


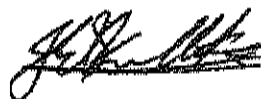
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MOTO HEALTH CARE FUND 2011 RULES

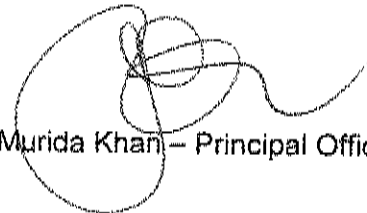
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Barry Canning - Chairperson



Elias Kubeka – Trustee



Murida Khan – Principal Officer

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1. NAME OF FUND

The name of the Fund shall be Moto Health Care hereinafter referred to as the "Fund".

The abbreviated name is MHC.

2. LEGAL PERSONA

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

3. REGISTERED OFFICE

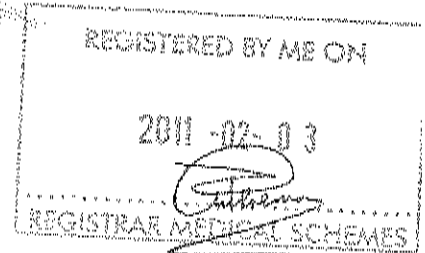
The registered office of the Fund is situated at:

279 Kent Avenue,

Ferndale,

Randburg

but the Board of Trustees may transfer such office to any other location in the Republic of South Africa, should circumstances so dictate.



4. BINDING FORCE OF RULES

These rules and any amendment thereto in terms of the Act shall be binding on the Fund and the Members of the Fund and on any person who claims under these rules or whose claim is derived from a person so claiming.

5. DEFINITIONS

In these rules, a word or expression defined bears the meaning thus assigned to it and, unless inconsistent with the context –

- (a) a word or expression in the masculine gender includes the feminine;
- (b) a word in the singular number includes the plural, and vice versa; and

(c) the following expressions have the following meanings :

5.1 **“Act”**

The Medical Schemes Act 131 of 1998 and the regulations framed thereunder.

5.2 **“Annual limit”**

The maximum benefit to which a Member and his registered dependants are entitled to, in respect of each particular category of benefits as set out in Annexure C1-C5 in terms of these Rules, and shall be calculated annually to coincide with the financial year of the Fund.

5.3 **“Approval”**

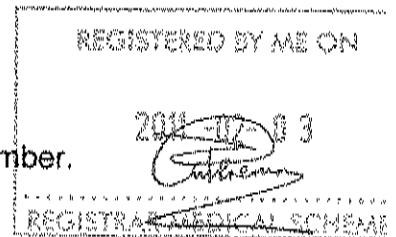
Prior written approval of the Board of Trustees or authorised representative;

5.4 **“Auditor”**

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

5.5 **“Beneficiary”**

A Member or a person admitted as a dependant of a Member.



5.6 **“Board”**

The Board of Trustees constituted to manage the Fund in terms of the Act, and these Rules;

5.7 **“BHF”**

The Board of Health Care Funders of Southern Africa or its successor.

5.8 **“Child”**

A Member's natural child, or stepchild or legally adopted child or a child in the process of being legally adopted or a child in the process of being placed in

foster care, or a child for whom the Member has a legal duty to support or a child who has been placed in custody of the Member or his spouse or partner and who is not a beneficiary of any other medical Fund or a child whom due to mental/physical disability is dependent on the Member.

5.9 "Continuation Member"

A Member who retains his Membership of the Fund in terms of rule 7.2 or a dependant who becomes a Member of the Fund in terms of rule 7.3.

5.10 "Contribution"

In relation to a member, the amount, exclusive of interest, paid by or in respect of the member and his/her registered dependants if any, as membership fees and shall include contributions to personal medical savings accounts.

5.11 "Condition-specific waiting period"

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

5.12 "Cost"

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

5.13 "Council for Medical Schemes"

The Council for Medical Schemes as contemplated in the Medical Schemes Act (Act 131 of 1998) (hereinafter referred to as the MSA).

5.14 "Creditable Coverage"

Means any period in which a late joiner was:

- (a) a Member or a dependant of a medical scheme
- (b) a Member or dependant of an entity doing the business of a medical scheme which, at the time of his or her Membership of such entity, was exempt from the provisions of the act;
- (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 continuation fund, but excluding any period of coverage as a dependant under the age of 21 years;

5.15 **“Co-payment”**

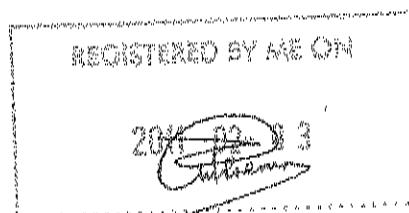
That percentage or part of a submitted claim or a specific amount in relation to such claim, that the Member concerned shall be required to pay.

5.16 **“Date of Service”**

- 5.16.1 In the event of a consultation or treatment, the date on which each consultation or treatment took place, whether for the same illness or not.
- 5.16.2 In the event of an operation, procedure or confinement, the date on which such operation or procedure was performed or confinement occurred.
- 5.16.3 In the event of hospitalisation, the period from the date of admission to the date of each discharge from a hospital or nursing home.
- 5.16.4 In the event of any other service or requirement, the date on which such service was rendered or the required item was obtained.

5.17 **“Dependant”**

- 5.17.1 A Member’s spouse or partner, who is not a Member or a registered dependant of a Member of a medical scheme;



- 5.17.2 dependant child, who is under the age of 21 years and who is not a Member or a registered dependant of a Member of a medical scheme
- 5.17.3 an adult dependant, who is between the ages of 21 and 25 years, financially dependent on the Member, and who is not a Member or a registered dependant of a Member of a medical scheme.
- 5.17.4 an Adult dependant over the age of 25 years who is financially dependent on the Member, not self-supporting owing to mental or physical defect or disability and not a Member or a registered dependant of a Member of a medical scheme.
- 5.17.5 aMember's immediate family who is financially dependent on the Member, in respect of whom the Member is liable for family care and support.

NOTE: For the purpose of these Rules "financially dependent" shall mean a person who is not in receipt of a regular remuneration of more than the maximum social pension per month prescribed by regulations promulgated in terms of the Social Pensions Act, 1992 (Act 59 of 1992).

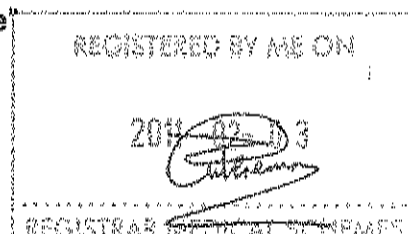
5.18 **"Designated Service Provider"**

A healthcare provider or a group of providers selected by the Fund as preferred providers to provide diagnosis, treatment and care in respect of one or more prescribed minimum benefit conditions.

5.19 **"Domiciliumcitandi et executandi"**

The Members chosen physical address at which notices in terms of rule 13 as well as legal process, or any action arising there from, may be validly delivered and served.

5.20 **"Employee"**



- (a) any person, including a fixed term employee who works for an employer in the Motor Industry as defined and who receives, or is entitled to receive any remuneration and;
- (b) any other person who in any manner assists in carrying on or conducting the business of an employer in the Motor Industry as defined.

5.21 "Employer"

An employer operating within the Motor Industry as defined in the collective agreements for the Motor Industry Bargaining Council of South Africa.

5.22 "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 to bodily functions or serious dysfunction of a bodily organ or part, or would place the person's life in serious jeopardy.

5.23 "Immediate family"

Spouses, partner, own parents, children, (adopted / foster) or a child for whom the Member has a legal duty to support.

5.24 "Fund year"

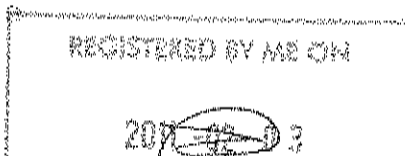
The twelve consecutive months commencing 1 January of each year.

5.25 "General Waiting Period"

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

5.26 "Late Joiners"

An applicant or an adult dependant who is 35 years of age or older who was not a Member of one or more medical schemes as from a date preceding 01 April 2001 without a break in coverage exceeding three consecutive months since 01 April 2001.



5.27 **"Member"**

Any person who is admitted as a Member of the Fund in terms of these rules.

5.28 **"Member family"**

The Member and all of his and or her registered dependants.

5.29 **"Motor industry"**

As defined in the Administrative/Main Collective Agreement for the Motor Industry.

5.30 **"Moto Health Care Rate"**

The annual rate of payment determined by the board from time to time.

5.31 **"Reference Price List (RPL)"**

The reference price list for health services published by the Department of Health of South Africa.

5.32 **"Partner"**

A person with whom the Member has a serious relationship of co-habitation as husband or wife whether heterosexual or not and where such partner and the Member are mutually financially dependent and there is a shared and common household.

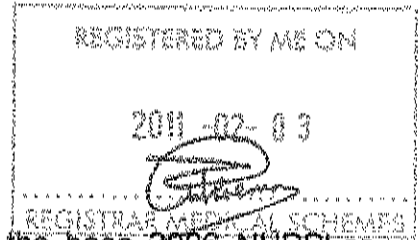
5.33 **"Pre-existing illness condition"**

Means 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.

5.34 **"Prescribed Minimum Benefit"**

The benefits contemplated in section 29 (1) (o) of the Act and consist of the provision of the diagnosis, treatment and care costs of-

- (a) the diagnosis and treatment pairs listed in Annexure A of the regulations, subject to any limitations specified therein; and
- (b) any emergency medical condition.



5.35 **"Prescribed tariff"**

A tariff agreed upon with service provider(s) or the base 2006-NHRPLAs published by the National Department of Health, plus percentage determined by the Board for the applicable benefit year.

5.36 **"Social pension"**

The appropriate maximum basic social pension prescribed by regulations promulgated in terms of the Social Pensions Act, 1992 (Act 59 of 1992).

5.37 **"Spouse"**

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

5.38 **"Treatment Protocols"**

The set of clinical rules and or guidelines developed by the Fund to assist in the management of illness conditions of a traumatic and or life threatening nature.

6. **OBJECTIVES**

The objectives of Fund are to: -

- a) Undertake liability, in respect of its Members and their dependants, in return for a contribution;
- b) Make provision for the obtaining of any relevant health service;
- c) Grant assistance in defraying expenditure incurred in connection with the rendering of any relevant health service; and/ or
- d) Render a relevant health service either by the Fund itself or by any other supplier or group of suppliers of a relevant health service or by

any person in association with or in terms of an agreement with the Fund.

7. MEMBERSHIP

7.1 Eligibility

Subject to rule 7, Membership of the Fund is restricted to employees or employers as defined, including continuation members as per rule 7.2 and dependants of deceased members as per rule 7.3, which membership is voluntary.

7.2 Continuation Members (Retirees)

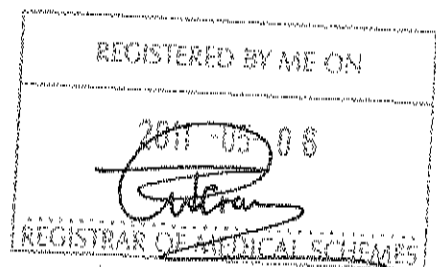
7.2.1 A Member shall have the right to retain his Membership of the Fund with his registered dependants, if any, in the event of his retiring from the service of his employer or his employment being terminated by his employer on account of age, ill-health or permanent disability

7.2.2 Application for continuation Membership shall be lodged with the Fund

Within 3 months from the date of retirement or termination of the applicant as per 7.2.1. Contributions shall be payable from the date of retirement or termination.

7.2.3 Upon application, the Fund shall inform the Member of his right to continue Membership and of the contribution payable from the date of retirement or termination of his employment. Unless such Member informs the Board in writing of his desire to terminate his Membership, he shall continue to be a Member.

7.2.4 A Member requesting continuation membership must show evidence of his being employed in the industry prior to retirement and or termination due to ill health or permanent disability.



7.3 Dependants of deceased Members

7.3.1 The dependants of a deceased Member who are registered with the Fund as his dependants at the time of such Member's death shall be entitled to continuation membership of the Fund without any new restrictions, limitations or waiting periods.

7.3.2 Upon application, the Fund shall inform the dependant of his right to Membership and of the contributions payable in respect thereof. Unless such person informs the Board in writing of his intention not to become a Member, he shall be admitted as a Member of the Fund.

7.3.3 A spouse shall apply for Membership within three months from the date of a Member's death, and shall pay contributions from the date he /she becomes a Member of the Fund.

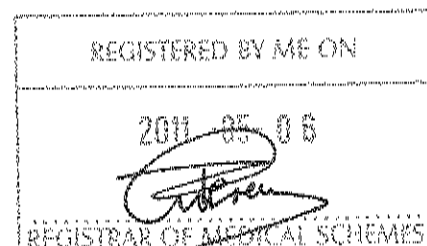
~~7.3.4 The spouse and or partner of a deceased principal member will not be entitled to register any new dependants, other than biological child dependants.~~

7.3.5 Where a child dependant/s has been orphaned, the eldest child may be deemed to be the principal Member, and any younger siblings, the child dependant/s until they reach the age of 21.

7.3.6 Such a Member's Membership terminates if he becomes a Member or a dependant of a Member of another medical scheme.

7.3.7 Membership granted in terms of rule 7.3 shall be subject to prorated benefits for the remainder of the applicable fund year.

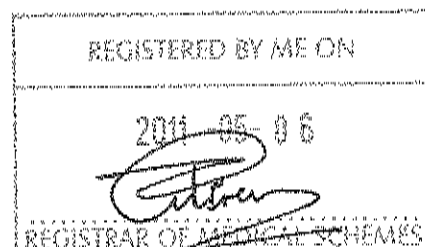
8. EXTENSION OF MEMBERSHIP



- 8.1 Employee members involved in labour disputes may be permitted to contribute to the Fund at 100% of the combined employer/employee contributions prescribed from time to time from the date of his dismissal to the date when the final conciliation, arbitration or labour court hearing takes place.
- 8.2 Dependants over the age of 21 years.
- 8.2.1 A dependant who has attained the age of 21 and who is financially dependent on the Member, not self-supporting, owing to the dependant studying may on application be registered on the Member's record as an Adult dependant, ~~to the maximum age of 25~~
- 8.2.2 Application for extended Membership as in 8.2.1 must be made to the Fund annually and the supporting documentation that the dependant is studying full time at a registered institution of learning must accompany the application.
- 8.2.3 A dependant who has attained the age of 21 and who is financially dependent on the Member, not self-supporting, owing to mental or physical defects or disability and not a Member and or dependant of another medical aid, may on application be registered as an Adult dependant on the Member's record.
- 8.2.4 Application for extended Membership as in 8.2.3 must be made to the Fund annually and the necessary supporting documentation in regards to the dependant's condition must accompany the application.

9. TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP

- 9.1 Subject to rule 8.2.1, membership to the Fund for a child dependant will terminate at the end of the medical aid month that the child dependant attains the age of 21.



- 9.2 No person may be a Member and/or dependent of more than one medical scheme.
- 9.3 No person may claim or accept benefits in respect of him or any of his dependants from any medical scheme in relation to which he is not a Member.
- 9.4 Prospective Members shall, prior to admission, complete and submit the application forms required by the Fund, 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 Fund may require an applicant to provide the Fund with a medical report in relation to any proposed beneficiary in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve-month period ending on the date on which an application for Membership was made. The costs of any medical tests or examinations required to provide such a medical report will be paid for by the Fund. The Fund may however designate a provider to conduct such tests or examinations.

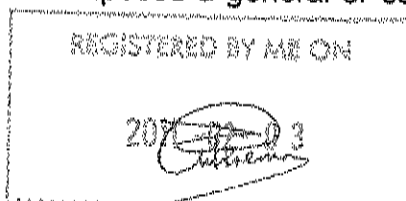
9.5 **Waiting periods**

9.5.1 The Fund 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 three months preceding the date of application –

9.5.1.1 A general waiting period of up to 3 months; and

9.5.1.2 A condition – specific waiting period of up to 12 months.

9.5.2. The Fund may impose a waiting period in respect of any person contemplated in this sub-rule, where the previous medical scheme had imposed a general or condition-specific waiting period, and such



waiting period had not expired at the time of termination.

9.5.3 DELETED

9.6 No waiting periods may be imposed on:

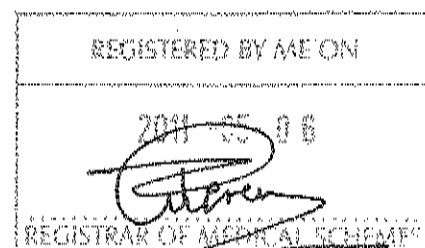
9.6.1 a person in respect of whom application is made for Membership or admission as a dependant, and who was previously a beneficiary of a medical scheme, terminating less than 3 months immediately prior to the date of application, where the transfer of Membership is required as a result of –

9.6.1.1 change of employment;

9.6.1.2 an employer changing or terminating the medical fund of its employees, in which case such transfer shall occur at the beginning of the financial year, or reasonable notice must be furnished to the Fund to which an application is made for such transfer to occur at the beginning of the financial year. Where the former medical scheme had imposed a general or condition specific waiting period, and such waiting period had not expired at the time of termination of Membership; the Fund may impose such waiting period for the unexpired duration of a waiting period imposed by the former medical scheme.

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

9.6.3 a child dependant born during the period of Membership.

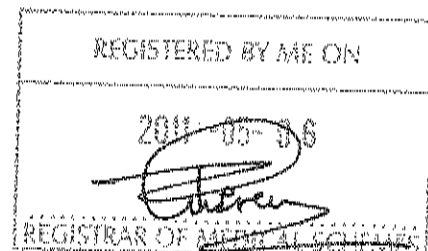


- 9.6.4 Any Member who can, to the satisfaction of the Fund, produce documentary proof of his previous Membership of any medical scheme shall not be subjected to the waiting periods, provided he joins the Fund within three months after termination of Membership of the previous medical aid and has been a Member of the said medical aid scheme for a period not less than twelve consecutive months
- 9.7 The registered dependants of a Member shall participate in the same benefit option as the Member
- 9.8 Every Member shall, on admission to Membership, receive a detailed summary of these Rules, which shall include contributions, benefits, limitations, the Member's rights and obligations. Members and their dependants, and any person who claims any benefit under these Rules or whose claim is derived from a person so claiming are bound by these Rules as amended from time to time.
- 9.9 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 Fund. The Fund may withhold, suspend or discontinue the payment of any benefit or any right in respect of such benefits under these Rules, if a Member assigns, transfers, cedes pledges or hypothecates such benefit.

9.10 DELETED

9.11 Late Joiner Penalties

The Fund may impose penalties on the applicant or the adult dependant of a Member who, at the date of application for Membership or admission as a dependant, as the case may be, is 35 years of age or older but excludes any



beneficiary who enjoyed coverage with one or more medical schemes as from a date preceding 1st April 2001, without a break in coverage exceeding 13 consecutive weeks since 1st April 2001.

9.12 Premium penalties for late joiners are as follows:

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

9.12.2 Any years of creditable coverage, which can be demonstrated by the late joiner.

9.12.3 Where the applicant or his or her dependant produces evidence of creditable coverage after a late joiner penalty has been imposed, Moto Health Care shall recalculate the penalty and apply such revised penalty from the time such evidence is provided.

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

9.12.5 The premium penalties shall be applied to a late joiner in terms of the first column of the table below as per subregulation (2), the following formula shall be applied:

A = B minus (35 years + C) "A" means the number of years referred to in the first column of the table below, for the purpose of determining the appropriate penalty band;

"B" means the age of the late joiner at the time of his or her application;

"C" means the number of years of creditable coverage which can be demonstrated by the late joiner.

Number of years an applicant	Maximum penalty
------------------------------	-----------------

was not a Member of a medical scheme after age 35	
1 – 4 years	0.05 x contribution
5 – 14 years	0.25 x contribution
15 – 24 years	0.5 x contribution
25 + years	0.75 x contribution

10. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS

10.1 Registration of Dependants

10.1.1 A Member may apply for the registration of his dependants at the time that he applies for Membership in terms of Rule 9.


10.1.2 If a Member applies to register a new born or newly adopted child within 30 days of the date of birth or adoption of the child, such child shall thereupon be registered by the Fund as a dependant. Increased contributions shall be due from the 1st of the month following the month of the birth or adoption.

10.1.3 If a Member, who marries subsequent to joining the Fund, applies to register his spouse as a dependant, his spouse shall thereupon be registered by the Fund as a dependant. Increased contributions shall then be due as from the date of such registration and benefits will accrue accordingly.

10.1.4 In the event of any person becoming eligible for registration as a dependant other than in the circumstances set out in Rules 10.1.1 to 10.1.3, the Member may apply to the Fund for the registration of such person as a dependant, whereupon the provisions of Rule 10 shall apply mutatis mutandis.

10.2 De-registration of Dependants.

10.2.1 A Member shall inform the Fund in writing within 30 days of the

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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.

10.2.2 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.

10.2.3 Change of status as a result of a divorce.

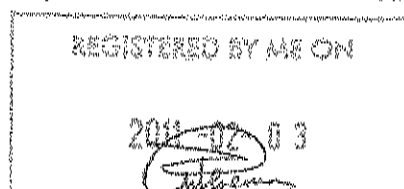
11. TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME

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 the Fund, the Board of Trustees or Principal Officer may admit as a Member, without a waiting period, any Member of such first-mentioned scheme who is a 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.

12. MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP

12.1 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 Fund and shall be returned to the Fund on termination of Membership.

12.2. The use 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 Fund and it constitutes a fraudulent claim against



the Fund.

- 12.3 On termination of Membership or on de-registration of a dependant, the Fund shall, upon application, within 30 days of such termination, furnish such person with a certificate of Membership and cover, containing such particulars as may be prescribed.

13. CHANGE OF ADDRESS OF MEMBER.

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

14. TERMINATION OF MEMBERSHIP

- 14.1 A Member who severs his connection with the Motor Industry shall, on the date of such termination, cease to be a Member and all rights to benefits shall thereupon cease, except for claims in respect of services rendered prior thereto.

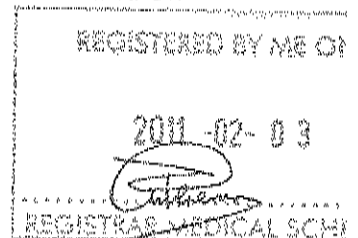
- 14.2 A Member may terminate his Membership of the Fund on giving one month's written notice to the Fund. All rights to benefits cease after the last day of Membership.

- 14.3 A participating employer may terminate his participation with the Fund on giving one month's written notice.

- 14.4 Membership of a Member terminates on his death.

- 14.5 If a Member fails to pay amounts due to the Fund, his Membership may be terminated as provided for in these rules.

- 14.6 The Board of Trustees or Principal Officer may exclude from benefits or



JSE *[Signature]* *ML*

terminate the Membership of a Member or dependant whom the Board of Trustees or Principal Officer finds guilty of abusing the benefits and privileges of the Fund by presenting false claims or making a material misrepresentation or non-disclosure of factual information. In such event he may be required by the Board of Trustees or Principal Officer to refund to the Fund any sum which, but for his abuse of the benefits or privileges of the Fund, would not have been disbursed on his behalf.

15. CONTRIBUTIONS

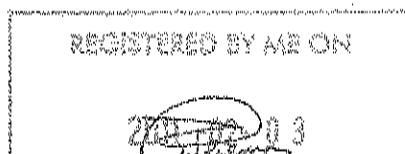
15.1 The total monthly contributions payable to the Fund by or in respect of a Member are as stipulated in Annexure B. The Member shall be responsible to notify the Fund of changes in status that may necessitate a change in contribution in terms of Annexure B attached hereto.

15.2 Contributions in respect of Members shall be due monthly in arrears and be payable by no later than the 3rd day of the following month in which they are due. Where contributions or any other debt owing to the Fund has not been paid within five (5) days of the due date, the Fund shall have the right;

15.2.1 to suspend all benefit payments which arose during the period of default and;

15.2.2 to give the Member notice if contributions or such other debts are not paid within twenty one (21) days, Membership may be cancelled;

A notice sent by prepaid registered post to the Member at his/her domicilium citandiet executandi shall be deemed to have been received by the Member on the 7th day after the date of posting. In the event that the Member fails to nominate a domicilium citandiet executandi, the Member's postal or residential address on his/her application form shall be deemed to be his/her domicilium citandiet executandi .



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15.3 In the event that payments are brought up to date and provided Membership has not been terminated in accordance with rule 15.2.2, benefits shall be reinstated without any break in continuity subject to the right of the Fund to levy a reasonable fee to cover any expenses associated with the default and to recover interest on the arrear amount at the prime overdraft rate of the Fund's bankers. If such payments are not brought up to date, no benefits shall be due to the Member from the date of default and any such benefits paid shall be recovered by the Fund through the legal remedies available.

15.4 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 is terminated during the course of a month.

16. LIABILITIES OF EMPLOYER AND MEMBER

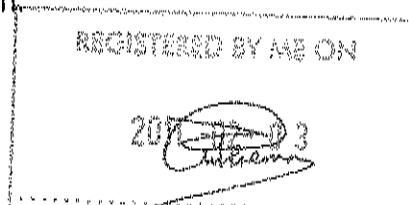
16.1 The liability of the employer towards the Fund is limited to any amounts payable in terms of any agreement between the employer and the employee, and or the collective agreement entered into at Bargaining Council level;

16.2 The liability of a Member to the Fund is limited to the amount of unpaid contributions together with any sum disbursed by the Fund on behalf the member or their dependants, which has not been repaid to the Fund.

16.3 In the event of a Member ceasing to be a Member, any amount still owing by such Member is a debt due to the Fund and recoverable by it.

17. CLAIMS PROCEDURE

17.1 Every claim submitted to the Fund in respect of the rendering of a relevant health service as contemplated in these rules, must be accompanied by an account or statement as prescribed containing in particular the following information:



- The initials and surname of the principal Member;
- The surname, first name, other initials if any, and the date of birth of the patient;
- The dependant code as indicated on the Membership card;
- The name of the option;
- The Membership number of the Member;
- The Practice code number of the service provider;
- The date of service;
- The diagnostic code and diagnosis of the patient;
- The prescribed tariff code of each procedure performed;
- The name, quantity and price in respect of each supply of medicine requirement or apparatus.

REGISTERED BY MS ON
2011-02-03
[Signature]
REGISTRAR MEDICAL SOCIETY

17.1.1 Upon payment of an amount the Fund shall dispatch to the Member a statement containing at least the following particulars-

- (a) The name and the Membership number of the Member;
- (b) The name of the supplier of service;
- (c) The final date of service rendered by the supplier of service on the account or statement which is covered by the payment
- (d) The total amount charged for the service concerned; and
- (e) The amount of the benefit awarded for such service.

17.2 In order to qualify for benefits, any claim shall be submitted to the Fund not later than the last day of the fourth month following the month in which the service was rendered.

17.3 Where a Member has paid an account, he shall, in support of his claim, submit a receipt or ensure that the account reflects that payment has been received by the supplier.

17.4 A statement, setting out particulars of the circumstances in which the injury or accident was sustained shall support accounts for treatment of injuries or

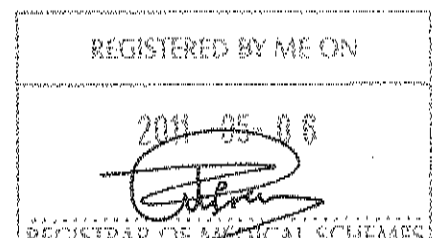
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expenses recoverable from third parties.

- 17.5 Where the Fund is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, the Fund shall notify the Member or the health care provider, whichever is applicable, accordingly within 30 days after receipt thereof. The Fund shall state the reasons why such claim is erroneous or unacceptable and afford such Member or provider the opportunity to return such corrected claim to the Fund within 60 days following the date from which it was returned for correction.
- 17.6 A tax certificate will be sent annually to the member, in respect of claims not covered and contributions paid by continuation members only, in accordance with the requirements of the South African Revenue Services.

18. BENEFITS

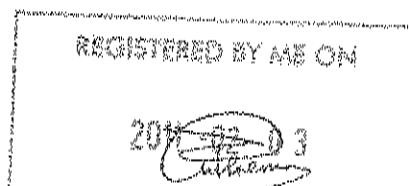
- 18.1 Members are entitled to benefits during a financial year, as per Annexure C1 – C5 and such benefits extend through the Member to his registered dependants. A Member shall in consultation with his employer, where applicable, on admission, elect to participate in any one of the available options, detailed in Annexure C1 – C5
- 18.2 A Member shall be entitled to change from one to another benefit option subject to the following conditions:
- 18.2.1 The change may be made only with effect from 1 January of any financial year.
- 18.2.2 Application to change from one benefit option to another shall be in writing and lodged with the Fund within the period notified by the Fund, provided that the Member has had at least 30 days prior notification of any intended changes in benefits or contributions for the new financial year.



- 18.3 The Fund shall, where an account has been rendered, pay any benefit due to a Member, either to that Member or to the supplier of the relevant health service who rendered the account, within 30 days of receipt of the claim pertaining to such benefit.
- 18.4 The Fund will exclude services from benefits as set out in Annexure D of these rules.
- 18.5 Beneficiaries admitted during the course of a financial year are entitled to the benefits set out in the relevant benefit option chosen, with the maximum benefits being adjusted in proportion to the period of Membership calculated from the date of admission to the end of the particular financial year.
- 18.6 Unless otherwise decided by the Board, benefits in respect of medicines obtained on a prescription are limited to one month's supply for every such prescription or repeat thereof.
- 18.7 Unless otherwise decided by the Board, benefits in respect of claims recoverable from a Third Party will be paid subject to the Fund obtaining a Letter of Undertaking from an Attorney indicating that any reimbursement in respect of such a claim will be refunded to the Fund once a settlement has been received from the respective insurer. Failure to receive such an undertaking may result in the claim being denied.

19. PAYMENT OF ACCOUNTS

- 19.1 Payment of accounts is restricted to the maximum amount of the benefit entitlement in terms of the applicable benefit and option elected.
- 19.2 The Fund may, whether by agreement or not with any supplier or group of suppliers of a service, pay the benefit to which the Member is entitled, directly to the supplier who rendered the service.



[Signature 1] *[Signature 2]* *[Signature 3]*

19.3 Where the Fund 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 Fund.

19.4 Notwithstanding the provisions of this rule, the Fund has the right to pay any benefit directly to the Member concerned.

19.5 The Board shall not authorise payments for services other than those provided for in these rules but may in its absolute discretion make ex-gratia payments in respect of any healthcare service obtained by a member which do not form part of such members entitlement in terms of his benefit option. Ex-gratia payment is a concession exercised at the discretion of the Board and not a right to which members are entitled.

20. FINANCIAL YEAR OF THE FUND

The financial year of the Fund extends from the first day of January to the 31st day of December of that year.

21. COMPLAINTS AND DISPUTES

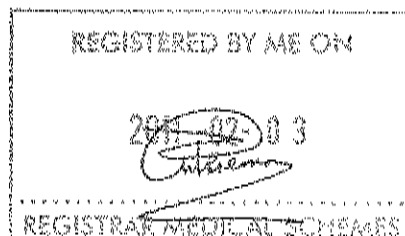
21.1 Should a member have a complaint against the Fund, then the Member shall be obliged to telephone the Fund's call-centre to try and resolve the complaint. The member shall obtain a reference number when the complaint is logged with the Fund's call centre.

21.2 Should a member's complaint not be resolved by the Fund's call-centre, then Members may lodge their complaints, in writing, to the Fund and in such written complaint, quote the reference number obtained as contemplated in rule 21.1.

21.3 The Fund shall endeavour to cause all complaints received by it pursuant to

rule 21.1 or 21.2 to be processed within 30 days of receipt thereof, failing which, within a reasonable time.

- 21.4 If the Fund finds that there is no merit in the complaint, it must notify the complainant in writing of its finding and the reasons for the finding.
- 21.5 If dissatisfied with the finding on the complaint, the complainant may in writing refer within 60 days of receiving the relevant ruling to the Principal Officer for consideration by a dispute committee.
- 21.6 A disputes committee of three individuals, who may not be Trustees of the Board, employees of the administrator of the Fund or officers of the Fund, shall be appointed by the Board when necessary. At least one such member shall be a person with legal expertise. The decision of the disputes committee will be final and binding.
- 21.7 Any dispute, which may arise between a Member, prospective Member, former Member or a person claiming by virtue of such Member and the Fund or an officer of the Fund, shall be referred by the Principal Officer to the disputes committee for adjudication if requested to do so by the member, prospective member, former member, or his representative provided that such a dispute has already been handled according to the procedure prescribed in rules 21.1 – 21.4, as may be applicable.
- 21.8 On receipt of a request in terms of this rule, the Principal Officer shall convene a meeting of the disputes committee by giving not less than 30 days' notice in writing to the complainant and all the Members of the disputes committee, stating the date, time, and venue of the meeting and particulars of the dispute.
- 21.9 The disputes committee may determine the procedure to be followed.



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21.10 The parties to any dispute have the right to be heard at the proceedings, either in person or through a representative.

22. RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS

22.1 Any valid Member of the Fund may request via the website, www.motohealthcare.org.za a copy of the following documents:

22.1.1 The rules of the Fund

22.1.2 The latest audited abridged annual financial statements, returns, Trustees reports and auditors report of the Fund; and

22.1.3 The management accounts in respect of the Fund and all of its benefit options.

22.2 A valid Member of the Fund is entitled to inspect free of charge at the registered office of the Fund any document referred to in rule 22.1 and to make extracts there from.

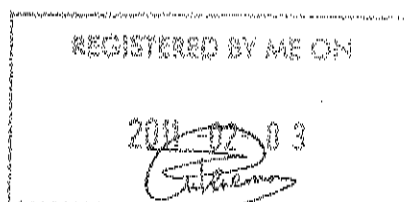
23. AMENDMENT OF RULES

The Board is entitled to alter or rescind any rule or annexure in terms of Section 31 of the Medical Schemes Act 131 of 1998.

24. GOVERNANCE

Industry Stakeholders to the Moto Health Care Collective Agreement, legislated in terms of the Labour Relations Act, (No 66 of 1995)

FRA Fuel Retailers Association of Southern Africa, a registered employer's organization



MIBCO Motor Industry Bargaining Council registered in terms of Section 29 of the Labour Relations Act, No 66 of 1995

NUMSA National Union of Metal Workers of South Africa, a registered trade union and labour organisation

RMI Retail Motor Industry Organisation, a registered employer's organisation

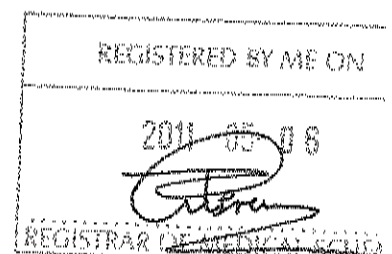
24.1 The business of the Fund shall be managed by a Board consisting of 12 (twelve) persons who are fit and proper to be trustees, in accordance with the Act and the provisions of these Rules.

24.2 50 (fifty) percent of the Trustees must be elected directly by the members from their ranks (hereinafter referred to as "Member-elected trustees") subject to the provisions of Rule 24.4.1. The remaining Trustees shall be appointed by the respective Employer and Labour organisations that make up the parties to the Moto Health Care agreement, subject to the provisions of rule 24.4.2 (hereinafter referred to as "Stakeholder trustees")

24.3 An interim board will serve as an interim Steering Committee until such time as the Registrar, resolves or directs that a permanent Board of Trustees as contemplated in rule 24.1 is duly elected and appointed in terms of these rules and the Medical Schemes Act 131 of 1998.

24.4 The Board of Trustees of the Moto Health Care Fund will be made up as follows:

24.4.1 The number of "Member-elected trustees" will be 6 (six) of whom will be elected by members from amongst the members.



24.4.2 The number of "Stakeholder trustees" will be 6 (six) appointed by the stakeholders in a ratio that will ensure that the combined employer trustees and the labour trustees, are equally represented on the final Board of Trustees.

24.4.3

24.5.3 The election of "Member-elected trustees" must take place by ballot and in accordance with the procedure set forth in these rules.

24.5 An independent person or body appointed by the Board of Trustees must oversee the election of "Member-elected trustees" and must, after the election, submit a report to the Board in which the independent person or body must inform the Board:

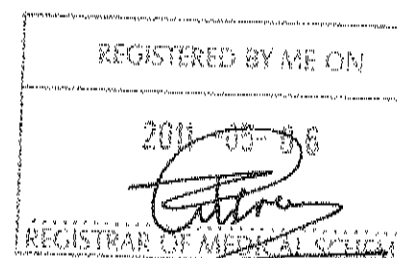
24.5.1 Whether they are satisfied that the election was free and fair and in accordance with the procedure approved by the Board in accordance with these rules;

24.5.2 The names of the Members elected as trustees and the names of the persons who have been re-elected to the Board, and

24.5.3 Must certify that those persons elected as Member-elected trustees, are in fact Members of the Fund who are in good standing.

24.6 If the Board, after having considered the report of the independent person or body, is satisfied that the election took place in accordance with the procedure determined by the Board and that it was a free and fair election, the Principal Officer must, in writing, notify the elected individuals of their appointment and the date, time and place of the next meeting of the Board, and invite them to attend.

24.7 The period of office of a Trustee shall be as follows:



24.7.1 In respect of the appointed "Stakeholder trustees", the board shall nominate which 3 (three) of the six shall serve for a period of 4 (four) years. The remaining trustees will serve for a period of 3 (three) years.

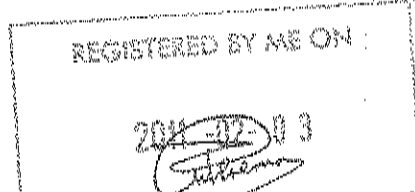
24.7.2 In respect of the "Member -elected trustees", the 3 (three) candidates who obtained the highest number of votes during the election, shall serve as trustees for a period of 4 (four) years. The remaining "Member -elected trustees" shall serve as trustees for a period of 3 (three) years.

24.7.3 The provisions of rules 24.7.1 and 24.7.2 shall only be applicable in respect of the appointment and/or election of the first Board as contemplated in rule 24.3. The period of all subsequently appointed or elected trustees shall be 3 (three) years, subject to any contrary law or the binding requirements of the Registrar from time to time.

24.8 Only a Member of the Fund, where Member does not include a minor dependant of a deceased Member who is deemed to be a member in terms of rule 7.3 shall be entitled to be elected as a trustee.

24.9 At the first meeting of the Board after the election and appointment of the Board, the Board shall elect from its number a Chairperson and a Vice-Chairperson. In accordance with the provisions of rule 24.9.1 and 24.9.2

24.9.1 The trustees shall call for nominations for the position of Chairperson. The trustees shall each cast a vote for a chairperson. The person who obtains the highest number of votes shall be the Chairperson. In the event that two or more person receives the same number of votes, the trustees shall cast votes in respect of the candidates who are tied and the person who receives the greatest number of votes will serve as chairperson.



24.9.2 The trustees shall call for nominations for the position of Vice-Chairperson. The trustees shall each cast a vote for a Vice-Chairperson. The person who obtains the highest number of votes shall be the Vice-Chairperson. In the event that two or more person receives the same number of votes, the trustees shall cast votes in respect of the candidates who are tied and the person who receives the greatest number of votes will serve as Vice - Chairperson.

24.10 The board may remove the Chairperson and/ or the Vice Chairperson from their position as such, (but not as trustees) at any time provided that at least two thirds of the trustees present vote in favour of such removal, and shall simultaneously elect a new Chairperson and/or Vice Chairperson in accordance with rule 24.9.1 and 24.9.2.

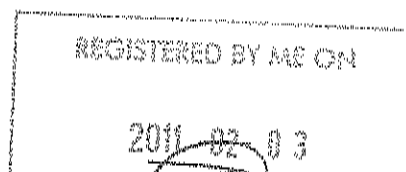
24.11 The term of Board members commences with effect from the first meeting of the Board after the election and designation, which meeting shall be held no later than 1 (one) calendar month after the finalisation of the Member trustee election process envisaged in rules 24.12 and 24.13.

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

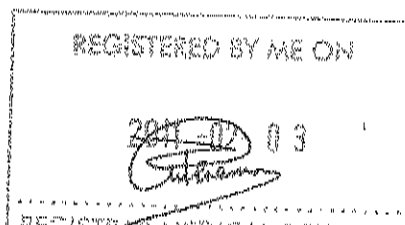
24.11.1 A person under the age of 21 years;

24.11.2 An employee, director, officer, consultant, or contractor of any person contracted by the Fund to provide administrative, marketing or managed health care services, including the administrator of the Fund, or of the holding company, subsidiary, joint venture or associate of such a person;

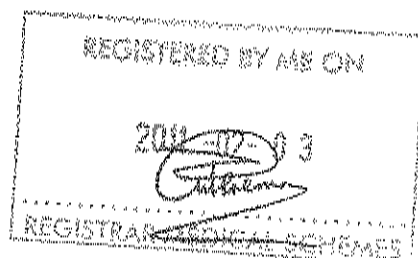
24.11.3 a broker;



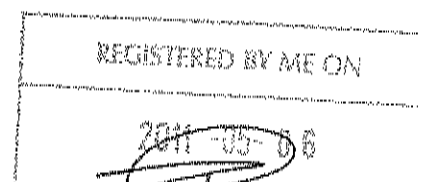
- 24.11.4 the Principal Officer of the Fund;
- 24.11.5 the auditor of the Fund; and
- 24.11.6 any trustee who is sought to be elected who is not a Member in accordance with rule 7.3 of these rules.
- 24.11.7 Any person who has a material relationship with any person contracted by the Fund or in the process of tendering to the Fund to provide any administrative, broker, managed healthcare, or other services, whether alone or with, or through a holding company, subsidiary, joint venture or associate.
- 24.11.8 Any person, including a member of the fund, who has directly or indirectly solicited members of the fund to join another fund, alternatively, any person who may be associated with a broker, as defined in the MSA, providing services to members of the motor industry as contemplated in the MSA.
- 24.12 In the event of a vacancy arising from the Board, the remaining members of the Board will form the Board of Trustees of the Fund, provided that if and so long as their number is reduced below that fixed for a quorum by these Rules, such Trustees may act only for the purpose of increasing the number of Trustees to that number, as set out in Rule 24.1 or for summoning a general meeting of the Fund, but for no other purpose. In the event of a vacancy arising in a case of a trustee representing the "Stakeholder trustees", the organisation who appointed such person shall fill the vacancy at any time, by giving the Fund at least 60 (sixty) days written notice of its intention to do so, and substitute any other Stakeholder trustee from the affected organisation in place of the trustee which it withdraws as such.



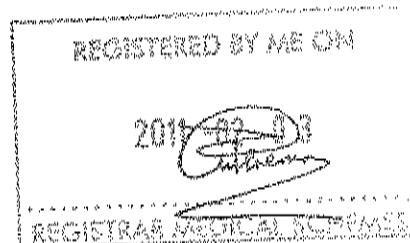
- 24.13 Before the end of the term of office of an elected member of the Board, the Board must initiate an election nomination process to replace the "Member - elected trustees" whose term of office will end during that particular year.
- 24.14A quorum is constituted by a number of members of the Board physically present at a meeting of that Board, which number shall be not less than half of the members of the Board plus one. Members of the Board will, for the purposes of constituting a quorum, not include suspended Board members.
- 24.15 The Chairperson, or in his/her absence, the Vice Chairperson, shall preside and preserve due and proper conduct at all meetings of the Board of Trustees and at all Annual General Meetings and Special General Meetings of the Fund.
- 24.16 The Board of Trustees shall cause the proceedings of all annual and special general meetings and board of Trustee meetings to be properly documented and the minutes of such meetings shall be laid before the first succeeding respective meeting, provided that the minutes of every special general meeting shall, as the Board of Trustees may decide, be laid before the first succeeding special general meeting or the annual general meeting.
- 24.17 If the minutes of such meetings are accepted and confirmed as correct they shall be signed by the Chairperson. Every set of minutes signed by the Chairperson of the meeting to which such minutes relate or signed by the Chairperson of the meeting subsequent to the meeting to which minutes relate, shall be sufficient evidence of the facts stated therein.
- 24.18 In the absence of the Chairperson and /or the Vice Chairperson at any meeting, the Board Members present must appoint one of their numbers to preside over such meeting.



- 24.19 Matters serving before the Board must be decided by a majority vote, provided that any amendments to this rule 24 may only be approved by the Board by a two thirds majority vote. The Chairperson shall have the casting vote in addition to his deliberative vote.
- 24.20 A resolution in writing must be agreed by at least 50% plus 1 of the trustees and shall be as valid and effectual as if it has been passed at a meeting of the Board of Trustees duly called and constituted, provided that two of the signatories shall be the Chairperson and one trustee, or in the Chairperson's absence, the Vice Chairperson and one trustee. Such a resolution must be documented and noted at the following meeting of the Board of Trustees. Any such resolution may consist of several documents in like form, signed by one of the signatories contemplated in this Rule.
- 24.21 Each trustee shall have 1 (one) vote at any meeting of the Board, and should there be an equal number of votes in respect of any issue before the Board, then the Chairperson shall have the casting vote in addition to his deliberative vote.
- 24.22 A Member of the Board may resign at any time by giving 30 days written notice to the Board.
- 24.22.1 Any Member elected trustee to replace such a resigning or removed trustee shall hold office for the remaining tenure of the resigning/removed "Member -elected trustees" tenure.
- 24.23 A member of the Board may not hold office or shall cease to hold office if a member:
- 24.23.1 becomes mentally ill or incapable of managing his affairs; or
- 24.23.2 is declared insolvent or has surrendered his estate for the benefit of his creditors; or



- 24.23.3 is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering of a forged document or perjury and any other offence involving an element of dishonesty; or
- 24.23.4 is removed by the court from any office of trust on account of misconduct;
- 24.23.5 is disqualified under any law from carrying on his profession; or
- 24.23.6 In the event that the trustee is a Member elected trustee, he ceases to be a Member of the Fund;
- 24.23.7 absents himself from three consecutive meetings of the Board without the permission of the Chairperson;
- 24.23.8 is removed from office by the Council for Medical Schemes in terms of Section 46 of the Act; or
- 24.23.9 is removed from office in terms of rule 24.28.
- 24.24 The Board must meet at least once every quarter or at such intervals as it may deem necessary.
- 24.25 The Chairperson may convene a special meeting of the Board should the necessity arise. Any three members of the Board may request the Chairperson to convene a special meeting of the Board, stating in their request the matters to be discussed at such meeting. Upon receipt of the request the Chairperson shall within thirty (30) days thereafter convene a special meeting of the Board to deal with the matters stated therein.



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24.26 Members of the board may be reimbursed for all reasonable expenses incurred by them in the performance of their duties as trustees subject to such guidelines as may be adopted by the Board from time to time.

24.27 Subject to any terms of employment of any trustee, Trustees may be paid a honorarium determined by the Board at the annual general meeting from time to time, an on such terms and conditions as the Board may determine.

24.28 A member of the Board who acts in a manner which exposes the Fund or its Members to undue prejudice or risk may be removed by the Board, provided that: –

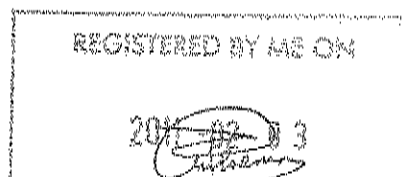
24.28.1 Before a decision is taken to remove the member of the Board, the Board shall furnish that member with full details of the evidence which the Board has at its disposal regarding the conduct complained of, and allow such member a period of not less than 30 (thirty) days in which to respond to the allegations;

24.28.2 The resolution to remove that member is taken by at least two thirds of the members of the Board in attendance; and

24.28.3 The trustee being removed in terms of this rule shall not be entitled to vote in respect of such a resolution;

24.28.4 The trustee removed in terms of this rule shall not be eligible to be re-elected as a trustee.

24.29 Any trustee who has a conflict of interest in respect of any matter discussed by the Board shall disclose such conflict to the Board and shall recuse himself from further deliberations in respect of the matter; in the event that a trustee is unsure whether or not he has a conflict of interest in the matter, such a trustee shall make full disclosure to the Board, who will then



determine whether such a trustee may participate on the matter in respect of the conflict that is raised.

24.30 Election of Member-elected trustees

Subject to any laws applicable from time to time regarding the Registrars power to regulate, monitor or intervene in the election of member trustees.

24.30.1 Valid nominations of candidates being active members of the Fund who are in good standing, to fill vacancies of "Member -elected trustees", signed by a proposer and seconder being active members in good standing with the Fund, must be signed by the candidate signifying his/her consent to stand for election; must be submitted to the Principal Officer at the Fund's registered address, together with a current curriculum vitae by end of April of the year concerned. The election must be carried out by the members present at the annual general meeting of the Scheme.

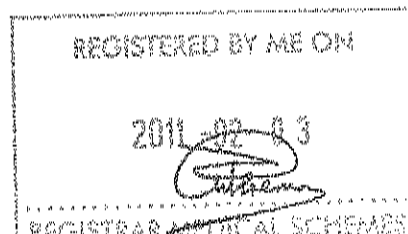
24.30.2 The Board may co-opt a knowledgeable person to assist it in its deliberations provided that such person shall not have a vote.

25. FIT AND PROPER PERSONS

25.1 All trustees appointed or elected as such to the Board shall be fit and proper persons capable of holding and discharging an office of trust, as contemplated in terms of the Act.

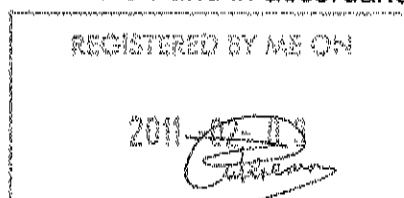
25.2 In the event that a trustee has a conflict of interest, he shall act in accordance with the provision of rule 24.29.

25.3 Any trustee found not to be a fit and proper person may be removed as such by the Board in accordance with rule 24.28.

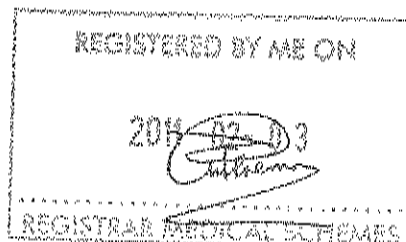


26. DUTIES OF THE BOARD OF TRUSTEES

- 26.1 The Board is responsible for the sound management of the Fund in terms of the Act and these rules.
- 26.2 The Trustees must act with due care, diligence, and skill and in good faith and run the Fund for the benefit of the beneficiaries.
- 26.3 Members of the Board must take all reasonable steps to avoid conflict of interest and must declare any interest they may have in any particular matter serving before the Board in accordance with rule 24.29.
- 26.4 The Board must apply sound principals and ensure the financial soundness of the Fund.
- 26.5 The Board must appoint a Principal Officer who is fit and proper to hold such office and may appoint any staff which in its opinion are required for the proper execution of the business of the Fund, and shall determine the terms and conditions of service of the Principal Officer and any person employed by the Fund.
- 26.6 The Board must cause to keep Minutes, accounts, registers and records as are essential for the proper functioning of the Fund.
- 26.7 The Board must ensure that proper control systems are employed by or in the interest of the Fund.
- 26.8 The Board must ensure that adequate and proper information is communicated to Members regarding their benefits, contributions and duties in terms of the Rules.
- 26.9 The Board must take all reasonable steps to ensure that contributions are paid on time to the Fund in accordance with the Act and the Rules.



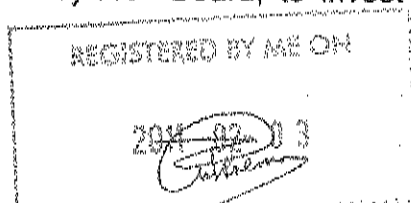
- 26.10 The Board of behalf of the Fund must procure and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance.
- 26.11 The Board must obtain expert advice on legal, accounting and business matters as required or on any other matters of which the Members of the Board may lack sufficient expertise.
- 26.12 The Board must ensure that the Rules and the operation and administration of the Fund comply with the provisions of the Act and all other applicable laws.
- 26.13 The Board must take all reasonable steps to protect confidentiality of medical records concerning any beneficiary's state of health.
- 26.14 The Board must approve budgets, costs and disbursements as required.
- 26.15 The board must cause to be kept in safe custody, in a safe or strong room at the registered office of the Fund or with any financial institution approved by the Board, any mortgage bond, title deed or other security belonging to or held by the Fund, except when in the temporary custody of another person for the purposes of the Fund.
- 26.16 The board must make such provision as it deems desirable, and with due regard to normal practice and recommended guidelines pertaining to retention of documents, for the safe custody of the books, records, documents and other effects of the Fund.
- 26.17 The Board must disclose annually in writing to the Registrar, any payment or considerations made to them in that particular year by the Fund as prescribed.



27. POWERS AND DUTIES OF THE BOARD

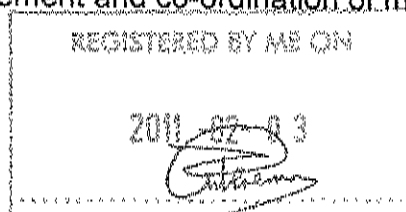
The Board has the power –

- 27.1 To cause the termination of the services of any Employee of the Fund;
- 27.2 To take all necessary steps and to sign and execute all necessary documents to ensure and secure the due fulfilment of the Fund's obligations under such appointments;
- 27.3 To appoint a committee consisting of such Board members and other experts as it may deem appropriate;
- 27.4 To appoint a duly accredited administrator and/or third party service provider or accredited health care provider on such terms and conditions as it may determine, for the proper execution of the business of the Fund. The terms and conditions of such appointment shall be contained in a written contract;
- 27.5 To appoint, contract with and compensate any accredited managed health care organisation in the prescribed manner;
- 27.6 To purchase movable and immovable property for the use of the Fund or otherwise, and to sell it or any of it;
- 27.7 To let or hire movable or immovable property;
- 27.8 To sell movable or immovable property of the Fund subject to sound business practice and fair value principles;
- 27.9 In respect of any monies not immediately required to meet current charges upon the Fund and subject to the provisions of the Act, and in the manner determined by the Board, to invest or otherwise deal with such moneys



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- upon security and to realise, re-invest or otherwise deal with such monies and investments;
- 27.10 With the prior approval of the Council of Medical Schemes, to borrow money for the Fund from the Fund's bankers against the security of the Fund's assets for the purpose of bridging a temporary shortage;
- 27.11 Subject to the provisions of any law, to cause the Fund, 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 Fund;
- 27.12 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;
- 27.13 To contribute to any fund conducted for the benefit of employees of the Fund;
- 27.14 To reinsure obligations in terms of the benefits provided for in these rules provided that all such reinsurance arrangements are fully disclosed to the Council of Medical Schemes, including full details of premiums, commissions, and benefits due under such arrangement;
- 27.15 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 Fund or any document authorising the performance of any act on behalf of the Fund;
- 27.16 To contribute to any association instituted for the furtherance, encouragement and co-ordination of medical Funds;



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

27.18 To make ex gratia payments on behalf of Members in accordance with the ex-gratia policy and Rules in order to assist such Members to meet commitments in regards to any matter specified in rule 6;

27.19 The Board shall be entitled to delegate any duty to the Principal Officer from time to time, subject to any procedure, terms and conditions as may be determined by the Board.

28. DUTIES OF THE PRINCIPAL OFFICER AND STAFF

28.1 The staff of the Fund shall ensure the confidentiality of all information regarding its Members.

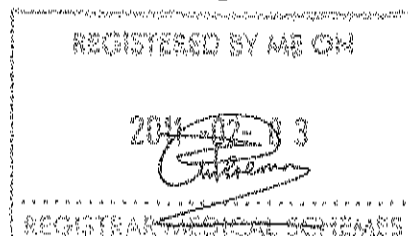
28.2 The Principal Officers shall ensure that:

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

28.2.2 Where necessary, there is proper and appropriate communication between the Fund and those parties, affected by the decisions and instructions of the Board;

28.2.3 the Board is kept sufficiently and timeously informed of the affairs of the Fund which relate to the duties of the Board;

28.2.4 the Principal Officer keeps the Board sufficiently and timeously informed concerning the affairs of the Fund concerning any matter

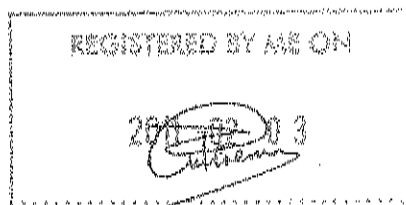


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relating to the duties of the Board as stated in section 57(4) of the Act;

- 28.2.5 the Principal Officer keeps the Board sufficiently and timeously informed concerning the affairs of the Funds so as to enable the Board to comply with the provisions of section 57 (6) of the Act;
- 28.2.6 the Principal Officer does not take any decisions concerning the affairs of the Fund without prior authorisation by the Board and shall observe at all times the authority of the Board in its governance of the Fund.
- 28.3 The Principal Officer shall be the accounting officer of the Fund charged with the collection of and accounting for all moneys received and payments authorised by and made on behalf of the Fund.
- 28.4 The Principal Officer shall ensure the carrying out of all duties as are necessary for the proper execution of the business of the Fund. The Principal Officer shall attend all meetings of the Board, and any other duly appointed subcommittee where the principal officer's attendance may be required, and ensure proper recording of the proceedings of all meetings.
- 28.5 The Principal Officer shall be responsible for the supervision of the staff employed by the Fund unless the Board decides otherwise.
- 28.6 The Principal Officer shall keep full and proper records of all moneys received and expenses incurred by, and of all assets, liabilities and financial transactions of the Fund.
- 28.8 The Principal Officer shall cause the preparation of annual financial statements in compliance with all statutory requirements pertaining thereto.



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

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

28.9.2 a broker;

28.9.3 The criteria disqualifying trustees from acting as trustee in terms of rules 24.30.1 – 24.30.5 shall apply mutatis mutandis to the Principal Officer;

28.9.4 the Principal Officer and any other officials as may be identified by the Board from time to time, ex officio in their capacity as such, shall be entitled to attend all Board meetings, but shall have no right to vote at such meetings.

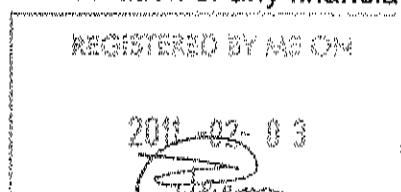
29. INDEMNIFICATION

29.1 The Trustees and any officer of the Fund is hereby indemnified by the Fund against all claims, proceedings, costs and expenses incurred by reason of any claim against/by the Fund, provided that the action of the Trustees and/or officers of the Fund giving rise to such a claim, proceeding, cost and expenses does not arise from such a person acting dishonestly or fraudulently.

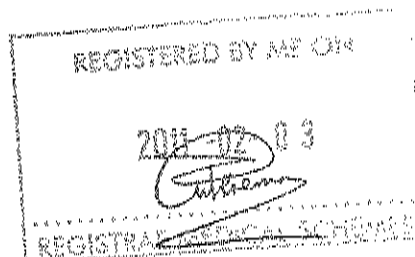
29.2 The Board must ensure that the Fund is insured against loss resulting from the dishonesty or fraud of any of its officers.

30. AUDITOR AND AUDIT COMMITTEE

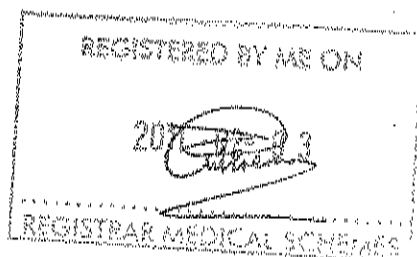
30.1 An auditor (who shall be approved by the Registrar in terms of Section 36 of the Act) must be appointed at each general meeting of the Fund, to hold office for the duration of any financial year.



- 30.2 The following persons are not eligible to serve as an Auditor of the Fund:
- 30.2.1 a member of the Board;
 - 30.2.2 an Employee, officer or contractor of the Fund;
 - 30.2.3 an Employee, director, officer or contractor of the Fund administrator, or of the holding company, subsidiary, joint venture or associate of the administrator;
 - 30.2.4 a person not engaged in public practice as an auditor;
 - 30.2.5 a person who is disqualified as acting as an auditor in terms of the Companies Act, 1973.
- 30.3 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 days appoint another auditor to fill the vacancy for the unexpired period.
- 30.4 If the members of the Fund at a general meeting fail to appoint an auditor required to be appointed in terms of this rule, the Board must within 30 days make such appointment, and if it fails to do so, the Registrar may at any time do so.
- 30.5 The Auditor of the Fund has a right of access to the books, records, accounts, documents and other effects of the Fund at all times and is entitled to require from the board and the officers of the Fund such information and explanations as he deems necessary for the performance of his duties.



- 30.6 The Auditor must report to the members of the Fund on the accounts examined by him and on the financial statements laid before the Fund in general meeting.
- 30.7 The board must appoint an audit committee of at least five members of whom at least two must be members of the Board of Trustees.
- 30.8 The majority of the members, including the Chairperson of the audit committee, shall be persons who are not officers of the Fund or the administrator of the Fund, the controlling company of the administrator or any subsidiary of its controlling company.
- 30.9 The objects of the audit committee shall, inter alia, be to-
- 30.9.1 Assist the board in its evaluation of the adequacy and efficiency of the internal control systems, accounting practices, information systems and auditing processes applied by the Fund or its administrator in the day to day management of the business;
- 30.9.2 Facilitate and promote communication and liaison regarding the matters referred to it, or matters of financial nature or of investment or any related matter, between the board of Trustees, Principal Officer, administrator and, where applicable, the internal audit staff of the Fund;
- 30.9.3 Recommend the introduction of measures which the committee believes may enhance the credibility and objectivity of financial statements and reports concerning the affairs of the Fund; and



30.9.4 Advise on any matter referred to the committee by the Board of Trustees.

31. GENERAL MEETINGS

31.1 Annual general meeting

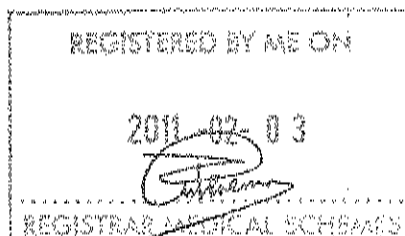
31.1.1 The annual general meeting of Members must be held not later than 30 June of each year on a date which may be shown to permit reasonable attendance by Members.

31.1.2 The notice convening the annual general meeting, containing the agenda, the annual financial statements, auditor's report and annual report, must be furnished to Members at least 14 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.

31.1.3 At least 20 Members of the Fund present in person constitutes a quorum. If a quorum is not present after a lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting must be postponed to a date determined by the Board, with notice of such postponed meeting being reissued in terms of rule 31.1.2, and Members then present constitute a quorum.

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

31.1.5 Any member wishing to place matters to be discussed and resolved at the general meeting may do so provided that:



31.1.5.1 Such proposed resolution must reach the Principal Officer no later than 5(five) days prior to the date of the annual general meeting;

31.1.5.2 Notices of motions to be placed before the annual general meeting must reach the Principal Officer not later than 5 (five) days prior to the date of the meeting.

31.2 Special General Meeting;

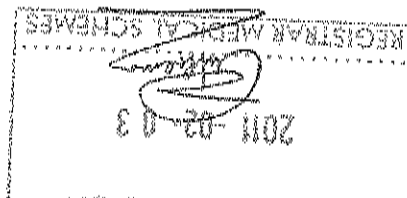
31.2.1 The Board may call a special general meeting of members if it is deemed necessary.

31.2.2 On the requisition of at least 40 Members of the Fund, the Board must cause a special general meeting to be called within 30 days of the deposit of the requisition. The requisition must state the objects of the meeting and must be signed by all the members and deposited at the registered office of the Fund. Only those matters forming the objects of the meeting may be discussed.

31.2.3 The notice convening the special general meeting, containing the agenda, must be furnished to Members at least 14 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.

31.2.4 At least 20 Members present in person constitute a quorum. If a quorum is not present at a special general meeting after a lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting is regarded as cancelled.

32. VOTING AT MEETINGS



- 32.1 Every Member whose contributions are not in arrears and is present at a general meeting of the Fund has the right to vote, or may, subject to this rule, appoint another Member of the Fund who is in good standing, as proxy to attend, speak and vote in his/her stead.
- 32.2 The instrument appointing the proxy must be in writing, in a form determined by the Board and must be signed by the Member and the person appointed as the proxy.
- 32.3 The chairperson must determine whether the voting must be by ballot or by a show of hands. In the event of the votes being equal, the chairperson, if he is a Member, has a casting vote in addition to his/her deliberative vote.

33. BANKING ACCOUNT

- 33.1 The Fund shall maintain a banking account in the name of the Fund and under its direct control with a registered commercial bank. All moneys received shall be deposited to the credit of such account and all payments shall be made either by electronic transfer, tape exchange or by cheque under the joint signature of not less than two persons duly authorised by the Board.

34. REMUNERATION

- 34.1 Members of the Board may be remunerated as determined from time to time at the Annual General Meeting. All remuneration must be disclosed by the Board to Members at the Annual General Meeting.

