



MANAGEMENT COMMITTEE
AND
SUB-COMMITTEES
REMUNERATION POLICY



1. INTRODUCTION

The new BPOMAS Strategy sought to strengthen the Scheme governance structures including adoption of a governance framework such as King IV and King IV requires that a Remuneration Policy which would inform remuneration of non-executive directors (in this instance Management Committee and Sub-Committee members) be in place. Council for Medical Aids, South Africa, Circular 14 of 2014, *Guidelines for Remuneration of Medical Aid Schemes Trustees*”, echoes the sentiments of King IV regarding the need for a Remuneration Policy. It is against the principles of King IV and Circular 14 that this Policy is drafted. The policy seeks to formalize the payment of remuneration in respect of members of the Management Committee and Sub-Committees. Good corporate governance encourages fair and responsible payment of officers of organisations in this case members of the Management Committee and Sub-Committees.

2. PURPOSE

Good corporate governance encourages fair and responsible payment of officers of organisations. The BPOMAS Strategy recognises that to achieve business objectives BPOMAS needs a high calibre, committed Management Committee. BPOMAS aims to attract, retain and motivate high-calibre Committee and Sub-Committee members capable of achieving the objectives of the Scheme.

The purpose of this Remuneration Policy is to provide a framework for decision-making and ensure overall alignment with business needs.

The two core objectives of the remuneration policy are:

- 2.1 To attract, retain and motivate high calibre people through remuneration that is fair and competitive.
- 2.2 To encourage and reward superior performance and the creation of stakeholder value.



3. POLICY

The following principles will be applied to the determination of remuneration in respect of members of the Management Committee, Sub-Committee members and alternate members:

- 3.1 Remuneration shall be subjected to an annual benchmarking exercise of like organisations and shall take into account;
 - 3.1.1 The principle that persons should be remunerated in a manner and amount which attracts, retains and motivates the right calibre of people;
 - 3.1.2 The amount of time and skill required to perform the tasks required.
- 3.2 Members of the Management Committee and/or Sub-Committees shall be entitled to remuneration, honorarium or any other fee in respect of services rendered in their capacity as members of the Management Committee and/or Sub-Committees, as may be determined by the Members at the Annual General Meeting from time to time.
- 3.3 The Scheme shall bear all travel and accommodation expenses to facilitate attendance of meetings by the substantive Management Committee member and/or alternate member and/or Sub-Committee members resident outside Gaborone at such rates and within such further parameters as shall be determined by the Management Committee from time to time.
- 3.4 Remuneration shall be limited to a fixed fee, shall not include any additional benefits, and specifically excludes the participation by Committee members in any share scheme.
- 3.5 Remuneration shall be based on a fee per meeting and not on an all-inclusive annual or retainer fee.



- 3.6 The Chairperson of the Management Committee or Sub-Committee shall be remunerated at a rate higher than other Committee members.
- 3.6 Where a Committee or Sub-Committee member is an independent member, all fees shall be paid directly to his/her bank account, the details of which are to be provided by the Committee or Sub-Committee member to the Executive Office.
- 3.7 Where a Committee or Sub-Committee member represents a juristic body, remuneration shall be paid directly to the juristic body unless alternative instructions are received by the Executive Office on an appropriate organisation letterhead signed by the responsible person on behalf of the juristic body. Where such instructions direct the payment of the fee directly to an individual, such individual must provide written consent to receive payment and also supply the necessary banking details and tax instructions.
- 3.8 Committee and Sub-Committee members are to be remunerated at a fee per meeting as determined and/or approved by the Members at the Annual General Meeting from time to time.
- 3.9 All Sub-Committees will be remunerated equally while ensuring that the Scheme's remuneration remains relevant and competitive to that of like organisations.
- 3.10 To remain independent, no Management Committee member or Sub-Committee member shall be paid for consulting services as this would impinge on the member's independence and increase the risk of a conflict of interest between their role and that of a consultant. Members should remain independent at all times and should operate in a non-executive capacity.
- 3.11 Members shall not be paid any remuneration for attending conferences or training events over and above the attendance or accommodation costs.



- 3.12 No fee shall be payable to an alternate committee or sub-committee member unless the alternate member(s) attended the meeting on behalf of the substantive member(s).
- 3.13 The full fees shall be payable to the Committee or Sub-Committee member, or in the case of a Committee or Sub-Committee member representing a juristic body, to such juristic body.
- 3.14 All alternate members will continue to receive the packs for meetings.
- 3.15 Payment will be effected seven (7) days after every Committee or Sub-Committee meeting.

4 PROCEDURE

4.1 Remuneration Policy

- 4.1.1 The Remuneration shall be benchmarked and reviewed annually by the Nominations, Remuneration and HR Sub - Committee, which shall make any necessary amendments and recommend same to the Members at the Annual General Meeting for approval.
- 4.1.2 In exercising their function, the members of the Management Committee shall at all times owe a fiduciary duty to the Scheme and shall at all times act in the best interest of the Scheme and its beneficiaries.

5 INDEMNITY OR INSURANCE

The Scheme shall indemnify each individual member of the Management Committee, its Committees, Employees and Directors of its subsidiaries, for any acts or omissions arising out and/or in connection with their *bona fide* and diligent performance of their functions or any of their obligations as members of the Committees, provided that such acts or omissions were not *mala fide*, due to negligence, fraudulent and/or unlawful.



6 RESPONSIBILITY

The application of the policy shall be monitored by the Executive Office, shall be reviewed and applied by the Nominations, Remuneration and HR Sub-Committee and shall be subject to provisions and requirements of good Corporate Governance, Scheme Rules and the Societies Act.

7 REVIEW

This policy shall be reviewed annually to ensure that it is being effectively implemented and that its provisions are updated in keeping with current good corporate governance.

8 APPROVAL OF THE POLICY

This Policy was adopted by the Management Committee on the ____ day of _____ 2019 and recommended to the members (Annual General Meeting) for endorsement at the AGM (2018/19).

Signed by the Chairperson on behalf of the Management Committee:

CHAIRPERSON

DATE