



TERMS OF REFERENCE

1.1 MEMBERSHIP

- 1.1.1 Members of the Board shall be appointed by the Minister and Institutional shareholders, on the nomination of the Board and shall be no less than 12 and no more than 15 in number.

The Minister shall appoint Directors for their knowledge of or experience in socio-economic development, development finance, business, banking or administration or for their professional qualifications, and in making such appointment he shall consult the President and act in accordance with any directions the President may give him.

- 1.1.2 Appointments to the Board, with the exception of the Chief Executive Officer shall be for a period to be determined by the Minister of Finance or as set out in the Act;
- 1.1.3 The chief executive officer shall be appointed by the shareholders for a five a year term but will be eligible for reappointment and subject to supervision by the Board. The chief executive officer will be responsible for the day-to-day management of the Bank's affairs.
- 1.1.4 The membership shall comprise a majority of Directors as non-executive;
- 1.1.5 The Minister of Finance shall appoint a non-executive Director to be a Board Chairman.

1.2 DECLARATION OF INTEREST

- 1.2.1 At the first meeting of the Board after a person has been appointed a Director, such Director shall declare in writing to the Chairman of the Board the financial or other assistance, if any, being provided by the Bank to him/her or his/her associates in terms of Section 5 (2) of the Act;
- 1.2.2 If a Director becomes interested, whether directly or indirectly, in any business or proposed business of the Bank after it has been taken into consideration by the

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Board, he/she shall declare his/her interest to the Board at the first meeting of the Board which takes place after his/her interest arises and not take part in the decision making process concerning the Directors interest.

- 1.2.3 The Board should develop a corporate code of conduct that addresses conflicts of interest, particularly relating to Directors and management, which shall be regularly reviewed and updated as necessary.

1.3 QUORUM

The quorum necessary for the transaction of business shall be 6 Directors present in person. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested or exercisable by the Board.

1.4 FREQUENCY

The Board shall meet regularly, at least once a quarter if not more frequently as circumstances require, and shall disclose in the annual report the Board and Committee meetings held in the year and the details of attendance of each Director.

Any one of the Board members with the concurrence of a third of the Board can through the Chairman call for a meeting if circumstances necessitate it.

1.5 NOTICE OF MEETINGS

- 1.5.1 Meetings shall be called by the Secretary;
- 1.5.2 The Chairman and the Chief Executive Officer, with the assistance of the Secretary shall be responsible for the agenda for each Board meeting;
- 1.5.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, agenda of items to be discussed together with supporting papers, shall be forwarded to each Member of the Board and any other person required to attend, no later than 5 working days before the date of the meeting.

1.6 MINUTES

- 1.6.1 The Secretary shall minute and keep a record of the proceedings and resolutions of all Board meetings, including the names of those present and in attendance;
- 1.6.2 Minutes of Board meetings shall be circulated promptly to all Directors. The Chairman of the Board should sign the minutes. The Board should confirm or adopt the minutes of the previous meeting, so as to promote collective responsibility for any decision taken at it.

1.7 ANNUAL GENERAL MEETINGS

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Members of the Board shall attend the Annual General Meeting and assist the Chairman in responding to any shareholder questions on the Bank's activities. The Annual General Meeting shall be held within six months of the end of the preceding financial year of the Bank.

1.8 DUTIES

The Board shall:

Management and Executive

- 1.8.1 Approve the organisational structures for the Bank;
- 1.8.2 Confirm the appointment of senior Management and Executives of the Bank and ensure that the Bank has developed a succession plan for its executive Directors and senior management.

Transformation Process

- 1.8.3 Oversee the transformation of Zimbabwe Development Bank to Infrastructure Development Bank of Zimbabwe;
- 1.8.4 Consider and ratify any interim decisions taken by Management in the transformation process;

Strategy and Risk

- 1.8.5 The Board shall retain full and effective control over the Bank, approve the annual strategic plans and operational budgets, and monitor management in implementing Board plans and strategies.
- 1.8.6 Facilitate and oversee the realisation of any strategic issues necessary for the discharge of the new mandates of the Bank;
- 1.8.7 Consider and approve any capital raising programme;
- 1.8.8 Identify principal risks of the Bank's business operations and ensuring implementation of appropriate systems to manage or mitigate such risks;
- 1.8.9 Ensure efficient and economic use of the Bank's resources;
- 1.8.10 Ensuring that procedures and practices are in place that protect the Bank's assets and reputation.

Corporate Governance

- 1.8.11 The Board shall formulate and enforce rules for corporate governance and ethical practice for observance by the Bank's Directors and staff.

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- 1.8.12 Approve the structure, composition and terms of reference of Board Committees;
- 1.8.13 Subject to the supervision of the Board, the Chief Executive Officer shall be responsible for managing the Bank' staff, activities, funds assets and property and exercising any other functions that the Board may assign to him or her.
- 1.8.14 The Board shall define its own levels of materiality reserving specific powers to itself, delegating some powers to Board Committees and delegating other powers to management with necessary limits;
- 1.8.15 Approve the Board Policy Manuals and Procedures;
- 1.8.16 Regularly assess its performance and effectiveness as a whole, and that of individual Directors, including the Chief Executive Officer.
- 1.8.17 Consider, adopt and/or approve the recommendations of its own Board Committees;
- 1.8.18 Receive general directions from the Minister of Finance regarding the policy it is to observe in the exercise of its functions to which the Board shall take all necessary steps to comply with every such direction;
- 1.8.19 The Board shall determine a policy for functions, purpose, conduct and duration of its meetings and those of its formally established Committees;

Legal

- 1.8.20 Monitor compliance with all significant policies and procedures;
- 1.8.21 Monitor and ensure compliance with all applicable laws and regulations;

Shareholder relations

- 1.8.22 Consider and approve information that requires the approval of the Shareholders;
- 1.8.23 Increase the authorised share capital of the Bank subject to the approval of the Minister of Finance;
- 1.8.24 Ensure that the financial performance of the Bank is adequately reported to Shareholders and other regulatory authorities on a timely and regular basis;
- 1.8.25 Determine annually what part of the net income of the Bank, after providing for any reserves, should be allocated to surplus and what part, if any should be distributed to the Shareholders;

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Financial

- 1.8.26 Review and approve the Bank's operational and capital budgets;
- 1.8.27 Consider and approve the Financial Statements of the Bank;
- 1.8.28 Consider and review periodic Management reports on the Bank's operations;
- 1.8.29 Ensure that the accounts of the Bank for each financial year are audited by a person who is registered as a public auditor in terms of the Public Accountants and Auditors' Act (Chapter 27:12) and who is appointed by Shareholders.

1.9 OTHER

The Board shall during the life of its tenor periodically review its own performance, constitution and terms of reference to ensure effectiveness and recommend any changes it considers necessary to the Minister of Finance for approval.

1.10 AUTHORITY

The Board shall have power to seek any information it requires from any source whatsoever, regarding the activities of the Bank and for the effective discharge of the Board's duties/mandate.

Any Member of the Board shall have power to obtain, at the Bank's expense, outside legal or other professional advice on any matters within its terms of reference.

APPROVED BY:

**CHAIRMAN
BOARD OF DIRECTORS
INFRASTRUCTURE DEVELOPMENT BANK OF ZIMBABWE**

**CHIEF EXECUTIVE OFFICER
INFRASTRUCTURE DEVELOPMENT BANK OF ZIMBABWE**