

C2 MEMORANDUM OF AGREEMENT

Between

MediKredit Integrated Healthcare Solutions (Pty) Ltd
(Reg. No. 1995/001794/07)

and

Pharmacy Name: _____

BHF Number	0	6	0	0	0	0								
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Name of Pharmacy Owner: _____

(Insert full names of individual if a natural person is the Sole Owner or otherwise insert the name of the Company, Close Corporation or Partnership)

Herein represented by: _____

(Insert full names of director, shareholder, member/other person duly authorised to represent Company, Close Corporation/ Partnership, if applicable)

In his/her capacity as: _____

(Please only complete if Pharmacy Owner is a Company, Close Corporation or Partnership)

Registered & Business address: _____

(Insert address of Sole Owner, Company, Close Corporation or Partnership)

1. INTERPRETATION

In this agreement, the following words and / or phrases will, unless the context clearly indicates otherwise, have the meanings set out below:

- 1.1.1 **"Authorisation Check"** means the verification of authorisations and / or exclusions as per the Cardholder Files in respect of the rules of a healthcare funder and benefits applicable to individual beneficiaries to be applied by MediKredit during the Transactions adjudication process, which details a healthcare funder has authorised MediKredit to release to the Pharmacy in question.
- 1.1.2 **"Beneficiary"** means a Member or a person admitted as a dependent of a Member of a Healthcare Funder.
- 1.1.3 **"Benefits"** means the Benefits for which Members are eligible in terms of the Healthcare Funder or Scheme Rules applicable to a specific Healthcare Funder.
- 1.1.4 **"C2 Agreement"** means this C2 Agreement between MediKredit and the Pharmacy regulating the submission of Transactions to MediKredit by the Pharmacy.
- 1.1.5 **"Cardholder Files"** means eligibility files identifying current Beneficiary information in accordance with the standard format used by MediKredit, which contains Beneficiary identification information, Benefit status and patient rules, as updated by Healthcare Funder.
- 1.1.6 **"Transactions"** means transactions submitted for processing, and in certain cases for payment, by the Pharmacy to MediKredit in respect of Medicines dispensed to Beneficiaries and/or services rendered to Beneficiaries in accordance with the Pharmacy Act (53 of 1974).
- 1.1.7 **"Transactional Processing Services"** means the processing of transactions submitted by Pharmacies to MediKredit and/or responses supplied to the Pharmacy by MediKredit in respect of Authorisation Checks, Eligibility Checks and/or Family Checks.
- 1.1.8 **"Commencement Date"** means the date that MediKredit enables the Pharmacy to start communicating and interchanging transactional processing data with MediKredit using the relevant MediKredit Communication Network Protocol.
- 1.1.9 **"Eligibility Check"** means to establish whether a patient is a valid / active Beneficiary of a specific healthcare funder as per the Cardholder Files.

- 1.1.10 **"Family Check (FamCheck™)"** means to obtain details of a member and its dependent/s as per the Cardholder Files using Member information, which details a healthcare funder has authorized MediKredit to release to the Pharmacy in question.
- 1.1.11 **"Healthcare Funder"** means any Medical Scheme, Medical Scheme Administrator or other funder, that has contracted with MediKredit".
- 1.1.12 **"MediKredit Communication Network Protocol or MCNP"** means HealthNet ST® and any other communication network protocol used by pharmacies to transmit transactional data electronically to MediKredit.
- 1.1.13 **"Medicines"** means a substance defined as a medicine in terms of the Medicines and Related Substances Act (101 of 1965), or such other products, services, consumables, appliances or instruments as directed by a medical practitioner or authorised person to form part of a Prescription.
- 1.1.14 **"MediKredit"** means MediKredit Integrated Healthcare Solutions (Pty) Limited, Reg. No. 1995/001794/07, with business address situated at 15 Tambach Road, Sunninghill, Sandton, 2191.
- 1.1.15 **"Member"** means a member of Medical Scheme or Healthcare Funder as defined in the Medical Schemes Act (131 of 1998) or a Healthcare Funder and the rules of Medical Scheme or Healthcare Funder.
- 1.1.16 **"Pharmacy"** means the Pharmacy or the Pharmacy group entering into this C2 Agreement with MediKredit, duly authorised to provide health services to Beneficiaries in accordance with the provisions of applicable legislation as promulgated from time to time. In the event that the party who signs this Agreement represents a group of individual Pharmacies, each having its own legal identity, then in such event the holding company or entity may sign this Agreement on behalf of the individual Pharmacies; provided that each such Pharmacy has duly authorised the holding company or entity to enter into this Agreement on their behalf and the holding company or entity by its signature hereto warrants that it is duly authorised to act on behalf of each of the individual Pharmacies.
- 1.1.17 **"POPIA"** means the Protection of Personal Information Act (4 of 2013) and any regulations thereto as amended from time to time.
- 1.1.18 **"Processing Fee" or "Practice Fee" or "PAF" (Pharmacy Administration Fee)** means the fee charged by MediKredit to the Pharmacy for the services rendered by MediKredit in terms of this C2 Agreement to the Pharmacy, to be calculated as at the process date or the submission date of the Claim or other chargeable transaction.
- 1.1.19 **"Prescription"** means a written instruction or, where applicable, the record of a verbal instruction issued by, or in accordance with the directions of a medical practitioner or person lawfully entitled to issue such instructions, regulating the composition and directions for use, of Medicines by a patient of the medical practitioner or relevant person.
- 1.1.20 **"Scheme Rules"** means the processing parameters and criteria, including but not limited to, Benefits, contributions and exclusions as agreed upon between Healthcare Funder and MediKredit to be applied by MediKredit during the Transaction Processing Services rendered under this C2 Agreement.
- 1.1.21 **"Service Levels"** will have the meaning ascribed to it in terms of Annexure "A" hereto.
- 1.1.22 **"Valid Transaction"** means a Transaction that MediKredit and Healthcare Funder have adjudicated and approved through the use of Cardholder Files, where available, or in certain circumstances a direct switch-out link to the Healthcare Funder, Scheme Rules and other information agreed upon between Healthcare Funder and MediKredit, to be applied in processing Transactions, but will not include duplicates, fraudulent Transactions, or other Transactions that may be reversed or rejected in terms of the Scheme Rules and applicable legislation. If the Healthcare Funder offers assured payment to the Pharmacy, such Valid Claim will become due for payment in accordance with the criteria agreed upon between MediKredit and the Healthcare Funder and in accordance with MediKredit's standard procedures, if and when MediKredit approved such claim.
- 1.2 Unless the context indicates a contrary intention, an expression which denotes any gender includes the other genders, a natural person includes a juristic person and vice versa, and the singular includes the plural and vice versa.
- 1.3 Where figures are referred to in numbers and words and there is any conflict between the two, the words will prevail.
- 1.4 Where the day on or by which anything is to be done is not a business day, it will be done on or by the first business day thereafter.
- 1.5 Any number of days prescribed in this Agreement, will exclude the first day, and include the last day. If the last day falls on a Saturday, Sunday or public holiday, the last day will be the following day which is not a Saturday, Sunday or public holiday. Days prescribed in this Agreement will, unless otherwise stated, be deemed calendar days.
- 1.6 The use of the word "including" followed by a specific example/s must not be interpreted as limiting the meaning of the general wording preceding it.
- 2. RECORDALS**
- 2.1 The Pharmacy herewith appoints MediKredit to render the Transaction Processing Services as set out hereunder and MediKredit accept such appointment.

- 2.2 The Pharmacy and MediKredit will be considered to be independent contractors and MediKredit is not, nor will it be deemed to be, an agent or representative of the Pharmacy under any circumstances whatsoever.
- 2.3 MediKredit's appointment hereunder will commence on the Commencement Date and will remain in force and effect for an indefinite period until terminated in terms of the provisions of this C2 Agreement.
- 2.4 It is recorded that Beneficiaries may acquire Medicines and/or services rendered to Beneficiaries in accordance with the Pharmacy Act (53 of 1974) from any source whatsoever approved by Healthcare Funder and will not be limited to acquire Medicines and/or services rendered to Beneficiaries in accordance with the Pharmacy Act (53 of 1974) from the Pharmacy or any group of pharmacies.

3. APPLICATION AND REGISTRATION

- 3.1 The Pharmacy will apply for registration to MediKredit in the prescribed format and against payment of the registration fee, as may be prescribed by MediKredit from time to time.
- 3.2 The Pharmacy warrants that it will subject itself to the code of conduct and disciplinary procedures of the South African Pharmacy Council.
- 3.3 The Pharmacy further warrants that the information contained on the MediKredit registration documentation referred to in clause 3.1, will be true and correct in all respects.
- 3.4 The Parties warrant that they will comply with the requirements imposed by all applicable legislation pertaining to this C2 Agreement.

Change of ownership:

- 3.5 In respect of any request regarding change of ownership of the Pharmacy, MediKredit will not allow any change to Networks or Primary Reporting Group Reports, before the change of ownership process has been finalised by South African Pharmacy Council and the Board of Healthcare Funders.

4. MEDIKREDIT SERVICES

Transaction Processing Services:

- 4.1 Upon registration of the Pharmacy and against payment of the registration fee as per clause 3.1, MediKredit will provide the Transaction Processing Services to the Pharmacy as set out in this C2 Agreement.
- 4.2 MediKredit will be entitled to amend, upgrade and make modifications to the Transaction Processing Services, or introduce new services upon 2 (two) weeks' prior written notice to the Pharmacy.

Payment/Rejection of Transactions by MediKredit:

- 4.3 All Transactions that are submitted to MediKredit will be paid or rejected within the time periods stipulated in the Service Levels.
- 4.4 MediKredit will provide the Pharmacy with regular Pharmacy statements with details on payment and/or partial payment of Transactions and/or rejection of Transactions as per the Service Levels.
- 4.5 Payment of Valid Transactions by Healthcare Funders to MediKredit will constitute due payment to the Pharmacy, and the Pharmacy will have no Transactions against the Healthcare Funders once the Valid Transactions have been paid to MediKredit. After receipt of the aforesaid payment, MediKredit will be obliged to pay the Pharmacy in accordance with the Service Levels.
- 4.6 Payment/Rejection of Transactions by Healthcare Funder: Healthcare Funder and MediKredit may agree that Healthcare Funder should be responsible for direct payment and/or rejection of Transactions to the Pharmacy in which event the Pharmacy will not have any claim against MediKredit for payment and/or rejection of Transactions, whatsoever.
- 4.7 Nothing contained herein will diminish or rescind the obligations by Members to the Pharmacy in respect of Medicines supplied by the Pharmacy to the Beneficiary concerned and/or services rendered to the Beneficiaries concerned in accordance with the Pharmacy Act (53 of 1974), on condition that the Pharmacy complies with its obligations in terms of this C2 Agreement.

Assured payment:

- 4.8 MediKredit will inform the Pharmacy from time to time of Healthcare Funders that have committed themselves to make assured payment of Valid Transactions.
- 4.9 Valid Transactions against Healthcare Funders offering assured payment will become due for payment in terms of MediKredit's standard procedures if and when MediKredit approved such claim, on condition that:
- 4.9.1 Such Transactions are not illegal; and
- 4.9.2 Such Transactions were submitted by the Pharmacy to MediKredit through MCNP in accordance with the rules prescribed by MediKredit from time.

MediKredit remedies:

Notwithstanding anything to the contrary contained in this C2 Agreement, in the event that:

- 4.10.1 MediKredit has not received payment from Healthcare Funder upon the due date for payment of Valid Transactions to the Pharmacy, MediKredit will be entitled to delay payment to the Pharmacy until MediKredit has received payment from Healthcare Funder; and/or

4.10.2 MediKredit has advanced payment to the Pharmacy on account of Transactions submitted by the Pharmacy and MediKredit fails to obtain reimbursement from the relevant Healthcare Funder, then in such event the Pharmacy will be obliged forthwith to refund to MediKredit all such amounts that Healthcare Funders have failed to pay to MediKredit.

4.11 **Helpdesks:**

The MediKredit helpdesks will assist the Pharmacy's during the operation hours established by MediKredit from time to time to answer questions relating to MediKredit's services rendered to the Pharmacy.

4.12 **Information Sharing:**

MediKredit will inform the Pharmacies from time to time of any changes to the Healthcare Funder/Scheme Rules, procedural requirements, services, implementation of new Healthcare Funders and/or Healthcare Funder options or termination of existing Healthcare Funders and/or Healthcare Funder options, as per the Service Levels.

5. **PHARMACY OBLIGATIONS**

Transaction Processing:

5.1 The Pharmacy will provide Beneficiaries with Medicines and/or services in accordance with the Pharmacy Act (53 of 1974) against payment of any levies and/or co-payments that may be applicable, and upon presentation of a Prescription and a valid membership card.

5.2 The Pharmacy will submit Transactions to MediKredit within the time periods specified in the Service Levels and in the manner as may be prescribed by MediKredit from time to time.

5.3 Failure to submit or resubmit Transactions to MediKredit within the time period specified in the Service Levels will cause such Transactions to become stale, and the Pharmacy herewith waives its right to claim payment in respect of such Transactions.

5.4 MediKredit will not be liable for payment of Transactions that was not submitted to MediKredit for processing and payment but submitted directly to Healthcare Funder.

5.5 The Pharmacy must comply in all respects with Scheme Rules, exclusions, co-payments and levies (if applicable), as communicated to the Pharmacy by MediKredit from time to time.

5.6 The Pharmacy will not submit Transactions on behalf of any other third party whatsoever, including but not limited to other pharmacies to which this C2 Agreement does not relate.

5.7 The Pharmacy will use its best endeavours to guard against abuse of Member Benefits and it will report any irregularities to MediKredit and/or Healthcare Funder without delay.

5.8 The Pharmacy will, at its own cost, maintain its hardware, software and communications equipment for purposes of submission of Transactions to MediKredit through MCNP.

Membership cards:

5.9 The Pharmacy will not submit a Claim if a valid membership card bearing Healthcare Funder's particulars and Member number is not, or has not been produced by the Beneficiary to the Pharmacy.

5.10 The Pharmacy acknowledges that production of a membership card or other proof of Membership will not constitute conclusive liability by the relevant Healthcare Funder for payment of Medicines dispensed and/or services rendered in accordance with the Pharmacy Act (53 of 1974) to such individual.

5.11 **Circulars:** The Pharmacy must take due notice and implement all circulars and notifications distributed by MediKredit, including without limitation, with regard to amendments to MediKredit's procedural requirements and/or services, amendments to Scheme Rules, implementation of new Healthcare Funders and/or Healthcare Funder options or termination of existing Healthcare Funders and/or Healthcare Funder options.

5.12 **PAT:** Should Healthcare Funder select Pharmacist Advised Therapy services (PAT) (also referred to as Over The Counter "OTC" services), the Pharmacy must provide professional guidance to Beneficiaries as prescribed by MediKredit from time to time.

Information Security:

5.13 The Pharmacy should meet the minimum standards in relation to information security as agreed to by MediKredit from time to time such as:

5.13.1 usage of secured network transport connection to the MediKredit infrastructure;

5.13.2 all network communications across the MediKredit infrastructure are subject to monitoring and reporting of vulnerabilities as part of the information security management service;

5.13.3 all data transmission connections must be equipped with the necessary redundancy and data backup services.

6. **SERVICE LEVELS**

6.1 The parties have agreed to identify the critical functions to be performed by each of them to comply with the procedural and operational requirements of this C2 Agreement, as set out in the Service Levels.

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- 6.2 Non-compliance with any Service Level will, unless otherwise stated, not constitute a breach of contract but will entitle the aggrieved party to enforce any remedy pertaining to breach of that specific service area as set out in the appropriate Service Level.
- 6.3 MediKredit will be entitled, in order to comply with any changes to procedural or operational requirements, and after consultation with Pharmacy representative bodies, to affect any amendment to the Service Level schedule in order to comply with such new requirements.
- 6.4 Such amendments will be communicated to the Pharmacy through circulars or any other formal notification process used by MediKredit at the time.
- 6.5 Any such amendment, which imposes additional obligations on the Pharmacy, must be necessary and reasonable with regard to its scope and extent.
- 6.6 Such amendments will become effective on the date indicated on the circular or notification, which will be published longer than 2 (two) weeks prior to such effective date.
- 6.7 Performance of the Service Levels will be measured based on the criteria established for each specific service area.
- 6.8 Each party will assign staff to resolve problems that cannot be resolved by the specific workstation involved and they will keep one another informed of the progress being made.
- 6.9 MediKredit cannot be held liable for updates of the relevant Pharmacy's Vendor Software or if the Vendor Software is unable to process Transactions.

7. FEES PAYABLE TO MEDIKREDIT BY PHARMACY

7.1 Processing Fee / Practice Fee / ("PAF"):

- 7.1.1 The Pharmacy will pay to MediKredit PAF for the services rendered in terms of this C2 Agreement.
- 7.1.2 MediKredit may either claim payment of the PAF from the Pharmacy, to be paid within a prescribed period, or MediKredit may retain the PAF as payment prior to payment of Valid Transactions to the Pharmacies or arrange for payment of the PAF from the Healthcare Funder who in turn will off-set such amount against amounts payable to the Pharmacy.
- 7.1.3 PAF will be reflected on the communications distributed by MediKredit to the Pharmacy which will identify each Claim separately and reflect that:
 - 7.1.3.1 The Pharmacy will pay PAF for all MediKredit adjudicated Transactions, including rejections.
 - 7.1.3.2 Pricing structures will be differentiated by process type.
- Amendment of fees:**
- 7.1.4 MediKredit may from time to time amend the PAF after consultation with Pharmacy representative bodies by giving the Pharmacy 60 (sixty) days' prior written notice.
- 7.1.5 PAF will then be adjusted on the first day following the notice period. PAF that are not quoted as a percentage of the Claim amount, will at the commencement of each calendar year be subject to an annual increase equal to the increase in the annual Consumer Price Index (CPI) published by Statistics South Africa for the 12 (twelve) month period immediately preceding the date of such increase.
- 7.2 **Additional costs:** The Pharmacy will be responsible for all costs, disbursements and charges associated with services that fall outside of the scope of this C2 Agreement.

8. PRICING STRUCTURES AGREED TO BETWEEN HEALTHCARE FUNDER AND PHARMACY

- 8.1 The Pharmacy will charge Beneficiaries for Medicines and/or services rendered in accordance with the Pharmacy Act (53 of 1974), in accordance with any applicable legislation.
- 8.2 If the Pharmacy has entered into a designated service provider ("DSP") arrangement or any other contractual arrangement with a Healthcare Funder, the Pharmacy must adhere to the terms thereof; provided that such terms do not contravene any applicable legislation as promulgated from time to time.
- 8.3 **Discounts:** The Pharmacy must offer to Healthcare Funders the discounts as may be agreed upon between the Pharmacy and the Healthcare Funder from time to time; provided that this is allowed in terms of applicable legislation.

9. CLAIM RECORDS

- 9.1 The Pharmacy may request MediKredit's helpdesk for information relating to Transactions submitted to MediKredit for processing and payment, for a period of 120 (one hundred and twenty) days, or the relevant period as per the Healthcare Funder, from the date that the claim was processed by MediKredit.
- 9.2 Failure to act within the stated period will result in the Pharmacy not being able to log any queries outside of the said 120 (one hundred and twenty) day, or relevant, period and the Pharmacy will be deemed to have waived all its rights with regard thereto.
- 9.3 Should any request for information result in a query to MediKredit, the Pharmacy must confirm such query in writing via e-mail.

INITIAL

10. PHARMACY AUDITING

- 10.1 **Request for documents:** The Pharmacy will be obliged, upon request by MediKredit and/or Healthcare Funder, to furnish MediKredit and/or Healthcare Funder, within 2 (two) business days with copies of all documents reasonably required to determine any query, dispute or audit relating to or incidental to the matters governed or regulated by this C2 Agreement.
- 10.2 MediKredit will be entitled to investigate any complaint by Healthcare Funders and the Pharmacy must fully co-operate with and lend whatever assistance to MediKredit reasonably required to initiate or complete an investigation.
- 10.3 After completion of an investigation, MediKredit will be entitled to take such reasonable steps as may be required to protect the interests of Healthcare Funders and/or MediKredit.

11. PRICE OF MEDICINES

- 11.1 The Pharmacy will charge such prices for Medicines as provided for in terms of the Medicines and Related Substances Act (101 of 1965).
- 11.2 Any reference to a tariff or price will be deemed to be a maximum tariff or price, and will not preclude the substitution of a lesser tariff or price where applicable.

12. CONFIDENTIAL INFORMATION

Transaction Information:

- 12.1 MediKredit will treat all Transaction information submitted to it by the Pharmacy including personal information, as defined in POPIA, as confidential and MediKredit will not disclose any Transaction information to any third party except as provided for in this C2 Agreement or otherwise permitted by law.
- 12.2 MediKredit is authorised to have access to and to make use of any Transaction data as is necessary and appropriate for MediKredit to perform Transaction processing services and value-added services offered by MediKredit.
- 12.3 The parties warrant that they will deploy all appropriate, reasonable technical and organisational, measures to prevent loss of or damage to or unauthorised destruction of personal information; and unlawful access to or processing of personal information which includes the personal health information of Beneficiaries. Each Party agrees to comply with POPIA insofar as it is processing personal information.
- 12.4 The operator must comply with the reporting requirements in section 22 of POPIA in the event of a security compromise or breach.
- 12.5 The Pharmacy warrants that, where applicable and in accordance with applicable laws, consent has been obtained by the Beneficiaries.

Proprietary Information Relating to MCNP:

- 12.6 The Pharmacy agrees that the compilations of information contained in MCNP, and all printouts and copies there from, and any prior and future versions thereof by any name, and all other databases developed by MediKredit or their designees in connection with performing MediKredit services, are the property of MediKredit and protected by copyright.
- 12.7 The Pharmacy undertakes to (and undertakes to procure that its employees will) keep MCNP and all related information that may be associated with online transaction processing in strict confidence and will not disclose any of the confidential information relating to MCNP to any third party or make or permit others to make copies of or reproduce any part thereof in any form, without MediKredit's prior written consent.

Unauthorised use:

- 12.8 The Pharmacy must guard against any unauthorised use of MCNP.
- 12.9 Should MCNP be used for any purpose not contemplated in this C2 Agreement, it will constitute a breach of contract by the Pharmacy.
- 12.10 The Pharmacy will be liable for any loss, liability, damage or expense arising out of any unauthorised use and herewith indemnifies MediKredit against any Transactions arising out of the foregoing.

MCNP license:

- 12.11 Upon conclusion of this C2 Agreement, MediKredit grants to the Pharmacy a non-transferable and non-exclusive license to use MCNP to communicate and interchange Transaction processing data with MediKredit.
- 12.12 MediKredit warrants that its intellectual proprietary rights in and to MCNP are original and do not infringe upon the intellectual proprietary rights of any third party.
- 12.13 Any intellectual proprietary rights with regard to improvements to the MCNP system will vest in MediKredit.
- 12.14 MediKredit will enforce its rights wherever and whenever they are infringed upon.

Limitation of liability:

- 12.15 All software and accompanying written materials, including instructions and information concerning the use of MCNP is provided "As Is" and without warranty of any kind.
- 12.16 Neither MediKredit, nor its agents or employees will be liable for any direct, indirect consequential or incidental damages (including damages for loss of business profits, business interruption and loss of business information) arising from the use or inability to use MCNP.

13. RISK AND LIABILITY

- 13.1 All risk in Transactions, prescriptions, moneys and documents sent to and in respect whereof receipt is acknowledged by, processed by and/or forwarded by MediKredit, will vest in MediKredit.
- 13.2 MediKredit does not guarantee or assume responsibility for the validity or financial integrity of any Healthcare Funder, and MediKredit will not be liable for any obligations that may be due by one or more Healthcare Funders to the Pharmacy from time to time, nor will MediKredit be obliged to indemnify the Pharmacy against any loss which arises from the failure of the relevant Healthcare Funder to meet its obligations to the Pharmacy.
- 13.3 MediKredit will however use its best endeavours to protect the Pharmacy's interests as far as is reasonably possible.
- 13.4 MediKredit will not facilitate any change in networks or other relevant rules for pharmacies before the legal requirements have been finalised.
- 13.5 Pharmacies are responsible to provide MediKredit with updated information, including banking details, failing with MediKredit will not accept any liability for losses suffered by the Pharmacy in this regard.

14. SUSPENSION AND TERMINATION

- 14.1 **Termination by notice:** Notwithstanding anything to the contrary contained in this C2 Agreement, either party may terminate this Agreement by furnishing the other party with not less than 90 (ninety) days' prior written notice to that effect.
- 14.2 **Temporary suspension:** MediKredit will be entitled to temporarily suspend all services to the Pharmacy until such time as the cause for suspension has been removed. This suspension will take immediate effect upon written notice to the Pharmacy under the following circumstances:
 - 14.2.1 If the Pharmacy fails to pay to MediKredit any amount due, howsoever arising.
 - 14.2.2 If the Pharmacy fails to comply with the code of conduct and disciplinary procedure of the South Africa Pharmacy Council.
 - 14.2.3 In the event of any civil or criminal or disciplinary investigation being conducted against the Pharmacy or against any one of its shareholders or members or partners.
 - 14.2.4 In the event of the Pharmacy or any one of its shareholders or members or partners engaging in any conduct which may reasonably be detrimental to MediKredit and/or Healthcare Funder.
 - 14.2.5 If there is reason to believe that the Pharmacy has committed an element of fraud or dishonesty.
- 14.3 **Termination:** Should the Pharmacy:
 - 14.3.1 be placed under judicial management; or
 - 14.3.2 be placed under liquidation; or
 - 14.3.3 commit any act of insolvency; or
 - 14.3.4 allow any judgement to be obtained in a court of law against it and fail to comply therewith within 7 (seven) days; or
 - 14.3.5 allow any of its property to be attached in terms of a court order; or
 - 14.3.6 enter into a compromise with its creditors or attempt to do so; or
 - 14.3.7 in the event of the Pharmacy being a company who's shares are not listed on the stock exchange or a close corporation, transfer or allot any share of a shareholder or members' interest of a member as the case may be, to any person that is not a shareholder or member as at the Commencement Date, as the case may be; or
 - 14.3.8 in the event of the Pharmacy being a partnership, firm or association, be dissolved or ceases to have the same members it had at the time of conclusion of this C2 Agreement, for the reason that a partner or member ceased to be a partner or member for any reasons whatsoever; or
 - 14.3.9 sell its business or any part thereof as a going concern to any third party without assets and liabilities; or
 - 14.3.10 cede any of its rights, or delegates any of its obligations to any third party without the prior written consent of MediKredit; or
 - 14.3.11 have committed fraud or dishonesty; or
 - 14.3.12 be under investigation by a Healthcare Funder and should a Healthcare Funder object to the continued participation by the Pharmacy;
then and on the happening of any of the foregoing events this C2 Agreement shall be deemed to have terminated simultaneously with the happening of the said event.
- 14.4 **Termination:** Should MediKredit:
 - 14.4.1 be placed under judicial management; or
 - 14.4.2 be placed under liquidation; or
 - 14.4.3 commit any act of insolvency; or
 - 14.4.4 allow any judgement to be obtained in a court of law against it and fail to comply therewith within 7 (seven) days; or
 - 14.4.5 allow any of its property to be attached in terms of a court order; or
 - 14.4.6 enter into a compromise with its creditors or attempt to do so; -

then and on the happening of any of the foregoing events this C2 Agreement shall be deemed to have terminated simultaneously with the happening of the said event.

14.5 **Breach:** Notwithstanding the provisions stated above, either party may terminate this C2 Agreement if the other party defaults in its performance of this Agreement. The terminating party must provide the other party 30 (thirty) days' prior written notice to remedy such breach, specifying the nature of the breach, and should the defaulting party fail to do so within the said 30 (thirty) day period, the terminating party will, without prejudice and in addition to any other remedies it may have, be entitled to:

14.5.1 Cancel this Agreement and claim damages from the defaulting party; or

14.5.2 Claim specific performance of any or all of the terms and conditions of this Agreement with or without claiming damages.

15. PROVISION OF SERVICES

15.1 The Pharmacy will not unreasonably refuse to supply Beneficiaries with Medicines and/or services in accordance with the Pharmacy Act (53 of 1974) in terms of this C2 Agreement or impose requirements that Members and/or Healthcare Funders make payment immediately on dispensing of Medicines and/or services in accordance with the Pharmacy Act (53 of 1974) (withholding of credit facilities) unless the provisions of this clause 14 have been complied with.

15.2 The Pharmacy must give MediKredit 60 (sixty) days' written notice of its intention so to withhold credit facilities with full disclosure of the reasons therefore.

15.3 MediKredit may, if the withholding of credit facilities is in its opinion unfounded, declare a dispute by giving written notice to the Pharmacy within 10 (ten) calendar days from receipt of the notice referred to in clause 15.2.

16. DISPUTE RESOLUTION

16.1 If the parties are unable to resolve any dispute resulting from this Agreement within 5 (five) business days after a dispute arising or such extended time period as the parties may in writing allow, by means of joint co-operation or discussion between the individuals directly involved with the execution of this Agreement, then such a dispute must be submitted to the most senior executives of the parties who will attempt to resolve this dispute, within 5 (five) business days after it has been referred to them.

16.2 Should the dispute not be resolved in the aforesaid manner, then it will be resolved by way of arbitration in accordance with the Rules of the Arbitration Foundation of South Africa (AFSA) for expedited arbitrations by an arbitrator or arbitrators appointed by AFSA, whose decision shall be final and binding on the Parties and may be made an Order of Court of competent jurisdiction.

16.3 The provisions contained in this clause will not preclude any party from obtaining interim relief on an urgent basis from a Court of competent jurisdiction pending the decision of arbitration.

17. IDENTIFICATION

The Pharmacy undertakes to identify itself as a member of such preferred provider network which accepted the Pharmacy as a member and undertakes to display, internally and externally, such sign-writing, logos and promotional material as may reasonably be required by MediKredit from time to time.

18. ADVERTISING

The Pharmacy undertakes to submit any advertising material which includes a reference to the name MediKredit and/or MCNP and/or Performance Health, prior to publication thereof, to MediKredit for its approval, which approval may not be withheld unreasonably.

19. DOMICILIUM CITANDI ET EXECUTANDI

The parties choose as their *domicilia citandi et executandi* for all purposes under this Agreement, whether in respect of court process, notices or other documents or communications of whatsoever nature (including the exercise of any option), the addresses as stated in this C2 Agreement.

20. GENERAL

20.1 **Warranties:** The parties make no warranties, express or implied, other than the express warranties contained in this Agreement.

20.2 **Whole agreement:** No representation or statement not expressly contained in this Agreement or incorporated herein through amendment or otherwise will be binding upon the parties in any manner whatsoever. This Agreement constitutes the entire understanding of the parties and supersedes any and all prior agreements, writings and understandings.

20.3 **No assignment:** The Pharmacy will not cede, assign, or otherwise transfer this C2 Agreement nor any part, share or interest therein, nor any rights or obligations hereunder without the prior written consent of MediKredit.

- 20.4 **No amendment:** No amendment or consensual cancellation of this Agreement and no settlement of any disputes, waiver or relaxation of any of the provisions or terms of this Agreement shall be binding unless recorded in a written document signed by the parties.
- 20.5 **No waiver:** No extension of time or waiver or relaxation of any of the provisions or terms of this Agreement will operate as an estoppel against any party in respect of its rights under this Agreement, nor will it operate so as to preclude such party thereafter from exercising its rights strictly in accordance with this Agreement.
- 20.6 **Severability:** In the event any term or provision of this Agreement is declared to be invalid or illegal for any reason, this Agreement will remain in full force and effect, and it will be interpreted as though such invalid and illegal provision were not a part thereof. The remaining provisions must be interpreted to preserve the intent and purpose of this Agreement.
- 20.7 **Governing Law:** This Agreement will be governed by and construed in accordance with the laws of the Republic of South Africa, without regard to applicable conflict of law rules.
- 20.8 **Counterparts:** This Agreement may be signed in one or more counterparts, each of which will constitute an original and all of which, when duly signed and when taken together, will constitute a binding agreement.

Thus done and signed at _____ on this _____ day of _____ 20__ duly authorised thereto by the Pharmacy.

AS WITNESSES:

The Pharmacy (signature)
 Name _____
 Designation _____

Thus done and signed at _____ on this _____ day of _____ 20__ duly authorised thereto by the MediKredit.

AS WITNESSES:

MediKredit Integrated Healthcare Solutions (Pty) Ltd
 Name _____
 Designation _____

INITIAL

Annexure "A"

SERVICE LEVELS

NOTE: Measurements stipulated below will, unless otherwise stated, indicate that 98% of all actions will take place within the specified limits and a variance of 2% will be applied.

Action	Measurement	Penalty
A) Processing timelines		
1. The Pharmacy to submit Transactions to MediKredit in a format prescribed by MediKredit	Within the stale claim period defined by the Healthcare Funder, allowing for processing time through MediKredit, but no stricter than, and in accordance with, the Medical Schemes Act (Act 131 of 1998) and its regulations.	Claim to be rejected upfront, or at the option of MediKredit, to validate such claim but the Pharmacy forfeits right to claim payment if Healthcare Funder refuses to pay
2. The Pharmacy to resubmit Transactions to MediKredit	Within the stale claim period defined by the Healthcare Funder, allowing for processing time through MediKredit but no stricter than, and in accordance with, the Medical Schemes Act (Act 131 of 1998) and its regulations.	Claim to be rejected upfront, or at the option to MediKredit, to validate such claim but the Pharmacy forfeits right to claim payment if Healthcare Funder refuses to pay
3. MediKredit to process MCNP Transactions	Not more than 1 working day from date of receipt of claim	Transactions will become payable as if MediKredit processed Transactions within 1 day
4. MediKredit to pay Valid Transactions (If agreed to by MediKredit and the Healthcare Funder in writing)	Depending on contractual terms with the scheme <ul style="list-style-type: none"> On average not more than 30 days from date that MediKredit processed the claim, or On average within 14 days from receipt of payment from scheme. 	Payment within agreed timelines less 1 day for the next 2 weeks unless delay caused by scheme (NOTE: MediKredit at all times reserves the right to withhold payment upon non-payment by the Healthcare Funder)
5. MediKredit to reject Transactions to the Pharmacy	On average not more than 7 working days from date of receipt of notification of rejection from the Healthcare Funder with all detail required by MediKredit	MediKredit liable for payment of Transactions unless delay caused by scheme or any other factor beyond MediKredit's control
6. MediKredit or its nominee to attend to technical errors relating to MCNP	Within 5 business hours since error reported acknowledge receipt, and fix within agreed timelines	N/A
7. Helpdesk to attend to written queries	Acknowledge query within 2 working days on receipt by MediKredit, and resolve within agreed timelines	N/A
B) Reporting timelines		
1. MediKredit to make Pharmacy statements available to the Pharmacy	Weekly	N/A
2. The Pharmacy to check Pharmacy statements and report discrepancies or omitted Transactions to MediKredit	Within 120 days from the service date	The Pharmacy forfeits the right to query any discrepancies if outside the specified time period
C) Circular timelines		
1. Amendments to MediKredit's procedural requirements and/or services, amendments to Scheme Rules, new Scheme/Option implementations/ terminations made available to the Pharmacy	Published at least 2 weeks prior to the implementation date unless delay caused by scheme	N/A

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