

**ESTABLISHED 1<sup>st</sup> NOVEMBER 1970**

# **Bomaid**

Health & Happiness at heart

**BOOK OF RULES**

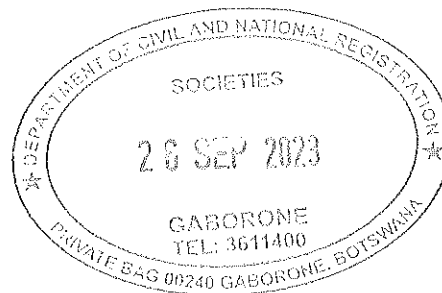
**REVISED 2023**

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## 1. NAME

The name of the Fund is THE BOTSWANA MEDICAL AID SOCIETY (hereinafter referred to as "Bomaid or "The Fund").

## 2. LEGAL PERSONA

The Fund, in its own name, shall be capable in law of suing or being sued, acquiring, holding and alienating property, both movable and immovable and causing to be done all such things may be necessary for or incidental to the exercise of its powers or the performance of functions in terms of the Non-Bank Financial Institutions Regulatory Authority Act, Regulations and these Rules.

## 3. REGISTERED OFFICE AND TERRITORY OF OPERATION

The Registered Office of the Fund is situated at Plot 50638, Fairgrounds, Gaborone. This address is the domicilium citandi et executandi for the purposes of all legal proceedings. The Board reserves the right to relocate such office to another location or address should circumstances so dictate.

The Fund operates in Botswana and is governed by the Laws of the Republic of Botswana. Unless otherwise stated, all medical cover is within the territory of the Republic of Botswana. International assistance for members shall be subject to specific products and protocols as will be shared from time to time.

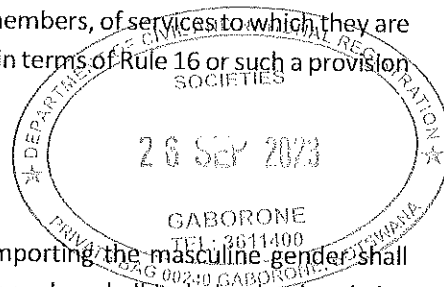
## 4. OBJECTS

The objects of the Fund are to raise funds by subscriptions and donations, so as to make provision for the granting of assistance to members thereof in defraying medical expenditure incurred by them in connection with the rendering to them and to dependants of such members, of services to which they are entitled in terms of Rule 15, provided that such services are claimed in terms of Rule 16 or such a provision as the Board may determine from time to time.

## 5. DEFINITIONS

Unless inconsistent with the context, all words and expressions importing the masculine gender shall include the feminine and vice versa; words signifying the singular number shall include plural and vice versa, and the following expressions shall have the following meanings:

<i>"Administrator"</i>	shall mean the entity appointed by the Board of Trustees from time to time to carry out an administrative function of the Fund.
<i>"Administration Expenses"</i>	shall mean all expenses incurred in the day-to-day administration of the Fund, and shall include audit fees, legal fees, fidelity insurance premiums, subscription to Associations, but shall exclude administration fees, costs of litigation and medical examination fees;
<i>"Administration Fees"</i>	shall mean fees paid to the Administrator;
<i>"Adult Dependant"</i>	shall mean a person other than the spouse of the Member who is in fact wholly or partly dependent on a Member for financial support, as verified by the Fund and is registered as such by the rules of the Fund as an Adult Dependant, and may include, but not limited to the following:



- a) a child 25 years or more
- b) the divorced Spouse of a Member
- c) the immediate family member or relative of the Member in respect of whom the Member is liable for family care and support.
- d) the second and any additional Spouse of a Member under customary or religious union.
- e) the aged relative of a Member or Member's spouse not younger than 60 years, who has no income and is totally and financially dependent on the principal member, and whose direct biological relationship with the member or member's spouse and the aged parent must be proven;

**"Benefit Plan"** shall mean the benefit category or benefits which have been chosen by the Members in terms of these rules and the benefit guide provided and amended by the Fund from time to time;

**"Board"** shall mean the Board of Trustees appointed to manage the Fund in terms of Rule 19, and approved by the Regulatory authority;

**"Chief Executive Officer"** shall mean the Principal Officer who is appointed by the Board for the daily management of the Fund;

**"Child"** Shall mean a natural child, step-child or adopted child, or foster child, under the age of 25 years and is unmarried and not in receipt of regular remuneration, who has been placed under custody of the member or his Spouse who is in terms of an order of court or competent authority; \*Unless evidence of financial dependence can be confirmed\*;

**"Child Dependant"** shall mean a child of a member and or Adult Dependant, admitted as a dependant in terms of the prescribed rules;

**"Chronic Condition"** shall mean any illness of long duration and requires long term management and treatment;

**"Claim"** Shall mean the amount to which a member of the Fund is entitled in respect of expenses incurred by him in connection with medical, dental, optical treatment, hospitalization, medicine or any other requirement or services to which he and his dependants are entitled in terms of Rule 15 provided that such claim shall be lodged in terms of the provisions of Rule 16 or such other provisions as the Board may determine from time to time;

**"Company Representative"** shall mean the representative appointed by each Constituent Body, in terms of Rule 18;

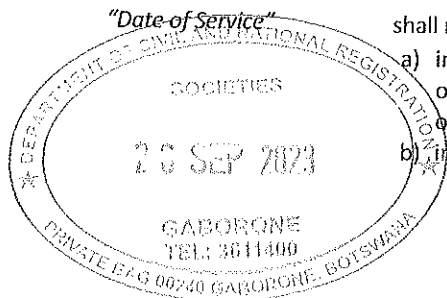
**"Condition-specific waiting period"** shall mean a prescribed period of a maximum of 24 months in which a Beneficiary is not entitled to claim any benefits due to a specific pre-existing condition or a break in medical aid cover of more than 90 days immediately prior to the application for membership;

**"Constituent Body/ Member"** shall mean the various companies, firms or bodies whether enjoying legal personality or not, duly admitted to membership of the Fund;

**"Contracted Service Provider"** shall mean a supplier of medical services who has entered into a formal contract with the Fund to provide specific services to members of the Fund;

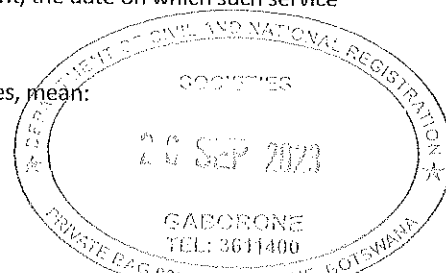
**"Date of Service"** shall mean:-

- a) in the event of consultation, visit or treatment by a medical practitioner, dentist or any approved health practitioner, the date on which each consultation visits or treatment occurred whether for the same illness or not;
- b) in the event of an operation, procedure or confinement, the date on which each



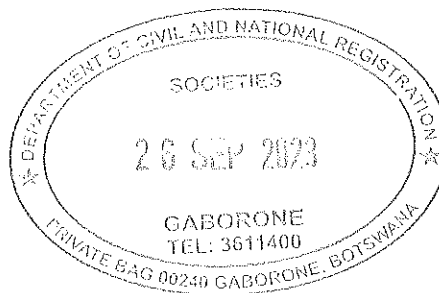
- operation, procedure or confinement occurred;
- c) in the event of hospitalization, the date of each discharge from hospital or nursing home. Where the stay in the hospital is over two financial year periods, the date of service shall be determined by the admission date;
- d) in the event of any other service or requirement, the date on which such service was rendered or requirement obtained;

<i>"Dependant"</i>	shall, in relation to a member subject to these Rules, mean: <ul style="list-style-type: none"> <li>a) Spouse – as defined below;</li> <li>b) Child – as defined above;</li> <li>c) Adult dependant – as defined above;</li> <li>d) Parent, as defined below;</li> </ul>
<i>"Dispensing Practitioner"</i>	shall mean eligible doctors, pharmacists or any authorized professional who dispense medication to patients;
<i>"Dread disease"</i>	shall mean any of the listed conditions as per benefit schedule and Rule 15(1);
<i>"Employee"</i>	shall mean principal members employed by Constituent Bodies in a full time capacity;
<i>"Financial Year"</i>	shall mean the Fund's financial year which runs from January 1st to December 31st;
<i>"Fit and Proper"</i>	Shall mean a person having the necessary qualities and traits prescribed by the Regulator to be appointed by the Board.
<i>"Generic Reference Price"</i>	shall mean the reimbursement model where the Fund sets a maximum reimbursable price for a list of generically similar products with a cost lower than that of the branded medicine;
<i>"Hospitalization"</i>	shall mean a member's overnight and/or day admission in hospital including a step down facility;
<i>"Ill Health"</i>	shall mean poor physical or mental condition which renders the person unfit to execute their day-to-day duties;
<i>"Individual Member"</i>	shall mean any person duly admitted to the membership of the Fund, in their personal capacity, excluding those registered under a Constituent Body or registered under Pensioner membership;
<i>"Late Joiner Penalty"</i>	shall mean an increase or premium paid on a member's subscription rate that applies to members above the age of 34 years that join a medical aid fund for the first time or after an extended period without medical aid cover. The latter shall be determined by the Fund from time to time;
<i>"Member"</i>	shall mean any person duly admitted to membership of the Fund;
<i>"Minor "</i>	shall mean any member or dependant under 18 years of age;
<i>"Non-disclosure waiting period"</i>	shall mean a penal waiting period of up to 24 months, imposed on a member or dependant for failure to disclose a pre-existing condition or chronic decease during application for membership to the Fund;
<i>"Parent"</i>	Shall mean biological/legal parent of the member of the Fun.
<i>"Pensioner Member"</i>	shall mean a member who has retired from formal employment and has been admitted to the Fund in line with Rule 8 and who does not earn an income from any other formal employment or economic activity;
<i>"Personal Information"</i>	shall mean any data in electronic or any other form relating to a living individual from



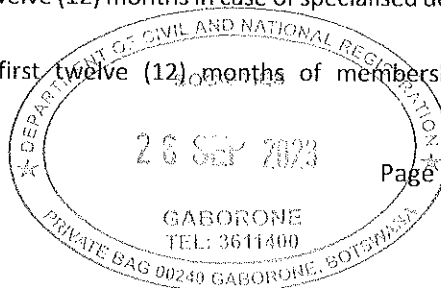
which the identity of a member can be directly or indirectly ascertained;

<i>"Pre-existing condition"</i>	shall mean any known or unknown illness or health condition that a member had prior to joining the Fund, whether or not during the application process the illness or healthcare condition was disclosed;
<i>"Preferred Provider"</i>	shall mean a healthcare provider or group of providers, selected by the Fund in terms of an agreement in which the fee/rate is determined in respect of the payment to relevant health services and may also be referred to as a designated service provider;
<i>"Principal Officer"</i>	shall mean a person appointed by the Board for the daily management of the Fund and is accountable to the Board and the regulator on behalf of the Fund, also known as the Chief Executive Officer;
<i>"Principal Member"</i>	also referred to as a "Member", shall mean the individual who owns the policy and has all contractual rights, but does not include a Dependant;
<i>"Prosthesis"</i>	shall mean an artificial body part or device and this could be external or internal;
<i>"Regulator"</i>	shall mean the Regulatory Authority, that is, the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) or any substitute appointed from time to time;
<i>"Rules"</i>	shall mean the rules of the Fund as amended from time to time in terms of these Rules and shall include any Schedule to the Rules;
<i>"Service Provider"</i>	shall mean a supplier of medical services and products to members of the Fund and the Fund itself.
<i>"Special Dependant"</i>	shall mean an aged relative of a Member or Member's spouse, not younger than 60 years, who has no income and is totally and financially dependent on the principal member, and whose direct biological relationship with the member or member's spouse and the aged parent must be proven;
<i>"Spouse"</i>	shall mean the spouse (s) of a Member, to whom the member/applicant is married or is in union recognized in accordance with any law or custom or enjoys a relationship similar to that of legally married spouses;
<i>"Staff Representative"</i>	shall mean the representative elected in terms of Rule 18;
<i>"Subscription"</i>	shall mean, the amount paid to the Fund by or on behalf of the members;
<i>"Waiting Period"</i>	shall mean a period in which a member is not entitled to claim any benefits;

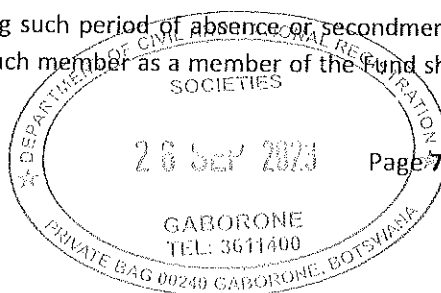


## 6. MEMBERSHIP

- A. The Membership of the Fund shall extend to:
- I. Individuals and/or employees of a constituent body who have elected, or are obliged as a condition of employment to become members of the Fund;
  - II. Employees of employers who are awaiting approval of Constituent membership provided that such approval is within a period of three months.
  - III. Minors shall be eligible for membership but may not be admitted to membership without the consent of their parents or guardian.
  - IV. In case of death of a Principal Member, the widow/ widower of a deceased member together with other dependants of the member registered with the Fund at the date of death, shall be able to continue membership for a period not exceeding three months provided that thereafter the widow/widower or other dependants will formalize their membership, that is, conversion to become a principal membership in accordance with the rules of the Fund, and that during such period full payment of subscriptions are made.
- B. New members joining the Fund via an employer may elect for any one of the benefit plans at the time of joining the Fund.
- C. New members joining the Fund via individual membership may only subscribe to benefit plans classified as individual member benefit plans.
- D. All members and their dependants shall before being admitted to membership, furnish such information as the Fund may require to the Fund's satisfaction. The Fund may in any one particular case require an applicant to undergo a medical examination, the cost of which shall be borne by the Fund.
- I. Should such examination indicate that an applicant or a dependant has a pre-existing condition, the Fund reserves the right of admission or may limit or exclude any benefit accruing to applicant or dependant.
  - II. Failure to disclose any known chronic / pre-existing conditions may lead to expulsion from the Fund or a sanction upon discovery.
  - III. The Fund reserves the right to impose as pre-existing any unknown condition which assessment may confirm it existed prior to a member joining the Fund.
  - IV. The Fund will not honour hospital claims associated with chronic conditions and related complications during the first twelve months of membership.
  - V. All new members and/or new dependants with a chronic pre-existing condition shall have a restricted cover of 12 months for related major medical/hospitalization cover.
- E. All new members and/or new dependants shall undergo a Waiting period as follows:
- I. A general waiting period for the first three (3) months before they may claim from the Fund if they are registering with a medical Fund for the first time or in a case where a member has had a break in membership of more than 90 days immediately prior to application for membership to a medical aid fund.
  - II. A condition specific waiting period for the first twelve (12) months in the case of maternity confinement.
  - III. A condition specific waiting period for the first twelve (12) months in case of specialised dentistry and Reconstructive/Oral Surgery.
  - IV. A condition specific waiting period for the first twelve (12) months of membership for hospitalization on any chronic condition.

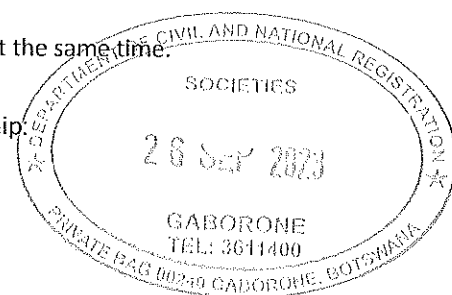


- V. A condition specific waiting period for the first twelve (12) months for chronic benefit and hospitalization for pre-existing conditions
- F. The Fund may, at its discretion and special consideration, waive the provisions of Rule 6(E).
- G. The Fund may, at its discretion, waive provision of Rule 6(E) in the case of the applicant having been:
  - I. A dependant member of the Fund for at least two years at the time of application for principal membership.
  - II. A principal/dependant member (in good standing) of a recognized medical aid for at least two years (applicable only within 3 months of terminating previous medical aid membership).
- H. All dependants other than newly born, newly adopted and newly fostered children registered within 30 days of birth, adoption and fostering who have not previously been members of the Fund in their own right or as dependants will be required to undergo the no claim period in accordance with the Rule 6(E) and (F) above. This rule must also be applied with the consideration of Rule 12(2)(i) and 12(2)(ii) where child dependants are involved.
- I. All new members and/or new dependants suffering from a chronic pre-existing condition shall have a restricted cover of not less than two (2) years for related major medical/hospitalization cover. The Fund reserves the right to admission if such applicant is deemed a potential risk.
- J. Should a member not disclose a pre-existing condition at the time of joining, in the event that the condition is discovered, a 12-month, non-disclosure waiting period sanction shall be imposed effective from the date of discovery.
- K. The Fund may, on application by a firm, company, admit such firm, company, or organisation as a Constituent Body, and extend membership of the Fund to its employees. The Fund may also on application by an individual member as defined extend membership to individuals.
- L. By signing application forms, the applicant and/or employee agree to accept and be bound by the Rules of the Fund.
- M. In the event of any member or Constituent Body having prepaid subscriptions and desiring to withdraw from the Fund and where no notice of termination has been given, no refund of any portion of his/her subscriptions shall be claimable.
- N. Every Constituent Body or Member shall receive a copy of the Rules. Payment by a member of his/her first subscription shall be deemed to constitute his acknowledgement and acceptance that he shall, on behalf of himself and his dependants, be bound by these Rules or by any amendments thereof.
- O. A member leaving Botswana, or a member who is seconded by his employer to a subsidiary or associated Company which is not a Constituent Body, may continue as a member of the Fund subject to all the rights and obligations of a member, provided that:
  - I. The Fund may at its discretion agree that during such period of absence or secondment, not exceeding two years, rights and obligations of such member as a member of the Fund shall be suspended.





- II. Save where proviso 6(Q)(I) is applied, the Constituent Body shall remain liable for the collection of subscription.
  - III. The benefits payable to a member who is so absent shall not exceed the benefits to which he would have been entitled to had he remained in Botswana.
- P. Nothing in these Rules shall be construed as altering in any way a Constituent Body's rights to terminate the services of an employee who is a member of the Fund, or any agreement between the Constituent Body and the employee in regard to their specific Conditions of Service.
- Q. In keeping with curbing the effects of Fraud, Waste and Abuse, and upholding ethical principles:
- I. Health/Medical Practitioners, Pharmacists, Physiotherapists, Dentists, Paramedical, Traditional healers and other allied ed healthcare providers are eligible to join the Fund and be bound by the Rules of the Fund.
  - II. Health/Medical Practitioners, Pharmacists, Physiotherapists, Dentists, Paramedical, Traditional healers and other allied healthcare providers and their family members/dependants, when unwell, shall be required by the Fund to consult practitioners other than themselves, or relatives to curb Fraud, Waste and Abuse and in keeping with ethical practices. The Fund reserves the right to not pay for claims contradictory to this rule.
  - III. Health/Medical Practitioners, Pharmacists, Physiotherapists, Dentists, Paramedical, Traditional healers and other allied Health Providers and their family members/dependants shall be required by the Fund to refer patients to practitioners other than themselves, or relatives to curb Fraud, Waste and Abuse and in keeping with ethical practices. The Fund reserves the right to not pay for claims contradictory to this rule.
  - IV. The Fund reserves the right to not pay for claims lodged by dispensing practitioners claiming for medication dispensed from their own practices or pharmacies, for their own personal use, to curb Fraud, Waste and Abuse and in keeping with ethical practices.
  - V. Members shall be required by the Fund to consult Health/Medical Practitioners and other Service Providers other than their relatives for their claims to be eligible for reimbursement.
- R. No member can be a principal member in more than one Medical Aid Fund at the same time.
- S. The Fund shall impose the following Waiting periods on a new membership:
- I. A general waiting period of up to three months.
  - II. A condition-specific waiting period for a period of up to twelve months.
- T. Late Joiner Penalty shall be applied as follows:
- I. Any applicant of 35 years of age or older, joining the Fund for the first time or re-joining after more than two years of no coverage shall be subjected to the Late Joiner Penalty as prescribed by the regulator.
  - II. This excludes applicants who had coverage with any other recognized medical aid, without a break in coverage exceeding three consecutive months immediately prior to applying for membership with the Fund and as such the cover must have been for a period not less than 2 years.



## 7. WITHDRAWAL AND TERMINATION OF MEMBERSHIP

- A. Withdrawal of Membership is subject to the provisions of these Rules:-
- I. In the event of any member ceasing to be an employee of any of the Constituent Bodies, the employer shall notify the Fund within five (5) business days of exit, and he shall ipso facto cease to

- be a member and thereafter shall have no claim on the Fund or its funds at the end of the cycle where employment with the constituent body is terminated.
- II. The member is obliged to inform the Fund of his or her withdrawal from the Constituent Body within thirty (30) days and advise whether he or she intends to continue in his or her individual capacity, for which if he or she intends to continue with his or her membership, he or she shall be required to complete an individual Membership form of the Fund, for continuity.
  - III. The Fund reserves the right to contact the member to offer them continuity of membership through a smooth transition to individual membership to which the member must explicitly confirm their impending status.
  - IV. Where conditions i and ii are not met and iii is met with confirmation to withdraw from the Fund, the Fund reserves the right to terminate membership.
  - V. The Fund may, at its discretion, grant any such ex-member some relief on claims covering treatment received during the employment period; for not more than three months after the date of his her ceasing to be a member provided that the Fund is informed of the withdrawal.
  - VI. In the event of a member withdrawing through resignation or any other reason, benefits during the last financial year of membership will be prorated i.e. reduced to one twelfth of a full year's benefits for every month of membership for which subscriptions are paid during the final year.
  - VII. In the event where the Constituent Body fails to notify the Fund of the members who ceased to be in their employ within one month prior to termination, it shall be liable for the accrued arrears.

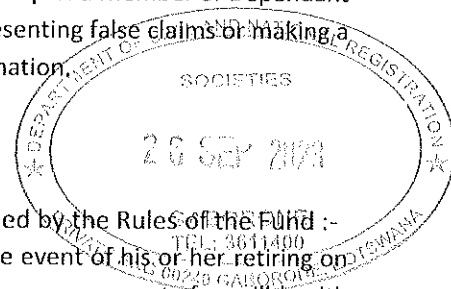
**B. Termination of Membership is subject to the provisions of these Rules:-**

- I. A member who, in terms of his condition of employment is required to be a member of the Fund, may not terminate his membership while he remains an employee prior written consent of his Employer.
- II. A member who, in terms of his condition of employment is required to be a member of the Fund, may not terminate his membership while he remains an employee prior written consent of his Employer.
- III. Such notice, however, may be waived in substantiated cases where membership of another medical Fund is a compulsory condition of employment.
- IV. A Constituent Body shall, on giving three months' written notice to the Fund, terminate its membership to the Fund; provided that the Fund may in its discretion accept less than three months' notice. In the event of a member withdrawing through resignation or any other reason, benefits during the last financial year will be reduced to one-twelfth of a full year's benefits for every month of membership completed during the final year.
- V. Membership of Constituent Bodies and individual members who are in subscription arrears shall upon notice be terminated by the Fund.
- VI. The Board may exclude from benefits or terminate the membership of a Member or Dependand who is found guilty of abusing the benefits of the Fund by representing false claims or making a material misrepresentation and non-disclosure of factual information.

**8. PENSIONER MEMBERSHIP**

The following provisions shall apply to Pensioner Membership, as defined by the Rules of the Fund :-

- I. A member shall retain his or her membership of the Fund in the event of his or her retiring on pension or his or her service being terminated by his or her employer on account of age, ill-health or other disability or for any other reason acceptable to the Fund.
- II. A person shall not be entitled to pensioner membership unless he or she has attained the age of sixty (60) years.



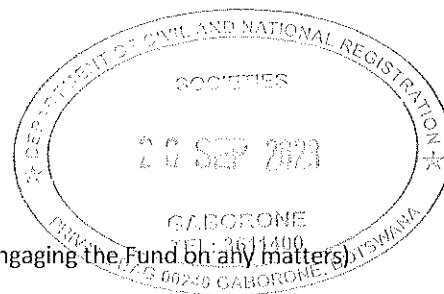
- III. The Fund shall inform the member of his or her right to continue his or her membership and of the contribution payable from the date of retirement, as will be advised by the Fund from time to time. Should the member wish to continue as a pensioner member, he or she will be required to inform the Fund in writing of the intention to remain as a member of the Fund, two (2) months before retirement.
- IV. This rule only applies to members who belonged to the fund before approval of the Book of Rules 2023 and shall not apply to members who join the Fund thereafter. New members joining the fund post approval of the Book of Rules 2023 are therefore not eligible for this benefit.

## 9. EXCLUSION FROM MEMBERSHIP

Subject to Rule 7, the Fund may, notwithstanding the provisions of any other Rule, at its sole discretion at any time exclude from membership any member whom the Fund considers guilty of abusing the privileges of the Fund.

## 10. MEMBERSHIP PACKAGE

- A. Applicants for membership to the Fund shall complete membership forms as prescribed by the Fund and give a physical address where the membership card will be posted and an email to which the membership package shall be sent.
- B. This membership package shall contain the following items:
  - I. Acceptance letter
  - II. Benefit schedule
  - III. Book of Rules
  - IV. How to information pack (to provide a brief introduction on engaging the Fund on any matters)
- C. Every member shall be furnished with proof of membership, containing such particulars as may be prescribed as a membership card. This proof of membership and membership card may be either physical or digital. This card must be exhibited to the supplier of service on a request.
- D. The validity of the membership card expires as soon as the member ceases to subscribe to the Fund. The membership card shall be accepted as prima facie evidence of membership.
- E. A membership card may only be used by a member or his registered dependants for their own personal use. The use of a membership card other than as contemplated in this Rule is not permitted and could constitute sufficient grounds for termination of membership.
- F. In the event that a membership card requires replacement then the member shall be required to pay a fee that will from time to time be determined by the Fund.
- G. In the event of a change of address and email address -:  
A member must notify the Fund within 30 days of any exchange of address, email address and other contact details, including his/her domicilium citandi et executandi. The Fund shall not be held liable if a Member's rights are prejudiced or forfeited as a result of the Member's neglecting to comply with the requirements of this Rule.



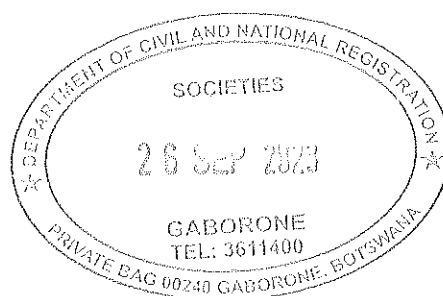
## 11. MARITAL STATUS

Principal members marrying, divorced, or remarrying subsequent to joining the Fund are required to notify the Fund within 30 days thereof and to contribute at the amended rates from the first day of the month following the change in their marital status. This rule also allows Dependants of principal

members who are divorced or remarried to notify the Fund of such changes and to allow continuity with the Fund on a separate membership, subject to Fund rules. Members who fail to take action under this Rule, will forfeit all their benefits subject to the Rules of the Fund.

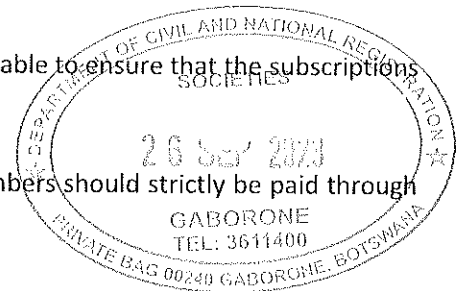
## 12. BIRTH, ADOPTION AND FOSTERING OF A CHILD

- A. A member shall notify the Fund within 30 days of the birth or adoption of a child and fostering of a child in terms of the legal provisions governing such proceedings in Botswana, in order to facilitate registration as a beneficiary of the member.
- I. Where the newly born, newly adopted and newly fostered child is registered within this 30-day period, such child shall become a child dependant in good standing from the date of birth and benefits will accrue as from that date.
  - II. The Member must pay the requisite subscription for such a Child from the first day of the month following the birth, adoption or fostering of the Child, as case may be.
- B. A member may apply to register any child as a dependant if such a child is acquired by marriage or in terms of a court sanctioned guardianship, within 30 days of such guardianship (excluding foster relationships) or custody arrangement, within 30 days off such provided that the child is eligible for membership.
- I. Such a child shall become a Child Dependant in good standing from the date of marriage or court sanctioned guardianship or custody arrangement and benefits will accrue as from such date.
  - II. The Member must pay the requisite subscription for such a Child from the day of commencement and as such benefits will accrue, should registration happen within 30 days of such a sanction, and no waiting period rules may apply.
  - III. If the application is posed after the 30-day period has lapsed, the general waiting period rule applies.
- C. In the case where the principal member is within the 3 months general waiting period, the newly born, newly adopted and newly fostered child shall also be bound by the provisions of the General Waiting Period.



### 13. SUBSCRIPTIONS

- A. Subscriptions shall be fixed by the Board from time to time and all Members and Constituent Bodies shall be given due notice of all changes.
- B. There is no income to qualify for membership. Individuals, Self-employed, Entrepreneurs, Directors and Commercial farmers shall all fall under the highest income category where the benefit plan subscription is income based.
- C. The Fund may load the subscriptions of certain individuals or groups based on their risk profile and/or impose a late joiner penalty.
- D. Individual members and Constituent Bodies shall ensure that all subscriptions due to the Fund arising from themselves and/ or their employees are paid before the 7<sup>th</sup> day of each month to which they apply. The Fund reserves the right to suspend the payment of benefits/claim(s) to members who are in arrears.
- E. Commencement date for new members will effect upon receipt of the first subscriptions as follows:
  - I. Applications and payments received on or before the 15th of month, membership will commence on the first of that month.
  - II. Applications and payments received after the 15th of the month; membership will commence on the 1st of the following month.
- F. Constituent Bodies are required to contribute to the Fund an amount equal to the full subscriptions rate of their respective employee's membership account.
- G. Notwithstanding the above the principal member remains liable to ensure that the subscriptions are fully paid.
- H. Subscriptions paid to the Fund in respect of individual members should strictly be paid through direct debit.



### 14. LIABILITY OF MEMBERS AND CONSTITUENT BODIES

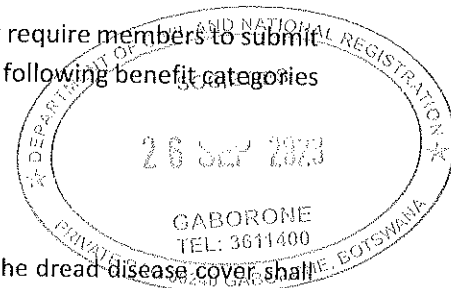
Subject to Rule 16(I), the liability of a Constituent Body shall be limited to the amount of its unpaid subscriptions; the liability of the member shall be limited to the amount of his unpaid subscriptions together with any sum disbursed by the Fund on his behalf or on behalf of his dependants, which has not been repaid by him to the Fund. Any amount owing by a member of the Fund in respect of himself or his dependants may be recouped out of his remuneration from the employer by arrangement with the member. In the event of any member ceasing to be a member, any amount still owing by such member shall be a debt owing to the Fund and recoverable by the Fund.

### 15. BENEFITS

- A. The maximum benefits shall be determined by the Board from time to time and every Individual member and Constituent Body shall be given due notice thereof. The Fund's financial year runs

from January 1st to December 31st and the annual benefits relate to the same period. In the event of hospitalization and where the discharge date falls into the next financial year, the benefit shall be determined by the admissions date.

- B. Should a member resign from the Fund, the benefits shall be reduced on a pro-rata basis.
- C. Claims shall be honoured subject to the provisions that the Fund may require members to submit detailed medical report. Unless otherwise stated costs relating to the following benefit categories are reimbursable to the member.



- D. The following rules shall be apply for the following benefits;

I. Dread Disease

All members subscribing under benefit plans specifically offering the dread disease cover shall be assisted under the dread disease benefit as per the Fund approved list and defined area of cover, up to a maximum as laid down by the Fund from time to time, with all rules applying. The dread disease cover is limited to a once off cover per incident per membership life; thereafter maintenance treatment will be covered under the standard hospitalization benefit limit. Members are required to apply for pre-authorization and in event of emergencies; the hospital or doctor will be required to present the case for review/assessment prior to proceeding with treatment. The dread disease cover shall not exceed the Inpatient and Managed Care benefit overall limit.

II. Medical/ Surgical Hospitalization Benefits

Members shall be entitled to a medical/surgical hospitalization cover within the benefit sub-limits as laid down in the Benefits Schedule from time to time.

III. Maternity Benefits

- a. The cost of confinement up to a rate laid down by the Fund from time to time, of which every member shall receive due notice. No benefit shall be paid during the first twelve (12) months of membership as per the provisions of Rule 6 (E)(II).
- b. Maternity benefit shall include cost of support during pregnancy and cost of confinement up to the rate laid down by the Fund from time to time.

IV. Speech Therapy

The cost of treatment for speech therapy shall be covered to the benefit limit applicable and only if recommended by a medical practitioner to a registered speech therapist. The benefit is limited to rehabilitation therapy around a medical/surgical condition, hence excludes treatment related to developmental defect or educational problems. A referral letter will be required on each claim submission and every claim will be assessed individually. The Fund will require the member to submit a detailed medical/therapist report.

V. Physiotherapy

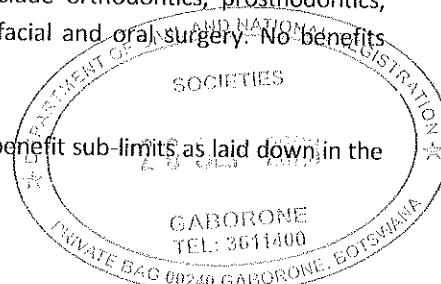
The cost of treatment for occupational therapy shall be covered to the benefit limit applicable and only if recommended by a medical practitioner to a registered occupational therapist. The benefit is limited to rehabilitation therapy relating to a medical/surgical condition, hence excludes treatment related to developmental defects and educational problems. A referral letter shall be required on submission of each claim and every claim will be assessed individually. The Fund will require the member to submit a detailed medical/therapist report.

VI. Occupational Therapy

The cost of treatment for occupational therapy shall be covered to the benefit limit applicable and only if recommended by a medical practitioner to a registered occupational therapist. The benefit is limited to rehabilitation therapy relating to a medical/surgical condition, hence excludes treatment related to developmental defects and educational problems. A referral letter shall be

required on submission of each claim and every claim will be assessed individually. The Fund will require the member to submit a detailed medical/therapist report.

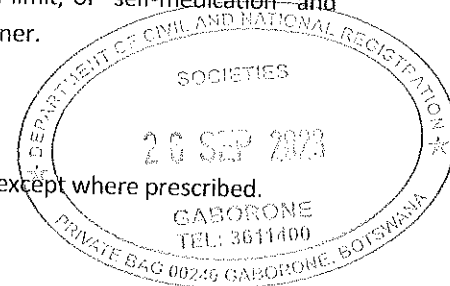
- VII. Clinical Psychology  
The cost of treatment for clinical psychology shall be covered up to the benefit limit laid down by the Fund from time to time and as defined in the benefit guide as applicable to the member's plan.
- VIII. Optical Appliances Benefits  
Members shall be entitled to the cost of optical appliances up to the benefit limit as laid down from time to time by the Fund. The optical appliance benefit is available over a two-year cycle.
- IX. Dental Benefits
- Members shall be entitled to a dental cover within the benefit sub-limits as laid down from time to time by the Fund.
  - Specialized Dentistry and Orthodontic Benefits are available over a two-year period as defined by the Fund from time to time. There will be no benefit within the first twelve months of membership.
  - The cost of reconstructive/oral dental surgery shall include orthodontics, prosthodontics, periodontics ossontigrated prosthesis implants, maxilla-facial and oral surgery. No benefits within the first twelve months of membership.
- X. Outpatient Benefit  
Members shall be entitled to an outpatient cover within the benefit sub-limits as laid down in the Benefits Schedule from time to time.
- XI. Appliances  
Members shall be entitled to:
- Cost of appliances up to a maximum laid down by the Fund. A detailed medical report will be required on submission of a claim and every claim will be subject to individual assessment.
  - Cost of appliances up to a maximum laid down by the Fund. A detailed medical report will be required on submission of a claim and every claim will be subject to individual assessment.
  - Cost of hearing aids up to a maximum laid down by the Fund. A detailed medical report will be required on submission of a claim and every claim will be subject to individual assessment.
- XII. Alternative Treatment
- Members shall be entitled to alternative treatment benefits as defined by the Fund within the benefit sub-limits as laid down by the Fund. Benefit limits may vary from time to time.
  - All service providers must be duly registered and licensed through the relevant authorities.
- XIII. Funeral Benefit  
Members and beneficiaries shall be entitled to a funeral benefit as laid down by the Fund from time to time. A copy of a death certificate shall be required for lodging a claim in accordance with Rules 6(F) and 16 (O).
- XIV. Conditions governing Benefits Disbursements
- In the event that a member joins the Fund during the course of a financial year, the annual benefit maxima shall be prorated based on the number of membership months left in that financial year.
  - All new members admitted during the course of a financial year shall be entitled to benefits mentioned above on a prorated basis, subject to Rules 6(E), (J) and (K).
  - In subject to Rules 6(E), (J) and (K), no benefits will be allowed during the first three or twelve months of membership unless exempted in terms of Rules 6(F), (G), (H) and (I).
  - All reimbursement for treatment received by new dependants shall be in accordance with Rules 6(F), (G), (H) and (I).
  - In case of illness of a protracted nature, the Fund shall have the right to insist upon a member or dependant consulting a specialist whom the Fund may nominate in consultation with the attending practitioner.



- XV. Unless otherwise decided by the Board, expenses incurred in connection with any of the following will not be paid by the Fund:
- a. The cost of testing the eyes except when undertaken by a medical practitioner or registered ophthalmologist or optometrist up to maximum as laid down by the Board.
  - b. All expenses where free hospitalization or treatment has been obtained or cost paid (partially or fully) by another Insurance or Medical Fund.
    - i. Claims where the Fund was not a primary insurer/authorizer will not be honoured.
    - ii. Where injuries were incurred in the line of duty the Fund will be the secondary insurer and will assist up to the benefit limit as determined by the Fund from time to time after exhaustion of the limit set by legislation for the primary insurer.
  - c. All costs of whatsoever nature incurred from treatment arising out of any injury from motor vehicle accident sustained by a member or a dependant shall be covered by the Fund as the primary insurer in accordance with the Rules and outstanding claims will be transferred to the third-party insurance.
  - d. Costs incurred for treatment of an illness or injury sustained by a member or a dependant where in the opinion of the Board such illness or injury is directly attributable to failure to carry out the instructions of a medical practitioner or a specialist or are to negligence on the part of the member or dependant.
  - e. Expenses incurred by a member or dependants in the case of or arising out of injury and disease incurred in breach of the law.
  - f. Claims not submitted within the time limit (see Rule 16 (F)).
  - g. Claims incurred during the initial waiting period (see Rule 6(E)).
  - h. Gynaecological procedures not performed/rendered in a hospital or inpatient setting.
  - i. Travelling expenses
  - j. Expenses arising from medical care or medication for pre-existing chronic ailments in accordance with Rules 6(D) and (E).
  - k. Reconstructive and plastic surgery for cosmetic or aesthetic purposes and/or scar revision and keloid removal.
  - l. Artificial insemination and assisted reproduction.
  - m. Cost of injuries sustained from participating in extreme and professional sports. Such sports include but are not limited to parachuting, motor racing, bungee jumping or any other sport which may be defined as such by the Fund.
  - n. Any government legislated tax or levy as may be decided on by the Board from time to time.
  - o. Purchase of over-the-counter medication in excess of annual limit, of "self-medication" and which is not included in a prescription from a Medical Practitioner.
  - p. Breast part reduction and/or augmentation.
  - q. Holidays for recuperative purposes.
  - r. Purchases of:
    - i. Bandages and band aids and medical/surgical appliances except where prescribed.
    - ii. Abortifacients.
    - iii. Slimming preparation, tonics and appetite suppressants.
    - iv. Sunglasses and protective eye wear.
  - s. Any government legislated tax or levy as may be decided on by the Board from time to time.
  - t. Any other exclusion that the Board may decide upon from time to time and where due notice has been given to members.
  - u. Harvesting of donor organs or stem cells where the recipient is not a beneficiary of Bomaid.
  - v. All claims relating to services obtained outside of Botswana where relevant protocols regarding request for pre-authorisation have not been observed or followed.

XVI. Limitations

Limitations apply to the treatment, investigation and provision of services as follows:





- a. Infertility shall be limited to an amount as shall be advised by the Fund from time to time.
- b. Organ Transplants will be limited to transplants of the following organs: heart, bone marrow, kidney, liver and cornea for the member recipient. The cover will be in accordance with the managed care protocols and benefits limit.
- c. Inpatient Psychiatric treatment shall be limited up to amount advised by the Fund and up to normal drugs/consultation benefit limit in case of outpatient treatment.
- d. External and internal prosthesis shall be limited up to amount advised by the Fund and up to benefit limit depending on whether the benefit is applicable to the plan in question.
- e. Safe male circumcision cover shall be limited to an amount as shall be advised by the Fund from time to time.
- f. Reimbursements for outpatient medications shall be limited to the Generic Reference Price except where there is no generic equivalent registered in Botswana or where the Board of Trustees deems otherwise.
- g. Travel expenses will only be covered in cases of referral for major hospital intervention at preferred service providers in foreign countries where such services are not available in Botswana or deemed to be better value on return on investment for such services to be procured outside the region. Consideration will only be made subject to Fund approval and to specified destinations. Such support will be only once in a lifetime.
- h. Breast reduction will only be considered where the breast tissue has been proven to have negative medical effect on the member and this must be supported by a medical report recommendation from the relevant and applicable healthcare provider.
- i. Breast implants may be considered post mastectomy due to breast cancer. This will be subject to prosthesis limit and applied as a once off benefit.
- j. Claims in respect of alcoholism and drugs/narcotics addiction will only be considered on special assessment and individual merit guided by relevant and applicable healthcare professionals and subject to member's plan limits for that benefit.
- k. Maternity benefits and contraceptive for any dependant other than for member/ or member's spouse will be limited to adult dependants as per Fund rules.

**XVII. Rehabilitation**

Costs of such treatment will be at the discretion of the Fund in accordance with the Rules. Members are to make representation to the Fund should they request/wish this cost to be covered. The Fund may require a full medical report and may approve for costs to be covered within the overall hospital benefits.

**XVIII. Benefit Limits**

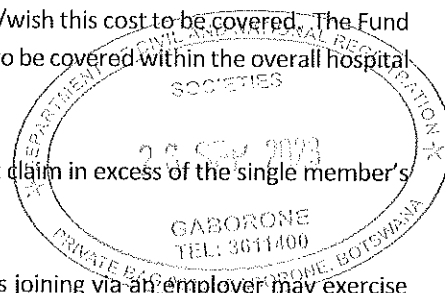
In all categories of benefits any one family member may not claim in excess of the single member's limit.

**XIX. Optional Benefit Plans**

Where the Fund has more than one plan in place, members joining via an employer may exercise the option to join any one of the plans, provided all the requirements by the Fund in terms of the rules are met.

**XX. Interchange Between Benefit Plans**

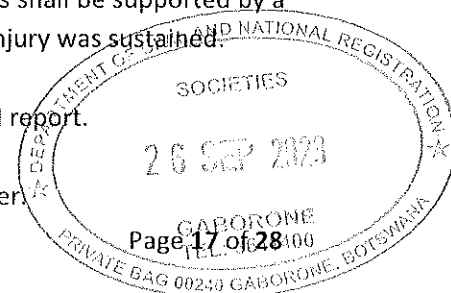
- a. A member is entitled to change from one benefit plan to another on an annual basis on the 1st of January every year, subject to the following provisions:
  - i. Application to change from one benefit plan to another is in writing and lodged with the Principal Officer by no later than the 31st of December of the preceding year.
  - ii. The Fund may permit a member to change from one benefit to another on any other date, subject to the conditions imposed, including, but not limited to providing proof of a life changing event within 30 days of occurrence of the event.
- b. Acceptance for member's application for benefit plans transfer will only be in writing by the Fund, and benefits under the new benefit plan will be prorated i.e. reduced to one twelfth of a



full year's benefits for every month of membership for which subscriptions are paid during the final year for the new benefit plan subscribed to.

## 16. CLAIMS PROCEDURE

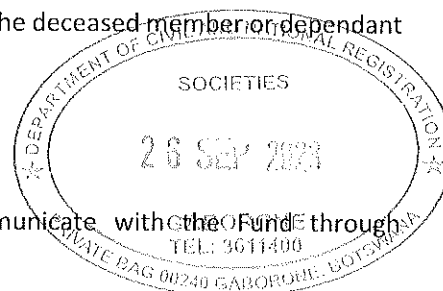
- A. The member shall in every case be responsible for his/her medical account. The member must in all instances pay direct to the service provider his/her required portion of the bill. Where the member pays only a co-payment to the service provider, the service provider will be allowed to claim direct from the Fund the balance outstanding on the bill up to the limit of the respective benefit category and in terms of the rules of the Fund.
- B. Where a member has paid an account, he shall in support of his claim submit the original or copy of invoice and receipt from the service provider and this may be done via email through the email addressed that is advised by the Fund, from time to time.
- C. For self-medication, acupuncture, chiropractors, homeopaths, traditional healers, and non-contracted providers the member shall pay the account in full and forward the original receipt and detailed invoice on a claim form prescribed by the Fund.
- D. The member shall be reimbursed by the Fund for claims less a nominal deduction and/or any government legislated tax or levy subject to tariff limits and the maximum allowances applicable.
- E. Any medical costs incurred outside Botswana will be paid at the discretion of the Fund having regard to the current scale of charges for equivalent services in Botswana, and subject to Bomaid tariffs and preauthorisation obtained for such services.
- F. Any claim by a member or supplier shall be submitted to the Fund as soon as possible but not later than the last day of the fourth month following the date of service. Failure to comply with this time limit will result in non-payment of accounts. Members or suppliers must write to the Fund where there are claims that could be delayed beyond 4-month(s) period. This letter must be received before the end of the 4th month.
- G. Where the Fund has been advised of pending claims or the Fund has requested additional information/documentation pertaining to the specific claim, submission of documents required to process the claim refund must be submitted to the Fund within the current financial year.
- H. Members or suppliers shall furnish to the Fund information in respect of claims as the Fund may require.
- I. Where the Fund has paid a benefit or portion of a benefit to which a member or supplier is not entitled to, the amount of any such overpayment shall be recovered by the Fund from the member, or supplier respectively.
- J. Accounts for treatment of injuries as a result of motor vehicle accidents shall be supported by a police report setting out particulars of the circumstances in which the injury was sustained.
- K. Accounts in respect of Caesarean births shall be supported by a medical report.
- L. The Fund may stipulate that a claim be certified by a Medical Practitioner.



- M. Accounts in respect of consultations by a specialist shall be paid at a general practitioner tariff with the exception of where the patient was referred for the specialist medical consultation.
- N. In case of guaranteed Direct Payment, the Fund will pay up to 90% or any percentage approved by the Board, excluding any government legislated tax or levy of the claim, directly to the supplier subject to the maximum benefit applicable and the member will pay the balance outstanding directly to the supplier of service.
- O. All claims submitted must be duly validated by the member and supplier as acknowledgement of treatment received or rendered. All rules from 16(A) to 16(P) will apply. The Fund reserves the right to request verification for services rendered.
- P. In respect to funeral cover, a copy of the death certificate of the deceased member or dependant shall be required for lodging a claim.

#### 17. COMMUNICATION CHANNEL

- A. Members, Company or Staff Representatives shall communicate with the Fund through recognized modes of communication.
- B. Members, the Company or Staff Representatives shall strictly communicate with the Fund by written correspondence. Reply by the Fund shall also be in writing.



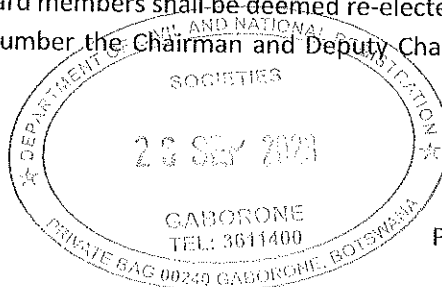
#### 18. COMPANY REPRESENTATIVE AND STAFF REPRESENTATIVE

- A. Each of the Constituent Bodies shall, from time to time, appoint one representative, to be known as the Company Representative, and the contributing members of each Constituent Body shall from time to time elect one representative, to be known as the Staff Representative who shall in his/her own right be a member of the Fund.
- B. During the month of January in each year, each Constituent Body shall advise the Fund of the name of the person appointed as Company and/or Staff Representative of that Constituent Body. If no change in representation is notified to the Fund the existing Company or Staff Representatives shall be deemed to have been nominated or re-elected, as the case may be.
- C. The appointment of the Company Representative or the election of the Staff Representative shall fall away if:
  - I. Being appointed by a Constituent Body, his appointment is revoked, or he ceases to be in its employ.
  - II. Being a representative of the contributing members, he ceases to be a member of the Fund or is removed or replaced by the members having elected him.
  - III. Written resignation from office is received by the Fund.
  - IV. He is declared incapacitated.
  - V. He is declared insolvent or has surrendered his estate for the benefit of his creditors.
  - VI. He is convicted, whether in Botswana or elsewhere, of theft, fraud, or uttering of a forged document or perjury.
  - VII. He is removed by the Court from any office of trust on account of misconduct.

- D. In the event of any Company or Staff Representative falling away at any time the Constituent Body or the members concerned may appoint or elect a new representative, as the case may be.

## 19. BOARD OF TRUSTEES

- A. The Board shall be responsible for sound and proper management of the Fund. A person shall be appointed to the Board if they are fit and proper. The Board shall consist of not less than six (6) nor more than eleven (11) Members.
- B. The Board of Trustees shall be appointed and composed in the following manner;
- I. Category 1
    - a. Four (4) Members of the Fund nominated by Member Companies and elected by the General Membership of the Fund at an Annual General Meeting.
    - b. These Members shall represent their Member Company and their Board Membership shall automatically terminate upon leaving their current employer. The Member Company can afterwards nominate a replacement to fill the vacancy until the next Annual General Meeting.
  - II. Category 2
    - a. Two (2) Members of the Fund nominated by any other Member of the Fund and elected by the General Membership of the Fund at an Annual General Meeting.
    - b. Election of these individuals to the Board shall not be affected by their employment status.
  - III. Category 3
    - a. Three (3) Independent Members appointed by the six (6) that have been appointed by the General Membership.
    - b. These Independent Members may or may not be Members of the Fund. However, the individual may not be a subscribing member of another locally registered Medical Aid Fund. The nomination and appointment shall be on the basis of their skills, experience and social standing.
  - IV. Category 4
    - a. Ex-Officio members who are the Principal Officer of the Fund and the Chief Finance Officer who are appointed by the Board.
    - b. Members of the Board of Trustees shall have no direct or indirect interest with any institution, firm, organisation or enterprise of any kind, which supplies medical, dental, optical and pharmaceutical products or any other medical services to the Fund
    - c. The Board shall be empowered to exercise all functions of the Fund, and, in particular those functions required by law, other than such functions that require to be exercised by the Fund in a General Meeting.
    - d. Retiring members shall be eligible for re-election subject to Rule 18 (C)(IV)(n). The remaining members may act notwithstanding any casual vacancy in their number.
    - e. Nominations to the Board shall be received by the Fund not less than 7 days before the Annual General Meeting. If no fresh nominations are received within the stipulated time before the meeting, the retiring Board members shall be deemed re-elected.
    - f. The Board shall appoint from its number the Chairman and Deputy Chairman of the Fund.



- g. The appointment of a Board member who fails to attend two (2) consecutive Board meetings shall be terminated by a vote supported and approved by not less than fifty per cent (50%) of the Board members (excluding the Chairman).
- h. A quorum shall consist of not less than 50 per cent of the members of the Board for the time being.
- i. The decisions of the Board shall be a majority vote of the members present and in the event of an equality of votes the Chairman of the Meeting shall have a casting vote in addition to a deliberate vote.
- j. The Board may delegate any of its powers to a committee consisting of such of its members as it may nominate, provided that a committee so nominated, shall in the exercise of its power, conform to any rules or instructions that may be imposed on it or issued by to the Board. The Board shall cause the proceedings of all the Annual and Special General and Board Meetings to be properly recorded, and the minutes of such meetings shall be laid before the first succeeding meeting of the Board. If the minutes of any such meeting are accepted as correct, they shall be signed by the Chairman and shall be prima evidence of the facts stated therein.
- k. Where an honorarium and/or a fee is offered to members of the Board, such honorarium and/or fee shall be cleared/approved by the general members during a relevant membership forum.
- l. All acts done by the meeting of the Board or of any person acting as a member of the Board shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such member of the Board or person acting as aforesaid, or that they, or any one of them, were disqualified, be valid as if such persons were duly qualified to be a member of the Board.
- m. The Chairman and the Deputy Chairman, the members of the Board and every employee of the Fund shall preserve and aid in preserving secrecy in regard to all matters that may come to their knowledge in the performance of their duties with the Fund.
- n. Non-executive members of the Board of Trustees shall remain in office for a maximum period of two terms. Each term shall be for a period of three (3) consecutive years. Board of Trustees members shall not be eligible for appointment for a 3rd term of office. Upon expiry of their initial term in office, Members may offer themselves for reappointment in line with the Rules.

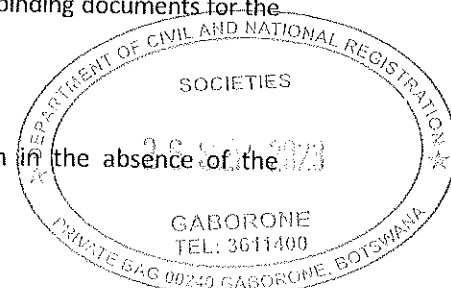
## 20. DUTIES OF FUND'S OFFICERS

### A. Chairman

- I. The duties of the Chairman shall be to preside and preserve due and proper conduct at Meetings and to see that the rules of the Fund are properly administered. In the absence of the Chairman and Deputy Chairman of the Board from any Meeting, the Chairman will be elected from amongst the members present at such meeting.
- II. The Chairman shall be responsible for signing contracts and any other binding documents for the Fund.

### B. Deputy Chairman

- I. The duties of the deputy chairman shall include acting as Chairman in the absence of the Chairman.
- II. The Deputy Chairman shall also be the Lead Non-Executive Trustee.
- III. The Deputy Chairman shall serve as a sounding board for the Chairman.



- IV. The Deputy Chairman shall act as an intermediary between the Chairman and other Members of the governing body, if necessary.
- V. The Deputy Chairman shall deal with Members' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate.
- VI. The Deputy Chairman shall strengthen independence on the governing body if the Chairman is not an independent non-executive member of the governing body.
- VII. The Deputy Chairman shall chair discussions and decision-making by the governing body on matters where the Chairman has a conflict of interest.
- VIII. The Deputy Chairman shall lead the performance appraisal of the Chairman.

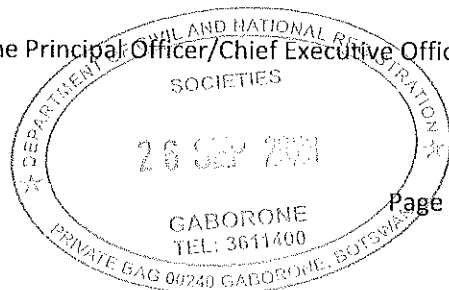
### **C. The Principal Officer of the Fund**

The Principal Officer of the Fund shall attend all meetings of the Fund where attendance may be required, and shall be responsible for the submission for all statutory returns, shall be required to ensure proper recordings of proceedings of all meetings of the Fund, the Board and duly appointed Committees, manage contracts on behalf of the Fund, shall ensure the carrying out of all duties as are necessary for the proper execution of the business of the Fund, as the Board may direct including signing of agreements and other binding documents on behalf of the Fund.

## **21. POWERS OF THE BOARD**

The Board shall have the power:

- A. To purchase movable and immovable property for the Fund and to invest its surplus capacity.
- B. In respect of any monies not immediately required to meet current charges upon the Fund, to lend, invest, put out on interest, place on deposit, make advances or otherwise deal with such monies upon such securities in the short term and to realize, vary, re-invest or otherwise deal with securities as it may from time to time determine, and in particular:
  - I. to make donations to any charitable, religious, provident, or cultural institution or to any hospital, nursing home, infirmary or home for old age home.
  - II. to contribute to any other Friendly Fund or any fund of any kind whatsoever, which is conducted for the benefit of the employees of this Fund for the benefit of such employees and their dependants; provided that any such Friendly Fund or fund has been approved by the Commissioner of Taxes as an "approved benefit fund" under the Income Tax Act.
  - III. to borrow money on current account from the Fund's bankers against the security of the Fund's assets.
  - IV. to make ex-gratia payments to any of its members in order to assist such members to meet the cost of accounts incurred in excess of the normal medical benefit.
  - V. to appoint, dismiss and vary the terms of the employment of any officer or employee of the Fund.
  - VI. to appoint, dismiss and vary the terms of the employment of any officer or employee of the Fund.
- C. The Powers of the Board shall include any objective or business which may seem to the Fund to be capable of being conveniently carried on in connection with the objectives of the Fund or calculated directly or indirectly to enhance the value of the Fund or to promote its objectives in any way whatsoever.
- D. The Board may delegate some of its powers to the Principal Officer/Chief Executive Officer.



## **22. DISCRETIONARY POWER OF BOARD**

Any matters not specifically covered by these Rules shall be left to the discretion of the Board, and in case of doubt as to the strict meaning of the rule, the interpretation of the Board shall be binding upon the members and Constituent Bodies, provided that the decision of the Board shall not be inconsistent with these Rules.

## **23. SIGNING OF DOCUMENTS**

The Board shall be empowered to authorize some of its members as it may approve from time to time, and upon such terms and conditions as may be approved by it, to sign any contract or other document binding the Fund.

## **24. INDEMNIFICATION**

Members of the Board and any other officer of the Fund shall be indemnified by the Fund against all losses or expenses incurred by them in or about the discharge of their duties, unless such losses or expenses are incurred as a result of their negligence, dishonesty or fraud.

## **25. FIDELITY GUARANTEE**

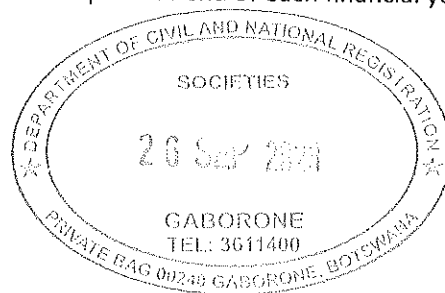
The Board shall insure the Fund or cause it to be insured against loss resulting from the dishonesty or fraud of any of its officers (including members of the Board).

## **26. FINANCIAL YEAR OF THE FUND**

The financial year of the Fund shall extend from the 1st day of January to the 31st day of December each year.

## **27. BOOKS OF ACCOUNT**

The Board shall cause to be kept such accounts, entries, registers and records as are essential for the proper working of the Fund. The books of accounts shall be made up at the end of each financial year and shall be audited by the auditor of the Fund.



## 28. BANKING ACCOUNT

The Fund shall maintain banking accounts with a registered Commercial Bank. All monies received shall be deposited to the credit of one or other such account and all payments shall be made by Electronic Fund Transfer (EFT) under the signature of any officers of the Fund duly authorized by the Board.

## 29. SAFE CUSTODY OF SECURITIES

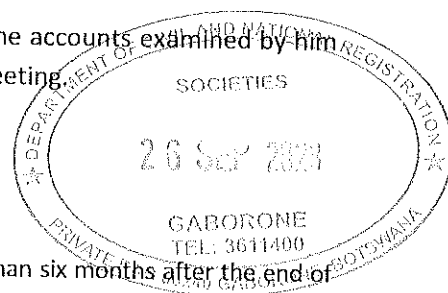
Any mortgage bond, title deed or other security belonging to or held by the Fund shall, except when in the temporary custody of another person for the purpose of the Fund, be kept in safe custody in a safe or strong room at the registered office of the Fund or with any bank or building Fund approved by the Board.

## 30. EXTERNAL AUDITOR

- A. An auditor shall be appointed:
- I. 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
  - II. he is not qualified for re-appointment; or
  - III. at least 75% (seventy-five percent) of the representative present at such meeting vote in favour of the resolution appointing another auditor in his stead or providing expressly that he shall not be reappointed.
- B. Should the Fund be without an auditor, for any reason, the Board shall, within 21 days as from the date of the vacancy occurring appoint a person to fill the vacancy.
- C. The auditor of the Fund shall have the right of access at all times to the books of accounts and vouchers of the Fund and shall be entitled to require from the offices of the Fund such information and explanation as he thinks necessary for the performance of his duties.
- D. The auditor shall make a report to the members of the Fund on the accounts examined by him and on the financial statements laid before the Fund in General Meeting

## 31. GENERAL MEETING

- A. Annual General Meeting
- I. The Annual General Meeting of members shall be held not later than six months after the end of each financial year.
  - II. The Notice convening the Annual General Meeting containing the agenda and the annual audited accounts must be circulated at least 21 days before the date of the Meeting to Constituent Bodies where it shall be placed on notice boards. The non-receipt of such by a Constituent Body shall not invalidate the proceedings of such a meeting.
  - III. The quorum shall consist of a number of Representatives exceeding at least twice the official number of Board members for the time being. If a quorum is not obtained within half-an-hour from the time fixed for the commencement of the meeting, the meeting shall be adjourned to the same day in the next week at the same time and place and the representatives then present shall form a





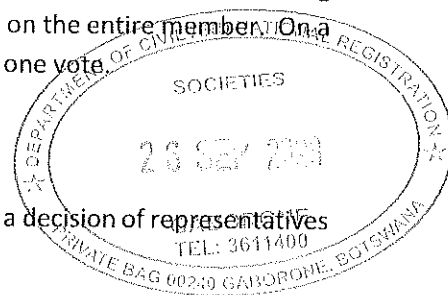
- quorum; provided that if the same day the next week is a public holiday the meeting shall be adjourned to the next succeeding day other than a public holiday.
- IV. The said Annual audited accounts, together with a copy of the auditor's report shall be laid before the meeting.
  - V. Notices of any resolution to be placed before an Annual General Meeting must reach the Principal Officer not later than fourteen days prior to the date of the meeting.
- B. Special General Meeting**
- I. The Board may call Company Representatives and Staff Representatives for a Special General Meeting at any time on 21 days 'notice if deemed necessary.
  - II. On the requisition of at least fifteen (15) Constituent Bodies or fifteen (15) members of the Fund, the Board shall cause a Special General Meeting to be called within 31 days of the deposit of the requisition. The requisition shall state the objects of the meeting and shall be signed by all the requisitionists and deposited at the registered office of the Fund. Only those matters relevant to the objects of the Meeting shall be discussed.
  - III. The quorum shall consist of a number of representatives exceeding at least twice the official number of Board members for the time being. If a quorum is not present at a Special General Meeting called by the Board within half-an-hour from the time fixed for the commencement of the meeting, the meeting shall be adjourned to the same day in the next week at the time and place and the representatives then present shall form a quorum provided that if the same day in the next week is a public holiday the meeting shall be adjourned to the next succeeding day other than a public holiday; provided that if a quorum is not obtained at a Special General Meeting convened on the requisition of the Constituent Bodies or Member within half-an-hour from the time fixed for the commencement of the meeting, the meeting shall be regarded as cancelled.
  - IV. Special General Meetings are required for purposes enumerated in this Book of Rules.
  - V. For the purposes of passing any Resolution at a Special General Meeting, it shall be necessary that a majority of the representatives present should vote in favour thereof and that as many of the Constituent Bodies as represent 51% (fifty-one percent) of the total membership of the Fund shall have lodged, prior to the meeting their written consent thereto. Provided that where the winding of the Fund is proposed, the provisions of Rule 34 shall prevail.

### 32. VOTING AT GENERAL MEETINGS

Every member present or represented at a General Meeting of the Fund and whose subscriptions are not in arrears shall have the right to vote at the meeting. The Chairman shall determine whether voting shall be ballot or be a show of hands, provided that where the representative members are called upon to vote on any matter which affects rate of subscription, or the nature or extent of benefits, the voting shall be by ballot. In the case of resolution requiring a simple majority the Chairman shall have a casting in addition to a deliberate vote. A resolution so adopted shall be binding on the entire membership. On a show of hands or a ballot, each member represented shall be entitled to one vote.

### 33. DISSOLUTION

- A. The Fund shall be dissolved only by order of a competent court or by a decision of representatives as provided for in the Book of Rules.
- B. In the event of the dissolution of the Fund in pursuance of an order of Court, the winding-up of the Fund shall be effected in accordance with the conditions contained in the order. The Fund may be wound up with the consent of as many of the Constituent Bodies as represent 75%

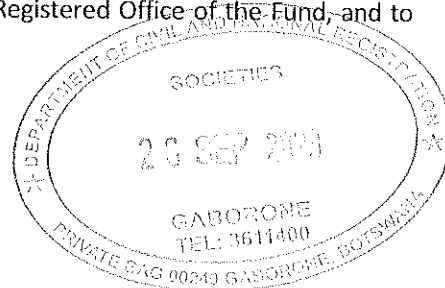


(seventy-five percent) of the total membership of the Fund and by a resolution of not less than 75% (seventy-five percent) of the representatives personally at a Special General Meeting of which at least two (2) month's clear notice shall be given, and at which Meeting not less than two-thirds of the representatives shall be personally present.

- C. Provided that if two-thirds of the members are not personally present at a Special Meeting called by the Board to wind up the Fund within half-an-hour from the time fixed for the commencement of the meeting, the meeting shall be adjourned to the same day in the next week at the same time and place and the representatives then present shall form a quorum; provided that if the same day in the week is a public holiday the meeting shall be adjourned to the next succeeding day other than a public holiday.
- D. If it is decided to wind up the Fund, the representatives shall appoint three liquidators, and in the event of a surplus existing after payment of all liabilities of the Fund, such surplus shall be paid to a fund or organization with similar objects to those of the Fund and approved by the Commissioner of Taxes as an "approved benefit fund" under the Income Tax Act. Under no circumstances is the surplus to be distributed to the members.
- E. Alternatively, the Fund may, subject to similar consent required in terms of the applicable rules as prescribed by the regulator and approval of the Commissioner of Taxes, amalgamate with, or transfer its assets and liabilities to, or take transfer of assets and liabilities from any other medical aid Fund or fund, such other medical aid Fund or fund having been approved by the Commissioner of Taxes as an "approved benefit fund" under the Income Tax Act.
- F. Dissolution of the Fund shall be subject to the requirements, if any, of the Commissioner of Taxes being met.

#### 34. PERUSAL OF DOCUMENTS

- A. A copy of the Rules of the Fund shall be supplied upon application, free of charge, to every member upon enrolment as a member.
- B. On demand by any member, a copy of the latest copy of the audited financial statements shall be supplied by the Fund, to that member.
- C. Additional copies of the documents mentioned in Rules 34(A) and (B) shall be supplied by the Fund on application and payment of a charge as laid down from time to time.
- D. A member shall be entitled to inspect free of charge at the Registered Office of the Fund, and to make copies of: -
  - I. the rules of the Fund.
  - II. the last audited financial statements of the Fund.



### 35. AMENDMENT OF RULES

- A. Unless otherwise provided for in these Rules, the Board shall be entitled to alter or rescind any rule or to make any additional rule: - Provided that:
- I. No alteration, rescission, or addition which affects the objects of the Fund, or which increases the rates of subscriptions or decreases the extent of any benefit by more than 25% (twenty-five per cent) during any financial year shall be valid unless it has been approved by a Special General Meeting as provided for in Rule 31(B).
  - II. Any alteration, rescission or addition, which affects the rates of subscriptions or extent of any benefits, shall be supported by a recommendation of the Fund's Board.
- B. Constituent Bodies shall be furnished with a copy of all amendments as soon as possible after registration thereof.
- C. Notwithstanding anything contained in these Rules, the Board shall have the power to amend any of the Rules of the Fund if required.
- D. Any alteration, rescission or addition to the rules of the Fund shall be subject to approval by the Commissioner of Taxes, the Registrar of Societies and the Regulator.
- E. The Fund shall give advance written notice to members of any changes in subscription, membership fees or subscriptions and benefits or any other condition affecting their membership.

### 36. DISPUTE RESOLUTION / SETTLEMENT

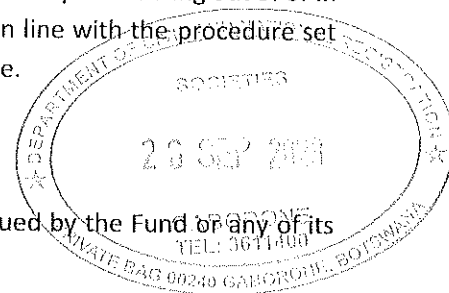
The Fund and its Members shall use their best efforts to settle amicably all disputes arising out of or in connection with the application or interpretation of the Book of Rules in line with the procedure set out in the Complaints Manual as amended by the Fund from time to time.

### 37. ORDER OF PRECEDENCE

- A. The Rules of the Fund shall supersede any marketing materials issued by the Fund or any of its Agents.
- B. If there is any conflict between the Rules and any governing documents and policies, the Rules will prevail as long as they are not in conflict with any governing legislation or regulations.

### 38. PROTECTION OF INFORMATION

- A. The Fund shall take all reasonable precautions to preserve the integrity and prevent any corruption or loss, damage or destruction or unauthorized disclosure of a member's personal and its own information.
- B. In processing information, the Fund will comply with the regulatory framework of the Data Protection Act 2018 of Botswana to protect members' personal information and its own information.



- C. Botswana to protect members' personal information and its own information.
- D. Personal information may not be used for marketing purposes without the consent of the Member.
- E. The Fund will ensure that relevant third-party providers who are provided with personal information of members and the Fund adhere to the same principles of processing that information as provided under this Rule.

### 39. ANNUAL REPORTING

The Fund shall submit to the Regulator and the Register of Societies an annual report detailing the operational performance of the Fund within the prescribed timelines.

### 40. ACTUARIAL REPORTING

The Fund shall appoint an Actuary who will assess the financial position of the Fund annually, having regard to its assets and liabilities and report to the Board and the Regulator as required.

