



TITLE	POLICY FOR SOURCING OF FUNDING
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TRANS-CALEDON TUNNEL AUTHORITY

POLICY FOR SOURCING OF FUNDING

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Chief Executive Officer	Name: Mr Percy Sechemane
	Signature:
	Date:
Chairman of the Board	Name: Ms PN Sibiya
	Signature: 
	Date:
Effective Date	Date of Approval
Policy Owner	Executive Manager: PF&T
Board Oversight	Finance Committee



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1. DEFINITIONS AND INTERPRETATION

In this Policy, the following words shall, unless otherwise stated or inconsistent with the context in which they appear, bear the following meaning and cognate words shall bear corresponding meaning:


- 1.1. Administration Costs** means, in relation to a project to be funded, the total of all administrative expenses that are not part of the Capital Costs or the Funding Costs, incurred for or in connection with the implementation and debt management of the project. These costs include all fees incurred in connection with the project. They also cover expenses incurred in procuring funding for the project. Operational administrative costs, including any insurance arranged by TCTA, incurred or to be incurred by DWS or TCTA in connection with the project, are included. They exclude operations and maintenance costs, betterment and refurbishment costs, and all design and construction-related professional fees;
- 1.2. Affiliate** means, in respect of a DFI or MDB, an entity directly or indirectly controlled by that DFI or MDB, or an entity under common control with that DFI or MDB. The term may also apply to commercial banks;
- 1.3. Board** means the board of directors of TCTA, serving as its accounting authority as prescribed by the PFMA and the Notice of Establishment;
- 1.4. Capital Costs** means, in relation to a project to be funded, the total of all costs of a capital nature. This includes all design and construction-related professional fees. Capital Costs exclude Funding Costs and Administration Costs. They also cover post-completion costs and expenditure regarded as capital in nature that are reasonably and necessarily incurred to implement a project;
- 1.5. CEO** means the chief executive officer of TCTA;
- 1.6. CFO** means the chief financial officer of TCTA;
- 1.7. Commercial Paper** means the debt instruments issued from time to time by TCTA under the provisions of Project Commercial Paper Programmes as contemplated by Government Notice 2172 (Government Gazette Number 16167) of 14 December 1994, as may be amended from time to time;

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- 1.8. **Compliant Proposal** **Funding** means a Funding Proposal that meets the requirements in the Invitation/RFP issued by TCTA in respect of a project, and "**Compliant Funding Proposals**" shall have a corresponding meaning;
- 1.9. **Constitution** means the Constitution of the Republic of South Africa No. 108 of 1998;
- 1.10. **Cost-effectiveness** means the best achievable quantitative and qualitative funding solution to TCTA;
- 1.11. **Cost of Funding** means the internal rate of return calculated from the estimated amounts and timing of all cash flows arising from the use of funding facilities. It includes disbursements, interest payments, debt repayments, fees and other Funding Costs;
- 1.12. **DFI** means a development finance institution or an Affiliate of the development finance institution, including an MDB, and "**DFIs**" shall have a corresponding meaning;
- 1.13. **Direct Bidding Process** means the Sourcing of Funding contemplated in clause 7.3.5 (*Sourcing of Funding from DFIs and MDBs*);
- 1.14. **Directives** means the directives issued by the Minister to TCTA in terms of section 103 (2) of the National Water Act;
- 1.15. **DoA** means the approved Delegation of Authority for TCTA, as may be amended;
- 1.16. **DMTN Programme** means a Domestic Multi-Term Note Programme issued by TCTA from time to time;
- 1.17. **Evaluation Committee** means a committee appointed by the CEO in accordance with the Sourcing of Funding Procedure, tasked with evaluating Funding Proposals received from Potential Lenders in accordance with the Evaluation Criteria;
- 1.18. **Evaluation Criteria** means the evaluation criteria set out in the RFP, which shall be transaction-specific and used by the Evaluation Committee to evaluate Funding Proposals;
- 1.19. **Exco** means the TCTA Executive Committee;
- 1.20. **Executive Manager: PF&T** means the executive manager in TCTA's PF&T division;
- 1.21. **Existing Lender** means any person, organisation or institution that is a lender party to an existing funding arrangement with TCTA;

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- 1.22. **FICA Policy** means the TCTA policy on the Financial Intelligence Centre Act No 38 of 2001, as amended;
- 1.23. **Finance Agreement** means a loan agreement, guarantee and/or other similar agreement, document or instrument entered into by TCTA and a Lender in respect of a project, and "**Finance Agreements**" shall have a corresponding meaning;
- 1.24. **Funding** means the provision of a financial commitment by a financial institution with an obligation by TCTA to honour the debt and the associated Funding Costs;
- 1.25. **Sourcing of Funding** means the sourcing of a financial commitment from a financial institution with an obligation by TCTA to honour the debt and the associated interest payment;
- 1.26. **Funding Costs** means the sum of all costs of a funding nature that do not form part of the Administration Costs or the Capital Costs. These include all costs relating to interest, expenses, banking charges (including breakage costs where applicable) and similar costs incurred to raise and maintain capital for the implementation of a project;
- 1.27. **Funding Process** means the process pertaining to the Sourcing of Funding, informed by this Policy and as set out in the Procedure for Sourcing of Funding;
- 1.28. **Funding Proposals** means Funding Proposals submitted by Potential Lenders to TCTA in response to the Invitation contemplated in paragraph 7 below;
- 1.29. **Funding Portfolio** means a collection of funding instruments to TCTA projects providing funding that might vary in type, tenor and commercial terms;
- 1.30. **Government** means the national government of the Republic of South Africa;
- 1.31. **Grant Funding** means any non-repayable Funding from the Government and/or lending institutions towards TCTA projects
- 1.32. **Invitations** means the invitations issued by TCTA to Potential Lenders, which invitations shall detail TCTA's Funding requirements as and/or the Evaluation Criteria, and **Invitation** shall have a corresponding meaning;
- 1.33. **JSE** means the Johannesburg Stock Exchange Limited;

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- 1.34. **JSE Debt Requirements Listing** means the JSE Debt Listing Requirements as updated on 11 November 2024, as amended;
- 1.35. **Lead Transactor** means the senior manager or senior specialist within TCTA’s Project Finance and Treasury division, as contemplated in paragraph 10.2.4 of this Policy;
- 1.36. **Lender** means a Preferred Lender who has concluded Finance Agreements with TCTA in respect of a project;
- 1.37. **Long-term Funding** means Funding with an original tenure of more than 5 (five) years;
- 1.38. **MDB** means multi-lateral development banks or an Affiliate thereof, and “**MDBs**” shall have a corresponding meaning;
- 1.39. **Medium-term Funding** means Funding with an original tenure of a minimum of 3 (three) and a maximum of 5 (five) years;
- 1.40. **Minister** means the executive authority responsible for TCTA;
- 1.41. **National Water Act** means the National Water Act No 36 of 1998, as amended;
- 1.42. **Notice of Establishment** means the Notice in terms of Chapter 10 of the National Water Act for the establishment of TCTA, as amended;
- 1.43. **Notification** means a written announcement issued by TCTA informing Potential Lenders, including Existing Lenders, of an opportunity to submit a Funding Proposal to TCTA in respect of a project, and **Notifications** shall have a corresponding meaning;
- 1.44. **Project Finance and Treasury (PF&T)** means the project finance and treasury division within TCTA;
- 1.45. **PFMA** means the Public Finance Management Act 1 of 1999, as amended;
- 1.46. **Policy** means this policy for the Sourcing of Funding contained in this document, as amended, re-stated and replaced from time to time;
- 1.47. **Potential Lender** means an identifiable juristic person, organisation or institution that TCTA considers a potential lender, acting as a principal and not as an agent of a third party, who, among other criteria:

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1.45.1. not on the United Nations Security Council sanctions list;


1.45.2 in good standing with all its applicable laws in its jurisdiction for Sourcing of Funding;

1.45.3 not *en commandite*; and

1.45.4 whose appointment shall be subject to this Policy.

Potential Lenders shall have a corresponding meaning;

- 1.48. **Preferred Lender** means a Potential Lender that has submitted a Compliant Funding Proposal and is approved as a party with whom TCTA is to pursue negotiations to conclude Finance Agreements with, in relation to a project;
- 1.49. **Procedure for Sourcing of Funding** means the procedure for the Sourcing of Funding, dated 06 May 2020, as amended from time to time;
- 1.50. **Project Funding Preparation** means the Sourcing of Funding from the Government and/or any Potential Lender to support project preparation activities of projects;
- 1.51. **Reserve Lender** means a Potential Lender that has submitted a Compliant Funding Proposal and has been announced as such by TCTA;
- 1.52. **Request for Proposals / RFP** means the invitations/requests for funding proposals issued by TCTA to Potential Lenders, which RFP shall detail TCTA's Funding requirements as well as the Evaluation Criteria;
- 1.53. **SCM Policy** means the TCTA Supply Chain Management Policy for Procurement of General Goods, Services and Works, as amended from time to time;
- 1.54. **Short-term Funding** means Funding with an original tenure of a maximum of 3 (three) years;
- 1.55. **Sourcing of Funding** means the sourcing of a financial commitment from Potential Lenders with an obligation by TCTA to honour the debt and the associated Funding Costs;
- 1.56. **Specification Committee** means a committee appointed by the CEO in accordance with the Sourcing of Funding Procedure, and responsible for the compilation and drafting of the specifications and Evaluation Criteria for the Sourcing of Funding in the RFP;
- 1.57. **Standard Bidding Process** means the process for the Sourcing of Funding, which shall, save as provided otherwise in this Policy, be the default

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process for the Sourcing of Funding, as fully described in paragraph 7.1 below;

1.58. **TCTA** means the Trans-Caledon Tunnel Authority, established in terms of the Notice of Establishment and recognised as a major public entity listed in Schedule 2 of the PFMA. It is a water management institution under the National Water Act, operating in the water sector, including the funding and implementation of bulk raw water infrastructure development projects as directed by the Minister from time to time;

1.59. **Unsolicited Proposal** means a Funding Proposal submitted by a Potential Lender to TCTA outside TCTA's normal Sourcing of Funding process, including the Urgent Sourcing of Funding. The proposal must comply with the requirements of this Policy. **"Unsolicited Proposals"** shall have a corresponding meaning; and

1.60. **Urgent Sourcing of Funding** means the Sourcing of Funding, subject to time constraints as fully described in paragraph 7.2 below:

1.58.1 to avert a possible event of default under existing funding facilities that could arise if such provisions were followed; or


1.58.2 if it would enable the meeting of critical project timelines.

2. PURPOSE

2.1. This Policy establishes a framework for Sourcing of Funding that is cost-effective, flexible and responsive to TCTA project funding requirements.


2.2. The overall intent of this Policy is to ensure that all TCTA project Funding requirements are fully and adequately met at all times. It also aims to support TCTA's project liquidity management while taking into account the constitutional principles of fairness, equitability, transparency, competitiveness and cost-effectiveness in selecting Potential Lenders to provide Funding.

2.3. The Policy seeks to ensure that TCTA has a diversified pool of lenders for all its projects, thus strengthening competition and market depth.

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3. LEGISLATIVE FRAMEWORK

- 3.1. Section 217(1) of the Constitution requires all organs of state in the national, provincial or local sphere of Government to contract for goods and/or services in a manner that is fair, equitable, transparent, competitive and cost-effective. Accordingly, various statutes were enacted to establish frameworks for organs of state to follow in the procurement of goods and services.
- 3.2. However, the Constitution and the legislative framework statutes only deal with the sourcing of goods and services and do not deal specifically with the Sourcing of Funding by organs of state.
- 3.3. Section 51(1)(a)(iii) of the PFMA stipulates that an accounting authority for a public entity must ensure that the public entity has and maintains an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective.
- 3.4. Notwithstanding the exclusion in section 217(1) of the Constitution, in keeping with section 51(1)(a)(iii) of the PFMA and taking into account the realities of the funding market, this Policy aims to promote the constitutional principles in the Sourcing of Funding.
- 3.5. Clause 26(1)(a) of the TCTA's Notice of Establishment provides that TCTA may only borrow money within a borrowing limit approved by the Minister acting with the concurrence of the Minister of Finance.
- 3.6. This Policy is to be read at all times in conjunction with the provisions of the JSE Debt Listing Requirements as set out in the FICA Policy.
- 3.7. In light of the above, TCTA wishes to implement this policy to govern the sourcing of Funding. The Policy will be guided by the principles of fairness, equity, transparency, competitiveness and cost-effectiveness to align its operations and business with the spirit and purport of the Constitution.

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4. POLICY PRINCIPLES


This Policy is based on the following principles:

- 4.1. *Transparency*: the Sourcing of Funding process will be implemented openly, without favouring any Potential Lender over another.
- 4.2. *Fair and Equitable treatment of lenders*: TCTA shall ensure fair and equitable treatment of all Potential Lenders.
- 4.3. *Cost-effectiveness (value-for-money)*: TCTA strives to achieve cost-effective Funding for all its projects.
- 4.4. *Competitiveness*: By default, TCTA shall follow competitive funding processes unless there are justifiable reasons for Urgent Sourcing of Funding as outlined in paragraph 7.2 below. TCTA shall also strive to diversify its pool of lenders to strengthen competition and market depth.
- 4.5. *Efficiency*: Ad-hoc committees shall be appointed, and the members of the committees working on each transaction shall be drawn from TCTA personnel with the requisite skill, experience and capability to ensure an efficient process of securing Funding for TCTA projects.
- 4.6. *Ethics*: All members of committees appointed for each transaction shall abide by the Terms of Reference for such a committee, as well as any applicable TCTA policy. A breach of ethical conduct by members of committees or any person involved in a Sourcing of Funding process shall be dealt with in terms of TCTA's disciplinary policy.

5. APPLICABILITY

This Policy applies to the Sourcing of Funding for projects listed in clause 24 (List of Non-Treaty Functions) of the Notice of Establishment. It also applies to all projects implemented by TCTA as directed by the Minister from time to time that require off-budget funding in the Funding Portfolio. The Policy shall further apply to the following types of funding:

- 5.1. Short-Term Funding;

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5.2. Medium-Term Funding; and

5.3. Long-Term Funding.

6. EXCLUSIONS

This Policy shall not apply to:

the Sourcing of Funding through instruments listed on any stock exchange, negotiable instruments and unlisted Commercial Paper.

7. PROCESSES FOR SOURCING OF FUNDING

Sourcing of Funding shall follow one or more of the processes outlined in this paragraph 7. Any process for Sourcing of Funding that is not consistent with any of the processes listed in this paragraph 7 may only be followed with the prior approval of the Board on a transaction-by-transaction basis.

7.1. Standard Bidding Process

The Standard Bidding Process shall be the default process to be followed when Funding is required without extreme time constraints and/or when market failure has not been proven.

It is a competitive process open to all market participants, including Potential Lenders, through the following channels:


7.1.1. Direct Invitations to all Potential Lenders, and

7.1.2. Publication on TCTA and National Treasury websites,

Sufficient time is allowed for respondents, including those who have not previously engaged TCTA on funding, to prepare and submit proposals that their relevant credit-granting bodies have approved.

7.1.3. To encourage competitiveness and responses from the market, TCTA may issue written Notifications.

7.1.4. After the evaluation process referred to in paragraph 8 (*Evaluation Process*), the Evaluation Committee shall, from the Compliant Funding Proposals received,

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recommend the Funding Portfolio and the Preferred Lenders in accordance with the Evaluation Criteria. These recommendations will then be submitted for consideration and recommendation by Exco and final approval by the CEO.


7.2. **Urgent Sourcing of Funding**

In the event of an Urgent Sourcing of Funding, the following principles shall apply:


- 7.2.1. TCTA shall, on an urgent basis and through the issuance of written Invitations/RFPs to a/s minimum of 3 (three) Potential Lenders (which may include an Existing Lender/s), invite Funding Proposals;
- 7.2.2. the Invitation/RFP to submit Funding Proposals shall not be open to the general public, but shall be extended only to the Potential Lenders contemplated in paragraph 7.2.1 above and therefore not advertised on the TCTA and National Treasury websites; and
- 7.2.3. upon receipt of Compliant Funding Proposals from Potential Lenders as contemplated in this paragraph 7.2, TCTA, through the Evaluation Committee, shall determine the Funding Portfolio and the Preferred Lenders in accordance with the Evaluation Criteria. These determinations shall be submitted to EXCO for recommendation to the CEO for approval.

7.3. **Sourcing of Funding from DFIs and MDBs**

- 7.3.1. TCTA acknowledges that certain DFIs and MDBs may, as a result of their policies, be precluded from participating in bidding processes, such as the Standard Bidding Process. Accordingly, and in line with the Policy principles set out in paragraph 4 above, TCTA shall also invite Potential Lenders who are DFIs or MDBs to indicate whether they are precluded from participating in commercial or competitive bidding processes. Such lenders may still express interest in funding the project, subject to the conditions set out in paragraph 7.3.6 below.
- 7.3.2. If a DFI or MDB is not precluded from participating in bidding processes, it may participate in the Standard Bidding Process.

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- 7.3.3. TCTA may enter into direct negotiations with DFIs/MDBs (as the case may be) if:
- 7.3.3.1. such DFIs/MDBs are subject to existing and legitimate rules or policies that prevent them from participating in Standard Bidding Processes, provided that:
- (a) the DFI/MDB can provide evidence or a warrant to that effect; and
 - (b) it has expressed its interest in funding the project in response to TCTA's request for an expression of interest mentioned in 7.3.1; or;
- 7.3.3.2. the DFI/MDB operates in South Africa under protocols with the National Treasury for engaging with state-owned entities.
- 7.3.4. Direct negotiations with DFIs or MDBs, as contemplated in paragraph 7.3.3, may be pursued if the Standard Bidding Process does not yield the desired market response. The lack of a desired market response could, for example, be due to the amount, maturity, cost, or reasonableness of the funding terms and conditions. In this circumstance, the Evaluation Committee must first seek approval from Exco and/or the CEO to pursue direct negotiations with any other Potential Lender, including DFIs/MDBs.
- 7.3.5. TCTA may also enter into direct negotiations with DFIs or MDBs if it deems that they may play a lead role in undertaking project evaluation and due diligence, including internationally accepted social and environmental safeguard standards. This also covers the project's governance, technical, procurement, financial, and socio-economic aspects. The DFI or MDB must agree to make the project evaluation and due diligence reports, and any other reports emanating from its studies in connection with the project, available to other relevant Preferred Lenders.
- 7.3.6. Without detracting from 7.3.10, for the purposes of paragraph 7.3.5, TCTA shall approach Potential Lenders who are DFIs/MDBs. These lenders may independently or jointly evaluate the relevant project and conduct due diligence. They shall be requested to agree to appoint a lead DFI/MDB to monitor and supervise the project.

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7.3.7. The participation of the DFI/MDB under the provision of 7.3.5 shall be capped at 50% (fifty percent) of the required project funding. This cap may be exceeded only if there is insufficient interest from commercial lenders to provide the remaining Funding.

7.3.8. The maximum participation referred to in 7.3.7, above, may be reduced at TCTA’s discretion by way of a recommendation from Exco and approval by the CEO. This may occur if the terms offered by the DFI/MDB are less favourable overall than those available from the other Preferred Lenders.

7.3.9. TCTA shall, by written request to a minimum of 2 (two) DFIs/MDBs, request the DFIs/MDBs to furnish TCTA with term sheets detailing their Funding Proposals to TCTA.


7.3.10. The determination of which DFIs/MDBs shall participate shall be transaction specific.

7.3.11. In situations where time constraints hinder the sourcing of funding, local DFIs can be included under this provision. This allows them to conduct their longer due diligence processes while submitting Funding Proposals and conclude negotiations at the same time as the commercial lenders. The CEO shall approve this provision as part of the funding strategy.

7.4. Direct Negotiations with Existing Lenders and/or Potential Lenders

7.4.1. In an event where an accelerated process is required to raise Funding on time to meet urgent Funding requirements, TCTA shall be allowed to enter into direct negotiations with any Existing Lender or Potential Lender. This is to raise Funding and avoid a possible failure to meet TCTA’s financial obligations or a default under any of its loan conditions.

7.4.2. The direct negotiation process referred to in this 7.4 will be followed on the rare occasion where the Standard Bidding Process or the Urgent Sourcing of Funding process risks Funding not being available on time. This ensures that urgent Funding requirements are met. In such situations, TCTA may use the direct negotiation process to conclude Funding Agreements more quickly. This could

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involve amending existing facility agreements rather than negotiating new loan facilities, which can be a lengthy process.

7.4.3. In a competitive process, evaluations are synchronised, and any Funding only becomes available once negotiations on all facilities have been concluded. This denies TCTA the opportunity to capitalise on expeditious processes that enable TCTA to meet urgent funding requirements. The direct negotiation approach is intended to expedite and improve the chances of success of raising funding to meet urgent funding requirements.

7.4.4. In a direct negotiation process, the selection of eligible Funding Proposals for the Funding Portfolio will not be based on synchronic comparisons of evaluation criteria at the time of sourcing the facilities. Instead, TCTA will, at its discretion, negotiate and conclude Funding Agreements with any or all lenders it will invite to submit Funding Proposals. Viable Funding Proposals, even if not competitive, would not be eliminated until all the funding requirements have been fulfilled.

7.4.5. The administrative and governance process to be followed in a direct negotiation approach shall be approved by the CEO at Exco's recommendation.


7.5. **Sourcing of Funding through Grant Funding:**

Grant Funding should be unconditional and not repayable.

7.6. **Sourcing of Project Preparation Funding**

Project Preparation Funding, which is offered by a Potential Lender and subject to legislative approval or conditions that may bind TCTA to a future financial commitment, may be accepted on condition that the Potential Lender agrees to cap the Cost of Funding of the ensuing Funding. The cap should be set at the weighted average cost of any other project Funding that may be sourced from other Preferred Lenders.

Project Preparation Funding might be subject to the Funder participating in further Funding of the project, on condition that subsequent Funding must be competitive.

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7.7. Unsolicited Proposals

Unsolicited Proposals may only be considered as a last resort if both the Standard Bidding Process and the process for Sourcing of Funding from DFIs/MDBs have been unsuccessful. They may also be considered if efforts to develop a viable and sustainable project funding model have failed, and it is deemed that the Unsolicited Proposal will lead to the development and approval of the funding model by the National Treasury. Board approval of the Funding Strategy is required before implementing this Source of Funding.

7.8. Government Mandate


Subject to the provisions of the Notice of Establishment and TCTA’s status as a PFMA Schedule 2 Entity, which vests the authority to borrow money with the Board, TCTA may enter into direct negotiations with a Potential Lender. Such negotiations must be pursuant to a mandate from the Department of Water and Sanitation, the Minister of Water and Sanitation, or the National Treasury. This approach may be considered where the Government has facilitated Funding on behalf of state-owned entities, including TCTA. For the avoidance of doubt, TCTA shall not be under any obligation to conclude or enter into any Funding agreement with such a Potential Lender following the negotiations. This principle also applies to Funding sourced from the Government, for example, the Budget Facility for Infrastructure by the National Treasury (BFI) or the Infrastructure Fund (IF).

8. EVALUATION PROCESSES

Funding Proposals under paragraph 7 above shall be received, evaluated and adjudicated in terms of the administrative process described in the Sourcing of Funding Procedure.

9. GENERAL

9.1. Services related to the Sourcing of Funding, such as structuring, arranging of Funding through, market-making or otherwise, which are rendered for a consideration, shall be subject to the SCM Policy.

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9.2. Underwriting, syndication, credit wrapping, arrangers, and agents of Funding are considered part of the Sourcing of Funding if included as an option in their Funding Proposals. These activities shall be conducted in accordance with this Policy.

9.3. Refinancing terms concluded under the conditions of each Finance Agreement shall not be subject to this Policy. Any other refinancing shall be conducted in accordance with the Policy.

9.4. Assignment and transfers of rights and/or obligations under each Finance Agreement to third parties shall be governed by the provisions of such Finance Agreement.

9.5. The Funding Portfolio can contain more Funding than:

9.5.1. what is required to meet the Project Costs for provision of contingency resulting from uncertainty of Project Costs and to provide for liquidity as required for the highest possible credit rating; and

9.5.2. the approved borrowing limit for the project, although utilisation of these Funding instruments may not exceed the borrowing limit.

10. **POLICY IMPLEMENTATION: RESPONSIBILITIES**

10.1. **DELEGATED AUTHORITY**


To enhance effective corporate governance, unless otherwise specified in this Policy, the delegation of authority outlined hereunder must be complied with at all times.

10.2. **Board**

The Board shall be responsible for approving this Policy and authorising any deviations from this Policy.

10.2.1. **CFO**

A list of TCTA staff members, which shall have been proposed by the CFO and appointed by the CEO to serve on the Specification and Evaluation Committees, should be included in the submission to Exco to commence with the Sourcing of Funding process.

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10.2.2. **CEO is responsible for:**

10.2.2.1. the operational management of TCTA, including the implementation of this Policy;

10.2.2.2. the sub-delegation of Sourcing of Funding powers to any employee and/or committee consisting solely of TCTA employees to assist him/her in the implementation of this Policy;

10.2.2.3. creating awareness of employee delegations on this Policy;

10.2.2.4. ensuring that TCTA has approved standard procedures for the implementation of this Policy;

10.2.2.5. ensuring employee awareness and adherence to the Policy and Sourcing of Funding Procedure;

10.2.2.6. authorising any deviations from the Sourcing of Funding Procedure; and

10.2.2.7. providing management reports to the Board as and when may be reasonably required by the Board, on the performance of the Sourcing of Funding.

10.2.3. **The Executive Manager: Project Finance & Treasury is responsible for:**


10.2.3.1. ensuring that Funding for each transaction is sourced using this Policy and Procedure as the basis thereof;

10.2.3.2. monitoring implementation of the Policy and Procedure and recommending its periodic review to keep up with prevailing financial market conditions.

10.2.4. **The Senior Manager/Specialist within Project Finance & Treasury is responsible for:**

10.2.4.1. being the Lead Transactor applying this Policy and Procedure for each transaction requiring the Sourcing of Funding;

10.2.4.2. the monitoring of the lending environment as it relates to Sourcing of Funding and recommending to the Executive Manager for its review should the

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prevailing market conditions so dictate. The Treasury Manager to provide support in this regard.

10.3. Compliance

10.3.1. The Lead Transactor, being a senior manager or senior specialist, in the Sourcing of Funding, shall be responsible for ensuring that Sourcing of Funding is conducted in accordance with this Policy. This applies unless specifically excluded by the Policy. Any incident of material non-compliance with the Policy shall be immediately reported to the Executive Manager: PF&T for consideration. The Executive Manager: PF&T must report same to the CEO for condonation.

10.3.2. The Lead Transactor shall be responsible for monitoring and reporting on compliance with the Policy.

10.3.3. A legal memorandum shall be prepared to enable the CEO to sign off on the Finance Agreements, which will include *inter alia* confirmation of compliance with this Policy.


10.4. Records management

The Lead Transactor must ensure that all records relating to the Sourcing of Funding relevant to the specific project are properly maintained.


11. MONITORING AND REVIEW


11.1. This Policy is a living document and shall be reviewed and amended at least every 3 (three) years, or as and when necessary.

11.2. Notwithstanding the above, the implementation of this Policy shall be monitored on an ongoing basis as and when so required. It shall be reviewed to align it with prevailing conditions in the funding environment. An updated version shall then be submitted to the Board for consideration and approval following TCTA's internal approval processes.

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12. **APPROVED BY:**

Name	Designation	Signature	Date
Ms PN Sibiya	Chairman: TCTA Board		

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ANNEXURE: PROCEDURE FOR SOURCING OF FUNDING