



South African
Weather Service

ISO 9001 Certified Organisation

Terms of Reference Human Resource and Remuneration Committee

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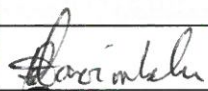
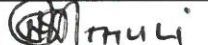
HR & Remuneration Committee Terms of Reference

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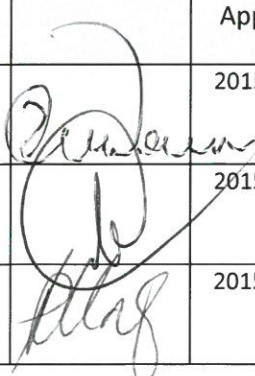
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HR & Remuneration Committee Terms of Reference

1. Purpose

- 1.1. The Terms of Reference outline the role, responsibilities, composition and operation guidelines of the Human Resource (HR) and Remuneration Committee of SAWS (the Committee).
- 1.2. The Terms of Reference provide guidance to members of the Committee in the execution of their duties and responsibilities; and are not intended to, and do not replace any legislation, regulations, or any governance frameworks or law of general application that regulates SAWS, the Board and its Committees, or both SAWS and the Board.

2. Authority and Independence

2.1 The Committee:

- 2.1.1 Will exercise its authority, in line with the mandate from the Board, including but not limited to the Delegation of Authority and all the applicable legislative requirements and governance frameworks; and make recommendations to the Board on matters related thereto.
 - 2.1.2 Safeguard all information supplied to it within the ambit of the law.
 - 2.1.3 Has authority to investigate any matters within its powers; and must be provided with the resources it needs to investigate such matters and shall have full access to information.
 - 2.1.4 May as and when considered necessary seek external expert advice on matters within its scope; and in so doing, the Committee shall ensure that appropriate procurement processes are complied with.
 - 2.1.5 Should any Report from internal audit (or any other source) to the Committee implicate any member(s) of the Committee in fraud, corruption or gross negligence, the Chairperson of the Committee must promptly report this to the Board and the Internal and/or External Auditors and inform the Audit and Risk Committee;
- 2.2 Notwithstanding 2.1.5 above, should any Report from internal audit (or any other source) implicate the Chairperson of the Committee or any member(s) of the Committee/Board in fraud, corruption or gross negligence, any member of the Committee or the Board must promptly report this to the Board, the Internal and/or External Auditors; and inform the Audit & Risk Committee.

3. Role

The Committee will assist the Board in the execution of its human resource-related functions, in compliance with all applicable legislation, regulations and governance frameworks; and in keeping with good corporate governance practices.

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4. Composition

- 4.1 The Committee shall comprise at least three (3) non-executive members of the Board, one of whom shall be appointed as the Chairperson of the Committee;
- 4.2 The Chairperson of the Board but may be a member of the Committee; but should not become the Chairperson of the Committee
- 4.3 The Chief Executive Officer should not be a member of the Committee, but should attend by invitation in an ex-officio capacity.
- 4.4 The Committee may also engage the services of and/or co-opt other persons (e.g. external labour experts or other human resources professionals) or invite such persons to its meetings, as it deems necessary.
- 4.5 The persons so engaged and/or invited shall be remunerated for the services rendered, at a rate to be determined by the Board, on recommendation of the Committee.

5. Committee Meetings

5.1 Attendance of Meetings

- 5.1.1 All Committee members are expected to attend each meeting, in person or via accepted communication tools.
- 5.1.2 Other than Committee members, the following persons are normally invited to Committee meetings:
 - a) The Chief Executive Officer and the Chief Financial Officer;
 - b) Other members of Executive/Senior Management of SAWS (such as the General Manager: Human Capital Division) be invited to attend Committee meetings as the Committee may determine from time to time.
 - c) Other Board members, who are non-Committee members may with the consent of the Chairperson, attend Committee as it may be deemed necessary.
- 5.1.3 The Committee may also invite other SAWS senior officials to its meetings, as may from time to time be considered appropriate, but such invitees shall not have any voting power(s).
- 5.1.4 The Company Secretary or the person serving in his/her stead will serve as a Committee Secretary; and shall attend all Committee meetings except when requested not to by the Committee.

5.2 Frequency of Meetings

- 5.2.1 The Committee shall meet at least four times a year; with authority to convene additional meetings, as circumstances may dictate.

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- 5.2.2 The schedule of meetings will be agreed upon in advance.
- 5.2.3 The Committee will determine its own agenda, ensuring appropriate consultation to include emerging issues and emphasis on the most significant items.

5.3 Quorum

A quorum shall be a majority of Committee members present (50% plus 1) in person or via telecommunication facilities.

5.4 Proceedings

- 5.4.1 The Chairperson of the Committee will serve as the Chairperson of the Committee meetings; and may nominate or give a proxy to another Committee member to act as the Chairperson of the meeting if he or she is unable to attend the meeting.
- 5.4.2 In the absence of the Chairperson and/or a nomination or proxy from the Chairperson of the Committee, any other member may act as Chairperson for that meeting, as agreed by those present.
- 5.4.3 If within thirty (30) minutes from the time set for a meeting, a quorum is not present, the meeting shall stand adjourned to the same day in the subsequent week, at the same time and place; unless otherwise agreed.
- 5.4.4 Committee members are expected to participate fully, frankly and constructively in Committee discussions and other activities, and to bring the benefit of their particular knowledge and skills to the Committee table, and to discharge their duties of skill and care as well as their fiduciary duties.
- 5.4.5 Committee members and invited participants shall inform the Committee of conflicts or potential conflicts of interest they may have in relation to particular items of business, by no later than the start of the meeting proceedings.
- 5.4.6 Committee members and invited participants shall also inform the Committee of any knowledge of SAWS-related fraudulent activities and/or allegations brought to their attention, as soon as they become aware of such allegations and by no later than the start of the meeting proceedings.
- 5.4.7 All declarations of interest made at any Committee meeting shall be recorded both in the Minutes and the Declaration of Interests Register.
- 5.4.8 Failure to disclose any direct or indirect material interest shall constitute a ground for misconduct.

5.5 Administrative Support

The Office of the Company Secretary shall provide administrative support to the Committee, including but not limited to the following:

- 5.1.1 In consultation with the Chairperson, set the Annual Agenda and Calendar for the Committee;

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- 5.1.2 Prepare and circulate Notices of meetings at least fourteen (14) days prior to the date of the meeting; confirming the venue, time and date of the meeting.
- 5.1.3 In consultation with the Chief Executive Officer and the Chairperson, prepare the Agenda, compile and circulate the documents for discussion (Meeting Packs) at least 5 working days before the date of the meeting.
- 5.1.4 Attend and record proceedings of Committee meetings and produce accurate Minutes; and ensure that Minutes are circulated for adoption at the subsequent meetings.
- 5.1.5 Follow-up on the implementation of Committee decisions and provide regular updates to the Committee;
- 5.1.6 Ensure that Committee members are kept abreast of developments related to their responsibilities; and in keeping up with corporate governance best practice.
- 5.1.7 Facilitate the process for the evaluation of the performance of the Committee; and
- 5.1.8 Provide any other support relevant for the efficient functioning of the Committee as may be required from time to time.

5.6 Resolutions

- 5.6.1 Written resolutions signed in a round robin by a majority of Committee members when circulated for signature, shall be as valid and as effectual as resolutions passed at a duly constituted meeting of the Committee; provided Committee members have been afforded a reasonable opportunity to consider and express their opinion on the matter to which the resolution relates.
- 5.6.2 Resolutions adopted in a round robin will be submitted for ratification at the next Committee meeting.

6. Responsibilities

The Committee is accountable to the Board for the exercise of its responsibilities, which include the following:

- 6.1 Fulfil all its responsibilities related to governance and strategic leadership on matters within its scope;
- 6.2 Oversee the quality, integrity and reliability of SAWS' human capital management processes and strategy;
- 6.3 Assist the Board in discharging its duties thereby ensuring that SAWS has an approved Human Resource Strategy, adequate human resource-related-policies and systems in place, in compliance with all applicable legislation, regulations and governance frameworks;
- 6.4 Ensure that the Human Capital Strategy is aligned with SAWS business objectives;
- 6.5 Review the human capital management policies and processes; including the adequacy of organisational staffing plans; and occupational health and safety issues;

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- 6.6 Consider and make recommendations to the Board on remuneration policies for all levels, setting remuneration policies to align with responsibilities; including recommendations to the Shareholder, on the Board's Remuneration Framework should it be deemed necessary;
- 6.7 Scrutinise all benefits including pensions, benefits in kind and other financial arrangements to ensure they are justified, correctly valued and suitably disclosed;
- 6.8 Oversee performance management processes;
- 6.9 Facilitate succession planning for the position of the Chief Executive Officer;
- 6.10 Facilitate the Chief Executive Officer's annual performance assessment; and of the Board;
- 6.11 Ensure that significant human capital-related risks are addressed and suitably managed.
- 6.12 Oversee processes for the appointment of the Chief Executive Officer and other Executive Managers; in line with the Delegation of Authority;
- 6.13 Review and approve any Divisional Business Plans and Frameworks that fall within its scope; and monitor the implementation thereof;
- 6.14 Assist the Board ensure that ethics are managed effectively within SAWS; and that SAWS maintains the highest level of ethical business conduct;
- 6.15 Ensure that the ethical standards guiding relationships with internal and external stakeholders are clearly identified and articulated in the Code of Conduct and Ethics; and related policies;
- 6.16 Ensure that SAWS recognises fundamental human rights, creating and sustaining conditions in which human potential can develop;
- 6.17 Ensure that SAWS fulfils its human capital-related responsibilities as a corporate citizen.
- 6.18 Ensure that SAWS fulfils its human rights and labour related responsibilities emanating from the 10 Principles of the United Nations Global Compact; and the OECD recommendations regarding anti-corruption; and
- 6.19 Oversee Management's implementation of key strategic programmes within the scope of the Committee.

7. Reporting Responsibilities

Ensure that all the reporting requirements to the Board, Shareholder and other relevant authorities where applicable, are adhered to, including:

- 7.1 Regular Reports to the Board on the activities of the Committee activities; and matters related thereto;
- 7.2 Proper disclosures of the remuneration (and associated benefits) of the Board and Executive Management in the Annual Report;
- 7.3 Ensure that all the relevant reporting requirements to the Board, Shareholder and other relevant authorities are adhered to;

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- 7.4 Review any other reports that SAWS may issue relating to the Committee's responsibilities; and
- 7.5 Perform other activities as may be requested by the Board from time to time.

8. Remuneration

- 8.1 Committee members will be remunerated for Committee-related activities, in accordance with the approved Board Remuneration Framework.
- 8.2 The external/independent experts engaged by the Committee in line with sub-section 4.4 above shall be remunerated for the services rendered, at the same rate as that applicable to other Committee members, in line with the approved Board Remuneration Framework; or at any other rate to be determined by the Board, on recommendation of the Committee.
- 9.1 The remuneration of all members of the Committee and the external experts referred to in 8.2 above must be disclosed in the Annual Report.

9.2 Performance Evaluation and Development

- 9.3 The performance of the Committee shall be evaluated, at least annually, to determine its effectiveness.
- 9.4 The results of the evaluation should be presented to the Committee for discussion.
- 9.5 The outcome of the assessment will be used to determine the training/development needs for the Committee as whole and/or individual Committee members; as well as the review of the composition of the Committee.

9. Approval and Review of the Terms of Reference

- 10.1 The Terms of Reference are approved by the Board and adopted by the Committee.
- 10.2 The Terms of Reference will be reviewed annually and if necessary amended, to ensure relevance to the Committee's authority, objectives and responsibilities; and in keeping with corporate governance best practices.
 - 10.2.1 All amendments to the Terms of Reference will be discussed and recommended by the Committee; and approved by the Board.
 - 10.2.2 The Terms of Reference will remain effective until substituted with a new version.

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