
GOVERNMENT NOTICES

DEPARTMENT OF LABOUR

No. R. 104

3 February 2006

SKILLS DEVELOPMENT ACT, 1998 (ACT NO. 97 OF 1998)**APPROVAL OF THE CONSTITUTION OF THE CHEMICAL INDUSTRIES AND TRAINING AUTHORITY (CHIETA)**

The Minister of Labour has on 1 July 2005 in terms of section 13 (1) of the Skills Development Act, approved the constitution of the **CHEMICAL INDUSTRIES AND TRAINING AUTHORITY** as set out in the Schedule.

SCHEDULE



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Attention: Sam Morotoba
Senior Executive Manager
SETA Coordination
Department of Labour
Private Bag X117
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12 August 2005

Dear Mr. Morotoba,

**REVISED CONSTITUTION OF THE CHEMICAL INDUSTRIES EDUCATION
AND TRAINING AUTHORITY**

Please find attached the revised constitution of the Chemical Industries Education and Training Authority for approval by the Minister of Labour. The Constitution was approved by the Governing Board at a meeting on 12 August 2005.

Yours Sincerely,

Fazel Ernest
Governing Board Chairperson



**CONSTITUTION OF THE
CHEMICAL INDUSTRIES' EDUCATION AND
TRAINING AUTHORITY**

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I INTRODUCTION

- 1.1 The headings to the clauses of this Constitution are for reference purposes only and shall not aid in the interpretation of the clauses to which they relate.
- 1.2 The singular shall include the plural and vice versa.

2 DEFINITIONS

- 2.1 "**ACT**" means the Skills Development Act (Act No 97 of 1998).
- 2.2 "**BARGAINING COUNCIL**" means the National Bargaining Council for the Chemical Industries.
- 2.3 "**CHAIRPERSON**" means the Chairperson of the Governing Board who, by virtue of that office, is also the Chairperson of the Executive Committee.
- 2.4 "**CHAMBER**" means the Chamber established in terms of clause 16 of this Constitution.
- 2.5 "**CHEMICAL INDUSTRIES**" mean the activities of the chemical sector in the Republic of South Africa as defined in the scope of coverage gazetted by the Minister and recorded in Annexure A .
- 2.6 "**CHIETA**" means the Chemical Industries Education and Training Authority,
- 2.7 "**CODE OF CONDUCT**" means the Code of Conduct in terms of section 13(3) of the Act and as contained in Annexure "E".
- 2.8 "**COMMITTEE**" means any permanent committee, "ad hoc" committee or sub-committee of the CHIETA.
- 2.9 "**CONSENSUS**" means unanimous agreement.
- 2.10 "**DAY**" means ordinary working day.
- 2.11 "**DEPARTMENT**" means the Department of Labour.
- 2.12 "**DEPUTY-CHAIRPERSON**" means Deputy-Chairperson of the Governing Board who, by virtue of that office, is also the Deputy-Chairperson of the Executive Committee.

- 2.13 **"DIRECTOR-GENERAL"** means the Director-General of the Department of Labour.
- 2.14 **"EDUCATION AND TRAINING STANDARDS"** means registered statements of desired education and training outcomes and their associated assessment criteria as defined in Section 1 of the SAQA Act.
- 2.15 **"EXECUTIVE COMMITTEE"** means the Executive Committee established in terms of Clause 13 of this Constitution.
- 2.16 **"EXECUTIVE OFFICER"** means the Executive Officer appointed in terms of clause 11.3 of this Constitution.
- 2.17 **"GOVERNING BOARD"** means the Governing Board established in terms of Clause 7 of this Constitution.
- 2.18 **"GRANTS"** mean monies paid or payable to companies that have provided training according to the requirements of the Skills Development Act and the Sector Skills Plan of the CHIETA.
- 2.19 **"LEARNERSHIPS"** mean learnerships as determined in Chapter 4 of the Act.
- 2.20 **"LEVIES,"** mean levies payable in terms of the relevant sections of the Skills Development Levies Act.
- 2.21 **"LEVY TRANSFER"** means levies, penalties and interest on penalties allocated to the CHIETA by SARS in terms of Section 8 (3) (b) of the Skills Development Levies Act.
- 2.22 **"MEMBER"** means a member representing organised labour; organised employers, including small business; relevant government departments; and if the Minister, after consultation with those members considers it appropriate for the sector – any interested professional body; and any bargaining council with jurisdiction in the sector.
- 2.23 **"MINISTER"** means the Minister of Labour.
- 2.24 **"NSA"** means the National Skills Authority established in terms of Section 4 of the Act.

- 2.25 "**NSF**" means the National Skills Fund established in terms of Section 27 of the Act.
- 2.26 "**NQF**" means the National Qualifications Framework as defined in Section 1 of the SAQA Act.
- 2.27 "**SAQA**" means the South African Qualifications Authority established in terms of Section 3 of the South African Qualifications Authority Act 58 of 1995.
- 2.28 "**SAQA ACT**" means the South African Qualifications Authority Act 58 of 1995.
- 2.29 "**SARS**" means the South African Revenue Services.
- 2.30 "**SECTOR**" means the Chemical Industries.
- 2.31 "**SECRETARY**" means the secretary appointed in terms of Clause 11.4 of this constitution.
- 2.32 **SECRETARIAT** means the employees of the CHIETA.
- 2.33 "**SETA**" means the Sector Education Training Authority established in terms of Section 9(1) of the Act.
- 2.34 "**SKILLS DEVELOPMENT LEVIES ACT**" means the Skills Development Levies Act (Act No. 9 of 1999).
- 2.35 "**SUB-SECTORS**" means the nine (9) distinct sub-sectors that constitute the five Chambers reflected in Annexure "D".

3 NAME OF SETA AND LEGAL STATUS

- 3.1 The name of this SETA is the Chemical Industries Education and Training Authority (the "CHIETA").
- 3.2 The CHIETA is a legal entity and alone bears responsibility and liability for its actions and obligations unless otherwise stated in this Constitution.
- 3.3 The identity and legal status of the CHIETA is distinct from the members that constitute it.

4 SCOPE OF COVERAGE OF THE CHIETA

- 4.1 The scope of coverage of the CHIETA is the Chemical Industries sector determined by the Minister in terms of Section 9(2) of the Act. The scope of coverage is outlined in Annexure "A" of this Constitution.

5 OBJECTIVES

- 5.1 The objectives of the CHIETA are to promote the purposes of the Act within the sector.

- 5.2 The purposes of the Act are-

5.2.1 to develop the skills of the South Africa workforce-

5.2.1.1 to improve the quality of life of workers, their prospects of work and labour mobility;

5.2.1.2 to improve productivity in the workplace and the competitiveness of employers;

5.2.1.3 to promote self-employment; and

5.2.1.4 to improve the delivery of social services.

5.2.2 to increase the levels of investment in education and training in the labour market and to improve the return on that investment;

5.2.3 to encourage employers-

5.2.3.1 to use the work-place as an active learning environment;

5.2.3.2 to provide employees with the opportunities to acquire new skills;

5.2.3.3 to provide opportunities for new entrants to the labour market to gain work experience; and

5.2.3.4 to employ persons who find it difficult to be employed,

- 5.2.4 to encourage workers to participate in learnership and other training programmes;
- 5.2.5 to improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education;
- 5.2.6 to ensure the quality of education and training in and for the workplace;
- 5.2.7 to assist-
 - 5.2.7.1. work-seekers to find work;
 - 5.2.7.2. retrenched workers to re-enter the labour market; and
 - 5.2.7.3. employers to find qualified employees.

6 STRUCTURE OF CHIETA

- 6.1 The CHIETA is made up of:
 - 6.1.1 a Governing Board;
 - 6.1.2 an Executive Committee;
 - 6.1.3 an Audit Committee;
 - 6.1.4 a Joint Stakeholder Forum;
 - 6.1.5 Regional Co-ordinating Committees;
 - 6.1.6 a Secretariat; and
 - 6.1.7 Chambers, as set out in Annexure "D".

7 GOVERNING BOARD

- 7.1 The Governing Board is the highest decision making structure of the CHIETA and its role is to ensure the effective control and governance of the affairs of the CHIETA through the implementation of appropriate management systems, policies and procedures and by providing support and guidance to the Executive Committee, Chambers and other

committees established in terms of this Constitution. The Governing Board is accountable to the Minister and reports to the Director General.

- 7.2 The Governing Board has all such powers as are necessary to enable it to perform its functions; and has such other powers conferred by the Act or the Skills Development Levies Act.

8 COMPOSITION OF THE GOVERNING BOARD

- 8.1 As contemplated in Annexure "B", the Governing Board consists of **twenty six (26)** members made up of

8.1.1 nine (9) voting members representing organised labour;

8.1.2 nine (9) voting members representing organised employers including small and medium enterprises;

8.1.3 four (4) non-voting members representing the interest of relevant government departments;

8.1.4 three (3) non-voting members representing the interest of professional bodies; and

8.1.5 one (1) non-voting member representing the bargaining council.

- 8.2 The Executive Officer and the Secretary may participate in the Governing Board, but may not vote on any issue.

- 8.3 The Joint Stakeholder Forum chairperson may participate in the Governing **Board** but may not vote on any issue.

- 8.4 The number of members representing organised labour must at all times be equivalent to the number of members representing organised employers.

- 8.5 Any registered Trade Union or registered Employer Association that falls within ~~the~~ registered scope of the **CHIETA** may approach the Governing Board to nominate a member ~~or~~ members in accordance with the procedure outlined in Annexure "C".

9 APPOINTMENT OF MEMBERS

- 9.1 The members of the Governing Board will be appointed as follows:

- 9.1.1 nine (9) members to represent organised labour shall be nominated by Trade Unions referred to in Annexure "B";
- 9.1.2 nine (9) members to represent organised employers shall be nominated by Employer Associations referred to in Annexure "B";
- 9.1.3 four (4) members to represent government shall, each be nominated by the National Departments of Trade and Industry, Minerals and Energy: Science and Technology and Environmental Affairs ;
- 9.1.4 three (3) members to represent the professional bodies and one (1) member to represent the bargaining council must be appointed by the Minister in terms of Section 11(d) of the Act.
- 9.2 Each constituency represented on the Governing Board must be represented by members who are sufficiently representative of designated groups.
- 9.3 Once appointed a member represents the constituency that nominated him/her and will enjoy all rights and obligations conferred to members in terms of this Constitution.
- 9.4 The names of all members appointed to the Governing Board must appear in a register maintained by the Secretary.
- 9.5 Before every annual meeting of the Governing Board organisations representing organised labour and organised employers must by a written agreement, determine:
- 9.5.1 rules relating to vacancies, including vacancies arising out of a stakeholder organisation losing its status in the sector; and
- 9.5.2 procedures for regulating the determination of mandates.
- 9.6 The organisations referred to in clause 9.1 must also specify and confirm the names of the members and alternates before the annual meeting.

10 TERM AND CONDITIONS OF MEMBERS

- 10.1 **Both** a member and alternate may hold office for twenty four (24) months and will be eligible for re-appointment at the end of that term.

- 10.2 A member or alternate whose term of office has expired and who is not re-appointed may, with the written consent of the organisation or institution concerned, continue to act as a member until the successor has assumed office.
- 10.3 Despite clause 10.1 a nominating organisation may withdraw any of its member/s or alternate/s upon submission of at least 21 days written notice to the Secretary and such a member or alternate will vacate office immediately, upon:
- 10.3.1 commencement of resignation of the member from the organisation; or
- 10.3.2 the organisation ceasing to be sufficiently representative of the sector.
- 10.4 If a vacancy of any member or an alternate arises, the organisation or institution affected may by a written notice to the Secretary appoint another representative or alternate for the unexpired duration of the predecessor's term.
- 10.5 A member who, without good cause, is absent from three consecutive meetings will be disqualified from continuing in that office for the remainder of that term.
- 10.6 The CHIETA may remove any member or alternate from office if he/she transgresses the Code of Conduct of the CHIETA or commits misconduct and neglect of duty provided the affected member is given a fair hearing as required by the Code of Conduct. The Code of Conduct is annexed as "E".
- 10.7 Unless agreed to otherwise, the CHIETA will compensate all members and, in their absence, their alternates for reasonable expenses incurred, whilst acting in an official, authorised capacity, in respect of travelling, accommodation and meals as set out in CHIETA policy.

11 OFFICE BEARERS OF THE GOVERNING BOARD

- 11.1 The Governing Board shall comprise of Elected Office Bearers represented by the Chairperson and the Deputy-Chairperson and Appointed Office Bearers represented by the Executive Officer, the CHIEF Financial Officer and the Secretary.

11.2 Chairperson and Deputy-Chairperson

- 11.2.1 The members will, subject to the provisions of clause 11.2.2 and 11.2.3, at the first meeting of the Governing Board elect a Chairperson and Deputy-Chairperson from amongst the voting members. Thereafter, at the first meeting of each new Governing Board (ie at each new two year term of office) appoint from among its voting members a Chairperson and Deputy-Chairperson who will each hold office for a period of two years or for such shorter period as he/she may be a voting member of the Governing Board.
- 11.2.2 If the Chairperson is appointed from members representing organised labour then the Deputy-Chairperson may be appointed only from members representing organised employers and vice versa.
- 11.2.3 If the Chairperson or Deputy-Chairperson is a member nominated from organised labour, only members of organised labour may participate in the election of their appointee and the same principle will apply to members representing organised employers where the appointee is a member nominated by them.
- 11.2.4 The term of office of the Chairperson and Deputy-Chairperson commences at the start of the new two year period and expires at the end of the biennial general meeting.
- 11.2.5 Nominations for the office of the Chairperson or Deputy-Chairperson of the Governing Board will be submitted in writing to the Executive Officer.
- 11.2.6 Whenever a vacancy arises in the office of the Chairperson or Deputy-Chairperson, the provisions of clause 11.2.1 to 11.2.5 above will apply as the context may require to the filling of such vacancies.
- 11.2.7 A person elected in terms of clause 11.2.6 shall hold office for the unexpired period of his / her predecessor.

- 11.2.8** The Deputy-Chairperson will perform the duties and functions of the Chairperson whenever the Chairperson is absent or for any reason unable to act or to perform those functions and duties.
- 11.2.9** If at any meeting both the Chairperson and Deputy-Chairperson are absent or unable to act or fulfil their functions and duties, members of the Governing Board present in the meeting must appoint a Chairperson to perform such functions and duties for the duration of that meeting.
- 11.2.10** The Chairperson or Deputy-Chairperson is subject to the Code of Conduct and **may** be removed from office for serious neglect of duty, serious misconduct, incapacity or **any** other fair reason.
- 11.2.11** The Chairperson and the Deputy-Chairperson shall perform the functions and duties entrusted to them by this Constitution.

11.3 The Executive Officer

- 11.3.1** The Governing Board must appoint a person to the position of Executive Officer.
- 11.3.2** The Executive Officer must perform such functions as may be assigned to him/her by the Act and/or by the Governing Board.
- 11.3.3** The Executive Officer must attend all meetings of the Governing Board and participate in discussions but may not vote.
- 11.3.4** If the Executive Officer is absent or for any reason unable to perform his/her functions, the Executive Committee may designate an employee of the CHIETA to act as Executive Officer until the Executive Officer resumes office or until a new Executive Officer is appointed.
- 11.3.5** The Governing Board must determine the Executive Officer's term of office and conditions of service.
- 11.3.6** The Executive Officer will, if required, act as the electoral officer of the Governing Board.

11.3.7 The Executive Officer is the accounting officer of the CHIETA and, with the assistance of any relevant person and/ or organisation, must prepare monthly financial statements, in accordance with generally accepted accounting principles, showing the CHIETAs:

11.3.7.1. transactions for the month;

11.3.7.2. income and expenditure;

11.3.7.3. assets and liabilities; and

11.3.7.4. financial position as at the end of that period.

11.4 Secretary

11.4.1 The Executive Officer must appoint a Secretary for the CHIETA.

11.4.2 The Secretary must attend all meetings of the Governing Board **but** may not vote.

11.4.3 Notice of matters for consideration will be submitted to the Secretary at least five days prior to ~~the~~ date on which he/she is required to give notice of such meeting.

11.4.4 The Secretary in **consultation** with the Executive Officer must prepare the agenda for each meeting and serve members of the Governing Board with a notice of all meetings at least 14 days before ordinary meetings sit.

11.4.5 The Secretary must take minutes at the meetings and serve the members with copies of the minutes within 14 days of that meeting.

11.4.6 The Secretary must **record** all resolutions taken by the Governing Board in accordance with the provisions of this Constitution.

11.4.7 The Secretary will be responsible for the administration and secretarial work arising from the functioning of the Governing Board and for performing the functions and duties imposed on him/her by this Constitution.

11.5 Functions of the Governing Board

11.5.1 The Governing Board is responsible for the following functions:

11.5.1.1. developing a sector skills plan within the framework of the national skills development strategy;

11.5.1.2. implementing the **CHIETAs** sector skills plan by-

11.5.1.2.1. establishing learnerships;

11.5.1.2.2. approving work-place skills plans;

11.5.1.2.3. allocating grants in the prescribed manner and in accordance with any prescribed standards and criteria to employers, education and training providers and workers; and

11.5.1.2.4. monitoring education and training in the sector;

11.5.1.3, promoting learnerships by-

11.5.1.3.1. identifying work-places for practical work experience;

11.5.1.3.2. supporting the development of learning materials;

11.5.1.3.3. improving the facilitation of learning; and

11.5.1.3.4. assisting in the conclusion of learnership agreements;

11.5.1.4. registering learnership agreements;

11.5.1.5. when required to do so as contemplated in section 7(1) of the Skills Development Levies Act, collect the skills development levies, and must disburse

- the levies, allocated to it in terms of section 8(3)(b) and 9(b), in its sector;
- 11.5.1.6. liaising with the National Skills Authority on-
- 11.5.1.6.1. the national **skills** development policy;
 - 11.5.1.6.2. the national skills development strategy; and
 - 11.5.1.6.3. its sector skills plan:
- 11.5.1.7. submitting to the Director-General-
- 11.5.1.7.1. 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; and
 - 11.5.1.7.2. plans and reports on the implementation of its sector skills plan and service level agreement;
- 11.5.1.8. liaising with the employment services **of** the Department and any education body established under any law regulating education in the Republic to improve information-
- 11.5.1.8.1. about employment opportunities; and
 - 11.5.1.8.2. between education and training providers and the labour market.
- 11.5.1.9. subject to section 14 of the Act, appointing staff necessary for the performance of the **CHIETAs** functions;
- 11.5.1.10. promoting the national standard established in terms of section 30b;

- 11.5.1.11. concluding service level agreements for each financial year with the Director-General concerning the performance of the **CHIETAs** functions in terms of this **Act** and the National Skills Development Strategy and the **CHIETA's** annual business plan; and
- 11.5.1.12. performing any other duties imposed by this Act or the Skills Development Levies **Act** or consistent with the purposes of this **Act**,
- 11.5.2 The Governing Board may delegate, any of its powers and duties to the Executive Committee, Chambers, **committees**, members and employees, provided that the **CHIETA** may impose conditions for the delegation, may not be divested of any power or duty by virtue of the delegation and may vary or set aside any decision made under any delegation.
- 11.5.3 The Governing Board delegates its powers and duties to the extent contemplated in the **CHIETA's** "**Delegation** of responsibilities document" annexed as "H" which may be amended by the Governing Board from time to time.
- 11.5.4 The **CHIETA** must perform its functions in accordance with the **Act**, the **Skills** Development Levies **Act** and this constitution.

12 MEETINGS OF THE GOVERNING BOARD

12.1 Ordinary meetings

- 12.1.1 The Governing Board will hold quarterly meetings and one of these meetings will be considered to be the annual general meeting on an agreed date.
- 12.1.2 At least five (5) members each side of organised labour and organised employers shall constitute a quorum for a meeting of the Governing Board.
- 12.1.3 If, after 30 minutes (unless good reasons to the contrary are furnished) of the scheduled time for the meeting, there is no quorum the meeting will be postponed to a later date within a

month, provided if on that date, a quorum is not present the meeting will continue as if a quorum were present and all decisions made at that meeting will be minuted as such and circulated to all members.

- 12.1.4 The Secretary, together with the Chairperson and Deputy Chairperson, must prepare a written notice of every Governing Board meeting stating the date, time and venue of the meeting as well as the agenda for that meeting.
- 12.1.5 All notices of meetings must be sent to the members of the Governing Board at least fourteen (14) days before the scheduled date of that meeting and the Secretary must retain proof of distribution.
- 12.1.6 A motion proposed at a meeting will not be considered unless it has been seconded. The Chairperson may require a motion to be submitted in writing, in which case the Chairperson will read the motion to the meeting.
- 12.1.7 Decisions and resolutions will be occasioned through consensus. Should consensus not be achieved, then all motions must be decided by a majority of votes of those voting members present. The manner of voting must be by a show of hands or in any other manner as may be agreed by those voting members present.
- 12.1.8 Each member has one vote on any matter before the Governing Board. Organised employers and organised labour will always have an equal number of votes at each meeting despite the absence of any members from the meeting.
- 12.1.9 Any member may raise matters of a serious or urgent nature at a meeting without prior notice if he/she procures the consent of the members present at the said meeting.
- 12.1.10 The Chairperson must preside over all meetings of the Governing Board and must sign the minutes of the Governing Board meetings after those minutes have been confirmed at the next meeting.

- 12.1.11** The Deputy Chairperson must preside over meetings of the Governing Board whenever the Chairperson is absent, or for any reason, unable to preside.
- 12.1.12** At every annual general meeting the Governing Board must:
- 12.1.12.1.** consider the annual financial statements of the CHIETA and auditor's reports on those statements;
 - 12.1.12.2.** consider the Chairperson's and the Executive Committee's annual reports;
 - 12.1.12.3.** consider the budget of the CHIETA for the next financial year;
 - 12.1.12.4.** approve dates for its ordinary meetings for the next financial year; and
 - 12.1.12.5.** appoint conciliators and arbitrators to resolve disputes within the CHIETA in accordance with the Dispute Resolution Procedure as set out in annexure F of this constitution.
- 12.1.13** The Governing Board may invite persons who are not members to attend meetings and participate in discussions, but they may not vote.

12.2 Extraordinary Meetings

- 12.2.1** The Executive Officer, with the approval of the Chairperson and Deputy Chairperson, may convene an extraordinary meeting of the Governing Board whenever he/she deems it necessary and will convene such a meeting at the written request of no fewer than 25% of voting members stating the purpose of such meeting.
- 12.2.2** No matters, other than those for which the extraordinary meeting was convened, will be transacted at such meeting.
- 12.2.3** The Governing Board may invite persons that are not members to attend meetings and participate in discussions, but may not vote.

12.3 Minutes of Governing Board Meetings

- 12.3.1 The Secretary keeps minutes of each meeting and shall include such minutes with the agenda of the next Governing Board meeting.
- 12.3.2 At every ordinary meeting of the Governing Board, the minutes of the preceding ordinary meeting and any extraordinary meetings held subsequently, will be read and confirmed by the signature of the Chairperson.
- 12.3.3 Any objections to the minutes will be raised and dealt with before confirmation of the minutes thereafter the meeting will take the minutes as having been read.

12.4 Register of Resolutions

- 12.4.1 The Secretary will keep a complete register of Governing Board resolutions adopted in terms of this Constitution and all members shall have access to the register.

13 EXECUTIVE COMMITTEE

13.1 The principal role of the Executive Committee is the implementation of appropriate management systems, policies and procedures approved by the Governing Board so as to ensure effective government of the affairs of the CHIETA. The Executive Committee works as the operational arm of the CHIETA, maintaining the daily operational requirements of the CHIETA. The Executive Committee is vested with the power to promote the aims and objectives of the CHIETA.

13.2 Composition of the Executive Committee

- 13.2.1 The Executive Committee is composed of:
- 13.2.1.1 the Chairperson of the Governing Board;
 - 13.2.1.2 the Deputy-Chairperson of the Governing Board;
 - 13.2.1.3 the Executive Officer;

13.2.1.4. one (1) ordinary member of the Governing Board representing organised employers; and

13.2.1.5. one (1) ordinary member of the Governing Board representing organised labour.

13.2.2 The Executive Committee may co-opt any person to attend any meeting for a specific period or purpose, but such person **will** not be entitled to participate in any voting.

13.2.3 The Executive Committee will be supported by a full time Secretariat consisting of the Executive Officer, the Secretary and any other persons as may be determined by the Governing Board.

13.3 Meetings of the Executive Committee

13.3.1 The Executive Committee will decide on the number of meetings to be held provided that one ordinary meeting is held per month.

13.3.2 Special meetings may be called at any time by the Executive Officer with a view to disposing of urgent business.

13.3.3 **50%** of the voting members of **EXCO** constitute a quorum, provided that both labour and employers are equally represented by members. They must be present before a meeting can begin or continue.

13.3.4 The Executive Committee may determine its own procedures for the conducting of its meetings and affairs.

13.3.5 Each voting member has one vote on any matter before the Executive Committee, provided if at the meeting the members representing organised employers or organised labour are not equal in number, the side that is in the majority must withdraw as many of their members from voting at that meeting as may be necessary to ensure that the **two** sides are of equal numerical strength at the time of voting.

13.3.6 The Secretary must prepare a written notice of every Executive Committee meeting showing the date, time and venue of the meeting and the business to be transacted and must send the

notice to each member of the Executive Committee at least seven days before the date of the meeting. Shorter notice may be authorised for special meetings.

13.3.7 The Secretary will keep minutes of all meetings and distribute these within seven days after the meeting.

13.4 Functions of the Executive Committee

13.4.1 The Executive Committee will be responsible for the following functions:

13.4.1.1. investigating and reporting to the Governing Board on any matter relating to the sector;

13.4.1.2. informing the Governing Board of the appointment of employees to positions within the agreed establishment, to assist the CHIETA in performing its functions as well as on terms and conditions of employment;

13.4.1.3. recommending to the Governing Board where there is a need to appoint employees in excess of the agreed establishment;

13.4.1.4. handling disputes concerning the interpretation or application of this Constitution;

13.4.1.5. exercising and performing any function and duty conferred or imposed on it by this Constitution or delegated to it by the Governing Board.

14 AUDIT COMMITTEE

14.1 Membership of Audit Committee

14.1.1 The Audit Committee shall comprise of six participants, with the majority of the participants not being from the Governing Board.

14.1.2 The Audit Committee will elect the Chairperson of the Audit Committee from time to time.

14.1.3 The Chairperson of the Audit Committee may not be a member or a political office bearer.

14.1.4 Participants on the Audit Committee will serve on the committee in their individual capacity.

14.1.5 The Chairperson must have the ability to preside over meetings and to direct the discussions along constructive lines.

14.1.6 Other participants may also include-

14.1.6.1. two participants who must have a sound financial knowledge;

14.1.6.2. participants who have the necessary standing and expertise to provide the Governing Board with an assurance that the risks associated with CHIETA are being appropriately managed; and

14.1.6.3. one participant who has legal expertise.

14.1.7 The participants shall serve on the Audit Committee for a period of three years renewable to a maximum of six years.

14.2 Meetings

14.2.1 A minimum of two meetings shall be held during a year.

14.2.2 Special meetings of the Audit Committee may be convened as required. Any participant of the Audit Committee may call a special meeting. The Internal or External Auditors may request a meeting if they consider that one is necessary.

14.3 Quorum

14.3.1 The quorum for meetings will be 50% of participants.

14.4 Notice of meetings

14.4.1 Notice shall be given in writing to all members of the Audit Committee and other interested parties, of each meeting to be

held, at least 14 days prior to the date on which such meeting is to be held.

14.5 Agenda of meetings

14.5.1 The agenda of the meetings shall be prepared and distributed at least seven (7) days prior to the meeting date. Any person attending the meeting may add items to the agenda two (2) days before the agenda is finalised. Such items should be provided to the secretary of the Audit Committee.

14.6 Reporting procedure

14.6.1 The Chairperson of the Audit Committee must report to the Governing Board within two weeks after the Audit Committee meeting. It must report annually to the Governing Board summarising the activities, recommendations and decisions of the Audit Committee during the previous financial year. Where appropriate the Audit Committee may also report to the Minister of Labour.

14.6.2 Any material findings should immediately be reported to the Chief Executive Officer.

14.6.3 The Audit Committee must report on the effectiveness of internal audit in the annual report of the CHIETA.

14.6.4 The Audit Committee must adhere to its Terms of Reference and the requirements of the Public Finance Management Act 1999 (the "PFMA") and relevant treasury regulations issued in terms of the PFMA.

15 FUNCTIONS OF THE SECRETARIAT

15.1 The Secretariat will be responsible for the following functions:

15.1.1 compiling the Sector Skills Plan from information collected from chemical sector employers, chamber Skills Plans, the critical skills matrix and any other relevant research report;

- 15.1.2 generating standards in accordance with the scarce/critical skills identified by the sector;
- 15.1.3 consolidating learnerships submitted by employers in the sector for the Chambers and the sector;
- 15.1.4 maintaining a database of learnership agreements;
- 15.1.5 administering and reporting to the Chambers on adherence to standards and qualifications;
- 15.1.6 maintaining a database of providers, verifiers and assessors;
- 15.1.7 managing and overseeing a procedure for receipt of levy transfers and disbursing of grants for the CHIETA;
- 15.1.8 developing and managing the financial strategy of the CHIETA and reporting quarterly on the CHIETAs financial position to the Governing Board;
- 15.1.9 compiling financial reports for submission to the Director-General;
- 15.1.10 distributing information to the Governing Board, all committees established in terms of this constitution, Employment Services and the Department;
- 15.1.11 collating quarterly reports from the Chambers in respect of the sub-sectoral employment situation;
- 15.1.12 ensuring an open line of communication between all structures of the CHIETA and other SETAs;
- 15.1.13 managing and overseeing the Procurement Procedure, in terms of Section 76 (4)c of the Public Finance Management Act;
- 15.1.14 investigating and reporting to the Governing Board on any matter relating to the sector or undertaking such investigation as may be required by the activities of the Governing Board;

- 15.1.15 making recommendations to EXCO in respect of the appointment of employees, the conditions of employment and employment policies and procedures;
- 15.1.16 maintaining and amending a schedule of participating Trade Unions, Employers' Associations, and committees approved by the Governing Board: and
- 15.1.17 preparing quarterly reports for submission to the Governing Board.

16 JOINT STAKEHOLDER FORUM

16.1 Composition of Joint Stakeholder Forum

- 16.1.1 Ten (10) representatives from the Chambers will be nominated as members of the Joint Stakeholder Forum, provided that each Chamber established in terms of clause 17 of this Constitution will nominate a maximum of two (2) representatives,
- 16.1.2 Ten (10) representatives from the Regional Coordinating Committees will be nominated as members of the Joint Stakeholder Forum, provided that each Regional Coordinating Committee as contemplated in clause 18 of this Constitution, will nominate a maximum of two (2) representatives, except for the Gauteng and Mpumalanga Committees which will together be required to nominate (2) representative each.
- 16.1.3 Representatives from the CHIETA Divisions including the CEO may participate in the discussions of the relevant matters pertaining to their area of work.
- 16.1.4 Wherever possible, small, medium and micro enterprises will be represented, as well as companies from remote areas.
- 16.1.5 The Joint Stakeholder Forum will be mindful of gender and equity profiles amongst its representatives.
- 16.1.6 To ensure continuity in meetings and optimum participation each representative of the Joint Stakeholder Forum will be entitled to

nominate an alternate of their choice provided that the alternate represents the same constituency as the principal representative.

16.1.7 In the interests of capacity building, principal representatives will be entitled to attend at least one meeting a year together with the alternate.

16.2 Functions of Joint Stakeholder Forum

16.2.1 The functions of the Joint Stakeholder Forum are to:

- 16.2.1.1. provide a forum for communication between the CHIETA office, CHIETA constitutional structures, which are the Executive Committee, the Governing Board and the Chambers, and regional structures comprised of the employers, and employee organisations in the chemical sector;
- 16.2.1.2. facilitate and recommend decisions from both the Chambers and Regions to the Governing Board;
- 16.2.1.3. enable the CHIETA, and representatives of Regional and Chamber stakeholders to discuss emerging policy issues and operational matters, and engage in joint projects of mutual interest;
- 16.2.1.4. identify and channel issues of strategic interest to the relevant CHIETA structures pertaining to for example research, constituency support, sector skills planning, and critical and scarce skills;
- 16.2.1.5. contribute to the identification of critical skills, the development of appropriate learnerships, and the dissemination of information to learners in these areas; and
- 16.2.1.6. identify best practices in manufacturing, training provision, learner selection, quality management systems, etc, and serve as a conduit to share this information with interested stakeholders

17 CHAMBERS

17.1 Establishment of Chambers

17.1.1 A total of five (5) Chambers is established in line with sub-sectors of the CHIETA as set out in Annexure "D".

17.1.2 The Governing Board may create additional or reduce the number of Chambers in line with the changing nature of the business by way of:

17.1.2.1. merging the Chambers, or

17.1.2.2. splitting of Chamber(s).

17.2 Composition of Chambers

17.2.1 Every Chamber shall consist of an equal number of representatives from organised employers on the one hand and organised employees on the other.

17.2.2 The Chambers may include representatives from:

17.2.2.1. relevant Government Departments;

17.2.2.2. relevant Professional Bodies; and

17.2.2.3. other organisations that may add value.

17.2.3 The number and names of the representatives constituting the Chamber must be submitted to the Secretary.

17.2.4 The Chamber may invite any person to attend any meeting of the Chamber for a specific period or purpose, but such person will not be entitled to participate in any voting.

17.2.5 The Chambers shall follow the procedures for the convening of meetings, including the chairing, quorum, decision-making and recording of minutes of its meetings, set by the CHIETA secretariat

17.2.6 The CHIETA will attend to the administrative and liaison function of the Chambers

17.3 Functions of the Chambers

17.3.1 The Chambers will perform their functions **by**:

- 17.3.1.1. submitting a Chamber Skills Plan, qualifications matrix and contributing towards a **critical/scare** skills list for the relevant **sub-sector(s)**;
- 17.3.1.2. monitoring the implementation **of** the Chamber Skills Plan;
- 17.3.1.3. making recommendations on the nature, content and administration of learnerships to the Executive Committee;
- 17.3.1.4. making recommendations to the **Executive** Committee and the Board on the qualifications development standards and qualifications in the Sector;
- 17.3.1.5. making recommendations to the Executive Committee on the assessment of education and training standards and qualifications;
- 17.3.1.6. making recommendations to the Executive Committee on the registration of assessors and the monitoring of assessments;
- 17.3.1.7. making recommendations **to** the Executive Committee **on** the accreditation of training and assessment providers;
- 17.3.1.8. contributing towards all other **activities** necessary for the development and implementation of the NQF;
- 17.3.1.9. collating information in respect of the employment situation **in** the **sub-sector**;
- 17.3.1.10. reporting to the Executive Committtee **on** offers of financial assistance to the Chambers **by** donors and

ensuring that any such offers are managed through the CHIETA's normal financial systems;

17.3.1.11. monitoring the distribution of levy grants to companies in terms of the agreed formula;

17.3.1.12. exercising and performing any function, power and duty that is conferred upon it in terms of this Constitution or which is delegated to it by the Governing Board except where such power, function or duty may not be delegated.

17.3.2 The Chambers do not have decision-making powers. Any recommendations arising from the performance of the above functions may be proposed in writing by a Chamber to the Executive Committee. If the Executive Committee has the power to decide on particular recommendations then it may do so, if the Executive Committee does not have the power then it may refer the proposal to the Governing Board for a decision.

18 REGIONAL CO-ORDINATING COMMITTEES

18.1 Establishment of the Regional Coordinating Committees

18.1.1 Up to six (6) Regional Co-ordinating Committees may be established to cover activities of the regional stakeholders in the nine provinces, The geographical location of the Regional Co-ordinating Committees **will be** as follows:

18.1.1.1. Committee for Gauteng, Limpopo and North West (other than the South of North West covered by ~~the~~ committee for Sedibeng);

18.1.1.2. Committee for Mpumalanga;

18.1.1.3. Committee for Sedibeng, incorporating the Vaal Triangle, Free State and the southern part of the North West;

18.1.1.4. Committee for the Western Cape, incorporating the Northern Cape;

18.1.1.5. Committee for Kwa Zulu Natal; and

18.1.1.6. Committee for the Eastern Cape.

18.2 Composition of Regional Co-ordinating Committees

18.2.1 Every Regional Co-ordinating committee shall consist of:

18.2.1.1. an equal numbers of representatives from employers and employees, covering all active sub-sectors/chambers in the region provided the number shall not exceed 5 representatives per constituency

18.2.1.2. up to three (3) representatives for public and private providers;

18.2.1.3. representatives from relevant Government departments as may be required from time to time and

18.2.1.4. representatives from critical interest group, may be invited on an "ad hoc" basis.

18.2.2 Officials of the CHIETA other than the nominated representative may attend meetings of the committee as may be required for the efficient discharge of business.

18.2.3 Wherever possible, small, medium and micro enterprises **will** be represented, as well as companies from remote areas.

18.2.4 The Regional Co-ordinating Committee **will** be mindful of gender and equity profiles amongst its representatives.

18.2.5 Each representative of the Regional Co-ordinating Committee will nominate an alternate of their choice provided that the alternate represents the same constituency as the principal representative.

18.2.6 In the interests of capacity building, alternate representatives may attend at least one meeting a year together with the principal member.

18.3 Functions of Regional Co-ordinating Committee

18.3.1 The Regional Co-ordinating Committee must work closely with the relevant CHIETA regional office for the purpose of identifying, facilitating, managing and co-ordinating the Broad Regional Forum, and contributing to the implementation of the Regional Strategy. Other functions are to:

18.3.1.1. Identify and channel issues of strategic interest to the relevant CHIETA structures or divisions, including Chambers, the ETQA structures, Skills Planning, and the Standard Generating Body

18.3.1.2. Contribute to the identification of critical skills, the development of appropriate learnerships, and the dissemination of information to learners in these areas

18.3.1.3. Identify Best Practices in manufacturing, training provision, learner selection, quality management systems, etc., and serve as a conduit to share this information with interested stakeholders

18.3.1.4. Encourage the participation and development of **BEE** firms and co-operatives in the Region, and the alignment of Equity with Skills Development amongst stakeholder Workplace Skills Plans

18.3.1.5. Proactively update and build capacity amongst CHIETA stakeholders and chemical-related Professional Bodies, Educational institutions, Non-governmental Organizations, Community-based organizations and community-based co-operatives about CHIETA initiatives

18.3.1.6. Engage and communicate with local area committees for the management of the existing apprenticeships

and where local committees are not in existence, ensure that some representation of organizations that are still in apprenticeships is secured.

19 OFFICE BEARERS OF THE JOINT STAKEHOLDER FORUM, CHAMBERS AND REGIONAL COORDINATING COMMITTEES

19.1 The Joint Stakeholder Forum, Chambers and Regional Coordinating Committees shall comprise of Elected ~~Office~~ Bearers represented by the Chairperson and the Deputy-Chairperson

19.2 Chairperson and Deputy-Chairperson

19.2.1 The members will, subject to the provisions of clause 19.2.2 and 19.2.3, at the first meeting of the relevant committee elect a Chairperson and Deputy-Chairperson from amongst their organised employer and organised labour members. Thereafter, at the first meeting of each new Committee (i.e. at each new two year term of office) appoint from among its voting members a Chairperson and Deputy-Chairperson who will each hold office for a period of two years or for such shorter period as he/she may be a voting member of the Committee,

19.2.2 If the Chairperson is appointed from members representing organised labour then the Deputy-Chairperson may be appointed only from members representing organised employers and vice versa.

19.2.3 If the Chairperson or Deputy-Chairperson is a member nominated from organised labour, only members of organised labour may participate in the election of their appointee and the same principle will apply to members representing organised employers where the appointee is a member nominated by them.

19.2.4 The term of office of the Chairperson and Deputy-Chairperson commences at the start of the new two-year period and expires at the end of the biennial general meeting.

- 19.2.5** Nominations for the office of the Chairperson or Deputy-Chairperson of the relevant committee will be submitted in writing to the Executive Officer.
- 19.2.6** Whenever a vacancy arises in the office of the Chairperson or Deputy-Chairperson, the provisions of clause 19.2.1 to 19.2.5 above will apply as the context may require to the filling of such vacancies.
- 19.2.7** A person elected in terms of clause 19.2.6 shall hold office for the unexpired period of his/ her predecessor.
- 19.2.8** The Deputy-Chairperson will perform the duties and functions of the Chairperson whenever the Chairperson is absent or for any reason unable to act or to perform those functions and duties.
- 19.2.9** If at any meeting both the Chairperson and Deputy-Chairperson are absent or unable to act or fulfil their functions and duties, members of the committee present in the meeting must appoint a Chairperson to perform such functions and duties for the duration of that meeting.
- 19.2.10** The Chairperson or Deputy-Chairperson is subject to the Code of Conduct and may be removed from office for serious neglect of duty, serious misconduct, incapacity or any other fair reason.

20 COMMITTEES

- 20.1** The Governing Board will establish such standing and "ad hoc" committees as may be required from time to time.
- 20.2** Such committees shall be allocated such powers and functions as may be required for them to perform their functions.

21 CODE OF CONDUCT

- 21.1** The CHIETA is bound by a Code of Conduct annexed as Annexure "E". All members of the CHIETA are subject to the Code of Conduct and may be removed from office for serious neglect of duty or serious misconduct.

22 DISPUTE RESOLUTION PROCEDURE

22.1 Any dispute about the interpretation or application of this Constitution will be dealt with in accordance with the CHIETA Dispute Resolution Procedure as outlined in Annexure "F"

23 TENDER PROCEDURE

23.1 The CHIETA is bound by a Procurement Policy developed by the Governing Board in accordance with Section 76 (4) c of the Public Finance Management Act.

24 FINANCES

24.1 The CHIETA is financed through:

24.1.1 Levy transfers received from SARS as set out in section 14(a) of the Act;

24.1.2 Money paid into the CHIETA by the NSF for specific purposes;

24.1.3 Income earned on surplus moneys deposited or invested;

24.1.4 Income earned on services rendered in the prescribed manner; and

24.1.5 Money from any other source.

24.2 The CHIETA is a public entity and its finances shall at all times be managed in accordance with the Public Finance Management Act, 1999.

24.3 The CHIETA must open and maintain a bank account in its name at a registered bank of its choice, approved by the Governing Board, in the Republic of South Africa.

24.4 The money received by the CHIETA may only be invested in:

24.4.1 Savings accounts;

24.4.2 Permanent shares;

24.4.3 Fixed deposits at a registered bank or other financial institution; and

24.4.4 Any other manner approved by the Minister.

24.5 The Governing Board must determine a policy and procedure for the payment of the CHIETAs expenses. All payments must accord with that policy.

24.6 The CHIETA must-

24.6.1 prepare annual budgets, annual reports and financial statements in accordance with Chapter 6 of the Public Finance Management Act; and

24.6.2 furnish the Director-General with copies of all budgets, reports and statements contemplated in paragraph (a) of any other information that it is required to submit in terms of the Public Finance Management Act.

24.7 Money received by the CHIETA may only be used to:

24.7.1 fund the performance of its functions and

24.7.2 pay for its administration within the prescribed limits' or as determined by the Minister from time to time.

24.8 The Executive Officer must submit financial statements for approval to the Executive Committee on a monthly basis and to the Governing Board on a quarterly basis.

24.9 Annual financial statements must also be prepared by the Executive Officer. These statements must consist of:

24.9.1 balance sheet detailing the CHIETA's affairs;

24.9.2 income and expenditure:

24.9.3 cash flow; and

24.9.4 levy transfers received and grants disbursed by the CHIETA.

24.10 The CHIETAs first financial year will commence on date of registration of the CHIETA. Thereafter the financial year shall begin on the first day of April each year and end on the last day of March of the following year.

- 24.11** At the end of each financial year the Governing Board must submit to the Minister, a statement of the CHIETAs estimated income and expenditure for the following financial year.
- 24.12** The Governing Board must approve an acceptable standard for accounting practices for the CHIETA and:
- 24.12.1** keep proper records of all the CHIETAs financial transactions, assets and liabilities and
 - 24.12.2** within six months after the end of each financial year prepare accounts reflecting income and expenditure and the balance sheet showing its assets, liabilities and financial position as at the end of that financial year.
- 24.13** The Executive Officer must, no later than three months after the end of each financial year, prepare and submit a statement of the CHIETA's financial activities for the financial year showing:
- 24.13.1** all monies received by the CHIETA in terms of the Skills Development Levy Act and any other sources;
 - 24.13.2** expenditure incurred on behalf of the CHIETA in terms of: Remuneration and/or allowances for officials and employees, amounts paid to members of the CHIETA and alternates as compensation for travelling, accommodation and subsistence expenses incurred by them in respect of attendance at meetings or in the course of performing work on behalf of the CHIETA, payments made to CHIETA employees and education and training providers; office accommodation; printing and stationery requirements, miscellaneous operating expenditure and
 - 24.13.3** the CHIETAs assets, liabilities and financial position as at the end of the financial year.
- 24.14** The annual financial statements must be signed by the Executive Officer and the Chairperson of the Governing Board and be submitted to the appointed auditors for auditing and preparation of the report as required by the Act.

- 24.15** Original copies of the audited statements and the auditors' reports must be made available for inspection by members at the offices of the CHIETA. The members are entitled to make copies of the audited statements and auditors' reports.
- 24.16** The Executive Officer must, in consultation with the Chambers and Committees, prepare for submission to the annual general meeting of the Governing Board, an annual budget for the next financial year.
- 24.17** The Governing Board must submit to the Auditor-General the CHIETAs accounts, financial statements and financial management reports to be audited.
- 24.18** The Auditor-General must submit a report on the audit conducted to the CHIETA expressing an opinion as to whether the CHIETA has complied with the provisions of the Act, this Constitution and standard accounting practice. A copy of this report must be submitted to the Minister.

25 WINDING UP OF CHIETA

- 25.1** The Minister may, wind up or take over the administration of the CHIETA as contemplated in sections 9(A) and 15 of the Act.

26 AMENDMENTS TO THE CONSTITUTION

- 26.1** Only the Minister may, after consultation with the CHIETA, amend this Constitution in accordance with Section 13(2) of the Act.
- 26.2** If the Governing Board wishes to propose constitutional amendments to the Minister a resolution by at least **66%** of all members must be secured after at least:
- 26.2.1** one month's notice of a motion to amend had been given to the Executive Officer; and
- 26.2.2** two weeks' notice of that motion had been given to all other members of the Governing Board.

26.3 The Executive Committee will issue a written notice together with full details of the proposed amendment(s) and forward the notice to the members no later than thirty days before the date of the relevant Governing Board meeting to consider the proposed amendments.

26.4 Unless the Minister approves, the proposed amendments to the constitution will not be incorporated into the constitution or have any force.

26.5 The Executive Committee may incorporate amendments to the CHIETA Constitution without prior approval of the members if the Minister prescribes such amendments in terms of Section 13(2) of the Act.

26.6 A copy of amendment(s) approved by the Minister in terms of clauses 25.2 or 25.5 of this Constitution shall be forwarded to all members of the Governing Board.

27 RULES AND REGULATIONS

27.1 The CHIETA shall be bound by the Rules and Regulations annexed hereto as Annexure "G".

ANNEXURE "A" - SCOPE OF COVERAGE

03	11600	Production of organic fertiliser
03	33100	Manufacture of coke oven products
03	33200	Petroleum refineries/synthesisers
03	33300	Processing of nuclear fuel
03	33410	Manufacture of basic chemicals, except fertilisers and nitrogen compounds
03	33420	Manufacture of fertilisers and nitrogen compounds
03	33421	*Manufacture raw materials and chemical compounds used in agriculture
03	33430	Manufacture of plastics in primary form and synthetic rubber
03	33501	*Chemically-based general household and personal care products
03	33502	*Manufacture, sale and/or distribution of diversified speciality chemicals for industrial use
03	33520	Manufacture of paints, varnishes and similar coatings, printing ink and mastics
03	33530	Manufacture of pharmaceuticals, medicinal chemicals and botanical products
03	33541	Manufacture of soap and other cleaning compounds
03	33543	Manufacture of beauty products
03	33592	Manufacture of explosives and pyrotechnic products
03	34000	Manufacture of other non-metallic mineral products
03	34110	Manufacture of glass and glass products

03	34112	Manufacture of glass containers; glass kitchenware and tableware; scientific and laboratory glassware, clock and watch glasses and other glass product n.e.c.
03	36400	Manufacture of accumulators, primary cells and primary batteries
03	39005	Power coating
03	41210	*Manufacture of industrial gases in compressed, liquefied or solid forms
03	61410	Wholesale trade in solid, liquid and gaseous fuels and related products
03	87140	Industrial research, e.g. fuel research

ANNEXURE "B" - ORGANISATIONS IN SECTOR AND REPRESENTATION

Organised Employers	Number of Members
Base chemicals	1
Explosives	1
Fast-moving consumer goods	1
Fertilisers	1
Glass	1
Petroleum	1
Pharmaceuticals	1
Speciality chemicals	1
Surface coatings	1
Organised Labour	
Chemical, Energy, Paper, Printing, Wood and Allied Workers Union (CEPPWAWU)	3
South Africa Chemical Workers Union (SACWU)	3
Solidarity Union	2
United Association of South Africa (UASA)	1
General Industries Workers Union of South Africa (GIWUSA)	1 (Observer status)
Government Departments	
Department of Trade and Industry	1
Departments of Minerals and Energy	1

Department of Environmental Affairs	1
Department of Science and Technology	1
Professional Bodies	
South African Pharmacy Council	1
South African Chemical Institute	1
Engineering Council of South Africa	1
Bargaining Council	
Bargaining Council for the Chemical Industry	
TOTAL	27 of which (18 have voting powers)

ANNEXURE "C" - NOMINATION OF MEMBERS

1. Nominations by organised employers

Organised employers listed in Annexure "B" may nominate 9 members to represent their interests on the Governing Board.

2. Nominations by organised labour

Trade unions listed in Annexure "B" may nominate 9 members to represent their interests on the Governing Board.

3. Application to the Governing Board by new organisations wishing to nominate members

3.1. Any organisation which is not listed in Annexure "B" may apply to the Governing Board to participate in the nomination of members to represent organised employers or organised labour (as the case may be).

3.2. The organisation must submit -

3.2.1. their constitution or founding document;

3.2.2. the size of their membership;

3.2.3. a motivation for consideration by the Governing Board; and

3.2.4. any other information the Governing Board considers relevant.

3.3. The Governing Board must consider the organisation's representations as contemplated in clause 3.2 as well as

3.3.1. any representation from a chamber if the organised employer would fall within that chamber; or

3.3.2. any representation from organised labour which may organise in the same sector as the organisation.

3.4. If the Governing Board is of the view that the organisation is sufficiently representative of organised employers or organised labour within the sector, then the Governing Board must list the organisation in Annexure "B". The organisation may thereafter participate in the nomination of members.

4. Inviting stakeholder participation

4.1. The Governing Board must review the list of organised employers and organise labour every ~~two~~ years. ~~If~~ the Governing Board deems it appropriate the Governing Board must call on organised employers and trade unions (not employers and employees) to participate by nominating members in ~~the~~ Governing Board. The purpose of such an invitation is to ensure that ~~the~~ Governing Board is properly represented by members representing organised employers and organised labour and that the representation is reviewed on a biannual basis.

5. Consulting on proportional representation

5.1. Once every ~~two~~ years the Governing Board invites organised employers and trade unions (respectively) to nominate representatives as members.

5.2. Organised employers assisted by the Chair or Deputy ~~Chair~~ of the Governing Board (whichever office bearer has been elected by organised employers) ~~would~~ then by way of consultation attempt to reach agreement ~~on~~ the number of members to proportionally allocate each organisation to represent organised employers on ~~the~~ Governing Board.

5.3. Trade unions assisted by the Chair or Deputy Chair ~~of the~~ Governing Board (whichever office bearer has been elected by organised labour) would then by way of consultation attempt to reach agreement on ~~the~~ number of members to proportionally ~~allocate~~ each organisation to represent organised labour on the Governing Board.

5.4. Once organised employers and organised labour have reached agreement (respectively) on ~~the~~ number of members an organisation may nominate then the organisation may ~~decide~~ on the appropriate person to sit as a member on ~~the~~ Governing Board as contemplated in clause 8 of the constitution.

5.5. *If* agreement cannot be reached then the principle of proportional representation must be applied.

6. Resolving disputes

If there is a dispute regarding the interpretation or application of this schedule which cannot be resolved amicably and informally then the organisations may refer a dispute for arbitration as contemplated in Annexure "F" of the constitution.

ANNEXURE "D" - CHAMBERS OF THE CHIETA

1. Chamber 1: constituted by the sub-sectors, Base Chemicals and Petroleum
2. Chamber 2: constituted by the sub-sectors Speciality Chemicals and Surface Coatings
3. Chamber 3: constituted by the sub-sectors Explosives and Fertilisers
4. Chamber 4: constituted by the sub-sectors Pharmaceuticals and Chemically Related Consumer Goods
5. Chamber 5: constituted by the sub-sector Glass

ANNEXURE "E" - CODE OF CONDUCT

- 1 **INTRODUCTION**
 - 1.1 **Policy**
 - 1.2 **Understanding the Code**
- 2 **COMPLIANCE WITH LAWS AND REGULATIONS**
- 3 **CONFLICT OF INTEREST**
 - 3.1 **Outside Activities, Employment and Directorships**
 - 3.2 **Relationships with Clients, Customers and Suppliers**
- 4 **BUSINESS PRACTICES**
 - 4.1 **Gifts, Hospitality and favours**
 - 4.2 **Remuneration**
- 5 **CHIETA FUNDS AND PROPERTY**
- 6 **ACCOUNTING STANDARDS**
- 7 **SECURITY OF INFORMATION**
 - 7.1 **Obtaining and Safeguarding Information**
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- 9 **DISCIPLINARY PROCEDURE**

1 INTRODUCTION

1.1 Policy

The CHIETA, its members and employees, are committed to a policy of fair dealing and integrity in the conduct of their business. This commitment, which is actively endorsed by the CHIETA, is based on a fundamental belief that business should be conducted honestly, fairly and legally. The Governing Board expects all members and employees of the CHIETA to share its commitment to high moral, ethical and legal standards.

1.2 Understanding the Code

This document outlines the CHIETAs Code of Conduct ("the Code"), which applies equally to all members of the CHIETA. Compliance with the Code by all members is mandatory.

2 COMPLIANCE WITH LAWS AND REGULATIONS

Members must comply with all applicable laws and regulations, which relate to their activities for and on behalf of the CHIETA.

3 CONFLICT OF INTERESTS

3.1 Members are expected to perform their duties conscientiously, honestly and in accordance with the best interests of the CHIETA. Members must not use their positions and or knowledge gained through their relationship with the CHIETA for private or personal advantage, or in such a manner that a conflict or an appearance of conflict arises between the CHIETA's interests and their own personal interests.

3.2A conflict could arise where a member, family members or a business with which the member or family member is associated obtains a gain, advantage or profit by virtue of the employee and/or member's position or knowledge gained through that position.

3.3 If members perceive that a course of action, which has been pursued, is being pursued or is intended to be pursued, may give rise to a conflict of interest or a perceived conflict of interest, they must immediately disclose all known facts to the Executive Officer. The Executive Officer will, in

consultation with the Executive Committee, make a determination, which determination is final and binding.

3.4 Members who hold, or have been invited to hold, outside directorships should take particular care to ensure compliance with all provisions of this Code. When outside business directorships are being considered, prior approval must be obtained from the Executive Officer.

3.5 Relationships with Clients, Customers and Suppliers

Members should ensure that they are independent from any business organisation having a contractual relationship with the CHIETA or providing goods or services to the CHIETA if that association might influence or create the impression of influencing their decisions or the performance of their CHIETA duties. Under these circumstances, Members should not invest in, nor acquire a financial interest, directly or indirectly, in such an organisation or should disclose such relationship to the Governing Board

4 BUSINESS PRACTICES

4.1 Gifts, Hospitality and Favours

Gifts, hospitality and entertainment may only be offered to a third party if they are consistent with customary business practice, modest in value, not in contravention of any applicable law and where public disclosure thereof would not embarrass the CHIETA.

4.2 A member shall not accept gifts, hospitality or other favours from suppliers of goods or services. However, acceptance of the following would not be considered contrary to such policy:

4.2.1 advertising matter of limited commercial value:

4.2.2 occasional business entertaining such as lunches, cocktail parties or dinners; and

4.2.3 occasional personal hospitality such as tickets to local sporting events or theatres.

4.3 A member may not accept personal favours or other preferential treatment that might in return place the recipient under any obligation.

4.4 Should a member receive unsolicited gifts, not within reasonable and acceptable limits, he/she must immediately advise the Executive Officer of such unsolicited gifts, who will resolve to return the gifts, or alternatively donate them to a reputable charity. A register of such returns will be maintained by the secretariat.

5 CHIETA FUNDS AND PROPERTY

5.1 Members must at all times ensure that the CHIETA's funds and property are used only for legitimate business purposes. When the CHIETA's funds are to be spent, it is the responsibility of the member to use good judgement and to ensure that appropriate value is received by the CHIETA for such expenditures.

5.2 Any member, who becomes aware that the CHIETA's funds or property may be used in a fraudulent or improper manner, should immediately and in confidence advise the Executive Officer of such incident in the manner prescribed below or contact the CHIETA Antifraud hotline.

6 ACCOUNTING STANDARDS

The CHIETA's books and records must reflect all business transactions in an accurate and timely manner in conformity with generally accepted accounting principles. Nondisclosure of revenues, expenses, assets or liabilities is not permitted. Members responsible for the accounting and record-keeping functions are expected to be diligent in enforcing proper practices.

7 SECURITY OF INFORMATION

In the regular course of business, the CHIETA accumulates a considerable amount of information. The following principles are to be observed:

7.1 Obtaining and Safeguarding Information

Only information necessary to the CHIETA's business shall be collected, used and retained. Personal information should be obtained directly from the person or organisation concerned. Only reputable and reliable sources should be used to supplement this information.

7.2 Access to Information

No confidential information may be disclosed by any employee or member, including but not limited to information regarding products, plans, business transactions, personal information, salaries, without prior authorisation unless in the ordinary course of business.

8 CONTRAVENTION OF THE CODE

- 8.1 Any contravention of the Code is considered to be a serious offence. Any member who suspects that they may have contravened the Code should immediately advise the Executive Officer or report the matter to the CHIETA Antifraud hotline.
- 8.2 Members suspecting a contravention of the Code by another member should report this, preferably in writing, to the Executive Officer. By following this process, confidentiality will be maintained and the matter will be investigated impartially.
- 8.3 A contravention of the Code may result in disciplinary action being taken that could result in the termination of employment or membership to the CHIETA.

9 DISCIPLINARY PROCEDURE

- 9.1 If a member is reasonably suspected of having breached this Code then the Governing Board may convene a hearing into the matter.
- 9.2 The Chairperson of the Governing Board must notify the member in writing of the charges against him or her.
- 9.3 The member must be afforded an opportunity to represent his / her case. This includes calling witnesses, giving oral evidence and presenting documentary evidence.
- 9.4 The Chairperson must chair the hearing.
- 9.5 If the Chairperson, on a balance of probability finds that the member has indeed transgressed the Code then the Chairperson may make a recommendation in writing to the Governing Board to sanction the member by issuing a written warning or by removing the member.
- 9.6 The Chairperson must set out briefly the charge against the member, the evidence led at the hearing as well as his / her finding and recommendation.
- 9.7 The Governing Board makes the final decision on the appropriate sanction of the member.
- 9.8 If the member is removed by way of this disciplinary process then the organisation which the member represented may then nominate a new member for appointment to the Governing Board.
- 9.9 If the transgression constitutes a criminal offence then the Chairperson must report the matter to the South African Police Services.

ANNEXURE "F" - DISPUTE RESOLUTION**1 INTRODUCTION**

The objective of this procedure is to outline a process for resolving disputes in instances where the dispute arises from or relates to the interpretation or application of the Constitution of the CHIETA.

2 DISPUTE RESOLUTION PROCEDURE

- 2.1** Any party to a dispute concerning the interpretation or application of this Constitution may serve a notice of the dispute to the Executive Officer of the CHIETA
- 2.2** The referring party must:
- 2.2.1** lodge the dispute in writing
 - 2.2.2** adequately describe the nature of the dispute, and
 - 2.2.3** serve the dispute to every other affected party.
- 2.3** The Executive Officer must within 7 days of receipt of the dispute notify the members of the Executive Committee and inform every other affected party of the nature of the dispute.
- 2.4** The Executive Committee must within 30 days of notice consult with the affected parties in order to ascertain the nature and extent of the disputes, including the referral of the dispute to the arbitrator.
- 2.5** The parties to the dispute must agree on a mutually acceptable arbitrator, or failing such agreement the Chairperson of the CHIETA may appoint a suitable arbitrator on behalf of the parties.
- 2.6** The arbitrator must conduct the arbitration in a manner that he or she considers appropriate in order to determine the dispute fairly and quickly, but must deal with the substantial merits of the dispute with the minimum of legal formality,
- 2.7** Within **14** days of conclusion of the arbitration proceedings:

2.7.1 the arbitrator must issue a signed arbitration award with reasons;
and

2.7.2 the Executive Officer must provide a copy of the award to every party to the dispute.

2.8 The arbitration award shall be final and binding on the parties to the dispute.

3 VARIATION OF AN AWARD

3.1 An arbitrator may, at his or her own initiative or as a result of an application by an affected party, vary or rescind an award:

3.1.1 erroneously sought or made in the absence of any party affected by the award;

3.1.2 in which there is ambiguity, or any obvious error or omission, but only to the extent of the ambiguity, error or omission; or

3.1.3 granted as a result of a mistake common to the parties to the proceeding.

4 AWARD OF ARBITRATION COSTS

4.1 The costs of the arbitration must be borne equally by the parties to the dispute.

4.2 The arbitrator may however make a different and appropriate award of costs if

4.2.1 a party to the dispute, without reasonable cause, refuses or fails to attend the arbitration or unduly delays arbitration proceedings;
or

4.2.2 the arbitrator is of the view that a party pursuing or resisting the dispute did so vexatiously or frivolously or had no reasonable prospect of succeeding.

ANNEXURE "G" - RULES AND REGULATIONS OF THE CHIETA

- 1 A motion proposed at a meeting may not be considered unless it has been seconded.
- 2 The Chairperson may require a motion, which has a proposer and seconder to be submitted in writing in which case the Chairperson must read the motion to the meeting.
- 3 No motion may be withdrawn or amended without the consent of the member proposing and the member seconding the same motion.
- 4 Unless this Constitution provides otherwise, all motions must be decided by majority of votes of those voting members present. Voting can take place on a show of hands or secret ballot.
- 5 Where at least **75%** of the members have reached agreement on a matter referred to them, via letter, fax or telephone, by the Chairperson without convening a meeting and have conveyed their agreement to the Governing Board via letter or telefax, such resolution shall be deemed to be a resolution of the Governing Board, shall be recorded in the minutes of the next ordinary meeting and the Register of Resolutions.
- 6 If a member is unable to attend a meeting, his/her views on any matter on the agenda concerned may be communicated to the meeting in writing but shall not count as a vote by the member concerned.
- 7 No member may participate in a discussion or vote on a matter in which he/she has a direct or indirect pecuniary, financial or other material interest, unless he/she first discloses the extent of his/her interest and obtains the permission of the meeting to participate in the discussion or vote on the matter or both.
- 8 If a member, without obtaining the Governing Board's permission, participates in the proceedings in connection with the matter in which he/she does have a direct or indirect pecuniary, financial or other material interest and vote on such matter, such vote shall be deemed invalid.
- 9 The ruling by the Chairperson on any point of order or procedure shall be binding.

ANNEXURE "H" - CHIETA DELEGATION OF RESPONSIBILITY

TYPE OF DECISION	LEVEL OF AUTHORITY	LIMITATION
Authorised Spending Limit	<ul style="list-style-type: none"> Governing Board 	<ul style="list-style-type: none"> Authorise amounts in excess of R500 000
	<ul style="list-style-type: none"> Executive Committee 	<ul style="list-style-type: none"> Authorise budgeted amounts up to R500 000
	<ul style="list-style-type: none"> CEO/ Management 	<ul style="list-style-type: none"> Authorise budget amounts up to R99 000
Appointment of "A" & "B" Bank Signatories	<ul style="list-style-type: none"> Governing Board 	<ul style="list-style-type: none"> Limits placed by existing policies and legislation
Authorisation of cheque / electronic transfers as an "A" signatory	<ul style="list-style-type: none"> CEO 	<ul style="list-style-type: none"> Authorisations to be approved by at least two signatories Prohibited from authorising payments where the signatory receives directly any benefit from such payment.
	<ul style="list-style-type: none"> Chairperson of Governing Board. 	
	<ul style="list-style-type: none"> Vice Chairperson of Governing Board 	
	<ul style="list-style-type: none"> Office Manager 	<ul style="list-style-type: none"> Authorisation to be approved by at least two signatories Prohibited from authorising payments where the signatory receives directly any benefit from such payment. May authorise up to an amount of R25 000 as well as recurring expenditure that has been approved in the annual business plan budget e.g. salaries, rental, telephone etc. in the absence of the CEO on condition that the Chief Financial Officer is the counter signatory on all transactions

TYPE OF DECISION	LEVEL OF AUTHORITY	LIMITATION
Authorisation of cheque / electronic transfers as an "B" signatory"	<ul style="list-style-type: none"> • Division Managers 	<ul style="list-style-type: none"> • Authorisations to be approved by at least two signatories, one of which shall be an "A" signatory • Prohibited from authorising payments where the signatory receives directly any benefit from such payment.
Approval of financial policies and procedures	<ul style="list-style-type: none"> • EXCO` 	<ul style="list-style-type: none"> • Approve and make recommendation to the Board for ratification
	<ul style="list-style-type: none"> • Governing Board 	Ratification
Approval of Annual Budget	<ul style="list-style-type: none"> • Executive Committee 	<ul style="list-style-type: none"> • Approve and make recommendation to the Board for ratification
	<ul style="list-style-type: none"> • Governing Board 	<ul style="list-style-type: none"> • Ratification • Limits placed by existing policies and legislation
Approval of Annual Financial Statements	<ul style="list-style-type: none"> • Audit Committee 	<ul style="list-style-type: none"> • Review and make recommendations to the Board
	<ul style="list-style-type: none"> • EXCO 	<ul style="list-style-type: none"> • Approve and make recommendation to the Board for ratification
	<ul style="list-style-type: none"> • Governing Board 	<ul style="list-style-type: none"> • Ratification • Limits placed by existing policies and legislation

TYPE OF DECISION	LEVEL OF AUTHORITY	LIMITATION
Audit Function	<ul style="list-style-type: none"> • Auditor General 	<ul style="list-style-type: none"> • In terms of the PFMA, the Office of the Auditor-General or his/her appointed nominee will provide the external audit function.
	<ul style="list-style-type: none"> • Governing Board 	<ul style="list-style-type: none"> • Appointment of Audit Committee • Appointment of internal auditors
	<ul style="list-style-type: none"> • Audit Committee 	<ul style="list-style-type: none"> • Perform oversight function for internal audit
Appointment of Staff	<ul style="list-style-type: none"> • Governing Board 	<ul style="list-style-type: none"> • Appoint CEO & CFO
	<ul style="list-style-type: none"> • Executive Committee 	<ul style="list-style-type: none"> • Appointment of Senior Management positions • Approval of unbudgeted positions
	<ul style="list-style-type: none"> • CEO 	<ul style="list-style-type: none"> • Appointment of all other budgeted staff
Approval to instigate legal action	<ul style="list-style-type: none"> • Executive Committee 	<ul style="list-style-type: none"> • Approve all legal action
	<ul style="list-style-type: none"> • CEO 	Approve legal action for:

TYPE OF DECISION	LEVEL OF AUTHORITY	LIMITATION
Approval of Sector Skills Plan	<ul style="list-style-type: none"> Governing Board 	<ul style="list-style-type: none"> Ratification of Sector Skills plan
	<ul style="list-style-type: none"> Executive Committee 	<ul style="list-style-type: none"> Approve and recommend to Board for ratification
Approval of Human Resources (HR) Policies and Procedures	<ul style="list-style-type: none"> Governing Board 	<ul style="list-style-type: none"> Ratification of all (HR) policies and procedures
	<ul style="list-style-type: none"> Executive Committee 	<ul style="list-style-type: none"> Approve and recommend to Board for ratification
Approval of Annual Reports	<ul style="list-style-type: none"> Governing Board 	<ul style="list-style-type: none"> Approve Chairperson and CEOs Annual report
	<ul style="list-style-type: none"> Executive Committee Chairperson 	<ul style="list-style-type: none"> Develop annual report for ratification by the Board
		<ul style="list-style-type: none"> Develop annual report for ratification by the Board
Amendment of CHIETA constitution	<ul style="list-style-type: none"> Minister of Labour 	<ul style="list-style-type: none"> Approve Constitution and any amendments to the Constitution
		<ul style="list-style-type: none"> Propose amendments to the constitution to the Minister with resolution of at least 66.6% of all voting members.
	<ul style="list-style-type: none"> Executive Committee 	<ul style="list-style-type: none"> Issue written notice with full details of the proposed amendment(s) to Board no later than thirty days before the date of the relevant Board meeting to consider proposed amendments
Appointment of Executive Committee	<ul style="list-style-type: none"> Governing Board 	<ul style="list-style-type: none"> Appoint Chairperson and Deputy Chairperson Ratification of ordinary members of the Executive committee