



TRUSTEE RESOLUTION

We, the undersigned, hereby certify that SASOLMED's Board of Trustees adopted the enclosed amendments to the benefits with effective from 1 January 2024, subject to Registrar approval and registration.

The amendments were adopted by the Board of Trustees at a meeting held on 7 September 2023.

The amendments are certified as having been adopted in terms of the Rules of the Scheme.

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Signed at: 2023-10-30 12:55:42 +02:00
Reason: I approve

Dr Shantél Smit

PRINCIPAL OFFICER

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CHAIRPERSON



SASOLMED MAIN RULES

SASOLMED MAIN RULES

(With effect from 1 January 2024)



SASOLMED MAIN RULES

SASOLMED MAIN RULES

Table of Contents

1. NAME.....	3
2. LEGAL PERSONA	3
3. REGISTERED OFFICE	3
4. DEFINITIONS.....	4
5. OBJECT	14
6. MEMBERSHIP	14
7. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS	17
8. TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP	20
9. TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME.....	21
10. MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP.....	22
11. CHANGE OF ADDRESS OF MEMBER	22
12. TERMINATION OF MEMBERSHIP	22
13. CONTRIBUTIONS	25
14. LIABILITIES OF EMPLOYER AND MEMBER.....	26
15. CLAIMS PROCEDURE.....	26
16. BENEFITS.....	30
17. PAYMENT OF ACCOUNTS	32
18. GOVERNANCE.....	33
19. FIDUCIARY DUTIES OF BOARD OF TRUSTEES	39
20. POWERS OF THE BOARD	42
21. DUTIES OF PRINCIPAL OFFICER AND STAFF.....	44
22. INDEMNIFICATION AND FIDELITY GUARANTEE.....	46
23. FINANCIAL YEAR OF THE SCHEME	46
24. BANK ACCOUNT	47
25. AUDITOR AND AUDIT AND RISK COMMITTEE	47
26. GENERAL MEETINGS	48
27. VOTING AT MEETINGS	52
28. COMPLAINTS AND DISPUTES.....	52
29. TERMINATION OR DISSOLUTION	54
30. AMALGAMATION AND TRANSFER OF BUSINESS.....	55
31. RIGHT TO OBTAIN AND INSPECT DOCUMENTS	56
32. AMENDMENTS TO RULES	56



SASOLMED MAIN RULES

SASOLMED MAIN RULES

1. NAME

The name of the Scheme is SASOLMED, 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 powers or the performance of its functions in terms of the Medical Schemes Act, 131 of 1998 and regulations and these Rules.

3. REGISTERED OFFICE

The registered office of the Scheme is situated at Sasol Place, 50 Katherine Street, Sandton, 2090 and the postal address is PO Box 5486, Johannesburg, 2000. The registered office of the Administrator and Managed Healthcare Organisation of the Scheme is situated at 1 Discovery Place, Corner Katherine and Rivonia Roads, Sandton, 2090, 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, 131 of 1998, bears the meaning thus assigned to it and, unless inconsistent with the context:

- (a) a word referring to the male or female gender includes the other gender, unless that gender is specifically excluded;
- (b) a word in the singular includes the plural, unless the plural is specifically excluded;
- (c) the expressions below have the following meanings:

“Act”, the Medical Schemes Act, 131 of 1998, and the regulations issued under the Act;

“accredited institutions”, a learning institute as registered with the legally recognised education authority offering registered degrees and/or diplomas;

“Administrator”, an intermediary or legal person that has been accredited by the Council for Medical Schemes as set out in Section 58 of the Act, and appointed by the Board to administer the affairs of the Scheme;

“admission date”, the date on which a person becomes a member, or in respect of a dependant, the date on which such dependant is admitted as a dependant in terms of these Rules and in the case of an employer, the date on which such employer participates in the Scheme in terms of these Rules;

“annual limit”, the maximum benefits to which a member and his registered dependants are entitled in terms of these Rules, and shall be calculated annually to coincide with the financial year of the Scheme;

“approval”, prior written approval of the Board or its authorised representative;

“auditor”, means an individual or firm that is a registered auditor as defined in Section 1 of the Auditing Professional Act, 2005;

“authorisation”, means the following:

- (a) in the case of hospitalisation - the authorisation by, or on behalf of, the Scheme for a case to be managed under the relevant managed healthcare 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. Such authorisation shall be deemed to authorise all procedures and services as may be necessary during the stipulated period;
- (b) in the case of medication - the authorisation of a medicine prescribed for a chronic sickness condition based on the reimbursement guidelines set by the chronic medication programme or disease management programme;
- (c) pre-authorisation is a clinical decision based on the information provided and not a guarantee of payment of relevant healthcare services to be rendered;

“beneficiary”, the member, or a person admitted and registered as a dependant of a member in terms of these Rules;

“biological drugs”, a biological drug is a substance that is made from a living organism or its products and is used in the treatment of cancer and other diseases. Biological drugs include antibodies and interleukins;

“Board”, the Board of Trustees constituted to manage the Scheme in terms of the Act and these Rules;

“case”, the treatment of a sickness condition required on admission of a beneficiary to a hospital or day clinic and includes any ongoing treatment stipulated under the “hospital benefit management programme”;

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

“child”, means a member or a member’s spouse/partner’s child under the age of 23 (twenty three) years who is not self-supporting and 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 a medical scheme. For the purpose of applying this definition, a child means:

- (a) the natural child of a member; or
- (b) a stepchild of the member; or
- (c) a foster child or a child in the process of being placed in foster care who has been placed by order of the court in the custody of the member or his spouse or partner, as defined Section 1 of the Children’s Act, 38 of 2005; or
- (d) an adopted child or a child in the process of being adopted and who has been placed in the custody of the member or his spouse or partner, as defined in Section 1 of the Children’s Act, 38 of 2005; or
- (e) a child born in terms of a surrogate motherhood agreement with a member confirmed in the High Court, as defined in Section 1 of the Children’s Act, 38 of 2005; or
- (f) a child being cared for by the member or in temporary safe care as defined in the Children’s Act, 38 of 2005; or
- (g) a child with a mental or physical disability;

“chronic medication programme”, the programme adopted by the Scheme for containing costs and/or the use of medicines used by a beneficiary on a long-term basis, or for an incurable or life-threatening disease as indicated in Annexure D;

“chronic sickness condition”, a sickness condition requiring ongoing medicine or injecting material and in which the treatment of such condition has become stabilised;



SASOLMED MAIN RULES

“claim”, charges by suppliers of healthcare services in relation to a healthcare service provided or rendered to a member or a dependant of a member, in terms of which an account, invoice or statement has been issued as set out in regulation 5 of the Act;

“Company”, Sasol Limited or any subsidiary or associated company of Sasol Limited;

“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;

“contracted fee”, 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. The definition shall have the same meaning as “negotiated fee” and/or “agreed tariff”;

“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 made in accordance with a contribution table complying with Annexure A of these Rules, for the purpose of qualifying for benefits offered by the Scheme in terms of its Rules;

“co-payment”, is that percentage or portion of an admitted claim by a member, that the member concerned shall be required to pay;

“cost”, in relation to a benefit, the net or final amount payable in the ordinary course of business in respect of a relevant healthcare service rendered or material obtained;

“Council”, the Council for Medical Schemes established by Section 3 of the Medical Schemes Act;

“creditable coverage”, means any period during which the late joiner was



SASOLMED MAIN RULES

- (a) a member or a dependant of a medical scheme;
- (b) a member or a dependant of any 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;
- (c) 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
- (d) a member or a dependant of the Permanent Force Contribution Fund, excluding any period of coverage as a dependant under the age of 21 (twenty one) years.

“dependant”, means the following:

- (a) a member’s lawful spouse or a partner who is not a member or a registered dependant of a member of a medical scheme; or
- (b) a member’s dependent child as defined under “child” above who is not a member or a registered dependant of a member of a medical scheme; or
- (c) the immediate family (blood relatives) or such other persons in respect of whom the member is liable for family care and support, subject to annual review and who is not a member or a registered dependant of a member of a medical scheme; or
- (d) such other persons who are recognised by the Board as dependants for purposes of these Rules.

“dependent”, in relation to a child, other than the member’s spouse or partner, a member’s dependent child who is under 23 (twenty three) years of age; or of any age who is dependent upon the member for family care and support who is not a member or a registered dependant of a member of a medical scheme;

“designated service provider (DSP)”, a healthcare provider or group of providers selected by the Scheme as preferred providers to provide healthcare services to beneficiaries for the diagnosis, treatment and care



SASOLMED MAIN RULES

including prescribed minimum benefit conditions as identified in Annexure D at preferred rates, or on other beneficial terms, and shall be used exclusively by beneficiaries except in cases where the DSP is not available within a reasonable distance of the beneficiary, or in case of emergencies;

“direct co-payment”, a specific payment for which a beneficiary is personally liable, the amount of which is specifically stipulated, in terms of the Rules of the Scheme;

“disease management programme”, a programme adopted by the Scheme incorporating such clinical protocols as defined in relevant annexures to the contract between the Scheme and the institution contacted to perform disease management for purposes of containing costs and/or ongoing review and monitoring of patients, in respect of such conditions as may be identified by the Scheme from time to time;

“domicilium citandi et executandi”, the member’s chosen physical address at which notices in terms of Rules 11 and 13, as well as legal process, or any action arising therefrom, may be validly delivered and served;

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

“employee”, a person in the employment of an employer;

“employer”, the Company or any associated company which is an associated or subsidiary of the Company and which has been admitted participating in the Scheme;

“Ex Gratia”, in relation to payment of relevant healthcare claims means, an extraordinary, discretionary payment where the beneficiary’s ordinary



SASOLMED MAIN RULES

benefit limits are exceeded and where reasonable cause and necessity is determined;

“hospital benefit management programme”, the ongoing monitoring, by or on behalf of the Scheme, for a stipulated period for the treatment of a sickness condition of a beneficiary, and shall include a sickness condition which might occur whilst the beneficiary is in a private / provincial hospital or day clinic or a sickness condition for which the beneficiary was admitted in the first instance, and which may extend beyond the period of hospitalisation;

“income”, see Annexure A for the definition of income;

“late joiner”, an applicant or the adult dependant of an applicant, who, at the date of application for membership or admission as a dependant, as the case may be, is 35 (thirty five) 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;

“liable for family care and support”, shall mean the liability to financially support an immediate family member, irrespective of age, who is not self-supporting / incapable of supporting himself and the Member has a common-law duty and the means to (care and) support that family member. The Member will be required to furnish an affidavit to the Scheme’s satisfaction proving this common-law liability for family care and support;

“Managed Healthcare Organisation”, an organisation accredited by the Council and appointed by the Scheme in accordance with the Act and the Rules to provide managed healthcare;

“managed healthcare programme”, a healthcare delivery arrangement designed to monitor and to reduce unnecessary utilisation of services, to

contain costs and to measure performance while providing accessible, quality and effective healthcare including the most effective and efficient utilisation of benefits available to each beneficiary and as referred to in paragraph 6 of Annexure D;

“medicine”, any medicine as defined by, and registered in terms of, the Medicines and Related Substances Control Act, 5 of 1965;

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

“medicine price list”, a list published by the Managed Healthcare Organisation containing the maximum reimbursable price of specified medicines;

“medicine rate”, the single exit price plus the appropriate professional fee;

“member”, any person who is admitted as a principal member of the Scheme in terms of these Rules;

“member family”, the member and all his registered dependants;

“negotiated fee”, a fee agreed to between the Scheme and healthcare providers in respect of any healthcare services. Such a fee will be considered the scheme tariff where it exists;

“negotiated professional charge”, a charge agreed to between the Scheme and dispensers and preferred providers in respect of the dispensing of registered medicines. Such a fee will be considered the scheme tariff, where it exists;

“Premier Plus Network GP”, a General Practitioner who has contracted with Discovery Health (Pty) Limited and/or the Scheme to be part of the Premier Plus Network;



SASOLMED MAIN RULES

“premier rate”, the rate at which the Scheme will pay a premier rate provider, such a provider’s procedures and consultations will be paid by the Scheme in full and beneficiaries will not be required to make any further payments to him save in instances of depleted benefits;

“premier rate provider”, a dental or medical specialist who has undertaken inter alia, to bill beneficiaries at the premier rate for procedures and consultations in accordance with the relevant procedure and consultation codes in return for direct payment by the Scheme of benefits to which the beneficiaries are entitled;

“prescribed minimum benefit condition”, a condition contemplated in the Diagnosis and Treatment Pairs listed in Annexure A of the Regulations or any emergency medical condition;

“prescribed minimum benefits (PMBs)”, the benefits contemplated in Regulations 7 and 8 of the Act which are available to beneficiaries;

“prescription”, all the medicine that a medical or dental practitioner or other person legally authorised to do so prescribes at one time for one person for the sickness condition under treatment;

“reference price”, the exit price plus the professional dispensing fee as determined by the pricing committee appointed in terms of the Medicines and Related Substances Control Act, or, in the absence of such determination, 100% of the lower of:

- (a) the cost to the supplier plus the negotiated professional charge; or
- (b) the negotiated price; or
- (c) the medicine designated price; or
- (d) the recommended retail price; and
- (e) less any negotiated discount.

“Registrar”, the Registrar or Deputy Registrar/s of Medical Schemes appointed in terms of Section 18 of the Act;



SASOLMED MAIN RULES

"Scheme", means Sasolmed (Registration Number 1234), a medical scheme duly registered as such in accordance with the provisions of the Act;

"Scheme Tariff", or "Sasolmed Tariff", the rate at which health services are reimbursed by the Scheme as outlined in Annexure B, or in terms of an agreement between the Scheme and a service provider or group of providers;

"spouse", the spouse of a member to whom the member is married in terms of any law or recognised customary law, irrespective of the gender of either party;

"stipulated period", a period commencing on the date of application for admission to hospital or day clinic or re-admission in respect of the same medical condition, or condition emanating from or causally linked to the initial condition for which admission was sought, to the date of discharge from hospital or day clinic, provided that when transferred from one hospital to another for continuation of treatment of the sickness condition for which the beneficiary was admitted, the stipulated "date of discharge" shall be the date on which the beneficiary was finally discharged from hospital;

"waiting periods", a period during which a member is liable to pay contributions but will not be entitled to claim any benefits i.e.:

(a) "condition specific waiting period", a period during which a beneficiary is not entitled to claim benefits in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the 12 (twelve) month period. Nine months for a pregnancy, ending on the date on which an application for membership was made;

(b) "general waiting period", a period during which a beneficiary is not entitled to claim any benefits and which period may not exceed three

months, or any other such period as may be allowed in terms of the Act, and as may be determined by the Board from time to time.

5. OBJECT

The object of the Scheme is to undertake liability, in respect of its members and their dependants, in return for a contribution or premium and encompasses the following:

- 5.1** the management and co-ordination of preventive, promotive, curative and rehabilitative healthcare;
- 5.2** granting financial protection to natural persons by undertaking principal liability for healthcare expenses incurred in respect of its members and their dependants either directly or indirectly, which includes any of the following:
 - 5.2.1** providing any such qualifying person with access to relevant health service that is either free of charge or subsidised at the point of service;
 - 5.2.2** either fully or partly defraying a medical expense such person has incurred by having received treatment through relevant health service;
 - 5.2.3** contracting with a supplier or any number of suppliers of any relevant health service or services with a view to achieving the purpose of subparagraph 5.2.1 or 5.2.2; and
 - 5.2.4** ensuring the administrative platform, infrastructure and services required to give effect to the system of financial protection contemplated in subparagraphs 5.2.1 to 5.2.3.

6. MEMBERSHIP

6.1 Eligibility

6.1.1 Employer participation



The Board may, with the approval of the Company and on application by any associated or subsidiary company of the Company, admit such company as an employer and extend participation in the Scheme to the employees, principals, and partners of such company on the same terms and conditions as applied to the employees, principals, and partners of the Company.

6.1.2 Employee member

Subject to Rule 8 –

6.1.2.1 Membership of the Scheme is restricted to persons in the employment of the employer or who have retired from the employment of the employer or its predecessor or successor in title as defined in the Rules;

6.1.2.2 provided further that where a married employee whose spouse is or becomes a member of any other medical scheme and the employee elects to be registered as a dependant on the spouse's medical scheme, the employee shall not during the period of such membership of that scheme be registered as a member of the Scheme.

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 Company 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 Scheme in writing of his desire to continue his membership, the membership will be terminated.

6.2.3 Should a retiree choose to terminate his membership, he shall not be allowed to re-join the Scheme at any other date thereafter.

6.3 Dependants of deceased members (surviving dependants)

6.3.1 The surviving dependants of a deceased member, who are registered with the Scheme as his dependants at the time of the member's death, shall be entitled to a continued membership of the Scheme without any restrictions, limitations or waiting periods, but such dependant shall not be allowed to register a new spouse or partner or child unless the widow is pregnant at the time of the member's passing.

6.3.2 The employer shall inform the dependant of his right to membership and of the contributions payable in respect thereof.

6.3.3 Such a member's membership terminates if he becomes a member or dependant of a member of another medical scheme and such dependant shall not be allowed to re-join the Scheme at any other date thereafter.

6.3.4 If a member dies with no spouse or partner and leaves an orphaned child who (excluding a stepchild unless the child was adopted by the principal member), at the date of the member's death, was registered as a dependant, such child or in the case of more than one child, the youngest eligible



child will, if the guardian so wishes and subject to Rules 6.3.1 to 6.3.3 above, be admitted as the principal member of the Scheme. In the case of more than one child, the other child or children will be accepted as dependants on the same basis up to the age of 21 (twenty-one).

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 A member, subsequent to joining the Scheme, must notify the Scheme within 30 (thirty) days of the following:

7.1.2.1. Where a dependant's status has changed and the member has elected to register or withdraw such dependant; and/or

7.1.2.2. Where the legal marital status of the member changed:

7.1.2.2.1. In the event of divorce, the former spouse may not remain as a dependant of the Scheme and will be terminated from the Scheme effective the last day of the month in which the divorce decree is granted. A Court Order compelling the member to pay for the former spouse's healthcare costs shall not entitle the former spouse to remain on



SASOLMED MAIN RULES

the Scheme as a dependant and the member shall be liable for such costs personally;

- 7.1.2.2.2.** Members who marry subsequent to joining the Scheme and who fail to notify the Scheme in terms of this Rule will not be entitled to any benefits in respect of their additional dependant/s until they have given the required notice and paid the applicable contribution.

The contributions at the amended rates shall be payable from the first day of the month following the registration or withdrawal of the dependant.

- 7.1.3** A member who wishes to register a new-born as the member's registered dependant must notify the Scheme within 30 (thirty) days of the birth of a child, and must apply to the Scheme to register the child as a dependant. Increased contributions shall be due as from the first day of the month following the birth. Benefits however will be allocated as from the date of birth;

- 7.1.4** A member who wishes to register a foster child or newly adopted child as the member's registered dependant/s must notify the Scheme within 90 (ninety) days of the adoption of a child or placement of custody, and must apply to the Scheme to register the child as a dependant. Increased contributions shall be due as from the first day of the month following the adoption or placement of custody and benefits



SASOLMED MAIN RULES

will be allocated as from the first of the month following the adoption or placement of custody;

7.1.5 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 7.1.4, 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 must 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 When a partner or common law spouse's membership is discontinued on the Scheme, the membership of the stepchildren's will also be terminated unless they have been legally adopted by the principal member;

7.2.4 If a partner's membership is discontinued and request to re-join after 90 (ninety) days, a three-month waiting period and condition specific waiting period will apply.

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 more than one medical scheme or 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, and no person may be a dependant:
- 8.2.1** of more than one member of a particular medical scheme; or
- 8.2.2** of members of different registered medical schemes.
- 8.3** No beneficiary may 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 except in cases of such person being a tissue or organ donor.
- 8.4** 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 it with a medical report on 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 shall be paid for by the Scheme. The Scheme may however designate a provider to conduct such tests or examinations.
- 8.5** Waiting periods are stipulated in Paragraph 1 of Annexure D.



SASOLMED MAIN RULES

- 8.6** The registered dependants of a member shall be entitled to the same benefits as the member as indicated in the Annexures B, C and D.
- 8.7** Every member shall, on admission to membership, receive a detailed summary of the contributions, benefits, limitations, and the member's rights and obligations as contained in these Rules. 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.
- 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 any benefit, or any right in respect of such benefit under these Rules, if a member assigns, transfers, cedes, pledges, or hypothecates such benefit.
- 8.9** Nothing in these Rules shall be construed as altering in any way an employer's right to terminate the service of an employee who is a member of the Scheme or altering any agreement between the employer and the employee in regard to conditions of service.

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, the Scheme shall admit as a member, without a waiting period, any member of such first-mentioned scheme who is a continuation member by virtue of his past employment by the particular employer and admit any person who has been a registered dependant of such member, as a dependant.

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 shall be exhibited to the supplier of a service on request. It remains the property of the Scheme and shall 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 shall, within 30 (thirty) days of such termination, or at any time on request, furnish such person with a certificate of membership showing period of membership and type of cover, and containing such particulars as may be prescribed.

11. CHANGE OF ADDRESS OF MEMBER

A member shall notify the Scheme within 30 (thirty) days of any change of his physical 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. If the member by agreement with the Scheme elects to receive communications via email, it is also the member's responsibility to notify the Scheme of any changes of such address.

12. TERMINATION OF MEMBERSHIP

12.1 Voluntary termination of membership

- 12.1.1** A member who is permitted to resign from the Scheme in order to be, and is registered as, a dependant of the



SASOLMED MAIN RULES

member's spouse or partner on another medical scheme may, subject to the provisions of Rule 8, be re-admitted and where applicable, underwriting may be applied in accordance with Section 29A of the Act;

12.1.2 A continuation member in terms of Rules 6.2. or 6.3 may, on one month's written notice, be permitted to resign from the Scheme and such person shall not be allowed to re-join the Scheme at a later date;

12.1.3 A participating employer may terminate his participation with the Scheme on giving three months' written notice;

12.1.4 If the employer transfers his business to or amalgamates with any other business, company or organisation, the employer may elect to:

12.1.4.1 withdraw wholly from the Scheme in which event the future of the Scheme shall be determined in accordance with Rule 29; or

12.1.4.2 continue to contribute to the Scheme in respect of the existing employees of such employer in which event the Scheme shall not be affected except that "employer" shall then mean the new business, company, or organisation.

12.2 Death

Membership of a member terminates on the date of his death. The surviving dependants registered at the time of the member's death, shall remain dependants on the membership, paying the appropriate contribution as per Annexure A, paragraph 4.3 until the end of the month in which the death of the member occurred, and thereafter the provisions of Rules 6.3 and 12.1.2 shall apply.

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 cancelled after reasonable demands for payment have been issued as provided for in these Rules. Notwithstanding the aforementioned and without prejudice thereto, the Scheme shall be entitled to suspend the member's benefits for the period during which he is indebted as more fully provided for in Rule 13.2.

12.4 Submission of fraudulent claims; committing any fraudulent act and/or non-disclosure of material information

12.4.1 The Board may suspend or terminate the membership of a beneficiary who submitted fraudulent claims, committed any fraudulent act or failed to disclose material information when applying for membership;

The Scheme may require such beneficiary to refund the Scheme any amount which would not have been disbursed, but for such beneficiary's abuse of the benefits and privileges of the Scheme; and

12.4.2 An applicant is obliged to disclose all material information to the medical scheme with regard to any matter concerning the state of health or medical history of the member concerned or that of any of his or her dependants, which arose or occurred during the period of 12 (twelve) months preceding the date of application for membership. In the event of material non-disclosure, the member must refund the Scheme any claims paid out by the Scheme and the Scheme must refund all the contributions paid by the member.

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 shall be paid 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 30 (thirty) days of the due date, the Scheme shall have the right:

13.2.1 without prior written notice to the member, to immediately suspend all benefit payments in respect of claims which arose during the period of default; and

13.2.2 to give the member written notice at his *domicilium citandi et executandi* or by means of an electronic notice agreed upon, indicating the nature of the member's liability and the outstanding amount. If contributions or such other debts are not paid up to date within 14 (fourteen) days of the receipt of such notice, membership may be suspended, and upon lapse of such time, duly terminate membership. 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 chosen *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





SASOLMED MAIN RULES

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.

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, which has not been 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

- 15.1** Every claim submitted to the Scheme in respect of the rendering of a relevant healthcare service as contemplated in these Rules, shall be accompanied by an account or statement as prescribed in Regulation 5 and shall contain the following particulars:
- 15.1.1** the surname and initials of the member;
- 15.1.2** the surname, first name and other initials (if any) of the patient;

- 15.1.3** the name of the Scheme;
- 15.1.4** the membership number of the member;
- 15.1.5** the practice code number, group practice number and individual provider registration number issued by the registering authorities for providers, if applicable, of the supplier of service and, in the case of a group practice, the name of the practitioner who provided the service;
- 15.1.6** the relevant diagnostic and such other item code numbers that relate to such relevant health service;
- 15.1.7** the date on which each relevant health service was rendered;
- 15.1.8** the nature and cost of each relevant health service rendered, including the supply of medicine to the member concerned or to a dependant of that member; and the name, quantity, dosage of and net amount payable in respect of the medicine;
- 15.1.9** where a pharmacist supplies medicine according to a prescription to a member or a dependant, a copy of the original prescription or a certified copy of such prescription, if the Scheme requires it;
- 15.1.10** where mention is made in such account or statement of the use of a theatre -
- 15.1.10.1** the name and relevant practice number and provider number contemplated in sub-paragraph 15.1.5 of the medical practitioner or dentist who performed that operation;





15.1.10.2 the name or names and the relevant practice number and provider number contemplated in sub-paragraph 15.1.5 of every medical practitioner or dentist who assisted in the performance of the operation; and

15.1.10.3 all procedures carried out together with the relevant item code number contemplated in sub-paragraph 15.1.6; and

15.1.11 in the case of a first account or statement in respect of orthodontic treatment, or other advanced dentistry, a treatment plan indicating the following:

15.1.11.1 the expected total amount in respect of treatment;

15.1.11.2 the expected duration of the treatment;

15.1.11.3 the initial amount payable; and

15.1.11.4 the monthly amount payable.

15.2 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 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 particulars -

15.2.1 the name and the membership number of the member;

15.2.2 the name of the supplier of service;

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

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- 15.2.4** the total amount charged for the service concerned; and
- 15.2.5** the amount of the benefit awarded for such service; and
- 15.2.6** the name of the beneficiary to whom the service was provided.

15.3 In order to qualify for benefits, any claim sent directly to a member or his beneficiaries 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. It is the member's responsibility to ensure that the account is submitted by the healthcare provider to the Scheme.

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

15.5 If a member becomes eligible for a third party claim, the member undertakes to submit same and refund the Scheme.

15.6 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 healthcare provider within 30 (thirty) days after receipt thereof and state the reasons for such an opinion. The Scheme shall afford the member or the relevant healthcare provider the opportunity to resubmit such corrected account or statement to the Scheme within 60 (sixty) days following the date from which it was returned for correction.

15.7 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 assigns, transfers, cedes, pledges, or hypothecates such benefit. These provisions shall be applicable *mutatis mutandis* to and in respect of dependants.

16. BENEFITS

- 16.1** Whilst registered on the Scheme, members are entitled to benefits during a calendar year, as indicated in Annexure B and such benefits extend through the member to his registered dependants.
- 16.2** The Scheme shall, where a valid account has been rendered, pay any benefit due to a member in accordance with the Rules, either to that member or to the supplier of the relevant healthcare service provider who rendered the service, within 30 (thirty) days of receipt of the claim pertaining to such benefit. Any benefit set out in Annexure B covers the cost of healthcare services rendered in respect of prescribed minimum benefits, in accordance with Annexure D.
- 16.3** The Scheme may exclude services from benefits as set out in Annexure C. No limitations or exclusions, other than those prescribed, will be applied to the prescribed minimum benefits.
- 16.4** The benefit applicable to any claim for services rendered outside the borders of South Africa, or 'foreign claim', shall be limited to the lower of the cost or Scheme Tariff applicable to an equivalent non-PMB claim covered by the Scheme in South Africa; subject to any exclusions and limitations stipulated elsewhere in these Rules, and including the sub-provisions below:
- 16.4.1** The Scheme shall not be liable for the payment of Prescribed Minimum Benefits (PMB) at "cost, unlimited" where PMB services are obtained, whether voluntarily or involuntarily, outside the borders of South Africa;



16.4.2 Benefits for foreign claims are limited to unforeseen medical expenses and shall exclude any treatment, experimental or otherwise, where a member deliberately travels outside the borders of South Africa to obtain such treatment, and whether the treatment is available in South Africa or not;

16.4.3 The Scheme shall not be required to make special arrangements to obtain foreign services or medicines for special conditions, and this includes harvesting and transportation of organs and tissue for transplant, and any medicines or medical services of any kind available only outside the borders of South Africa;

16.4.4 Any costs relating to travelling expenses, search and rescue, emergency/ambulance transport outside the borders of South Africa, and/or the repatriation of a member or his beneficiaries to South Africa, are not covered by the Scheme;

16.4.5 The Scheme shall not enter into any payment arrangements with a healthcare service provider outside the borders of South Africa; the member must pay such service provider directly and submit a fully specified account, in English, in the manner and format, and accompanied by the relevant claim form, as may be required by the Scheme; and

16.4.6 Refunds for foreign claims, where approved for payment by the Scheme in terms of these Rules, shall be paid directly to members, into a South African bank account, in South African Rands, and subject to the availability of benefits provided for in Annexure B.

- 16.5** The Scheme shall not authorise payment for services other than those provided for in accordance with these Rules, but may in its absolute discretion, make Ex Gratia payments in accordance with policy document guidelines issued by the Board from time to time, provided it is satisfied that undue hardship would otherwise be imposed upon a member.



- 16.6** Pre-authorisation is a clinical decision based on the information provided and not a guarantee of payment of relevant healthcare services to be rendered.

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 as set out in Annexure B, C and D and further subject to the maximum amount allowed in terms of the broadly applicable benefit limits (overall limits or limits fixed to cover several benefit categories).
- 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.
- 17.3** The Scheme may, whether by agreement with any supplier of service or not, pay the benefit to which a member is entitled, directly to the supplier (or group of suppliers) who rendered the service.
- 17.4** 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.

- 17.5** Notwithstanding the provisions of this rule, the Scheme has the right to pay any benefit directly to the member concerned and nothing in these Rules shall create or establish any liability or obligation to any supplier of service.
- 17.6** Claims for services rendered outside the borders of South Africa shall be subject to Rules 16.4 to 16.4.6, and any exclusions and limitations stated elsewhere in these Rules.
- 17.7** The Scheme is entitled to recover any part of a members claim against a third party which relates to the cost of reparating the medical malpractice, where the Scheme has originally funded such medical costs.

18. GOVERNANCE

- 18.1** The affairs of the Scheme shall be managed according to these Rules by a Board consisting of 12 (twelve) persons who are fit and proper to be Trustees, who shall be members of the Scheme and of whom:
- 18.1.1** six shall be appointed by the Company, (hereinafter referred to as "employer-appointed Trustees"); and
- 18.1.2** six shall be elected by members, (hereinafter referred to as "member-elected Trustees");
- 18.2** The Trustees shall hold the term of office for a period of six years;
- 18.3** All retiring Trustees shall be eligible for re-election or re-appointment, whichever is applicable, provided that no Trustee shall serve more than three terms all together.
- 18.4** The following persons are not eligible to serve as members of the Board:



- 18.4.1** a person under the age of 21 (twenty one) years;
- 18.4.2** an employee, director, officer, consultant, or contractor of the administrator of the Scheme or of the holding company, subsidiary, joint venture or associate of that administrator;
- 18.4.3** a broker;
- 18.4.4** the Principal Officer of the Scheme;
- 18.4.5** the auditor of the Scheme;
- 18.4.6** any person associated with a contracted service supplier of marketing services, or any other services provided to the Scheme;
- 18.4.7** any person associated with an organisation contracted to provide marketing services, or any other third party contracted services provided to the Scheme.
- 18.5** Member-elected Trustees will be appointed after receiving the most votes following the election process.
- 18.6** After resignation of member-elected Trustees the representative members receiving the most votes after the previous trustee election will be appointed as successor, and the provisions of Rule 18.17 shall apply.
- 18.7** A member of the Board shall cease to hold office if:
 - 18.7.1** he becomes mentally ill or incapable of managing his affairs;
 - 18.7.2** he is declared insolvent or has surrendered his estate for the benefit of his creditors;



- 18.7.3** he is convicted, whether in the Republic of South Africa or elsewhere, of any crime;
- 18.7.4** he is removed by the Court from any office of trust on account of misconduct;
- 18.7.5** he is disqualified under any law from carrying on his profession;
- 18.7.6** he fails to attend three consecutive Board or Committee meetings without the prior permission of the Chairperson;
- 18.7.7** he is removed from office by the Council in terms of Section 46 of the Act;
- 18.7.8** the provisions of Rules 18.7.1 to 18.7.5 apply *mutatis mutandis* to the Principal Officer.
- 18.8** The Chairperson and the Vice-Chairperson shall be elected by the Board from its Trustees. Should the Chairperson or Vice-Chairperson resign or cease to be a member of the Board or be removed from office on a vote of no confidence by the Board, the Board shall fill the vacancy.
- 18.9** The Board shall have at least four meetings per annum. Five business days' notice of a Board meeting, unless otherwise agreed by the Board, shall be given to each member of the Board and such notice shall, as far as possible, contain a statement of the business to be transacted at such meeting. The non-receipt of any notice by any member shall not affect the proceedings at any meeting of the Board.
- 18.10** The Chairperson may convene a special meeting of the Board should the necessity arise. Any two members of the Board may

request the Chairperson to convene a special meeting of the Board, provided the matters to be discussed at such meeting are clearly stated in the request;

18.10.1 Upon receipt of the request the Chairperson shall within seven days after such receipt convene a special meeting of the Board to deal with the matters stated therein. The provisions of Rule 18.9 regarding notice shall apply;



18.10.2 In the absence of the Chairperson and the Vice-Chairperson at such meeting of the Board, the Trustees present shall elect one of their members to chair the meeting.

18.11 Six members of the Board shall constitute a quorum for a meeting of the Board, provided the Chairperson or Vice-Chairperson shall form part of the quorum:

18.11.1 Members of the Board will, for the purposes of constituting a quorum, not include suspended Board members;

18.11.2 Matters serving before the Board shall be decided by a majority vote and in the event of an equality of votes the Chairperson of the meeting shall have a casting vote in addition to his deliberative vote; and

18.11.3 In the absence of the Chairperson and the Vice-Chairperson at such meeting of the Board, the Trustees present shall elect one of their Board members to chair the meeting.

18.12 Notwithstanding any vacancy on the Board, the continuing members thereof may act on its behalf; provided that if and so long



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as their number is reduced below that fixed for a quorum by the Rules such members may act only for the purpose of increasing the number of members of the Board to that number or for summoning a general meeting of members but for no other purpose.

18.13 A resolution in writing signed by Board members, being not less than six are sufficient to constitute a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted; provided that one of the signatories shall be the Chairperson, or in his absence the Vice-Chairperson.

Any such resolution may consist of several documents in like form, each signed by one or more of the signatories contemplated in this Rule.

18.14 The Board may co-opt as Board members up to three persons who need not be members of the Scheme;

18.14.1 A co-opted member shall cease to be a member of the Board if so determined by the Board at any time; and

18.14.2 A co-opted member may participate in the deliberations of the Board, but shall have no vote.

18.15 The Board shall arrange to fill any casual vacancy in the membership of the Board in accordance with the relevant provisions of Rule 18.1.

18.16 The Board may allow payment to Board members for reasonable fees and expenses incurred in the execution of their duties as members of the Board.

18.17 The Board may fill by appointment, any vacancy arising during the term of office of a member of the Board due to such member resigning or ceasing to hold office. In the case of an employer-



SASOLMED MAIN RULES

appointed Trustee, the person thus appointed shall complete the unexpired term of office of the vacating member of the Board. In the case of a member-elected Trustee, the person must be appointed by the Board in terms of Rule 18.6 until the first ensuing annual general meeting, at which time he or she must retire and that meeting may fill the vacancy for the unexpired period of office of the vacating member of the Board, following a nomination and election process as per Rule 18.18.

18.18 Nominations to fill vacancies for member-elected Trustees, signed by a proposer and seconder in good standing with the Scheme, must be signed by the candidate signifying his consent to stand for election as a Trustee and must be submitted to the Scheme together with a current curriculum vitae of the year concerned. The Board shall ensure that such elections take place in a transparent, fair, and equitable way. The removal of Trustees shall take place according to the procedures set out in these Rules. The election of Trustees shall be carried out by paper or electronic-based ballot according to procedures determined by the Board. The Scheme will appoint a qualified independent auditor to audit and verify that the paper and electronic nomination received are consistent with the Rules of the Scheme.

18.19 If the Board suspends or removes from office the Principal Officer or a Trustee and that Principal Officer or Trustee believes that the suspension or removal from office is as a result of him or her duly performing his or her functions in terms of the Act, or exposing inappropriate or unlawful conduct on the part of any officer of the Scheme or any third party contracted to provide services to the Scheme, the Principal Officer or Trustee concerned must lodge a complaint in writing to the Registrar.

18.20 On receipt of a written complaint mentioned in Rule 18.19 above, the Registrar shall investigate the basis of the complaint and if he finds that the complaint has merit, the Registrar or the Council shall take such steps as may be necessary in terms of the powers provided for by the Act to address the concerns raised in the complaint.

19. FIDUCIARY 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.

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

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

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

19.5 The Board shall appoint a Principal Officer who is a fit and proper person in terms of Section 57 of the Act, to hold such office and within 30 (thirty) days of such appointment, give notice thereof in writing to the Registrar. The duties of the Principal Officer so appointed, are as set out in Section 21 of these Rules, and the Board shall regularly monitor the performance of the Principal Officer against the duties as set out therein.

19.6 The Board may authorise the appointment of any staff by the Principal Officer which in its opinion are required for the proper execution of the business of the Scheme and must determine the terms and conditions and/or level of service of any person employed and/or contracted by the Scheme.



SASOLMED MAIN RULES

- 19.7** The Chairperson or in his absence, the Vice-Chairperson, must preside over meetings of the Board and ensure due and proper conduct at meetings.
- 19.8** The Board must ensure such minutes of all resolutions passed, accounts, entries, registers and records are kept as these are essential for the proper functioning of the Scheme.
- 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.
- 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, operation and administration of the Scheme comply with the provisions of this 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 and that of their beneficiary's state of health.
- 19.16** The Board must approve all disbursements but may delegate its authority to any members of the Board or any other persons



SASOLMED MAIN RULES

nominated by the Board to effect disbursements on behalf of the Scheme.

- 19.17** The Board must oversee the preparation of the annual financial statements and must ensure compliance with all statutory requirements pertaining thereto.
- 19.18** The Board must keep in safe custody, in a safe or strong room at the registered office of the Scheme or with any financial institution approved by the Board, any mortgage bond, title deed or other security belonging to or held by the Scheme, except when in the temporary custody of another person for the purposes of the Scheme.
- 19.19** The Board must ensure that the contracted Administrator and any other contracted service suppliers and, make such provision as it deems desirable, and with due regard to normal practice and recommended guidelines pertaining to the retention of documents, for the safe custody of the books, records, documents and other effects of the Scheme.
- 19.20** The Board must disclose annually in writing to the Registrar, any payment or consideration made to them in that particular year by the Scheme as prescribed.
- 19.21** The Board must conduct a “Board self-assessment” every two years with due regard to normal practice and recommended guidelines pertaining to improving the Board’s effectiveness.
- 19.22** The Board must recommend the authorised external auditor annually.
- 19.23** The Board must ensure that every existing and newly appointed/elected Board member undergoes Trustee training in the



SASOLMED MAIN RULES

form of induction training and attendance of an accredited skills programme.

20. POWERS OF THE BOARD

The Board has the power:

- 20.1** to cause the termination of the services of any employee of the Scheme;
- 20.2** to take all the necessary steps and to sign and implement all the necessary documents to ensure and secure the due fulfillment of the Scheme's obligations under such appointments;
- 20.3** to appoint committees consisting of such Board members and other experts as it may deem appropriate to assist the Board with the management of the Scheme;
- 20.4** to appoint, contract with, and compensate 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 and the regulations;
- 20.5** to appoint and contract with, and compensate any accredited managed healthcare organisations subject to the provisions of the Act and the regulations as prescribed;
- 20.6** to purchase movable and immovable property for the use of the Scheme or otherwise and to sell it or any part of it;
- 20.7** to let or hire movable or immovable property;
- 20.8** in respect of any moneys not immediately required to meet current charges upon the Scheme and subject to the provisions of the Act,



SASOLMED MAIN RULES

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

- 20.9** 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;
- 20.10** 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;
- 20.11** to donate to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or any of the beneficiaries;
- 20.12** to 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;
- 20.13** to contribute to any fund conducted for the benefit of the employees of the Scheme;
- 20.14** to reinsure obligations in terms of the benefits provided for in these Rules as set out in the Act in the prescribed manner;
- 20.15** to authorise the Principal Officer and/or such members of the Board as it may determine from time to time, and upon such terms and conditions as the Board may determine, to sign any contract or other document binding or relating to the Scheme or any document authorising the performance of any act on behalf of the Scheme;

20.16 to contribute to any association instituted for the furtherance, encouragement and co-ordination of medical schemes;

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

20.18 to suspend or remove the Principal Officer or a Trustee from office on good cause shown.

21. DUTIES OF PRINCIPAL OFFICER AND STAFF

21.1 The staff of the Scheme must ensure the confidentiality of all information regarding its members and their registered dependants.

21.2 The Principal Officer is the executive officer of the Scheme and as such must ensure that:

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

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

21.2.3 he keeps the Board sufficiently and timeously informed of the affairs of the Scheme concerning any matter relating to the duties of the Board as stated in Section 57(4) of the Act;

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

- 21.2.5** he does not take any decisions concerning the affairs of the 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; and
- 21.2.6** he acts in the best interests of the members of the Scheme at all times.
- 21.3** The Principal Officer shall be the accounting officer of the Scheme and shall oversee the accounting functions of the Scheme and will ensure that all reasonable steps are taken for the collection of and accounting for all moneys 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 participate in all meetings of the Board, and any other duly appointed committee where his attendance may be required, and ensure proper recording of the proceedings of all meetings but shall have no vote.
- 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 ensure that full and proper records of all moneys received and expenses incurred by, and of all assets, liabilities and financial transactions of the Scheme is kept by/or on behalf of the Scheme at the registered office.
- 21.7** The Principal Officer shall oversee the preparation of the 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 any person contracted by the Scheme to provide administrative, marketing or managed healthcare services or of the holding company, subsidiary, joint venture or associate of such person or company;
- 21.8.2** a broker or an employee, director, officer, consultant or contractor of any person contracted by the Scheme to provide broker services;
- 21.8.3** a Principal Officer or office bearer of another medical scheme; or
- 21.8.4** otherwise, has a material relationship with any person contracted by the Scheme to provide administrative, marketing, broker, managed healthcare or other services or with its holding company, subsidiary, joint venture or associate.

21.9 The provisions of Rules 18.7.1 to 18.7.5 apply *mutatis mutandis* to the Principal Officer.

22. INDEMNIFICATION AND FIDELITY GUARANTEE

- 22.1** 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 legal claim against the Scheme, not arising from their negligence, dishonesty or fraud.
- 22.2** The Board shall 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 day of January to the 31st day of December of that year.

24. BANK ACCOUNT

The Scheme shall establish and maintain a bank account under its direct control with a registered commercial bank. All moneys received shall be deposited directly to the credit of such account. All payments shall be made either by electronic transfer or tape exchange duly authorised by the Board.

25. AUDITOR AND AUDIT AND RISK COMMITTEE

25.1 An auditor (who shall be approved by the Registrar in terms of Section 36 of the Act and who is a registered auditor as defined in the Audit Profession Act, 2005) shall be appointed by resolution at each annual general meeting by the members of the Scheme on the recommendation of the Board to hold office from the conclusion of that meeting to the conclusion of the next annual general meeting.

25.2 The following persons are not eligible to serve as auditor of the Scheme:

- 25.2.1** a member of the Board;
- 25.2.2** 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 the administrator;
- 25.2.4** a person not registered and engaged in public practice as an auditor;
- 25.2.5** a person who is disqualified from acting as an auditor in terms of the Section 90 of the Companies Act, 2008.

25.2.6 any person who has a material relationship with the Scheme or any of its contractors.

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.

25.4 If the members of the Scheme at an annual general meeting fail to appoint an auditor required to be appointed in terms of Section 36(1) of the Act, the Board must within 30 (thirty) days recommend to the Registrar for an appointment in terms of Section 36(9) of the Act.

25.5 The auditor of the Scheme has a right of access to the books, records, accounts, documents and other effects of the Scheme at all times, 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 shall report to the Audit and Risk Committee of the Scheme on the accounts examined by him and on the financial statements laid before the Scheme at the annual general meeting.

25.7 The Board shall appoint an Audit and Risk Committee in the prescribed manner who shall be responsible for the overseeing of the external audit process.

26. GENERAL MEETINGS

26.1 Annual general meeting

26.1.1 The annual general meeting of members must be held not later than 31 August of each year on a date which may be shown to permit reasonable attendance by members, either



SASOLMED MAIN RULES

virtually or in person, and at such time and place as the Board shall determine for the purpose of:

- 26.1.1.1** receiving and adopting the annual financial statements together with the auditor's report and the report of the Board as required by the Act;
 - 26.1.1.2** the appointment or reappointment of the auditor; and
 - 26.1.1.3** any other business of which due notice has been given.
- 26.1.2** The notice convening the annual general meeting, containing the agenda, a summarised set of the annual financial statements, or highlights of the annual financial results of the Scheme, auditor's report and annual report, shall be furnished to members and the Registrar not less than 21 (twenty one) days before the date of the meeting. The non-receipt of such notice by a member does not invalidate the proceedings at such meeting provided that the notice procedure followed by the Board was reasonable.
- 26.1.3** The financial statements and reports specified in Rule 26.1.2 must be laid before the meeting. A full set of Annual Financial Statements (comprising Trustees' report, auditor's report and annual financial statements) will be made available to the meeting.
- 26.1.4** Only members in good standing shall be permitted to attend the annual general meeting.



26.1.5 At least one per 10 000 (ten thousand) members, or 30 (thirty) members of the scheme, whichever is the highest, who are present either virtually or in person, constitutes a quorum. If a quorum is not present after a 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, but such date is to be not later than 14 (fourteen) days after the date of the failed meeting. The notice of such postponed meeting shall be reissued in terms of rule 26.1.2, and the members then present, either virtually or in person, shall constitute a quorum.

26.1.6 Notices of motions to be submitted to the annual general meeting, must reach the Principal Officer not later than seven days prior to the date of the meeting.

26.2 Special general meeting

26.2.1 The Board may call a special general meeting of members if it is deemed necessary.

26.2.2 Only members in good standing shall be permitted to attend the meeting.

26.2.3 On the requisition of at least 22 (twenty two) members of the Scheme in good standing, the Board must cause a special general meeting to be called and held either virtually or in person within 30 (thirty) days of the deposit of the requisition. The requisition must state the objects of the meeting and must be signed by all the members requesting the special general meeting and deposited at the registered office of the Scheme. Only those matters forming the objects of the meeting may be discussed.



26.2.4 The notice convening the special general meeting, containing the agenda, must be furnished to members at least 14 (fourteen) days before the date of the meeting. The non-receipt of such notice by a member does not invalidate the proceedings at such a meeting provided that the notice procedure followed by the Board was reasonable.

26.2.5 At least one per 10 000 (ten thousand) members, or 50 (fifty) members of the scheme, whichever is the highest, who are present either virtually or in person, shall constitute a quorum. If a quorum is not present at a special general meeting after a lapse of 30 (thirty) minutes from the time fixed for the commencement of the meeting, the meeting is regarded as cancelled.

26.3 The Chairperson of the Board shall be entitled to take the chair at every general meeting or special general meeting. In his absence or refusal to act, the members shall elect another member of the Board as Chairperson, or if no members of the Board are present or if all the members of the Board refuse to take the chair, the members who are present in person shall elect one as Chairperson.

26.4 The Chairperson of a general meeting where a quorum is present either virtually or in person, may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting to a date not earlier than seven nor later than 21 (twenty one) days after the date set down for the meeting, and the Board shall within three days give notice of the adjournment in the manner set out in Rule 26.1.2 or 26.2.4, whichever is applicable, stating:

26.4.1 the date, time and place to which the meeting has been adjourned; and



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Mfana Maswanganyi
30/04/2024 15:42:54 (UTC+02:00)
Signed by Mfana Maswanganyi,
m.maswanganyi@medicalschemes.co.za

REGISTRAR OF MEDICAL SCHEMES

26.4.2 the matter before the meeting when it was adjourned; and

26.4.3 the grounds for the adjournment;

26.4.4 no matters shall be transacted at any adjourned meeting other than the business left unfinished at the meeting at which the adjournment took place.

27. VOTING AT MEETINGS

27.1 Every member who is present, whether virtually or in person, 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, who is in good standing, to attend, speak and vote in his/her stead.

27.2 The Chairperson of the meeting must determine whether the voting must be by ballot or by a show of hands, or virtual means. In the event of the votes being equal, the Chairperson, if he is a member, shall have a casting in addition to his deliberative vote.

27.3 A declaration by the Chairperson of the meeting that a decision on a show of hands or on a ballot or virtual means has been unanimously accepted or has been accepted or rejected by a particular majority, or has not been accepted by a particular majority, shall be final and binding on all the members.

28. COMPLAINTS AND DISPUTES

28.1 Members must first lodge their complaints, in writing, to the Scheme. The Scheme or its Administrator shall also provide a dedicated telephone number, which may be used for dealing with telephonic enquiries and complaints.

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



SASOLMED MAIN RULES

- 28.3** In the event of a dispute arising 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, the Principal Officer must refer it to the Board.
- 28.4** The Board shall thereupon appoint a Disputes Committee of three persons, (which number shall constitute a quorum), at least one of whom shall be a person with legal expertise, and who may not be members of the Board, employees or officers of the Scheme or the Administrator, to adjudicate such dispute.
- 28.5** When the Disputes Committee has been constituted, the Principal Officer must convene a meeting of the Disputes Committee by giving not less than 21 (twenty one) days' notice in writing to the complainant and all members of the Disputes Committee, stating the date, time and venue of the meeting and particulars of the dispute.
- 28.6** The Disputes Committee may determine the procedure to be followed.
- 28.7** The parties to any dispute have the right to be heard at the proceedings, either in person or through a representative.
- 28.8** The decision in terms of Rule 28.2 or that of the Disputes Committee must be communicated to all parties in writing and indicating their right to appeal in terms of Section 47.
- 28.9** An aggrieved person has the right to appeal to the Council for Medical Schemes against the decision of the Disputes Committee. Such appeal shall be in the form of an affidavit directed to Council and shall be furnished to the Registrar not later than three months after the date on which the relevant decision was made or such

further period, after the date on which the relevant decision was made, as the Council may allow for good cause shown.

- 28.10** The operation of any decision which is the subject of an appeal under Rule 28.9 shall be suspended pending the decision of the Council on such appeal.

29. TERMINATION OR DISSOLUTION

- 29.1** The Scheme may be dissolved by order of a competent court or by voluntary dissolution.
- 29.2** The Company may, on giving three month's written notice to the Board, reduce, suspend or terminate its contributions to the Scheme. The Board shall thereupon arrange for members to decide by ballot whether the Scheme shall continue business without the employer's contributions or with its reduced contributions, or whether the Scheme shall be liquidated. Unless a majority of members decide that the Scheme shall continue, the Scheme shall be liquidated in accordance with the provisions of Rule 29.4.
- 29.3** Members at a special annual general meeting may decide that the Scheme shall be dissolved, in which event the Board must arrange for members to decide by ballot whether the Scheme shall be liquidated. Unless the majority of members decide that the Scheme shall continue, the Scheme shall be liquidated in terms of Section 64 of the Act.
- 29.4** Pursuant to a decision by members taken in terms of Rule 29.2 the Principal Officer must, in consultation with the Registrar furnish to every member a memorandum containing the reasons for the proposed dissolution and setting forth the proposed basis of distribution of the assets in the event of winding up, together with a ballot paper.



SASOLMED MAIN RULES

29.5 Every member must be requested to return his ballot paper duly completed before a set date. If at least 50% (fifty percent) 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 shall ensure compliance therewith and appoint, subject to the approval of the Registrar, a competent person as liquidator.

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

30. AMALGAMATION AND TRANSFER OF BUSINESS

30.1 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 of any other medical scheme or person. The Board shall arrange for members to be furnished with an exposition of the proposed transaction for consideration and to decide by ballot whether the proposed transaction should be proceeded with or not.

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

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

30.4 The amalgamating Board must submit signed copies of a final audited set of financial statements and annual statutory return to the Office of the Registrar.

31. RIGHT TO OBTAIN AND INSPECT DOCUMENTS

31.1 Any beneficiary may on request be supplied by the Scheme with a copy of the following documents:

31.1.1 the Rules of the Scheme including any network or preferred providers;

31.1.2 the latest audited annual financial statements, returns, Trustees' reports and auditor's report of the Scheme; and

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

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

32. AMENDMENTS TO RULES

32.1 The Board is entitled to alter or rescind any Rule or Annexure or to add any additional Rule or Annexure.

32.2 No amendment, rescission or addition which affects the objects of the Scheme, the constitution of the Board, the period of office of the Trustees, the percentage of members voting in the case of dissolution of the Scheme and amalgamation or transfer of business or increases the rates of contributions by more than 25% (twenty five percent) or decrease the extent of benefits by more than 15% (fifteen percent) during any financial year, shall be valid unless it has been approved by a majority of members present in a general meeting or by ballot.

32.3 Members must be furnished with a copy of such amendments within 14 (fourteen) days after registration thereof.



SASOLMED MAIN RULES

- 32.4** Should a member's rights, obligations, contributions or benefits be amended, he shall be given 30 (thirty) days advance notice of such change.
- 32.5** Notwithstanding the provisions of Rule 32.1 above, the Board shall, on the request and to the satisfaction of the Registrar, amend any Rule or Annexure that is, in his opinion, inconsistent with the provisions of the Act and all other applicable laws.
- 32.6** No amendment, rescission or addition of any Rule shall be valid unless it has been approved and registered by the Registrar.

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