

**National Sea Rescue Institute of South Africa "NPC"**  
**Registration No 1967/013618/08**  
**"the Institute"**

**Human Resource Committee Terms of Reference**

**Approved: 19 August 2013**



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## **1. Introduction**

The Human Resource Committee (“the Committee”) is a Committee of the board in respect of all duties assigned to it by the Board of Directors (“the board”).

The duties and responsibilities of the members of the Committee as set out in this document are in addition to those duties and responsibilities that they have as members of the board. The deliberations of the Committee do not reduce the individual and collective responsibilities of board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgment in accordance with their legal obligations.

These terms of reference are subject to the provisions of the Companies Act, the Institute's Memorandum of Incorporation and any other applicable law or regulatory provision.

## **2. Purpose of the terms of reference**

The purpose of these terms of reference is to set out the Committee’s role and responsibilities as well as the requirements for its composition and meeting procedures.

## **3. Composition of the Committee**

The Committee shall be appointed by the board and shall comprise at least three directors, of whom all shall be independent non-executive directors not being involved in the day-to-day management of the Institute’s business.

The Chairperson of the Committee cannot be the Chairperson of the Board of Directors.

All members of the Committee should collectively have sufficient qualifications and experience to fulfil their duties, with particular knowledge of how the Institute operates, business ethics and the understanding of the community and/or material stakeholders of the Institute.

The Committee members must keep up-to-date with developments affecting the required skill-set and the board may from time to time review the composition so as to meet the requirements of the board.

## **4. Role**

The Committee has an independent role with accountability to the board.

The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

The overall role of the Committee is to assist the Board with Human Resource oversight.

## **5. Responsibilities**

The Committee's role and responsibility shall include the following Remuneration and Nomination policies:

### **5.1 Remuneration policy**

1. Oversee the setting and administering of remuneration at all levels in the Institute.
2. Oversee the establishment of a remuneration policy that will promote the achievement of strategic objectives and encourage individual performance.
3. Review the outcomes of the implementation of the remuneration policy for whether the set objectives are being achieved.
5. Ensure that the mix of fixed and variable pay, in cash and other elements, meets the Institute's needs and strategic objectives.
6. Satisfy itself as to the accuracy of recorded performance measures that govern the vesting of incentives.
7. Ensure that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued.
8. Consider the results of the evaluation of the performance of the Chief Executive Officer and other executive directors in determining remuneration.
9. Select an appropriate comparative group when comparing remuneration levels.
10. Approve the annual bonus scheme of the executive directors.
11. Approve the retirement package of any retiring executive director or employee.

### **5.2 Nomination policy**

1. Ensure the establishment of a formal process for the appointment of directors, including:
  - identification of suitable members of the board;
  - performance of reference and background checks of candidates prior to nomination;
  - formalizing the appointment of directors through an agreement between the Institute and the director.
2. Oversee the development of a formal induction programme for new directors.

3. Ensure that inexperienced directors are developed through a mentorship programme if required.
4. Ensure that directors receive regular briefings on changes in risks, laws and the environment in which the Institute operates.
6. Consider the performance of directors and take steps to remove directors who do not make an appropriate contribution.
7. Find and recommend to the board a replacement for the Chief Executive Officer when that becomes necessary.
8. Ensure that formal succession plans for the board, Chief Executive Officer and senior management appointments are developed and implemented.
9. Ensure that directors' and officers' liability insurance is paid by the Institute as authorized by the Institute's Memorandum of Incorporation, which cover should strive to be as extensive as permitted and affordable.
10. The Chairperson of the Committee shall attend the Annual General Meeting of the Institute and be prepared to answer questions regarding the appointment and remuneration of executive directors as well as senior management.

## **6. Authority**

The Committee acts in accordance with the delegated authority of the board as recorded in this terms of reference. It has the power to investigate any activity within the scope of its terms of reference.

The Committee, in the fulfilment of its duties, may call upon the Chairperson of the other board committees, any of the executive directors, company officers, company secretary or assurance providers to provide it with information subject to board approved process.

The Committee has reasonable access to the Institute's records, facilities, employees and any other resources necessary to discharge its duties and responsibilities subject to following board approved process.

The Committee may form, and delegate authority to, subcommittees and may delegate authority to one or more designated members of the Committee.

The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at company's cost, subject to a board approved process being followed.

## **7. Meetings and Procedures**

### **7.1 Frequency**

The Committee must hold sufficient scheduled meetings to discharge all its duties as set out in these terms of reference but subject to a minimum of four meetings per year.

### **7.2 Attendance**

The Chief Executive Officer, Chief Financial Officer, the Fundraising and Marketing Officer, the Chief Operations Officer, other assurance providers, professional advisors and board members may be in attendance at Committee meetings, but by invitation only and they may not vote.

Committee members must attend all scheduled meetings of the Committee, including meetings called on an *ad hoc*-basis for special matters, unless prior apology, with reasons, has been submitted to the Chairperson or company secretary.

If the nominated Chairperson of the Committee is absent from a meeting, the members present must elect one of the members present to act as Chairperson.

### **7.3 Agenda and minutes**

The Committee may establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.

The annual plan must ensure proper coverage of the matters laid out in the Committee charter.

The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.

A detailed agenda, together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the Committee and other invitees.

Committee members must be fully prepared for Committee meetings, to provide appropriate and constructive input on matters discussed.

The minutes must be completed as soon as possible after the meeting and circulated to the Chairperson and members of the Committee for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.

### **7.4 Quorum**

A representative quorum for meetings is a majority of members present.

Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.

## **8. Evaluation**

The board must perform an evaluation of the effectiveness of the Committee every year.

## **9. Approval of these terms of reference**

These terms of reference were approved by the Chairperson of the board and the Chairperson of the Committee on 19 August 2013 and will be due for review in August 2014.