

# **METROPOLITAN MEDICAL SCHEME**

## **RULES**

### **1. NAME**

The name of the Scheme is Metropolitan Medical Scheme, hereinafter referred to as the "Scheme".

### **2. LEGAL PERSONA**

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

### **3. REGISTERED OFFICE**

The registered office of the Scheme is situated at 61 Town Square, St. George's Mall, Cape Town, but the Board may transfer such office to any other location in the Republic of South Africa, should circumstances so dictate.

## 4. DEFINITIONS

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

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

### 4.1 "Act",

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

### 4.2 "Adult dependant",

a member's spouse or partner or a dependant who is 21 years or older, but excluding children who are full-time students at a recognised tertiary institution and children who are not self-supporting due to a physical or mental disability, and younger than 25 years of age.

### 4.3 "Agreed Tariff",

the fee determined in terms of an agreement between the Scheme and a service provider or group of providers in respect of the payment of relevant health services.

### 4.4 "Approval",

prior written approval of the Board or its authorised representative.

### 4.5 "Auditor",

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

### 4.6 "Beneficiary",

a member or a person admitted as a dependant of a member.

- 4.7 "Board",**  
the Board of Trustees constituted to manage the Scheme in terms of the Act and these rules.
- 4.8 "BHF",**  
The Board of Healthcare Funders of Southern Africa.
- 4.9 "Child",**  
a member's natural child, or a stepchild or legally adopted child or a child in the process of being legally adopted or a child in the process of being placed in foster care, or a child for whom the member has a duty of support or a child who has been placed in the custody of the member or his/her spouse or partner and who is not a beneficiary of any other medical scheme.
- 4.10 "Condition-specific waiting period",**  
a period during which a beneficiary is not entitled to claim benefits in respect of a condition for which medical advice, diagnoses, 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",**  
a member who retains his membership of the Scheme in terms of rule 6.2 or a dependant who becomes a member of the Scheme in terms of rule 6.3.
- 4.12 "Contribution",**  
in relation to a member, the amount, exclusive of interest, paid by or in respect of the member and his registered dependants if any, as membership fees.
- 4.13 "Council",**  
the Council for Medical Schemes as contemplated in the Act.
- 4.14 "Cost",**  
in relation to a benefit, the net amount payable in respect of a relevant health service.

**4.15 “Creditable coverage”,**

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

**4.16 "Dependant",**

**4.16.1** a member's spouse or partner who is not a member or a registered dependant of a member of a medical scheme;

**4.16.2** the dependent child of a member who is not a member or a registered dependant of a member of a medical scheme;

**4.16.3** the parent, brother or sister of a member in respect of whom the member is liable for family care and support, who is not in receipt of a regular income greater than the social pension and who is not a member or a registered dependant of a member of a medical scheme;

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

- 4.17 "Designated service provider",**  
a healthcare provider or group of providers selected by the Scheme as preferred provider/s to provide to the members, diagnosis, treatment and care in respect of one or more prescribed minimum benefit conditions.
- 4.18 "Emergency medical condition ",**  
means the sudden and, at the time, unexpected onset of a health condition that requires immediate medical or surgical treatment, where failure to provide medical or surgical treatment would result in serious impairment to bodily functions or serious dysfunction of a bodily organ or part, or would place the person's life in serious jeopardy.
- 4.19 "Employee",**  
a person in the employment of the employer.
- 4.20 "Employer",**  
Metropolitan Holdings Limited and any of its subsidiaries where approval for participation of the subsidiary has been granted by the Board.
- 4.21 "Evidence-based medicine",**  
means the conscientious, explicit and judicious use of current best evidence in making decisions about the care of beneficiaries whereby individual clinical experience is intergrated with the best available external clinical evidence for systematic research.
- 4.22 "General waiting period",**  
a period in which a beneficiary is not entitled to claim any benefits.
- 4.23 "Guide",**  
the guide/s to fees determined by the respective health care professions.

**4.24 "Income",**

for the purposes of calculating contributions in respect of —

**4.24.1** a member who is an employee and whose income consists mainly of salary;

**4.24.1.1** Members on a package remuneration system:  
85% of the employee's total remuneration package, as determined by employer.

**4.24.1.2** Members on basic remuneration system:

The basic salary excluding any provision for bonuses, commission, overtime pay, travel allowances or any other additional earnings.

**4.24.2** a member who is an employee and whose income does not consist primarily of salary – 80% of the gross earnings by the member including commission, car-, travel and travel allowances but excluding holiday bonuses or pay for overtime;

**4.24.3** a member who registers a spouse or partner as a dependant, the higher of the member or spouse's/partner's income;

**4.24.4** a continuation member - 40% of the member's income as defined in rules 4.24.1 and 4.24.2, in the month prior to retirement.

**4.25 "Late joiner",**

means an applicant or the adult dependant of an applicant who, at the date of application for membership of 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 scheme as from a date preceding 1 April 2001, without a break in coverage exceeding three consecutive months since 1 April 2001.

- 4.26 "Managed health care",**  
means clinical and financial risk assessment and management of health care, with a view to facilitating appropriateness and cost effectiveness of relevant health services within the constraints of what is affordable, through the use of rules-based and clinical management-based programmes.
- 4.27 "Managed health care organisation",**  
means a person who has contracted with the Scheme in terms of regulation 15A to provide a managed health care service.
- 4.28 "Member",**  
any person who is admitted as a member of the Scheme in terms of these rules.
- 4.29 "Member family",**  
the member and all the registered dependants.
- 4.30 "Minimum benefits",**  
the benefits in respect of relevant health services as prescribed by the Minister in terms of section 67(1)(g) of the Act.
- 4.31 "National Health Reference Price List (NHRPL)"**  
the reference price list for health services published by the Council for Medical Schemes
- 4.32 "Partner",**  
a person with whom the member has a committed relationship based on objective criteria of mutual dependency, irrespective of the gender of either party.
- 4.33 "Prescribed minimum benefits",**  
means the benefits contemplated in section 29(1)(o) of the Act, and consist of the provision of the diagnosis, treatment and care costs of –  
(a) the Diagnosis and Treatment Pairs listed in Annexure A of the regulations, subject to any limitations specified therein; and

(b) any emergency medical condition.

**4.34 "Prescribed minimum benefit condition",**

means a condition contemplated in the Diagnosis and Treatment Pairs listed in Annexure A of the Regulations or any emergency medical condition.

**4.35 "Protocol",**

means a set of guidelines in relation to the optimal sequence of diagnostic testing and treatments for specific conditions and includes, but is not limited to, clinical practise guidelines, standard treatment guidelines, disease management guidelines, treatment algorithms and clinical pathways.

**4.36 "Registrar",**

the Registrar or Deputy Registrar/s of Medical Schemes appointed in terms of section 18 of the Act.

**4.37 "Rules-based and clinical management-based programmes",**

means a set of formal techniques designed to monitor the use of, and evaluate the clinical necessity, appropriateness, efficacy of, health care services, procedures or settings, on basis of which appropriate managed health care interventions are made.

**4.38 "Scheme Rate",**

National Health Reference Price List (NHRPL) 2010

**4.39 "Social pension",**

the appropriate maximum basic social pension prescribed by the Social Assistance Act, 1992 (Act No. 59 of 1992).

**4.40 "Spouse",**

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

## **5. OBJECTS**

The objects of the Scheme are to:

- (a) undertake liability, in respect of its members and their dependants, in return for a contribution or premium —
- (b) make provision for the obtaining of any relevant health service;
- (c) grant assistance in defraying expenditure incurred in connection with the rendering of any relevant health service; and/ or
- (d) 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 of the Scheme is restricted to employment or former employment by the employer or his predecessor or successor in title as defined in these rules, and is compulsory for all members in active employment, depending on their conditions of employment, and voluntary for continuation members.

### **6.2 Retirees**

**6.2.1** A member shall have the option to 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** Retirees who opt not to retain membership at the time of retirement or any time thereafter, will not be granted readmission to the Scheme at any point in the future.

**6.2.3** 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.

**6.2.4** Retirees registered on another medical Scheme, who become employees, have the option to remain continuation members on that Scheme. Admission to the Scheme at any point in the future will however not be granted.

### **6.3 Dependants of Deceased Members**

**6.3.1** The dependants 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 continued 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.

**6.3.4** Subject to rules 6.3.1 to 6.3.3, and for the purposes of determining contributions, where a child dependant/s has been orphaned, the eldest child will be registered as the member, and any younger siblings, the child dependant/s.

## **7. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS**

### **7.1 Registration of Dependants**

**7.1.1** A member may apply for the registration of his dependants at the time that he applies for membership in terms of Rule 8.

**7.1.2** If a member applies to register a new born or newly adopted child as a dependant, within 30 days of the date of birth or adoption of the child, increased contributions shall then be due as from the first day of the month following the month of birth or adoption and benefits will accrue as from the date of birth or adoption.

**7.1.3** If a member who marries subsequent to joining the Scheme, applies within 30 days of the date of such marriage to register his spouse as a dependant, his spouse shall thereupon be registered by the Scheme as a dependant. Increased contributions shall then be due as from the first day of the month following the month of marriage and benefits will accrue as from the date of marriage.

**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 for the registration of such person as a dependant, whereupon the provisions of Rule 8 shall apply *mutatis mutandis*.

### **7.2 De-registration of Dependants**

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

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

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

**8.1** A person under the age of 16 years may not become a member without the consent of his parent or guardian.

**8.2** No person may be a member of more than one medical scheme or a dependant:

**8.2.1** of more than one member of a particular medical scheme; or

**8.2.2** of members of different medical schemes; or

**8.2.3** claim or accept benefits in respect of himself or any of his dependants from any medical scheme in relation to which he is not a member or a dependant of a member.

**8.3** Prospective members shall, prior to admission, complete and submit the application forms required by the Scheme, together with satisfactory evidence in respect of himself and his dependants, of age, income, state of health and of any prior membership or admission as dependant of any other medical scheme. The Scheme may require an applicant to provide the Scheme with a medical report in relation to any proposed beneficiary 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. The costs of any medical tests or examinations required to provide such medical report will be paid by the Scheme. The Scheme may however designate a provider to conduct such tests or examinations.

## **8.4 Waiting Periods**

**8.4.1** The Scheme may impose upon a person in respect of whom application is made for membership or admission as a dependant, and who was not a beneficiary of a medical scheme for a period of at least 90 days preceding the date of application-

**8.4.1.1** a general waiting period of up to three months during which period no benefits whatsoever shall accrue, but contributions shall be paid to the Scheme in full; and

**8.4.1.2** a condition-specific waiting period of up to 12 months.

**8.4.2** The Scheme may impose upon any person in respect of whom an application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme for a continuous period of up to 24 months, terminating less than 90 days immediately prior to the date of application-

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

**8.4.2.2** in respect of any person contemplated in this subrule, where the previous medical scheme had imposed a general or condition-specific waiting period, and such waiting period had not expired at the time of termination, a general or condition-specific waiting period for the unexpired duration of such waiting period imposed by the former medical scheme.

**8.4.3** The Scheme may impose upon any person in respect of whom an application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme for a continuous period of more than 24 months, terminating less than 90 days immediately prior to the date of application, a general waiting period of up to three months, except in respect of any treatment or diagnostic procedures covered within the prescribed minimum benefits.

**8.5** No waiting periods may be imposed on:

**8.5.1** a person in respect of whom application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme, terminating less than 90 days immediately prior to the date of application, where the transfer of membership is required as a result of-

**8.5.1.1** change of employment; or

**8.5.1.2** an employer changing or terminating the medical scheme of its employees, in which case such transfer shall occur at the beginning of the financial year, or reasonable notice must have been furnished to the scheme to which an application is made for such transfer to occur at the beginning of the financial year.

Where the former medical scheme had imposed a general or condition specific waiting period in respect of persons referred to in this rule, and such waiting period had not expired at the time of termination of membership, the Scheme may impose such waiting period for the unexpired duration of a waiting period imposed by the former medical scheme.

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

- 8.5.3** a child dependant born during the period of membership
- 8.6** The registered dependants of a member are entitled to the same benefits as the member and must participate in the same benefit option.
- 8.7** Every member will, on admission to membership, receive a detailed summary of these rules that shall include contributions, benefits, limitations, the member's rights and obligations. Members and their dependants, and any person who claims any benefit under these Rules or whose claim is derived from a person so claiming are bound by these Rules as amended from time to time.
- 8.8** A member may not cede, transfer, pledge or hypothecate or make over to any third party any claim, or part of a claim or any right to a benefit which he may have against the Scheme. 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.
- 8.9** The Scheme shall in no circumstances be obliged to re-instate the membership of a member or the registration of a dependant whose participation in the Scheme has been terminated in terms of rule 12.3 or 12.4.
- 8.10** Children registered as dependants who are aged 21 years to 25 years and are full-time students or not self supporting due to a mental and/or physical disability and who wish to continue qualifying as a child dependant (and not an Adult Dependiant) as per rule 4.2, must submit proof of dependency before turning 21 and annually thereafter. In the case of mentally or physically disabled dependants, a once-off medical report must be submitted to the Scheme. The Scheme will cancel the registration of dependants should the necessary documentation not be submitted.

All such dependants who are older than 25 years, including students, those not self supporting with mental and/or physical disabilities will be classified as adult dependants from the beginning of the year following the year in which they turn 25 years.

**8.11** a member may retain his membership whilst in the service of an employer outside the rand monetary area. Alternatively, such member may elect to terminate his membership for the duration of his absence: Provided that upon his return his membership shall be re-instated without the imposition of any waiting period. During any period of such absence, a member may elect to remain a member for the benefit only of those of his dependants who may remain in the rand monetary area. In such event, contributions shall be payable only in respect of such dependants but in the income band applicable to such member. Claims in respect of services rendered outside the rand monetary area, for which a beneficiary is entitled to benefits in terms of these rules, shall be reimbursed at the National Health Reference Price List (NHRPL) in South African currency.

## **9. TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME**

If the members of a medical scheme who are members of that scheme by virtue of their employment by a particular employer, terminate their membership of such scheme with the object of obtaining membership of this 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 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 dependants, with the knowledge or consent of the member or his dependants, is not permitted and is construed as an abuse of the privileges of membership of the Scheme.

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

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

A member must notify the Scheme within 30 days of any change of address. The Scheme shall not be held liable if a beneficiary's rights are prejudiced or forfeited as a result of the member's neglecting to comply with the requirements of this rule.

## **12. TERMINATION OF MEMBERSHIP**

### **12.1 Resignation**

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

**12.1.2** A member who resigns from the service of the employer shall, on the date of such termination, cease to be a member and all rights to benefits shall thereupon cease, except for claims in respect of services rendered prior thereto.

### **12.2 Death**

Membership of a member terminates on his death.

### **12.3. Failure to pay amounts due to the Scheme**

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

### **12.4 Abuse of privileges, False claims, Misrepresentation and Non-disclosure of Factual information**

**12.4.1.** The Board may exclude from benefits or terminate the membership of a member or dependant whom the Board finds guilty of abusing the benefits and privileges of the Scheme by presenting false claims or making a material misrepresentation or non-disclosure of factual information. In such event he may be required by the Board to refund to the Scheme any sum which, but for his abuse of the benefits or privileges of the Scheme, would not have been disbursed on his behalf.

**12.4.2.** Where there is reasonable cause for the Board to suspect abuse of benefits and privileges a member and/or his dependants may, after written notification by the Scheme, be suspended from the disputed benefits for a period not exceeding 60 days to enable investigation of the matter. During this period, no disputed benefits shall accrue, but contributions shall be paid in full to the Scheme. After the period not exceeding 60 days the member will be entitled to full benefits unless found guilty, in which case rule 12.4.1 will apply.

**12.4.3** Where there is reasonable cause for the Board to suspect abuse of benefits and privileges, the Board may terminate the membership of a member or dependant who fails to comply with reasonable Scheme requests that will aid in the investigation referred to in 12.4.2.

### **13. CONTRIBUTIONS**

- 13.1** The total monthly contributions payable to the Scheme by or in respect of a beneficiary are as stipulated in Annexure A.
- 13.2** Contributions shall be due monthly in arrears and be payable by not later than the 3rd day of the month following the month to which the contributions relate. Where contributions, have not been paid within forty five (45) days of the first day of the month to which the contributions relate, the Scheme shall have the right to suspend all benefit payments in respect of claims which arose during the period of default, and to give the member and/or employer written notice that if contributions or such other debts are not paid up to date within fourteen (14) days of such notice, membership may be cancelled.
- 13.3** In the event that payments are brought up to date, benefits shall be reinstated without any break in continuity subject to the right of the 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** No refund of any assets of the scheme or any portion of a contribution shall be paid to any person where such member's membership or cover in respect of any dependant terminates during the course of a month.

### **14. LIABILITIES OF EMPLOYER AND MEMBER**

- 14.1** The liability of the employer towards the Scheme is limited to any amounts payable in terms of any agreement between the employer and the Scheme.
- 14.2** The liability of a member to the scheme is limited to the amount of his unpaid contributions together with any sum disbursed by the Scheme on

his behalf or on behalf of his dependants that has not been repaid to the Scheme. After written notification to the member, membership may be suspended if any amount has not been repaid after a period of 60 days. During this suspension period no benefits whatsoever shall accrue, but contributions shall be paid to the Scheme in full. In the event of the amount being outstanding after a period of 120 days, membership may be cancelled.

- 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**

- 15.1** Every claim submitted to the Scheme in respect of the rendering of a service as contemplated in these rules, must be accompanied by an account or statement as may be prescribed and must contain the following particulars:

**15.1.1** The surname and initials of the member;

**15.1.2** The surname, full names and date of birth of the patient. This must correspond with the name on the membership card;

**15.1.3** The name of the Scheme;

**15.1.4** The member's membership number;

**15.1.5** The practice code number of the supplier where applicable;

**15.1.6** The date on which the service was rendered;

**15.1.7** The nature and cost of this service;

**15.1.8** The code number of each item in the National Health Reference Price List (NHRPL) or the corresponding CPT4 and ICD10 code numbers, where applicable;

- 15.1.9** Where the account is a photocopy of the original, a certification on the photocopy by the supplier by means of a signature or a rubber-stamp;
- 15.1.10** The name, quantity and cost in respect of each supply of medicine, requirement and apparatus.
- 15.2** Where an account relates to a service supplied in respect of orthodontic treatment, then a document containing the following further information must accompany the member's account:
- 15.2.1** The code number according to the National Health Reference Price List (NHRPL) or the corresponding CPT4 and ICD10 code numbers for the treatment;
- 15.2.2** A treatment plan indicating the following:
- 15.2.2.1** The expected total amount that the orthodontist is going to charge for the treatment;
  - 15.2.2.2** The expected period of the treatment;
  - 15.2.2.3** The initial amount payable by the member;
  - 15.2.2.4** The monthly amount that the member must pay.
- 15.3** In order to qualify for benefits, a claim shall be submitted to the Scheme not later than the last day of the fourth month following the month in which the service was rendered.
- 15.4** Where a member pays an account himself, he must attach to the account a receipt as proof of payment and he must submit his claim according to paragraph 15.3.
- 15.5** Accounts for treatment of injuries shall be supported by a statement setting out particulars of the circumstances in which the injury was sustained.

- 15.6** Notwithstanding the provisions of this rule, where the Scheme is of the opinion that a claim was incorrect or unacceptable for payment, the Scheme shall notify the member or service provider accordingly within 30 days of the receipt thereof. The Scheme shall state the reasons why such claim is incorrect or unacceptable. Such member or service provider, as the case may be shall thereupon return such corrected claim within sixty days following the date it was returned for correction.
- 15.7** If an account, statement or claim is correct or where a corrected account, claim or statement is received, as the case may be, the Scheme must, in addition to the payment contemplated in Section 59 (2) of the Act, dispatch to the member a statement containing at least the following:
- 15.7.1.** The name and the membership number of the member;
  - 15.7.2.** The name of the supplier of service;
  - 15.7.3.** The final date of service rendered by the supplier of service on the account or statement which is covered by the payment;
  - 15.7.4.** The total amount charged for the service concerned; and
  - 15.7.5.** The amount of the benefit awarded for such service.
- 15.8** Claims for services rendered outside the Rand monetary area must be submitted as hereinbefore, together with receipted accounts. The Scheme will then refund the member in South African currency, in accordance with the relevant benefit entitlement as indicated in the relevant Annexure hereto, at the National Health Reference Price List (NHRPL).

## **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. A member must, on admission, elect to participate in one of the available options, detailed in Annexure B.
- 16.2** A member is entitled to change from one benefit option to another subject to the following conditions:
- 16.2.1.** The change may be made only with effect 1 January of any financial year. The Board may, in its absolute discretion, permit a member to change from one to another benefit option on any other date provided that the member may change to another option in the case of midyear contribution increases or benefit changes.
  - 16.2.2.** Application to change from one option to another must be in writing and must be lodged with the Scheme within the period notified by the Scheme provided that the member has had at least 30 days' prior notification of any intended changes in benefits or contributions for the next year.
- 16.3** The 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 days of receipt of the claim pertaining to such benefit.
- 16.4** The Board shall be entitled to withhold payment of any benefit to a member in respect of any service, whose contributions are more than one month in arrear. Where accounts have been paid in accordance with rule 17, the member will be held liable for the full amount.
- 16.5** The Scheme covers in full the cost of the prescribed minimum benefits rendered by a State hospital.

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

## **17. PAYMENT OF ACCOUNTS**

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

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

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

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

## **18. GOVERNANCE**

### **18.1** Board of Trustees

**18.1.1** The affairs of the Scheme shall be managed according to these rules by a Board of Trustees consisting of a minimum of five persons , who are fit and proper to be trustees;

**18.1.2** Sixty percent of such trustees must be elected by members from amongst members to serve terms of office of two years each, terminating on the date of the AGM;

**18.1.3** The remaining forty percent of the trustees will be appointed by the Board to serve terms of office of two years each, terminating annually at the AGM;

**18.1.4** Retiring trustees shall be eligible for re-election.

**18.1.5** The following persons are not eligible to serve as trustees of the Board :

**18.1.5.1** a person under the age of 21 years;

**18.1.5.2** a director, employee, officer, consultant or contractor, of the administrator of the Scheme or of the holding company, subsidiary, joint venture or associate of that administrator;

**18.1.5.3** the principal officer of the Scheme;

**18.1.5.4** the auditor of the Scheme;

**18.1.5.5** A broker.

**18.1.6** The names of candidates for election or re-election as Trustees, shall be submitted (signed by proposers and seconders and endorsed with the candidate's agreement to stand for election) to reach the Principal Officer at least 30 (thirty) days before the Annual General Meeting of the Scheme. The election of these candidates shall, if there be more than the required number of Trustee positions falling vacant by majority vote of all the Members voting by ballot under arrangements made by the Board. The names of candidates elected shall be announced at the Annual General Meeting.

**18.1.7** The Board may fill by appointment by the remaining trustees of the Board, any casual vacancy, which occurs during its term of office of trustees contemplated in 18.1.2. A person so appointed must retire at the first ensuing annual general meeting and that meeting must fill the vacancy for the unexpired period of office of the vacating trustee of the Board.

- 18.1.8** The Board may co-opt a knowledgeable person to assist it in its deliberations provided that such person shall not have a vote.
- 18.1.9** A quorum for any meeting of the Board shall be the majority of the trustees. Members of the Board will for the purpose of a quorum, not include suspended Board members.
- 18.1.10** Annually at the first meeting of the Board following the annual general meeting, the Board shall appoint a chairman and a vice-chairman from its number.
- 18.1.11** In the absence of the chairman and vice-chairman, the trustees of the Board present shall elect one of their numbers to preside.
- 18.1.12** Matters serving before the Board shall be decided by a majority vote and in the event of an equality of votes, the chairman shall have a casting vote in addition to his deliberative vote.
- 18.1.13** A trustee of the Board may resign at any time by giving written notice to the Board.
- 18.1.14** A trustee of the Board shall cease to hold office if:
- 18.1.14.1** he becomes mentally ill or incapable of managing his affairs;
  - 18.1.14.2** he is declared insolvent or has surrendered his estate for the benefit of his creditors;
  - 18.1.14.3** he is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering of a forged document or perjury;
  - 18.1.14.4** he is removed by the court from any office of trust on account of misconduct;

- 18.1.14.5** he is disqualified under any law from carrying on his profession;
- 18.1.14.6** he ceased to be an appointee by the Board, or being a trustee elected by members of the Scheme, or he ceases to be a member of the Scheme;
- 18.1.14.7** he absents himself from three consecutive meetings of the Board without the permission of the Chairperson;
- 18.1.14.8** he is removed from office by the Council in terms of Section 46 of the Act; or
- 18.1.14.9** The provisions of rules 18.1.14.1 to 18.1.14.5 apply mutatis mutandis to the principal officer.

**18.1.15** The Board shall meet at least four times a year:

**18.1.15.1** Provided the chairman may convene a special meeting should the necessity arise. Any 3 trustees of the Board may request the chairman to convene a special meeting of the Board:

Provided the matters to be discussed at the meeting are clearly stated in the request. Upon receipt of the request, the Chairman shall, within 7 days, convene a special meeting of the Board to deal with the matters stated therein.

**18.1.16** The Board may, subject to participation by sufficient members to form a quorum, discuss and resolve matters by telephone or electronic conferencing means and may adopt resolutions on that basis.

- 18.1.17** The Board may delegate any of its powers to the Principal Officer or to a committee as it may direct.
- 18.1.18** Trustees of the Board may be remunerated for performing their functions as trustees of the Board, as decided by the said Board.
- 18.1.19** Present at all meetings of the Board or any committee will be a non-voting secretary, appointed by the administrator contemplated in Rule 21.4. This secretary will perform the following functions:
- 18.1.19.1** Keep and distribute the minutes of the meeting. The minutes of any meeting contemplated above shall be laid before the next meeting of the Board, or of the relevant committee, as the case may be.
  - 18.1.19.2** Perform all the functions that are normally performed by a secretary of a committee.
- 18.1.20** A member of the Board who acts in a manner which is seriously prejudicial to the interests of beneficiaries of the medical scheme may be removed from the Board, provided that -
- 18.1.20.1** before a decision is taken to remove the member of the Board, the Board shall furnish that member with full details of the evidence which the Board has at its disposal regarding the conduct complained of, and allow such member a period of not less than 30 days in which to respond to the allegations;
  - 18.1.20.2** the resolution to remove that member is taken by at least two thirds of the members of the Board;

**18.1.20.3** the member shall have recourse to disputes procedures of the scheme or complaints and appeal procedures provided for in the Act.

## **19. DUTIES OF SCHEME'S PRINCIPAL OFFICER AND STAFF**

**19.1** The officers of the Scheme shall ensure the confidentiality of any information regarding its members and their dependants.

**19.2** The Principal Officer shall be the Executive Officer of the Scheme.

**19.3** The Principal Officer shall:

**19.3.1** Attend all meetings of the Scheme and of the Board and of any other committee where his attendance may be required;

**19.3.2** Ensure that the decisions and instructions of the Board are executed without unnecessary delay;

**19.3.3** Where necessary, ensure that there is proper and appropriate communication between the Scheme and those parties, affected by the decisions and instructions of the Board;

**19.3.4** Keep 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) and 57(6) of the Act;

**19.3.5** Be responsible for the submission of all statutory returns;

**19.3.6** Cause the proceedings of all meetings of the Scheme to be recorded;

- 19.3.7** Arrange for the collection of contributions, banking of funds and making of payments as authorised by the Board;
- 19.3.8** Be responsible for the supervision of the staff employed by the Scheme;
- 19.3.9** Ensure the carrying out of all his duties as are necessary for the proper execution of the business of the Scheme;
- 19.3.10** Delegate any of his powers and functions to any officer of the Scheme, unless specifically prohibited in the directive contemplated in rule 18.1.17;
- 19.3.11** Ensure that he does not take any decisions concerning the affairs of the Scheme without prior authorisation by the Board and that he observes at all times the authority of the Board in its governance of the Scheme;
- 19.3.12** Keep full and proper records of all moneys received and expenses incurred by, and of all assets, liabilities and financial transactions of the Scheme; and
- 19.3.13** Prepare annual financial statements and ensure compliance with all statutory requirements pertaining thereto.

## **20. DUTIES OF THE BOARD**

- 20.1** The Board is responsible for the proper and sound management of the Scheme in terms of these rules.
- 20.2** The Board must act with due care, diligence, and skill and in good faith.
- 20.3** Members of the Board must avoid conflict of interests and must declare any interest they may have in any particular matter serving before the Board.

- 20.4** The Board must apply sound business principles and ensure the financial soundness of the Scheme.
- 20.5** The Board shall appoint a principal officer who is fit and proper to hold such office and may appoint any staff which in its opinion are required for the proper execution of the business of the Scheme, and shall determine the terms and conditions of service of the principal officer and of any person employed by the Scheme. The following persons are not eligible to be a principal officer –
- 20.5.1** An employee, director, officer, consultant or contractor of the administrator of the Scheme, joint venture or associate of that administrator;
- 20.5.2** A broker.
- 20.6** The chairperson must preside over meetings of the Board and ensure due and proper conduct at meetings.
- 20.7** The Board must cause to be kept such minutes, accounts, and entries, registers and records as are essential for the proper functioning of the Scheme.
- 20.8** The Board must ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions and duties in terms of the rules.
- 20.9** The Board must take all reasonable steps to ensure that contributions are paid timeously to the Scheme in accordance with the Act and the rules.
- 20.10** The Board must ensure that proper control systems are employed by and on behalf of the Scheme.
- 20.11** The Board must take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance.

- 20.12** The Board must obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the members of the Board may lack sufficient expertise.
- 20.13** The Board must ensure that the rules, operation and administration of the Scheme comply with the provisions of the Act and all other applicable laws.
- 20.14** The Board must take all reasonable steps to protect the confidentiality of medical records concerning any member or dependant's state of health.
- 20.15** The Board must approve all disbursements.
- 20.16** The Board must be caused to be kept in safe custody, in a safe or strong room at the registered office of the Scheme or with any financial institution approved by the Board, any mortgage bond, title deed or other security belonging to or held by the Scheme, except when in the temporary custody of another person for the purposes of the Scheme.
- 20.17** 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.
- 20.18** The Board must disclose annually in writing to the Registrar, any payment or considerations made to members of the Board in that particular year by the Scheme

## **21. POWERS OF THE BOARD**

### **The Board has the power -**

- 21.1** to cause the termination of the services of any employee of the Scheme.

- 21.2** to take all necessary steps and to sign and execute all necessary documents to ensure and secure the due fulfillment of the Scheme's obligations under such appointments.
- 21.3** to appoint a committee as it may direct and to delegate any of its powers to such committee.
- 21.4** to appoint a duly accredited administrator for the proper execution of the business of the Scheme. The terms and conditions of such appointment shall be contained in a written contract, which complies with the requirements of the Act and the regulations.
- 21.5** to purchase movable and immovable property for the use of the Scheme or otherwise and to sell the same or any of it;
- 21.6** to let or hire movable or immovable property;
- 21.7** in respect of any moneys not immediately required to meet current charges upon the Scheme and subject to the provisions of the Act, to lend, invest or otherwise to deal with such moneys upon such security and in such manner as the Board may from time to time decide and to realise, re-invest or otherwise deal with such moneys and investments in such manner as it may from time to time determine;
- 21.8** with the prior approval of the Council to borrow money for the Scheme from the Scheme's bankers against the security of the Scheme's assets for the purpose of bridging a temporary shortage;
- 21.9** 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 beneficiaries of the Scheme;
- 21.10** to donate to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or any of the beneficiaries;

- 21.11** to grant loans to the members of the Scheme in order to assist such members to meet commitments in regard to the obtaining of a health care service;
- 21.12** to contribute to any association or any fund conducted for the benefit of the employees of the Scheme;
- 21.13** to reinsure obligations in terms of the benefits provided for in these rules in the prescribed manner ;
- 21.14** to authorise such officers of the Scheme or Board as it may decide from time to time and upon such terms and conditions as the Board may decide, 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;
- 21.15** to appoint a competent person as liquidator in the case of a voluntary dissolution;
- 21.16** to appoint experts as advisors as it may direct;
- 21.17** to appoint, contract with and compensate any accredited managed health care organisation in the prescribed manner; and
- 21.18** to contribute to any association instituted for the furtherance, encouragement and co-ordination of medical schemes.

## **22. DISCRETIONARY POWER OF THE BOARD**

In general the Board may do anything that it deems necessary or expedient to perform its functions in accordance with the provisions of the Act and these rules.

Provided that the decision of the Board shall not be inconsistent with the objects of the Scheme.

## **23. INDEMNIFICATION**

**23.1** The Board and any officer of the Scheme shall 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.

**23.2** Nothing in these rules shall be construed, as altering in any way the employer's right to either terminate the service of an employee who is a member of the Scheme or to terminate or amend any agreement between the employer and the employee in regard to conditions of service.

## **24. FIDELITY GUARANTEE**

The Board shall ensure that the Scheme is insured against loss resulting from the dishonesty or fraud of any of its officers having the receipt or charge of moneys or securities belonging to the Scheme.

## **25. FINANCIAL YEAR OF THE SCHEME**

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

## **26. BOOKS OF ACCOUNT AND ANNUAL FINANCIAL STATEMENTS**

**26.1** The Board shall cause to be kept such accounts, entries, registers and records as are essential for the proper working of the Scheme.

**26.2** The Principal Officer shall in respect of every financial year cause to be prepared annual financial statements and shall within 4 months after the end of a financial year, furnish a copy of the audited statements concerned together with the annual report to the Registrar and to every member of the Scheme.

## **27. BANKING ACCOUNT**

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

## **28. AUTHORITY FOR PAYMENTS**

All disbursements shall be approved by the Board:

**Provided** that such authority may be delegated to the Principal Officer and/or such other person as the Board may approve.

## **29. SAFE CUSTODY OF SECURITIES**

**29.1.** Any mortgage bond, title deed or other security belonging to or held by the Scheme shall, except when in the temporary custody of another person for the purposes of the Scheme, 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.

**29.2.** The Board shall make such provision as it deems desirable for the safe custody of the books, documents and other effects of the Scheme.

## **30. AUDITOR AND AUDIT COMMITTEE**

**30.1** 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.

**30.2** The following persons are not eligible to serve as auditor of the Scheme—

**30.2.1** a member of the Board;

- 30.2.2** an employee, officer or contractor of the Scheme;
- 30.2.3** an employee, director, officer or contractor of the Scheme's administrator, or of the holding company, subsidiary, joint venture or associate of the administrator;
- 30.2.4** a person not engaged in public practice as an auditor; or
- 30.2.5** a person who is disqualified from acting as an auditor in terms of the Companies Act, 1973.
- 30.3** The members of the Scheme shall at any general meeting be notified of any auditor appointed or re-appointed under this rule.
- 30.4** Whenever for any reason an auditor vacates his office prior to the expiration of the period for which he has been appointed, the Board shall within thirty days appoint another auditor to fill the vacancy. If the Board fails to comply with the provisions of this sub-rule, the Registrar may appoint such auditor at the cost of the Scheme.
- 30.5** 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 days make such appointment, and if it fails to do so, the Registrar may at any time do so.
- 30.6** The auditor of the Scheme shall be entitled to attend any general meeting of the Scheme and to receive all notices of and other communications relating to any general meeting which any member of the Scheme is entitled to receive and to make at such meeting any statement in relation to any return, account or balance sheet examined by him or report made by him.
- 30.7** The auditor of the Scheme shall at all times have a right of access to the books and accounts and vouchers of the Scheme, and shall be 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.

**30.8** The auditor shall make a report to the members of the Scheme on the accounts examined by him and on the financial statements laid before the Scheme in general meetings.

**30.9** The Board must appoint an audit committee of at least five members of whom at least 2 must be members of the Board.

## **31. GENERAL MEETINGS**

### **31.1 ANNUAL GENERAL MEETING**

**31.1.1** An annual general meeting of members shall be held not later than 30 June of each year. Such a meeting may be held, at the discretion of the Board, at separate venues.

**31.1.2** The notice convening an annual general meeting containing the agenda, the annual financial statements, auditor's report and Trustees' report shall be dispatched to members at least 21 days before the date of the meeting. The non-receipt of such notice by a member shall not invalidate the proceedings at such a meeting.

**31.1.3** A quorum at an annual general meeting of members shall be 15 members. If a quorum is not present after the lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting shall be postponed for 15 minutes and members then present shall form a quorum.

**31.1.4** The financial statements and reports specified in rule 31.1.2 shall be laid before the meeting.

**31.1.5** Notice of motions to be placed before any annual general meeting must reach the Principal Officer at least 7 days prior to the date of the meeting.

## **31.2 SPECIAL GENERAL MEETING**

- 31.2.1** A special general meeting of members may be called by the Board in respect of the relevant members as the case may be, if it is deemed necessary.
- 31.2.2** On the requisition of at least 10 % of all the members of the Scheme or 10 % of the members of a region, the Board shall cause a special general meeting to be called within 30 days of the deposit of the requisition. The requisition shall state the objects of the meeting and shall be signed by all the requisitionists and deposited at the registered office of the Scheme. Only those matters forming the objects of the meeting shall be discussed.
- 31.2.3** The notice convening a special general meeting containing the agenda shall be dispatched to the members or members of the region concerned as the case may be at least 14 days before the date of the meeting. The non-receipt of such notice by a member shall not invalidate the proceedings at such a meeting.
- 31.2.4** A quorum at a special general meeting of members of the Scheme or a region shall be 15 members. If a quorum is not present at a special general meeting after the lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting shall be postponed for 15 minutes and the members then present shall form a quorum:

**Provided** further that if a quorum is not present at a special general meeting convened on the requisition of members of the Scheme or region, after the lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting shall be regarded as cancelled.

## **32. VOTING AT MEETINGS**

- 32.1** Every member who is present at a general meeting of the Scheme and whose contributions are not in arrears, has the right to vote, or may, subject to this rule, appoint another member of the Scheme as proxy to attend, speak and vote in his stead.
- 32.2** 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.
- 32.3** The chairperson must determine whether the voting must be by ballot or by a show of hands. In the event of the votes being equal, the chairperson, if he is a member, has a casting vote in addition to his deliberative vote.

### **33. COMPLAINTS AND DISPUTES**

- 33.1** Members may lodge their complaints, in writing, to the Scheme.
- 33.2** All complaints received in writing will be responded to by the Scheme in writing within 30 days of receipt thereof.
- 33.3** A disputes committee of three members, who may not be members of the Board, employees of the administrator of the Scheme or officers of the Scheme, must be appointed by the Board to serve a term of office of 3 years. At least one of such persons shall be a person with legal expertise.
- 33.4** Any dispute, which may arise between a member, prospective member, former member or a person claiming by virtue of such member and the Scheme or an officer of the Scheme, must be referred by the principal officer to the disputes committee for adjudication.
- 33.5** On receipt of a request in terms of this rule, the principal officer must convene a meeting of the disputes committee by giving not less than 21 days notice in writing to the complainant and all the members of the disputes committee, stating the date, time, and venue of the meeting and particulars of the dispute.

- 33.6** The disputes committee may determine the procedure to be followed.
- 33.7** The parties to any dispute have the right to be heard at the proceedings, either in person or through a representative.
- 33.8** An aggrieved person has the right to appeal to the Council for Medical Schemes against the decision of the disputes committee. Such appeal must be in the form of an affidavit directed to Council and shall be furnished to the Registrar not later than three months after the date on which the decision concerned was made.
- 33.9** The operation of any decision which is the subject of an appeal under rule 33.8 shall be suspended pending the decision of the Council on such appeal.

#### **34. TERMINATION OR DISSOLUTION**

- 34.1** The Scheme may be dissolved by order of a competent court or by voluntary dissolution.
- 34.2** Members in general meeting may decide that the Scheme must be dissolved, in which event the Board must arrange for members to decide by ballot whether the Scheme must be liquidated. Unless the majority of members decide that the Scheme must continue, the Scheme must be liquidated in terms of section 64 of the Act.
- 34.3** Pursuant to a decision by members taken in terms of rule 34.2 the principal officer must, in consultation with the Registrar, furnish to every member a memorandum containing the reasons for the proposed dissolution and setting forth the proposed basis of distribution of the assets in the event of winding up, together with a ballot paper.
- 34.4** Every member must be requested to return his ballot paper duly completed before a set date. If at least 50 per cent of the members return their ballot papers duly completed and if the majority thereof is in favour of the dissolution of the Scheme, the Board must ensure

compliance therewith and appoint, in consultation with the Registrar, a competent person as liquidator.

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

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 of any other medical scheme or person. Before such event the Board must arrange for members to decide by ballot whether the proposed amalgamation should be proceeded with or not.

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

The Registrar may on good course shown ratify a lower percentage.

### **36. RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS**

**36.1** Any beneficiary must on request and on payment of a fee of R15 per copy, be supplied by the Scheme with a copy of the following documents:

**36.1.1** The rules of the Scheme;

**36.1.2** the latest audited annual financial statements, returns, Trustees reports and auditors report of the Scheme and accompanying management accounts in respect its benefit options.

**36.2** A beneficiary is entitled to inspect free of charge at the registered office of the Scheme any document referred to in rule 36.1 and to make extracts therefrom.

### **37. AMENDMENT OF RULES**

- 37.1** The Board shall be entitled to adopt, alter or rescind any rule or annexure or to make any additional rule or annexure.
- 37.2** No alteration, rescission or addition shall be valid unless it has been approved and registered by the Registrar in terms of the Act.
- 37.3** No alteration, rescission or addition that affects the objects of the Scheme shall be valid unless it has been approved by a majority of members present in a general meeting or by ballot.
- 37.4** Members shall be furnished with a copy of such amendment as soon as possible after registration thereof. Should a member's rights, obligations, contributions or benefits be amended, he shall be given 30 days advance notice of such change.
- 37.5** Notwithstanding the provisions of Rule 36.1 above, the Board shall, on the request and to the satisfaction of the Registrar, amend any rule that is inconsistent with the provisions of the Act.

-----00000-----