



MORCSA

Mortgage Origination Regulatory Council of South Africa

NOMINATIONS COMMITTEE

TERMS OF REFERENCE

DOCUMENT MANAGEMENT	
Policy Manager	Board
Implementer	Board / CEO
Approval Authority	Board / Membership
Implementation Date	1 February 2025
Next Review Date	1 July 2025
Amendment History	First Version 20250201

1. INTRODUCTION

The Mortgage Origination Regulatory Council of South Africa (“MORCSA”) was established with the following main objectives:

- 1.1 to ensure the long-term sustainability and credibility of the Industry;
- 1.2 to serve, support and represent the Industry within the wider financial services industry;
- 1.3 to create and maintain a register of Members and Key Individuals that are in good standing and have proved that they comply with the Membership eligibility criteria set out in the Accreditation Rules;
- 1.4 to maintain appropriate standards, qualifications and codes of conduct which Members and/or Key Individuals must comply with in order to render Mortgage Origination Services in the Industry, thereby creating legitimacy as an Industry;
- 1.5 to support appropriate regulation and standards within the Industry to the benefit of Members and Consumers;
- 1.6 to engage with any regulatory authorities and make submissions and representations on behalf of the Industry;
- 1.7 to promote the Industry’s development, growth, public standing, and the general society's confidence therein and knowledge of the Industry, by such means as may be deemed appropriate from time to time;
- 1.8 engage with credit providers and related industry regulators and practitioners on matters affecting the Industry; and
- 1.9 to protect and promote Consumer rights and the improvement of control and quality with regards to the Mortgage Origination Services rendered by the Industry to Consumers.

In amplification hereof, the Memorandum of Incorporation (“the MOI”) makes provision for the establishment of a “Nominations Committee” which will be constituted in terms of the Governance Framework, comprising of persons that are not Members or Key Individuals, directors, officers or employees of Members.

2. PURPOSE OF TERMS OF REFERENCE

The purpose of the Terms of Reference is to set out the purpose, composition and functioning of the Nominations Committee (“the Nominations Committee”).

3. PURPOSE OF THE NOMINATIONS COMMITTEE

The purpose of the Nominations Committee is to:

- 3.1 provide input, support and guidance to the Board on all matters relating to the membership of MORCSA, having due regard to the objects stated above; and
- 3.2 propose any updates or amendments to the Accreditation Rules from time to time, subject to the approval by the Board and by Special Resolution of the Voting Members; and
- 3.3 consider generally any applications for membership to MORCSA and any renewals thereof.



4. COMPOSITION

- 4.1 The Committee shall comprise of *inter alia* the following persons:
- the Chairperson;
 - such Industry Regulator representative(s), as may be nominated from time to time, should the Industry Regulator elect to do so;
 - such other independent person(s) as nominated by the Board on the basis of their expertise and experience.
- 4.2 The Nominations Committee shall comprise of no less than 2 (two) persons, but no more than 6 (six) persons, in addition to the CEO.
- 4.3 The Chairperson of the Committee will be the CEO of MORCSA as appointed from time to time.
- 4.4 Persons nominated to serve on the Nominations Committee shall, save for the Chairperson, hold office for one (1), two (2) or three (3) year terms as directed by the Board, and are eligible for reappointment.

5. MEETING PROCEDURES

5.1 Frequency

- 5.1.1 The Nominations Committee shall meet no less than once per quarter to consider membership applications received.
- 5.1.2 In addition to the scheduled meetings, special meetings may be convened at the request of the Chairperson, the Board or any member of the Nominations Committee with the approval of the Chairperson.

5.2 Attendance

- 5.2.1 Meeting format will largely be virtual, but in person meetings may be scheduled from time to time, as required.
- 5.2.2 Members of the Nominations Committee may not delegate attendance to a subordinate.
- 5.2.3 If the Chairperson will be absent from an upcoming meeting, the Chairperson will nominate an alternative Chairperson to preside over the meeting.

5.3 Administrative support

- 5.3.1 Administrative support will be provided to the Nominations Committee by the CEO and where necessary, the Board.
- 5.3.2 The Chairperson must, designate a person to assist the Nominations Committee with the administrative and secretarial work arising from or connected with the performance of the functions of the Nominations Committee.

- 5.3.3 Minutes of all meetings of the Nominations Committee must be kept by the duly appointed Secretary of the Nominations Committee.
- 5.3.4 Minutes of the meetings of the Nominations Committee must record in sufficient detail the matters considered by the Nominations Committee and decisions reached, including any concerns and views raised by its members.

6 PRINCIPLES OF CONDUCT

- 6.1 **Integrity and duty of care:** The Committee members are required to act with integrity and in the best interests of the committee's ability to fulfil its purpose. Each member owes a duty of care to the committee to –
- act *bona fide*, with a view to ensure effective and appropriate performance of the Committee's functions; and
 - avoid any conflicts between the Committee's interests and their own personal interests.
- 6.2 **Representation:** Committee members are deemed to represent their individual expert views, and not the views of any association which they might represent.
- 6.3 **Confidentiality:** Committee members may not, directly or indirectly, disclose information or documents regarding the Committee's deliberations to any person, unless the Chairperson has granted specific prior consent to such disclosure, or –
- if such disclosure is done in a reasonably controlled manner and to the extent necessary to obtain inputs that will contribute to the effective exercise of the Committee's functions;
 - if the recipients of the information are advised of the confidential nature of any such information (if applicable) and have agreed to respect such confidentiality; and

No information or documents may be disclosed or shared beyond the Committee's membership if the Committee has taken a decision to restrict such information or documents.

7 REPORTING

- 7.1 The Nominations Committee is established under the auspices of the Board, as provided for in paragraph 1.2.35 and 20.1 of the MOI.
- 7.2 The Nominations Committee will therefore report on the progress and the outcome of the work done by the Nominations Committee to the Board at each of the Board meetings and shall be duly represented by the Chairman.

8 DATE ESTABLISHED AND TERMINATION

- 8.1 The Nominations Committee shall be deemed to have been established on the date of passing of a Resolution by the Board.
- 8.2 The Nominations Committee will terminate at the behest of the Board.

9. DIRECTIONS WITH REGARDS TO MEMBERSHIP APPROVALS

- 9.1 To become a Member of MORCSA, the applicant (Practitioner Member or Key Individual) or entity (Corporate Member) must comply with the Accreditation Rules.
- 9.2 The Chairperson shall be entitled to admit any Member who meets the criteria set out in the Accreditation Rules without having to consult the Nominations Committee, provided that there is full compliance with the eligibility criteria and no discretion is required.
- 9.3 Should a person or entity apply for Membership and fail to meet any of the eligibility criteria set out in the MOI or the Accreditation Rules, such application shall be referred to the Nominations Committee for assessment, consideration and determination.
- 9.4 The Nominations Committee's decision shall in all instances be considered final and any prospective member who is aggrieved by a decision of the Committee is entitled to direct written representations to the Board and/or Ombud and/or Industry Regulator.

10. ASSESSMENT OF GOOD STANDING REQUIREMENTS

- 10.1 When assessing whether a person or entity that does not comply with the eligibility criteria set out in the Accreditation Rules can nonetheless be admitted or remain a Member, the Nominations Committee shall be entitled to exercise their discretion having regard to the objectives of MORCSA. Without limiting the generality thereof, assessing whether the specific conduct or behaviour of a prospective member or Member results in such prospective member or Member lacks honesty, integrity or good standing, the Nominations Committee may consider the following:
 - (a) the relevance and seriousness of the factors, conduct or behaviour; and/or
 - (b) whether the factors, conduct or behaviour was by commission or omission; and/or
 - (c) the surrounding circumstances; and/or
 - (d) the passage of time since the occurrence of the factors, conduct or behaviour.
- 10.2 A Corporate Member, Key Individual or Practitioner Member that is assessed as lacking honesty, integrity or good standing, including as a result of any factor listed in the Accreditation Rules, must, before the assessment is confirmed as final, be provided an opportunity to submit written representations to the Committee, providing reasons why the Corporate Member, Key Individual or Practitioner Member believes that he/she/it complies with the Accreditation Rules or why such non-compliance should be condoned.

SIGNATURE:



Chairperson

1 February 2025

Date

