

17. GOVERNANCE

17.1 The affairs of the Scheme shall be managed according to these Rules by a Board consisting of not more than 12 persons who are fit and proper to be trustees, and of whom -

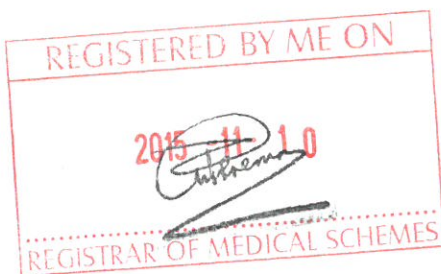
17.1.1 9 (nine) shall be elected by members from amongst members;

provided that such election shall be limited to no more than one member per company or group of companies. A company shall bear the same meaning as per the Companies Act No 71 of 2008.

17.1.2 The Board may appoint 2 (two) Trustees. Such a Trustee, will cease to hold office as per Rule 17.9, excluding Rule 17.9.6, or, if the Board by majority vote, agrees to withdraw the appointment.

A person so appointed, shall hold office for a term of three years and have full voting rights and fiduciary responsibilities.

17.2 At each annual general meeting one third of the Trustees referred to in 17.1.1, shall retire but shall be eligible for re-election. The Trustees to retire shall be those who have been longest in office, but as regards Trustees who were elected on the same day, those to retire, unless agreed amongst themselves, shall be determined by lot. Where the number of Trustees is not divisible by three, the number shall be to the nearest whole number but not less than three.



A co-opted person shall not be counted in the quorum but may participate in the deliberations of the Board but shall have no vote.

The Board may appoint a nominee of a constituent body as an observer on the Board. Such observer shall not be counted in the quorum but may participate in the deliberations of the Board. An observer shall have no vote.

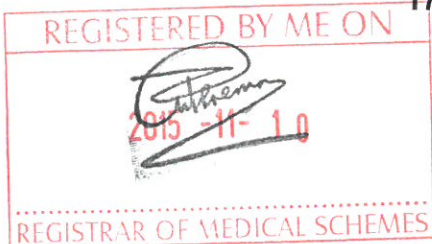
17.19 The Board may in respect of Trustees generally allow payment for:

17.19.1 such reasonable fees and allowances as the Board may decide to enable Trustees to fulfil their functions for and on behalf of the Scheme;

17.19.2 reasonable expenses incurred by such members for the purpose of attending meetings;

17.19.3 reasonable administration expenses incurred in the execution of their duties as Trustees;

17.19.4 The Board may from time to time appoint any Trustee to perform any specific task on behalf of the Scheme on such terms and conditions as the Board may agree, including payment of remuneration and disbursements for the performance of such specific task.



17.20 All proposed fees payable to Trustees, including remuneration and disbursements for specific tasks, shall be decided upon at the Schemes' Remuneration Committee and shall be presented for approval at every Annual General Meeting in advance of any such payments being made.

“individual member”, any person who does not participate in the Scheme within a registered group and who is recognized by the Scheme as having individual status;

“Life Changing Event”, shall mean the member’s divorce, marriage, retrenchment, change of employment, death or initial onset of dread disease, which will have a severe financial impact on the member;

“medicine”, any medicine as defined by, and registered in terms of, the Medicines and Related Substances Control Act, 1965, (No 5 of 1965).

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

“medicine price list”, a list prepared by the health management programme containing the maximum reimbursable price of specified medicines;

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

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

“negotiated fee”, a fee agreed to between the Scheme and providers of service in respect of consultations;

“negotiated professional charge” a charge agreed to between the Scheme and dispensers and preferred providers in respect of the dispensing of registered medicines;

