SPECIMEN BANK GUARANTEE IN RESPECT OF A MEDICAL SCHEME REGISTERED OR TO BE REGISTERED IN TERMS OF THE MEDICAL SCHEMES ACT, 1998

(To be prepared on letterhead of the bank)

WHEREAS XYZ MEDICAL SCHEME (hereinafter referred to as "the Scheme") is to be registered as a medical scheme in terms of the Medical Schemes Act, 1998 (Act No. 131 of 1998) (hereinafter referred to as "the Act"); and

WHEREAS the Scheme incurs liabilities in terms of the Act by virtue of its registered rules; and

WHEREAS the Registrar of Medical Schemes (hereinafter referred to as "the Registrar") has in terms of the provisions of the Act required from the trustees of the Scheme such financial guarantees as will in his opinion ensure the financial stability of the Scheme; and

WHEREAS the Registrar has directed that such guarantee to the value of R..…... (x million Rand) be furnished to him in respect of the Scheme;

NOW THEREFORE we, (*full names and surnames of persons*), respectively in our capacities as Director/ Senior Manager etc. of XYZ Bank, (hereinafter referred to as "the Surety") and duly authorised to represent the Surety, hereby ~

(a) bind the said Surety as guarantor and co-principal debtor for the proper execution by the Scheme of all its liabilities in terms of the provisions of the Act; and

(b) waive the benefits of the *beneficium ordinis seu excussionis et divisionis* and guarantee to pay, on the written request of the Registrar and within 10 days of the day of such request, such amount or amounts as may be requested, but not exceeding R..... (x million Rand), to the Scheme.

This guarantee may only be cancelled by the Surety with prior written consent of the Registrar or after six months' written notice to the Registrar and to the Scheme, but any liability attaching to this guarantee up to the time of its termination shall continue to exist.

This guarantee is neither negotiable nor transferable.

SIGNED ON THIS .....……..... DAY OF ...……..... 200..

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Director/ Senior Manager	Director/ Senior Manager

For and on behalf of _____ (Name of Surety) _____.

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Witness 1	Witness 2