

**POLICY ON APPOINTMENT, DISMISSAL AND REMUNERATION OF
EXTERNAL INDEPENDENT MEMBERS OF COUNCIL COMMITTEES**

ITEM A-CORP (08-2013) CM 2013/08/29	COMMITTEE REPORT ON THE POLICY ON APOINTMENT, DISMISSAL AND REMUNERATION OF EXTERNAL INDEPENDENT MEMBERS OF COUNCIL COMMITTEES
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RESOLVED:

1. **That** the contents of the report regarding the policy appointment, dismissal and remuneration of external independent members of Council Committees, **BE NOTED**.
2. **That** the report and the policy attached as **Annexure "A"** to the report **BE APPROVED**, subject to the following amendment:-
 - 2.1. **That** the increase on the Remuneration of External Independent Committee Members **BE ADJUSTED** in line with the CPIX.
 - 2.2. **That** the Policy on Remuneration of External Independent Committee Members **BE EFFECTIVE** from the date of approval by Council.



Ekurhuleni

METROPOLITAN MUNICIPALITY

**POLICY ON APPOINTMENT, DISMISSAL AND
REMUNERATION OF EXTERNAL INDEPENDENT
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1. INTERPRETATION AND APPLICATION:

- 1.1 Except to the extent to which the context may otherwise require, this Policy shall be construed in accordance with the following provisions of this sub-paragraph:
- 1.1.1 Any word or expression importing any gender shall include any other gender;
- 1.1.2 Words importing the singular also include the plural, and vice versa, where the context requires;
- 1.1.3 The following words shall have the meanings hereby assigned to them-

EMM POLICY ON THE REMUNERATION OF EXTERNAL COMMITTEE MEMBERS

- I. 'EMM' shall mean the Ekurhuleni Metropolitan Municipality;
- II. 'IAC member' shall mean an independent audit committee member;
- III. 'Meeting' shall mean any meeting of the Committee sub-committee
- IV. IRM member shall mean an independent member of the Risk Committee
- V. IAP member shall mean an independent member of the ICT Advisory Panel

1.2 This policy shall apply in respect of all Committees of EMM.

2. OBJECTIVE

The objective of this policy is to provide a formal document that sets out the principles and procedures of the remuneration of external members serving in EMM Committees

3. NOMINATIONS PROCEDURE

- 3.1 The Office of the City Manager shall, at least once every five years, invite interested individuals to apply to be included as eligible candidates on the database of candidates for appointment as members of the committees established in terms of the EMM governance framework
- 3.2 The invite as referred to in clause 3.1 above shall be extended to the public by placing an advert in at least two newspapers of national circulation.
- 3.3 The Office of the City Manager shall be responsible for the processing of all applications received in response to the advertisement, which shall include background and reference checks on prospective candidates.
- 3.4 The Office of the City Manager shall assess the application of each candidate for suitability based on experience and qualifications and compile a shortlist of candidates that should be interviewed by the Nominations Panel.
- 3.5 If a vacancy arises on any Committees a suitable candidate cannot be appointed from the database of eligible candidates, the Office of the City Manager may engage upon a process of

executive recruitment to identify a suitable candidate, for which process it shall not be necessary to invite all interested individuals by way of an advertisement as set out above.

3.6. NOMINATIONS PANEL & INTERVIEW PROCEDURE

- 3.6.1 A nominations panel will be constituted to interview all candidates that have been shortlisted or who have been identified by way of executive recruitment.
- 3.6.2 The nominations panel will consist of the following members:
- At least one member of the Mayoral Committee;
 - At least two members of senior management of the Office of the City Manager.
- 3.6.3 The nominations panel will interview shortlisted candidates (or executive recruitment candidates) for which it has been constituted.
- 3.6.4 The nominations panel must be satisfied that candidates have the requisite skills and experience in order to be efficient relevant Committees
- 3.6.5 The nominations panel must ensure that candidates meet all the eligibility criteria of the MSA and the MFMA, and that candidates are not disqualified from being appointed as members of the committee for any reason.

3.7 APPOINTMENTS OF CANDIDATES FROM DATABASE

- 3.7.1 The Office of the City Manager shall propose the details of suitable candidates from the database or as identified during a process of executive recruitment (as described in paragraph 3.3.above) to the Mayoral Committee for appointment to any of the External members of the Committees and the Mayoral Committee may thereafter resolve that candidates so proposed may be appointed to Committee.
- 3.7.2 The Mayoral Committee will appoint a Chairperson of the Committee from time to time. The Chairperson will be an independent external person.
- 3.7.3 When proposing suitable candidates to the Mayoral Committee for appointment to Committees, the focus will be on individuals with specific skill sets or technical backgrounds (as opposed to only general leadership skills & experience) with due cognizance of candidates from diverse backgrounds in order to bring a variety of experience, skills & traits to the Committee.
- 3.7.4 The demographic representation of Committees after appointment of suitable candidates will also inform the proposals to the Mayoral Committee in order that the composition of the Committees may broadly reflect the population demographics of the EMM, in as far as is possible.
- 3.7.5 No candidate may serve as a member on more than two EMM Committees simultaneously.

3.8 RENEWAL / REMOVALS / ROTATIONS / RESIGNATION/ DISMISSALS

- 3.8.1 The term of office of Committee members may be renewed up to two times (i.e. serving a total term of 10 years).

- 3.8.2 Further renewal (beyond 10 years) may occur for good cause (e.g. scarce skills) but may not exceed a total term of office of more than 12 years
- 3.8.3 Effectiveness of Committee members (including meeting attendance and contribution at meetings) should inform the renewal of the term of office of any Committee-member.
- 3.8.4 Committee-Members may be removed from office for non-attendance of meetings or any other reason as provided for in legislation.
- 3.8.5 Committee-members may be rotated to another Committee instead of renewal of the term of office at the same Committee, based on the skills requirements of the various Committees.
- 3.8.6 Notice of resignation of Committee members should be delivered to the Office of the City Manager
- 3.8.7 If a member fails to attend three (3) meetings in a financial, the member shall be automatically dismissed from the committee
- 3.8.8 A member shall be dismissed if EMM discovers that a member has undeclared conflict of interest, the membership will be terminated with immediate effect.

4. REMUNERATION

4.1 PRINCIPLES APPLICABLE TO REMUNERATION OF EXTRENAL INDEPENDENT COMMITTEE MEMBERS

- 4.1.1 Remuneration of Committee members shall be determined in terms of this policy
- 4.1.2 The Office of the City Manager will adjust the fee determination from time to time by applying inflationary increases to the determined fees, after consultation with the National Treasury up to a maximum increase of 15%. In the event of an increase in fees of more than 15% the Office of the CityManager should make recommendations, in advance, to the Mayoral Committee on the fees payable to external independent committee members.
- 4.1.3 A fee determination, informed by market trends, economic indicators and best practice, will be presented to the Mayoral Committee once every two years for approval. During the years in between fee determinations as provided for in this clause, fees may be adjusted only as provided for in clause 4.1.2 above
- 4.1.4 Compensation of a fee less than the approved fee is allowed where circumstances require this (such as prudential financial management principles). The policy is a guide and in circumstances where the municipality has budgeted for amounts below what has been provided for in this policy is not in a financial position to pay additional fees, which this guide may suggest, such lower fees must prevail but must be communicated formally to the Mayoral Committee.
- 4.1.5 The remuneration of External Independent Committee members will be based on a fee per meeting attended. There is no performance bonus element in the remuneration of committee members
- 4.1.6 Committee members are not remunerated, nor are expenses reimbursed, for social or similar functions to which they are invited (these include year-end functions, farewells and long service awards as well as press releases and product or service launches).

- 4.1.7 The meeting fees that will be paid in respect of each meeting attended will be in accordance with the fee determination for the relevant Committee
- 4.1.8 Attendance at strategy sessions will be remunerated at the same level as a Committee meeting. Where the session extends over a number of days and accommodation is provided only one fee is payable (i.e., for a two day strategy session where accommodation is paid only one meeting fee is payable).

5. CONSULTANCY OR OTHER SERVICES

Neither Committee members are permitted to perform any paid consulting or similar services to the Municipality. A similar ruling applies to consulting firms in which the Committee member is a director, partner or shareholder.

6. COMMENCEMENT AND TITLE

This policy shall be effective from June 2013 and shall be known as the EMM Group Policy on Appointment, Dismissal and Remuneration of External Independent members of Committees.