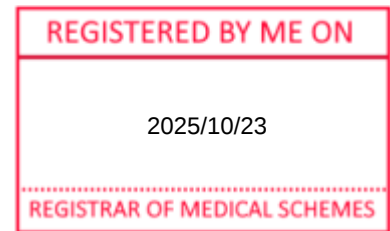


BANKMED MEDICAL SCHEME

ANNEXURE A: CONTRIBUTIONS AND LATE JOINER PENALTIES

PREAMBLE



1. Subject to paragraph 2 and 3 below the total aggregate monthly Contributions payable by or in respect of a member in accordance with the provisions of rule 13 shall be as indicated in the schedules in -

- Annexure A1 hereof in respect of the Bankmed Essential Plan;
- Annexure A2 hereof in respect of the Bankmed Basic Plan;
- Annexure A3 hereof in respect of the Bankmed Core Saver Plan;
- Annexure A4 hereof in respect of Bankmed Traditional Plan;
- Annexure A5 hereof in respect of Bankmed Comprehensive Plan; and
- Annexure A6 hereof in respect of Bankmed Plus Plan.

2. Contribution penalties for persons joining late in life.

2.1. Premium penalties may be applied to a late joiner. Such penalties shall be applied only to that portion of the contribution relative to the late joiner and shall not exceed the following bands:

Penalty Bands	Maximum Penalty
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

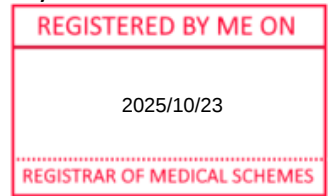
The following formula shall be applied to determine the applicable penalty band:

$A = B \text{ minus } (35 + C)$ where:

A = number of years to determine appropriate penalty band

B = age of the late joiner at time of application

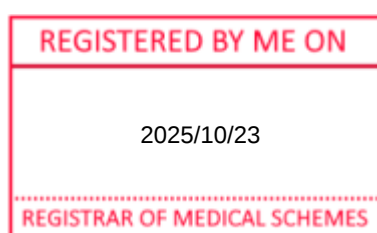
C = number of years of creditable coverage which can be demonstrated



- 2.2. Should a late joiner penalty already have been imposed and evidence of creditable coverage is produced thereafter, the penalty shall be recalculated and such revised penalty shall be applied from the time that such evidence was provided.
- 2.3. If an applicant is unable to obtain documentary proof to substantiate periods of creditable coverage, he/she shall be entitled to produce a sworn affidavit declaring such detailed information and that reasonable efforts to obtain documentary evidence of such periods of creditable coverage were unsuccessful.
- 2.4. Such contribution penalty shall not apply if the effective date of commencement of an Employee's membership of the Scheme coincides with either the date of commencement of employment with the Employer, or the first day of the month following his/her date of commencement of employment with the Employer. This exemption will also apply to the Spouse, Partner and/or Child of the Member, provided that the effective date of the commencement of the Dependant's membership of the Scheme coincides with either:
- (i) the date of the Member's commencement of membership (which must be either the Member's date of employment or the first day of the month following the Member's date of employment, in order for this exemption to apply), or
 - (ii) the date on which the Dependant first becomes eligible to join the Scheme, or the first day of the month following the date on which the Dependant first becomes eligible to join the Scheme, whichever of these dates is the later date.

3. Medical Savings Account contributions

- 3.1. A Medical Savings Account contribution is compulsory for a member who elects to participate in the Bankmed Core Saver Plan, Bankmed Comprehensive Plan and Bankmed Plus Plan, indicated in Annexure A3, A5 and A6 hereof.
- 3.2. Contributions to the Medical Savings Account as set out in Annexure A3, A5 and A6 hereof are payable monthly in accordance with rule 13.1 and credited to a member's individual Medical Savings Account held by the Scheme.
- 3.3. The total annual contribution to a member's Medical Savings Account may not exceed 25 % of the total gross contribution made by or in respect of a member during a financial year.
- 3.4. The money available in the member's Medical Savings Account shall be used to defray expenditure incurred by him or his dependants in connection with health care services received, as stated in the relevant schedules of benefits in Annexure B, but is not limited to these services (subject to Scheme Protocols).
- 3.5. The money available in a member's Medical Savings Account may also be used to reimburse such member for costs incurred by him in respect of other health care services not specified or covered in the benefit schedules (subject to Scheme Protocols), hospitalisation and related benefits where pre-authorisation has been declined, but members nonetheless wish to receive the relevant health service; in which case reimbursement to the member will be on the basis of the submission of receipted accounts as detailed in the claims procedures in terms of Annexure D.



- 3.6. A member shall have access to the equivalent of his full annual Medical Savings Account contribution on 1 January each year. Members joining during the year shall, on joining, have access to the equivalent of a pro-rated portion of the total annual Medical Savings Account. Changes in number of dependants shall likewise result in the benefits which are subject to the Medical Savings Account being appropriately pro-rated. Pro-rating shall be based on full months available until the end of the financial year of joining or in which the change of number of dependants occurred. Any such advance contemplated in this rule shall be available to a member, interest free.
- 3.7. For all benefits that are funded out of a member's Medical Savings Account, such member and his dependants may use any provider of their choice.
- 3.8. All disbursements from a Medical Savings Account shall be limited to the amount available in the account and shall be made only on the submission of the relevant claims in terms of Annexure D of the rules.
- 3.9. Any balance in a member's Medical Savings Account at the end of a financial year shall be carried over to the next financial year of the Scheme, and be allocated to the member's Medical Savings Account for that next financial year.
- 3.10. Upon the death of the member, the balance due to the member will be transferred to his dependants who continue membership of the Scheme or paid into his estate in the absence of such dependants, subject to applicable taxation laws.
- 3.11. On transfer to another option of the Scheme, which does provide for a Medical Savings Account, any positively accrued credit balance in the Medical Savings Account will be transferred to that other benefit option. On transfer to another option of the Scheme, which does not provide for a Medical Savings Account, any positively accrued credit balance in the Medical Savings Account will be refunded to the member, 5 months after such transfer and subject to applicable taxation laws.

- 3.12. Should a member terminate membership of the Scheme and not be admitted as a member of another medical scheme or be admitted to membership of another medical scheme which does not provide for a Medical Savings Account, the positively accrued credit balance in the Medical Savings Account, subject to paragraph 3.14 below, shall be refunded to the member 5 months after termination of membership, and subject to applicable taxation laws.
- 3.13. Should a member be admitted to membership of another medical scheme, which provides for a similar account, any positively accrued credit balance in the Medical Savings Account shall, subject to paragraph 3.14, be transferred to such scheme within 5 months after termination of membership.
- 3.14. Any negative balance in a member's Medical Savings Account shall be recoverable from him by the Scheme upon his termination of membership, or in the event of his death, from his estate.
- 3.15. Interest accrued on any positive balance shall be paid to the member at the rate determined by the Scheme from time-to-time, after deduction of bank charges and investment management fees.
- 3.16. On termination of membership, any debt due to the Scheme by the member shall be offset against any amount payable in terms of paragraphs 3.10 and 3.11.

