

RULES

of

THE DE BEERS BENEFIT SOCIETY
a medical scheme registered under the
Medical Schemes Act, 1998 (Act No. 131 of 1998)

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1. NAME

The name of the Scheme is the **DE BEERS BENEFIT SOCIETY**, hereinafter referred to as the "SOCIETY".

2. LEGAL PERSONA

The SOCIETY, in its own name, is a body corporate, capable of suing and of being sued and of doing or causing to be done all such things as may be necessary for or incidental to the exercise of its powers or the performance of its functions in terms of the ACT and these rules.

3. REGISTERED OFFICE

The registered office of the SOCIETY is situated at 84 Du Toitspan Road, Kimberley, but the BOARD may transfer such office to any other location in the Republic of South Africa, should circumstances so dictate.

4. DEFINITIONS

In these rules, a word or expression defined in the Medical Schemes Act (Act 131 of 1998) bears the meaning thus assigned to it and, unless inconsistent with the context—

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

4.1 "Act",
the Medical Schemes Act (Act No 131 of 1998) and the regulations framed thereunder.

4.2 "Area of Operation",

benefits are granted in respect of relevant health services obtained within the Republic of South Africa, provided that:

4.2.1 benefits shall be extended to MEMBERS and their DEPENDANTS in Botswana or Namibia during the employment of such MEMBERS by the EMPLOYER or an ASSOCIATED EMPLOYER in either of those countries; and

4.2.2 MEMBERS or DEPENDANTS who are enjoying benefits in respect of relevant health services rendered in Botswana or Namibia shall, on becoming retirees as provided for in rule 6.2 or on becoming eligible for MEMBERSHIP as provided for in rule 6.3, continue to enjoy such benefits for as long as they remain permanent residents of the country in which they were receiving benefits at the time when they became retirees as provided for in rule 6.2, or became eligible for MEMBERSHIP as provided for in rule 6.3 (as the case may be).

4.3 "Associated Employer",

De Beers Consolidated Mines Ltd, DTC Valuations Namibia (Pty) Ltd, De Beers Benefit Society, De Beers Marine (Pty) Ltd, De Beers Namibia (Pty) Ltd, De Beers Marine Namibia (Pty) Ltd, De Beers Pension Fund, Debswana Diamond Company (Pty) Ltd, Namdeb Diamond Corporation (Pty) Ltd, Artisan Training Institute (Pty) Ltd, Petra Diamonds Ltd, and any other company, organisation or affiliate that has a specific association or relationship with the EMPLOYER or ASSOCIATED EMPLOYERS, approved as such by the EMPLOYER.

4.4 "Auditor",

an auditor registered in terms of the Auditing Profession Act, 2005 (Act 26 of 2005).

- 4.5 "Beneficiary",**
a MEMBER or a person admitted as a DEPENDANT of a MEMBER.
- 4.6 "BOARD",**
the BOARD of trustees constituted to manage the SOCIETY in terms of the ACT and these rules.
- 4.7 "Business Day",**
Any day which is not a Saturday, Sunday or gazetted public holiday in South Africa.
- 4.8 "Child",**
- 4.8.1** a MEMBER, SPOUSE OR PARTNER'S natural child, stepchild or legally adopted child; and
- 4.8.2** a deceased MEMBER's natural child, stepchild or legally adopted child who, on the death of the MEMBER, is entitled to be registered as a MEMBER in terms of rule 6.3.1 under circumstances where such child is orphaned or such child's remaining parent does not qualify for CONTINUATION MEMBERSHIP.
- 4.9 "Code of Conduct",**
the code of conduct applicable to the TRUSTEES as set out in Annexure D.
- 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 the twelve-month period ending on the date on which an application for MEMBERSHIP of the SOCIETY was made.

- 4.11 “Continuation Member”**,
a MEMBER who retains his MEMBERSHIP of the SOCIETY in terms of rule 6.2 or rule 6.4, or a DEPENDANT who becomes a MEMBER of the SOCIETY in terms of rule 6.3.
- 4.12 “Contribution”**,
in relation to a MEMBER, the amount, exclusive of interest, paid by or in respect of the MEMBER and his registered DEPENDANTS, if any, as MEMBERSHIP fees.
- 4.13 “Council”**,
the Council for Medical Schemes as contemplated in the ACT.
- 4.14 “Creditable coverage”**,
any period, excluding any period of coverage as a dependant under the age of 21 years, during which a LATE JOINER was—
- 4.14.1** a member or a registered dependant of a member of a medical scheme;
 - 4.14.2** a member or a registered dependant of a member of an entity doing the business of a medical scheme which, at the time of his membership of such entity, was exempt from the provisions of the ACT;
 - 4.14.3** 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
 - 4.14.4** a member or a registered dependant of a member of the Permanent Force Continuation Fund

4.15 “Day”,

unless otherwise indicated, a calendar day.

4.16 "Dependant",

4.16.1 a MEMBER’s SPOUSE or PARTNER who is not a member of a medical scheme or a registered dependant of a member of a medical scheme;

4.16.2 a MEMBER’s CHILD who is dependent on the MEMBER and is not a member of a medical scheme or a registered dependant of a member of a medical scheme;

4.16.3 a member of the MEMBER’s IMMEDIATE FAMILY for whom the MEMBER is LIABLE FOR FAMILY CARE AND SUPPORT; or

4.16.4 any sibling of a child dependant, if such child dependant has been orphaned or if such child dependant’s remaining parent does not qualify for registration as a MEMBER and, as a consequence thereof, such child dependant is registered as a MEMBER in terms of rule 6.3.1, provided that such sibling was registered as a DEPENDANT of the deceased MEMBER at the time of the death of the MEMBER and provided that such sibling;

4.16.4.1 is under the age of 21; or

4.16.4.2 is over the age of 21 but under the age of 26 and not in receipt of a regular income.

4.16.4.3 is over the age of 21 but due to a mental or physical disability is not independent.

4.17 “Dependant Child”,

4.17.1 a CHILD under the age of 21; or

4.17.2 a CHILD over the age of 21 but who is dependent upon the MEMBER.

4.18 “Designated Service Provider”,

means a health care provider or group of providers selected by the Society as the preferred provider or providers to provide its members diagnosis, treatment and care in respect of one or more prescribed minimum benefit conditions.

4.19 “Domicilium citandi et executandi”,

the MEMBER’S chosen physical address at which written communications, notices under these rules as well as legal process may be validly delivered and served.

4.20 “Emergency medical condition”,

the sudden and, at the time, unexpected onset of a health condition that required 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.

4.21 "Employee",

a person in the employment of an EMPLOYER or ASSOCIATED EMPLOYER.

4.22 “Employer”,

De Beers Group Services (Pty) Ltd and any other division of De Beers Group Services (Pty) Ltd.

4.23 “General waiting period”,

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

4.24 “Immediate Family”,

the parents (including adoptive parents), brothers and sisters of a MEMBER.

4.25 "Late Joiner",

an applicant or the adult dependant of an applicant who, at the date of application for MEMBERSHIP or admission as a DEPENDANT, as the case may be, is 35 years of age or older, but excludes any beneficiary who enjoyed coverage with one or more medical schemes as from a date preceding 1 April 2001 and without a break in such coverage exceeding 3 consecutive months since 1 April 2001.

4.26 "Liable for family care and support",

a liability to provide financial support and maintenance that is enforceable by a court of law.

4.27 "Member",

any person who is admitted as a member of the SOCIETY in terms of these rules, and membership shall have a corresponding meaning;

4.28 "Partner",

a person with whom the MEMBER has a committed and serious relationship akin to a marriage based on objective criteria of mutual dependency and a shared and common household, irrespective of the gender of either party.

4.29 “POPIA”,

the Protection of Personal Information Act No. 4 of 2013

4.30 "Prescribed minimum benefits",

the benefits contemplated in section 29(1)(o) of the ACT and consistent with the provision of the diagnosis, treatment and care costs of –

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

and

4.30.2 any EMERGENCY MEDICAL CONDITION.

4.31 "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.

4.32 "Registrar",

the REGISTRAR or Deputy REGISTRAR of Medical Schemes appointed in terms of Section 18 of the ACT.

4.33 "Spouse",

the person to whom the MEMBER is married in terms of any law or custom.

4.34 "Trustee",

a member of the BOARD.

5. OBJECTIVES

The objectives of the SOCIETY are to establish and maintain a fund through contributions, donations or otherwise and thereby to make provision for:

- (a) the granting of assistance to MEMBERS in defraying expenditure incurred by them and their DEPENDANTS in connection with any relevant health service as provided for and in accordance with the rules of the SOCIETY; and / or
- (b) the rendering of relevant health services, either by the SOCIETY itself, or by any provider or group of providers of relevant health services or by any person in association with or in terms of an agreement with the SOCIETY.

6. MEMBERSHIP

Subject to rule 8, MEMBERSHIP of the SOCIETY is restricted to persons who qualify for membership in accordance with the following rules:

6.1 EMPLOYEES

EMPLOYEES are entitled to MEMBERSHIP, provided that a MEMBER who ceases to be an EMPLOYEE during a calendar month shall be entitled to retain his MEMBERSHIP to the last day of such calendar month.

6.2 Retirees

6.2.1 A MEMBER shall retain his MEMBERSHIP of the SOCIETY when he retires from the service of the EMPLOYER or an ASSOCIATED EMPLOYER, or when his employment is terminated by his EMPLOYER or ASSOCIATED EMPLOYER on account of age, ill health or other disability.

6.2.2 The SOCIETY shall in writing inform the MEMBER of the continuation of his MEMBERSHIP in terms of rule 6.2.1 and of the CONTRIBUTION payable from the date of his retirement or termination of his employment. Unless such MEMBER informs the SOCIETY in writing of the termination of his MEMBERSHIP, he shall continue to be a MEMBER.

6.3 Dependants of deceased Members

6.3.1 The DEPENDANTS of a deceased MEMBER who are registered with the SOCIETY as his DEPENDANTS at the time of such MEMBER's death shall be entitled to MEMBERSHIP of the SOCIETY with effect from the date of such MEMBER's death without any new restrictions, limitations or waiting periods.

6.3.2 The SOCIETY shall in writing inform the DEPENDANT of his right to MEMBERSHIP referred to in rule 6.3.1 and of the CONTRIBUTIONS payable in respect thereof. Unless such DEPENDANT informs the SOCIETY in writing of his intention not to become a MEMBER, he shall be admitted as a MEMBER of the SOCIETY.

6.3.3 Such a MEMBER's MEMBERSHIP terminates if he becomes a member or a dependant of a member of another medical scheme or is registered as a DEPENDANT.

6.4 Retrenched Employees

A MEMBER who is retrenched from the service of the EMPLOYER or ASSOCIATED EMPLOYER may continue MEMBERSHIP of the SOCIETY, provided that;

6.4.1 the MEMBER does not become entitled to MEMBERSHIP of another medical scheme by virtue of any post-retrenchment

employment; and

- 6.4.2** the SOCIETY may terminate the MEMBERSHIP of such MEMBER if he secures permanent employment with any employer, other than the EMPLOYER or an ASSOCIATED EMPLOYER, entitling him to membership of another medical scheme by virtue of such permanent employment.

7. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS

7.1 Registration of Dependants

- 7.1.1** A MEMBER may apply for the registration of his DEPENDANTS with the SOCIETY at the time when he applies for MEMBERSHIP in terms of rule 8.
- 7.1.2** If a MEMBER applies to register a new born or newly adopted CHILD within 30 DAYS of the date of birth or adoption of the CHILD, such CHILD shall thereupon be registered by the SOCIETY as a DEPENDANT. Increased CONTRIBUTIONS shall apply as from the first DAY of the month following the month of birth or adoption and benefits will accrue as from the date of birth or adoption.
- 7.1.3** If a MEMBER who marries after joining the SOCIETY, applies within 30 DAYS of the date of such marriage to register his SPOUSE as a DEPENDANT, his SPOUSE shall thereupon be registered by the SOCIETY as a DEPENDANT. Increased CONTRIBUTIONS shall apply as from the first DAY of the month following the month of marriage and benefits will accrue as from the date of marriage.

- 7.1.4** In the event of any person becoming eligible for registration as a DEPENDANT other than in the circumstances set out in rules 7.1.1 to 7.1.3 and if the MEMBER applies to the SOCIETY for the registration of such person as a DEPENDANT within 30 DAYS of the event which qualifies such person as a DEPENDANT, such person shall thereupon be registered by the SOCIETY as a DEPENDANT. Increased CONTRIBUTIONS shall apply as from the first DAY of the month following the month during which the qualifying event occurred and benefits will accrue as from the date on which such person first became eligible for registration as a DEPENDANT.
- 7.1.5** Should a MEMBER fail to register his eligible DEPENDANTS as provided for in this rule 7.1 then, upon any later application for registration of such DEPENDANTS the MEMBER will in respect of such DEPENDANTS be required to provide evidence of health and of any prior membership or admission as a dependant of any other medical scheme before they are registered as such by the SOCIETY.
- 7.1.6** On registration as a DEPENDANT other than as contemplated in rules 7.1.1 to 7.1., benefits in respect of such DEPENDANT shall be subject to the waiting periods as provided for in rule 8.4.

7.2 De-registration of Dependants

- 7.2.1** A MEMBER shall be entitled to de-register a DEPENDANT on giving 30 DAYS prior written notice to the SOCIETY.

- 7.2.2** A MEMBER shall give the SOCIETY at least 30 DAYS prior written notice of the occurrence of any event of which the MEMBER is aware that will result in any one of his DEPENDANTS no longer satisfying the conditions in terms of which he may continue to be registered as a DEPENDANT. In any other instance, a MEMBER shall in writing notify the SOCIETY within 14 DAYS after the occurrence of any event that results in any one of his DEPENDANTS no longer satisfying the conditions in terms of which he may continue to be registered as a DEPENDANT.
- 7.2.3** When a DEPENDANT ceases to be eligible to be a DEPENDANT, he shall no longer be deemed to be registered as such for the purpose of these rules nor be entitled to receive any benefits after the last DAY of the calendar month following the month in which the dependant eligibility ceased, regardless of whether or not any notice in terms of rule 7.2.2 was given.
- 7.2.4** For purposes of these rules a CHILD shall be deemed to have ceased to be a DEPENDANT at the end of the month during which such CHILD registered as a DEPENDANT reaches the age of 21, unless the MEMBER provides satisfactory evidence that such CHILD continues to qualify as a DEPENDENT CHILD. Such evidence is to be provided at least 60 DAYS before such CHILD's 21st birthday and before every birthday thereafter for so long as such child continues to qualify as a DEPENDENT CHILD.

8. TERMS AND CONDITIONS APPLICABLE TO MEMBERS AND

DEPENDANTS

- 8.1** A minor may become a MEMBER with the consent of his parent or guardian.
- 8.2** No person who is a member of another medical scheme or who is registered as a dependant of a member of a medical scheme shall be entitled to MEMBERSHIP of the SOCIETY or registration as a DEPENDANT.
- 8.3** A prospective MEMBER shall, prior to admission, complete and submit the application forms required by the SOCIETY, together with satisfactory evidence in respect of himself and his DEPENDANTS of age, INCOME, state of health, CREDITABLE COVERAGE and any other relevant information required by the SOCIETY.

The SOCIETY may require an applicant to provide the SOCIETY with a specific medical report in respect of any proposed BENEFICIARY covering a condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve-month period ending on the date on which an application for MEMBERSHIP or registration as a DEPENDANT was made.

8.4 Waiting periods

Provided that no waiting period shall be imposed on a person in respect of whom an application is made for MEMBERSHIP or registration as a DEPENDANT within 30 DAYS after the date on which the person first becomes eligible to be registered as a MEMBER or DEPENDANT, the following shall apply:

- 8.4.1** The SOCIETY may impose upon a person in respect of whom an application is made for MEMBERSHIP or registration as a DEPENDANT and who was not a beneficiary of a medical scheme during the period of 90 DAYS preceding the date of application–

8.4.1.1 a GENERAL WAITING PERIOD of up to 3 months; and

8.4.1.2 a CONDITION SPECIFIC WAITING PERIOD of up to 12 months.

These waiting periods shall also apply in respect of any treatment or diagnostic procedures covered by the PRESCRIBED MINIMUM BENEFITS.

8.4.2 The SOCIETY may impose upon any person in respect of whom an application is made for MEMBERSHIP or registration as a DEPENDANT, and who was previously a beneficiary of a medical scheme for a continuous period of up to 24 months, terminating less than 90 DAYS immediately prior to the date of application –

8.4.2.1 a CONDITION SPECIFIC WAITING PERIOD of up to 12 months, except in respect of any treatment or diagnostic procedures covered within the PRESCRIBED MINIMUM BENEFITS; and

8.4.2.2 in respect of any person contemplated in this sub-rule, where the previous medical scheme had imposed a GENERAL or CONDITION SPECIFIC WAITING PERIOD, and such waiting period had not expired at the time of termination, a GENERAL or CONDITION SPECIFIC WAITING PERIOD for the unexpired duration of such waiting period imposed by the former medical scheme.

8.4.2.3 The SOCIETY may impose upon any person in respect of whom an application is made for MEMBERSHIP or registration as a DEPENDANT, and who was previously a beneficiary of a medical

scheme for a continuous period of more than 24 months, terminating less than 90 DAYS immediately prior to the date of application, a GENERAL WAITING PERIOD of up to 3 months, except in respect of any treatment or diagnostic procedures covered within the PRESCRIBED MINIMUM BENEFITS.

8.5 No waiting periods shall be imposed on:

8.5.1 a person in respect of whom an application is made for MEMBERSHIP or registration as a DEPENDANT, who was previously a beneficiary of a medical scheme and whose membership with such medical scheme terminated less than 90 DAYS immediately prior to the date of application, where the change of membership is required as a result of –

8.5.1.1 a change of employment; or

8.5.1.2 an employer changing or terminating the medical scheme of its employees and a transfer of membership occurs at the beginning of the SOCIETY'S financial year, provided that reasonable written notice of such change of membership was given to the SOCIETY.

8.5.2 Where the former medical scheme has imposed a GENERAL or CONDITION SPECIFIC WAITING PERIOD in respect of a person referred to in this rule, and such waiting period has not expired at the time of the termination of such person's membership of that medical scheme, the SOCIETY may impose a waiting period for the unexpired duration of the waiting period imposed by the former scheme.

8.5.3 a CHILD born during the period of MEMBERSHIP provided that the CHILD has been registered within 30 DAYS of birth.

8.6 Every MEMBER shall on admission to MEMBERSHIP receive a detailed summary of these rules specifying the MEMBER's rights and obligations.

8.7 Payment of any CONTRIBUTION shall constitute the MEMBER's acknowledgement that he shall, on behalf of himself and his DEPENDANTS, be bound by the rules, rulings and policies of the Society.

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 SOCIETY. The SOCIETY may withhold, suspend or discontinue the payment of a benefit to which a MEMBER is entitled under these rules, or any right in respect of such benefit or payment of such benefit to such MEMBER, if a MEMBER attempts to assign or transfer, or otherwise to cede or to pledge or to hypothecate such benefit.

9. TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME

If the members of a medical scheme who are members of that scheme by virtue of their employment by a particular employer, terminate their membership of such scheme with the object of obtaining MEMBERSHIP of the SOCIETY, the SOCIETY shall admit as a MEMBER, without a waiting period or the imposition of new restrictions on account of the state of his health or the health of any of his dependants, any member of such first-mentioned scheme who is a continuation member of such scheme by virtue of his or a deceased member's former employment by such employer.

10. MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP

- 10.1** Every MEMBER shall be furnished with a membership card, containing such particulars as may be prescribed by regulation. This card shall be exhibited to the provider of a service on request. It remains the property of the SOCIETY and shall be returned to the SOCIETY on termination of MEMBERSHIP.
- 10.2** The utilisation of a MEMBERSHIP card by any person other than the MEMBER or his registered DEPENDANTS, with the knowledge or consent of the MEMBER or his DEPENDANTS, is not permitted and is construed as an abuse of the privileges of MEMBERSHIP of the SOCIETY and the BOARD may suspend or terminate the MEMBERSHIP of the MEMBER at its discretion.
- 10.3** On termination of MEMBERSHIP or on de-registration of a DEPENDANT, the SOCIETY shall, within 30 DAYS of such termination or at any time at the request of any former MEMBER or DEPENDANT, provide the MEMBER or DEPENDANT or medical scheme to which such MEMBER or DEPENDANT applies for membership, with a certificate stating the period of cover by the SOCIETY, whether he was covered as a MEMBER or as a DEPENDANT and whether or not he was a LATE JOINER of the SOCIETY.

11. CHANGE OF ADDRESS OF MEMBER

A MEMBER shall notify the SOCIETY within 30 DAYS after the relevant event of any change of address (including his *domicilium citandi et executandi*) and of any other change in his or any of his DEPENDANTS' personal particulars (including, but not limited to, changes of identity number, physical address, postal address, cell phone number, fixed line telephone number and email address). The SOCIETY shall not be held liable if a MEMBER's rights are prejudiced or forfeited as a result of the MEMBER neglecting to comply with the requirements of this rule.

12. TERMINATION OF MEMBERSHIP

12.1 Termination of employment

Subject to the provisions of rules 6.2 and 6.4, a MEMBER who ceases to be an EMPLOYEE shall, from the DAY following the last calendar day of the month during which the Employee's employment terminated, cease to be a MEMBER and all his rights to benefits and the rights to benefits of his DEPENDANTS shall thereupon cease, except for claims in respect of services rendered on or before the last day of his employment.

12.2 Voluntary termination of Membership

12.2.1 A MEMBER, who in terms of his conditions of employment is required to be a MEMBER of the SOCIETY, may not terminate his MEMBERSHIP while he remains an EMPLOYEE without the prior written consent of his EMPLOYER or ASSOCIATED EMPLOYER.

12.2.2 An ASSOCIATED EMPLOYER may terminate its participation with the SOCIETY by giving at least three months prior written notice of such termination to the SOCIETY;

12.2.3 A MEMBER, who is not required in terms of his conditions of employment to be a MEMBER, may terminate his MEMBERSHIP of the SOCIETY on one months' prior written notice to the SOCIETY. His MEMBERSHIP of the SOCIETY and all his and his DEPENDANT'S rights to benefits shall cease after the last DAY of the calendar month during which such notice expires.

12.3 Death

MEMBERSHIP of a MEMBER is deemed to terminate with effect from the DAY following the last calendar day of the month during which he died.

12.4 Failure to pay amounts due to the Society

If a MEMBER fails to pay amounts due to the SOCIETY, his MEMBERSHIP may be terminated in accordance with these rules.

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

The BOARD may exclude from benefits or terminate the MEMBERSHIP of a MEMBER or the registration of a DEPENDANT if such MEMBER or DEPENDANT abuses the benefits and privileges of MEMBERSHIP of the SOCIETY by submitting fraudulent claims, or by committing any fraudulent act, or by the non-disclosure of material information.

A MEMBER or DEPENDANT shall at the request of the SOCIETY provide such evidence of health as the Society may require.

Should the MEMBER or DEPENDANT fail to provide such evidence, the BOARD shall be entitled to exclude the relevant MEMBER or DEPENDANT from benefits or to terminate his membership or the registration of the DEPENDANT.

Should the BOARD exclude such MEMBER or DEPENDANT from benefits or terminate his MEMBERSHIP or the registration of such DEPENDANT, the SOCIETY may recover any sum which, but for such conduct, would not have been disbursed by the SOCIETY.

13. CONTRIBUTIONS AND DEBTS

- 13.1** The total monthly CONTRIBUTIONS payable to the SOCIETY by or in respect of a MEMBER are as stipulated in Annexure A hereto.
- 13.2** CONTRIBUTIONS shall be paid monthly in advance by no later than the tenth BUSINESS DAY of each month or on such earlier date as agreed to in writing by the MEMBER.
- 13.3** Where CONTRIBUTIONS or any debt owing to the SOCIETY have not been paid by the due date for payment or on such earlier date as agreed to in writing by the MEMBER, the SOCIETY shall:
- 13.3.1** have the right to immediately suspend all benefit payments, from the first DAY of the month in which the contribution became due, in respect of such MEMBER and his DEPENDANTS irrespective of when the claim for such benefit arose; and
- 13.3.2** give the MEMBER at his *domicilium citandi et executandi* written notice that, if the relevant CONTRIBUTION or debt is not fully paid within 21 DAYS of the posting of such notice to the member by pre-paid registered post, his MEMBERSHIP may be terminated by the SOCIETY.
- 13.4** A notice sent by prepaid registered post to the MEMBER at his *domicilium citandi et executandi* shall be deemed to have been received by the MEMBER on the 7th DAY after the date of posting. In the event that the MEMBER fails to nominate a *domicilium citandi et executandi*, the MEMBER'S postal or residential address on his application form shall be deemed to be his *domicilium citandi et executandi*.

- 13.5** If the MEMBER'S indebtedness to the SOCIETY is settled in full within 21 DAYS of date on which the SOCIETY'S written notice was posted to the MEMBER by pre-paid registered post, benefits shall be reinstated without any break in continuity.
- 13.6** If such indebtedness is not settled in full within 21 DAYS after the date on which the SOCIETY'S written notice was posted to the relevant member by pre-paid registered post:
- 13.6.1** the MEMBERSHIP of the defaulting MEMBER may be terminated by the SOCIETY;
 - 13.6.2** no benefits shall be owing or paid to or on behalf of the MEMBER or his DEPENDANTS from the date of the MEMBER'S original default;
 - 13.6.3** any such benefit paid by the SOCIETY after the date of the original default may be recovered by the SOCIETY;
- 13.7** No refund of any portion of a CONTRIBUTION shall be paid to any person where such MEMBER'S MEMBERSHIP or the registration of any DEPENDANT terminates during the course of a month

14. LIABILITIES OF EMPLOYER AND MEMBER

- 14.1** The liability of the EMPLOYER or ASSOCIATED EMPLOYERS towards the SOCIETY is limited to any amounts payable in terms of any agreement between the EMPLOYER or ASSOCIATED EMPLOYERS and the SOCIETY.
- 14.2** The liability of a MEMBER to the SOCIETY is limited to the amount of his unpaid CONTRIBUTIONS together with any sum disbursed by the SOCIETY on his behalf or on behalf of his DEPENDANTS that exceeds the benefits to which the relevant MEMBER and his DEPENDANT were entitled.
- 14.3** In the event of a MEMBER ceasing to be a MEMBER, any amount still owing by such MEMBER at the date of termination of his membership is a debt due to the SOCIETY and recoverable by it.

15. CLAIMS PROCEDURE

- 15.1** Every claim submitted to the SOCIETY for the payment of benefits in respect of a relevant health service as contemplated in these rules, shall be accompanied by an account or statement as prescribed by regulation.

If an account, statement or claim is correct, or where a corrected account, statement or claim is received, as the case may be, the SOCIETY shall, in addition to the payment contemplated in Section 59 (2) of the ACT, despatch to the MEMBER a statement containing at least the following particulars:

- 15.1.1** The name and the MEMBERSHIP number of the MEMBER and the name of the BENEFICIARY who received the relevant health service;
- 15.1.2** The name of the provider of such service;
- 15.1.3** The final date of the service rendered by the provider of the

service as reflected on the account or statement which is covered by the payment;

15.1.4 The total amount charged for the relevant health service concerned; and

15.1.5 The amount of the benefit awarded in respect of such relevant health service.

15.2 In order to qualify for benefits, any claim shall be submitted to the SOCIETY not later than the last DAY of the fourth month following the month in which the relevant health service was rendered.

15.3 Where a MEMBER has paid an account, he shall, in support of his claim, submit a receipt for the payment that is the subject of the claim.

15.4 Accounts for the treatment of injuries and other expenses recoverable from third parties shall be supported by a statement from the MEMBER setting out particulars of the circumstances in which the injury or accident was sustained.

15.5 Where the SOCIETY is of the opinion that an account, statement or claim is erroneous or unacceptable for payment and before rejecting such account, statement or claim, the SOCIETY shall:

15.5.1 within 30 DAYS after receipt of such account, statement or claim, in writing communicate the SOCIETY'S opinion and reasons for such opinion to the MEMBER or the health care provider, whichever is applicable; and

15.5.2 afford such MEMBER or health care provider the opportunity to submit a corrected account, statement or claim to the SOCIETY within 60 DAYS following the date the SOCIETY returned it for correction to such MEMBER or health care

provider.

16. BENEFITS

- 16.1** MEMBERS are entitled to benefits during each financial year of the SOCIETY in accordance with Annexure B, and such benefits shall extend through the MEMBER to his registered DEPENDANTS.
- 16.2** The SOCIETY shall, where an account for relevant health services has been rendered, pay the relevant benefit (if any) either to the MEMBER concerned or to the provider of the relevant health service who rendered the account, within 30 DAYS of receipt of the claim pertaining to such benefit.
- 16.3** Certain services, medications and products are excluded from the benefits payable to MEMBERS under these rules, as are set out in Annexure C hereto.
- 16.4** The BOARD shall not authorise payment for relevant health services other than those in respect of which benefits are payable under these rules.
- 16.5** MEMBERS AND DEPENDANTS admitted during the course of a financial year are entitled to the benefits set out in Annexure B, with the maximum benefits being adjusted in proportion to the period of membership calculated from the date of admission to the end of the particular financial year.

17. PAYMENT OF ACCOUNTS

- 17.1** The SOCIETY may pay the full amount claimed by a provider of relevant

health services directly to that provider and then recover the difference between the amount so paid and the relevant benefit entitlement from the MEMBER.

17.2 The SOCIETY has the right to pay any benefit directly to the MEMBER concerned.

17.3 Where the SOCIETY has paid an account or portion of an account or any benefit to which a MEMBER is not entitled, whether payment was made to the MEMBER or to the provider of the relevant health service, the amount of any such overpayment is recoverable by the SOCIETY.

18. GOVERNANCE

18.1 The affairs of the SOCIETY shall be managed according to these rules by a BOARD consisting of eight persons who are fit and proper to be TRUSTEES.

18.2 At least fifty percent of such TRUSTEES shall be elected by MEMBERS from amongst duly nominated MEMBERS to serve as TRUSTEES. The elected TRUSTEES shall serve their terms of office from the date of the confirmation of their appointments at the Annual General Meeting following their election.

The EMPLOYER shall appoint the remaining fifty percent of the TRUSTEES.

18.3 All Trustees shall serve terms of office of five years, which shall be calculated;

18.3.1 in the case of a Member elected Trustee, from the date on which the Trustee was appointed to office; and

18.3.2 in the case of an Employer appointed Trustee, from the date

on which the Employer notifies the Society in writing of the appointment of the relevant Trustee.

18.4 The following persons are not eligible to serve as TRUSTEES:

18.4.1 a person under the age of 21 years;

18.4.2 an employee of the Society;

18.4.3 the principal officer of the SOCIETY;

18.4.4 the AUDITOR of the SOCIETY;

18.4.5 an employee, director, officer, consultant, or contractor of the administrator of the SOCIETY or any service provider or the holding company, subsidiary, joint venture or associate of that administrator or service provider;

18.4.6 a broker; and

18.4.7 a person who is or was at any time disqualified from being a member of a BOARD of trustees or BOARD of directors or is disqualified on any of the grounds as set out in rules 18.16.1 to 18.16.8.

18.5 MEMBER elections shall be held at five year intervals (and, in addition whenever the BOARD may so determine) in accordance with the procedures determined from time to time by the BOARD. Nominations of candidates for election as MEMBER elected TRUSTEES shall be signed by the candidate signifying his consent to stand for election and shall be submitted to the SOCIETY as directed by the BOARD, whereupon a general election shall be held by the MEMBERS.

18.6 Retiring Member elected TRUSTEES are eligible for re-election

provided that the duration of the tenure of a Member elected Trustee shall not exceed a total of three consecutive terms of office of five years each.

- 18.7** Any vacancy which may occur amongst the MEMBER elected TRUSTEES shall be filled from the eligible MEMBERS nominated for election in sequence of the number of votes obtained by candidates at the last general election at which the eligible MEMBER was nominated for election.

Should there be no eligible candidates available, the vacancy shall be filled by a majority vote of the remaining member elected trustees, in favour of an eligible MEMBER who has in writing consented to his nomination for election as a trustee.

A person appointed to a vacancy under either of the above processes provided for in this Rule 18.7 above shall hold office for the remaining period of the term of office of the Trustee in whose place he is appointed. This remaining period shall be deemed to be a full term of office of five years for the purpose of these rules.

- 18.8** Any vacancy which may occur amongst the EMPLOYER appointed TRUSTEES shall be filled by the EMPLOYER by means of a written notice to the Society.

- 18.9** The duration of the appointment of an Employer appointed Trustee shall not exceed a total of three consecutive terms of office of five years each.

- 18.10** The BOARD may invite knowledgeable persons to attend BOARD Meetings in order to assist it in its deliberations. Such invitees shall not have a vote.

- 18.11** The BOARD may, subject to participation by sufficient TRUSTEES to form a

quorum, meet, discuss and resolve matters by telephone or other form of electronic conferencing means and may adopt resolutions at such meetings.

18.12 Five members of the BOARD holding office from time to time shall constitute a quorum.

18.13 Notwithstanding any vacancy on the BOARD, the remaining TRUSTEES shall continue to act as such, provided that if and for so long as their number no longer meets the requirement fixed for a quorum, such TRUSTEES:

18.13.1 may only transact such routine business as may be essential to protect the interests of the SOCIETY; and

18.13.2 shall without undue delay take reasonable steps to procure that the number of TRUSTEES is increased to the number provided for in these rules.

18.14 The TRUSTEES shall elect the chairperson and vice-chairperson of the BOARD.

18.15 In the absence of the chairperson and vice-chairperson, the TRUSTEES present at a meeting shall elect one of their number to preside.

18.16 Matters serving before the BOARD shall be decided by a majority vote and the chairperson shall have a casting vote in addition to his deliberative vote.

18.17 A written resolution (which may consist of one or more documents in like form, each signed by a TRUSTEE that is approved in writing by all the TRUSTEES then holding office) shall be as valid and effective in accordance with its terms as if passed at a formally constituted meeting of the BOARD and, in this regard:

18.17.1 any such resolution shall be deemed to have been passed on the latest date on which it was signed by a TRUSTEE;

18.17.2 a telefacsimile or emailed scan of a counterpart of such resolution shall be acceptable evidence that such resolution was duly signed by the TRUSTEE whose signature appears on the telefacsimile or emailed scan; and

18.17.3 each such resolution shall be tabled at the next following meeting of the BOARD and shall be inserted in the BOARD'S minute book, provided that a failure to table or to insert any such resolution in the BOARD'S minute book shall not in any way invalidate any such resolution.

18.18 A TRUSTEE may resign at any time by giving prior written notice to the BOARD.

18.19 A TRUSTEE ceases to hold office if —

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

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

18.19.3 he is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering of a forged document or perjury;

18.19.4 he is removed from any office of trust on account of misconduct;

18.19.5 he is disqualified under any law from carrying on his profession

or from holding office as a director of a company;

18.19.6 he ceases to be an appointee by the EMPLOYER, or being a TRUSTEE elected by MEMBERS, he ceases to be a MEMBER of the SOCIETY;

18.19.7 notwithstanding any other provision contained in these rules, the majority of the remaining TRUSTEES resolve to remove him from office in consequence of his failure to meet any obligation placed on him in terms of any rule of the SOCIETY, the CODE OF CONDUCT or any law relating to his position as a TRUSTEE;

18.19.8 he is removed from office by the COUNCIL in terms of Section 46 of the ACT.

18.20 The provisions of rules 18.19.1 to 18.19.5 apply *mutatis mutandis* to the principal officer.

18.21 The BOARD shall meet at least once every three months or at such intervals as it may deem necessary.

18.22 The chairperson may convene a special meeting of the BOARD should the chairperson deem this to be necessary.

18.23 Any three TRUSTEES may in writing request the chairperson to convene a special meeting of the BOARD to discuss the business described in such request.

The chairperson shall, within a reasonable time after receiving such a request, convene a special meeting of the BOARD to consider the business described in such request.

18.24 The TRUSTEES and any member of a committee appointed by the BOARD may be reimbursed by the SOCIETY for all reasonable expenses incurred by them in the performance of their duties as trustees or members of the committee appointed by the BOARD.

18.25 TRUSTEES and any member of a committee appointed by the BOARD who are not employed and/or remunerated by an EMPLOYER or ASSOCIATED EMPLOYER may be remunerated by the SOCIETY at a rate to be determined annually at the Annual General Meeting of the SOCIETY.

19. DUTIES OF THE BOARD

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

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

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

19.4 The BOARD must apply sound business principles and ensure the financial soundness of the SOCIETY.

19.5 The BOARD shall appoint a principal officer who is fit and proper to hold such office and shall within 30 DAYS of such appointment give notice thereof in writing to the Registrar.

19.6 The BOARD may appoint any staff which in its opinion is required for the proper execution of the business of the SOCIETY.

19.7 The BOARD shall determine the terms and conditions of service of the principal officer and of any person employed by the SOCIETY.

19.8 The chairperson shall preside over meetings of the BOARD and ensure due and proper conduct at meetings.

19.9 The BOARD shall cause to be kept such minutes, accounts, entries,

registers and records as are essential for the proper functioning of the SOCIETY.

- 19.10** The BOARD shall ensure that proper control systems are employed by and on behalf of the SOCIETY.
- 19.11** The BOARD shall ensure that adequate and appropriate information is communicated to the MEMBERS regarding their rights, benefits, CONTRIBUTIONS and duties in terms of the rules.
- 19.12** The BOARD shall take all reasonable steps to ensure that CONTRIBUTIONS are paid timeously to the SOCIETY in accordance with the ACT and the rules.
- 19.13** The BOARD shall take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance.
- 19.14** The BOARD shall obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the members of the BOARD may lack sufficient expertise.
- 19.15** The BOARD must ensure that the rules and the operation and administration of the SOCIETY comply with the provisions of the ACT and all other applicable laws.
- 19.16** The BOARD shall take all reasonable steps in accordance with POPIA to protect the confidentiality of medical records concerning any MEMBER or DEPENDANT'S state of health.
- 19.17** The BOARD shall approve all disbursements.
- 19.18** The BOARD shall cause to be kept in safe custody, in a safe or strong room at the registered office of the SOCIETY or with any financial institution approved by the BOARD, any mortgage bond, title deed or

other security belonging to or held by the SOCIETY, except when in the temporary custody of another person for the purposes of the SOCIETY.

19.19 The BOARD shall make such provision as it deems desirable, and with due regard to normal practice and recommended guidelines pertaining to retention of documents, for the safe custody of the books, records, documents and other effects of the SOCIETY.

19.20 The BOARD shall disclose annually in writing to the Registrar, any payment or considerations made to them in that particular year by the SOCIETY.

19.21 The Society's Remuneration Policy, and the total remuneration payable to eligible TRUSTEES and members of any committee appointed by the BOARD must be approved annually by MEMBERS at the Annual General Meeting.

19.22 The BOARD shall implement an annual process of "BOARD effectiveness self-assessment" aimed at improving the BOARD's effectiveness taking cognisance of the Council for Medical Schemes guidelines in this regard.

19.23 The BOARD shall ensure that every existing and newly appointed or elected BOARD member undergoes trustee training in the form of induction training and attendance of the accredited skills programme provided by the Council for Medical Schemes.

20. POWERS OF THE BOARD

The BOARD has the power to do anything which it deems necessary or expedient to perform its functions in accordance with the provisions of the ACT and these rules, including but not limited to the following:

- 20.1** to cause the termination of the services of any employee of the SOCIETY'S staff;
- 20.2** to take all necessary steps and to sign and execute all necessary documents to ensure and secure the due fulfilment of the SOCIETY'S obligations.
- 20.3** to delegate any of its powers and duties to another person including, but not limited to –
- 20.3.1** a sub-committee of the BOARD comprising one or more TRUSTEES and such other persons, as the BOARD may decide;
 - 20.3.2** an expert;
 - 20.3.3** an employee of the SOCIETY;
 - 20.3.4** a service provider including, but not limited to an administrator, asset manager and an investment consultant,
- on the conditions that –
- 20.3.5** no functions which in law are required to be performed by the BOARD itself may be delegated;
 - 20.3.6** the BOARD may impose conditions and limitations on the delegation of any power and/or function to any person;
 - 20.3.7** a decision of the delegate must be recorded in the minutes of the next meeting of the BOARD and will be regarded as a decision of the SOCIETY.

- 20.3.8** the BOARD shall remain accountable for any decision by a delegate to whom the BOARD'S decision-making powers have been delegated in terms of this rule.
- 20.4** to appoint a duly accredited administrator on such terms and conditions as it may determine, for the proper execution of the business of the SOCIETY. The terms and conditions of such appointment must be contained in a written contract, which complies with the requirements of the ACT and the regulations;
- 20.5** to contract with managed health care organisations subject to the provisions of the ACT and its regulations;
- 20.6** to purchase movable and immovable property for the use of the SOCIETY or otherwise, and to sell it or any of it;
- 20.7** to let or hire movable or immovable property;
- 20.8** in respect of any monies not immediately required to meet current charges upon the SOCIETY and subject to the provisions of the ACT, and in the manner determined by the BOARD, to invest or otherwise deal with such moneys upon security and to realise, re-invest or otherwise deal with such monies and investments;
- 20.9** with the prior approval of the COUNCIL, to borrow money for the SOCIETY from the SOCIETY'S bankers against the security of the SOCIETY'S assets for the purpose of bridging a temporary shortage;
- 20.10** subject to the provisions of any law, to cause the SOCIETY, whether on its own or in association with any person, to establish or operate any pharmacy, hospital, clinic, maternity home, nursing home, infirmary, home for aged persons or any similar institution, in the interests of the MEMBERS of the SOCIETY;

- 20.11** to donate to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or any of the BENEFICIARIES;
- 20.12** to grant repayable loans to MEMBERS in order to assist such MEMBERS to meet commitments in regard to any matter specified in rule 5;
- 20.13** to contribute to any fund conducted for the benefit of employees of the SOCIETY;
- 20.14** to reinsure obligations in terms of the benefits provided for in these rules;
- 20.15** to authorise the principal officer and /or such members of the BOARD as it may determine from time to time, and upon such terms and conditions as the BOARD may determine, to sign any contract or other document binding or relating to the SOCIETY or any document authorising the performance of any act on behalf of the SOCIETY;
- 20.16** to contribute to any association instituted for the furtherance, encouragement and co-ordination of medical schemes;
- 20.17** to initiate an investigation to determine whether a prospective TRUSTEE is eligible to serve as a TRUSTEE and to disqualify such person from serving on the BOARD should the BOARD find that such person is not eligible to serve as a TRUSTEE;
- 20.18** if the majority of the TRUSTEES so agree, to initiate an investigation (by a person appointed by the BOARD) to establish whether a TRUSTEE has failed to meet any obligation placed on him in terms of any rule of the SOCIETY, the CODE OF CONDUCT or any law relating to his position as a TRUSTEE;
- 20.19** if the BOARD has initiated an investigation under rules 20.17 or 20.18:

- 20.19.1** to hold meetings relating to the investigation without the relevant TRUSTEE being present;
- 20.19.2** to notify the person under investigation in writing of the allegations raised against him;
- 20.19.3** to request the person under investigation to respond in writing to the allegations raised against him;
- 20.19.4** to hold a hearing in such format and in accordance with such procedures as the TRUSTEES (other than the person under investigation) may decide in order to afford the person under investigation an opportunity to personally respond to the allegations; and
- 20.19.5** to determine whether the person under investigation is eligible to serve as a TRUSTEE or whether the person under investigation should be removed as a TRUSTEE.

21. DUTIES OF PRINCIPAL OFFICER AND STAFF

- 21.1** The staff of the SOCIETY shall ensure the confidentiality of all information regarding its BENEFICIARIES.
- 21.2** The principal officer is the chief executive officer of the SOCIETY and as such shall ensure that:
 - 21.2.1** the decisions and instructions of the BOARD are executed without unnecessary delay;
 - 21.2.2** where necessary, there is proper and appropriate communication between the SOCIETY and those parties affected by the decisions and instructions of the BOARD;

21.2.3 he keeps the BOARD sufficiently and timeously informed of the affairs of the SOCIETY which relate to the duties of the BOARD as stated in section 57(4) of the ACT;

21.2.4 he keeps the BOARD sufficiently and timeously informed concerning the affairs of the SOCIETY so as to enable the BOARD to comply with the provisions of section 57(6) of the ACT;

21.2.5 he does not take any decisions concerning the affairs of the SOCIETY (except for management decisions relating to the routine day to day business of the SOCIETY) without prior authorisation by the BOARD and that he at all times observes the authority of the BOARD in its governance of the SOCIETY and

21.2.6 he acts in the best interests of the BENEFICIARIES of the SOCIETY at all times.

21.3 The principal officer shall be the accounting officer of the SOCIETY charged with the collection of and accounting for all moneys received and payments authorised by and made on behalf of the SOCIETY.

21.4 The principal officer shall ensure the proper execution of the business of the SOCIETY.

21.5 He shall attend all meetings of the BOARD, general meetings of MEMBERS and the meetings of any duly appointed committee at which his attendance may be required by the chairperson of the relevant committee.

21.6 He shall also ensure proper recording of the proceedings of all meetings of the SOCIETY, the BOARD and the committees appointed by the BOARD.

21.7 The principal officer shall be responsible for the supervision of the staff

employed by the SOCIETY unless the BOARD decides otherwise.

21.8 The principal officer shall keep full and proper records of all moneys received and expenses incurred by, and of all assets, liabilities and financial transactions of, the SOCIETY.

21.9 The principal officer shall prepare (or shall procure the preparation of) annual financial statements and shall ensure compliance with all the statutory requirements pertaining thereto.

22. INDEMNIFICATION & FIDELITY GUARANTEE

22.1 The officers of the SOCIETY and any member of a committee appointed by the BOARD shall be indemnified by the SOCIETY against all loss, liability, damage and expense suffered by them in consequence of any claim made in connection with the SOCIETY, not arising from their gross negligence, dishonesty or fraud.

22.2 The BOARD shall ensure that the SOCIETY is insured against loss resulting from the dishonesty or fraud of any of its officers or any member of a committee appointed by the BOARD and shall ensure that appropriate professional indemnity insurance and fidelity guarantee insurance is maintained by the SOCIETY.

23. FINANCIAL YEAR OF THE SOCIETY

The financial year of the SOCIETY extends from the first day of January to the last day of December of each year.

24. BANKING ACCOUNT

The SOCIETY shall maintain a banking account with a registered commercial

bank. All moneys received shall be deposited to the credit of such account and all payments shall be made either by electronic transfer, tape exchange or by cheque under the joint signature of two persons duly authorised by the BOARD.

25. AUDITOR AND AUDIT COMMITTEE

Subject to the provisions of section 36 of the ACT, the following shall apply:

25.1 An AUDITOR shall be appointed at each annual general meeting to hold office from the conclusion of that meeting to the conclusion of the next annual general meeting.

25.2 The following persons are not eligible to serve as AUDITOR of the SOCIETY –

25.2.1 a member of the BOARD;

25.2.2 an employee, officer or contractor of the SOCIETY excluding the Auditor;

25.2.3 a person not engaged in public practice as an auditor;

25.2.4 a person who is disqualified from acting as an auditor in terms of the Companies Act, 2008 (as amended or re-enacted from time to time).

25.3 At each annual general meeting a retiring AUDITOR may be re-appointed as such unless he has given the SOCIETY prior written notice that he is not available for re-appointment as AUDITOR.

25.4 Whenever for any reason an AUDITOR vacates his office prior to the expiration of the period for which he has been appointed, the BOARD shall within 30 DAYS appoint another AUDITOR to fill the vacancy for the

unexpired period, failing which the REGISTRAR may appoint an AUDITOR for the SOCIETY.

25.5 If an AUDITOR is not appointed at a general meeting, the BOARD must within 30 DAYS make such appointment, and if it fails to do so, the REGISTRAR may at any time do so.

25.6 The AUDITOR of the SOCIETY at all times has a right of access to the books, records, accounts, documents and other assets of the SOCIETY, and is entitled to require the officers of the SOCIETY to provide such information and explanations as he deems necessary for the performance of his duties.

25.7 The AUDITOR shall report to the MEMBERS of the SOCIETY on the accounts examined by him and on the financial statements laid before the SOCIETY in general meeting.

25.8 The BOARD shall appoint an audit committee in accordance with the ACT.

26. GENERAL MEETINGS

26.1 Annual general meeting

26.1.1 The annual general meeting of MEMBERS shall be held not later than 31 July of each year.

26.1.2 The notice convening the annual general meeting, containing the agenda, the annual financial statements, the BOARD'S annual review, the AUDITOR'S report (or, at the discretion of the BOARD, a summarised version of the annual financial statements, the BOARD'S annual review and the AUDITOR'S report) and the proposed remuneration for any eligible TRUSTEE or eligible committee member appointed by the BOARD, shall be furnished to MEMBERS at least 21 days

before the date of the meeting. The non-receipt of such notice by a MEMBER does not invalidate the proceedings at such meeting.

- 26.1.3** An annual general meeting of the SOCIETY shall, pursuant to a resolution of the BOARD in this regard, be held either at a venue at which MEMBERS are invited to attend in person, or by telephone or over the Internet or by such other means of communication as the BOARD may determine.
- 26.1.4** At least 30 MEMBERS of the SOCIETY, including those who are in attendance (whether in person or through the remote means determined by the BOARD under Rule 26.1.3), together with those represented by proxy, shall constitute a quorum at the annual general meeting.
- 26.1.5** If a quorum is not present after the lapse of 30 minutes from the time fixed for the commencement of the annual general meeting, the meeting shall be adjourned and shall be held at the same time and at the same venue, or at the same time by the same means of communication (as the case may be) on the fifth BUSINESS DAY following the date originally appointed for the meeting.
- 26.1.6** At the adjourned meeting, the MEMBERS who are in attendance (whether in person or through the remote means determined by the Board under Rule 26.1.3), together with those represented by proxy, shall constitute a quorum for the transaction of the business of the annual general meeting.
- 26.1.7** The financial statements and reports specified in rule 26.1.2 shall be tabled at the annual general meeting.
- 26.1.8** In order for a notice of motion to be submitted by a MEMBER

to the annual general meeting, the notice of motion is required to reach the principal officer not later than 7 BUSINESS DAYS prior to the date of the meeting.

26.2 Special general meeting

- 26.2.1** The BOARD may at any time call a special general meeting of MEMBERS.
- 26.2.2** On the requisition of at least 50 MEMBERS of the SOCIETY, the BOARD shall cause a special general meeting to be called within 30 DAYS of the delivery of the requisition to the principal officer at the registered office of the SOCIETY. The requisition shall state the business to be considered at the meeting and shall be signed by all the requisitionists. Only those matters referred to in the requisition may be discussed at the special general meeting.
- 26.2.3** The notice convening the special general meeting shall include the agenda and shall be furnished to MEMBERS at least 14 DAYS before the date of the meeting. The non-receipt of such notice by a MEMBER shall not invalidate the proceedings at such meeting.
- 26.2.4** A special general meeting of the SOCIETY shall, pursuant to a resolution of the BOARD in this regard, be held either at a venue at which MEMBERS are invited to attend in person, or by telephone or over the Internet or by such other means of communication as the BOARD may determine.
- 26.2.5** At least 50 MEMBERS of the Society, including those who are in attendance (whether in person or through remote means determined by the Board under Rule 26.2.4) together with those represented by proxy shall constitute a quorum at the

special general meeting.

- 26.2.6** If a quorum is not present after the lapse of 30 minutes from the time fixed for the commencement of the special general meeting, the requisition for the meeting shall fail and no special general meeting in terms of such requisition shall be held.

27. VOTING AT MEETINGS

- 27.1** Every MEMBER whose CONTRIBUTION is not in arrears has the right to attend, speak and vote at general meetings of the Society and is entitled, subject to this rule, to appoint another MEMBER of the SOCIETY as proxy to attend, speak and vote in his or her stead.
- 27.2** The instrument appointing the proxy shall be in writing, in a form determined by the BOARD and shall be signed by the MEMBER and the person appointed as the proxy.
- 27.3** The chairperson shall determine whether voting at a general meeting shall be by ballot or by a show of hands. The chairperson may require a vote by ballot following an initial vote on a show of hands. In the event of the votes, whether on a show of hands or by ballot being equal, the chairperson, if he is a MEMBER, has a casting vote in addition to his deliberative vote.

28. COMPLAINTS AND DISPUTES

- 28.1** MEMBERS may lodge a complaint or declare a dispute with the SOCIETY by notice in writing delivered to the principal officer at the registered office of the SOCIETY.
- 28.2** The principal officer shall respond in writing to all written notifications of complaints or disputes that are delivered at the registered office of

the SOCIETY.

- 28.3** Any MEMBER who is dissatisfied with the principal officer's response to a complaint or dispute may lodge a written complaint with the COUNCIL as provided for in the ACT.

29. TERMINATION OR DISSOLUTION

The SOCIETY may be dissolved by order of a competent court or by voluntary dissolution in terms of section 64 of the ACT.

30. AMALGAMATION AND TRANSFER OF BUSINESS

The SOCIETY may, subject to the provisions of Section 63 of the ACT, amalgamate with, transfer its assets and liabilities to, or take transfer of the assets and liabilities of any other registered medical scheme or person.

31. RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS

- 31.1** Any BENEFICIARY shall on request and on payment of a fee as determined by the BOARD from time to time be supplied by the SOCIETY with a copy of the following documents:

31.1.1 the rules of the SOCIETY;

31.1.2 the latest audited financial statements, returns, BOARD reports and AUDITOR'S report of the SOCIETY.

- 31.2** A BENEFICIARY is entitled to inspect free of charge at the registered office of the SOCIETY and to make extracts from any document referred to in rule 31.1.

32. AMENDMENT OF RULES

The BOARD is entitled to alter or rescind any rule or annexure to these rules or to make any additional rule or annexure provided that:

- 32.1** no such alteration, rescission or addition shall be valid unless it has been approved and registered by the REGISTRAR in terms of the ACT.
- 32.2** a MEMBER's rights, obligations, CONTRIBUTIONS or benefits under these rules shall not be amended or rescinded unless the MEMBER has been given 30 DAYS prior written advance notice of such alteration or rescission.
- 32.3** The BOARD shall, on the request and to the satisfaction of the REGISTRAR, amend any rule that is inconsistent with the provisions of the ACT.