



**Request
For
Application
(Draft)**

National Lottery

Request for Application

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REQUEST FOR APPLICATIONS

CHAPTER 1 INTRODUCTION

1.1. Fundamentals

- 1.1.1. The Gambling Authority (the Authority) issues this Request for Application (RFA) pursuant to Section 61 and 62 of the Gambling Act of 2012 (the Act) and Regulation 66 (1) of the Gambling Regulations of 2016 (the Regulations). The Authority invites applications for a license under Regulation 66 (1) of the Regulations to run the National Lottery for a period of ten (10) years as per Section 62 (4).
- 1.1.2. This document sets out details of the National Lottery opportunity together with the process and requirements connected with submitting the application. The Authority requires applicants to provide a complete solution for the lottery, including: setting up and running the lottery; designing, building, financing and operating the requisite infrastructure and systems; designing, distributing and marketing lottery games and ensuring a smooth transition from award of license to operations.
- 1.1.3. In evaluating bids the Authority must fulfil its statutory duties, which are to exercise its functions in the manner it considers most likely to secure:
- a. that the National Lottery, and every lottery that forms part of it, is run with all due propriety; and
 - b. that the interests of every participant in a lottery that forms part of the National Lottery are protected.

1.1.4. Subject to these overriding duties, to do its best in exercising its functions to secure that the net proceeds of the National Lottery for expenditure on the programs prescribed in Section 63 (2) of the Act are maximised. The effect of the legislation is to require the Authority to base the part of its evaluation relating to the proceeds of the lottery on the likely benefits that an application will bring to the National Lottery Distribution Fund (NLDF) established under Section 63 (1) of the Gambling Act.

1.2. **Games**

1.2.1. The Authority wishes the National Lottery to be regarded as a portfolio of good quality games that appeal to people's imagination and which are seen and promoted as fun. However, the Authority shall not licence games that appear likely to encourage excessive play or which it regards as lacking effective controls to prevent under-age play or as having undesirable consequences.

1.2.2. In considering proposals for individual games, the Authority will have regard at all times to the importance of ensuring that the National Lottery develops at a pace that can be sustained both for the period of the licence and for the longer term. Applicants are required in Chapter 10 to indicate the games or type of games they expect to offer, and in Chapter 11 to indicate their proposed means of player access.

1.3. **Form of Licensee**

A licensee shall be as defined in the Act. This RFA is drafted on the basis that the applicant is the intended licensee.

1.4. **Fit and Proper Vetting**

When evaluating applications, the Authority shall place great emphasis on ensuring the propriety of the National Lottery operations. The licensee, defined categories of contractors, subcontractors, and their respective directors and officers (equivalent), shareholders (or equivalent) and key staff

will be subject to vetting to ensure that they are fit and proper to take part in the running and management of, or to benefit from the National Lottery. This also applies to major shareholders and to holding and subsidiary companies, if any. (All references in the draft licence to directors should be considered to cover equivalent individuals in bodies without directors).

1.5. Monitoring and enforcement of licence compliance

The licensee shall be required to establish and operate systems of corporate governance and controls that are of the highest standards and shall be subject to rigorous monitoring, auditing and compliance programs carried out by the Authority. The licensee and its contractors will be required to cooperate in providing the Authority with full access to its machines, equipment, systems, personnel and records.

1.6. Licence Conditions

The Authority may impose licence conditions in terms of Section 37 (3) of the Act. These conditions shall be attached to the licence.

1.7. Modification of Conditions of Licence

The Authority can vary any condition, or insert a new condition, without the consent of the licensee, provided that, it gives the licensee a reasonable opportunity to make representations as per Section 37 (5) and (6).

1.8. Enforcement of a Licence

The Authority may apply to a court for an injunction to enforce a condition of the licence. A licence may be revoked on the grounds and according to the procedure set out in Sections 41 (1) and (2) respectively. Without prejudice to any of its powers under the Act or the licence, the Authority would ordinarily consult with the licensee concerning any breach of the licence before invoking the revocation procedure.

1.9. **Inspection and Review**

The Authority shall have the power to inspect at all times any equipment, systems, machines, records etc, which it considers necessary to determine whether the provisions of the licence are being complied with and to also take copies of any document relating to the National Lottery. The licensee is required to provide information that the Authority requires relating to the National Lottery, the running and management of it or any information concerning the licensee or its affairs.

1.10. **Non-Compliance by Contractors**

The licensee is responsible for compliance with the terms and conditions of the licence granted to the licensee regardless of any acts and/or omissions of its suppliers, contractors or subcontractors which affect such compliance. The Authority may require the licensee to terminate a lottery contract if it deems this necessary for the proper running and management of the lottery.

1.11. **Codes of Practice**

The draft licence provides for documents to be produced by the licensee and approved by the Authority. These documents shall include the **Consumer Code of Practice**, the **Advertising and Sales Promotion Code of Practice** and any other document deemed to be relevant to this section. Breaches of the codes shall constitute breaches of the licence. It should be noted that these codes are subject to change by agreement between the licensee and the Authority. The Codes shall become the copyright of the Authority.

1.12. **The National Lottery Logo**

It is a condition of the licence that there is a National Lottery logo. The logo may have different presentation in different circumstances. The Applicant shall develop logo usage guidelines to be approved by the Authority. The logo shall be the property of the Authority and the licensee shall use the logo at all times in all matters related to the National Lottery.

1.13. Licensee Retentions and Contributions to the Authority

1.13.1. The Applicant shall propose the distribution of the revenue from the National Lottery over the period of the Licence under the following categories;

Prizes:	%
GA Distribution Fund:	%
Licensee's retention and profit:	%
Marketing:	%
Retail distribution:	%
Authority Management Fee:	%

1.13.1. The Authority recognises that the public perception of the National Lottery, and therefore the willingness to buy tickets, may be affected by the amount of surpluses and how they are used. The applicant is therefore invited to make proposals for contributions to the Authority from surpluses gained from running the National Lottery ("secondary contributions"). If the applicant does so, it shall also make proposals concerning the definition and verification of such surpluses.

Notes:

- a. It is open to the applicant to propose the basis for calculating secondary contributions. Examples of possible proposals include: the allocation of a predetermined share of profits to the Authority; setting a level of profits above which amounts would be paid wholly or in part to the Authority; and payment of all surpluses to the Authority. The Authority shall require that the principles underlying the calculation can produce objective results for a given outturn.*
- b. In evaluating the overall proceeds for the Authority, the Authority shall make an appropriate allowance for secondary contributions. It will, however, expect the applicant in constructing its offer to regard primary contributions as providing the main method of making payments to the Authority.*

1.13.2. Value Added Tax shall be charged on the sale of tickets at the prevailing rate of 12%.

1.14. Commencement of Sales and Coverage

The applicant shall propose for insertion into the licence, the date on which tickets for the lottery will first be on sale and level of national coverage to which the applicant commits itself at that time.

1.15. Performance Measures

The Authority intends to set performance standards for the licensee under the draft licence, taking account of the features of the successful application. The condition enables the Authority to set standards that are requirements on the licensee, with the result that failure to meet them will constitute a licence breach. In addition, the Authority may set performance targets which may be in the same areas as the standards. Failure to meet these targets, however, shall not constitute a licence breach.

1.16. Pre-Licence Agreement and Transition

Before confirming the decision to grant the license, the Authority shall expect the successful applicant to enter into a legally enforceable agreement. This shall bind the successful applicant inter alia to implement the agreed pre-launch timetable.

1.17. Duration of Licence

1.17.1. The Authority shall grant a licence for a period of ten (10) years.

1.17.2. The successful applicant should note that in the period leading up to the expiry of the licence, the Authority shall at a time deemed appropriate, issue Request for Applications inviting prospective licensees to submit proposals for a new licence. The previous licence holder will be eligible to submit an application.

1.17.3. In the event the Authority deems it necessary, the licence may be extended for a period as may be determined by the Authority.

1.18. Security to be provided by Successful applicant

The successful applicant shall be expected to furnish security to the Authority by means of a financial guarantee issued by a bank licensed by Bank of Botswana or deposit with the Authority a specified amount of money for the purposes of securing the payment of financial obligations payable under the Gambling Act and any other agreement pertaining thereto. The financial guarantee shall remain valid for the duration of the licence and until all liabilities arising during the licence period have been settled.

1.19. Disclaimers

1.19.1.1. Information is supplied on a range of matters in this document, many of which depend on interpretation of the law. The information given is not an exhaustive account of the statutory and licensing requirements and should not be regarded as complete or authoritative statement of the law. Applicants should consult their own legal tax and professional advisers on all relevant matters.

1.19.1.2. The Authority accepts no responsibility for the accuracy or otherwise of the information contained neither in this document nor for any interpretation or opinion of the law expressed therein. The Authority accepts no liability for any loss or damage whether resulting from negligence or otherwise, howsoever caused, arising from the reliance of any person upon the statements contained therein.

1.19.1.3. The acceptance or approval by the Authority of any system specification, equipment or other thing is no warranty as to its quality or fitness for any purpose. The Authority will accept no liability for any loss or damage howsoever caused or suffered by any person in placing reliance on such acceptance or approval whether or not resulting from any negligent or

wrongful act or omission by or on behalf of the Authority. The Authority reserves the right to cancel or change the procedure outlined in this document at any time.

- 1.19.1.4. The Authority is not responsible for or does not accept any liability for any costs incurred in the preparation of an application for the licence whether or not the applications are submitted or a licence is granted.
- 1.19.1.5. Neither the decision by the Authority to receive or consider an application for the license nor the grant of the licence may be taken to imply that the licence will be profitable.
- 1.19.1.6. The Applicants should be aware of the possibility of legislative changes during and after the application period. The Authority does not take responsibility for changes in the legislation or any other external changes during the application and licence period, which may affect the National lottery. The Authority may however seek to modify the licence conditions in response to unanticipated events if it considers that such modifications will be consistent with its overriding duties and will be of benefit to the Authority.

CHAPTER 2

LEGAL AND INSTITUTIONAL FRAMEWORK

2.1. **The Gambling Authority**

2.1.1. The Act in Parts II, III and IV provides for the appointment of the Board members and makes provision for the Authority's officers and staff. The Authority has the sole authority to grant licenses under Section 33 of the Act. The Authority and the Minister have the duty to exercise their functions in a manner they consider the most likely to ensure that the National Lottery is run with all due propriety, that the interests of every participant are protected and that, subject to those considerations, the net proceeds of the National Lottery paid to the Authority are as great as possible. The Authority operates under the direction of the Ministry of Investment, Trade and Industry.

2.1.2. As well as having the duty in certain circumstances to revoke licenses (Section 41 of the Act), the Authority shall, where it deems it necessary, seek a court injunction or order to prevent or remedy breaches of licenses that it has granted under the Act.

2.2. **Powers of the Minister**

The Act gives certain functions to the minister, inter alia:

- a) Appointment of Board members under Section 7 of the Act;
- b) Statutory powers to make orders and regulations by statutory instrument in connection with various aspects of the Act and the National Lottery.

2.3. FEES

2.3.1. Application Fees

The application fee for the National Lottery licence is One Million Pula (P1 000 000.00) as per Schedule 14 of the prevailing Regulations and shall be payable upon submission of an application.

2.3.2. Investigations Fees

The applicant shall pay an investigation fee prior to commencement of investigations, being disbursement at cost for:

- a) Administrative expenses;
- b) Background checks expenses;
- c) Travelling expenses (to sites);
- d) Report writing expenses;
- e) Public hearing expenses; and
- f) Any other expenses deemed necessary and relevant to the investigation process.

2.3.3. Annual fees

The National Lottery licensee shall pay an annual (licence) fee of One Million Pula (P1 000 000.00) as per Schedule 14 of the prevailing Regulations.

CHAPTER 3

THE APPLICATION PROCESS

3.1. Introduction

3.1.1. All applications to run the National Lottery must accord with the requirements in this RFA. Applicants shall respond fully on all mandatory requirements contained in it. The applicant shall ensure that all the information that it provides, including any relevant supplementary information, is true and accurate.

3.2. The Authority shall undertake a detailed investigation and evaluation of each application. An applicant may be required to provide additional information in writing to clarify particular aspects of its application.

3.3. The Authority may seek improvements in some or all the commitments that an applicant has offered. If it does so, it will ensure that it does not distort competition by allowing an applicant to make changes in a way that, if open to another bidder, could have led to the eventual selection being different.

3.4. Conditions subject to confirmation of granting the license

3.4.1. Confirmation of the decision to grant the licence shall be subject to the fulfilment by the applicant of preliminary conditions to be set by the Authority.

These shall be based on:

- a) The applicant's start-up plan;
- b) Securing by the applicant of any:
 - i. Consents;
 - ii. Clearances;
 - iii. Permissions; and

iv. Approvals or other conditions (“consents”) that it may require from third parties; The applicant shall provide details of such consents in its application.

- c) Proof that the finance for its proposal is irrevocably committed; and
- d) Consent of shareholders where required.

3.4.2. These shall be secured during the period to be communicated by the Authority. The Authority shall expect the preferred applicant to cooperate with it fully in order to enable early confirmation of the decision to grant the licence.

Note:

The Consents referred to above may include but are not limited to the following:

- a.** *Shareholder approvals.*
- b.** *Commitment of finance or leasing contracts in a form approved by the Authority.*
- c.** *Completion of any equity issue.*
- d.** *Commitment of any key supplier contracts. Any other relevant consent.*

3.5. Changes to applications

The Authority shall only consider proposals that the preferred applicant may make for changes in its application, including any affecting the identity of suppliers, if it is satisfied that such changes would benefit the NLDF and not be detrimental to the entire process.

3.6. Timetable

The Authority expects the following timetable to apply:

Publication of the draft RFA	3 March 2017
Last day of receipt of public comments to draft RFA	17 th March 2017
publication of RFA (opening period for inquires)	28 th March 2017
Closing date for inquiries and last date of receipt of Letters of Intent to Apply	11 th April 2017

Bidders' conference	18 th April 2017
Final date for receiving applications	30 th June 2017
Completion of proposal evaluation, sites visits and presentations to the Authority	25 th August 2017
Announcement of preferred applicant	22 nd September 2017
Announcement of the Award	17 th November 2017

3.7. **Modifications and Amendments to the Request for Application**

The Authority reserves the right to make changes at any time to this RFA and to the timetable above. Any changes shall be included in a written addendum issued by the Authority. All potential applicants (who acquire the RFA) shall be registered in the Authority circulation list and receive notification of any changes to the RFA's as soon as they are made.

3.8. **Enquiries**

3.8.1. Any enquiries and requests for additional information regarding this RFA must be via email or registered mail to the Chief Executive Officer of the Authority by 12:00 **11th April 2017** or earlier if possible, at the address below:

Gambling Authority
Private Bag BR161
Gaborone
Botswana
Email: lottery@gamblingauthority.co.bw

3.8.2. All such requests shall be acknowledged by the Authority within five (5) working days of receipt. Responses shall be made in writing and circulated by e-mail and registered mail to all who have acquired the RFA and registered on the circulation list.

3.9. Form of Application

3.9.1. The applicant should be concise and shall accord with all the requirements in this RFA. The following requirements shall also be noted:

- a. the application shall be typed in English, with each page clearly numbered and recorded in the table of contents;
- b. the applicant shall provide responses in the same order as the requests for information in this RFA;
- c. the application shall be printed in its entirety so that it can be read without any apparatus, except as provided below;
- d. a master copy of the application shall be presented in an original bound version. This master copy shall have the signature of two directors of the applicant. Their signatures shall be given on each page of the application. Proof of the Directors' authority to sign on behalf of the applicant must be provided;
- e. the applicant shall be required to provide fifteen (15) numbered copies of the master copy. It is the applicant's responsibility to ensure that all copies are the same as the original;
- f. the applicant shall be required to present an executive summary of the application. It is the applicant's responsibility to ensure that any such executive summary is consistent with its application. The Authority will assess the application, not the executive summary;
- g. the applicant shall be required to provide an original signed copy and one other copy of all the declarations required;
- h. Fit and proper declarations and any other specific documents that may be required must be submitted in sealed packages. The outside of each

package must give the name and address of the applicant, the name and contact number of a responsible contact and show the words “Application for a Licence to run the National Lottery” and give details of what the package contains;

- i. All of the above must be delivered to the Authority’s’ premises at the following address: Gambling Authority, Fairscape Precinct, West Wing, Fairground Office Park, Gaborone by no later than noon on 30 June 2017;
- j. No faxed applications shall be accepted; and
- k. No responses in the application are required for chapters 1 – 3. However, the submission of an application shall be taken as acceptance of the terms provided in Chapters 1-3. There must be a full response to all other chapters.

3.10. Modifications and Amendments to an Application

No additional material shall be accepted from the applicant after the final date for submission of applications. and prior to the announcement of the preferred applicant, except for any other information that the Authority may specifically request to clarify particular aspects of the application. This shall be done in accordance with the procedure described below. These changes are expected to be minor, in the sense that they should not alter the substance of the application in any significant manner. Further and better information may be requested by the Authority but the applicant shall not be permitted to change the content of the application once it has been submitted, except as indicated in paragraph 3.5.

3.11. Procedure for the Gambling Authority to Acquire Further Information

Applicants may be required to provide additional information in writing to clarify particular aspects of is application. The Authority reserves the right to seek such further particulars from the applicant at the time and in the format

of its choosing. Each applicant must designate an individual to serve as a point of contact with the Authority during the evaluation process.

3.12. False Information

The Authority reserves the right to reject the application of, or subsequently revoke a licence granted to an applicant that provides false information in connection with an application for the licence.

3.13. Presentations

During the evaluation process the Authority may invite applicants to make one or more presentation(s) to it. Applicants would not be allowed to present new information that is additional to that already included in their applications. The Authority may choose to have advisers present. A detailed brief for presentations would be provided beforehand.

3.14. Visits to Other Lotteries and Other Operations

The Authority may wish to visit lotteries or other operations where the technology being proposed by the applicants is running. The Authority may choose to have advisors present. An applicant may suggest a site that the Authority should visit but the Authority reserves the right to visit any site where comparable technology is running. The Authority may also wish to visit a non-lottery operation for which a major shareholder or parent company of the applicant is responsible.

3.15. Evaluation

In accordance with its statutory duties, the Authority will assess the propriety of each applicant. The evaluation process will include consideration of the following:

- a. the financial soundness of the applicant;
- b. applicant is directed by persons of integrity;

- c. applicant has the knowledge and experience to operate a National lottery;
- d. the robustness of business plans under various scenarios;
- e. overall ability of management, organizational capacity and attention to handling of risk;
- f. competence and robustness of plans for game design, marketing and retail distribution;
- g. ability to adapt and modify plans to deal with adverse developments so as to protect sales revenues; and hence contributions to the NLDF;
- h. evidence that applicants have, or can demonstrate the ability to deliver systems, procedures and equipment that can handle all aspects of the
- i. task and would support the likely volume of transactions and processing;
- j. Citizen participation in the bid;
- k. Skills transfers to citizens; and
- l. Commitment to procure from local companies.

3.16. **Validity period of a Bid**

Each bid and the information contained therein is irrevocable and must remain valid for a minimum of twelve (12) months from the date it is submitted. Each Bidder shall indicate the maximum validity period over and above twelve (12) months, which it is prepared to accept, without adjustment to its bid.

CHAPTER 4

FINANCING STRUCTURE OF THE APPLICANT

4.1. Financial Soundness of Applicant

- 4.1.1. The Authority will need to be satisfied as to the financial soundness of the applicant especially in relation to the security to be provided by the applicant for funds held to meet its obligation to prize winners. Each applicant must also be capable of continuing as a going concern from the award of the licence and during the period of operations. Each applicant's financial proposal shall be judged as to whether they are sufficiently developed and robust to remove any material risk, on financial grounds which may lead to a failure to meet the obligations set out in the bid and in the licence.
- 4.1.2. The Authority therefore reserves the right to seek any financial information concerning the applicant or its business including, but without limitation to the applicant's business plan.
- 4.1.3. The applicant should describe as clearly as possible the structure, sources, nature of commitments and flexibility of its funding arrangements including alternative arrangements which may be available to it and must provide the following:
- a. Audited accounts for the two most recently completed financial years of the applicant's parent company if the applicant is a subsidiary, or if not, for each corporate shareholder (and where applicable their holding companies). If these are not yet available, audited accounts for the previous financial year, together with any interim financial statement for the most recent financial year should be provided. If audited accounts become available in the period prior to grant of the licence, these should be provided as soon as they are available.

4.1.4. Where the applicant has to finalize its financing arrangements or obtain any proposals following granting of the licence, such conditions must be met within eight weeks of the licence being granted.

4.2. **Organizational Plan of the Applicant**

4.2.1. The Authority shall require the applicant to provide an organizational plan which:

- a. Details the organization of the operation, identifying the applicant's departmental structure and that of any subsidiary of the applicant;
- b. Specifies the roles and responsibilities of each department and the procedures for which each is responsible;
- c. Identifies the key positions in the organization (e.g. Executive Directors, Officers, Senior Managers and those responsible for each department), the individuals concerned and provides brief job descriptions; and
- d. Identifies key activities that are to be contracted or subcontracted.

4.3. **Contractors and Subcontractors**

4.3.1. The Authority shall require the applicant to provide:

- a. names and addresses of contractors or subcontractors intended to supply goods and services of any of the types in Schedule 1 (or of a value in excess of that specified in that schedule) in connection with the promotion of the lottery pursuant to the licence applied for; and
- b. Information summarizing the nature of the legal arrangements and division of responsibilities between the applicant and any such contractors or subcontractors and, where it is not apparent from such information, a description of the nature of the planned activities of such contractors and subcontractors together with the names and

addresses of all persons who are connected parties in relation to such contractors and subcontractors.

Notes:

1. *The applicant should be aware that it will be a condition of the Licence that it may not enter into contracts for lottery activities, that would take place in or affect the National Lottery in the Republic of Botswana, of any types of specified in Schedule 1 to this document, unless the Authority has approved the identity of the parties other than the licensee.*
2. *All such contracts and subcontracts must obtain provisions enabling them to be terminated at any time if the Authority, in the discharge of its duties under the Act, so requires. The Authority will normally only utilize this power where some change has occurred in relation to the relevant contractor or subcontractor following its approval, but may nevertheless do so even if no such change has occurred.*
3. *The Authority may request copies of any lottery contracts or subcontracts at its discretion.*
4. *The applicant will need to demonstrate that the ability of the Licensee to control the matters for which it is responsible under the Licence is not lost through contracting of subcontracting arrangements or the sale of the parent company or subsidiary of any shareholder.*

4.4. Security Management

4.4.1. The Authority shall require the applicant to provide:

- a. a description of the game-specified security management procedures and controls that it will provide in addition to any exercised by the Licensee which are relevant. Such information shall include but not be limited to:

- i. the use of any contractors, subcontractors and security specialists; and
 - ii. the organization of game-specified security and the integration with that of the Licensee's security organization where relevant.
- b. if relevant, a description of how the licensee's security management, procedures and controls will be utilized for the proposed game.

4.5. **Lottery Personnel**

- 4.5.1. The Authority will require to be satisfied that the Lottery is run with a high degree of propriety, and that all personnel involved in the activities of the Lottery are fit and proper to undertake its operation and management.
- 4.5.2. The applicant should note that the Authority may ask about the past records of any employee. The applicant should also be aware that the Authority may undertake such vetting procedures as it deems necessary, and will have access to the records held by other Government departments and agencies, both within the Republic of Botswana and countries outside of Botswana or this purpose.
- 4.5.3. The Authority shall require the applicant to provide details of the controls which will be taken to ensure that persons associated with the Lottery, and their associates, do not participate in the lottery in any way, including purchasing tickets and winning prizes, whilst employed by the licensee, its contractors or agents and how this will be enforced.

Note

The applicant will need to assure the Authority that all reasonable steps have been taken to prevent damage to the image of the Lottery or the possibility of Lottery personnel benefiting from corrupt/ fraudulent practices.

4.6. **Integrity of Personnel**

- 4.6.1. The Authority shall require the applicant to provide:

- a. details of the steps which will be taken by the applicant to ensure that all its employees, contractors and subcontractors are fit and proper;
- b. Appropriate forms of declaration and forms of authority and waiver duly completed by the applicant; and
- c. The applicant must be prepared to submit their personnel to the security checks that the Gambling Authority may impose as a part of the licensing procedure and subsequent compliance checks during the term of the license.

Notes:

- a. *The Authority will require access to information concerning personnel so that it can periodically review this information during the term of the Licence.*
- b. *References to employees should be taken to include any persons engaged in the relevant Lottery operations, whether as secondees, interns, consultants or otherwise.*

4.7. Relevant Experience of the Applicant

The Authority shall require the applicant to provide details of any relevant experience of lottery operations gained by itself, its shareholders, its directors or its key employees. These shall include a description of the functions undertaken and details of when and where the experience was obtained. The Authority reserves the right to seek references concerning claimed past experience.

CHAPTER 5
CORPORATE INFORMATION CONCERNING THE APPLICANT

5.1. General

5.1.1. The Authority has an overriding statutory duty to ensure that the National Lottery is run, and all constituent lotteries are promoted, with all due propriety. It must, therefore, be able to identify those persons having interests in and/or influence over the applicant and to establish their fitness and propriety. The Authority regards the information in this section as of fundamental importance.

5.1.2. Each applicant must be capable of being regulated efficiently and effectively and have an office physically located in the Republic of Botswana manned by personnel appropriately authorized to act on behalf of the applicant.

5.2. General Company Information

5.2.1. Each applicant shall provide the following information or its nearest equivalent in relation to its current and intended arrangements:

a. Name and Registration

The name of the applicant company and any other name under which it trades or has traded in the past five years.

b. Details of the company registration of the applicant and each of its subsidiaries, including:

i. the place (s) where the company is registered;

ii. when it was registered.

iii. its registration number (s);

iv. the address of its registered and physical office (s); and

v. a certified copy of the Memorandum and Articles of Association or other constitutional documents of the company;

- c. The names and address of the applicant's auditors, legal advisors, principal bankers and any expert advisors engaged to provide specialist advice to the applicant in connection with the National Lottery; and
- d. Certified copies of board minutes of the applicant approving the contents of the application.

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CHAPTER 6

RETAIL AND CHANNEL DISTRIBUTION PLAN

6.1. Distribution Plan

6.1.1. The Authority shall require the applicant to provide information on:

- a. The retail channels that the applicant proposes to use for the distribution of the lottery:
 - i. the number and types of retail channels, e.g. if only certain types of outlets or outlets in certain geographic areas are to be used, or any other type of channels and the rationale for the choice;
 - ii. financing arrangements with distributors e.g. if any special incentives are planned;
 - iii. methods of payment other than at a retail outlet (e.g. mail service, subscription service, registration scheme, telephony and online channels);
 - iv. retailer training and monitoring; and
 - v. security arrangements.

6.2. Distribution Channels

6.2.1. Other methods of distribution proposed (e.g. own outlets, vending machines, mail service or registration scheme, telephone or mobile phone or online entry). The applicant shall provide details of:

- a. mechanism for players to use the method of entry;
- b. how prizes will be paid;
- c. relevant materials, e.g. subscription forms;

- d. methods to prevent sales to under 21s;
- e. security. Financial arrangements with retailers or other providers of the distribution channel, including commission paid, other incentives, other support or materials provided, and total net remuneration;
- f. Where the distribution channel is to be provided by the applicant or its shareholders, the proposed arrangements for ensuring transparency of accounting; and
- g. Training, support and monitoring of retailers or other providers of the distribution channel.

6.3. Payments and Receipts by Customers Other Than at Retail Outlets

6.3.1. Where the applicant plans to provide means of payment and/or receipts by players other than at a retail outlet, it shall give details of:

- a. the types of payments which are planned (e.g. subscriptions, mail order).
- b. the market segments targeted.
- c. the expected sales from these forms of payment.
- d. specific arrangements, including:
 - i. any charges that might apply (e.g. a service charge);
 - ii. planned operational arrangements (e.g. with banks);
 - iii. what lower and upper limits (if any) will be placed on payments by these non-cash means;
 - iv. how these payments mechanisms will be marketed; and
 - v. methods of control.

- e. The rationale for the types of payments planned.

Notes:

1. *The Authority needs to be assured that the applicant has planned effective arrangements with retailers to obtain their support to achieve the retail distribution plan, and to maximize sales. It should be noted that the level of commission payable to retailers may not be reduced below an agreed percentage without the prior consent of the Gambling Authority.*
2. *The Authority will expect the applicant to provide the details of planned methods of payments other than at a retail outlet, to assure itself of related issues of security, propriety and customer protection.*
3. *The Authority will expect to be assured that the Licensee has effective control over retailers in terms of selection, training and continuing support, monitoring of performance, and de-selection where necessary, particularly in view of the significant amounts of cash that may be handled by some retailers. Security and other checks on retailers will be the responsibility of the Licensee; the Authority will expect to receive details of the Licensee's process and to have access to the licensee's records. The Authority is also concerned that the applicant has the means of controlling retailer adherence to the Licence requirements, including codes of practice and conditions on the use of the National Lottery Logo on retail equipment, signage and point-of-sale materials. The Authority GA will require that the licensee ensure that all retailers are compliant and up to date with their obligations with the Botswana Unified Revenue Service.*
4. *The Licence requires that material is available at every retail outlet giving information to customers on every game on sale.*
5. *The applicant shall state if it intends to use retail outlets which are not fully independent of the applicant. This includes outlets which are wholly-owned, partly-owned or franchised by the applicant for the sale of Lottery tickets, and the use of retail outlets owned or franchised by persons who are or are intended to be connected parties in relation to the applicant.*

6.4. Location of the Applicant's Operations

6.4.1. The applicant shall provide details of:

- a. the proposed location of the applicant's headquarters and principal offices;
- b. the proposed location of the main computing operations (primary and back-up) and other main facilities;
- c. The applicant must be able to show how their system and machines will be monitored electronically as per Section 96 of the Act. The Authority may also require that a replicate server be housed at the premises of the Authority or any premises that may be designated by it; and
- d. The applicant shall demonstrate the availability of the premises mentioned at the time and to the extent required to fulfill the commitments in the licence.

Notes:

1. *The licensee shall require the approval of the Authority before moving its headquarters or main facilities.*
2. *The arrangements as to location should be such as to enable the Authority to carry out its functions under the Act and the licence.*

CHAPTER 7

MARKETING PLAN

7.1. Marketing Strategy

7.1.1. The Authority shall expect the applicant to provide information on how the Lottery will be marketed and by whom. The information shall include:

- a. a broad description of the overall marketing strategy;
- b. the theme planned to be used in advertising and promotion, and the rationale for the theme;
- c. where appropriate, the preliminary or final marketing materials, e.g. TV storyboards, Radio ads, Newspaper advertisements and leaflets;
- d. the use of the National Lottery Logo;
- e. the use of any other logo or identifying design or feature;
and
- f. plans if any, for advertising and promotion including:
 - i. retail promotions;
 - ii. co-promotions particularly with other products marketed; by the applicant or related parties;
 - iii. sponsorship; and
 - iv. direct mail, including the use of the player database

7.2. Marketing Expenditure

7.2.1. The Authority shall expect the applicant to provide details of the following:

- a. planned marketing expenditure, in absolute terms and as a percentage of expected sales of the game;
- b. planned expenditure by type (e.g. television, radio, press promotions, point of sale, public relations, customer relations and marketing), for the first two years of the licence; and
- c. contingency plans should sales fall short of targets.

Notes

The applicant's attention is drawn to the Advertising Code of Practice with which the Licensee must comply.

7.3. Public Relations

7.3.1. If the applicant is proposing to undertake significant public relations, the Authority will expect the applicant to provide information on its proposals including:

- a. major public relations events, particularly at the launch of the game.
- b. a broad description of other public relations exercises planned over the licence period; and
- c. identification of issues or events which may affect the Authority and how these will be handled.

CHAPTER 8

BUSINESS PLAN

8.1. General note

Unless otherwise stated, the applicant should provide all financial projections requested in this RFA as at 1 January 2018. The projections should reflect changes in revenues and costs net of the effects of general price inflation as measured by the retail price index from that date.

8.2. Principal Forecast

8.2.1. The applicant shall provide:

- a. detailed profit and loss accounts, cash flow statements and balance sheets for the duration of the licence to be regarded as the applicant's principal forecast
 - i. annually for all years of the licence;
 - ii. quarterly for the first two financial years of the licence;
 - iii. weekly sales forecasts.
- b. a statement signed by the directors of the applicant confirming that, based on the projections provided, the applicant has sufficient resources for the expected period of the licence and for a period thereafter sufficient to allow for the discharge of all obligations arising out of the licence and the operation of the National Lottery during the licence; and
- c. any supporting material, other than that requested elsewhere in this RFP, that the applicant considers would be of assistance in understanding its principal forecast.

8.3. Pre-Operational and Development Expenditure

The applicant shall provide details of its proposed expenditure prior to the granting of the licence. This will reflect the information provided in the start-up plan provided in response to chapter 21. The applicant shall also describe its planned subsequent development expenditure and the timing and underlying assumptions upon which this is based.

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CHAPTER 9

LOTTERY SYSTEMS AND SERVICES

9.1. Game Playing Process and Controls

9.1.1. The Authority shall require the applicant to provide a description of how the lottery utilises the systems and services at its disposal including but not limited to description

- a. ticket and consumables production, warehousing and distribution facilities.
 - i. retail terminals to provide player and ticket services;
 - ii. retailer operational control services;
 - iii. retailer support services;
 - iv. central computer hardware and software for ticket record maintenance;
 - v. prize claim validation services;
 - vi. prize pay -out facilities;
 - vii. results drawing equipment and processes;
 - viii. Results communication; and
 - ix. security.

9.2. Lottery Systems

The Authority shall require the applicant to provide details of the systems and services it proposes to operate or use to run the proposed lottery.

9.2.1 Systems and service design and installation:

- i. scope of systems functionality;
- ii. descriptions of core operations connected with the promotion of constituent lotteries;
- iii. technical infrastructure;

- iv. system operating capacity;
- v. system function testing;
- vi. implementation plan and timescale;
- vii. change and configuration control;
- viii. system operation procedures and documentation; and
- ix. access to system information.

9.2.2. Security and Resilience

- i. Consumables;
- ii. system availability;
- iii. system integrity;
- iv. system operation;
- v. physical and IT access;
- vi. security controls, encryption and authentication;
- vii. Back-up and recovery, including contingency plans;
- viii. Operational risks; and
- ix. System reliability.

9.2.3. Process assurance

- i. audit trails;
- ii. audit controls;
- iii. dispute avoidance mechanisms;
- iv. process assurance system;
- v. supervision; and
- vi. change control procedures

9.2.4. Internal Audit

9.2.5. Cash Management

- i. ticket reconciliation;
- ii. transaction matching;

- iii. accounting period control;
- iv. management accounts;

Notes

1. *The applicant should note that the draft Licence contains a provision whereby the core operations connected with the running of the National Lottery and the promotion of constituent lotteries are subject, where specified, to approval by the Authority before implementation. This may require testing, at the Licensee's expense, of an operation by an independent person to ensure that it conforms to its description. Operations subject to the Authority's approval are also subject to established change control procedures.*

9.3. Modification to the System

Where the applicant proposes to modify systems approved pursuant to the draft Licence so as to run the lottery, the licensee will have to submit revised functional specifications for approval in accordance with the licence, prior to the change taking place.

Chapter 10

GAME PLAN

10.1. Introduction

10.1.1. The Authority does not intend to stipulate particular games or types of games. The game plan must be consistent with the business plan, the player access plan and the marketing plan and with the applicant's strategies to prevent excessive and under-age play. The Authority recognises that the game plan may need to be modified during the period of the licence in light of the experience.

10.2. Game Design and Portfolio

10.2.1 The applicant shall provide the following, for each game or type of game, a description of the game type and game design:

- i. the game format and indicative rules;
- ii. themes, play symbols etc. where appropriate;
- iii. how the game is to be delivered to the player (e.g. whether there are on-line functions);
- iv. expected ticket prices;
- v. the proposed prize pay-out percentage and prize structure, including the relationship between first and second tier and other prizes, and the odds of winning at each tier;

- vi. the likely level of jackpot prizes under different conditions (e.g. rollovers);
- vii. planned promotional arrangements;
- viii. the expected frequency of playing;
- ix. the number of games running in parallel;
- x. the rationale for the design of each game or type of game, i.e. how the particular elements of the design fit together and why the design will appeal to participants;
- xi. the positioning of the game in the market;
- xii. the market segments, for example the socio-economic groups it is expected to appeal to and why;
- xiii. explanation of the timing of the planned introduction;
- xiv. the expected breakdown of sales by market segment; and
- xv. the expected frequency and value of purchases by market segment;
- xvi. assumptions concerning the effect of jackpots of particular sizes on total sales and the likely reaction of players and the media, and the impact on the image of the National Lottery;
- xvii. the planned timings for the first introduction of each game or type of game, including the rationale for choosing to introduce the games in that order and with those timings;

- xviii. The planned evolution of games over the licence period and the criteria that will be used to judge the suitability and timing of subsequent game introductions to both maximise NLDF contributions and prevent excessive and under-age play; and
- xix. The applicant should also provide the results of market research undertaken to support the positioning of games and target market segments, and to provide assurance that the games will not encourage excessive or under-age play.

Notes:

1. *The applicant shall give a detailed description of the game or type of game for games planned to be introduced in the first three years of the licence. For later years, it will be sufficient to refer to games more broadly.*
2. *The Authority does not expect that the applicant will have planned every individual game to be introduced and accepts that the design of some games may evolve rapidly to maintain market interest. It is, nevertheless, important that the Authority should understand the characteristics of the games that the applicant proposes to introduce, especially for the early years of the licence.*

10.3. Prize Pay -out Percentage

10.3.1. The applicant shall provide details of:

- a. the rationale for the payout ratios for the various games and why these payout ratios are likely to maximise the return to the NLDF.
- b. If the overall payout ratio for the various games is expected to change over time, the rationale for the change in the context of the planned game evolution;
- c. The estimated levels of unclaimed prizes; and

- d. The estimated total prize payout percentage for each financial year.

10.4. **Codes of Practice**

- 10.4.1. The applicant shall provide a draft of the Advertising and Sales Promotion Code of Practice that the Authority intends to require under Condition 10 of the draft licence. The applicants shall indicate the measures planned to be taken to meet the provisions of code, both generally and specifically, on provisions relating to advertising to persons aged under 21.

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CHAPTER 11

PLAYER ACCESS PLAN

11.1. Implementation

11.1.1. Player access plan means:

- a. that the licensee must ensure that there are an appropriate number of outlets where tickets can be purchased, both in total and by geographical distribution;
- b. the licensee must ensure that clear criteria are employed for retailers to qualify for selection and de-selection.

11.1.1. The applicant shall demonstrate in its player access plan that it can provide:

- a. adequate player access for each game;
- b. a mix of access points whose profile best matches the characteristics and buying behaviour of the target market for each game; and
- c. an appropriate level of commission and other support to retailers and/or providers of additional channels of distribution.

11.1.1.1. The player access plan shall be consistent with the business plan, the game plan and the marketing plan and with the applicant's strategies to prevent excessive and under-age play.

11.1.1.2. The commitment to an adequate minimum size of retail network and any other distribution channel is one of the main mechanisms by which the applicant will demonstrate to the Authority its commitment to the success of the National Lottery.

11.2. Distribution Build-Up

The applicant shall provide information on the planned build-up of distribution outlets. The applicant shall provide a profile of the build-up of retail

distribution and any other means of distribution, consistent with different types of games. The profile shall show, for each type of game, by two-month period for the first six months of the licence period, and annually thereafter, the distribution build-up. The Authority desires a distribution that creates as many jobs as possible and would require that the distribution build-up be structured in such a manner that SMME's are given opportunities to benefit.

11.3. Financial Arrangements with Distribution

Channels

11.3.1. The applicant shall provide:

- a. details of the planned remuneration of retailers and any other providers of distribution channels, including:
 - i. any planned commission rate (s), showing any variations by game, sales level or type of distribution channel;
 - ii. plans for any financial support, e.g. loans to purchase terminals, or provision of free signage; and
 - iii. a broad description of any further incentives in cash or kind planned to be paid and the nature of any incentive schemes;

- b. details of the proposed financial arrangements for:
 - i. crediting and remitting earned commission to distributors for each type of game; and
 - ii. settling prize pay-outs and handling payment by customers by charge card, credit card or debit card.

Notes:

The draft licence provides that the licensee shall not reduce the commission offered to distributors below level (s) approved by the Authority.

11.4. Support and Control of Distributors

Regarding monitoring of performance and the selection and de-selection of distributors, the applicant shall state:

- a. the expected criteria for selection and de-selection that are proposed to fulfil the requirement as per the draft licence;
- b. the security and other checks on potential distributors that it expects to use

Notes:

The Authority needs to assure itself that the licensee has effective control over retailers and any other distribution means in terms of selection, training and continuing support, monitoring of performance, and de-selection where necessary, particularly in view of the significant amounts of cash that may be handled in some cases

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CHAPTER 12

CONSUMER PROTECTION

12.1. The key outcome expected is the fair treatment of players, with effective and rigorous arrangements in place to counter excessive and under-age play. This means that measures must be taken to prevent play that is excessive or by under-21s.

12.2. A winner's identity must not be disclosed unless clear and informed consent has been given. There must be no pressure upon any winner to allow their identity to be disclosed.

12.3. Introduction

12.3.1. The Authority has an overriding duty to ensure that the interests of all participants in the National Lottery are protected.

12.3.2. Applicants will need to provide information, as set out below, on handling information and complaints, the procedures for prizes and winners, the prevention of excessive and under-age play and a code of practice.

12.4. Information and Complaints

12.4.1. The applicant shall provide details of:

- a. The strategy for informing people about the National Lottery, including descriptions of games, the chances of winning, the value of prizes, the game rules and procedures, and the proposed codes of practice; and
- b. the avenues which will be available to make enquiries and complaints;

12.5. Prizes and Winners

12.5.1. The applicant shall provide details of:

- a. How customers will be able to find out if they have won, and gain assurance of any validation carried out by the operator or its agents;
- b. Methods for the secure payment of prizes, including to winners without bank accounts.
- c. How the privacy of winners will be protected.

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CHAPTER 13

PRIZE MONEY AND BANKING

- 13.1. The key outcome expected is to safeguard the funds required to meet obligations to prize winners with an efficient payments system, together with assurance that revenue is accounted for in full and that the correct amounts are paid on time to the NLDF.
- 13.2. The applicant shall provide details of how it will ensure that funds required to meet obligations to prize winners and potential prize winners are safeguarded in all circumstances, including during the currency of the licence, on the expiry of the licence and in the event of the revocation of the licence.

Notes:

1. *In order to meet the obligations laid down in Part IX of the Act, and to preserve the image of the National Lottery, the Authority shall ensure that monies owed to prize winners are paid in full in all cases.*
2. *The Authority recognises that there is a range of measures that might be used to provide prize winners with such security, including but not limited to;*
 - a. *the segregation of the necessary funds into separate bank accounts, in the name of independent trustees, with restricted bank mandates;*
 - b. *guarantees; and*
 - c. *bonds or other forms of surety.*

The Authority expects to be a party to any negotiations in relation to the form of security to be provided, including the costs of operation.

The Authority expects that interest on any accounts maintained, as part of any security arrangements should other than in defined circumstances, be paid to the NLDF.

13.3. **Banks and Accounts**

13.3.1. The applicant shall give details of:

- a. the identity of the bank(s) at which all lottery-related accounts will be held; and
- b. the proposed account structure and management procedures for controlling the funds flowing into and out of each of the proposed accounts.

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CHAPTER 14

START-UP PLAN

14.1. Introduction

14.1.1. The applicant shall include a start-up plan. The applicant must satisfy the Authority that the plans for setting up and commencing operations are both complete and credible. The Authority will also satisfy itself that the plan matches with the appropriate business and marketing plans to ensure their consistency.

14.1.2. The start-up plan should integrate the target launch date and retailer coverage plan, plans for the development and implementation of systems, transition planning and all activities related to launch.

14.2. Scope

The start-up plan shall cover all activities necessary to achieve the launch of the Lottery by the target launch date. Hence it will include but not necessarily be limited to:

- a. the launch of all games in the initial portfolio;
- b. acquisition of premises and facilities;
- c.
- d. appointment of all suppliers;
- e. recruitment and training of staff;
- f. establishment of the retail channels, including contracts and installation of equipment, and how that will be synchronized with retailer training.

CHAPTER 15

RISK MANAGEMENT

15.1. Introduction

The applicant shall describe how in organisational and other terms it will approach risk analysis and risk management before and during the period of the licence.

15.2. Start-Up

The applicant shall provide a quantified risk assessment of the start-up plan that identifies:

- a. the risks to the start-up plan;
- b. an assessment of their likelihood and potential impact; and
- c. the management actions and contingencies that are proposed to counter the risks.

15.3. Operational Risk

15.3.1.1. The applicant shall provide details of all operational risks to the security of the National Lottery.

15.3.2. The risks that the applicant should cover include:

- a. Duplicating of tickets or prize claims; what measures will be put in place to prevent or detect such occurrences.
- b. Lost/stolen/mutilated tickets: what handling procedures are planned;

- c. Under reporting of game revenue by the licensee: what procedures will prevent the licensee under-reporting takings to the Authority;
- d. Non-claimants: What controls are planned to ensure that the licensee or others do not divert unclaimed prizes;
- e. Retailer protection: What facilities will be provided to retailers to protect their takings;
- f. Licensee protection: What controls will the licensee operate to protect against fraud and theft by the retailers; and
- g. Unauthorized identification of winning instant tickets: What actions will be put in place to prevent unauthorised identification of winning instant tickets prior to sales.

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SCHEDULE 1

TYPES OF CONTRACTS AND SUBCONTRACTS

1. Any tickets or other stationery for use in connection with any constituent lottery;
2. Any telephone, computer or similar equipment for use in the National Lottery or any constituent lottery or any lottery ancillary activity or in any other way in connection with the business of the licensee or any of its wholly owned subsidiaries or any design, development maintenance or management services in connection with any such equipment including software design, development or testing;
3. Any services or equipment for the purposes of maintaining any books or records in connection with the National Lottery or any constituent lottery or lottery ancillary activity.
4. Any services connected with the handling of cash, the transmission of funds or the management of any funds derived directly or indirectly from the National Lottery, any constituent lottery or any lottery ancillary activity.
5. Any vending machine for the sale of National Lottery Tickets;
6. Any security services;
7. Any goods or services which require personnel other than employees of the licensee or a wholly owned subsidiary of the licensee to enter any secure area;
8. Such goods or services as the Authority may from time to time determine.

SCHEDULE 2

PART 1

Gambling Authority

[] (“the Company”)

(see note 5 below)

(INDIVIDUAL DECLARATION)

Pursuant to the Gambling Act, 2012 (“the Act”) the Gambling Authority has an overriding statutory duty to ensure that the National Lottery is run with all due propriety, and that the interests of participants are protected. It must therefore, ensure that all personnel involved in the activities of the Lottery are fit and proper to carry out those activities undertaken by them.

Note:

- 1. Declarants are advised that information sought in this declaration will be used only for the purpose of satisfying the Authority that the Declarant is “fit and proper” for the purposes of Section 37 of the Act. The Authority reserves the right to check or verify the information given by Declarants with any Governmental, quasi-governmental, statutory, or regulatory department, body or agency within the Republic of Botswana or in any other country outside Botswana. Declarants are required to sign a form of consent and waiver to enable the Authority to obtain such necessary information.*
- 2. Declarants are assured that any information contained in this declaration or obtained in order to verify any answer to questions in this declaration will be kept strictly confidential and used for the purposes set out above.*
- 3. Where appropriate information about a Declarant is not available to the Authority from sources in Botswana, the Declarant must make available to the Authority evidence of good character or conduct from other official verifiable sources. Such a Declarant*

must ensure that the Authority has appropriate information available to enable it to judge the propriety of the Declarant adequately.

4. "Director" shall mean a director or a person in accordance with whose direction or instructions the directors of a company are accustomed to act.
5. "Partner" shall mean the Declarant's spouse or any other person with whom the Declarant is living as a couple.
6. Where this declaration is made by an individual because of this directorship or, employment by, or association with a company please supply that company's name at the head of the page.

1. Personal Information

- 1.1
 - a. Declarant's full name: Surname:
Forenames:
 - b. Any previous surname: Surname:
date changed:
how changed:
 - c. Any previous forename: Forenames:
date changed:
 - d. Date and place of birth:
- 1.2
 - a. Declarant's Partners
Full name: Surname:
Forenames:
 - b. Any previous surname: Surname:
date changed:
how changed:

- c. Any previous forename: Forenames:
- date changed:
- d. Date and place of birth:
- 1.3 a. Declarant's Nationality
- b. Country of residence
- c. Any change of nationality:
- previous nationality
- date changed:
- d. Any change in country if residence:
- previous country of residence
- date changed
- 1.4 a. Current private address(es):
- b. Any other private address(es) used by the Declarant
in previous five years and dates:
- 1.5 Give details of professional qualifications including date of
qualifications:
- 1.6 Please state if you hold any Gambling license(s) in either your
personal capacity or through a body corporate.
- 1.7. Please state whether you have had a Gambling licence in
either your personal capacity or through a body corporate
suspended and or revoked.

2. Declarant's Employment and Directorship Details

- 2.1 Please supply a list of the names of your principal employers during the last five years and the dates during which you worked for them, together with a short description of each business and your job and your job title, in each case.
- 2.2 Please state your reasons for leaving each place of employment in 2.1.
- 2.3 If you have ever been dismissed, suspended or asked to leave your employment for any reason during your working career provide full details.
- 2.4 Please state names, nature of business and date of commencement (and if appropriate, termination) of the directorship of every company of which you are now or have within the last five years been a director.

3. Declarant's Position with Company and Experience Details

- 3.1 Position held or to be held in the company.
- 3.2 Give details of position described in 3.1.

4. Good Reputation of the Declarant

Note 1: Any legal or other process referred to in this Section 4 includes any analogous process under the law of another country.

Note 2: if the answer to any question in this section is "yes" please provide full details.

- 4.1 Has at any time during the last five years any company referred to in question 2.1 above, or any company of which you are now or at any time have been a shareholder (other than listed companies of whose shares you hold or have held less than 3 percent) been put into compulsory liquidation or had an administrator or administrative or other receiver appointed whilst you were a shareholder or a director or within six months of your ceasing to be a shareholder or director?
- 4.2 Has at any time during the last 5 years any firm in which you have held a partnership or proprietorship been wound up whilst you were a partner or held proprietorship or within one year of your ceasing to be a partner or proprietor?
- 4.3 For each of the companies/firms referred to in reply to questions 4.1 and 4.2 state the date of commencement of liquidation, administration or receivership and the amount involved together with an indication of the outcome or current position.
- 4.4 Have you at any time been a party to a deed of arrangement or any form of voluntary arrangement?
- 4.5 Have you in The Republic of Botswana or elsewhere been concerned with the management or conduct of the affairs, as a director or otherwise of any company or partnership, which has been at any time during your involvement or within six months of your ceasing to have such involvement:
- a. Been investigated by an inspector or investigator appointed under companies' legislation, or other securities enactments or by any other regulatory body (other than for routine investigations.)

- b. Required to produce books and papers to a Government department or ministry.
- 4.6 Have you or any company of which in the last five years you were a director ever paid any penalty or made any other payment to the Botswana Unified Revenue Service (BURS), or any other government tax regulator or equivalent, to avoid a prosecution being referred?
- 4.7 State whether you, personally, are currently engaged, or have been engaged in the previous 5 years, in litigation.
- 4.8 State whether:
- (a) you have ever been declared bankrupt or had your estate sequestered.
 - (b) you are currently the subject of bankruptcy proceedings or proceedings for sequestration of your estate.
 - (c) You are aware of any proceedings pending of the types referred to in (a) and (b).

If so, state the court by which you were adjudged bankrupt and if discharged, the date and conditions on which you were granted your discharge.

- 4.9 State whether you have ever been dismissed or requested to resign or be removed from any fiduciary office or position of trust, whether or not remunerated.
- 4.10 State whether you have ever been disqualified from acting in the management or conduct of the affairs of any company, partnership or unincorporated association.

- 4.11 State whether, in connection with the formation or management of any company, partnership or incorporated association, you have been adjudged by a court in the Republic of Botswana or elsewhere to be civilly liable for any fraud, misfeasance, or wrongful trading or other misconduct by you towards such a body or towards such a body of towards any members or creditors of such a body.
- 4.12 Has a company of which you were a director at the time of the offence, been convicted in the Republic of Botswana or elsewhere of any offence involving fraud or dishonesty or an offence under legislation (whether or not of the Republic of Botswana) relating to companies, building societies, credit unions, friendly societies, insurance, banking or other financial services, insolvency, consumer credit or consumer protection. If so, state the court by which the company was convicted, the date of conviction and full particulars of the offence and penalty imposed.
- 4.13 Are you currently or have you ever been the subject of:
- a. any investigation by the Botswana Police Services or Botswana Unified Revenue Service (BURS) or any government body?
- 4.14 Are you now or have ever been obliged to pay a fine or penalty imposed by reason of your conduct of your tax affairs, or that of any agent acting on your behalf?
- 4.15 Have any allegations of fraud ever been made against you? If so, please provide full particulars.

5. Criminal Convictions or Cautions

- 5.1 State whether you have convictions or have been cautioned for any criminal offence (other than motoring offences) in the Republic of Botswana or elsewhere.

If so, state the court by which you were convicted, the date of conviction and full particulars of the offence and penalty imposed and/or full particulars of the offence for which you were cautioned.

6. Declaration

I confirm that having made due enquiry, the information supplied is complete and correct to the best of my knowledge and belief;

Signed:

Date:

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SCHEDULE 2

PART 2

Gambling Authority

[] (“the Company”)

CORPORATE DECLARATION

Note: Any legal or other process referred to in this declaration includes any analogous process under the law of another country.

1. Name of Company
2. Any other name under which the Company trades or has traded in the past 5 years.
3. Registration number.
4. Date of registration.
5. Place of registration.
6. Tax registration number.
7. Address of principal office.
8. Address of registered office.
9. Please attach copies of Memorandum and Articles of Association or other appropriate constitutional documents.
10. Please attach a signed individual declaration (in the form set out in Part 1 of schedule 2) in respect of each director or other officer of the Company.
11. Authorised share capital (including details of each class).
12. Issued share capital (including details of each class, and the amounts paid up on all shares).
13. Please provide the following details in relation to shareholdings or other interests (direct or indirect) as at the date of this declaration:
 - a. The names of all persons who have an interest in the company, or in the case of a listed entity, 5% or more.
 - b. The name of the ultimate parent company of the Company.

14. Please provide a copy of the audited accounts or equivalent financial statements of the Company for the last three (3) financial years for which they are available and any interim accounts published in respect of any subsequent period.
15. If the Company is a qualifying direct shareholder in the applicant (i.e. has an interest of 5% or more, alternatively being a group of shareholders that when grouped together can exercise a significant influence over the management of the company in which the holding subsists), it shall provide the following details of all charges created (or which are intended to be created) by the Company over or in respect of all or any of its interests in the applicant:
 - a. Date of charge
 - b. Description of charge
 - c. Amount secured
 - d. Property charged
 - e. Chargee; and
 - f. details of any option or other encumbrance or equity over or in respect of its interests in the applicant.
16. Please confirm that the Company has complied with all provisions of the Companies Act, and that all returns, particulars, resolutions and other documents required under any legislation to be delivered on behalf of the Company to the Registrar General of the Companies and Intellectual Property Authority (CIPA), or to any other authority whatsoever have been properly made and delivered.
17. Please confirm that no order has been made or petition presented or resolution passed for the winding up of the Company; no execution or other process has been levied in respect of the Company or any subsidiary; and no unfulfilled or unsatisfied judgement or court order is outstanding against the Company or any subsidiary.

18. Has at any time during the last 5 years any subsidiary of the Company been put into liquidation (otherwise than by a members' voluntary winding up when the Company was solvent) or had an administrator or administrative or another receiver appointed? If so, in each case state the name, nature of the business, date of commencement of winding up or receivership and the amount involved together with an indication of the outcome or current position.
19. Please confirm that neither the Company nor any of its officers, agents or employees (during the course of their duties in relation to the Company) has been convicted in Botswana or elsewhere of any offence involving fraud or dishonesty.
20. Please confirm that the Company's accounts have over the last 5 financial years been prepared in accordance with the requirements of the Companies Act and all relevant statutes and International Accounting Standards and that the auditors' reports for each set of accounts have been unqualified. If not, please provide details.
21. Is the Company currently or has it ever been the subject of any investigation by the Botswana Police Service, the Directorate on Corruption and Economic Crime (DCEC) the Botswana Unified Revenue Service or any other Government body? If so, please provide full details.

I confirm that, having made due enquiry, the information supplied above is complete and correct to the best of my knowledge and belief.

Signed:

(being a duly appointed office of the Company)

Date:

SCHEDULE 2

PART 3

Form of Authority & Waiver

To: The Gambling Authority
 and
 To whomsoever else it may concern

1. I/We hereby authorize and consent to the disclosure by or on behalf of any government or governmental, quasi-governmental, supra-national, statutory or regulatory body, authority, court, trade agency, professional association or any other like person or body in any jurisdiction (including, for the avoidance of doubt, and without prejudice to the generality of the foregoing, any person or body described or mentioned below) to the Gambling Authority or any person duly authorized by it of any information which any such government or other body aforesaid may have concerning me/us or my/our affairs (whether public, business or private).

2. The persons or bodies referred to above may include:
 - 2.1. Any government department or agency in Botswana and/or any other jurisdiction;
 - 2.2. Botswana Unified Revenue Service or any other tax authority in any other jurisdiction;
 - 2.3. Any part of the security services of Botswana or any other jurisdiction;
The Botswana Police Service or a Police service in any other jurisdiction;
 - 2.4. Any authority or body responsible for the regulation or operating of any lottery promoted in any jurisdiction;
 - 2.5. Director of Public Prosecutions in the Republic of Botswana or in any other country or jurisdiction;
 - 2.6. The Directorate on Corruption and Economic Crime (DCEC), or any other anti-corruption agency in any jurisdiction;
 - 2.7. Any local authority in Botswana or any other jurisdiction;

- 2.8. The Botswana Stock Exchange or any other stock or securities exchange in any other jurisdiction;
 - 2.9. The Bank of Botswana or any other banking supervisors in any jurisdiction; and;
 - 2.10. The Public Procurement & Asset Disposal Board or any other government or statutory procurement body in any jurisdiction.
3. I/We confirm that I/we shall have no claim against any such person who makes any such disclosure to the Gambling Authority or any person authorized by it, whether in respect of any breach or confidence or statutory or other duties whatsoever or for defamation or any analogous right in any jurisdiction, whether or not such information disclosed shall be true or false and whether or not any person acted negligently or reasonably in obtaining or disclosing it or had committed any breach of any duty (statutory or otherwise) in obtaining or retaining any such information. I/we hereby irrevocably waive any such claims which I/we might otherwise have.
4. The terms of this authority and waiver shall be incapable of revocation during the currency of the relevant Licence granted by the Gambling Authority.

EXECUTED and DELIVERED as a DEED

By

duly authorized for and on behalf of

In the presence of:

Witness signature

Witness name (print):

Witness address:

.....

.....

.....

5. The draft licence will require the applicant to notify the Gambling Authority of any changes or proposed changes in the identity of directors and key employees once the licence has been granted.

6. The Gambling Authority reserves the right to require further information from the applicant in relation to its directors or key employees or those of its subsidiaries or the directors of any company connected with it.

7. Shareholders and other persons connected with the applicant.

The Gambling Authority will require the applicant to provide:

a. a list of the names and addresses of all directors' shareholders and other persons who are or are intended to be connected parties in relation to the applicant, excluding any connected parties who would be included only by virtue of Schedule 1 (i.e. being contractors or subcontractors and persons who are connected parties in relation to them). This list must explain, in relation to each connected party, its relationship to the applicant and any relationship with any other connected party, and what those relationships would be were the applicant to be granted the licence.

b. appropriate forms of declaration, authority and waiver and undertaking duly completed by the connected parties referred to (i) above

c. details of the arrangements which the applicant proposed to ensure that it is able to obtain information as to the persons directly or indirectly

interested in its share capital, whenever so requested by the Gambling Authority, and to control disposals of shares (which may be required by the Gambling Authority depending on the circumstances).

Notes:

- a. *The definition of a “connected party” applied throughout this document is intended broadly to apply to those who are (or may be) able to exercise significant influence over the affairs of the applicant or those who are (or are likely to be) the ultimate beneficiaries of profits from the operation of the National Lottery or any constituent lottery.*
- b. *The Gambling Authority reserves the right to require further information from the applicant concerning any persons directly or indirectly interested (or appearing to be so) in the share capital of the applicant or otherwise to be connected with or in a position to influence the applicant.*
- c. *The Gambling Authority must be notified immediately of any changes in the information provided in response to the above during the period between the submission of an application and the grant of the Licence.*
- d. *The Licence will require the applicant to notify the Gambling Authority of any changes or proposed changes in the identity of connected parties in relation to the Licensee once the Licence has been granted.*
- e. *The Gambling Authority is concerned to ensure that the Licensee has adequate powers (whether under its constitutional documents or otherwise) to require any person who is or appears to be directly or indirectly interested in its share capital, to supply information concerning that person’s interest and, if required information is not supplied, to suspend the voting and dividend rights attaching to any relevant shares until the position has been clarified. This power should also apply where any shares or interests in shares of the Licensee are transferred in breach of the form of undertaking set out in Part 3 to Schedule 3 of this document.*

- f. The Licensee is obliged to maintain suitable arrangements for this purpose and the Gambling Authority may require that the Licensee exercise these powers from time to time in a manner specified by it.*

- g. The Gambling Authority requires to be satisfied before granting the Licence as to the probity of those persons who will be providing all, or at least the great majority of the shareholder funding of the applicant.*

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