

MEDICAL SERVICES PLAN

DRAFT CONSTITUTION AND RULES

1. The name of the Society is '*The Medical Services Plan*', which shall hereafter be referred to as the Plan.

2. The Plan shall have its registered office in the City of Johannesburg, Province of the Transvaal, Union of South Africa.

3. The objects of the Plan are:

(a) To organize and maintain an organization to provide medical services to members of the public on a non-profit making basis.

(b) To procure the services of Medical Practitioners under contract.

(c) To determine the basis upon which membership of the Plan shall become available to the public.

(d) To determine the basis of subscription, and to provide for the administration of the funds of the Plan.

(e) To provide for reciprocity with approved medical services plans of other countries to enable provision of medical services for members thereof while in the Union and for members of this Plan while outside the Union.

(f) To acquire, take on lease or otherwise acquire any real or personal property or moveable or immovable assets which may be deemed necessary or convenient for the purpose of the Plan.

(g) To sell, mortgage, dispose of or otherwise deal with all or any part of the property or assets of the Plan, and to invest any monies of the Plan not immediately required for any of its objects in such manner as may be deemed requisite.

(h) To provide a fund for servants of the Plan to assist them, their widows and children, to provide gratuitous relief for persons who have been servants of the Plan.

(i) To take and accept any gift of property and money whether subject to any special trust or conditions and to procure contributions to funds of the Plan.

(j) To make known the nature and objects of the Plan.

(k) To secure the indemnification by way of insurance, or other means of the Plan or of its servants, or of medical practitioners participating in the Plan by rendering medical services, and any member of the Plan against any loss or damage arising out of or in connection with the giving or receiving or providing

of medical services within the scope of the objects of the Plan.
(l) To do all such things as are incidental or conducive to the attainment of any of the foregoing objects.

4. The Plan shall consist of three classes of members, namely:
(a) *Participating Members* who shall be registered medical practitioners who bind themselves to render professional medical services for the benefit of the members of the Plan upon such terms and conditions as shall be laid down by the Board of Directors.

(b) *Subscribing Members* shall be members of the public whose applications for membership have been accepted, and who pay subscriptions as laid down by the Board of Directors.

(c) Any person may be appointed an *Honorary Member* of the Plan in the discretion of the Board of Directors as defined in 11 (b).

5. Any member may resign from the Plan on written notice to the Board of Directors. Participating Members shall be entitled to resign on giving not less than six months' notice in writing to the Board of Directors.

6. The Board of Directors shall have the right to suspend or expel any member who, in the opinion of the Board, has been guilty of conduct detrimental to the interests of the Plan, or has been guilty of a breach of any of the provisions of the Constitution, or any bye-laws, rules and regulations framed by virtue of the Constitution of the Plan. No Participating Member shall be expelled or suspended except on a two-thirds majority vote of all Directors present at a meeting of Directors duly called, at which meeting such Participating Member shall have been given an opportunity of appearing to answer any allegations made against him. The Board of Directors shall have power to permit a Participating Member to be represented by Attorney or Counsel or both.

7. Membership shall terminate: (a) by death, (b) by resignation in terms of the Constitution, (c) by expulsion, or (d) where a member ceases to be qualified for membership.

A Member who shall have been suspended shall for the period of suspension lose all rights of membership.

8. Rights and Obligations of Membership

(a) Every Member shall be bound by, submit to and comply with the Constitution, Bye-laws and Rules and Regulations of the Plan for the time being in force.

(b) The right to vote and to attend all meetings of the Plan shall vest only in and is restricted to Participating Members and Honorary Members.

(c) Subscribing Members shall be entitled to all the benefits stipulated in their contracts with the Plan, as specified in the Bye-laws, and any additional benefits granted by the Board of Directors from time to time.

(d) All classes of members shall be bound by any decision of the Board of Directors.

9. Meetings of Participating Members—General Meetings

(a) The first Annual General Meeting shall be held within twelve (12) months from the date of incorporation of the Plan, and thereafter an Annual General Meeting shall be held once every calendar year within three months of the close of the previous financial year at such time and place as the Directors may determine.

(b) The Directors may, whenever they think fit, convene a Special General Meeting of the Plan, and shall convene a Special General Meeting upon the written requisition of not less than thirty-five (35) Participating Members.

(c) Fourteen (14) days prior to the Annual or any Special General Meeting, a notice specifying the time and place of the meeting, and in the case of special business the precise nature of the business, shall be given by prepaid post to each member at his last known address.

(d) Voting privileges shall be limited to Participating Members, Directors and Honorary Members.

(e) *Referendum.* The General Manager shall after each General Meeting of the Plan submit all resolutions to the Board of Directors. Should the Board of Directors be of the opinion that any Resolution passed at such meeting, other than a Special Resolution, may not properly represent the views of the Participating Members of the Plan, the Board of Directors may submit such Resolution to a referendum. Such referendum shall be governed by Rules and regulations framed by the Board of Directors.

The decision of the majority of the Members on such referendum shall be deemed to be the decision of the general meeting referred to.

10. Proceedings at Meetings of Participating Members

(a) The Chairman shall preside at all meetings or in his absence the Vice-Chairman, or if both are absent, the Members present shall appoint one of their number to preside at the meetings.

(b) Each member present shall be entitled to one vote. Votes of members shall be recorded in such manner as the Chairman of the meeting shall direct.

(c) No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to do business. A quorum shall consist of twenty-five (25) members.

(d) If within one half-hour ($\frac{1}{2}$) from the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place, and if at the adjourned meeting a quorum is not present within one half-hour ($\frac{1}{2}$) from the time appointed for the meeting, the members present shall be a quorum. Notice of such adjourned meeting shall be advertised in at least two newspapers published in Johannesburg.

(e) If within one half-hour ($\frac{1}{2}$) from the time appointed for a Special General Meeting convened upon the requisition of Participating Members, a quorum is not present, the meeting shall be dissolved.

(f) All decisions at meetings shall be on a simple majority of the members present and entitled to vote. The Chairman may cast a deliberative vote, and in cases of equality of votes the Chairman shall exercise a casting vote. Voting shall be on a show of hands, unless a ballot is demanded by not less than five members present.

11. Election and Removal of Directors

(a) The first Board of Directors of the Plan shall consist of the members of the Steering Committee appointed by the Southern Transvaal Branch of the Medical Association of South Africa. The original Directors shall hold office until the first Annual

General Meeting, and unless otherwise provided by the members in General Meeting, subsequent directors shall hold office for the terms hereinafter provided. The original Directors shall be eligible for re-election.

(b) Thereafter, the Board of Directors shall consist of fifteen (15) elected and nominated members. Six (6) shall be registered medical practitioners, nominated by the Council of the Southern Transvaal Branch of the Medical Association of South Africa. Six (6) shall be Participating Members elected by Participating Members. Three (3) shall be non-medical members elected by the twelve nominated and elected members referred to above, who shall be Honorary Members having full voting rights and their period of office shall be determined upon their election for periods not exceeding three years in each case.

(c) At the first Annual General Meeting of the Plan, the Participating Members shall elect, by lot, two (2) Directors to serve for a period of three (3) years and two (2) Directors to serve for a period of two (2) years, and two (2) Directors to serve for a period of one (1) year, and at subsequent annual meetings, Directors shall be elected to fill the offices of those whose terms are ending, and such shall hold office for a period of three (3) years.

(d) The Council of the Southern Transvaal Branch of the Medical Association of South Africa shall be invited to nominate annually six (6) members of the Board not later than nine (9) weeks before the Annual General Meeting.

In the event of the Council of the Southern Transvaal Branch of the Medical Association of South Africa failing to nominate six members by the due date, or should there be a shortfall in the number nominated, the members to be nominated or the shortfall shall be co-opted from the Participating Members by the Directors in office and these additional members so co-opted shall hold office for one (1) year.

(e) Any Participating Member of the Plan is eligible to be nominated to the office of Director; provided that such member be nominated by two (2) other Participating Members, and such nomination is received in the office of the Plan not later than eight (8) weeks prior to the Annual General Meeting.

(f) Election shall be by Postal Ballot Votes as prescribed in the Bye-laws, which shall be sent to all Participating Members, four (4) weeks before the Annual General Meeting, and must be returned to the office of the Plan properly filled in not later than one (1) week before the Annual General Meeting.

(g) Scrutineers for the counting of the ballot shall be appointed by the Board of Directors.

(h) A Director elected by the Participating Members of the Plan may be removed from office at any time by the affirmative vote of three-quarters ($\frac{3}{4}$) of the Members who are present at any General Meeting of the Plan; provided that written notice setting forth the reasons for the Director's proposed removal shall have been mailed to such Director at his last known address at least ten (10) days prior to the date of such meeting.

12. Powers and Duties of the Board of Directors

The control and administration of the Plan shall vest in the Board of Directors who may exercise all the powers of the Plan in terms of Paragraph 3 of this Constitution, and all such further powers as are permitted under any law that may be applicable, and all powers contained in any bye-laws, rules or regulations framed by virtue hereof, and without in any way derogating from or limiting its powers, the Board of Directors shall in addition have power:

(a) To enter into any contracts that may be necessary or expedient in furthering or carrying out the objects of this Society.

(b) To make, alter and repeal regulations, rules or bye-laws to cater for any matter relating to the affairs of the Plan and to determine the manner in which such regulations, rules and bye-laws shall be created or rendered effective. Any action taken under this clause must be by a three-fourths ($\frac{3}{4}$) majority vote of the Board of Directors.

(c) To appoint any sub-committee and delegate powers thereto.

(d) To control the funds of the Plan and to make provision for the investment of any funds not immediately required.

(e) To lay down a schedule of fees and to determine in what proportion the income or funds of the Plan shall be available for payment for services rendered by Participating Members.

(f) To open a Banking Account or Accounts, and to delegate to any person or persons the powers and rights to operate thereon.

(g) To employ and engage servants and staff upon such terms

as the Directors may deem fit, with power to create and subscribe to any benevolent funds, pension schemes, or any other scheme for the assistance of employees.

(h) To adjudicate upon disputes between members and former members, whether of the same class or otherwise, with the right to co-opt to the Committee when so adjudicating any attorney, advocate or accountant, and where it so deems fit to refer any such dispute to arbitration with the right to nominate the Arbitrator and to settle the terms of reference.

(i) To investigate and hear any complaint made by or against any Member, with the right to require any Member to furnish such information as may be required.

(j) To admit, expel or suspend Members.

(k) To require that any person who alleges that he has any claim whatsoever against the Plan which may be the subject of dispute, to refer such dispute to arbitration in accordance with the Laws of Arbitration for the time being in force in the Transvaal.

(l) To borrow money upon such terms and conditions as the Board may think fit, with power to furnish security by means of any mortgage bond, pledge, hypothecation of any of the Plan's assets, as may be deemed expedient.

13. (a) A Director who is a Participating Member shall be entitled to enter into any contract with the Plan to provide services required by the Plan. Save for the foregoing, no Member of the Board of Directors shall be entitled to be interested directly or indirectly in any proposed contract with the Plan without having prior to the entering into of such contract declared the nature and extent of his interest therein by written notice. In the event of a Director having such interest and not having disclosed the nature and extent thereof, he shall be liable to expulsion as Director and to termination of his membership.

(b) Any casual vacancy occurring among the Directors elected by the Participating Members may be filled by the Directors, but any person so chosen shall retain his office only for the unexpired period of office of the previous Director, whose office has been vacated.

(c) In the event of any casual vacancy occurring among the Directors appointed by the Council of the Southern Transvaal Branch of the Medical Association of South Africa, the said Council shall be invited to appoint a Member to fill the vacancy for the unexpired period of office.

(d) The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

(e) A quorum for meetings of the Board shall be four (4) Directors.

(f) Questions arising at any meeting of the Board shall be decided by a majority of the votes unless herein expressly provided, and in case of an equality of votes, the Chairman shall exercise a second or casting vote.

(g) The Chairman, or in his absence the Vice-Chairman, may at any time summon a meeting of the Board.

(h) The Chairman shall preside at all meetings of the Board, or in his absence, the Vice-Chairman, or in the absence of both Chairman and Vice-Chairman, the Directors shall elect one of their number to preside at the meeting.

(i) A resolution signed by not less than ten (10) Directors shall be valid and effective as if it had been passed at a meeting of the Board duly called and constituted.

(j) All acts done by any meeting of the Board, or the Executive Committee hereinafter referred to, or by any person acting as a Director, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Director or Member of the said Executive Committee, or that they or any of them are disqualified, shall be valid as if such person had been duly appointed and was qualified to be a Director.

(k) All documents to be executed on behalf of the Plan shall be executed by a Director or the General Manager, hereinafter referred to, and his capacity shall be stated.

14. Officers

(a) The officers of the Plan shall be the Chairman, the Vice-Chairman and the General Manager. The General Manager shall be the chief administrative officer of the Plan as a remunerated employee, and he shall carry out all the administrative work required in the affairs of the Plan, and shall further render such services and do such work as may be prescribed by the Board with such powers as he may be allocated. He shall attend and take part in all meetings of the Plan, Board of Directors, and Executive Committee, but he shall have no vote.

(b) At the first meeting of the Board of Directors after an

Annual General Meeting, the Directors shall elect a Chairman and a Vice-Chairman, who shall hold office for one year. Any casual vacancy in the office of Chairman or Vice-Chairman shall be filled by the Directors from one of their number.

(c) The Chairman of the Board of Directors shall preside at all meetings of the Plan. He shall be an ex officio member of all Committees appointed by the Board. He shall perform such other duties as customarily pertain to that office.

(d) The Vice-Chairman shall perform the duties and obligations assigned to him by the Board. He shall in the absence of the Chairman assume all responsibilities and functions of the Chairman. In absence or disability of any officer a temporary presiding and/or administrative officer may be appointed by the Board of Directors.

(e) Subject to the approval of the Board, the General Manager shall issue or cause to be issued notices of all meetings of the Plan and of the Board of Directors requiring notice hereunder. He shall keep a record of all meetings, and shall perform such other duties as customarily pertain to the office of Secretary. An assistant Secretary or Secretary pro tem, not necessarily a Member or Director may be designated by the Board for such period and purpose as the Board may determine.

(f) Subject to the approval of the Board, the General Manager shall have the supervision of the receipts, custody and disbursements of all funds of the Plan, and the purchase and sale of its securities, and shall establish or cause to be established a proper system of bookkeeping and accounting of funds of the Plan, and cause to be deposited in Banks approved by the Board of Directors all monies received. Securities of the Plan shall be placed in the custody of a Bank designated by the Board. He shall also perform such duties as pertain to the office of Treasurer.

15. Executive Committee

(a) There shall be an Executive Committee composed of the Chairman, Vice-Chairman and three additional members of the Board of Directors. The Executive Committee shall be vested with all the powers of the Plan and of the Board of Directors between meetings of the Plan and of the Board of Directors, and shall report in writing at the next meeting of the Board of Directors all actions taken.

(b) The Executive Committee shall meet at the call of the Chairman or, in his absence, the Vice-Chairman, and three (3) voting Members shall constitute a quorum.

(c) The Executive Committee shall deal with all matters of discipline for recommendation to the Board of Directors and it shall advise the Board on matters of general policy and shall direct the General Manager in the carrying out of his duties.

16. The Board of Directors by resolution entered upon the minutes may delegate any of its powers to Committees consisting of one or more members of the Plan as it may deem fit, unless otherwise herein provided, and a Committee so formed shall in the exercise of its powers so delegated conform to any regulations that may be imposed upon it by the Board of Directors.

17. Auditors

(a) The Auditor or Auditors of the Plan shall be a chartered accountant or accountants, and shall in the first instance be appointed by the original Directors to hold office until the first Annual General Meeting, and thereafter shall be appointed annually at the Annual General Meeting.

(b) The Board of Directors may appoint an Auditor or Auditors to fill any casual vacancy in the office of Auditor, and any Auditor or Auditors so appointed shall hold office until the next Annual General Meeting, and shall be eligible for re-appointment.

(c) Once at least in every year the accounts and books of the Plan shall be examined and their correctness ascertained by the Auditor or Auditors, and such Auditor or Auditors shall make a report at each Annual General Meeting upon the books and accounts and general state of the finances of the Plan.

(d) The fiscal year of the Plan shall be the calendar year.

18. *Participating Members.* Participating Members shall be registered medical practitioners in private practice in the area of operation of the Plan, who agree in writing with and in form and substance approved by the Plan to perform the professional services eligible for payment under and in accordance with the terms of Subscription Contracts that may be issued in connection with the Plan at such rates of remuneration as may from time to time be determined by the Board of Directors, and who agree

to abide by the Bye-laws, Rules and Regulations of the Plan applicable to Participating Members. The Board of Directors may terminate the Agreement with any Participating Member in accordance with Paragraph Six (6) hereof.

19. *Alteration of Constitution.* Alteration, addition, or deletion of clauses to the Constitution may be proposed at an Annual or Special General Meeting of the Plan, provided that at least fourteen (14) days' notice has been given to each Participating Member, specifying the exact wording of the proposed alteration, addition or deletion. Adoption of the proposed alteration, addition or deletion shall be by a two-thirds majority of those present and voting, provided a quorum is present at such meeting.

20. *Indemnity.* The Officers and Directors of the Plan and their heirs, executors and administrators shall be indemnified and saved harmless out of the assets of the Plan, from and against all actions, costs, damages, charges, losses and expenses which they or any of their heirs, executors or administrators shall or may incur in or about the execution of their duties or supposed duties in their respective offices or trusts except such as may be incurred or sustained by reason of their own wilful neglect or default.

21. *Actuarial Scrutiny.* At least once in every five (5) years the Board of Directors shall cause a valuation to be made by a valuator of liabilities of the Plan in respect of its operation as a medical-surgical plan, in so far as such liabilities are capable of actuarial valuation.

22. *Dissolution or Winding Up.* In the event of dissolution or winding up of the Plan, its funds and assets shall be used firstly in payment of any costs incurred in such dissolution or winding up; secondly, in payment of the debts and liabilities of the Plan then due and accruing; and the balance, if any, shall be disposed of as may be directed by the Participating Members of the Plan, provided that there shall be no division among the members of any residual assets, failing which application shall be made to the Supreme Court, Witwatersrand Local Division or any Judge thereof to whom application for directions shall be made by the Directors of the Plan or the liquidator thereof as the case may be, subject to the laws of South Africa governing such organizations.

BYE-LAWS

Financial

(a) There shall be included in the minutes of the meetings of the Board of Directors a record of the approval of payments made or to be made to Participating Members.

(b) No payment in respect of medical services rendered shall be made except in accordance with a Schedule of Fees approved by the Board of Directors, such approval to be recorded in the minutes of the meeting.

(c) The rate of payment of professional accounts shall be determined by the Board of Directors after consideration of the nett earned subscription income estimated to become available to the Plan for the payment of medical professional services, after creating legal reserves, reserves for expenses, contingencies, seasonal fluctuations in illness, and the like. The determination by the Board with regard thereto shall be final.

(d) Whenever in any given period (the length of which shall from time to time be determined by the Board) the amount of money determined as aforesaid anticipated to become available for payment of then current participating members' bills does not suffice to pay the full amount thereof as established therefor in the current Schedule of Fees applicable thereto, payment by the Plan to Participating Members may be less than the amount specified in the Schedule of Fees but shall be deemed by the Participating Members as payment of the full amount specified in the schedule of Fees as applicable to the services rendered by such Participating Member and the determination of the Board with regard to the lesser amount to be paid the Participating Member shall be final.

(e) Payment by the Plan to Participating Members for services rendered to eligible persons whether or not such payment under the particular provision of the Subscription Contract is deemed to be in full payment of the professional services rendered shall be based upon the then current Schedule of Fees applicable thereto. Any lesser amount as shown in the then current Schedule of Fees applicable thereto, payable by the Plan for any given period shall be determined by the Plan with due regard to the relation between (a) the total amount of claims estimated to be incurred

in such period and (b) the nett earned subscription income estimated to become available during such period of payment.

(f) Subject to the limitations and exclusions of the Subscriber Contract, the Plan agrees to pay for medical, surgical, obstetrical and related services rendered to a Subscribing Member by a duly registered Medical Practitioner other than a Participating Member not more than three-quarters ($\frac{3}{4}$) of the amount which a Participating Member would be entitled to for such service. This payment will be in the form of a cash refund to the Subscribing Member and not paid directly to the Medical Practitioner concerned.

Postal Voting: Election of Directors

1. If the number of Directors nominated for office exceeds the number of vacancies to be filled, the number of Directors to be appointed shall be decided by ballot.

2. The General Manager shall cause voting papers to be prepared to embody thereon the names of the candidates seeking election, and a voting paper shall be transmitted by ordinary post, together with a stamped addressed envelope, for the re-transmission to the Manager of the completed voting paper.

3. Voting papers shall be transmitted not less than four weeks prior to the Annual General Meeting, and Participating Members shall be required to return voting papers duly completed at such time as shall be fixed by the Manager, but not later than one week prior to the date of the Annual General Meeting.

4. Each Participating Member shall be entitled to vote, and any voter shall be obliged to vote for the number of candidates to be elected, no more and no less.

5. The completed ballot paper must be placed in the envelope specially provided for the purpose, which shall be sealed and duly signed by the voting Participating Member, and shall be posted or delivered to reach the registered office of the Plan not later than the date specified on the ballot paper.

6. A ballot paper containing any other mark or writing of any kind other than a cross in the appropriate space or spaces provided or sent in an envelope other than in the prescribed stamped envelope duly signed by the Participating Member, shall be regarded as a spoiled paper.

7. The checking and opening of envelopes containing ballot papers and the counting of votes shall not be undertaken prior to the closure of the poll and shall be entrusted to scrutineers appointed by the Board of Directors. No candidate for office shall act as a scrutineer.

8. Any voting paper not complying with the foregoing shall be invalid.

9. In the event of any doubt arising as to the validity or otherwise of any voting paper, the decision of the Board of Directors shall be final and binding.

10. On the day after the last date for receipt of voting papers the General Manager shall deliver all envelopes to scrutineers appointed by the Board, who shall count the votes cast for the various candidates. The result of the poll shall be certified in writing by the scrutineers.

11. In the event of a tie between two or more candidates, such candidates shall be notified thereof, and should there be no withdrawal by any of such candidates of his decision to seek election, and should such candidates not agree between themselves as to who shall be appointed, they shall draw lots.

12. The result of the poll shall be announced by the Chairman at the Annual General Meeting.

TERMS AND CONDITIONS OF ENROLMENT

I. Definitions:

1. *Agreement.* The term 'Agreement' shall mean the Subscriber's Application, his Identification Card, these Terms and Conditions and the Rules referred to therein.

2. *Plan.* The term 'Plan' shall mean the Medical Services Plan.

3. *Subscriber.* The term 'Subscriber' shall mean any person described as such on the face of the Subscriber's Application and with whom this Plan enters into a subscription agreement.

4. *Dependant.* The term 'Dependant' shall mean the Subscriber's spouse or such of his unmarried children under the age of eighteen years, or such unmarried children residing with him toward whom he stands in the position of a parent, as are under the age of eighteen years and are named in his application or are sub-

sequently enrolled as Dependents in accordance with the provisions herein contained. In no event shall any child be entitled to any benefits or services hereunder after the child shall marry, attain the age of eighteen years or become a full-time wage earner.

5. *Medical Practitioner.* The term 'Medical Practitioner' shall mean a medical practitioner who is registered as such under the Medical, Dental and Pharmacy Act (No. 13 of 1928) of South Africa or such similar statute as governs the practice of medicine in the area in which any surgical, obstetrical or medical services are rendered to a Subscriber or Dependant.

6. *Participating Doctor.* The term 'Participating Doctor' shall mean a general or specialist medical practitioner between whom and the Plan an agreement for the provision of surgical, obstetrical or medical services in their respective capacities to Subscribers or Dependents is in full force and unrevoked.

(a) A *Participating General Practitioner* shall mean a Participating Doctor with whom the Plan has an agreement for providing surgical, obstetrical and medical services to its Subscribers and Dependents as a general practitioner.

(b) A *Participating Specialist Practitioner* shall mean a Participating Doctor who practises as a Specialist, and with whom the Plan has an agreement for providing surgical, obstetrical or medical services to its Subscribers and Dependents as a Specialist.

7. *Non-Participating Doctor.* The term 'Non-Participating Doctor' shall mean a registered medical practitioner with whom the Plan has no agreement for providing surgical, obstetrical or medical services to its Subscribers or Dependents.

8. *Obstetrical Services.* The term 'Obstetrical Services' shall mean services for a condition due to or connected with pregnancy other than the case of a normal birth (with or without instrumental assistance), and shall include a caesarian section and an ectopic pregnancy.

9. *Subscription Rate.* The term 'Subscription Rate' shall mean the amount periodically charged by the Plan for this comprehensive medical-surgical-obstetrical services agreement.

10. *Contract Year.* The term 'Contract Year' shall mean the period of twelve (12) months from the effective date of this agreement, and each yearly period thereafter while the agreement is in effect.

11. *Effective Date.* The term 'Effective Date' shall mean 12.01 a.m. South African time at the address of the Subscriber, on the date this agreement is issued as it appears on the face of this agreement and the Subscriber's Identification Card.

II. Plan Agent for Subscriber. The Plan has obtained Agreements from Participating Doctors for the rendering of surgical, obstetrical and medical services as herein set forth, but it does not agree to provide any specific doctor; the securing of the doctor is the responsibility of the Subscriber. The Plan shall not under any circumstances be liable for any negligence, misfeasance, malfeasance, nonfeasance, malpractice, or any act or omission on the part of any Participating Doctor, or non-Participating Doctor, or hospital or of any agent or employee of any such Doctor or hospital.

III. Available Services

The Subscriber or Dependant shall be entitled to obtain surgical, obstetrical and medical care such as the following:

- (a) Home, office and hospital calls;
- (b) Medical and surgical services;
- (c) *Confinements:*

In lieu of the provision of medical benefits for confinement, pre-natal or post-natal care, a Maternity Grant of £25 will be made to the Subscriber, plus an amount up to £2 5s. 0d. per day for each day necessarily spent in hospital or nursing home for a maximum period of 10 days, commencing from the day of the confinement. A multiple birth shall not affect the amount of the Grant.

- (d) Administration of anaesthetics;
- (e) Hospital services, as hereinafter defined;
- (f) Treatment of fractures and dislocations;

(g) In the case of a prolonged or incurable illness of an actual or anticipated duration of six months or more, the continuation of treatment and the extent, if any, of future benefits, shall be at the discretion of the Plan.

Note. It is the intention of the Plan to provide comprehensive medical, surgical and obstetrical services to its Subscribers. For this purpose it is essential to obtain the full co-operation and

the utmost good faith of Subscribers in avoiding all unnecessary use of benefits. In the event of a Subscriber changing his doctor, it is incumbent upon him to disclose all treatment and benefits he has received through the Plan. To protect the Plan and the other Subscribing Members, if a Subscriber uses the benefits unnecessarily or fails to disclose the treatment and benefits received, or if the Plan is satisfied that a Subscriber has abused or is abusing the benefits granted under this Contract in any way, the Plan has the right to cancel such Subscriber's membership immediately, and to terminate this Contract.

IV. Waiting Periods

Upon acceptance by the Plan and the payment of the Subscription Rate, the Subscriber or Dependents shall be entitled to the immediate surgical, obstetrical or medical services, offered by the Plan. However, there shall be a waiting period, as set out below, for the following services:

(a) Obstetrical Services—and Maternity Grant—except ectopic pregnancy—shall not be available until both husband and wife shall have been enrolled for at least 10 consecutive months prior thereto on the same agreement.

(b) Tonsillectomy and Adenoidectomy—after six (6) consecutive months of enrolment.

(c) Herniotomy—after six (6) consecutive months of enrolment.

(d) Reparative Gynaecological Surgery—after six (6) consecutive months of enrolment.

(e) Refractions—after nine (9) consecutive months of enrolment and thereafter not more than once every two (2) years.

(f) Deafness existing before enrolment—after eighteen (18) consecutive months of enrolment.

V. Exceptions

Available services to the Subscriber or his Dependents as set forth above shall not include:

(a) Services for injury, illness or conditions which entitle the Subscriber or his Dependents to compensation or treatment under the Workmen's Compensation Act, Motor Vehicle Act, or under any legislation relating to compensation for injuries or disease arising in the course of employment, or applicable to persons who served in the Armed Forces, or to classes of persons given similar protection (Government employees, Prisons, Police and Pensions).

(b) Medical or surgical services when the Subscriber or his Dependents is a patient under the care of a sanatorium or hospital for tuberculosis, mental illness or disease, alcoholism, or epilepsy, or as a drug addict, or when the Subscriber or his Dependents in question should properly be such a patient.

(c) Service for any physical condition, ailment or disease, except as otherwise provided in these Terms and Conditions, which known or unknown to the Subscriber or his Dependents may be considered from a medical standpoint to have been in existence in any form on the effective date of the agreement, unless the Subscriber or his Dependents has been covered under the agreement for at least nine (9) consecutive months at the time services of a registered medical practitioner are initiated for the particular condition, ailment or disease.

(d) Operations or treatment for cosmetic purposes. Special cases may be submitted to the Plan for decision.

(e) Operations or treatment for conditions which are not detrimental to bodily health.

(f) Examinations for insurance, school, camp, association, visa, employment, or similar purposes.

(g) Congenital abnormalities, other than in Dependents born after the Subscriber's enrolment.

Note. Where the Subscriber or his Dependant is entitled to compensation from other sources in respect of medical, surgical, obstetrical and hospital services, the benefits will be reduced by the amount of such compensation from these other sources which the member or his dependant has received or which they are entitled to receive.

VI. Subscription Rates

The Subscriber agrees to pay the Plan in advance each month the Subscription Rates as stated in his application form. The Plan reserves the right to change the rates as of the commencement of any agreement month on thirty days written notice to the Subscriber.

The surviving Spouse and the Dependents of a deceased Subscriber, or a Spouse and Dependant of a deserting or divorced

Subscriber, have the right to continue to be entitled to the benefits of this agreement by paying the Subscription Rate directly to the Plan.

VII. Choice of Medical Practitioner

1. The Subscriber or Dependant, unless otherwise provided, may choose any registered medical practitioner he may desire who will agree to accept him or his Dependant as a patient, but shall be required to notify the Plan of any change of medical practitioner.

2. Where the Subscriber or Dependant chooses a Participating Doctor for surgical, obstetrical or medical services, the Plan shall pay to the Participating Doctor directly, the fee for such services, based upon the Schedule of Fees of the Plan, then in full force and effect, and this shall be payment in full for the services rendered. A list of Participating Doctors shall be available to the Subscriber or Dependant in the office of the Plan for inspection.

3. Where the Subscriber or Dependant chooses a non-Participating Doctor for surgical, obstetrical or medical services, the Plan shall pay to the Subscriber or Dependant for services rendered by such non-Participating Doctor an amount not exceeding seventy-five percent (75%) of what would have been paid to a Participating Doctor for such services.

Note. A non-Participating Doctor not having been enrolled with the Plan is not subject to its authority or to any limitations that may be imposed by the Plan on his charges for service.

4. Except in exceptional circumstances, the services of a Participating Specialist Practitioner for consultations and/or treatment shall be provided only on the authorization of the attending Participating General Practitioner. In the event of a Subscriber or Dependant failing to obtain such prior authorization, he shall be required to justify his actions to the Board of Directors of the Plan before liability for the Specialist's services so rendered attaches to the Plan.

5. Subject to the provision of Sub-Clause 4 above, the Subscriber or Dependant has the right to nominate the Participating Specialist Practitioner of his choice, and the attending Participating General Practitioner may not refuse to consult with a Specialist so named, if the services falls within his speciality.

6. If requested by the Plan, the Subscriber or Dependant will obtain from any Medical Practitioner rendering services to him a detailed statement in writing, sufficient to enable the Plan to understand the nature and extent of such services.

VIII. Identification. Each Subscriber shall be given an Identification Card. This card must be presented to the Medical Practitioner when service is requested for himself or dependants.

IX. Enrolment of New-Born Children and Other Dependents after Effective Date of Agreement

1. A new-born child may be enrolled as a Dependant by notice in writing to the Plan within 30 days after its birth, provided its mother is covered under an agreement with the Plan.

2. A newly acquired spouse may be enrolled as a Dependant by notice in writing to the Plan within 30 days after the marriage.

3. Except as aforesaid, a Dependant not named in the Subscriber's application may only be enrolled on his Group-opening date, which, after the initial enrolment date, will be periodically arranged by the Plan, and then only if the Subscriber offers to add all his Dependents not previously covered and provided the Plan is furnished with such information regarding them as it may require and agrees to such addition.

4. On the addition of a Dependant, the Subscriber shall pay any additional subscription rate that may be applicable. A new-born child shall be entitled to the benefits of this agreement from its birth, notwithstanding that the additional subscription, if any, shall be due and payable as from the subscription date immediately following such birth. A newly acquired spouse, added as a Dependant within 30 days of the marriage, shall be entitled to the benefits of this agreement as from the subscription date immediately following the marriage, and all other added Dependents from the date their enrolment becomes effective.

X. Term and Termination

1. This agreement shall be in effect for one month from the date on the Subscriber's Identification Card and from month to month thereafter until terminated as hereinafter provided.

2. Either party may terminate this agreement as at the end of any Agreement Month by giving the other thirty (30) days prior

notice in writing to that effect. Provided that in the case of the Plan, the Subscriber or his Dependant must have acted in a manner detrimental to the objects, Constitution, Bye-Laws, Rules or Regulations of the Plan in the opinion of the Board of Directors.

3. Failure to pay the rate provided shall automatically result in termination of this contract, and all benefits thereunder.

4. If the rate payable by the Subscriber has been determined because he is a member of a Group, he shall, if he ceases to be a member of the Group, retain the benefit of the Agreement only until the end of the Agreement Month for which payment has been made at the date he ceases to be a member of the Group.

5. If a Subscriber leaves the Group he may apply to the Plan for enrolment as an individual Subscriber, provided he does so within 30 days of his leaving.

6. Any child of the Subscriber, or other child included under this agreement as a Dependant, on attaining the age of eighteen years, or marrying or becoming a full-time wage earner, shall thereupon cease to be included in the term "Dependant" and shall not thereafter be entitled to any benefits under the Agreement. If the Subscriber makes application in writing to the Plan within 30 days after such child ceases to be covered by this Agreement, the Plan may, in its discretion, enter into an Agreement for the provision of services to such former Dependant.

7. When the Agreement ceases to cover any Dependant previously included, the Subscription Rate shall be appropriately adjusted.

8. The Plan may at its option upon the application of any Subscriber reinstate his agreement after termination under the terms hereof upon such conditions and at such rates as the Plan may decide. The acceptance by the Plan of any payment for Subscription Rates after termination of this agreement shall not revive it until the Plan has agreed in writing so to do. The payment so accepted shall be held for the credit of the Subscriber until this agreement has been revived, and if it is not revived, it shall be repaid to him.

XI. Agreement not Assignable. The services provided for as aforesaid are for the personal benefit of the Subscriber and his Dependents if any, and may not be transferred or assigned.

XII. Surrogation. Where a Subscriber or Dependant is provided pursuant hereto with surgical, obstetrical, or medical services as herein defined by reason of an illness or accident in respect of which some third party is under legal liability, the Plan shall be surrogated to the Subscriber's or Dependant's rights to compensation for the cost of the surgical, obstetrical, or medical services rendered in respect of such illness or injury to the extent of the amount paid by the Plan in respect thereof. The Subscriber undertakes and agrees that he or the Dependant so entitled to compensation shall prosecute such claim and pay over to the Plan what it is entitled to receive as aforesaid from any monies recovered from such third party and he, or the Dependant, will do all acts and execute all documents necessary to permit the Plan to obtain the benefit of this clause.

XIII. Hospital Service. The Plan shall provide to the Subscriber or his Dependant, accommodation in hospitals and nursing homes approved by the Plan, in a General Ward of four or more beds, meals, dietary services, general (not special) nursing care, use of surgery and delivery rooms, surgical supplies, splints, casts, dressings, and such drugs and medications as are ordinarily supplied without charge by hospitals. If a Subscriber is accommodated in a hospital or nursing home not approved by the Plan, the Plan's liability for the hospital services shall not exceed the amount that the Plan would have paid to any approved hospital or nursing home.

XIV. Disputes. In the event of any dispute as to whether surgical, obstetrical or medical services required by or rendered to a Subscriber or Dependant are within the scope of this Agreement, such dispute shall be submitted to and determined by the Board of Directors of the Plan, and its decision shall be final and binding upon the Subscriber and his Dependents and the Participating Doctor.

XV. Power to Appoint Consultant. The Subscriber agrees, and undertakes to obtain from a Dependant, an agreement that the Plan may, at its own expense, appoint a Participating Doctor to consult with any medical practitioner rendering services to the Subscriber or his Dependant hereunder. The rendering of any services under this agreement to the Subscriber or a Dependant is conditional upon his permitting such consultation and any

examination that may be reasonably required in connection therewith.

XVI. Authority for Use of Case Records. The Subscriber consents and he will if required procure from a Dependant a consent to the Plan's obtaining from any medical practitioner, hospital or nurse taking part in the rendering of any service hereunder, to use for statistical, actuarial, scientific or any other reasonable purpose, the diagnosis and history of the illness or injury in question and particulars of any treatment rendered in respect of it.

XVII. Rules. The Subscriber agrees that the Plan may from time to time adopt such Rules and Regulations as are reasonably necessary to facilitate the provision of the surgical, obstetrical and medical services above mentioned and he agrees that the rendering of such services shall be subject to the condition that he and his Dependants will comply with such Rules and Regulations.

XVIII. No Authority to Change Agreement. The Subscriber's Application for Enrolment, his Identification Card and these Terms and Conditions of Enrolment constitute the entire Agreement between the Subscriber and the Plan, and no agent, employee, or other person is authorized to vary, add to or change the Agreement in any particular.

XIX. Change of Address. The Subscriber will furnish the Plan promptly with notice in writing of any change in the address of himself or his Dependants.

XX. Notices

1. Any notice to the Subscriber or a Dependant may be given by mailing the notice to the address of the Subscriber or Dependant, as set out in the Application, unless notice has been given to the Plan in writing by registered post of a change thereof, in which event the notice shall be sent to the new address as given.

2. Where the Subscriber is a member of a group, the Subscription Rates for which are paid by or through some individual or corporation, notice to such individual or corporation shall constitute notice to the Subscriber and his Dependants.

3. Notices when given as above provided shall be deemed to have been received by the Subscriber and his Dependants at twelve o'clock midnight of the day following the day of the actual mailing thereof.

4. Any notice to the Plan may be given by registered post addressed to the Head Office of the Plan.

XXI. Interpretation. In the event of the Subscriber or a Dependant being a female, this Agreement shall be read with all appropriate grammatical changes.

XXII. Date of Agreement. The effective date of the Agreement shall be the date of the Subscriber's Identification Card.

XXIII. Failure to comply with any of these Terms and Conditions shall, at the discretion of the Board of Directors, render this Agreement null and void.

PARTICIPATING DOCTOR'S CONTRACT

MEDICAL SERVICES PLAN AGREEMENT

The undersigned Medical Practitioner agrees as a Participating Doctor with the Medical Services Plan, herein referred to as 'the Plan', to provide to Subscribers and their Dependants of the Plan services as

GENERAL PRACTITIONER

SPECIALIST

(state certified speciality)

subject to the terms and conditions herein set forth.

Agreement No. _____

Effective Date _____

Medical Services Plan

Chairman

General Manager

Participating Doctor

Address: _____

TERMS AND CONDITIONS OF PARTICIPATING DOCTOR'S AGREEMENT

I. Definitions

1. 'Subscriber' shall mean any person who is entitled to receive medical, surgical, or obstetrical services under an agreement with the Plan.

2. 'Medical Practitioner' shall mean a person who is registered as a medical practitioner in terms of the Medical, Dental and Pharmacy Act (No. 13 of 1928) of South Africa.

3. 'Participating Doctor' shall mean any registered medical practitioner with whom the Plan has an agreement for providing medical, surgical or obstetrical services to Subscribers.

4. 'General Practitioner' shall mean a Participating Doctor with whom the Plan has an agreement for providing medical, surgical or obstetrical services to Subscribers as a General Practitioner.

5. 'Specialist' shall mean a Participating Doctor who has been registered as a Specialist in terms of the Medical, Dental and Pharmacy Act (No. 13 of 1928) of South Africa, or who confines his practice to a particular branch of medicine, and is recognized by the Plan as a Specialist, for the purpose of this Agreement.

II. Term. This agreement shall be for the term of one year from the effective date hereof. Thereafter, it shall continue from year to year until terminated as at the end of any contract year on one month's notice in writing, or in terms of the Constitution of the Plan.

III. All Registered Medical Practitioners may become Participating Doctors. Any medical practitioner may become a Participating Doctor upon entering into an agreement with the Plan.

IV. Remuneration to Participating Doctors

1. Schedule of Fees

(a) The Schedule of Fees for Participating Doctors for services rendered by them to Subscribers shall be in accordance with the Schedule of Fees prescribed by the Plan.

(b) For any procedures not covered in the aforesaid Schedule of Fees, the fees shall be fixed by the Plan.

(c) In as much as the Plan will fix the fee in the case of any complicated or prolonged illness, a Participating Doctor shall be obliged to notify the Plan in writing in any case where the condition of a patient has become complicated.

2. Method of Reviewing and Approving Accounts

(a) The Participating Doctor will submit his accounts for services rendered to Subscribers, with reports on the conditions for which services were rendered, in the manner required on the forms provided by the Plan for review and approval by the Board of Directors.

3. Payment of Fees

(a) The Plan may set up from its collections from Subscribers such reserves from time to time as it considers desirable.

(b) Except as hereinafter provided out of the total payments made by Subscribers, the Plan shall set aside such amounts as it considers necessary to pay for current administration expenses and to provide the aforesaid reserves. The balance remaining shall be set aside and made available for the payment of accounts as approved for services rendered.

(c) If during any period, the amount of subscription income received is not sufficient to cover the amount of approved accounts for services rendered for this period, the Board of Directors of the Plan may apportion all approved accounts for this period. Any unpaid balance shall be paid out of any surpluses which may be released for that purpose by the Plan, and each Participating Doctor shall be entitled to share in surpluses so released in the proportion that the unpaid balance due him on his approved accounts bears to the total unpaid balance due on all approved accounts.

(d) Unpaid balances of approved accounts shall constitute a charge against any surplus funds available for payment to Participating Doctors at the termination of the fiscal year during which the services covered by such Doctors were rendered.

(e) The Board of Directors of the Plan may, by a resolution approved by two-thirds (2/3) of the members of the Board, write off such unpaid balances as have been outstanding for more than twelve months and the Plan thereafter ceases to be liable in respect thereof.

(f) A Participating Doctor rendering services to a Subscriber which such Subscriber is entitled to receive under an agreement with the Plan, shall not be entitled to make any charge to such Subscriber in respect thereof, and such Participating Doctor shall accept payment from this Plan in the manner herein provided as full and final payment for such services rendered.

(g) In case of the termination of the Contract, outstanding claims and accounts shall be paid within six (6) months of termination.

4. *Time for Rendering of Participating Doctors' Accounts.* To enable accounts to be paid promptly, Participating Doctors shall submit reports and accounts required in terms of Clause IV (2a) before the 28th day of the month following within which the services were rendered or on completion of treatment.

5. *Accounts Received Late.* Where accounts and reports are not rendered within the period referred to in the preceding sub-clause, the Plan will be entitled to withhold payment on such late accounts at the discretion of the Board of Directors for any period up to six months.

6. *Deduction for Administrative Fee.* The Board of Directors of the Plan shall at its discretion deduct ten percent (10%) or such lesser amounts as may be necessary of all approved accounts to provide for the costs of administering the Plan.

V. Relation of Participating Doctors and Subscribers

1. A Subscriber shall have the right to engage and terminate the services of a General Practitioner who shall retain the right to accept or decline a patient in accordance with the custom and practice of the Medical Profession. Nothing contained in this agreement or in the objects of the Plan in the provision of medical services and the payment of medical fees shall in any manner affect the legal or ethical relationship between Doctor and Patient.

2. Except in exceptional circumstances, the services of a Participating Specialist for consultation, treatment or surgery shall be provided only on the authorization of the attending General Practitioner, which authorization shall not be unreasonably withheld. In the absence of such prior authorization, the Subscriber shall satisfy the Board of Directors of the Plan of the necessity thereof, before liability for the Specialist's services so rendered attaches to the Plan.

3. Subject to the provision of Sub-Clause 2 above, the Subscriber has the right to nominate the Participating Specialist of his choice, and the attending Participating General Practitioner shall not refuse to consult with a Specialist so named, if the service falls within his speciality.

4. The Plan may of its own initiative appoint a Participating Doctor to consult with any Participating Doctor rendering services to a Subscriber, and the attending Participating Doctor shall be obliged to permit such consultation and any examination that may be reasonably required in connection therewith, but the Plan will pay the fees of such consultant.

VI. Benefits to Subscribers

1. *Identification of Subscriber.* In seeking services from Participating Doctors, Subscribers are obliged to produce an Identification Card which indicates the type of agreement made between a Subscriber and the Plan.

2. Copies of the Subscriber's Agreement shall be furnished on request to Participating Doctors.

3. Having regard to the objects of the Plan to make available

for Subscribers all necessary medical, surgical and obstetrical treatment, attending Doctors will be required to assist the Plan in anticipating the cost of claims, for the creation of reserves and in preventing abuse. Accordingly, in each case where the cost of treatment and investigation will or might exceed £20 0s. 0d. in all, the attending Doctor shall, before rendering services, obtain the approval of the Plan for which purpose he shall give the nature of the illness, the treatment and investigation required and the estimated total cost. In the case of an emergency, however, involving urgent treatment and investigation at a cost which will exceed £20 0s. 0d. such prior approval need not be obtained, but the Doctor concerned shall inform the Plan at the earliest possible moment.

VII. Termination of Subscribers' Agreements

No subscriber is entitled to services if his Agreement with the Plan has lapsed or been terminated in accordance with the provisions to that effect set out in it. Default in payment of the monthly subscription rate automatically terminates the Subscriber's agreement.

VIII. Assignment

1. This agreement and the benefits thereunder are personal to the Participating Doctor, and are not assignable by him, except that, in the case of a Participating Doctor employed by a Corporate Body, recognized as such by the Plan, payment may be made directly to the Corporate Body.

2. In the case of a *locum tenens* to a Participating Doctor whose appointment as such has previously been notified to the Plan by the Participating Doctor, payment for services rendered by the *locum tenens* shall be made directly to the Participating Doctor.

IX. Complaints and Controversies re Payment of Accounts or Services Rendered

1. The Executive Committee of the Board of Directors shall be a Board of Review, and its decision, on the reasonableness of the fees charged, and as to whether services come within those provided under the Subscriber's agreement, shall be final and binding.

2. The decision of the Board of Directors, as to the extent of the Plan's liability in respect of the services rendered by the Participating Doctor, shall be final and binding.

X. Miscellaneous

1. The Board of Directors may adopt such rules as it may deem necessary, expedient or proper to facilitate the carrying out of this agreement.

2. The decision of the Board of Directors as to the correct interpretation of these Terms and Conditions shall be final and binding upon Participating Doctors.

3. Notice may be given to the Plan by sending the same by prepaid registered post to its Head Office address; and to the Participating Doctor by prepaid registered post to the address given on his agreement, unless he has given the Plan notice in writing of a new address, in which event it shall be sent to such new address.

XI. The terms of the Constitution of the Plan, any decision made by the Board of Directors thereunder, any Bye-Laws, Rules and Regulations framed by the Board of Directors, and any Rules or decisions made by the Board of Directors in terms of this Agreement, shall be binding on the Participating Doctor.