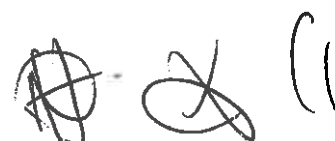


RULES OF THE GOVERNMENT EMPLOYEES MEDICAL SCHEME (GEMS)

Registration Number: 1598

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1. **NAME**

The name of the Scheme is Government Employees Medical Scheme, hereinafter referred to as "the Scheme" or "GEMS".

2. **LEGAL PERSONA**

The Scheme is registered as a medical scheme in terms of the Medical Schemes Act, 131 of 1998 (as amended) and is a juristic person, capable of suing and of being sued and of doing or causing to be done all such things as may be necessary for or incidental to the exercise of its powers or the performance of its functions in terms of the Act and these Rules.

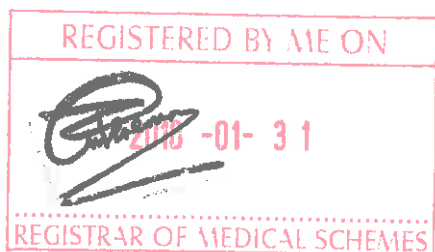
3. **REGISTERED OFFICE**

The registered office of the Scheme is Barbet Place, Hillcrest Office Park, 177 Dyer Road, Hillcrest, Pretoria, 0083, provided that the Board may resolve to change the registered address to any other address in the Republic of South Africa.

4. **DEFINITIONS**

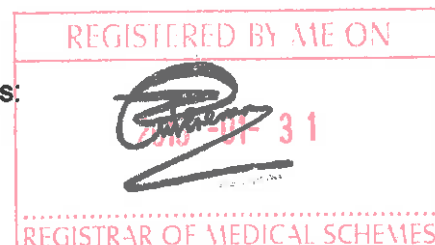
In these Rules, a word or expression defined in the Act bears the meaning thus assigned to it and, unless inconsistent with the context —

- a) A word in the singular number includes the plural, and *vice versa*;
- b) A reference to the one gender shall include the other genders;
- c) A reference to any statute or subordinate legislation, or to any provision in any statute or subordinate legislation, includes a reference to any enactment supplementing, amending or substituting that enactment or provision in a context relevant to these Rules from time to time;



d) A reference to a particular office or function, or to any official or functionary, includes a reference to any substitute or additional office, function, official or functionary; and

e) The following expressions have the following meanings:



4.1 "Act"

The Medical Schemes Act 131 of 1998 (as amended) and the Regulations framed thereunder.

4.2 "Admission Date"

The date, in terms of the Rules, on which a person is registered as a Member of the Scheme; or in respect of a Dependant, the date upon which such Dependant is registered as a Dependant of the Scheme; and in the case of an Employer, the date on which such Employer is admitted to participate in the Scheme.

4.3 "Adult Dependant"

4.3.1 A Spouse – being a natural person who is:

4.3.1.1 bound to the Member in terms of a marriage or customary union recognized by the laws of the Republic of South Africa; or

4.3.1.2 bound to the Member in terms of any union recognized as a marriage in accordance with the tenets of any religion; or

4.3.1.3 involved with the Member in any same sex or heterosexual union, which is publicly recognized as a marriage similar to those marriages specified in Rules 4.3.1.1 and 4.3.1.2, subject to such guidelines as may be adopted by the Board from time to time, and provided that such a person shall cease to be regarded as a Dependant with immediate effect from the date on which the relevant Member indicates to the Scheme by notice in writing that the union has ended; or

4.3.1.4 an ex-spouse of a Member, provided that the Member or his/her deceased estate is still obliged to pay such an ex-spouse's medical costs in terms of a divorce settlement agreement, or an existing court order to such effect. Should a Member or his/her deceased estate cease to have such an obligation towards his/her ex-spouse for any reason, such an ex-spouse shall cease to qualify as a Beneficiary with immediate effect; or

4.3.2 in relation to a Member, any one or more of the following natural persons, who is twenty one (21) years of age or older and who is factually dependent on the Member, and whom the Board may, in its discretion, allow to be registered as a Dependant of that Member from time to time, on good cause shown, and subject to such conditions that the Board may determine from time to time:


4.3.2.1 A parent, step parent, parent-in-law or step-parent-in-law of a Member;

4.3.2.2 A grandparent or grandparent-in-law of a Member;

4.3.2.3 A sibling, half-sibling or step-sibling of a Member or of a Member's Spouse;

4.3.2.4 A niece or nephew of a Member or of a Member's Spouse; and

4.3.2.5 A person, other than any of the persons specified in Rules 4.3.2.1 to 4.3.2.4, to whom a Member is liable for family care and support, and in respect of whom the Member has provided information, to the satisfaction of the Scheme, which records the basis and extent of such liability upon which the application for the person to be registered as a Dependant, i.e. an Adult Dependant, is made; or

REGISTERED BY ME ON

REGISTRAR OF MEDICAL SCHEMES

4.3.3 A child who meets the criteria for qualifying as a Child Dependant of the Member and who is a spouse in a customary, civil, same sex or heterosexual marriage/union;

provided in each case, that a person, whose potential or actual eligibility as an Adult Dependant is derived from his/her relationship to a former Spouse of a Member as contemplated in Rule 4.3, shall not be eligible as a Dependant with immediate effect from the time that the relationship between the Member and

such Spouse (whether matrimonial, contractual or court-ordered) formally terminates, unless the Board determines otherwise, on good cause shown, and for that period and subject to such conditions as it may impose from time to time.

4.4 "Auditor"

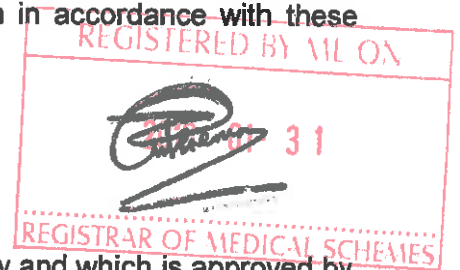
The auditor appointed by the Scheme and approved by the Registrar from time to time to perform the functions prescribed in the Act, being an auditor registered in terms of the Auditing Profession Act, 26 of 2005.

4.5 "Beneficiary"

A Member or a Dependant duly registered as such in accordance with these Rules.

4.6 "Benefit Option"

The Benefit Option which is applicable to a Beneficiary and which is approved by the Registrar from time to time, which approved Benefit Options are attached as Annexure C hereto. The Scheme may, after following due process under the Act and these Rules, amend the Benefit Options and inform the Beneficiaries of any such amendments, which amendments shall be binding on the Beneficiaries with effect from the date advised by the Scheme.



4.7 "Board"

The Board of Trustees of the Scheme, duly appointed in accordance with the Act and these Rules, and charged with managing the business of the Scheme.

4.8 "Calendar Month"

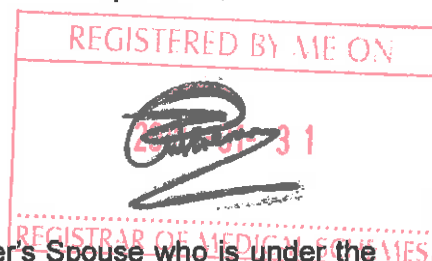
The period from the start of the first day to the end of the last day of a month.

4.9 "Child Dependant"

4.9.1 A child of a Member who is under the age of twenty one (21) years and who for the purposes of these Rules shall include:

- 4.9.1.1 A natural child of the Member or of the Member's Spouse;
- 4.9.1.2 An adopted child of, or a child in the process of being adopted by, a Member or the Member's Spouse, where the child is not the biological child of the other of them;
- 4.9.1.3 A step-child of the Member or of the Member's Spouse who is not the child of the other of them;
- 4.9.1.4 A foster child of the Member or of the Member's Spouse; and
- 4.9.1.5 A child, other than any of the children specified in Rules 4.9.1.1 to 4.9.1.4, to whom a Member is liable for family care and support, and in respect of whom the Member has provided information, to the satisfaction of the Scheme, which records the basis and extent of such liability upon which the application for the person to be registered as a Dependant, i.e. a Child Dependant, is made,

subject in each case to Rule 4.3.3;
- 4.9.2 A niece or nephew of the Member or of the Member's Spouse who is under the age of twenty one (21) years, provided that such a person is dependent on the Member and/or his/her Spouse;
- 4.9.3 A sibling of a Member or of the Member's Spouse who is under the age of twenty one (21) years, provided that such a sibling is dependent on the Member and/or his/her Spouse;
- 4.9.4 A grandchild, great-grandchild and so forth of the Member or of the Member's Spouse who is under the age of twenty one (21) years, provided that such a child is dependent on the Member and/or his/her Spouse;
- 4.9.5 Any Dependant below twenty eight (28) years of age, for the duration of any course for which that Dependant is registered as a bona-fide student at any



educational institution recognized as such by the Board within the Republic of South Africa, or any other educational institution abroad (whether or not specifically recognized as such by the Board);

- 4.9.6 Any Dependant below twenty eight (28) years of age, for the duration of any period during which that Dependant undergoes supervised practical training (with or without pay) in order to qualify to perform a particular job;
- 4.9.7 A Dependant who is dependent on the Member and/or his/her Spouse and who is deemed by the Board to be Permanently Disabled, irrespective of age;
- 4.9.8 Any person in respect of whom the Member obtains a medical subsidy from his/her Employer, and provided that evidence to the satisfaction of the Board is furnished with the Member's application and annually thereafter that the applicant is obtaining such a medical subsidy from his/her Employer in respect of that person, provided further that in the event that proof of subsidisation is not forwarded in respect of any calendar year, then the person in question shall cease to be a Dependant with immediate effect from the beginning of that year;

provided in each case, that a person, whose potential or actual eligibility as a Child Dependant is derived from his/her relationship to a former Spouse of a Member as contemplated in Rule 4.3, shall not be eligible as a Dependant with immediate effect from the time that the relationship between the Member and such spouse (whether matrimonial, contractual or court-ordered) formally terminates, unless the Board determines otherwise, on good cause shown, and for that period and subject to such conditions as it may impose from time to time.

4.10 **"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 such a period as may be imposed by the Scheme in accordance with these Rules.



4.11 "Continuation Member"

A Member who retained his/her membership of the Scheme in terms of Rule 6.3.2, or a Dependant who became a Member in terms of Rule 6.8.

4.12 "Contribution"

In relation to a Beneficiary, the amount paid by or in respect of that Beneficiary; and in relation to a Member, the amount paid by or in respect of that Member and his/her Dependants (if any), as contributions, including contributions to a Personal Medical Savings Account ("PMSA").

4.13 "Council"

The Council for Medical Schemes constituted in terms of the Act.

4.14 "Creditable Coverage"

4.14.1 Any period during which a Late Joiner was:

4.14.1.1

a member or a dependant of a duly registered medical scheme;

4.14.1.2

a member or a dependant of an entity doing the business of a medical scheme which, at the time of his/her membership of or participation in such entity, was exempt from the provisions of the Act;

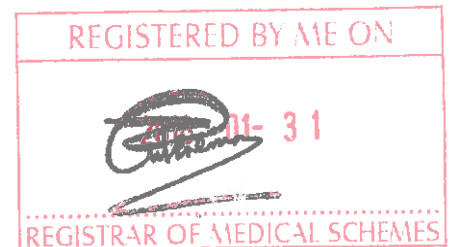
4.14.1.3

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

4.14.1.4

a member or a dependant of the Permanent Force Continuation Fund;

but in each case, excluding any period of coverage as a dependant under the age of twenty one (21) years.



4.15 "Dependant"

A person who qualifies as a Child Dependant or an Adult Dependant of a Member in accordance with the definitions in these Rules and the provisions of Rule 6 hereof, and who is accepted and registered as a Dependant of such a Member by the Scheme, for so long as such person's registration is approved and current in accordance with these Rules.

4.16 "Designated Service Provider"

A healthcare provider or group of healthcare providers selected and formally contracted by the Scheme as preferred provider(s) to provide Beneficiaries with one or more related or unrelated services generally, including diagnosis, treatment and care in respect of one or more of the Prescribed Minimum Benefit Conditions.

4.17 "Domicilium Citandi et Executandi"

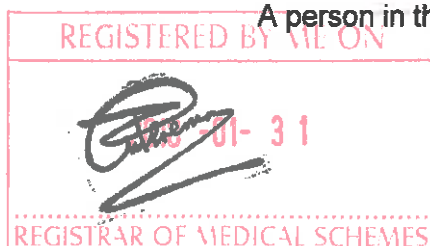
The address at which notices and legal process, or any action arising therefrom, may be validly delivered and served. Such address shall, in respect of a Member, be the Member's address provided for in Rule 11; and in respect of the Scheme, its registered office as specified in Rule 3.

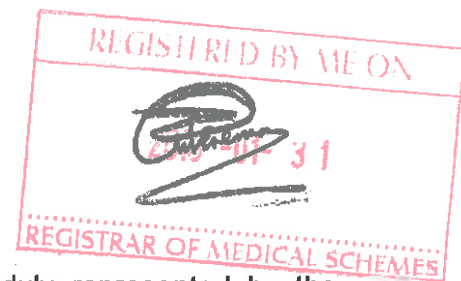
4.18 "Emergency Medical Condition"

The sudden and, at the time, unexpected onset of a health condition that requires immediate medical or surgical treatment, where failure to provide medical or surgical treatment would result in serious impairment to bodily functions or serious dysfunction of a bodily organ or part, or would place the person's life in serious jeopardy.

4.19 "Employee"

A person in the employment of an Employer.





4.20 "Employer"

4.20.1 The Government of the Republic of South Africa, duly represented by the Minister for the Public Service and Administration; or

4.20.2 Any other person or entity recognised as such by the Scheme and reflected as an Employer in Annexure A hereto, as amended from time to time, subject to the terms and conditions of any agreement(s) entered into between the Scheme and such an Employer.

4.21 "General Waiting Period"

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

4.22 "Late Joiner"

A Beneficiary who, at the date of application for membership of the Scheme or admission as a Dependant (as the case may be), is thirty five (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.

4.23 "Member"

Any person who is eligible to be a Member of the Scheme in terms of Rule 6 of these Rules and who is registered as such by the Scheme. A reference to a/the Member in these Rules shall be a reference to the principal member of the Scheme.

4.24 "Minister"

The Minister for the Public Service and Administration of the Government of the Republic of South Africa.

4.25 "Negotiated Rate"

The tariff negotiated between the Scheme and a healthcare provider in respect

of payment for services rendered by that provider to the Scheme or to Beneficiaries.

4.26 "Over-the-Counter Medicine" / "OTC Medicine"

A medicine registered by the Medicines Control Council ("MCC") as a Category A, Schedule 0, 1 or 2 medicine that is used for the treatment of minor ailments (e.g. colds or flu) for which a doctor's prescription is not required and which is purchased by a Beneficiary from a pharmacy.

4.27 "Permanently Disabled"

A moderate to severe limitation of a person's ability to function or perform daily activities as a result of a physical, sensory, communication, intellectual or mental impairment, if the limitation has lasted or has a prognosis of lasting more than a year and is diagnosed by a duly registered medical practitioner.

4.28 "Personal Medical Savings Account ("PMSA")"

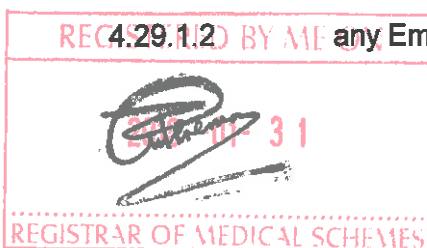
That part of a Member's Contribution, which is owned by the Scheme, but which funds are available for the exclusive benefit and use of the Member and his/her Dependants in accordance with the Ruby Benefit Option, and which funds are administered and regulated in terms of *inter alia* Regulation 10 of the Act and the Rules, including Annexure "F" thereof.

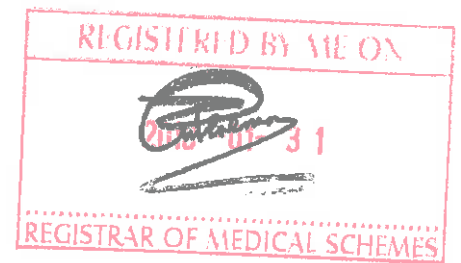
4.29 "Prescribed Minimum Benefits"

4.29.1 The benefits contemplated in Section 29(1)(o) of the Act, which, subject to the Act, consist of the provision of the diagnosis, treatment and care costs, as contemplated in the Act, of:

4.29.1.1 The Diagnosis and Treatment Pairs listed in Annexure A of the Regulations, subject to any limitations specified therein; and

REC 4.29.1.2 BY ME any Emergency Medical Condition.





4.30 "Prescribed Minimum Benefit Condition"

A condition contemplated in the Diagnosis and Treatment Pairs listed in Annexure A of the Regulations or any Emergency Medical Condition.

4.31 "Principal Officer"

The Principal Officer of the Government Employees Medical Scheme, appointed in terms of Section 57(4)(a) of the Act.

4.32 "Registrar"

The Registrar of Medical Schemes appointed as such in terms of Section 18 of the Act.

4.33 "Registration Date" or "Date of Registration"

The date on which a person is/was formally registered as a Member or a Dependant following his/her acceptance by the Scheme.

4.34 "Regulations"

The regulations for the time being in force and issued in terms of the Act.

4.35 "Salary"

4.35.1 For the purpose of calculating contributions in respect of a Benefit Option means:

4.35.1.1 In respect of a Member who is remunerated by means of an inclusive flexible remuneration package, the gross monthly remuneration paid to him/her by his/her employer; or

4.35.1.2 In respect of a Member who is remunerated by means of a basic monthly salary, the basic monthly salary paid to him/her by his/her employer; or

4.35.1.3 A Member who has retired from the service of an Employer in terms of Rule 6.3.2 is deemed not to be earning a salary. Accordingly, contributions

shall be calculated in terms of the lowest salary band on the relevant Benefit Option for the time being, irrespective of any actual remuneration received by that Member from any person, except in his/her capacity as an Employee, from time to time; or

4.35.1.4 In respect of a Member contemplated in Rule 6.8, who is under the age of twenty one (21) years, a deemed salary which would qualify that Member to make contributions in terms of the lowest salary band on the relevant Benefit Option for the time being, irrespective of any actual income received by that Member from any person from time to time; or

4.35.1.5 In respect of a Member contemplated in Rule 6.8, who is twenty one (21) years of age or older and employed, Rules 4.35.1.1 to 4.35.1.2 shall apply; or

4.35.1.6 In respect of a Member contemplated in Rule 6.8, who is twenty one (21) years of age or older and unemployed, a deemed salary which would qualify that Member to make contributions in terms of the lowest salary band on the relevant Benefit Option for the time being.

4.36 **"Scheme"**

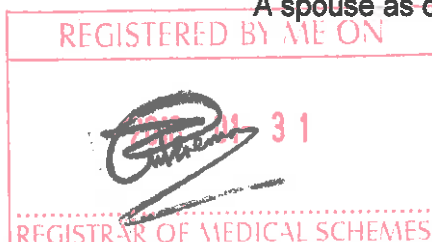
The Government Employees Medical Scheme, a medical scheme duly registered as such in terms of the Act.

4.37 **"Scheme Rate"**

The tariff determined or adopted by the Board in respect of the payment for healthcare services rendered to Beneficiaries by healthcare providers who or which are not subject to a Negotiated Rate, as contemplated in Rule 21.18.

4.38 **"Spouse"**

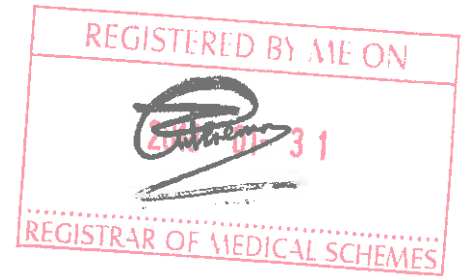
A spouse as defined in Rule 4.3.1 above.



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4.39 "Trustee"

A member of the Board in office from time to time.



5. OBJECTS

5.1 The objects of the Scheme are to:

- 5.1.1 undertake liability in respect of health and health-related expenses in respect of its Beneficiaries in return for a contribution or premium;
- 5.1.2 make provision for the obtaining of any relevant health service;
- 5.1.3 grant assistance in defraying expenditure incurred in connection with the rendering of any relevant health service; and/or
- 5.1.4 render a relevant health service, either by the Scheme itself, or by any supplier or group of suppliers of a relevant health service or by any person in association with or in terms of an agreement with the Scheme.

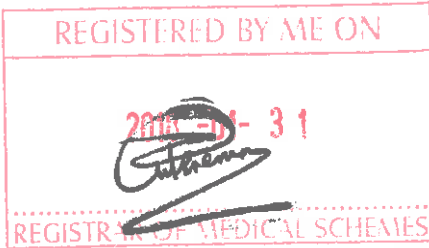
6. ELIGIBILITY FOR MEMBERSHIP

- 6.1 The Scheme is a restricted medical scheme; therefore, only Employees and their Spouses qualifying to be registered as Members, Continuation Members and their Dependants may be registered as Beneficiaries of the Scheme.
- 6.2 The membership of the Scheme is limited to those Members and their Dependants who are ordinarily resident within the Republic of South Africa, or who are stationed abroad on or by virtue of instructions, requirements or obligations of the Member's Employer, or who are studying abroad.
- 6.3 For the purposes of these Rules the following Employees shall qualify to be registered as Members:
 - 6.3.1 Subject to Rule 12.2.2, a person who is employed, whether permanently, or temporarily for a fixed term contract period of at least six (6) months or

more, by an Employer, provided that such an Employee is employed by:

6.3.1.1

In the event that the Employer is the South African Government, a National Department, Provincial Administration, Provincial Department or government component (as contemplated in Section 7(2) of the Public Service Act (1994), but excluding any person employed by the South African National Defence Force, the National Intelligence Agency or the South African Secret Service or a government department or a government component where an Employee's conditions of service do not allow him/her to be admitted as a Member of the Scheme; or



6.3.1.2

Any other Employer that is recognized as such by the Board from time to time in accordance with Annexure A hereto; or

6.3.2

Any former Employee who has retired on account of his/her having reached the normal or permitted early age of retirement, or who has ceased to be employed on account of ill health with special permission from his/her Employer, or for his/her Employer's operational reasons (including the abolition of his/her post, the consensual early termination of the contract of a Head of Department or an Employee with a similar designation, retrenchment or voluntary severance package), shall remain entitled to continue his/her membership of the Scheme as if he/she was an Employee, subject to the remaining Rules of the Scheme, unless such Member informs the Scheme in writing of his/her desire to terminate his/her membership.

6.4

A Member who ceases to be an Employee for any reason whatsoever not mentioned in Rule 6.3.2, and his/her Dependants, shall cease to be eligible for membership of the Scheme, as provided for in Rule 12.1. However, a Member contemplated in Rule 6.8 who ceases to be an employee for any reason whatsoever, and his/her Dependants, shall not cease to be eligible for membership of the Scheme.

6.5

The Scheme shall inform any Member referred to in Rule 6.3.2 of his/her rights in terms of that Rule, once the Scheme has been notified of such Member's termination of employment.

6.6 An Employee who was not a Member of the Scheme prior to retirement or the termination of his/her employment as contemplated in Rule 6.3.2, irrespective of the date of such retirement, or the widowed Spouse of a deceased Employee who was not a Member prior to his/her death, or a registered Dependant of a Member of the Scheme prior to the death of the Employee, shall be entitled to membership of the Scheme.

6.7 Any Employee or his/her Spouse qualifying to be registered as a Member of the Scheme and who is duly accepted and registered as such, and any Continuation Member, shall be entitled to register his/her Dependents as Beneficiaries of the Scheme, provided that for the purposes of determining who may be registered as Dependents, only persons fulfilling the criteria of an Adult Dependant or Child Dependant of a Member under the Scheme may be registered as a Dependant.

6.8 Dependents of Deceased Members

6.8.1 The Dependents of a deceased Member who are registered with the Scheme as Dependents at the time of such Member's death shall be entitled to continued membership of the Scheme without any new restrictions, limitations or waiting periods.

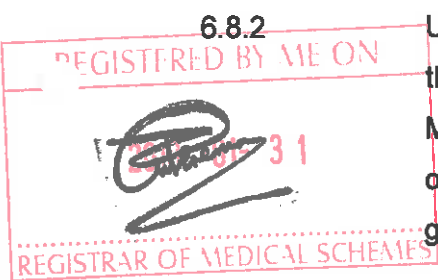
6.8.2 Upon the Scheme's receipt of a notice, informing it of a Member's death, the Scheme shall, within seven (7) working days, provisionally suspend the Members' Dependents' membership with effect from the end of the month of the Member's death and inform his/her Adult Dependents and/or the guardians of his/her Child Dependents (as the case may be) of:

6.8.2.1 such suspension;

6.8.2.2 his/her Dependents' right to continued membership in terms of Rule 6.8.1;

6.8.2.3 the contributions payable in respect of such continued membership; and

6.8.2.4 the provisions of Rules 6.8.3 – 6.8.7.



6.8.3 Should any such Adult Dependants and/or guardians elect for any such Dependants to retain their membership, the membership of those Dependants in respect of whom such elections are made shall be reinstated without a break in continuity, subject to:

6.8.3.1 the Scheme's receipt of such an election in writing, including the names of the continuing Dependants and the name of the Dependant who will replace the deceased Member as the new Member; and

6.8.3.2 the settlement of all contribution and other debts owing to the Scheme.

6.8.4 Alternatively, should any such Adult Dependants and/or guardians elect for any such Dependants not to retain their membership, such Dependants' membership shall be terminated with effect from the end of the month of the Member's death, as prescribed by Rule 12.3.

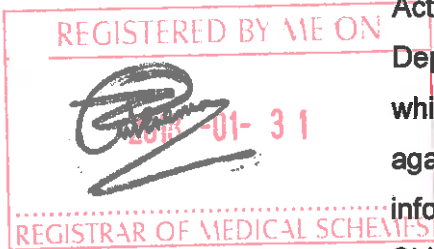
6.8.5 Alternatively, should any such Adult Dependants and/or guardians be unable to make any such election as provided for in Rules 6.8.3 or 6.8.4 due to any emergency whatsoever, the Principal Officer, or any person with the express, delegated authority of the Principal Officer, may (in his/her sole and absolute discretion), and subject to such terms and conditions as he/she may deem necessary to ensure the Schemes compliance with the Act and these Rules, authorise the reinstatement of any of the affected Dependants' membership without a break in continuity until the date on which such emergency has ended, from which time the Scheme shall again provisionally suspend the affected Dependants' membership and inform the Member's Adult Dependants and/or the guardians of his/her Child Dependants (as the case may be) of:

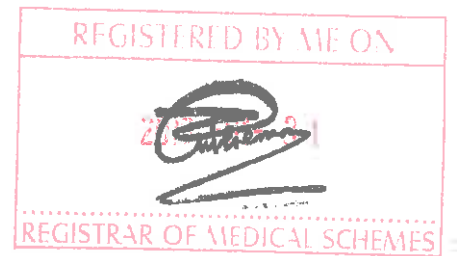
6.8.5.1 such suspension;

6.8.5.2 his/her Dependants' right to continued membership in terms of Rule 6.8.1;

6.8.5.3 the contributions payable in respect of such continued membership; and

6.8.5.4 the provisions of Rules 6.8.3 – 6.8.7,





following which Rule 6.8.3 and 6.8.4 shall apply.

6.8.6 Any Beneficiary, who is entitled to continued membership in terms of the provisions under Rule 6.8, shall lose such membership if he/she becomes a member, or a dependant of a member, of another medical scheme.

6.8.7 If a Spouse, who is entitled to continued membership and elected as the new Member in terms of the provisions under Rule 6.8, remarries, his/her status as Member will not be affected by such marriage, subject to the provisions of Rule 6.8.6.

7. REGISTRATION AS BENEFICIARY

7.1 All applicants for membership to the Scheme must make application to the Scheme on the prescribed application form applicable from time to time.

7.2 In such application, the applicant shall be obliged to make full and honest disclosure of all relevant information, including (without limitation) his/her state of health, financial standing and any other information required by the Scheme from time to time.

7.3 The Scheme shall be entitled to assess the applicant's application and may call for supporting documentation as may be required in respect of the application from time to time.

7.4 The Scheme may, in its sole discretion, accept the applicant's application subject to such conditions as the Scheme may impose in terms of these Rules, subject to Rule 6.

7.5 The benefits to which a Member or a Dependant (as the case may be) may be entitled shall:

7.5.1 In a case where his/her Date of Registration is the 1st of a month, accrue from such Date of Registration; or

7.5.2 In a case where his/her Date of Registration is any day other than the 1st of a month, accrue from the 1st day of the month following such Date of Registration; or

7.5.3 In a case described in Rule 6.8.3, where any of the Adult Dependants and/or guardians of any of the Dependants of a deceased Member elect(s) to retain his/her/their membership of the Scheme, accrue from the 1st day of the month following the month of the deceased Member's death; or

7.5.4 In a case described in Rule 7.6.2, where a Member successfully applies to register a new born or newly adopted child as a Dependant within sixty (60) days of the date of birth or adoption of the child, accrue from the date of birth or adoption (as the case may be); or

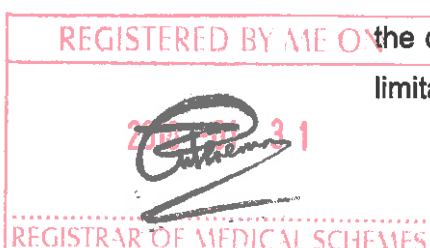
7.5.5 In a case described in Rule 7.6.2, where a Member does not comply with the sixty (60) day time period for the registration of a new born or newly adopted child as a Dependant, accrue from the relevant day specified in Rule 7.5.1 or Rule 7.5.2 (as the case may be).

7.6 Registration of Dependants:

7.6.1 A Member may apply for the registration of his/her Dependants at the time that he/she applies for membership or at any time thereafter.

7.6.2 If a Member successfully applies to register a new born or newly adopted child as a Dependant within sixty (60) days of the date of birth or adoption of the child, Rules 7.5.4 and 13.5.4 shall apply. However, if a Member fails to comply with the sixty (60) day time period for the registration of a new born or newly adopted child as a Dependant, Rules 7.5.5 and 13.5.5 shall apply, subject to Rule 12.2.2.

7.6.3 If a Member successfully applies to register a new born or newly adopted child as a Dependant after sixty (60) days of the date of birth or adoption of the child, the Scheme may subject the newly-registered Dependant to any limitations and/or exclusions that may be applicable from time to time.





7.7 De-registration of Dependants:

7.7.1 When a Dependant ceases to be eligible to be a Dependant, he/she shall no longer be deemed to be registered as such for the purpose of these Rules or entitled to receive any benefits, regardless of whether notice has been given in terms of these Rules or not. A Dependant shall cease to be regarded as such from the first day of the month following the month in which any such Dependant is de-registered as such, or ceases to be eligible to be a Dependant, whichever is the earlier.

7.7.2 The Scheme will on an annual basis determine the eligibility of a person to remain as a Dependant of a Member and to receive benefits from the Scheme. In the event that a person no longer qualifies to be a Beneficiary of the Scheme due to him/her no longer being an eligible Dependant of a Member, the Scheme may at its discretion elect to proceed in terms of Rule 12.5.3.

7.7.3 In addition to the Scheme's annual determination in terms of Rule 7.7.2 of a Dependant's eligibility to remain as a Dependant of a Member, the qualifying status of a Dependant who is deemed to be a Child Dependant in terms of Rule 4.9.5 or Rule 4.9.6 shall be reassessed by the Scheme immediately after either the end of such Dependant's course or practical training (as the case may be), or the anniversary of the date on which such Dependant was first registered as a Child Dependant by the Scheme, whichever is the earlier. If, at any time, such Dependant is found to no longer meet the qualifying criteria to be deemed a Child Dependant as contemplated by Rule 4.9.5 or Rule 4.9.6, the Scheme shall, subject to such Dependant meeting the qualifying criteria to be regarded as an Adult Dependant as specified in Rule 4.3, change such registered Dependant's status from that of a Child Dependant to that of an Adult Dependant with effect from the first day of the month following the month from which such Dependant is found not to have met the qualifying criteria to be deemed a Child Dependant as contemplated by Rule 4.9.5 or Rule 4.9.6, unless it is found that such Dependant is no longer an eligible Dependant, in which case the Scheme may at its discretion elect to proceed in terms of Rule

12.5.3.

7.7.4

Subject to Rule 12.2.2, a Member may deregister any of his/her Dependants by giving the Scheme at least one (1) calendar month's written notice for the last day of that or any subsequent calendar month, which notice shall cause the termination of the affected Dependants' cover by the Scheme at the end of the last day of the month so elected by the Member.



Should a Member cease to be a Member for any reason other than his/her death, then such a Member's Dependants shall automatically cease to be Beneficiaries with effect from the date on which the Member ceased to be a Member.

8. TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP

8.1 A minor may become a Member with the consent of his/her parent or guardian.

8.2 No person may be a beneficiary of more than one (1) medical scheme.

8.3 Waiting Periods

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

8.3.1.1 a General Waiting Period of up to three (3) months; and

8.3.1.2 a Condition-Specific Waiting Period of up to twelve (12) months, where applicable; and

8.3.1.3 may also exclude Prescribed Minimum Benefits during any such waiting periods.

8.3.2 The Scheme may impose upon any person in respect of whom an application is

made for membership of the Scheme or admission as a Dependant, and who was previously a beneficiary of a medical scheme for a continuous period of up to twenty four (24) months, terminating less than ninety (90) days immediately prior to the date of application to the Scheme:

8.3.2.1 a Condition-Specific Waiting Period of up to twelve (12) months, except in respect of any treatment or diagnostic procedures covered within the Prescribed Minimum Benefits;

8.3.2.2 in respect of any person contemplated in this Rule 8.3.2, where the previous medical scheme had imposed a General Waiting Period or a Condition-Specific Waiting Period, and such waiting period had not expired at the time of termination, a General Waiting Period or a Condition-Specific Waiting Period for the unexpired duration of such waiting period imposed by the former medical scheme.

8.3.3 The Scheme may impose upon any person in respect of whom an application is made for membership of the Scheme or admission as a Dependant, and who was previously a beneficiary of a medical scheme for a continuous period of more than twenty four (24) months, terminating less than ninety (90) days immediately prior to the date of application to the Scheme:

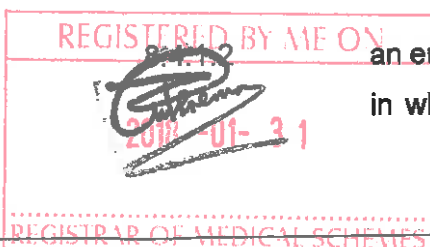
8.3.3.1 a General Waiting Period of up to three (3) months, except in respect of any treatment or diagnostic procedures covered within the Prescribed Minimum Benefits.

8.4 No waiting periods may be imposed on:

8.4.1 a person in respect of whom application is made for membership of the Scheme or admission as a Dependant, and who was previously a beneficiary of a medical scheme, terminating less than ninety (90) days immediately prior to the date of application, where the transfer of membership is required as a result of:

8.4.1.1 change of employment; or

an employer changing or terminating the medical scheme of its employees, in which case such transfer shall occur at the beginning of the financial



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year, or reasonable notice must have been furnished to the Scheme to which an application is made for such transfer to occur at the beginning of the financial year;

unless that person is subject to a General Waiting Period or a Condition-Specific Waiting Period that had been imposed by the former medical scheme, and such waiting period had not expired at the time of termination, in which case the remaining period may be applied by the Scheme.

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REGISTRAR OF MEDICAL SCHEMES

- 8.4.2 a Beneficiary who changes from one Benefit Option to another within the Scheme, unless that Beneficiary is subject to a waiting period on the current Benefit Option in which case the remaining period may be applied by the Scheme; or
- 8.4.3 a Member's child born or adopted during the period of membership, subject to Rule 7.6.2.
- 8.5 The registered Dependants of a Member shall participate in the same Benefit Option as the Member.
- 8.6 Every Member shall, on admission to membership, receive a summary of these Rules which shall include contributions, benefits, limitations, the Member's rights and obligations in accordance with the Benefit Option in terms of which the Member and his/her Dependants are registered.
- 8.7 Any Beneficiary registered as a Member or a Dependant shall be bound by these Rules as amended from time to time.
- 8.8 A Member may not cede, transfer, pledge or hypothecate or make over to any third party any claim, or part of a claim or any right to a benefit which he may have against the Scheme. The Scheme may withhold, suspend or discontinue the payment of any benefit, or any right in respect of such benefit under these Rules, if a Member assigns, transfers, cedes, pledges or hypothecates such benefit.

9. TRANSFER OF EMPLOYER GROUP FROM ANOTHER SCHEME

9.1 If the members of a medical scheme who are members of that medical scheme by virtue of their employment by a particular Employer, terminate their membership of that medical scheme with the object of obtaining membership of the Scheme, the Scheme shall admit as a Member, without a waiting period, any member of such first-mentioned scheme to the Scheme and admit any person who had been a registered dependant of such a member as a Dependant.

10. MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP

10.1 Every Member and Adult Dependant shall be furnished with a membership card, containing such particulars as may be prescribed from time to time. This card must be exhibited to a healthcare provider, on request. These cards remain the property of the Scheme and must be destroyed by the Member on termination of membership. Members may request additional cards from the Scheme from time to time.

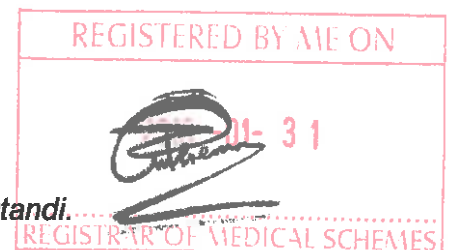
10.2 The utilisation of a membership card by any person other than the Member or his/her Dependants, with the knowledge or consent of the Member or his/her Dependants, is not permitted and is construed as an abuse of the privileges of membership of the Scheme.

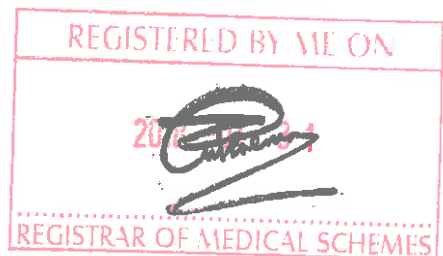
10.3 On resignation from the Scheme by a Member or a Dependant, the Scheme must, within thirty (30) days of such resignation, furnish such person with a certificate of membership and cover, containing such particulars as may be prescribed from time to time.

11. DOMICILIUM CITANDI ET EXECUTANDI MEMBER

11.1 A Member must nominate a *Domicilium Citandi et Executandi*.

11.2 A notice sent by prepaid registered post to the Member at his/her *Domicilium Citandi et Executandi* shall be deemed to have been received by the Member on the seventh (7th) day after the date of posting. In the event that the Member fails to nominate a *Domicilium Citandi et Executandi*, the Member's postal or residential address on his/her application form shall be deemed to be his/her





Domicilium Citandi et Executandi.

- 11.3 Notices may also be sent by the Scheme to a Member's nominated e-mail address, postal address or fax number at the Scheme's discretion. If a notice is dispatched to a Member's fax number or e-mail 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.
- 11.4 A Member must notify the Scheme within thirty (30) days of any change of any contact details, including his/her *Domicilium Citandi et Executandi*. The Scheme shall not be held liable if a Member's rights are prejudiced or forfeited as a result of the Member's neglecting to comply with the requirements of this Rule.

12. SUSPENSION AND TERMINATION OF MEMBERSHIP

12.1 Automatic Termination

12.1.1 Subject to Rule 13.5, a Member whose employment with the Employer terminated for a reason not mentioned in Rule 6.3.2 shall, on the date of such termination of employment, cease to be a Member, provided that all rights to benefits shall cease on the last day of the month in which the Member's employment terminates, and that the full monthly contribution shall then be due and payable in respect of same. However, a Member contemplated in Rule 6.8 whose employment with his/her employer terminated for any reason whatsoever, and his/her Dependants, shall not cease to be Beneficiaries as a result of any such termination.

12.1.2 Upon termination of a Member's membership of the Scheme for any reason, all the Dependants of such a Member shall also automatically cease to be Beneficiaries of the Scheme, unless otherwise provided for in these Rules.

12.2 Voluntary Termination of Membership

12.2.1 Subject to Rule 12.2.2, a Member may terminate his/her membership of the Scheme on giving at least one (1) calendar month's written notice to the Scheme for the last day of that or any subsequent calendar month, which notice shall cause the termination of his/her and his/her Dependants' cover by the Scheme at

the end of the last day of the month so elected by the Member.

12.2.2 Subject to such guidelines and practices as may be adopted by the Board from time to time, the Board may, in its sole and absolute discretion and on good cause shown, waive any of the time periods specified in Rules 6.3.1, 7.6.2, 7.7.4 and/or 12.2.1.

12.3 **Death**

12.3.1 Subject to Rule 6.8, a Member's and his/her Dependants' membership shall terminate on the last day of the month of the Member's death.

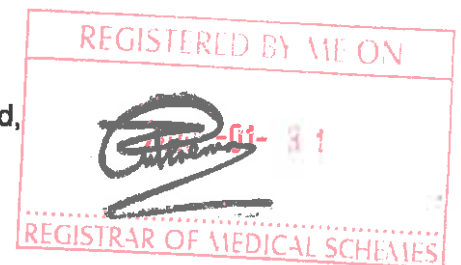
12.4 **Failure to Pay Amounts Due to the Scheme**

12.4.1 If a Member fails to pay any amount of money due to the Scheme, his/her and/or any of his/her Dependants':

12.4.1.1 Benefits may be suspended; or

12.4.1.2 Membership may be suspended and/or terminated,

as provided for in these Rules.



12.5 **Abuse of Privileges, False Claims, Misrepresentation and Non-disclosure of Factual Information**

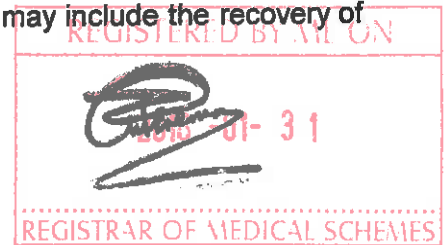
12.5.1 The Scheme may exclude from benefits or suspend (pending investigation) or terminate the membership of a Beneficiary whom the Scheme finds guilty of abusing the benefits and privileges of the Scheme by presenting false claims or making a material misrepresentation or the non-disclosure of factual information required in terms of the Act. In such event, he/she may be required by the Scheme to refund to the Scheme any sum of money which, but for his/her abuse of the benefits or privileges of the Scheme, would not have been disbursed on his/her behalf.

12.5.2 A Member shall inform the Scheme within thirty (30) days of the occurrence of any event which results in him/her or any one of his/her Dependants no longer

satisfying the conditions in terms of which he/she may be a Member, Child Dependant or Adult Dependant.

12.5.3 Should a Member fail to inform the Scheme as contemplated in Rule 12.5.2, then (upon the Scheme discovering that such Member or any of his/her Dependents is no longer eligible to be a Member, Child Dependant or Adult Dependant), all claims and other amounts paid by or due to the Scheme from the date of disqualification of any such Beneficiary shall be repaid by the Member to the Scheme. All contributions received by the Scheme in respect of any such disqualified Beneficiary shall be refunded to the Member with effect from the first day of the month following the month in which any such Beneficiary ceased to qualify as such. Any amounts due to the Scheme by the Member as contemplated from any refund of the contribution, may be retained by the Scheme prior to such contribution being refunded to the Member.

12.5.4 The Scheme shall maintain a fraud management policy and implement the sanctions contained therein from time to time, which may include the recovery of losses by the Scheme.



13. CONTRIBUTIONS

13.1 The total monthly contributions payable to the Scheme by or in respect of a Member and his/her Dependents shall be calculated with reference to the Benefit Option on which they are enrolled, the Member's salary band, and the classification of each of the Member's Dependents as either a Child Dependant or an Adult Dependant, as provided for in Annexure B hereto. It shall be the responsibility of the Member to notify the Scheme of changes in income that may necessitate a change in Benefit Options and/or contribution in terms of Annexure B hereto.

13.2 The Board may from time to time change the salary bands reflected in Annexure B hereto in any particular year in accordance with the provisions and processes contemplated by the Act.

13.3 On 01 January each year, the Scheme shall assess a Member's Salary in terms of Rule 4.35 for purposes of calculating the total monthly contributions due and

payable to the Scheme in terms of Rules 13.1 and 13.5 during each such year. However, upon the Scheme's receipt of a notice informing it of a reduction in a Member's Salary, the Scheme shall re-assess the Member's Salary in terms of Rule 4.35 for purposes of calculating the total monthly contributions due from the end of the month following the month of such receipt and payable to the Scheme in terms of Rules 13.1 and 13.5 during the remainder of that particular year.

13.4 If, when calculating the total monthly contributions payable to the Scheme in terms of Rules 13.1 or 13.3 (as the case may be), a Member's Salary should fall between the upper and lower ranges of two consecutive salary bands on the contribution table in Annexure B hereto, the Member's Salary shall be rounded down to the nearest South African Rand (R1.00), thereby causing the Member's Salary to fall within the lower of the relevant two salary bands.

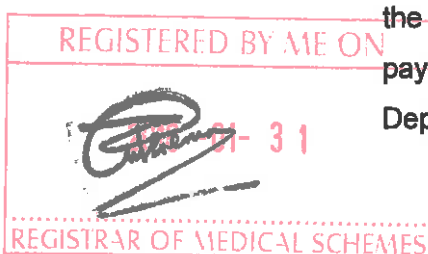
13.5 Contributions shall be due monthly in arrears and be payable:

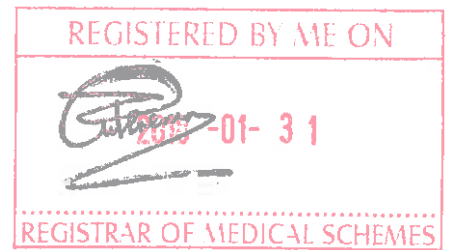
13.5.1 In a case where a Beneficiary's Date of Registration is the 1st of a month, by not later than the third (3rd) day of each following month; or

13.5.2 In a case where a Beneficiary's Date of Registration is any day other than the 1st of a month, by not later than the third (3rd) day of each month following the month after the month of such Beneficiary's registration; or

13.5.3 In a case described in Rule 6.8.3, where any of the Adult Dependants and/or guardians of any of the Dependants of a deceased Member elect(s) to retain his/her/their membership of the Scheme, by not later than the third (3rd) day of each month following the month after the month of the deceased Member's death; or

13.5.4 In a case described in Rule 7.6.2, where a Member successfully applies to register a new born or newly adopted child as a Dependant within sixty (60) days of the date of birth or adoption of the child, by not later than the third (3rd) day of each month following the month of birth or adoption (as the case may be). In such instances, the full monthly contribution shall be payable regardless of the number of days that the newly-registered Dependant participated in the Scheme during the month of birth or





adoption (as the case may be); or

- 13.5.5 In a case described in Rule 7.6.2, where a Member does not comply with the sixty (60) day time period for the registration of a new born or newly adopted child as a Dependant, in accordance with Rule 13.5.1 or Rule 13.5.2 (as the case may be).
- 13.6 Where contributions or any other debt owing to the Scheme have not been paid within thirty (30) days of the date on which it has become due and payable, the Scheme shall have the right:
- 13.6.1 to suspend all benefit payments in respect of claims which arose during the period of default until such time as all outstanding amounts have been paid to the Scheme; and/or
- 13.6.2 to give the Member written notice that if contributions or such other debts are not paid within twenty one (21) days of posting of such notice, membership may be terminated.
- 13.7 In the event that payments are brought up to date, and provided membership has not been terminated in accordance with Rule 12.4, benefits shall be reinstated without any break in continuity. If such payments are not brought up to date, no benefits shall be due to the Member for the period of default and any such benefit paid shall be recovered by the Scheme.
- 13.8 Unless specifically provided for in the Rules in respect of Personal Medical Savings Accounts ("PMSA"), no refund of any assets of the Scheme or any portion of a contribution shall be paid to any person where such Member's membership or cover in respect of any Dependant terminates during the course of a month.

14. LIABILITIES OF EMPLOYER AND MEMBER

- 14.1 The liability of the Employer towards the Scheme is limited to any amounts payable in terms of any agreement between the Employer and the Scheme.
- 14.2 The liability of a Member to the Scheme is limited to the amount of his/her unpaid

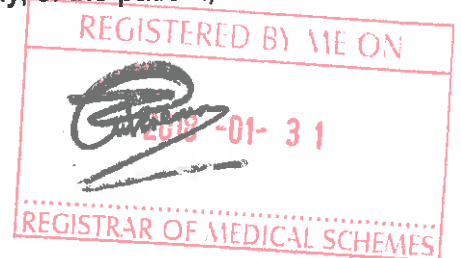
contributions together with any sum of money disbursed by the Scheme on his/her behalf or on behalf of his/her Dependents which is due by the Member to the Scheme in terms of the Rules and which has not been repaid to the Scheme.

- 14.3 In the event of a Member ceasing to be a Member, any sum of money still owing to the Scheme by such Member shall be a debt due to the Scheme and recoverable by it.

15. CLAIMS PROCEDURE

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

- 15.1.1 The surname and initials of the Member;
- 15.1.2 The surname, first name and other initials, if any, of the patient;
- 15.1.3 The name of the Scheme;
- 15.1.4 The membership number of the Member;
- 15.1.5 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;
- 15.1.6 The relevant diagnostic and such other item code numbers that relate to such relevant health service;
- 15.1.7 The date on which each relevant health service was rendered;
- 15.1.8 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;

15.1.9 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;

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

15.1.10.1 The name of the relevant practice number and provider number contemplated in Rule 15.1.5 of the medical practitioner or dentist who performed the operation;

15.1.10.2 The name or names and the relevant practice number and provider number contemplated in Rule 15.1.5 of every medical practitioner or dentist who assisted in the performance of the operation; and

15.1.10.3 All procedures carried out together with the relevant item code number contemplated in Rule 15.1.6; and

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

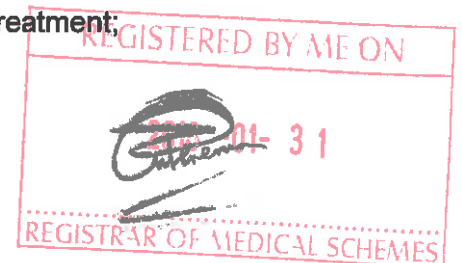
15.1.11.1 The expected total amount in respect of the treatment;

15.1.11.2 The expected duration of the treatment;

15.1.11.3 The initial amount payable; and

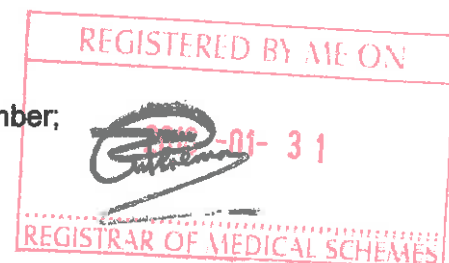
15.1.11.4 The monthly amount payable.

15.2 If an account, statement or claim is correct or where a corrected account,



statement or claim is received (as the case may be), the Scheme must, in addition to the payment contemplated in Section 59(2) of the Act, dispatch to the Member a statement containing at least the following particulars as prescribed by Regulation 6(5):

- 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; and
- 15.2.5 The amount of the benefit awarded for such service.
- 15.3 In order to qualify for benefits, the first submission of any claim must, unless otherwise arranged, be signed and certified as correct and must be submitted to the Scheme in any prescribed manner as may be acceptable by the Scheme not later than the end of the fourth month from the last date of the service rendered as stated on the account, statement or claim.
- 15.4 Where a Member has paid a healthcare provider, he/she shall submit a claim for reimbursement and, in support of his/her claim, he/she shall submit an account or statement, as prescribed by Rule 15.1 above, and a receipt evidencing payment thereof.
- 15.5 If the Scheme is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, the Scheme shall notify the Member and the relevant healthcare provider within thirty (30) days after receipt thereof and state the reasons for such an opinion. The Scheme shall afford such Member and healthcare provider the opportunity to resubmit such corrected account, statement or claim to the Scheme within sixty (60) days following the date from which it was returned for correction. If, after such resubmission, the Scheme remains of such opinion, the process provided for in this Rule 15.5 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 15.3 and the sixty (60) day period provided for in this Rule 15.5, the Scheme shall have the right not to pay such account, statement or claim.

15.6 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 Dependants, 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 17.5, 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.

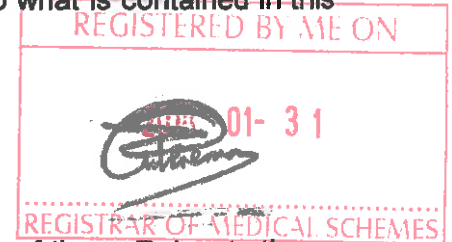
15.7 The Scheme shall, where a valid claim has been received, and subject to a Beneficiary's entitlement in terms of his/her applicable Benefit Option, pay the Scheme Rate in respect of any benefit due to the Beneficiary, to the Member, or to the supplier of the relevant health service, who rendered the account, within thirty (30) days of receipt of the claim pertaining to such benefit. In the event that the liability for such payment is subsequently undertaken by a statutory compensation fund, the Beneficiary in respect of whom such liability is so undertaken shall:

15.7.1 be liable to repay the Scheme all such amounts paid by the Scheme and recovered by or on behalf of the Beneficiary from the relevant statutory compensation fund, free from any costs incurred in the recovery of such amount;

15.7.2 sign all such documentation as may be required by the Scheme to proceed with a claim in the Beneficiary's or the Scheme's name to recover any amounts expended by the Scheme in respect of the Beneficiary from the relevant statutory compensation fund, subject to the Scheme indemnifying the Beneficiary against any costs resulting from the institution of such claim, if the Scheme is satisfied that such a claim exists and the Beneficiary elects not to proceed with the claim in his/her own right; and



15.7.3 when requested by the Scheme, whether prior to or subsequent to the Scheme effecting any payments as described in this Rule 15.7, provide the Scheme with a written undertaking signed by both the Beneficiary and his/her legal representative so as to give effect to what is contained in this Rule 15.7.



16. BENEFITS

16.1 A Beneficiary shall be entitled, subject to the provisions of these Rules, to those benefits in accordance with the Benefit Option in respect of which the Beneficiary is registered. A Member must, in his/her application, indicate under which Benefit Option membership is sought.

16.2 A Member is entitled to change from one to another Benefit Option subject to the following conditions:

16.2.1 The change may be made only once a year with effect from 1 January of the following year. The Scheme must receive notice in writing on or before the 30th of November of a year or by the end of any other time period determined by the Scheme and conveyed to Members of any change in a Member's Benefit Option in respect of the following year.

16.2.2 The Scheme may, in its absolute discretion, permit a Member to change from one to another Benefit Option on any other date, subject to any conditions imposed. An application to change from one Benefit Option to another in terms of this Rule must be in writing and lodged with the Scheme at least one (1) calendar month prior to the implementation of any change to the Member's Benefit Option.

16.2.3 In the event of the Scheme approving a change contemplated by Rule 16.2.2, the annual benefits entitlement available under the new Benefit Option shall be adjusted pro-rata in relation to the number of months remaining in that benefit year.

16.3 Any Benefit Option in Annexure C hereto covers the cost of services rendered in respect of the Prescribed Minimum Benefits in accordance with Annexure G

hereto.

16.4 No limitations or exclusions, other than those prescribed by the Act, shall be applied to the Prescribed Minimum Benefits.

16.5 Pre-authorisation is a clinical decision based on the information provided, but is not a guarantee of payment of the relevant healthcare services to be rendered.

16.6 Unless otherwise provided for or decided by the Board, expenses incurred in connection with any of the following shall not be paid by the Scheme:

16.6.1 All costs for operations, medicines, treatment and procedures for cosmetic purposes;

16.6.2 Holidays for recuperative purposes;

16.6.3 Purchase of the following, unless prescribed by a qualified healthcare provider duly registered as such with the Health Professions Council of South Africa or any other recognised authority as such:

16.6.3.1 Medicines not registered with the South African Health Products Regulatory Authority;

16.6.3.2 Toiletries and beauty preparations;

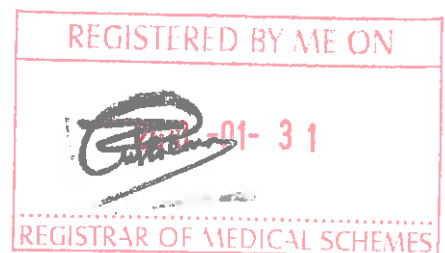
16.6.3.3 Slimming products;

16.6.3.4 Homemade remedies; and

16.6.3.5 Alternative medicines;

16.6.4 All costs that are more than the annual maximum benefit to which a Beneficiary is entitled in terms of the Rules of the Scheme;

16.6.5 Where a Beneficiary is required to pay a penalty to any healthcare



provider, which penalty is levied by such provider due to a Beneficiary not keeping an appointment, and the like; and

16.6.6 Costs for services rendered by or in respect of:

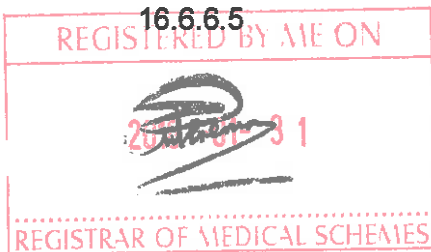
16.6.6.1 persons not registered with a recognized professional body constituted in terms of any legislation; or

16.6.6.2 any institution, nursing home or similar institution not registered in terms of any law, except a state or provincial hospital; or

16.6.6.3 any procedure or treatment which is not supported by the Scheme's protocols in respect of such procedure or treatment provided that such protocols are compiled in accordance and with due reference to evidence-based exclusions and criteria from time to time; or

16.6.6.4 any procedure, treatment or medication which is provided to Beneficiaries in the course of a clinical trial, unless authorised by the Scheme subsequent to an authorization request from a Member; or

16.6.6.5 any procedure, treatment or medication which is provided abroad to a Beneficiary studying abroad, who is not stationed abroad on or by virtue of instructions, requirements or obligations of a Member's Employer, as provided for in Rule 6.2.



16.7 Beneficiaries admitted during the course of a year are entitled to the benefits set out in the relevant Benefit Option chosen, provided that the benefits shall be adjusted pro-rata in respect of such Beneficiaries calculated from the first day of the month following the date of admission to the end of the particular year.

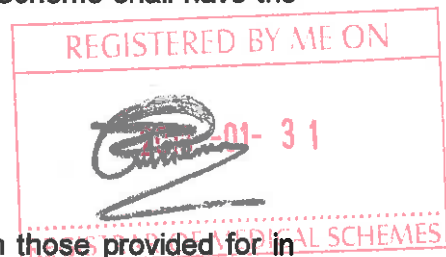
16.8 Unless otherwise decided by the Board from time to time, benefits in respect of medicines obtained on a prescription are limited to one (1) month's supply for every such prescription or repeat thereof.

17. PAYMENT OF ACCOUNTS

- 17.1 Payment of claims is restricted to the net amount payable in respect of such benefit and the maximum amount of the benefit to which the Member and/or his/her Dependants are entitled in terms of the their Benefit Option.
- 17.2 Any discount, whether on an individual basis or bulk discount received in respect of a relevant health service, shall be for the benefit of the Member in determining the net amount payable for the service, and appropriate deduction shall be made from the applicable benefit limit or Personal Medical Savings Account (as the case may be).
- 17.3 The Scheme may pay any claim in accordance with the Member's and his/her Dependants' Benefit Option directly to the healthcare provider(s) who rendered the service.
- 17.4 Where the Scheme has paid a claim (in full or in part) and/or any other amount to which the Member, any of his/her Dependants, or any healthcare provider is not entitled, the amount of any such overpayment shall be recoverable by the Scheme (in its absolute discretion) from the Member or the healthcare provider to whom such overpayment was made.
- 17.5 Notwithstanding the other provisions of these Rules, the Scheme shall have the right to pay any benefit directly to the Member concerned.

18. EX GRATIA PAYMENTS

The Board shall not authorise payment for services other than those provided for in these Rules, but may (in its absolute discretion) make *ex-gratia* payments in respect of any healthcare services obtained by a Member or a Dependant which do not form part of such a Member's or Dependant's entitlement in terms of his/her Benefit Option. An *ex-gratia* payment is a concession exercised at the discretion of the Board and not a right to which Members and their Dependants are entitled. Any decision made regarding the extension of a benefit to a Member or Dependant by way of an *ex gratia* concession shall be on the basis that the decision of the Board, or any duly authorised person(s) or committee, is final and binding.

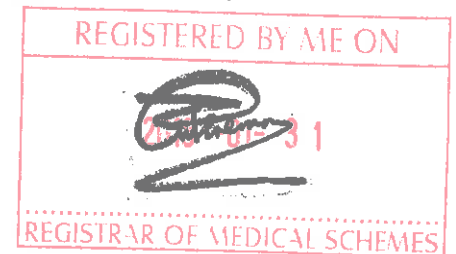


19. GOVERNANCE

- 19.1 The business of the Scheme shall be managed by a Board consisting of twelve (12) persons who are fit and proper to be Trustees in accordance with the Act and the provisions of these Rules.
- 19.2 50% (fifty percent) of the Trustees shall be elected directly by the Members from their ranks (hereinafter referred to as "**Member Trustees**" or "**Member-elected Trustees**"). Accordingly, only a Member shall be entitled to be elected as a Trustee.
- 19.3 The remaining 50% (fifty percent) of the Trustees shall be appointed by the Employer, subject to the provisions of Rules 19.15 (hereinafter referred to as "**Employer Trustees**" or "**Employer-appointed Trustees**"). An Employer Trustee need not be a Member to qualify to serve as an Employer Trustee. Should an Employer wish to substitute a Trustee appointed by it, it may do so at any time by giving the Scheme at least sixty (60) days written notice of its intention to do so, and substitute any other Employer Trustee in place of the Trustee which it withdraws as such.
- 19.4 The Scheme shall develop principles for the appointment of Trustees in order to enable the Scheme to attract and appoint Trustees which will allow its Board to broadly mirror the composition of its membership as far as race and gender is concerned, while simultaneously ensuring that the precepts of the Act are complied with and the requirements pertaining to the fitness and propriety of its Trustees are maintained.
- 19.5 The following persons are not eligible to serve as Trustees and may not hold office, or shall cease to hold office, as such if:
- 19.5.1 A person under the age of 18 years;
- 19.5.2 A person without satisfactory educational qualifications, experience or expertise, and relevant skills and knowledge relating to the duties that he/she is expected to perform as Trustee;



- 19.5.3 A broker or an employee, director, officer, consultant, or contractor of any person (natural or juristic) contracted by the Scheme to provide administrative, marketing, broker, managed healthcare, health, auditing or any other services (including the administrator of the Scheme) or of the holding company, subsidiary, joint venture or associate of such a person;
- 19.5.4 A person who has a material relationship with any person (natural or juristic) contracted by the Scheme, or in the process of tendering to the Scheme, to provide any administrative, marketing, broker, managed healthcare, health, auditing or any other services, whether alone or with or through a holding company, subsidiary, joint venture or associate;
- 19.5.5 The Principal Officer of the Scheme;
- 19.5.6 A person who is an employee of the Scheme;
- 19.5.7 A person who is sought to be elected by the Members who is himself/herself not a Member of the Scheme;
- 19.5.8 A person who is mentally ill and/or incapable of managing his/her affairs;
- 19.5.9 A person who has been declared insolvent or has surrendered his/her estate for the benefit of his/her creditors;
- 19.5.10 A Member Trustee who has ceased to be a Member of the Scheme;
- 19.5.11 A Trustee who has absented himself/herself from three (3) meetings of the Board in any given calendar year without the permission of the Chairperson;
- 19.5.12 A person who has been removed by the Board in terms of Rule 19.12;
- 19.5.13 A person in respect of whom the Minister, or a person within the Minister's office who has express, delegated authority to make an Employer



appointment, has withdrawn his/her designation as an Employer Trustee;

19.5.14 A Trustee/trustee who has been, or who is in the process of being, removed from office by the Council in terms of Section 46 of the Act or by another regulatory authority;

19.5.15 A person who has been, or who is in the process of being, disciplined, reprimanded, disqualified or removed in relation to matters relating to honesty, integrity or business conduct by a professional body or regulatory authority;

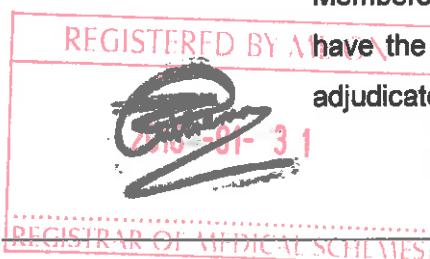
19.5.16 A person who has been disqualified, or who is the subject of any pending proceedings which may lead to such disqualification, under any law in any jurisdiction, whether in the Republic of South Africa or elsewhere, from carrying on his/her profession or serving in a fiduciary capacity;

19.5.17 A person who has been convicted, or who is the subject of any pending proceedings which may lead to such a conviction, under any law in any jurisdiction, whether in the Republic of South Africa or elsewhere, of theft, fraud, forgery, uttering of a forged document, perjury or any offence involving dishonesty or violence;

19.5.18 A person who has been, or who is in the process of being, removed by a court from any office of trust on account of misconduct, fraud or any offence of which dishonesty or violence is an element; and/or

19.5.19 A person who is serving as a trustee of any other registered medical scheme.

19.6 The election of Member-elected Trustees shall take place by ballot (whether postal, electronic or otherwise) and in accordance with a procedure determined by the Board, subject to the verification as set forth in Rule 19.7. All registered Members shall be eligible to vote in such an election, and only Members shall have the right to vote on matters in respect of which Members are entitled to adjudicate, provided that in any such circumstances, any such Member is in



good standing with the Scheme and is not a minor Dependant of a deceased Member who was elected as the new Member in terms of Rule 6.8.3.

19.7 An independent person or body appointed by the Board shall oversee the election of Member Trustees and shall, after the election, submit a report to the Board in which the independent person or body shall inform the Board of:

19.7.1 Whether they are satisfied that the election was free and fair and in accordance with the procedure and methodology approved by the Board in accordance with these Rules;

19.7.2 The names of the Members elected as Trustees and the names of the persons who have been re-elected to the Board;

19.7.3 The number of votes in favour of each candidate; and

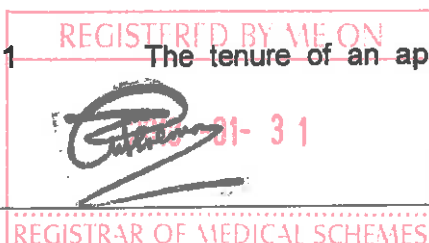
19.7.4 Shall certify that those persons elected as Member Trustees are in fact Members who are in good standing.

19.8 If the Board, after having considered the report of the independent person or body as provided for in Rule 19.7, is satisfied that the election took place in accordance with the procedure and methodology determined by the Board and that it was a free and fair election, the Principal Officer shall notify the elected Members in writing of their election and the date, time and place of the next meeting of the Board, and invite them to attend the meeting.

19.9 The tenure of a newly appointed Employer Trustee or of a newly elected Member Trustee (as the case may be) shall commence with effect from the first meeting of the Board following such appointment or election, which meeting, in the case of a newly elected Member Trustee only, shall be held no later than one (1) calendar month following the finalisation of the Trustee election process envisaged in Rules 19.6 to 19.8.

19.10 The tenure of a Trustee shall be as follows:

19.10.1 The tenure of an appointed or elected Trustee shall be six (6) years,



GEMS Rules

subject to any contrary law or the binding requirements of the Registrar from time to time.

19.10.2 Subject to Rule 19.10.3, any person elected or appointed as a Trustee after 31 December 2012 shall be eligible to serve as such for a term of six (6) years. Upon expiration of his/her tenure as Trustee, a Trustee shall be obliged to allow a lapse of at least five (5) years before again being eligible to serve as a Trustee (whether elected or appointed) of the Scheme, but must then again satisfy the nomination conditions as specified in Rules 19.31.2 and 19.31.3. Subject to the provisions of this Rule 19.10.2, no Trustee may serve as such for more than three (3) terms.

19.10.3 The following interim arrangements affect those Trustees who were elected or appointed as such prior to 31 December 2012 and who were as a result of the dispensation then applicable, eligible to serve up to two (2) consecutive terms of three (3) years each ("Affected Trustees").

19.10.3.1 Where an Affected Trustee's tenure expires after having served as such for two (2) consecutive terms, he/she shall be ineligible to serve as a Trustee until a period of five (5) years from the date of such expiration has lapsed, at which time he/she shall again be eligible to serve as a Trustee, subject to Rules 19.10.1, 19.10.2, 19.31.2 and 19.31.3.

Where an Affected Trustee's tenure expires after having served as such for one (1) term of three (3) years only, he/she shall be eligible to serve as a Trustee for a further term without a break in continuity, subject to Rules 19.10.1, 19.10.2, 19.31.2 and 19.31.3.

REGISTRATION 19.10.3.2

2012-11-21

REGISTRAR OF MEDICAL SCHEMES

19.11 A Trustee may resign at any time by giving at least thirty (30) days' written notice to the Board.

19.12 A Trustee who acts in a manner which exposes the Scheme or its Members to undue prejudice or risk may be removed by the Board, provided that:

19.12.1 before a decision is taken to remove the Trustee, the Board shall furnish

that Trustee with full details of the evidence which the Board has at its disposal regarding the conduct complained of, and allow such Trustee a period of not less than thirty (30) days in which to respond to the allegations;

19.12.2 the resolution to remove that Trustee is taken by at least two thirds of the Trustees in attendance;

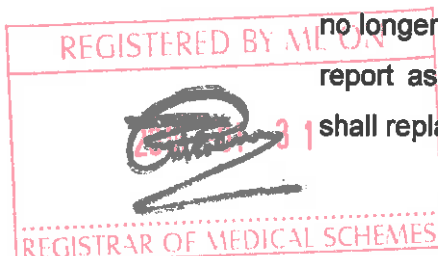
19.12.3 the Trustee being removed in terms of this Rule shall not be entitled to vote in respect of such a resolution;

19.12.4 if the Trustee being removed in terms of this Rule 19.12 is a Member-elected Trustee, such Trustee's position shall be filled in accordance with the provisions of Rule 19.14; and

19.12.5 a Trustee removed in terms of this Rule 19.12 shall not be eligible to be re-appointed or re-elected as Trustee.

19.13 In the event of a vacancy arising on the Board, the remaining Trustees shall form the Board of the Scheme, provided that if and so long as their number is reduced below that fixed for a quorum by these Rules, such Trustees may act only for the purpose of increasing the number of Trustees to that number (as specified in Rule 19.22) or for summoning a general meeting of the Scheme, but for no other purpose.

19.14 In the event of a vacancy arising on the Board among the Member-elected Trustees for a reason other than the expiry of a Member-elected Trustee's tenure, the current Member (excluding any Member who declines the proposed appointment to serve on the Board) who received the highest number of votes in the most recent Member trustee election shall fill the vacancy which has arisen on the Board with effect from the first meeting of the Board following the date of such vacancy arising, and his/her tenure shall end on the date on which the tenure of the outgoing Member-elected Trustee would have ended but for his/her no longer being able to serve on the Board. The Board shall revert to the election report as described in Rule 19.7 for purposes of identifying the Member who shall replace the outgoing Member-elected Trustee.

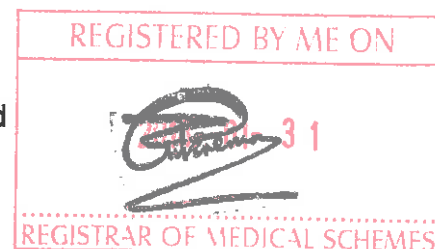


19.15 At least two (2) months prior to the expiry of the tenure of an Employer Trustee, or within one (1) month of a vacancy arising on the Board among the Employer Trustees for a reason other than the expiry of an Employer Trustee's tenure, the Board must initiate the Employer nomination process as described in this Rule 19.15 by requesting the Minister of Public Service and Administration or a person within the Minister's office who has express, delegated authority to make an Employer appointment, to make such appointment. The Minister or his/her authorised delegate shall ensure that at least: one (1) of the Employer Trustees has qualifications and experience:

19.15.1 in the legal profession; and

19.15.2 one (1) in the auditing or actuarial profession; and

19.15.3 one (1) in the medical profession.

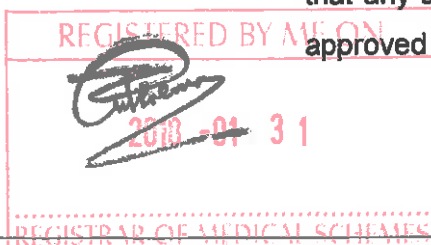


19.16 At its first meeting after each Annual General Meeting, the Board shall elect a Chairperson and a Deputy Chairperson from its ranks in accordance with Rules 19.17 and 19.18. The Chairperson and the Deputy Chairperson shall not serve as such for a period exceeding three (3) consecutive years. The Chairperson or, in his/her absence, the Deputy Chairperson shall preside over all meetings of the Board, the Annual General Meeting and any Special General Meeting of Members. In the absence of both the Chairperson and the Deputy Chairperson from any Board meeting or any general meeting of Members, the remaining Board members shall elect a Chairperson in accordance with Rule 19.17, who shall be the Chairperson for that meeting.

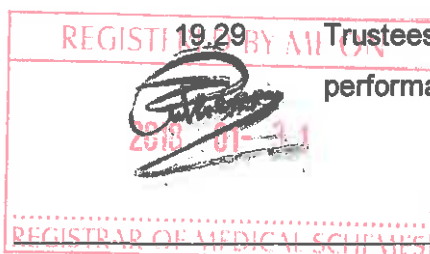
19.17 Subject to the facilitation of the election process provided for in this Rule 19.17 by the independent Audit Committee Chairperson or, in his/her absence (for whatever reason), any independent Audit Committee member, the Trustees shall call for nominations for the position of Chairperson, following which each Trustee shall cast a vote for a Chairperson. The Trustee who obtains the highest number of votes shall be the Chairperson. In the event that two (2) or more Trustees receive the same number of votes, the Trustees shall cast votes in respect of those Trustees who were tied, and the Trustee who receives the greatest

number of votes will serve as the Chairperson.

- 19.18 Subject to the facilitation of the election process provided for in this Rule 19.18 by the Chairperson or, in his/her absence (for whatever reason), the independent Audit Committee Chairperson or, in his/her absence (for whatever reason), any independent Audit Committee member, the Trustees shall call for nominations for the position of Deputy Chairperson, following which each Trustee shall cast a vote for a Deputy Chairperson. The Trustee who obtains the highest number of votes shall be the Deputy Chairperson. In the event that two (2) or more Trustees receive the same amount of votes, the Trustees shall cast votes in respect of those Trustees who were tied, and the Trustee who receives the greatest number of votes will serve as the Deputy Chairperson.
- 19.19 The Board may remove the Chairperson and/or the Deputy Chairperson from their position(s) as such (but not as Trustees) at any time, provided that at least 51% (fifty one percent) of the Trustees present vote in favour of such removal, following which Rule 19.16 shall apply.
- 19.20 The Board must meet at least once every quarter or at such intervals as it may deem necessary.
- 19.21 The Chairperson may convene a special meeting of the Board, should the necessity arise. Any three (3) Trustees may request the Chairperson to convene a special meeting of the Board, stating in their request the matters to be discussed at such meeting. Within one (1) calendar month of receipt of the request the Chairperson shall convene a special meeting of the Board to deal with the matters stated therein.
- 19.22 Seven (7) of the Trustees present at any duly constituted meeting of the Board shall constitute a quorum.
- 19.23 Matters serving before the Board must be decided by a majority vote, provided that any amendment to this Rule 19, Rule 27, Rule 28 and Rule 29 may only be approved by the Board by a two thirds majority vote.



- 19.24 Each Trustee shall have one (1) vote at any meeting of the Board; and should there be an equal number of votes in respect of any issue before the Board, the Chairperson shall have a casting vote.
- 19.25 A resolution in writing signed by at least seven (7) Trustees 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 in the Chairperson's absence, the Deputy Chairperson. Such a resolution must be minuted and noted at the following meeting of the Board. Any such resolution may consist of several documents in like form, signed by one of the signatories contemplated in this Rule.
- 19.26 Any Trustee who has a conflict of interest in respect of any matter discussed by the Board shall disclose such conflict to the Board and shall recuse himself/herself from further deliberations in respect of the matter. In the event that a Trustee is unsure whether or not he/she has a conflict of interest in a matter, such a Trustee must make full disclosure to the Board, who shall then determine whether such a Trustee may participate on the matter in respect of the conflict that is raised.
- 19.27 The Board shall cause the proceedings of all Board meetings, Annual General Meetings and Special General Meetings to be properly minuted and the minutes of such meetings shall be laid before the first succeeding respective meeting, provided that the minutes of every Special General Meeting shall, as the Board may decide, be laid before the first succeeding Special General Meeting or the Annual General Meeting.
- 19.28 If the minutes of any such meetings are accepted and confirmed as correct by the Board, such minutes shall be signed by the Chairperson. Every minutes 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 be sufficient evidence of the facts stated therein.



adopted by the Board from time to time.

19.30 Subject to the terms and conditions of any employment contract between Trustees and their employers, Trustees may be paid an honorarium on such terms and conditions as the Board may determine from time to time. The amount of the honorarium shall be disclosed to the Annual General Meeting in the year to which the honorarium relates.

19.31 Election of Member-elected Trustees

Subject to any laws applicable from time to time regarding the Registrar's power to regulate, monitor or intervene in the election of Member Trustees:

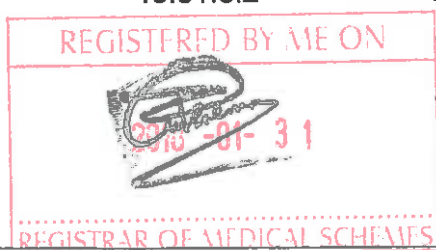
19.31.1 At least four (4) months prior to the tenure of any Trustee expiring, the Scheme shall send out notices to all Members informing them of the date on which a Trustee's tenure expires, and inviting Members to nominate candidates to be considered to be elected as Trustees. This notice shall also inform Members what information is required to be submitted in respect of nominated candidates to be eligible for election as Trustee as further indicated in Rules 19.31.2 and 19.31.3.

19.31.2 Nominations by Members of candidates for election as Trustees must be received by the Scheme within twenty eight (28) days from the date on which the notices referred to in Rule 19.31.1 are dispatched. A Member who makes a nomination may nominate himself/herself or another Member as a candidate for election as a Trustee.

19.31.3 A nomination of a candidate to be elected as a Trustee shall only be valid if it is in writing and contains the following information:

19.31.3.1 A short curriculum vitae of the candidate (not exceeding one (1) A4 page); and

19.31.3.2 A list comprising the signatures of the Member who makes the nomination, the fifty (50) other Members who support the nomination, and the Member so nominated; but where the Member has



nominated himself/herself as a candidate, a list comprising the signatures of such a Member and the fifty (50) other Members who support the nomination, shall suffice.

19.31.4 At least seventy-five (75) days prior to the tenure of a Trustee expiring, the Scheme shall cause the following to be sent to all Members:

19.31.4.1 A list of all candidates eligible to be voted as Trustees, together with a summarised curriculum vitae of each candidate;

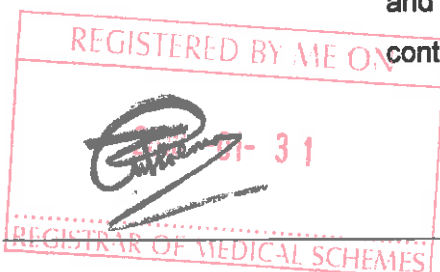
19.31.4.2 A ballot form on which the Member may exercise his/her vote; and

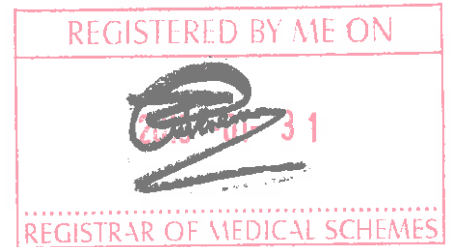
19.31.4.3 A letter indicating to the Members by when their votes must be received by the Scheme.

19.31.5 All votes in respect of Trustee elections must be received by the Scheme within sixty (60) days after the dispatching of the documents referred to in Rule 19.31.4. Any votes not received by this deadline shall be considered as spoilt ballots and shall not be taken into account when tallying the votes, which shall be done in terms of Rule 19.32.

19.31.6 The Scheme shall appoint an independent body (as envisaged in Rule 19.7), duly supervised by the Auditor, to count all ballots received within fourteen (14) days of the closing of voting referred to in Rule 19.31.5. The Auditor shall certify the results and shall inform the Scheme. The Scheme shall then be obliged to inform the Members of the outcome of the voting within seven (7) days of the date of receiving the result from the Auditor.

19.31.7 The Scheme shall make every effort to ensure that any election held pursuant to the provisions of this Rule 19.31 is finalized and the election result known prior to the office of the retiring Trustee expiring; however, should this not occur, the outcome thereof shall remain valid and the newly elected Trustee shall take office once the independent electoral person and the Board have certified the outcome of the election process as contemplated in Rules 19.7 and 19.8.





19.32 Counting of Votes

19.32.1 All ballots received shall be counted.

19.32.2 Spoilt ballots shall be counted separately and shall not influence the number of votes that any candidate receives.

19.32.3 Candidates who receive the most votes, in descending order, shall be appointed as Trustees.

19.32.4 In the event that more than one candidate receives the same number of votes and there are insufficient seats on the Board available for all such candidates, the current Board shall be asked to cast their votes on closed ballots in respect of such candidates. The candidates who receive the highest number of votes from the existing Board shall be appointed as Trustees.

20. FIT AND PROPER PERSONS

20.1 All Trustees appointed or elected as such to the Board, the officers of the Scheme, and all independent committee members and experts appointed by the Board from time to time in accordance with these Rules, shall be fit and proper persons capable of holding and discharging an office of trust, as contemplated in terms of the Act. The persons specified under Rule 19.5, save for those specified in Rules 19.5.5 and 19.5.6, shall be deemed by the Board not to meet the aforesaid absolute requirement.

20.2 The persons referred to in Rule 20.1 shall make full disclosure of their financial interests to the Board, either annually or as and when such financial interests are acquired, provided that the Board shall keep such disclosures confidential. In the event that any such person has a conflict of interest, he/she shall act in accordance with the provisions of Rule 19.26. Failure to disclose his/her financial interests and to act in accordance with the provisions of these Rules may result in that person being held not to be a fit and proper person.

20.3 Anyone found not to be a fit and proper person may be removed as such by the

Board in accordance with Rule 19.12.

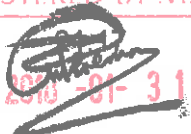
- 20.4 The Trustees shall disclose to the Registrar such information as they may be required to disclose to him/her from time to time under any law, and any such disclosure shall be copied to the Board simultaneously and maintained among its records, unless the Trustee is prohibited under any law or court order from making the disclosure or the fact of the disclosure known to the Board.

21. DUTIES OF BOARD OF TRUSTEES

- 21.1 The Board is responsible for the proper and sound management of the Scheme in terms of the Act and these Rules.
- 21.2 The Trustees must act with due care, diligence and skill, and in good faith and run the Scheme for the benefit of the Beneficiaries.
- 21.3 Members of the Board must avoid conflicts of interests and must declare any interests they may have in any particular matter serving before the Board in accordance with Rule 20.2.
- 21.4 The Board must apply sound business principles and ensure the financial soundness of the Scheme.
- 21.5 The Board must appoint a Principal Officer who is fit and proper to hold such office and may appoint any staff which in its opinion are required for the proper execution of the business of the Scheme, and shall determine the terms and conditions of service of the Principal Officer and of any person employed by the Scheme.
- 21.6 The Board must cause to be kept such minutes, accounts, entries, registers and records as are essential for the proper functioning of the Scheme.
- 21.7 The Board must ensure that proper control systems are employed by and on behalf of the Scheme.

- 21.8 The Board must ensure that adequate and appropriate information is communicated to the Members regarding their rights, benefits, contributions and duties in terms of the Rules.
- 21.9 The Board must take all reasonable steps to ensure that contributions are paid timeously to the Scheme in accordance with the Act and the Rules.
- 21.10 The Board on behalf of the Scheme must procure and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance.
- 21.11 The Board may obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the members of the Board may lack sufficient expertise.
- 21.12 The Board must ensure that the Rules and the operation and administration of the Scheme comply with the provisions of the Act and all other applicable laws.
- 21.13 The Board must take all reasonable steps to protect the confidentiality of medical records concerning any Beneficiary's state of health.
- 21.14 The Board must approve budgets, costs and disbursements as required.
- 21.15 The Board must cause to be kept in safe custody, in a safe or strong room at the registered office of the Scheme or with any financial institution approved by the Board, any mortgage bond, title deed or other security belonging to or held by the Scheme, except when in the temporary custody of another person for the purposes of the Scheme.
- 21.16 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.

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The Board must disclose annually in writing to the Registrar any payments or

considerations made to them in that particular year by the Scheme as prescribed.

21.18 The Board must determine or adopt a tariff for payment for healthcare services rendered to Beneficiaries in order to ensure that the Scheme's funding of Beneficiaries' healthcare expenditure is rational and cost-effective, and the Board shall do so in advance of the commencement of each calendar year having considered –

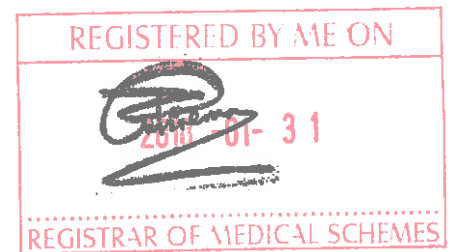
21.18.1 among any other relevant indicators, analysis, evidence, inflation and applicable Negotiated Rates; and/or

21.18.2 any valid, non-binding reference price list for health services duly published by the relevant official in terms of any legislation prevailing from time to time.

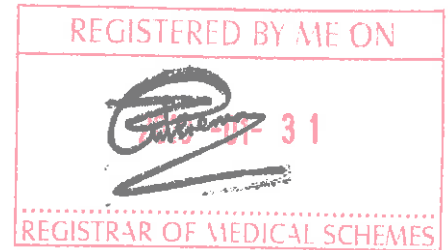
22. POWERS OF BOARD

The Board has the power:

- 22.1 to cause the termination of the services of any employee of the Scheme;
- 22.2 to take all necessary steps and to sign and execute all necessary documents to ensure and secure the due fulfilment of the Scheme's obligations under such appointments;
- 22.3 to appoint committees consisting of such Trustees and other experts as it may deem appropriate;
- 22.4 to appoint duly accredited administrator(s) on such terms and conditions as it may determine for the proper execution of the business of the Scheme. The terms and conditions of such appointment must be contained in a written contract which complies with the requirements of the Act and the Regulations;
- 22.5 to appoint, contract with and compensate any accredited managed healthcare



- organisation in the prescribed manner;
- 22.6 to purchase movable and immovable property;
- 22.7 to let or hire movable or immovable property;
- 22.8 to sell movable and immovable property of the Scheme, subject to sound business practice and fair value principles;
- 22.9 in respect of any monies not immediately required to meet current charges upon the Scheme, and subject to the provisions of the Act, and in the manner determined by the Board, to invest or otherwise deal with such moneys upon security and to realise, re-invest or otherwise deal with such monies and investments;
- 22.10 with the prior approval of the Council, to borrow money for the Scheme from the Scheme's bankers against the security of the Scheme's assets for the purpose of bridging a temporary shortage;
- 22.11 subject to the provisions of any law, to cause the Scheme, whether on its own or in association with any person (natural or juristic), to establish or operate any pharmacy, hospital, clinic, maternity home, nursing home, infirmary, home for aged persons or any similar institution, in the interests of the Members of the Scheme;
- 22.12 to donate to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or any of the Beneficiaries;
- 22.13 to make *ex gratia* payments on behalf of Members in order to assist such Members to meet commitments in regard to any matter specified in Rule 5;
- 22.14 to contribute to any fund conducted for the benefit of employees of the Scheme;
- 22.15 to reinsure obligations in terms of the benefits provided for in these Rules in the



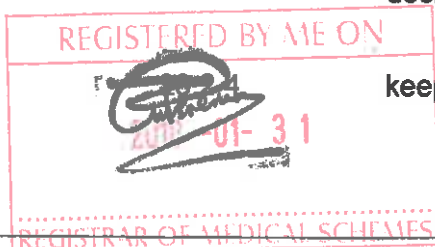
prescribed manner and subject to any regulatory or legislative requirements;

- 22.16 to authorise the Principal Officer and/or such members of the Board as it may determine from time to time, and upon such terms and conditions as the Board may determine, to sign any contract or other document binding or relating to the Scheme or any document authorising the performance of any act on behalf of the Scheme;
- 22.17 to contribute to any association instituted for the furtherance, encouragement and co-ordination of medical schemes;
- 22.18 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; and
- 22.19 The Board shall be entitled to delegate any duty to the Principal Officer from time to time, subject to any procedure, terms and conditions as may be determined by the Board.

23. DUTIES OF PRINCIPAL OFFICER AND OTHER EMPLOYEES

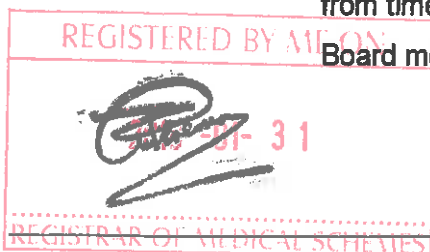
- 23.1 The employees of the Scheme shall ensure the confidentiality of all information regarding its Beneficiaries, as prescribed by the Protection of Personal Information Act, 4 of 2013.
- 23.2 The Principal Officer is the executive officer of the Scheme and as such shall:
- 23.2.1 act in the best interest of the Beneficiaries of the Scheme at all times;
- 23.2.2 ensure that the decisions and instructions of the Board are executed without unnecessary delay;
- 23.2.3 where necessary, ensure that there is proper and appropriate communication between the Scheme and those parties affected by the decisions and instructions of the Board;

keep the Board sufficiently and timeously informed of the affairs of the



Scheme concerning any matter relating to the duties of the Board as stated in Section 57(4) of the Act;

- 23.2.5 keep the Board sufficiently and timeously informed concerning the affairs of the Scheme so as to enable the Board to comply with the provisions of Section 57(6) of the Act;
- 23.2.6 not take any decisions concerning the affairs of the Scheme without prior authorisation by the Board and shall at all times observe the authority of the Board in its governance of the Scheme;
- 23.2.7 ensure the proper carrying out of all of his/her duties as are necessary for the proper execution of the business of the Scheme. He/she shall attend all meetings of the Board and any other duly appointed committee where his/her attendance may be required, and ensure proper recording of the proceedings of all meetings;
- 23.2.8 be responsible for the supervision of the staff employed by the Scheme, unless the Board decides otherwise;
- 23.2.9 be the accounting officer of the Scheme charged with the collection of and accounting for all moneys received and payments authorised by and made on behalf of the Scheme;
- 23.2.10 keep full and proper records of all moneys received and expenses incurred by, and of all assets, liabilities and financial transactions of, the Scheme; and
- 23.2.11 cause the preparation of annual financial statements in compliance with all statutory requirements pertaining thereto.
- 23.3 The criteria disqualifying persons from acting as Trustees in terms of Rules 19.5.1 – 19.5.4, 19.5.8 – 19.5.9, 19.5.11 - 19.5.19 shall apply *mutatis mutandis* to the Principal Officer and Executives of the Scheme.
- 23.4 The Principal Officer and any other officials as may be identified by the Board from time to time, *ex officio* in their capacity to such, shall be entitled to attend all Board meetings, but shall have no right to vote at such meetings.



24. INDEMNIFICATION

- 24.1 The Trustees and any officer of the Scheme are hereby indemnified by the Scheme against all claims, proceedings, costs and expenses incurred by reason of any claim against/by the Scheme, provided that such action of the Trustees and/or officers of the Scheme giving rise to such a claim, proceedings, cost or expenses does not arise from such a person acting dishonestly or fraudulently.
- 24.2 The Board must ensure that the Scheme is insured against loss resulting from the dishonesty or fraud of any of its officers.

25. FINANCIAL YEAR OF THE SCHEME

- 25.1 The financial year of the Scheme shall be from 1 January to 31 December of that year.

26. BANK ACCOUNT

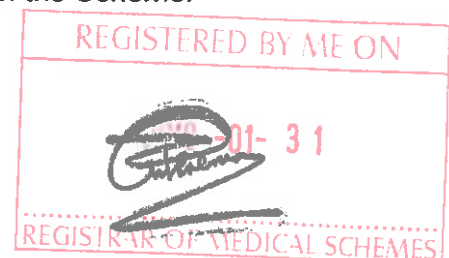
- 26.1 The Scheme must establish and maintain a bank account under its direct control with a registered commercial bank. All moneys received must be deposited directly to the credit of such account. All payments must be made either by electronic transfer, tape exchange or by cheque under the joint signature of not less than two (2) persons duly authorised by the Board.

27. AUDITOR & AUDIT COMMITTEE

- 27.1 An Auditor (who shall be approved by the Registrar in terms of Section 36 of the Act) must be appointed at each Annual General Meeting of the Scheme to hold office for the duration of any financial year.

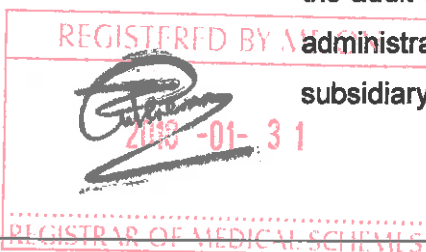
- 27.2 The following persons are not eligible to serve as Auditor of the Scheme:

- 27.2.1 a member of the Board;
- 27.2.2 an employee, officer or contractor of the Scheme;
- 27.2.3 an employee, director, officer or contractor of the Scheme's administrator,



or of the holding company, subsidiary, joint venture or associate of the administrator;

- 27.2.4 a person not engaged in public practice as an auditor;
- 27.2.5 a person who is disqualified from acting as an auditor in terms of the Companies Act, 71 of 2008 (as amended from time to time); and
- 27.2.6 any person specified in Rules 19.5.8 and 19.5.15 – 19.5.18.
- 27.3 Whenever for any reason an Auditor vacates his/her office prior to the expiration of the period for which he/she has been appointed, the Board must within thirty (30) days appoint another Auditor to fill the vacancy for the unexpired period.
- 27.4 If the Members of the Scheme at a general meeting fail to appoint an Auditor required to be appointed in terms of this Rule, the Board must within thirty (30) days make such appointment, and if it fails to do so, the Registrar may at any time do so.
- 27.5 The Auditor of the Scheme has a right of access to the books, records, accounts, documents and other effects of the Scheme at all times and is entitled to require from the Board and the officers of the Scheme such information and explanations as he/she deems necessary for the performance of his/her duties.
- 27.6 The Auditor must report to the Members of the Scheme on the accounts examined by him/her and on the financial statements laid before the Scheme in general meeting.
- 27.7 The Board must appoint an audit committee of at least five (5) members of whom at least two (2) must be members of the Board.
- 27.8 The majority of the members of the audit committee, including the Chairperson of the audit committee, shall be persons who are not officers of the Scheme or the administrator of the Scheme, the controlling company of the administrator or any subsidiary of its controlling company.



27.9 The objects of the audit committee shall, *inter alia*, be to:

27.9.1 assist the Board in its evaluation of the adequacy and efficiency of the internal control systems, accounting practices, information systems and auditing processes applied by the Scheme or its administrator in the day-to-day management of its business;

27.9.2 facilitate and promote communication and liaison regarding the matters referred to it, or matters of financial nature or of investment or any related matter, between the Board, the Principal Officer, the administrator and, where applicable, the internal audit staff of the Scheme;

27.9.3 recommend the introduction of measures which the audit committee believes may enhance the credibility and objectivity of financial statements and reports concerning the affairs of the Scheme; and

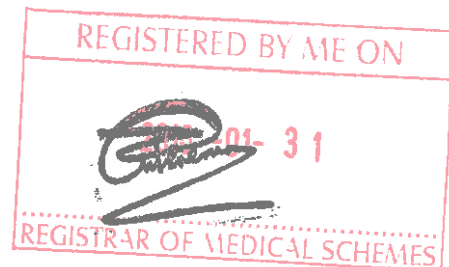
27.9.4 advise on any matter referred to the audit committee by the Board of Trustees.

28. GENERAL MEETINGS

28.1 Annual General Meeting

28.1.1 The Annual General Meeting of Members ("AGM") must be held not later than 31 July of each year on a date and at a location which may be shown to permit reasonable attendance by Members. Attendance at the AGM is limited to Members, officers of the Scheme and individuals or organisations who are expressly invited by the Scheme to attend.

28.1.2 The Scheme's Annual Integrated Report, including (but not limited to) the notice convening the AGM, the provisional AGM agenda, the draft minutes of the previous AGM, the annual financial statements, including (but not limited to) the reports of the Board and the Auditor, the AGM meeting rules and conditions, and the consequences of failing to meet any such meeting rules or conditions as described in Rule 29.6, must be furnished to

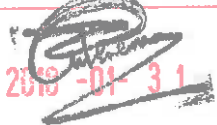


Members at least eight (8) weeks before the date of the AGM and in a form prescribed by the Act and the Council for Medical Schemes from time to time. The non-receipt of such notice by a Member shall not invalidate the proceedings at such meeting, provided that the notice procedure followed by the Board was reasonable.

28.1.3

Each year, on the day of the AGM, but prior to its commencement, the number of Members required to be present in person to constitute a quorum at the AGM shall be calculated in accordance with this Rule 28.1.3 by the Scheme's internal auditors responsible for the certification of the Scheme's compliance with these Rules and the Act insofar as the AGM is concerned. Such number shall be the total number of Members registered on the Scheme as at the time of such calculation divided by ten thousand (10 000), or thirty (30), whichever is the highest. Once so determined, such number of Members present in person shall constitute a quorum at the AGM. If a quorum is not present after a lapse of thirty (30) minutes from the time fixed for the commencement of the meeting, the meeting must be postponed to the thirtieth (30th) day after the scheduled date of the meeting or, if that day is a Saturday, a Sunday or a public holiday, then the next working day. Notice of the date 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 in person at the postponed meeting will constitute a quorum.

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28.1.4

The Scheme's annual financial statements, including (but not limited to) the reports of the Board and the Auditor, and the draft minutes of the previous AGM, must be laid before the AGM.

28.1.5

Any Member wishing to add or object to an item to/on the provisional AGM agenda, may do so, provided that:

28.1.5.1

Such proposed motion or objection must reach the Principal Officer no later than five (5) weeks before the date of the AGM;

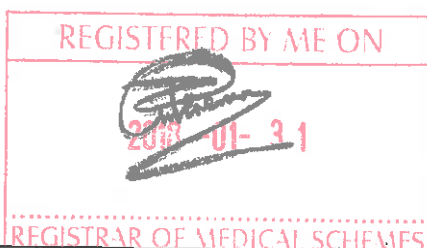
28.1.5.2 The proposed motion or objection must be accompanied by a written explanation, which clearly explains why the proposed motion or objection must be considered and the background giving rise to the proposed motion or objection;

28.1.5.3 The proposed motion or objection is not in contravention of, or in conflict with, the Act, these Rules or the objectives of the Scheme;

28.1.5.4 The decision as to whether or not a Member has satisfied the conditions specified in Rules 28.1.5.1 to 28.1.5.3 to allow for the addition, amendment or deletion of an item to/on/from the provisional AGM agenda, shall be that of the Principal Officer, who must make such decision in consultation and with the approval of the Board;

28.1.5.5 If the Principal Officer, in consultation and with the approval of the Board as contemplated by Rule 28.1.5.4, decides that a proposed motion should be added as a new item to the provisional AGM agenda, or that an existing item on the provisional AGM agenda should be amended or deleted (as the case may be), then a second notice, containing the final AGM agenda and proxy form, recording all new, amended and deleted items, must be sent to Members, to reach them by no later than three (3) weeks prior to the date of the AGM. The non-receipt of such notice by a Member shall not invalidate the proceedings at the AGM, provided that the notice procedure followed by the Board was reasonable; and

28.1.5.6 Should the Principal Officer, in consultation and with the approval of the Board as contemplated by Rule 28.1.5.4, decide not to add a new item to the provisional AGM agenda, or not to amend or delete an existing item on/from the provisional AGM agenda, then he/she shall notify the Member of his/her decision and the reasons therefor, which notice shall be delivered to the Member no later than three (3) weeks prior to the date of the AGM. The non-receipt of such notice by the Member shall not invalidate the proceedings at the AGM, provided that the notice procedure followed by the Board was reasonable. Should the Member be aggrieved by the Principal Officer's decision,



the Member may refer a dispute to the Scheme's dispute committee in terms of these Rules or to the Council for Medical Schemes in terms of the Act.

28.1.6 Motions passed at the AGM shall be by way of an ordinary majority vote of those Members present and those represented by proxy at the AGM, provided that only proxies received by the Scheme no later than one (1) week prior to the date of the AGM will be recognised.

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

28.1.8 The Chairperson of the Board, or in his/her absence, the Deputy Chairperson, shall chair the Annual General Meeting.

28.2 Special General Meeting

28.2.1 The Board may call a Special General Meeting of Members ("SGM") if it is deemed necessary.

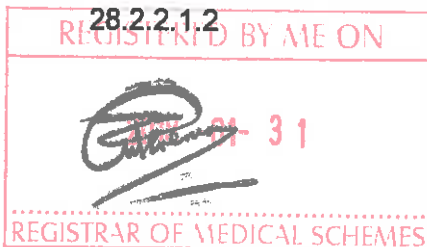
28.2.2 On deposit of a requisition signed by at least seventy (70) Members of the Scheme, the Board must cause a SGM to be called within sixty (60) days of such deposit, provided that the following conditions are met:

28.2.2.1 The requisition must:

28.2.2.1.1 Clearly state the reasons for, and the objectives of, the proposed SGM;

28.2.2.1.2 Clearly state the proposed motion to be tabled for consideration by the SGM, which motion must not be in contravention of, or in conflict with, the Act, these Rules or the objectives of the Scheme;

28.2.2.1.3 Be signed by all the requisitionists; and



28.2.2.1.4

Be deposited at the registered office of the Scheme.

28.2.3

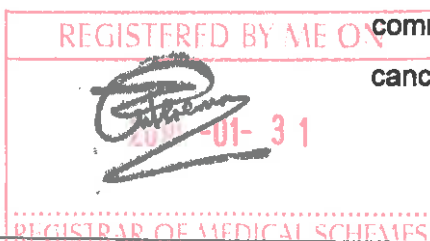
The Principal Officer may convene the SGM as contemplated in Rules 28.2.1 or 28.2.2 (as the case may be), or reject the convening of such a meeting in the event that the requisition does not meet the conditions specified in Rule 28.2.2, or if the Principal Officer is of the view that the proposed motion to be passed at the SGM is in contravention of Rule 28.2.7. Where the Principal Officer fails to convene the SGM requested, he/she shall give reasons therefore within forty five (45) days of the signed requisition being deposited. The Members who feel aggrieved by the Principal Officer's decision shall be entitled to refer a dispute to the Scheme's dispute committee in terms of these Rules or to the Council for Medical Schemes in terms of the Act.

28.2.4

The notice convening the Special General Meeting, containing the agenda, the meeting rules and conditions and the consequences of failing to meet any meeting rules or conditions which will be applicable to the Special General Meeting as described in Rule 29.6, 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.

28.2.5

On the day of the SGM, but prior to its commencement, the number of Members required to be present in person to constitute a quorum at the SGM shall be calculated in accordance with this Rule 28.2.5 by the Scheme's internal auditors responsible for the certification of the Scheme's compliance with these Rules and the Act insofar as the SGM is concerned. Such number shall be the total number of Members registered on the Scheme as at the time of such calculation divided by ten thousand (10 000), or fifty (50), whichever is the highest. Once so determined, such number of Members present in person shall constitute a quorum at the Special General Meeting. If a quorum is not present at a Special General Meeting after a lapse of thirty (30) minutes from the time fixed for the commencement of the meeting, the meeting shall be regarded as cancelled.



28.2.6 The Chairperson of the Board, or in his/her absence, the Deputy Chairperson, shall chair the Special General Meeting.

28.2.7 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.

29. MEMBER VOTING AND CONDUCT AT GENERAL MEETINGS

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

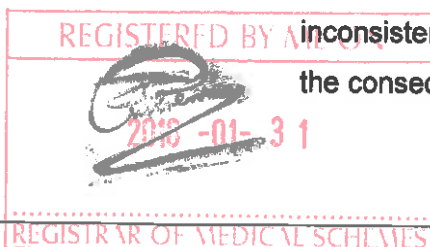
29.2 The instrument appointing the proxy must be in writing, in a form determined by the Board and must be signed by the Member and the Member appointed as the proxy.

29.3 The Chairperson must determine whether the voting must be by ballot or by a show of hands.

29.4 In the event of the votes being equal, the Chairperson shall have a casting vote in addition to his/her deliberative vote, if a Member. If not, he/she shall not be entitled to vote; in which case, the Deputy Chairperson shall have such votes, if a Member. If not, any Member Trustee nominated by the independent Audit Committee Chairperson may exercise such votes.

29.5 All proxies held by the Chairperson or any Member must be declared before the commencement of any meeting.

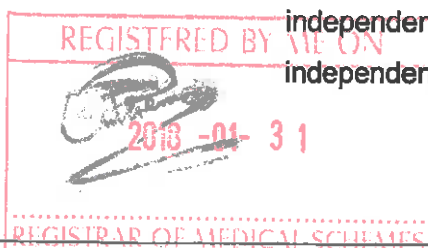
29.6 The Board shall be entitled to lay down meeting rules and conditions to be satisfied by Members attending a general meeting and the consequences which will attach in the event that the meeting rules or conditions are not satisfied, provided that such meeting rules, conditions and consequences are 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.

30. COMPLAINTS AND DISPUTES

- 30.1 Should a Member or any person duly authorised in writing to act on his/her behalf ("the Complainant") have any complaint against the Scheme, he/she shall be obliged to telephone the Scheme's call-centre to try to resolve the complaint.
- 30.2 Should a Complainant's complaint not be resolved by the Scheme's call-centre, he/she shall, if he/she wishes to resolve the complaint, or complain about the call-centre, lodge the complaint in writing to the Scheme for the attention of the Principal Officer.
- 30.3 The Scheme shall endeavour to cause all complaints received by it pursuant to Rule 30.1 or 30.2 to be processed within thirty (30) days of its receipt, failing which within a reasonable time.
- 30.4 If the Scheme finds that there is no merit in the complaint, it shall notify the Complainant in writing of its finding and the reasons for the finding.
- 30.5 If the complaints process provided for in Rules 30.1 to 30.4 has been exhausted and the Complainant remains dissatisfied with the Scheme's finding on the complaint, then, within sixty (60) days of the date of such finding, the Complainant may refer the complaint in writing to the Principal Officer for consideration by the Scheme's dispute committee.
- 30.6 The Scheme shall cause a dispute committee, which fulfils the following criteria, to be established ("the Dispute Committee"). The Dispute Committee shall consist of three (3) independent members, who may not be Trustees of the Board, employees or officers of the Scheme, or employees or officers of any of the Scheme's contracted service providers, and who must be appointed by the Board. The Dispute Committee may comprise a representative of the Scheme's independent legal advisors, an independent medical advisor and any other independent expert who has experience which is relevant to the dispute. The



Board, in conjunction with or on recommendation or advice from the Dispute Committee, shall determine the procedure which must be followed by the Scheme, the members of the Dispute Committee and any Complainant, in the event that a complaint is referred for adjudication to the Dispute Committee in terms of Rule 30.5; which procedure must be reasonable, expedient, fair and transparent so as to ensure the fair and impartial adjudication of a complaint.

30.7 On receipt of the Complainant's request as described in Rules 30.5, the Principal Officer shall convene a meeting of the Dispute Committee by giving not less than twenty one (21) days' notice in writing to the Complainant and all the members of the Dispute Committee, stating the date, time and venue of the meeting and particulars of the dispute.

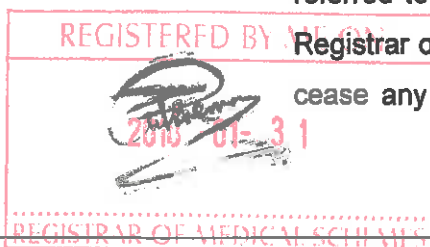
30.8 During a meeting of the Dispute Committee, each of the parties to the dispute shall have the right to be heard, either in person or through a representative.

30.9 Subject to Rule 30.10, the decision of the Dispute Committee shall be final and binding.

30.10 An aggrieved party to a dispute has the right to appeal to the Council for Medical Schemes against the decision of the Dispute Committee in accordance with Section 48 of the Act. Such appeal must be in the form of an affidavit directed to the Council and shall be furnished to the Registrar not later than three (3) months after the date on which the decision concerned was made by the Dispute Committee or such further period as the Council may for good cause shown allow, after the date on which the decision concerned was made.

30.11 The operation of any decision under Rule 30.9, which is the subject of an appeal under Rule 30.10, shall be suspended pending the decision of the Council for Medical Schemes on such appeal.

30.12 In the event that the Scheme becomes aware that any complaint which has been referred to it in terms of Rule 30.1 has also been referred for resolution to the Registrar of Medical Schemes in terms of the Act, the Scheme may immediately cease any proceedings in terms of this Rule 30 and shall subject itself to the



relevant complaints/dispute resolution process provided for in the Act.

30.13 Where a Beneficiary's rights have been infringed under the Consumer Protection Act 68 of 2008, or he/she seeks redress in respect of any provision which falls solely within the jurisdiction of the Consumer Protection Act, then in such an instance, the Beneficiary may elect to follow the complaints and dispute resolution process contained in this Rule 30, or otherwise follow the process contained in the Consumer Protection Act by directing a complaint as contemplated in Section 69 of that Act.

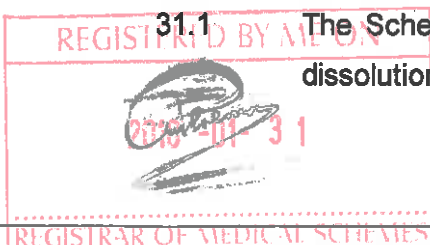
30.14 In the event that the Scheme becomes aware that any complaint contemplated in Rule 30.13 has also been referred for resolution in terms of Section 69 of the Consumer Protection Act, the Scheme may immediately cease proceedings in terms of this Rule 30 and shall subject itself to the relevant complaints/dispute resolution process of the relevant forum specified in Section 69 of the Consumer Protection Act.

30.15 Where a Beneficiary's rights have been infringed under the Protection of Personal Information Act 4 of 2013, or he/she seeks redress in respect of any provision which falls solely within the jurisdiction of the Protection of Personal Information Act, then in such an instance, the Beneficiary may elect to follow the complaints and dispute resolution process contained in this Rule 30, or otherwise follow the process contained in the Protection of Personal Information Act by directing a complaint as contemplated in Section 74 of that Act.

30.16 In the event that the Scheme becomes aware that any complaint contemplated in Rule 30.15 has also been referred for resolution in terms of Section 74 of the Protection of Personal Information Act, the Scheme may immediately cease proceedings in terms of this Rule 30 and shall subject itself to the relevant complaints/dispute resolution process as specified in Section 76 of the Protection of Personal Information Act.

31. DISSOLUTION

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

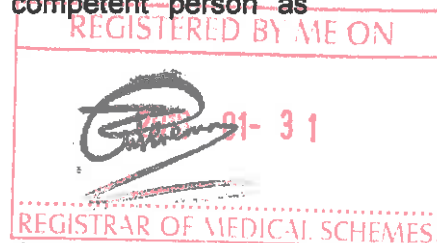


- 31.2 Members in general meeting may decide that the Scheme must be dissolved, in which event the Board must arrange for Members to decide by ballot whether the Scheme must be liquidated. A Special General Meeting, convened substantially in accordance with Rule 28.2, shall be called for this purpose.
- 31.3 Pursuant to a decision to be taken by Members in terms of Rule 28.2, the Principal Officer must, in consultation with the Registrar, furnish to every Member a memorandum containing the reasons for the proposed dissolution and setting forth the proposed basis of distribution of the assets in the event of winding up, together with a ballot paper.
- 31.4 Every Member must be requested to return his/her paper duly completed before a set date. If at least 75% (seventy five percent) of the Members return their ballot papers duly completed and if the majority thereof is in favour of the dissolution of the Scheme, the Board must ensure compliance therewith and appoint, subject to the approval of the Registrar, a competent person as liquidator.

32. AMALGAMATION AND TRANSFER OF BUSINESS

- 32.1 The Scheme may, subject to the provisions of Section 63 of the Act, amalgamate with, transfer its assets and liabilities to, or take transfer of the assets and liabilities of any other medical scheme or person. The Board must arrange for Members to be furnished with an exposition of the proposed transaction for consideration and to decide by ballot whether the proposed transaction should be proceeded with or not.
- 32.2 If at least 50% (fifty percent) of the Members return their ballot papers duly completed and if the majority thereof is in favour of the amalgamation or the transfer, the transaction may be concluded in the prescribed manner.
- 32.3 The Registrar may, on good cause shown, ratify a lower percentage.

33. RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS



33.1 At the time that a Member joins the Scheme, the Scheme shall advise the Member of the various sources from which a copy of the Rules (including the Benefit Options) may be obtained.

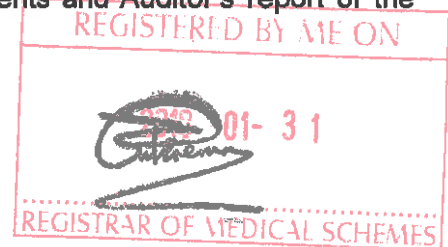
33.2 Upon request, the Scheme shall provide a Beneficiary with a hard or electronic copy of the Rules (including the Benefit Options). All electronic copies of the Rules shall be provided free of charge; however, only the first hardcopy of the Rules shall be provided to a Member free of charge, following which Rule 33.3 shall apply.

33.3 Subject to Rule 33.2, any Beneficiary shall, on request and on payment of a fee of R50.00 (fifty rand) per copy, be supplied by the Scheme with a copy of the following documents:

33.3.1 The registered Rules of the Scheme (including the Benefit Options);

33.3.2 The latest audited annual financial statements and Auditor's report of the Scheme; and

33.3.3 Benefit Options.



33.4 The Scheme shall, however, make every endeavour to ensure that the latest copy of its registered Rules (including the Benefit Options) is available on the Scheme's official website.

33.5 A Beneficiary is entitled to inspect at the registered office of the Scheme any document referred to in Rule 33.3 and to make extracts therefrom (free of charge).

33.6 This Rule shall not be construed to restrict a person's rights in terms of the Promotion of Access to Information Act, 2 of 2000.

34. AMENDMENT OF RULES

34.1 The Board is entitled to alter or rescind any Rule or annexure to the Rules which is not entrenched as contemplated in Rule 19.23 or to make any additional Rule

or annexure to the Rules, provided that the majority of the Trustees vote in favour of such amendment.

- 34.2 Subject to Rule 16, where during the course of any financial year, any proposed amendment to any Rule or Benefit Option would have the effect of adversely altering a Member's entitlement to benefits specified in the Benefit Option applicable to that Member, or would increase a Member's annual contribution by 25% (twenty five percent) or more, such amendment may only be effected after a draft amendment to that effect has been tabled before Members at an Annual General Meeting or a Special General Meeting and 50% (fifty percent) of the Members present, physically or by proxy, vote in favour thereof. Members must be furnished with a copy of or access to such amendment within fourteen (14) days after registration thereof.
- 34.3 Should a Member's rights, obligations, contributions or benefits be amended, he/she shall be given thirty (30) days advance notice of such change.
- 34.4 Notwithstanding the provisions of Rule 34.1, the Board must, on the request and to the satisfaction of the Registrar, amend any Rule that is inconsistent with the provisions of the Act.
- 34.5 Annually and without complying with the provisions of Rule 34.1, the Scheme shall be entitled to determine the annual changes to the then existing Benefit Options and contributions in respect of the following year's Benefit Options, which changes shall be submitted to the Registrar in accordance with the Registrar's requirements.
- 34.6 No amendment, rescission or addition of any Rule shall be valid unless it has been approved and registered by the Registrar.

