



Botswana Public Officers' Medial Aid Scheme

RULE BOOK

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(A MEDICAL AID SCHEME ESTABLISHED AS A SOCIETY UNDER THE SOCIETIES ACT)

RULES

1. NAME

The name of the Society shall be the **BOTSWANA PUBLIC OFFICERS' MEDICAL AID SCHEME** hereinafter referred to as "the Scheme".

2. CONSTITUTION OF THE SCHEME

The Scheme is constituted by resolution of the Management Committee of the Scheme passed at Gaborone on 23 April 1990. These Rules together with its Benefits and Contributions Schedules constitute the Constitution of the Scheme in line with the Societies Act.

3. INTERPRETATION

- 3.1 If any provision in a definition is a substantive provision conferring rights or imposing obligations on either the Scheme or its members, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision of these Rules.
- 3.2 Unless inconsistent with the context, an expression which denotes any one gender includes the other gender; a natural person includes an artificial person and vice versa; and the singular includes the plural and vice versa.
- 3.3 The schedules and the Benefits and Contributions Schedules form an integral part hereof and words and expressions defined in the Rules shall bear, unless the context otherwise requires, the same meaning in such schedules.
- 3.4 These Rules shall be governed by the laws of the Republic of Botswana and the courts of the Republic of Botswana shall have jurisdiction.

4. DEFINITIONS

In these Rules, the following expressions shall have the following meanings:

- 4.1 **"administrator"** shall mean a competent, financially sound and suitably qualified **legal entity**, including, but not limited to either;
 - a. Company;
 - b. a Partnership, Joint Venture or Consortium; or
 - c. a Society or Association

actually operating in Botswana and appointed in line with the Scheme Procurement Process by the Management Committee and in line with **Rule 26**.

In the event BPOMAS by resolution of the Management Committee becomes a self-administrator, then BPOMAS will be considered to have satisfied this definition of administrator once such resolution is passed and a Scheme administrator division has been created. Once BPOMAS self-administers, **Rule 26** shall not apply and any reference to administrator in the Scheme Rules shall refer to the scheme administration division.

- 4.2 **"admission date"** shall mean the date on which an individual becomes a member, or in the case of an employer, the date on which the employer was admitted to participate in the Scheme, in terms of these Rules.
- 4.3 **"adoptive child"** shall mean or denote a child adopted as provided for by the laws of Botswana.
- 4.4 **"adoptive parent"** shall mean or denote a person who has adopted a child as provided for by the laws of Botswana.
- 4.5 **"adoption"** shall mean or denote legal adoption of a child as provided for by the laws of Botswana.
- 4.6 **"agreed tariff"** shall mean the tariff agreed by the Management Committee from time to time for health services.
- 4.7 **"appointing authority"** shall denote power and/or authority to make appointments into the Management Committee and for purposes of these Rules shall mean the Minister in the Ministry of Health.
- 4.8 **"approval"** shall mean prior written approval.
- 4.9 **"Benefits and Contributions Schedules"** shall mean a document separate from the Rule Book that contains the prescribed benefits and contributions as approved by the Management Committee from time to time.

- 4.10 **“child”** shall mean a member's child, stepchild, child under guardianship, or legally adopted child who is under the age of twenty-one (21) years, who is unmarried and not in receipt of a regular remuneration. An application for a dependant under guardianship must be accompanied by proof of guardianship such as a Court Order or a letter from the District Commissioner together with a family resolution confirming guardianship.
- 4.11 **“continuation member”** shall mean a member or dependant, as the case may be, who continues as a member in terms of **Rules 7.3, 7.4, 7.5.1 and 7.5.3.**
- 4.12 **“contribution”** shall mean, in relation to a member, the amount, exclusive of interest, payable in respect of the member in terms of these Rules.
- 4.13 **“date of service”** shall mean:
- 4.13.1 in the event of a consultation, visit to or treatment by a duly authorised and registered health professional, the date on which each consultation, visit or treatment occurred, whether for the same illness or not.
 - 4.13.2 in the event of an operation, procedure or confinement, the date on which each operation, procedure or confinement occurred.
 - 4.13.3 in the event of hospitalisation, the date of each admission and discharge from a hospital or nursing home.
 - 4.13.4 in the event of any other service or requirement, the date on which such service was rendered or requirement obtained.
- 4.14 **“dependant”** shall mean:
- 4.14.1 a **spouse** in marriages as recognised by the laws of Botswana, or in exceptional cases, any person who may be recognised as such by the Management Committee in its discretion.
 - 4.14.2 a **member's child** as defined in **Rule 4.10.**
 - 4.14.3 **special dependant:**
 - 4.14.3.1 subject to the approval of the Management Committee and on such conditions as it may prescribe, a member's child who is over the age of twenty-one (21) years but not over the age of twenty-five (25) years; who is an unmarried student and not in receipt of a regular monthly remuneration exceeding the amount prescribed in the Benefits and Contributions Schedule provided that such person shall only be recognised as a dependant for periods not exceeding twelve (12) months at a time and such recognition shall not extend beyond the end of the calendar year during which s/he turns the age of twenty-five (25). Proof of Schooling shall be submitted on an annual basis. Failure to submit the required documents shall lead to termination, however, should the documents be submitted within three months of termination, the dependant shall be reinstated without a gap.
 - 4.14.3.2 subject to the approval of the Management Committee and on such conditions as it may prescribe, a member's child who is over the age of twenty-one (21) years; who is unmarried and owing to mental or physical disability or any similar cause is dependent on the member; is not in receipt of a regular monthly remuneration exceeding the amount prescribed in the Benefits and Contributions Schedule, provided that for irreversible conditions such person shall be recognised as a dependant for a period of three (3) years, and for reversible conditions such a person shall be recognised for a period of one (1) year, at a time.
 - 4.14.4 **adult child:** a dependant who is between the ages of twenty-one (21) and thirty-five (35) years, who is not in receipt of income not more than the minimum wage paid by the Government of Botswana from time to time, who has been a beneficiary of the Scheme for a continuous period of at least one (1) year, who is not married and who applies to become a member any time after the date on which s/he ceased to be a member under **Rule 8** provided full payment of contributions shall be paid from source by the member. The cover shall be extended to children of adult child dependants.
 - 4.14.5 **parent dependant:** a member's biological or adoptive mother or father, or a biological or adoptive mother or father of a member's spouse, who is not a pensioner as defined under **Rule 4.29** and is not more than sixty-five (65) years of age at the time of entry.

- 4.15 **"dual membership"** shall refer to an instance where a member or a dependant is covered under more than one membership of the Scheme, simultaneously.
- 4.16 **"employee"** shall mean any person who has entered into a contract of employment with an employer, for the hire of his or her labour and is recognised as such according to the laws of Botswana.
- 4.17 **"employer"** shall mean the Botswana Government and/or any other body as shall be determined by the Management Committee from time to time.
- 4.18 **"health professional"** for purposes of these Rules, shall mean a person who is duly registered in accordance with the provisions of the prevailing health professions regulation at the time, being the Botswana Health Professions Act and its Regulations, and the Nursing and Midwives Act and its Regulations, or similar registration in another country as amended from time to time. It is further provided that where such a person resides in, is domiciled in, or practices in a country other than Botswana, he shall be recognised as a health professional if the Management Committee recognises the legislation and/or qualifications under which he is registered.
- 4.19 **"income"** shall mean in respect of:
- 4.19.1 an employee; his monthly salary received from his employer.
 - 4.19.2 a continuation member who is a pensioner; provided he attains the required status in terms of the provisions of **Rule 7.3**;
 - 4.19.2.1 his or her gross monthly pension from a pension fund/ scheme, which is provided for and recognised by the employer, provided he has attained the age of 60 years, or the age of 55 years if he joined the public service prior to 1970, or he retires due to ill-health or disability.
 - 4.19.2.2 his or her terminal month's salary, provided that he shall not have attained the age of 60 years or 55 years if he joined the public service prior to 1970.
 - 4.19.3 a continuation member who is a widow or widower; his or her monthly income from all sources.
- 4.20 **"individual member"** shall mean a member or dependant, as the case may be, who continues as a member in terms of **Rule 7.3, 7.4, 7.5, 7.5.3 and 7.5.4**.
- 4.21 **"infant"** shall mean a child up to five (5) years.
- 4.22 **"management committee"** shall mean the Management Committee as constituted under **Rule 25**.
- 4.23 **"married member"** shall mean a member who has entered into a marriage as recognised by the laws of Botswana.
- 4.24 **"medical practitioner"** shall mean a person who is registered as a medical practitioner in accordance with the prevailing health professions regulation at the time, being Botswana Health Professions Act and its Regulations, or in accordance with similar statutory provisions in another country, as amended from time to time. It is further provided that where such a person resides in, is domiciled in, or practices in a country other than Botswana, he shall be recognised as a medical practitioner if the Management Committee recognises the legislation and/or qualifications under which he is registered. Dental practitioners shall have a like meaning.
- 4.25 **"medicine cost"** shall mean the cost of medicine, the retail cost of which does not exceed the manufacturer's price plus the percentage (as a mark-up) as specified by these Rules from time to time, or the pricing mechanism defined and published by the Scheme, from time to time, provided that where such medicines are purchased outside Botswana the exchange rate published by the commercial banks in Botswana shall be used to determine the Pula price prior to adding the percentage mark-up aforesaid.
- 4.26 **"medical aid scheme"** shall mean any recognised medical aid scheme from which medical benefits may be obtained.
- 4.27 **"member"** shall mean any person admitted into the Scheme in terms of **Rule 7** but does not refer to "member" in respect of the Management Committee members.
- 4.28 **"officer"** shall mean any member of the Management Committee, the Principal Officer and/ or any employee of the Principal Office of the Scheme.
- 4.29 **"pensioner"** for purposes of these Rules, shall mean any person who retires from the employer's permanent and pensionable service, employed by the Government of Botswana on contract basis for a continuous period of more than three (3) years, who retire on terms stipulated by the employer and resident in the Republic of Botswana.

- 4.30 **“preauthorisation”** shall mean authorisation for cover by the Scheme of a decision by an appropriately qualified health practitioner in a managed healthcare program / plan that a health care service, treatment plan, prescription drug or medical equipment is medically necessary before such program or plan is undertaken, subject to availability of benefits and in accordance with Scheme rules.
- 4.31 **“prescription”** shall mean all the medicine that a medical or dental practitioner or other person legally entitled to prescribe, prescribes at one time for one person for the condition under treatment.
- 4.32 **“principal office”** shall mean an office led by the Principal Officer and operated by the Principal Officer with the assistance of such officers as appointed to assist him in his duties.
- 4.33 **“principal officer”** shall mean an executive officer of the Scheme, appointed in terms of these Rules, and whose duties and responsibilities shall be as set out in these Rules, without limitation, and to provide general oversight into the day-to-day operations of the Scheme, as mandated by the Management Committee.
- 4.34 **“prosthesis”** shall mean an artificial substitute for a missing body part, or any device by which the performance or natural function is augmented.
- 4.34.1 **“medical assistive devices”**; for purposes of these Rules, medical assistive devices shall mean, external orthopaedic and surgical prosthesis, orthoses, auditory and ophthalmic devices used to replace, compensate for or improve the functional abilities of a member with a disability.
- 4.34.2 **“medical and surgical appliances”**; include medical, surgical and orthopaedic devices and appliances that are predominantly used externally in disease management or prevention of complications as well as rehabilitation and facilitation of independent living.
- 4.34.3 **“prosthesis used in surgery”**; means internal prosthetic devices implanted during an operation for replacement of a body part or for modification of the anatomy or physiological process.
- 4.35 **“recognised tariff”** in respect of the various categories of health service shall mean:
- 4.35.1 **medical fees**; the medical tariff as approved by the Management Committee from time to time.
- 4.35.2 **dental fees**; the dental tariff as approved by the Management Committee from time to time.
- 4.35.3 **medicine cost**; the tariff as approved by the Management Committee from time to time based on the principles of cost-effectiveness and evidence-based medicine, as well as other tools at the disposal of the Management Committee.
- 4.35.4 **hospital tariffs**; the hospital tariffs as approved by the Management Committee from time to time.
- 4.36 **“registered office”** shall mean the registered office of the Scheme, as shall be determined by the Management Committee from time to time.
- 4.37 **“reinstatement”** shall mean re-activation of terminated membership within twelve (12) months from date of termination.
- 4.37.1 **“reinstatement with a gap”** shall mean re-activation of terminated membership with application of underwriting rules. A new benefit date from date of reinstatement shall apply. Monthly subscriptions of the period of termination shall not be recovered from the member or employer group. The prevailing monthly subscription shall apply. The Scheme shall not assume any liability incurred during the period that the membership was terminated.
- 4.37.2 **“reinstatement without a gap”** shall mean re-activation of terminated membership without application of underwriting rules. The benefit date shall not change and the initial benefit date shall be retained. Monthly subscriptions of the period of termination shall be recovered from the member or employer group. The prevailing monthly subscription shall apply. The Scheme shall however not assume any liability incurred during the period that the membership was terminated/suspended.
- 4.38 **“related person”** means any person connected to another person whether due to marriage or any relationship similar to marriage or are separate by no more than two degrees of natural or adopted consanguinity or affinity or who directly or indirectly controls a juristic person where "control" means (i) the ability to directly or indirectly exercise or control the exercise of the majority of the voting rights of that juristic person whether due to a shareholder agreement or otherwise or (ii) the right to appoint or elect or control the appointment or election of the directors that control the majority of the votes at a board meeting.

4.39 **"rules"** shall mean the Rules of the Scheme and shall include by-laws, schedules and any other provisions relating to benefits which may be granted or the contributions which may become payable in terms of a resolution adopted by the Management Committee.

4.39.1 Every member shall have made available to him and shall upon demand receive a copy of these Rules. Payment by him of any contribution shall be deemed to constitute his acknowledgement that he shall, on behalf of himself and his dependants, be bound by these Rules or by any amendments thereof.

4.40 **"salary"** shall mean the substantive basic salary or wage.

4.41 **"service provider"** shall mean:

4.41.1 for those natural persons domiciled in Botswana; any health professional or medical/ dental practitioner (as defined) who has been issued with a Private Practice License or has been authorised to practice his profession, on his own accord, in Botswana, by the Director of Health Services or the relevant regulatory authority. The said professional or practitioner must be registered with the Scheme to render health services to members and dependant(s).

4.41.2 for those domiciled and practicing outside Botswana; any health professional or medical/dental practitioner, whose statutory registration and qualifications are recognised by the Management Committee.

4.41.3 for body corporates in Botswana; any health facility which is licensed to provide health services in terms of Private Hospitals and Nursing Homes Act or relevant legislation and is registered with the Scheme to render health services to members and dependant (s).

4.41.4 for body corporates outside Botswana; any health facility which is registered and licensed under statutory provisions which are recognised by the Management Committee.

4.42 **"staff association"** shall mean an association/union of staff as recognised by the employer.

4.43 **"surviving spouse"** shall mean a widow or widower as the case may be.

4.44 **"year"** shall mean the financial year of the Scheme i.e. 01 April to 31 March in each year.

5. OBJECTS

The Objects of the Scheme are to raise a fund by contributions, donations or otherwise and thereby to make provision for the granting of assistance to members in defraying expenditure incurred by them or their dependants in connection with medical, para-medical, nursing, surgical, dental services or the supply of medicines or of medical, surgical, dental or optical requirements or appliances or of accommodation in a hospital or nursing home or funeral expenses.

6. APPLICATION FOR MEMBERSHIP

6.1 An applicant shall submit to the Scheme duly completed membership application forms, provided that no person under the age of eighteen (18) years shall be admitted to membership. Notwithstanding the foregoing, a person qualifying for Government sponsorship shall be admitted into membership regardless of age.

6.2 Subject to **Rule 7.1**, no applicant shall become a member and no person shall be recognised as a dependant for the purposes of the Rules, unless he or she has provided a declaration of health as required in the Membership Application Form in respect of him/herself and his or her dependants to the reasonable satisfaction of the Management Committee;

6.2.1 Notwithstanding the above, the parent dependant shall be required to provide a medical report of not less than one (1) month, from a recognised or licensed medical practitioner attesting to their health status.

6.2.2 In the event that the Management Committee is not satisfied with the information provided in terms of this Rule, the Management Committee may in any particular case require the applicant to undergo a medical examination, the cost of which shall be paid by the Scheme.

6.3 After consideration of the information referred to in **Rule 6.2**, the Management Committee may decline the application for membership or may limit or exclude benefits for a period not exceeding two (2) years in respect of a particular disease, disorder or disability, with the exception of HIV/AIDS, which existed at the time of admission of the person as a member or dependant, subject to **Rule 7.2**.

- 6.4 The applicant shall, on submission of the Membership application in respect of himself and his dependants, furnish satisfactory evidence of age, employment details, including evidence of monthly salary/wage, together with such other information as the Management Committee may require from time to time.
- 6.5 Notwithstanding the provisions of **Rules 6.1, 6.2, 6.3 and 6.4** the Scheme may implement membership underwriting for a period as may be determined by the Management Committee from time to time.

7. MEMBERSHIP

7.1 Voluntary membership

Membership to the Scheme shall be available to all employees of the Botswana Government. However, membership may be available, subject to approval by the Management Committee, to employees of Parastatal Organisations or other bodies for which funding is received from the Government of Botswana, including Government- sponsored students. Should an employee be admitted to the membership of the Scheme, he may not be allowed to resign such membership except as stipulated under **Rule 8**.

7.2 Interchangeability

Subject to the terms and conditions applicable to the admission of other members, the Management Committee shall admit to membership of the Scheme, without a waiting period, entrance fee or imposition of new restrictions on account of the state of his health or the health of any of his dependants, any person who has been a member or a dependant of a member of any recognised medical aid scheme for a continuous period of at least one (1) year and who applies within three (3) months after the date on which he ceased to be a member or a dependant of a member of such scheme. In the event that a person (or his dependants) has not been a member of another recognised medical aid scheme for a period of one (1) year or more immediately prior to admission to membership of the Scheme, then a waiting period as specified in the Benefits and Contributions Schedules (as amended from time to time) shall be imposed upon such member and/ or his dependant(s).

7.3 Membership on retirement

- 7.3.1 A pensioner shall have the option to retain his membership of the Scheme, provided such a person has been, at the date of his retirement, a member of the Scheme for a continuous period of not less than one (1) year.
- 7.3.2 A member shall inform the Scheme of his intention to retire from service within three (3) months before the actual date of retirement and further inform the Scheme as to whether, or not, he wishes to continue his membership of the Scheme.
- 7.3.3 Upon receipt of the notification to continue membership, the Management Committee shall:
- 7.3.3.1 make such arrangements to provide for the continued membership at contribution rates determined in accordance with **Rule 4.19.2** as read with the Benefits and Contributions Schedule; and
 - 7.3.3.2 advise the member of the contribution payable from the date of retirement.
- 7.3.4 Should the member fail to inform the Management Committee, in writing, of his desire to terminate his membership, he shall automatically continue to be a member, subject to the limitation imposed under **Rule 8.4**.

7.4 Widow/Widower

The surviving spouse (widow or widower as the case may be) of a deceased member, who is registered with the Scheme as the deceased spouse's dependant at the time of such member's death, shall upon request be admitted as a member of the Scheme, provided that the deceased member was a member of the Scheme at the time of his/ her death and the surviving spouse continues to pay hundred percent (100%) contribution. Such surviving spouse member shall be notified by the Scheme of his or her right to membership and of the contribution payable in respect thereof. The surviving spouse's membership shall terminate if:

- 7.4.1 the surviving spouse remarries and on marriage becomes eligible to be registered as a dependent of the new spouse's medical aid scheme.
- 7.4.2 the surviving spouse becomes entitled to membership of a medical aid scheme by virtue of her/ his employment.
- 7.4.3 the surviving spouse elects, in writing, to terminate her/ his membership.

7.5 Individual member

- 7.5.1 An adult child dependant who is between the ages of twenty-one (21) to thirty-five (35) who is not in receipt of income not more than the minimum wage paid by the Government of Botswana from time to time, who has been a beneficiary of the Scheme for a continuous period of at least one (1) year, who is not married and who applies to become a member any time after the date on which s/he ceased to be a member under **Rule 8** provided full payment of contributions shall be paid from source by the member. The cover shall also be extended to children of adult child dependants.
- 7.5.2 A grandchild dependant who is under the age of twenty-one (21) years, who is unmarried and who is not in receipt of regular remuneration. An application for a grandchild dependant where such dependant is not covered under the adult child dependant must be accompanied by a letter from the member detailing the reason for inclusion of the dependant under the membership together with a police affidavit confirming the relationship between the member and the dependant.
- 7.5.3 A non-citizen who retires from being employed by the Government of Botswana and was employed on contract basis for at least not more than ten (10) years or retires on terms stipulated by the employer, resident in the Republic of Botswana and applies to become an individual member within three (3) months after the date on which s/he ceased to be a member under **Rule 8** provided he shall pay full monthly contributions.
- 7.5.4 A parent dependant as defined under **Rule 4.14.5**, provided full payment of contributions shall be paid from source by the member. Such member shall be able to add their legally married spouse under one cover.
- 7.5.5 Any applicant who is fifty (50) years of age or older, who was not a member of one or more medical aid schemes at the time of joining the Scheme will incur a penalty by way of additional contributions as determined from time to time by the Management Committee as follows:

Years member was not a member of medical aid since the age of 50	Late joiner penalty
1 – 4 years	1.25
5 – 14 years	1.5
15 – 24 years	1.75
25 years +	2

8. CESSATION OF MEMBERSHIP

- 8.1 A member shall be entitled to withdraw or resign his membership from the Scheme, provided that such withdrawal or resignation of membership shall be in writing, giving the Scheme at least thirty (30) days' notice of his intention to resign. Upon receipt of the written notice of withdrawal or resignation of membership, the provisions of **Rule 8.2** shall apply.
- 8.2 Where such resignation is accepted, the employee shall be allowed to rejoin the Scheme at any point after resignation. If the member re-applies within three (3) months of resignation, the member shall be re-instated without waiting periods and outstanding premiums paid. Where the resignation period is more than three (3) months, the member will be required to re-apply and the application will be treated as a new member and will be subjected to waiting periods as in the Benefits and Contributions Schedule.
- 8.3 Should the member opt to resign before 31 March and/or the lapse of one (1) financial year, the Scheme's liability shall be limited to the pro-rated level of benefits.
- 8.4 Subject to **Rule 7.2** and **7.3**, a member who leaves employment for any reason or resigns from the Scheme shall cease to be a member, and all rights of participation in the benefits under these Rules in respect of himself and his dependants shall thereupon cease, except for claims in respect of services rendered prior to cessation of membership.
- 8.5 Subject to the provisions of **Rule 39**, the Management Committee may exclude from membership or terminate the membership of a member whom the Management Committee finds guilty or reasonably determines, on a *prima facie* basis, to have abused the privileges of the Scheme. The Management Committee shall inform such a member in writing of the reasons for such decision. In such event, the member may be required by the Management Committee to refund to the Scheme any sum which, but for his abuse of the privileges of the

Scheme, would not have been paid to him or her on his or her behalf. The onus shall remain on the member to produce evidence to the contrary.

- 8.6 The Management Committee shall have the right to terminate the membership of a member whose contributions payable are more than three (3) months in arrears further provided that benefits shall only be payable in respect of services rendered up to the date for which contributions are received.
- 8.7 Nothing in these Rules shall be construed as altering in any way the employer's right to terminate the service of an employee who is a member of the Scheme or any agreement between the employer and the employee with regard to conditions of service.
- 8.8 The Management Committee shall have the right to terminate membership of any member who is found guilty (in a hearing held to consider any such charges) of any act of dishonesty, making of fraudulent claims or colluding with any service provider to make a fraudulent claim against the Scheme, or any similar offence.

9. REINSTATEMENT OF MEMBERS

- 9.1 Members shall be reinstated within three (3) months of termination for the following reasons:
 - 9.1.1 Employee movement between employer groups. Where the member is transferred or changes employment and the Scheme is not notified, upon notification and proof of change/movement, such a member will be reinstated and outstanding premiums shall be paid.
 - 9.1.2 Where a spouse dependant is removed from cover by principal member unknowingly (e.g. divorce), such a dependant will be allowed to apply for membership provided they are Government employees, parastatals employees and/or Government pensioners.
- 9.2 Where a member was terminated due to non-payment of contributions, end of contract tenure, pensioner in waiting following retirement or failure to submit proof of schooling, the Principal Officer shall at his discretion authorise/decline such re-instatement within twelve (12) months. A re-instatement beyond twelve (12) months shall be at the discretion of the Management Committee.
- 9.3 Where a member is terminated due to joining a spouse's medical aid, the member shall be reinstated at any given time should they wish to rejoin. Proof of previous medical cover shall be provided.
- 9.4 Where a member informs the Scheme on membership suspension due to study reasons or foreign mission appointment in writing, the membership shall be terminated and upon returning, the member shall provide satisfactory evidence of study/foreign mission appointment and will be reinstated with a gap but no exclusions.

10. MEMBERSHIP CARD

- 10.1 The Scheme shall issue to each of its members' proof of membership in the form of a membership card, containing such particulars as may be determined by the Management Committee from time to time, further provided that not more than two (2) cards may be issued per member without charge. The member or his dependant(s) shall exhibit the card to the service provider upon any service being rendered to the member or his dependant(s). Any such membership card issued to a member shall be returned to the Scheme immediately upon cessation of membership.
- 10.2 Notwithstanding the provisions of **Rule 10.1** above, should the member lose his membership card and/or request for an additional card, he shall be charged a fee as may be determined by the Management Committee from time to time for the replacement and/or additional card.

11. REGISTRATION OF DEPENDANTS

- 11.1 A member shall register on his admission date all his dependants, except for those qualifying for individual membership, and shall immediately inform the Scheme of the occurrence of any event which results in any one of his dependants no longer satisfying the conditions under which a dependant may be registered on the Scheme.
- 11.2 From the time the dependant ceases to be eligible for cover through the Scheme and contributions have accordingly been adjusted, he shall no longer be regarded as a dependant for the purposes of these Rules.
- 11.3 Members who are government sponsored students, as envisaged in terms of **Rule 7.1**, may to the extent that they are able to pay full contributions on behalf of their dependants, be entitled to register dependants.

12. MARITAL STATUS

- 12.1 A member who marries, remarries, is divorced or widowed subsequent to joining the Scheme, is required to notify the Scheme within thirty (30) days thereof, and to subscribe at the amended rates from the first day of the month following the change in his status, but (subject to **Rule 12.2**) the benefits to which he or she is entitled as a result of the change in his or her marital status, shall be effective from the date on which the said event occurred.
- 12.2 A member who marries or remarries subsequent to joining the Scheme and who fails to take the action per **Rule 12.1** shall render him or herself liable to forfeiture of all benefits in respect of the new marital status, until the required notification has been given and the applicable contribution paid.

13. BIRTH OR ADOPTION OF INFANTS

A member shall notify the Scheme within thirty (30) days of the birth or adoption of an infant, in order to permit registration of such an infant as a dependant. The contribution in respect of such an infant shall be due from the first day of the month following the birth or adoption as the case may be.

Benefits shall, nevertheless, accrue as from the date of birth or adoption, provided that no such infant shall qualify for benefits until such time as the parent member qualifies for benefits. Failure to apply for registration of such an infant, as a dependant, within the prescribed period shall result in a three (3) month waiting period in respect of benefits for the infant.

14. CHANGE OF MEMBER DETAILS

A member shall notify the Administrator or the Scheme without delay, of any changes in their member details, including but not limited to contact and bank details. The Scheme shall not be held liable if a member's rights are prejudiced or forfeited as a result of the member's failure to comply with the requirements of this Rule.

15. CONTRIBUTIONS

The total monthly contributions payable by a member shall be indicated in the Benefits and Contributions Schedule as amended from time to time provided;

- 15.1 The Botswana Government pays fifty percent (50%) monthly contributions and the employee pays fifty percent (50%) monthly contributions.

- 15.2 Individual membership contributions shall be payable at one hundred percent (100%) monthly contributions by the employee from source.

16. LIABILITIES OF EMPLOYERS AND MEMBERS

- 16.1 The liability of an employer shall be limited to its portion of the member's unpaid contributions.
- 16.2 The liability of a member shall be limited to the amount of his unpaid contributions together with any sum disbursed by the Scheme on his behalf or on behalf of his dependants which the member is liable to repay to the Scheme under these Rules and which has not been repaid by him to the Scheme. In the event of any member ceasing to be a member, any amount owing by the member to the Scheme in respect of himself or his dependants may be recouped out of any moneys in the hands of the employer by arrangement with such member.

17. BENEFITS

- 17.1 Subject to the limitations imposed by these Rules, members shall be entitled to benefits as the Benefits and Contributions Schedule (as amended from time to time) and such benefits shall extend through the member to his/her dependant(s), provided that such benefits shall only accrue from the admission date of the member, and in the case of a dependant the date of admission of the dependant.
- 17.2 A member shall choose their preferred benefit option and pay the contribution relevant to such an option. Ordinarily the member may only transfer from one benefit option to the other on the first day (01 April) of the financial year of the Scheme, provided that he has given one (1) month written notice of his intention to do so. However, subject to approval by the Scheme, a member may apply to change benefit options upwards during the year.
- 17.3 Notwithstanding the provisions of **Rule 17.2** above, a member who meets the criterion set for HIV/AIDS and chronic disease monitoring and/or treatment, may at any given time during the course of the Scheme's financial year, and at the discretion of the Management Committee, transfer from the Standard Benefit Option to the High or Premium benefit options. However, the option to transfer from the Standard Benefit Option to the High or Premium benefit options for chronic diseases other than HIV/ AIDS monitoring and/or treatment, shall only be exercised subject to three (3) years prior membership of the Scheme.

- 17.4 The Management Committee shall have the right to withdraw or refuse payment of benefits to members whose contributions are more than three (3) months in arrears, and where accounts have been paid in accordance with **Rule 19**, the member shall be liable to repay to the Scheme the full amount so paid.
- 17.5 The employer shall be required, on a monthly basis, to submit to the Administrator or the Scheme, a list of all transferred, terminated, resigned or retired employees, for reconciliation and billing. Failure to do so shall leave the employer liable to any costs associated with such an omission and/or failure to do so.
- 17.6 No member shall cede, assign or transfer to any third party any claim, or part of a claim, which he may have against the Scheme, and any such cession, assignment or transfer shall be of no force and effect and shall not be recognised by the Scheme.
- 17.7 Expenses incurred outside Botswana shall be paid in Botswana currency in accordance with the recognised tariffs or authorised rate applied to local tariffs and the Rules or at the rate charged, whichever is the lesser provided;
- 17.7.1 pre-authorisation was sought from the Scheme before services were undertaken, except for emergencies; or
- 17.7.2 member paid in full for services incurred and subsequently submits his/her claim to the Scheme for reimbursement;
- 17.7.3 the payments referred to at **Rule 17.7.1** and **Rule 17.7.2** above are all conditional on compliance with the Rules and the member's policy having funds at the time of receipt of the claim as per the claims procedure provided for at **Rule 21**.
- 17.8 The Scheme shall not make upfront payments to service providers for services not rendered to members.
- 17.9 The Scheme from time to time may provide incentives which would be reviewed from time to time at the discretion of Management Committee for those members that do not utilise their benefits.

18. CONTRACTING WITH SERVICE PROVIDERS

- 18.1 The Scheme reserves the right to register, refuse registration and/or to de-register any service provider. The Scheme further reserves the right to introduce risk management interventions including clinical/health risk management solutions as it deems fit, without consultation with the service providers.
- 18.2 The Scheme reserves the right to suspend any service provider from providing service to BPOMAS members and to withhold payments of services rendered at the time of discovery of possible fraud or any professional misconduct for a period not exceeding six (6) months.

19. PAYMENT OF ACCOUNTS

- 19.1 The liability of the Scheme to reimburse any member shall lapse six (6) months from the date on which the services were rendered provided the services were not paid for by the member at the time of service. Where a member has paid upfront for such claims a member shall submit claims for reimbursement within three (3) months of such service.
- 19.2 The liability of the Scheme to pay the account directly to any service provider shall lapse three (3) months from the date on which the services were rendered.
- 19.3 Where a claim is submitted more than three (3) months from the date on which the services were rendered, benefits shall be granted only at the discretion of the Management Committee. Where a claim is submitted more than three (3) months from the date on which the services were rendered, benefits shall be granted only at the discretion of the Management Committee, provided the claims are not more than twelve (12) months from the date the services were rendered.
- 19.4 The Management Committee may decline payment to any health professional or decline reimbursement to any member who has made prior payment to a health professional, in circumstances where the said health professional is either not registered with the Scheme and/ or has not entered into a direct reimbursement agreement with the Scheme as may be required by the Scheme from time to time.
- 19.5 Every member and/or dependant shall, at every point of service, be required to make a co-payment of ten percent (10%) of the total cost of service, except if exempted per **Rule 19.6** and **Rule 19.7**. However, government sponsored students who are Scheme principal members shall be exempt from the 10% co-payment and VAT payments for services accessed outside Botswana.

- 19.6 The Scheme shall pay one hundred percent (100%) of all bills incurred by the member/dependant, including the ten percent (10%) co-payment, where such bills are cumulatively or otherwise in excess of Ten Thousand Pula (P10 000) in any one (1) financial year, subject to availability of benefits and at agreed tariffs.
- 19.7 The Scheme may waive the payment of the ten percent (10%) co-payment where the beneficiary has a chronic condition, including HIV/AIDS, and is registered on the Scheme's Managed Care Program.
- 19.8 The Management Committee shall have the right to withdraw, put on suspension or refuse payment of benefits to members whose contributions are more than two (2) months in arrears, and where an account has been paid in accordance with **Rule 19**, the member shall be liable to repay to the Scheme, the full amount.

20. OPERATING EXPENSES

The Management Committee shall use its reasonable commercial endeavours to ensure that the cost of administration for the Scheme does not exceed fourteen percent (14%) of gross annual subscriptions, provided that to the extent that such administration costs do exceed this percentage, the members, at annual general meeting, may condone the amount of any excess on reasonable grounds demonstrated by the Management Committee to the members.

21. CLAIMS PROCEDURE

- 21.1 Every claim, submitted to the Scheme in respect of the rendering of any service, or the supply of any medicine, requirements, or accommodation in a hospital or nursing home, shall be accompanied by an invoice, signed by the member or dependant certifying the validity thereof.
- 21.2 Notwithstanding the provisions of **Rule 21.1** above, in cases where electronic accounts / claims are submitted, the Scheme shall reserve the right to satisfy itself of the truth and correctness of such accounts/claims. The service provider shall avail to the Scheme or its designated representatives, upon request, original copies of accounts/statements duly signed by the member or his dependant(s) as proof that the services for which the Scheme has been billed were provided as stated in the accounts/statements submitted to the Scheme for reimbursement.
- 21.3 Every claim submitted as per **Rules 21.1** and **Rule 21.2**, shall contain the following particulars:
- 21.3.1 the surname and initials of the member.
 - 21.3.2 the first name of the patient as indicated on the membership card.
 - 21.3.3 the name of the benefit option.
 - 21.3.4 the membership number of the member.
 - 21.3.5 the practice code, name and signature of the health professional or the service provider rendering the service, where applicable.
 - 21.3.6 the date on which the service was rendered.
 - 21.3.7 the nature of the service and international classification of disease (ICD) and/ or current procedural terminology (CPT) code or diagnosis code from time to time.
 - 21.3.8 the code number of the item of the recognised tariff, where applicable.
 - 21.3.9 where the account is a photocopy of the original; certification by the service provider by way of a rubber stamp and signature of such a photocopy.
 - 21.3.10 the name of the referring health professional, where such referral is in respect of pathology or laboratory services, physiotherapy, dietetics, speech therapy, occupational therapy, psychology or any other paramedic / allied / associated health services. A copy of the letter of referral shall be attached to the statement of account.
 - 21.3.11 in the case where an account or statement refers to the use of an operating theatre, where an operation was performed on the member or a dependant of that member:
 - (a) the name of the health professional who performed the operation concerned.
 - (b) the name(s) of the health professional(s) or practitioners who assisted in such an operation.

- 21.3.12 in the case where a pharmacist supplied medicine on the strength of a prescription to a member or a dependant of that member, as addendum to the account or statement; an original copy or a photocopy of the prescription certified by the pharmacist, as a true and correct copy or photocopy of such a prescription.
- 21.3.13 in respect of orthodontic treatment; a statement containing the following shall accompany the first account:
- (c) the tariff code in accordance with the scale of benefits for the treatment.
 - (d) treatment plan indicating the following:
 - i) the total cost to be charged for the treatment by the orthodontist.
 - ii) the duration of the treatment.
 - iii) the initial primary amount payable by the member.
 - iv) the monthly amount that the member shall pay.
- 21.3.14 Submitted invoices must be written in English Language, if not so an official and certified interpretation for that particular invoice should be provided.
- 21.4 The Scheme reserves the right to return to the service provider, all claims, either not submitted in the prescribed format or not legible.
- 21.5 Where any account has been paid by a member, he shall, in support of his claims, submit a receipt as proof of payment.
- 21.6 Account(s) for treatment of injuries shall be supported by a statement, setting out particulars of the circumstances under which the injury was sustained, as and when required by the Management Committee.
- 21.7 The Management Committee may require that, where possible, a claim be certified by the member.
- 21.8 The liability of the Scheme to process claims re-submitted for whatever reason, shall lapse two (2) months following the date on which it was first paid.
- 21.9 The payment of claims shall always be subject to the provisions of **Rule 19**.

22. BENEFITS EXCLUDED

Unless otherwise decided by the Management Committee, expenses incurred for excluded benefits, as indicated in the Benefits and Contributions Schedule as amended from time to time, shall not be paid by the Scheme.

23. LIMITATION OF BENEFITS

- 23.1 The maximum amount of benefits available to a member and his dependants during a financial year is limited as indicated in the Benefits and Contributions Schedule, as amended from time to time.
- 23.2 Benefits of all new members admitted during the course of a financial year shall be pro-rated to the period of membership from the date of admission to the end of the particular financial year.

24. EX-GRATIA PAYMENTS

- 24.1 Except in the event of a dread disease, the Management Committee may, in its absolute discretion, make ex-gratia awards to members in distressed circumstances.
- 24.2 Application for ex-gratia payment should be submitted to the Scheme before or after obtaining a service. Applications submitted before obtaining a service must be accompanied by a clinical motivation, a treatment plan and an estimated cost of the service. Applications submitted after obtaining a service must be submitted within six (6) months from the date of service. Applications submitted more than six (6) months from the date of service may only be considered under exceptional circumstances.
- 24.3 Applications for ex-gratia payment may be submitted three (3) times in any financial year, provided that the amount of each invoice per submission after ex-gratia calculations is not less than Five Hundred Pula (P500.00).

- 24.4 Assessment of ex-gratia applications shall follow a prescribed criteria and the resultant award shall, amongst other factors, be based on the number of years a member has been with the Scheme, the number of dependants, the member's income or household income for married members, and the exhausted annual benefit limit(s), provided a member has not exhausted their overall annual benefit limit.
- 24.5 The Management Committee shall delegate award of ex-gratia payments to the Principal Officer and the decision of the Principal Officer in respect of any request for an ex-gratia payment shall be final and binding upon the member concerned.

25. MANAGEMENT

- 25.1 The affairs of the Scheme shall be managed according to these Rules by a Management Committee consisting of not more than eight (8) members, six (6) of whom shall be representatives of critically essential major stakeholders appointed by the Appointing Authority and two (2) independent members with required skills, to be appointed by the Appointing Authority from time to time.
- 25.1.1 Co-opted additional Management Committee members as provided for under **Rule 25.5** and alternate members as provided for at **Rule 25.13** shall be considered members for purposes of **Rule 25.1**
- 25.1.2 However, any person required to attend Management Committee meetings to provide expert advice, shall not be considered a member for purposes of Rule.
- 25.2 The Appointing Authority shall take into account the requisite skills and expertise, as shall be prescribed in terms of these Rules when appointing a person into the Management Committee from time to time, and shall without limitation, include qualification in the following areas:
- 25.2.1 Finance & Accounting
- 25.2.2 Administration
- 25.2.3 Economics
- 25.2.4 Law
- 25.2.5 Actuarial Sciences
- 25.2.6 Health
- 25.2.7 Social Welfare
- 25.3 A Management Committee member shall remain in office for a maximum period of three (3) years ("Term"), save that at the end of this his/her Term, the incumbent may be re-appointed by the Appointing Authority for an additional Term, provided that such Management Committee member shall not be entitled to serve for more than two (2) consecutive Terms unless there is at least the equivalent period of a Term before he is eligible for re-appointment, whereafter the two (2) consecutive Term periods will be calculated anew.
- 25.4 A Management Committee member shall be given three (3) months' notice by the Appointing Authority in the event they are withdrawn or not re appointed for a further term.
- Notwithstanding **Rule 25.5**, a Management Committee member may be withdrawn and replaced at any time by the Appointing Authority without notice if he/she:
- i) has been convicted of theft, fraud or other crime of which dishonesty was an element;
 - ii) has been declared by a Court to be disqualified from being appointed as an office bearer of a Society, a Director of a company or a Trustee of a Trust;
 - iii) has been removed from an office of trust on account of misconduct or one who has been suspended, disqualified or replaced by the Regulator on account of a breach of good governance standards as a Director or Trustee.
 - iv) has been removed or disciplined by a professional body, e.g. Botswana Institute of Accountants, Law Society etc.
 - v) has been declared an un-rehabilitated insolvent.
 - vi) fails the fit and proper test and is rejected to act as a controller by the Regulator (Non-Bank Financial Institutions Regulatory Authority (NBFIRA)) or whose fit and proper status changes subsequent to the date of appointment.
 - vii) has been convicted of a financial crime as defined under the NBFIRA Act or in terms of applicable laws within and outside of Botswana;

Conclusion of such a withdrawal and replacement shall be on the basis of a related letter to the Management Committee by the Appointing Authority.

- 25.5 The Management Committee shall be empowered to co-opt any persons as additional Management Committee members (who need not be Scheme members) for any special purpose whenever necessary.
- 25.6 More than half the members of the Management Committee shall constitute a quorum at the Management Committee meetings.
- 25.7 The Chairperson of the Management Committee shall be the Permanent Secretary, Ministry of Health. In his or her absence, the Vice-Chairperson of the Scheme who shall be appointed from among the representatives of the critically essential stakeholders, shall act as the Chairperson.
- 25.8 In the absence of both the Chairperson and Vice-Chairperson at a meeting of the Management Committee, members present shall elect one among themselves to preside over the proceedings.
- 25.9 Decisions of the Management Committee shall be by a majority vote. In the event of an equality of votes the Chairperson shall have a casting vote in addition to his/her deliberative vote.
- 25.10 Members of the Management Committee shall avoid conflicts of interest. In cases where a conflict cannot be avoided, it should be disclosed to the Management Committee in full at the earliest opportunity, and then proactively managed as determined by the Management Committee.
- 25.10.1 Without limiting the generality of the foregoing, the individual members of the Management Committee shall on an annual basis disclose all personal financial interests and any financial interests of any Related Person to the Committee Secretary in writing and, in addition, shall at all times disclose any interest, whether it be pecuniary or otherwise, whether directly or indirectly, which they may have in any company or entity which may contract or otherwise deal with the Scheme.
- 25.10.2 Should any conflict of interest arise during a meeting, the Management Committee member shall disclose this to the Management Committee and must disclose any material information relating to the matter known to the director as well as any observations or pertinent insights relating to the matter to the extent requested by the other members of the Management Committee and must leave the meeting immediately after making such disclosure and not take part in any deliberation on such matter. The member shall be deemed to be present in the meeting for quorum purposes, but absent for voting purposes. If a Management Committee member or a Related Person acquires a personal financial interest in an agreement or other matter after the Scheme has concluded an agreement, the member must promptly notify the Management Committee the nature and extent of such interest and the material circumstances relating to the acquisition of such interest. Failure on the part of a Management Committee member to comply with the provisions of this Rule shall constitute a breach of that member's fiduciary duties whether arising in law or in terms of these Rules.
- 25.11 A member of the Management Committee shall cease to hold office if:
- 25.11.1 he resigns; or
- 25.11.2 he dies; or
- 25.11.3 he is declared insane or is incapable of managing his affairs; or
- 25.11.4 he is declared insolvent or has surrendered his estate for the benefit of his creditors; whether in Botswana or elsewhere; or
- 25.11.5 he is convicted of criminal offence; or
- 25.11.6 he is removed by a competent Court from any office of trust on account of misconduct; or
- 25.11.7 he is withdrawn by the Appointing Authority; and
- 25.11.8 he absents himself from three (3) consecutive meetings of the Management Committee without the prior permission of the Chairperson.
- 25.12 The Management Committee shall meet quarterly. However, the Chairperson may convene a special meeting of the Management Committee should the necessity arise. A majority of the members of the Management Committee may also request the Chairperson to convene a special meeting of the Management Committee; provided the matters to be discussed at the meeting are clearly stated in the request. Upon receipt of the request,

the Chairperson shall, within seven (7) days after such receipt, convene a special meeting of the Management Committee to deal with the matters stated therein.

25.13 The Appointing Authority may appoint an alternate to a substantive member of the Management Committee. Such an alternate shall be entitled to attend all meetings and proceedings provided that the alternate shall not be entitled to vote at meetings where the substantive member is also present.

25.14 The Management Committee may delegate any of its powers and functions to a Sub-Committee consisting of such of its members, the Principal Officer or his representative, representatives of the Administrator, or any such individuals as it may nominate; provided that a Sub-Committee so appointed shall in the exercise of its powers conform to any rules or instructions that may be imposed on or issued to it by the Management Committee.

25.14.1 Such Sub-Committees may include but not be limited to the Finance, Audit, Risk and Compliance` Sub-Committee, Investment Sub-Committee and Nominations, Remuneration and Human Resource Sub-Committee.

25.14.2 The Management Committee shall determine and reduce to writing the Terms of Reference and Scope of Work for each Sub-Committee, including Code of Conduct.

25.15 A resolution in writing signed by more than half of the Management Committee members, shall be as valid and effectual as if it had been passed at a meeting of the Management Committee duly called and constituted; provided that where a Management Committee member is not so present but has an alternate who is so present, then such resolution shall be signed by such alternate. Any such resolution may consist of several documents in like form, each signed by one or more Management Committee members.

25.16 The Management Committee shall cause the proceedings of all Annual, Special, General and Management Committee meetings to be properly minuted and the minutes of such meetings shall be laid before the first succeeding meeting. If the minutes of any such meeting are approved by the subsequent meeting as a fair reflection of the proceedings of the prior meeting, accepted and confirmed as correct, they shall be signed by the Chairperson and shall be deemed to constitute prima facie evidence of the proceedings at such meeting.

25.17 Members of the Management Committee shall be entitled to remuneration, honorarium or any other fee in respect of services rendered in their capacity as members of the Management Committee as may be determined by the Management Committee from time to time Remuneration Committee in terms of a remuneration policy approved by the Nominations, Remuneration & Human Resource Sub-Committee in terms of a remuneration policy approved by the Management Committee from time to time provided that all recommendations for the remuneration of Management Committee members shall be subject to the approval by the members at an Annual General Meeting within the previous two (2) years.

25.18 The Scheme shall bear all travel and accommodation expense to facilitate attendance of meetings by the substantive Management Committee and/or alternate members and/or Sub-Committee members resident outside Gaborone; at such rates and within such further parameters as specified in a published travel policy which shall be approved by the Management Committee from time to time.

25.19 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.

26. ADMINISTRATOR

The Management Committee shall appoint an Administrator, as defined in **Rule 4.1**, for the proper execution of the business of the Scheme and shall also determine the terms and conditions of the appointment. The Management Committee shall have the power to take all the necessary steps and to sign and execute all the necessary documents to ensure the due fulfilment of the Scheme's obligations regarding the appointment. The Management Committee shall have the power to terminate the services of the Administrator, but this may only be effected by means of a resolution adopted at a Special Meeting of the Management Committee convened for this specific purpose.

27. PRINCIPAL OFFICER

The Management Committee may appoint a Principal Officer, whose duties and responsibilities are as defined in **Rule 28.1**

28. DUTIES OF THE PRINCIPAL OFFICER, CHAIRPERSON, MANAGEMENT COMMITTEE AND THE ADMINISTRATOR

28.1 The Principal Officer, who qualifies as such under the applicable laws shall, under the direction and supervision of the Management Committee and under the Principal Office, oversee provision of the following services to the Scheme, which services shall, without limitation include:

- 28.1.1 issuance of all notices of meetings and responding to all enquiries in relation to notices of meetings.
 - 28.1.2 attendance at all meetings of the members, Management Committee and of any duly appointed Committee(s).
 - 28.1.3 ensuring recording of proceedings of all meetings of members, Management Committee and of any duly appointed Committee; and, together with the Chairperson, ensure that the minutes of all proceedings are signed as a true and correct record of the proceedings.
 - 28.1.4 responsibility for the preparation and submission of all statutory returns.
 - 28.1.5 responsibility for the development and maintenance of an up-to-date record of the Management Committee and Sub-Committees of the Scheme.
 - 28.1.6 communication with members regarding any changes to the Scheme Rules and benefits, annual contribution increases and/or any other communication to the members, service providers and stakeholders, as may be necessary, in furtherance of the objects of the Scheme.
 - 28.1.7 the procurement of services on behalf of the Scheme, subject to approval by the Management Committee and ensuring that service providers to the Scheme and its beneficiaries are appropriately contracted and provide services in accordance with signed service level agreements.
 - 28.1.8 being conversant with Enterprise Risk Management as well as compliance with prescribed financial crimes regulatory framework in terms of established national laws, international best practice, and other frameworks to adequately mitigate and manage risks related to money laundering, financing of terrorism and proliferation financing to promote and safeguard the integrity of the Scheme.
 - 28.1.9 carrying out of all duties as are necessary for the proper execution of the business of the Scheme, as the Management Committee may direct, from time to time.
- 28.2 The Management Committee shall ensure that the Scheme is managed in accordance with the requirements of any legislation and the Rules of the Scheme.
- 28.3 The Management Committee shall advise the employer in writing within fourteen (14) days of receiving monthly financial results should such financial results of the Scheme reflect technical insolvency.
- 28.4 The Administrator's presence at any meeting of the members, Management Committee and/or any duly appointed Sub-Committee of the Scheme, shall be by invitation of the Management Committee or its representative to the Administrator to attend any of the meetings of any forum of the Scheme for a specific presentations and/or reporting. Furthermore, if at any meeting at which the Administrator is present, the forum deems it necessary to excuse the Administrator therefrom, then it shall have the sole discretion to do so.
- 28.5 The Administrator shall arrange for the collection of contributions, banking of funds and processing such payments as authorised by the Scheme.
- 28.6 The Administrator's duties, over and above those as set out in **Rule 28.4** and **Rule 28.5** shall be as set out in the terms and conditions of the Administrator's appointment referred to at **Rule 26**.

29. POWERS OF THE MANAGEMENT COMMITTEE

The Management Committee is, on behalf of the members, empowered to:

- 29.1 open banking accounts in the name of the Scheme.
- 29.2 in respect of any moneys not immediately required to meet current obligations of the Scheme, lend, invest, place on deposit, make advances or otherwise to deal with such moneys upon such securities and in such manner as the Management Committee may from time to time determine; and to realise, vary, re-invest or otherwise deal with such securities as it may from time to time determine.
- 29.3 borrow money from any financial institution and/or any other reputable source against the security of the Scheme's assets, where applicable.
- 29.4 issue financial guarantee(s) against any assets of the Scheme, in respect of any loan(s) issued towards any development project and/or whatever the case maybe, in furtherance of the objects of the Scheme.

- 29.5 appoint through a tendering process, consultants, amongst others, Asset Consultants, Investment Managers, Actuaries and/or any such other service providers or consultants as may be necessary for the proper discharge of the objects of the Scheme.
- 29.6 do any act which is in furtherance of the objects of the Scheme or for improving the efficiency of the Scheme, provided that such act does not conflict with any provisions of these Rules.
- 29.7 provide and present reports at Annual or Special General Meetings on an annual basis, or as and when there is need to do so.

30. DISCRETIONARY POWER OF THE MANAGEMENT COMMITTEE

- 30.1 Any matters not specifically covered by these Rules shall be left to the discretion of the Management Committee, provided that the decision of the Management Committee shall not be inconsistent with these Rules.
- 30.2 Without detracting from the generality of the foregoing, but subject always to **Rule 41.1.1** and **41.1.2**, the Management Committee may in its discretion amend these Rules from time to time to improve the efficiency of the Scheme.

31. SIGNING OF DOCUMENTS

Every contract or document binding the Scheme or any documents authorising the performance of any act on behalf of the Scheme shall be signed by either the Chairperson or Vice-Chairperson, another member of the Management Committee or the Principal Officer of the Scheme in line with signatory authority levels as set out in the Scheme's Delegation of Authority Framework from time to time. The Management Committee shall be empowered to authorise such of its members as it may approve from time to time and upon such terms and conditions as may be approved by it, to be the second signatory from the Management Committee on any document.

32. INDEMNIFICATION

The Management Committee and all officers who deal with the Scheme's affairs shall be indemnified by the Scheme against all proceedings, costs and expenses incurred by reason of any claim in connection with the Scheme, not arising from their negligence, dishonesty or fraud.

33. FIDELITY GUARANTEE

The Management Committee shall ensure that the Scheme is insured as far as reasonably possible against loss resulting from the dishonesty or fraud of any of its officers (including members of the Management Committee) having the receipt or charge of moneys or securities belonging to the Scheme.

34. BANKING ACCOUNTS

Subject to the approval of the Management Committee, the Scheme shall maintain one or more banking accounts with one or more registered commercial banks. All money received shall be deposited into the bank account(s) and all payments shall be effected under the signature of persons appointed in terms of **Rule 31** or where so authorised by electronic direct credit or telegraphic transfer.

35. AUTHORITY FOR PAYMENTS

- 35.1 All disbursements shall be approved by the Management Committee provided that such authority may be delegated to the signatories in terms of **Rule 31** and in line with the approved delegation of authority by the Management Committee.
- 35.2 Notwithstanding **Rule 34**, the Management Committee may authorise the Administrator to operate a special Scheme Settlement Account for purposes of paying claims and making other day-to-day disbursements as authorised by the Management Committee from time to time.

36. GENERAL MEETINGS OF MEMBERS

36.1 Annual General Meeting

- 36.1.1 An Annual General Meeting of members shall be held within six (6) months from the end of each financial year, and at such time and place as the Management Committee shall determine for the purpose of:
 - (i) receiving and adopting the audited annual financial statements together with the report of the Management Committee on the past year's financial and operational performance of the Scheme.

(ii) the appointment of External Auditors for the Scheme:

An auditor shall be appointed at each Annual General Meeting to hold office from the conclusion of that meeting, until the conclusion of the next Annual General meeting. At any Annual General Meeting a retiring auditor, however appointed shall be deemed to be reappointed without any resolution being passed unless;

- (a) he is not qualified for re-appointment; or
- (b) the majority of members present in person or by proxy at such meeting vote in favour of the resolution appointing another auditor in his stead or providing expressly that he shall not be reappointed; or
- (c) Should the Scheme be without an auditor, for any reason, the Management Committee shall, within twenty-one (21) days as from the date of the vacancy occurring appoint a person or firm to fill the vacancy which auditor shall hold office until the next Annual General Meeting where an auditor shall be appointed.

The auditor of the Scheme shall have the right of access at all times to the books of accounts of the Scheme and shall be entitled to require from the offices of the Scheme and Administrator such information and explanation as the auditor thinks necessary for the performance of his duties.

The auditor shall make a report to the Management Committee and thereafter to the members of the Scheme on the accounts examined by them and on the financial statements laid before the Scheme at a General Meeting.

(iii) any other business for which due notice has been given.

- 36.1.2 The notice convening the Annual General Meeting containing the agenda shall be dispatched at least twenty-one (21) days before the date of the meeting to all members and the employer, in such format as the Management Committee may prescribe from time to time, and shall as a standard be soft copies and Scheme website. The Scheme may without limitation, include hard copies, e-mail and compact discs (CDs) at the request of a member. The non-receipt of the notice by a member shall, however, not invalidate the proceedings of the meeting.

36.2 Special General Meeting

- 36.2.1 The Management Committee may, whenever it thinks desirable, convene a Special General Meeting of members, of which no less than twenty-eight (28) days' notice shall be given, or upon receipt of a requisition signed by not less than ten (10) members for every one thousand (1000) members one (1%) of members registered on the Scheme at the date of the issue of notice for such a meeting. In the latter case, the Special General Meeting is to be held twenty (20) days after receipt of the requisition. Notice, stating full particulars of the object of the meeting, shall be given *mutatis mutandis*, in the manner provided for in **Rule 36.1.2**. The meeting shall be held at such time and place as the Management Committee shall determine.
- 36.2.2 Any requisition shall specify the objects of the meeting requisitioned; shall be signed by the members making such requisition; and shall be deposited at the registered office of the Scheme.

36.3 Quorum

- 36.3.1 The quorum for an Annual General Meeting and for a Special General Meeting shall be not less than ten (10) members for every one thousand (1000) members one percent (1%), registered as members at the date of issue of notice of the Annual General Meeting or Special General Meeting as the case may be, either present in person or represented by proxy.
- 36.3.2 If a quorum is not present at an Annual General Meeting or at a Special General Meeting called by the Management Committee after the lapse of thirty (30) minutes from the time fixed for the commencement of the meeting, the meeting shall stand adjourned until the same day and time of the next week and the members then present shall form a quorum; provided that if the same day of the next week is a public holiday the meeting shall stand adjourned until the first working day following the public holiday; provided further that if a quorum is not present at a Special General Meeting convened on the requisition of members after the lapse of thirty (30) minutes from the time fixed for the commencement of the meeting, the meeting shall be cancelled.

36.4 Proxies

Any member shall be entitled to be present at any general or special meeting in person or represented by proxy, provided that such proxy shall be in the form prescribed by the Management Committee from time to time and shall reach the Administrator less than twenty-four (24) hours prior to the time for the holding of a general meeting.

37. VOTING AT MEETINGS OF MEMBERS

Every member who is personally present or represented by proxy at a meeting of members of the Scheme and whose contributions are not in arrears shall have the right to vote at the meeting. The Chairperson shall determine whether voting shall be by ballot or by a show of hands; provided that where members are called upon to vote on any matter which affects the rate of contribution or the nature or extent of the benefits, the voting shall be by ballot. In the event of the votes at the meeting being equal, the Chairperson shall have a casting vote in addition to a deliberative vote.

A resolution passed at a meeting of members, other than for the continuation of the Scheme in terms of **Rule 39.1** shall be treated as a recommendation to the Management Committee who shall deal with it as they shall determine.

38. SETTLEMENT OF DISPUTES

A Disputes Committee of three (3) members shall be appointed by the Management Committee. Any dispute which may arise between a member, prospective member, former member or a person claiming on behalf of such member and the Scheme or an officer of the Scheme, shall be referred by the Management Committee to the Disputes Committee for review; provided that such member or the person claiming on behalf of such member shall have the right to be heard before such a Committee either in person or through a representative. The decision of the Disputes Committee shall be final and binding, provided that such decision is not inconsistent with these Rules.

39. TERMINATION OR DISSOLUTION

39.1 The Botswana Government may on six (6) month's written notice given to the Management Committee, terminate the Scheme, provided that if two-thirds of the members present at a duly constituted meeting of members called by the Management Committee for the purpose in terms of **Rule 39** elect to continue the Scheme without the employer's contributions, the Rules shall be amended and the Scheme shall be continued.

39.2 Should the Management Committee or the members in a meeting of members decide that the Scheme should be dissolved, the Management Committee shall dispatch to every member by ordinary mail to his place of employment, a memorandum containing the reasons for such a step, together with a ballot paper. Every member shall be requested to return his ballot paper duly completed before or by the specified date. If at least fifty percent (50%) or such lower percentage as the employer shall decide, of the members return their ballot papers duly completed, and if the majority thereof are in favor of the dissolution of the Scheme, the Management Committee shall take a formal decision that the Scheme shall be dissolved with effect from the specified date from which date no further contributions shall be payable to the Scheme.

39.3 If a decision to dissolve the Scheme has been taken in terms of **Rule 39.2** the assets of the Scheme, after discharging all the liabilities, shall be distributed to any organisation which falls within the ambit of the tax exemption status provided by the Income Tax Act applicable from time to time.

40. PERUSAL OF DOCUMENTS

40.1 Any member shall on request be supplied by the Scheme, free of charge, a copy of the latest audited financial statements of the Scheme.

40.2 Additional copies of the documents mentioned in **Rule 40.1** and **Rule 10** shall be supplied by the Scheme on application and upon payment of a charge per copy, as may be determined by the Management Committee from time to time.

40.3 A member shall be entitled to inspect free of charge at the registered office of the Scheme or the office of the Administrator, any of the following documents and make copies thereof:

- 40.3.1 the Rules of the Scheme.
- 40.3.2 the latest audited financial statements of the Scheme.
- 40.3.3 and the latest auditor's report of the Scheme.

41. AMENDMENT OF THE RULES

- 41.1 Unless otherwise provided for in these Rules, the Management Committee is authorised to alter or rescind any Rule or Benefits and Contributions Schedules or to make any additional Rule or Benefits and Contributions Schedules without further approval by the members or the Employer, provided that:
- 41.1.1 no alteration, rescission or addition to the objects of the Scheme as set out in Rule 5 or which increases or decreases the rates of contributions or which increases or decreases the extent of benefits by more than twenty-five percent (25%) during any financial year shall be valid unless approved by the employer;
 - 41.1.2 no alternation, rescission or addition to the objects of the Scheme, or which increases or decreases the rates of contribution or increases or decreases the extent of benefits by more than twenty-five percent (25%) during any financial year shall be valid unless it has been approved by a majority of the members present or represented by proxy at a meeting of the members convened in the manner provided for in **Rule 36** or by ballot, arranged in the manner prescribed by **Rule 37**.
 - 41.1.3 Details of amendments shall be submitted as soon as possible to employers who shall make such amendments known to the members who are in their employ.
- 41.2 Generally, and in line with **Rule 41.1**, the Rules shall be reviewed on an annual basis without further approval by the employer or the members.