



Official Sign-Off

It is hereby certified that in preparation of the document, the following was undertaken:

- 1. The Management Team of BBI under the guidance of the Board revised the 2030 strategy;
- 2. All relevant policies, legislation, and other mandates for which the BBI is responsible were considered; and
- 3. The strategy accurately reflects the strategic outcome-oriented goals and objectives which BBI will endeavour to achieve over the financial period 2023/24–2027/28.

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Date 31/1/23

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31/1/23



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Glossary of Terms

ABBREVIATION	TERM
4IR	Fourth Industrial Revolution
5G	Fifth generation of cellular network technology
ADLash	Lashed All-Dielectric Cable
ADSS	All-Dielectric Self-Supporting
Al	Artificial Intelligence
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ASON	Automatically Switched Optical Network
ANP	Access Network Provider
AWS	Amazon Web Services
BBI	Broadband Infraco SOC Limited
BCX	Business Connexion
Board	Board of Directors of Broadband Infraco SOC Limited
BPM	Business Process Management
BSC	Balanced Score Card
BSS	Business Support System
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CMSO	Chief Marketing and Sales Officer
COLA	Cost of Living Annual Salary Adjustment
COS	Cost of Sales
CRA	Executive Compliance, Risk and Audit
CSI	Corporate Social Investment
СТО	Chief Technical Officer
DCDT	Department of Communications and Digital Technologies
DCN	Dynamic Circuit Network
DDM	District Delivery Model
DFA	Dark Fibre Africa
DOE	Department of Education
DOH	Department of Health
DPE	Department of Public Enterprises
DPW	Department of Public Works
DSL	Digital Subscriber Line
DCDT	Department of Communications and Digital Technologies
DWDM	Dense Wavelength Division Multiplexing
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECA	Electronic Communications Act No. 36 of 2005
ECNS	Electronic Communications Network Service Licence
EXCO	Executive Management Committee
EXCOPS	Executive Procurement Sub-Committee
FCAPS	Fault, Configuration, Accounting, Performance and Security



ABBREVIATION	TERM
FSAPP	Framework for Strategic and Annual Performance Plans
FTTH	Fibre-to-the-Home
FTTX	Fibre to the premises (x)
FY	Financial Year
GBN	Gauteng Broadband Network
Gbps	Gigabit Per Second
GDP	Gross Domestic Product
HDS	High Demand Spectrum
HR	Human Resources
HRRC	Human Resource and Remuneration Committee
I-ECNS	Individual Electronic Communications Network Services
ICASA	Independent Communications Authority of South Africa
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
IFTPC	Investment, Finance, Tender and Procurement Committee
IoT	Internet of Things
IP	Internet Protocol
ISP	Internet Service Provider
IT	Information and Technology
ITA	Invitation to Apply
ITC	Information and Technology Committee
ITU	International Telecommunication Union
IXPs	Internet Exchange Points
KPIs	Key Performance Indicators
KZN	Kwa-Zulu Natal
M2M	Machine-to-Machine
Mbps	Megabit Per Second
MICT SETA	Media, Information and Communication Technologies Sector Education and Training Authority
MNO	Mobile Network Operators
Mol	Memorandum of Incorporation
MPLS	Multiprotocol Label Switching
MTSF	Medium Term Strategic Framework
MW	Medium Wave
NBN	National Broadband Network
NDP	National Development Plan
NLD	National Long Distance
NOC	Network Operations Centre
OPEX	Operating Expenditure
OPGW	Optical Ground Wire
OSI	Open Systems Interconnection
OSS	Operations Support System
OTT	Over-the-Top
PC	Portfolio Committee



ABBREVIATION	TERM
PESTEL	Political, Economic, Social, Technologic, Environment and Legal Factors
PFMA	Public Finance Management Act
PIME	Performance Information Monitoring and Evaluation
PO	Purchase Order
PoC	Proof of Concept
PoP	Points of Presence
R and D	Research and Development
ROU	Right of Use
SaaS	Software as a Service
SADC	Southern African Development Community
SATA	Southern African Telecommunications Association
SCM	Supply Chain Management
SDIC	State Digital Infrastructure Company
SDG	Sustainable Development Goal
SDH	Synchronous Digital Hierarchy
SDN	Service Defined Networks
SEC	Social and Ethics Committee
SETA	Sector Education Training Authority
Shareholders	Department of Communications and Digital Technologies and Industrial Development Corporation
SHEQ	Safety, Health, Environmental and Quality
SIP	Strategic Infrastructure Project
SITA	State Information Technology Agency
SLA	Service Level Agreements
SMMEs	Small, Medium and Micro-Enterprises
SOC	State Owned Company
SOE	State Owned Enterprise
STM	Synchronous Transport Module
SWOT	Strengths, Weakness, Opportunities and Threats
the Act	Refers to the Broadband Infraco Act No. 33 of 2007
Tbps	Terabits per Second
TNMS	Telecommunications Network Management System
TV	Television
U/G	Underground (cable)
USO	Universal Service Obligations
VAS	Value Added Services
VOIP	Voice Over Internet Protocol
VSAT	Ver Small Aperture Terminal
WACS	West Africa Cable System
WAN	Wide Area Network
WEF	World Economic Forum (ranking)
WOAN	Wholesale Open Access Network



1 EXECUTIVE SUMMARY

The FY2023/24 – FY2028/29 Corporate Plan reflects the five-year implementation plan of the company's 10-year strategy. Broadband Infraco (BBI) is a Schedule 2 entity in terms of the Public Finance Management Act, No. 01 of 1999 (PFMA), mandated through the Broadband Infraco Act (No. 33 of 2007) (the Act), amongst other key pieces of legislation. The main objectives as set out in the Act include:

- expanding the availability and affordability of access to electronic communications, including but not limited to underdeveloped and underserviced areas, in accordance with the Electronic Communications Act (No. 36 of 2005);
 and
- the provision of electronic communications network services and electronic communications services in accordance with international best practice and pricing.

BBI provides long-distance national and international connectivity to licensed and license-exempt customers, for projects of national importance and to previously underserviced areas. The existence of BBI is intended to improve market efficiency in the long-distance connectivity segment by increasing available long-distance network infrastructure. It also avails capacity to stimulate private sector innovation in the telecommunications services and content offerings. BBI is in a unique position to deploy both a commercial and a social mandate, thereby contributing to the competitiveness and development of the South African economy, with the responsibility to provide services to underserviced areas.

Essential to the sustainability of BBI is the requirement for the commercial mandate to be effective and viable, thereby supporting and subsidizing the social mandate of the organisation.

The telecommunications industry within South Africa has continued to grow, accelerated by technology advances and by the shift to out of office work fuelled by the COVID-19 pandemic. The industry is rapidly evolving and highly competitive, necessitating ongoing strategic and tactical decisions to re-position BBI and optimise its resource allocation in order to remain relevant.

There is sufficient private investment to develop high-demand routes and metros, with an ongoing extension of this investment to provide Points of Presence in Tier 2, lower density geographic areas. There is however limited investment in many previously disadvantaged, geographically remote, underdeveloped, and underserviced areas. This provides BBI with a focal point for a strategically focused action plan that aligns broadly with its developmental mandate. A key consideration remains the need to find a viable funding mechanism to ensure that such a focus is realistic, sustainable, and achievable.

BBI has consistently reviewed and updated its strategy to ensure that it remains relevant in an increasingly competitive and resource-intensive climate within its industry. Central to BBI's strategic approach in fulfilling its mandate (to expand the availability and affordability of access to electronic communications), and competitively positioning itself within the market, is the alignment of three pertinent business drivers: commercial viability; service delivery; and socio-economic upliftment.

An enabling legislation, good customer relations, strategic collaboration, partnerships, and having Government as a key partner, provide BBI with an important competitive advantage and are the main drivers of the revised strategy.

In recent years BBI has been significantly constrained by the inability to access network investment that impacted the network performance and service availability, significantly impacting on revenue generation and cash flow. The Company cash flow constraints inhibits its ability to meet financial obligations to the major fibre and servitude suppliers (Eskom and Transnet), including the transmission equipment supplier. During the 2021-22 financial year several customers were lost due to the cancellation of the contracts and non-renewal of expired contracts by Eskom. Management and the Board are engaging Eskom and the matter was also escalated to the Minister of Communication and Digital Technologies.

Within the period covered by this Corporate Plan, it is likely that BBI will integrate its business with that of SENTECH. This is in line with government's policy to rationalise SOCs and to centralise government-owned fibre assets in a single entity. The transition to the SDIC will provide BBI with an opportunity to leverage a wider base of assets and resources to deliver on its mandate and is expected to be the first phase in a wider consolidation of government's digital infrastructure assets.

BBI leadership is fully committed to this transitional journey and is working to ensure that it is successful and delivers new forms of future value to the citizens of South Africa. To assist BBI in navigating this journey and in planning for several critical uncertainties inherent in this journey, BBI has also developed a number of strategic scenarios to guide its ongoing planning and navigation. These have also been guided and informed amendments to BBI's strategic intent, as described in its Core Ideology, which is set out later in this document.

2 ORGANISATIONAL OVERVIEW

2.1 Introduction

The Board and Executive Management of BBI herewith present the organisation's five-year Corporate Plan for FY2023/24 to FY2028/2,9 and the Annual Performance Plan (APP) for 2023/24. The Corporate and Annual Performance Plans are prepared and presented to the shareholders, being: the Minister of Communications and Digital Technologies (DCDT) (the Executive Authority in terms of the Public Finance Management Act, No. 01 of 1999 (PFMA), as amended), in her capacity as the Executive Authority and shareholder representative on behalf of the Government of the Republic of South Africa, and the Industrial Development Corporation (IDC) of South Africa, (as the secondary shareholder), and to Parliament.

The organisation utilises the Corporate Plan, Shareholders Compact and Annual Performance Plan, Quarterly Reports, Integrated Annual Report, Annual Financial Statements, and information requested by the shareholder from time to time, as its main accountability instruments.

The Corporate Plan is tabled annually in Parliament in compliance with the requirements of the PFMA as amended, the Money Bills Amendment Procedures and Related Matters Act, No. 09 of 2009, the National Treasury Regulations issued in terms of the PFMA, and the Companies Act, No. 71 of 2008.

The primary aim of this Corporate Plan is to provide insight into BBI's value proposition and strategy, opportunities, and risks, as well as its business model and governance framework. It also serves to provide a synopsis of past performance against its strategic objectives in a manner that affords stakeholders a holistic view of the organisation and its potential to successfully deliver on its future commitments.

The Corporate Plan, as presented, includes information on the rollout of SA Connect (Phase 2) and forward-looking material to enable stakeholders to make an insightful assessment of the organisation's prospective value creation ability.

BBI was established in 2007 in terms of the Broadband Infraco Act No 33 of 2007 (the Act) as a State-Owned Entity (SOE). The organisation was registered in 2008 with the then Companies Intellectual Property Registration Office (CIPRO), now known as the Companies and Intellectual Property Commission (CIPC) as an entity owned by the Government of the Republic of South Africa and the Industrial Development Corporation (IDC) of South Africa.

The Company launched commercially on 18 November 2010. As per the requirements of the Companies Act, No. 71 of 2008, BBI was converted from a private company to a State-Owned Company (SOC) with the CIPC with effect from 2013.

BBI is a Schedule 2 public entity in terms of the PFMA.

2.2 Regulatory Environment

2.2.1 Legislative Mandate

BBI's legislative mandate and objectives are set out in the Act. The main objectives are to expand the availability and affordability of access to electronic communications, including but not limited to, underdeveloped and underserviced areas (in accordance with the Electronic Communications Act, No. 36 of 2005 (the ECA)), and commensurate with international best practice and pricing, through the provision of electronic communications network services and electronic communications services.

Below is an excerpt from the Act describing the main objects of BBI:

- (1) The main objects of Infraco are to expand the availability and affordability of access to electronic communications, including but not limited to underdeveloped and underserviced areas in accordance with the Electronic Communications Act and commensurate with international best practice and pricing, through the provision of:
- (a) electronic communications network services; and
- (b) electronic communications services.
- (2) For the purposes of section 33(1) of the Companies Act, none of the objects ancillary to the main objects of Infraco are excluded.
- (3) The powers of Infraco include the common powers contained in Schedule 2 to the Companies Act and none of those powers are excluded or qualified.
- (4) Subject to subsection (1), with effect from the transfer date the Minister may, in consultation with the Ministers of Finance and of Communications and subject to the Public Finance Management Act, in one or more transactions transfer the whole or any part of the shares, assets, rights, obligations or interests of the State in relation to Infraco to such transferees as the Minister and the Ministers of Finance and of Communications deem in the public interest.

The Act draws on the ECA for alignment on purpose and objectives, as BBI supports the fulfilment of the ECA.

In addition, the broader applicable legislative and regulatory framework includes, but is not limited to:

- The Constitution of the Republic of South Africa, No. 08 of 1996;
- Companies Act, No. 71 of 2008;
- Public Finance Management Act, No. 01 of 1999 (as amended); and
- Protection of Personal Information Act, No. 04 of 2013.

2.2.2 Policy Amendments

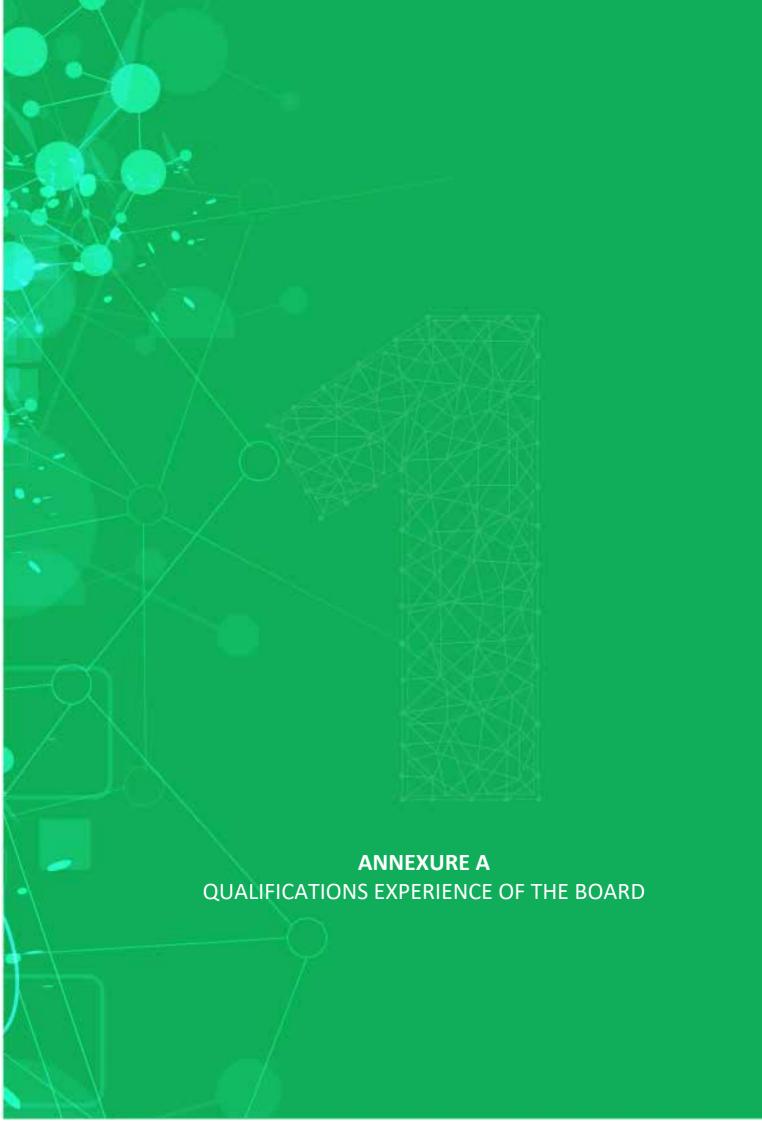
DCDT has taken the approach approved the offer by Sentech to acquire Government's 74% majority shareholding in BBI. The IDC will remain the 26% minority shareholder in BBI.,



2.3 Alignment to National Plans and Outcomes

The organisation's purpose is in line with the National Development Plan (NDP) of establishing national, regional, and municipal fibre-optic networks to provide the backbone for broadband access. The NDP aims to eliminate poverty and reduce inequality by 2030. BBI operates on the premise that the national, provincial, and districts backhaul require State intervention to allow services into underserviced areas. The private sector intervention needs to be complemented by public funds in the form of incentives, subsidies, and grants to address the social objective of connecting all and bridging the digital divide.

A summary of BBI's mandate relative to national plans and outcomes is summarised in the figure below.



#	NAME	RACE	GENDER	APPOINTMENT DATE	QUALIFICATIONS AND EXPERIENCE
1.	Zandile Kabini	Black	Female	1 April 2018	 Qualifications: Bachelor of Commerce (B. Com) Informatics - University of Pretoria B. Com (Hons) Informatics - University of Pretoria Management Development Programme - Gordon Institute of Business Science (GIBS) Diploma in Business Analysis - Faculty Training Institute Expertise: Information and Communications Technology (ICT) Business Analysis and Management Strategy Development and Execution Chairperson: Board of Directors Member: Social and Ethics Committee
2.	Bojane Segooa	Black	Female	24 May 2021	 Qualifications: Chartered Accountant South Africa (CASA) Bachelor of Accounting Science Honours (Hons B. Compt) - University of South Africa (UNISA) Bachelor of Accounting Science:
3.	Den Dwane	Black	Male	03 June 2021	Qualifications:

#	NAME	RACE	GENDER	APPOINTMENT DATE	QUALIFICATIONS AND EXPERIENCE
					 Degree in Business Administration (2006) - University of Limpopo Honours Degree in HRM (2007) - University of Limpopo Global Remuneration Professional Certificate (2010) - South African Reward Association Master of Business Administration (2017) - Nelson Mandela Metropolitan University
					Expertise: - Strategy Development and Execution - People and Organisational Effectiveness - Financial and Investment Management - Pension Funds Act - Corporate Governance - Project Management
					Chairperson - Human Resources and Remuneration Committee
					Member: - Investment, Financing and Procurement Committee - Social and Ethics Committee
5.	Devesh Mothilall	Indian	Male	24 May 2021	 Qualifications: Bachelor of Science (Hons. BSc) Engineering - University of Cape Town (UCT) Masters in Engineering (Technology Management) – University of Pretoria International Visitors Leadership Program on Urban Sustainability - Graduate School of the United States of America Renewable Energy Program - Frauhenhof Institute Germany Certificate in Performance Evaluation - Development Bank of South Africa Training Academy Diploma in Project Management - Cape Town Executive Education
					Expertise: - ICT - Electrical Engineering - Telecommunication Member: - Audit and Risk Committee
					 Social and Ethics Committee Technology, Knowledge, and Information Management Committee

#	NAME	RACE	GENDER	APPOINTMENT DATE	QUALIFICATIONS AND EXPERIENCE
5.	Patrick Makape	Black	Male	24 May 2021	 Qualifications: Bachelor of Science (BSc) Mechanical Engineering - University of Witwatersrand (Wits) Post Graduate Diploma in Advanced Supply Chain Management – University of Witwatersrand (Wits) Project Management (Principles and Practices) – University of Pretoria Expertise: Mechanical engineering Chairperson: Investment, Financing and Procurement Committee Member: Human Resources and Remuneration Committee Technology, Knowledge and Information Management Committee
6.	Loyiso Tyira	Black	Male	24 May 2021	 Qualifications: Management Development Program (MDP) - University of South Africa Programme for Management Excellence - Gordon Institute of Business Science South Africa (GIBS) Expertise: Information Technology and Business Management Chairperson: Technology, Knowledge, and Information Management Committee Member:
7.	Lungile Mabece	Black	Male	06 December 2018	 Qualifications: Attorney of the High Court of South Africa Baccalaureus Procurations (B Proc) – University of the Western Cape Bachelor of Laws (LLB) – University of the Western Cape Higher Certificate: Project Management – Damelin Expertise: Corporate and commercial lawyer who is an expert in Transport Law Information and Communication Law Policy and Legislation Development

#	NAME	RACE	GENDER	APPOINTMENT DATE	QUALIFICATIONS AND EXPERIENCE
					 Governance (statutory and corporate) Chairperson: Social and Ethics Committee Member: Audit and Risk Committee Human Resources and Remuneration Committee
8.	Gift Zowa Acting Chief Executive Officer	Black	Male	16 November 2022	 Qualifications: Bachelor of Accounting Science Honours (Hons. BSc) Electrical Engineers Master of Business Administration (MBA) - University of Pretoria Engineering Council of South Africa (ECSA) Registered Professional Engineer Member of South African Institute of Electrical Engineers (SAIEE) Member of Institute of Electrical Engineers (MIEE) (UK) Expertise: Telecommunications, (Switching, Transmission, Mobile (2G, 3G, LTE) IP, IT) Strategic Management Business Management





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1. Introduction

Equity is about fairness. That means that everyone has the right to be treated fairly and is not discriminated against for whatever reason. The main purpose of Employment equity is to promote equal opportunity and fair treatment in employment through the elimination of unfair discrimination.

In term with Employment Equity Act (EEA) each company must a develop a five-year Employment Equity (EE) Plan. The Company has developed a five-year plan and annual Divisional EE Plan which set targets for people with disabilities, EE Target plan per department which clearly indicates the number of People with Disability that each department should meet.

The Employment Equity Forum was established in 2013 in line with the requirements of the Employment Equity Act No. 55 of 1998. The forum meets quarterly and reports to the Chief Executive Officer.

Annexure C encapsulates the Employment Equity Plan that was submitted in 2023, covering January 2023 to December 2026. Annually a report is submitted against this plan to the Department of Labour.

2. Business overview

Broadband Infraco SOC is a licensed state-owned company in the telecommunications sector. It is intended to improve market efficiency in the long-distance connectivity segment by increasing available long-distance network infrastructure. It will also avail capacity to stimulate private sector innovation in telecommunications services and content offerings.

Broadband Infraco provides long-distance national and international connectivity to licensed private sector partners, license-exempt projects of national importance and to under-serviced areas.

3. Commitment to EE

In order to fulfil its mandate, Broadband Infraco acknowledges the value that employees from diverse backgrounds bring and add to the organisation, as such is fully committed to the objectives of the Employment Equity Act, No. 55 of 1998 (EEA). The commitment to transformation and in particular to employment equity is considered a high business priority which will feature with prominence in our business leadership, hence the development of this EE Plan.

Broadband Infraco is committed to ensuring that the overall purpose of the EE Act is achieved in the workplace by:

- promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination;
- Implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups (black people, women and Persons with Disabilities), in order to ensure their equitable representation in all occupational categories and levels in the workforce.

Broadband Infraco will demonstrate its commitment by taking active steps to promote employment equity in the workplace by: Implementing transformation interventions, which are aligned with and driving Broadband Infraco's business strategy.

- Facilitating an equitable representation within the workforce by attracting, developing and retaining employees from the designated groups.
- □ Implementing effective diversity management initiatives to establish and maintain an all-inclusive culture conducive to transformation.
- Making reasonable accommodation for employees from the designated groups and to provide a safe and enabling work environment for all employees.

4. Approach to EE plan development

The development of the Broadband Infraco EE Plan was done in accordance with section 20 of the EE Act and the Codes of Good Practice: Preparation, Development and Implementation of Employment Equity Plans.

The process of developing the plan followed four sequential phases namely:

- planning (creating an enabling environment),
- analysis
- · development of EE Plan,
- Implementation and monitoring.

See implementation model below: Model 4.0

Plan Implementation

Code of Good Practice

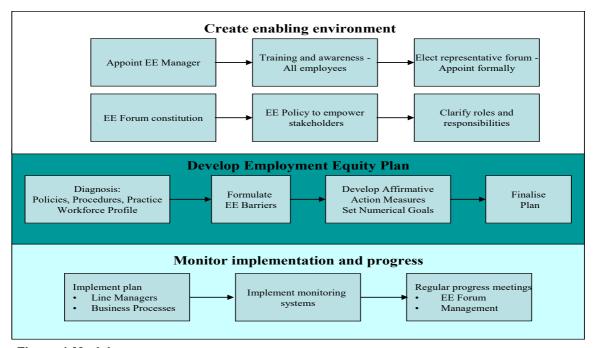


Figure 1 Model

- 4.1 The Planning phase includes:
 - Assignment of responsibility and accountability to the Broadband Infraco EE manager

- Developing the communication, awareness and training on EE
- Consultation with relevant stakeholders

4.2 The Development phase includes:

- Conducting an analysis of existing employment policies, procedures, practices and the work environment
- Conducting an analysis of the existing Broadband Infraco workforce profile and demographic information and benchmarking Setting new objectives
- Formulating affirmative action measures with timeframes
- Drawing up the plan
- Allocation of resources
- Communicating the plan
- 4.3 Implementation and monitoring is an on-going process. This phase includes:
 - Implementation
 - Monitoring and tracking progress
 - Reviewing the plan
 - □ Reporting on progress annually to the Department of Labour (DOL)

5. Assignment of responsibility

In terms of Section 24 of the EEA and the Codes of good practice, Broadband Infraco has assigned a senior manager to take responsibility for monitoring and implementing the EE plan. The Executive Compliance Risk and Audit is currently the accountable EE Manager.

5.1 Mandate and Authority

The Executive CRA as EE Manager, reports directly to the CEO of Broadband Infraco. The EE Manager has the authority and mandate to take key transformation and Employment Equity decisions within the approved budget and mandate.

5.2 Time off and resources

The EE Manager shall have sufficient time and resources dedicated to carrying out Employment Equity commitments in line with agreed EE deliverables included in the performance contract. Operational responsibilities have been delegated to Senior Manager HR Operations who reports to the Executive for HR.

All line managers shall be responsible for implementation and compliance with this plan in their respective departments.

6. Communication, training and awareness

As an employer, we take responsibility to inform our employees regarding Employment Equity. Communication will focus on positive outcomes, progress made, challenges encountered, as well as steps to be taken to overcome barriers.

Broadband Infraco will endeavour to fulfil section 25 of the EE Act by:

- Displaying and communicating the summary of the Employment Equity Act, copies of the most recent report and the EE Plan in our work areas.
- Engaging through the Employment Equity Forum on a regular basis to discuss progress to date, positive outcomes, challenges encountered and way forward.

6.1 Awareness Sessions

Prior to the development of the plan Broadband Infraco refresher awareness sessions will be conducted. The purpose of the sessions was to ensure that employees are:

- made aware and informed of the content and application of the Act
- sensitised about Employment Equity implementation programmes required to transform the workplace
- kept informed regarding suitable interventions and processes to be followed
- made to understand the importance of their participation in the process

7. Communication plan

Table 1 Communication Plan

Timeframe	Activity	Target Group
Next 12	Employment Equity Forums	Employment Equity Forum
months		members
Induction	Videos	All employees
Quarterly	Broadband Infraco Newsletter (if any)	All employees
Ongoing	Emails, Intranet postings on progress	All employees
Quarterly	Record of agenda and summary minutes from Employment Equity Forum meetings	
Quarterly	Presentation/Feedback on progress to date	EXCO and All employees
Annually	Employment Equity Report	HRRC, All employees
Annually	Employees Awareness Session	All employees
Ongoing	Communicate EE Plan	All employees

8. Consultation

Broadband Infraco has established an Employment Equity Forum (in compliance with section 16 of the EEA. The Employment Equity Forum will be consulted on matters stipulated in section 17 of the EEA namely:

- the analysis as required by section 19
- the preparation, development and the implementation of the Employment Equity Plan

as required by section 20

reporting on Employment Equity progress as required by section 21

Consultation by Broadband Infraco Management will also aspire to achieve the following objectives:

- To understand the barriers and enablers of transformation in the business
- To create and implement strategies relating to people management and people development
- Employment Equity Forum will meet and report back to all employees and management.
- Employment Equity Forum (nominated representatives) will be given an opportunity to meet with EXCO on matters pertaining to employment equity.
- The Employment Equity Forum will have a formal process for consideration of requests, distribution and receipts of relevant information.
- On-going interaction with and accessibility to departmental senior management with regard to Employment Equity issues.

8.1 Members of the EE Forum

The members of the forum have been nominated by their respective constituencies as employee representatives in terms of section 16 of the EE Act. The forum is composed of:

- designated groups (blacks, women and people with disabilities) from different occupational levels
- non-designated groups (white males)
- senior management
- Trade Union members

A detailed Membership list is contained on the attached **annexure D**, therefore future changes to the membership will not affect the Plan but limited to annexure only.

9. Analysis

In compliance with section 19(1) of the EEA, an analysis of the policies, procedures, practices and the work environment were conducted, in order to identify barriers to employment, advancement and development of people from designated groups. The focus was also on determining to what extent unfair discrimination or unfair treatment practices represent a barrier to the achievement of employment equity.

The following areas as recommended by the EEA and the codes of good practice were analysed:

- Employment practices such as recruitment, selection, pre-employment testing.
- Practices related to succession and experience planning, and related promotions and transfers.
- Utilisation of human resources capacity and job assignments.
- Current training and development methodologies and strategies, and access to training remuneration structures and practices
- Employee benefits arrangements
- Disciplinary practices
- Working conditions

- Number and nature of dismissals, voluntary terminations and retrenchments
- Corporate culture

10. Affirmative action measures

Section 20 of the EEA requires employers to develop qualitative affirmative action measures to address barriers identified during the analysis and create measures to improve the under-representation of designated group members through the setting of numerical goals and targets.

Affirmative action measures implemented by Broadband Infraco would conform to section 15 of the EEA which requires:

- Measures to identify and eliminate employment barriers.
- Measures designed to further diversity in the workplace.
- Making reasonable accommodation for people from designated groups.
- Measures to ensure the equitable representation of suitably qualified people from designated groups in all occupational categories and levels.

Measures to retain and develop people from designated groups. A detailed separate report on the analysis and perceived barriers and action measures is available. Below is a summary of potential barriers identified and measures to be implemented.

11. Progress on the implementation plan

Table 2 Implementation Plan

Categories	Yes	No	Potential barriers and identified unfairness	Proposed measures	Due date
Recruitment procedures	X		Lack of opportunity to appointment of people with disabilities.	Develop Divisional EE Plan and set targets for people with disabilities. Compact line manager on the implementation of their divisional plans.	
Advertising positions	Х		Attraction of persons with disabilities is not prominent in the advert	Amend the advert to indicate priority for attracting Persons with Disabilities and Employment Equity goals. Done.	N/A
Work environment and facilities	Х		Offices lack adequate accommodation and resources for Persons with Disabilities.	Secure funding to make the offices more accessible and accommodative to Persons with Disabilities,	
Performance and evaluation systems	X		Lack of effective application of the Performance Management framework	Line managers must be properly trained. Executives must provide oversight to the process.	Jun 2025 Ongoing
Succession and experience planning	X		There is a lack of succession planning which can be used to advance designated groups.	Communicate the current succession planning policy/system and, formalise implementation using creative approaches given the limitation of funds.	Ongoing

Categories	Yes	No	Potential barriers and identified unfairness	Proposed measures	Due date
Disciplinary measures	X		1. Lack of knowledge on the implementation of policy by some Managers.	Train Managers on policy and general management of disciplinary measures.	
Corporate Culture	X		Lack of awareness of diversified cultural backgrounds and beliefs	Awareness sessions and training	Ongoing

12. Workforce profile analysis

Section 19(2) require employers to conduct the workforce profile analysis which must indicate the extent to which designated groups are underrepresented in the workforce in terms of occupational levels compared to their external availability in the national, provincial or regional economically active population or another benchmark used by the organisation.

Under-representation refers to the statistical disparity between the representations of designated groups in the workplace compared to their representation in the labour market.

Broadband Infraco conducted the workforce profile analysis based on the 1st December 2022 data as illustrated below.

Section B: Workforce profile

12. 1. Workforce profile

12.1.1 Please report the total number of **employees** (including employees with disabilities) in each of the following **occupational levels**: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Table 3 Workforce Profile

			EMP	LOYME	NT EQ	UITY E	DEMOG	RAPHI	cs				
Job Levels		Ма	le			Fer	nale		Foreiç Nation	•	Sub 1	Total	
	Α	С	I	W	Α	С	I	W	М	F	М	F	
Executives	2	0	0	0	0	0	0	0	0	0	2	0	2
Executives	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
Senior	4	0	0	1	2	0	0	0	1	1	6	3	9
Management	44%	0%	0%	11%	22%	0%	0%	0%	11%	11%	67%	33%	100%
Professional	23	1	2	4	8 1 0 0				0	0	30	9	39
Specialist & Middle Management	59%	3%	5%	10%	21%	3%	0%	0%	0%	0%	77%	23%	100%
Supervisory &	10	0	0	2	4	0	0	0	0	0	12	4	16
Junior Management	63%	0%	0%	13%	25%	0%	0%	0%	0%	0%	75%	25%	100%
Operational	23	0	1	0	14	0	0	0	0	0	24	14	38
Operational	61%	0%	3%	0%	37%	0%	0%	0%	0%	0%	63%	37%	100%
Support	0	0	0	0	4	0	0	1	0	0	0	5	5

			EMP	LOYME	ENT EQ	UITY E	EMOG	RAPHI	cs				
Job Levels		Ма	ile			Fer	nale		Foreig Natio		Sub 1	Total	
	Α	С	I	W	Α	С	I	W	М	F	М	F	
	0%	0%	0%	0%	80%	0%	0%	20%	0%	0%	0%	100%	100%
Total Permanent	62	1	3	7	32	1	0	1	1	1	74	35	109
and fixed term contracts	57%	1%	3%	6%	29%	1%	0%	1%	1%	1%	68%	32%	100%
GRAND TOTAL	62	1	3	7	32	1	0	1	1	1	74	35	109

13. Setting of numerical goals and targets

Broadband Infraco has taken proactive steps of transforming its workforce in order to make it a more representative labour force that reflects the demographics of the country. For this reason, Broadband Infraco would monitor available vacancies and opportunities to ensure that they are applied reasonably to overcome shortcomings in our current profile where underrepresentation occurs.

Where under representation has been identified in the analysis, the numerical goals to achieve the equitable representation of suitably qualified people from designated groups across each level will be set.

Numerical goals and targets will be set in relation to the economically active population (EAP) statistics of South Africa. Each level of the workforce would reflect the numerical goals in line with these statistics considering historical trends and business planning.

Table 4 Numerical goals

National EAP	Male	Female	Total
African	42.80%	35.10%	78.00%
Coloured	5.30%	4.50%	9.80%
Indian	1.80%	1.00%	2.80%
White	5.30%	4.20%	9.50%
Total	55.20%	44.80%	100.00%

(Source: CEE, Report: 2017)

In addition to these EAP statistics, Broadband Infraco also endorses the spirit of South Africa's Broad-Based Black Economic Empowerment (BBBEE) philosophy so as to meet the requirements set out by the Department of Labour (EE Act) and to ensure that Broadband Infraco also benefits from acceptable BBBEE scores. The Broadband Infraco Employment Equity Plan and transformational objectives would accordingly align to these benchmarks.

13.1 Numerical Goals and Targets for Persons with Disabilities

It is recommended that 2% of the Broadband Infraco positions at the end of the EE Plan be allocated to people with disabilities. (2%x 155 = 3). The three positions would be spread across all occupational levels of Broadband Infraco.HR in consultation with the EE Manager and Head of Supply Chain in regard to BBBEE would identify positions suitable for people with disabilities to ensure their equitable representation in the Broadband Infraco.

14. Transformation opportunity

It is anticipated that no growth would occur and thus transformation will depend on the terminations and new vacancies. Business units which experience positive growth during the plan period would use such growth to enhance the overall achievement of Employment Equity in Broadband Infraco.

All vacancies created as a result of terminations would be analysed and utilised to recruit designated groups where under representation had been identified. Any regression or deviation from the set targets would only be approved by the CEO in consultation the EE Forum of Broadband Infraco.

15. Numerical goals and targets

Based on the analysis above, the following numerical goals and targets of Broadband Infraco have been projected as depicted below.

The highlighted areas indicate areas of underrepresentation which require attention.

Top Management

Table 5 Top Management Target

	YEAR		ignate										
0		Male	9			Fen	nale			Fore Natio			Vacancies
Occup ational Levels		A	С						Total	vacancies			
	2023	2	0	1	1	1	0	0	0	1	0	6	1
Тор	Target 2024	0	0	0	0	0	0	0	1	0	0	1	
	2025	0	0	0	0	1	0	0	0	0	0	1	
	Goals 2026	1	0	0	0	0	0	0	0	0	0	1	

Senior Management

Table 6 Senior Management Target

	YEAR	Des	ignat	ed									
Occupati		Mal	Male				nale			Foreig Nation		.	
onal Levels		Α	С	I	W	Α	С	I	W	Male	Female	Total	Vacancies
	2023	3	1	0	2	4	0	1	1	1	0	13	1
	Target 2024	0	0	0	0	0	1	0	0	0	0	1	
Senior												1	
	2025	0	0	0	0	1	0	0	0	0	0	'	
	Goals 2026	1	1	1	1	0	0	0	0	0	0	4	

Professionally Qualified

Table 7 Professionally Qualified targets

	YEAR	Des	ignat	ed									
Occupa		Male	Male				ale			Foreig Nation		T-4-1	
tional Levels	%	Α	С	_	W	Α	С	_	W	Male	Female	Total	Vacancies
	2023	20	1	2	3	13	0	0	3	0	0	39	4
Professio	Target 2024	0	0	0	0	0	1	1	1	0	0	3	
nal	2025	0	0	0	0	0	1	1	1	0	0	3	
	Goals 2026	1	0	0	0	0	0	0	0	0	0	1	

Skilled

Table 8 Skilled targets

ĺ	ubio o om	YEAR		ignat	ed									
	Occupa		Male	Male A C I W				ale			Foreig Nation		Takal	Vacancias
	tional Levels	%	Α	С	I	W	Α	С	I	W	Male	Female	Total	Vacancies
		2023	14	0	0	1	2	0	0	0	0	0	17	3
	Skilled	Target 2024	0	0	0	0	0	1	1	1	0	0	3	
		2025	0	0	2	2	0	1	1	1	0	0	3	
		Goals 2026	1	0	0	0	0	0	0	0	0	0	3	

Table 9 Semi-Skilled targets

	YEAR		ignat	ted									
Occupat	i	Mal	Wale				ale			Foreig Nation		T-4-1	Managaina
onal Levels	%	Α	С	I	W	Α	С	I	W	Male	Female	Total	Vacancies
	2023	14	1	0	0	11	0	0	0	0	0	29	5
Semi-	Target 2024	0	1	1	1	0	1	1	1	0	0	6	
Skilled	2025	0	1	1	1	0	1	1	1	0	0	6	
	Goals 2026	0	1	1	1	0	1	1	1	0	0	6	

Targets for Persons with Disabilities

It is recommended that 2% of the Broadband Infraco positions at the end of the EE Plan be allocated to Persons with Disabilities. (2%x 155 = 3). The 3 positions would be spread across all occupational levels of Broadband Infraco.HR in consultation with the EE Manager and BBBEE would identify positions suitable for people with disabilities to ensure their equitable representation in the Broadband Infraco.

16. Duration of the plan

The implementation of the Plan will commence from January 2023- to December 2026

17. Monitoring and evaluation of plan implementation

EEF HR Sub Committee will monitor the numerical profiles, employee movement and practices on a monthly basis. Policies would be evaluated and analysed as and when updated.

18. Dispute resolution

Disputes regarding the employment equity plan will be resolved by the internal procedure outlined in the Grievance Policy (follow up on the clause relating to EE Plan). If any constituency, employee or any party is not in agreement with Broadband Infraco on any of the issues referred to above:

- The affected constituency must state, in writing, the areas of disagreement, with supporting facts and table these at the meeting of the EEF to ensure that these are resolved.
- If the issues tabled at the EEF are not resolved to the satisfaction of the affected constituency, the matter shall be referred to the CEO of Broadband Infraco for consideration.
- If the affected constituency is not satisfied with a response from the CEO, the said constituency
 may refer the matter to the Department of Labour, after notification, in writing, to Broadband
 Infraco of its intention to do so.

19. Allocation of resources

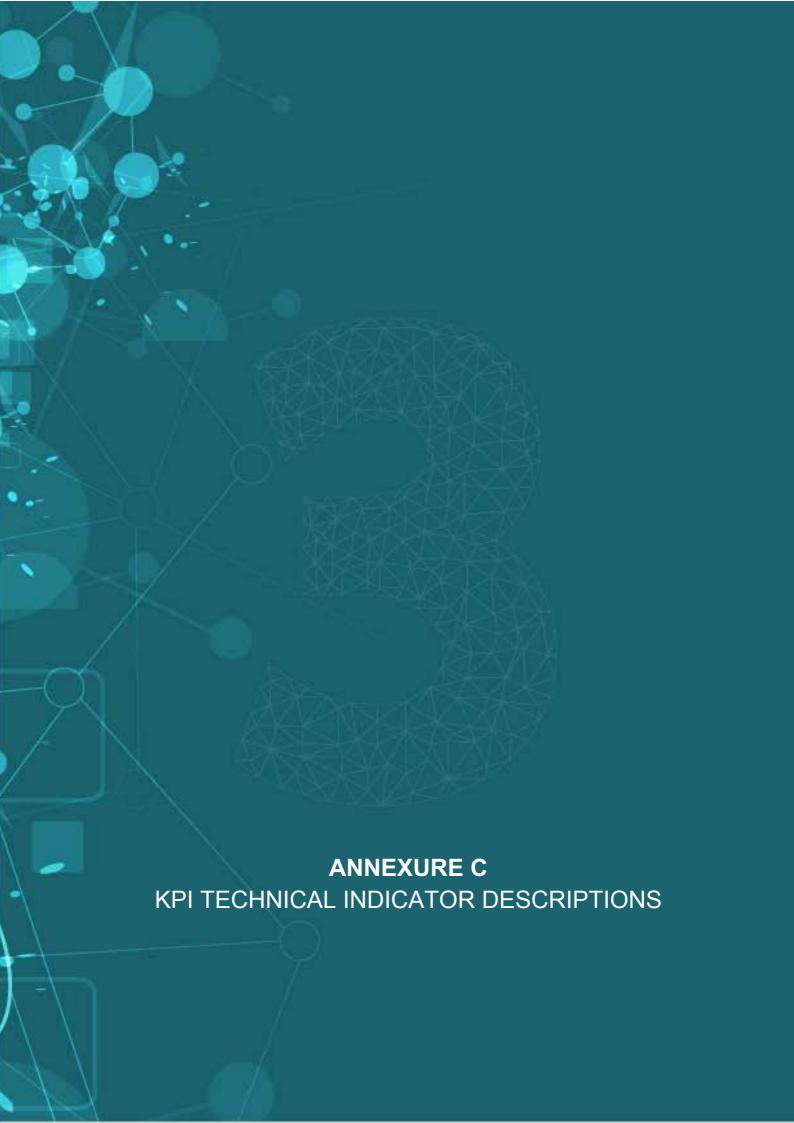
The following resources will be allocated to the implementation of Employment Equity during the next financial year.

- a. A Senior Manager EE has been assigned with responsibility to manage the implementation of the Employment Equity Plan and monitoring of progress.
- b. A budget will be put aside to support the implementation goals of Employment Equity. Time off will be given to the Employment Equity Forum members to meet on a regular basis.

20. Approval

Chairperson of the Broadband Infraco Employment Equity Forum
I hereby declare that I have reviewed and agree with Broadband Infraco EE Plan as mandated by the EE Forum
Signed on this 17day of Februaryyear _2023
At place: Centurion
Mike Mojapelo

Chief Executive Officer			
I hereby declare that I have	ve reviewed and approv	ed the Broadband Infraco's	s EE Plan
Signed on this	day of	year	
At place:			
Signature: CEO	Full Nar	ne	





Programme 2: Financial Capital

Indicator title	New sales contracts signed annually	
Technical description	The KPI is the total amount of contracts concluded in a specific financial year.	
Purpose/importance	Increased revenue and productivity.	
Source/collection of data	Signed quotation by both customer and Key Accounts Manager (KAM). Signed Service Order Forms (SOF), Master Service Agreement (MSA) and its Schedules.	
Method of calculation	Total Contract Value.	
Data limitations	Missing SOFs and Service Handover Forms (SHFs) delays in submitting SOFs and SHFs to Finance, customers not sending SHFs on time, and Pipeline management.	
Type of indicator	Lagging.	
Calculation type	Cumulative.	
Reporting cycle	Weekly, monthly, and quarterly.	
New indicator	Yes.	
Desired performance	New Sales acquisition will improve the financial position of the Company and its sustainability.	
Indicator responsibility (achievement)	Chief Marketing and Sales Officer (CMSO).	
Indicator responsibility (collation and quality assurance)	Senior Manager: Business Development.	

Programme 2: Financial Capital

Indicator title	Percentage revenue year-on-year growth	
Technical description	Year-on-year increase in revenue billed to customers, including revenue recognised as deferred income.	
Purpose/importance	Improved financial sustainability and positive cash flow.	
Source/collection of data	SOFs, SHFs, list of customers billed, customer invoices and monthly management accounts.	
Method of calculation	Equals total current period revenue less corresponding previous period revenue, including deferred revenue recognised in each of the periods, divided by the previous period's revenue recognised.	
Data limitations	Missing SOFs and SHFs, delays in submitting SOFs and SHFs to Finance, customers not sending signed SHFs on time.	
Type of indicator	Lagging.	
Calculation type	Cumulative.	
Reporting cycle	Monthly.	
New indicator	No.	
Desired performance	Revenue growth will improve the financial position of the Company and its sustainability.	
Indicator responsibility (achievement)	CMSO.	
Indicator responsibility (collation and quality assurance)	Senior Manager: Business Development.	

Indicator title	Maintain positive cash balance monthly
Technical description	Maintain one month's salary in available cash.
Purpose/importance	It is a measure that the Company maintains sufficient cash resources to pay salaries for one month.
Source/collection of data	Bank statements.
Method of calculation	The sum of all bank balances at the end of a specific month. Excluding any overdrafts and/or other short term funding facilities to fund working capital needs.
Data limitations	No specific limitations.
Type of indicator	Lagging.
Calculation type	Cumulative.
Reporting cycle	Monthly.
New indicator	Yes.
Desired performance	Improved operating profit.
Indicator responsibility (achievement)	CFO.
Indicator responsibility (collation and quality assurance)	Senior Manager: Management Accountant.



Indicator title	Maintain Operating Profit before Depreciation after Interest
Technical description	Operating Profit before Depreciation after Interest.
Purpose/importance	Operating profit before depreciation and after interest reflects the revenue and expenses that can be mainly controlled.
Source/collection of data	Pastel trial balance.
Method of calculation	Operating profit is gross income minus operating expenses add back depreciation and amortisation minus interest paid plus interest received. Amounts exclude any advances made by the shareholder department.
Data limitations	No specific limitations.
Type of indicator	Lagging.
Calculation type	Cumulative.
Reporting cycle	Monthly.
New indicator	Yes.
Desired performance	Improved operating profit.
Indicator responsibility (achievement)	CFO.
Indicator responsibility (collation and quality assurance)	Senior Manager: Management Accountant.



Indicator title	Number of days within which SMMEs invoices are paid
Technical description	SMME invoices paid within 30 days from when invoices are
	approved for payment.
Purpose/importance	BBI's contribution to ensuring that SMMEs are paid on time,
	thus ensuring that they have sufficient working capital.
Source/collection of data	SMME invoices, SMME statements, creditors age analysis
	and creditors transactions report.
Method of calculation	The total days it took to pay SMME invoices on average,
	counted since the day they were authorised for payment as
	being complete, accurate and valid.
Data limitations	No specific limitations.
Type of indicator	Lagging.
Calaulatian tuna	Nian augustisa
Calculation type	Non-cumulative.
Reporting cycle	Monthly.
Treporting cycle	Monuny.
New indicator	New.
Desired performance	Improved payment terms to SMMEs.
Indicator responsibility	CFO.
(achievement)	
La dia dan sa a sa s	Osaisa Maranan Financa
Indicator responsibility (collation and quality	Senior Manager: Finance.
assurance)	



Indicator title	Number of days per outstanding customer invoice per
	month
Technical description	Debtors' days is a measure of the average time payments take to be collected from the respective debtors and exclude IRU invoices.
Purpose/importance	The debtors' days ratio measures how quickly cash is being collected from debtors.
Source/collection of data	Pastel trial balance, accounts receivable age analysis and customer invoices.
Method of calculation	A. Debtors (excluding VAT and IRU Invoices) - current month's invoiced revenue (excluding VAT). B. Result from A ÷ previous month's invoiced revenue (excluding VAT) x the number of days in the current month. C. Debtor days = B + the number of days in the previous month.
Data limitations	No specific limitations.
Type of indicator	Lagging.
Calculation type	Cumulative.
Reporting cycle	Monthly.
New indicator	No.
Desired performance	Lower debtors days in order to increase the liquidity of the Company.
Indicator responsibility (achievement)	CFO.
Indicator responsibility (collation and quality assurance)	Senior Manager: Management Accountant.



Indicator title	Number of SA Connect Sites maintained
Technical description	This KPI measures the number of SA Connect sites that were connected in the previous FY that are successfully being maintained (services running and monitored via the NOC).
Purpose/importance	Provide broadband connectivity to underserviced areas in the country as part of the SA Connect.
Source/collection of data	There will be a check on the network via the NOC as well as verification together with the ANP.
Method of calculation	Counting of schools, clinics, hospitals, Thusong centres, etc. that are connected to a 10Mb/s broadband connection. Data is collected from the NOC and confirmed with SITA.
Data limitations	None.
Type of indicator	Lagging.
Calculation type	Cumulative.
Reporting cycle	Monthly.
New indicator	Yes.
Desired performance	More sites connected means increased broadband connectivity in under serviced areas.
Indicator responsibility (achievement)	СТО.
Indicator responsibility (collation and quality assurance)	Senior Manager: NOC.



Indicator title	Number of SA Connect Sites connected
Technical description	This KPI measures the number of Community Wi – Fi hotspots that are planned to be connected SA Connect Phase 2 project.
Purpose/importance	Provide broadband connectivity to underserviced areas in the country as part of the SA Connect.
Source/collection of data	The data will be collected via the project team and the NOC.
Method of calculation	Numbers of households and public Wi – Fi hotspots that are connected on BBI network.
Data limitations	None.
Type of indicator	Lagging.
Calculation type	Cumulative.
Reporting cycle	Monthly.
New indicator	Yes.
Desired performance	Increased access to broadband connectivity in underservices areas
Indicator responsibility (achievement)	СТО.
Indicator responsibility (collation and quality assurance)	Programme Management Officer



Indicator title	Number of PES SA Connect sites connected
Technical description	This KPI measures the planned number of Households and Public Wi – Fi hotspots subsidised connectivity as part of Presidential Employment Stimulus (PES) – Broadband Access Fund management.
Purpose/importance	Provide broadband connectivity to underserviced areas in the country as part of the SA Connect.
Source/collection of data	The data will be collected via the project team and the NOC.
Method of calculation	Numbers of sites that have internet services via BBI network.
Data limitations	None.
Type of indicator	Lagging.
Calculation type	Cumulative.
Reporting cycle	Monthly.
New indicator	Yes.
Desired performance	Increased access to broadband connectivity in underservices areas
Indicator responsibility (achievement)	СТО.
Indicator responsibility (collation and quality assurance)	Programme Management Officer.



Indicator title	Percentage of gross revenue paid as network performance rebates
Technical description	Network performance rebates are financial refunds or penalties paid to customers as a result of the company failing to meet its contractual obligations in terms of the SLA.
Purpose/importance	Calculate the amount of revenue lost due to network downtime in order to improve the service.
Source/collection of data	Network Management Systems (NMS), Vtiger and MS Office.
Method of calculation	Data gathered from NMS, Vtiger and emails are collected and inputted into an excel document that is used to calculate the performance of customer services availability against the SLA.
Data limitations	Limitation is based on customer verification tally.
Type of indicator	Leading.
Calculation type	Cumulative.
Reporting cycle	Monthly.
New indicator	No.
Desired performance	Lower rebates paid to customers as it will indicate that Service Availability is higher.
Indicator responsibility (achievement)	СТО.
Indicator responsibility (collation and quality assurance)	Senior Manager: NOC.



Indicator title	Actual Time to Restore Core Network Faults
Technical description	Mean Time to Restore (MTTR) is the time required to troubleshoot and repair network and customer service failure incidents.
Source/collection of data	Network Management Systems (NMS), Vtiger and MS Office. Tickets from communications that come in through a range of channels, including email, phone, and website chat, or even a built-in customer portal.
Method of calculation	Average (Total Down Time of all fault incidents - Total Deferral Down Time of deferred incidents)/(Total Number all fault incidents - Total Number deferral incidents).
Data limitations	Limitation is based on actual records stored in SharePoint.
Type of indicator	Leading.
Calculation type	Cumulative.
Reporting cycle	Monthly.
New indicator	No.
Desired performance	Reducing MTTR will decrease the service disruption duration to avoid a loss of revenue and productivity.
Indicator responsibility (achievement)	СТО.
Indicator responsibility (collation and quality assurance)	Senior Manager: Operations and Maintenance.



Programme 4: Stakeholder Management

Indicator title	Number of SMMEs allocated installation work
Technical description	Contracting SMMEs for installation work, network
	configuration work (on switches, routers, transmission
	equipment, or auxiliary services like batteries, air
	conditioning systems and Operational Support Systems).
Purpose/importance	Localisation and improve level of SMME participation in the
	core business of the Company.
Source/collection of data	Appointments of SMMEs and Purchase Orders.
Method of calculation	Number of actual SMMEs that received direct business from
	BBI. The value of the business will depend on the
	opportunities available.
Data limitations	Based on SMME verification.
Type of indicator	Lagging.
Calculation type	Cumulative.
Reporting cycle	Monthly.
New indicator	Yes.
Desired performance	More local entrepreneurs' participation leading to improved
-	localisation and SMME empowerment.
Indicator responsibility (achievement)	CFO.
Indicator responsibility (collation and quality assurance)	Acting General Manager: SCM.



Programme 4: Stakeholder Management

Indicator title	Percentage of annual procurement budget to be spent
	on black, women, youth and people with disabilities
	owned entities
Technical description	The percentage of total discretionary spent allocated for
	spending on black, women, youth and people with disabilities
	owned entities.
Purpose/importance	Improve participation of previously disadvantaged people in
	the economy.
Source/collection of data	Purchase orders generated in a specific month from the
	accounting system and the respective B-BBEE certificates of
	the preferred entities.
Method of calculation	Total value of orders placed (excluding VAT) with qualifying
	entities, as a percentage of total discretionary orders placed
	(excluding VAT) for the quarter.
Data limitations	No specific limitations.
Type of indicator	Lagging
Type of indicator	Lagging.
Calculation type	Cumulative.
J.	
Reporting cycle	Monthly.
New indicator	No.
	I was a superior of block females DWDs and very
Desired performance	Improve participation of black, females, PWDs and you
Indicator responsibility	CFO.
(achievement)	
Indicator responsibility	Acting General Manager: SCM.
(collation and quality	
assurance)	

Programme 4: Stakeholder Management

Indicator title	Number of schools provided with broadband
	connectivity and maintained
Technical description	Rural schools to be supported for maths and science through the implementation of Telematics, the technology of sending, receiving, and storing information via telecommunication devices in conjunction with effecting control on remote objects which deals with the long-distance transmission of computerised information.
Purpose/importance	Create awareness of youth in ICT and Engineering career opportunities and bridge the digital divide.
Source/collection of data	Minutes of the meetings. Signed letters of undertaking and agreement with the school. Project plan. Written confirmation from the school on completion of the project.
Method of calculation	Total number to enable the implementation and maintenance of Telematics in the adopted schools
Data limitations	None.
Type of indicator	Leading.
Calculation type	Non-cumulative.
Reporting cycle	Monthly.
New indicator	No.
Desired performance	More schools provided with broadband connectivity in rural areas to improve access to broadband and technology.
Indicator responsibility (achievement)	CMSO.
Indicator responsibility (collation and quality assurance)	Brand Specialist.



Programme 5: Human Capital

Indicator title	Percentage of payroll spend on training and							
	development per annum							
Technical description	This indicator measures the percentage of the total payroll							
	spent on training and development of employees.							
Purpose/importance	To ensure that the company has an adequately skilled and competent workforce.							
Source/collection of data	WSP/Training Plan, PDP, HR Training Expenditure							
	(spreadsheet) signed Training invoices; Training Attendance							
	Register; Certificates (if any), bursaries, and payroll data.							
Method of calculation	Equals the amount spent on training which is inclusive of							
	travel, accommodation, refreshments, and Subsistence and							
	Travel expenses divided by the total salary bill for the							
	corresponding reporting period, and amount for bursaries.							
Data limitations	Late submission of supplier invoices.							
Type of indicator	Leading.							
Calculation type	Cumulative.							
Reporting cycle	Monthly.							
New indicator	No.							
Desired performance	Spend 6% of the salary bill on training and development to improve the B-BBEE level of the Company.							
Indicator responsibility	Executive Human Resources.							
(achievement)	Executive Human Resources.							
Indicator responsibility (collation and quality assurance)	Manager: OD, Learning and Performance.							

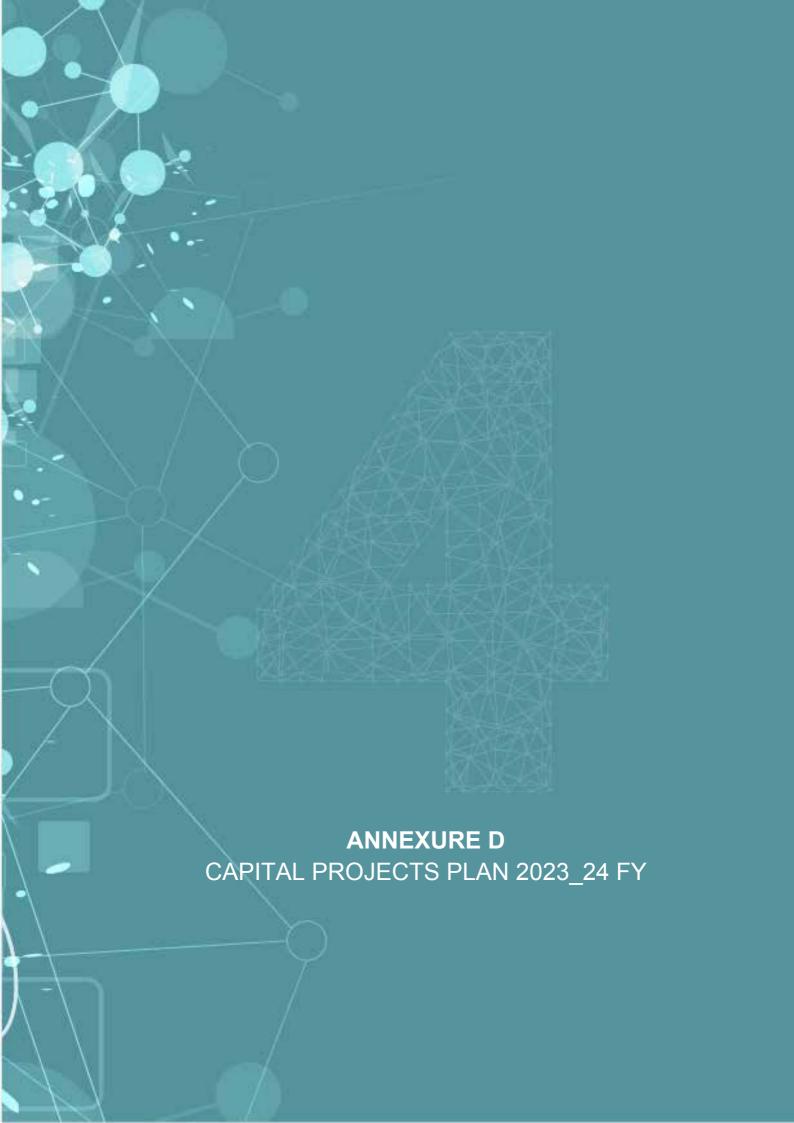
Programme 5: Human Capital

Indicator title	Number of Interns who require work experience
Technical description	This indicator measures the number of graduates and Work integrated Learners that require work experience.
Purpose/importance	To provide experience and on the job training to graduates and Work integrated Learners from various Institutions of Higher Learning in ensuring that the relevant qualification is obtained.
Source/collection of data	Quarterly/Monthly Intern Reports, MICT SETA reports, Inetrn payslips, and proof of qualification where applicable
Method of calculation	Proof of appointments of Interns – appointment letter/Internship Agreement, MICT approvals to appoint Interns
Data limitations	Late submission of monthly/quarterly reports from Interns
Type of indicator	Leading.
Calculation type	Cumulative.
Reporting cycle	Monthly.
New indicator	No.
Desired performance	More jobs created for graduates
Indicator responsibility (achievement)	Executive Human Resources.
Indicator responsibility (collation and quality assurance)	Manager: OD, Learning and Performance.

Programme 6: Governance

Indicator title	Maintain unqualified external audit report
Technical description	Maintain unqualified external audit opinion over the Annual Financial Statements.
Purpose/importance Source/collection of data	To ensure management and the Board of Directors are effective by implementing proper systems of internal control to achieve and maintain an unqualified audit opinion over the Annual Financial Statements. Report of External Auditors.
Method of calculation	The opinion given by the external auditors on the Annual Financial Statements.
Data limitations	None.

Type of indicator	Lagging.
Calculation type	Non-cumulative.
Reporting cycle	Quarterly.
New indicator	Yes.
Desired performance	Clean audit.
Indicator responsibility (achievement)	All Executives and Senior Managers.
Indicator responsibility (collation and quality assurance)	Executive: Compliance, Risk and Audit.





1. INTRODUCTION

Broadband Infraco has an urgent need to upgrade its existing network to 1.2T capacity of Transmission network and latest Internet Protocol (IP) based services, refurbish current network, and to build secondary routes to protect existing primary routes and cater for customer demand for high-capacity services, network evolution to IP based technology, to address network challenges and constraints. Broadband Infraco has been receiving a lot of requests for high-capacity services and in-line with the industry trends, there is a drive for Broadband Infraco (BBI) to increase the network capacity to cater for such requests. In addition, Broadband Infraco network is not as resilient as required to run world class operations.

Within this document, we have provided a brief overview of Broadband Infraco's network, proposed technical solution, project schedule, benefits, and the financial model for the proposed network upgrade.

The following list shows the types of projects which are prioritised over the next five years:

- 1. Customer Specific Projects.
- 2. Technology Evolution.
- 3. Software Upgrades and Maintenance.
- 4. Critical Route AdLash Refurbishment

1.1 Chief Technology Officer Division - Strategic Framework

Chief Technical Officer (CTO) Division is the core business unit of Broadband Infraco and the strategic framework below enables the division deliver on its responsibility as per the defined two pillars of the operating model namely Design and Build, and the Operate and Maintain pillars.



Figure 1: CTO Divisional Strategic Framework



1.2 CTO Division 9 Strategic Pillars

To achieve Broadband Infraco strategic goals, the Technology Division has established the nine strategic pillars below to deliver on its responsibility effectively and efficiently.

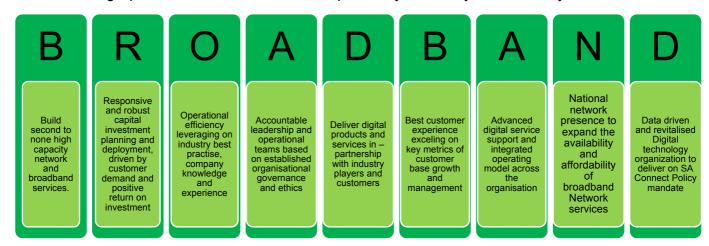


Figure 2: Technology 9 Strategic Pillars

2. PURPOSE

Broadband Infraco Dense Wave Division Multiplexing (DWDM) network is based on a 40 channels system, and with the forecasted demand, the channels are fast approaching depletion. The network has mixture of 10G, 40G and 100G, with no defined spectral planning. The random channel allocation poses a risk when more high data rate channels need to be added. The major problem is the cross-phase modulation, this is due to the proximity of 10G channels to 100G/200G channels and the type of modulation used for 10G On-Off-Keying modulation (OOK) and 100G (coherent detection).

Certain routes do not have adequate redundancy and sufficient capacity to re-route traffic during emergency outages. Certain sections of the network are susceptible to vandalism, and this exacerbates the network reliability problem. Added to this, BBI relies on third parties, to fulfil customer requirements. This makes BBI's price competitiveness in the market a challenge and this fact is supported by the BMIT study that was performed in 2021. In deriving lessons from engagements with potential customers, it is evident that there is enormous potential for Broadband Infraco to create a self-sustaining business once the network deficiencies are addressed.

The capacity needs of the customers, SLA requirements and shareholder mandate need to be fulfilled by running an efficient and resilient network. It is crucial for any operator to always be ahead of the market (customers) to guarantee service provision as demanded, balanced appropriately with the priority needs for the network, customers, and other stakeholders. A reliable and fully functional network which is price competitive, is essential to running a self-sustainable telecoms business.

The increased demand for IP services from Marketing and Sales Teams, and the continued drive to ensure an IP presence in at least one node in each of the provinces, necessitates the further rollout of the IP/MPLS network. Presently several Ethernet services are provisioned on



the SDH platform as Ethernet over SDH services and these services are not bandwidth efficient. There has also been an increased demand to offer other IP value added services like Internet Peering, Internet Transit and Remote Peering in addition to the current Carrier Ethernet suite of IP products and services that are been offered by Broadband Infraco. Some of the major bottleneck and opportunities on the network are below, based on input received from Sales and Marketing division:

- Kopfontein Build is outstanding due to funding constraints and Eskom fibre lease.
- Camden upgrade, based on increased requirements for connectivity into Mozambique.
- Route 16 upgrade, due to increased demand for services out of Teraco Isando route.
- Route 5 Bloemfontein to Durban as the route has old equipment and used for Protection.
- Route 6 Vaal kraal to Maseru as BBI is unable to offer any protection from Bloemfontein.
- Vodacom as the customer is at risk because of poor network performance and lack of redundancy.
- MTN have started their own program to self-build and will only consider BBI for redundancy if required.

3. ENTERPRISE PORTFOLIO PLANNING

The Portfolio of Projects and Programs listed on this document aim to achieve Broadband Infraco vision and mission as defined in the Company strategy plan. The Portfolio has been defined and accepted through Identification, Categorisation, Evaluation, Selection, Prioritisation and Portfolio Balancing at operational and strategic level of the organisation inorder to facilitate effective delivery and to meet strategic business objectives.



Figure 3: Enterprise Portfolio Planning



3.1 Project Categorisation

Broadband Infraco projects are divided into four categories as per figure 4 below, starting with Revenue Generation as priority number one (1) projects and specifically for customer service provisioning. The latter is followed by Revenue Protection, Essential Upgrades and Refurbishment and the Operational Capex.

A balancing act is done during planning, budgeting, and execution to ensure Broadband Infraco sustainability.

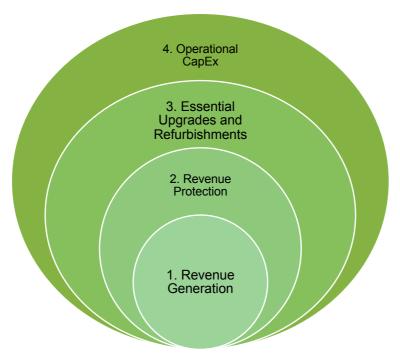


Figure 4: Project Categorisation



4. NETWORK CAPACITY UPGRADE AND REFURBISHMENT

Broadband Infraco technical team, together with the Sales team through a pipeline prioritisation, have defined several interventions required on the current network to address immediate customer capacity requirements, network bottlenecks and in ability to meet minimum service level performance on some of the routes. The projects are prioritised (with priority-1 being the highest) based on the following factors to ensure business sustainability:

- Customer Demand as informed Sales Pipeline Review;
- Growth Potential;
- · Significant Capacity Requirements; and
- Population density and growth.

The total revenue to be generated by the CAPEX plan below is approximately R6 796 470 633.00.

#	Activities	Description	Category	Priority	Apr 2023 – Mar 2024	Apr 2024 – Mar 2025	Apr 2025 – Mar 2026
C	17 Opgrade	Migrate network management from TNMS V.14 to TNMS V.17	-	1	R1 046 330		
	Transmission Nodes Software	Upgrade the transmission network elements to the latest software version		1	R724 726		
1	WIOCC 200G SWAP	The route has not been meeting the expected SLAs, affecting customer services	Revenue Protection	1	R17 279 963		
2	MTN 10Gbps Kimberley to Upington	Customer service provisioning	Revenue Generation	2		R2 088 166	
3	Failure	To protect the single point affecting the Western Cape SITA services		2		R20 396 470	
4	Kimberley Single Point of Failures	To eliminate a sinle point of failure from the netwrok	Revenue Protection	2		R5 593 210	
5	Route - Matikeng tibre	Protection for the Ramatlabama (Botswana) link, which has been failing frequently		1	R53 083 550		
6	IP Network Upgrade Phase 0 - 3	To evolve the technology used on the network from SDH to IP.	Revenue Generation	1	R202 803 663	R11 004 388	_



#	Activities	Description	Category	Priority	Apr 2023 – Mar 2024	Apr 2024 – Mar 2025	Apr 2025 – Mar 2026
7	12x Fixed Standby Generators	To ensure network reliability from Eskom grid power failures	Revenue Protection	1	R6 432 000		
8	SITA NGN Core links		Revenue Generation	1	R30 000 000		
9	Gauteng Ring Upgrade	To provision additional capacity for revenue generation		2		R5 000 000	
10	Roule	To cater for a customer order to complete the Build to Kopfontein from IDC		1	R67 242 970		
11	Hansmission	Channel optimisation and network capacity upgrade to cater for demand		1	R59 194 033	R214 700 000	R136 800 000
		Frequent vandalism and failing of the current TFR fibre		1	R20 181 757		
13	ribre	Increased requirements from Customers for connectivity to no man's land		2		R11 000 000	
14	UDUIAUE	Upgrade obsolete MTS DWDM to hiT7300 DWDM equipment and power		2		R38 199 330	
15		Upgrade obsolete MTS DWDM to hiT7300 DWDM equipment and power		2		R18 000 000	
16	Replacements	To be replaced with concrete poles to prevent theft of wooden poles		2			
17	r c uuriuaricv	Fibre breaks by community between Mafikeng and Lichtenburg TFR route		1	R7 100 000		
18	REGUCION	Reduced ADLash fibre network to increase network performance reliability		2		R16 050 000	R16 050 000
19	11110 1 110353)	Integrate and automate ordering, provisioning, activation, customer-billing		1	R20 000 000	R20 000 000	
20	Maseru	Protection route for a more resilient network against failures and outages		2		R23 000 000	
21	Roule	Protection of major customer services going to through Beitbridge		3			R299 000 000
1//	owai ii uqq e i is	To build a redundancy route between Krugersdorp and Swartruggens		3		R46 813 000	
コンス	Mozambique Secondary Route	Secondary route to Mozambique to protect services of existing customer	Revenue Protection	3			R54 000 000



#	Activities	Description	Category	Priority	Apr 2023 – Mar 2024	Apr 2024 – Mar 2025	Apr 2025 – Mar 2026
24	Roule	Secondary route to Swaziland to protect services of existing customer		1	R30 000 000		
25	Namibia Secondary Route	Secondary route to Namibia to protect services of existing customer	Revenue Protection	1	R45 000 000		
26	Eskom Park to TFR Middelburg fibre build (5km)	Eliminate the SPOF from Eskom Park.	Revenue Protection	1	R9 000 000		
27	Protection auto-switching	Frequent failures on TFR cable beyond LNG towards CPT and long restoration times mean long downtime for services.	Operational CapEx		-		R12 000 000
	Yearly Total				R569 088 992	R431 844 564	R517 850 000
	Grand Total						R1 518 783 556

#	Projects	Description	Category	Apr 2023 – Mar 2024	Apr 2024 – Mar 2025	Apr 2025 – Mar 2026
	DCN Migration and TNMS 17 Upgrade		Essential Upgrade	R1 046 330		
_	Transmission Nodes Software		Essential Upgrade	R724 726		
1	WIOCC 200G SWAP	The route has not been meeting the expected SLAs, affecting customer services	Revenue Protection	17 279 963		
2 1	MTN 10Gbps Kimberley to Jpington		Revenue Generation	R2 088 166		
3 (Cape Town Single Point of Failure	To protect the single point affecting the Western Cape SITA services	Revenue Protection	R20 396 470		
4 I	Kimberley Single Point of Failures		Revenue Protection	R5 593 210		
5 I	Pretoria North - Zeerust Route		Revenue Protection	53 083 550		



#	Projects	Description	Category	Apr 2023 – Mar 2024	Apr 2024 – Mar 2025	Apr 2025 – Mar 2026
6	IP Network Upgrade Phase 0 - 3	To evolve the technology used on the network from SDH to IP.	Revenue Protection	R202 803 663	R11 004 388	
7	12x Fixed Standby Generators	To ensure network reliability from Eskom grid power failures	Revenue Protection	R6 432 000		
8	SITA NGN Upgrade 55 links	SITA has requested a quote to upgrade 55 of its links to 1Gbps capacity	Revenue Generation	R14 200 249		
9	Gauteng Ring Upgrade	Lack of available capacity is affecting revenue growth	Revenue Generation	R5 000 000		
10	Botswana Secondary Route	To cater for a customer order to complete the Build to Kopfontein from IDC	Revenue Generation	R67 242 970		
11	1.2T Additional Transmission	Channel optimisation and network capacity upgrade to cater for demand	Revenue Generation	R59 194 033	R214 700 000	R136 800 000
12	Route 9 NSB-OBH fibre	Frequent vandalism and failing of the current TFR fibre	Revenue Protection	R20 181 757		
13	Mozambique Komatipoort Fibre	no man's land	Revenue Generation	R11 000 000		
14	Route 4 DWDM Link Upgrade	Upgrade obsolete MTS DWDM to hiT7300 DWDM equipment and power	Revenue Protection	R38 199 330		
15	Route 5 Upgrade	Upgrade obsolete MTS DWDM to hiT7300 DWDM equipment and power	Revenue Protection	R18 000		
116	Bisho Wooden Poles Replacements		Revenue Protection	R3 500 000		
17	Mmabatho MW link redundancy	Fibre breaks by community between Mafikeng and Lichtenburg TFR route	Revenue Protection	R7 100 000		
18	Ad-lash Network Reduction	Reduced ADLash fibre network to increase network performance reliability	Revenue Protection	R12 250 000	R16 050 000	R16 050 000
19	· ·	Integrate and automate ordering, provisioning, activation, customer-billing	Operational CapEx		R40 000 000	
20	Route 6 Vaal kraal to Maseru	and outages	Revenue Protection		R23 000 000	
21	Zimbabwe Secondary Route	Protection of major customer services going to through Beitbridge	Revenue Protection		R299 000 000	
22	Krugersdorp – Swartruggens	To build a redundancy route between Krugersdorp and Swartruggens	Revenue Protection		R46 813 000	



#	Projects	Description	Category	Apr 2023 – Mar 2024	Apr 2024 – Mar 2025	Apr 2025 – Mar 2026
23	Mafikeng to new Zeerust PoP fibre	Protection for the Ramatlabama DWDM link, which has been failing frequently	Revenue Protection	R36 000 000		
24	Mozambique Secondary Route	Secondary route to Mozambique to protect services of existing customer	Revenue Protection			R54 000 000
25		Secondary route to Swaziland to protect services of existing customer				R30 000 000
26	Namibia Secondary Route	Secondary route to Namibia to protect services of existing customer	Revenue Protection			R45 000 000
127	Eskom Park to TFR Middelburg fibre build (5km)	Eliminate the SPOF from Eskom Park.	Revenue Protection			R9 000 000
28	Protection auto-switching (via Kimberley)	Frequent failures on TFR cable beyond LNG towards CPT and long restoration times mean long downtime for services.	Operational CapEx	-		R12 000 000
	Yearly Total				R650 567 388	R302 850 000
	Grand Total					R1 536 751 805



5. SA CONNECT PHASE 2

Through the SA Connect Phase 2, the Government of South Africa wishes to launch a national project which will mobilise the capabilities, resources, and energy of both the public and private sectors, together with civil society, to connect South Africans to each other and the world. This collective energy will be channelled towards realising a bold vision of a connected society. This vision is now more than ever relevant in the current Covid-19 pandemic atmosphere, which has seen the underserviced and rural areas enduring the most of lack of connectivity for schools and other facilities. The revised model and implementation plan for the SA Connect Phase 2 proposes the following key interventions:

- Connection of South African communities and homes to the internet will be facilitated by Broadband Infraco (BBI), Sentech and SITA, in conjunction with the ICT (Information and Communication Technologies) industry for access to backbone infrastructure including base stations and Points of Presence, and the virtualisation of Government network to also provide a public network platform on an Open Access Principle.
- 2. The partnership will enable small and emerging services providers such Internet Service Providers (ISPs), Wireless Access Service Providers (WASPs), Mobile Virtual Network Operators (MVNOs) and the ICT Mobile Network Operators (MNOs) to connect 5 830 208 households within 36 months.
- 3. Electronic communications service providers licensed by the Independent Communications Authority of South Africa (ICASA) be obligated to connect 18 036 schools, 3 873 health facilities and 8241 tribal authority sites within 36 months from date of licensing. The Department and ICASA are currently negotiating with the Telcos who did not fulfil their social obligations from the 2014 licensing conditions to connect the 15 691 government sites, including 949 libraries and Thusong Centres.
- 4. SITA will provide and maintain connectivity to government sites through the current allocation of individual departments.
- 5. Total Capital Expenditure (CapEx) of R2 527 157 135 including VAT is required for the 24 months build phase and the operational costs (OpEx) will be recovered from the end users.
- 6. Various technologies will be used including Fibre in affluent areas, Fixed LTE in urban areas and Satellite services in deep rural and mountainous areas and newer technologies like TV White Space for the huge expanse of rural areas.

5.1 Broadband Infraco CapEx

Items		Year 1	Year 2	Total
SA Connect Phase 2	Core network build – 1144km Fibre and 20x PoP sites build and lease to aggregate traffic from 840x 1Gbps basestations in all municipalities for broadband coverage to 5 830 208 households	R696 500 756	R 711 493 833	R 1 407 994 589
VAT @15%		R120 146 380	R106 724 075	R 211 199 189
Total CapEx, including VAT		R 800 975 870	R818 217 909	R1 619 193 778

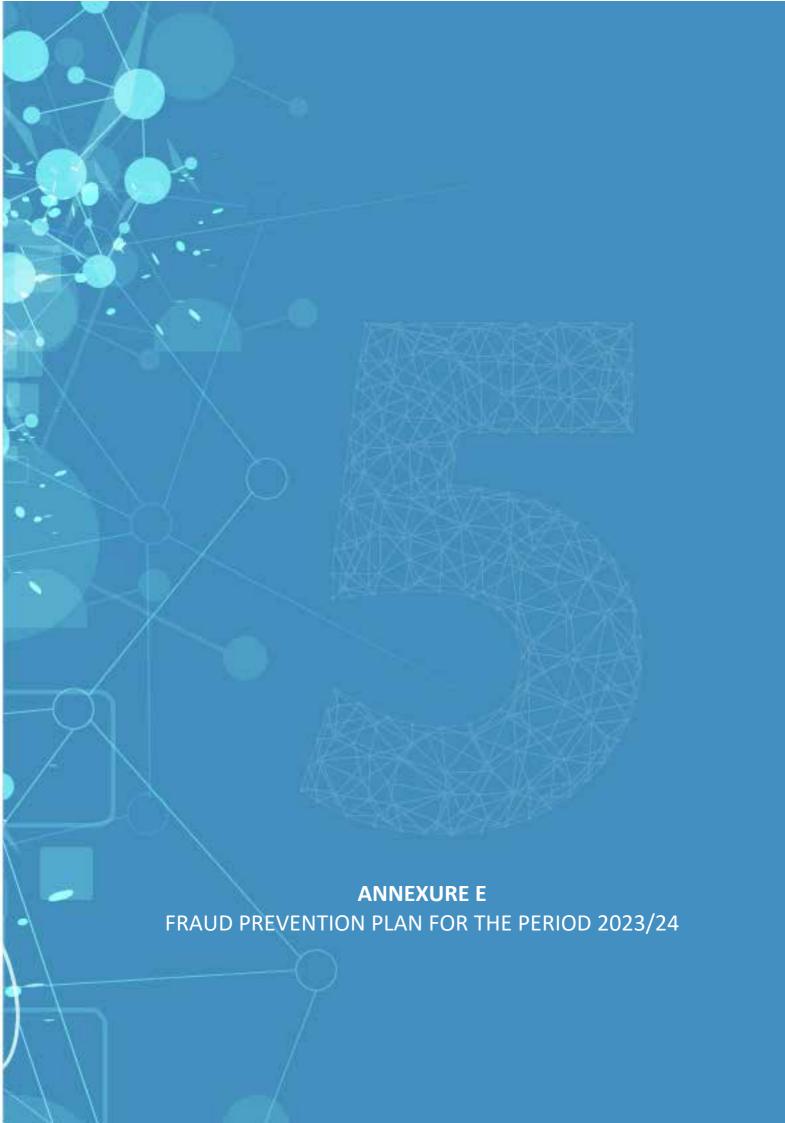


6. OPERATIONAL AND SERVICE PROVISIONING

		Apr 2023 - Mar 24	Apr 2024 - Mar 25	Apr 2025 - Mar 26		
#	Maintenance Project	R'000	R'000	R'000	Priority	Category
1	Light Commercial Vehicles (Bakkies)	3 500	3 675	3 859	1	Operational
2	Extended Cabin Vehicles (4x2) (Bakkies)	6 000	6 300	6 615	1	Operational
3	Battery replacement project	2 660	2 793	2 933	1	Operational
4	1000 Litre Diesel Trailer	455	478	502	1	Operational
5	Fibre Monitoring System (FMS) ONMSi server and support services	700	735	772	1	Operational
6	Technician Toolboxes	240	252	265	1	Operational
7	Fusion Splicer	1 200	1 260	1 323	1	Operational
8	Fibre Optic Cable - 24 Core CST (2000m)	1 000	1 050	1 103	1	Operational
9	Fibre Optic Cable - 24 Core ADSS Short Span (4000m)	420	441	463	1	Operational
10	Fibre Optic Cable - 24 Core ADSS Long Span (4000m)	480	504	529	1	Operational
11	Fibre optic patch leads, attenuators, fibre connector cleaning kits, etc.	320	336	353	1	Operational
12	OTDR	2 000	2 100	2 205	1	Operational
13	OLTS	1 800	1 890	1 985	1	Operational
14	Ethernet/SDH 100G Testers	2 600	2 730	2 867	1	Operational
15	Refurbishment of network Hot Spot areas due to vandalism, etc.	4 000	4 200	4 410	1	Operational
16	Replacement of wooden poles with concrete poles	4 800	5 040	5 292	1	Essential upgrades and refurbishments
17	Refurbish PoP site containers and perimeter fence wires	1 250	1 313	1 378	1	Essential upgrades and refurbishments
18	Air conditioner system upgrade	1 500	1 575	1 654	1	Essential upgrades and refurbishments
19	Vacuum Pump (Air conditioner system repairs)	210	221	232	1	Operational
	Total	35 135	36 892	38 736	_	
#	IT Projects	R'000	R'000	R'000	Priority	Category
1	Laptop Replacement	1 300	810	834	1	Operational Capex
2	Corporate Network Infrastructure Upgrade/ R6.5 M/R400k	7 000			1	Operational Capex
3	New Office Cabling	2 500			1	Operational Capex
4	New Office Server Room Installation	3 000			1	Operational Capex
5	Access Control System	800	537	537	1	Operational Capex
6	CCTV	600			1	Operational Capex
7	Server Room Equipment move & installation	500	81	83	1	Operational Capex
8	Branch Connectivity (VPN) Project	1 500			1	Operational Capex
9	Cloud Hosted Server Project	2 000	272	280	1	Operational Capex
10	SAGE VIP Cloud Project	300			1	Operational Capex
11	Laptop track, trace & wipe	700			1	Operational Capex



		Apr 2023 - Mar 24	Apr 2024 - Mar 25	Apr 2025 - Mar 26		
12	IT Service Management Software	550			1	Operational Capex
13	50000mAh Laptop/Router Power Bank	300			1	Operational Capex
	Total	21 050	1 699	1 734		
#	NOC Project	R'000	R'000	R'000	Priority	Category
	New NOC Room and Video Wall	1 5 000			1	Operational Capex
#	NE Project	R'000	R'000	R'000	Priority	Category
	Customer Solutions Cards	10 000	10 500	11 025	4	Operational Capex



Doc No.: GOV-RA-PO-0005		
Version:0.001	PLAN Document	

TITLE: FRAUD PREVENTION PLAN 2023/24

Unique Identifier: GOV-RA-PO-0005

Document Type: Plan

Version: 6.01

Effective date: April 2023

Total no. of pages: 18

Revision Date: January 2024

	Name	Designation	Signature	Date
Reviewed by	Mike Mojapelo	Executive, CRA		
Recommended by	Gift Zowa	Chief Executive Officer (CEO)		
Approved by	BojaneSegooa	Chair: ARC		

Doc No.: GOV-RA-PO-0005		
Version:0.001	PLAN Document	

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Reference Documents

Abbreviation and Description

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Change Control

Chan	nange Control					
No	Revision	Status	Date	Nature of revision	Prepared by	
1.00			July 2010	New Document		
1.01			January 2014	Alignment to organisational policy development framework	Zuko Vuzane	
2.01			January 2015	Alignment to Public Sector Fraud Prevention and Deterrence Framework	Brian Molelekeng	
3.02			January 2016	Alignment to Corporate Plan 2016/17	Brian Molelekeng	
4.02			February 2017	Alignment to Corporate Plan 2017/18	Mike Mojapelo	
5.01			January 2018	Alignment to Corporate Plan 2018/19	Mike Mojapelo	
6.01			January 2019	Alignment to Corporate Plan 2019/20	Mike Mojapelo	
7.01			December 2019	Alignment to Corporate Plan 2020/21	Babalwa Makhanda	
8.01			January 2021	Alignment to Corporate Plan 2021/22	Babalwa Makhanda	
9.01			January 2023	Alignment to Corporate Plan 2023/24	Mike Mojapelo	

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Reference Documents

This Fraud Prevention Plan should be read in conjunction with the following documents:

Document Name	Document numbers	Document area
Fraud Investigation Policy	GOV-RA-PO-003	Version 1:00
Anonymous Hotline Procedures	GOV-RA-PR-002	Version 2:001
Whistle Blowing Policy	GOV-RA-PO-005	Version 1:00
Fraud Prevention Policy	GOV-RA-PO-004	Version 1:004
Code of Ethics and Business Conduct Policy	EX-SE-PO-0001	Version 2:00

Abbreviation and Description

Acronyms	Description
"PRECCA"	Prevention and Combating of Corrupt Activities Act 12 of 2004
"PDA"	Protected Disclosure Act 26 of 2000
"PFMA"	Public Finance Management Act No.1 of 1999
"SAPS"	South African Police Services
"PLAN"	Fraud Prevention Plan 2019/20

Definitions and Terms

Words	Definitions	
System and control issues	Where a process/system exists, which is prone to abuse by employees, the public or other stakeholders, e.g.:	
	 Biased evaluation of bids; Procurement fraud, e.g., collusion between employees and suppliers; Contractors "fronting"; Leaking of confidential information to third parties; Abuse of expense claim system; 	

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Words	Definitions	
	 Overstated leave entitlement; Appointment of candidates without pre-employment checks such as qualifications, credit history and criminal records; and Ghost employees. 	
Financial issues	Where individuals or entities have fraudulently obtained money from BBI, e.g.:	
	 Overpayment of salaries i.e. in case of unprocessed unpaid leave; Suppliers invoicing for work not done or for poor quality services; Duplicate payment of invoices i.e. invoice paid more than once; Payment made to incorrect bank accounts; and Payment made for invalid claims or claiming for invalid expenses. 	
Equipment and resource issues	Where BBI's equipment is utilised for personal benefit or stolen, e.g.:	
	 Theft of IT assets; Deliberate destruction of property; Employees leaving BBI without returning company assets; and Abuse of assets. 	

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1. INTRODUCTION

In recent years, fraud risk management has become recognised as a key component of good corporate governance. It is thus good business practice to implement anti-fraud and anti-corruption measures. The advantages of working in an ethical environment free of fraud and corruption are many and these include:

- Enhanced staff morale:
- Job satisfaction;
- Ability to meet commitments; and
- Improved profitability.

Furthermore BBI, as a public entity, is obliged by section 27.2.1 of the Treasury Regulations (issued in terms of the PFMA) to develop and implement a Fraud Prevention Plan as part of the entity's enterprise risk management strategy.

2. POLICY STANCE AND STRATEGIC APPROACH

BBI assumes a zero-tolerance stance against all forms of fraudulent and corrupt activities and is committed to discouraging and preventing such behaviour in the performance of its business operations. BBI shall implement systems and processes that give assurance that the potential for fraud and corruption across all business areas are mitigated. Systems and processes that provide assurance that actual incidence of fraud and corruption are detected and responded to shall also be implemented. This approach together with the Whistle Blowing Policy and Tip-offs Anonymous Hotline procedures shall be reviewed when there are material changes.

3. LEGISLATIVE FRAMEWORK

The following three specific pieces of legislation also govern aspects of fraud and corruption for SOCs:

3.1. The Prevention and Combating of Corrupt Activities Act No. 12 of 2004 (PRECCA)

The PRECCA, section 34 obliges people who hold positions of authority to report any offence of theft, fraud, extortion, forgery or uttering a forged document, involving an amount of R100 000 or more, to any South African Police office.

3.2. The Protected Disclosures Act No. 26 of 2000 (PDA)

The PDA was enacted to protect employees who make protected disclosure, which is defined by the act as any disclosure of information regarding any conduct of an employer, or an employee of that employer, made by any employee who has reason to believe that the information concerned shows or tends to show one or more of the following:

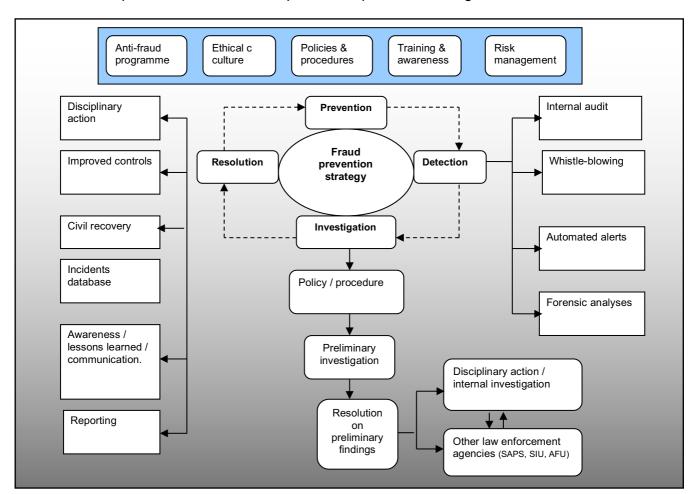
That a criminal offence has been committed, is being committed or is likely to be committed;

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- That a person has failed, is failing or is likely to fail to comply with any legal obligation to which that person is subject;
- That a miscarriage of justice has occurred, is occurring or is likely to occur;
- That the health or safety of an individual has been, is being, or is likely to be endangered;
- That the environment has been, is being, or is likely to be damaged;
- Unfair discrimination as contemplated in the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No, 4 of 2000); or
- That any matter referred to in the above points has been, is being or is likely to be deliberately concealed.

4. FRAUD AND CORRUPTION, PREVENTION AND RESPONSE FRAMEWORK

Fraud and Corruption Prevention and Response is depicted in the diagram below:





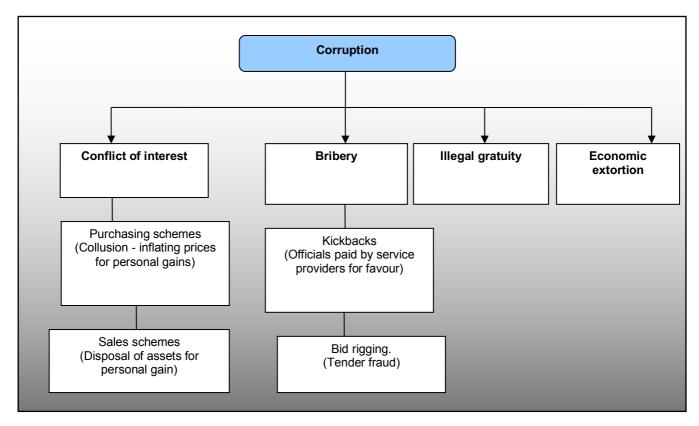


Figure 1 Corruption

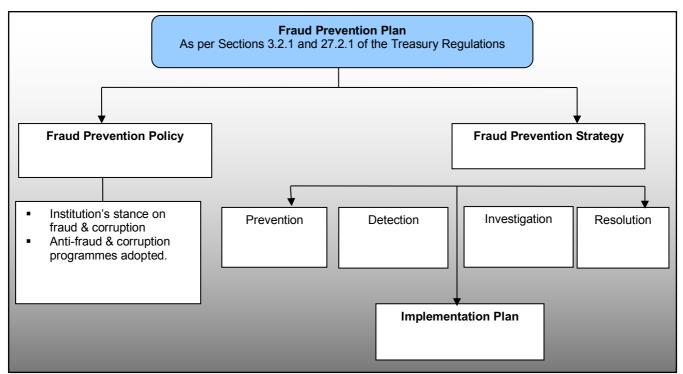


Figure 2 Fraud Prevention Plan

5. PREVENTION

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5.1. Defined roles, responsibilities and governance

The defined roles and responsibilities for preventing and responding to fraud and corruption are set out below:

5.1.1. Board of Directors and the Audit & Risk Committee

The Board of Directors (Board) is ultimately accountable for the performance and affairs of BBI. The Board must therefore retain full and effective control over BBI and must give strategic direction to the management of BBI. The Board is also responsible for ensuring compliance with all relevant laws, regulations, and codes.

The Audit & Risk Committee (ARC) is delegated by the Board to set the "tone at the top" to influence the fraud control environment. King IV obligates the ARC to do the following about the risk of fraud and corruption:

- · Satisfy itself that fraud risk, as it relates to financial reporting, is addressed; and
- Consider matters that may result in material misstatements in the integrated report due to fraud.

Further, ARC assists management in discharging their responsibilities of safeguarding BBI's assets, maintaining adequate accounting records and effective systems of internal control, overseeing the financial reporting process and monitoring compliance with BBI's policies and legal requirements.

5.1.2. Executive Management Committee

The Executive Management Committee (EXCO) is responsible for overseeing the implementation of this Plan. The specific responsibilities of the EXCO with regard to fraud prevention, as defined its Terms of Reference, are:

- Review the Fraud and Corruption Prevention Plan of the company on an annual basis;
- Review, facilitate and coordinate the implementation of responsibilities and actions detailed in the Fraud and Corruption Prevention Plan;
- Review the Fraud Risk Register on a quarterly basis;
- Evaluate business policies and processes that will enable and facilitate the prevention and mitigation of fraud and corruption risks;
- Review and track the response to all applicable fraud tip-offs and reports. The underlying
 principle is monitoring the performance of the process and without necessarily disclosing the
 details around each case; and
- Review reports to the ARC on the implementation progress of the Fraud and Corruption Prevention Plan.

5.1.3 Risk Management Unit

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The Risk Management Unit is the custodian of this Plan and is responsible for its implementation. The responsibilities include the following:

- Developing the company's framework for the management of fraud and corruption;
- Facilitating the identification and assessment of fraud and corruption risks and advising on effective strategies in mitigation;
- Developing and implementing an awareness and education programme to support the implementation of this Plan;
- Coordinating fraud and corruption investigative and resolution processes;
- · Monitoring the implementation of this Plan;
- Coordinating all the reporting related to this Plan; and
- Ensuring that the Plan is reviewed when there are material changes.

5.1.4 Line management

Managers play an integral role in the implementation of control to monitor day to day operations of BBI. Line management will be responsible for the following, within their areas of responsibilities:

- Ensuring that appropriate internal controls are in place to minimise fraud and corruption risks;
- Ensuring that those internal controls are operating effectively;
- Actively promoting an ethical working environment and providing ethical advice and support to staff:
- Providing input for developing fraud and corruption control strategies and implementation timetable as required to address fraud and corruption risks identified in their area of responsibility during risk assessments; and
- Providing progress reports on the implementation of fraud and corruption mitigation strategies in their areas of responsibility.

5.1.5 Employees

Employees of BBI play a pivotal role to the success of this Plan. Employees should:

- Report any suspicions or knowledge of any possible fraud or corruption;
- Comply with all prevention measures as stated in this Plan; and
- Perform their duties with skill, care, diligence, honesty, integrity and impartiality.

5.1.6 Contractors, suppliers and other service providers

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BBI expects all contractors, suppliers, and other service providers it has dealings with to act with complete honesty and integrity in all dealings with BBI. BBI requires contractors, suppliers, and service providers to:

- · Comply with the Code of Ethics and Business Conduct; and
- Report any suspicions or knowledge they may have in relation to fraud and/or corruption against/by BBI.

Summary of the responsibility structure for Fraud and Corruption Prevention

and ARC	• N	Monitor Review	and rev	view the early and pro	cess for ident	nent of mechanisms implemented to minimise and detect fraud and corruption ifying and assessing business risks ance practices	
The Board	ent Unit			stodian of the Fraud Prevention and Corruption Plan illitate and support the implementation of the Fraud Prevention and Corruption Plan			
_	Risk Management Unit	EXCO	• I	Developing implementation plans and set targets for anti-fraud activities Evaluate policies to ensure that fraud and corruption risks are identified and prevented Ensuring that the fraud risk register is updated annually Developing fraud and awareness campaigns Monitoring all reported cases of fraud and corruption Drive the Fraud and Corruption Prevention Plan			
			Managers	 Ensuring that appropriate internal controls are in place to minimise fraud and corruption within their areas of responsibilities Provide input to policies, procedures and instructions that relate to areas of risk Oversight to ensure that controls are complied with Providing input into developing fraud and corruption control strategies Provide ethical advice and support to staff 			
				Report any suspicions or knowledge of any possible fraud or corruption Comply with legal requirements, the Code of Ethics, policies and directives			
					Contractors, Suppliers and other service providers	 Act with complete honesty and integrity in dealings with BBI Report suspicions or knowledge of any possible fraud or corruption 	

6. ETHICS

King IV requires that the Board ensures that ethical standards guiding the company's relationships with internal and external stakeholders are clearly identified and that these standards are articulated in a code of conduct. BBI has a Code of Ethics and Business Conduct Policy in place which is intended to promote and enforce ethical business practices and standards within BBI.

BBI believes that good ethics and business together produce the best long-term results for all its stakeholders. The objectives of this Code of Ethics and Business Conduct (Code) strive to:

• Ensure that everyone involved with BBI conducts business with the highest standards of ethics, desired business and professional behaviour; and

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• Ensure that the integrity of both BBI and its employees are not compromised.

The Code applies to all directors, employees, representatives, agents, consultants, independent contractors and suppliers of BBI.

The Code contains the following anti-fraud and anti-corruption provisions:

6.1. Disclosure of personal interests and declaration of conflict of interests

BBI seeks to avoid actual and perceived inequalities caused by conflicts or personal interests in all areas of its business operations. BBI's interests will take precedence over personal interest of employees and directors.

The Code therefore requires new employees/directors to declare:

- All personal business interests, including the personal interest of spouses, partners, business associates, children and immediate family members.
- All actual/potential/perceived conflicts from the declared personal business interests, as far as they
 are aware of.

The Code further requires employees/directors to disclose any changes in their business interests and the corresponding emerging or eliminated actual/potential/perceived conflicts related thereto. Thereafter, annually immediately after financial year end, all employees/directors are required to update and/or confirm their business interests and conflict declarations. An employee/director must not take part in any transaction between BBI and any company, firm or enterprise in which the employee/director has an interest, without declaring such interest and having been specifically authorised to do so by the CEO or the Board (as the case may be) in writing.

6.2. Compliance with laws and regulations

All directors, officers, employees, representatives, agents, consultants, independent contractors and suppliers of BBI are responsible for complying with all applicable laws and regulations, especially but not limited to:

- The Constitution of the Republic of South Africa;
- Bill of Rights;
- PFMA;
- Treasury Regulations;
- Companies Act No. 71 of 2008;
- Electronic Communications Act No. 36 of 2005:
- The Protected Disclosures Act No. 26 of 2000;
- The Prevention and Combating of Corrupt Activities Act No. 12 of 2004;
- The Prevention of Organised Crime Act No. 121 of 1998; and

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National Environmental Management Act No. 107 of 1998.

6.3. Receipt of gifts and gratuities from suppliers and/or service providers

BBI discourages the receipts of gifts or cash payments either directly or indirectly by employees as it may be misconstrued as an attempt to influence business decisions. However, gifts with a nominal value not exceeding R500 (five hundred Rand), are permitted, provided they are given as a gesture of professional courtesy.

The acceptance of a gift in the form of cash is not permitted.

All gifts or gratuities of more than R500 (five hundred Rand) must be declared in writing following the same process as for the declaration of a business courtesy.

6.4. Confidentiality

BBI requires that all directors, officers, employees, representatives, agents, consultants, independent contractors, and suppliers not to disclose any information which was acquired while exercising or performing any function or duties, which is confidential to BBI. Such confidential information may only be disclosed if it must be disclosed in terms of applicable legislation or in furtherance of duties and responsibilities in terms of a contractual arrangement with BBI or an employment contract, or with the prior approval of BBI.

6.5. Compliance programme

The Compliance function has the responsibility of providing assurance that BBI complies with all applicable public and private sector applicable laws and regulations as well as internal policies and procedures. To this end, the compliance function will implement a compliance strategy and programme that will give assurance that BBI complies with all necessary laws, regulations, policies and procedures in combating against fraud and corruption.

6.5.1. Internal control

Key elements of BBI's internal control system that incorporate control measures to mitigate against fraud and corruption are the following:

6.5.2. Financial management

- Segregation of incompatible functions and duties
- On-going supervisory checks
- Reconciliations

6.5.3. Human Resources management

- Pre-employment screening
- Leave management
- Termination/exit procedures

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6.5.4. Security management

- Access control
- Vetting
- Document management
- · Physical security
- · Logical access controls
- · Asset management processes and procedures
- Incident management

6.5.5. Supply Chain management

- Delegation of authority
- Segregation of incompatible functions
- · Declarations of interests
- Separation of the Demand Management Plan and Procurement Plan
- Supplier database management.

6.5.6. Awareness and training

For the Plan to be effective, it must be supported by a structured education, communication and awareness programme. This will be achieved through:

A communication and fraud awareness programme.

7. RISK MANAGEMENT

Other initiatives and efforts from the Compliance and Ethics programmes.

Risk Management

A fraud and risk assessment will be performed, at least on an annual basis. The risk assessment shall consider the following factors when assessing the state of BBI's fraud and corruption control environment:

- Areas where controls are non-existent and need to be implemented;
- Instances where controls have failed to prevent and/or detect fraud and corruption;
- Areas where the breakdown in control may increase the opportunity for fraud and corruption;
 and
- An evaluation of the culture and management practices.

7.1. DETECTION

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The framework for the Fraud and Corruption Plan identifies three main sources from which fraud and corruption can be detected.

7.1.1. Internal audit

Internal auditors are there to provide assurance that management has in place sound systems of governance, risk management and internal control. Internal audits are performed using a risk-based approach. This means that internal audit shall focus on those areas of business that management asserts:

- To be of high-risk priority; and
- That adequate and effective internal controls are in place to mitigate the risks identified.

As a matter of course, internal auditors need to consider and evaluate the risk of fraud and corruption during the performance of planned audits and need to identify fraud "red flags".

Furthermore, internal audit shall perform data analytics assessments on specific business processes on a population of transactions for a specific period in time. The exceptions identified will aid in highlighting, among others, potential or actual incidences of fraud and corruption to be investigated.

7.1.2. Management processes

Line management is expected to exercise oversight over the control environment within their areas of responsibility. Management is required to be vigilant of indicators of potential fraud (red-flags) in their discharge of their duties and is duty-bound to report actual and/or potential fraud and corruption.

7.1.3. Whistle-blowing

Employees are duty-bound to report any known or potential fraudulent and corrupt activities committed:

- By officials of the company; and/or
- Against the company by suppliers and other parties.

A Whistle-blowing Policy, governing the reporting of fraud information and protection of those reporting fraud and corruption, has been developed. Concerns expressed anonymously are difficult to investigate; nevertheless, they will be followed up at the discretion of the CEO, the Chairperson of the ARC and/or the Chairman of the Board, as the case may be. This discretion will be applied by considering the following:

- The seriousness of the issue raised;
- The credibility/authenticity of the concern; and
- The likelihood of confirming the allegation.

7.2. INVESTIGATION

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7.2.1. Preliminary review

Upon receipt of the allegation, consideration shall be given the substance, merits and gravity of allegations in order to decide of the course of action to be followed.

7.2.2. Full investigation and cooperation with law enforcement

After careful consideration of the facts presented, management may subsequently decide that the matter be referred to the following parties for investigation:

- · Risk Management Unit;
- An external specialist forensic investigation service provider;
- An appropriate public-sector investigation agency; or
- An appropriate law enforcement agency.

All information relating to fraud that is received and investigated will be treated confidentially. The progression of all investigations will be handled in a confidential manner and will not be disclosed or discussed with any person(s) other than those who have a legitimate right to such information on a "need to know basis". This is important to avoid harming the reputations of suspected persons who are subsequently found innocent of wrongful conduct and to protect the whistle-blower.

Immediate precautionary and corrective measures may be implemented at any point before, during or after the allegations of fraud have been made. These include:

- Suspending the alleged perpetrator to limit further financial losses, destruction of evidence, and interference with witness; and
- Addressing control breakdown to stop the fraud from continuing or to prevent recurrence.

7.3. RESOLUTION

There are various remedies and sanctions which can be pursued in response to the investigation process. The resolution avenue to be pursued will be informed by the specific facts of the case, the severity of the transgression and findings and recommendations of the investigation process. These are:

- In case of employees, taking disciplinary action within a reasonable period of time after the conclusion of the investigation.
- Effecting, through the appropriate process owners, the necessary corrective action and/or improvement measures to relevant controls.
- Instituting civil action to recover losses. The decision to recover, which much take cognisance of cost, shall be taken based on appropriate legal counsel.
- Initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency.
- Any other appropriate and legal remedy available.

7.3.1. Feedback

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The resolution to the reported concern/allegation shall be communicated to the party that brought the allegations to light. If the allegation was received through the anonymous tip-offline, feedback shall be given to the facility in writing. The extent of detail given in the feedback should consider the following:

- The sensitivity of due legal processes that still need to be followed; and
- Protection of witnesses and other classified information.

7.3.2. Fraud and corruption database

The Risk Management Unit shall maintain a database of all allegations and incidences of fraud and corruption that have been detected throughout the financial year. The database shall highlight all aspects related to each incident including:

- Classification of incidences;
- · The outcome of investigative processes; and
- Resolution and corrective action.

7.4. REPORTING

The reporting structure for the Plan is documented below:

Element	What will be reported	How	By Whom	To Whom	When
n/a	Progress of implementation of the Fraud and Corruption Plan	Written report	Risk Management	• EXCO • ARC	Annually
Prevention	Fraud Risk Assessment	Fraud Risk Register	Risk Management	• EXCO • ARC	Annually
ion	Reported incidences or concerns of fraud and corruption	Written reports from whistle-blowers	As defined in the W	histle-blowing Policy	As and when reported
Detection	Monthly summary reports of activity on the Tip-Offs Anonymous line	Electronically mailed report	Tip-Offs Anonymous	Executive: CRA CEO Chair of ARC	Monthly
Investig	Progress of investigation process	Written and verbal	Investigating Officer	CEO ARC Shareholder	Monthly On enquiry
Resolutio	Reports of all investigations undertaken	Written report			
ш с	Feedback to whistle- blower	Verbal feedback to whistle-blower	As defined in the W	histle-blowing Policy	As and when required

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Element	What will be reported	How	By Whom	To Whom	When
		 Written feedback to whistle-blower Written feedback to Tip-Offs Anonymous 			

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Executive CRA





RISK MANAGEMENT PLAN 2023-2024

Key components of the Risk Management Plan, that are required by National Treasury are:

- An explication of the governance structures and the roles and responsibilities of the various structures;
- A description of the Risk Management process which should comprise steps like risk identification, risk analysis, risk evaluation, risk treatment, monitoring and reporting etc.; and
- A list of the most important risks together with a description of the risk mitigation strategy, target dates and person responsible. The inclusion of a matrix categorising the risks by likelihood and impact is also recommended.

1. RESPONSIBILITIES

1.1. Board

The Board will provide leadership, direction and oversight of the strategy, design, development and operation of Risk Management structures, processes, and activities. Board responsibilities Board responsibilities include: ■ Being able to demonstrate that they have dealt with the governance of risk comprehensively, including, inter alia: ✓ Approving the Risk Management policy and framework; ✓ Approving the Risk Management implementation plan; ✓ Approving the risk appetite and tolerance framework; and ✓ Approving risk disclosures to stakeholders. ■ Ensuring that the implementation of the Risk Management implementation plan is monitored continually. ■ Concluding and reporting to stakeholders their assessment regarding the effectiveness of Risk Management activities, as well as how it has satisfied itself of the effectiveness of the system and process of risk management.	Chairperson of the Board	Annually
Risk assessment The Board will review the material risks as profiled by Management and apply its own mind to the completeness thereof and make suggestions of additional risks to be considered.	Chairperson of the Board	Quarterly

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Risk treatment The Board will evaluate the effectiveness of management's responses to mitigate the threats posed by the identified risks.	Chairperson of the Board	Quarterly
Risk reporting The Board will issue statements in the integrated report regarding the following: ✓ The effectiveness of the company's Risk Management processes; ✓ Any undue, unexpected or unusual risks the company was exposed to; ✓ Any material losses incurred and the reasons for its occurrence; and ✓ Any current, imminent, or envisaged risk that may threaten the long-term sustainability of the company.	Chairperson of the Board	Annually

1.2. Audit and Risk Committee (ARC)

1.2. Addit and Nisk Committee (ANC)		,
Governance The ARC will assist the Board in the execution of	Chairperson of the ARC	Quarterly
	tile AIVO	
its fiduciary duties regarding risk management, the		
scope of which includes: ✓ Risk policy and Risk Management		
Thoreponey and thoremanagement		
implementation plan;		
✓ Governance structures;		
✓ Risk infrastructure, processes and culture;		
✓ Risk profiling, mitigation, and reporting; and		
✓ Assurance and stakeholder disclosures.		
Committee responsibilities	Chairperson of	Quarterly
The ARC's responsibilities include:	the ARC	
✓ Recommending the risk policy and		
framework to the Board for approval;		
✓ Recommending the appetite and tolerance		
framework to the Board for approval;		
✓ Recommending the Risk Management		
implementation plan for approval by the		
Board;		
✓ Reviewing the progress against the risk		
management implementation plan;		
✓ Reviewing the effectiveness of the Risk		
Management arrangement;		
, approving the combined accuration plant,		
and		
✓ Overseeing all assurance activities.		

Risk assessment Risk assessment responsibilities include: ✓ Considering emerging issues, its significance to company and associated developments; ✓ Reviewing the reports on incidents, losses, and claims; and ✓ Reviewing the adequacy of the strategic risk register and the material risks emanating from divisional and functional risk registers.	Chairperson of the ARC	Quarterly
Risk treatment The ARC will consider: ✓ The adequacy of the implemented internal controls structure to mitigate the material strategic risks; and ✓ The improvement actions designed by management for the enhancement of the internal control process.	Chairperson of the ARC	Quarterly
Risk reporting Risk reporting responsibilities include: Reporting critical risk information to the Board. This will include inter alia: The results of the independent Risk Management effectiveness review; Progress against the Risk Management plan, including recommended amendments; The material risks facing company, which includes the strategic risks, the material risks per function and division as well as potentially material emerging issues; Remedial actions taken and its effectiveness; and Consolidated and material incidents and associated losses, together with analyses of their causes.	Chairperson of the ARC	Quarterly

1.3. Executive Committee (EXCO)

Committee responsibility	Chief Executive	Quarterly
Committee responsibilities include:	Officer	
✓ Reviewing the output of the Risk		
Management process to ensure that all		
material risks have been identified and are		
appropriately;		
 ✓ managed within the Risk Management system; 		
✓ Ensuring that the process of Risk		
Management is adequate to serve the		
needs of the Board; and		
✓ Ensuring that the risk profile of the company		

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is acceptable, given its risk appetite, its tolerances and what is considered appropriate exposure.		
Risk assessment Risk assessment responsibilities include: ✓ Identifying and assessing the strategic risks facing the company; ✓ Arranging for the annual risk assessment of functions and divisions; and ✓ Reviewing and accepting as valid the consolidated functional and divisional risk profiles emanating from the annual risk assessments.	Chief Executive Officer	Annually
Risk treatment Risk treatment responsibilities include: ✓ Ensuring that management design, implement and embed appropriate responses to material risks reflected in the strategic risk register; and ✓ Reflecting on the performance of internal controls in mitigating the material risks documented in the consolidated company risk register.	Chief Executive Officer	Quarterly
Risk reporting The EXCO will submit to the ARC: ✓ Confirmation of the report coordinated by the Group Risk Management Department reflecting the consolidated operational risk register, including mitigations and improvement plans for the functions and divisions; ✓ The results of the annual strategic risk assessment and quarterly updates to the register, its mitigating actions and associated control improvement plans; and Confirmation that mitigations contain risk exposures to acceptable levels given the risk appetite and tolerances approved by the Board.	Chief Executive Officer	Quarterly



1.4. Risk Management Department

	Governance		Risk	Continually
	Governa	ance responsibilities include:	Manager	-
✓ Directing and assisting in the coordination of		_		
	R	isk Management activities within the		
	C	ompany;		
	√ P	roviding technical guidance to executive		
	m	nanagement in executing their Risk		
	N	lanagement duties; and		
	✓ A	ssisting in the risk reporting process.		

1.5. Internal Audit

Governance	Manager Internal	Continually
Governance responsibilities include: ✓ Formally review the effectiveness of the company's Risk Management processes and standards at least once a year.	Audit	

1.6. Risk Champions

Governance	All	As
Governance responsibilities include ensuring that each risk will have a nominated owner/champion, who will be responsible for the following: ✓ Updating the risk information; ✓ Providing assurance regarding the controls implemented to mitigate the risk; and ✓ Designing and coordinating the implementation of action plans.		scheduled

2. RISK MANAGEMENT PROCESS

Risks, threats, and opportunities may arise in all areas of company's activities and operations. The Risk Management process should therefore be embedded into all processes. The objective is to achieve maximum value from all activities within company. The Risk Management process enhances the understanding of potential upside and downside factors that can affect achievement of company's strategies and goals and increases the probability of success and reduces the probability of failure in achieving objectives.

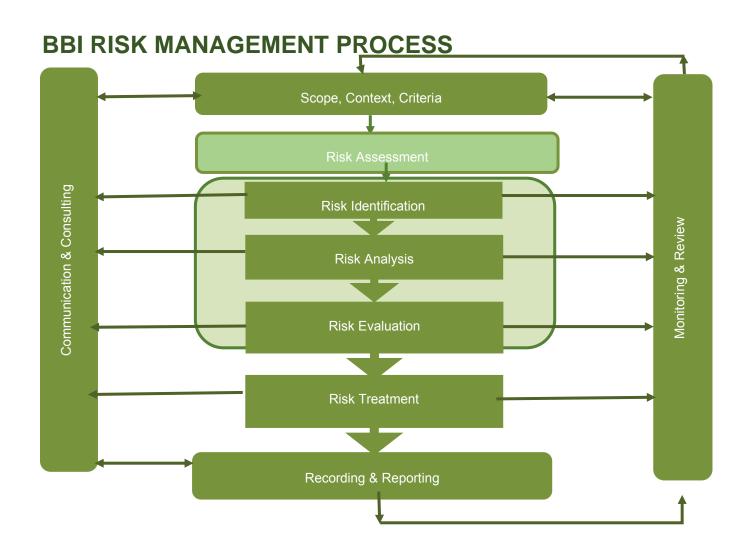
Enterprise Risk Management is a cyclical process which requires regular and systematic evaluation to deliver a sound decision-making process. This, in turn, leads to the achievement of high-quality services delivered on a value for money basis. This Risk Management Framework outlines how Risk Management process should be implemented and maintained within company. The six interlinked elements are as follows:

- Risk identification;
- Risk analysis and evaluation
- Mapping risks against risk appetite and tolerance levels;
- Risk response and mitigation;
- Risk monitoring and review; and



Communication and reporting.

The diagram below indicates the Company's Risk Management process:





3. STRATEGIC RISKS 2023/24

Risk No	Link to Outcomes	Risk Description	Impact	Likelihood	Inherent Risk	Residual Risk	Current business processes / controls in place to manage identified risks	Mitigating Plans	Risk Owner	Review Timeframe
1	An increased base achieved through customer fulfilment and state of the art infrastructure and services	Increased vulnerability to cyber-attacks & related threats	Catastrophic	Almost certain/ common	Very High	High	 Information System policies. Cyber security cover is in place. SharePoint and Mimecast are being used for back up. POPI partly embedded throughout the company. 	1. Engage cyber security expert to conduct cyber security awareness throughout the company. 2. Mimecast currently being used for back up. 3. Knowledge transfer from co-sourced partners. 4. SharePoint being used for back up. 5. POPI to be embedded throughout the company. 6. IT infrastructure has upgraded to integrate seamless work from home including an installation of a firewall that protects BBI network and users the same manner as they would be working in	СТО	Quarterly

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Risk No	Link to Outcomes	Risk Description	Impact	Likelihood	Inherent Risk	Residual Risk	Current business processes / controls in place to manage identified risks	Mitigating Plans	Risk Owner	Review Timeframe
2	An increased base achieved through customer fulfilment and state of the art infrastructure and services.	Customer Defections, especially major Customers	Major	Almost certain/ common	Very High	Very High	1. Ongoing communication and engagement 2. Pro-active maintenance wherever possible 3. Anticipation of potential challenges in Customer relationships 4. Increased network availability 5. stability, including the development of additional network redundancy, wherever possible	the office. 1. Ongoing communication and engagement 2. Pro-active maintenance wherever possible 3. Anticipation of potential challenges in Customer relationships 4. Increased network availability 5. stability, including the development of additional network redundancy, wherever possible	CMSO	Quarterly
3	To strengthen BBI's financial position for growth and sustainability.	Lack of funding (Possible failure to continue as a going concern.)	Major	Almost certain/ common	Very High	Very High	1. Shareholder's agreement in place 2. Continue to apply for funding from external parties. 3. Engage Shareholders on funding requirements.4. Cost containment.	Stakeholder engagement regarding new sources of funding Applications for loans from capital markets Access to SDIC balance sheet & reserves Shareholder &	CFO	Quarterly

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Risk	Link to	Risk	Impact	Likelihood	Inherent	Residual	Current business	Mitigating Plans	Risk	Review
No	Outcomes	Description			Risk	Risk	processes /		Owner	Timeframe
							controls in place			
							to manage			
							identified risks			
							4. Sales drive	Board awareness of		
							Source funding to	BBI's plight		
							upgrade Network	5 Ensure clarity on		
							technology	BBI's future		
							upgrade	business model and		
								the need for the		
								financing of BBI's		
								developmental		
								mandate 6.		
								Extended credit		
								terms with		
								major suppliers		
								(Rated and		
								international		
								suppliers).		
								7. Continue to apply for		
								funding		
								from third parties		
								8. Embed and continue		
								to optimise		
								pricing strategy.		
								9. Renegotiation of key		
								suppliers'		
								contracts. (Single		
								supplier sourcing)		
								10. Rigorous cash		
								management.		
								11. Continue to apply		
								for funding from		
								third parties. 12. Faster execution or		
								implementation of		

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Risk No	Link to Outcomes	Risk Description	Impact	Likelihood	Inherent Risk	Residual Risk	Current business processes / controls in place to manage identified risks	Mitigating Plans	Risk Owner	Review Timeframe
4	An increased base achieved through customer fulfilment and state of the art infrastructure and services.	Inability of the organisation to respond to rapid changes in. external environment.	Catastrophic	Likely	Very High	High	1. The completion of network upgrades (M-Tera and IP Core Upgrade). 2. The BPS project has been approved at CISC to be implemented.	projects which are billable or fundable 1. The writing of the IP network business plan. 2. Efforts will be increased to secure funding for the upgrade once technical plan and business is approved. 3. Shareholders will also be approached with funding requirements. 1. Development of futures mindset including technology forecasting & market analysis 2. Visits to leading edge suppliers and competitors 3. Attendance at industry conferences and think tanks 4. Effective Research & Development capability 5. Ongoing budget for	CTO/ CFO	Quarterly

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Risk	Link to	Risk	Impact	Likelihood	Inherent	Residual	Current business	Mitigating Plans	Risk	Review
No	Outcomes	Description			Risk	Risk	processes /		Owner	Timeframe
							controls in place			
							to manage			
							identified risks			
								technology 'skunkworks' 6 Increased focus on innovatio		
5	1. To strengthen BBI's financial position for growth and sustainability. 2. A preferred partner of government in enabling the digital transformation.	Competition from non-ICT SOCs	Catastrophic	Almost certain/ common	Very High	High	1. Current engagement with non-ICT SOCs. 2. Engage the DTPS on workable solutions.	1. 4IR commission draft report and the Minister's press statement in December 2019 states that the Minister to talk to her colleagues to request the non-ICT SOCs to focus on their mandate. 1. Resolve all outstanding billing / contractual issues with SOCs 2. Engage directly with SOCs to secure long term commitment to access to their fibre networks 3. Engage with the shareholder to enable cross-Ministerial interaction to ensure compliance with stated government	CEO	Quarterly

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Risk No	Link to Outcomes	Risk Description	Impact	Likelihood	Inherent Risk	Residual Risk	Current business processes / controls in place to manage identified risks	Mitigating Plans	Risk Owner	Review Timeframe
								policy 4. Develop innovative value-sharing arrangements to incentivise cooperation and collaboration		
6	To enable the organisation to deliver upon the mandate.	Low employee morale	Major	Moderate/ possible	Very High	Very High	Corporate values Training programme	1. Awareness through induction and continuous change management. 2. Reward and recognition for appropriate behaviour. 3. Offer Training programmes with relevant content. 4. Lobbying for lifting of moratorium 5. Effective change enablement 6. Alignment of employees behind BBI / SDIC strategy 7. Employee satisfaction / climate survey 8. Culture shaping initiatives 9. Ongoing	EHR	Quarterly

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Risk No	Link to Outcomes	Risk Description	Impact	Likelihood	Inherent Risk	Residual Risk	Current business processes / controls in place to manage identified risks	Mitigating Plans	Risk Owner	Review Timeframe
								communication & consultation 10. Awareness through induction and continuous change management. 11. Reward and recognition for appropriate. behaviour. 12. Offer Training programs with relevant content.		
7	1. To strengthen BBI's financial position for growth and sustainability. 2. An increased base achieved through customer fulfilment and state of the art infrastructure and services.	Lack of Competitiveness (linked to Market Share and Margin pressure	Major	Moderate/ possible	Very High	Very High	Pricing strategy. Cost containment. Network technology upgrade.	1. Embed and continue to optimise pricing strategy. 2. Alternative technology from different five suppliers are currently being tested at the Lab to bring in other service providers. Recommendations from the tests will be implemented with SCM. 3. Improve end-to-end project execution process to deliver	CSMO/ CTO	Quarterly

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Risk No	Link to Outcomes	Risk Description	Impact	Likelihood	Inherent Risk	Residual Risk	Current business processes / controls in place to manage identified risks	Mitigating Plans	Risk Owner	Review Timeframe
								on sold business timeously. 4. Continue to source appropriate funding on bankable projects.		
8	To enable the organisation to deliver upon the mandate	Non-Compliance to ICASA licence requirement	Major	Almost certain/ common	Very High	Very High	1Planned SA Connect project	1. Funds from SA Connect will be utilised to meet the outstanding universal access obligations.	CFO	Quarterly
9	To strengthen BBI's financial position for growth and sustainability.	Merger / integration of BBI & SENTECH to form SDIC does not happen or is significantly delayed.	Major	Almost Certain	Very High	Medium	1. Full leadership commitment & support for the SDIC integration process 2. Use of scenarios to better understand other strategic pathways to the future 3. Ongoing engagement with SENTECH & shareholders to ensure visibility and to accelerate wherever possible 4. Honest, frank and robust	1. Full leadership commitment & support for the SDIC integration process 2. Use of scenarios to better understand other strategic pathways to the future 3. Ongoing engagement with SENTECH & shareholders to ensure visibility and to accelerate wherever possible 4. Honest, frank and robust consultations & negotiations	CEO/ EXCO	Quarterly



Risk No	Link to Outcomes	Risk Description	Impact	Likelihood	Inherent Risk	Residual Risk	Current business processes / controls in place to manage identified risks	Mitigating Plans	Risk Owner	Review Timeframe
10.	To strengthen BBI's financial position for growth and sustainability.	Deactivation of good and services and by key Suppliers.	Major	Almost Certain	Very High	Very High	negotiations 1. Full leadership commitment & support for the SDIC integration process 2. Use of scenarios to better understand other strategic pathways to the future. 3. Ongoing engagement with SENTECH & shareholders to ensure visibility and to accelerate wherever possible 4. Honest, frank and robust consultations & negotiations	Full leadership commitment & support the crisis management strategy. 2. Ongoing engagement with customers providing updated communication about steps being taken to resolve the matter. 3. Court interdict issues against Eskom to restore critical services.	CEO/ EXCO	Quarterly



Very High	Level 1
High	Level 2
Medium	Level 3
Low	Level 4

SIGNED

Mario

Executive: Compliance Risk and Audit

17/02/2023 Date

Mike Mojapelo

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Budget For the year ending 31 March 2024 Contents

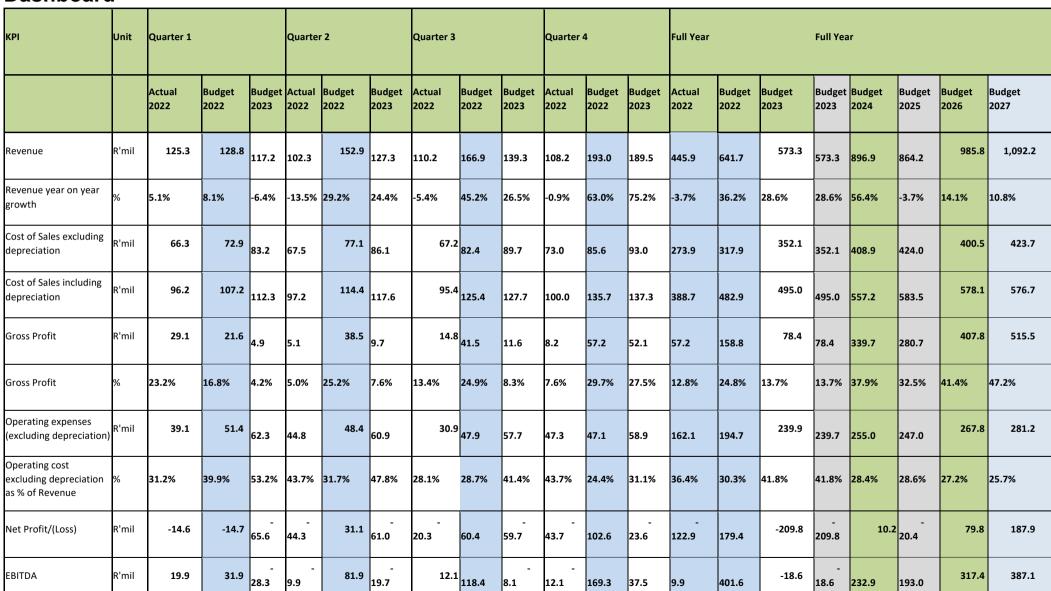
Dashboard	
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Statement of Cash Flow	10
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Budget

For the year ending 31 March 2024

Dashboard









Budget For the year ending 31 March 2024



EBITDA	%	15.9%	24.8%	-24.2%	-9.7%	53.6%	-15.5%	10.9%	70.9%	-5.8%	-11.2%	87.7%	19.8%	2.2%	62.6%	-3.3%	-3.3%	26.0%	22.3%	32.2%	35.4%
Manpower cost as % of Revenue	%	20.2%	20.4%	25.9%	26.3%	15.4%	23.9%	14.7%	12.8%	21.8%	28.0%	10.6%	16.0%	25.9%	13.6%	21.0%	21.0%	14.3%	14.7%	13.6%	12.9%
Current Ratio	%	44%	118%	73%	24%	79%	29%	24%	47%	-10%	11%	51%	-21%	11%	51%	-21%	-21%	19%	17%	18%	21%
Gearing Ration	%	12%	100%	205%	14%	108%	453%	15%	109%	1025%	18%	107%	1772%	18%	107%	1772%	1832%	1637%	2174%	568%	159%
Debtor collections	Days	42.0	60	60	49.8	60	60	40	60	60	34	60	60	60	60	60	60	60	60	60	60



Budget For the year ending 31 March 2024

Statement of Comprehensive Income

Broadband Infraco SOC Ltd

	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28
	Year end	Year end	Year end	Year end	Year end	Year end
	Budget R'000	Budget R'000	Budget R'000	Budget R'000	Budget R'000	Budget R'000
Continuing operations						
Total revenue	573,333	928,719	864,155	985,831	1,092,182	1,092,680
Anchor Customers	76,145	77,760	79,617	81,770	84,284	19,758
MNOs	20,209	25,262	31,577	39,472	49,340	54,274
SA Connect	141,174	111,228	111,228	111,228	111,228	111,228
USAASA SA Connect	26,262	97,888	115,545	166,630	190,435	199,957
National Revenue	198,022	462,123	391,248	438,297	493,619	527,860
Broadband Fund (PES)	0	31 786	0	0	0	0
WACS	111,520	122,672	134,940	148,434	163,277	179,605
Year on Year Growth	28.6%	56.4%	-3.7%	14.1%	10.8%	0.0%
Cost of Sales excluding depreciation	352,112	408,933	423,980	400,514	423,736	403,281
Cost of Sales	494,963	581,140	583,491	578,063	576,702	546,133
Year on Year Growth	28.6%	16.1%	3.7%	-5.5%	5.8%	-4.8%
Managed service contract	11,715	12,300	12,915	13,561	14,239	11,715



Budget

For the year ending 31 March 2024						
Fibre maintenance costs	131,946	138,543	145,471	152,744	160,381	176,419
Fibre lease costs	99,543	106,596	112,764	120,932	129,746	99,543
Co location costs	28,577	30,328	32,199	34,199	36,339	28,577
Access Network Provider Costs	55,567	58,346	61,263	64,326	67,542	70,919
NOC Resources	7,358	11,326	11,892	12,487	13,111	13,636
KZN DOE	1,956	2,054	2,156	2,264	2,378	2,473
USAASA ANP and Internet	15,450	49,440	45,320	0	0	_
Broadband Funds Project Cost		23 900				
Depreciation, amortisation, impairment and write-offs	142,852	148,307	159,511	177,549	152,966	142,852
Gross Profit	78,370				515,480	
G1055 F10111	10,310	347.579	280.664	407.768	515,460	546.547
Gross Profit	13.7%	347,579 37.9%	280,664 32.5%	407,768 41.4%	47.2%	546,547 50.0%
		•		•	•	
Gross Profit	13.7%	37.9%	32.5%	41.4%	47.2%	50.0%
Gross Profit Other income Year on Year Growth	13.7% -120	37.9% - 126	32.5% - 132	41.4% - 139	47.2% -146 5.0%	50.0% - 120
Other income Year on Year Growth Operating expenses	13.7% -120 42.9%	37.9% - 126 6.3%	32.5% - 132 -2.6%	41.4% - 139 8.2%	47.2% -146	50.0% 120 4.3% 316,268
Gross Profit Other income Year on Year Growth	13.7% -120 42.9% 257,925	37.9% 126 6.3% 274,087	32.5% - 132 -2.6% 267,061	41.4% - 139 8.2% 288,868	47.2% -146 5.0% 303,312	50.0% - 120 4.3%
Other income Year on Year Growth Operating expenses Employee expenses	13.7% -120 42.9% 257,925 120,563	37.9% 126 6.3% 274,087 128,210	32.5% -132 -2.6% 267,061 127,457	41.4% 139 8.2% 288,868 133,830	47.2% -146 5.0% 303,312 140,522	50.0% 120 4.3% 316,268 147,548
Other income Year on Year Growth Operating expenses Employee expenses Marketing	13.7% -120 42.9% 257,925 120,563 1,960	37.9% 126 6.3% 274,087 128,210 2,208	32.5% -132 -2.6% 267,061 127,457 2,318	41.4% 139 8.2% 288,868 133,830 2,434	47.2% -146 5.0% 303,312 140,522 2,556	50.0% 120 4.3% 316,268 147,548 2,684
Other income Year on Year Growth Operating expenses Employee expenses Marketing Travel expenses	13.7% -120 42.9% 257,925 120,563 1,960 3,235	37.9%	32.5% -2.6% 267,061 127,457 2,318 4,091	41.4%	47.2% -146 5.0% 303,312 140,522 2,556 4,510	50.0% - 120 4.3% 316,268 147,548 2,684 4,736
Other income Year on Year Growth Operating expenses Employee expenses Marketing Travel expenses Administrative expenses	13.7% -120 42.9% 257,925 120,563 1,960 3,235 54,798	37.9%	32.5% -132 -2.6% 267,061 127,457 2,318 4,091 60,414	**************************************	47.2% -146 5.0% 303,312 140,522 2,556 4,510 66,607	50.0% 120 4.3% 316,268 147,548 2,684 4,736 69,937
Other income Year on Year Growth Operating expenses Employee expenses Marketing Travel expenses Administrative expenses Consulting fees	13.7% -120 42.9% 257,925 120,563 1,960 3,235 54,798 4,376	37.9%	32.5% -2.6% 267,061 127,457 2,318 4,091 60,414 4,950	**************************************	47.2% -146 5.0% 303,312 140,522 2,556 4,510 66,607 5,457	50.0% - 120 4.3% 316,268 147,548 2,684 4,736 69,937 5,730
Other income Year on Year Growth Operating expenses Employee expenses Marketing Travel expenses Administrative expenses Consulting fees Co-Sourcing Costs	13.7% -120 42.9% 257,925 120,563 1,960 3,235 54,798 4,376 19,679	37.9% 126 6.3% 274,087 128,210 2,208 3,896 58,258 4,714 20,553	32.5% -2.6% 267,061 127,457 2,318 4,091 60,414 4,950 17,286	**************************************	47.2% -146 5.0% 303,312 140,522 2,556 4,510 66,607 5,457 21,236	50.0% 120 4.3% 316,268 147,548 2,684 4,736 69,937 5,730 22,298



Budget For the year ending 31 March 2024

Depreciation, amortisation, impairment and write-offs		18,180	19,089	20,043	21,046	22,098	20,993
Results from operating activities	(1	79,675)	73,492	13,470	118,761	212,023	230,160
Finance income		1,100	1,155	1,213	1,273	1,337	1,404
Finance charges and fair value movements	(;	31,547)	(56,758)	(35,410)	(40,572)	(25,849)	(27,142)
Interest and facility fee	(3:	1,547)	(56,758)	(35,410)	(40,572)	(25,849)	(27,142)
Foreign exchange and fair value gains/(losses)	(0	-	-	-	-	-	-
Profit/(loss) before taxation	(2	10,122)	17,889	(20,727)	79,462	187,510	204,422
Taxation		298	313	329	346	363	381
Profit/(loss) for the year	(2	09,823)	18,202	(20,398)	79,808	187,873	204,803
EBITDA	(18	8,643)	240,761	193,025	317,356	387,086	394,005
Employee Cost as % Revenue	•	21.0%	13.8%	14.7%	13.6%	12.9%	13.5%

Broadband Infraco

Budget
For the year ending 31 March 2024
Statement of Financial Position

		Year end					
		31-Mar-23	30-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	30-Mar- 28
		Budget	Budget	Budget	Budget	Budget	Budget
	Notes	R'000	R'000	R'000	R'000	R'000	R'000
Assets							
Non-current assets		1,407,817	1,674,661	1,665,525	1,468,291	1,294,714	1,164,560
Property, plant and equipment	2	1,394,971	1,662,954	1,654,957	1,458,862	1,286,423	1157781
Deferred Expenses	3	12,846	11,707	10,568	9,429	8,290	6779
Current assets		(80,553)	6,523	(13,598)	(21,801)	(49,443)	8,061
Cash and cash equivalents	4	(168,412)	(110,000)	(119,551)	(138,024)	(178,750)	134,062
DCDT Advance Payment		-	-	-	-	-	
Short term portion of deferred expense	3	1,139	1,139	1,139	1,139	1,139	1,139
Trade and other receivables	5	86,720	115,384	104,814	115,084	128,168	140,984
Total assets		1,327,265	1,681,184	1,651,927	1,446,491	1,245,270	1,172,621
Equity and liabilities							
Equity attributable to owners of the parent		50,471	60,660	40,262	120,070	307,943	460,102
Share capital	1	1,829,530	1,829,530	1,829,530	1,829,530	1,829,530	1,829,530
Retained earnings		(1,779,059)	(1,768,870)	(1,789,268)	(1,709,460)	(1,521,587)	1,369,428
Non-current liabilities		792,764	816,816	546,415	237,280	214,115	118,525

Broadband Infraco

Budget For the year ending 31 March 2024

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Interest-bearing debt	6	508,957		690,776	542,755	379,804	356,639	249,648	
Deferred revenue	7	283,808		126,039	3,660	(142,524)	(142,524)	- 131,122	
Current liabilities		484,031		803,708	1,065,250	1,089,142	723,213	593,994	_
Trade and other payables	8	191,256		468,067	650,586	593,155	548,192	511,463	
Current portion of deferred revenue	7	68,237		171,294	222,379	246,184	-	-	
Finance Lease Liability		30,333		30,333	30,333	30,333	30,333	30,333	
Short term portion of long term loan		191,758		131,567	138,136	149,325	63,078	19,554	
South Africa Revenue Services - PAYE and VAT	8	2,446		2,446	23,816	70,145	81,609	32,644	
Total liabilities		1,276,795		1,620,524	1,611,665	1,326,422	937,328	712,519	•
Total a suite and tabilities		4 207 205		4 004 404					
Total equity and liabilities		1,327,265		1,681,184	1,651,927	1,446,491	1,245,270	1,172,621	

BudgetFor the year ending 31 March 2024

Statement of Cash Flow



	Year end					
	Budget	Budget	Budget	Budget	Budget	Budget
	31-Mar-23	30-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28
	R'000	R'000	R'000	R'000	R'000	R'000
Cash flows from operations	(97,576)	427,766	337,656	205,087	185,822	217,439
Cash flows from operating activities	(30,447)	(55,603)	(34,197)	(39,299)	(24,512)	- 28,283
Finance income received	1,100	1,155	1,213	1,273	1,337	1,444
Impairment of fixed assets						,
Unrealised foreign exchange gain/ (loss) difference reversed	-	-	-	-	-	
Finance charges paid	(31,547)	(56,758)	(35,410)	(40,572)	(25,849)	29,727
Taxation paid	-	-	-	-	-	
Cash (used in)/ generated from operations	(128,023)	372,163	303,459	165,788	161,309	189,157
Cash flows from investing activities	(668,740)	(435,379)	(191,558)	(2,500)	(2,625)	(2,887)
Proceeds on disposal of property, plant and equipment and intangible assets	-	-	-	-	-	
Additions to property, plant and equipment and intangible assets	(668,740)	(435,379)	(191,558)	(2,500)	(2,625)	2,887
Additions to other investments	-	-	-	-	-	

BudgetFor the year ending 31 March 2024

Cash flows from financing activities	481,868	121,628	(121,453)	(181,762)	(199,411)	(141,582)
Shareholders'loan received	-	-	-	-	-	
Loans (repaid) received	481,868	121,628	(121,453)	(181,762)	(199,411)	(41,582)
Increase in net financial assets	-	-	-	-	-	
Net increase/(decrease) in cash and cash equivalents	(314,895)	58,412	(9,551)	(18,473)	(40,726)	44,688
Net cash and cash equivalents at beginning of year	146,483	(168,412)	(110,000)	(119,551)	(138,024)	(178,750)
Net cash and cash equivalents at end of year	(168,412)	(110,000)	(119,551)	(138,024)	(178,750)	(134,062)

Broadband Infraco



Budget For the year ending 31 March 2024

Notes to the statement of financial position

	Year end	Year end	Year end	Year end	Year end	Year end
	Projection	Budget	Budget	Budget	Budget	Budget
	31-Mar-22	31-Mar-23	30-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27
	R'000	R'000	R'000	R'000	R'000	R'000
1. Share capital						
Authorised						
1 000 000 ordinary shares						
Issued:						
100 ordinary shares of R1 (2015: R1) each	100	100	100	100	100	100
Shares are held as follows: 740 000 ordinary shares held by the State, represented by Department of Communication and Digital Technologies;	1,351,130	1,351,130	1,351,130	1,351,130	1,351,130	* 1,351,130
260 000 ordinary shares held by the Industrial Development Corporation of South Africa.	478,400	478,400	478,400	478,400	478,400	478,400
	1,829,530	1,829,530	1,829,530	1,829,530	1,829,530	1,829,530
2. Property, Plant and Equipment						
Opening Balance	969,317	887,263	1,394,971	1,662,954	1,654,957	1,458,862
Impairment	-	-	-	-	-	-
Project equipment utilised for consumable spares	-	-	-	-	-	-
Depreciation	(133,161)	(161,032)	(167,396)	(199,554)	(198,595)	(175,063)

Broadband Infraco BudgetFor the year ending 31 March 2024

For the year ending 31 March 2024						
Salaries capitalised - SA Connect		-	-	-	-	-
Salaries capitalised	6,304	42,574	16,606	2,381	2,500	2,625
Additions - Non infrastructure	-	46,145	27,779	29,152	-	-
Additions - SA Connect	-	24,536	-	-	-	-
Additions - Infrastructure	44,803	544,885	390,995	160,025	-	-
Additions - WACS	-	10,601	-	-	-	-
	887,263	1,394,971	1,662,954	1,654,957	1,458,862	1,286,423
Actual additions to property, plant and equipment lower than year to date budget and it is projected to be below year end budget as well. This has a positive effect on the cash position of the company (refer to note 4)						
3. Deferred Expenses						
Fibre lease IRU with Dark Fibre Africa over 15 years	11,212	13,985	12,846	11,707	10,568	9,429
Less: Short term portion of deferred expense	1,139	1,139	1,139	1,139	1,139	1,139
	10,073	12,846	11,707	10,568	9,429	8,290
4. Cash and Cash Equivalents						
Consist of:						
Current Bank Account with Standard Bank	146,483	(168,412)	(110,000)	(119,551)	(138,024)	(178,750)
	146,483	(168,412)	(110,000)	(119,551)	(138,024)	(178,750)
5. Trade and Other Receivables						
Trade Receivables (excluding provision for credit						
notes)	49,565	91,455	116,186	112,640	122,876	135,924
Sundry debtors (excluding provision for bad debts)	1,027	993	993	993	993	993



Budget For the year ending 31 March 2024

,						
VAT	240	3,161	7,059	-	-	-
Prepaid expenses	3,901	-	35	70	105	140
Deposits	1,335	1,335	1,335	1,335	1,335	1,335
Other debtors		-			-	-
	56,069	96,945	125,609	115,039	125,309	138,393
Less: provision for credit notes	-	-	-	-	-	-
Less: provision for bad debt	10,225	10,225	10,225	10,225	10,225	10,225
	45,844	86,720	115,384	104,814	115,084	128,168

Budget For the year ending 31 March 2024



6. Interest Bearing Debt							
Consist of:							
Project Funding	-	280,160	442,953	378,664	340,061		355,900
Vendor Financing	-	208,136	194,097	147,918	97,997		44,033
Asset Financing	-	29,784	34,659	36,954	24,391		10,809
Working Capital Funding	218,847	171,404	134,070	93,713	50,086		-
Medium Term Debt Financing	-	11,231	16,563	23,642	16,594		8,975
Short term portion of long term loan	-	(191,758)	(131,567)	(138,136)	(149,325)	_	(63,078)
	218,847	508,957	690,776	542,755	379,804		356,639
7. Deferred revenue							
Existing	491,719	252,045	297,334	226,039	103,660		(142,524)
New		100,000	-	-	-		-
	491,719	352,045	297,334	226,039	103,660		(142,524)
Short term portion of deferred revenue	68,237	68,237	171,294	222,379	246,184		-
	423,482	283,808	126,039	3,660	(142,524)		(142,524)
8. Trade and other payables							
Trade and other payables	48,161	119,262	401,214	582,790	524,368		478,365
Provision: Legal fees	600	600	600	600	600		600
Accruals: General	25,833	47,400	47,400	47,400	47,400		47,400
Accruals: Audit fees	771	1,519	1,150	1,208	1,268		1,331
Accruals: Leave Pay	6,243	7,013	7,013	7,364	7,732		8,119
Accruals: Performance Bonus	5,278	15,460	10,691	11,225	11,786		12,376

Budget For the year ending 31 March 2024

Provision for unrealised forex loss *	-	-	-	-	-	
Financial liabilities	86,886	191,255	468,067	650,586	593,154	548,191
	2,725	2,446	2,446	23,816	70,145	81,609
SARS - VAT	-	-	-	21,369	67,699	79,163
SARS - PAYE	2,725	2,446	2,446	2,446	2,446	2,446
Total	89,611	193,702	470,514	674,402	663,300	629,801

Broadband Infraco







AGREEMENT

on the

SIGNIFICANCE AND MATERIALITY FRAMEWORK

between

THE MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES

and

BROADBAND INFRACO SOC LTD (hereinafter referred to as the Parties)

1. DEFINITIONS AND INTERPRETATION

Unless otherwise stated, the terms and phrases used herein are as defined in the Public Finance Management Act (PFMA) No.1 of 1999 (as amended) and the National Treasury Regulations.

This Significance and Materiality Framework (SMF) must be read together with the Strategic Intent Statement issued by the Minister, the Shareholder Compact, and Memorandum of Incorporation of Broadband Infraco.

2. INTRODUCTION

- 2.1 Section 54(2) of the Public Finance Management Act no 1 of 1999 (PFMA) requires that before a public entity such as Broadband Infraco concludes any of the following transactions, the board of directors (Board), must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its shareholder, being the Minister of Communications (Minister) for approval of the transaction:
 - a) Establishment or participation in the establishment of a company;
 - b) Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;
 - c) Acquisition or disposal of a significant shareholding in a company;
 - d) Acquisition or disposal of a significant asset;
 - e) Commencement or cessation of a significant business activity; and/or
 - f) A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture, or similar arrangement.
- 2.2 Section 51(1)(g) requires the Board to promptly inform the National Treasury on any new entity it intends to establish or in the establishment of which it takes the initiative and allow the National Treasury a reasonable time to submit its decision prior to formal establishment.
- 2.3 Section 55 (2) (b) read with section 55(1)(d) requires the annual report and financial statements of a public entity to include particulars of any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year.
- 2.4 For the purposes of sections 54(2) and 55(2)(b), the words "significant" and "material" are not defined in the PFMA. Treasury Regulation 28.3.1 provides for the Board to develop and agree a framework of acceptable levels of "significance" and "materiality" with the Minister ("Significant Transactions"). This framework is referred to as the Significance & Materiality Framework (SMF).

3. PURPOSE

- 3.1 The purpose of section 54 of the PFMA is to enable the Minister, as the Shareholder Representative, to exercise effective oversight over those affairs of the public entity that have a significant impact, not only on its business but also on the economy in the context of an appropriate and clear model of governance.
- 3.2 Within this context and pursuant to Regulation 28.3.1, this SMF is hereby agreed between the parties to ensure alignment between Broadband Infraco and the Minister regarding the definition, interpretation and treatment of certain transactions and will be the basis upon which:
 - a) sections 54(2) and 55(2)(b) of the PFMA will be applied;
 - b) communication between Broadband Infraco and the Minister with regard to certain transactions or initiatives will be managed; and
 - the shareholder will exercise effective oversight over Broadband Infraco regarding matters that have a significant impact.

3.3 This SMF will accordingly:

- a) facilitate alignment of transactions with Broadband Infraco's mandate and priorities;
- b) provide clear guidance for assessing transactions to avoid confusion;
- c) establish the rules for determining significant transactions;
- d) provide for the involvement of, and interaction with, the Department of Communications and Digital Technologies (DCDT) and National Treasury (NT) on significant transactions;
- e) specify the information required in support of applications made or to be made under section 54(2) of the PFMA; and
- f) set out the processes that must be followed.3

This SMF also establishes the rules for determining what will be regarded as material losses and/or expenditure for disclosure in terms of section 55(2) of the PFMA.

4. OBLIGATIONS AND ROLES OF THE PARTIES

Within the context of good governance and having regard to the purpose of section 54 and the SMF, the role of the Minister and the Broadband Infraco Board specifically regarding matters affected by this SMF are set out below.

4.1 Role of the Minister regarding Section 54

In this context the role of the Minister, amongst others, is to:

 a) Provide strategic guidance to Broadband Infraco and set policy for Broadband Infraco.

- b) Ensure that initiatives by Broadband Infraco are aligned with national priorities, including that:
 - The delivery and prioritisation of initiatives by Broadband Infraco is aligned with the requirements of the Minister and those of the country; and
 - ii. There is integration and alignment with other State-Owned Companies' (SOCs) initiatives; where applicable.
- c) Ensure that Broadband Infraco acts within its mandate.
- d) Satisfy itself and be assured of the effectiveness of the processes followed by the Board in approving transactions.

Based on the role described above, the intention is that the DCDT, acting on behalf of the Minister, will not re-do the business case and investment approval process.

4.2 Role of the Board regarding Section 54

Given the role of the Minister, the role of the Board of Broadband Infraco is to:

- Ensure that all transactions and initiatives are appropriately prioritised and aligned to the strategic direction, mandate and priorities agreed with the Minister;
- b) Ensure implementation of the agreed strategy to ensure that Broadband Infraco will deliver on its mandate:
- c) Act only within its mandate; and
- d) Develop and maintain the capability and capacity to execute on its mandate;
 - Ensure the development, implementation and maintenance of effective governance structures and processes to evaluate and make effective decisions regarding the key transactions or initiatives; and
 - ii. Ensure that the business cases in support of any transaction or initiative is robust and considers the risks and opportunities identified for each transaction.

5. SIGNIFICANCE AND MATERIALITY FRAMEWORK (SMF) AND PROCESS

This SMF consists of the following:

- a) The process set out in **Annexure A**;
- b) The transactional thresholds set out in **Annexure B** (hereinafter referred to as Significant Transactions);
- c) The threshold for reporting and disclosure of losses due to criminal conduct, irregular expenditure, and fruitless and wasteful expenditure as set out in **Annexure C**.

The parties recognise that it is not possible to be prescriptive for all possible situations. The SMF therefore provides clarity insofar as is possible, but the essential requirement is for the parties at all times to ensure alignment between Broadband Infraco's mandate and the Minister's vision. In order to achieve this, there is a need to adhere to the spirit and intent of what the SMF is trying to achieve.

6. REVIEW

Witness 1

6.1 Unless otherwise agreed, this SMF will be reviewed after a period of three years.

7	SIGNATURES		
Sign	ed by the Minister at		on theof 2022
Mir	nister of Communications and D	igital Technologies	
—— Witn	ess 1	Witness 2	
Sign	ed for and on behalf of Broadba	nd Infraco at	on the of2022
 Cha	irperson of Broadband Infraco		

Witness 2

DELEGATION OF AUTHORITY FRAMEWORK

FA = Final approval
RFA = Review and recommend to Board/Shareholder for approval

= Notification

	Transaction type							
	Transaction type	Shareholder	Board	Board Committee	Executive Committee	CEO	Departmental Heads	Head of Commercial Department
1.	Approval of Capital Expenditure							
1.1	Budget expenditure							
1.1	≤ R10 M						FA	
	> R10 M but ≤ R25 M				N	FA	17	
	> R25 M but ≤ R100 M			N	FA	1.7		
	> R100 M but ≤ R150 M		N	FA	1.7			
	> R150 M but ≤ R300 M		FA	RFA			1	
	> R300 M	FA	RFA	RFA				
	7 1000 M	1.7	IXI A	IXI A				
1.2	Expenditure not budgeted for							
	≤ R5 M					N	FA	
	> R5 M but ≤ R15 M				N	FA	1	
	> R15 M but ≤ R50 M			N	FA			
	> R50 M but ≤ R75 M		N	FA				
	> R75 M but ≤ R150 M		FA	RFA				
	> R150 M	FA	RFA	RFA				
1.3	Approval of additional capital							
1.3.1	If additional capital required is ≤10% of original approved cost then approval levels asper items 1.1 and 1.2 above except, no Shareholder approval is required, which will be approved by the Board.							
1.3.2	If additional capital required is > 10% of the originally approved cost levels, of, for example:							
	≤ R10 M		1			N	FA	
	> R10 M but ≤ R25 M				N	FA		
	> R25 M but ≤ R100 M		1	N	FA			
	> R100 M but ≤ R150 M		N	FA	ļ			
	> R150 M but ≤ R300 M		FA	RFA				
	> R300 M	FA	RFA	RFA	-			
1.3.3	Additional capital expenditure > R50 M is required to be approved by the Shareholder.							
2.	Authority to procure capital goods and services – limited to maximum of expenditure approval decision		FA	FA	FA	FA	FA	

	Transaction type							
		Shareholder	Board	Board Committee	Executive Committee	СЕО	Departmental Heads	Head of Commercial Department
	as per items 1.1 to 1.3 above on a cumulative, total procurement package basis							
3.	Authority to negotiate and contractually commit the company for procurement of capital goods and services (subject to prior approvals as per items 1.1 to 1.3 above having been obtained)							FA
4.	Authority to approve operational expenditure (per item)							
4.1	Budgeted expenditure							
	≤ R3 M					N	FA	
	> R3 M but ≤ R10 M				N	FA		
	> R10 M but ≤ R35 M			N	FA			
	> R35 M but ≤ R75 M		N	FA				
	> R75 M but ≤ R150 M		FA	RFA				
	> R150 M	FA	RFA	RFA				
4.2	Expenditure not budgeted for							
	≤ R1 M					N	FA	
	> R1 M but ≤ R5 M				N	FA		
	> R5 M but ≤ R20 M			N	FA			
	> R20 M but ≤ R35 M		N	FA				
	> R35 M but ≤ R70 M		FA	RFA				
	> R70 M	FA	RFA	RFA				
5.	Authority to procure operational goods and services – limited to maximum of approval decisions as per items 4.1 to 4.2 above on a cumulative, total procurement package basis		FA	FA	FA	FA	FA	
	Authority to negotiate and contractually commit the company for procurement of operational goods and services (subject to prior approvals as per above having been obtained)							FA

ANNEXURE A - PROCESS

INTEGRATED PROCESS

The process set out below shall be adhered to for all Significant Transactions. Where there are

deviations or time does not permit a phased approach, this will be clearly highlighted in the

application.

The process must also be viewed holistically as a part of the future governance and planning process

that includes the Strategic Intent Statement, Shareholder Compact, Corporate Plan and finally, the

particular application at a transactional level.

This is reflected in the diagram attached as appendix A1 and can be summarised as follows:

i. The process begins with initiatives that are contemplated in the Corporate Plan;

ii. A business case is developed and then submitted through the Broadband Infraco governance

processes; and

iii. At an appropriate time, the proposed application will be submitted to the DCDT as

contemplated below.

PHASED APPROACH

1. Phase One: Pre-Notification

1.1 Purpose

To provide early notification and sharing of information regarding the concept and

strategy of a Significant Transaction.

The parties agree that pre-notification is necessary for early involvement of the

Minister in a Significant Transaction, to ensure greater transparency.

1.2 Timing

Pre-notification will occur when sufficient information is available regarding an intended

Significant Transaction

1.3 Form

Pre-notification involves informing the Minister formally in writing of Broadband

Infraco's intention to submit an application for approval of a Significant Transaction

1.4 Information

The pre-notification letter shall contain at least the following information:

- a) A description of the transaction;
- b) The objectives in wanting to pursue the transaction, the rationale for the chosen course of action, and its alignment to Broadband Infraco's Corporate Plan;
- c) The estimated scope, cost and duration of the transaction;
- d) The anticipated transaction approval process, phases, milestones and timelines;
- e) Whether any foreign (non-South-African) parties are expected to be involved (e.g. foreign governments and government agencies, lenders, suppliers), and if so, the likely extent of their involvement; and
- f) Where there are any unsolicited expressions of interest received, the profile of such interested parties and the nature of the interaction.

1.5 Effect of Pre-notification of an intended transaction

Pre-notification will not allow the conclusion of any major procurement for the transaction, but will permit the continuation and conclusion of certain activities related to preparatory work, including the following:

- a) Feasibility studies and any pre-engineering or scoping work;
- b) Site readiness;
- c) Obtaining of market information to firm up on costs, scope, time forecasts, etc.; and
- d) Procurement of goods/services to assist with executing, obtaining, facilitating, or assessing the above.

1.6 Other

- a) Broadband Infraco and the officials in the DCDT will endeavour to meet to discuss the application prior to the final submission contemplated in phase two, or as soon as possible after such submission.
- b) The Department shall use its reasonable endeavours to speedily assess the prenotification documents and respond to Broadband Infraco within a period of fourteen (14) days from the day of receipt.

2. Phase Two: Final application for approval

2.1 Purpose

To apply for approval in order to conclude and execute the transaction.

2.2 Timing and Form

- a) Broadband Infraco shall upon finalising the transaction's details and structure apply to the Minister in writing for final approval of the transaction.
- b) Broadband Infraco shall submit a copy of its final application and supporting documents to the National Treasury when it is submitted to the Minister.

2.3 Information

In addition to providing an update on the information submitted under the Pre- Notification phase, the application shall include details of the following:

- a) The business case (financial, technical and social);
- b) Risks and mitigation;
- c) How the project will be funded;
- d) Alternatives considered (if any);
- e) Independent verification (if any);
- f) Involvement of other sectors of government (e.g. Regulators, Ministries, other public entities);
- g) Procurement strategy and how it supports national priorities (e.g. poverty alleviation, job creation, skills transfer, local industry support and development; and
- h) a certified resolution by the Board or appropriate Board committee as well as information on which the Board or committee based its resolution.

2.4 Other

- a) In terms of section 54(3) of the PFMA: "A public entity may assume that approval has been given if it receives no response from the executive authority on a submission in terms of subsection (2) within 30 days or within a longer period as maybe agreed to between itself and the executive authority."
- b) The Parties recognise that due to the nature and complexities of some of the applications, it may not be possible for the Department to assess and process the application within the prescribed 30 days. However, the Department shall use their best endeavours to process the application within the prescribed period and should the 30 days be exceeded, the Minister/and or Departments' officials shall communicate this to Broadband Infraco.
- c) Should the Minister or the Department require further information from Broadband Infraco, in order to process and finalise the application, such information shall be requested in writing as soon as possible and Broadband Infraco shall respond to such request expeditiously.
- d) The Parties further acknowledge that this engagement shall interrupt the 30 days prescribed in the PFMA, The Minister shall advise Broadband Infraco in writing whether the application has been approved or not approved.

2.5 Effect of Approval

Approval will allow the conclusion of the transaction as well as its execution, including the full procurement of goods/services that may be necessary.

3. Phase Three: Post application

3.1 Purpose

To keep the Minister and DCDCT informed of the progress of the transaction, as well to provide any updates relating to any significant changes.

3.1.1 Timing, Form, and Information

- a) Broadband Infraco shall report on a quarterly basis on the progress made in executing the transaction, including any changes to the scope, time, cost, or risk profile, as well as on the fulfilment of any conditions that were part of the approval. This report may be done through the quarterly business performance reports submitted to DCDT in terms of the Treasury Regulations.
- b) Notwithstanding the quarterly reports, should there be any circumstances or occurrence that impedes or impact on the project adversely; this shall be brought to the attention of the Minister without any delay.

Provided that:

- c) Where there is any change relating to cost, scope or time that varies more than 20% from that originally anticipated, or where there is a significant change in the risk profile of the transaction, the Minister must be informed separately in writing of the change and be provided with full particulars thereof, including the causes, the revised milestones and impact on fulfilling the objectives of the transaction.
- d) Where the procurement strategy changes, the Minister must be informed separately in writing of the change and be provided with full particulars thereof, including the reasons for the change and the impact on any targets supporting the objectives of the New Growth Path that may have been included in the transaction.

3.1.2 Effect

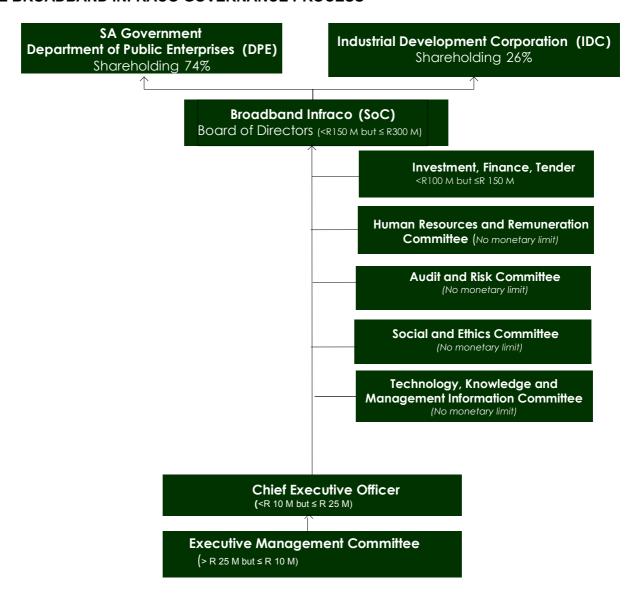
The DCDT will be kept informed of the latest status of the project, thereby enhancing transparency and oversight.

3.1.3 Other

Subsequent to an approval, where Broadband Infraco decides to terminate or indefinitely suspend the execution of a transaction, the Minister must be notified, and the reasons provided.

ANNEXURE B

THE BROADBAND INFRACO GOVERNANCE PROCESS



ANNEXURE C

The transactions set out below that meet the identified criteria are regarded as Significant Transactions requiring approval in terms of section 54 of the PFMA.

No.	Reference	Section wording	Parameters
1	54(2)(a)	Establishment or participation in the establishment of a company.	 Where any of the following circumstances will occur, approval is required: A. Establishment: Any percentage of any type of shareholding acquired or to be acquired, at formation of the company to be established. B. Participation in establishment: Any amount of loan made or to be made by Broadband Infraco to a company to be established, at the time of its formation; Any commitment to guarantee any loan obligation of the company being established, including the provision of financial or performance guarantees, such commitment being made at the time of the formation of the company; and Having a right to nominate the majority of directors.
2.	54(2)(b)	Participation in a significant partnership, trust, unincorporated joint venture, or similar arrangement.	Participation in a partnership, trust, unincorporated joint venture, or similar arrangement by any company in the Broadband Infraco group will require approval if any of the following criteria are met: A. Where any contribution is in excess of three hundred million Rand (R 300 000 000); B. Any provision of a loan or guarantee (or any other form of security), in excess of three hundred million Rand (R 300 000 000); C. Partnership, trust, unincorporated joint venture, or similar arrangement (excluding a non-binding Memorandum of Understanding (MOU) that is established, located, or intended to operate outside the Republic of South Africa. Excluding foreign membership of institutions. This will be submitted in a once-off schedule.
3.	54(2)(c)	Acquisition or disposal of significant shareholding in a company.	 A. A significant acquisition or disposal that requires approval shall mean the following: 1. Acquisition or disposal of more than 20% of any class of the issued shares in a company; 2. Acquisition or disposal of voting shares which results in the crossing of the following shareholding thresholds: 75%, 50%, 25% and 20%; 3. Acquisition or disposal of any percentage of shareholding in a company domiciled outside the Republic of South Africa; and

No.	Reference	Section wording	Parameters
			 4. The voluntary winding-up, liquidation or deregistration of any company. B. The following shall not require approval, but the Minister must be informed of the transaction: 1. Where there is a forced liquidation of a company or similar forced action, e.g. due to the company trading in insolvent circumstances.
4.	54(2)(d)	Acquisition or disposal of a significant asset	A. The following acquisitions/disposals of assets will require approval: 1.Non-current assets: a) Acquisition or disposal (including scrapping) of non-current assets for projects in excess of three hundred million Rand (R 300 000 000); b) Refurbishment or maintenance of the network where the present value of the project exceeds three hundred million Rand (R 300 000 000), which result in a capacity increase of at least 10%; and c) Notwithstanding its value, disposal (including scrapping) of non-current assets, that impacts or has a potential impact on the continued ability of Broadband Infraco to do business or provide its core service. B. The following shall not require approval, but the Minister must be informed of the transaction: 1. Network strengthening projects: Strengthening of existing networks where the present value of the project exceeds three hundred million Rand (R 300 000 000). 2. Cost revisions: a) Where any increase in scope, time or cost of a project previously approved by the Minister is more than 20% of what was previously approved; and b) Where a cost revision of a transaction not previously approved by the Minister crosses the three hundred million Rand (R 300 000 000). Any procurement matters: Emergency procurement of assets in excess of three hundred million Rand (R 300 000 000). Any procurement of goods/services in excess of three hundred million Rand (R 300 000 000) from a foreign (non-South-African) or foreign-controlled supplier.

No. Referenc	e Section wording	Parameters
5. 54(2)(e)	Commencement or cessation of a significant business activity.	A. Cessation of any business activity that is expected to result in significant retrenchment or job losses in the context of the Broadband Infraco group; B. Commencement or cessation of a business activity where the present value of costs thereof is in excess three hundred million Rand (R 300 000 000); and C. Commencement or cessation of a business activity outside of the Republic. Note: A new initiative within an existing business area is not a new business activity as envisaged in this
6. 54(2)(f)	A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture, or similar arrangement.	A significant partnership, trust, unincorporated joint venture, or similar arrangement is one where the value of Broadband Infraco's interest is in excess of three hundred million Rand (R 300 000 000). The following changes will require: A. A change in the extent of the interest of more than 20%, excluding repayment of any loans previously made or reduction of any guarantee or security previously issued; B. Where there is a change in control; C. Where the interest in the significant partnership, trust, unincorporated joint venture or similar arrangement is terminated; D. Despite any Rand or percentage threshold: i. Where a change occurs in a significant partnership, trust, unincorporated joint venture, or similar arrangement that is of strategic importance to the Broadband Infraco business; and

ANNEXURE D

REPORTING IN TERMS OF SECTION 55(2) OF THE PFMA – LOSSES DUE TO CRIMINAL CONDUCT, IRREGULAR EXPENDITURE, AND FRUITLESS AND WASTEFUL EXPENDITURE

The following determination shall apply for purposes of reporting the incidence of losses due to criminal conduct, irregular expenditure, and fruitless and wasteful expenditure in terms of Section 55(2)(b)(i) of the PFMA:

• Disclosure shall be made where the loss or expenditure is equal to or greater than twenty-five million Rand (R 25 000 000-00) per item or class of closely related items.