Board and such notice shall, as far as possible, contain a statement of the business to be transacted at the meeting. The non-receipt of any notice shall not invalidate the proceedings of any meeting of the Board.

24.10 Special meetings of Board

- 24.10.1 The chairperson may convene a special meeting should the necessity arise. Such Members of the Board as comprise three Members of the Board may request the chairperson to convene a special meeting of the Board provided that the matters to be discussed at the meeting are clearly stated in the

request and the Chairperson shall then be obliged to convene such a special meeting.

24.10.2 The Board may, subject to participation by sufficient Members to form a quorum, discuss and resolve matters by telephone or electronic conferencing means and may adopt resolutions on that basis;

24.10.3 Upon receipt of the request the chairperson shall within seven days thereafter convene a special meeting of the Board to deal with the matters stated therein for which notice shall be given as provided for in Rule 24.10.1.

24.11 Chairperson at meetings

The chairperson shall preside at each meeting of the Board. In the absence of the chairperson at a meeting of the Board, the deputy chairperson shall preside at that meeting.

24.12 Quorum for meetings

Fifty (50) percent plus (1) one of all the Members of the Board shall constitute a quorum for a meeting of the Board regardless of whether the Members are physically present or via video or telephone. Business shall be transacted only if the required quorum is present at the commencement and throughout the meeting.

24.13 Voting at Board meetings

Matters before the Board shall be decided by a majority vote and in the event of an equality of votes the chairperson of the meeting shall not have a casting vote in addition to his deliberative vote.

24.14 Round-robin resolution

24.14.1 A resolution in writing signed by Board Members forming a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted: Provided that one of the signatories shall be the chairperson;

24.14.2 Any such resolution may consist of several documents in like form, each signed by one or more of the signatories contemplated in this Rule.

24.15 Record of proceedings of meetings

24.15.1 The Board shall cause the proceedings of all annual and special general meetings of Members and Board meetings to be properly minuted.

24.15.2 The minutes of such meetings shall be laid before the first succeeding respective meeting.

24.16 Evidence of minutes

Every minute signed by the chairperson of the meeting to which such minutes relate or signed by the chairperson of the meeting subsequent to the meeting to which such minutes relate shall constitute prima facie evidence of the facts stated therein.

24.17 Remuneration of Board Members

Members of the Board are entitled to reimbursement of expenses incurred in their capacity as Members of the Board in accordance with such policy as may be approved by the Board from time to time and subject to Members approval at an Annual General Meeting, for attending meetings of the Board, and committees of the Board. Any other costs/ expenses incurred by a Member of the Board on the instruction of the Board shall be payable in accordance with the policy as determined by the Board from time to time.

24.18 Amalgamations

In the event that the Scheme amalgamates with another medical scheme, and such an amalgamation necessitates that positions on the Board be made available to accommodate the trustees from the amalgamating medical scheme, sufficient trustees shall be obliged to retire to bring the number of the serving trustees to the agreed number of trustees having regard to the exposition document as agreed to between the amalgamating schemes. The Board shall, by way of secret ballot, vote on which of the trustees are to retire and the trustees receiving the highest number of votes (in descending order) shall be deemed to have retired with effect from the date of the amalgamation.

25. FIDUCIARY AND OTHER DUTIES OF BOARD OF TRUSTEES

- 25.1 The Board is responsible for the proper and sound management of the Scheme, in terms of these Rules.
- 25.2 The Board must act with due care, diligence, and skill and in good faith.
- 25.3 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.
- 25.4 The Board must apply sound business principles and ensure the financial soundness of the Scheme.
- 25.5 The Board shall appoint a Principal Officer who is fit and proper to hold such office. The Board shall also appoint other staff — that, in its opinion, is required for the proper execution of the business of the Scheme. The Board shall determine the terms and conditions of any person employed by the Scheme — including that of the Principal Officer — having due regard to the rights of employees to be consulted in the determination of conditions of employment.
- 25.6 The Board shall observe the principles of due and proper conduct at its meetings and shall observe the SAMWUMED Code of Conduct.
- 25.7 The Board must cause to be kept such minutes, accounts, entries, registers and records as are essential for the proper functioning of the Scheme.
- 25.8 The Board must ensure that proper control systems are employed by and on behalf of the Scheme.
- 25.9 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.
- 25.10 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.
- 25.11 The Board must take out and maintain professional indemnity insurance and fidelity guarantee insurance from and up to such amount as the Scheme's auditor, with the concurrence of the Registrar, may determine.
- 25.12 The Board must obtain expert advice on legal, accounting, clinical and business matters as required, or on any other matter of which the Members of the Board may lack sufficient expertise.

- 25.13 The Board must take steps to ensure the integrity of all documents, data and information transferred any new administrator or managed health care organisation. Any change in administrator must comply with Board Notice (BN) 73 of 2004, published under the Act.
- 25.14 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.
- 25.15 The Board must take all reasonable steps to protect the confidentiality of medical records concerning any Member or dependant's state of health.
- 25.16 The Board must approve all disbursements, or such approval may be delegated to the Principal Officer in terms of a written policy.
- 25.17 The Board must cause to be kept in safe custody, in a safe or strong room at the registered office of the Scheme or with any financial institution approved by the Board, any mortgage bond, title deed or other security belonging to or held by the Scheme, except when in the temporary custody of another person for the purposes of the Scheme.
- 25.18 The Board must make such provision as it deems desirable, and with due regard to normal practice and recommended guidelines pertaining to retention of documents, for the safe custody of the books, records, documents and other effects of the Scheme.
- 25.19 The Board must disclose annually in writing to the Registrar, any payment or considerations made to Members of the Board in that particular year by the Scheme as prescribed.
- 25.20 Members of the Board are not entitled to any remuneration, honorarium, or any other fee in respect of services rendered in their capacity as Members of the Board. Members of the Board are entitled to reimbursement of expenses, in accordance with Rule 21.16.
- 25.21 The Board shall cause to be done a "Board effectiveness self-assessment" on an annual basis and an independent assessment every three years with due regard to normal practice and recommended guidelines pertaining to improving the Board's effectiveness.
- 25.22 The Board shall ensure that every existing and newly appointed/elected Board Member undergoes trustee training in the form of induction training and attendance of the accredited skills programme provided by the Council.

25.23 The Board shall prepare annual financial statements and shall ensure compliance with all statutory requirements pertaining thereto.

26. POWERS OF THE BOARD

The Board has the power —

- 26.1 to cause the termination of the services of any employee of the Scheme on good cause shown, subject to the applicable labour legislation;
- 26.2 to take all necessary steps and to sign and execute all necessary documents to ensure and secure the due fulfilment of the Scheme's obligations under such appointments;
- 26.3 to appoint committee/s consisting of such Board Members and other experts which may include staff of the Scheme, as it may deem appropriate;
- 26.4 either appoints its own in-house administrator or a duly-accredited administrator and/or managed care organisation on such terms and conditions as it may determine, for the proper execution of the business of the Scheme. The terms and conditions of such appointment must be contained in a written contract, which complies with the requirements of the Act and the regulations;
- 26.5 to appoint, compensate and determine the level of services of any accredited person for the introduction or admission of a Member to the Scheme;
- 26.6 to appoint, compensate and determine the level of services of any other person or organisation who will assist the Board in the fulfilment of the objects of the Scheme;
- 26.7 to contract with managed healthcare organisations subject to the provisions of the Act and its Regulations;
- 26.8 subject to section 63 of the Act, to purchase movable and immovable property for the use of the Scheme or otherwise, and to sell it or any of it subject to sound business practice and fair value principles;
- 26.9 to let or hire movable or immovable property;
- 26.10 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;

- 26.11 with the prior approval of the Council, to borrow money for the Scheme from the Scheme's bankers against the security of the Scheme's assets for the purpose of bridging a temporary shortage;
- 26.12 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 Members of the Scheme;
- 26.13 to make an appropriate donation, including donations to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or any of the Members;
- 26.14 to grant repayable loans to Members or to make ex gratia payments on behalf of Members in order to assist such Members to meet commitments in regard to any matter specified in the definition of "business of a medical scheme" in Rule 5;
- 26.15 to contribute to any fund conducted for the benefit of employees of the Scheme;
- 26.16 where, in the opinion of a suitably-qualified expert, it is necessary and appropriate, to reinsure obligations in terms of the benefits provided for in these Rules in the prescribed manner provided that all such reinsurance arrangements are fully disclosed to the Council, including full details of premiums, commissions, and benefits due under such arrangement, and provided further that no commercial or other relationship exists between the reinsurer, the Scheme or the administrator.
- 26.17 the Board may, in its absolute discretion, authorise the Principal Officer and for 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;
- 26.18 to contribute to any association instituted for the furtherance, encouragement and coordination of medical schemes;
- 26.19 to supervise and manage all persons employed by the Scheme, or as may be delegated by the Board;
- 26.20 in general, do anything, which it deems necessary or expedient to perform its functions in accordance with the provisions of the Act and these Rules.

27. DUTIES OF THE PRINCIPAL OFFICER AND STAFF

27.1 The Principal Officer and staff of the Scheme shall:

- 27.1.1 act in the best interests of the Members of the Scheme at all times;
- 27.1.2 ensure the confidentiality of all information regarding its Members and the affairs of the Scheme,
- 27.1.3 act in the utmost good faith and impartiality;
- 27.1.4 be responsible for the supervision of the staff employed by the Scheme, unless the Board determines otherwise; and
- 27.1.5 act in a manner so as to ensure professionalism and promote the objects of the Scheme.

27.2 The staff of the Scheme must, in terms of the Protection of Personal Information Act (Act No 4 of 2013), ensure the confidentiality of all beneficiary information.

27.3 The Principal Officer is the executive officer of the Scheme and as such shall ensure that:

- 27.3.1 the decisions and instructions of the Board are executed without unnecessary delay;
- 27.3.2 where necessary, there is proper, timeous and appropriate communication between the Scheme and those parties, affected by the decisions and instructions of the Board;
- 27.3.3 the Board is kept sufficiently and timeously informed of the affairs of the Scheme which relate to the duties of the Board as stated in section 57 (4) of the Act;
- 27.3.4 the Board is kept sufficiently and timeously informed concerning the affairs of the Scheme so as to enable the Board to comply with the provisions of section 57(6) of the Act; and no decisions concerning the governance of the Scheme are taken without prior authorisation by the Board and shall further ensure that the authority of the Board in its governance of the Scheme is observed at all times.
- 27.3.5 The Principal Officer shall ensure the carrying out of all of his duties as directed by the Board from time to time and as are necessary for the proper

execution of the business of the Scheme. He shall attend all meetings of the Board, and any other duly appointed subcommittee where his attendance may be required, and shall be allowed to participate in the meeting, and shall further ensure the proper recording of the proceedings of all meetings.

27.3.6 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.

27.3.7 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.

27.4 The following persons shall not be eligible to be Principal Officer:

27.4.1 an employee, director, officer, consultant or contractor of any person contracted by the Scheme to provide administrative, marketing or managed healthcare services, or of the holding company, subsidiary, joint venture or associate of such person;

27.4.2 a broker or an employee, director, officer, consultant or contractor of any person contracted by the Scheme to provide broker services; or

27.4.3 a principal officer or other office bearer of another medical scheme.

28. INDEMNIFICATION & FIDELITY GUARANTEE

28.1 The Board and any officer of the Scheme must be indemnified by the Scheme against all proceedings, costs and expenses incurred by reason of any claim in connection with the Scheme, not arising from their negligence, dishonesty or fraud.

28.2 The Board must ensure that the Scheme is insured against loss resulting from the dishonesty or fraud of any of its officers (including Members of the Board).

29. FINANCIAL YEAR OF THE SCHEME

The financial year of the Scheme extends from 01 January to 31 December of that year.

30. BANKING ACCOUNT

The Scheme must maintain a banking account/s with a registered commercial bank/s. All monies received must be deposited to the credit of such account/s and all payments must be made either by electronic transfer, tape exchange or by cheque under the joint signature of not less than two persons duly authorised by the Board. To the extent that those two administrators are contracted to administer each of the two benefit options on the Scheme, the Scheme may hold separate banking accounts for each of the options.

31. AUDITOR & AUDIT COMMITTEE

31.1 An auditor (who must be authorised and approved by the Registrar in terms of section 36 of the Act) who is fit and proper shall be appointed by resolution of the Board on such terms and conditions as may be determined from time to time.

31.2 The Board must, within thirty (30) days, appoint another auditor to fill the vacancy for the unexpired period in the event that:

31.2.1 for whatever reason the auditor vacates his office prior to the expiration of the period for which he has been appointed, or

31.2.2 the Board decides to terminate the appointment of the auditor prior to the expiration of the period for which he has been appointed.

31.3 The auditor of the Scheme at all times has a right of access to the books, records, accounts, documents and other effects of the Scheme, and is entitled to require from the Board and the officers of the Scheme such information and explanations as he deems necessary for the performance of his duties.

31.4 The auditor must report to the Audit Committee of the Scheme on the accounts examined by him and on the financial statements laid before the Scheme in general meeting.

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

31.5.1 an officer of the Scheme;

31.5.2 a contractor of the Scheme,

- 31.5.3 an employee, director, officer or contractor of the Scheme's administrator, or of the holding company, subsidiary, joint venture or associate of the administrator;
 - 31.5.4 a person not registered and engaged in public practice as an auditor;
 - 31.5.5 a person who is disqualified from acting as an auditor in terms section 90 of the Companies Act (Act No 71 of 2008).
- 31.6 The Board shall annually cause the auditor's report to be laid before the Members of the Scheme in general meeting on the accounts that have been examined by him and on the financial statements that have been compiled by him.
- 31.7 The Board shall appoint an Audit Committee of at least five Members, of whom at least two must be serving Members of the Board.
- 31.8 The Audit Committee shall serve a term of office for three (3) years and shall be available for re-election.
- 31.9 Where vacancies arise on the Audit Committee, the Board shall fill these vacancies no later than thirty (30) days from the vacancy arising.

32. GENERAL MEETINGS

32.1 Annual general meeting

32.1.1 Date and place

32.1.1.1 The annual general meeting of Members shall be held not later than the 30th June of each year on a date and place which may be shown to permit reasonable attendance by Members, unless the Board on good cause determines that it is in the Scheme's interests that the annual general meeting for any Financial Year be postponed: Provided that such postponement shall not cause the annual general meeting to be held later than the 30th September of that year.

32.1.1.2 The Board shall determine the venue of the AGM, provided that it shall be located in each of the provinces from one year to the next where practically possible, having regard to the cost of convening such meeting and the number of Members in that province.

32.1.2 **Notice**

The notice convening the annual general meeting together with the agenda, any documents that may be required to be furnished to the Members by law, and any other documents that may be relevant to transact the business of the Scheme in accordance with the agenda shall be forwarded to all Members at least thirty (30) days before the date of the meeting. The Scheme shall be entitled to circulate abridged versions of the aforesaid documents in accordance with prevailing industry practice, including by electronic means and subject to such directives from the Council or the Registrar. Non-receipt of such notice shall not invalidate the proceedings at such a meeting, provided that the notice procedure followed by the Board was reasonable.

32.1.3 **Quorum**

At least 30 Members present in person at the annual general meeting shall constitute a quorum. If a quorum is not present within half an hour from the time laid down for the commencement of the meeting, the meeting shall be postponed to the thirtieth (30th) day after the scheduled date of the meeting or, if that day is a Sunday or a public holiday, then the next working day. Notice of the date, time and venue to which the meeting is postponed must be given to Members within fourteen (14) days of the postponement, but non-receipt of such notice by a Member shall not invalidate the proceedings at such meeting, provided that the notice [procedure followed by the Board was reasonable. The Members present at the postponed meeting will constitute a quorum irrespective of their numbers.

32.1.4 **Chairperson**

The Chairperson, or in his or her absence the Deputy-Chairperson, shall preside at the General Meeting. If neither the Chairperson nor the Deputy-Chairperson is present at the General Meeting, then the Trustees shall from amongst their ranks present on the day appoint one of them to chair the meeting; and in the absence of any Trustee being present at the General Meeting, the Principal Officer shall chair the meeting.

32.1.5 **Motions**

32.1.5.1 Notice of motions, duly supported by an explanatory memorandum and any other such information and documentation, which clearly explain why such a proposed motion must be considered and the background giving rise to such a proposed motion, as may be required in order for Members to deliberate on the motion, which are to be placed before the annual general meeting must reach the Principal Officer not later than 14 days prior to the date of the meeting.

32.1.5.2 The proposed wording of any resolution to be passed must be submitted.

32.1.5.3 The Principal Officer in consultation with the Board shall assess a proposed motion to determine whether it relates to a matter which is competent to be considered by a general meeting of Members. In the event that the Board should decide that a motion does not relate to matters competent to be considered by Members at a general meeting, then the Board shall notify the Member and provide reasons for its decision.

32.1.5.4 If the Principal Officer in consultation with the Board decides that a proposed motion should be added as an item on the AGM agenda, or that an existing item on the AGM agenda should be amended or deleted, as the case may be, then a second notice, containing the final AGM agenda recording all new, amended, or deleted items, must be sent to Members no later than three (3) days prior to the date of the AGM, through any means at the Board's disposal. The non-receipt of such notice by a Member shall not invalidate the proceedings at the GM, provided that the notice procedure followed by the Board was reasonable.

32.1.5.5 No proposed resolution which is in contravention of or in conflict with the Act, the Regulations, these Rules or the objectives of the Scheme shall be placed on the agenda for consideration at the annual general meeting.

32.1.6 Reports and statements

32.1.6.1 The reports and statements referred to in Rule 32.1.62 and any motions received in terms of Rule 32.1.5 shall be submitted to the annual general meeting.

32.1.6.2 The Board may make such procedural and related Rules for purposes of ensuring the proper running of the annual general meeting.

32.1.6.3 Resolutions passed at any annual general meeting shall be by way of an ordinary majority vote of all Members present or represented by proxy at the annual general meeting provided that only proxies received by the Scheme no later than one (1) week prior to the date of the annual general meeting will be recognised.

32.1.6.4 No motion shall be passed by the annual general meeting that is inconsistent or in contravention with the objectives of the Schemes, the Act or these Rules.

32.2 Special general meeting

32.2.1 Meeting called by Board

The Board may call a special general meeting of Members at any time, if it deems it necessary.

32.2.2 Meeting called by Members

32.2.2.1 Within 30 (thirty) days of receipt of a written request signed by at least 30 (thirty) Members, the Board shall convene a special general meeting, which special general meeting shall be held within 45 (forty-five) days thereafter at the cost of the Scheme. The request must state the objects and reasons for the meeting and must be deposited at the registered office of the Scheme. Only those matters specified in the request shall be discussed at such a meeting.

32.2.2.2 The Board shall assess a proposed request for a general meeting to determine whether it relates to a matter which is competent to be considered by a general meeting of Members. In the event that the Board should decide that the matters proposed to be considered at the special general meeting of Members does not relate to matters competent to be considered by Members at a general meeting, then the Board shall notify the Members who requested a special general meeting and provide reasons for its decision.

32.2.3 Notice

The notice convening the special general meeting together with the agenda, and any supporting documentation and explanatory memoranda as the case may be relevant, shall be dispatched to Members at least thirty days before the date of the meeting. Non-receipt of such notice shall not invalidate the proceedings of the meeting provided that the notice procedure was in accordance with this Rule.

32.2.4 Quorum

32.2.4.1 At least thirty (30) Members present in person shall form a quorum. If a quorum is not present at a special general meeting after the lapse of half an hour from the time fixed for the commencement of the meeting, the meeting is regarded as cancelled.

32.2.4.2 The Chairperson of the Board, or in his or her absence, the Deputy-Chairperson, shall chair the special general meeting. If neither the Chairperson nor the Deputy-Chairperson is present at the meeting, then the Trustees shall from amongst their ranks present on the day appoint one of them to chair the meeting; and in the absence of any Trustee being present at the meeting, the Principal Officer shall chair the meeting.

32.2.4.3 No motion shall be passed by the meeting that is inconsistent or in contravention with the objectives of the Scheme, the Act or these Rules.

32.2.5 Voting at General Meeting

32.2.5.1 Every Member whose membership contributions are not in arrears for a period of at least three months, for whatever reason and present at a General Meeting of the Scheme has the right to vote, or may, subject to this Rule, appoint another Member as proxy to attend, speak and vote in his or her stead. A proxy shall, however, not be used at a General Meeting for purposes of election of trustees. Election of Trustees is a matter which can only be voted on by returnable ballot in terms of Rule 24.4 alternatively in person at a general meeting as provided for in Rule 24.4.10.

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

- 32.2.5.3 The Chairperson must determine whether the voting must be by ballot or by a show of hands. In the event of the votes being equal, the Chairperson shall have a casting vote in addition to his or her deliberative vote (if applicable).
- 32.2.5.4 All proxies held by the Chairperson or any Member must be declared before the commencement of any meeting.
- 32.2.5.5 Proxies which are determined not to satisfy the required criteria shall not be counted. Where a Proxy is given by a Member and such Member attends the General Meeting and votes then such Proxy will be deemed to be void and unenforceable.
- 32.2.5.6 The Board shall be entitled to lay down meeting Rules and conditions to be satisfied by Members attending a General Meeting and the consequences which will attach in the event that the meeting Rules or conditions are not satisfied, provided that such meeting Rules, conditions and consequences are not inconsistent with the Act and the Rules. The meeting Rules and conditions and the consequences of failing to meet any meeting Rules or conditions which will be applicable to any General Meeting, must accompany the notice which convenes the meeting.
- 32.2.5.7 Only a Member and not his or her Dependents shall have the right to vote on matters in respect of which Members are entitled to adjudicate.

33. TERMINATION OR DISSOLUTION

- 33.1 The Scheme may be dissolved by order of a competent court or by voluntary dissolution.
- 33.2 Members may decide that the Scheme must be dissolved, in which event the Board must arrange for Members to decide by ballot whether the Scheme must be liquidated. Unless the majority of Members decide that the Scheme must continue, the Scheme must be liquidated in terms of section 64 of the Act.
- 33.3 Pursuant to a decision by Members taken in terms of Rule 33.2, the Principal Officer must, in consultation with the Registrar, furnish to every Member a memorandum containing the reasons for the proposed dissolution and setting forth

the proposed basis of distribution of the assets in the event of winding up, together with a ballot paper.

- 33.4 Every Member must be requested to return his ballot paper duly completed before a set date. If at least fifty per cent (50%) of the Members return their ballot papers duly completed and if the majority thereof is in favour of the dissolution of the Scheme, the Board must ensure compliance therewith and appoint, in consultation with the Registrar, a competent person as liquidator. The Registrar may, on good cause shown, ratify a lower percentage.
- 33.5 The amalgamating Board must submit signed copies of a final audited set of financial statements and annual statutory returns to the Council.

34. AMALGAMATION AND TRANSFER OF BUSINESS

- 34.1 The Scheme may, subject to the provisions of section 63 of the Act, amalgamate with, transfer its assets and liabilities to, or take transfer of assets and liabilities of any other medical Scheme or person. In which event the Board must arrange for Members to decide by ballot whether the proposed amalgamation should be proceeded with or not.
- 34.2 If at least fifty per cent (50%) 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.
- 34.3 The Registrar may, on good cause shown, ratify a lower percentage.

35. RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS

- 35.1 Any Member, on request, shall be supplied by the Scheme free of charge with a copy of the following documents:
- 35.1.1 the Rules of the Scheme, including any preferred service providers or DSPs;
 - 35.1.2 the latest audited annual financial statements, returns, Trustees reports and the auditors' report of the Scheme;
 - 35.1.3 protocol and formulary documents, if any;
 - 35.1.4 the management accounts in respect of the Scheme and all of its options.
 - 35.1.5 A Member is entitled to inspect free of charge at the registered office of the Scheme any document referred to in Rule 33.1 and to make extracts there

from, provided that the Member advises the Principal Officer in advance of this request so as to ensure that the requested documents are readily available to the Member, and provided further the Member undertakes on the prescribed form to maintain the confidentiality of the Scheme records so extracted and to maintains good faith towards the Scheme.

35.1.6 Rule 33 shall not be construed to restrict any other person's rights in terms of the Promotion of Access to Information Act (Act No 2 of 2000).

36. AMENDMENT OF RULES

36.1 The Board is entitled to alter or rescind any rule or annexure or to make any additional rule or annexure.

36.2 No alteration, rescission or addition which affects the objects of the Scheme is valid unless it has been approved by a majority of Members present in a general meeting or a special meeting or by ballot.

36.3 Members must be furnished with a copy of such amendment within 4 (four) months after registration thereof. Should a Member's rights, obligations, contributions or benefits be amended, he/she shall be given 30 (thirty) days advance notice of such change.

36.4 No alteration, rescission or addition shall be valid unless it has been approved and registered by the Registrar of Medical Schemes.