

INFRASTRUCTURE DELIVERY AND KNOWLEDGE COMMITTEE (IDKC) TERMS OF REFERENCE

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1. INTRODUCTION

The Infrastructure Delivery and Knowledge Committee (IDKC) is constituted in terms of Section 10 of the Development Bank of Southern Africa Act, Act 13 of 1997, read with the regulations issued in terms of the Act.

The IDKC is a sub-committee of the Board of Directors and supports the Board in the execution of its duties. The Committee is accountable to the Board to properly consider and evaluate any matter that it has been mandated to deal with. The Board has ultimate responsibility in controlling the business and directing the operations of the Bank. This includes accepting strategic mandate programmes that will help with infrastructure delivery and programme implementation support in South Africa, the SADC region and the rest of the African continent, monitoring existing mandates, approval and monitoring of key infrastructure projects and overseeing the knowledge and research programmes of the Bank in line with the philosophy that the Bank is a centre of excellence in infrastructure development.

The Board delegates to the IDKC the oversight responsibility for the Bank's:

- Infrastructure delivery;
- Knowledge management;
- Non-financing Infrastructure Delivery Support and Programme Implementation.

2. PURPOSE OF TERMS OF REFERENCE

The Terms of Reference are intended to provide a concise overview of:

- The delineation of the roles, functions, responsibilities and power delegated to the IDKC by the Board of Directors;
- Composition of the IDKC;
- Administrative requirements of the IDKC.

3. AUTHORITY

The IDKC is hereby authorised to perform the function and consider any activity as described in the Terms of Reference in support of the Bank's strategy, mandate and business objectives. In carrying out its mandate, the IDKC is authorised to have full, free and unrestricted access to all the relevant DBSA activities, records, property and staff.

4. COMPOSITION OF THE COMMITTEE

4.1 Members

The IDKC shall consist of at least three members of whom the majority will be non-executive directors. In the event that the Chairperson is not present at a meeting, the committee shall elect an acting Chair, who shall be a non-executive director.

The members of the Committee must collectively have sufficient knowledge, expert skills and experience to fulfil their duties, including an understanding of the following:

infrastructure development, project management and project finance, strategic oversight, and local government including intergovernmental relations and funding.

Suitably qualified persons may be co-opted onto the Committee to render such specialist services as may be necessary to assist the Committee in its deliberations on any particular matter.

The approval of such co-opted members shall vest with the Board. Co-opted members shall be appointed for an agreed period, not more than three years which may be renewed for another term at the discretion of the Board. In such instances, such persons shall have no voting rights. Remuneration for these members will be as determined by the NOMCO and approved by the Shareholder from time to time.

The Board may also co-opt its members onto the Committee to assist the Committee in its deliberations on any particular matter. In such instances, such members shall have voting rights.

The duration of appointments of Committee members shall be for a period of up to three years subject to an annual review. The composition of the Committee will be reviewed annually to ensure that an appropriate combination of knowledge, expert skills and experience is maintained.

4.2 Chair

The Board will appoint the Chairperson of the IDKC who shall be a non-executive member of the DBSA Board.

4.3 Attendance

The Chief Executive Officer, Group Executive: Infrastructure Delivery, Chief Investment Officer, Head: Infrastructure Fund, Chief Internal Auditor and Group Executive: Strategy and Sustainability, Group Executive: Programmes may on invitation attend meetings of the Committee unless otherwise determined by the Chairperson of the Committee, but they may not vote.

4.4 Secretary

The DBSA Corporate Secretary shall serve as the secretary of the IDKC and records of the deliberations of the committee shall be maintained in accordance with the requirements of the DBSA Act.

5. QUORUM FOR MEETINGS

The quorum for the meeting shall be a simple majority (50% +1) of members of the committee in person, via teleconference or any other acceptable form of digital presence.

6. RESPONSIBILITIES AND FUNCTIONS

In the execution of their function, the committee will be responsible for the following matters:

6.1 Infrastructure Delivery

As a Development Finance Institution (DFI) focused on investments in infrastructure that have a sustainable development impact, the DBSA is required to constantly monitor developments in infrastructure planning and implementation, as well as the enabling environment that impacts on the delivery of infrastructure and how it gets financed.

The IDKC shall:

- Consider and recommend best practices related to the role of DFIs in infrastructure planning, financing and implementation;
- Review the overall performance of infrastructure delivery in the Bank;
- Provide strategic guidance to the gathering and analysis of the project and spatial information to improve infrastructure planning, financing, delivery tracking and performance;
- Exercise oversight over the implementation of new Infrastructure Delivery products offered by the DBSA and report to the Board;
- Consider and recommend the Bank's development impact results per annum for approval by the Board.

6.2 Knowledge Management

As a Knowledge Bank, the DBSA is committed to facilitating processes of internal and external knowledge development and sharing to facilitate appropriate learning to enhance its status as an Infrastructure DFI and to support the implementation of the DBSA's Development Position. The committee shall:

- Recommend for approval by the Board a Knowledge Management Strategy for the DBSA that will have both an internal and external focus and incorporate a Transversal Knowledge Management System for the DBSA and a Research Strategy that includes knowledge support for the implementation of the Development Position and related strategies;
- Monitor the implementation and impact of DBSA's Knowledge Management Strategy;
- Monitor the implementation and impact of the DBSA's Development Position and related strategies, with a view to making recommendations on how best to remove any obstacles to implementation;
- Identify knowledge management outputs or issues considered relevant by the committee for tabling for consideration or decision by the Board of Directors;
- Consider and recommend for approval by the Board research products in support of the Bank's various Sector Strategies and the overall Development Position.

6.3 Social Economic Investment Support and Programme Implementation (Strategic Mandates)

The DBSA is committed to supporting the government in accelerating the implementation of agreed infrastructure and implementation programmes on a fully funded and/or cost-recovery basis. These Strategic Mandates may include the provision of project management and other support in key priority sectors critical to the achievement of national objectives of economic growth, job creation, infrastructure delivery and governance, poverty eradication, environmental sustainability and wellbeing. The mandate of the committee does not extend to the financing needs of programmes supported.

To this end the IDKC will:

- Provide strategic guidance on the support to be provided to public entities and spheres of government in priority sectors;
- Recommend to Board a framework to guide the selection of new Government infrastructure delivery and strategic mandates and programmes for implementation by the DBSA;
- Consider and approve all new strategic mandates and programmes for implementation by the DBSA;
- The committee delegates to the CEO the responsibility for consideration and approval of all new projects within an approved mandate. The CEO or his/her delegated management committee will recommend for approval by the IDKC appropriate frameworks, portfolio risk management strategies, risk tolerances, appetite limits, policies and procedures to be adopted by the DBSA to monitor and mitigate exposure to the Bank. The CEO or his/her delegated Committee shall monitor the performance of the portfolio, monitor and review emerging issues, and provide a report to the IDKC on all approvals in the quarter as well as projects declined in the period.
- Monitor compliance with the framework and progress on the implementation of mandates and programmes that fall under the committee's purview;
- Identify issues related to the implementation of the programmes for tabling at the Board of Directors for consideration or decision.

7. MEETINGS

7.1 Frequency and Attendance

- The Infrastructure Delivery and Knowledge Committee shall convene quarterly or as determined by the Chairperson in line with the business requirements of the Bank.
- A schedule of meetings approved by the committee will be issued to all members of the Committee at the beginning of each financial year.
- Special meetings of the committee shall be arranged by consultation between the Chairperson and the Corporate Secretary.
- Attendance of meetings shall be in person or via teleconference, video conference or other forms of digital presence. Except under exceptional circumstances/emergencies, members who are unable to attend shall advise the Company Secretary, at least 48 hours prior to the meeting, in writing, of their inability to attend such meeting.

- The Corporate Secretary shall in consultation with the Chairperson of the committee develop an annual work program highlighting the theme and objectives of each meeting in accordance with the mandate of the committee.

7.2 Meeting Procedure

- The IDKC's discussions shall be open and constructive. The Chairperson shall seek consensus in the IDKC and may, where necessary, call for a vote. In the event of a matter being called for a vote, the voting threshold shall be a two-thirds majority. Discussions and records shall remain confidential unless a specific directive is received from the Chairperson to the contrary. In the event of an unresolved deadlock in the vote, the matter will be presented to the Board for a decision.
- Except under exceptional circumstances, at least 5 working days' notice shall be given of a meeting of the IDKC. Such notices shall, where possible, include the agenda and any supporting papers.
- Each IDKC member is responsible to ensure that, he/she has been furnished with all the relevant information and facts before making a decision.
- Minutes of meetings shall be recorded by the Corporate Secretary and shall be circulated to all IDKC members five working days after the meeting.
- Minutes of all IDKC meetings shall record the proceedings and decisions taken, the details of which shall remain confidential.
- A record shall be kept of the attendance of directors at IDKC meetings.

8 COMMITTEE DECISIONS

Decisions of the IDKC shall be taken by the committee at a sitting, via a teleconference, video conferencing or other forms of acceptable digital presence. However, in exceptional circumstances, a decision of the Committee may need to be refined and signed off outside the scheduled meeting, in those instances that decision can be signed off by way of round-robin.

All such decisions shall require approval/support from a majority of the IDKC members provided that each member has received notice of the matter to be decided. Decisions should be subject to notification at the subsequent meeting of the IDKC.

9 REPORTING TO THE BOARD OF DIRECTORS

The Chairperson of the Committee shall provide a report back to the Board of Directors at the board meeting following the Committee meeting. Draft minutes of the Committee meetings and the resolutions thereof shall serve at the subsequent meeting of the Board of Directors for notification.

10 EVALUATION OF THE EFFECTIVENESS OF THE IDKC

The effectiveness evaluation of the Board Committees is the responsibility of the Board of Directors and will be conducted after every two years.

11 GENERAL

The Committee shall on an annual basis review the provisions of the Terms of Reference herein to align with the legal and business environment, the mandate of the Bank and the overall responsibilities of the Board as directed from time to time by the Shareholders. The Committee shall dissolve by resolution of the DBSA Board.

These Terms of Reference of the IDKC as set out above were approved by the Board of Directors on: