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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF HEALTH

NO. 5950

6 March 2025

**PUBLICATION OF THE PROPOSED GOVERNANCE REGULATIONS OF
THE FUND FOR PUBLIC COMMENT**

I, Pakishe Aaron Motsoaledi, the Minister of Health, intend to introduce the Governance Regulations to the National Health Insurance Act, 2023 (Act No. 20 of the 2023).

The Regulations in terms of section 55(1)(x), (z) and (Za) seek to provide for the establishment of the structures and processes for the governance of the Fund.

I hereby publish the proposed Regulations as set out in the Schedule for general information and public comment.

The public is invited to submit written representations on the Draft Regulations within three calendar months from the date of publication of this Notice in the Government Gazette.

Written representations received after the closing date may not be considered.

All representations and comments must be submitted as follows:

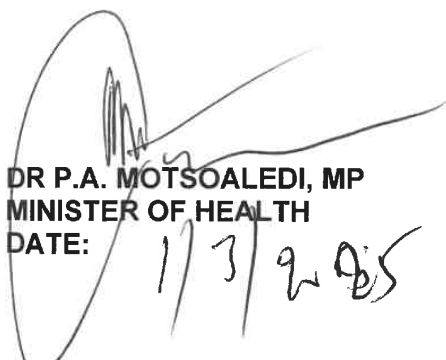
By visiting the webpage at <https://www.health.gov.za/nhi/> and completing the online public comment survey, or

By post to: The Director-General: Department of National Health: Private Bag X828, PRETORIA 0001

By hand at: Reception, Dr AB Xuma Building, 1112 Voortrekker Road, Pretoria Townlands 351-JR, Pretoria, 0083

By e-mail: regcomments@health.gov.za

Enquiries in connection with this Notice can be directed to Ms Mapula Seoketsa on 012 395 9588 or mapula.seoketsa@health.gov.za



DR P.A. MOTSOALEDI, MP
MINISTER OF HEALTH
DATE: 17/3/2025

SCHEDULE

PROPOSED GOVERNANCE REGULATIONS OF THE FUND, 2024

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CHAPTER 1 INTERPRETATION

1. Definitions

In these regulations, any expression that is defined in the Act has that meaning and, unless the context indicates otherwise-

“Act” means the National Health Insurance Act, 2023 (Act No. 20 of 2023);

“Advisory Committees” means the Committees referred to in Chapter 7 of the Act;

“Board Committees” means the Committees referred to in Chapter 6 of the Act;

“Director General” means the Director General of the National Department of Health;

“skill sets” means the technical expertise, skills and knowledge or experience required of members of –

- (i) the Board contemplated in section 13(5)(b) of the Act; or
- (ii) the Benefits Advisory Committee contemplated in section 25(2); or
- (iii) the Health Care Benefits Pricing Committee contemplated in section 26(2) of the Act.

CHAPTER 2 ADHOC ADVISORY PANEL

2. Composition of ad hoc advisory panel

- (1) The ad hoc advisory panel contemplated in section 13(3) of the Act consists of-
 - (a) a retired judge appointed by the Minister to chair the panel;

- (b) no more than 8 and no less than 4 other members appointed by the Minister from persons with specific competence to scrutinize the skill sets of candidates –
 - (i) identified by the Statutory Health Professions Councils, actuarial associations, South African Institute of Chartered Accountants, the health science and commercial faculties of higher education institutions; and
 - (ii) who broadly reflect the diversity of the Republic.
- (2) The Minister must issue in the *Gazette* a call for the entities referred to in subregulation (1) to identify persons contemplated in subregulation (1)(b) for appointment to the ad hoc advisory panel.
- (3) The Minister must appoint the members of the ad hoc advisory panel on terms and conditions for a period no more than four years.
- (4) After appointing the members to the ad hoc advisory panel, the Minister must give notice of the appointment with an abbreviated curriculum vitae of each in –
 - (a) the *Gazette*;
 - (b) one national newspaper; and
 - (c) the Fund's website.

3. Duties of ad hoc advisory panel

- (1) The ad hoc advisory panel must-
 - (a) review the lists supplied to it in terms of regulation 5(3)(f);
 - (b) publicly interview the shortlisted nominees and any other nominee it may identify from those lists;
 - (c) recommend candidates for appointment by the Minister on the grounds of their skill sets which, when considered collectively, will enable them to perform their functions under the Act; and

- (d) if the Minister or Cabinet does not approve any recommended candidate, the panel must consider and recommend other candidates from the lists referred to in regulation 5(3)(e)(ii) and (iii).

CHAPTER 3

BOARD OF FUND

Part 1: Appointment and removal of Board members

4. Nomination of candidates

- (1) In addition to the notice in the *Gazette* contemplated in section 13(2), the Minister must publish a notice calling for nominations to the Board –
 - (a) on the website of the Fund; and
 - (b) at least one national newspaper.
- (2) The aim of the notices contemplated in subregulation (1) is –
 - (a) attract the widest pool of candidates with the skill sets with diverse backgrounds and personal profiles; and
 - (b) promote nominations from diverse stakeholders including health professional associations, representative trade unions and employer organisations, and civil society organisations.
- (3) The notice must –
 - (a) in order to inform nominators, nominees and the ad hoc advisory committee of the requirements for membership of the Board, set out those requirements in each of the skill sets including–
 - (i) a description of the roles in terms of the task requirements and responsibilities;
 - (ii) the competencies required to demonstrate the successful performance of the role;
 - (iii) education qualifications;

- (iv) membership of professional bodies.
 - (b) require nominators and nominees to complete the Nominator and Nominee Forms in Annexures 1.1 and 2.1 respectively and submit them to the Director General; and
 - (c) call for nominations for the members of the Board.
- (4) To be eligible a nominee must –
- (a) meet the requirements of sections 13(5), sections 16(1) and (2)(a) of the Act and is not a member of a national or provincial legislature or municipal council; and
 - (b) be nominated by no fewer than five natural or juristic persons, including a trust, and, as the case may be, resident or registered in the Republic.

5. Shortlisting of candidates

- (1) The Director-General must establish a nomination committee comprising senior departmental officials from legal, finance, risk management, human resources, public entity oversight and one official representative each of National Treasury and Department of Planning, Monitoring and Evaluation in the Office of the Presidency.
- (2) The functions of the committee are to –
- (a) advise the Minister on the requirements for each skill set to be included in the Notice contemplated in regulation 4(3)(a);
 - (b) oversee due diligence reviews of candidates by the Director General;
 - (c) consider –
 - (i) the individual and collective skill sets required for membership of the Board;
 - (ii) the diversity of Board members; and
 - (iii) meet the requirements of section 13(5)(a), (c), (d) and (e); and
 - (d) on the basis of that consideration, recommend-

- (i) a list of a maximum of four shortlisted candidates for each skill set to submit to the ad hoc advisory committee;
 - (ii) a list of those candidates that meet the requirements of more than one skill set.
- (3) The Director General must-
 - (a) receive and acknowledge receipt of the nominations;
 - (b) maintain a register of nominations received;
 - (c) document the nominees in accordance with the Board's skill sets;
 - (d) conduct a due diligence review of each nominee including –
 - (i) verifying their references, qualifications, financial interests and other information supplied by the nominees;
 - (ii) conducting background checks into a candidate's employment and professional histories, criminal records, civil cases, tax status and probity generally;
 - (e) prepare a list of those nominees that –
 - (i) do not meet the requirements of section 13(5) of the Act with reasons;
 - (ii) do meet the requirements and reasons why not included in the shortlist; and
 - (iii) are shortlisted with reasons.
 - (f) submit the lists referred to in paragraph (e) to the ad hoc advisory committee with the full documentation in respect of each nominee listed in subparagraph (iii) with access to the full documentation in subparagraphs (i) and (ii).

6. Appointment of Board members

- (1) The Minister must submit the candidates recommended by the ad hoc advisory panel in terms of regulation 3(1)(c) or (d) to Cabinet for approval.

- (2) If Cabinet approves a recommended candidate, the Minister must publish the names of the approved candidates together with a brief curriculum vitae in the *Gazette*, one national newspaper and the Fund's website.

7. Vacancy of Board members

- (1) When a vacancy occurs in the Board through resignation, removal, expiry of term or death, the Minister, after consultation with the Board and subject to this regulation –
 - (a) may appoint a temporary member of the Board with the same skill set for a period not exceeding three months to fill the vacancy; and
 - (b) for that purpose, have regard to candidates shortlisted for that skill set in a previous appointment process.
- (2) The Minister must submit the names to Cabinet for information and publish a notice in the *Gazette* appointing a temporary member.
- (3) The Minister must –
 - (a) immediately initiate the procedures contemplated in sections 13(2) and (3) read with the regulations in Part 1 of Chapter 2 of these Regulations to appoint a new member to the Board;
 - (b) as soon as practicable but not later than three months from the vacancy occurring, appoint a new member to the Board.

8. Removal of Board members

- (1) The Minister must appoint a senior legal practitioner to conduct an inquiry into the removal of a Board member –
 - (a) if the Minister has reasonable grounds to believe that the member should be removed on the grounds contemplated in section 13(8) of the Act; or
 - (b) on the recommendation of the majority of the Board.
- (2) The senior legal practitioner must–

- (a) conduct the inquiry in a manner that is appropriate to determine the allegations fairly and quickly;
 - (b) deal with the substantial merits of the allegations with the minimum of legal formalities;
 - (c) permit-
 - (i) legal representation;
 - (ii) the leading of evidence and questioning witnesses;
 - (iii) argument; and
 - (d) decide whether or not to make a recommendation to the Minister to remove the Board member.
- (3) The Minister must remove a member of the Board if-
- (a) the member resigns on three months' notice, which notice the Minister may, on good cause shown, shorten; or
 - (b) on the recommendation of the senior legal practitioner contemplated in subregulation (2)(d).
- (4) The Minister must publish the recommendation and finding on the Fund's website.

Part 2: Board

9. Appointment of chairperson and deputy chairperson

- (1) The Chairperson and Deputy Chairperson of the Board may not be the member representing the Minister in terms of section 13(1)(b) of the Act.
- (2) The Minister must publish the name of the Chairperson appointed in terms of section 14(1) together with a brief curriculum vitae in the *Gazette*, one national newspaper and the Fund's website.
- (3) If a vacancy occurs in the position of the Chairperson of the Board through resignation, removal, expiry of term or death, the Minister must fill the

position, in accordance with section 14(1), as soon as possible from among the remaining members of the Board.

10. Board Committees

- (1) The Board must establish the following committees of the Board in terms of section 23:
 - (a) an audit and risk committee;
 - (b) a finance committee;
 - (c) a nominations and governance committee;
 - (d) a remuneration committee; and
 - (e) a social and ethics committee.
- (2) The Board may establish any other committees of the Board in terms of section 23 or any technical committees in terms of section 24.
- (3) The Board must -
 - (a) subject to subregulation (4), determine their composition, functions and terms of reference of the committees established in terms of subregulations (1) and (2);
 - (b) determine the operating procedures of those committees including –
 - (i) recruitment and appointment of members;
 - (ii) appointment of chairpersons;
 - (iii) removal of members;
 - (iv) filling vacancies
 - (v) conduct and minuting of meetings;
 - (vi) quorums for decisions; and
 - (vii) any other ancillary or incidental administrative or procedural matter for the proper functioning of the committees.

- (c) determine, in consultation with the Minister of Finance, the remuneration and allowances of the members of those committees.
- (4) A board committee referred to in subregulation (1) must include at least one member of the Board.
- (5) The Board must publish on the website of the Fund –
 - (a) the terms of reference of each committee established in terms of this regulation;
 - (b) the names of the members of each committee with a brief curriculum vitae of each.

11. Standards of Board member

- (1) In addition to the standards required by section 16 of the Act, section 50 of the Public Finance Management Act and the Code referred to in subregulation (3), a member of the Board must execute their fiduciary duty by acting in the best interests of the Fund and its users.
- (2) Each member of the Board must-
 - (a) complete the Disclosure of Financial Interests Form in Annexure 4;
 - (b) annually update that Form.
- (3) The Board must develop and maintain a Code of Ethics that includes ethical standards that are-
 - (a) in accordance with section 16 of the Act and section 50 of the Public Finance Management Act;
 - (b) equivalent to the standards required of directors of companies in section 75(5) to (7) and 76(2) to (5) of the Companies Act, 2008 (Act No. 71 of 2008);
 - (c) an obligation to disclose any financial interest that a related person may have in respect of the Fund as soon as the member learns of its existence. For the purposes of this paragraph a “related person” has the

meaning assigned to the term in section 1 read with section 2 of the Companies Act;

- (d) a prohibition of receipt of gifts above a nominal value whether or not it is based on an expectation or understanding that the gift will influence the member. For the purpose of this paragraph, the Board may exclude certain categories of gift, and set a nominal value for gifts and revise it periodically.
- (4) The Board must ensure that the Code is published on the Fund's website and updated.
- (5) This regulation applies to members of the Board Committees who are not members of the Board.

12. Performance policy and scoring tools

- (1) The Board must develop and maintain a policy and appropriate scoring tools to measure effective performance of the Fund, its employees, the Board and the Board Committees including –
 - (a) researching and bench-marking best practice;
 - (b) setting organisational goals for performance management;
 - (c) determining the manner in which performance is to be measured;
 - (d) determining the manner in which performance management is to be evaluated;
 - (e) reporting -
 - (i) on the implementation of the policy and tools;
 - (ii) annually on the performance of the Fund, its employees and members of the Board Committees;
 - (f) publishing the annual performance report together with the completed Board Self Evaluation Checklist and the Full Board Evaluation referred to respectively in Annexure 5 and 5.1 for public comment; and

- (g) taking into account that public comment and publishing its response and any steps taken to remedy any performance failure.
- (2) The Board must enter into performance agreements with each member of the Board Committees and the Chief Executive Officer.

13. Cooperation with organs of state and entities

- (1) In accordance with section 41(1) of the Constitution and section 10(1)(p) of the Act, the Board must cooperate with organs of state in mutual trust and good faith to achieve sustainable and affordable universal access to quality health care services specifically -
 - (a) related to the Fund's role as single purchaser and single payer of health care services;
 - (b) ensuring the sustainability of funding for health care services; and
 - (c) providing for equity and efficiency in funding and the strategic purchasing of health care services, medicines, health goods and health related products.
- (2) The Board must –
 - (a) in terms of section 20 of the Act, meet with the Minister and Director General at least twice a year to exchange information necessary for the Board to carry out its responsibilities;
 - (b) in terms of section 21 of the Act, meet with the Director General, the Chief Executive Officer of the Office of Health Standards Compliance at least four times a year to exchange information necessary for the Chief Executive Officer to carry out his or her responsibilities.
- (3) The record of outcomes of meetings held under this regulation must be available to the public at least on the webpage of the Fund.

14. Working procedures of Board and its Committees

- (1) The Board must determine –
 - (a) its own procedures in accordance with section 17(3) of the Act; and

- (b) the procedures for its Committees.
- (2) The meetings of the Board and its Committees must be minuted.
- (3) The Fund must provide administrative and secretarial support to the Board and its Committees.

Part 4: Chief Executive Officer

15. Recruitment of Chief Executive Officer

- (1) The Board must, in accordance with the Act and this regulation, recruit a suitable candidate as the Chief Executive Officer and make a recommendation to the Minister for Cabinet approval and appointment by the Minister.
- (2) The Board must advertise the position of Chief Executive Officer on the website of the Fund and one national newspaper.
- (3) The advertisement must-
 - (a) draw the attention to the requirements for the position in sections 19 to 22 of the Act;
 - (b) stipulate –
 - (i) what information and documentation must accompany an application; and
 - (ii) the closing date for applications.
- (4) The nominations and governance committee must shortlist the candidates to be submitted to the Board.
- (5) The Board must interview the shortlisted candidates and decide who to recommend to the Minister for approval by Cabinet on the basis of their experience and technical competence as the administrative head of the Fund.
- (6) The Board may recommend more than one candidate to the Minister in terms of subregulation (5).

- (7) If the Board decides that no candidate is suitable for the position, the Board –
- (a) must re-advertise for the position in accordance with subregulations (2) and (3);
 - (b) may appoint an agency to headhunt a suitable person to respond to the advertisement.
- (8) In accordance with section 19(4) of the Act, the Minister may on the recommendation of the Board –
- (a) appoint the Chief Executive Officer for an agreed term not exceeding five years; and
 - (b) renew the term for a further such period.
- (9) If the Minister decides not to renew a Chief Executive Officer's term or if the incumbent is already serving a second term, it must commence the recruitment of a successor in accordance with this regulation at least six months prior to the end of incumbent's term.

16. Appointment of Chief Executive Officer by Minister

- (1) The Board must, within 14 days of the Board meeting's decision to make a recommendation in terms of regulation 15(6) and (7), forward a motivated report on the recommended candidate or candidates to the Minister.
- (2) If the Minister accepts a recommended candidate, the Minister must submit the recommendation to Cabinet within 30 days of its receipt.
- (3) If the Minister does not accept a recommended candidate –
- (a) the Minister must within 30 days of receipt of the recommendation -
 - (i) give the Board reasons in writing for not accepting it;
 - (ii) instruct the Board to publish those reasons on the webpage of the Fund; and
 - (b) if Cabinet does not approve a recommendation;

- (c) the Board –
 - (i) may recommend alternative candidates drawn from the candidates interviewed previously in terms of regulation 15 (6); or
 - (ii) immediately initiate the procedures contemplated these regulations to recommend candidates for appointment as a Chief Executive Office
- (4) The Minister must, within 30 days from the date of approval of Cabinet of the appointment of Chief Executive Officer –
 - (a) notify Parliament of the appointment; and
 - (b) promulgate a notice of the appointment in the *Gazette*.

17. Removal of Chief Executive Officer

- (1) In making a recommendation for the removal of the Chief Executive Officer in terms of section 19(5) of the Act, the Board must-
 - (a) inform the Officer in writing of the allegations and intention to conduct a hearing with the intention of recommending the Officer's removal;
 - (b) give at least 14 days' notice of the hearing; and
 - (c) inform the Officer of the right to legal representation.
- (2) The Board –
 - (a) must appoint a senior independent legal practitioner to conduct the hearing;
 - (b) may appoint a legal practitioner to represent the Board in the hearing; and
 - (c) may suspend the Chief Executive Officer pending the decision of the Board or the Minister as the case may be.
- (3) If the Chief Executive Officer is suspended, the Board must appoint a senior executive to act in this capacity.
- (4) The hearing must –

- (a) be conducted in a manner that is appropriate in order to determine the allegations fairly and quickly;
 - (b) deal with the substantial merits of the allegations with the minimum of legal formalities; and
 - (c) permit the leading of evidence, the questioning witnesses and argument.
- (5) The senior independent legal practitioner must prepare and present a report to the Board with recommendations within 14 days of the hearing.
- (6) Within 14 days of that report, the Board must decide whether or not accept the recommendations and submit its motivated decision together with the report to the Minister.
- (7) If the recommendation is to remove the Chief Executive Officer, the Minister must –
 - (a) decide whether to approve the recommendation or reject it; and
 - (b) if the recommendation is approved-
 - (i) terminate the Chief Executive Officer's contract;
 - (ii) inform Cabinet of the termination; and
 - (iii) within 30 days of the approval notify Parliament of the termination and give notice of the termination in the *Gazette*; or
 - (c) if the recommendation is not approved, inform the Board in writing of the reasons for the rejection.

Part 3: Dissolution of Board

18. Dissolution of Board

- (1) The Minister may dissolve the Board if –
 - (a) the Minister loses confidence in the ability of the Board to perform its functions effectively and efficiently; but only
 - (b) after an inquiry is conducted in terms of this regulation;

- (c) the inquiry recommends its dissolution; and
 - (d) Cabinet approves the dissolution.
- (2) The Minister, on good cause shown, may establish an inquiry to assess the ability of the Board to perform its functions effectively and efficiently if it consistently fails to perform its duties and functions in terms of the Act and the Public Finance Management Act.
- (3) If the Minister establishes an inquiry in terms of section 13(9) of the Act and subregulation (2), the Minister must -
 - (a) appoint a panel comprising –
 - (i) a retired judge or a senior legal practitioner to chair the inquiry;
 - (ii) up to five members with skills appropriate to review the reasons for the Minister's loss of confidence in the Board; and
 - (b) determine its terms of reference.
- (4) The panel referred to in subregulation (3)(a) must-
 - (a) conduct its inquiry fairly and quickly and deal with the substantial merits of the Board's ability to perform its functions effectively and efficiently with a minimum of legal formalities; and
 - (b) inform the Minister in writing of its recommendations and the reasons for those recommendations.
- (5) The Minister must within 30 days of being informed in terms of subregulation (4)(b) submit the panel's recommendations and reasons to Cabinet.
- (6) If Cabinet approves the dissolution of the Board, National Treasury must instruct the Chief Executive Officer or another functionary of a public entity in terms of section 49(3) of the Public Finance Management Act, 1999 (Act No.1 of 1999) to be the accounting authority of the Fund until such time as a new Board is appointed in terms of subregulation (6) of section 13 (1) to (5) and in accordance with Part 1 of these Regulations.

- (7) The Minister must ensure that the whole or balance of a new Board is appointed in terms of section 13 and in accordance with Part 1 of these Regulations within 3 months of dissolution of the Board.

CHAPTER 3

ADVISORY COMMITTEES

Part 1: Appointment and removal of members of Advisory Committee

19. Establishment of Advisory Committees

In accordance with section 29 –

- (a) the Benefits Advisory Committee is hereby established;
- (b) the Health Care Benefits Pricing Committee is hereby established.

20. Composition of Benefits Advisory Committee

- (1) The composition of each Advisory Committee is no fewer than 16 members, no more than 24 members, and a chairperson appointed by the Minister

21. Appointment of members for Advisory Committees

- (1) The Minister must issue a notice in the *Gazette* a call for the entities referred to in regulation 2(1) to identify persons with the appropriate skill sets for the relevant Advisory Committee for appointment to the Committee.

- (2) The notice in the Gazette must –

- (a) in order to inform nominators, nominees and the advisory committee of the requirements for membership of the Board, set out those requirements in each of the skill sets including-
 - (i) a description of the roles in terms of the task requirements and responsibilities;
 - (ii) the competencies required to demonstrate the effective performance of the role;
 - (iii) education qualifications;

- (iv) membership of professional bodies.
- (b) require nominators and nominees to complete the Nominator and Nominee Forms in Annexures 1.3 and 2.3 respectively and submit them to the Chief Executive Officer.
- (3) The Chief Executive Officer must conduct a due diligence review of each nominee including –
 - (a) verifying their references, qualifications, financial interests and other information supplied by the nominees;
 - (b) conducting background checks into a candidate's employment and professional histories, criminal records, civil cases, tax status and probity generally;
 - (c) prepare a list of those nominees that –
 - (i) do not meet the requirements of section 28(1);
 - (ii) do not meet the appropriate skill sets;
 - (iii) do meet the appropriate skill sets and reasons why not included in the shortlist; and
 - (iv) are shortlisted with reasons.
 - (d) submit the lists referred to in paragraph (c) to the Board with the full documentation in respect of each nominee listed in subparagraph (iii) with access to the full documentation in subparagraphs (i) and (ii).
 - (e) prepare a list of those nominees that –
 - (i) do not meet the requirements in section 28(1);
 - (ii) do meet those requirements and reasons why they are not included in the shortlist; and
 - (iii) are shortlisted with reasons.

- (f) submit the lists referred to in paragraph (c) to the Board with the full documentation in respect of each nominee listed in subparagraph (iii) with access to the full documentation in subparagraphs (i) and (ii).
- (4) The Board must-
 - (a) review the lists supplied to it in terms of subregulation (3)(f);
 - (b) interview the shortlisted nominees and any other nominee it may identify from those lists;
 - (c) recommend candidates for appointment by the Minister on the grounds of their skill sets which, when considered collectively, will enable them to perform their functions under the Act; and
 - (d) if the Minister does not approve any recommended candidate, the Board must consider and recommend other candidates from the lists referred to in subregulation (3)(e)(ii) and (iii).
- (5) If the Minister approves a recommended candidate, the Minister must publish the names of the approved candidates together with a brief curriculum vitae in the *Gazette*, one national newspaper and the Fund's website.

22. Removal of Advisory Committee member

- (1) The Minister must appoint a senior legal practitioner to conduct an inquiry into the removal of a Advisory Committee member –
 - (a) if the Minister has reasonable grounds to believe that the member should be removed because the member-
 - (i) is or becomes disqualified in terms of any law;
 - (ii) fails to perform the functions of office in good faith, in the public interest and in accordance with the applicable ethical and legal prescripts; or

- (iii) becomes unable to continue to perform the functions of office for any other reason on the grounds contemplated in section 13(8) of the Act; or
 - (b) on the recommendation of the relevant Advisory Committee or the Board.
- (2) The senior legal practitioner must—
 - (a) conduct the inquiry in a manner that is appropriate to determine the allegations fairly and quickly;
 - (b) deal with the substantial merits of the allegations with the minimum of legal formalities; and
 - (c) permit—
 - (i) legal representation;
 - (ii) the leading of evidence and questioning witnesses;
 - (iii) argument; and
 - (d) decide whether or not to make a recommendation to the Minister to remove the Advisory Committee member.
- (3) The Minister must remove a member of the Advisory Committee if—
 - (a) the member resigns on three months' notice, which notice the Minister may, on good cause shown, shorten; or
 - (b) on the recommendation of the senior legal practitioner contemplated in paragraph (2)(d).
- (4) The Minister must instruct the Board to publish the recommendation and finding on the Fund's website.

23. Standards of Advisory Committee member

- (1) The Minister, after consultation with the Board and the relevant Advisory Committee, must publish a Code of Ethics for Advisory Committees in

accordance with section 55(1)(x) and (2) of the Act to give effect to section 28(2) and (3) of the Act and include-

- (a) ethical standards equivalent to the standards required of directors of companies in section 75(5) to (7) and 76(2) to (5) of the Companies Act, 2008 (Act No. 71 of 2008);
 - (b) the disclosure of any financial interest that a related person may have in respect of the Fund as soon as the member learns of its existence. For the purposes of this paragraph a "related person" has the meaning assigned to the term in section 1 read with section 2 of the Companies Act, read with the necessary changes required by context; and
 - (c) the prohibition of the receipt of gifts above a nominal value whether or not it is based on an expectation or understanding that the gift will influence the member. For the purpose of this paragraph, the Minister may exclude certain categories of gift, and set a nominal value for gifts and revise it periodically.
- (2) In addition to the standards required by section 28(2) and (3) of the Act and the Code contemplated in subregulation (1), the members of an Advisory Committee must execute their fiduciary duty by acting in the best interests of the Fund and its users.
- (3) Each member of the Advisory Committee must-
- (a) complete the Disclosure of Financial Interests Form in Annexure 4; and
 - (b) annually update that Form.
- (4) The Minister must instruct the Board to ensure that the Code is published on the Fund's website and updated.

24. Performance policy and scoring tools

- (1) The Minister must develop and maintain a policy and appropriate scoring tools to measure effective performance of the Advisory Committees including –
- (a) researching and bench-marking best practice;

- (b) setting organisational goals for performance management;
 - (c) determining the manner in which performance is to be measured;
 - (d) determining the manner in which performance management is to be evaluated;
 - (e) reporting -
 - (i) on the implementation of the policy and tools;
 - (ii) annually on the performance of the Advisory Committee;
 - (f) publishing the annual performance report; and
 - (g) taking into account that public comment and publishing its response and any steps taken to remedy any performance failure.
- (2) The Minister must enter into a performance agreement with each member of an Advisory Committee.

25. Working procedures of Advisory Committees

- (1) The Advisory Committee must determine its own procedures in consultation with the Minister and the Board.
- (2) A majority of the members of the Advisory Committee constitutes the quorum for a meeting of the Committee.
- (3) Any matter before the Advisory Committee is decided by the votes of the majority of the members present at the meeting if-
 - (a) the members present constitute a quorum in terms of subregulation (2); and
 - (b) there is an equality of votes, the chairperson had a casting vote.
- (4) In the absence of the chairperson appointed in terms of section 25(6) or 24(4) of the Act, the members of the relevant Advisory Committee must appoint a temporary chairperson from amongst those present.
- (5) The meetings of Advisory Committees must be minuted.

- (6) The Fund must provide administrative and secretarial support to the Advisory Committees.
- (7) A decision of an Advisory Committee approved by the Minister must be incorporated into the Benefit or Pricing data bases of the Fund and will become effective on the date determined by the Fund in a directive published in terms of section 56(1) of the Act.

ANNEXURE 1: NOMINATION FORM

ANNEXURE 2: NOMINEE QUESTIONNAIRE FORM

ANNEXURE 3: NOMINATION REGISTER

ANNEXURE 4: DISCLOSURE OF INTERESTS FORM

ANNEXURE 5: BOARD OF DIRECTORS FULL BOARD EVALUATION