



General Rules



RULES of CAPE MEDICAL PLAN

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RULES OF CAPE MEDICAL PLAN

1. NAME

The name of the scheme is Cape Medical Plan.

2. PRINCIPLES GOVERNING THE SCHEME

2.1 Purpose

Cape Medical Plan is a medical scheme existing in terms of the Medical Schemes Act on the principles of a mutual society. It is governed in terms of these rules with a view to maintain a mutual fund which is to be applied in assisting the community of its members and their dependants, to obtain and pay for the relevant health services provided for in its rules.

2.2 Equality

At all times Cape Medical Plan exists for the benefit of its members exclusively and each member is equal to each other member. Cape Medical Plan will not unfairly discriminate against any person on any ground, including, but not limited to, race, gender, marital status, ethnic or social origin, sexual orientation, pregnancy, disability or state of health.

2.3 Democratic Values

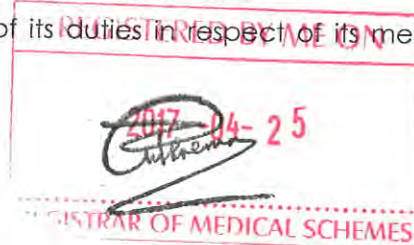
Cape Medical Plan must apply democratic values in respect of its business and the association of its members.

2.4 Privacy and Transparency

Whilst maintaining the privacy and the dignity of its members, Cape Medical Plan shall conduct its business in a transparent and open manner and provide access to its members to all information that the members may reasonably require and the members shall at all times comply with all reasonable requests by Cape Medical Plan to provide information and assistance to ensure that the correct funding decisions, benefit payments and the recovery of monies from third parties are effectively managed to the best possible advantage of the collective membership.

2.5 Observance of Legislation and Rules

In the exercise of its duties in respect of its members Cape Medical Plan



and its members shall strictly observe its rules, the Medical Schemes Act, 1998 and the Regulations promulgated thereunder and any other applicable legislation.

3. HISTORY

3.1 Commencement

Cape Medical Plan commenced its operations as a Friendly Society during 1961 and continued as such until 1967 when it was registered as a Medical Scheme in terms of the Medical Schemes Act 72 of 1967. It continued its operations under the Medical Schemes Act 1998.

3.2 Nature

Initially Cape Medical Plan was an employer group based Medical Scheme and it allowed employer groups who qualified for membership to register with Cape Medical Plan, however Cape Medical Plan is now not limited to employer groups only.

3.3 Regional Base

Cape Medical Plan was established by a group of medical practitioners in the Western Cape and to this day remains Western Cape based, but is available nationally.

3.4 Current

With effect from 1 January 2000 Cape Medical Plan's rules and operations are in accordance with the Medical Schemes Act, 1998, and the Regulations promulgated thereunder.

4. INTERPRETATION

4.1 Headnotes

The headnotes to the rules and sub-rules are for reference purposes only and shall not be used in the interpretation thereof.



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4.2 Inclusions and Exclusions

In these rules, unless the context otherwise requires:

4.2.1 words which signify or denote:

4.2.1.1 any gender shall import and include the other genders;

4.2.1.2 a natural person shall import and include an artificial person and vice versa;

4.2.1.3 the singular shall import and include the plural and vice versa;

4.2.2 words to which a meaning is ascribed in the body of these rules shall bear that meaning wherever it appears thereafter.

4.3 Prevailing Legislation

These rules shall be interpreted in accordance with the legislation pertaining to Medical Schemes as may be in force from time to time.

4.4 Benefit Options

The benefit options which are attached to these rules as schedules shall be read as if incorporated in these rules provided that if there is any conflict between the rules and the benefit options the meaning of the rules shall prevail.

5. DEFINITIONS

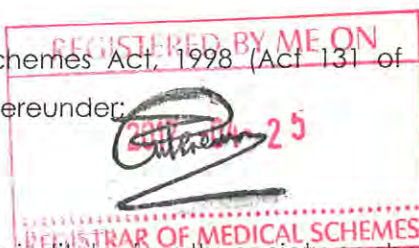
In these rules unless the context otherwise indicates the following terms and expressions shall have the meaning ascribed to them hereunder wherever they appear in context –

5.1 "Act"

the Medical Schemes Act, 1998 (Act 131 of 1998), and the regulations promulgated thereunder;

5.2 "actuary"

any fellow of an institute, faculty, society or chapter of actuaries approved



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by the Minister of Finance;

5.3 "admission date"

the date upon which a person becomes a member, or in respect of a dependant, the date upon which a person is admitted as a dependant

5.4 "application date" or "date of application"

the date of receipt by Cape Medical Plan of a properly completed application form for membership of the scheme. An application is complete when all the required information for admission is supplied;

5.5 "auditor"

an auditor registered under the Auditing Professions Act, 2005, as amended;

5.6 "beneficiary"

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

5.7 "benefit"

the benefits circumscribed in the benefit options;

5.8 "benefit option"

the various benefit options available to members as determined by the board of trustees from time to time and approved by the members in principle. Each option is listed as a separate schedule to these rules;

5.9 "the board"

the board of trustees charged with the managing of the affairs of Cape Medical Plan and which has been elected and/or appointed under these rules;

5.10 "child dependant"

a dependant who is under the age of 21;



5.11 "clinically appropriate medical report"

is a report that indicates why a beneficiary needs to see a specialist, what

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conservative treatment has been followed and what the beneficiary's recent medical history is.

5.12 "complaint"

a complaint of a complainant relating to the administration of Cape Medical Plan, or the interpretation and application of its rules;

5.13 "condition specific waiting period"

a period during which a beneficiary is not entitled to claim benefits in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve-month period ending on the date of application.

5.14 "continuation member"

5.14.1 a member who continues as a member of Cape Medical Plan after he has retired from the service of that member's employer or whose employment is terminated on account of the member's age, ill health or disability, or

5.14.2 the dependants of a deceased member, until such dependant becomes a member of, or is admitted as the dependant of a member of a medical scheme;

5.15 "contributions" or "contribution"

the amount paid by or on behalf of a member to obtain the benefits provided for under these rules;

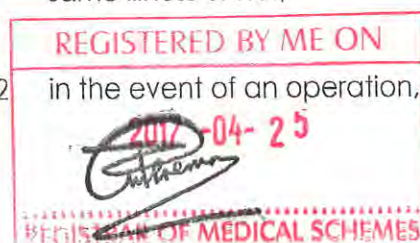
5.16 "co-payment"

a co-payment is a specific and pre-determined amount that members will need to contribute for certain medical procedures.

5.17 "date of service"

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

5.17.2 in the event of an operation, procedure or confinement, the date



on which each operation, procedure or confinement occurred;

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

5.17.4 in the event of any other service or appliance, the date on which such service was rendered or appliance obtained irrespective of the date on which such service or appliance were prescribed;

5.18 "dependant"

5.18.1 the spouse, or partner, or other members of the member's immediate family who is dependent on the member for family care and support;

5.18.2 the dependent child of a member;

provided that such dependant is not a member or a dependant of a member of any other medical scheme and provided further that such dependant is registered as a dependant with Cape Medical Plan;

5.19 "dependent"

in relation to a dependant other than the member's spouse or partner; a dependant is any person in respect of whom the member is liable for family care and support.

5.20 "disputes committee"

The committee formed in terms of 13.4 below.

5.21 "employer group"

an employer group and any associated employers in that group who contracts with Cape Medical Plan for the purpose of admission of its employees as members of Cape Medical Plan.



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5.22 "member"

a person who is admitted as a member of Cape Medical Plan and who contributes to Cape Medical Plan in order to obtain the benefits in terms of these rules for himself/herself and dependants, if any;

5.23 "month"

the period commencing on the first day of a calendar month and ending on the last day of that month, both days inclusive;

5.24 "officer"

means any member of a board of trustees, any manager, principal officer, treasurer, clerk or other employee of Cape Medical Plan, but does not include the auditor of Cape Medical Plan or any member of the audit or disputes committees;

5.25 "online voting"

an online voting system is a software platform that allows groups to securely conduct votes and elections electronically. As voting takes place on a digital platform it eliminates the need to gather in person, cast votes using paper, or by other means (e.g. email, insecure survey software);

5.26 "person"

5.26.1 insofar as it relates to the management of the scheme shall include any committee appointed by the scheme;

5.26.2 in respect of any other person referred to in these rules it shall mean a natural person;

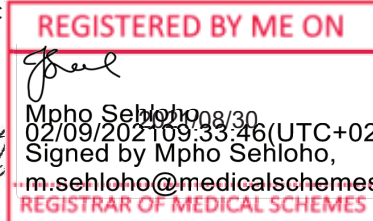
5.27 "principal officer"

the principal officer appointed in terms of section 57(4) (a) of the Act;

5.28 "public health care provider"

a provider operating within the public hospital and healthcare delivery system of each province of the Republic of South Africa, which shall include services in respect of the necessary transfer of a person to a public hospital outside the province of residence for special treatment in that person's province;






5.29 "registered"

registered as a member and a dependant;

5.30 "Registrar"

the Registrar of Medical Schemes appointed under Section 18 of the Act;

5.31 "regulations"

the regulations made by the Minister of Health in terms of section 67 of the Act;

5.32 "retired person"

a member who retains membership of Cape Medical Plan upon retirement or upon employment terminating as a result of age, ill health or disability;

5.33 "relevant health service"

means any health care treatment of any person by a person registered as a healthcare practitioner in terms of any law, which treatment has as its object:

5.33.1 the physical or mental examination of that person;

5.33.2 the diagnosis and treatment of any physical or mental defect, illness or deficiency;

5.33.3 the giving of advice in relation to any such defect, illness or deficiency;

5.33.4 the giving of advice in relation to or treatment of any condition arising out of a pregnancy, including termination thereof;

5.33.5 the prescribing or supplying of medicine, appliances or apparatus in relation to any such defect, illness or deficiency or a pregnancy, including the termination thereof; or

5.33.6 nursing or midwifery;

and includes an ambulance service, and the supply of accommodation in an institution established or registered in terms of any law as a hospital, maternity home or similar situation where nursing is practised, or any other institution where surgical or other

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2021/08/30

Mpho Sehloho
02/09/2021 09:33:55 (UTC+02:00)
Signed by Mpho Sehloho, SCHEMES
m.sehloho@medicalschemes.co.za

SIGNIFLOW.COM




medical activities are performed, and such accommodation is necessitated by any physical or mental defect, illness or deficiency or by a pregnancy;

5.34 "rules"

in relation to Cape Medical Plan, the rules of Cape Medical Plan and includes:

5.34.1 the provisions relating to the benefits which may be granted by and the contributions which may become payable to Cape Medical Plan, as determined by Cape Medical Plan in terms of these rules;

5.34.2 the schedules to these rules;

5.35 "scheme"

a medical scheme registered in terms of the Act;

5.36 "shortfall"

the difference between the amount paid by Cape Medical Plan in respect of any account submitted to Cape Medical Plan on behalf of a member or the dependant of a member and the benefit accruing to such member in terms of the rules of Cape Medical Plan;

5.37 "spouse" or "partner"

for the purpose of 5.18.1 means any person who is:

5.37.1 legally married to a member;

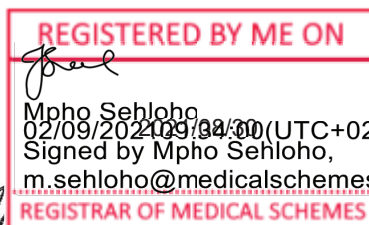
5.37.2 or cohabiting with a member in a relationship of universal partnership, notwithstanding the fact that he/she is not legally married to a member;

provided that proof of marriage or the relationship of cohabitation and universal partnership be provided to Cape Medical Plan;

5.38 "supplier of service"

a supplier of a relevant health service for which benefits may be paid in terms of Cape Medical Plan's rules;

5.39 "surviving dependant"



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the dependant of a deceased member who is registered with Cape Medical Plan as a dependant of that member at the time of such member's death;

5.40 "virtual meeting"

the hosting of a meeting in a virtual environment and not face-to-face, on an online platform selected by the board of trustees, from time to time;

5.41 "writing" or "written notice"

shall include writing as envisaged in the Electronic Communications Transactions Act, 2002, or any subsequent legislation replacing it.

6. OBJECTS

The objects of Cape Medical Plan are to -

6.1 Fundraising

Raise funds from contributions, donations or otherwise; and

6.2 Administration

Administer and maintain the funds for the purpose of 0 below; and

6.3 Suppliers

A supplier of a relevant health service for which benefits may be paid in terms of Cape Medical Plan's rules; and

6.4 Payments of Benefits

Make provision to pay benefits to members in respect of relevant health services rendered by suppliers to persons who are entitled thereto in terms of these Rules; and

6.5 Clinical Monitoring

Where applicable, administer payments and monitor medical services and accounts on behalf of the members; and

6.6 Other Business

Conduct such other business in the nature of a medical scheme as a mutual society where the interests of its members are exclusively served.



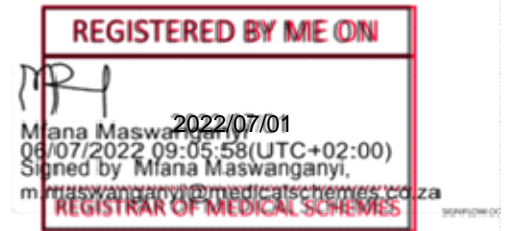


7. GENERAL AFFAIRS

7.1 Registered Office

The registered office of Cape Medical Plan is at:

Unit 5, Sunbird Office Park,
Pasita Street,
TYGERVALLEY,



provided that the board of trustees may in its discretion change the registered office to another location.

7.2 Financial Year

The financial year of Cape Medical Plan shall end on 31 December of each year.

7.3 Status

Cape Medical Plan is a body corporate capable of suing and 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 these rules and the Act.

8. RESTRICTED BUSINESS

In amplification of the restrictions imposed upon the business of Medical Schemes generally in the Act, Cape Medical Plan shall not -

8.1 Payment to Brokers

Be entitled to compensate any person, in cash or otherwise, for the introduction or admission of a member or a group to Cape Medical Plan other than in terms of Section 28 of the Act and the Regulations pertaining thereto.

8.2 Other Payments

Make any payment to any person other than for services rendered to Cape Medical Plan in the ordinary course of business, within the parameters set by the registered rules and registered benefit options of the Scheme unless a valid motion is approved by the members during a properly constituted

general meeting of Cape Medical Plan, save for payments in terms of 9 below;

8.3 Payment when Contributions in Arrears

In respect of a member or the dependants of a member, pay any benefit which may otherwise have been payable if the contributions of such a member has not been paid to Cape Medical Plan in full in terms of these rules.

9. SPECIAL ALLOWANCES

The board of trustees of Cape Medical Plan may, if it deems it to be in the interests of the members of Cape Medical Plan,

9.1 Donations

Make donations to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons, or any body corporate or association in respect of which a benefit is derived by Cape Medical Plan for its members and the value of the donation does not exceed the value of the benefit;

9.2 Associations

Join or allow officers of Cape Medical Plan to join associations that exist for the benefit of medical schemes or Cape Medical Plan and make contributions to such associations;

9.3 Pension Funds

Contribute to a pension fund which is conducted for the benefit of the Officers of Cape Medical Plan;

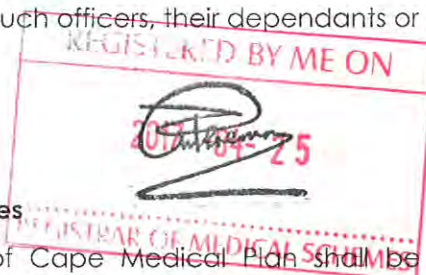
9.4 Insurance Policies

Pay for insurance policies on the lives of officers of Cape Medical Plan for the benefit of such officers, their dependants or Cape Medical Plan.

10. GOVERNANCE

10.1 Board of Trustees

The business of Cape Medical Plan shall be managed by a board of trustees who shall perform their duties in accordance with these rules and the Act.



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10.2 Principal Officer

The board of trustees shall from time to time appoint a principal officer who shall hold such office and perform the duties as prescribed in these rules and in the Act, as well as any other duties and responsibilities as may be prescribed by the board of trustees from time to time.

10.3 Duties of the Board of Trustees

Over and above the duties of the board of trustees as listed in section 57 of the Act, which the board of trustees shall perform, the board of trustees-

10.3.1 may appoint a general manager who shall report to the board of trustees and the principal officer and who shall be responsible for the day to day running of Cape Medical Plan.

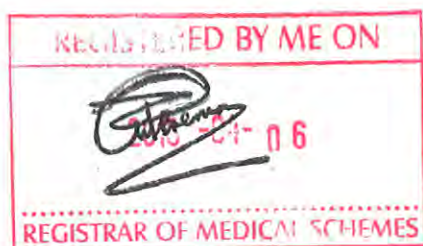
10.3.2 shall appoint a financial manager who shall report to the board of trustees and the principal officer and who shall be responsible for the day to day management of the financial affairs of Cape Medical Plan.

10.3.3 may appoint such other senior managers who shall report to the general manager or, where applicable, to the principal officer.

10.3.4 may delegate any of its duties to a sub-committee consisting of members of the board of trustees and appointed advisors and such sub-committee shall exercise its powers within the bounds of the instructions from the board of trustees.

10.3.5 shall not knowingly allow Cape Medical Plan or any benefit option of Cape Medical Plan to become financially unsound. For the purpose of this rule "financially unsound" means, over and above its ordinary meaning and the meaning as set out in section 35 of the Act.

10.3.5.1 If the sum of total contributions or contributions in respect of any benefit option of Cape Medical Plan is



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insufficient to cover the total benefits payable by Cape Medical Plan in respect of such benefit option for any specific financial year; or

10.3.5.2 If the sum of cost of administration and the total benefits payable by Cape Medical Plan for any financial year exceeds the total income derived by Cape Medical Plan for such financial year.

10.3.6 Strictly observe the financial provisions contained in section 35 of the Act and subject to these provisions invest the funds of Cape Medical Plan.

10.3.7 Authorise such of the trustees or other officers of Cape Medical Plan and upon such terms and conditions as the board of trustees may approve to execute any contract or other document binding Cape Medical Plan or authorising the performance of any act on behalf of Cape Medical Plan; provided that the provisions of this rule shall be subject to section 39 of the Act.

10.4 Composition of the Board of Trustees

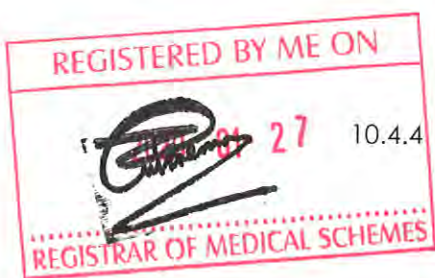
The board of trustees shall be comprised of not more than six (6) trustees of whom:

10.4.1 None shall be employees of Cape Medical Plan or people who consult to the Scheme;

10.4.2 Up to two(2) who are fit and proper may be appointed by the board of trustees;

10.4.3 The remainder shall be elected by the members of Cape Medical Plan in a general meeting, provided that all candidates shall be members of Cape Medical Plan and further provided that no more than one candidate is elected from any employer group;

10.4.4 The members of the board of trustees elected in accordance with 10.4.3 shall comprise at least fifty per cent (50%) of the board of trustees.



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10.5 Rotation of Elected Trustees

- 10.5.1 At the annual general meeting every year one(1) elected trustees shall retire from office.
- 10.5.2 The trustee to retire in every year shall be the one who has been longest in office since their last election, but as between persons who became trustees on the same day, the one to retire shall, unless they otherwise agree among themselves, be determined by lot.
- 10.5.3 A retiring trustee shall be eligible for re-election, but shall be limited to serving two consecutive three-year terms of office and no more than three (3) terms all together. The first term of office of a trustee holding office on 1 September 2017, shall be deemed to be such trustee's re-election after 1 September 2017.
- 10.5.4 Members of Cape Medical Plan at the annual general meeting at which a trustee retires in the manner aforesaid or at any other general meeting shall fill the vacancy by electing a person to the board of trustees.
- 10.5.5 Cape Medical Plan shall inform its members by no later than 30 April of the year concerned of the number of vacancies to be filled.
- 10.5.6 Nominations to fill vacancies, signed by a proposer and seconder in good standing with the Scheme, must be signed by the candidate signifying his/her consent to stand for election and must be submitted to the Scheme together with a current curriculum vitae by 30 June of the year concerned and the election must be carried out by the members present at the annual general meeting of the Cape Medical Plan.
- 10.5.7 No nomination shall be accepted if the candidate has not been a member of good standing of Cape Medical Plan for more than three years or who is disqualified as a member of the board of trustees by virtue of his/her curriculum vitae indicating that he/she



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is not suitably skilled.

- 10.5.8 Any casual vacancy occurring on the board of trustees may be filled by the board of trustees, but the trustee so appointed shall be subject to retirement at the same time as if he had become a trustee on the day on which the trustee, in whose stead he is appointed, was last elected a trustee. Such trustee shall be deemed to have been elected by the members of Cape Medical Plan in general meeting for the purposes of 10.4.3 and 10.4.4 above.

10.6 Termination of Trusteeship

- 10.6.1 An elected member of the board of trustees may resign at any time by giving written notice to the principal officer of Cape Medical Plan.

- 10.6.2 Any trustee who –

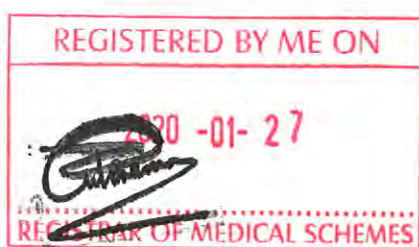
10.6.2.1 is disqualified from being appointed, or becomes prohibited from being, or is removed from, or ceases to be a trustee by virtue of any condition of the Act or if he is disqualified of being a director of a company in terms of the Companies Act 1973; or,

10.6.2.2 becomes insolvent or commits any act of insolvency; or

10.6.2.3 becomes incapable of discharging his/her duties or becomes of unsound mind; or

10.6.2.4 resigns from office in terms of 10.6.1 above; or

10.6.2.5 is absent from meetings of the board of trustees for a continuous period of six (6) months or three (3) consecutive meetings, whichever be the shorter period, without the special leave from the board of trustees.; or



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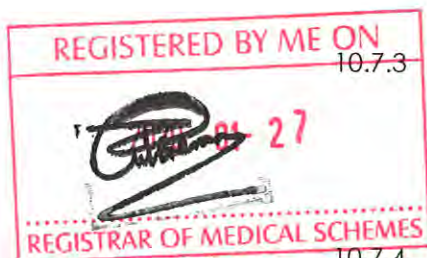
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- 10.6.2.6 is removed by Cape Medical Plan in general meeting;
- 10.6.2.7 is removed by the Court from any office of trust or directorship on account of misconduct;
- 10.6.2.8 is convicted, whether in the Republic of South Africa or outside the Republic of South Africa of theft, fraud, forgery, perjury or any criminal offence which involves dishonesty; or
- 10.6.2.9 if an elected trustee's membership lapses, or
- 10.6.2.10 is removed by the Council in terms of Section 46 of the Act, shall immediately cease to be a member of the board of trustees,

shall immediately cease to be a member of the board of trustees.

10.7 Meetings of Trustees

- 10.7.1 Half of the members of the board of trustees shall form a quorum at meetings of the board of trustees, provided that at least 50% of the quorum is elected members.
- 10.7.2 Notwithstanding any vacancy on the board of trustees the continuing trustees thereof may act on its behalf, provided that their number is not reduced below the number of four (4). If the number of trustees is reduced below four(4), the board of trustees may only act in order to increase the number of trustees or in order to summon a general meeting of Cape Medical Plan for such purpose.



10.7.3

At the first meeting after the annual general meeting the trustees shall elect a chairperson and a vice-chairperson. The election of the chairperson and vice-chairperson shall be by secret ballot.

10.7.4

At meetings of the board of trustees in the event of a difference of opinion, the decision of the majority of the trustees shall be

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binding. In the event of an equality of votes any motion shall be dropped.

- 10.7.5 The board of trustees shall meet at least four (4) times per financial year.
- 10.7.6 Any three (3) trustees may by written notice signed by all three (3) of them request the chairperson to convene a special meeting of the board of trustees, provided that matters to be discussed at the meeting are clearly stated in such request. Upon receipt of the request the chairperson shall within seven (7) days after receipt of such notice convene a special meeting of the board of trustees to deal with the matters stated therein.

10.8 Right of Interested Trustee to Vote at Meetings

- 10.8.1 All trustees are required to take all reasonable steps to avoid conflicts of interest.
- 10.8.2 All trustees are required to accept and comply with the Scheme's applicable Conflict of Interest Policy ("Policy") and attest on an annual basis to the ongoing compliance with the Policy.
- 10.8.3 Where a trustee has a conflict of interest or a personal interest in a matter to be discussed and decided on by the board, the conflicted trustee;
- 10.8.3.1 must disclose the interest and its general nature before the matter is considered at the meeting;
- 10.8.3.2 must disclose to the meeting any material information relating to the matter, and known to the trustee;
- 10.8.3.3 may disclose any observations or pertinent insights relating to the matter if requested to do so by the other trustees;
- 10.8.3.4 if present at the meeting, must leave the meeting immediately after making any disclosure



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- 10.8.3.5 must not take part in the consideration of the matter, except to the extent contemplated in rule (10.8.2.2) and (10.8.2.3);
- 10.8.3.6 while absent from the meeting in terms of this subsection—
- 10.8.3.6.1 is to be regarded as being present at the meeting for the purpose of determining whether sufficient trustees are present to constitute the meeting; and
- 10.8.3.6.2 is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted; and
- 10.8.3.7 must not execute any document on behalf of Cape Medical Plan in relation to the matter unless specifically requested or directed to do so by the board.

- 10.8.4 If a trustee acquires a personal interest in a matter in which Cape Medical Plan has a material interest, after the agreement or other matter has been approved by Cape Medical Plan, the trustee must promptly disclose to the board the nature and extent of that interest, and the material circumstances relating to the trustee's acquisition of that interest.



10.9 Resolutions signed by Trustees (Round Robin)

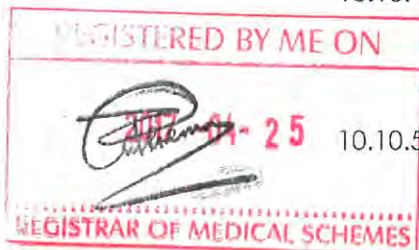
A resolution in writing, inserted in the minute book of the board of trustees and signed by all the trustees who are available, unless they are absent from the company or otherwise incapacitated, and being not less than are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the board of trustees duly convened and held. Any such resolution may consist of several documents each signed by one or more of such trustees. Unless the contrary is stated therein, any such resolution shall be deemed to have been passed on the date upon which

resolution shall be deemed to have been passed on the date upon which it was signed by the trustee last signing it. Where any such resolution or document reflects a date as being the date of its signature by any trustee, the resolution shall be deemed to have been signed by that trustee on that date.

10.10 The Chairperson of the Board of Trustees

The chairperson shall preside and preserve due and proper conduct at general meetings and meetings of the board of trustees and shall see to it that the rules of Cape Medical Plan are properly administered and observed at such meetings. Without limiting the generality of the aforementioned it is specifically provided that the chairperson shall:

- 10.10.1 preside over and preserve due and proper conduct at general meetings;
- 10.10.2 preside over and preserve due and proper conduct at meetings of the board of trustees;
- 10.10.3 ensure that the provisions of the rules in respect of voting and the general conduct at such meetings are implemented;
- 10.10.4 attend to the calling of meetings in accordance with these rules when called upon to do so;
- 10.10.5 ensure that round robin decisions of the board of trustees are properly administered;



10.11 Principal Officer

The Principal Officer of Cape Medical Plan shall:

- 10.11.1 attend all meetings of Cape Medical Plan and of the board of trustees and any other duly appointed sub-committee;
- 10.11.2 be responsible for the submission of all statutory returns;
- 10.11.3 be responsible for recording all proceedings of all meetings of

Cape Medical Plan, the board of trustees and any other duly appointed sub-committee;

- 10.11.4 ensure the carrying out of all duties as are necessary for the proper execution of the business of Cape Medical Plan, and as the board of trustees may direct;
- 10.11.5 perform such other duties as may be required in terms of the Act or the Regulations.

10.12 The General Manager

The General Manager of Cape Medical Plan shall -

- 10.12.1 in consultation with the principal officer ensure the carrying out of all duties as are necessary for the proper execution of the business of Cape Medical Plan and as the board of trustees may direct;
- 10.12.2 maintain a proper schedule of authorities in respect of all of Cape Medical Plan's staff members which schedule shall act as a guideline for all staff members of Cape Medical Plan as to their authorities to act for and on behalf of Cape Medical Plan, provided that the Schedule shall be subject to the direction of the board of trustees;
- 10.12.3 act in accordance with the schedule of authorities prescribed by the board of trustees from time to time;
- 10.12.4 not exceed any of the restrictions of conduct which may be imposed by the board of trustees, these rules or the Act.



10.13 Combining Offices

The board of trustees may combine the offices of the principal officer and the general manager.

10.14 Discretionary Powers of Board of Trustees

Any matter not specifically covered by the rules shall be left to the decision of the board of trustees provided that a decision of the board of trustees

shall not be inconsistent with these rules or the Act.

10.15 **Securities**

Any securities, including mortgage bonds, title deeds, stocks, debentures and policies belonging to or held by Cape Medical Plan shall, except when in the temporary custody of another person, be kept in safe custody in a safe or strongroom at the registered office of Cape Medical Plan or with a Bank, Financial Institution, Attorney or Auditor approved by the board of trustees.

11. **AUDITOR AND AUDIT COMMITTEE**

11.1 **Appointment**

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.

11.2 **Disqualification**

The following persons shall not be eligible to serve as auditors of Cape Medical Plan:

11.2.1 a member of the board of trustees;

11.2.2 an employee, officer or contractor of Cape Medical Plan;

11.2.3 a person not engaged in public practice as an auditor;

11.2.4 a person who is disqualified from acting as an auditor in terms of the Companies Act.

11.3 **Vacation of Office**

Whenever for any reason an auditor vacates office as auditor prior to the expiration of the period for which the auditor has been appointed, the board of trustees must within thirty (30) days appoint another auditor to fill the vacancy for the unexpired period.



11.4 Failure to Appoint

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

11.5 Auditor's Rights

The auditor of Cape Medical Plan has a right of access to the books, records, accounts, documents and other effects of Cape Medical Plan at all times and is entitled to require from the board of trustees and the officers of Cape Medical Plan such information and explanations as he deems necessary for the performance of the auditor's duties.

11.6 Duties

The auditor must report to the members of Cape Medical Plan on the accounts examined by him and on the financial statements laid before Cape Medical Plan in general meeting.

11.7 Audit Committee

The board of trustees must appoint an audit committee, including its chairperson, in the manner prescribed in the Act.

12. GENERAL MEETINGS


12.1 Annual General Meetings

Annual general meetings shall be held at such time and place as the board of trustees shall appoint, provided that the annual general meeting shall be held no later than 31 August of each year. The board of trustees shall also appoint the manner in which the meeting will be conducted i.e. a face to face meeting or a virtual meeting or a combination of both.

12.2 Special General Meetings

12.2.1 Special general meetings of members may be called by the board of trustees if deemed necessary to be held at such time and place as the board of trustees shall appoint. The board of trustees shall also appoint the manner in which the meeting will be conducted i.e. a face to face meeting or a virtual meeting or a combination of both.

2 The board of trustees shall on the requisition of not less than five per cent (5%) of the members of Cape Medical Plan within fourteen (14) days of the lodging of the requisition issue a notice to members in


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accordance with 12.2.3 below convening a special general meeting of Cape Medical Plan for a date not less than twenty-one (21) and not more than thirty-five (35) days from the date of the notice.

12.2.3 The requisition shall state the objects of the meeting and shall be signed by the requisitionists and lodged (i.e. by hand or by email) at the registered office of Cape Medical Plan for the attention of the principal officer.

12.3 Notice of General Meetings

Notice of an annual general meeting or a special general meeting other than in accordance with 12.2.2 shall -

12.3.1 be given to members in writing;

12.3.2 be despatched at least fourteen (14) days before the date of the meeting;

12.3.3 contain sufficient information to enable members to vote at the meeting and transact business at the meeting;

12.3.4 where financial statements are to be considered at a general meeting, abridged financial statements only shall be provided with the notice for the general meeting, with a reference to the web-site and other location where full copies of the financial statements could be obtained by members upon request;

12.3.5 specify the place, the day and the hour of the meeting;

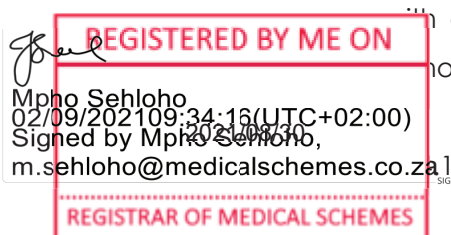
12.3.6 specify whether the meeting will be a face to face meeting or a virtual meeting or a combination of both;

12.3.7 in the event of non-receipt of notice by a member, not invalidate the proceedings of the general meeting.

12.4 Business Transacted at Annual General Meetings

The business to be transacted at the annual general meeting shall be to deal with and dispose of all matters prescribed by the Act and it shall include, without limitation -

consideration of the annual financial statements;



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- 12.4.2 election of members of the board of trustees;
- 12.4.3 appointment of an auditor;
- 12.4.4 consideration of any special resolution requisitioned to be considered at the meeting. A special resolution and/or motion shall be requisitioned in the following manner:
- 12.4.4.1 Cape Medical Plan shall call for special resolutions and/or motions before 30 April each year.
- 12.4.4.2 A member who intends placing the special resolution and/or motion on the agenda for the AGM, shall obtain the written support for the special resolution and /or motion of at least five percent (5%) of the members of Cape Medical Plan and shall ensure that such requisition is received by Cape Medical Plan by 30 June of that year.
- 12.4.4.3 In the event that a member fails to obtain the five percent (5%) support of members as required in terms of 12.4.4.2 above, such member may by 30 June of that year, submit the proposed special resolution and/or motion to the board of trustees who in their sole discretion, shall be entitled to place the special resolution and/or motion on the AGM's agenda.
- 12.4.5 consideration of any special resolution requested by the board of trustees;
- 12.4.6 approval of increase to the rate of contributions for the next financial year; and
- 12.4.7 changes to the general rules and/or benefit options of the scheme, must be approved by the members of the scheme, however such member approval is subject to the changes conforming to the requirements of the Medical Schemes Act and Regulations. All such changes will only be of force and effect once approved and registered by the Registrar of Medical Schemes.

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12.5 Proceedings at General Meetings

- 12.5.1 No business shall be transacted at any general meeting unless a

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quorum of members is present.

- 12.5.2 Thirty (30) members or 1 per 10 000 members, whichever is the highest, present in person or present online or present in person and online, subject to the manner of meeting selected, shall be a quorum.
- 12.5.3 If a quorum is not present at a general meeting within thirty (30) minutes after the time appointed for the meeting-
- 12.5.3.1 if convened in terms of 12.2.2, the meeting shall be dissolved;
- 12.5.3.2 if convened in any other case, it shall stand adjourned to a day not earlier than seven (7) days and not later than twenty-one (21) days after the date of the meeting and if at such adjourned meeting a quorum is not present within thirty (30) minutes after the time appointed for the meeting, the members present in person or by proxy or present online or present in person and online, subject to the manner of meeting appointed shall be a quorum;
- 12.5.3.3 where a meeting has been adjourned in terms hereof Cape Medical Plan shall publish in a newspaper circulated nationally a notice stating the date, time and place to which the meeting has been adjourned and the grounds for the adjournment;
- 12.5.4 The chairperson of the board of trustees, or failing the chairperson, the vice-chairperson, of Cape Medical Plan shall preside as chairperson at every general meeting of the Cape Medical Plan. If neither the chairperson nor vice-chairperson is available or willing to act as chairperson at a general meeting, the members present at the meeting shall elect a chairperson from their number.

12.6 Voting at General Meetings

- 12.6.1 Every member present in person or by proxy or present online or present in person and online, subject to the manner of meeting appointed, at a general meeting of Cape Medical Plan and whose contributions are not in arrears shall have the right to vote at the meeting. The chairperson shall determine whether voting shall be by

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ballot or by a show of hands or by online voting or by combination of online and in-person voting; subject to the manner of meeting appointed, provided that where the members are called upon to vote on the election of trustees or any matter which affects the rate of contribution or the nature or extent of benefit, the voting shall be by ballot or by online voting or a combination of ballot and online voting, subject to the manner of meeting appointed. A resolution so adopted shall be binding on all the members and entry to that effect in the book containing the minutes shall be conclusive evidence of the fact, without proof of the number or proportion of votes recorded for or against a resolution.

- 12.6.2 If a ballot or online vote or a combined ballot and online vote is duly demanded or required, it shall be taken in such a manner as the chairperson directs. Scrutineers shall be elected to determine the result of the ballot or online votes or combined ballot and online votes.
- 12.6.3 In the case of an equality of votes, whether on a show of hands or on a ballot or by online voting or by a combination of in-person and online voting the chairperson of the meeting at which the show of hands takes place, or at which the ballot or online voting or combined ballot and online voting is demanded, shall not be entitled to a second or casting vote. The resolution shall then be deemed not passed.
- 12.6.4 On a show of hands every member present in person shall have one vote and on a ballot or online vote every member present in person or online or by proxy shall be entitled to one vote and votes may be given personally or by proxy.
- 12.6.5 Any objection to the admissibility of any vote, whether on a show of hands or on a ballot or by online voting or combined ballot and online votes, shall be raised only at the general meeting at which such show of hands or ballot or online voting or combined ballot and online votes takes place or may take place, or at which the result of such ballot or online voting or combined ballot and online voting is announced, or at an adjournment of such general meeting and any vote not disallowed at that time shall be valid for all purposes.

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12.6.6 Any such objection shall be referred to the chairperson of such general meeting or adjourned general meeting, whose decision shall be final and conclusive.

12.6.7 In any event, a resolution shall be vitiated as the result of the erroneous counting of votes which ought to have been excluded or omission of votes which should have been included.

12.7 Proxies

The instrument appointing a proxy shall:

12.7.1 be in writing under the hand of the appointer;

12.7.2 be deposited at the registered office of Cape Medical Plan or emailed to Cape Medical Plan not less than ten (10) days before the time appointed for the meeting at which the person named in the instrument proposes to vote and in default of complying herewith the proxy shall not be treated as valid;

12.7.3 the instrument appointing a proxy shall strictly comply with the form contained in the schedules to these rules and shall be signed by the member and the person appointed as the proxy.

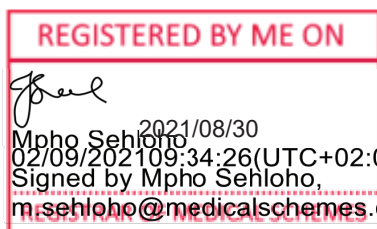
13. SETTLEMENTS OF COMPLAINTS OR DISPUTES

13.1 Informal Settlement

Members may request in writing that a complaint or dispute arising out of the implementation, execution or interpretation of these rules or the administration of Cape Medical Plan be referred, without legal representation, to the general manager or the principal officer of Cape Medical Plan who shall provide such person with a written reply within thirty (30) days from such referral.

13.2 Formal Disputes

If a member is dissatisfied with or unwilling to accept the reply referred to in 13.1, such member shall, within thirty (60) days from the date of receipt of the written reply, in the form prescribed in rule 13.3, request that the complaint or dispute be referred to the disputes committee appointed in terms of rule 13.4.



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the disputes committee if the member did not first refer it to the general manager and/or the principal officer in terms of 13.1 above.

13.3 Form

The request for referral to the disputes committee shall be in writing and it shall contain:

- 13.3.1 The name, membership number and group number (where applicable) of the complainant;
- 13.3.2 The basis upon which the complainant claims to be subject to the rules of Cape Medical Plan and entitled to relief;
- 13.3.3 A detailed description of the complaint and the reasons why the complainant is dissatisfied with or unwilling to accept the written reply;
- 13.3.4 A detailed description of the relief sought.

13.4 The Disputes Committee

- 13.4.1 The trustees may at their first meeting of the board of trustees after the annual general meeting appoint a committee three persons, who may not be members of the board of trustees or officers or employees of Cape Medical Plan to hear all disputes referred in terms of this rule, unless the Board has been unable to obtain suitable candidates/members to serve on the committee, in which case the Board may appoint an external independent disputes resolution organisation, to be the disputes committee and to adjudicate disputes in accordance with the rules of Cape Medical Plan for a period up to the board meeting that immediately follows the AGM each year. Unless the disputes committee is an external independent committee, then at least one person on the committee shall have legal expertise and at least one shall have expertise necessary to understand the nature of the dispute. The third member shall be a person nominated as a members' representative, being a person who has been so nominated and approved at the immediately preceding annual general meeting and whose nomination and approval shall be governed by the same process as the process

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governing the nomination and election of elected members to the board of trustees. The member with legal expertise shall be the chairperson of the committee.

13.4.2 The committee so appointed shall hold the position for two years whereafter they may be re-appointed, provided that it is for a maximum of two further terms. Should any member of the committee fail to hold the position for any reason whatsoever, the board of trustees may appoint a person in his stead for the duration of the term.

13.4.3 The board of trustees shall be entitled to appoint further members to the committee on an ad hoc basis, dependent of the nature and facts of the dispute referred to the committee. The board of trustees shall in its own discretion determine the suitability (or not) of any ad hoc members of the committee for the duration of the finalisation of the dispute for which they were appointed.

13.5 Procedure

13.5.1 Any dispute in terms of 13.2 shall be referred to the disputes committee within twenty (20) days from receipt of the request.

13.5.2 The disputes committee shall determine the procedure to be followed in adjudicating the matter.

13.5.3 The disputes committee shall make a finding within 60 (sixty) days of receipt of the referral to the disputes committee, this period may be extended by agreement between the Complainant and Cape Medical Plan.

13.6 Appeal

Any decision given by the disputes committee in terms of this rule shall always be subject to appeal to the Council for Medical Schemes in terms of the Act.

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13.7 Administration Fee

No fee is levied should a member refer a dispute to the disputes committee.

13.8 Costs

The disputes committee may not order any party to a dispute to pay any costs in respect of dispute resolution in terms of this rule.

14. MEMBERSHIP

14.1 Eligibility

14.1.1 Membership is open to any person.

14.1.2 A minor may become a member with the consent of his/her parent or guardian.

14.2 Rights and Responsibilities

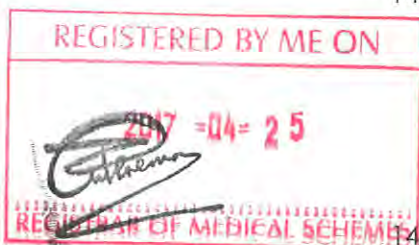
14.2.1 All members have the same rights in terms of these Rules and as specified by the Act and Regulations.

14.2.2 As members of a mutual society the members of Cape Medical Plan have a responsibility to every other member of Cape Medical Plan to:

14.2.2.1 Fully acquaint themselves with these rules and the benefit option they have elected, including specifically, but not limited to, authorisation procedures, treatment protocols and drug formularies;

14.2.2.2 Pay all contributions on time;

14.2.2.3 Permit Cape Medical Plan to request appropriate medical information from service providers, which permission the member hereby grants. Without limiting the aforementioned permission, the member shall provide written consent to inspect the medical records of such member held by any medical service provider,



if the request for such consent is made by Cape Medical Plan;

14.2.2.4 No member or beneficiary may bind Cape Medical Plan or its members without Cape Medical Plan's written consent, including, but not limited to, any agreement relating to rates payable to providers of service and any agreements that purport to promise payments directly to service providers.

14.2.3 Members shall inform Cape Medical Plan of any insurance benefit or claim that may be paid by a third party in respect of the costs of any medical treatment for which the member or any beneficiary of the member has also lodged a claim to Cape Medical Plan or where Cape Medical Plan has paid such costs, including any future benefit or claim from such insurer or third party that may accrue to the member or beneficiary.

14.2.4 The member or beneficiary shall pursue all claims to recover monies from any third party that is potentially liable for the costs of any of the medical services received due to an accident, injury or other event where a third party has liability, as well as to ensure that the value of the claims paid for any of these events by Cape Medical Plan is refunded to Cape Medical Plan, within 30 days of receipt thereof.



14.3 Application for Membership

Prospective members shall, prior to admission, complete and submit the application forms required by Cape Medical Plan, together with satisfactory evidence in respect of himself and his/her dependants, of age, income, state of health and of any prior membership or admission as dependant of any other medical scheme. The application date is as defined in these rules. It is recorded that the information required by Cape Medical Plan is necessary to protect the collective funds of the members and give effect to the equality of all members of Cape Medical Plan.

14.4 Medical Examinations

- 14.4.1 Cape Medical Plan may require an applicant for membership to provide Cape Medical Plan with a medical report in relation to any proposed beneficiary, including in respect of, but not limited to, any 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.
- 14.4.2 The costs of any medical tests or examinations required to provide such medical report will be paid for by Cape Medical Plan.
- 14.4.3 Cape Medical Plan may designate a provider to conduct tests or examinations envisioned in this rule.

14.5 Waiting Periods and Limitations Thereon

- 14.5.1 Cape Medical Plan may impose upon a person in respect of whom an 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:



- 14.5.1.1 a general waiting period of up to three (3) months; inclusive of prescribed minimum benefits, and
- 14.5.1.2 a condition-specific waiting period of up to twelve (12) months also inclusive of prescribed minimum benefits.
- 14.5.2 Cape Medical Plan 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 twenty four (24) months, terminating less than ninety (90) days immediately prior to the date of application:
- 14.5.2.1 a condition-specific waiting period of up to twelve (12) months, except in respect of any treatment or

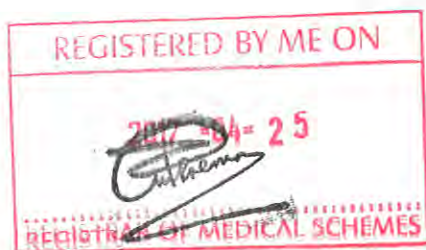
diagnostic procedures covered within the prescribed minimum benefits;

14.5.2.2 in respect of any person contemplated in this rule 14.5.2, 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.

14.5.3 Cape Medical Plan 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 twenty four (24) months, terminating less than ninety (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.

14.5.4 No waiting periods may be imposed on:

14.5.4.1 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 eighty nine (89) days immediately prior to the date of application, where the transfer of membership is required as a result of-



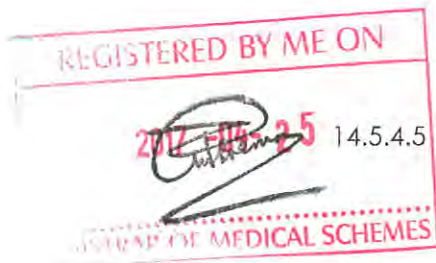
14.5.4.2 change of employment; or

14.5.4.3 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

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scheme to which an application is made for such transfer to occur at the beginning of the financial year, provided that where the former medical scheme referred to 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, Cape Medical Plan may impose such waiting period for the unexpired duration of a waiting period imposed by the former medical scheme;

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



14.5.4.5 a child dependant born during the period of membership.

14.6 Dependants' Participation in Benefit Option

The registered dependants of a member must participate in the same benefit option as the member.

14.7 Retirees

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

14.7.2 Cape Medical Plan shall inform the member of his/her right to continue his/her membership and of the contribution payable from the date of retirement or termination of his/her employment. Unless such member informs Cape Medical Plan in writing of his/her desire to terminate his/her membership, he/she shall continue to be a

member.

14.8 Surviving Dependants

14.8.1 The dependants of a deceased member shall be admitted as members or dependants, as the case may be, of Cape Medical Plan in their own right, provided that-

14.8.1.1 The oldest surviving dependant of the deceased member shall become the member for the purpose of the continuation of membership in terms of this rule and the other surviving dependants shall be deemed to be the dependants of such member;

14.8.1.2 The continuation member pays the required contributions;

14.8.1.3 The surviving dependants shall be admitted in terms of 14.8 without waiting periods, subject to any condition specific waiting periods which may be in existence at the time of their admission as continuation members.

14.8.2 The surviving dependants' membership shall terminate if:

14.8.2.1 election is made in writing to terminate the membership; or

14.8.2.2 the surviving dependants become members of another registered medical scheme; or

14.8.2.3 they become registered as dependants of a member of another medical scheme.

14.8.3 Cape Medical Plan shall inform the surviving dependant of his/her right to membership and of the contributions payable in respect thereof.



14.9 Proof of Admission

Upon admission Cape Medical Plan shall issue to the member written proof of membership containing the details as may be prescribed by legislation from time to time.

15. CESSATION OF MEMBERSHIP

15.1 Notice from a Member

Any member shall be entitled to terminate his membership of Cape Medical Plan on giving one (1) calendar month's written notice of termination and the termination shall be effective from the first day of the month following the notice.

15.2 Automatic Cancellation

Any member's membership shall be automatically cancelled if-

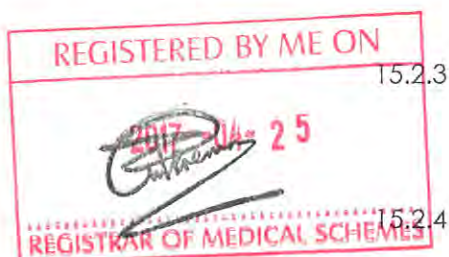
15.2.1 the member's contributions is in arrears for ten (10) days after the due date for payment thereof, or for more than five (5) days in arrears after the due date for payment thereof for any two months in any financial year;

15.2.2 the member fails to repay any debt due, other than contributions, to Cape Medical Plan and the amount remains outstanding for a period of ten (10) days after demand therefor has been made;

15.2.3 the member has submitted or been party to the submission of any fraudulent claim to Cape Medical Plan;

15.2.4 the member commits or has committed any fraudulent act or abuse of membership pertaining to his membership of Cape Medical Plan;

15.2.5 Any member who is a member of an employer group who is party to any agreement and commits an undesirable business practice act in terms of section 61 of the Medical Schemes Act, will, along



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with any broker or employer involved be reported to the Council for Medical Schemes which will include a request for permission to transfer that member to the same scheme as the balance of the employer group moved to retrospective to the date the move took place.

- 15.2.6 the member fails to disclose any material information to Cape Medical Plan, including, but not limited to, a non-disclosure by a prospective member of any pre-existing condition or symptom or health condition, including health history, at the application date.

16. REGISTRATION OF DEPENDANTS

16.1 Application

Upon enrolment or at any time thereafter, the member may on the required form apply for registration of his dependants.

16.2 Late Application

In the event of a member submitting an application for registration of a dependant, the timing of which does not coincide with the member's application for membership for him/herself the dependant's registration shall be deemed to be effective from the first day of the month following receipt of the application by Cape Medical Plan, provided that the dependant qualifies to be a dependant in terms of these rules.

16.3 Disclosure

The same principles applying to disclosure as envisaged in 14.2, 14.3 and 14.4 shall apply to the applications of dependants.

16.4 Cancellation

A member shall immediately inform Cape Medical Plan of the occurrence of any event which results in any one of the member's dependants no longer satisfying the conditions under which a person may be a dependant. With effect from the date of the occurrence of the aforesaid event the dependant shall cease to be a dependant, from which time the person shall no longer be regarded as a dependant for the purpose of



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these rules.

16.5 Birth of Infants and Adoption of Children

Members who elect to register a new born or adopted child as a dependant shall apply to Cape Medical Plan within thirty (30) working days of the birth of an infant or placement of a child into adoption for the child's registration as a dependant of the member. Contributions in respect of the child shall become payable on the first day of the month following the birth or placement into adoption. In the event of late notification, registration shall be effective the day of registration and in such cases benefits shall only be funded for such infants or children from the date of registration.

17. POSTAL AND EMAIL ADDRESS OF MEMBERS AND NOTICES

17.1 Address

All notices and correspondence in terms of these rules shall be given in writing to:

17.1.1 The member at the address provided by the member in his application form;

17.1.2 or at an email address that the member has provided to Cape Medical Plan;

17.1.3 Cape Medical Plan at the registered office of Cape Medical Plan;

17.2 Change of Address

Members shall notify Cape Medical Plan in writing of any change of address including any changes of email addresses, which notification shall be acknowledged by Cape Medical Plan in writing. Cape Medical Plan shall not be liable to the member and is indemnified by the member if a member is prejudiced or his rights are forfeited as a result of the member's neglect to comply with the requirements of this rule.



17.3 Non-Receipt

Cape Medical Plan shall not be liable if a member's rights are prejudiced as a result of notice not having been received by Cape Medical Plan.

17.4 Receipt of Notice

Notices to members in accordance with this rule shall be deemed to have been received by the member and the member's dependants five (5) days after postage, or immediately if the notice was sent by electronic mail or facsimile.

18. CONTRIBUTIONS

18.1 Contributions Tables

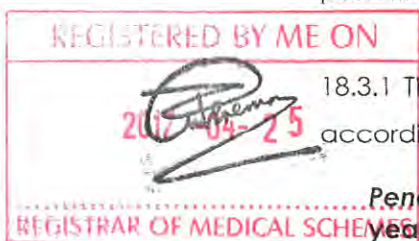
Cape Medical Plan shall from time to time publish the contributions tables which are applicable in respect of each benefit option as may be determined by the board of trustees from time to time.

18.2 Liability for Contributions

Each member shall be liable for his or her own contributions. The liability of each member for the contributions shall be determined in accordance with the contribution tables pertaining to the member and each of the member's registered dependants.

18.3 Late Joiners

An applicant or the adult dependant of an applicant who, at the date of application of membership, is thirty five (35) years of age or older and has not been a member or dependant of a member of any medical scheme for a period of two (2) years immediately prior to applying for membership or as a dependant of a member, shall be subject to the following premium penalties with effect from the end of the legislative amnesty period:



18.3.1 The premium penalty referred to in 18.3 above shall be determined according to the penalty bands below:

Penalty Bands: The number of years the member or dependent was not a member of a registered medical scheme after the age of 35	Maximum penalty
1 - 4 years	0.05 x relevant contribution
5 - 14 years	0.25 x relevant contribution
15 - 24 years	0.5 x relevant contribution
25 + years	0.75 x relevant contribution

18.3.2 It shall be the responsibility of each late joiner to provide proof of creditable coverage to Cape Medical Plan and the premium penalty shall be adjusted after proof has been supplied.

18.4 Due Date

The due date for contributions shall be the first day of the month for which contributions are due for the duration of membership.

18.5 Representatives Excluded

All contributions shall be paid directly to Cape Medical Plan within three (3) days after the due date and no payments shall be accepted by Cape Medical Plan from intermediaries or brokers who claim to represent employers or members.

18.6 Pre-Funding Prohibited

No contributions or contributions made by a member or employer may be utilised for the purposes of pre-funding future liabilities with regard to contributions or benefits in any manner whatsoever.

18.7 Liability to Cape Medical Plan

The liability of a member shall be limited to:

18.7.1 the member's unpaid contributions; and

18.7.2 any overpayment made by Cape Medical Plan to the member or the service provider; and

18.7.3 any amount recovered by the member from a third party after Cape Medical Plan had paid benefits in respect of the claim paid to the member by the third party.



18.8 Effect of non-payment

Where a member fails to pay any amount due in terms of 18.7, in respect of unpaid contributions after three (3) days from due date and in respect of any other amount after then (10) days from the date of demand, Cape Medical Plan shall immediately suspend all benefits payable in respect of

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such member and the member's dependants and Cape Medical Plan shall, after cancellation of membership in terms of 15.2 or otherwise, be entitled to take legal action for the recovery of the debt, in which event the member shall be liable to Cape Medical Plan for all its costs on a scale of attorney and client, collection commission and interest at the prescribed legal rate.

18.9 Employer's Contributions

It shall be entirely at the employer group's discretion to decide on the percentage of subsidy which the employer is prepared to contribute towards its employees' contributions.

19. BENEFITS

19.1 Benefits Payable

Benefits shall be payable:

19.1.1 To members directly or to suppliers of services in respect of relevant health services rendered to a member or the dependant of a member subject to the terms and conditions of these rules, the Act and the regulations;

19.1.2 In terms of the benefit options elected by the member, subject thereto that -

19.1.2.1 Each member shall, subject to 19.1.2.2, at any time be free to elect any benefit option provided by Cape Medical Plan;



19.1.2.2 A member may only change from one benefit option to another at the beginning of a financial year by giving Cape Medical Plan written notice by no later than 30 November of the year prior to the year for which the change is requested.

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19.2 Supplier of Service

Unless otherwise stipulated in the benefit options:

- 19.2.1 Each member shall be free to choose the provider of services to such member or the member's dependants, subject to the prescribed limitations for any non-prescribed minimum benefits. Members are obliged to use service providers designated or nominated by Cape Medical Plan for all prescribed minimum benefits, failing which the use of shortfalls and/or co-payments shall be applied in accordance with the Act and the rules of Cape Medical Plan, unless involuntary use of a non-designated provider takes place as described by the Medical Schemes Act in which case no shortfalls or co-payments will be applied.
- 19.2.2 If a member exceeds the limitations imposed in the benefit options, such member shall be entitled to further benefits in respect of such relevant health services if-
- 19.2.2.1 The further relevant health services fall within the scope of the prescribed minimum benefits; and
- 19.2.2.2 The relevant health services are further rendered by a public health care provider or a provider designated or nominated from time to time by Cape Medical Plan.

19.3 Prescribed Minimum Benefits

- 19.3.1 Each member of Cape Medical Plan and each dependant of a member shall at all times be entitled to the prescribed minimum benefits which shall be paid for as stipulated in the regulations promulgated from time to time in terms of the Act subject to 19.2 above and that all prescribed minimum benefits shall be covered only if provided by a public health care provider or a provider specifically designated or nominated from time to time by Cape Medical Plan.



- 19.3.2 Each member of Cape Medical Plan is explicitly referred to the

regulations promulgated in terms of the Act and specifically to annexure "A" to the regulations. A full list of the prescribed benefits shall be made available to a member for collection at the registered office of Cape Medical Plan upon request in accordance with 19 below.

19.4 Payment of Benefits

Benefits shall only be paid if the correct claims procedure is followed.

19.5 Claims Procedure

Every claim submitted to Cape Medical Plan shall include the statement of account rendered by the supplier of service, which shall contain the following particulars:

19.5.1 the surname and initials of the member; and

19.5.2 the surname, first name and other initials, if any, of the patient; and

19.5.3 the name of Cape Medical Plan; and

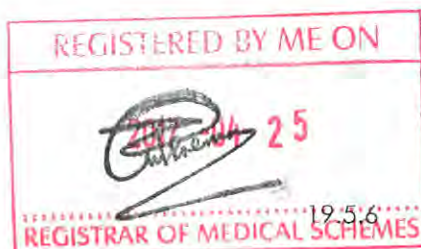
19.5.4 the membership number of the member; and

19.5.5 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; and

19.5.6 the relevant diagnostic and such other item code numbers that relates to such relevant health service; and

19.5.7 the date on which each relevant health service was rendered; and

19.5.8 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 and



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dosage of and net amount payable by the member in respect of the medicine; and

19.5.9 where a pharmacist supplies medicine according to a prescription to a member or to a dependant of a member of Cape Medical Plan, a copy of the original prescription or a certified copy of such prescription; and

19.5.10 where mention is made in such account or statement of the use of a theatre-

19.5.10.1 the name and relevant practice number and provider number contemplated in 18.5.5 of the medical practitioner or dentist who performed that operation;

19.5.10.2 the name or names and the relevant practice number and provider number contemplated in 18.5.5 of every medical practitioner or dentist who assisted in the performance of that operation; and

19.5.10.3 all procedures carried out together with the relevant item code number contemplated in 18.5.6; and

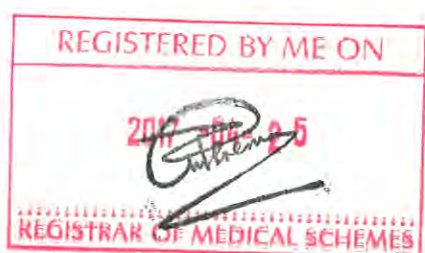
19.5.10.4 in the case of a first account or statement in respect of orthodontic treatment or advanced dentistry, a treatment plan indicating-

19.5.10.4.1 the expected total amount in respect of the treatment;

19.5.10.4.2 the expected duration of the treatment;

19.5.10.4.3 the initial amount payable; and

19.5.10.4.4 the monthly amount payable.



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19.6 Other Information Required

In the event that a claim is submitted to Cape Medical Plan:

- 19.6.1 Where the account has been paid by a member directly to a supplier of service, the member shall submit to Cape Medical Plan together with any other documents a receipt, or acceptable proof of payment.
- 19.6.2 If a claim has arisen in respect of injuries the claim shall be supported by a statement showing particulars of the circumstances in which the injury was sustained including full details of the location, owner of the property upon or in which the injury occurred; together with a signed consent specifically permitting Cape Medical Plan to investigate the occurrence of the injuries and an irrevocable undertaking that all payments received from a third party in respect of the medical costs occasioned by such injury, whether first paid to the member or his representative, shall be paid to Cape Medical Plan.
- 19.6.3 Cape Medical Plan may require that, where possible, a claim be certified by a member.

19.7 Manner of Payments of Benefits

- 19.7.1 Cape Medical Plan shall not pay benefits in respect of any claim which is submitted to Cape Medical Plan and received by Cape Medical Plan later than the last day of the fourth month following the last day of the month in which the service was rendered and stated on such account, statement or claim or later than the last day of the fourth month following the date upon which such account was returned to the member or provider of service for correction.
- 19.7.2 If Cape Medical Plan is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, Cape Medical Plan shall inform the member by written notice despatched within thirty (30) days after receipt of such account, statement or claim



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that it is erroneous or unacceptable for payment and state the reasons for such rejection.

19.7.3 After despatch of the notice referred to in 19.7.2 a member shall be entitled to re-submit the account, statement or claim provided that it is received by Cape Medical Plan by not later than the last day of the fourth month following the despatch of the notice.

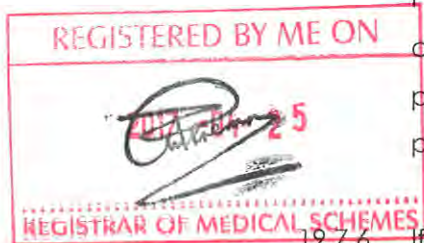
19.7.4 Cape Medical Plan may deduct from any benefit payable to a member or supplier of relevant health service such amount which-

19.7.4.1 has been paid bona fide in accordance with the provisions of the Act or these rules to which a member or a supplier of health service is not entitled to; or,

19.7.4.2 has been lost by Cape Medical Plan through theft, fraud, negligence or misconduct by the member or supplier of health service which came to the notice of Cape Medical Plan; or,

19.7.4.3 constitutes any shortfall.

19.7.5 Cape Medical Plan shall pay any benefit due in respect of any claim to the member whenever the rate charged by the service provider is greater than the Cape Medical Plan rate for both Prescribed Minimum Benefit and Non-Prescribed Minimum Benefit claims, unless a written agreement has been concluded to enable payment in such circumstances to be made directly to a service provider.



19.7.6 If an account, statement or claim is correct and benefits are payable in terms of these rules, Cape Medical Plan shall pay to the member or the supplier of the health service the benefit owing within thirty (30) days after the day on which the claim in respect of such benefit was received by Cape Medical Plan.

19.8 Reports by Cape Medical Plan

Cape Medical Plan shall within thirty (30) days after payment of a benefit despatch to the member a statement containing the:

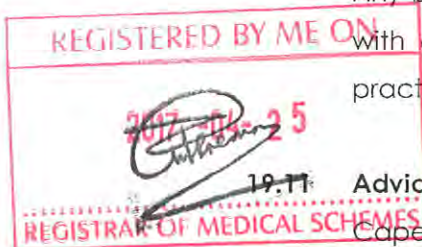
- 19.8.1 name and membership number of the member;
- 19.8.2 name of the supplier of service;
- 19.8.3 final date of the service rendered by the supplier of service on the account or statement which is covered by the payment;
- 19.8.4 total amount charged for the service concerned;
- 19.8.5 amount of the benefit awarded for such service; and
- 19.8.6 information other than the above that the board of trustees may direct from time to time.

19.9 Consent by Beneficiaries

Beneficiaries and dependants of the principal member consent that the information referred to in 19.8 above be disseminated to the principal member.

19.10 Consultations by Specialists

Any beneficiary consulting a specialist needs to furnish Cape Medical Plan with a clinically appropriate medical report from their referring medical practitioner.



19.11 Advice Regarding Benefits

Cape Medical Plan may from time to time upon request by a member advise the suppliers of service of the status of a member's entitlement to benefits provided that it shall be based on the information available to the administrative staff employed by Cape Medical Plan and no representation made by the staff of Cape Medical Plan or any person on its behalf shall be binding on Cape Medical Plan, whether to a member or a supplier of service.

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19.12 Limitation of Benefits and Exclusions

All benefits shall be limited in terms of the benefit options, the Act and the Regulations and no benefit shall be paid unless authorised in terms of these rules, or unless prescribed by law.

20 GENERAL INFORMATION

20.1 Documents

Any member of Cape Medical Plan or any dependant of a member shall, upon demand and against the payment of the fee prescribed in the Fees Schedule hereto, be entitled to any of the following documents:

20.1.1 The rules of Cape Medical Plan;

20.1.2 The latest annual financial statement;

20.1.3 Any other documents referred to in section 41(1) of the Act;

20.1.4 The regulations or any part thereof.

20.2 Inspection

Any member or beneficiary of a member shall be entitled to inspect any of the documents referred to in 20.1 at the registered office of Cape Medical Plan without charge, and to make extracts therefrom.

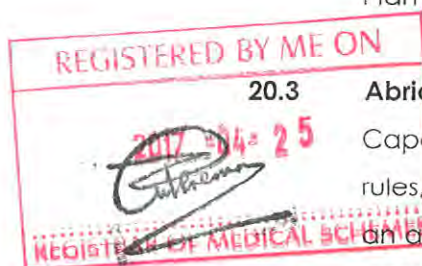
20.3 Abridged Rules

Cape Medical Plan shall annually or in the event of amendment to the rules, after the amendment, provide to the members of Cape Medical Plan an abridged version of the rules which shall include the benefit options and each of the schedules to the rules.

21 VOLUNTARY DISSOLUTION

21.1 Winding-up

Cape Medical Plan may be wound up, merged or amalgamated if it is resolved by the members of Cape Medical Plan at a general meeting at which at least twenty-five per cent (25%) of the members are present in



person or by proxy and provided that the resolution is passed by not less than seventy-five per cent (75%) of the members present at the meeting in person or by proxy.

21.2 Appointment of Liquidator

The board of trustees of Cape Medical Plan shall appoint a person or persons as liquidator as soon as possible after the resolution for winding up has been passed, subject to 20.4 below.

21.3 Notification to Registrar

The chairperson of the board of trustees and the principal officer of Cape Medical Plan shall immediately notify the Registrar in writing if a resolution for winding up of Cape Medical Plan has been passed and lodged with the Registrar:

21.3.1 a copy of the resolution for winding up;

21.3.2 the name, qualifications and address of the person appointed in terms of 20.2 above.

21.4 Liquidator

The liquidator shall immediately proceed with the winding up of Cape Medical Plan after his appointment has been approved by the Registrar. The liquidation shall proceed in terms of section 64 of the Act.

21.5 Assets upon Dissolution

The liquidator shall distribute the assets of Cape Medical Plan equally amongst the principal members of Cape Medical Plan after all debts have been settled.

21.6 Transfer of Business or Amalgamation

Cape Medical Plan may, subject to the provisions of section 63 of the Act, amalgamate its business with or transfer any of its business or take transfer of the business from any other medical scheme.

22 AMENDMENT OF RULES

Unless otherwise provided for in these Rules the Board shall be entitled to alter or

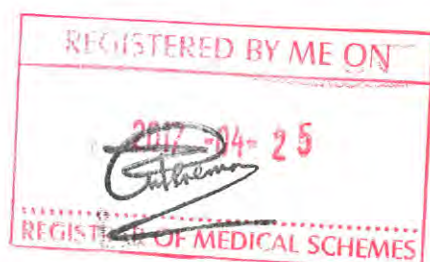
rescind any Rule or annexure or to make any additional Rule or annexure; provided that:

22.1 Approval by members

Proposed changes to the rules/rate of contributions shall be approved by the members of the Scheme at a properly constituted general meeting.

22.2 Registration

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



Schedule A

Proxy Form

Please mark the appropriate box.

Complete in full if you cannot attend the meeting in person.

I, _____
(Full name and Surname)

Membership number _____ being a member of Cape Medical Plan, do hereby appoint:

PLEASE NOTE: Do not insert your own name(s) in this box

 Proxy signature

as my proxy, who will be in attendance at the meeting to attend, speak and vote at the meeting on my behalf and to vote in accordance with the following directions **(or if no directions on voting have been given, to vote as the proxy sees fit)**, at the XXXXX of Cape Medical Plan (CMP) to be held in the XXXXXXXX **on XXXXXX, at XXXX.**

Please complete Section A or Section B.

SECTION A:

Proxy to vote undirected as the proxy sees fit:

I acknowledge that the Proxy I have nominated intends to vote undirected as the proxy sees fit for each item of business

or

SECTION B:

I instruct my proxy to vote in the following way:

(Please mark the appropriate box next to each resolution).

For

Vote Withheld

 Signature of person authorising proxy

 Signed at

 Date

