

# **AFROX MEDICAL AID SOCIETY**

## **RULES 2006**

### **1. NAME**

The name of the Society is **AFROX MEDICAL AID 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 Medical Schemes Act and regulations and these rules and of acquiring, holding and alienating assets, movable and immovable.

### **3. REGISTERED OFFICE**

The registered office of the Society shall be situated at 23 Webber Street, Selby, but the Board shall have the right to transfer such office within the Republic of South Africa, should circumstances so dictate.

### **4. DEFINITIONS**

In these rules words defined in the Medical Schemes Act, 1998 (No. 131 of 1998) bear the meanings thus assigned to them and unless inconsistent with the context –

- a) an expression which denotes any gender includes the other genders;
- b) a natural person includes an artificial person and vice versa;
- c) the singular means the plural and vice versa; and
- d) the following expressions shall have the following meanings:

4.1 **“Act”** the Medical Schemes Act, 1998 (Act No. 131 of 1998) as amended, and the regulations framed there under.

4.2 **“Admission date”** the date on which a person may become a member, or in respect of a dependant, the date on which such dependant is registered as a dependant in terms of these rules and in the case of an employer, the date on which such employer is registered in terms of these rules.

4.3 **“Annual Limit”** the maximum benefits to which a member and his registered dependants are entitled in terms of these rules.

4.4 **“Approval”**, prior written approval of the Board or its authorised representative.

4.5 **“Associate Company”**, a company that the Board deems to be an associated company of African Oxygen Limited.

4.6 **“Auditor”** an auditor registered in terms of the Public Accountants and Auditors Act, (Act No. 80 of 1991).

4.7 **“Beneficiary”** a member or a person admitted as a dependant of a member.

- 4.8        **“Board”** the Board of Trustees constituted to manage the Society in terms of the Act and these rules.
- 4.9        **“Child”**, a member’s natural child, or a stepchild or legally adopted child or a child in the process of being legally adopted or a child who has been placed in the custody of the member or his/her spouse or partner and who is not a beneficiary of any other medical scheme.
- 4.10       **“Company”** shall mean African Oxygen Limited.
- 4.11       **“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 was made.
- 4.12       **“Continuation Members”** a member who retains his membership of the Society in terms of rule 6.2 or a dependant who becomes a member of the Society in terms of rule 6.3.
- 4.13       **“Contracted fee”**, the fee determined in terms of an agreement between the scheme and the service provider or group of providers in respect of the payment of relevant health services.
- 4.14       **“Contributions”** in relation to a member, the amount, exclusive of interest, paid by or in respect of the member and his/her registered dependants if any, as membership fees and shall include contributions to personal medical savings accounts.
- 4.15       **“Cost”** in relation to a benefit, the net amount payable in respect of a relevant health service.

4.16        **“Council”**, the Council for Medical Schemes as contemplated in the Act.

**4.17        “Creditable Coverage”**

any period during which a late joiner was –

4.17.1     a member or a dependant of a medical scheme, but excluding any period of coverage as a child dependant, under the age of 21 years;

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

4.17.3     a uniformed employee of the South African National Defense Force, or a dependant of such employee, who received medical benefits from the South African National Defense Force; or

4.17.4     a member or a dependant of the Permanent Force Continuation Fund, but excluding any period of coverage as a dependant under the age of 21 years.

**4.18        “Date of Service”**

4.18.1     in the event of a consultation, visit or treatment, the date on which each consultation, visit or treatment occurred, whether for the same illness or not;

4.18.2     in the event of an operation, procedure or confinement, the date on which such operation, procedure or confinement occurred;

4.18.3 in the event of hospitalisation, the date of each discharge from a hospital or nursing home, or date of cessation of membership, whichever date occurs first; and

4.18.4 in the event of any other service or requirement, the date on which such service was rendered or requirement obtained.

4.19 **“Dependant”**

4.19.1 a member’s spouse or partner who is not a member or a registered dependant of a member of a medical scheme;

4.19.2 a member’s child who is not a member or a registered dependant of a member of a medical scheme;

4.19.3 the immediate family of a member, a parent, brother or sister in respect of whom the member is liable for family care and support;

4.19.4 such other persons who are recognised by the Board as dependants for purposes of these Rules.

4.20 **“Dependent”** in relation to a child:

4.20.1 a child under the age of 21 who is not in receipt of a regular remuneration of more than the maximum social pension per month; or

4.20.2 a child who, due to a mental or physical disability, is dependent upon the member; or

4.20.3 a child who is over the age of (21) twenty-one years, who is not a member or dependant of another medical scheme, not self-supporting and not over the age of (25) twenty-five years and

who is a full time student at a registered school, technikon or university.

- 4.21        **“Designated service provider”**, a healthcare provider or group of providers selected by the scheme as preferred provider/s to provide to the members, diagnosis, treatment and care in respect of one or more prescribed minimum benefit conditions.
- 4.22        **“Domicilium citandi et executandi”**, the member’s chosen physical address at which notices in terms of rules 11 and 13 as well as legal process, or any other action arising there from, may be validly delivered and served.
- 4.23        **“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.
- 4.24        **“Employee”** a person in permanent employment of the employer.
- 4.25        **“Employer”** the Company and its subsidiary and associated companies collectively.
- 4.26        **“Employment”** service in the active permanent employment of the employer.
- 4.27        **“General waiting period”** a period in which a beneficiary is not entitled to claim any benefits.

- 4.28        **“Income”**:
- 4.28.1      in respect of an employee, his monthly salary. In the case of a weekly paid employee, monthly salary shall be taken to be 4.33 times his weekly salary;
- 4.28.2      in respect of a continuation member, other than a widow or a widower, or orphan, his monthly pension calculated as if he had completed twenty (20) years service with the company. In the event of a continuation member not receiving a pension, his gross monthly income as if he was in receipt of a pension after twenty (20) years of service.
- 4.28.3      in respect of widows and widowers fifty percent (50%), and in respect of orphans twenty five percent (25%), of the actual monthly pension payable to the member immediately preceding his death calculated as if the member took early retirement. In the event of the deceased not receiving a pension for purposes of this calculation he would be deemed to be entitled to a pension subject to the duration of his employment with the company.
- 4.29        **“Late joiner”**, an applicant or the adult dependant of an applicant who, at the date of application for membership or admission as a dependant, as the case may be, is 35 years of age or older but excludes any beneficiary who enjoyed coverage with one or more medical schemes as from a date preceding 1 April 2001, without a break in coverage exceeding 3 consecutive months since 1 April 2001.
- 4.30        **“Member”** any person enrolled as a member of the Society in terms of these rules.

- 4.31 “**Member family**”, the member and all the registered dependants.
- 4.32 “**Minimum benefits**” the benefits in respect of relevant health services as prescribed by the Minister in terms of section 67(1)(g) of the Act;
- 4.33 “**National Health Reference Price List**”, the reference price list for health services published by the Council for Medical Schemes, which are referred to as medical aid rates on the Base option and recommended tariff on the Diamond option.
- 4.34 “**Option**” the selection of benefits and the associated contribution rates as set out in the Annexures.
- 4.35 “**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.
- 4.36 “**Prescription**” the medicine which is prescribed by a person who is legally entitled to so do for a condition under treatment.
- 4.37 “**Pre-existing sickness condition**” means 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 admission to the Society was made.
- 4.38 “**Prescribed minimum benefits**”, the benefits contemplated in section 29(1)(o) of the Act and consist of the provision of the diagnosis, treatment and care costs of-

- (a) the Diagnosis and Treatment Pairs listed in Annexure A of the regulations, subject to any limitations specified therein; and
- (b) any emergency medical condition.

4.39 **Prescribed minimum benefit condition**”, a condition contemplated in the Diagnoses and Treatment Pairs listed in Annexure A of the Regulations or any emergency medical condition.

4.40 **“Registrar”** the Registrar or Deputy Registrar of Medical Schemes appointed under Section 18 of the Act.

4.41 **“Rules”** the rules of the Society including all Annexures thereto and any other provisions relating to the benefits granted or contributions payable.

4.42 **“Social pension”** the appropriate maximum basic social pension prescribed by regulations promulgated in terms of the Social Assistance Act, 1992 (Act No.59 of 1992).

4.43 **"Spouse"**, the person to whom the member is married in terms of any law or custom.

4.44 **“Subsidiary Companies”** every subsidiary company or associate company of the company which becomes a party to these rules in terms of these rules.

## 5. **OBJECTS**

The objects of the Society are:

5.1 to undertake liability, in respect of its members and their dependants, in return for a contribution or premium:

- 5.2 to make provision for the obtaining of any relevant health service;
- 5.3 to grant assistance in defraying expenditure incurred in connection with the rendering of any relevant health service; and/ or
- 5.4 to render a relevant health service, either by the Society 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 Society.

## 6. **MEMBERSHIP**

### 6.1 **Eligibility**

- 6.1.1 Subject to rule 8 membership of the Society is restricted to employment or former employment by the employer.
- 6.1.2 Membership of the Society shall be compulsory in circumstances where Society membership is a term and condition of any employee's employment.
- 6.1.3 Every person who becomes an employee may make application to become a member immediately upon taking up employment with the employer, or within such further period as the Board may in its sole discretion decide and in special circumstances allow.

### 6.2 **Retirees**

- 6.2.1 A member shall, retain membership of the Society with his registered dependants, if any, in the event of retiring from the

employment of the employer or whose employment is terminated by the employer on account of age, ill health or other disability.

6.2.2 The Society shall inform the member of his right to continue membership and of the contributions payable from the date of retirement or termination of his employment. Unless such member informs the Society in writing of his desire to terminate membership, he shall continue to be a member subject to these rules.

### 6.3 **Dependants of deceased members**

6.3.1 The dependants of a deceased member who were registered with the Society as dependants at the time of such member's death, shall, be entitled to membership of the Society without any new restrictions, limitations or waiting periods.

6.3.2 The Society shall inform the dependant of his right to membership 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 registered medical Society, or when such member reaches the age of 21 or 25 if such member is studying at a university or other institution.

6.3.4 Where a child dependant/s has been orphaned, the eldest child may be deemed to be the member, and any younger siblings, the child dependant/s.

## 7. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS

### 7.1 Registration of dependants

7.1.1 A member may apply for the registration of his dependants at the time that he applies for membership in terms of Rule 8. Provided that a child who is over the age of 21 years and who is a full-time students as contemplated in rule 4.19.3, must provide acceptable documentary proof of registration, as such student, from the educational institution concerned, at the beginning of each year. Registration as such dependant is subject to annual review.

7.1.2 If a member applies to register a newborn 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 then be due 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 subsequent to 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 then be due as from the first day of the month following the month of marriage and benefits will accrue as from the date of marriage.

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

## 7.2 **De-Registration of Dependants**

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

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

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

8.1 A person under the age of (16) sixteen years may not become a member without the consent of his legal guardian.

8.2 No person shall be a member, or dependant of a member of more than one registered medical scheme or be eligible for membership or any benefits if such person is a member or a dependant of a member of any other medical scheme.

8.3 Prospective members shall, prior to admission, complete and submit the application forms required by the Society, together with satisfactory evidence of age, income, state of his health and the health of his dependants. The Society may require of an applicant to provide it with a medical report in respect of any medical advice, diagnosis, care or treatment recommended or obtained within a period of 12 months immediately prior to the date on which application for admission to the Society was made. The cost of any medical test or examinations required providing such medical report will be paid for by the Society. The society may however designate a provider to conduct such tests

or examinations. Proof of any prior membership of any other medical Scheme must also be submitted.

#### 8.4 **WAITING PERIODS**

On admission the Society may impose upon a person in respect of whom an application is made for membership or for registration as a dependant-

- 8.4.1 a general waiting period of three months, during which period no insured benefits whatsoever shall accrue, but contributions shall be paid to the Society in full;
  - 8.4.2 a condition-specific waiting period of up to 9 months on existing pregnancies in respect of all pregnancy-related services; and
  - 8.4.3 a condition-specific waiting period of up to 12 months in respect of any condition contemplated in rule 8.3. If both a general waiting period and a condition-specific waiting period are imposed, they will run concurrently, but the provisions of the general waiting period shall predominate. No insured benefits shall accrue for services in respect of a condition for which a waiting period has been imposed, but contributions shall be paid to the Society in full, except in respect of any treatment or diagnostic procedures covered within the prescribed minimum benefits.
- 8.5 Subject to Rule 8.7, the general waiting period shall not apply-
- 8.5.1 to a person who has been a beneficiary of a medical scheme immediately preceding his application and who applies within ninety days of ceasing to be such beneficiary;

- 8.5.2 to a child dependant born during his parent's membership of the Society;
- 8.5.3 to a beneficiary who changes from one benefit option to another;
- 8.5.4 to a person who was previously a beneficiary of a medical scheme and who applies within ninety days of ceasing to be such beneficiary, to become a beneficiary of the Society because of a change of employment or of his employer changing medical schemes or terminating its participation in the scheme concerned; and
- 8.5.5 in respect of the prescribed minimum benefits, except where a person has not been a beneficiary of a medical scheme for at least ninety days immediately preceding his application.
- 8.6 Subject to rule 8.7, a condition-specific waiting period shall not apply-
  - 8.6.1 to a person who has been a beneficiary of a medical scheme for a continuous period of at least twenty-four months immediately preceding his application and who applies within ninety days of ceasing to be such beneficiary;
  - 8.6.2 to a child dependant born during his parent's membership of the Society;
  - 8.6.3 to a beneficiary who changes from one benefit option to another;
  - 8.6.4 to a person who was previously a beneficiary of a medical scheme and who applies within ninety days of ceasing to be such beneficiary, to become a beneficiary of the Society because of a change of employment or of his employer changing medical

schemes or terminating its participation in the scheme concerned; and

8.6.5 in respect of the prescribed minimum benefits, except where a person has not been a beneficiary of a medical scheme for at least ninety days immediately preceding his application.

8.7 The Society may apply the un-expired duration of a waiting period-

8.7.1 imposed on an applicant by a previous medical scheme if such waiting period had not expired at the time of termination from the previous medical scheme; and

8.7.2 where beneficiaries change from one benefit option to another.

8.8 The registered dependants of a member shall be entitled to the same benefit option as the member.

8.9 Every member will, on admission to membership, receive a summary of these rules, which shall include contributions, benefits, limitations, the member's rights and obligations. Members and their dependants, and any person who claim any benefit under these Rules or whose claim is derived from a person so claiming are bound by these Rules as amended from time to time.

8.10 A member shall 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 cede or to pledge or hypothecate such benefit.

8.11 A member may elect not to join the Society provided he/she is eligible for membership of his/her spouse/partner's medical aid. In the event of the member losing his eligibility, and subject to confirmation of same by the previous scheme, the member shall be admitted to the Society without any waiting period or penalty.

8.12 A member or dependant, including continuation members, leaving the Republic of South Africa for any reason, or who is seconded by the employer to a subsidiary of the employer, may continue as a member of the Society: provided that the Board may in its discretion and upon application agree that during such period of absence or secondment, the rights and obligations of such member may be suspended.

8.13 Subject to Rule 8.12 the benefits payable to a member who is so absent shall not exceed the benefits in Rand terms to which he would have been entitled had he remained in the Republic of South Africa and all payments shall be effected within the Republic of South Africa.

8.14 Nothing in these rules shall be considered as altering in any way an employer's right to terminate the employment of an employee who is a member of the Society, or any agreement between the employer and the employee in regard to conditions of employment.

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 the said scheme with the object of obtaining membership of this Society, the Board will admit as a member, without a waiting period or the imposition of new restrictions on account of the state of health of the member or the health of any of the member's dependants, any member of such first mentioned scheme who is a continuation member by virtue of his past employment by the particular employer and register as dependant, any person who has been a registered dependant of such member.

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

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

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

## **11. CHANGE OF ADDRESS OF MEMBER**

A member shall notify the Society within 30 days of any change of address including his domicilium citandi et executandi. The Society shall not be held liable if a beneficiary's rights are

prejudiced or forfeited as a result of neglecting to comply with the requirements of this Rule.

## 12. **TERMINATION OF MEMBERSHIP**

### 12.1 **Resignation**

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

12.1.2 Subject to any provision to the contrary contained in the rules, a member who ceases to be an employee of the Company shall cease to be a member from the last day of the month during which such member was actively employed. All rights to benefits shall cease except for claims in respect of services rendered prior thereto. Any additional notice period between the employer and the member shall not include membership of the Society.

### 12.2 **Voluntary termination of membership**

A participating employer may terminate his participation with the Society on giving three months written notice.

### 12.3 **Death**

Membership of a member terminates on his death.

### 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 as provided in 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 dependant whom the Board finds guilty of abusing the benefits and privileges of the Society by presenting false claims or making a material misrepresentation or non-disclosure of factual information. In such event he may be required by the Board to refund to the Society any sum which, but for his abuse of the benefits or privileges of the Society, would not have been disbursed on his behalf.

13. **CONTRIBUTIONS**

13.1 The total monthly contributions payable to the Society by or in respect of a member are as stipulated in Annexure A.

13.2 Contributions shall be due monthly in arrears and be payable by not later than the 3<sup>rd</sup> day of the following month. Where contributions or any other debt owing to the Society, have not been paid within thirty (30) days of the due date, the Society shall have the right to suspend all benefit payments which have accrued to such member irrespective of when the claim for such benefit arose, and to give the member and/or employer written notice at his domicilium citandi et executandi that if contributions or such other debts are not paid up to date within fourteen (14) days, membership may be cancelled.

A notice sent by prepaid registered post to the member at his/her domicilium citandi et executandi shall be deemed to have been received by the member on the 7<sup>th</sup> day after the date of posting. In the event that 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.

- 13.3 In the event that payments are brought up to date, benefits shall be reinstated without any break in continuity subject to the right of the Society to levy a reasonable fee to cover any expenses associated with the default and to recover interest at the prime overdraft rate of the Society's bankers. If such payments are not brought up to date, no benefits shall be due to the member from the date of default and any such benefit paid may be recovered by the Society.
- 13.4 Unless specifically provided for in the rules in respect of savings accounts, no refund of any assets of the Society or any portion of a contribution shall be paid to any person where such member's membership or cover in respect of any dependant terminates during the course of a month.
- 13.5 The balance standing to the credit of a member in terms of any option which provides for personal medical savings accounts shall, at all times remain the property of the member.
- 13.6 In the event of any member withdrawing from the Society, no refund for contributions shall be claimable.
- 13.7 No member shall be entitled to exceed the stipulated contributions into his Medical Savings Fund as set out in Annexure "A" hereto.
- 13.8 A percentage of the risk pool contributions as determined by the Board shall be deducted for the purpose of contributing to a risk pool to cover any losses sustained by the Society as a result of the credit facility created through the medical savings account. These funds are the property of the Society.

14. **LIABILITY OF EMPLOYER AND MEMBERS**

14.1 The liability of the employer towards the Society is limited to any amounts payable in terms of any agreement between the employer and the Society.

14.2 The liability of a member to the Society is limited to the amount of his unpaid contributions together with any sum disbursed by the Society on his behalf or on behalf of his dependants, which has not been repaid to the Society.

14.3 In the event of a member ceasing to be a member, any amount still owing by such member is a debt due to the Society and recoverable by it.

14.4 Minimum monthly repayments of any debt referred to in Rule 14.2 above shall be set by the Board from time to time.

14.5 The maximum period for the repayment of any debt in terms hereof shall be 12 months.

15 **CLAIMS PROCEDURE**

15.1 Every claim submitted to the Society in respect of the rendering of a relevant health service as contemplated in these Rules, must be accompanied by an account or statement as may be prescribed.

15.1.1 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 will, 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-

- (a) The name and the membership number of the member;
- (b) The name of the supplier of service;
- (c) The final date of service rendered by the supplier of service on the account or statement which is covered by the payment concerned;
- (d) The total amount charged for the service concerned; and
- (e) The amount of the benefit awarded for such service.

15.1.2 Every claim submitted to the Society in respect of the rendering of any health care service as contemplated in these rules, shall contain the following particulars:

- a) surname, initials and signature of the member.
- b) the first name of the patient as per the membership card.
- c) the name of the Society and option.
- d) the membership number.
- e) the practice code number of the supplier of the service, where applicable.
- f) the date on which each service was rendered.
- g) the nature and cost of each service.
- h) the code number of the item on the scale of benefits, where applicable.
- i) where the account is a copy of the original, certification by the supplier of the service by way of a rubber stamp or signature on such copy.
- j) the name of the referring medical practitioner or dentist.
- k) should claims be transmitted by means of electronic data interchange such claims shall comply with the provisions of this Rule.

- l) where an account refers to a service that is to be rendered in respect of orthodontic treatment, a statement containing the following information shall accompany the first account to the member:
  - i) the code number in accordance with the scale of benefits
  - ii) a plan of treatment
  - iii) the total tariff that would be charged by the orthodontist
  - iv) the duration of the treatment.
  - v) the initial primary tariff payable by the member
  - vi) the monthly tariff which the member must pay.

15.2 In order to qualify for benefits, any claim must, unless otherwise arranged, be signed and certified as correct and must be submitted to the Society not later than the last day of the fourth month following the month in which the service was rendered.

15.3 Where a member has paid an account, he shall, in support of his claim, submit a receipt.

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

15.5 Where the Society is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, the Society shall notify the member or the health care provider, whichever is applicable, accordingly within 30 days after receipt thereof. The Society shall state the reasons why such claim is erroneous or unacceptable and afford such member or provider the

opportunity to return such corrected claim to the Society within 60 days of the notice.

- 15.6 Members shall furnish to the Society such information in connection with claims as the Board may require.
- 15.7 The Society shall not entertain any assignment, transfer or cession of any claim by a supplier of service or benefit due to a member, but may pay an account in accordance with NHRPL tariffs for services rendered to any member or dependant, direct to the supplier of the service, subject to the rules of the Society.
- 15.8 Unless otherwise agreed to by the Board an account not in accordance with the NHRPL shall not be paid by the Society direct to the supplier of the service, but the Society shall pay directly to the member the benefit to which the member would have been entitled, had the account been rendered in accordance with the NHRPL.
- 15.9 Any amount which has been recovered or may be recovered by the member or dependant as compensation from insurance or any other source, in respect of any illness or accident, must be disclosed by the member to the Board and such amount shall be deducted from the amount payable by the Society in respect of such accident or illness, provided that the Board may in its discretion decide in any particular case to make such deductions or make part of such deduction only.
- 15.10 In its endeavour to eliminate fraudulent or erroneous claims by suppliers, the society reserves the right to scrutinise, reject or query supplier invoices, whether paid or un-paid, for clinical correctness in accordance with industry good practice guidelines for billing, in example: SAMA guidelines.

16. **BENEFITS**

- 16.1 Members are entitled to benefits during a financial year, as per Annexure B, and such benefits extend through the member to his registered dependants.
- 16.2 A member is entitled to change from the Afrox Diamond Plan benefit option to the Afrox Base Plan benefit option or *visa versa* subject to the following conditions:
- 16.2.1 The change may be made only with effect from 1 January of any financial year. The Board may, in its absolute discretion, permit a member to change from one to the other benefit option on any other date.
- 16.2.2 Application to change from one benefit option to another must be in writing and lodged with the principal officer by not later than 31 October prior to the year upon which it is intended that the change will take place: provided that the member has had at least 30 days prior notification of any intended changes in benefits or contributions for the next year.
- 16.3 The Society shall, where an account has been rendered, pay any benefit due to a member, either to that member or to the supplier of the relevant health service who rendered the account, within 30 days of receipt of the claim pertaining to such benefit.
- 16.4 Any benefit option offered in Annexure B covers in full the cost of the prescribed minimum benefits rendered by a State hospital and any designated service provider.
- 16.5 The Society may exclude services from benefits as set out in Annexure C.

16.6 Members joining the Society during the course of the year will have benefits and limits pro-rated on a monthly basis from the date of joining to 31 December of the current year.

16.7 In cases of illness of a protracted nature, the Board shall have the right to insist that a member or dependant of a member, consult any particular specialist the Board may nominate in consultation with the attending practitioner and if the specialist's advice is not acted upon, at the sole discretion of the Board, no further benefits will be allowed for that particular illness.

## 17. **PAYMENT OF ACCOUNTS**

17.1 Payment of accounts is restricted to the maximum amount of the benefit entitlement in terms of the applicable benefit and option elected.

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

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 is made to the member or to the supplier of a service, the amount of any such overpayment shall be recoverable by the Society.

17.4 Notwithstanding the provisions of this rule, the Society has the right to pay any benefit directly to the member concerned.

18. **GOVERNANCE**

18.1 The general business of the Society shall be managed according to these Rules by a Board who are fit and proper to be Trustees.

18.2 The Board shall consist of eight (8) Trustees, who are members of the Society.

18.3 The Board shall be constituted as follows:

18.3.1 **Appointed Trustees**

- (i) A maximum of four Trustees shall be appointed by the Company;
- (ii) Such Trustees shall be appointed for a period of three years and shall have their tenure terminated upon expiry period.

18.3.2 **Elected Trustees**

- (i) Four Trustees shall be elected by all the members of the Society from amongst those members nominated for election;
- (ii) The Society must canvass all members for nominations for the election of Trustees at least once every three (3) years.
- (iii) A ballot paper containing the names of the top twenty (20) nominees nominated for election must be sent to all members at least fourteen (14) days prior to the meeting called for the purpose of electing the Board of Trustees. All members shall have one (1) vote to be cast in favour of a member nominated in terms of clause (ii) above;

- (iv) All members exercising their vote must return their completed ballot papers to the Principal Officer not less than seven (7) days prior to the meeting convened for this purpose.
  - (v) The four (4) members receiving the majority votes shall be the duly Elected Trustees;
  - (vi) Subject to clause (ii) above, such Trustees shall be elected for a period of three (3) years upon the expiry of which their tenure shall be automatically terminated.
- 18.4 Any Trustee may appoint, in writing, an alternate to act on his behalf at a meeting and such alternate shall be subject to the same conditions as the Trustee.
- 18.5 The following persons are not eligible to serve as members of the Board:
- 18.5.1 A person under the age of 21 years;
  - 18.5.2 a director, employee, partner, representative, officer, consultant, contractor or agent of the administrator of the Society or of the holding company, subsidiary, joint venture or associate of that administrator;
  - 18.5.3 a broker;
  - 18.5.4 the principal officer of the Society; and
  - 18.5.5 the auditor of the Society.
- 18.6 Retiring members of the Board are eligible for re-election provided the person shall serve not more than two consecutive terms and no more than a total of three terms.

- 18.7 Nominations to fill vacancies, signed by the candidate signifying his consent to stand for election, must be submitted to the Society by 31 March and the elections must be carried out by the members voting for their preferred candidate and approved at the annual general meeting by those present and by proxies received before the annual general meeting.
- 18.8 In the event of an elected Trustee's term of office being terminated prior to the end of such term of office, for any reason whatsoever, the person who received the most votes but insufficient to qualify for election onto the Board of Trustees in that given year shall be deemed elected onto the Board to serve for a period equal to the period that the person whose term of office is being terminated would have served save for the termination.
- 18.9 The Board may co-opt a knowledgeable person to assist it in its deliberations provided that such person shall not have a vote
- 18.10 A quorum shall consist of not less than 5 (five) Trustees. Any trustees constituting half the total number plus one, who are physically present shall constitute a quorum. Members of the Board will, for the purpose of constituting quorum, not include suspended Board members.
- 18.11 The Board must elect from its number the chairperson and vice-chairperson.
- 18.12 In the absence of the chairperson and vice-chairperson, the Board members present must elect one of their number to preside.

- 18.13 The decisions of the Board shall be by a simple majority, with the chairman having a casting vote in the case of an equality of votes, unless a decision is called for, which is not in line with the stated objects and principles as set out in Rule 5 (five) hereto. In the latter case decision must be by one hundred (100) percent consensus.
- 18.14 A member of the Board may resign at any time by giving written notice to the Board.
- 18.15 A member of the Board ceases to hold office if —
- 18.15.1 he becomes mentally ill or incapable of managing his affairs;
- 18.15.2 he is declared insolvent or has surrendered his estate for the benefit of his creditors, or
- 18.15.3 he is convicted, whether in the Republic or elsewhere of theft, fraud, forgery, or uttering of a forged document or perjury, or
- 18.15.4 he is removed by the court from any office of trust on account of misconduct, or
- 18.15.5 he is disqualified under any law from carrying on his profession;
- 18.15.6 he ceases to be an appointee by the Company, or being a Board member elected by members of the Society, he ceases to be a member of the Society;
- 18.15.7 he is absent from three consecutive meetings of the Board without the prior permission of the Chairperson.
- 18.15.8 he is removed from office by the Council in terms of Section 46 of the Act.

- 18.15.9 The provisions of rules 18.15.1 – 18.15.5 apply *mutatis mutandis* to the principal officer.
- 18.16 The Board shall meet at least four (4) times per annum of which one (1) meeting shall be the Annual General Meeting at such time and place as it may determine.
- 18.17 The Chairperson or in his absence the Vice-chairperson, may convene a special meeting should the necessity arise. Any two (2) Trustees of the Board may request the Chairperson to convene a special meeting of the Board, provided the matters to be discussed at the meeting are clearly stated in the request. Upon receipt of the request the Chairperson shall within seven days after such receipt, convene a special meeting of the Board to deal with matters stated therein.
- 18.18 The Board may, subject to participation by sufficient members to form a quorum, discuss and resolve matters by telephone or electronic conferencing means and may adopt resolutions on that basis.
- 18.19 Trustees and Committee members shall not be entitled to any remuneration, honorarium, or any other fee in respect of services rendered in their capacity as Trustees of the Board or Committee members.
- 18.20 Three days clear notice of a Board meeting shall, except in the case of an emergency, as determined by the Chairperson or in his absence the Vice-Chairperson, be given to each Trustee. The non-receipt of any notice by a Trustee or the non-existence of any supposed emergency shall not affect the validity of the proceedings at any meeting of the Board.

- 18.21 The Board shall cause the proceedings of all Annual, Special, General, Board, and Committee meetings to be properly minuted and the minutes of such meetings shall be laid before the next meeting. If the minutes of any such meetings are accepted as correct, they shall be signed by the Chairperson and shall be prima facie evidence of the facts stated therein.
- 18.22 A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion's vested in the Board generally.
- 18.23 The Chairperson, the Trustees and every employee of the Society shall preserve secrecy in regard to all matters that may come to their knowledge in the performance of their duties with this Society.
- 18.24 A member of the Board who acts in a manner which is seriously prejudicial to the interests of beneficiaries of the medical scheme may be removed from the Board, provided that –
- 18.24.1 before a decision is taken to remove the member of the Board, the Board shall furnish that member with full details of the evidence which the Board has at its disposal regarding the conduct complained of, and allow such member a period of not less than 30 days in which to respond to the allegations;
- 18.24.2 the resolution to remove that member is taken by at least two thirds of the members of the Board;
- 18.24.3 the member shall have recourse to disputes procedures of the scheme or complaints and appeal procedures provided for in the Act.

18.25 A decision taken by the Board or any Committee, or any person acting as a member of the Committee shall not be invalid merely by reason of any irregularity in the appointment of a member of the Board or Committee or a vacancy in the Board or Committee.

19. **DUTIES OF BOARD OF TRUSTEES**

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

19.2 The Board must act with due care, diligence, 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 may appoint any staff which in its opinion are required for the proper execution of the business of the Society, and shall determine the terms and conditions of service of the principal officer and of any person employed by the Society: Provided that the following persons are not eligible to be a principal officer –

19.5.1 An employee, director, officer, consultant or contractor of the Society's administrator, or of the holding company, subsidiary, joint venture or associate of that administrator.

19.5.2 A broker.

- 19.6 The chairperson must preside over meetings of the Board and ensure due and proper conduct at meetings.
- 19.7 The Board shall cause to be kept such minutes, accounts, entries, registers and records as are essential for the proper functioning of the Society.
- 19.8 The Board must ensure that proper control systems are employed by and on behalf of the Society.
- 19.9 The Board must ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions and duties in terms of the Rules.
- 19.10 The Board must take all reasonable steps to ensure that contributions are paid timeously to the Society in accordance with the Act and the Rules.
- 19.11 The Board must take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance.
- 19.12 The Board must obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the members of the Board may lack sufficient expertise.
- 19.13 The Board must ensure that the Rules and the operation and administration of the Society comply with the provisions of the Act and all other applicable laws.
- 19.14 The Board must take all reasonable steps to protect the confidentiality of medical records concerning any member or dependant's state of health.

- 19.15 All disbursements shall be approved by the Board: Provided that such authority may be delegated to a Committee, or the Administrator, or the Chairperson/Vice-Chairperson.
- 19.16 The Board must cause to be kept in safe custody, in a safe or strong room at the registered offices 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 shall, except when in the temporary custody of another person for the purposes of the Society,
- 19.17 The Board shall make 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 any other effects of the Society.
- 19.18 The Board shall disclose annually in writing to the Registrar, any payment or considerations made to members of the Board in that particular year by the Society.

20. **POWERS OF THE BOARD**

The Board has the power-

- 20.1 To appoint, dismiss or vary the terms of appointment or employment of an officer or employee of the Society;
- 20.2 To take all necessary steps to sign and execute all necessary documents to ensure and secure the due fulfillment of the Society's obligations;
- 20.3 The Board shall have the power to appoint Committees consisting of Board members and other persons, or any

combination thereof and to delegate any of its powers to such Committees. Similarly the Board shall have power to withdraw any delegation of its powers to any Committee or individual. The following standing Committees shall be appointed by the Board of Trustees:

- 20.3.1 An ex-gratia Committee to consider applications for ex-gratia assistance in accordance with the rules and consisting of the chairperson or his nominee and the medical advisor.
- 20.3.2 An operating Committee to deal with the day to day functioning of the Society;
- 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 shall be contained in a written contract, which complies with the requirements of the Act and the regulations;
- 20.5 To approve the annual financial statements and other documents required by law;
- 20.6 To contract with managed health care organisations subject to the provisions of the Act and its regulations;
- 20.7 To purchase movable and immovable property for the use of the Society or otherwise, and to sell it or any of it;
- 20.8 To let or hire movable or immovable property;
- 20.9 To appoint investment advisors and consultants.
- 20.10 In respect of moneys not immediately required to meet current charges upon the Society and subject to the provisions of the

Act, and in the manner determined by the Board, to lend, invest or otherwise deal with such moneys upon such security and to realise, re-invest or otherwise deal with such monies and investments;

- 20.11 With the prior approval of the Council for Medical Schemes, to borrow money for the Society, from the Society's bankers, against the security of the Society's assets for the purpose of bridging a temporary shortage;
- 20.12 Subject to the provisions of any law, to cause the Society, whether on its own or in association with any legal entity, to establish or operate any pharmacy, hospital, clinic, maternity home, nursing home, infirmary, home for aged persons or any similar institution, in the interest of the beneficiaries of the Society;
- 20.13 To donate to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or any of the beneficiaries of the Society;
- 20.14 To make ex-gratia payments on behalf of members in order to assist such members to meet commitments in regard to obtaining a health-care service;
- 20.15 To contribute to any fund conducted for the benefit of employees of the Society;
- 20.16 To reinsure obligations in terms of the benefits provided for in these rules in the prescribed manner.
- 20.17 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 documents relating to the Society or any documents authorising the performance of any act on behalf of the Society; provided that documents to be submitted to the Registrar shall be signed in the manner prescribed in the Act;

- 20.18 To contribute to any association instituted for the furtherance, encouragement and co-ordination of medical schemes;
- 20.19 Any matters not specifically covered by these rules shall be left to the discretion of the Board and in a case of doubt as to the strict meaning of any Rule, the interpretation of the Board shall, subject to rule 28, be binding upon the members; provided that on matters of a medical nature the decision of the medical advisor shall be final; provided further that the decision of the Board or the medical advisor shall not be inconsistent with the objects of the Society.
- 20.20 Should the strict application of any of these rules lead to unnecessary hardship on the part of a member or a member's dependant, then the Board may exercise its discretion in waiving the provisions of these rules.

21. **DUTIES OF PRINCIPAL OFFICER AND STAFF**

- 21.1 The staff of the Society must ensure the confidentiality of all information regarding its members.
- 21.2 The principal officer is the 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 without prior authorisation by the Board and that he at all times observes the authority of the Board in its governance of the Society.
- 21.3 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 carrying out of all of his duties as are necessary for the proper execution of the business of the Society. He shall attend all meetings of the Board, and any other duly appointed committee where his attendance may be required, and ensure proper recording of the proceedings of all meetings.
- 21.5 The principal officer shall be responsible for the supervision of the staff employed by the Society unless the Board decides otherwise.

- 21.6 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.
- 21.7 The principal officer shall prepare annual financial statements and shall ensure compliance with all statutory requirements pertaining thereto.
- 21.8 The principal officer shall within four months after the end of a financial year, furnish a copy of the audited financial statements concerned, together with the annual report to the Registrar.
- 21.9 The following persons are not eligible to be a principal officer:
- 21.9.1.1 An employee, director, officer, consultant or contractor of the administrator of the Society or of the holding company, subsidiary, joint venture or associate of that administrator.
- 21.9.1.2 A broker.
- 21.10 The provisions of the rules 18.15.1 – 18.15.5 apply *mutates mutandis* to the principal officer.

## 22. **INDEMNIFICATION AND FIDELITY GUARANTEE**

- 22.1 The Board and any officer of the Society must be indemnified by the Society against all proceedings, costs and expenses incurred by reason of any claim in connection with the Society, not arising from their negligence, dishonesty or fraud.
- 22.2 The Board must ensure that the Society is insured against loss resulting from the dishonesty or fraud of any of its officers (including members of the Board) having the receipt or charge of moneys or securities belonging to the Society.

23. **FINANCIAL YEAR OF THE SOCIETY**

The financial year of the Society shall extend from the first day of January to the thirty-first day of December of each year.

24. **BANKING ACCOUNT**

The Society shall maintain a banking account in the name of the society and under its direct control with a registered Commercial bank. All monies received shall be deposited to the credit of this account and all payments shall be made either by electronic transfer, tape exchange or by cheque under the signature of not less than two persons duly authorised by the Board.

25. **AUDITOR & AUDIT COMMITTEE**

25.1 An auditor approved in terms of section 36 of the Act by the Registrar shall be appointed by resolution at each AGM to hold office from the conclusion of that meeting to the conclusion of the next AGM. The auditor may be re-appointed unless:

25.1.1 he is not qualified for appointment, or

25.1.2 if retiring, he has given the Society notice in writing of his unwillingness to be re-appointed.

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;

- 25.2.3 an employee, director, officer or contractor of the Society's administrator, or of the holding company, subsidiary joint venture or associate of the administrator;
- 25.2.4 a person not engaged in public practice as an auditor
- 25.2.4 25.2.5 a person who is disqualified from acting as an auditor in terms of the Companies Act, 1973.
- 25.3 Should the Society be without an auditor for any reason, the Society shall, within 30 days appoint another auditor to fill the vacancy and if it fails to do so, the Registrar may do so.  
Should members fail to appoint an auditor at the AGM, the Board must within 30 days make such appointment, and if it fails to do so, the Registrar may at any time do so.
- 25.4 The Auditor of the Society shall be entitled to attend any General Meeting of the Society and to receive all copies of other communications relating to the General meeting, which any member of the Society is entitled to receive. The Auditor may at such meetings make any statement in relation to any return, account or balance sheet or any statement examined by him or report made by him, but he shall not have a vote at such meeting.
- 25.5 The Auditor of the Society shall at all times have a right of access to the books, accounts and vouchers of the Society, and shall be entitled to require from the Officers of the Society, such information and explanations as the Auditor thinks necessary for the proper performance of his duties.
- 25.6 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 Meetings.

25.7 The Board must appoint an audit committee of at least five members of whom at least two must be members of the Board.

26. **GENERAL MEETINGS**

26.1 **Annual General Meetings**

26.1.1 The Annual General Meeting of members shall be held not later than 6 months after the end of each financial year.

26.1.2 The notice convening the Annual General Meeting, containing the agenda, annual financial statements, auditor's report as well as the annual report, shall be dispatched to members at least (21) twenty-one days before the date of the meeting. The non-receipt of such notice by a member shall not invalidate the proceedings at such a meeting.

26.1.3 The quorum shall consist of a number of members, other than Trustees, of the Society exceeding no less than the official number of Board members. If a quorum is not present after the lapse of (30) thirty minutes from the time fixed for the commencement of the meeting, then the meeting shall be postponed to the same day and time of the next week and the members then present shall be a quorum: Provided that if the same day of the next week is a public holiday, the meeting will be postponed until the first working day following the public holiday.

26.1.4 The Audited Financial Statements and reports specified in rule 26.1.2 shall be laid before the meeting for approval.

26.1.5 Notice of any resolution to be placed before the Annual General Meeting must reach the Principal Officer not later than (14) fourteen days prior to the date of the meeting.

## 26.2 **Special General Meetings**

- 26.2.1 A Special General Meeting of members may be called at any time by the Board if deemed necessary, on (14) fourteen days notice to members. Such notice shall be given in the same manner as that for the Annual General Meeting.
- 26.2.2 On the requisition of at least **one hundred (100)** members of the Society, the Board shall cause a Special General Meeting to be called within thirty one (31) days of the deposit of the requisition. The requisition shall state the objects of the meeting and shall be signed by all the requisitionists and deposited at the registered office of the Society. Only those matters forming the objects of the meeting shall be discussed.
- 26.2.3 If the meeting is called by the Board, the quorum shall consist of members of the Society, other than Trustees exceeding at least twice the official number of Board members.
- 26.2.4 If the meeting is called upon the requisition of members, the quorum shall consist of at least **one hundred (100)** members.
- 26.2.5 If a quorum is not present at a Special General Meeting called by the Board after the lapse (30) thirty minutes from the time fixed for the commencement of the meeting, the meeting shall be postponed to the same day and time of the next week: Provided that if the same day of the next week is a public holiday, the meeting will be postponed until the next working day following the public holiday. The members then present shall constitute a quorum. Should, a quorum not be present at a special general meeting convened on the requisition of members after the lapse of (30) thirty minutes from the time fixed for the commencement of the meeting, the meeting shall be regarded as cancelled.

- 26.2.6 For the purposes of passing any resolution at a Special General Meeting, called in terms of Rule 26.2.1, it shall be necessary that a majority of the members of the Society present should vote in favour thereof.
- 26.2.7 Where the winding up of the Society is proposed, the provision of Rule 30.3 shall prevail.
- 26.2.8 Except as herein otherwise provided, the ordinary rules of procedure will apply to any Special General Meeting and the interpretation of the chairperson of the meeting on any point of procedure shall be final.

## 27. **VOTING AT GENERAL MEETINGS**

- 27.1 Every member who is present at a General Meeting of the Society and whose contributions are not in arrears, shall have the right to vote at the meeting. The Chairperson shall determine whether voting shall be by ballot or by a show of hands: provided that where the members are called upon to vote on any matter which affects the rates of contributions, or the nature or extent of benefits, the voting shall be by ballot.
- 27.2 In the event of the votes at a meeting being equal, the Chairperson shall if he is a member of the Society have a casting vote in addition to a deliberative vote. A resolution so adopted shall be binding on all the members. On voting by a show of hands or by ballot paper each member shall be entitled to one vote.
- 27.3 Only members may be allowed to vote at a general meeting.

28           **COMPLAINTS AND DISPUTES**

28.1           Members may lodge their complaints, in writing, to the Society. The Society or its administrators shall also provide a dedicated telephone number, which may be used for dealing with telephonic complaints.

28.2           All complaints received in writing will be responded to by the Society in writing within 30 days of receipt thereof.

28.3           At each Annual General Meeting the members present shall elect by majority vote a person who is preferably an advocate of the Johannesburg Bar, and not a member of the Society, nor in any way connected with the Management and Administration of the Society, to decide on disputes against decisions of the Board or any of the Committees. Such person shall, in his discretion be allowed to appoint an Assessor to assist him in matters where specialised knowledge is required.

28.4           Any dispute, which may arise between a member, prospective member, former member or a person claiming by virtue of such member and the Society or an officer of the Society, must be referred by the principal officer to the disputes committee for adjudication.

28.5           On receipt of a request in terms of this rule, the principal officer must convene a meeting of the disputes committee by giving not less than 21 days notice in writing to the complainant and all the members of the disputes committee, stating the date, time, and venue of the meeting and particulars of the dispute.

28.6           Such person may also determine the procedure to be followed.

28.7 The parties to any dispute have the right to be heard at the proceedings, either in person or through a representative.

28.8 An aggrieved person has the right to appeal to the Council for Medical Schemes against the decision of the disputes committee. Such appeal must be in the form of an affidavit directed to Council and shall be furnished to the Registrar not later than three months after the date on which the decision concerned was made. .

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

29. **TERMINATION OR DISSOLUTION**

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

29.2 In the event of the dissolution of the Society in pursuance of an Order of Court, the winding up of the Society shall be effected in accordance with the conditions contained in the Order and as stipulated in the Act.

29.3 The Society may be wound up with the consent of as many members as may represent seventy five (75) percent of the total membership of the Society, and by resolution of not less than seventy five (75) percent of the members who are personally present at a Special General Meeting of which at least two (2) clear days notice shall be given.

29.4 Should it be decided to wind up the Society:

29.4.1 three (3) competent liquidators shall, in consultation with the Registrar, be appointed at such Special General meeting and in the event of a surplus existing after payment of all liabilities of the Society, such surplus shall be disposed of as agreed upon at the Special General Meeting at which the decision was taken to wind up the Society.

29.4.2 the following documents shall be forwarded to the Registrar:

29.4.2.1 a copy of the decision of members;

29.4.2.2 a certificate by the Chairperson that the prescribed percentages of members have voted in favour of the dissolution of the Society;

29.4.2.3 the names of the persons appointed as liquidators.

## 30. **AMALGAMATION AND TRANSFER OF BUSINESS**

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

30.2 If at least 50 per cent of the members return their ballot papers duly completed and if the majority thereof is in favour of the amalgamation or transfer then, subject to section 63 of the Act, the amalgamation or transfer may be concluded.

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

31           **RIGHT TO OBTAIN AND INSPECT DOCUMENTS**

31.1           Any beneficiary shall on request and on payment of a fee of R50 per copy, be supplied by the Society with a copy of the following documents:

31.1.1       the rules of the Society;

31.1.2       the latest audited annual financial statements, returns, trustees reports and auditors report of the Society; and

31.1.3       the management accounts in respect of the Society and all of it's benefit options.

31.2           A beneficiary shall be entitled to inspect free of charge at the registered office of the Society any of the documents referred to in rule 31.1 and to make extracts there from:

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

32.           **AMENDMENT OF RULES**

32.1           The Board shall be entitled to alter or rescind any Rule or Annexure or to make any additional Rule or Annexure.

32.2           No alteration, rescission or addition which affects the objects of the Society or which increases the rates of contribution or decreases the extent of benefits of the Society or of any particular benefit option by more than twenty five percent during any financial year, is valid unless it has been approved by a majority of members present in a general meeting or a special meeting or by ballot.

- 32.3 Members must be furnished with a copy of such amendment within 14 days after registration thereof. Should a member's rights, obligations, contributions or benefits be amended, he/she shall be given 30 days advance notice of such change.
- 32.4 Notwithstanding the provisions of rule 32.1 above, 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.
- 32.5 No amendment, rescission or addition of any rule shall be valid unless it has been approved and registered by the Registrar.