SUREMED HEALTH

RULES

2026

1. NAME

The name of the scheme is Suremed Health, hereinafter referred to as the "Scheme".

2. LEGAL PERSONA

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

3. REGISTERED OFFICE

The registered office of the Scheme is situated at 7 Lutman Street, Richmond Hill, Port Elizabeth, 6001, but the Board may transfer such office to any other location in the Republic of South Africa.
[Amended w.e.f. 1 September 2007]

4. DEFINITIONS

In these rules, a word or expression defined in the Medical Schemes Act, 1998, (Act No 131 of 1998) bears the meaning thus assigned to it and, unless inconsistent with the context,

(i) a word or expression in the masculine gender includes the feminine;

(ii) a word in the singular number includes the plural, and *vice versa;*

(iii) the following expressions have the following meanings:

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

4.2 "adult dependant", shall mean a dependant other than a child dependant;

4.3 "approval", shall mean prior written approval of the Board or its authorized representative;

4.4 "auditor", shall mean an auditor registered in terms of the Public Accountants' and Auditors' Act, 1991, (Act No. 80 of 1991);

4.5 “authorisation”, shall mean the authorisation by or on behalf of the Scheme for a case to be managed under the relevant managed health care programme and for which application has been made by or on behalf of a beneficiary prior to admission to a hospital or day clinic or for such other specific services and or procedures as may be determined by the Scheme from time to time and such authorisation shall be deemed to authorise all procedures and services as may be necessary during the stipulated period.

4.6 “beneficiary”, shall mean a member or the dependant of a member.

4.7 “Board”, shall mean the Board of Trustees constituted to manage the Scheme in terms of the Act and these rules.

4.8 “chemotherapy”, shall mean medication used in the cure and containment of a malignant neoplastic condition and includes cytostatics and hormone inhibitors;

4.9 “child”, shall mean a member’s natural child, stepchild or legally-adopted child or child in the process of being adopted or in the process of being placed in foster care, under the age of 21 (twenty-one) years who is not in receipt of a regular remuneration of more than the maximum social pension per month, or a child irrespective of age who, due to a mental or physical disability, is dependent upon the member.

4.10 “condition specific waiting period”, shall mean a period during which a beneficiary is not entitled to claim benefits in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve-month period ending on the date on which an application for membership was made.

4.11 “continuation member”, shall mean:

4.11.1 a member who retains membership in terms of these rules in the event of his retiring from the service of his employer; or his employment being terminated by his employer, or

4.11.2 a dependant of a deceased member who obtains membership in terms of these rules.

4.12 “contribution”, shall mean in relation to a member, the amount, exclusive of interest, paid by or in respect of the member and his registered dependants if any, as membership fees and shall include contributions to medical savings accounts.

4.13 “cost”, shall mean in relation to a benefit, the net or final amount payable in respect of a relevant health service.

4.14 “Council”, shall mean the Medical Schemes Council formed in terms of the Act.

4.15 “creditable coverage”, shall mean any period during which a late joiner was

4.15.1 a member or a dependant of a medical scheme;

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

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

4.15.4 A member or a dependant of Permanent Force Continuation Fund,

but excluding any period of coverage as a dependant under the age of 21 years;

4.16 “day”, shall mean calendar day and “weekday” shall mean any day not being a Saturday Sunday or public holiday;

4.17 "dependant", shall mean

4.17.1 a member's spouse or partner, irrespective of sex, who is not a member or a registered dependant of a member of another medical scheme registered under the Act;

4.17.2 a member's child who is not a member, or a registered dependant of a member, of another medical scheme registered under the Act;

4.17.3 other members of the member's immediate family, in respect of whom the member is liable for family care and support, and who is not a member or registered dependant of a member of another medical scheme registered under the Act.

4.18 "designated service provider", shall mean a health care provider or group of providers selected by the medical scheme concerned as the preferred provider or providers to provide to its members diagnosis, treatment and care in respect of one or more prescribed minimum benefit conditions;

4.19 "domicilium citandi et executandi", shall mean the member's chosen physical address at which notices in terms of rules 11 and 13 as well as legal process, or any action arising therefrom, may be validly delivered and served;

4.20 “emergency medical condition”, shall mean the sudden and, at the time, unexpected onset of a health condition that requires immediate medical or surgical treatment, where failure to provide medical or surgical treatment would result in serious impairment to bodily functions or serious dysfunction of a bodily organ or part, or would place the person’s life in serious jeopardy;

4.21 “employee”, shall mean a person in the permanent employment of an employer.

4.22 “employer”, shall mean a participating employer who has contracted with the Scheme for purposes of admission of its employees as members of the Scheme.

4.23 “income”, *see Annexure A;*

4.24 “late joiner”, shall mean an applicant or the adult dependant of an applicant who, at the date of application for membership or admission as a dependant, as the case may be, is 35 years of age or older, but excludes any beneficiary who enjoyed coverage with one or more medical schemes as from a date preceding 1 April 2001, without a break in coverage exceeding three consecutive months since 1 April 2001;

4.25 “liable for family care and support”, shall mean a liability for financial support enforceable by a court of law;

4.26 “managed health care programme”, shall mean a programme adopted by the Scheme incorporating such clinical protocols as defined in relevant annexures to the contract between the Scheme and the institution or managed healthcare organization contracted to perform the management of a relevant health service in order to contain costs or for the ongoing review and monitoring of patients as set out in paragraph 6 of Annexure D;

4.27 “medicine designated price”, shall mean the maximum reimbursable price for a medicine or group of medicines according to the medicine price list;

“medicine price list”, shall mean a list prepared by the relevant managed health care programme containing the maximum reimbursable price of specified medicines.

4.28 “member”, shall mean any person who is admitted as a member of the Scheme in terms of these rules.

4.29 ”member family”, shall mean the member and all his registered dependants.

4.30 “minimum benefits”, shall mean any service falling within the prescribed minimum benefits in respect of relevant health services as prescribed by the Minister in terms of section 67(1)(g) of the Act obtained by a member from a public hospital and which service is not different from the service available to a public hospital patient; and any emergency medical condition.

4.31 "negotiated fee", shall mean a charge agreed to between the Scheme and dispensers and preferred providers in respect of the dispensing of registered medicines;

4.32 "other immediate family", shall mean a member's parent(s) (including an adoptive parent) and siblings.

4.33 "partner", shall mean a person with whom the member has a committed and serious relationship akin to a marriage based on objective criteria of mutual dependency and a shared and common household, irrespective of the sex of either party.

4.34 "person", shall mean a citizen or permanent resident of the Republic of South Africa or a foreign national who, in the sole discretion of the Board, is accepted as being eligible to become a member or a dependant beneficiary.
[Added w.e.f. 1 September 2007]

4.35 "pre-existing sickness condition", shall mean a sickness 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 minimum benefit condition", shall mean a condition contemplated in the Diagnosis and Treatment pairs listed in Annexure A or any emergency medical condition.

4.37 “prosthesis”, shall mean a fabricated or artificial substitute or support for a diseased or missing part of the body, which is surgically implanted with the intention to restore functionality, and shall include all components such as pins, rods, screws, plates, nails, fixation material, or similar items, forming an integral and necessary part of the device so implanted, and shall be charged (where applicable) as a single unit.

4.38 “Registrar”, shall mean the Registrar or Deputy Registrar(s) of Medical Schemes appointed in terms of section 18 of the Act.

4.39 ”regulations”, shall mean the regulations promulgated by the Minister of Health in terms of the Act.

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

4.41 “spouse”, shall mean the person to whom the member is married in terms of any law, custom or religious rites.

4.42 “Suremed Scheme Tariff”, shall mean the tariff payable for health services as determined by the Board of Trustees**. [Added with effect from 1 January 2011]**

5. OBJECTS

The objects of the Scheme are:

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

5.2 to make provision for the obtaining of any relevant health service;

5.3 to grant assistance in defraying expenditure incurred in connection with the rendering of any relevant health service; and/or

5.4 to render a relevant health service, either by the Scheme itself, or by any supplier or group of suppliers of a relevant health service or by any person in association with, or in terms of an agreement with, the Scheme.

6. MEMBERSHIP

6.1 Eligibility

Subject to rule 8, membership is open to any person or group of persons.

6.2 Retirees

6.2.1 A member shall retain his membership of the Scheme with his registered dependants, if any, in the event of his retiring from the service of his employer or his employment being terminated by his employer on account of age, ill-health or other disability.

6.2.2 The Scheme shall inform the member of his right to

continue his membership and of the contribution payable from the date of retirement or termination of his employment. Unless such member informs the Board in writing of his desire to terminate his membership, he shall continue to be a member.

6.3 Dependants of deceased members

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

6.3.2 The Scheme shall inform the dependant of his right to membership and of the contributions payable in respect thereof. Unless such person informs the Board in writing of his intention not to become a member, he shall be admitted as a member of the Scheme.

6.3.3 Such a member's membership terminates if he becomes a member or a dependant of a member of another medical scheme registered under the Act.

6.3.4 Where a child dependant has been orphaned the child shall be deemed to be the member, and if there is more than one orphan, the eldest child shall be deemed to be the member, and any younger sibling(s), the child dependant(s).

6.4 Interchangeability and waiting periods

See Annexure D.

7. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS

7.1 CONDITIONS APPLICABLE TO MEMBERSHIP

7.1.1 A member may apply for the registration of his dependants at the time that he joins the Scheme in terms of rule 8.

7.1.2 A member may apply to register a newborn or newly adopted child within 30 (thirty) days of the date of birth or adoption of the child and such child shall thereupon be registered by the Scheme as a dependant. Increased contributions shall be due as from the first day of the month following the month of birth or adoption and benefits will accrue as from the date of birth or adoption.

7.1.3 A member who marries subsequent to joining the Scheme may apply within 30 (thirty) days of the date of such marriage to register his spouse as a dependant and his spouse shall thereupon be registered by the Scheme as a dependant. Increased contributions shall 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, provided that no such spouse shall qualify for benefits until such time as the member qualifies for benefits.

7.1.4 In the event of any person becoming eligible for registration as a dependant other than in the circumstances set out in rules 7.1.1 to 7.1.3 the member

may apply to the Scheme within 30 (thirty) days of such event for the registration of such person as a dependant, whereupon the provisions of these rules shall apply *mutatis mutandis.*

7.1.5 The Scheme shall under no circumstances be obliged to register as a member or as a dependant of a member any person whose membership or registration as dependant was terminated by the Scheme or any other scheme on any of the grounds provided for in these rules or in section 29(2) of the Act.

7.1.6 On registration as dependant, benefits in respect of such dependant shall be available, subject to the provisions of Annexure D.

7.1.7 The registered dependant(s) of a member shall participate in the same benefit option as the member.

7.2 De-registration of Dependant(s)

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

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

7.2.3 For purposes of these rules a child dependant shall be deemed to have ceased to be a child dependant:

[Amended w.e.f. 1 January 2008]

7.2.3.1 at the end of the month during which a child registered as a dependant reaches the age of 21 (twenty-one) years, unless the member provides satisfactory evidence that such child is not yet 25 (twenty five) years of age and is a full-time registered student at a registered tertiary education institution. Such proof is to be provided 30 (thirty) days before the child's 21st (twenty-first) birthday and every birthday thereafter until the child's 24th (twenty fourth) birthday.

[Amended w.e.f. 1 January 2008]

7.2.3.2 at the beginning of a benefit year if a registered dependant qualified as a dependant in terms of rule 4.17.3 unless the member provides satisfactory evidence that the requirements to qualify as a dependant still apply. Such proof is to be provided annually thirty days before the start of the new benefit year.

[Amended w.e.f. 1 January 2008]

8. TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP

8.1 A minor may become a member with the consent of his parent or guardian.

8.2 No person may be a member of the Scheme or a dependant of a member of the Scheme or claim benefits from the Scheme, if he is a member, or a dependant of a member of another medical scheme registered under the Act, or claims or accepts benefits in respect of himself or any of his dependants from another medical scheme registered under the Act.

8.3 Members shall,

8.3.1 prior to admission, complete and submit the application forms required by the Scheme, together with satisfactory evidence in respect of the member and any dependant(s) of the member, of:

8.3.1.1 identity

8.3.1.2 **[Deleted w.e.f. 1 September 2007]**

8.3.1.3 **[Deleted w.e.f. 1 September 2007]**

8.3.1.4 age,

8.3.1.5 income,

8.3.1.6 state of health and of any medical advice, diagnosis, care or treatment recommended or obtained within a period of 12 (twelve) months immediately prior to the date on which application to the Scheme was made,

8.3.1.7 proof of any prior membership of any other medical scheme registered under the Act, and

8.3.2 annually, on or before 31st March of every year, and whenever there is any change in the income of the member or the spouse or partner of a member, submit to the Scheme satisfactory evidence of:

8.3.2.1 income of the member,

8.3.1.2 income of the spouse or partner of the member registered as a dependant of the member.

8.4 The Scheme may at any time after registration of a member require the member to again provide satisfactory evidence of the information specified in rule 8.3 within 14 (fourteen) days of being requested so to do. Should a member fail to comply with such a request within the specified period, or should the information provided differ from the information provided with the member's application to join the Scheme, same shall be regarded as constituting one or all of the contraventions stipulated in rule 12.5 and the Scheme shall forthwith be entitled to invoke the provisions of rule 12.5 unless the member can provide a reasonable explanation.

8.5 Every member will, on admission to membership and thereafter annually on or before 30th November of each year, receive a precis of these rules which shall include contributions, benefits, limitations in respect of all benefits options of the Scheme and details of the member's rights and obligations. Members and their dependant(s), 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.

8.6 The Scheme shall give members at least 30 (thirty) days notice of any changes to their contributions, benefits, limitations and the member's rights and obligations.

8.7 A member may not cede, transfer, pledge or hypothecate or make over to any third party any claim, or part of a claim or any right to a benefit which he may have against the Scheme. 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.

9. TRANSFER OF CONTINUATION MEMBERS ASSOCIATED WITH EMPLOYER GROUPS TRANSFERRING FROM ANOTHER MEDICAL SCHEME

If the members of another medical scheme registered under the Act who are members of that scheme by virtue of their employment by a particular employer, terminate their membership of such scheme with the object of obtaining membership of the Scheme and are accepted as members of the Scheme in terms of these rules, the Board will admit as a member, without a waiting period or the imposition of new restrictions on account of the state of his health or the health of any of his dependants, any member of such first-mentioned scheme who is a continuation member by virtue of his past employment by the particular employer and register as dependant, any person who has been a registered dependant of such a member.

10. MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP

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

10.2 The utilisation of a membership card by any person other than the member or his registered dependant(s), with the knowledge or consent of the member or his dependant(s), is not permitted and shall be construed as an abuse of the privileges of membership of the Scheme in terms of rule 12.5.

10.3 On termination of membership or on de-registration of a dependant, the Scheme must, within 30 (thirty) days of such termination or at any time on request, furnish such person with a certificate of membership and cover, containing such particulars as may be prescribed.

11. CHANGE OF ADDRESS OF MEMBER

A member must notify the Scheme within 30 (thirty) days of any change of address including his *domicilium citandi et executandi*. The Scheme shall not be held liable if a member's rights are prejudiced or forfeited as a result of the member neglecting to comply with the requirements of this rule.

12. TERMINATION OF MEMBERSHIP

12.1 Resignation (employer groups)

12.1.1 A participating employer may terminate his participation with the Scheme on giving 3 (three) months written notice whereupon the membership of all employees and continuation members who have joined the scheme by virtue of their association with such employer shall cease.

12.1.2 A member, who joined the scheme as a result of his status as an employee of an employer may not terminate his membership while he remains an employee without the prior written consent of both his employer and the Scheme.

12.1.3 A member who resigns or is dismissed from the service of the participating employer shall be eligible on the date of such termination to maintain individual membership if he so chooses without the imposition of any new restriction that did not exist at the time of his dismissal or resignation.

12.1.4 The Board may at its sole discretion agree to reduce the period of notice required.

12.2 Termination of membership (Individual members)

12.2.1 A member, who is not an employee of an employer may terminate his membership of the Scheme on giving 3 (three) months written notice. All rights to benefits cease after the last day of membership.

12.2.2 Such notice period shall be waived in substantiated cases where membership of another medical scheme registered under the Act is compulsory as a result of a condition of employment.

12.3 Death

Membership of a member terminates on his death.

12.4 Failure to pay amounts due to the Scheme

If a member fails to pay amounts due to the Scheme his membership shall be terminated as provided in these rules.

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

The Board shall immediately exclude from benefits and terminate the membership of a member or dependant whom the Board finds guilty of abusing the benefits and privileges of the Scheme as a result of such member refusing or failing to comply in full with rules 8.3 and 8.4, presenting false information, presenting false claims or

making a material misrepresentation or non-disclosure of factual information whether upon application to join the Scheme or at any time after being registered as a member. In such event such member shall be required by the Board and obliged to refund to the Scheme any sum which, but for his abuse of the benefits or privileges of the Scheme, would not have been disbursed on his behalf.

12.6 The *audi alteram partem* rule

In order to comply with the *audi alteram partem* rule a member who is aggrieved by a decision of the Board pursuant to rules 12.4 and/or 12.5 shall have the right to refer his grievance to the disputes committee as provided for in rule 29.2.2.

13. CONTRIBUTIONS

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

13.2 Contributions from an Employer and private members who joined the scheme before 31 December 2018 shall be due in monthly arrears and all other contributions for new members who do not belong to an Employer group joining on or after 1 January 2019 shall be due monthly in advance and payable to the Scheme in terms of the provisions of Annexure A. Where contributions or any other debt owing to the Scheme, have not been paid within 3 days of the due date, the Scheme shall have the right:**[Amended with effect 1 January 2019]**

13.2.1 to suspend all benefit payments which have accrued to such member during the period of default; and

13.2.2 to give the member written notice at his *domicilium citandi et executandi* that if contributions or such other debts are not paid up to date within 14 days of such notice, membership may be cancelled. A notice sent by prepaid registered post to the member at his *domicilium citandi et executandi* indicating the outstanding amount shall be deemed to have been received by the member on the 7th day after the date of posting. In the event that the member fails to nominate a *domicilium citandi et executandi,* the member's postal or residential address on his application form shall be deemed to be his *domicilium citandi et executandi.*

13.3 In the event that payments are brought up to date, and provided membership has not been cancelled in accordance with rule 13.2.2 above, 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 the member from the date of default and any such benefit paid may be recovered by the Scheme.

13.4 Unless specifically provided for in the rules in respect of savings accounts, no refund of any assets of the Scheme or any portion of a contribution shall be paid to any person where such member's membership or cover in respect of any dependant terminates during the course of a month.

13.5 The balance standing to the credit of a member in terms of any option which provides for personal medical savings accounts shall, at all times remain the property of the member and any balance remaining upon termination shall be retained by the Scheme for up to five months and used to pay any claims received after termination of membership in respect of services rendered to the member or his dependants prior to termination. Subject to the provisions of Annexure A(2) – Appendix 1 any balance then remaining after five months shall be refunded to the member.

[Amended w.e.f. 1 September 2007]

14. LIABILITIES OF EMPLOYER AND MEMBER

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

14.2 The liability of a member to the Scheme is limited to the sum of his unpaid contributions and any amounts incorrectly disbursed by the Scheme on his behalf or on behalf of his dependants and any interest and expenses due in terms of rule 13.3, which have not been paid or repaid to the Scheme.

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

15. CLAIMS PROCEDURE

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

15.1 If an account, statement or claim is correct or where a corrected account, statement or claim is received, as the case may be, the Scheme shall, in addition to the payment contemplated in section 59 (2) of the Act, dispatch to the member a statement containing at least the following particulars:

15.1.1 the name and the membership number of the member;

15.1.2 the name of the supplier of service;

15.1.3 the final date of service rendered by the supplier of service on the account or statement which is covered by the payment;

15.1.4 the total amount charged for the service concerned; and

15.1.5 the amount of the benefit awarded for such service.

15.2 In order to qualify for benefits, any claim other than electronically submitted claims must be signed and certified by the member as correct and must be submitted to the Scheme not later than the last day of the fourth month following the month in which the service was rendered.

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

15.4 Accounts for treatment of:

15.4.1 willfully self-inflicted injuries, or

15.4.2 injuries resulting from motor vehicle accidents, or

15.4.3 injuries incurred by a member in the course of his employment

must be supported by a statement, setting out particulars of the circumstances in which the injury or accident was sustained in order to enable the Scheme to determine whether the claim is excluded from benefits or may be recoverable from a third party insurer.

On receipt of payment in respect of medical expenses, the member will reimburse the Scheme any money paid out in respect of this benefit by the Scheme.

15.5 Where the Scheme is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, the Scheme shall notify the member and the relevant health care provider within 30 (thirty) days after receipt thereof and state the reasons for such an opinion. The Scheme shall afford such member and provider the opportunity to resubmit such corrected account or statement within sixty days following the date from which it was returned for correction.

16. BENEFITS

16.1 Members are entitled to benefits during a financial year, as per Annexure B, and such benefits extend through the member to his registered dependants. Should there at any time be more than one benefit option available, a member must, on admission, elect to participate in any one of the available options detailed at the time in Annexure B.

16.2 In the event of a member joining or leaving the Scheme during a financial year, he shall only be entitled to a pro-rata proportion of each annual benefit limit scheduled in Annexure B which shall be calculated by dividing the number of completed months of membership during the year by 12 (twelve), and multiplying the result by each annual benefit limit scheduled in Annexure B.

16.3 A member is entitled to change from one to another benefit option subject to the following conditions:

16.3.1 The change may be made only with effect from 1st January of any year. The Board may, in its absolute discretion, permit a member to change from one to another benefit option on any other date.

16.3.2 Application to change from one benefit option to another must be in writing and lodged with the principal officer by not later than the later of:

16.3.2.1 31st December immediately preceding the 1st January of the year in which it is intended that the change shall take place, or

16.3.2.2 30 (thirty) days after the member has been sent notification of any intended changes in benefits or contributions for the next year.

16.4 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 30 (thirty) days of receipt of the claim pertaining to such benefit.

16.5 Any benefit option offered in Annexure B covers in full the cost of the minimum benefits rendered by a State hospital. In those instances where the State hospital service is not reasonably available, the Scheme remains liable for 100% of the cost in relation to those PMB's in whichever facility the beneficiary is compelled to seek treatment (in accordance with the Scheme's managed care protocols). **[Amended with effect from 1 January 2012]**

16.6 The Scheme may exclude services from benefits as set out in Annexure C.

17. PAYMENT OF ACCOUNTS

17.1 Payment of accounts or reimbursement of claims is restricted to the net amount payable in respect of such benefit and maximum amount of the benefit to which the member is entitled in terms of the applicable benefit.

17.2 Any discount whether on an individual basis or bulk discount received in respect of a relevant health service shall be for the benefit of the member in determining the net amount payable for the service and appropriate deduction from the applicable benefit limit, or medical savings account, as the case may be.

17.4 The Scheme may, whether by agreement or not, pay the benefit to which the member is entitled, directly to the supplier (or group of suppliers) who rendered the service.

17.5 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 the member or to the supplier of service, the amount of any such account or benefit overpayment is recoverable by the Scheme from the member.

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

17.7 Payments for PMB conditions will be funded at 100% of the cost with the applicable co-payments and limits if the services are voluntary obtained from a non-designated service provider subject to the Scheme's managed care protocols. **[Amended with effect from 1 January 2012]**.

18. GOVERNANCE

18.1 Board of trustees

18.1.1 The affairs of the Scheme must be managed according to these Rules and the Act and regulations by a Board of trustees consisting of at least 3 (three) and no more than 6 (six) persons who are fit and proper to be trustees.

18.1.2 The following persons are not eligible to serve as members of the Board and any nomination of such a person shall be void:

18.1.2.1 a person under the age of 21 (twenty-one) years;

18.1.2.2 a director, employee, officer, consultant, contractor, partner, representative or agent of the administrator of the Scheme or of any controlling or subsidiary company of the administrator;

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

18.1.2.4 the principal officer of the Scheme;

18.1.2.5 a director, employee, partner, representative or agent of any actuary, consultant, broker or intermediary of the Scheme or of any controlling or subsidiary company of any actuary, consultant, broker or intermediary of the Scheme;

18.1.2.6 a person, including a legal person, associated with any actuary, consultant, broker or intermediary of the Scheme or of any controlling or subsidiary company of any actuary, consultant, broker or intermediary of the Scheme;

18.1.2.7 the auditor of the Scheme;

18.1.2.8 A broker.

18.1.3 Nomination, election and removal of trustees shall take place according to the procedures set out in these Rules.

18.1.4 Persons referred to in rules 18.1.2.5 or 18.1.2.6 may be co-opted to assist the Board in terms of rules 18.7.6 or a committee of the Board in terms of rule 20.3.

18.2 Member elected trustees

18.2.1 At least half of the total number of trustees must be members elected by members to serve terms of office of 3 (three) years each (member elected trustees) provided that if the number of member elected trustees shall fall below the number of employer nominated trustees as a result of resignations or disqualification or as a result of a poll in terms of rule 28.8.2, the remaining members of the Board shall validly continue to hold office until such time as an election is held to successfully replace the resigned or disqualified member elected trustees.

18.2.2 Retiring members of the Board are eligible for re-election.

18.2.3 Nominations to fill vacancies for member elected trustees must be submitted to the Scheme:

18.2.3.1 No later than 7 days prior to the date of the meeting in respect of elections to be held at the next annual general meeting, or

18.2.3.2 by the due date specified in the notice of a special general meeting called in terms of rule 28.8.2.3.1 or rule 28.8.2.3.3.

18.2.4 A nomination for a candidate to be an member elected trustee must contain the following:

18.2.4.1 The name, membership number and signature of the member making the nomination indicating that he is so doing;

18.2.4.2 The name, membership number and signature of the member seconding the nomination indicating that he is so doing;

18.2.4.3 The name, membership number and signature of the member being nominated as candidate for election, indicating that he is not ineligible to serve nor disqualified from serving as a trustee and that he is willing to stand for election.

18.2.5 If any of the members signing the aforementioned nomination, be he proposer, seconder or candidate, is more than one month in arrears with contributions at the date that the nomination form is lodged with the Scheme, such nomination shall be void.

18.2.6 Except as provided for in rules 18.4.1.1 and 28.8.2.3 the election for member elected trustees must be carried out by the members present and entitled to vote at the annual general meeting of members of the Scheme.

18.2.7 Trustees elected by members shall serve as such until the third annual general meeting succeeding their election.

18.3 Employer nominated trustees

18.3.1 The balance of trustees shall be nominated by employers to serve terms of office of 3 (three) years each (employer nominated trustees).

18.3.2 Retiring employer nominated trustees are eligible for re-nomination.

18.3.3 Employer nominated trustees need not be members of the Scheme nor employees of the employer making the nomination, provided that, where the nominee is neither an employee of the nominating employer nor a member of the Scheme, such nomination shall be subject to the approval and acceptance of the Board .

18.3.4 Candidates for the position of employer nominated trustees shall be nominated by employers either verbally or in writing provided that an employer whose employee members are more than one month in arrears with contributions shall not be entitled to make such a nomination. An employer shall not be entitled to nominate more than one trustee at one time nor shall an employer be entitled to nominate a new trustee while one of its previous nominees is serving on the Board.

18.3.5 Any candidate nominated by an employer shall, be immediately deemed to be elected and shall immediately serve as a member of the Board, provided that he is not ineligible to serve as a trustee in terms of rule 18.1.2 nor disqualified from serving in terms of rule 18.6.4 and provided further that the total number of employer nominated trustees shall not exceed the number of member elected trustees.

18.3.6 In the event that a nomination is received, which, if accepted, would result in the number of employer nominated trustees exceeding the number of member elected trustees, such nomination shall be deferred until a vacancy arises amongst employer nominated trustees.

18.3.7 In the event that the number of employer nominated trustees exceeds the maximum number of employer nominated vacancies, then the Scheme shall conduct a postal poll amongst employers to determine which of the nomination(s) shall be successful.

18.3.8 In conducting the poll the Scheme shall post to each employer by ordinary mail:

18.3.8.1 the names of the candidates together with an abridged curriculum vitae for each candidate;

18.3.8.2 the number of vacancies;

18.3.8.3 a poll form setting out the procedure to be adopted for voting and the deadlines and procedures to be followed for submission of the completed poll form to the Scheme;

18.3.8.4 if the employer is ineligible to vote in terms of rule 18.3.11, a note specifying that this is so.

18.3.9 The poll forms shall be posted to employers at least 14 (fourteen) days before the deadline specified for submission of completed poll forms.

18.3.10 Each employer shall have a number of votes per vacancy equal to the number of his employees who are registered as members of the Scheme on the first day of the calendar month immediately preceding the deadline for submission of completed poll forms.

18.3.11 Any employer whose employee members are more than one month in arrears with contributions at the date of the deadline for submission of completed poll forms shall be ineligible to vote in the poll.

18.3.12 Neither a delay or *bona fide* error in the (de)registration of employees' membership nor non-receipt of the poll form by an employer shall invalidate the poll.

18.4 Void in the Board

18.4.1 In the event that there should be no Trustees at all ("void in the Board"), or in the circumstances postulated in rule 28.8.2.3, the principal officer shall immediately:

18.4.1.1 convene a special general meeting to be held within 60 (sixty) days to conduct an election and shall in the notice thereof specify a deadline for submission of nominations for candidates to be elected as member elected trustees, and

18.4.1.2 circulate a notice to employers calling for nominations for candidates to become employer nominated trustees and any persons nominated pursuant to this circular shall serve as an interim Board until the conclusion of an election held pursuant to rule 18.4.1.1 above.

18.5 Casual vacancies in the Board

18.5.1 The Board may fill by co-option and appointment any casual vacancy (whether in respect of member elected trustees or in respect of employer nominated trustees) which occurs during its term of office.

18.5.2 In the case of the appointment of a replacement for a member elected trustee, the replacement must be a member of the Scheme and must retire at the first ensuing annual general meeting, but shall be eligible for nomination as a candidate for re-election.

18.5.3 In the case of the appointment of a replacement for an employer nominated trustee, the replacement trustee shall serve for the unexpired period of office of the vacating member of the Board.

18.6 Termination of office

18.6.1 A member of the Board may resign at any time by giving written notice to the Board.

18.6.2 All member elected trustees cease to hold office if so decided by a poll of members pursuant to the provisions of rule 28.8.2.

18.6.3 All employer nominated trustees cease to hold office if so decided by a poll of employers pursuant to the provisions of rule 28.8.2.

18.6.4 A member of the Board ceases to hold office and any nominee shall be disqualified from serving on the Board if —

18.6.4.1 he is or becomes mentally incompetent or incapable of managing his affairs;

18.6.4.2 he is not permanently resident in the Republic of South Africa;

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

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

18.6.4.5 he has been or is removed by the court from any office of trust on account of misconduct;

18.6.4.6 he has been or is disqualified under any law from carrying on his profession;

18.6.4.7 subsequent to his becoming a trustee, his status changes to that of a person ineligible to serve as a member of the board in terms of rules 18.1.2.2 to 18.1.2.7;

18.6.4.8 he is an employer nominated trustee and the participating employer who nominated him requests his withdrawal, or being an member elected trustee, he ceases to be a member of the Scheme;

18.6.4.9 he absents himself from three consecutive meetings of the Board without the permission of the chairperson of the Board;

18.6.4.10 he is removed from office by Council in terms of section 46 of the Act.

18.7 Functioning of the Board

18.7.1 Half of the members of the Board physically/and or virtually present, plus one is a quorum at meetings of the Board and shall not include suspended Board members. **[Amended with effect from 1 January 2021]**

18.7.2 The Board must elect from its number a chairperson and vice-chairperson.

18.7.3 In the absence of the chairperson and vice-chairperson at any meeting of the Board, the Board members present must elect one of their number to preside over the meeting.

18.7.4 Matters before the Board must be decided by a majority vote and in the event of an equality of votes, the chairperson has a casting vote in addition to his deliberative vote.

18.7.5 The Board must meet at such intervals as are necessary for it to fulfill its duties in terms of these rules. These meetings can take place physically or virtually. **[Amended with effect from 1 January 2021]**

18.7.6 The Board may co-opt a knowledgeable person to assist it in its deliberations provided that such person shall not have a vote.

18.7.7 The chairperson may convene a special meeting of the board should the necessity arise. Any 2 (two) members of the Board may request the chairperson to convene a special meeting of the Board, stating the matters to be discussed at such meeting.

18.7.8 The Board may discuss and resolve matters by telephone or electronic conferencing means and may adopt resolutions on that basis provided that all members of the Board are consulted and agree to such a resolution.

18.7.9 Members of the Board may be reimbursed for all reasonable expenses incurred by them in the performance of their duties as trustees. Remuneration will only be paid in respect of the Board members holding office and attendance at Board meetings. No remuneration will be payable to Board members in respect of consulting work done, or the attendance of seminars or conferences. **[Amended with effect from 1 January 2015]**

18.7.10 The Independent Remuneration Committee shall recommend on any remuneration to be paid to members of the Board and the Principal Officer. Any remuneration paid to any member of the Board shall be approved, in advance by members at the Annual General Meeting of the Scheme. Remuneration paid to the Board members shall be disclosed in the annual financial statements to be laid before each annual general meeting. **[Amended with effect from 1 January 2015]**

19. DUTIES OF BOARD OF TRUSTEES

19.1 The Board is responsible for the proper and sound management of the Scheme in terms of these rules and the Act and regulations.

19.2 The Board must act with due care, diligence, skill, and in good faith and must take all reasonable steps to ensure that the interests of members and dependants in terms of these rules and the Act and regulations are protected at all times.

19.3 Members of the Board must avoid conflicts of interests, and must declare any interest they may have in any particular matter serving before the Board and shall act with impartiality in respect of all members and dependants.

19.4 The Board must apply sound business principles and ensure the financial soundness of the Scheme.

19.5 The Board shall appoint a principal officer who is fit and proper to hold such office and shall within 30 (thirty) days of such appointment give notice thereof in writing to the Registrar. The Board may appoint any staff which in its opinion are required for the proper execution of the business of the Scheme, and shall determine the terms and conditions of service of the principal officer and of any person employed by the Scheme. The principal officer shall be responsible for managing the day to day affairs of the Scheme. **[Amended with effect from 1 January 2015]**

19.6 Subject to the provisions of Item 6 of Schedule 2 to the Act, the provisions of rules 18.1.2, 18.6.4 and 19.19 apply *mutatis mutandis* to the principal officer.

19.7 The chairperson must preside over meetings of the Board and ensure due and proper conduct at meetings.

19.8 The Board must ensure that proper minutes, accounts, entries, 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 The Board must ensure that proper control systems are employed by and on behalf of the Scheme.

19.10 The Board must ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions and duties in terms of the Rules.

19.11 The Board must take all reasonable steps to ensure that contributions are paid timeously to the Scheme in accordance with the Act and the Rules.

19.12 The Board must take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance in such amount as the Board may determine, subject to the provisions of the Act and regulations.

19.13 The Board must obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the members of the Board may lack sufficient expertise.

19.14 The Board must ensure that the Rules and the operation and administration of the Scheme comply with the provisions of the Act and all other applicable laws.

19.15 The Board must take all reasonable steps to protect the confidentiality of medical records concerning any member's or dependant's state of health.

19.16 The Board must approve all disbursements.

19.17 The Board must cause any mortgage bond, title deed or other security belonging to or held by the Scheme 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, except when in the temporary custody of another person for the purposes of the Scheme.

19.18 The Board must make such provision as it deems desirable, and with due regard to normal practice and recommended guidelines pertaining to retention of documents, for the safe custody of the books, records, documents and other effects of the Scheme.

19.19 A member of the Board or of its staff or any person attending meetings of the Board shall not disclose any information relating to the affairs of the Board except for the purposes of the performance of his duties or the exercise of his powers in terms of these rules or the Act or regulations or any other law or when required to do so under any law before a court of law.

19.20 The Board must ensure that proper control systems are employed by and on behalf of the Scheme.

19.21 The Board must disclose annually in writing to the Registrar, any payment or considerations made to them in that particular year by the Scheme as prescribed.

19.22 It is incumbent upon the Board to at all times remain independent and objective of the day to day management of the Scheme with this function being delegated to the principal officer and staff of the Administrator. **[Added with effect from 1 January 2015]**

20. POWERS OF BOARD

The Board at its sole discretion has the power, without the approval of members:

20.1 to cause the termination of the services of any employee of the Scheme;

20.2 to take all necessary steps and to sign and execute all necessary contracts binding the Scheme and to ensure and secure the due fulfillment of the Scheme's obligations under such contracts;

20.3 to appoint committee(s) consisting of such Board members and other experts as it may deem appropriate;

20.4 to enter into agreements with service providers;

20.5 to appoint accountants, consultants, legal and medical experts on such terms and conditions as it may determine;

20.6 to appoint a duly accredited administrator on such terms and conditions as it may determine, for the proper execution of the business of the Scheme. The terms and conditions of such appointment must be contained in a written contract, which complies with the requirements of the Act;

20.7 to appoint an actuary to the Scheme on such terms and conditions as it may determine;

20.8 to appoint, compensate and contract with any accredited broker for the introduction or admission of a member to the Scheme; and for ongoing broker services subject to the provisions of the Act and the Regulations thereto provided that a broker contract with an accredited broker will not be unreasonably withheld.

20.9 to contract with and compensate any accredited managed health care organisations subject to the provisions of the Act;

20.10 to purchase movable and immovable property for the use of the Scheme or otherwise, and to sell it 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 charges upon the Scheme and subject to the provisions of the Act, and in the manner determined by the Board, to invest or otherwise deal with such monies upon security and to realise, re-invest or otherwise deal with such monies and investments;

20.13 subject to prior approval of the Council or subject to such directives as the council may issue, to borrow money for the Scheme from the Scheme’s bankers against the security of the Scheme’s assets for the purpose of bridging a temporary shortage;

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 to donate to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or some of the members or dependants;

20.16 to grant repayable loans to members or to make *ex gratia* payments on behalf of members in order to assist such members to meet commitments in regard to any matter specified in Rule 5;

20.17 to contribute to any fund conducted for the benefit of employees of the Scheme;

20.18 to reinsure obligations in terms of the benefits provided for in these rules provided that Sections 20 (2) to 20(7) of the Act are fully complied with;

20.19 to authorise the principal officer and/or such members of the Board as it may determine from time to time, upon such terms and conditions as the Board may determine, to sign any contract or other document binding or relating to the Scheme or any document authorising the performance of any act on behalf of the Scheme;

20.20 to contribute to any association that is instituted for the furtherance, encouragement and co-ordination of medical schemes registered under the Act;

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

21. DUTIES OF PRINCIPAL OFFICER AND STAFF

21.1 The staff of the Scheme must ensure the confidentiality of all information regarding its members.

21.2 The principal officer is the executive officer of the Scheme and as such shall ensure that:

21.2.1 he acts in the best interests of the members of the Scheme at all times;

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

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

21.2.4 he keeps the Board sufficiently and timeously informed of the affairs of the Scheme which relate to the duties of the Board as stated in section 57(4) of the Act;

21.2.5 he keeps the Board sufficiently and timeously informed concerning the affairs of the Scheme so as to enable the Board to comply with the provisions of section 57(6) of the Act;

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

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

21.4 The principal officer shall ensure the carrying out of all of his duties as are necessary for the proper execution of the business of the Scheme. He shall attend all meetings of the Board and the Scheme and any other duly appointed committee where his attendance may be required and shall ensure proper recording of the proceedings of all meetings.

21.5 The principal officer shall be responsible for the supervision of the staff employed by the Scheme unless the Board decides otherwise.

21.6 The principal officer shall keep full and proper records of all monies received and expenses incurred by the Scheme and of all assets, liabilities and financial transactions of the Scheme.

21.7 The principal officer shall prepare annual financial statements and shall ensure compliance with all statutory requirements pertaining thereto.

21.8 The following persons are not eligible to be a principal officer:

21.8.1 An employee, director, officer, consultant or contractor of the administrator of the scheme or of the holding company, subsidiary, joint venture or associate of that administrator.

21.8.2 A broker.

21.9 The provisions of rules 18.6.4.1 to 18.6.4.6 apply *mutatis mutandis* to the principal officer.

22. INDEMNIFICATION & FIDELITY GUARANTEE

22.1 The Board and any officer of the Scheme must be indemnified by the Scheme against all proceedings, costs and expenses incurred by reason of any claim in connection with the Scheme, not arising from their negligence, dishonesty or fraud.

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

23. FINANCIAL YEAR OF THE SCHEME

The financial year of the Scheme extends from the 1st January to the 31st December of each year.

24. BANK ACCOUNT

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

25. AUDITOR & AUDIT COMMITTEE

25.1 An auditor (who must be approved by the Registrar in terms of section 36 of the Act) must be appointed by resolution at each annual general meeting, to hold office from the conclusion of that meeting to the conclusion of the next annual general meeting.

25.2 No person shall be appointed as auditor who is:

25.2.1 a member of the Board;

25.2.2 otherwise engaged as an employee, officer or contractor of the Scheme;

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

25.2.4 not engaged in private practice as an auditor;

25.2.5 disqualified from acting as an auditor in terms of section 275 of the Companies Act, 1973;

25.3 Whenever for any reason an auditor vacates his office prior to the expiration of the period for which he has been appointed, the Board must within 30 (thirty) days appoint another auditor to fill the vacancy for the unexpired period which appointment must be approved by the Registrar in terms of section 36 (2) of the Act;

25.4 If the members of the Scheme at a general meeting fail to appoint an auditor required to be appointed in terms of this rule, the Board must within 30 (thirty) days make such appointment, and if it fails to do so, the Registrar may at any time do so.

25.5 The auditor of the Scheme at all times has a right of access to the books, records, accounts, documents and other effects of the Scheme and is entitled to require from the Board and the officers of the Scheme such information and explanations as he deems necessary for the performance of his duties.

25.6 The auditor must report to the members of the Scheme on the accounts examined by him and on the financial statements laid before the Scheme in the annual general meeting.

25.7 The auditor must, in the performance of his duties, comply with section 36 of the Act.

25.8 The Board must appoint an audit committee in the prescribed manner.

26. GENERAL MEETINGS OF MEMBERS

26.1 Annual general meeting

The annual general meeting of members must be held not later than 30th June of each year to:

26.1.1 elect member elected Trustees;

26.1.2 receive the report of the Board and the annual financial statements of the Scheme as approved by the Board;

26.1.3 receive the report of the auditor of the Scheme;

26.1.4 reappoint or appoint the auditor of the Scheme;

26.1.5 consider any motions duly proposed.

26.2 Special general meeting

26.2.1 The Board may call a special general meeting of members if it deems it necessary or if required to do so in terms of these rules.

26.2.2 The Board shall call a special general meeting within 60 days for the purpose of an election if the number of member elected trustees falls below half of the total number of trustees.

26.2.3 The principal officer shall call a special general meeting of members in the circumstances set out in rule 18.4.1.

26.2.4 On the requisition of at least 15 (fifteen) members of the Scheme, the Board must cause a special general meeting to be called within 30 (thirty) days of the deposit of the requisition.

26.2.4.1 The requisition must be deposited at the registered office of the Scheme and must state the objects of the meeting and proposed motions in terms of rule 28.8.1.2. Each of the requisitioning members shall include his name and membership number and signature.

26.2.4.2 The name of any member whose contributions are more than one month in arrears at the date the requisition is lodged shall be struck from the requisition and motion and if this should result in fewer than 15 (fifteen) requisitionists remaining then the meeting shall not be called.

27. RIGHTS TO ATTEND, SPEAK AND VOTE

27.1 Every member who is present at a general meeting of members of the Scheme and whose contributions are not more than one month in arrears, has the right to speak and vote or may, subject to this rule, appoint another member of the Scheme whose contributions are not more than one month in arrears, as proxy to attend, speak and vote in his stead.

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

27.3 The proxy shall be lodged with the Scheme at least 7 (seven) weekdays before the relevant meeting.

27.4 A member whose contributions are more than one month in arrears has the right to receive notice of and to attend a general meeting of members of the Scheme but shall not be entitled to speak nor vote nor act as proxy for any other member nor shall he be entitled to appoint a proxy to attend or vote on his behalf.

27.5 A member whose benefits or membership have been suspended shall not be entitled to receive notice of nor to attend a general meeting of members of the Scheme.

28. CONDUCT OF MEETINGS

28.1 Calling of meetings

28.1.1 A meeting of members of the Scheme may only be called:

28.1.1.1 by the Board or

28.1.1.2 by the principal officer in the circumstances set out in these rules.

28.1.2 Any meeting of members called or convened by any other person shall be void.

28.2 Notice of meetings

28.2.1 Any notices of meetings of members shall be in writing and shall contain at least the following information:

28.2.1.1 the date, time and place of the proposed meeting;

28.2.1.2 the agenda for the meeting;

28.2.1.3 minutes of the previous meeting of members of the Scheme;

28.2.1.4 the form of proxy prescribed by the Board;

28.2.1.5 in the case of the annual general meeting:

28.2.1.5.1 A comprehensive summary of the annual financial statements, together with notification of availability of the full documentation as specified in this rule. The annual financial statements shall consist of a balance sheet dealing with the state of affairs of the Scheme, an income statement, a cash flow statement, management accounts in respect of every benefit option offered by the Scheme indicating the financial performance thereof and the number of members enrolled per option, and the report by the auditor of the Scheme.
[Amended w.e.f. 1 September 2007]

28.2.1.5.2 a report of the Board which shall *inter alia* deal with every matter which is material for the appreciation by members of the state of affairs and the business of the Scheme and the results thereof, and relevant information indicating whether or not the resources of the Scheme have been applied economically, efficiently and effectively;

28.2.1.5.3 The full and complete financial statements specified in rule 28.2.1.5.1 shall be available for inspection at the Schemes' offices at least 21 days before the date of the meeting and shall be sent to any member requesting a copy thereof. The financial statements and report specified in rules 28.2.1.5.1 and 28.2.1.5.2 shall be laid before the meeting.

28.2.2 Any motions proposed for the meeting may but are not required to be included with the notice of the meeting provided that the issue raised by the motion appears with sufficient particularity on the agenda.

28.2.3 In the event of a *bona fide* error resulting in the omission from the notice of any information other than the agenda, date, time and place of the proposed meeting, the Board may distribute the information at the meeting, provided that the chairperson shall, if so requested by any member present, allow the attending members reasonable time to peruse and study the information prior to any discussion in respect thereof. Within 14 (fourteen) days after the meeting a copy of the information distributed at the meeting shall be sent by post to all members of the Scheme.

28.2.4 A notice of a meeting of members may be given:

28.2.4.1 by the Board, or

28.2.4.2 by the principal officer if authorised so to do by the Board or if there is a void in the Board, or

28.2.4.3 by the administrator of the Scheme acting on the instructions of the Board or the principal officer,

28.2.5 The notice shall not be required to specify that the Board or principal officer has authorised the notice.

28.2.6 Notice to a member shall be deemed to have been validly given if:

28.2.6.1 such notice is posted to the member's address in the Republic of South Africa as recorded in the records of the Scheme, or

28.2.6.2 in the absence of such a residential address being recorded in the records of the Scheme, such notice is posted to the member *care of* his Employer, or

28.2.6.3 such notice is electronically submitted to the members at the email address used for daily communication, or (Amended as from 1 May 2013)

28.2.6.4 Such notice is prominently displayed on the notice board of the employer (Amended as from 01 May 2013)

28.2.6.5 the member attends the meeting despite not having received notice thereof.

28.2.7 Notice of a meeting shall be posted to members at least 14 (fourteen) days before the date of a special general meeting and at least 21 (twenty-one) days before the date of an annual general meeting.

28.2.8 Periods of notice shall be computed by including the day of posting of the notice of the meeting but excluding the day of the meeting.

28.2.9 The non-receipt of a notice by a member does not invalidate the proceedings at a meeting.

28.3 Attendance at meetings

The following persons shall be permitted to attend and participate in meetings of the Scheme:

28.3.1 subject to the provisions of rule 27.5, all members of the Scheme, and

28.3.2 the curator or guardian of a member, and

28.3.3 the proxy of a member, and

28.3.4 members of the Board, and

28.3.5 the principal officer and the person appointed by the principal officer in terms of rule to take minutes of the meeting, and

28.3.6 at the request of the Board, the administrator, knowledgeable persons and experts co-opted or appointed by the Board in terms of the rules, and

28.3.7 in the case of the annual general meeting, the auditors of the Scheme;

provided that only members of the Scheme and/or their proxies shall be entitled to vote.

28.4 Attendance register

28.4.1 The Board may require all persons attending a meeting of members of the Scheme to sign the attendance register;

28.4.2 The Board shall keep a record of all proxies lodged with the Scheme in respect of the meeting.

28.5 Quorums and inadequate facilities

28.5.1 At the annual general meeting of members of the Scheme, a number of members of the Scheme present in person as well as members attending virtually, should comprise of at least twice the number of Board members present plus one member, shall constitute a quorum. If a quorum is not present after the lapse of 30 (thirty) minutes from the time fixed for the commencement of the meeting, the meeting must be postponed to a date determined by the Board, and 2 (two) or more members then present shall constitute a quorum. **[Amended with effect from 1 January 2021]**

28.5.2 At a special general meeting of members of the Scheme, a number of members of the Scheme present in person as well as members attending virtually, should comprise of at least twice the number of Board members present plus one member, shall constitute a quorum. If a quorum is not present at a special general meeting after the lapse of 30 (thirty) minutes from the time fixed for the commencement of the meeting, the meeting shall be cancelled. **[Amended with effect from 1 January 2021]**

28.5.3 Both members present in person or attending virtually shall be counted in determining whether or not a quorum is present - members represented by proxy shall not be included in such a count; **[Amended with effect from 1 January 2021]**

28.5.4 Once a meeting has commenced with a valid quorum the departure or walking-out of members shall not invalidate the quorum nor subsequent proceedings and the meeting shall be deemed to have a quorum for so long as at least 2 (two) members remain present.

28.5.5 In the event that there is inadequate seating for all attendees at a meeting of members the chairperson may make whatever *ad hoc* arrangements he deems necessary to accommodate the attendees and proceed with the meeting with reasonable expedition and may delay the start of the meeting for up to 30 (thirty) minutes so to do. Such *ad hoc* arrangements may include the request that some or all attendees be requested to sit on tables or stairs or to stand.

28.5.6 If, notwithstanding such endeavours, it remains impossible to accommodate all attendees, the chairperson may delay the start of the meeting for up to a further 30 (thirty) minutes in order to arrange better facilities which shall be within 2 (two) kilometers of the original venue. The chairperson shall then allow attendees a final 30 (thirty) minutes to make their way to the new venue.

28.5.7 If the chairperson is unable to make satisfactory arrangements within the time allowed, the meeting shall be postponed to the same time originally scheduled for 7 (seven) days hence, provided that if this should not fall on a weekday, the meeting shall be held on the next succeeding weekday, and:

28.5.7.1 attendees at the original venue shall be required to provide a contact telegraphic address, or a facsimile telephone number or an e-mail address where they may be given notice of the new venue;

28.5.7.2 the Board shall arrange a suitable venue for the postponed meeting;

28.5.7.3 the Board shall dispatch details of the new venue to the addresses provided by the attendees at least 48 (forty eight) hours prior to the scheduled time that the postponed meeting is due to start.

28.6 Determination of chairperson of meetings

28.6.1 The chairperson to preside over the meeting shall, in order of precedence, be:

28.6.1.1 the chairperson of the Board or, in his absence, the vice-chairperson of the Board;

28.6.1.2 if neither the chairperson nor the vice-chairperson of the Board is present the trustee nominated by the members of the Board that are present;

28.6.1.3 if only one trustee is present, that trustee;

28.6.1.4 if no trustees are present the principal officer;

28.6.1.5 if neither the principal officer nor any trustee is present then the person elected by the members present;

28.6.2 If any person entitled to preside declines to do so then the above sequence shall be continued or repeated to determine the chairperson to preside.

28.6.3 If the chairperson recuses himself from the chair during the meeting then the above sequence shall be repeated to determine the chairperson to preside during the period of such recluse.

28.6.4 A member shall not be entitled to object to the appointment of the chairperson correctly nominated to preside according to the above procedure, but may call for the chairperson to recluse himself from the chair during the time that a question to be put to the meeting involves the chairman in a conflict of interest, provided that the decision whether or not to recluse shall be the chairperson's alone and shall not be subject to a vote of members.

28.6.4.1 Any member aggrieved by the chairperson's refusal to recluse himself shall be obliged to refer his grievance to the disputes committee of the Scheme prior to being entitled to take any other action.

28.7 Duties and powers of the chairperson

28.7.1 Immediately upon taking the chair the chairperson shall determine that the procedure set out in rule 28.6 has been correctly followed.

28.7.2 If the procedure has not been correctly followed the chairperson shall step down in favour of the correct nominee.

28.7.3 The chairperson shall then determine whether there is a quorum – in the absence of a quorum, he shall:

28.7.3.1 In the case of an annual general meeting, consult the members of the Board present and postpone the meeting to a later date and time as provided for in rule 28.5.1;

28.7.3.2 In the case of all other meetings of members, declare the meeting null and void.

28.7.4 If there is a quorum, the chairperson shall declare the meeting duly constituted and shall proceed to conduct the meeting.

28.7.5 The chairperson shall then read any rulings on motions duly delivered to the Scheme that are void or *ultra vires* the Rules and that have been excluded from the agenda.

28.7.5.1 Any member aggrieved by such a ruling shall be entitled to obtain a written copy of such rulings, but shall be obliged to refer his grievance to the disputes committee of the Scheme prior to being entitled to take any other action.

28.7.6 The chairperson in his sole and absolute discretion may vary the order in which items on the agenda are placed before the meeting but shall ensure that all items on the agenda are dealt with.

28.7.7 The chairperson shall determine the order and precedence of speakers and may restrict any member to speaking only once on any question before the meeting.

28.7.8 The chairperson shall apply his mind to points of order and procedure raised by members and shall give rulings on same. In so doing, the chairman may, but shall not be obliged to, call for assistance and advice from knowledgeable persons present at the meeting.

28.7.9 The chairperson may prohibit a member from repeatedly raising the same points of order or procedure, provided that the chairman shall warn the member at least 3 (three) times that he may take such action if the member persists. A member so prohibited shall not thereafter be permitted to speak except on the substance of any questions before the meeting.

28.7.10 The chairperson may remove or cause the removal of any disorderly person from the meeting, provided that the chairman has warned the member at least (3) three times that he may take such action if the member persists and that the chairperson has requested the person to leave voluntarily. The chairperson may adjourn the meeting for the reasonable time needed in order to effect such removal.

28.7.11 The chairperson may limit speakers to a reasonable period of time to address any question before the meeting and may stipulate the maximum time any speaker shall be allowed. Where in the opinion of the chairman, a person is exceeding or appears to be destined to exceed the allowed time, the chairman may give 2 (two) minutes notice of his intention to end the speaker's turn and after the elapse of 2 (two) minutes, order the speaker to stop.

28.7.12 The chairperson may adjourn the meeting;

28.7.12.1 to tally the results of a ballot or poll, or

28.7.12.2 where there is a serious disruption or prevailing disorder.

28.7.13 The chairperson shall postpone the meeting where required to do so in terms of rules 28.5.1 and 28.5.7 and may delay the start of the meeting in terms of rule 28.5.5 and 28.5.6.

28.7.14 The chairperson shall dissolve the meeting once all items on the agenda have been dealt with.

28.8 Motions

28.8.1 A member may propose motions to be placed before the annual general meeting by lodging the motion in writing at the registered office of the Scheme on or before the 31st March. The member shall include his name, membership number and signature with the motion.

28.8.1.1 A motion lodged by a member whose contributions are more than one month in arrears at the date the motion is lodged shall be void and shall not be placed on the agenda.

28.8.1.2 Where members requisition a special general meeting in terms of rule 26.2.4 they shall simultaneously with the requisition for such a meeting lodge at the registered office of the Scheme their proposed motion(s) to be placed before the special general meeting. At least 15 (fifteen) of the requisitioning members shall include their names, membership numbers and signatures with the motion.

28.8.2 A no-confidence motion or any motion proposing the removal of the member elected trustees and/or the employer nominated trustees shall take the form of a motion to call for a poll of all members and/or all employers, as the case may be:

28.8.2.1 if such a motion is passed by a majority in a poll of members in general meeting, then the Board shall within 21 (twenty one) days initiate a poll of all registered members and/or all employers as the case may be and complete the poll within 42 (forty two) days;

28.8.2.2 in such a poll,

28.8.2.2.1 members may vote for or against the removal of all of the member elected trustees and each member shall have one vote, and

28.8.2.2.2 employers may vote for or against the removal of all of the employer nominated trustees and each employer shall have a number of votes equal to the number of his employees who are registered as members of the Scheme on the first day of the calendar month preceding the date on which polling closes;

28.8.2.3 in the poll,

28.8.2.3.1 if more than 50 (fifty) per cent of the members return duly completed poll forms voting in favour of the removal of the member elected trustees, then all the member elected trustees shall immediately cease to hold office and the principal officer shall immediately call a special general meeting as contemplated in rule 18.4.1.1;

28.8.2.3.2 if employers return duly completed poll forms voting in favour of the removal of the employer nominated trustees in numbers exceeding 50 (fifty) per cent of the number of members eligible to vote, then all of the employer nominated trustees shall immediately cease to hold office and the principal officer shall immediately call for new employer nominations in the manner set out in rule 18.4.1.2.

28.8.2.3.3 if more than 50 (fifty) per cent of the members return duly completed poll forms voting in favour of the removal of the member elected trustees, and employers return duly completed poll

forms voting in favour of the removal of the employer nominated trustees in numbers exceeding 50 (fifty) per cent of the number of members eligible to vote, then all of the trustees shall immediately cease to hold office and the principal officer shall immediately proceed as contemplated in the whole of rule 18.4.

28.8.3 A member shall not be permitted to submit to the Scheme any substantive motion seeking to interfere with or usurp the functions, duties or powers of the Board. Any such motion shall be ruled by the chairperson to be *ultra vires* these rules; it shall not be included on the Agenda of any meeting of members nor may it be proposed from the floor at any meeting of members of the Scheme.

28.8.4 At any meeting of members of the Scheme, any member may propose any of the following motions:

28.8.4.1 a motion to amend the motion before the meeting, which if adopted shall cause the main motion to lapse, provided that such a motion may not substantially change the substance of the main motion;

28.8.4.2 a motion to refer (to a committee or smaller group of persons);

28.8.4.3 a motion to limit debate, provided that such a motion shall require a 2/3^{rds} (two thirds) majority in order to be adopted;

28.8.4.4 a motion to close debate, provided that the chairperson shall not permit such a motion to be put before the meeting unless, in his opinion, the views of members have been sufficiently heard;

28.8.4.5 a motion to proceed to the next business which, if adopted, shall cause the main motion to lapse;

28.8.4.6 a motion that the question lie on the table which, if adopted, shall require the meeting to proceed to the next item on the agenda but shall not prevent the meeting from reverting to the motion later in the meeting;

28.8.4.7 a motion to adjourn provided that the chairperson may decline to place such a motion before the meeting.

28.8.5 A substantive question which has been placed before the meeting shall not be withdrawn prior to a vote without the consent of the proposer, or in the case of joint proposers, all of the proposers.

28.8.6 The following motions shall not be permitted to be proposed from the floor at a meeting of members of the Scheme:

28.8.6.1 a motion to amend or rescind a resolution already adopted at the same meeting;

28.8.6.2 a substantive motion not contained in the agenda.

28.9 Points of Order

28.9.1 At any meeting of members of the Scheme, any member may propose any of the following motions on points of order:

28.9.1.1 any point of order relating to the improper procedure or conduct of the meeting;

28.9.1.2 that there is no quorum;

28.9.1.3 that a motion or amendment is not within the scope of the meeting;

28.9.1.4 that there is no motion before the meeting;

28.9.1.5 that legal requirements or laws are being violated.

28.9.2 An appeal against a ruling by the chairperson shall not be permitted except on the grounds that he has not applied his mind to the ruling in which case the chairperson shall reconsider his ruling. The decision then given shall be final for the purposes of that meeting and until it is reversed as a result of an aggrieved member referring same to the disputes committee or thereafter to higher authority .

28.9.3 Any member aggrieved by such a final ruling shall be entitled to refer his grievance to the disputes committee of the Scheme.

28.10 Voting

28.10.1 Except in the case of a motion proposing a poll for the removal of the Board, voting on all questions before meetings of members of the Scheme shall be by a show of hands. Voting at a meeting on a question calling for a poll of all members and/or employers for the removal of trustees shall be by a poll.

28.10.1.1 On a show of hands every member present shall have one vote and the chairperson shall (subject to rule 28.3) have a casting vote in addition to his deliberative vote.

28.10.1.2 Once voting has been completed, the chairperson shall declare the result of voting.

28.10.1.3 Any member may immediately challenge the result and call for either a ballot or poll, in which case the voting shall be by ballot or poll, as the case may be, provided that a call for a poll shall take precedence over a call for a ballot.

28.10.1.4 A member shall not be permitted to call for a poll after a ballot has commenced or has been completed.

28.10.2 On a ballot each member present shall be required to complete an anonymous ballot form indicating how he votes and shall hand it to the chairperson.

28.10.3 On a poll each member present shall be required to complete a poll form indicating:

28.10.3.1 his name,

28.10.3.2 how he votes,

28.10.3.3 number of proxies held,

28.10.3.4 how he votes his proxies (which must be in accordance with any instructions included on the proxy form lodged with the Scheme prior to the meeting),

and shall sign the poll form and hand it to the chairperson.

28.10.4 Once the completed ballot or poll forms are received by the chairperson he may adjourn the meeting for the reasonable time required to tally the result.

28.10.5 Upon resumption of the meeting the chairperson shall declare the result which shall be final.

28.10.6 All resolutions of members shall be adopted by a simple majority except where otherwise stipulated in these rules.

28.10.7 In the event of an equality of votes the chairperson shall first declare that this is so and then subject to rule 28.3 use his casting vote to determine the result.

28.11 Minutes

28.11.1 The principal officer shall appoint a person to take minutes at every meeting of members the Scheme.

28.11.2 The minutes may be as comprehensive as specified by the Board, but shall contain at least a record of all resolutions passed at a meeting.

28.11.3 Minutes of a meeting shall be distributed with the notice of the next directly ensuing meeting of members of the Scheme.

28.11.4 At the next meeting any member who attended the previous meeting and who requires amendments in respect of the correctness of the minutes as a true reflection of the previous meeting may propose a motion from the floor with the proposed corrections, which, if adopted, shall be incorporated in the minutes. The minutes shall then be confirmed and signed by the chairperson.

28.11.5 The Board at its sole discretion may arrange for proceedings at meetings of members to be recorded by electronic means but shall not be obliged to do so irrespective of whether or not same is demanded by a member.

28.11.6 Any member wishing to make electronic recordings of meetings of members may do so provided that:

28.11.6.1 he obtains the written consent of the Board at least 7 (seven) days prior to the meeting, which consent shall not be unreasonably withheld;

28.11.6.2 he shall at his own expense make the necessary arrangements at the venue of the meeting for the provision and set-up of any power, tables, cabling or other special equipment or requirements;

28.11.6.3 the set-up of such power, tables, cabling or other special equipment or requirements is completed at least 30 (thirty) minutes prior to the time scheduled for the meeting;

28.11.6.4 the chairperson of the meeting shall not be required to delay or disrupt the meeting in any way as a result of such arrangements;

28.11.6.5 in the event of the recording process causing any disruption whatsoever at the meeting the chairperson may order that such recording cease immediately.

29. COMPLAINTS AND DISPUTES

29.1 COMPLAINTS

29.1.1 The Scheme or its administrators shall provide a dedicated telephone number, which may be used by members for lodging telephonic complaints.

29.1.2 Members may lodge their complaints, in writing, to the Scheme.

29.1.3 All complaints received in writing shall be responded to by the Scheme in writing within 30 (thirty) days of receipt thereof.

29.2 DISPUTES

29.2.1 A disputes committee of three knowledgeable persons, who shall not be members of the Board, employees or officers of the Scheme or the administrator, must be appointed by the Board annually. At least 1 (one) of such members shall be a legal practitioner.

29.2.2 Any dispute, which may arise between a member, prospective member or a former member and the Scheme, the Board, any member of the Board or an officer of the Scheme, may be submitted in writing by the aggrieved member and submitted by hand or sent by registered post, addressed to the "Disputes committee, Suremed Health" at the registered address of the Scheme and shall be referred by the principal officer to the disputes committee for adjudication. Such notice of dispute shall contain a comprehensive and detailed exposition of the complaint. The aggrieved member shall be bound to the contents of his notice of dispute and shall not be allowed to add new facts thereto after same has been submitted.

[Amended w.e.f. 1 January 2008]

29.2.2.1 If the matter is urgent and would otherwise give rise to an immediate legal application, the member shall contact the principal officer or any member of the Board and arrange for his written dispute to be submitted by hand or by facsimile or by electronic mail (“e-mail”) and shall specify in his complaint that he is prepared to waive written notice and that he agrees to 7 (seven) days notice of a hearing as provided for in rule 29.2.5. The recipient shall then cause the written dispute to be delivered to the principal officer by the most expeditious means available. The principal officer shall immediately advise the member in writing that he has received the dispute. The member shall ensure that he receives such confirmation as proof of receipt by the Scheme.

29.2.3 On receipt of a dispute in terms of this rule the principal officer must convene a meeting of the disputes committee to hear and adjudicate the dispute and shall determine the date, time, and venue of such hearing.

29.2.3.1 The principal officer shall give not less than 21 (twenty-one) days notice in writing to the complainant, the party complained against and all the members of the disputes committee,

stating the date, time, and venue of the hearing and particulars of the dispute. Such notice shall include the full notice of dispute submitted by the aggrieved member to enable the other parties to prepare for the hearing.

29.2.4 Within 14 (fourteen) days of receipt of such notice of dispute the party complained against shall deliver to the principal officer a comprehensive reply to all points of dispute raised by the aggrieved member and the principal officer shall ensure that the aggrieved member and each member of the disputes committee receive a copy thereof within 24 (twenty four) hours of the receipt of such reply.

29.2.5 If the matter is urgent as set out in rule 29.2.2.1, the principal officer shall convene the hearing within 7 (seven) days of receipt of the dispute and the party complained against shall deliver the reply set out in rule 29.2.4 above to the hearing.

29.2.6 The disputes committee shall determine the procedure to be followed at the hearing.

29.2.7 All parties to any dispute shall have the right to be heard at the hearing, either in person or through or with the assistance of a legal representative.

29.2.8 The disputes committee shall make a decision as soon as possible and in any event within 7 (seven) days of the hearing and shall advise all parties to the dispute in writing of their decision and their reasons.

29.2.9 An aggrieved party has the right in terms of section 48 of the Act to appeal to Council against the decision of the Scheme in respect of a complaint to the Scheme or against a decision of the disputes committee. Such appeal must be in the form of an affidavit directed to Council and shall be furnished to the Registrar not later than three months after the date on which the decision concerned was made or such further period as the Council may for good cause shown allow, after the date on which the decision concerned was made.

29.2.10 The operation of any decision which is the subject of an appeal under rule 29.2.9 shall be suspended pending the decision of the Council on such appeal.

30. TERMINATION OR DISSOLUTION

30.1 The Scheme may be dissolved by order of a competent court or by voluntary dissolution in terms of section 64 of the Act.

30.2 Members in a poll of members at a general meeting may decide that the Scheme must be dissolved, in which event the Board must arrange for members to decide by a poll as set out below whether the Scheme must be liquidated. The Scheme must be liquidated in terms of section 64 of the Act if the majority of members so decide.

30.3 Pursuant to a decision by members taken in terms of rule 30.2 the principal officer must 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 a voluntary dissolution, together with a poll paper.

30.4 Every member must be requested to return his poll paper duly completed before a set date. If at least 50 (fifty) per cent of the members return their poll papers duly completed in favour of the dissolution of the Scheme, the Board must ensure compliance therewith and appoint a competent person as liquidator which appointment is to be approved by the Registrar.

30.5 The liquidator must proceed with the liquidation and comply with the Act and, more specifically, section 64 thereof.

30.6 Any surplus remaining in the estate of the Scheme, after the payment of the costs of the dissolution and all creditors of the Scheme, shall be distributed to members as at the day of the dissolution, pro-rata to each member's monthly contribution to the Scheme at the date the dissolution commenced.

31. AMALGAMATION AND TRANSFER OF BUSINESS

31.1 The Scheme may, subject to the provisions of section 63 of the Act, amalgamate with, transfer its assets and liabilities to, or take transfer of assets and liabilities from any person or any other medical scheme registered under the Act, subject to approval by members through a poll as set out in rule 31.3.

31.2 The principal officer must furnish to every member a memorandum containing the reasons for the proposed amalgamation or transfer of assets and liabilities, together with a poll paper.

31.3 Every member must be requested to return his poll paper duly completed before a set date. If at least 50 (fifty) per cent of the members return their poll papers duly completed and in favour of the amalgamation or transfer then the amalgamation or transfer may be concluded in terms of section 63 of the Act.

32. RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS

32.1 Any beneficiary has the right to obtain on request and must on payment of a fee of R100 (one hundred rand) per copy be supplied by the Scheme within 6 (six) weekdays with a copy of the following documents:

32.1.1 the rules of the Scheme;

32.1.2 the latest audited annual financial statements, statutory returns, chairman's report and auditors report of the Scheme.

32.1.3 The management accounts in respect of the scheme and all its benefit options.

32.2 A member is entitled to inspect free of charge at the registered office of the Scheme any document referred to in Rule 32.1 and to make extracts therefrom.

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

33. AMENDMENT OF RULES

33.1 The Board is entitled to alter or rescind any rule or Annexure or to make any additional rule or Annexure. No alteration, rescission or addition which affects the objects of the Scheme is valid unless it has been approved by a majority of members present in a general meeting of members or a special general meeting of members or by a poll or ballot of members.

33.2 Should a member's rights, obligations, contributions or benefits be amended he shall be given 30 (thirty) days advance notice of such change. Members must be notified of such amendments within 14 days after registration thereof.

33.3 Notwithstanding the provisions of rule 33.1 above, the Board must on the request and to the satisfaction of the Registrar, amend any rule that is inconsistent with the provisions of the Act.

33.4 No amendment to these rules shall be valid until it has been approved and registered by the Registrar in terms of the Act.

34. RIGHTS AND OBLIGATIONS OF MEMBERS

34.1 All members, dependants of members, officers of the Scheme and any person who claims any benefits under these rules or whose claim is derived from a person so claiming shall be bound by these rules and any amendment thereof.

34.2 No attempt by any member to do anything which is in contravention of these rules shall be of any force or effect.

34.3 Members have only such rights and obligations as are specifically provided for in these rules, the Act and regulations. No demand(s) by any member(s) which does not endeavour to enforce a right provided for herein shall have any force or effect.

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