

AECI MEDICAL AID SOCIETY

MAIN RULES

(With effect from 1 January 2019 unless otherwise stated)

1. NAME

The name of the Society is AECI Medical Aid Society, hereinafter referred to as the "Society".

2. LEGAL PERSONA

The Society, in its own name, is a body corporate and is considered a legal person and is able to sue or be sued and do all such things as may be necessary or incidental to the exercise of its powers or the performance of its powers or its functions in terms of the Medical Schemes Act No. 131 of 1998, the Regulations to the Act and these Rules.

3. REGISTERED OFFICE

The registered office of the Society is situated at AECI Ltd, Building No. 24, The Woodlands Office Park, Woodlands Drive, Woodmead, Sandton. 2191 and the registered office of the administrator of the Society is situated at Medscheme, 37 Conrad Road, Florida North, Roodepoort, 1709 with the registered postal address as PO Box 1101, Florida Glen, Gauteng, 1708, but the Board may move the registered office to any other location in the Republic of South Africa, should it be necessary and members duly notified in terms of Rule 32.

4. DEFINITIONS

A word or expression used in these Rules which is defined in the Medical Schemes Act No.131 of 1998 and its Regulations including definitions given in individual Regulations, bears the same meaning as the Act unless it is not consistent with the context. Also:

- (a) a word referring to the male or female gender includes the other gender unless that gender is specifically excluded;
 - (b) a word in the singular number includes the plural and vice versa; and
 - (c) the expressions listed below have the following meanings :
- 4.1** “**Act**”, the Medical Schemes Act No. 131 of 1998, including any Regulations issued under Section 67 thereof;
- 4.2** “**accredited institutions**”, a learning institute as registered with the legally recognised education authority offering registered degrees and/or diplomas;
- 4.3** “**administrator**”, an intermediary or legal person that has been accredited by the Council for Medical Schemes in terms of Section 58 of the Act;
- 4.4** “**adult dependant**”, means any registered dependant older than 21 (twenty one) years of age including full-time and part-time students registered at an accredited institution up to the age of 25 (twenty five) years of age for whom the member is liable for family care and support;
- 4.5** “**approval**”, means prior written approval of the Board of Trustees or its authorised representative;
- 4.6** “**auditor**”, means an individual or firm that is a registered auditor as defined in Section 1 of the Auditing Professional Act, 2005 and authorised by the Registrar;

- 4.7** “**authorisation**”, prior authorisation by or on behalf of the Society, upon application made by or on behalf of a beneficiary, for a case to be managed under the contracted managed health care programme or for any procedure, health care service or appliance to be supplied, as stipulated in the benefits set out in Annexure B and such authorisation shall be deemed to authorise all procedures and health care services as may be necessary to complete the treatment for the condition in question but pre-authorisation is a clinical decision based on the information provided and not a guarantee of payment of relevant health care services to be rendered;
- 4.8** “**beneficiary**”, the member or a person admitted and registered as a dependant of a member in terms of these Rules;
- 4.9** “**biological drugs**”, a biological drug is a substance that is made from a living organism or its products and is used in the treatment of cancer and other diseases. Biological drugs include antibodies and interleukins;
- 4.10** “**Board**”, the Board of Trustees constituted to manage the Society in terms of the Act and these Rules;
- 4.11** “**case**”, the treatment of a sickness condition required on an admission of a beneficiary to a hospital or day clinic and for any ongoing treatment stipulated under the relevant managed health care programme;
- 4.12** “**child dependant**”, means a member’s natural child, a grandchild (a child of the member’s registered child), or a stepchild of a registered dependant of the member, a legally adopted child or a court appointed foster child, unmarried part time or full-time students registered at an accredited institution under the age of 21 (twenty one) years who are not beneficiaries of any other medical scheme and who is financially dependent on the member for care and support excluding a member’s spouse or life partner who is under the age of 21 (twenty one) years;

- 4.13** “**claim**”, charges by suppliers of health care services in relation to a health care service provided or rendered to a member or a registered dependant of a member, in terms of which an account, invoice or statement has been issued as set out in Regulation 5 of the Act;
- 4.14** “**Company**”, AECI Limited;
- 4.15** “**continuation member**”, a member who retains his membership of the Society in terms of Rule 6.2 or a dependant who becomes a member of the Society in terms of Rule 6.3;
- 4.16** “**contracted fee**”, the fee determined in terms of an agreement between the Society and a service provider or group of providers in respect of the payment of relevant healthcare services. The definition shall have the same meaning as “negotiated fee” and/or “agreed tariff”;
- 4.17** “**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 made in accordance with a contribution table complying with Annexure A;
- 4.18** “**co-payment**”, that percentage or portion of an admitted claim by a member, that the member concerned shall be required to pay;
- 4.19** “**cost**”, in relation to a benefit, the net or final amount payable in the ordinary course of business in respect of a relevant healthcare service charged;
- 4.20** “**Council**”, the Council for Medical Schemes established by Section 3 of the Medical Schemes Act;

4.21 “dependant”, means:

- 4.21.1** a member’s lawful spouse (but excluding a divorced spouse) or life partner (being a person with whom the member has a committed relationship based on objective criteria of mutual dependency, irrespective of the gender of either party) and who are not members of, or registered dependants of another member of a medical scheme;
- 4.21.2** a member’s dependent child including a, legally adopted child, a stepchild (child of a registered dependant of the member), a grandchild (child of a registered child dependant of the member) and a court appointed foster child for whom the member is liable for family care and maintenance or income support and who is not a member or a registered dependant of another member of a medical scheme;
- 4.21.3** immediate blood relatives, not more than once removed, or such other persons in respect of whom the Board is satisfied by way of a court order confirming that the member is liable for family care and maintenance or income support, and who are not members of, or registered dependants of another member of a medical scheme;
- 4.21.4** mentally or physically handicapped dependants for whom the member is liable for family care and maintenance or income support, who is not a member or a registered dependant of another member of a medical scheme;
- 4.21.5** full time and part time registered students at an accredited institution up to the age of 25 (twenty five) years of age for whom the member is liable for family care and maintenance or income support who is not a member or a registered dependant of another member of a medical scheme;

- 4.22** “**dependent**”, any dependant who qualifies in accordance with these Rules other than the member’s spouse or partner, or of any age who, due to a mental or physical disability, who is dependent upon the member for family care and support, and may be subject to annual review including students who are under the age of 25 (twenty five) years and studying full-time or part-time at an accredited institution;
- 4.23** “**designated service provider**”, means a health care provider or group of healthcare providers selected by the Society as preferred providers to provide to the members diagnosis, treatment and care including prescribed minimum benefit conditions as identified in Annexure D;
- 4.24** “**domicilium citandi et executandi**”, the member’s chosen physical address at which notices in terms of Rules 11 and 13 as well as legal processes, or any legal action arising there from, may be validly delivered and served;
- 4.25** “**emergency medical condition**”, the sudden and, at the time, unexpected onset of a health condition that requires immediate medical or surgical treatment, where failure to provide medical or surgical treatment would result in serious impairment of the bodily functions or serious dysfunction of a bodily organ or part, or would place the individual or unborn child’s life in jeopardy;
- 4.26** “**employee**”, a person in the employment of the employer;
- 4.27** “**employer**”, the Company or any associated or subsidiary company which has been admitted to participation in the Society in terms of these Rules;
- 4.28** “**ex-gratia**”, in relation to payment of relevant healthcare claims means, an extraordinary, discretionary payment where the beneficiary’s ordinary benefit limits are exceeded and where reasonable cause and necessity is determined;

- 4.29** “**healthcare service**”, means any healthcare treatment rendered to any member or registered beneficiary by a service provider registered in accordance with and as defined in the Act as relevant health service;
- 4.30** “**income**”, see Annexure A for definition of income;
- 4.31** “**late joiner**”, late joining penalties are not applied by the Society;
- 4.32** “**managed healthcare programme**”, a healthcare delivery arrangement designed to monitor and to reduce unnecessary utilisation of services, to contain costs and to measure performance while providing accessible, quality and effective health care services including the most effective and efficient utilisation of benefits available to each beneficiary and as referred to in paragraph 6 of Annexure D;
- 4.33** “**Medical Scheme Tariff**”, means the unit of value, generally corresponding to provider fees (including directly negotiated provider fees) that is used by the Society to determine the extent to which it will directly or indirectly compensate a member or health care provider in respect of a relevant health care service received by the member or any of his registered dependants;
- 4.34** “**medicine**”, any medicine as defined in the Medicines and Related Substances Control Act, 1965, (No. 5 of 1965) and registered in terms of Section 16 of that Act as well as amendments thereto in Act no. 14 of 2015;
- 4.35** “**medicine designated price**”, the maximum reimbursable price for a medicine or group of medicines according to the medicine price list;
- 4.36** “**medicine exclusion list**”, a list of medicines that are excluded for payment from the medicine benefits;
- 4.37** “**medicine price list**”, a list published by the relevant managed healthcare programme containing the maximum reimbursable price of specified medicines;

- 4.38** “**member**”, any person who is admitted as a member of the Society in terms of these Rules;
- 4.39** “**member family**”, the main member and all the registered dependants;
- 4.40** “**negotiated fee**”, a fee agreed to between the Society and providers of any healthcare service;
- 4.41** “**negotiated professional charge**”, a charge agreed to between the Society and dispensers and preferred providers in respect of the dispensing of registered medicines;
- 4.42** “**partner**”, a person with whom the member has a committed relationship based on objective criteria of mutual dependency, irrespective of the gender of either party;
- 4.43** “**practice code**”, a list of unique practice billing code(s) for providers of health care services in the Republic of South Africa, which is a legal requirement for the process of reimbursement of a claim(s) to either a medical scheme member or health care service provider;
- 4.44** “**preferred provider**”, a provider of healthcare service or a group of providers of healthcare services contracted to the Society to deliver quality healthcare services and to participate in the managed health care process of members;
- 4.45** “**prescribed minimum benefit condition**”, a condition contemplated in the Diagnosis and Treatment Pairs listed in Annexure A of the Regulations to the Act or any emergency medical condition;
- 4.46** “**prescribed minimum benefits**”, the benefits contemplated in Regulation 8 of the Act and as duly prescribed from time to time;

- 4.47** “**prescription**”, all the medicine that a registered health care service provider with a valid practice code prescribes medicines for a beneficiary reflecting the details of the medicine, the name, quantity, duration, and the dosage in respect of that medicine for the sickness condition under treatment;
- 4.48** “**prosthesis**”, a fabricated or artificial substitute for a diseased or missing part of the body, surgically implanted, and shall be deemed to include all components, forming an integral and necessary part of the device so implanted, and shall be charged as a single unit. This also includes urinary, cardiac and vascular stents and grafts, as well as all electronic implantable devices, spinal instrumentation and fixators (including external fixators);
- 4.49** “**Registrar**”, the Registrar or Deputy Registrar/s of Medical Schemes appointed in terms of Section 18 of the Act;
- 4.50** “**Scheme Tariff**”, means the approved rate as set out in Annexure B;
- 4.51** “**spouse**”, the person to whom the member is married to in terms of law or recognised customary law;
- 4.52** “**waiting periods**”; a period during which a member is liable to pay contributions but will not be entitled to claim any benefits i.e.:
- 4.52.1** “**condition specific waiting period**”, a period during which a beneficiary is not entitled to claim benefits in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the 12 (twelve) month period ending on the date on which an application for membership was made;

4.52.2 “general waiting period”, a period during which a beneficiary is not entitled to claim any benefits and as set out in Annexure D of these Rules for either a 3 (three) month or 12 (twelve) month period at the discretion of the Society.

5. OBJECTS

The object of the Society is to undertake liability in respect of its members and their dependants in return for payments directly or indirectly made, encompasses: -

- 5.1** the management and co-ordination of preventive, promotive, curative and rehabilitative health care; and
- 5.2** granting financial protection to natural persons by undertaking principal liability for health care expenses incurred in respect of its members and their registered dependants either directly or indirectly, which includes any of the following:
 - 5.2.1** providing any such qualifying person with access to relevant healthcare service that is either free of charge or subsidised at the point of service, irrespective of whether the relevant health service is contracted to the Society;
 - 5.2.2** either fully or partly defraying a medical expense such person has incurred by having received treatment through relevant health service;
 - 5.2.3** contracting with a supplier or any number of suppliers of any relevant health service or services with a view to achieving the purpose of subparagraph 5.2.1 or 5.2.2;

- 5.2.4** ensuring the administrative platform, infrastructure and services required to give effect to the system of financial protection contemplated in subparagraphs 5.2.1 to 5.2.3.

6. MEMBERSHIP

6.1 ELIGIBILITY

- 6.1.1** Subject to Rule 8, membership of the Society is restricted to persons in the employment of an employer or who have retired from the employment of the employer or its predecessor or successor in title as defined in these Rules, and is compulsory in respect of all employees of an employer for whom membership is a condition of employment, provided that the Board, in consultation with the employer, in its entire discretion, shall be empowered to waive this obligatory provision.
- 6.1.2** **Secondee:** An employee who is seconded for duty outside the Republic of South Africa shall be entitled to retain membership of the Society during such secondment. Where such employee during secondment is compelled to contribute to any other medical scheme, contributions will not be raised by the Society, nor shall

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the employee or dependants be entitled to receive benefits from the Society.

- 6.1.3** Any person employed outside the Republic of South Africa by the employer or a subsidiary of the employer will not be entitled to membership of the Society.

6.2 RETIREES

- 6.2.1** A member may retain his membership of the Society 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 or retrenchment at the minimum age of 55.

- 6.2.2** The member shall be informed of his right to continue his membership and of the contribution payable from the date of retirement. Unless such member informs the Society in writing of his desire to discontinue his membership, he shall continue to be a member.

- 6.2.3** Should a retiree choose to terminate his membership, he shall not be allowed to re-join the Society at any other date thereafter.

6.3 DEPENDANTS OF DECEASED MEMBERS

- 6.3.1** The surviving dependants (as defined in section 7) of a deceased member, who are registered with the Society as his dependants at the time of the member's death, shall be entitled to continue membership of the Society without any new restrictions, limitations or waiting periods but such dependants shall not be allowed to register any new dependants who were not registered at the time of the member's death.

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- 6.3.2** The dependant shall be informed of his right to membership in his own name and of the contributions payable in respect thereof. Unless such dependant informs the Society in writing of his intention not to become a member, he shall be admitted as a member of the Society.
- 6.3.3** Such dependant's membership terminates if he becomes a member or dependant of a member of another medical scheme and such dependant shall not be allowed to re-join the Society at any other date thereafter.
- 6.3.4** If a member dies with no spouse or partner but leaves an orphan child who, at the date of the member's death, was registered as a dependant, such child or in the case of more than one child, the youngest eligible child, will, if the guardian so wishes and subject to 6.3.1 and 6.3.3 above, be admitted as a member of the Society. In the case of more than one child the other child or children will be accepted as dependants on the same basis up to the age of 21 (twenty one) years or up to the age of 25 (twenty five) years if they are full-time or part-time students at an accredited institution.

7. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS

7.1 REGISTRATION OF DEPENDANTS

- 7.1.1** A member may apply for the registration of his dependants at the time that he applies for membership in terms of Rule 8.
- 7.1.2** A member whose marital status changes subsequent to joining the Society and who elects to register or withdraw dependants as a result of such change or who withdraws any other registered dependant is required to notify the Society within thirty (30) days thereof. Contributions at the amended rates shall be payable from the first day of the month following such registration or withdrawal.

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Benefit limits will be adjusted with effect from the first day of the month in which contributions are so made payable. Where a dependant is withdrawn, benefit limits will be adjusted to take account thereof with effect from the date of such withdrawal. Members who marry subsequent to joining the Society who fail to notify the Society in terms of this Rule will not be entitled to any benefits in respect of their additional dependant/s until they have given the required notice and paid the applicable contribution.

7.1.3 A member must apply to the Society to register a new-born child, adopted child, a grandchild (a child of the members registered child), or a foster child as the member's registered dependant within thirty (30) days of the birth or adoption or care of the child. If the registration is not done within the thirty (30) days, a three (3) month waiting period and/or a twelve (12) month pre-existing condition exclusion may be imposed. Increased contributions shall be due as from the first day of the month following the birth or adoption. Benefits however shall accrue (be adjusted) as from the date of birth or adoption.

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

7.2 DE-REGISTRATION OF DEPENDANTS

7.2.1 A member must inform the Society within thirty (30) days of the occurrence of any event that results in any one of his dependants no longer satisfying the conditions in terms of which he may be a dependant.

7.2.2 When a dependant ceases to be eligible to be a dependant, he shall no longer be deemed to be registered as such for the purpose of these Rules nor entitled to receive any benefits, regardless of whether notice has been given in terms of these Rules or otherwise. The Society will backdate the termination of the dependent retrospectively from date when the non-eligibility became evident.

8. TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP

8.1 A minor may become a member with the consent of his guardian (refer to Rule 6.3.4).

8.2 No person may be a member of more than one medical scheme or claim or accept benefits in respect of himself or any of his registered dependants from any medical scheme in relation to which he is not a member or a dependant of a member, and no person may be a dependant:

8.2.1 of more than one member of a particular medical scheme; or

8.2.2 of members of different medical schemes.

8.3 Prospective members shall, prior to admission, complete and submit the application forms required by the Society, together with supporting documents as required on the Society's application form in respect of himself and his dependants of any age.

8.4 Waiting periods are stipulated in Paragraph 1 of Annexure D.

8.5 The registered dependants of a member shall be entitled to the same benefits as the member.

8.6 Every member shall, on admission to membership, receive a detailed summary of the contributions and benefits. Members and their dependants, and any person who claims any benefit under these Rules or whose claim

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is derived from a person so claiming, are bound by these Rules as amended from time to time. Any member of the Society has the right to obtain a copy of these Rules.

- 8.7** 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 Society. The Society may withhold, suspend or discontinue the payment of a benefit to which a member is entitled under these Rules, or any right in respect of such benefit or payment of such benefit to such member, if a member attempts to or purports to, assign or transfer, or otherwise cede or pledge or hypothecate such benefit. These provisions shall be applicable *mutatis mutandis* to and in respect of dependants.
- 8.8** Should the membership of a member or dependant be terminated in terms of Rule 12.4 or 12.5 and such person re applies for membership, the Society shall re-establish membership subject to the imposition of waiting periods as provided for in Annexure D and in accordance with Section 29A of the Act.
- 8.9** Nothing in these Rules shall be construed as altering in any way an employer's right to terminate the service of an employee who is a member of the Society or affecting any agreement between the employer and the employee in regard to conditions of service.

9. TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME

If the members of a medical scheme who are members of that scheme by virtue of their employment by a particular employer, terminate their membership of such scheme with the object of obtaining membership of the Society, the Board shall admit as a member, without a waiting period, any member of such first-mentioned scheme who is a continuation member by virtue of his past employment by the particular employer and admit any person who has been a registered dependant of such member, as a dependant.

10. MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP

10.1 Every member shall be furnished with a membership card, containing such particulars as may be prescribed. This card must be exhibited to the supplier of a service on request. It remains the property of the Society and must be returned to the Society or destroyed on termination of membership.

10.2 The utilisation of a membership card by any person other than the member or his registered dependants, with the knowledge or consent of the member or his dependants is not permitted and is construed as an abuse of the privileges of membership of the Society and constitutes an offense for which the user or member can be criminally prosecuted.

10.3 On termination of membership or on de-registration of a dependant, the Society shall, within thirty (30) days of such termination, furnish such person with a certificate of membership showing period of membership and type of cover, and containing such particulars as may be prescribed.

11. CHANGE OF ADDRESS OF MEMBER

A member must notify the Society within 30 (thirty) days of any change of physical address, e-mail address and his domicilium citandi et executandi. The Society shall not be held liable if a member's rights are prejudiced or forfeited as a result of the member neglecting to comply with this requirement. If the member by agreement with the Society elects to receive communications via email or facsimile, it is also the member's responsibility to notify the Society of any changes to such addresses.

12. TERMINATION OF MEMBERSHIP

12.1 Termination of membership from the Society for any reason

12.1.1 A member, who in terms of his conditions of employment is required to be a member of the Society, may not terminate his membership while remaining an employee without the prior written consent of his employer, unless he becomes a dependant on

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another medical scheme and proof of registration on spouse or partner's medical scheme is given.

12.1.2 A member who resigns to become registered as a dependant of such member's spouse or partner on another medical scheme may, subject to the provisions of Rule 8, re-join the Society at a later date be re-admitted and where applicable, underwriting may be applied in accordance with Section 29A of the Act.

12.1.3 A member who resigns from the service of the employer, shall, on the date of such termination, cease to be a member and all rights and benefits shall thereupon cease for himself as well as his registered dependants except for claims in respect of services rendered up to and including the date of termination.

12.1.4 A member who resigns or terminates membership of the Society shall be responsible for payment of contributions for the full month in which the member resigns and be entitled to benefits for claims in respect of that month.

12.2 Voluntary termination of membership by Employers

A participating employer may terminate its participation with the Society on giving one (1) months' written notice.

12.3 Death

Membership of a member terminates on the date of his death.

12.4 Failure to pay amounts due to the Society

If a member fails to pay any amounts due to the Society, his membership may be suspended and thereafter terminated after reasonable demands for payment have been issued as more fully provided for in Rule 13.3 below after having been afforded a reasonable opportunity to pay the outstanding amounts due to the Society.

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

The Society may exclude from benefits or suspend or terminate the membership of a member or dependant where the Society finds such member or dependant guilty of abusing the benefits and privileges of the Society by presenting false claims or making a material misrepresentation or non-disclosure of factual information. In such event the member may be required by the Society to refund to the Society any sum which, but for the abuse of the benefits or privileges of the Society, would not have been disbursed on his or a dependant's behalf.

13. CONTRIBUTIONS

13.1 The total monthly contributions payable to the Society by or in respect of the member are as stipulated in Annexure A and shall be paid in respect of full months only, regardless of the dates of commencement or termination of employment during the course of the month concerned. The member shall inform the Society if he does not require benefits during the broken month of commencement or termination, failing which he shall be liable for payment of contributions for the full month.

13.2 When a member joins the Society, he shall be given the choice to commence benefits either at the beginning of the month in which he joined or the choice of the 1st of the following month. Likewise, if he terminates his membership, he shall have the choice of remaining in membership up until the end of the previous month or for the full month in which he terminates, irrespective of which date he terminates.

13.3 Contributions shall be due and payable to the Society in terms of the provisions of Annexure A. Where contributions or any other debt owing to the Society, have not been paid within thirty (30) days of the due date, the Society shall have the right:

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- 13.3.1** to suspend, with prior notice to the member, all benefit payments which have accrued to such member in respect of claims which arose during the period of default; and
- 13.3.2** to give the member written notice at his *domicilium citandi et executandi* or by means of an electronic notice agreed upon that if contributions or such other debts are not paid up to date within ten (10) days of such notice, all the benefit payments in respect of the claim which arose during the period of default will be suspended. If after a further 14 (fourteen) days the contributions or such other debts are still not paid up to date, membership may be cancelled. A notification sent to the member at his *domicilium citandi et executandi* or electronically as supplied by the member indicating the nature of the member's liability and the outstanding amount due shall be deemed to have been received by the member on the 7th day after the date of posting. In the event that the member fails to nominate a *domicilium citandi et executandi*, the member's postal or residential address on his application form shall be deemed to be his *domicilium citandi et executandi*.
- 13.4** In the event that payments are brought up to date, and provided membership has not been cancelled in accordance with Rule 13.3.2 above, benefits shall be reinstated without any break in continuity subject to the right of the Society to levy a reasonable fee to cover any expenses associated with the default and to recover interest at the prime overdraft rate of the Society'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 will be recovered by the Society.
- 13.5** No refund of any assets of the Society or any portion of a contribution shall be paid to any person where such member's membership or cover in respect of any dependant terminates during the course of a month.

14. LIABILITIES OF EMPLOYER AND MEMBER

- 14.1** The liability of the employer towards the Society is limited to any amounts payable in terms of any agreement or arrangement between the employer and the Society.
- 14.2** The liability of a member to the Society is limited to the amount of his unpaid contributions together with any sum disbursed by the Society on his behalf or on behalf of his dependants that has not been repaid to the Society.
- 14.3** In the event of a member ceasing to be a member, any amount still owing by such member is a debt due to the Society and recoverable by it.
- 14.4** In the event of the Society instructing an attorney to collect any amount owing by a member to the Society in respect of himself or his dependants, then and in such event, the member shall be liable to pay all and any cost incurred by the Society, which costs shall, without limiting the generality of the afore going, include the costs of a letter of demand, collection charges, tracing charges as well as all party to party and attorney and client charges.

15. CLAIMS PROCEDURE

- 15.1** Every claim submitted to the Society in respect of the rendering of a relevant health care service as contemplated in these Rules, shall be accompanied by an account or statement as prescribed in Regulation 5.
- 15.2** If an account, statement or claim is correct or where a corrected account, statement or claim is received, as the case may be, the Society must, in addition to the payment contemplated in Section 59(2) of the Act, dispatch to the member a statement containing at least the following particulars -
- 15.2.1** the name and the membership number of the member;
- 15.2.2** the name of the supplier of service;

- 15.2.3** the final date of service rendered by the supplier of service on the account or statement which is covered by the payment;
- 15.2.4** the total amount charged for the service concerned;
- 15.2.5** the amount of the benefit awarded for such service; and
- 15.2.6** the name of the beneficiary to whom the service was provided.
- 15.3** In order to qualify for benefits, any claim sent directly to a member or his beneficiaries shall, unless otherwise arranged, be signed and certified as correct and must be submitted to the Society not later than the last day of the fourth month following the month in which the service was rendered. It is the member's responsibility to ensure that the account is submitted by the healthcare provider to the Society.
- 15.4** Where a member has paid an account, he shall, in support of his claim, submit a receipt.
- 15.5** If a member becomes eligible for a third party claim, the member undertakes to submit same and refund the Society.
- The Society, however, remains liable for such claims *ab initio*, until a settlement is made where after the Society would be reimbursed.
- 15.6** Where the Society is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, the Society shall notify the member and the relevant health care provider within thirty (30) days after receipt thereof and state the reasons for such an opinion. The Society shall afford the member and relevant healthcare provider the opportunity to resubmit such corrected account or statement to the Society within sixty (60) days following the date on which it was returned for correction.
- 15.7** 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

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may have against the Society. The Society may withhold, suspend or discontinue the payment of any benefit, or any right in respect of such benefit under these Rules, if a member assigns, transfers, cedes, pledges or hypothecates such benefit.

16. BENEFITS

- 16.1** Unless suspended in terms of Rules 12.3 and 13.3 or placed on a waiting period in terms of Annexure D, members are entitled to benefits during a financial year, as per Annexure B, and such benefits extend through the member to the member's registered dependants. A member shall, on admission, elect to participate in any one of the available options offered by the Society.
- 16.2** A member is entitled to change from one benefit option to another benefit option subject to the following conditions:
- 16.2.1** The change may be made only with effect from the 1st of January of any financial year. The Society may, in its absolute discretion permit a member to change to another benefit option on any other date.
- 16.2.2** Application to change from one benefit option to another shall be in writing and lodged with the Society by no later than the 31st of December prior to the year upon which it is intended the change shall take place, 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.
- 16.2.3** The registered dependants of a member must participate in the same benefit option as the member.
- 16.3** The Society shall, where an account has been rendered, pay any benefit due to a member in accordance with the Rules, either to that member or to

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the supplier of the relevant health service who rendered the service, within thirty (30) days of receipt of the claim pertaining to such benefit.

- 16.4** Any benefit set out in Annexure B covers the cost of health care services rendered in respect of prescribed minimum benefits, in accordance with Annexure D.
- 16.5** The Society shall exclude services from benefits as set out in Annexure C. No limitations or exclusions, other than those prescribed, will be applied to the prescribed minimum benefits.
- 16.6** The benefit for any valid claim accepted by the Society in terms of these Rules in respect of services provided outside the Republic of South Africa will be determined in accordance with the Scheme Tariff or at the cost of services whichever is the lower and payment will be made in terms of Rule 17.6 and as stipulated below:
- 16.6.1** PMB claims will be treated and paid on the same basis as any other valid claim incurred within the borders of South Africa. However, PMB Regulation 8 and legislative requirements are not applicable outside the borders of South Africa. Therefore, the Society will not be liable for payment at “cost” in the event where the costs exceed the applicable Scheme Tariff and/ or available benefits.
- 16.6.2** Payment of foreign claims to assist members needing medical assistance whilst on holiday outside the borders of South Africa: These claims exclude elective or experimental treatment where a member deliberately travels outside the borders of South Africa to obtain medical treatment available in South Africa or for medical treatment not recognised or registered in South Africa.
- 16.6.3** Refunds to members will be paid in the currency of the Republic of South Africa subject to the availability of benefits as provided for in Annexure B.

16.6.4 The member remains responsible for the direct payment due to any supplier outside the borders of the Republic of South Africa.

16.7 The Society shall not authorise payment for services other than those provided for in accordance with these Rules, but may in its absolute discretion, make ex-gratia payments in accordance with policy document guidelines issued by the Board from time to time, provided it is satisfied that undue hardship would otherwise be imposed upon a member.

16.8 Pre-authorisation is a clinical decision based on the information provided and not a guarantee of payment of relevant health care services to be rendered.

17. PAYMENT OF ACCOUNTS

17.1 Payment of accounts or reimbursement of claims is restricted to the net amount payable in respect of such benefit as set out in Annexure B and further to the maximum amount allowed in terms of the broadly applicable benefit limits (overall limits or limits fixed to cover several benefit categories).

17.2 The Society may, whether by agreement or not with any supplier of service, pay the benefit to which a member is entitled, directly to the supplier (or group of suppliers) who rendered the service.

17.3 Notwithstanding the provisions of these Rules, the Society has the right to pay any benefit directly to the member concerned and nothing in these Rules shall create or establish any liability or obligation to any supplier of service.

17.4 Where the Society has paid an account or portion of an account or any benefit to which a member is not entitled, whether payment is made to the member or to any supplier or group of suppliers of service, the amount of any such overpayment is recoverable by the Society from the health care service provider or member, as applicable within 3 (three) years.

17.5 The Society may deduct any amounts from any benefit payable to a member or supplier of services, which a member or supplier of services is not entitled to or where the Society has suffered loss due to theft, fraud, negligence or any misconduct which the Society became aware of.

17.6 Any valid claim accepted by the Society in terms of these Rules in respect of services provided outside the Republic of South Africa will be paid in the currency of the Republic of South Africa, subject to available benefits. Refer to Rule 16.6.

18. GOVERNANCE

18.1 The affairs of the Society shall be managed according to these Rules by a Board consisting of six (6) persons who are fit and proper to be trustees and of whom -

18.1.1 Three (3) (with three (3) alternate members), shall be nominated and appointed by the employer (hereinafter referred to as the "employer appointed trustees"); and

18.1.2 Three (3) (with three (3) alternate members), elected by members (hereinafter referred to as the "member elected trustees").

18.2 A trustee's terms of office will be 5 years with a maximum of 2 consecutive terms. A Trustee that completed both terms can be re-elected by members or re-appointed by the Company should their skills or experience be critical to the running of the Society.

A trustee may resign at any time by giving written notice to the Chairperson or Principal Officer.

18.3 All Trustees appointed or elected will be confirmed by members at the Annual General Meeting.

18.4 The retiring Trustees shall be eligible for re-election/ re-appointment.

18.5 The Board shall, at its first (1st) meeting after the election, elect from its number a chairperson and vice-chairperson of the Board.

18.6 The following persons are not eligible to serve as members of the Board:

18.6.1 a person under the age of twenty (21) years;

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

18.6.3 a broker;

18.6.4 the Principal Officer of the Society;

18.6.5 the authorised auditor of the Society; and

18.6.6 any person associated with an organisation contracted to provide marketing services, or any other third party contracted services provided to the Society.

18.7 A member of the Board shall cease to hold office if:-

18.7.1 he becomes mentally ill or incapable of managing his affairs;

18.7.2 he is declared insolvent or has surrendered his estate for the benefit of his creditors;

18.7.3 he is convicted, whether in the Republic of South Africa or elsewhere, of any crime;

18.7.4 he is removed by the Court from any office of trust on account of misconduct;

18.7.5 he is disqualified under any law from carrying on with his profession;

18.7.6 he ceases to be an appointee of the Company, or being a Board member elected by members of the Society, he ceases to be a member of the Society;

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- 18.7.7** he fails to attend three (3) consecutive meetings of the Board without the permission of the chairperson or vice-chairperson;
- 18.7.8** he is removed from office by the Council in terms of Section 46 of the Act or any other legislation.
- 18.8** The Board shall meet at least four (4) times during any financial year or at such intervals as it may deem necessary. The chairperson shall initiate the convening, postponement or cancellation of Board meetings.
- 18.9** Three (3) clear days' notice of a Board meeting, unless otherwise agreed to 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 such meeting. The non-receipt of any notice by any member shall not affect the proceedings at any meeting of the Board.
- 18.10** The chairperson may convene a special meeting of the Board should the necessity arise. Any three (3) members of the Board may request the chairperson to convene a special meeting of the Board; provided the matters to be discussed at the meeting are clearly stated in the request.
- 18.11** Upon receipt of the request the chairperson shall, within seven (7) days after such receipt convene a special meeting of the Board to deal with the matters stated therein. If the chairperson fails to convene a special meeting, the three (3) members who submitted the request may convene the meeting. The provisions of Rule 18.9 regarding notice shall apply.
- 18.12** Five (5) members of the Board physically present at a meeting of that Board shall constitute a quorum for a meeting of the Board. Alternates may attend Board meetings but may only vote in the absence of the trustees they represent. Matters serving 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 have a casting vote in addition to his deliberative vote. Members of the

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Board will, for the purposes of constituting a quorum, not include suspended Board members.

- 18.13** Notwithstanding any vacancy on the Board, the continuing members thereof may act on its behalf; provided that if and so long as their number is reduced below that fixed for a quorum by the Rules such members may act only for the purpose of increasing the number of members of the Board to that number or for summoning a general meeting of members but for no other purpose.
- 18.14** A resolution, in writing signed by Board members or, if a Board member is not available, by such member's alternate, being not less than are sufficient to constitute 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, or if absent, the vice-chairperson. Any such resolution may consist of several documents in like form, each signed by one or more of the signatories contemplated in this Rule.
- 18.15** In the absence of the chairperson and vice-chairperson, the Board members shall elect one of their numbers to chair the meeting.
- 18.16** If a member trustee ceases to hold office for whatever reason, the alternate shall become the member trustee for the unexpired term of office.
- 18.17** 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; provided that reasonable expenses relating to travel, accommodation and meals of members of the Board in attending Board meetings shall be met by the Society.
- 18.18** If the Board of Trustees suspends or removes from office the Principal Officer or a Trustee and that Principal Officer or Trustee believes that the suspension or removal from office is as a result of him duly performing his functions in terms of the Act, or exposing inappropriate or unlawful conduct

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on the part of any officer of the Society or any third party contracted to provide services to the Society, the Principal Officer or Trustee concerned must lodge a complaint in writing to the Registrar.

- 18.19** On receipt of a written complaint mentioned in Rule 18.19 above, the Registrar shall investigate the basis of the complaint and if he finds that the complaint has merit, the Registrar or the Council shall take such steps as may be necessary in terms of the powers provided for by the Act to address the concerns raised in the complaint.
- 18.20** The Board may fill by appointment, any vacancy arising during the term of office of a member of the Board due to such member resigning or ceasing to hold office. A person so appointed must retire at the first ensuing annual general meeting and that meeting may fill the vacancy for the unexpired period of office of the vacating member of the Board.
- 18.21** Nominations to fill vacancies, signed by a proposer and seconder in good standing with the Society, must be signed by the candidate signifying his consent to stand for election as a Trustee and must be submitted to the Society together with a current curriculum vitae of the year concerned and the election must be carried out by the members present at the annual general meeting of the Society. The Board shall ensure that such elections take place in a transparent, fair and equitable way. The removal of Trustees shall take place according to the procedures set out in these Rules. The election of Trustees and alternate Trustees by members shall be according to procedures determined by the Board.

19. FIDUCIARY DUTIES OF BOARD OF TRUSTEES

- 19.1** The Board is responsible for the proper and sound management of the Society, in terms of these Rules.
- 19.2** The Board must act with due care, diligence, and skill and in good faith.

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- 19.3** Members of the Board must avoid conflicts of interests, and must declare any interest they may have in any particular matter serving before the Board.
- 19.4** The Board must apply sound business principles and ensure the financial soundness of the Society.
- 19.5** The Board must appoint a Principal Officer who is a fit and proper person as defined in Section 57 of the Act to hold such office and within 30 (thirty) days of such appointment, give notice thereof in writing to the Registrar. The Board must determine the terms and conditions of employment and/or level of service of the Principal Officer so appointed.
- 19.6** The Board must authorise the appointment of any staff by the Principal Officer which in its opinion are required for the proper execution of the business of the Society and must determine the terms and conditions and/or level of service of any person employed and/or contracted by the Society.
- 19.7** The chairperson or vice-chairperson must preside over meetings of the Board and ensure due and proper conduct at meetings.
- 19.8** The Board must cause to be kept such minutes of all resolutions passed, accounts, entries, registers and records as are essential for the proper functioning of the Society.
- 19.9** The Board must ensure that proper control systems are employed by the Administrator on behalf of the Society.
- 19.10** The Board must ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions and duties in terms of the Rules.
- 19.11** The Board must take all reasonable steps to ensure that contributions are paid timeously to the Society in accordance with the Act and the Rules.

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- 19.12** The Board must take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance.
- 19.13** The Board must obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the members of the Board may lack sufficient expertise.
- 19.14** The Board must ensure that the Rules, operation and administration of the Society comply with the provisions of the Act and all other applicable laws.
- 19.15** The Society must take all reasonable steps to protect the confidential information including medical records concerning any member's state of health and that of his beneficiaries.
- 19.16** The Board must approve all valid disbursements but may delegate its authority to any members of the Board or any other persons nominated by the Board approve and/or to effect disbursements on behalf of the Society.
- 19.17** The Board must make such provision as it deems desirable, and with due regard to normal practice and recommended guidelines pertaining to retention of documents, for the safe custody of the books, records, documents and other effects of the Society.
- 19.18** The Board must disclose, annually in writing to the Registrar, any payment or consideration made to them in that particular year by the Society as prescribed.
- 19.19** The Board must oversee the preparation of the annual financial statements and must ensure compliance with all statutory requirements pertaining thereto.
- 19.20** If applicable, the Board of Trustees total remuneration, including a travel policy, must be established.

- 19.21** The Board will conduct a “Board effectiveness self-assessment” every 3 (three) years with due regard to normal practice and recommended guidelines pertaining to improving the Board’s effectiveness.
- 19.22** The Board must recommend the authorised external auditor and appoint the audit committee.
- 19.23** 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 an accredited skills programme.

20. POWERS OF THE BOARD

The Board has the power -

- 20.1** to suspend or remove the Principal Officer or a Trustee from office on good cause shown;
- 20.2** to take all the necessary steps and to sign and implement all the necessary documents to ensure and secure the due fulfillment of the Society's statutory or contractual obligations or exercise of its rights under such appointments;
- 20.3** to appoint committees consisting of the Trustees and other experts as it may deem appropriate to assist the Board with the management of the Society;
- 20.4** to appoint, contract with and compensate a duly accredited administrator on such terms and conditions as it may determine, for the proper execution of the business of the Society. The terms and conditions of such appointment shall be contained in a written contract which complies with the requirements of the Act and the Regulations;
- 20.5** to appoint, contract with and compensate any accredited managed health care organisations subject to the provisions of the Act and the Regulations as prescribed;

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- 20.6** in respect of any moneys not immediately required to meet current charges upon the Society and subject to the provisions of the Act, and in the manner determined by the Board, to invest or otherwise to deal with such moneys upon security and to re-lease, re-invest or otherwise deal with such moneys and investments;
- 20.7** with the prior approval of the Council, to borrow money for the Society from the Society's bankers against the security of the Society's assets for the purpose of bridging a temporary shortage;
- 20.8** subject to the provisions of any law, to cause the Society, 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 Society;
- 20.9** to donate to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or any of the beneficiaries;
- 20.10** to make ex-gratia payments on behalf of or to members in order to assist them in meeting commitments in regard to any matter specified in the business of a medical scheme in Rule 5;
- 20.11** to reinsure obligations in terms of the benefits provided for in these Rules as set out in the Act in the prescribed manner;
- 20.12** to authorise the Principal Officer and/or such members of the Board as it may determine from time to time, and upon such terms and conditions as the Board may determine, to sign any contract or other document binding or relating to the Society or any document authorising the performance of any act on behalf of the Society;
- 20.13** to contribute to any association instituted for the furtherance, encouragement and co-ordination of medical schemes;

20.14 in general, do anything, which it deems necessary or expedient to perform its functions in accordance with the provisions of the Act and these Rules.

21. DUTIES OF PRINCIPAL OFFICER

21.1 The Principal Officer of the Society shall take all reasonable steps to ensure the confidentiality of all information regarding its members.

21.2 The Principal Officer is the executive officer of the Society and as such must ensure that:

21.2.1 the decisions and instructions of the Board are executed without unnecessary delay;

21.2.2 where necessary, there is proper and appropriate communication between the Society and those parties affected by the decisions and instructions of the Board;

21.2.3 he keeps the Board sufficiently and timeously informed of the affairs of the Society concerning any matter relating to the duties of the Board so as to comply with the provisions as stated in Section 57(4) of the Act;

21.2.4 he does not take any decisions concerning the affairs of the Society without prior authorisation by the Board and that he at all times observes the authority of the Board in its governance of the Society;

21.2.5 he acts in the best interests of the members of the Society at all times.

21.3 The Principal Officer shall be the accounting officer of the Society and shall oversee the accounting functions of the Society and will ensure that all reasonable steps are taken for the collection of and accounting for all

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moneys received and payments authorised by and made on behalf of the Society.

- 21.4** The Principal Officer shall ensure the carrying out of all of his duties as are necessary for the proper execution of the business of the Society. He shall participate in all meetings of the Board, and any other duly appointed committee where his attendance may be required, and ensure proper recording of the proceedings of all meetings but shall have no vote.
- 21.5** The Principal Officer shall ensure that full and proper records of all moneys received and expenses incurred by, and of all assets, liabilities and financial transactions of the Society is kept by/or on behalf of the Society.
- 21.6** The Principal Officer shall oversee the preparation of the annual financial statements and shall ensure compliance with all statutory requirements pertaining thereto.
- 21.7** The following persons are not eligible to be a Principal Officer:
- 21.7.1** an employee, director, officer, consultant or contractor of any service provider contracted by the Society to provide administrative, marketing or managed health care services or of the holding company, subsidiary, joint venture or associate of such person or company;
 - 21.7.2** a broker or an employee, director, officer, consultant or contractor of any person contracted by the Society to provide broker services;
 - 21.7.3** a Principal Officer or office bearer of another medical scheme; or
 - 21.7.4** otherwise, has a material relationship with any person contracted by the Society to provide administrative, marketing, broker, managed health care or other services or with its holding company, subsidiary, joint venture or associate.
- 21.8** The provisions of Rule 18.5 apply *mutatis mutandis* to the Principal Officer.

22. INDEMNIFICATION AND FIDELITY GUARANTEE

22.1 The Board and any officer of the Society shall be indemnified by the Society against all proceedings, costs and expenses incurred by reason of any legal claim against the Society, not arising from their negligence, dishonesty or fraud.

22.2 The Board shall ensure that the Society is insured against loss resulting from the dishonesty or fraud of any of its officers.

23. FINANCIAL YEAR OF THE SOCIETY

The financial year of the Society extends from the 1st day of January to the 31st day of December of that year.

24. BANKING ACCOUNT

The Society shall establish and maintain a banking account, in the name of the Society and under its direct control, with a registered commercial bank. All moneys received shall be deposited to the credit of such account and all payments shall be made either by electronic transfer or tape exchange duly authorised by the Board.

25. AUDITOR AND AUDIT COMMITTEE

25.1 An external auditor (who must be approved by the Registrar in terms of Section 36 of the Act and who is a registered auditor as defined in the Audit Profession Act, 2005) shall be appointed on the recommendation of the Board at each annual general meeting by the members of the Society.

25.2 The following persons are not eligible to serve as an external auditor of the Society:

25.2.1 a member of the Board;

- 25.2.2** an employee, officer or contractor of the Society;
 - 25.2.3** an employee, director, officer or contractor of the Society's administrator, or of the holding company, subsidiary, joint venture or associate of the administrator;
 - 25.2.4** a person not registered and engaged in public practice as an auditor;
 - 25.2.5** a person who is disqualified from acting as an auditor in terms of Section 90 of the of the Companies Act, 2008;
 - 25.2.6** any person who has a material relationship with the Society or any of its contractors.
- 25.3** Whenever for any reason an external auditor vacates his office prior to the expiration of the period for which he has been appointed, the Board shall within thirty (30) days appoint another external auditor to fill the vacancy for the unexpired period.
- 25.4** If the members of the Society at the annual general meeting fail to appoint an external auditor required to be appointed in terms of this Rule, the Board shall within thirty (30) days make such an appointment, and if it fails to do so, the Registrar may at any time do so.
- 25.5** The external auditor of the Society has a right of access to the books, records, accounts, documents and other effects of the Society at all times, and is entitled to require from the Board and the other officers of the Society such information and explanations as he deems necessary for the performance of his duties.
- 25.6** The external auditor shall report to the audit committee of the Society on the accounts examined by him and on the financial statements laid before the Society at the annual general meeting.

- 25.7** The Board must appoint an audit committee in the prescribed manner who shall be responsible for the overseeing of the external audit process.

26. GENERAL MEETINGS

26.1 Annual general meeting

26.1.1 The annual general meeting of members shall be held not later than 30th of June of each year on a date which may be shown to permit reasonable attendance by members at such time and place as the Board shall determine for the purpose of:

26.1.1.1 receiving and adopting the annual financial statements together with the external auditor's report and the report of the Board as required by the Act;

26.1.1.2 conducting if applicable, and noting the results of the election or appointment of Trustees to the Board;

26.1.1.3 the appointment or reappointment of the external auditor;

26.1.1.4 any other business of which due notice has been given.

26.1.2 The notice convening the annual general meeting, containing the agenda, a summarised set of the annual financial statements, or highlights of the annual financial results of the Society shall be dispatched to members at least fourteen (14) days before the date of the meeting. The non-receipt of such notice by a member and/or the Registrar does not invalidate the proceedings of the meeting provided that the notice procedure followed by the Board was reasonable and as set out in these Rules.

26.1.3 At least thirty (30) members of the Society present in person, via virtual platform or by proxy shall constitute a quorum. If a quorum is not present after the lapse of (30) minutes from the time fixed for the commencement of the meeting, the meeting shall be adjourned to the same day and time of the next week and members then present shall constitute a quorum; provided that if the same day of the next week is a public holiday the meeting shall be adjourned to the first working day following the public holiday.

- 26.1.4** A full set of Annual Financial Statements (comprising the Trustees' report, the external auditor's report and Annual Financial Statements) must be made available at the meeting.
- 26.1.5** Notices of motions (matters to be discussed or presented) to be placed before the annual general meeting shall reach the Principal Officer not later than seven (7) days prior to the date of the meeting.

26.2 Special general meeting

- 26.2.1** The Board may call a special general meeting of members if it is deemed necessary.
- 26.2.2** Only members in good standing will be permitted to attend the meeting on presenting proof of membership.
- 26.2.3** On the requisition of at least 10 members of the Society in good standing, the Board must cause a special general meeting to be called and held within twenty one (21) days of the deposit of the requisition. The requisition must state the objects of the meeting and must be signed by all the members requesting the special general meeting and deposited at the registered office of the Society. Only those matters forming the objects of the meeting may be discussed.
- 26.2.4** The notice convening the Special General Meeting, containing the agenda, must be furnished to members at least fourteen (14) days before the date of the meeting. The non-receipt of such notice by a member does not invalidate the proceedings at such a meeting provided that the notice procedure followed by the Board was reasonable;
- 26.2.5** At least thirty (30) members present in person, via virtual platform or by proxy shall constitute a quorum. If a quorum is not present at a special general meeting after the lapse of thirty (30) minutes from the time fixed for the commencement of the meeting, the meeting shall be adjourned to the same day and time of the next week; provided that if the same day of the next week is a public holiday the meeting will be adjourned to the first (1st) working day following the public holiday and the number of members then present in person shall form a quorum.

27. VOTING AT MEETINGS

27.1 Every member who is present in person, or via virtual platform at a general meeting of the Society and whose contributions are not in arrears, has the right to vote at the meeting, or may, subject to this Rule, appoint another member as proxy, who is in good standing, to attend, speak and vote in his stead.

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

The proxy form shall be deposited not later than forty eight (48) hours before the time for holding the meeting at the registered office of the Society or such other place or places as the Board shall decide and of which notice has been given in the notice of the meeting.

27.3 The chairperson of the meeting 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 of the meeting, if he is a member, has a casting vote in addition to his deliberative vote.

28. COMPLAINTS AND DISPUTES

28.1 Members must first lodge their complaints, in writing, to the Society. The Society or its administrator shall also provide a dedicated telephone number to be used for dealing with telephonic enquiries and complaints.

28.2 All complaints received in writing will be decided upon and responded to by the Society in writing within thirty (30) days of receipt thereof.

28.3 In the event of a dispute arising, a disputes committee comprising of at least three (3) persons (which number shall constitute a quorum), who may not be members of the Board, employees or officers of Society, the administrator or the managed care organisation, shall be selected from a

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panel appointed by the Board to settle any complaints or disputes. At least one (1) of such persons shall be a person with legal expertise.

- 28.4** Any dispute, which may arise between a member, prospective member, former member or a person claiming by virtue of such member and the Society or an officer of the Society, must be referred by the Principal Officer to the disputes committee for adjudication.
- 28.5** On receipt of a request in terms of this Rule, the Principal Officer must convene a meeting of the disputes committee by giving not less than twenty one (21) days' notice in writing to the complainant and all the members of the disputes committee, stating the date, time and venue of the meeting and particulars of the dispute.
- 28.6** The disputes committee may determine the procedure to be followed.
- 28.7** The parties to any dispute have the right to be heard at the proceedings, either in person or through a representative.
- 28.8** The decision in terms of Rule 28.2 or that of the dispute committee must be communicated to all parties in writing and where a dispute arises, this must be lodged in writing with the Registrar, indicating their right to appeal in terms of Section 47.
- 28.9** The operation of any decision which is the subject of an appeal under Rule 28.8 shall be suspended pending the decision of the Council on such appeal.

29. TERMINATION OR DISSOLUTION

- 29.1** The Society may be dissolved by order of a competent court or by voluntary dissolution.
- 29.2** The Company may, on giving 3 (three) months' written notice to the Board, reduce, suspend or terminate its contributions to the Society. The Board shall thereupon arrange for members to decide by ballot whether the Society shall continue business without the company's contributions or with its

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reduced contributions, or whether the Society shall be liquidated. Unless the majority of members decide that the Society shall continue, the Society shall be liquidated in accordance with the provisions of Rule 29.4 and in terms of Section 64 of the Act.

29.3 Should a decision be made to dissolve the Society, this must be ratified by member ballot.

29.4 Pursuant to a decision by members taken in terms of Rule 29.2 the Principal Officer shall, 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.

29.5 Every member shall be requested to return his ballot paper duly completed before a set date. If fifty percent (50%) of the members return their ballot papers duly completed and if the majority thereof is in favour of the dissolution of the Society, the Board must ensure compliance therewith and appoint, subject to the approval of the Registrar, a competent person as liquidator.

29.6 The Registrar may, on good cause shown, ratify a lower percentage.

30. AMALGAMATION AND TRANSFER OF BUSINESS

30.1 The Society may, subject to the provisions of Section 63 of the Act, amalgamate with, transfer its assets and liabilities to, or take transfer of assets and liabilities of any other medical scheme or person. The Board must arrange for members to be furnished with an exposition of the proposed transaction for consideration and to decide by ballot whether the proposed transaction should be proceeded with or not.

30.2 If fifty percent (50%) of the members return their ballot papers duly completed and if the majorities thereof are in favour of the amalgamation or transfer, the transaction may be concluded in the prescribed manner.

- 30.3** The Registrar may, on good cause shown, ratify a lower percentage.
- 30.4** The amalgamating Board must submit signed copies of a final audited set of financial statements and annual statutory return to the Office of the Registrar.

31. RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS

- 31.1** A member must on request, be supplied by the Society with a copy of the following documents:
- 31.1.1** the Rules of the Society;
 - 31.1.2** the latest audited annual financial statements, returns, Trustees' reports and auditor's report of the Society.
- 31.2** A member is entitled to inspect free of charge at the registered office of the Society any document referred to in Rule 31.1.
- 31.3** This Rule shall not be construed to restrict any other person's rights in terms of the Promotion of Access to Information Act, No 2 of 2000.

32. AMENDMENTS OF RULES

- 32.1** The Board is entitled to alter or rescind any Rule or Annexure or to add any additional Rule or Annexure.
- 32.2** No amendment, rescission or addition which affects the objects of the Society, the constitution of the Board, the period of office of the trustees, the percentage of members voting in the case of dissolution of the Society and amalgamation or transfer of business or which increases the rates of contribution or decreases the extent of benefits by more than twenty five percent (25%) during any financial year, shall be valid unless it has been approved by a majority of members present in a general meeting or by ballot;

- 32.3** Should a member's rights, obligations, contributions or benefits be amended, he shall be given notice in advance of such change.
- 32.4** Members must be furnished with an erratum of such amendments within thirty (30) days after registration thereof.
- 32.5** Notwithstanding the provisions of Rule 32.1 above, the Board shall, on the request and to the satisfaction of the Registrar, amend any Rule or Annexure that is, in his opinion, inconsistent with the provisions of the Act and all other applicable laws.
- 32.6** No amendment, rescission or addition of any Rule shall be valid unless it has been approved and registered by the Registrar.

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