

RULES OF

THE BOTSWANA LIFE RETIREMENT ANNUITY FUND

The Botswana Life Retirement Annuity Fund is a permanent Individual Retirement Fund established in Botswana for the purpose of providing retirement benefits for Members or death benefits for the Spouses, Children, Dependants and Nominees of deceased Members.

Rules registered by the Regulatory Authority on 2019.

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1 DEFINITIONS AND INTERPRETATION

1.1 In these Rules, unless the context indicates a contrary intention, the following words and expressions shall bear the meanings assigned to them and cognate expressions shall bear corresponding meanings:

1.1.1 "Act" means the Retirement Funds Act No. 27 of 2014 and any other legislation or regulation that repeals, substitutes or supplements the Act;

1.1.2 "Actuary" means as required, the actuary appointed in terms of the Rules;

1.1.3 "Administrator" means a licensed administrator in terms of the Act appointed by the Board from time to time to administer the business of the Fund;

1.1.4 "Agent" means an appointed and authorised representative of the Fund acting lawfully and within the course and scope of the terms of their appointment or contract;

1.1.5 "Annuity" means any compulsory, non-assignable, annuity payable for life, with or without minimum term guarantees, acquired by a Member or the Fund from any licensed insurer or licensed retirement fund for a Member on Retirement or for the minor child of a deceased Member and which while not otherwise commutable, allows the member to elect the commutation of a portion of not more than thirty three percent (33.33%) of the annuity to a lump sum payment;

1.1.6 "Auditor" means the Auditor appointed in terms of the Rules;

1.1.7 "Board" means the Board of Trustees of the Fund which controls and manages the Fund in accordance with the provisions of the Act and the Rules;

1.1.8 "Child" means a natural child of a Member including a child born after the death of a Member, an adopted child and a child born out of wedlock;

1.1.9 "Commencement Date" means 2019;

1.1.10 "Contribution" means any single once off or ad hoc or recurring amount that is paid by or on behalf of a Member to the Fund or to its Agent for the account of and in respect of the membership of the Member;

1.1.11 "Deferred Member" means a Member under the age of seventy who has ceased paying Contributions to the Fund and has not yet reached Retirement Age or who has, but has not yet elected to receive an Annuity, whose Member's Account continues to have sufficient value to allow it continue to pay for Fees and to participate in the Investment Portfolio;

1.1.12 "Dependant" means:

1.1.12.1 any person in respect of whom the Member is legally liable for maintenance; or

1.1.12.2 any other person if such person:

1.1.12.2.1 was, in the opinion of the Board, financially dependent on the Member at the time of death of the Member;

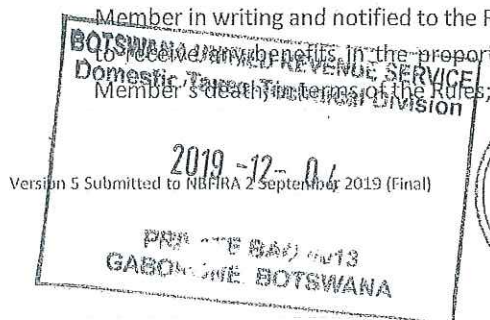
1.1.12.2.2 is a Dependant of the Member;

1.1.12.2.3 is a Child of the Member;

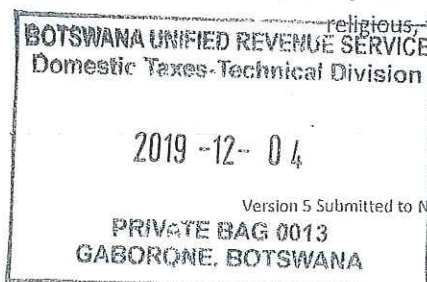


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- 1.1.12.2.4 is a person in respect of whom the Member would have become legally liable for maintenance had the Member not died;
- 1.1.13 **"Fees"** means in respect of the Fund, Policy fees, sales commission payable to intermediaries introducing members to the Fund, advice fees payable to advisers to the Fund or to Members, acquisition and documentation expenses, risk charges in respect of any Insured Benefit, administration fees, asset consulting and asset and investment management fees, renewal charges, banking fees and charges, auditing, actuarial and compliance expenses, regulatory levies and any other fees, charges or expenses specified in any Fund document or contract entered into with a service or product provider, licensed insurer or Agent appointed by the Board;
- 1.1.14 **"Financial Year"** means a period of twelve months commencing on the 1st of January each year and ending on the 31st of December of the same year, or such other twelve-month period as may be agreed to by the Board;
- 1.1.15 **"Fund"** means the Botswana Life Retirement Annuity Fund;
- 1.1.16 **"Guardian Fund"** means either the trust account under the administration and control of the Master of the High Court and as administered by the Accountant General of Botswana or otherwise a duly registered and approved trust account set up for this purpose by the Board;
- 1.1.17 **"Independent Specialist"** means a person approved by the Regulatory Authority and duly appointed by the Board as a trustee and who:
- 1.1.17.1 is not an employee of the Fund or the Sponsor;
- 1.1.17.2 is not controlled by the Fund or the Sponsor;
- 1.1.17.3 does not control the Fund with the Sponsor; and
- 1.1.17.4 does not render any other services to the Fund or the Sponsor;
- 1.1.18 **"Insured Benefit"** means where provided for in terms of a Policy issued by a licensed insurer to the Fund, the payment of an insured benefit on the death or other insured event of a Member;
- 1.1.19 **"Investment Portfolio"** means a segregated portfolio of selected investments linked or housed within a Policy or a collective investment which is constructed and/or managed by an investment or portfolio manager(s) whose appointment has been selected and/or approved by the Board and in accordance with a written investment mandate reflecting defined performance, risk and volatility benchmarks;
- 1.1.20 **"Member"** means any person, including a Deferred Member, who has been admitted to membership of the Fund in terms of the Rules and who has not yet ceased to be a Member;
- 1.1.21 **"Member's Account"** means the sum value of all the assets or Units held by the Fund, whether directly or otherwise for the benefit of a specific Member of the Fund;
- 1.1.22 **"Member's Benefit"** means the Member's interest in the Fund as represented by the Member's Account and any Insured Benefit;
- 1.1.23 **"Nominee"** means a Dependant or any non-dependent person, nominated by the Member in writing and notified to the Fund in a written beneficiary nomination form, to receive any benefits in the proportions stipulated payable in the event of the Member's death in terms of the Rules;



- 1.1.24 "Officer" means any Trustee, Principal Officer, employee, functionary or other person employed by the Fund or who is otherwise concerned with the management of the Fund;
- 1.1.25 "Policy" means an investment policy, with or without Insured Benefits:
- 1.1.25.1 issued by a licensed insurer to the Fund as policyholder;
- 1.1.25.2 in respect of a portion or all of a specific Member's Account and Member's Benefits; and
- 1.1.25.3 representing a portion or all of a specific Member's interest in the Fund;
- 1.1.25.4 for the purpose of funding, partially or fully, the Fund's liability to all of its Members or to a specific Member (or to the Dependant or Nominee of a deceased Member) in terms of the Rules or the Special Rules;
- 1.1.26 "Principal Office" means the registered office of the Fund, being at Botswana Life Office Park, Plot 66458, Fairgrounds office park Gaborone, Botswana, and at which the main records of the Fund are kept and at which service of notice or process in any legal proceedings against the Fund may be effected;
- 1.1.27 "Principal Officer" means an approved person appointed as the Principal Officer of the Fund in accordance with the Act and the Rules;
- 1.1.28 "Regulatory Authority" means the Non-Bank Financial Institutions Regulatory Authority established under the Non-Bank Financial Institutions Regulatory Authority Act (2016);
- 1.1.29 "Regulations" means the regulations to the Act, as may be promulgated from time to time;
- 1.1.30 "Retirement" means the attainment of Retiring Age;
- 1.1.31 "Retiring Age" means the date(s) of retirement selected by a Member and notified to the Fund, being the date on which the Member may apply for an Annuity, provided that a Member may not retire before the age of 55 years (unless due to verified permanent and incapacitating ill-health or disability, in which case such earlier date shall qualify) or after the age of 70; and provided further that a Member may retire on different dates if he is a Member of more than one Sub Fund;
- 1.1.32 "Revenue Authorities" means the Commissioner General as defined in the Income Tax Act (1995);
- 1.1.33 "Rules", means these rules applicable to the Fund as set out in this document and any annexures or subordinate rules and which include by reference, any documents in terms of which the Fund was established, as amended from time to time;
- 1.1.34 "Sponsor" means the sponsor of the Fund being Botswana Life Insurance Limited, a duly licensed life insurance company in terms of the Insurance Industry Act 21 of 1987;
- 1.1.35 "Spouse" means a permanent and committed partner(s) in terms of a legal, civil, religious, tribal or socially customary union or marriage;



1.1.36 "Special Rules" means the special rules annexed to the Rules for the following separate retirement annuity funds, previously registered by and for Botswana Life Insurance Limited:

- Multi Fund Retirement Annuity (MFRA-1);
- Offshore Gold (URAG-1);
- Mompoti Retirement Annuity (URA1-1);
- Botswana Citizen Pension Plan (BCPP-1);
- Personal Pension Plan Managed (PPPM-1);
- Personal Pension Plan Guaranteed (PPPG-1)

to be taken over automatically by and incorporated as subsidiary funds into the Fund upon licensing and as approved by the Regulatory Authority. The Special Rules set out the criteria and terms for each named subsidiary Fund and any deviation from the Fund's main rules;

1.1.37 "Trustee" means a member of the Board appointed in terms of the Rules;

1.1.38 "Unit" means a fixed unit of participation in a unitised Investment Portfolio held by the Fund within a segregated portfolio, Policy, collective investment or otherwise;

1.1.39 "Unit Value" means the net value of a Unit in an Investment Portfolio as calculated and applied at least once a month by the Administrator in respect of a Member's Account.

1.2 In these Rules:

1.2.1 clause headings are for convenience only and shall not be used in their interpretation;

1.2.2 unless otherwise defined herein, terms that are defined in the Act shall bear the same meaning when used in these Rules;

1.2.3 an expression which denotes:

1.2.3.1 any gender includes the other genders;

1.2.3.2 a natural person includes an artificial or juristic person and vice versa;

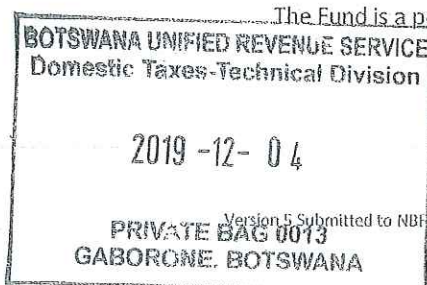
1.2.3.3 the singular includes the plural and vice versa;

1.2.4 where any term is defined within the context of any particular provision in the Rules, the term so defined, unless it is clear from the provision in question that the term so defined has limited application to the relevant provision, shall bear the meaning ascribed to it for all purposes in terms of these Rules, notwithstanding that that term has not been defined in this interpretation clause;

1.2.5 a reference to any statute, regulation or other legislation shall be a reference to that statute, regulation or other legislation as at the date of registration of the Rules and as amended, re-enacted or substituted from time to time.

2 ESTABLISHMENT OF THE FUND

The Fund is a permanent Individual Retirement Fund established in accordance with the



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provisions of the Act on the Commencement Date.

3 PURPOSE

The principal object of the Fund is to provide retirement benefits for Members upon Retirement and to provide death benefits for the Dependants or Nominees of deceased Members.

4 LEGAL POWERS AND AUTHORITY

4.1 The Fund is a body corporate capable of suing and being sued in its own name, and of doing or performing all such acts or things as may be necessary or incidental to the exercise of its powers or the performance of its functions in terms of the Act and the Rules.

4.2 The Board shall carry out all the necessary legal actions for and on behalf of the Fund and shall also have the power to appoint assignees or Agents in writing to act for the Fund in terms of formal written acts of delegated authority.

4.3 All the assets, rights, liabilities and obligations pertaining to the business of the Fund shall, notwithstanding anything to the contrary contained in any law or in the memorandum, articles of association, constitution or rules of any body, corporate or unincorporate, having control of or connection to the business of the Fund, be deemed to be assets, rights, liabilities and obligations of the Fund to the exclusion of any other person, and no person shall have any claim on the assets or rights or be responsible for any liabilities or obligations of the Fund, except insofar as the claim has arisen, or the responsibility has been incurred, in connection with transactions relating to the business of the Fund.

5 MEMBERSHIP

5.1 Any natural person, whether a citizen or resident of Botswana or otherwise, may apply to become a Member, subject to the approval of the Board. Application for membership shall take place by completing the relevant application forms and associated documents.

5.2 Membership will commence on the receipt of the first Contribution by the Fund for that Member, otherwise on the date of the issue of a membership certificate by the Fund. If any Insured Benefits are applied for by a Member, the initiation of any cover will be deferred until acceptance of the insurance risk by the licensed insurer.

5.3 Application for and admission to membership of the Fund shall be regarded as an acknowledgement by the Member that he knows and understands the Rules and agrees that they shall be binding upon him and upon any person claiming any Benefit from the Fund by virtue of or through the Member's membership.

5.4 Membership of the Fund will terminate if or when:

5.4.1 the Fund releases, transfers or pays all of the Member's Account to any licensed insurer or other retirement fund and / or where applicable, any cash payment to the Member;

5.4.2 the Member has discontinued Contributions early or has become a Deferred Member whose Member's Account balance is no longer sufficient to meet Fees;

5.4.3 the Member has died;

5.4.4 the last remaining portion of the Member's Benefit has been used to purchase



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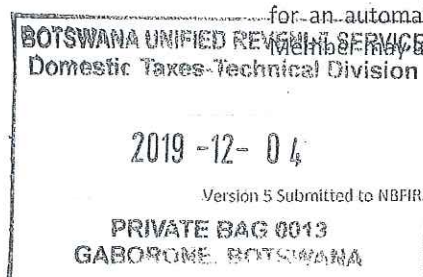
an Annuity.

6 CONTRIBUTIONS

- 6.1 Contributions may be single or recurring.
- 6.2 Recurring Contributions must be paid regularly within 30 days of due date and shall cease to be payable at Retirement, or upon the death of the Member or upon the winding up of the Fund, whichever event happens first.
- 6.3 A Member may select the Contribution level to be made, subject to the minimum amount and payment terms set out below or as otherwise determined by the Board from time to time. A Member may apply to change his Contributions at any time, subject to the Rules.

Name of Sub-fund	Minimum Recurring Contribution per month	Minimum Lump-sum Contribution
Multi Fund Retirement Annuity (MFRA-1)	P200	P10,000
Offshore Gold (URAG-1)	P100	P10,000
Mompoti Retirement Annuity (URA1-1)	P80	P10,000
Botswana Citizen Pension Plan (BCPP-1)	P10	P0
Personal Pension Plan Managed (PPPM-1)	P25	P0
Personal Pension Plan Guaranteed (PPPG-1)	P25	P0

- 6.4 Contributions commence on the date of commencement of membership and are payable thereafter as contracted by the Member.
- 6.5 Contributions are subject to any legislative requirements including any binding guidelines laid down by the Revenue Authorities.
- 6.6 If a Member agrees to or arranges for an employer to pay Contributions on his behalf by way of payroll deduction, then such employer shall make payment to the Fund within seven days of the end of the month in which deduction is made.
- 6.7 Recurring Contributions are annual in nature but may be paid regularly in any shorter frequency as selected by the Member.
- 6.8 A grace period for paying periodic Contributions is provided for by the Board. If Contributions are not paid within the grace period or are stopped and the Member does not apply to reinstate the Contributions, his membership will be made paid up and the Member will become a Deferred Member. The Deferred Member will continue to participate in the Investment Portfolio or Deferred Member's Account which shall continue to be subject to the deduction of normal Fees to the Retirement Age, unless the value of the Deferred Member's Account become exhausted before that date, in which event participation shall cease and if there be no other value left in the Deferred Member's Account, the Deferred Member's membership of the Fund will terminate.
- 6.9 Where a Deferred Member applies for re-instatement of Contributions, a Deferred Member may recommence Contributions subject to such terms and conditions as the Board may specify at the time.
- 6.10 A Member may apply for a Contribution increase or reduction at any time or arrange for an automatic increase on a selected anniversary at a selected fixed rate. The Member may apply at any time to change the rate of increase or to suspend or cancel

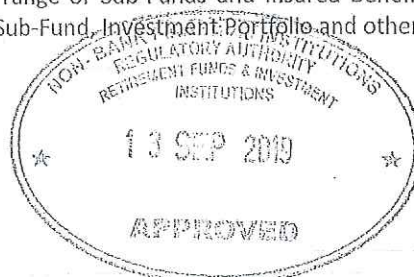
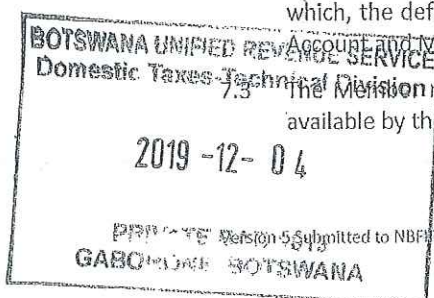


any increase.

- 6.11 A Member may contribute a lump sum to the Fund at any time, subject to the minimum determined by the Board from time to time. Any lump sum payment will be invested at the date of the next due Contribution.
- 6.12 All Contributions, increases and lump sums will be applied to the Member's Account, after the deduction of Fees.
- 6.13 A Member may apply to the Fund for permission to transfer the Member's interest in any other approved retirement, preservation or retirement annuity fund to the Fund.
- 6.14 Contributions may be transferred or paid directly on behalf of the Fund to an Agent appointed by the Board for this purpose and any amounts to be paid by or on behalf of the Fund, may be paid by such Agent directly to any person entitled to receive such payment.
- 6.15 Other than as provided for in Rule 6.8, a Member who reduces or discontinues Contributions before the Retirement Date shall be entitled to:
- 6.15.1 apply for a reduced Annuity at the Retirement Date, or to transfer the Member's Benefits to another retirement fund; or subject to any limits prescribed by the Act, to withdraw all of the Member's Benefits altogether;
- 6.15.2 apply to be reinstated as a normal Member subject to the resumption of payment of the Contributions and compliance with any other conditions imposed by the Board from time to time;
- 6.15.3 where applicable, apply to resume any Insured Benefits subject to providing proof of insurability, health, occupation and pursuits as required by the licensed insurer.
- 6.16 Contributions paid, less any Fees, will be allocated to the Member's Account into selected or default Investment Portfolios. One or more competent investment managers duly selected or approved by the Board will be appointed to manage the Investment Portfolios.
- 6.17 The Fund is under no obligation to open or maintain a Member's Account for a Member except to the extent that Contributions are to be received from the Member or the Member's Account continues to show a value sufficient to pay for Fees that may become due for that Member.
- 6.18 The Member may, on written notice at least three months prior to the Retirement Date, change the Retirement Date to a later date, but not later than the age of seventy (70). In this event, the Contributions and Member's membership of the Fund shall be extended and will continue as normal, save that the continuation or extension of any Insured Benefits will be subject to the licensed insurer's acceptance and any applicable terms and conditions.

7 SUB-FUNDS

- 7.1 The Fund provides for Member's Benefits through the Special Rules of the Sub-Fund selected by the Member.
- 7.2 After deductions for Fees, Contributions received are credited to the Member's Account and invested into the Investment Portfolio selected by the Member, failing which, the default Investment Portfolio selected by the Board to fund the Member's Account and Members' Benefits. Fees may be drawn from the Member's Account.
- 7.3 The Member may choose from the range of Sub-Funds and Insured Benefits made available by the Fund and select the Sub-Fund, Investment Portfolio and other specific



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features relating to that Sub-Fund. The Member selecting a Sub-Fund does so on the basis that he accepts the applicable Special Rules and the investment risk accompanying the selection.

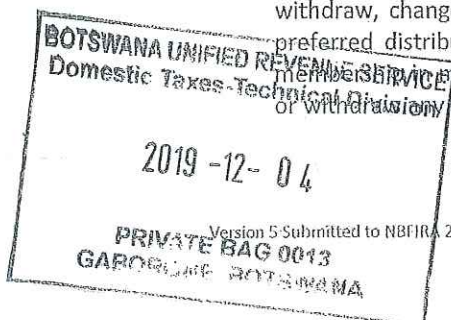
- 7.4 Where a Member does not select an Investment Portfolio or respond to a request by the Board to select an alternative investment option to ensure ongoing compliance with the Act, the Board reserves the right to, at its sole discretion, change any allocation to and selection of the Investment Portfolios for that Member, or any group of Members, to ensure that the Fund complies with the Act.
- 7.5 At all times, the Fund's liability to a Member or to any other person claiming through or on behalf of the Member shall be based on and equal to the Member's Account, and or an Insured Benefit, as calculated by the appointed licensed insurer at the date of claim.
- 7.6 All cover, values, benefits, Fees and charges in respect of any Sub-Fund selected by a Member will be as set out in the Special Rules and the membership certificate and other documentation provided to the Member by the Fund.
- 7.7 The Fund will notify the Member about any consequential variation to the Member's membership or the application of the Special Rules because of a change requested by the Member or other change to the Contributions.
- 7.8 A Member may apply to make any permitted changes to membership or to any transactions allowed under the Special Rules.
- 7.9 Where any significant change has taken place affecting a Member's Benefits, the Fund will notify the Member. A patently successful electronic communication to a selected electronic address for a Member, which shall include a disclosed e-mail address or cellular phone number, shall suffice as adequate written notice to a Member in terms of the Rules.

8 BENEFITS

- 8.1 The following Benefits are available in terms of the Rules:

- 8.1.1 On Retirement a Member may purchase an Annuity from any licensed insurer or retirement fund commencing from the Retirement Date and payable until the Member's death.
- 8.1.2 If a Member at any age, becomes permanently disabled and unable to practise his occupation and the Member's Account is sufficient for this purpose, an Annuity may be purchased from any licensed insurer or retirement fund payable at least until the death of the Member.
- 8.1.3 On the death of a Member before the Retirement Date, a lump sum payment will be payable to the Member's Nominee as identified by the Member on a beneficiary nomination form provided to the Fund, in the proportions identified by the Member as representing his preferred distribution.

- 8.2 A Member must on entry to the Fund complete a written beneficiary nomination form to identify his Nominee and must state what proportion of any lump sum benefit should be awarded to each Nominee and may also give reasons why such distribution is preferred. The Member may at any time thereafter by written notification to the Fund withdraw, change or appoint a new Nominee and make any other changes to any preferred distribution and the given reasons for any preference. In the event of more than one Sub-Fund, the Member shall separately make, change or withdrawal appointment for each Sub-Fund. Any nomination or change will take



effect from the date the Member signed the written notification.

- 8.3 Any Annuity will be purchased in the name of the Member. No annuity may be payable to a minor child before he attains the age of 18 years.
- 8.4 At Retirement, the Member may elect to commute a part, not exceeding one third of the Annuity, for a single cash payment. However, if the remaining pension after the commutation is then less than the minimum amount stipulated by the Income Tax Act from time to time, the Member may apply to the Board to commute the whole Annuity for a single payment.
- 8.5 Once an Annuity contract has been issued, the Fund shall have no further responsibility in respect of that Member or any Dependant or Nominee. The Member and any prospective annuitant hereby appoint and authorise the Board as their duly authorised agent to do all things necessary to procure and effect the purchase of the Annuity.
- 8.6 Should a Member not notify the Fund by the Retirement Age which Retirement option he chooses or, alternatively, in which of the available Investment Portfolios he wishes to continue, as a default, his membership will continue with same Sub-Fund and Investment Portfolio and the Retirement Date will be extended for a further period of twelve months at a time, until the Member notifies the Fund of his election, up to but not later than the seventieth birthday of the Member, at which date the Member must take an Annuity.
- 8.7 Retirement Benefits payable during the lifetime of a Member are to be paid to the Member unless otherwise directed by the Board.
- 8.8 On the death of a Member, if the Board is satisfied that there are no Dependants other than those stated in the Member's most recent beneficiary nomination form, the Board may accept and follow the direction given by that beneficiary nomination form. However, if the Board becomes aware that a Dependant has not been provided for, reasonably or at all, then the Board shall in its discretion distribute the lump sum among the Member's Dependants and Nominees in such proportion as it determines to be reasonable, taking into account the degree of dependency; the age of the Dependant or Nominee; the likely duration of dependency; the relationship to the Member; information contained in the Member's beneficiary nomination form and any distribution made by the Member in his will.
- 8.9 The Board shall not be required to pay or arrange for any benefits to be paid before all information reasonably required by the Fund has been received.
- 8.10 If the Board within twelve (12) months of the death of a Member does not become aware of any Dependant and the Member did not appoint a Nominee or did but only in respect of a portion of the benefit, then the benefit or any remaining balance thereof shall thereafter form part of the estate of the deceased Member and shall be paid to the estate accordingly.
- 8.11 The Board has the discretion to apportion a benefit arising from the death of a Member, and if it reasonably believes that it would be unwise to pay a benefit directly to a Nominee, it may direct that payment be made or arranged to be made to:
- 8.11.1 the trustees of a trust for the benefit of the Nominee, in which case the Board may determine the age at which the remaining capital may be paid out to the Nominee; or
- 8.11.2 a person recognised by law or appointed by court as the person responsible for managing the affairs of that Nominee;
- 8.11.3 a beneficiary fund licensed under the Act or the Guardian Fund.

8.12 Any decision of the Board made in terms of this Rule 8 may from time to time be



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amended in the Board's discretion.

- 8.13 A Member may at any time apply to the Fund to change the Insured Benefits, or the Investment Portfolio subject to any applicable terms and conditions.
- 8.14 It is noted that an appointed licensed insurer shall only be liable to the Fund for Insured Benefits:
- 8.14.1 if there is a current Fund membership certificate for the Member as at the date of Death;
- 8.14.2 if Contributions have been paid to date;
- 8.14.3 if a duly completed claim form has been submitted;
- 8.14.4 if proof to the satisfaction of the Fund and licensed insurer has been provided of the death of the Member;
- 8.14.5 details of the ages of the Member and Nominee and if applicable, the age of the Contributor and the title and dependency of the Nominee have been provided.
- 8.15 If a benefit due under the Fund is not claimed within three years after the date on which it became due for payment, and if after due enquiry, the Member or potential beneficiary or Nominee cannot be located, the benefit shall revert to the Fund; provided that if a potential beneficiary or Nominee approach the Fund at any stage thereafter, the Board shall consider such claim and if the circumstances so warrant, shall pay the benefit together with such investment earnings as it may allow.
- 8.16 All benefits shall be paid net of any income tax required to be deducted in terms of relevant legislation.

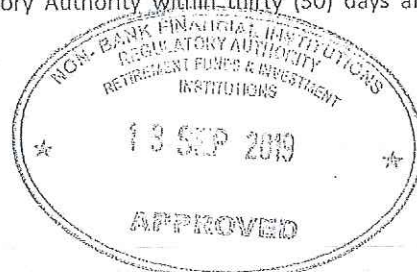
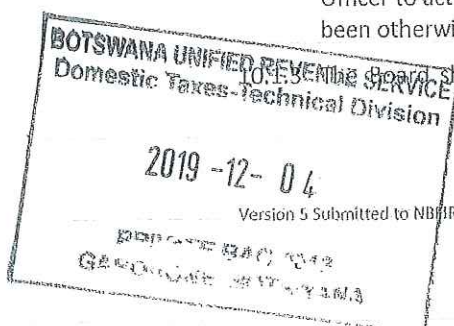
9 TRANSFERS

- 9.1 A Member's Account or part thereof may be transferred to another authorised retirement annuity or retirement fund on the following terms and conditions:
- 9.1.1 the Member must request the transfer in writing;
- 9.1.2 all regulatory requirements regarding the transfer must be complied with;
- 9.1.3 an expense recovery charge may be levied by the Fund to cover any reasonable and necessary costs of transfer, if any;
- 9.1.4 the transfer is to be effected entirely at the discretion, choice and risk of the Member;
- 9.1.5 the amount to be transferred may not exceed the value of the Member's Account at the time of transfer, after the deduction of any termination or transfer expenses levied by the Fund, if any.

10 MANAGEMENT

10.1 Principal Officer

- 10.1.1 The Board shall appoint a Principal Officer as required by the Act and may withdraw any such appointment and make another appointment in its place at any time.
- 10.1.2 In the event that a Principal Officer is or will be unable to fulfil his functions for a period of longer than thirty (30) days, the Board shall appoint an acting Principal Officer to act in his stead until the Principal Officer is able to resume his duties or has been otherwise replaced.



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appointment of the first or any subsequent Principal Officer.

10.1.4 The Principal Officer shall perform all functions which the Act, the Rules and the Board require him to perform.

10.2 Board

10.2.1 The Fund is controlled and managed by the Board that binds the Fund regarding all the matters of the Fund and which has all the powers required to attain the objectives of the Fund.

10.2.2 The objective of the Board shall be to direct, control and oversee the operations of the Fund in accordance with the Act and applicable laws of the Republic of Botswana and the Rules.

10.2.3 In pursuing its objectives, the Board shall:

10.2.3.1 take reasonable steps to ensure that the interest of Members in terms of the Rules and the Act are protected at all times;

10.2.3.2 act with due care, diligence and in good faith;

10.2.3.3 avoid conflicts of interests;

10.2.3.4 act impartially in respect of all Members, Dependents and Nominees.

10.3 Trustees

10.3.1 The Board shall at all times consist of a minimum of five Trustees.

10.3.2 The Sponsor shall appoint four (4) Trustees.

10.3.3 The four Trustees once appointed shall at their first convened meeting, vote to select one of their number to specifically and exclusively represent the interests of the Members and to appoint an Independent Specialist to the Board as the fifth Trustee.

10.3.4 If a vacancy occurs on the Board, another Trustee, Member Trustee or Independent Specialist must be appointed within ninety (90) days of the vacancy occurring.

10.3.5 No person in any of the following categories shall be eligible for appointment and a Trustee's term of office automatically ends if and when he:

10.3.5.1 resigns from office by giving notice in writing to the Board; or

10.3.5.2 other than in respect of the Independent Specialist, is no longer employed by the Sponsor; or

10.3.5.3 is legally incapacitated from being a trustee or director of a company; or

10.3.5.4 is a minor or is or becomes mentally incapacitated or otherwise incapable of acting; or

10.3.5.5 is placed under curatorship by order of a competent court; or

10.3.5.6 is an unrehabilitated insolvent; or

10.3.5.7 is removed from an office of trust on account of misconduct; or

10.3.5.8 has been convicted and sentenced to imprisonment without the option of a fine for any of the following: theft, fraud, forgery or uttering a forged document, perjury, any offence involving dishonesty or any offence in connection with the promotion, formation or management of a company; or

10.3.5.9 is removed by the Board; or

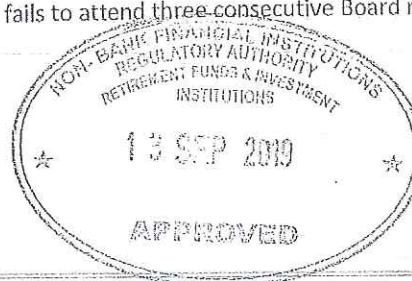
10.3.5.10 without permission of the Board, fails to attend three consecutive Board meetings;

BOTSWANA UNIFIED REVENUE SERVICE
Domestic Taxes-Technical Division

2019-12-04

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or

10.3.5.11 has served in the position for longer than five (5) years.

10.3.6 A Trustee whose appointment has been terminated after five (5) years is eligible for re-appointment.

10.3.7 All Officials, including Trustees shall be subject, at the Board's discretion, to be remunerated by the Fund for their services.

10.4 Meetings and Minutes

10.4.1 Proper notice of an ordinary meeting of the Board must be given at least fourteen (14) days in advance to each Trustee. If all the Trustees agree, a shorter period of notice may be followed.

10.4.2 The Board shall elect a chairperson and vice-chairperson from its own ranks at the first meeting and after any of those positions become vacant.

10.4.3 A Trustee elected as chairperson or vice-chairperson serves in that capacity until the first Board meeting after three years have expired since his appointment in that position, or until his tenure as Trustee expires, whichever occurs first. At that meeting the Board shall elect a new chairperson or vice-chairperson or both.

10.4.4 Any incumbent Trustee or chairperson or vice-chairperson may make himself available for re-election.

10.4.5 If the chairperson is temporarily not available to fulfil any of his duties, the vice-chairperson will perform those duties.

10.4.6 A quorum for a meeting of the Board shall comprise three Trustees, always including the Independent Specialist. At all meetings, the decision of the majority will be final and obligatory, and, in the case of an equal vote, the chairperson of the meeting will have an ordinary as well as a decisive vote.

10.4.7 The chairperson may, when necessary, schedule a meeting of the Board to deal with the business of the Fund.

10.4.8 Any Trustee may request the chairperson to schedule a meeting of the Board to deal with such business as set out in the request. If the chairperson considers the request to be reasonable, he should schedule a meeting as soon as possible, but in any case no later than thirty (30) days of the date of receipt of the request, provided that if the request is supported by the majority of the Trustees and the chairperson neglects to schedule a meeting, they may themselves schedule a meeting after having informed the chairperson of their intention, and if a quorum is present, the decision of the majority will be binding.

10.4.9 Minutes will be taken of the meetings of the Board and resolutions recorded.

10.4.10 A decision in writing, signed by all the Trustees, or a decision dispatched by e-mail to all the Trustees and confirmed by them, shall be as valid as a resolution passed at a meeting of the Board.

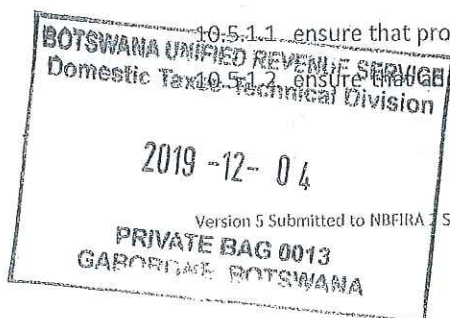
10.4.11 The Board will meet at least four times per year.

10.5 Powers and duties of the Board

10.5.1 The duties of the Board shall be to:

10.5.1.1 ensure that proper control systems are employed by or on behalf of the Board;

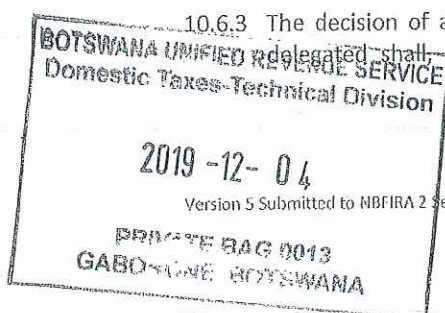
10.5.1.2 ensure that adequate and appropriate information is communicated to Members



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informing them of their rights, benefits and duties in terms of the Rules;

- 10.5.1.3 obtain expert advice on matters where the Board may lack sufficient expertise;
- 10.5.1.4 ensure that the operation and the administration of the Fund comply with the Act, all other applicable laws of Botswana and the Rules;
- 10.5.1.5 cause to be kept such proper books, registers and records as are essential to the proper functioning and operations of the Fund, inclusive of proper minutes of all meetings and resolutions passed by the Fund.
- 10.5.2 The Board may do all things it deems necessary to attain the Fund's objectives, but always subject to the Act and the Rules.
- 10.5.3 Without limiting the generality of this Rule, the Board may:
 - 10.5.3.1 appoint and arrange for the remuneration of the Trustees, the Principal Officer, Administrator, Auditor, Actuary, asset consultant, investment manager and investment adviser;
 - 10.5.3.2 delegate any of their powers to any Officer, sub-committee, or the Administrator subject to the conditions they deem fit;
 - 10.5.3.3 authorise such of the Officers as it may approve from time to time, and upon such terms and conditions as may be required, to sign any document binding the Fund or authorising the performance of any act on behalf of the Fund, provided however that any documents to be submitted to the Regulatory Authority shall always be signed as prescribed by the Act;
 - 10.5.3.4 schedule a general meeting of Members when the Board deems it fit. Notice of such a meeting is to be communicated to Members within twenty-one (21) days of the receipt of such a request. The meeting must be held more than twenty-one (21) days and less than forty-five (45) days after such publication and should be held at the Principal Office. The quorum for such a meeting shall be more than five percent (5%) of the number of active members.
- 10.5.4 In any meeting of Members, each Member shall have one vote to be exercised personally or by proxy. Any resolution passed at such a meeting shall serve as a recommendation to the Board by the general body of the Members, and the Board shall not be compelled thereby to carry out such recommendation.
- 10.6 Risk and Investment Sub-Committee
 - 10.6.1 The Board may decide that any power of decision on any matter related to risk and or investment management of the Fund that is vested in it, may be delegated, on such terms and conditions as it may specify, to a risk and investment subcommittee of such of its number as it may nominate, but not less than one. The Board may appoint other suitably qualified and expert persons who are not Trustees to the risk and investment sub-committee and may terminate such appointment at any time.
 - 10.6.2 The terms of reference of the risk and investment subcommittee shall be to deal with any delegated matter or authority for and on behalf of the Board, in as much detail and depth as required or as instructed, by applying internal and external expertise to ensure that the principal objectives of the Board, with regard to the risk and investment management of the Fund are properly dealt with in accordance with the Act and the Rules.
 - 10.6.3 The decision of a risk and or investment sub-committee to which a power is so delegated shall, unless the Board stipulates that it must be referred to it for



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ratification, be regarded as a decision made by the Board.

- 10.6.4 The minutes of all sub-committee meetings will be circulated to the Board and will form part of the minutes of the following Board meeting.
- 10.6.5 The Board shall ensure that adequate and appropriate information is communicated to Members and Beneficiaries of the Fund informing them of their rights, duties and benefits. While the Board will not provide any investment advice, it may on request by a Member, contract with any authorised financial adviser or intermediary for personalised intermediary and advice services and may pay Fees as required to such adviser or intermediary by drawing from the Member's Contribution or Member's Account for this purpose. The Member must specify and agree to the amount and frequency of Fees to be paid in this context.

11 INTERPRETATION AND DISPUTES

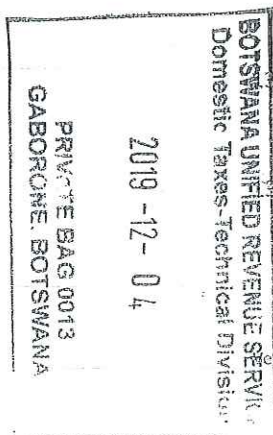
- 11.1 The decision of the Board as to the meaning of or interpretation of these Rules or of any particular Rule or part thereof shall be final and binding on the Members and on any person claiming a Benefit under these Rules. In arriving at a decision, the Board may receive representations orally or in writing in such manner and on such terms as it may determine and may use such evidence as it deems adequate, whether such evidence amounts to legal proof or not.
- 11.2 In any dispute regarding the interpretation or application of the Rules or Special Rules, Member Benefits or the administration of the Fund, the complainant must submit any complaint in writing to the Fund. The Fund must reply in writing within thirty (30) days of receipt of the complaint. If the complainant is not satisfied with the Fund's answer, the complainant may refer the complaint to the Regulatory Authority.
- 11.3 In the event that a dispute is between the Fund and a Member, the Member shall have recourse regarding the matter under dispute as provided for by the Act.

12 TRUSTEE AND OFFICIAL LIABILITY

- 12.1 Every Official of the Fund shall have the same civil liability, in relation to their duties to the administration of the Fund, as if he had been a trustee of a trust, unless the Official can show that: the act or default causing pecuniary loss to the Fund was not done by him; and or that he had no knowledge of the intention to do such act or to allow such default; and or that the exercise of reasonable due diligence by him did not and would not have made him aware of it; and or otherwise have prevented the act or default.
- 12.2 Provided that the Trustees act reasonably in good faith and in accordance with the Act and the Rules, they will not be personally liable for any losses or outcomes affecting the Members.

13 INDEMNITY AND INSURANCE

- 13.1 The Board appoints the Administrator on condition that the Administrator indemnifies the Fund against any loss that the Fund may suffer as the result of the dishonesty or negligence of the Administrator or any of its employees or agents.
- 13.2 The Board shall ensure that it obtains adequate professional indemnity and fidelity insurance cover to indemnify the Fund and the Fund's Officials against any liability that may arise from their various offices.
- 13.3 The Officers shall also be personally indemnified by the Fund against all proceedings, costs and expenses incurred by reason of any claim in connection with the Fund not



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arising from their own negligence, dishonesty or fraud.

- 13.4 The appointment of any Agent, service provider, product provider or investment manager to the Fund shall be subject to such appointee maintaining insurance cover to the satisfaction of the Board to indemnify the Fund against any loss resulting from the negligence, dishonesty or fraud of the appointed party or any person employed or appointed by them as agent or otherwise.

14 RULES

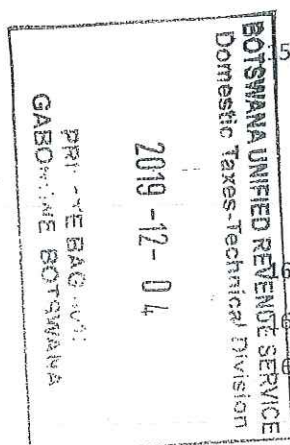
- 14.1 The provisions of the Rules bind the Fund, the Members and the Board and any person claiming in terms of the Rules or through any Member.
- 14.2 No person shall have any claim concerning the Fund against the Fund, the Board, any appointed licensed insurer or the Administrator, except in accordance with the Act or the Rules.
- 14.3 Subject to the Act, the Trustees may by resolution elect to amend or repeal the Rules or any portion thereof in accordance with the Rules.
- 14.4 No amendment or replacement of the Rules shall be valid until it has been approved by the Regulatory Authority and if required, the Revenue Authorities, and registered in terms of the Act.
- 14.5 The Principal Officer shall within one (1) month of the passing of any such resolution, submit two copies to the Regulatory Authority, together with a signed certificate setting out the reasons for the proposed change and certifying that the proposed changes have been undertaken in compliance with the Rules.
- 14.6 Any proposed change which affects the financial position of the Fund, shall be accompanied by a certificate by the Actuary or, if none, by the Auditor confirming the financial soundness of the proposed change.
- 14.7 If any change has the effect of reducing any Member's Benefit that has already accrued to a Member, the Principal Officer shall submit reasons why the change will not be unjust to any Member or group of Members.
- 14.8 If the effective date of any alteration to the Rules is retrospective or prospective, the alteration shall in any event and subject to the Regulatory Authority's consent, take effect only as from such effective date.

15 CONFIDENTIALITY

- 15.1 The Board and Officials are only entitled to request, receive and use such personal or confidential information that they may reasonably require to fulfil their responsibilities in terms of the Rules.
- 15.2 Any personal or confidential information so obtained may only be used for the purposes of the administration and management of the Fund in terms of the Rules and may not be disclosed to any person other than the Officials or Agents of the Fund, including any appointed licensed insurer or Administrator, who may likewise only use the information for the purposes of the administration and management of the Fund and of the Member's Benefits in terms of the Rules or Special Rules.

16 CLOSURE, DISSOLUTION OR AMALGAMATION OF THE FUND

- 16.1 The Board has the right to close the Fund to new applicants.
- 16.2 The Board has the right to resolve to amalgamate the business of the Fund with any



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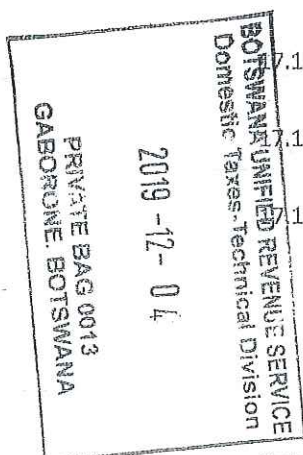
other approved retirement fund on condition that:

- 16.2.1 the other fund's objectives are similar to those of the Fund; and
- 16.2.2 the benefits provided by the other fund are not less than those provided by the Fund; and
- 16.2.3 the Regulatory Authority agrees to such amalgamation.
- 16.3 Subject to the Act and the Rules, the Board may resolve to dissolve the Fund and communicate such resolution to the Regulatory Authority.
- 16.4 Where the Regulatory Authority agrees or otherwise directs that the Fund be dissolved, a liquidator approved by the Regulatory Authority shall be appointed as follows:
 - 16.4.1 the liquidator, with the approval of the Regulatory Authority, shall determine the date of liquidation and the period of backdating, if any, for the purpose of including in the calculations in connection with the liquidation, those Members who during that period exited the Fund and who shall be deemed to be Members for the purposes of the liquidation;
 - 16.4.2 until the liquidation is complete, the Act shall, as far as practicable, continue to apply to the Fund as if the liquidator were the Principal Officer of the Fund;
 - 16.4.3 the liquidator shall, as soon as possible, lodge with the Regulatory Authority a list of the assets and liabilities of the Fund certified by him as correct and a scheme setting out the manner in which he proposes: to realise the assets of the Fund; to discharge the liabilities to persons other than Members; and to meet the expenses of liquidation;
 - 16.4.4 the Actuary, or failing any, the liquidator shall submit a report to the Regulatory Authority showing the proportion of the Member's Account available for distribution recommended to be applied for the benefit of each Member or beneficiary.
- 16.5 A Member's Account as determined must be paid for the Member or beneficiary's benefit into another approved retirement or retirement annuity fund; or used to purchase an Annuity for the Member or beneficiary; or where permitted by the Act and at the election of the Member or beneficiary, commuted in part or in full to a lump sum.

17 ADMINISTRATION

17.1 General

- 17.1.1 The Fund shall be administered by Administrator appointed by and acting on the instructions of the Board.
- 17.1.2 The Administrator shall keep a complete record of all necessary particulars of the Members of the Fund and of all persons entitled to claim Member's Benefits and of all other matters essential to the operation of the Fund.
- 17.1.3 The Administrator shall keep full and true accounts of the Fund as required in terms of the Act and the Rules.
- 17.1.4 All cheques, contracts and other documents pertaining to the Fund shall be signed by such persons as the Board may appoint.
- 17.1.5 The Fund shall within one (1) month and in writing notify the Regulatory Authority of



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any change:

17.1.5.1 to the name or address of the Principal Officer or representative;

17.1.5.2 in the address of the Principal Office.

17.1.6 Where anything is required by or in terms of the Act to be done by the Fund, it shall also be the duty of the Principal Officer to so comply.

17.1.7 The Fund shall appoint an auditor who shall not be an Officer of the Fund;

17.1.8 Unless the Fund is exempted from having to appoint an Actuary, the Fund shall appoint an Actuary.

17.2 Financial

17.2.1 The Board through the Administrator shall cause full and true accounts of the Fund to be kept, which accounts shall be made up as at the end of each Financial Year, to be audited by the Auditor and submitted to the Regulatory Authority within four (4) months as prescribed.

17.2.2 The Administrator shall maintain a main account under the Fund, to which shall be credited such proportion of Contributions on a regular basis as required to meet part or all of the recorded expenses and Fees of the Fund and to maintain the solvency of the Fund.

17.2.3 Except where otherwise provided, the whole of the expenses in connection with or incidental to the management, administration, or investment activities of the Fund shall be paid for by the Fund and recovered fairly and proportionately from Members from their Contributions and Members' Accounts.

17.2.4 The amount of the expense and Fee contribution to be deducted shall be determined by the Fund through the Administrator from time to time.

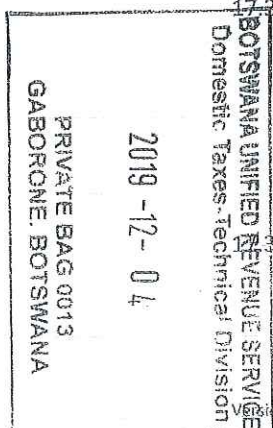
17.3 Investment

17.3.1 The Board shall have full power, subject to the provisions of the Act and the requirements of the Regulatory Authority, to receive, administer or apply any Contributions and in their absolute discretion to, invest, put out at interest, place on deposit, make advances, or otherwise deal with the moneys of the Fund upon such security and in such manner as they may from time to time determine and to realise, vary, reinvest or otherwise deal with such securities and other investments as they from time to time determine.

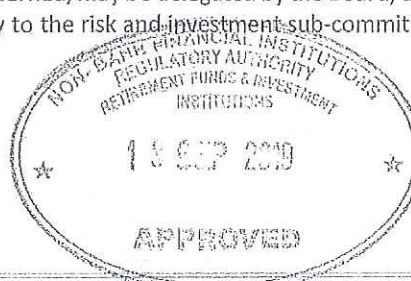
17.3.2 The Board may, subject to the requirements of the Regulatory Authority, obtain an overdraft from a bank or borrow from a fund or any other party, on such terms as it thinks fit, such sums as it may approve for the purpose of completing any investment or meeting any temporary cash shortage or for any other reason and for this purpose, may give such security as it may decide.

17.3.3 All the assets of the Fund shall be controlled and held in the name of the Fund or a nominee company duly registered as such. All title deeds and securities must be registered in the name of the Fund or in the name of such nominee company acceptable to the Regulatory Authority as the Board may appoint. The documents of title registered in the name of the Fund in connection with any investment or asset of the Fund must be kept in safe custody at the Principal Office of the Fund or in a banking institution, as directed by the Board.

17.3.4 The power of the Board to make investments and to realise, vary, reinvest or otherwise deal with the securities concerned, may be delegated by the Board, on such terms and conditions as it may specify to the risk and investment sub-committee; or



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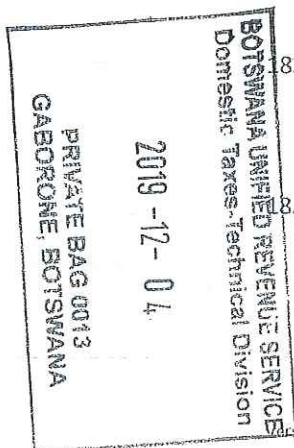


to a licensed financial institution or appointed investment manager. In this event the Board shall not be liable for the negligence, dishonesty or fraud of such institution or person.

- 17.3.5 Subject to the Act and other than with the prior written consent (or exemption) of the Regulatory Authority, the Board shall:
- 17.3.5.1 not make any investment unless it can show that the return is reasonable, and the investment is not prejudicial to the Fund;
- 17.3.5.2 not invest or otherwise lend the moneys of the Fund, other than in accordance with the limits and restrictions stipulated by the Regulatory Authority from time to time.
- 17.3.6 The Fund does not offer loans to Members.
- 17.3.7 Contributions to fund Member's Benefits shall be invested into selected Investment Portfolios to make up the Member's Account. Unit Values for the Investment Portfolios will be calculated at least monthly.
- 17.3.8 Investments in Investment Portfolios may include shares, properties, fixed interest, managed, property and money-market portfolios and other assets as defined by the Regulatory Authority from time to time.
- 17.3.9 All Contributions to the Fund (less any Fees) and all dividends, growth and returns shall be credited to the Member's Account and invested in the selected Investment Portfolio. Monthly Fees and if applicable, any provision for tax shall be deducted from the Investment Portfolio or Member's Account. The Board will calculate and declare a monthly Unit Value for each Investment Portfolio to be used in the determination of the value of the Member's Account.

18 GENERAL PROVISIONS

- 18.1 The Financial Year of the Fund runs from 1 January each year and ends on 31 December of the same year,
- 18.2 All Policies shall be issued in the name of the Fund with the original policy documents provided.
- 18.3 The Fund shall not engage in or carry on any business undertaking for which a licence is required in terms of the Trade Act or the Liquor Act; or any other form of business unless the form of business has been prescribed by the Regulatory Authority and the Regulatory Authority has agreed in writing that the Fund may carry on the business concerned, subject to compliance with any terms and conditions fixed from time to time by the Regulatory Authority.
- 18.4 If any costs are incurred as a consequence of the Fund tracing any Members, Nominees or potential beneficiaries whose benefits due under the Fund are unclaimed or, in order to give effect to the provisions of the Act, such reasonable costs may be recovered from any benefits payable to such Members, Nominees or beneficiaries.
- 18.5 Otherwise as may be specified in the Act, other applicable legislation or the Rules, no benefits nor the right to any benefits or Annuities may be surrendered, commuted, assigned or pledged as security for any loan any debt or be subject to be attached by any creditor or in terms of any order of court.
- 18.6 If any Member, Nominee or Dependant is sequestrated or attempts to relinquish or to make over any retirement benefit in favour of creditors, any and all such benefit will immediately vest exclusively in the Fund only and the Board may then immediately, or at any future time thereafter, elect at its sole discretion to apply such benefit in the



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interests of such Member, Nominee or Dependant as it may see fit.

- 18.7 All benefits and rights to benefits in terms of these Rules shall be subject to the prohibitions as to reduction, cession, etcetera as provided for in the Act.
- 18.8 In the event that a Member cannot be found or contacted for any reason for a period exceeding twelve months after the time that benefits are due to that Member in terms of the Rules, then, that Member's benefits shall be identified as unclaimed benefits and shall be set aside for the benefit of the Member in an interest bearing account. If no Member or any person claiming for or on behalf of the Member contacts the Fund within five years thereafter, the Fund will transfer the Member's benefit to a Guardian's Fund. The Fund shall make at least one attempt to trace the Member before such transfer and the cost of this search may be set off against any benefits due to the Member.
- 18.9 The Fund will on demand by a Member, allow him at all reasonable times at the Principal Office and without charge to inspect and or make extracts from the Rules, the last audited income and expenditure accounts and balance sheet of the Fund and the last report, if any, by the Actuary.
- 18.10 All payments to or by the Fund shall be made at the Principal Office in the currency of Botswana or to or by an appointed Agent for and on behalf of the Fund.

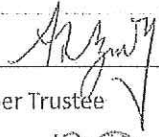
Certified that these Rules comply with the Act and are to be effective as from the Commencement Date.



Chairperson of the Board



Independent Specialist



Member Trustee



Principal Officer

