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RULES

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RULES FOR THE SOUTH AFRICAN POLICE SERVICE MEDICAL SCHEME (POLMED)

REGISTERED UNDER THE MEDICAL SCHEMES ACT, 1998

(ACT NO. 131 OF 1998)

RULE **TABLE OF CONTENTS**

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19/01/2021 14:47:07 (UTC+02:00)
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REGISTRAR OF MEDICAL SCHEMES

RULES

1. NAME

The name of the Scheme shall be the South African Police Service Medical Scheme, hereinafter referred to as the "Scheme". **The abbreviated name is "Polmed".**

2. LEGAL PERSONA

The Scheme, 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 acquiring, holding and alienating assets, movable and immovable.

3. REGISTERED OFFICE

The registered office of the Scheme shall be situated at:

Crestway Office Park
Block A
20 Hotel Street
Persequor Park
Lynnwood, PRETORIA

Provided that the Board of Trustees shall have the right to transfer such office to any other location in the Republic of South Africa, should circumstances so dictate. The Board of Trustees shall inform the Registrar, all members and employees if there are any changes regarding the registered office of the Scheme.

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4. DEFINITIONS

In these Rules, a word or expression defined in the Medical Schemes Act (Act No 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 promulgated in terms thereof.

4.2. "Administrator"

The Administrator of the Scheme as accredited by the Council from time to time in terms of the Act.

4.3 "Adult Dependant"

4.3.1 A "spouse" – being a natural person who is bound to a Member in terms of a marriage or customary union recognized by the laws of the Republic of South Africa or recognized as a marriage in accordance with the dictates of any religion.

4.3.2 A **"partner"** – being a natural person with whom a Member has a serious relationship of co-habitation as husband or wife irrespective of sexual orientation and there is a shared and common household.

4.3.3 A parent or parent-in-law of a Member who is factually and financially dependent on a Member.

4.3.4 A child of a Member or Member's spouse or partner as defined in paragraph 4.11, who has attained 18 years which is the subsisting age of majority set out in the Children's Act 38 of 2005, as amended

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read with section 28(3) of the Constitution of the Republic of South Africa Act 108 of 1996, as amended, is above twenty one (21) years of age, who is unemployed, but lawfully and factually provides care and support.

4.4 "Annual limit"

The maximum benefit to which a Member and his registered Dependants are entitled to, in respect of each particular category of benefits as set out in Annexure A1 and B1 of these Rules, and shall be calculated annually to coincide with the financial year of the Scheme.

4.5 "Approval"

Prior written approval of the Board or its delegated representatives.

4.6 "Auditor"

An auditor registered in terms of the Auditing Professional Act, 2005, and authorised by the Registrar.

4.7 "Basic monthly salary"

The gross salary, wage or pension calculated on the salary notch excluding any allowance, special allowance, or any bonus, overtime payment, travelling allowance or cost of living allowance or any other emolument of any kind whatsoever.

4.8 "Beneficiary"

A Member or a person registered as a Dependant of a Member.

4.9 "Board"

The Board of Trustees constituted to manage the Scheme in terms of the Act and these Rules.

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4.10 "BHF"

The Board of Healthcare Funders of Southern Africa or its successor.

4.11 "Child"

A child of a Member who is under the age of twenty-one (21) years and who for the purpose of these rules shall include:

4.11.1 a natural child of a Member;

4.11.2 a legally adopted child of a Member or of a Member's spouse, where the child is not the biological child of either of them;

4.11.3 a foster child that is placed in the custody of a Member or of a Member's spouse;

4.11.4 a step-child of a Member;

and

4.11.5 a child as referred to in Rule 4.11.1 to 4.11.4 that is totally dependent on a Member who is deemed by the Board to be Permanently Disabled, irrespective of age.

4.12 "Continuation Member"

A Member who retains his membership of the Scheme in terms of rule 6.3 or a Dependant who becomes a Member of the Scheme in terms of rule 6.4.

4.13 "Contribution"

In relation to a Member, the amount paid by or in respect of the Member and his registered Dependant(s) if any, as membership fees.

4.14 "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.

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4.15 "Cost"

In relation to a benefit, the net amount payable in respect of a relevant health service or material obtained.

4.16 **"Council"** means the Council for Medical Schemes established by section 3 of Medical Schemes Act.

4.17 "Co-payment"

A percentage or part of an admitted claim or a specific amount in relation to such claim, that a Member concerned shall be required to pay.

4.18 "Date of Service"

4.18.1 In the event of a consultation or treatment, the date on which each consultation or treatment took place, 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 or procedure was performed or confinement occurred;

4.18.3 In the event of hospitalization, the date of each discharge from a hospital or nursing home, or date of termination of membership, whichever date occurs first; or

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

4.19 "Employee"

A Member of the South African Police Service as defined in the South African Police Service Act, 1995 (Act No. 68 of 1995).

4.20 "Employer"

The South African Police Service.

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4.21 "General Waiting Period"

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

4.22 "Hospital Benefit Management Programme"

The contracting with hospitals, pre-authorization, case management, clinical auditing of accounts and clearing of accounts.

4.23 "Income"

For the purposes of calculating contributions in respect of –

4.23.1 a Member who is an employee – basic monthly salary;

4.23.2 a Continuation Member – monthly pension;

4.23.3 a medically boarded Member –monthly pension; and

4.23.4 a Continuation Member who received a severance package – basic monthly salary received in the last month of service with the Employer.

4.24 "Indemnity Policy"

It is an insurance cover for:

4.24.1 any demand or legal process issued against the Insured or an Officer for damages resulting from a Wrongful Act or alleged Wrongful Act; and

4.24.2 any written communication alleging a Wrongful Act communicated to the Insured.

4.25 "Indigent, unable to provide for self"

Refers to a legal dependant who is unable to be self-sufficient or maintain themself.

4.26 "Late Joiner"

A late joiner is the adult dependant of an applicant who, at the date of application:

4.26.1 Is 35 years or older; and

4.26.2 Was not a member or a dependant of a registered South African medical scheme (foreign schemes and insurance policies are not recognised) on or before 1 April 2001; or

4.26.3 Had a break in membership of more than three consecutive months since 1 April 2001.

4.27 "Lawful and Factual Dependent"

A child or an adult person who is related to the Member by consanguinity or affinity, who has limited or no legal capacity, is indigent, unable to provide for him/herself and who is lawfully and factually dependent on the Member and is not a member or a registered Dependant of a member of a medical scheme.

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4.28 "Legal Dependant"

4.28.1 A member's spouse or partner who is not a member or a registered dependant of member of another medical scheme;

4.28.2 A member's child dependant as defined in Rule 4.12 who is not a member or a registered dependant of a member of another medical scheme;

4.28.3 Member's parent and parent in-law who is indigent or unable to provide for him/her-self and who is not a member or a registered dependant of a member of another medical scheme; and

4.28.4 Dependants who became Members do not qualify to register new Dependents who were not Dependants at the time of the death of the initial Member.

4.29 "Member"

Any person who is eligible to be a Member of the Scheme in terms of rule 6, who is registered as such by the Scheme, irrespective of age and who for the purpose of these rules shall include:

4.29.1 Every member of the South African Police Service, appointed in terms of the South African Police Service Act, 1995 is eligible to become a Member of the Scheme from the date of his appointment as a member of the South African Police Service;

4.29.2 Continuation member – a Member who retains his membership of the Scheme in terms of rule 6.3 or a Dependant who becomes a Member of the Scheme in terms of rule 6.4; and

4.29.3 Police Trainee – a person undergoing the South African Police Service Basic Training Learning Programme.

4.30 "Minimum benefits"

The benefits in respect of relevant health services in terms of Regulations promulgated in terms of section 67(1)(g) of the Act.

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4.31 "Member family"

A Member and his registered Dependant(s).

4.32 "Permanent Disability"

A severe limitation as diagnosed by a duly registered medical or health practitioner to be without reasonable prospects of recovery or recuperation, of a person's ability to work in their own trade or occupation or any other occupation for which they are suited by training, education, or experience as a result of a physical, sensory, communication, intellectual or mental impairment.

4.33 "Polmed rate"

2006 Reference Price List (RPL) adjusted on an annual basis with Consumer Price Index (CPIX).

4.34 "Prescribed Minimum Benefits"

The benefits contemplated in Section 29(1)(0) of the Act, which, subject to the Act, consist of the provision of the diagnosis, treatment and care cost, as contemplated in the Act, of-

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

4.34.2 any emergency medical condition.

4.35 "Pre-existing condition"

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.

4.36 "Prescribed tariff"

A tariff agreed and/or communicated with service provider(s).

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4.37 "Provider"

4.37.1 "Participating Healthcare Provider"

A provider of relevant health services contracted by or on behalf of the Scheme on terms and conditions as approved by the Board.

4.37.2 "Non-Participating Healthcare Provider"

A provider of relevant health services not contracted by or on behalf of the Scheme.

4.37.3 "Designated Service Provider"

A healthcare provider or group of providers designated by the Board as preferred provider/s of diagnostic, treatment and care services to Members or their Dependants in respect of one or more Prescribed Minimum Benefit conditions.

4.38 "Relationship by Affinity"

A member is related to another person by affinity if that person is a blood (consanguinity) relative of the spouse.

4.39 "Relationship by Consanguinity"

A member is related to another person by consanguinity if such other person is a biological parent or child or the other or they or the member and that other person share a common ancestor.

4.40 "Registrar"

The Registrar or Deputy Registrar(s) of Medical Schemes appointed in terms of section 18 of the Act.

4.41 "Registration date"

The date on which a person is registered as a Member, or on which a person is admitted as a Dependant of a Member, in terms of these Rules.

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5. OBJECTIVES

The objectives of the Scheme are to manage and maintain a fund for the Beneficiaries of the Scheme into which contributions, donations or other income of the Scheme is deposited and thereby to make provision for -

5.1 the granting of assistance to Members in defraying expenditure incurred by them and their registered Dependants aimed at the health care treatment of an actual or alleged illness or disability which threaten essential bodily functions as provided for and in accordance with the Rules of the Scheme; and

5.2 the rendering of a service, as contemplated in these Rules, to Beneficiaries either by the Scheme itself or by any supplier or group of suppliers of a service in association with or in terms of an agreement with the Scheme.

6. MEMBERSHIP

6.1 Eligibility

6.1.1 Current Members who are duly registered Members of the Scheme.

6.1.2 Every member of the South African Police Service, appointed in terms of the South African Police Service Act, 1995 is eligible to become a Member of the Scheme from the date of his appointment as a member of the South African Police Service.

6.2 Non-Eligibility

An Employee who resigns from the services of the Emp[loyer, shall not be eligible for new or continued membership of the Scheme, together with his Dependants.

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6.3 Continuation members Eligibility

6.3.1 A Member may retain his membership of the Scheme with his registered Dependants, if any, in the event of his retirement or term of office expiring from the service of the Employer or his employment being terminated by his Employer -

6.3.1.1 on account of age;

6.3.1.2 on account of ill-health;

6.3.1.3 in terms of section 35 of the South African Police Service Act, 1995;

6.3.1.4 on account of a voluntary severance package; or

6.3.1.5 Members who have been employed under sections 7 and 17CA whose term of employment comes to an end; specific to the National and Provincial Commissioners and Heads of the Directorate for Priority Crime Investigation (DPCI). This Rule applies to all National and Provincial Commissioners and Heads of DPCI since the inception of Polmed.

6.3.2 A Member referred to in Rule 6.3.1 shall inform the Scheme of his intention to continue his membership of the Scheme after his retirement or the termination of his employment with the Employer either before his retirement or the termination of his services or within 90 (ninety) days thereafter. Such a member must inform the Board in writing of his expected monthly income, to enable the Scheme to determine the monthly Contribution payable by such Member.

6.3.3 A Continuation Member shall only qualify to receive the benefit of the Employer's contribution to the membership fees of the Scheme, if such a Member retained his membership of the Scheme because of his retirement from the service of the Employer or his employment having been terminated by the Employer -

6.3.3.1 on account of age;

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6.3.3.2 on account of ill-health;

6.3.3.3 in terms of section 35 of the South African Police Service Act, 1995;

6.3.3.4 on account of a voluntary severance package; or

6.3.3.5 Members who have been employed under sections 7 and 17CA whose term of employment comes to an end; specific to the National and Provincial Commissioners and Heads of the Directorate for Priority Crime Investigation (DPCI). This Rule applies to all National and Provincial Commissioners and Heads of DPCI since the inception of Polmed.

6.3.4 Where a Continuation Member voluntarily terminates his membership from the Scheme in writing, he shall not be re-registered as a Member unless he is employed as an employee by the Employer. Provided that such employee will qualify for benefits from the date of application in which case he will be regarded as a new Member in terms of Rule 6.1.

6.4 **Non-Eligibility of Continuation membership**

6.4.1 An Employee who ceases to be an Employee for any reason whatsoever not mentioned in Rule 6.3.1, shall cease to be eligible continued membership of the Scheme, together with his Dependants, unless otherwise determined by the Board at any given time.

6.4.2 A continuation member who retains his membership of the scheme in terms of this rule and his dependants shall cease to be eligible for new or continued membership of the scheme, in the event of the scheme terminating membership as a result of non-payment of contributions, subject to Rule 13.3 hereof.

6.4.3 A continuation member who retains his membership of the Scheme in terms of this rule who voluntarily resigns from the Scheme for any

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reason whatsoever shall cease to be eligible for new or continued membership of the scheme, together with his dependants.

6.5 Dependants of deceased members

6.5.1 If a member of the Scheme dies, the spouse or partner of a Member, if he is registered as a Dependant of a member at the time of his death, shall forthwith be entitled to become a Member of the Scheme and no waiting period, not in effect at the time of the death of the deceased, will apply to such new Member. Any other person registered as a Dependant of a Member at the time of his death, shall be entitled to be registered as Dependants of such newly admitted Member and no waiting period, not in effect at the time of the death of the deceased, will apply to such Dependant.

6.5.2 The Scheme shall inform the Dependant or such Dependant's guardian of the right to membership and subject to Rule 6.3.2 of the contributions payable in respect thereof. Unless such person informs the Scheme of his intention not to become a Member, he shall be registered as a Member of the Scheme and he shall be liable for the payment of the contributions as provided in these Rules.

6.5.3 Such a Member's membership terminates if he becomes a member or a Dependant of a Member of another medical scheme or if he is disqualified from participation in the Scheme as Dependant in terms of the definition of Dependant.

6.5.4 Where a child Dependant(s) have been orphaned, the youngest child may be registered as a Member and any remaining Dependant(s) becomes Dependant(s) of the child so registered as a Member.

6.6 Membership Contributions: Unsubsidised Contributions

Notwithstanding the provisions of rules 6.1, 6.3 and 6.5, a member who does not qualify in terms of his service conditions for the employers' contribution (subsidy) in respect of membership of the Scheme, shall be liable for the

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total contribution (unsubsidised) as set out in Annexure A3 or B3 of the Scheme rules.

7. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS

7.1 Registration of Dependants

7.1.1 A Member may apply for the registration of his Dependant/s at the time that he applies for membership in terms of Rule 8, underwriting may apply to the Dependents.

7.1.2 A new born baby and/or a child as defined in terms of Rule 4.12 may be registered within ninety (90) days from date of birth, adoption or placing of such child in custody, shall thereupon be registered by the Scheme as a Dependant. Increased contributions shall then be due as from the first day of the month following the month of birth or adoption and benefits will accrue as from the date of birth or adoption. If the application for registration is not received by the Scheme within the prescribed period, the child will be registered from the date of the application.

7.1.3 If a Member, who marries subsequent to joining the Scheme, applies within thirty (30) days of the date of such marriage to register his spouse as a Dependant, his spouse shall thereupon be registered by the Scheme as a Dependant. Increased contributions shall then be due as from the first day of the month following the month of marriage and benefits will accrue as from the date of marriage. If the application for registration is not received by the Scheme within the prescribed period, the spouse will be registered from the date of the application.

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, a Member may apply to the Scheme for the registration of such person as a Dependant and proof of the compliance with the

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REGISTRAR OF MEDICAL SCHEMES

definition of Dependant and Rules 7.1.5 to 7.1.7 shall be submitted to the Scheme, whereupon the provisions of Rule 8 shall apply *mutatis mutandis*.

7.1.4.1 If a Member is liable for the family care and support of his registered Dependant, who is above twenty one (21) but under the age of twenty five (25) years –

7.1.4.1.1 who is a registered student at a tertiary institution (either full time or part time), proof of which is provided by means of a certificate of registration during the current academic year, such child may be registered as a Dependant, subject to –

7.1.4.1.1.1 the institution being accredited and recognized in terms of the Department of Higher Education guidelines as a tertiary institution.

7.1.4.2 A child as referred in rule 4.11.5 qualifies as a Dependant of a Member upon proof of the physically disabled condition and financial status of the child: Provided such proof is provided not later than 30 September of that year for approval for the following financial year. Provided further that if the physical disability is of a permanent nature, a certificate to that effect must be submitted to the Board. If there is no liability for family care and support of the child as stipulated above, the child will not qualify to be a Dependant.

7.1.5 A child as referred to in rule 7.1.4.1 may be registered as a Dependant of a Member: Provided that –

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7.1.5.1 a Member furnishes proof of such liability and dependence to the satisfaction of the Board;

7.1.5.2 child subsidized contributions will apply regarding such Dependant as defined in Annexure A3 and B3;

7.1.5.3 a member shall, where such person is registered, after the expiry of each twelve (12) month period, furnish proof of the continued liability and dependency;

7.1.5.4 the status of such a child as a Dependant shall cease if no such proof is submitted to the Scheme from the date of expiry of twelve (12) months or at any time where such liability and dependency cease to exist; and

7.1.5.5 misrepresentation of any information by a Member will be punishable by recovery of loss, civil or criminal charges and termination of membership in terms of Rule 12.5.

7.1.6 If a Member, who enters into life partnership subsequent to joining the Scheme, applies within thirty (30) days of the date of such life partnership to register his partner as a dependant, his life partner shall thereupon be registered by the Scheme as a Dependant. Increased contributions shall then be due as from the first day of the month following the month of life partnership and benefits will accrue as from the date of life partnership. If the application for registration is not received by the Scheme within the prescribed period, the life partner will be registered from the date of the application.

7.1.7 The spouse of a Member as referred to in rule 4.3.1 may be registered as a Dependant: Provided that -

7.1.7.1 if, according to customary law, a Member is permitted to have more than one wife, the Board may register additional wives as Dependants and that a Member will be liable for the adult contribution as defined in Annexure A3 and Annexure B3;

7.1.7.2 a Member shall within thirty (30) days from date of marriage, furnish proof of registration of such marriage in accordance with the Recognition of Customary Marriages Act, 1998 (Act No. 120 of 1998); and

7.1.7.3 on the demise of a Member, such a Dependant shall in terms of Rule 6.5.1 and 6.5.2 continue membership.

7.2 **De-registration of Dependants**

7.2.1 A Member shall inform the Scheme within thirty (30) days of the occurrence of any event, which results in anyone 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 be deemed no longer 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 minor may become a Member with the consent of his guardian.

8.2 No person may be a Member or Dependant of more than one medical scheme–

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

8.2.2 of members of different medical schemes; or

8.2.3 claim or accept benefits in respect of himself, or any Dependant from any medical scheme other than the medical scheme of which he is a member (or Dependant).

8.3 A prospective Member shall, prior to registration complete and submit the application forms required by the Scheme of any prior membership or admission as Dependant of any other medical scheme. The Scheme may

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require an applicant to provide the Scheme with a medical report in respect of any proposed beneficiary in respect of a medical condition for which medical advice, diagnosis, care or treatment recommended or obtained within a period of 12 months immediately prior to the date on which application to the Scheme was made. The Board may in any particular case, require a medical examination and report at the expense of the Scheme. Proof of any prior membership of any other medical scheme must also be submitted.

8.4 Waiting periods

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

8.4.1.1 a general waiting period of up to three (3) months; or

8.4.1.2 a condition specific waiting period of up to twelve (12) months; or

8.4.1.3 Prescribed Minimum Benefits (PMBs) may also be excluded during the waiting period; or

8.4.1.4 Principal members joining the Scheme after 30 days of appointment.

8.4.2 The Scheme may impose upon a 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 period of up to twenty-four (24) months, terminating less than ninety (90) days immediately prior to the date of application -

8.4.2.1 a condition specific waiting period of up to twelve (12) months, except in respect of treatment or diagnostic procedures covered within the prescribed minimum benefits; or

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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 a waiting period imposed by the former medical scheme.

8.4.3 The Scheme may not impose a general waiting period upon a person in respect from whom an application is made for membership or registration as a Dependant, and who was previously a beneficiary of a medical scheme for a period of more than twenty four (24) months, terminating less than ninety (90) days immediately prior to the date of application.

8.5 No waiting periods may be imposed on –

8.5.1 a person in respect of whom an application is made for membership or registration as a Dependant, and who was previously a member of a medical scheme, terminating less than ninety (90) days immediately prior to the date of application, where the transfer of membership is required as a result of -

8.5.1.1 change of employment; or

8.5.1.2 an employer changing or terminating the membership of all employees, in which case the transfer shall occur in the beginning of a financial year, or reasonable notice must have been furnished to the scheme to which an application is made for such transfer to occur at the beginning of a financial year. Where the former medical scheme had imposed a general or condition specific waiting period in respect of persons referred to in this rule, and such waiting period had not expired at the time of termination of membership, the Scheme may impose such waiting period

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for the unexpired duration of the waiting period imposed by the former medical scheme; or

8.5.1.3 a beneficiary who changes from one benefit option to another within the Scheme unless that beneficiary is subject to a waiting period on the current option in which case the remaining period may be applied; or

8.5.1.4 a child dependent born during the period of membership; or

8.5.1.5 Principal members joining the Scheme within 30 days of appointment.

8.6 The registered Dependants of a Member must participate in the same benefit option as a Member.

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

8.8 A Member may not cede, transfer, pledge or hypothecate or make over to any third party any claim, or part of a claim or any right to a benefit which he may have against the Scheme and any such cession or assignment will be of no force and effect. The Scheme may withhold, suspend or discontinue the payment of a benefit to which a Member is entitled under these rules, or any right in respect of such benefit or payment of such benefit to such Member, if a Member attempts to assign or transfer, or otherwise cede or to pledge or hypothecate such benefit.

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8.9 The Scheme shall in no circumstances be obliged to readmit a Member to membership or to register as a Dependant any person whose membership has been terminated in terms of these Rules, subject to Rules 6.3 and 12.

8.10 Late Joiner Penalties

The Scheme may impose penalties on the adult dependant of a Member 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 1st April 2001, without a break in coverage exceeding 13 consecutive weeks since 1st April 2001.

8.11 Premium penalties for late joiners are as follows:

8.11.1 The late joiner penalty will apply to the portion of the contribution related to the late joiner who qualifies for late joiner penalties.

8.11.2 Any years of creditable coverage, which can be demonstrated by the late joiner at the time of application as a dependant, to the satisfaction of the Board, will be taken into consideration in the computation of the late joiner penalties.

8.11.3 Where the adult dependant produces evidence of creditable coverage after a late joiner penalty has been imposed, the Scheme shall recalculate the penalty and apply such revised penalty from the time such evidence is provided.

8.11.4 Late joiner penalties may continue to be applied upon transfer of the adult dependant to other medical schemes.

8.11.5 The premium penalties shall be applied to a late joiner in terms of the first column of the table below the following formula shall be applied: A = B minus (35 years + C)

A" means the number of years referred to in the first column of the table below, for the purpose of determining the appropriate penalty band;

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"B" means the age of the late joiner at the time of the application;
"C" means the number of years of creditable coverage which can be demonstrated by the late joiner.

Number of years an applicant was not a Member of a medical scheme after age 35	Maximum penalty
1 – 4 years	1.05 x contribution
5 – 14 years	1.25 x contribution
15 – 24 years	1.50 x contribution
25+ years	1.75 x contribution

9. TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME

If members of a Scheme, by virtue of their employment by a particular employer, terminate their membership of such Scheme with the object of obtaining membership of the Scheme, the Board will admit such members subject to Rule 8.4.1 or the imposition of restrictions on account of the state of health of such members or the health of any of their Dependants.

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 Scheme and will be disabled on termination of membership.

10.2 The utilization of a membership card by any person other than a Member or his registered Dependants is not permitted and is construed as an abuse of the privileges of membership of the Scheme.

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10.3 Failure to notify the Scheme of a change of status such as marital status, death, adding of Dependants or change in rank etc., within thirty (30) days of the change of status, that has an influence on a Member's benefit, shall be an abuse of benefits of the Scheme.

10.4 On termination of membership or on de-registration of a Dependant, the Scheme must, furnish such person with a certificate of membership and cover, containing such particulars as may be prescribed.

10.5 Failure to comply with paragraphs 10.2 and 10.3 above will be dealt with in terms of Rule 12.

11. CHANGE OF CONTACT DETAILS AND/OR BANK ACCOUNT OF MEMBER

11.1 A Member must notify the Scheme within thirty (30) days of any change of contact details. The Scheme shall not be held liable if a Member's rights are prejudiced or forfeited as a result of a Member neglecting to comply with the requirements of this rule. A Member's last known contact details held by the Scheme will apply for the purpose of serving notices regarding the Scheme, including notices of meetings and changes to the Rules.

11.2 A Member must notify the Scheme immediately of any change in bank account details. The Scheme shall not be held liable if a Member's rights are prejudiced or forfeited as a result of a Member meeting or refusing to comply with the requirements of this rule. A Member's last updated bank account details held by the Scheme will apply for the purpose of any refunds due to the member.

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12. TERMINATION OF MEMBERSHIP

12.1 A Member may terminate his membership of the Scheme by giving thirty (30) days written notice to the Scheme. All rights to benefits of the Member and his Dependants shall on such termination cease, except for claims in respect of services rendered up to and including the date of termination. This notice period may be waived by the Board in substantiated cases.

12.2 Subject to Rules 6.2, 6.3 and 6.4 and any provision to the contrary contained in these Rules, a Member shall on the date of notification of termination that he ceases to be an employee, cease to be a member of the Scheme, and all the rights to benefits shall there upon cease, except for claims in respect of services rendered prior thereto.

12.3 **Death**

Membership of a Member terminates on his death.

12.4 **Failure to pay amounts due to the Scheme**

If a Member is in arrears with his contributions or any other monies owing to the Scheme and a notice to pay the outstanding contribution or monies owing has been dispatched to a Member and a Member failed to pay the outstanding contribution or monies owing within thirty (30) days after the notice has been dispatched, the Board may, in its sole discretion, suspend the membership of a Member. The membership of a Member concerned shall be reinstated without a break in membership after contributions or any other monies owing to the Scheme have been paid. If a Member fails to pay the outstanding amount within the twenty-one (21) days from date of notice of suspension, the membership of such a member shall be deemed to have terminated. No benefits shall be payable in respect of a

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Member from the date of his default until his contributions are brought to date.

12.5 False claims 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 to have presented false claims or non-disclosure of factual information in accordance with Rule 16.10. In such event a Member will be responsible to refund to the Scheme any sum which, had it not been for his abuse of the benefits or privileges of the Scheme, would not have been disbursed on his behalf.

12.6 Before the Scheme can terminate a Member's membership a due process will be followed allowing a Member an opportunity to make representations and each case shall be considered on its own merits.

12.7 If any decision to suspend or terminate the membership of a Member is made by the Scheme, such Member shall be entitled to, within twenty one (21) days of such decision dispute the correctness of such decision in accordance with Rule 28 which shall be adjudicated in terms of Rule 28.2 to 28.5.

12.8 A Member whose membership has been terminated as a result of misconduct, shall revived with the Scheme, subject to the criteria set out in terms of Rule 6.

12.9 A Member's spouse's status as Dependant is terminated on the date of the divorce, subject to a divorce order, or on the date of cancellation as a Dependant, whichever date occurs first. Total contribution shall apply for a divorced Dependant, based on a court order.

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13. CONTRIBUTIONS

13.1 The contributions payable to the Scheme by or on behalf of a Member shall consist of the total contribution as stipulated in Annexure A3 and B3.

13.2 Any changes in contributions payable by/or on behalf of a Member, due to income changes of a member will be effected at the discretion of the Board.

13.3 Contributions shall be due monthly in advance and be payable by not later than the third day of each month. Where contributions or any other debt owing to the Scheme, have not been paid within three (3) days of the due date, the Scheme shall inform a Member concerned and the Employer in writing of such failure. In the event that the arrears are not paid within a period of grace of fourteen (14) days after notification, membership shall be suspended forthwith. In the event that the arrear contributions are not paid within thirty (30) days of suspension, membership of the relevant Member shall terminate. Such membership shall only be reinstated after the payment of the contributions in arrears. No benefits shall be payable from the date of suspension until the date of reinstatement.

13.4 In the event that payments are brought up to date within twelve (12) months from the due date, benefits shall be reinstated without any break in continuity subject to the right of the Scheme to levy a reasonable fee to cover any expenses associated with the default and to recover interest at the prime overdraft rate of the Scheme's bankers. If such payments are not brought up to date, no benefits shall be due to a Member from the date of default and any such benefit paid may be recovered by the Scheme.

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13.5 No refund from the Scheme's reserves or of any portion of a contribution shall be paid to any Member where such Member's membership or the status as Dependants of any of his Dependants terminated.

14. LIABILITIES OF MEMBER

14.1 A Member shall, subject to Rule 13, be liable for the amount of his unpaid membership fees, together with any sum disbursed by the Scheme on his behalf, or on behalf of his Dependants which has not been repaid by him to the Scheme.

14.2 Any amount owing by a Member to the Scheme in respect of himself, or his Dependants may be recouped out of his remuneration from the Employer by arrangement with such Member. In the event of a Member ceasing to be a Member, any amount still owing by such Member shall be a debt due to the Scheme and recoverable by the Scheme.

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14.3 A Member is responsible to ensure that claims for services rendered are claimed timeously from the Scheme and to keep a record of the claims.

14.4 It is recorded that the relationship between the Scheme and its members shall at all times be deemed to be one of the utmost good faith. The member therefore acknowledges and agrees that, notwithstanding anything to the contrary, or not specifically set out in the rules of Annexures of the Scheme, the member is under a duty to disclose all and any health information or matters relating to any incidents (resulting from the actions of third parties) which would give rise to any third party claims to the Scheme.

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14.5 The Scheme shall be liable for the payment of any costs, subject to the Scheme's rules, incurred by a member, which arose or may have arisen, as a result of the actions or omissions of another party. In the event of claims reimbursed on behalf of the member which arose from the actions of omissions of any other party, the member shall:

14.5.1 be liable to repay to the Scheme all amounts paid by the Scheme and recovered by or on behalf of the member from the party responsible to compensate such member, free of any legal costs or deductions that may have been incurred in the recovery of such amount;

14.5.2 ensure that, prior to the settlement of any claim instituted against such other party, all the amounts as well as proof of payment, set out above and paid by the Scheme, are included in such claim and form part of any settlement amount, whether globular or separately;

14.5.3 disclose to the Scheme, alternatively, instruct his legal representative and/or the third party against whom a claim is lodged, to disclose to the Scheme, the full extent of any compensation awarded in respect of past and future medical expenses;

14.5.4 provide consent to the Scheme, it's contracted administrator or any third-parties sub-contracted, to obtain copies of all such information not in the Scheme's possession, relating to the member's medical accounts and records from the relevant practitioners and/or medical institutions, and/or any other third party who may have records relevant to the third party claim.

including but not limited to police documents and accident records.

14.5.5 confirm the details of the lawyer on record to represent his Road Accident Fund claim within 60 days from discharge from a hospital of facility where the member received treatment relating to the injuries sustained in the third party injury incident, failing which the administrator's contracted Panel Attorneys are authorised to access relevant personal information relating to the member and his/her accident and will proceed with preparation of all documents required to lodge a Personal Injury claim in the member's name. Failure of members to comply with the provisions in the rules may result in the SAPS employer disciplinary processes applicable to employees' membership to Polmed medical scheme being invoked;

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14.5.6 sign all such documentation as may be required by the Scheme to proceed with a claim in the member's name against an active Road Accident Fund "Undertaking" to recover any future amounts relating to a settled MVA claim and expended by the Scheme, subject to the Scheme indemnifying the member against any costs which may arise as a result of the institution of such claim, if the Scheme is satisfied that a valid claim exists;

14.5.7 be deemed to be liable to repay all amounts expended by the Scheme, as above, in the event of the member's claim being finalised and paid in circumstances where no specific or separate award is made for the payment of medical or hospital expenses incurred;

14.5.8 either personally or through his/her legal representative, keep the Scheme informed, whether called upon by the Scheme to do so or not, as to the ongoing progress of his/her claim; alternatively granting the Scheme permission to follow-up directly with the third party against which the claim is being made, in the name of the member, as to the ongoing progress of his/her claim; and

14.5.9 when requested by the Scheme and/or its contracted medical scheme administrator or any authorised third party contracted to do so, whether prior to or subsequent to the Scheme effecting any payments as referred to above, provide the Scheme with a written undertaking signed by both the member and his/her legal representative so as to give full effect to what is contained in paragraphs 14.4 and 14.5 above.

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15. CLAIMS PROCEDURE

15.1 Every claim in respect of which an account is rendered for the rendering of a health care service as contemplated in these Rules, shall be accompanied by a detailed account or statement which shall comply with the provisions of the Act and the Regulations and shall at least contain the following particulars:

15.1.1 the surname and initials of a Member;

15.1.2 the surname, first name and ID number and/or date of birth, if any, of the patient as indicated by the proof of membership;

15.1.3 the name of the Scheme;

15.1.4 the membership number of a Member;

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

15.1.6 the relevant diagnostic and such other item code numbers that relate to such relevant health service;

15.1.7 the date on which each relevant health service was rendered;

15.1.8 the nature and cost of each relevant health service rendered, including the item code number that relates to such service (if applicable), and where the supplier of service supplied medicine to a Member concerned or to a Dependant of that Member, the name, quantity, dosage, nappi code and net amount payable in respect of the medicine;

15.1.9 where the account is a photocopy of the original, certification by the supplier of service by way of a rubber stamp or signature on such photocopy;

15.1.10 where a pharmacist supplies medicine according to a prescription to a Member or a Dependant of a Member, a certified copy of such original prescription, if so required by the Board;

15.1.11 the name and the practice code number as issued by the registering authorities of the referring medical practitioner or dentist; and

15.1.12 in the case where such account or statement refers to the use of an operating theatre where an operation was performed on a Member or the Dependant of that Member–

15.1.12.1 the name or names and the relevant practice number as issued by the registering authorities of the medical practitioner or dentist who performed that operation;

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15.1.12.2 the name or names and the practice code number as issued by the registering authorities of every medical practitioner or dentist who assisted in the performance of such operation, and

15.1.12.3 all procedures carried out together with the relevant item code number contemplated in Rule 15.1.6.

15.2 Where an account refers to orthodontic treatment or advanced/specialized dentistry, a treatment plan containing the following additional information must be supplied:

15.2.1 A treatment plan indicating the following:-

15.2.1.1 the expected total amount that will be charged by the orthodontist for the treatment;

15.2.1.2 the expected duration of the treatment;

15.2.1.3 the initial amount payable; and

15.2.1.4 the monthly amount payable;

15.2.2 The code number for the treatment, in accordance with the scale of benefits must be supplied on the account;

15.2.3 The original laboratory invoices must accompany all dental accounts;

15.3 In order to qualify for benefits, any claim, unless otherwise arranged, shall be submitted to the Scheme not later than the last day of the fourth (4th) month following the month of the date of service.

15.4 Where an account has been paid by a Member, he shall submit a claim, and in support of his claim, submit a specified account with a receipt as confirmation of payment.

15.5 Notwithstanding provisions of these Rules, where the Scheme is of the opinion that a claim/ account is incorrect or unacceptable for payment, the

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Scheme shall notify a Member or the health care provider, whichever applies, accordingly within thirty (30) days after receipt thereof. The Scheme shall state the reasons why such claim/account is incorrect or unacceptable and afford such Member or provider the opportunity to return such corrected claim to the Scheme within sixty (60) days from the date of the notice.

15.6 Where benefits are subject to prior approval, the documents or reference numbers of such approval, must accompany the claim.

16. BENEFITS

16.1 Members are entitled to benefits during a financial year, as per Annexure A1 and B1 and such benefits extend through a Member to his registered Dependants. A Member must, on registration, elect to participate in any one of the available options, detailed in Annexure A and Annexure B.

16.1.1 The elected option shall be in place until the first day of the financial year following the application in terms of Rule 16.2 to transfer to another benefit option.

16.2 A Member is entitled to change from one to another benefit option subject to the following conditions:

16.2.1 The change may be made only with effect from 1 January of any financial year. The Board may, in its absolute discretion, permit a Member to change from one to another 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 December prior to the year upon which it is intended that the change will take place: Provided that a Member has had at least

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thirty (30) days prior notification of any intended changes in benefits or contributions for the next year.

16.3 The Board shall in accordance with Rule 12.4 be entitled to withhold payment of benefits to which a Member is entitled in the event that his contributions or any other payments to the Scheme are in arrears, and where accounts have been paid in accordance with Rule 17, a Member will be held liable for such amount.

16.4 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. If a Member institutes a claim as a result of a contract, delict or statute (for instance a motor vehicle accident or third party claim), the Scheme shall advance the benefits to which a Member is entitled in terms of these Rules, provided that a Member is obliged to cede the claim to the Scheme in respect of medical expenses.

16.4.1 If a member or his Dependant succeeds in obtaining the costs for future medical expenses resulting from an accident or incident caused by a third party, the Scheme shall not be liable for such medical expenses: Provided that a Member informs the Scheme in writing within thirty (30) days from receipt of the costs for such future medical expenses of a Member or his Dependant.

16.5 **Benefits for services outside the Republic**

The scheme does not cover benefits for services rendered outside the borders of the Republic of South Africa with the exception of the existing Polmed members who are residing in Namibia and Polmed rate shall apply. However it remains the responsibility of a Member to acquire insurance cover when travelling outside the borders of the Republic of South Africa.

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16.6 The maximum benefits to which a Member and his Dependants shall be entitled in any financial year, shall be limited as set out in Annexure A1 and B1.

16.7 The Scheme 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 thirty (30) days of receipt of the claim pertaining to such benefit subject to the verification. The Scheme shall not make payment to any nominated third parties except in exceptional circumstance where there is a court order to that effect.

16.8 Any benefit option offered in Annexure A1 and B3 covers in full the cost of the Prescribed Minimum Benefits rendered by a State hospital. In those instances where the public hospital service is not reasonably available the Scheme will provide benefits in order to cover the minimum benefits in which ever setting a Member is compelled to seek treatment, subject to Rule 17.3.

16.9 Should the Scheme, upon receipt of any claim submitted by a Member, his Dependant, any person or body or service provider or that the provisions of Rule 12.5 may be applicable, have reasonable grounds to believe or to suspect that the submission of such claim amount to an actual or potential fraud or abuse of a Member's entitlement or fraud upon the Scheme by such beneficiary or person or body or service provider or that the provisions of Rule 12.5 may be applicable, the Scheme shall be entitled in its sole discretion to make all such enquiries in regard to the claim as may be reasonable in the circumstances. A Member or beneficiary concerned shall render all such assistance and furnish all such information and documentation as the Scheme may call for. The Scheme shall, furthermore, be entitled to take such steps as it deems necessary or

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appropriate in order to protect the interests of the Scheme or to prevent such or any similar abuse or fraud. Without limiting the generality of the aforegoing, the Scheme shall be entitled to communicate with the body controlling any health provider, the service provider, the Employer and the law enforcement agencies.

16.10 If actual or potential fraud and misconduct is uncovered a comprehensive and objective investigation will be conducted and the following shall serve as guidelines:

16.10.1 stop claim payments to the service provider;

16.10.2 place the service provider on indirect payment;

16.10.3 submit detailed findings to the Scheme's appointed External Investigators;

16.10.4 suspend or terminate the membership of a Member and submit a detailed report to the Employer;

16.10.5 report the service provider to Health Professional Council of South Africa;

16.10.6 initiate civil proceedings against a Member and/or the service provider;

16.10.7 initiate criminal proceedings against a Member and/or the service provider;

16.10.8 take any recourse or remedial action that may be appropriate.

16.11 The Scheme shall have the right to obtain any relevant medical and/or financial information concerning a Member or Beneficiary that may be deemed necessary from the supplier of health care goods or services (including medicines) or any other person that has such information under his control and shall disclose such information to the authorized personnel or medical advisor of the Scheme. Such information shall at all times be treated as confidential by such person to whom it was disclosed to and

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managed subject to the Protection of Personal Information Act, 2013 (Act No. 4 of 2013) requirements.

16.12 Services as set out in Annexure C, are excluded from benefits.

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 Scheme may, whether by agreement or not, with any supplier or group of suppliers of a service, pay the benefit to which a Member is entitled, directly to the supplier who rendered the service, unless a Member has, together with his claim, submitted a receipt as confirmation of payment from the supplier as proof that he has already paid for the service.

17.3 Where the Scheme has paid an account or portion of an account or any benefit to which a Member is not entitled, whether payment is made to a Member or to the supplier of service, the amount of any such overpayment is recoverable by the Scheme from a Member or the supplier.

17.4 The Scheme shall, where an account has been rendered, pay any benefit due to a Member or supplier of the relevant health service who rendered the account within thirty (30) days of receipt of the claim pertaining to such benefit. In respect of a supplier with whom the Scheme has an agreement, payment shall be made in terms of such agreement. When a Member submits a receipted account, he shall be reimbursed in accordance with the provisions of the Rules for such benefit subject to verification.

17.5 Notwithstanding the provisions of this rule, the Scheme has the right to pay any benefit directly to a Member concerned.

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17.6 Payment of amounts due to a Member is made by means of payment into the nominated personal bank account of a Member.

18. GOVERNANCE

18.1 The affairs of the Scheme must be managed by the Board in accordance with the Act and these Rules and with due regard to the interests of a Member and his Dependants.

18.2 The Board shall consist of fourteen (14) members, of whom seven (7) shall be designated by the National Commissioner (hereinafter referred to as designated members of the Board) and seven (7) shall be elected by Members (hereinafter referred to as elected members of the Board). The seven (7) members to be elected must include two (2) Continuation Members.

18.2.1 The Board must take all reasonable steps to ensure that its composition broadly mirrors the composition of the membership of the Scheme as far as race and gender is concerned.

18.2.2 For the purposes of these Rules it is accepted that the membership of the Scheme consists of–

18.2.2.1 a minimum 40% female Members; and

18.2.2.2 70% black (which includes coloured and Indian) Members and 30% white Members.

18.2.3 The Board must endeavour to have at least one (1) black Member (as set out in Rule 18.2.2.2), and at least one (1) white Member elected as Continuation Members of the Board and that one of the two is female and the other male.

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ANNEXURE "C"

REGISTERED BY ME ON

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RETYPED PAGE OF THE RULES

18. GOVERNANCE

18.1 The affairs of the Scheme must be managed by the Board in accordance with the Act and these Rules and with due regard to the interests of a Member and his Dependants.

18.2 The Board shall consist of fourteen (14) members, of whom seven (7) shall be designated by the National Commissioner (hereinafter referred to as designated members of the Board) and seven (7) shall be elected by Members (hereinafter referred to as elected members of the Board). The seven (7) members to be elected must include two (2) Continuation Members.

18.2.1 The Board must take all reasonable steps to ensure that its composition broadly mirrors the composition of the membership of the Scheme as far as race and gender is concerned.

18.2.2 For the purposes of these Rules it is accepted that the membership of the Scheme consists of–

18.2.2.1 a minimum 40% female Members; and

18.2.2.2 70% black (which includes coloured and Indian) Members and 30% white Members.

18.2.3 The Board must endeavour to have at least one (1) black Member (as set out in Rule 18.2.2.2), and at least one (1) white Member elected as Continuation Members of the Board and that one of the two is female and the other male.

18.3 The term of office of an elected member of the Board shall end at the closure of the fifth Annual General Meeting after his election: Provided that an elected member whose term of office ends at a particular Annual General Meeting shall be eligible for re-election for a further term of office. Such re-elected members shall not serve more than two (2) consecutive terms.

18.4 The election of elected members of the Board must be by Members of the Scheme from a list of nominated candidates and the election process must be concluded at an Annual General Meeting of the Scheme.

18.5 The election of members of the Board must take place by secret ballot and in accordance with a procedure determined by the Board. The procedure determined by the Board must –

18.5.1 provide for a free and fair election by Members of the Scheme;

18.5.2 be transparent;

18.5.3 be designed to ensure the integrity of the process; and

18.5.4 allow Members of the Scheme a reasonable opportunity to vote in the election.

18.6 An independent body or independent person appointed by the Board must oversee the election and declare whether the election was free and fair and in accordance with the procedure as determined by the Board. No Board member may interfere with the election process.

18.6.1 The independent body or independent person shall, by notice in writing to the Members, call for nominations of candidates for the Board.

18.6.2 Any nomination must be seconded by at least fifty (50) other members, must be accepted by the nominee in writing, and must be submitted to the independent body or independent person together with an abridged curriculum vitae of the nominee and his written acceptance of the nomination.

18.6.3 The independent body or independent person must, if necessary, by notice in writing to the Members, call for further nominations to ensure compliance with Rule 18.2.1 from the category of persons stipulated in that paragraph.

18.6.4 The Members shall submit such further nominations in accordance with the provisions of Rules 18.6.2 to the independent body or independent person.

18.6.5 The independent body or independent person shall draw up a list on which there shall appear the names of all nominees nominated in terms of these Rules in alphabetical order but shall contain no

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reference to a Member who nominated each nominee.

18.6.6 The independent body or independent person shall make the said list available to each Member, together with the curriculum vitae of each nominee when he registers to vote in the election.

18.6.7 Each Member shall select from the list on the ballot paper no less and no more candidates than the number of vacancies to be filled, failing which, all votes exercised by that member shall be deemed to be spoilt and shall not be taken into account when the ballot papers are counted.

18.6.8 The independent body or independent person shall be responsible for the whole process of voting, counting and announcing of the candidates so elected by the members at the Annual General Meeting or through other means of communication as set by the Board.

Notwithstanding the provisions of Rule 18.6.8 above, the Board is empowered by any other means available to announce the candidates so elected at the AGM in the event that there are any delays or disruptions of the AGM proceedings.

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18.7 An elected member of the Board will remain a member of the Board for the full term of his office, unless he dies, resigns or, for whatever reason or becomes disqualified to serve as a member of the Board.

18.8 The term of office of a designated member of the Board shall be five (5) years or until his designation by the National Commissioner is withdrawn, whichever is the shortest, unless he dies, resigns, or for whatever reason, becomes disqualified to serve as a member of the Board: Provided that the National Commissioner may re-designate the same designated member at the end of the term of office of that designated member for a further term of office. The National Commissioner must, in writing, notify the Board if he withdraws the designation of a designated member and inform the Board who shall replace the said designated member. The employer representative who is designated by the National Commissioner to replace the employer representative whose designation has been withdrawn by the National Commissioner, shall take up his office as member of the Board at the first meeting of the Board following

upon the meeting at which the written notice of the National Commissioner has been received.

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

18.9.1 a person under the age of twenty one 21 years;

18.9.2 an employee, director, officer, consultant or contractor of the administrator of the Scheme or of the holding company, subsidiary, joint venture or associate of the administrator;

18.9.3 a person, including a legal person, associated with the administrator of the Scheme or of any controlling or subsidiary company of the administrator;

18.9.4 a broker;

18.9.5 the Principal Officer of the Scheme;

18.9.6 the auditor of the Scheme;

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18.9.7 a Dependant;

18.9.8 any person who is the subject of any order under any law disqualifying him from being a Trustee or Director;

18.9.9 A member of the Board shall cease to hold office if save under authority of the Court –

(i) an unrehabilitated insolvent;

(ii) any person removed from an office of trust on account of misconduct;

(iii) any person who has at any time been convicted (whether in the Republic or elsewhere) of theft, fraud, forgery or uttering a forged document, perjury, an offence under the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004), or any offence involving dishonesty or in connection with the promotion, formation or management of a company, and has been sentenced for it to imprisonment without the option of a fine or to a fine exceeding one thousand rand (R1000,00);

(iv) any person who has, in terms of an Act of Parliament, been removed from office for not being a fit and proper person to serve as a director or in the management or in any other position of trust of the body in question due to theft, fraud, forgery, uttering a forged document, an offence under the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004), or any other act involving dishonesty;

(v) he becomes mentally ill or incapable of managing his affairs;

(vi) he is declared insolvent or has surrendered his estate for the benefit of his creditors;

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(vii) he is removed by the Court or any other body and or any institution from any office of trust on account of misconduct;

(viii) he is disqualified under any law from carrying on his profession;

(ix) he absents himself from three consecutive meetings of the Board without the permission of the chairperson; or

(x) he is removed from office by the Council in terms of Section 46 of the Act;

18.9.10 A member of the Board who acts in a manner which is seriously prejudicial to the interests of beneficiaries of the Scheme may be removed by the board, provided that -

18.9.10.1 before the decision is taken to remove the member of the Board, the Board shall furnish member with full details of the evidence which the Board has in 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;

18.9.10.2 the resolution to remove that member is taken by at least two thirds of the members of the Board;

18.9.10.3 the Trustee shall have recourse to disputes procedures of the Scheme or complaints and appeal procedures provided for in the Act; and

18.9.10.4 a Trustee removed in terms of the Rules shall not be eligible to be re-appointed or re-elected as a Trustee.

18.10 **A member of the Board may resign at any time by giving thirty (30) days written notice to the Board.**

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18.11 Termination of Period of Office

The office of a member of the Board shall become vacant if that member -

18.11.1 ceases to be a Member of the Scheme;

18.11.2 is absent from three (3) consecutive meetings of the Board without tendering an apology; or

18.11.3 submits a written resignation from office to the Principal Officer.

18.12 Quorum at Board Meetings

Eight (8) members of the Board shall be a quorum at Board meetings. Should a quorum not be present at the time fixed for the commencement of the meeting, the meeting shall be postponed for a maximum of twenty one (21) days, or, if that day is a public holiday, the meeting shall be postponed to the first working day following that public holiday.

18.13 Meetings of the Board

18.13.1 Ordinary Meetings of the Board

The Principal Officer shall convene at least three (3) ordinary Board meetings per year. At least seven (7) days written notice of any Board meeting shall be sent to every Board member.

18.13.2 Special Meetings of the Board

Any three (3) members of the Board may request the Principal Officer to convene a special Board meeting to be held within twenty-one (21) days of the receipt of such request and in the event of the Principal Officer failing to comply with their request, such members may convene the meeting themselves in the manner provided above.

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18.14 Filling of Vacancies

In the event that a number of vacancies arise on the Board and the remaining members on the Board are less than the minimum number required for a quorum in terms of these rules, the Board may appoint such a number of suitable Members of the Scheme as members of the Board of the Scheme as may be necessary to ensure that there are eight (8) members of the Board to serve as members of the Board of the Scheme until such time as such vacancies can be filled as provided for in these Rules.

18.15 Election of Chairperson and Vice-Chairperson

The members of the Board shall elect a Chairperson and Vice-Chairperson, from its number. The Chairperson, or in his absence the Vice-Chairperson, shall preside at all meetings of the Board, the Annual General Meeting and any Special General Meeting of members.

18.16 The Chairperson shall preside and preserve due and proper conduct at all meetings of the Board and at all Annual General Meetings and Special General Meetings of the Scheme.

18.17 In the absence of the Chairperson and Vice-Chairperson, the members of the Board present shall elect one of their number to preside.

18.18 In the event that the Board cannot reach consensus regarding matters serving before the Board, such matters shall be decided by a majority vote. In the event of a stay of votes, the Chairperson shall obtain expert advice by co-opting persons in terms of Rule 18.23. The Board shall then decide on such matter at the following meeting after hearing the expert advice: Provided that if a stay of votes regarding such matter occurs at the following meeting, the Chairperson shall have a casting vote on the matter.

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18.19 A resolution in writing signed by the members of the Board being not less than are sufficient to constitute a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted: Provided that one of the signatories shall be the Chairperson, or in the absence of the Chairperson, the Vice-Chairperson. Such a resolution must be noted at the following meeting of the Board. Any such resolution may consist of several documents in like form, signed by the signatories contemplated in this Rule.

18.20 The Board shall cause the proceedings of all Annual, Special General and Board meetings to be properly recorded and the minutes of such meetings shall be laid before the subsequent similar meeting: Provided that the minutes of every Special General Meeting shall, as the Board may decide, be laid before the subsequent Special General Meeting or the Annual General Meeting.

18.21 If the minutes of any such meetings are accepted and confirmed as correct they shall be signed by the Chairperson. Every minute signed by the Chairperson of the meeting to which such minutes relate or signed by the chairperson of the meeting subsequent to the meeting to which such minutes relate, shall be sufficient evidence of the facts stated therein.

18.22 The Principal Officer and designated members of the management personnel of the Scheme designated by the Board, are required to attend all meetings of the Board. They may participate in the deliberations of the Board but shall have no vote.

18.23 The Board may co-opt in a consultative or advisory capacity for a specific purpose, persons who need not be Members of the Scheme. Such persons may participate in the deliberations of the Board but shall have no vote.

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18.24 Remuneration of Board members

Members of the Board shall be entitled to such remuneration, honorarium and other fees in respect of services rendered in their capacity as members of the Board and to such reimbursement in respect of travelling, accommodation and other expenses, which they may incur in attending meetings of the Board, as the Board may from time to time determine, subject to the Polmed Trustees Remuneration Policy, which must be approved by members at the AGM.

19. DUTIES OF THE BOARD OF TRUSTEES

The Board shall –

19.1 ensure the proper and sound management of the Scheme in terms of these Rules and shall take all reasonable steps to ensure that the interests of members in terms of these Rules and the provisions of the Act, are protected at all times;

19.2 act with due care, diligence, skill and good faith;

19.3 take all reasonable steps to avoid conflicts of interest and shall declare any interest they may have in any particular matter serving before the Board;

19.4 act impartiality in respect of all Members;

19.5 apply sound business principles and ensure the financial soundness of the Scheme;

19.6 appoint a Principal Officer who is a fit and proper person to hold such office and shall within thirty (30) days of such appointment give notice thereof in writing to the Registrar;

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19.7 appoint the management personnel of the Scheme;

19.8 ensure that proper registers, books and records of all operations of the Scheme are kept, and that proper minutes are kept of all resolutions passed by the Board;

19.9 shall ensure that proper control systems are employed by or on behalf of the Scheme;

19.10 ensure that adequate and appropriate information is communicated to a Member regarding his rights, benefits, contributions and duties in terms of the Act and these Rules;

19.11 take all reasonable steps to ensure that contributions are paid timeously to the Scheme in accordance with the Act and these Rules;

19.12 take out and maintain professional indemnity insurance and fidelity guarantee insurance from and up to such amount as the Scheme's auditor, with concurrence of the Registrar, may determine;

19.13 approve all disbursements;

19.14 cause to be kept in safe custody in a safe or strong room at the registered office of the Scheme or with any financial institution approved by the Board, any mortgage bond, title deed or other security belonging to or held by the Scheme, except when in the temporary custody of another person for the purposes of the Scheme;

19.15 make such provision as it deems desirable and with due regard to normal practice and recommended guidelines pertaining to retention of

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documents, for the safe custody of the books, records, documents and other effects of the Scheme;

19.16 subject to the provisions of the Act appoint the authorised Auditor and an Audit Committee annually;

19.17 appoint a Disputes Committee contemplated in Rule 28.2; and

19.18 disclose annually, in writing to the Registrar, any payment or considerations made to them in that particular year by the Scheme.

20. POWERS OF THE BOARD OF TRUSTEES

The Board shall have the power to –

20.1 appoint a Principal Officer who is a fit and proper person to hold such office;

20.2 appoint any other person required for the proper execution of the business of the Scheme and to sign and execute all necessary documents to ensure and secure the due fulfilment of the Scheme's obligations under such appointments;

20.3 prescribe the powers and remuneration of officers of the Scheme and to cause the termination of the services of any officer employed by the Scheme;

20.4 appoint a Committee consisting of such members and other experts as it may deem appropriate and to delegate any of its powers to such Committee and to the Principal Officer;

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20.5 appoint an internal auditor for the Scheme and to determine the duration of the appointment;

20.6 take all necessary steps and to sign and execute all necessary documents to ensure and secure the due fulfilment of the Scheme's obligations;

20.7 appoint a duly accredited professional administrator on such terms and conditions as it may determine, for the proper execution of the business of the Scheme, to determine and settle terms and conditions of such appointment which shall be contained in a written contract, to take all necessary steps and to execute all the necessary documents to ensure the due fulfilment of the Scheme's obligations in regard to such appointment, and to terminate the services of the Administrator;

20.8 appoint a professional managed health care contractor on such terms and conditions as it may determine, for the proper managing of the health care of the Members of the Scheme, to determine and settle terms and conditions of such appointment which shall be contained in a written contract, to take all necessary steps and to execute all the necessary documents to ensure the due fulfilment of the Scheme's obligations in regard to such appointment, and to terminate the services of the managed health care contractor;

20.9 appoint advisors or consultants to assist it in the performance of its duties;

20.10 purchase movable and immovable property for the use of the Scheme or otherwise and to sell same or any of it;

20.11 to let or hire movable or immovable property;

20.12 in respect of any monies not immediately required to meet current commitments upon the Scheme and subject to the provisions of the Act,

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

20.13 borrow money for the Scheme from the Scheme's bankers against the security of the Scheme's assets for the purpose of bridging a temporary deficit after prior approval of the Council for Medical Schemes;

20.14 subject to the provisions of any law, to cause the Scheme, whether on its own or in association with any person, to establish or operate any pharmacy, hospital, clinic, maternity home, nursing home, infirmary, home for aged persons or any similar institution, in the interests of the Members of the Scheme;

20.15 make a donation to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or any of the Members;

20.16 grant repayable loans to the members of the Scheme or to make ex gratia payments on behalf of or to members in order to assist such members to meet commitments in regard to any matter specified in the definition of "business of a medical scheme" as defined in section 1 of the Act;

20.17 contribute to any association instituted for the benefit of medical schemes;

20.18 contribute to any association or any fund conducted for the benefit of the employees of the Scheme;

20.19 allocate a personal medical savings account to a Member, to be used for the payment of any relevant health service;

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20.20 reinsure obligations in terms of the benefits provided for in these Rules;

20.21 authorize the Principal Officer and such other 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 binding document relating to the Scheme or any document authorizing the performance of any act on behalf of the Scheme;

20.22 in general, do anything which it deems necessary or expedient to perform its functions in accordance with the provisions of the Act and the Rules of the Scheme; and

20.23 amend and rescind these Rules and benefits of the Scheme or make any additional rule or benefit applicable after a majority vote by the Board and ensure the amendment, rescission or addition of any rule is approved by the Registrar in terms of section 31(2) of the Act.

21. DUTIES OF THE OFFICERS OF THE SCHEME

21.1 The officers of the Scheme shall ensure the confidentiality of all information regarding Members of the Scheme.

21.2 The Principal Officer shall be the Accounting Officer of the Scheme and is responsible for the following:

21.2.1 The Principal Officer is responsible for the statutory and administrative functions of the Scheme and shall ensure the carrying out of all duties as are necessary for the proper execution of the business of the Scheme. He shall, where possible, attend all meetings of the Scheme and of the Board and any other duly appointed committee where his

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attendance may be required and ensure proper recording of the proceedings of all meetings;

21.2.2 The Principal Officer is responsible for the supervision of the officers employed by the Scheme;

21.2.3 The Principal Officer as the accounting officer of the Scheme is responsible for the collection of and accounting for all monies received and payments authorized by and made on behalf of the Scheme;

21.2.4 The Principal Officer shall keep full and proper records of all monies received and expenses incurred by, and of all assets, liabilities and financial transactions of the Scheme; and

21.2.5 The Principal Officer shall ensure that annual financial statements are prepared and shall ensure compliance with all statutory requirements pertaining thereto.

21.3 The Principal Officer shall be disqualified and cease to hold the office if –

21.3.1 he becomes mentally-ill or incapable of managing his affairs;

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

21.3.3 he is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering a forged document or perjury, an offence under the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004) or any other offence involving an element of dishonesty;

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

21.3.5 he is disqualified under any law from carrying on his profession.

21.4 The following persons are not eligible to be a Principal Officer:

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21.4.1 An employee, director, officer, consultant or contractor of the administrator of the Scheme or of its holding company, subsidiary, joint venture or associate of that administrator; or

21.4.2 A person who, immediately prior to the Medical Schemes Amendment Act, 2001, was a principal officer of a medical scheme in contravention of section 57(7) of that Act, will be deemed to comply with that section of the period terminating on 1 January 2004.

22. INDEMNIFICATION AND FIDELITY GUARANTEE

22.1 The Board and any officer of the Scheme is indemnified by the Scheme against all proceedings, costs and expenses incurred by reason of any claim against/by the Scheme, not arising from their gross negligence, dishonesty or fraud.

22.2 **Fidelity Guarantee**

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

23. FINANCIAL YEAR OF THE SCHEME

The financial year of the Scheme shall extend from the first day of January to the 31st day of December of that year.

24. BANKING ACCOUNT

The Scheme shall maintain a banking account with a registered commercial bank. All moneys received shall be deposited to the credit of such account and all

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payments shall be made either by electronic transfer, tape exchange or by cheque under the joint signature of not less than two persons duly authorized by the Board.

25. AUDITOR AND AUDIT COMMITTEE

25.1 The Board shall annually appoint an authorised internal auditor; who shall be approved in terms of Section 36 of the Act;

25.2 An auditor who is at a retiring age, may be re-appointed without any resolution being passed to that end, unless he is not qualified for re-appointment;

25.3 The following persons are not eligible to serve as internal auditor of the Scheme -

25.3.1 a member of the Board;

25.3.2 an employee, officer or contractor of the Scheme;

25.3.3 an employee, director, officer or contractor of the Scheme's administrator, or of the holding company, subsidiary joint venture or associate of the administrator;

25.3.4 a person not engaged in public practice as an auditor; or

25.3.5 a person who is disqualified from acting as an auditor in terms of the Companies Act, No 71 of 2008.

25.4 Whenever for any reason an internal auditor vacates his office prior to the expiration of the period for which he has been appointed, the Board shall within thirty (30) days appoint another internal auditor to fill the vacancy for the unexpired period.

25.5 The external auditor of the Scheme must attend any Annual General Meeting of the Scheme and will be entitled to attend any other general meeting of the Scheme and to receive all notices of and other

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communications relating to any general meeting which any member of the Scheme is entitled to receive and to make at such meetings any statement in relation to any return, account or balance sheet examined by him or report made by him.

25.6 The auditors of the Scheme shall at all times have a right of access to the books, records, accounts, documents and other effects of the Scheme, and shall be entitled to require from the Board and the officers of the Scheme such information and explanations as they deem necessary for the performance of their duties.

25.7 The external auditor shall make a report to the Members of the Scheme on the accounts examined by him and on the financial statements laid before the Scheme.

25.8 An auditor of the Scheme shall be entitled to report any matter which they became aware of during their audit and which may cause the Scheme from failing to comply with the provisions of the Act and the Rules of the Scheme and furnish a copy of such report in terms of section 45 of the Auditing Profession Act, 2005 (Act No. 26 of 2005), directly to the Registrar. The furnishing of such report in good faith shall not be construed as a contravention of the law or a breach of any provision of a code of professional conduct to which they are subject to and an auditor's failure, in good faith, to furnish a report or information in terms of this section, shall not confer upon any person a right of action against the auditor which, but for that failure, that person would not have had.

25.9 The Board must appoint an audit committee of at least five (5) members of which at least two shall be members of the Board.

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26. GENERAL MEETINGS

26.1 Annual General Meeting

26.1.1 The Annual General Meeting of Members shall be held not later than 30 August of each year, provided that in case of a pandemic or declared National State of Disaster, such Annual General Meeting shall take place within 90 calendar days post the lifting of any restrictions of movement that would prohibit conducting an Annual General Meeting, at such time and place as the Board shall determine for the purpose of –

The affected elected trustees' term of office will also be extended until the AGM is convened.

26.1.1.1 receiving and adopting the annual financial statements of the previous year together with the auditor's report and the Scheme's Integrated Report as required by the Act;

26.1.1.2 the appointment or reappointment of an external auditor;

26.1.1.3 the conclusion of the members of the Board election process; and

26.1.1.4 any other matter of which due notice has been given: Provided that no matter which affects the rates of contribution or extent of benefits under a particular benefit option shall be voted upon at an Annual General Meeting.

26.1.2 The notice convening the Annual General Meeting containing the agenda, the annual financial statements, financial highlights, auditors report and annual Integrated

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Report shall be dispatched to Members to the last known address of a Member according to the records of the Scheme at least fourteen (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.

26.1.3 Fifty (50) members of the Scheme, present in person or via videoconference, and/or by proxy, shall constitute a quorum. If a quorum is not present after the lapse of one (1) hour from the time fixed for the commencement of the meeting, the meeting shall be postponed to a date between seven (7) and twenty-one (21) days from the date of the meeting as determined by the Board and Members then present either in person or electronic medium shall constitute a quorum.

26.1.4 The financial statements and reports specified in Rule 26.1.2 shall be laid before the meeting.

26.1.5 No business shall be transacted at the resumption of any adjourned general meeting other than the business left unfinished at the Annual General Meeting or general meeting from which the adjournment took place.

26.1.6 Notice of motions to be placed before the Annual General Meeting must reach the Principal Officer not later than seven (7) days prior to the date of the meeting.

26.2 Special General Meeting

26.2.1 A Special General Meeting of Members may be called by the Board if it is deemed necessary.

26.2.2 On the requisition of at least 2% of the members of the Scheme, the Board shall cause a Special General Meeting to be called not less than twenty-one (21) and not more than thirty-five (35) days of the deposit of the requisition. The requisition shall state the purpose of and reasons for the

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meeting and shall be signed by all the requisitionists and deposited at the registered office of the Scheme. Only those matters forming the purpose of the meeting shall be discussed.

26.2.3 The notice convening the Special General Meeting containing the agenda shall be dispatched to Members to the last known address of a Member according to the records of the Scheme, at least fourteen (14) 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.

26.2.4 Fifty (50) Members present in person or via videoconference, and/or by proxy, shall constitute a quorum. If a quorum is not present at a Special General Meeting after the lapse of one (1) hour from the time fixed for the commencement of the meeting, the meeting shall be regarded as cancelled.

27. VOTING AT MEETINGS

27.1 Every Member who is present in person or via videoconference at a general meeting of the Scheme and whose contributions are not in arrear, shall have the right to vote, or may, subject to this Rule, appoint another Member of the Scheme as proxy to attend, speak and vote in his stead.

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

27.3 The Chairperson shall determine whether the voting shall be by ballot, electronically or by a show of hands. In the event of the votes being equal, the Chairperson shall, if he is a Member, have a casting in addition to his deliberative vote.

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27.4 Disruptions of meetings of members

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27.4.1 No motion shall be passed by a meeting of members, whether general or special, that is inconsistent or in contravention with the objectives of the Scheme, the Act or the Rules.

27.4.2 In the event that proceedings at the Annual General Meeting are disrupted by members present at the meeting, or if the prevailing circumstances at the Annual General Meeting render it impossible for the meeting to continue at the Chairperson's discretion, then the Board shall be entitled to assume the meeting to have taken place and all the agenda items of the Annual General Meeting would be deemed to have been approved by members present.

28. SETTLEMENT OF DISPUTES AND COMPLAINTS AND ATTENDANCE TO LEGAL, POLICY AND ETHICS DEVELOPMENTS

28.1 Members may lodge their complaints in writing to the Scheme. The Scheme and/or their administrators shall also provide a telephone number which may be used for telephone inquiries.

28.2 A Disputes Committee consisting of at least four (4) persons, of whom at least one shall have legal expertise, shall be appointed on an *ad hoc* basis by the Board. Any dispute which may arise between a Member, prospective Member, former Member or a person claiming by virtue of such Member and the Scheme or an officer of the Scheme, shall be referred by the Principal Officer to the Disputes Committee for adjudication.

28.3 A dispute must be submitted fully documented by the complainant and must be reasoned out and substantiated in terms of the provisions of these Rules.

28.4 On receipt of a dispute in terms of this Rule, the Convener of the Disputes Committee shall place the dispute on the roll of the next scheduled meeting of the Committee and inform the complainant 7 (seven) days before the Committee's scheduled meeting or where time is of the essence, anytime in-between scheduled sittings of the Committee, convene a meeting of the Disputes Committee by giving not less than twenty-one (21) days' notice in writing to the complainant and all the members of the Disputes Committee, stating the date, time, and venue of the meeting and particulars of the dispute.

28.5 The parties to any dispute shall have the right to be heard at the proceedings, either in person or through a representative: Provided that each party shall bear their own costs. The decision of the said Committee shall be binding upon the parties concerned.

28.6 The complainant shall have the right to appeal to the Council for Medical Schemes against the decision of the Disputes Committee. Such appeal shall be in the form of an affidavit directed to Council and shall reach the Registrar not later than sixty (60) calendar/business days after the date on which the decision by the Disputes Committee was made.

28.7 The Dispute Committee contemplated in this paragraph 28 shall be empowered to consider and guide the Board of Trustees in respect of such matters as maybe consistent with section 57(4)(h) and (i) and this will be in addition to considering and adjudicating complaints and disputes.

29. DISSOLUTION

29.1 The Scheme shall be dissolved only by order of a competent court or by voluntary dissolution.

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29.2 Members in general meeting may decide that the Scheme must be dissolved, in which event the Board must arrange for members to decide by ballot whether the Scheme must be liquidated.

29.3 Pursuant to a decision by Members taken in terms of Rule 29.2 the Principal Officer must, in consultation with the Registrar, furnish to every Member a memorandum containing the reasons for the proposed dissolution and setting forth the proposed basis of distribution of the assets in the event of winding up, together with a ballot paper.

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

30. AMALGAMATION AND TRANSFER OF BUSINESS

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

30.2 If at least fifty (50) percent of the Members return their ballot papers duly completed and if the majority thereof is in favour of the amalgamation or the transfer, the transaction may be concluded in the prescribed manner.

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REGISTRAR OF MEDICAL SCHEMES

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

31. RIGHT TO OBTAIN DOCUMENTS AND PERUSAL OF DOCUMENTS

31.1 Any Member shall on request and on payment of an amount of R65 per copy, be supplied by the Scheme with a copy of the following documents:

31.1.1 A set of the rules of the Scheme; or

31.1.2 The latest audited annual financial statements, annual Integrated Report and auditor's report of the Scheme; or

31.1.3 The Management accounts in respect of any benefit option.

31.2 A Member shall be entitled, free of charge, to inspect at the registered office of the Scheme any document referred to in Rule 31.1 and to make extracts there from.

31.3 The provision of Rule 31.1 shall not be used to deny a member's access to the documents in terms of the Promotion of Access to Information Act, 2000 (Act No 2 of 2000).

32. AMENDMENT OF RULES

32.1 The Board shall be entitled to amend or rescind any rule or annexure or to make any additional rule or annexure.

32.2 No alteration, rescission or addition shall be valid unless it has been approved and registered by the Registrar in terms of the Act.

32.3 Members shall be furnished with a copy of such alteration, rescission or addition within thirty (30) days after registration thereof. Should a Member's rights, obligations, contributions or benefits be amended, a Member shall be given thirty (30) days advance written notice of such change.

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32.4 Notwithstanding the provisions of Rule 32.1 above, 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.

33. EX GRATIA PAYMENT

The Board shall not authorize payment for services other than those provided for in these Rules but may, in its absolute discretion, upon written request by a Member, authorize an ex gratia payment in respect of a benefit, upon proof that undue hardship would otherwise be imposed upon a Member.

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