

No. R. 890

8 September 2005

SKILLS DEVELOPMENT ACT, 1998 (ACT NO. 97 OF 1998)**APPROVAL OF CONSTITUTION OF CLOTHING, TEXTILE, FOOTWEAR AND
LEATHER SECTOR EDUCATION AND TRAINING AUTHORITY (SETA4)**

The Minister of Labour has on 1 April 2005 in terms of section 13 (1) of the Skills Development Act, approved the constitution of the CLOTHING, TEXTILE, FOOTWEAR AND LEATHER SECTOR EDUCATION AND TRAINING AUTHORITY as set out in the Schedule.

SCHEDULE



**Constitution of the
Clothing, Textiles, Footwear
and Leather Sector Education
and Training Authority**

28 November 2004

M.H.

CONSTITUTION OF THE CLOTHING, TEXTILES, FOOTWEAR AND LEATHER SETA 28 NOVEMBER 2004

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1. Legal Entity**Name**

- 1.1 The name of this Sector Education and Training Authority (SETA) is the Clothing, Textiles, Footwear and Leather Sector Education and Training Authority hereinafter referred to as "We SETA",

Purpose of SETA

- 1.2 The purpose of the SETA is to devise and implement strategies to develop and improve the skills of employees and work ~~seekers~~ in the Sector.

Legal status and purpose of Constitution

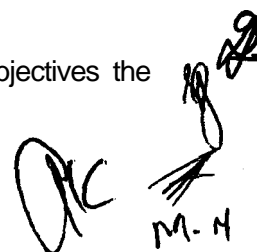
- 1.3 The Constitution of the SETA is established in accordance with sections 9 and 13 of the Skills Development Act, 1998 (Act No. 97 of 1998), as amended from time to time, hereinafter referred to as "the Act".
- 1.4 The purpose of this Constitution is to –
- 1.4.1 regulate the SETA;
 - 1.4.2 provide an institutional framework to enable the SETA to fulfil its functions.

Place of business

- 1.5 The primary place of business of the SETA is 3rd Floor, Umdoni Centre, 28 Crompton Street, Pinetown, KwaZulu Natal or any ~~other~~ such place as the Council may determine.

Personality

- 1.6 The SETA is a body corporate and as such –
- 1.6.1 has perpetual succession;
 - 1.6.2 may hold property distinct and apart from its members;
 - 1.6.3 is required to use its funds for the objects as prescribed in the Act;
 - 1.6.4 is capable in law of suing and being sued, of investing funds and of operating banking and ~~other~~ accounts, of entering into contracts and doing ~~or~~ performing such other acts or things as bodies corporate may do or perform subject to the provisions of this Constitution and the Act;
 - 1.6.5 may not carry on any business which has as its objectives the acquisition of financial gain for itself or its members;



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- 1.6.6 may not distribute any of its profits to any members or any persons, save for the purpose of pursuing its objects as required by this Constitution.

Legislative Framework

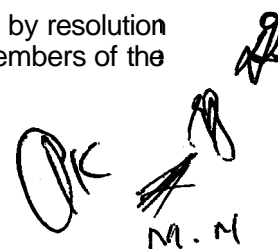
1.7 The Constitution must be read in compliance with the following legislation:

- 1.7.1 Labour Relations Act, 1995 (Act No 66 of 1995).
- 1.7.2 Basic Conditions of Employment Act, 1997 (Act No 75 of 1997).
- 1.7.3 Skills Development Act, 1998 (Act No 97 of 1998).
- 1.7.4 Skills Development Levies Act, 1999 (Act No 9 of 1999).
- 1.7.5 South African Qualifications Authority Act, 1995 (Act No 58 of 1995).
- 1.7.6 Regulations regarding the Establishment of Sector Education and Training Authorities, No 27445 of 3 March 2005.
- 1.7.7 Regulations for National Standards Bodies, No. 452 (1998).
- 1.7.8 Regulations for Education and Training Quality Assurers, No 1127 (1998).
- 1.7.9 Employment Equity Act, 1998 (Act No. 55, 1998).
- 1.7.10 The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996).
- 1.7.11 The Public Finance Management Act, 1999 (Act No 1 of 1999).
- 1.7.12 Treasury Regulations for Departments, Trading Entities, Constitutional Institutions and Public Entities, issued in terms of the Public Finance Management Act, 1999 as amended.
- 1.7.13 National Small Business Act, 1996.
- 1.7.14 Any other relevant Acts, regulations, or amendments as gazetted from time to time.

Process of amending the Constitution

1.8 The process of amending the Constitution is as follows -

- 1.8.1 the provisions of this Constitution may be amended by resolution adopted by at least seventy percent (70%) of the members of the Council;



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- 1.8.2 at least 30 days' written notice of any meeting at which an amendment of the Constitution is to be considered, must be given to Council members and the notice must include full details of the proposed amendments;
- 1.8.3 alternative proposed amendments may be circulated prior to the meeting or, if this is not possible, may be tabled at the meeting scheduled to discuss the proposed amendments; and
- 1.8.4 no amendments to this Constitution will have force or effect until approved by the Minister.

2. Definitions

- 2.1 In this Constitution, unless the context indicates otherwise –

“Act”

means the Skills Development Act, 1998 (Act no. 97 of 1998) as amended from time to time;

“Constitution”

includes the schedules to the Constitution;

“Council”

means the governing body of the SETA;

“Executive Officer”

means the Executive Officer of the SETA appointed in terms of this Constitution;

“Levies”

means levies payable in terms of the Skills Development Levies Act, 1999 (Act No. 9 of 1999), as amended from time to time;

“Member”

means, depending on the context, a voting or a non-voting member of any SETA structure, including the Council, but does not include –

- a non-voting representative who participates in the SETA in terms of clause 3.3;
- a person co-opted to serve on any SETA structure in terms of clause 5.4;
- an employee who sits in an *ex officio* capacity on any SETA structure;

“NQF”

means the National Qualifications Framework as provided for in the South African Qualifications Authority Act, 1995 (Act No. 58 of 1995) as amended from time to time;

“Qualifying organisation”

means a registered trade union or registered employer organisation that has been admitted as a qualifying organisation by the Council as envisaged in clause 3.7, and that may participate in appointing or electing members to the Council as envisaged in clauses 6.8 and 6.9;

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"Sector"

means the Clothing, Textiles, Footwear and Leather Sector as determined by the Minister in terms of section 9(2) of the Act and described in Schedule 1 annexed hereto;

"Specialist advisory Committee"

means a permanent or *ad hoc* committee established in terms of clause 8;

"SMME "

means an enterprise that satisfies the criteria for a small business, as set out in the National Small Business Act, 102 of 1996;

"Sub-sectors"

means the differentiated sectors of -

- clothing;
- textiles;
- footwear and leather

as identified and described in Schedule 1 annexed hereto;

"Training provider"

means a body accredited by an Education, Training and Quality Assurer (ETQA) to provide training in areas within its primary focus.

- 2.2** A word or expression which is not defined in this clause, but which is defined in the Act will, unless the context indicates otherwise, bear the meaning assigned to it in the Act.

3. Scope of Coverage**Minister's Determination**

- 3.1** The scope of coverage of the SETA is the Clothing, Textiles, Footwear and Leather Sector determined by the Minister in terms of section 9(2) of the Act. A detailed description of the scope is set out in Schedule 1 annexed to this Constitution.

Area of Jurisdiction

- 3.2** In terms of the Minister's determination, the SETA has jurisdiction over the Sector, as defined, within the borders of the Republic of South Africa.

Non-voting participation

- 3.3** The Council may, subject to any conditions, allow non-voting participation in the activities of the SETA by representatives of bodies -

- 3.3.1** that have a common interest or association with the SETA but that are not entitled to be members in terms of section 11 of the Act;

- 3.3.2** that fall within the Sector as defined, but that operate in other Southern African states.

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3.4 A representative who participates in the activities of the SETA in terms of clause 3.3, is not a member of the SETA and –

3.4.1 may not vote;

3.4.2 must comply with any conditions imposed on him or her; and

3.4.3 must comply with the code of conduct annexed to this Constitution as Schedule 3.

Sub-sector

3.5 The following sub-sectors are established in the Sector:

3.5.1 the sub-sector representing the interests of clothing manufacturing;

3.5.2 the sub-sector representing the interests of textiles manufacturing; and

3.5.3 the sub-sector representing the interests of footwear and leather manufacturing.

Organisations in the Sector

3.6 The trade unions and organisations of employers in the Sector are set out in Schedule 2 annexed hereto.

3.7 The Council must admit as a qualifying organisation a registered trade union or registered organisation of employers if the Council is satisfied that the admission of the trade union or organisation of employers will make the SETA more representative, and if the trade union or organisation of employers is –

3.7.1 listed in Schedule 2;

3.7.2 substantially representative;

3.7.3 a party to a bargaining council in the Sector.

4. Functions of the SETA

The functions of the SETA are to –

4.1 assist to promote job creation, economic growth and decent work in the Sector;

4.2 co-ordinate the development of an overall training and education strategy for the Sector;

4.3 develop an integrated sector skills plan, incorporating sub-sector skills training requirements and objectives, within the framework of the national skills strategy;

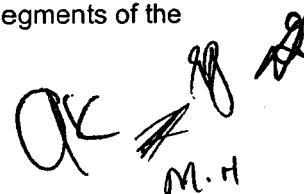
4.4 implement the sector skills plan by –

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- 4.4.1 approving workplace skills plans;
- 4.4.2 establishing learnerships;
- 4.4.3 disbursing grants in terms of the Act, and its regulations;
- 4.4.4 monitoring education and training in the Sector.
- 4.5 promote learnerships in each of the sub-sectors of the SETA;
- 4.6 perform the functions of an Education and Training Quality Assurance Body;
- 4.7 liaise with the National Skills Authority on –
 - 4.7.1 national skills development policy;
 - 4.7.2 the national skills development strategy; and
 - 4.7.3 its sector skills plan;
- 4.8 conclude a service level agreement with the Director-General of Labour in terms of section 10A of the Act;
- 4.9 promote the national standard established in terms of section 30B of the Act;
- 4.10 submit to the Director-General of Labour –
 - 4.10.1 any budgets, reports and financial statements on its income and expenditure that it is required to prepare in terms of the Public Finance Management Act, 1999; and
 - 4.10.2 plans and reports on the implementation of its Sector Skills Plan and service level agreement;
- 4.11 liaise with the employment services of the Department of Labour and any education body established under any law regulating education in the Republic, to improve information –
 - 4.11.1 about employment opportunities; and
 - 4.11.2 between education and training providers and the labour market;
- 4.12 facilitate the involvement of relevant government departments in the activities of the SETA to –
 - 4.12.1 address the competency requirements for social delivery;
 - 4.12.2 address the learning needs of the most vulnerable segments of the Sector;



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4.12.3 promote training in SMMEs to enable them to qualify for public contracts; and

4.13 perform any duties imposed by the Act and to actively pursue concrete measures to achieve the objectives of the Act.

5. Structure of the SETA

SETA Structure

5.1 The SETA consists of -

5.1.1 a Council that is the governing body of the SETA and the accounting authority;

5.1.2 an Executive Committee that must perform the functions of Council on a day-to-day basis;

5.1.3 specialist advisory committees responsible for assisting and advising the Council on the implementation of SETA strategy in defined functional areas;

5.1.4 other committees of Council appointed by the Council as and when required.

5.2 The Audit Committee established by the Council in terms of clause 9, does not form part of the structure of the SETA.

5.3 All structures of the SETA must have equal membership from registered employer organisations and registered trade unions, who will be the only members on the structure with voting rights.

5.4 Any structure of the SETA may co-opt any person to serve on that structure. A person co-opted to serve on any structure of the SETA -

5.4.1 may not vote;

5.4.2 must comply with any conditions imposed on him or her; and

5.4.3 must comply with the code of conduct annexed to this Constitution as Schedule 3.

Replacement

5.5 Any constituency represented by a voting or non-voting member on any SETA structure, may, on giving fourteen (14) days notice in writing to the Council, withdraw that member from any structure of the SETA, and appoint another member in the principal member's stead.

5.6 Should a vacancy arise on any SETA structure through a member's withdrawal, resignation, removal from office by the Council, death or disqualification, the

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vacancy must be filled by the organisation that appointed or nominated the member within three (3) weeks after such vacancy has arisen. Any member appointed to fill a vacancy will hold office for the unexpired portion of the period of office of his or her predecessor and be subject to the same conditions as his or her predecessor.

Removal from office or membership of the SETA

5.7 A member of any structure of the **SETA** may be removed from office by the Council -

- 5.7.1 on the written request of the member;
- 5.7.2 on the **written** request of the organisation that appointed or nominated the member;
- 5.7.3 for serious misconduct;
- 5.7.4 for permanent incapacity;
- 5.7.5 for absence from three (3) **consecutive** meetings without good reason or prior permission of the Council or the relevant committee; or
- 5.7.6 for engaging in any activity that may undermine the integrity of the **SETA**.

Code of conduct

5.8 Members, non-voting participants, employees and people co-opted onto a **SETA** structure must -

- 5.8.1 perform their functions in good faith, giving full effect to the obligations and spirit of the Act and the SETA's code of conduct as reflected in Schedule 3 annexed hereto;
- 5.8.2 declare any possible conflicts of interest held by them or by members of their immediate families.

General procedures for **all** SETA structures

5.9 Unless the context indicates otherwise, the following procedures apply to meetings of all **SETA** structures -

- 5.9.1 subject to clause 5.9.2, a quorum for all meetings must not be less than two-thirds (66.7%) of the voting members or their alternates;
- 5.9.2 in respect of Council meetings only, and for the purposes of calculating whether a Council meeting is quorate, members who have given a written proxy to another member to vote on their behalf are deemed to be present at the meeting;
- 5.9.3 the Council must determine rules for proxy voting;

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- 5.9.4** subject to clauses 5.9.5 and 5.9.6, a decision of any structure is a decision by seventy percent (70%) of the members present at the meeting and entitled to vote;
- 5.9.5** if any voting member is absent from any meeting, one member representing the other constituency (i.e. labour or employer) **will** not be allowed to vote at the meeting in order to ensure equal voting power. The members of the constituency whose vote is to be reduced, must determine which of their members will be excluded from voting;
- 5.9.6** for the purposes of clause 5.9.5, a member will not be absent from a meeting if –
- 5.9.6.1** an alternate is present in that member's stead;
- 5.9.6.2** in respect of Council meetings only, the principal member has voted by way of letter, facsimile, electronic mail or by way of a proxy vote;
- 5.9.7** Council members may vote by way of a letter, facsimile or electronic mail on any issue, provided that –
- 5.9.7.1** the written vote is received by the Executive Officer no less than five (5) working days before the meeting;
- 5.9.7.2** a quorum in terms of clauses 5.9.1 and 5.9.2 is present at the meeting; and
- 5.9.7.3** any alternate appointed in the stead of the member voting by way of, letter, facsimile or electronic mail does not vote on the issue;
- 5.9.8** *ex officio* members are not entitled to vote on any structure;
- 5.9.9** minutes of all meetings must be produced and circulated to members of that meeting by the Executive Officer within ten (10) working days following the meeting. The minutes must be confirmed as being a true record of the proceedings by the next meeting of that structure and must thereafter be signed by the chairperson of the meeting;
- 5.9.10** there must be an attendance register at every meeting, which every member present in the meeting must sign;
- 5.9.11** members are deemed to be present at a meeting if they link into the meeting by way of a teleconference or videoconference.

6. The Council**Functions of Council**

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- 6.1 The Council is accountable to the Minister and is the highest decision-making structure of the SETA.
- 6.2 The Council must –
- 6.2.1 manage and control the affairs of the SETA;
 - 6.2.2 provide strategic direction to the SETA;
 - 6.2.3 formulate general policy for the SETA, including an employment policy;
 - 6.2.4 approve the Sector Skills Plan, annual budget and business plan of the SETA.

Powers of the Council

- 6.3 Subject to the provisions of the Act, the Council has such powers as may be necessary to enable it to carry out its functions including the power to –
- 6.3.1 allow non-voting participation in the SETA in terms of clause 3.3;
 - 6.3.2 admit qualifying organisations as envisaged in clause 3.7;
 - 6.3.3 invite representatives to the Council in terms of clause 6.4.3;
 - 6.3.4 establish committees, including specialist advisory committees, as and when required;
 - 6.3.5 appoint an Executive Officer, and if necessary terminate the services of the Executive Officer in accordance with the employment policy of the SETA;
 - 6.3.6 determine the terms and conditions of employment, code of conduct and areas of responsibility of the Executive Officer;
 - 6.3.7 determine the scale of remuneration and other related matters for members of any SETA structure, including the Council;
 - 6.3.8 make rules and formulate procedures relating to –
 - 6.3.8.1 meetings;
 - 6.3.8.2 financial matters; and
 - 6.3.8.3 general procurement, tendering procedures and other administrative matters which are in accordance with the provisions of this Constitution, the Act or any other law;
 - 6.3.9 delegate any of its powers or duties in terms of clause 10, and subject to section 13(3)(b)(i) of the Act;

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6.3.10 appoint and set the scale of remuneration, of a properly qualified auditor; and

6.3.11 report on skills development in the Sector.

Composition of the Council

6.4 The Council is made up as follows –

6.4.1 Voting Members **(24)**

6.4.1.1 A maximum of four **(4)** members representing organised employers from each of the sub-sectors as defined, namely:

- clothing;
- textiles; and
- footwear and leather; and

6.4.1.2 A maximum of four **(4)** members representing organised labour from each of the sub-sectors as defined, namely:

- clothing;
- textiles; and
- footwear and leather.

6.4.2 Non-voting members appointed by the Minister **(4)**.

If the Minister considers it appropriate for the Sector, the Minister may, after due consultation with the Council, appoint –

6.4.2.1 up to two **(2)** representatives of interested professional bodies, and

6.4.2.2 up to two **(2)** representatives to represent bargaining councils within the jurisdiction in the **Sector**.

6.4.3 By Council invitation (non-voting members)

The Council may, subject to any conditions determined by the Council, invite –

6.4.3.1 any government department that has an active interest in the SETA to nominate a representative to sit on the Council;

6.4.3.2 any trade union or employer organisation listed in Schedule 2 that has an active interest in the SETA but that is not a qualifying organisation, to nominate a representative to sit on the Council.

6.5 An alternate may be appointed by each constituency with a voting or non-voting member. The alternate will act in the absence of the principal member.

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6.6 The following employees sit on the Council in an *ex officio* capacity –

6.6.1 the Executive Officer;

6.6.2 any other SETA staff as decided by Council from time to time

Appointments to the Council

6.7 Qualifying employer organisations must appoint or elect by majority vote, the members referred to in clause **6.4.1.1**.

6.8 Qualifying trade unions must appoint or elect by majority vote, the members referred to in clause **6.4.1.2**.

6.9 The Council must approve a plan for ensuring that each constituency contemplated in section 11 of the Act that has members on the SETA, is represented by members who are sufficiently representative of black people, women and people with disabilities,

Term of office

6.10 Subject to clauses **5.5** and **5.6**, members of the Council hold office for a period of two **(2)** years and may be reappointed thereafter.

Office Bearers

6.11 The Council must elect by a simple majority vote from amongst its members –

6.11.1 a chairperson who will hold office for a period of two **(2)** years; and

6.11.2 a vice-chairperson who will similarly hold office for a period of two (2) years, provided that the chairperson and vice-chairperson may not be from the same constituent party as defined in sections **6.4.1.1** and **6.4.1.2** above.

6.12 The chair must rotate every two **(2)** years between the constituent parties as defined in section **6.4.1.1** and **6.4.1.2**.

6.13 The chairperson must preside and enforce order at meetings, sign minutes of meetings after confirmation of the minutes by the meeting, and perform such other duties assigned to him or her by the Council.

6.14 In the absence of the chairperson, the vice-chairperson will perform the chairperson's functions and, in the event of both being absent, the Council may appoint a temporary chairperson from amongst their members.

Meetings of the Council

6.15 The Council must meet at least twice a year.

6.16 The chairperson must arrange additional meetings –

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6.16.1 at the written request of at least fifty percent (50%) plus one **(1)** of the members of the Council; or

6.16.2 of his or her own volition and in consultation with the Executive Committee.

6.17 Notice of at least twenty one **(21)** days must be given of any additional meeting called in terms of clause **6.16**.

6.18 The first meeting of each financial year will serve as an Annual General Meeting at which audited accounts and an annual report of the activities of the SETA must be tabled.

6.19 The Council may at its discretion require meetings to be held in private.

6.20 If within sixty **(60)** minutes of a time fixed for any Council meeting a quorum is not present, the meeting will be adjourned to the same day in the following week, at the same time and place, and at such adjourned meeting those present will constitute a quorum notwithstanding the fact that there may be less than **2/3rds** of the voting members present.

Notice of Meetings

6.21 The Executive Officer, on the instruction of the chairperson, must give at least eight (8) days' written notice to members of meetings of the Council.

6.22 Notwithstanding sub-clause **6.21**, a meeting may be called on shorter notice if the chairperson decides that there are good grounds for doing so.

6.23 The following documents must be attached to a notice of a meeting –

6.23.1 the agenda of the meeting; and

6.23.2 proposed amendments to the Constitution, if applicable.

Disputes


6.24 In the event of a deadlock arising in regard to a proposed resolution of the Council, the matter may be dealt with in accordance with clause **12** of the Constitution.

7 Committees of the Council

Executive Committee

7.1 An Executive Committee must be appointed by the Council and must be constituted as follows -

7.1.1 a maximum of six **(6)** Council members, nominated by employer organisations, provided that each sub-sector is represented by two (2) employer members, and one of whom must be the chairperson or vice-

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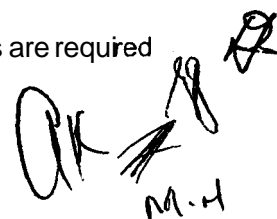
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chairperson of the Council;

- 7.1.2 a maximum of six (6) Council members, nominated by labour, provided that each sub-sector is represented by two (2) labour members, and one of whom must be the chairperson or vice-chairperson of the Council;
- 7.1.3 the Executive Officer of the SETA, in an *ex officio* capacity; and
- 7.1.4 any other SETA staff as decided by Council from time to time
- 7.2 Alternates must be appointed by Council to act on behalf of Executive Committee members appointed in terms of 7.1.1 and 7.1.2, should these members be unable to attend a meeting.
- 7.3 An Executive Committee member who ceases to be a member of Council, will at the same time cease to be a member of the Executive Committee.
- 7.4 The Executive Committee, subject to the direction of the Council, provisions of this Constitution and any applicable legislation, has the following powers and duties -
 - 7.4.1 to deal with the day-to-day business of the SETA;
 - 7.4.2 to make recommendations to the Council;
 - 7.4.3 to effect financial decisions and transactions in furtherance of the objectives of the SETA;
 - 7.4.4 to implement the general policy and directives laid down by the Council;
 - 7.4.5 to oversee the work of the specialist advisory committees and any other committees established by Council;
 - 7.4.6 to monitor progress on achieving targets set by the SETA;
 - 7.4.7 to appoint appropriate people to the staff establishment of the SETA, and if necessary terminate their services in accordance with the employment policy of the SETA;
 - 7.4.8 to determine the terms, conditions of employment, code of conduct and areas of responsibility of employees of the SETA.
- 7.5 The Executive Committee must meet as often as is necessary for the proper conduct of the SETA's affairs but not less than four (4) times per year and shall regulate its meetings as it deems fit.
- 7.6 Subject to clauses 5.5 and 5.6, members of the Executive Committee hold office for a period of 2 (two) years and may be reappointed thereafter.

Other committees of Council

- 7.7 The Council may from time to time establish such other committees as are required to enable the SETA to fulfil its functions.



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7.8 The Council –

- 7.8.1** must determine the powers, functions and membership of a committee established in terms of clause **7.7**;
- 7.8.2** may at any time alter the powers, functions or membership of a committee established in terms of clause **7.7**;
- 7.8.3** must regularly review the activities of any committee established in terms of clause **7.7**.
- 7.8.4** has the powers to dissolve any committees.

8 Specialist advisory committees**Establishment of specialist advisory committees**

- 8.1** The Council may establish specialist advisory committees as either permanent or ad hoc committees.
- 8.2** A permanent specialist advisory committee must meet at least three times per year.
- 8.3** An ad hoc specialist advisory committee must meet as often as is required.

Appointment to specialist advisory committees

- 8.4** The total number of voting members on a specialist advisory committee may not exceed six **(6)**.
- 8.5** In appointing members to a specialist advisory council, the Council must ensure –
 - 8.5.1** that the specialist advisory committee has members with the necessary expertise to carry out the functions of that committee;
 - 8.5.2** that as far as possible, members of a specialist advisory committee are drawn from the same region, determined by the Council.

General functions of specialist advisory committees

- 8.6** Specialist advisory committees must –
 - 8.6.1** provide expert advice to Council on their particular functional area;
 - 8.6.2** make recommendations to Council with regard to their particular functional area;
 - 8.6.3** carry out any other task or duty delegated to them by Council in terms of clause **10**.

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- 8.7 Appointed members of permanent specialist advisory committees will hold office for a period of two (2) years.
- 8.8 The term of office of members of ad hoc specialist advisory committees must be determined by the Council.
- 8.9 Members of permanent and ad hoc specialist advisory committees may be reappointed for further terms of office.

9 The Audit Committee

- 9.1 The Audit Committee is an independent committee established in terms of the Public Finance Management Act, 1999.
- 9.2 The Audit Committee operates in terms of written terms of reference approved by the Council. The terms of reference must be reviewed annually to ensure their relevance. The terms of reference must deal with at least –
- 9.2.1 the membership of the Audit Committee, subject to clause 9.3;
 - 9.2.2 the authority of the Audit Committee;
 - 9.2.3 the responsibilities of the Audit Committee.
- 9.3 The Audit Committee must be made up of at least three members, appointed annually by the Council, in consultation with the Minister.
- 9.4 The chairperson of the Audit Committee –
- 9.4.1 must be independent;
 - 9.4.2 must be knowledgeable of the status of the position;
 - 9.4.3 must have the requisite financial, and leadership skills;
 - 9.4.4 may not be a political office bearer
- 9.5 Other members of the Audit Committee must –
- 9.5.1 have appropriate experience;
 - 9.5.2 be appointed on one year contracts, renewable by agreement.
- 9.6 The Audit Committee must meet at least twice a year.
- 9.7 The following people should be invited to attend all meetings of the Audit Committee–
- 9.7.1 the Executive Officer;
 - 9.7.2 the Chief Financial Officer of the SETA;
 - 9.7.3 the internal auditor of the SETA;

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CONSTITUTION OF THE CLOTHING, TEXTILES, FOOTWEAR AND LEATHER SETA 28 NOVEMBER 2004

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9.7.4 a representative from the office of the Auditor-General.

9.8 The services of a member of the Audit Committee may only be terminated prematurely, with the consent of the Minister.

9.9 The Audit Committee must report and make recommendations to the Council and must annually provide written comment for inclusion in the annual report of the SETA on –

9.9.1 the effectiveness of internal controls:

9.9.2 the quality of management reports submitted in terms of the Public Finance Management Act, 1999.

10 Delegation of powers and functions

10.1 The Council may delegate any of its powers and duties to the Executive committee, a specialist advisory committee, any other committee, the office bearers or employees of the SETA.

10.2 A delegation by Council may include the power to sub-delegate.

10.3 A delegation or sub-delegation in terms of this clause –

10.3.1 may be made subject to any conditions;

10.3.2 does not divest the Council or any other committee of any power or duty by virtue of the delegation or sub-delegation; and

10.3.3 does not prevent the Council or any other relevant committee from varying or setting aside any decision made under any delegation or sub-delegation.

11 Financing the SETA

11.1 All employers covered by the scope of the SETA or admitted as a levy payer to the SETA, must pay a skills levy to the SETA in accordance with the provisions of the Skills Development Levies Act, 1999. The skills levies will be collected via the offices of the South African Revenue Services (SARS).

11.2 The SETA will be financed from –

11.2.1 eighty percent (80%) of the skills development levies, interest and penalties collected in respect of the SETA, as allocated in terms of sections 8(3)(b) and 9(b) of the Skills Development Levies Act;

11.2.2 monies disbursed from the National Skills Fund;

11.2.3 any grants, donations or bequests made to the SETA;

11.2.4 monies received from any other source;

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11.2.5 income earned from invested surplus funds; and

11.2.6 income earned from services rendered.

11.3 Monies received by the SETA must be managed as contemplated in accordance with the provisions of sections **14(2), 14(3), 14(3A), 14(3B), 14(4)** and **14(5)** of the Act.

11.4 The financial control procedures and financial administration must be undertaken in terms of the standards of generally accepted accounting practice. Account will be taken of relevant legislation that may be enacted, for example, the Public Finance Management Act as referred to in sub clause **1.6.11**.

11.5 The income of the SETA must be distributed proportionally, in terms of a formula developed by the Council, between the sub-sectors referred to in clause **3.5**.

11.6 Funds received by the SETA from an Industrial Training Board may only be used to fund the particular sub-sector that fell under the jurisdiction of that Training Board.

12 Dispute Resolution

Types of disputes

12.1 The provisions of this clause apply to any dispute –

12.1.1 concerning the interpretation and application of this Constitution;

12.1.2 between one or more members of the Council arising out of an unresolved deadlock at Council as contemplated in clause **6.29**.

Declaration of dispute

12.2 A member of Council that wishes to invoke the dispute resolution procedures set out in this clause must –

12.2.1 deliver a written dispute to the Executive Officer;

12.2.2 set out in the written dispute sufficient detail to enable any other member of Council to respond to the dispute;

12.2.3 deliver a copy of the written dispute to all member of Council affected by the dispute.

Written responses

12.3 Any ~~member of Council with an interest in the dispute may, within~~ ten (10) days of receiving the written declaration of dispute, deliver a written response to –

12.3.1 the Executive Officer;

12.3.2 the member that declared the dispute;

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CONSTITUTION OF THE CLOTHING, TEXTILES, FOOTWEAR AND LEATHER SETA 28 NOVEMBER 2004 19

12.3.3 any other member that has indicated it wishes to be a party to the dispute.

Conciliation

12.4 The Executive Officer must as soon as is reasonably practicable, refer the dispute to the Executive Committee which must endeavour to resolve the dispute by conciliation within twenty (20) days of receiving any written responses or within 30 days of the referral if no written responses are received.

Arbitration

12.5 If the Executive Committee fails to resolve the dispute or thirty (30) days since the referral of the dispute have lapsed, whichever occurs earlier, the members that are in dispute may appoint by joint agreement an arbitrator from a panel determined by Council.

12.6 If the members in dispute fail to agree on an arbitrator, the Executive Officer must appoint an arbitrator from a panel referred to in clause 12.5.

12.7 The arbitrator must determine the matter by arbitration within fifteen (15) days of being appointed.

12.8 The arbitrator must conduct the arbitration in accordance with guidelines agreed by the Council.

12.9 Within fourteen (14) days of the conclusion of the arbitration proceedings, the arbitrator must issue a signed arbitration award with reasons and as soon as possible thereafter, the Executive Officer must provide a copy of the award to every member who was a party to the dispute.

12.10 The decision of the arbitrator will be final and binding on the members in dispute and on their respective organisations.

12.11 The costs of the arbitration must be borne by the SETA unless the arbitrator determines otherwise in terms of clause 12.12.

12.12 The arbitrator may award appropriate costs against any member who is in dispute, or against the organisation or organisations that that member represents, if –

12.12.1 that member, without reasonable cause, refuses or fails to attend the arbitration or unduly delays the arbitration proceedings; or

12.12.2 the arbitrator is of the view that a member pursuing or resisting the dispute did so vexatiously or frivolously or had no reasonable prospects of succeeding.

12.13 An arbitrator may, on his or her own initiative or as a result of an application by an affected member vary or rescind an award or a ruling –

12.13.1 erroneously sought or made in the absence of any member affected by the award;

12.13.2 in which there is ambiguity, or any obvious error or omission, but only to

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CONSTITUTION OF THE CLOTHING, TEXTILES, FOOTWEAR AND LEATHER SETA 28 NOVEMBER 2004 20

the extent of the ambiguity, error or omission; or

12.13.3 granted as result of a mistake common to the members in dispute.

13 Indemnity

13.1 The SETA indemnifies office bearers, members, non-voting participants, employees and persons co-opted onto any structure of the SETA against any claims that may be made against them for anything done or omitted to be done by them during the course and scope of their employment or the performance of their duties.

13.2 Sub-clause 13.1 will not apply if a claim arises due to dishonesty, fraud, breach of trust, willful default or willful breach of duty on the part of the office bearer, member, non-voting participant, employee or co-opted person.

14 Assets, Liabilities and Obligations of Abolished Industry Training Boards

The Council assumes responsibility for the assets, liabilities and obligations of the abolished Industry Training Boards where legally applicable in terms of Schedule 2 of the Act.

15 Written instructions to the SETA

15.1 If the Minister issues a written instruction to the SETA in terms of section 14A of the Act the Council must –

15.1.1 comply with the instruction; or

15.1.2 request the Minister to extend the period for complying or revise the terms of the instruction.

15.2 If the Minister directs the SETA, in terms of section 14A(5) of the Act, to institute disciplinary proceedings against any employee, the Executive Committee must take the necessary steps to institute disciplinary proceedings against the employee.

16 Taking Over Administration of the SETA.

16.1 The Minister may after consultation with the National Skills Authority and the SETA, by Notice in the gazette, direct the Director-General of Labour to appoint an administrator to take over the administration of the SETA or to perform the functions of the SETA as contemplated in section 15 of the Act.

16.2 If the Minister has issued a written instruction to the SETA in terms of section 14A of the Act, and the SETA has failed to comply with that instruction, the Minister may act in terms of clause 16.1 without further notice to the SETA.

16.3 If there is financial mismanagement of the SETA, the Minister may act in terms of clause 16.1 without consulting the National Skills Authority or the SETA.


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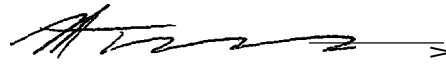
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Signed for and on behalf of the SETA:

1. **For Organised Employers:**


Signed on behalf of the Clothing Employers Associations as listed in Schedule 2:
Mr G.J. van Zyl
c/o Cape Clothing Association
6th Floor Cape Chamber House
19 Louis Gradner Street
Foreshore, Cape Town
Tel: (021) 4181913

at Durban on this 13th day of July 2005.


Signed on behalf of the Textile Employers Associations as listed in Schedule 2:
Mr F.P. Barnard
c/o Aranda Textile Mills (Pty) Ltd
1 Wol Street, Homelake Extension
Randfontein, 1760
Tel: (011) 6933721

at Durban on this 13th day of July 2005.

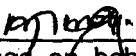

Signed on behalf of the Footwear and Leather Employers Associations as listed in
Schedule 2:
Mr D.J.F. Linde
c/o Southern African Footwear and Leather Industries Association
Suite 202, 2nd Floor Charter House
Cnr Crompton & Union Avenue, 3610
Pinetown
Tel: (031) 7014111

at Durban on this 14th day of July 2005.

CONSTITUTION OF THE CLOTHING, TEXTILES, FOOTWEAR AND LEATHER SETA 28 NOVEMBER
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at Durban on this 13th day of July 2005.


Signed on behalf of the National Union of Leather and Allied Workers (NULAW)
representing employees in the Footwear and Leather sub-sector by:
Mr M.M. Ngwenya
c/o National Union of Leather and Allied Workers
6th Floor, Mercury House
Tel: (031) 3076420

at Durban on this 13th day of July 2005.



CONSTITUTION OF THE CLOTHING, TEXTILES, FOOTWEAR AND LEATHER SETA 28 NOVEMBER 2004

I

SCHEDULE 1

DEFINITIONS OF THE CLOTHING, TEXTILES, FOOTWEAR AND LEATHER SUB SECTORS

Clothing Sub Sector

“Clothing Sub Sector” without in any way limiting the ordinary meaning of the expression, means the sub-sector in which employers and employees are associated for the making in whole or in part of all classes of ladies, men’s and children’s outer and undergarments, including uniforms, protective garments, nightwear, knitwear, headwear, helmets, caps, stitched utility hats, blocked or trimmed and/or modelled hats including the alteration or repair thereof, (except alterations done incidentally to the sale by retail of a hat in a shop), ties, scarves, hosiery, socks, mittens, gloves, suspenders, brasiers, collars, foundation garments, shirts, belts, braces, bags, umbrellas, handkerchiefs, linen and including the making of zips, buttons, hangers and badges for garments or the manufacture in whole or in part of all classes of garments to the order of any Government Department, Provincial Administration, the South African Transport Services and/or Local Authorities and all other classes of garments whether made from knitted, woven or non-woven fabric or any other material and includes any process in or branches of manufacture and all operations incidental thereto or consequent thereon, comprising inter alia, the designing and making of patterns, marking-in, cutting or chopping-out, machining, cleaning, finishing, embroidery and pressing whether or not some or all of such operations are performed in establishments which make such garments and includes bespoke tailoring or bespoke dressmaking and the manufacture of wearing apparel made from furs and pelts and the making of tailored outer garments for the execution of special measure orders from dealers whose customers’ measurements are taken by or on the responsibility of such dealers as well as knitted garments for day or nightwear (including fully fashioned garments and/or any part thereof) by means of a knitting process on circular, flat or fully-fashioned machinery, which shall include the marking-in or cutting of such garments and/or all succeeding processes of operations performed in connection therewith including the making up of garments from knitted fabric in the establishment in which the said fabric was knitted.

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CONSTITUTION OF THE CLOTHING, TEXTILES, FOOTWEAR AND LEATHER SETA 28 NOVEMBER 2004


II

Textiles **Sub** Sector

"Textiles **Sub** Sector" means the manufacture in whole or in part of all classes of textile products including blankets, blanketing, bedding, travelling rugs, shawls, sheeting, whether plain, raised, dyed or printed or treated; duck-webbing, interlinings, bias binding and tapes whether elasticated or not, flocks, foam, wadding or padding including shoulder padding, dusters, feather dusters, towels and towelling; all classes of fabric trimmings including bows, rosettes, tassels, frills and similar finishings; lace, crocheted fabrics and embroidery; all Manchester goods and curtaining; all classes of fabrics whether knitted, woven or made by any other process whatsoever; all types of worsted products; all classes of non-woven products including but not limited to flock, felt, underfelt, wadding and stitch-bonded, spun-bonded, chemically-bonded and thermo-bonded textile fibres; yarns or thread spun from natural or synthetic fibre or any combination or blend thereof; automotive textile goods including seat covers, safety belts and upholstering; all classes of matting, mats, cord, ropes, twine, nets and netting including braided and plaited packings made of fibres and lubricants but excluding ropes, cables and mats manufactured from wire; all classes of bag manufacture; all braided and plaited products including shoe laces; all classes of carpets, rugs, carpet tiles and carpeting; all types of industrial/technical textiles including, but not limited to, woven and/or yarns such as: tyre-cord, belting, hose, tank fabrics, conveyor belts, textiles used to reinforce plastics, mining and civil engineering textiles like separation, drainage and reinforcement materials, mine props, backfill fabrics, ventilation curtains, blast barricades, textiles used in agriculture/horticulture, like those for weed control, hail and frost protection, early crop ripening, bags for fertilisers/produce, textiles for tents, tarpaulins, awnings, furnishings, footwear, automotive trim, luggage, sail cloth, airbags, spinnakers, parachutes, hot air balloons, print screens, paper felts, arrestor fabrics, medical textiles like blood filters, membranes, bandages, cotton wool, lints, gauze, swabs, surgical dressing, and sanitary towels, fabrics used to filter gas or liquids, fabrics used for protective garments such as breathable fabrics, flame proof fabrics, acid proof fabrics, bullet proof fabrics, brake and clutch linings, gland packings, and seals; and including workers engaged either wholly or partly in cotton ginning, fibre working, carding, spinning, winding, twisting, drawing-in, warping, weaving, knitting, plaiting, braiding, dyeing, bleaching, printing or finishing, raising, cleaning of any textile products or in rag picking, cutting, combing, blending, mixing or weighing of waste yarns and fabrics.

"Wool/Mohair Processing Generic Sector" means the washing, cleaning, scouring, blending and/or processing in any way whatsoever of raw wool, and/or mohair and/or any other animal fibre; and includes the making of tops.

"Knitting Generic Sector" means the generic sector in which employers and their employees are associated for the purpose of manufacturing hosiery, knitted fabric, other knitted clothing and miscellaneous knitted products on circular, flat or fully fashioned machinery and includes the making up of garments from knitted fabrics in the establishment in which the said fabric was knitted; and further includes all operations incidental to or consequent upon such operations and manufacture, including sale delivery, distribution, storage and administration.


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CONSTITUTION OF THE CLOTHING, TEXTILES, FOOTWEAR AND LEATHER SETA 28 NOVEMBER 2004 III

"Canvas and Ropeworking Generic Sector" means the generic sector in which employers and employees are associated for:

- (a) the making up of goods or articles mainly from any of the following:
 - (i) canvas made from cotton, flax, jute, hemp, or any similar decorticated vegetable or manufactured fibres or mixtures thereof;
 - (ii) rope made from manila, sisal, cotton, hemp, coir or any similar decorticated vegetable or manufactured fibres or mixtures thereof; and includes the manufacture of articles from hessian, bunting, calico, webbing or any similar material; whether unproofed, proofed or otherwise treated, provided that the activities are prescribed in sub-paragraphs (i) and (ii) above, and shall include the manufacture of articles from a plastic fabric where such articles form part and are manufactured by employers who are engaged in the manufacture of the articles described in sub-paragraphs (i) and (ii) above;
- (b) the repair, renovation and alteration of goods and articles made from materials referred to in paragraph (a);
- (c) the making of wooden and/or metal frames, components and/or accessories of goods or articles made from materials referred to in paragraph (a);
- (d) the installation, erection or fixing in buildings of any produce of the generic sector.

"Laundry, Dry-cleaning & Dyeing Generic Sector" shall mean the generic sector carried on in establishments in which employers and employees are associated for the purpose of laundering, washing, cleaning, bleaching or dyeing of all types of woven, non-woven, spun, knitted or crocheted fabrics; or articles made from such fabrics; (including upholstery or upholstered articles), to the order of customers, and shall include depots and/or vehicles where such articles are received in order to be laundered, cleaned, bleached or dyed, and includes any other operations incidental thereto or consequent thereon.



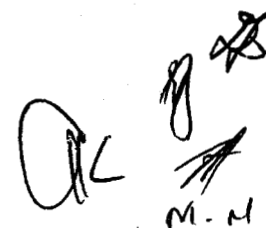
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CONSTITUTION OF THE CLOTHING, TEXTILES, FOOTWEAR AND LEATHER SETA 28 NOVEMBER 2004 IV

Footwear and Leather Sub Sector

"Footwear and Leather Sub Sector" means the sub-sector in which employers and employees are associated -

1. for the manufacture, mainly from leather, of -
 - (a) footwear, including all types but not including bespoke-made footwear;
 - (b) **attaché** cases, bags and all other containers designed to hold personal effects, sporting kit, tools and documents;
 - (c) harnesses, bridles, saddlery, saddle bags, leggings, girths, stirrup straps, military equipment other than clothing, ladies' bags, shopping bags, knitting bags, wallets, purses, watch straps, wrist straps, dog collars, dog leads, rug straps, braces, belts, suspenders, garters, armlets, and all other like articles irrespective of their description but which are designed as substitutes for any of the aforementioned;
 - (d) ladies and/or children's handbags;
2. for the tanning, dressing and fellmongering of hides and skins;
3. in establishments in which leather goods are also manufactured, for the manufacture, from materials other than leather, of the articles mentioned in paragraph 1: provided that this paragraph does not include the manufacture of shopping bags made mainly of paper;
4. for the manufacture of all types of footwear from material other than leather;
5. for the manufacture of traveling requisites, including trunks, mainly from leather, fibre, wood, cloth, canvas or fabric or any combination thereof;
6. for the manufacture of handbags from materials other than leather, in establishments in which leather goods referred to in paragraph 1 are not manufactured, but excluding the manufacture of handbags -
 - (a) wholly or mainly from metal;
 - (b) from cardboard (corrugated or otherwise) and/or paper or any compound of paper and/or any like material a constituent part of which is cardboard and/or paper and/or any constituent of paper;
 - (c) wholly or mainly from plastics other than plastic sheeting material;
7. for the manufacture -
 - (a) wholly or mainly from leather, of footballs, punch balls, netball balls, and boxing gloves;
 - (b) of leather-covered hockey and/or cricket balls;



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8. in establishments in which leather goods are not manufactured for the manufacture from materials other than leather of -

- (a) attache cases, bags and all other containers designed to hold personal effects, sporting kit and documents;
- (b) harnesses, bridles, saddlery, leggings, stirrup straps, shopping bags, wallets, purses, watchstraps, wrist straps, rug straps, braces and all other like articles, irrespective of their description, but which are designed as substitutes for any of the aforementioned;
- (c) travelling requisites, including trunks, from materials other than leather, fibre, wood, cloth, canvas or fabric or any combination thereof;

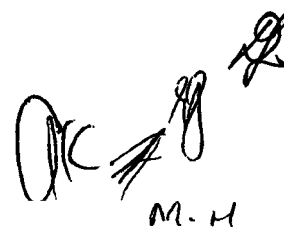
Provided that paragraphs (a), (b) and (c) shall not be construed to include -

- (i) the manufacture of metal components and/or attachments;
- (ii) the manufacture of canvas bank bags, canvas kit bags, canvas rucksacks, canvas haversacks, canvas sampling bags and canvas explosive bags;
- (iii) the manufacture of any article from rubber;
- (iv) the manufacture of any article or the practice of any trade or occupation covered by the Printing Industry which, without in any way limiting the generally accepted meaning thereof, means that industry which, or undertaking in which employers and employees are associated in the production of printed matter of any nature whatsoever.
- (v) the manufacture of any articles from metal and of any kind of container (with or without metal parts) from fibre and/or cardboard (corrugated or otherwise) and/or paper or any compound of paper and/or any like material a constituent of which is fibre and /or cardboard and/or paper and/or any constituent of paper and/or plastics, but excluding the manufacture, wholly or mainly from fibre or plastic sheeting material, of trunks, attache cases, bags and all similar containers designed to hold personal effects, musical instruments and sporting kit.

Provided further that the word "plastic" as contained in paragraph (v) means any of the group materials which consists of or contains as an essential ingredient an organic substance of a large molecular mass and which while solid in the finished state, at some stage in its manufacture has been or can be forced i.e. cast, calendered, extruded or moulded, into various shapes by flow, usually through the application, singly or together, of heat and pressure.

9. for the -

- (a) preparation of cured and uncured hides and/or skins for tanning; for this purpose "preparation of hides and/or skins for tanning" without detracting from its ordinary or technical meaning, includes any of the following: Washing, soaking, fleshing, deburring, liming, unhairing, dewooling, the removal of scales, deliming, bating and pickling; and
- (b) tanning of the cured or uncured hides and/or skins; and/or

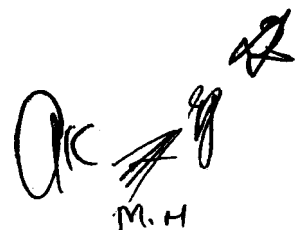


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- (c) retanning and/or dyeing and/or drying and/or softening and/or buffing and/or dressing and/or finishing and/or laminating of leather and/or the combing and/or shearing and/or ironing of hides and/or skins with the wool or hair on; and
- (d) cutting of upholstery panels from leather.

Provided that, for the purposes of subparagraphs (a) to (c), "hides and skins" includes the following: Pelts with or without the fur on; sheepskins with or without the wool on; game and goatskins with or without the hair on: all types of reptile skins, and bird skins with or without the feathers on.

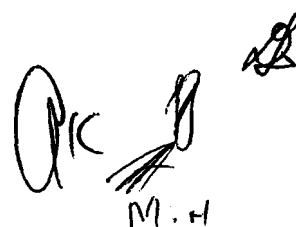

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SCHEDULE 2:**ORGANISATIONS IN THE SECTOR****1. Trade Unions**

- 1.1 Southern African Clothing and Textile Workers Union (SACTWU)
- 1.2 National Union Of Leather and Allied Workers (NULAW)

2. Sectoral Employers' Organisations

- 2.1 South African Cotton Textile Processing Employers' Association (SACTPEA)
- 2.2 National Manufactured Fibres Employers' Association (NMFEA)
- 2.3 National Worsted Manufacturers Employers' Association (NWMEA)
- 2.4 South African Wool and Mohair Processors Employers' Organisation (SAWAMPEO)
- 2.5 National Textile Manufacturers' Association (NTMA)
- 2.6 South African Carpet Manufacturing Employers' Association (SACMEA)
- 2.7 Woven, Crochet & Knitted Narrow Fabric Manufacturers Employers' Association (WCA)
- 2.8 South African Home Textiles Manufacturers Employers' Organisation (HOMETEX)
- 2.9 South African Blanket Manufacturers Employers' Organisation (SABMEO)
- 2.10 Southern African Footwear and Leather Industries Association (SAFLIA)
- 2.11 Association of SA Manufacturers of Luggage, Handbags and General Goods
- 2.12 SA Tanners Employers Organisation (SATEO)
- 2.13 Cape Clothing Association
- 2.14 Eastern Province Clothing Manufacturers' Association
- 2.15 Garment Manufacturers' Association
- 2.16 Lower South Coast Clothing Manufacturers' Association
- 2.17 Natal Clothing Manufacturers' Association
- 2.18 Northern Decentralised Clothing Manufacturers' Association
- 2.19 Northern Kwazulu Natal Clothing Manufacturers' Association
- 2.20 OFS/Northern Cape Clothing Manufacturers' Association
- 2.21 Transvaal Clothing Manufacturers' Association
- 2.22 South African Clothing Employer Federation (SACLEF)



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SCHEDULE 3

CODE OF CONDUCT FOR COUNCIL AND COMMITTEE MEMBERS

1. INTRODUCTION

Members of any SETA structure, employees of the **SETA**, and any person co-opted onto a structure of the SETA are subject to this Code of Conduct and are expected to heed both the written word and the spirit of this Code.

The Clothing, Textiles, Footwear and Leather Sector Education and Training Authority is committed to a policy of fair dealing and integrity in the conduct of its business. This commitment, which is actively endorsed by the Council, is based on a fundamental belief that the **SETA's** affairs should be conducted honestly, fairly and legally. The SETA expects all members, ~~representatives~~ and SETA employees to share in its commitment to high moral, ethical and legal standards.

2. DEFINITIONS

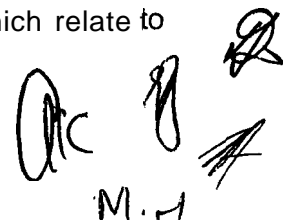
~~In~~ this Code of Conduct, unless the context otherwise indicates-

"Act"	means the Skills Development Act;
"Constitution"	means the Constitution of the SETA
"Council"	means the Council of the SETA;
"Committee"	means the Executive Committee, a specialist advisory Committee or any other committee established by the Council;
"Executive Officer"	means the Executive Officer of the SETA;
"Member"	means a member of the Council or a member of any committee of the Council, and for the purposes of this Code of Conduct is deemed to include a person co-opted onto any structure of the SETA;

3. CONDUCT OF MEMBERS AND EMPLOYEES

3.1. Members and employees of the **SETA** must uphold the SETA Constitution and in the exercise of their responsibilities must -

3.1.1. comply with all applicable laws and regulations which relate to



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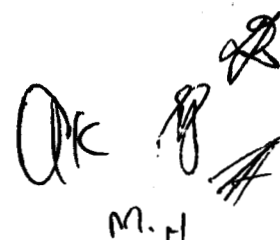
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their activities for and on behalf of the SETA;

- 3.1.2. promote the interests of and advance the objects of the SETA;
- 3.1.3. act honestly and in the utmost good faith;
- 3.1.4. perform their duties conscientiously and in the best interests of the SETA;
- 3.1.5. ensure that a conflict or an appearance of conflict does not arise between the SETA's interests and their personal interests;
- 3.1.6. declare any conflict or interests as provided for in this Constitution;
- 3.1.7. exercise reasonable care and diligence;
- 3.1.8. not make any improper use of any information acquired as a member or employee of the SETA.
- 3.2. In addition to the above, members must to the best of their ability, act –
 - 3.2.1. for the benefit of their constituency;
 - 3.2.2. for the benefit of the SETA and the SETA's reputation.

4. CONFIDENTIALITY

- 4.1. Members and employees must at all times maintain as confidential the SETA's affairs, methods of business, and business operations.
- 4.2. No member or employee may at any time disclose any of the confidential information referred to in clause 4.1 made known to them whilst involved in the SETA, to any person, persons or body of persons, corporate or incorporate except to consult with their constituencies. In such a case the Council's deliberations must be presented in a full and fair manner.
- 4.3. The information gained by virtue of being a member or employee of the SETA may not be used for personal gain.
- 4.4. The Council must determine when information is to be placed in the public domain. At this time members will be expected to promote the interests of the SETA providing always that this is not for personal gain.



 M.H.

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5. DISCLOSURE OF INTERESTS

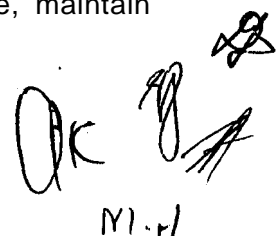
- 5.1. A member or employee who has a direct or indirect interest in any business being conducted by the SETA, or who holds any office or possesses any property which might cause a conflict of duties or interest must declare such interest or potential conflict.
- 5.2. A member or employee must disclose any conflict of interests or duties to a meeting of the Council or to a committee of the Council if that person is not a Council member, as soon as practicable after he or she becomes aware of the relevant facts.
- 5.3. A member or employee undertakes not to take part in any transaction between the SETA and any company or firm in which he or she, or any member of his or her family, has an interest without declaring such interest and having been specifically authorised by the Council to do so.
- 5.4. All disclosures made to a meeting of the Council or committee must be recorded in the minutes of such meeting.

6. MEDIA STATEMENTS

- 6.1. Media statements concerning aspects relevant to the activities and meetings of the Council or its committees, may only be issued by the Executive Officer, or a person nominated by the Council.
- 6.2. If a member of the SETA is requested to appear on television or to take part in a radio talk show on behalf of that member's constituency, that member must obtain telephonic approval from the chairperson to speak on behalf of the Council or its committees. Opinions expressed must be in keeping with the SETA policy.

7. CONTRAVENTION OF THE CODE

- 7.1. It is a serious offence to contravene this Code. Any employee or member who suspects that they may have contravened the Code must immediately advise the Executive Officer.
- 7.2. Employees or members who suspect a contravention of the Code by another employee or member must report this, preferably in writing, to the Executive Officer.
- 7.3. The Executive Officer must investigate any allegation that the Code has been contravened impartially and must, as far as possible, maintain confidentiality during the course of the investigation.



Handwritten signature and initials, possibly reading 'M. H.' or similar, with a large 'OK' written above it.

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- 7.4. A contravention of the Code may result in disciplinary action being taken and could result in the termination of employment of an employee or the termination of the membership of a member of the Council or a committee of Council.
- 7.5. Any contravention of this Code will be dealt with in terms of current Council policies or other applicable laws.

OK 88
M. r.