



SOLIDARITY RESPONSE FUND NPC
DISBURSEMENT COMMITTEE
TERMS OF REFERENCE

1. INTRODUCTION

- 1.1 The Disbursement Committee (“the Committee”) of the Solidarity Response Fund NPC (“the Company” or “the Fund”) is constituted as a Committee of the Board of Directors (“the Board”) in respect of all duties the Board has assigned to it, as more fully set out below.
- 1.2 These terms of reference are subject to the Companies Act, the Company’s Memorandum of Incorporation (“Mol”) and any other applicable law or regulation. The relevant requirements of the Report on Corporate Governance for South Africa, 2016 (King IV) have been taken into account.

2. OBJECTIVE

- 2.1 The primary objective of the Committee is to assist the Board in discharging its responsibilities relating to the disbursement and deployment of funds in the pursuit of the mandate of the Fund.
- 2.2 The Committee has an independent role with accountability to the Board.
- 2.3 The Committee does not assume the functions of Management of the Company, which functions remain the responsibility of the Company’s executive and senior Management.

3. CONSTITUTION, MEMBERSHIP AND QUORUM

- 3.1 The Committee shall comprise of at least three members, all of whom should be independent.
- 3.2 The members of the Committee shall be elected by the Board of Directors of the Company and the Board may also terminate the membership of any member of the Committee
- 3.3 The Board shall appoint the Chairman of the Committee
- 3.4 The members of the Committee must have the necessary qualifications and expertise in order to properly assist and advise the Committee in execution of its duties and responsibilities
- 3.5 The quorum for the transaction of business shall be at least two members with decisions being taken by a majority vote. If there is a deadlock in the voting, the matter shall be referred to the Board for decision.
- 3.6 The following persons will be invited to attend the Committee meetings: Chief Executive Officer, Chief Financial Officer, Head of Operations, legal advisor (if



SOLIDARITY RESPONSE FUND NPC

DISBURSEMENT COMMITTEE

TERMS OF REFERENCE

there

is one), internal auditors (where applicable), Executive Lead: Disbursements and Company Secretary (or the person who performs company secretariat services for the Company). The Chairman of the Board may attend Committee meetings by invitation.

3.7 The Committee may invite non-Board members, who hold the necessary expertise in line with the Committee's mandate, to attend meetings in an advisory capacity.

3.8 Committee members' personal financial interest in matters before the Committees, in any aspect relating to the Fund, shall be dealt with in accordance with Section 75(5) of the Companies Act and the provisions of Section 75(5) of the Act referred to *supra* are deemed to be incorporated herein.

4. ATTENDANCE AT MEETINGS

4.1. Professional advisors, officers or members of staff whose input may be required, may be invited to the meetings, at the discretion of the Chairman. The Chairman may invite any person he/she deems appropriate to attend any of the meetings.

4.2. Members should declare any conflict of interest.

4.3. The Chairman shall have the right to exclude from the meeting, or from any item on the agenda, any member who may be considered to have a conflict of interest.

4.4. No attendee shall have a vote at meetings of the Committee

5. MEETINGS AND PROCEEDINGS

5.1. Meetings of the Committee shall be convened by the Secretary as determined by its Chairman.

5.2. Additionally, in consultation with the Committee Chairman, any member of the Committee or the Board may ask the Secretary to convene a meeting if he/she considers that such a meeting is necessary and appropriate.

5.3. Any Board member, who is not a member of the Committee is entitled to attend meetings of the Committee but may not vote.

5.4. The Committee shall meet at least four times per annum, or more frequently, if needed and as determined by, and within the discretion of the Chairman.

5.5. Committee members shall be permitted to attend any meeting of the Committee via any other electronic means of communication, including but not limited to teleconference and video calling.

5.6. The Secretary of the Committee shall prepare an agenda for all meetings, to be agreed by the Chairman. The Chairman shall be afforded sufficient time to



SOLIDARITY RESPONSE FUND NPC
DISBURSEMENT COMMITTEE
TERMS OF REFERENCE

participate in and agree to the Committee agenda before meetings are convened.

- 5.7. Papers for substantive debate and discussion shall be circulated prior to the meeting.
- 5.8. Decisions may be taken by the Committee via round robin resolution between meetings.

6. POWERS, DUTIES AND RESPONSIBILITIES

The Committee has the following responsibilities:

- 6.1 Ensure the tracking of disbursed funds and the measurement of the impact thereof in line with the Fund's mandate.
- 6.2 Oversee the Fund's disbursements processes, team and programs.
- 6.3 On an ongoing basis, monitor the use of disbursed funds and goods.
- 6.4 Recommend to the Board for approval, the Disbursements Strategy of the Fund and ensure alignment thereof with the overall mandate and purpose of the Fund.
- 6.5 Oversee the implementation of the Fund's Disbursement Strategy.
- 6.6 Consider programs of action presented to it, to ensure each program is aligned with the mandate of each of the three focus areas, is appropriately attributed, packaged and priced and will achieve the goals contained in the program proposals.
- 6.7 Oversee the Fund's disbursement governance processes to ensure decisions are made effectively, ethically and within the Fund's mandate.
- 6.8 Ensure the development of disbursement programs, the selection of distribution partners and any associated procurement meets the high standards of governance and transparency of the Fund.
- 6.9 Approve disbursements in accordance with the Board approved delegation of authority
- 6.10 Recommend disbursements to the Board for approval in accordance with the Board approved delegation of authority.

7. AUTHORITY AND EXPENSES

- 7.1 The Committee is authorised by the Board to:



SOLIDARITY RESPONSE FUND NPC

DISBURSEMENT COMMITTEE

TERMS OF REFERENCE

- 7.1.1 investigate any activities within the scope of responsibilities set out in these Terms of Reference;
 - 7.1.2 seek outside legal or other independent professional advice in order to assist it with the execution of its duties, at the Company's expense, in accordance with a procedure developed by the Board for this purpose;
 - 7.1.3 form, and delegate authority to, subcommittees and may delegate authority to one or more designated members of the Committee;
 - 7.1.4 seek access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities; and
 - 7.1.5 seek any information it requires from any employee, the Chairman of Board, Committees of the Company or any other employee of the Company, within the scope of responsibilities set out in these Terms of Reference, and all these parties will be required to co-operate with any reasonable requests made by the Committee to provide it with information or explanations necessary for the performance of its functions.
- 7.2 All expenses reasonably incurred by the Committee shall be paid by the Company, including, if the Committee considers it appropriate, the fees of any consultants or specialist engaged by the Committee to assist in the performance of its functions

8. PERFORMANCE EVALUATION

- 8.1 The Committee must, annually, perform an evaluation on the effectiveness of the Committee and report the result to the Board. Appropriate action must be taken after receiving the results to ensure that improvements or recommendations are implemented.
- 8.2 The Committee must, annually, review and reassess the adequacy and appropriateness of this Terms of Reference.

APPROVED

CHAIRMAN – DISBURSEMENT COMMITTEE

DATE:

CHAIRMAN OF THE BOARD

DATE: