

---

**GOVERNMENT NOTICE**

---

**DEPARTMENT OF LABOUR**

No. R. 830

11 August 2006

SKILLS DEVELOPMENT ACT, 1998 (ACT NO. 97 OF 1998)

**APPROVAL OF THE CONSTITUTION FOR THE MANUFACTURING,  
ENGINEERING AND RELATED SERVICES SECTOR EDUCATION &  
TRAINING AUTHORITY (MERSETA)**

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 MANUFACTURING, ENGINEERING AND RELATED SERVICES SECTOR EDUCATION & TRAINING AUTHORITY **as** set out in **the** Schedule.

**SCHEDULE**

**CONSTITUTION**

**of the**

**MANUFACTURING, ENGINEERING**

**AND RELATED SERVICES**

**SECTOR EDUCATION & TRAINING**

**AUTHORITY**

APRIL 2006

## CONSTITUTION

### MANUFACTURING, ENGINEERING AND RELATED SERVICES EDUCATION & TRAINING AUTHORITY

#### CONTENTS

1	PURPOSE OF THE CONSTITUTION .....	3
2	MISSION OF THE MANUFACTURING, ENGINEERING AND RELATED SERVICES SETA .....	3
3	NAME AND LEGAL STATUS .....	3
4	DEFINITIONS .....	3
5	OBJECTIVES .....	5
6	AREA OF JURISDICTION .....	7
7	STRUCTURES OF THE MERSETA .....	7
8	FUNCTIONS OF THE GOVERNING BOARD .....	8
9	FUNCTIONS AND DUTIES OF THE MERSETA .....	9
10	COMPOSITION OF THE GOVERNING BOARD .....	10
11	MEETINGS OF THE GOVERNING BOARD .....	13
12	OFFICE BEARERS AND MEMBERS OF THE GOVERNING BOARD .....	15
13	COMMITTEES OF THE MERSETA .....	16
14	CHIEF EXECUTIVE OFFICER AND EMPLOYEES OF THE MERSETA .....	21
15	CONDUCT OF MEMBERS .....	22
16	LIMITATION OF LIABILITY .....	22
17	DISPUTE RESOLUTION PROCEDURE .....	22
18	FINANCES OF THE MERSETA .....	22
19	TAKING OVER ADMINISTRATION OF THE MERSETA .....	23
20	AMALGAMATION AND DISSOLUTION OF SETAS .....	24
21	AMENDMENT OF THIS CONSTITUTION .....	24
22	SCHEDULE 1: UPDATED SCOPE AND COVERAGE OF THE MERSETA .....	28
23	SCHEDULE 2: TRADE UNIONS, EMPLOYER ORGANISATIONS AND RELEVANT GOVERNMENT DEPARTMENTS IN THE MERSETA .....	33
24	SCHEDULE 3: NOMINATION OF MEMBERS .....	34
25	SCHEDULE 4: CODE OF CONDUCT .....	36
26	SCHEDULE 5: DISPUTE RESOLUTION .....	42

## 1 PURPOSE OF THE CONSTITUTION

To provide an institutional framework whereby the Manufacturing, Engineering and Related Services Sector of South Africa is able to exercise its powers and perform its functions in terms of the Skills Development Act No. 97 of 1998 (as amended), the Skills Development Levies Act (SDLA) 9 of 1999, Public Finance Management Act 1 of 1999 (PFMA) and Treasury Regulations.

## 2 MISSION OF THE MANUFACTURING, ENGINEERING AND RELATED SERVICES SETA

To promote economic and employment growth and social and economic development, redress inequalities in education and training, and facilitate and advance employment equity in the sector.

## 3 NAME AND LEGAL STATUS

- 3.1 The name of the authority is the Manufacturing, Engineering and Related Services Sector Education and Training Authority, hereinafter referred to as the MERSETA
- 3.2 THE MERSETA is a legal entity and bears responsibility for all its actions.
- 3.3 The MERSETA is established in terms of section 9 of the Skills Development Act No. 97 of 1998 (as amended).
- 3.4 The MERSETA will comply with section 3 of the Public Finance Management Act 1 of 1999 (PFMA).

## 4 DEFINITIONS

Any expression which is not specifically defined herein, but which is defined in the Skills Development Act No. 97 of 1998 shall, unless the contrary intention is apparent from the wording contained herein, bear the meaning assigned to it in the Skills Development Act No. 97 of 1998 (as amended).

In this constitution, the following definitions apply:

- “Act”** - The Skills Development Act No. 97 of 1998 (as amended).
- “audit committee”** The committee established in terms of sub-clause 13.1 of this constitution to monitor the Governing Board in discharging its duties relating to the management of the financial affairs of the MERSETA

<b>“alternate”-</b>	A person appointed to act on behalf of a member of the Governing Board in the absence of the latter.
<b>“chambers” -</b>	The chambers established in terms of sub-clause 13.1(c) of this Constitution.
<b>“Chairperson”-</b>	The Chairperson of the Governing Board nominated in terms of clause 12 of this constitution.
<b>“Chief Executive Officer” -</b>	The Chief Executive Officer of the MERSETA who is appointed under clause 14 of this constitution.
<b>“committee” -</b>	Any permanent committee, ad-hoc or sub-committee of the MERSETA.
<b>“constituency</b>	Organised labour, organised employers or relevant government departments, as contemplated in Schedule 2.
<b>“Deputy-Chairperson”-</b>	The Deputy-Chairperson of the Governing Board appointed in accordance with clause 12 of this constitution.
<b>“Director General”</b>	Means the Director-General of Labour.
<b>“education and training standards” -</b>	Registered statements of desired education and training outcomes and their associated assessment criteria as defined in the SAQA Act.
<b>“ETQA”</b>	Education and Training Quality Assurance Body
<b>“Executive Committee” -</b>	The committee established in terms of sub-clause 13.1(a) of this constitution which shall have oversight of the management of the operational affairs of the MERSETA.
<b>“Functional Standing Committee” -</b>	A committee established in terms of sub-clause 13.1(b) of this constitution to oversee the main functions of the MERSETA.
<b>“Governing Board”</b>	Accounting Authority of the MERSETA

<b>“member” -</b>	Any person nominated by a constituency and appointed to represent it on the Governing Board or any of its Chambers or committees.
<b>“MERSETA”</b>	Manufacturing, Engineering and Related Services Sector Education and Training Authority.
<b>“Minister”</b>	Means the Minister of Labour.
<b>“NSDS”</b>	National Skills Development Strategy
<b>“qualification” -</b>	The formal recognition of the achievement of the required number and range of credits and such other requirements at specific levels of the National Qualifications Framework as may be determined by the relevant bodies registered for such purpose by the South African Qualifications Authority.
<b>“PFMA”</b>	Means the Public Finance Management Act, 1999 (Act no. 1 of 1999) as amended, including Treasury Regulations;
<b>“Professional bodies / associations”</b>	Means an association representing the interests of employees and learners within employer organisations that are members of this sector.
<b>“Regional Committee” -</b>	A committee established in terms of subclause 13.1 of this constitution.
<b>“sector”</b>	Means the Manufacturing, Engineering and Related Services Sector.
<b>“SMME”</b>	Small, Medium and Micro Enterprise
<b>“the Levies Act” -</b>	The Skills Development Levies Act 1999 (Act No. 9 of 1999).
<b>“the LRA” -</b>	The Labour Relations Act 1995 (Act No. 66 of 1995).
<b>“the SAQA Act” -</b>	The South African Qualifications Authority Act, 1995 (Act No. 58 of 1995).

## 5 OBJECTIVES

The objectives of the MERSETA are:

- 5.1 To fulfil and promote the purposes and objectives of the Act, the SAQA Act, the Levies Act, Employment Equity Act, PFMA, and Treasury Regulations.
- 5.2 The efficient disbursement of levy grants.
- 5.3 To co-operate and develop relationships with other SETAs and ETQAs to ensure coherence and portability of qualifications
- 5.4 To promote, facilitate and prioritise education and training which is in line with and supports the fulfilment of collective bargaining agreements,
- 5.5 To develop learnerships and skills programmes that meet social and economic needs by successfully qualifying and equipping learners for gainful employment, including self-employment.
- 5.6 To promote, facilitate, and prioritise education and training which redresses unfair discrimination in education and training and employment and meets the education and training needs of workers, employers and the sector.
- 5.7 To develop and implement integrated and coherent learnerships, education and training programmes, and sector and company skills plans which allow for maximum coherence within the sector and maximum portability and mobility of skills and workers within the sector and with other sectors.
- 5.8 To promote apprenticeships until such time as it is replaced with National Qualifications Framework qualifications and learnerships, flowing from the qualifications registered by the Department of Labour.
- 5.9 To promote, facilitate and prioritise high quality, accredited education and training.
- 5.10 To integrate sector education and training with formal education in order to provide access to formal educational institutions at further and higher educational levels.
- 5.11 To promote, facilitate and prioritise education and training for the unemployed and workers in SMMEs and the informal sector that meets their needs and assists them in gaining access to formal employment.
- 5.12 To promote, facilitate and prioritise the provision of learning pathways and continuous and lifelong education and training.
- 5.13 To facilitate the ongoing recognition of skills, knowledge and ability of workers.

- 5.14 To promote, facilitate and prioritise the removal of barriers faced by workers in accessing and successfully completing their education and training.
- 5.15 To promote, facilitate and prioritise the eradication of illiteracy and innumeracy in the sector.
- 5.16 To promote and facilitate the development of mechanisms to encourage workers to participate in education and training.
- 5.17 To promote and facilitate the development of capacity building programmes for all MERSETA stakeholders in order to promote meaningful and effective decision making on matters of education and training.
- 5.18 To improve the skills of the workforce in the sector in order to contribute to improved productivity and competitiveness, social and economic development and rising standards of living.
- 5.19 To promote, facilitate and prioritise education and training which improves health and safety within the workplace and sector.

## **6 AREA OF JURISDICTION**

The national economic sector for which the MERSETA is established is the MANUFACTURING, ENGINEERING AND RELATED SERVICES Sector. Its scope of coverage, as determined by the Minister of Labour in terms of section 9(2) of the Act, is contained in Schedule 1 of this constitution, as amended from time to time. In the event of any inconsistency, the Minister of Labour's determination prevails over Schedule 1.

## **7 STRUCTURES OF THE MERSETA**

The MERSETA comprises of the following structures

- 7.1 Governing Board
- 7.2 Executive Committee
- 7.3 Chambers
- 7.4 Functional Standing Committees (Finance, Remuneration, and ETQA)
- 7.5 Audit Committee
- 7.6** Communications Committee (ad hoc Committee)



## 7.7 Regional Committees (ad hoc Committees)

# 8 FUNCTIONS OF THE GOVERNING BOARD

The Governing Board is the accounting authority of the MERSETA.

**8.1** The Governing Board has all such powers as are necessary to enable it to achieve its objectives and perform its duties and functions, as well as such other powers as may be conferred upon it by the Act or by the Levies Act. Without limiting the generalities thereof, it shall have the powers to:

- a) In accordance with this constitution, to propose members and alternates of the Governing Board for appointment by the Minister of Labour;
- b) Establish committees and chambers in addition to those referred to in this constitution;
- c) Dissolve any committee and chamber and amend or revoke the terms of reference thereof;
- d) Appoint a Chief Executive Officer, which appointment may be delegated to the Executive Committee.
- e) Ratify, all policies proposed by the Executive Committee to govern its functions and those delegated to committees, the Chief Executive Officer and staff,
- f) Approve the annual budget of the MERSETA.
- g) Approve the business plan and Sector Skills Plan of the MERSETA.
- h) Ratify the scale of reimbursement of expenses and other related matters for the members of the Governing Board, chambers and Functional Standing Committees, proposed by the Remuneration Committee;
- i) Ratify the remuneration of members of the audit committee;
- j) Report on its income and expenditure to the Director-General,;
- k) Report on skills development within the Manufacturing, Engineering and Related Services Sector to the Director-General.

8.2 Subject to any limitation imposed by the Act, the Levies Act and this constitution, the Governing Board may delegate to its member committees or chambers, any of its powers, duties and functions provided that:

- a) The Governing Board cannot delegate the power of delegation.
- b) Any delegation must be recorded in the constitution or minutes of the Governing Board, reflecting any limitations or conditions of the delegation.
- c) The Governing Board remains accountable for actions taken under a delegation.
- d) The Governing Board is not divested of any of its powers, duties or functions by virtue of any delegation.

## **9 FUNCTIONS AND DUTIES OF THE MERSETA**

**9.1** The MERSETA must perform its functions in accordance with the Act, the Levies Act, the PFMA, Treasury Regulations, and this constitution.

**9.2** The MERSETA must in terms of section 10 of the Act:

- a) Develop a sector skills plan within the framework of the national skills development strategy;
- b) Implement the sector skills plan by:
  - i) Establishing learnerships;
  - ii) Approving workplace skills plans;
  - iii) Allocating grants to employers, education and training providers and employees;
  - iv) Monitoring education and training in the sector.
- c) Promote learnerships by:
  - i) Identifying workplaces for practical work experience;
  - ii) Supporting the development of learning materials;
  - iii) Improving the facilitation of learning;
  - iv) Assisting with the conclusion of learnership agreements.
- d) Promote other kinds of training including the provision of bursaries;
- e) Register learnership agreements;

- f) Perform the functions of an Education and Training Quality Assurance body under the SAQA Act;
- g) Disburse grants in the Manufacturing, Engineering and Related Services Sector;
- h) Liaise with the National Skills Authority on:
  - I) National Skills development policy;
  - ii) National skills development strategy; and
  - iii) The sector skills plan of the MERSETA.
- i) Report to the Director-General on:
  - i) its income and expenditure; and
  - ii) the implementation of its sector skills plan.
  - iii) annual business plan and NSDS targets.
- j) 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:
  - i) About employment opportunities;
  - ii) Between education and training providers and the Labour Market.
- k) Appoint staff necessary for the performance of its functions; and
- l) Perform any other duties imposed by the Act, the Levies Act, the PFMA, Treasury Regulations or consistent with the purposes of the Act.

## 10 COMPOSITION OF THE GOVERNING BOARD

10.1 The Governing Board is comprised of members representing the following constituencies in the MANUFACTURING, ENGINEERING AND RELATED SERVICES Sector:

- a) Organised labour;
- b) Organised employers, including small business;
- c) Relevant government departments.
- d) Other professional bodies/associations.

- 10.2** The constituencies of the Governing Board at the date of its establishment are listed in Schedule 2 of this constitution.
- 10.3** Any registered trade union or employer organisation may, in the manner determined by the Governing Board, apply to the Governing Board for inclusion on Schedule 2.
- 10.4** The Governing Board will use the criteria listed in Schedule 3 to decide on admission to the MERSETA.
- 10.5** The Minister may remove a member from the Governing Board only for good reason and after affording the member an opportunity to be heard.
- 10.6** The name of any trade union or employer organisation may be removed from Schedule 2 upon written request of the Minister or the trade union or employer organisation concerned.
- 10.7** The trade unions and employer organisations whose members carry on their business in the MANUFACTURING, ENGINEERING AND RELATED SERVICES Sector, together with the government departments relevant to the MANUFACTURING, ENGINEERING AND RELATED SERVICES Sector, are listed in Schedule 2 of this constitution.
- 10.8** The Minister must appoint nominees to serve as members of the Governing Board.
- 10.9** The trade unions, employer organisations and relevant government departments listed in Schedule 2 may nominate the number of members indicated in subclause 10.11 of this constitution to serve on the Governing Board.
- 10.10** Organised employers and organised labour must be represented equally on the Governing Board.
- 10.11** The Governing Board consists of:
- i)** Sixteen **(16)** members, each with one vote, to represent organised labour. The labour members will be determined by the trade unions listed in Schedule 2 based on proportional representation. In addition, organised labour as a whole may nominate a total of five (5) alternates.
  - ii)** Sixteen **(16)** members, each with one vote, to represent **employers/employer** organisations. The employer members will be comprised of an equal number of employer delegates per chamber and will be determined by the **employers/employer** organisations listed in Schedule 2. In addition, **employers/employer** organisations **as** a whole may nominate a total of five (5) alternates.

- iii) One **(1)** non - voting person to represent the Department of Trade and Industry.
- iv) One **(1)** non - voting person to represent the Department of Labour.
- v) If the Minister of Labour, considers it appropriate for the sector, then two non-voting representatives with observer status (one representing labour and one representing employers) from each bargaining council with jurisdiction in the sector.
- vi) The Chief Executive Officer of the SETA, who may not vote.

**10.12** Alternates may attend meetings and participate through their principals. Alternates may only vote if the principal member cannot attend the meeting.

**10.13** Members hold office on the Governing Board for a period of three **(3)** years from their date of appointment and may be reappointed after expiry of their terms of office.

**10.14** The Chief Executive Officer must notify members of their appointment in writing.

**10.15** A member vacates office:

- i) On expiry of his/her term of office.
- ii) Under the conditions listed in sub-clause **10.16** of the constitution.
- iii) On withdrawal of the organisation which nominated the member from the Governing Board.
- iv) Any organisation which nominated a member may, on giving fourteen **(14)** days' notice in writing to the Governing Board withdraw a member and appoint another in his/her stead.
- v) On resignation. Such a resignation must be submitted to the Chief Executive Officer in writing.
- vi) Should a vacancy arise through a member's withdrawal, resignation, death or disqualification, the vacancy shall be filled by the organisation which nominated him/her. Any member so appointed shall hold office for the unexpired portion of the period of office of their predecessor and be subject to the same conditions as their predecessor.

**10.16** The Governing Board may require, of a constituency, that any one of its members be replaced from office under any one of the following conditions:

- i) Serious misconduct.
- ii) Permanent incapacity.
- iii) Failure to disclose a conflict of interest in any affair of the Governing Board over which he/she may have an influence.
- iv) Engaging in any activity that may undermine the integrity of the Governing Board.
- v) Absence from three consecutive meetings of the Governing Board without good cause. The Process outlined in the MERSETAs code of conduct will be followed to determine whether a member should be removed.

10.17 If a constituency does not nominate a replacement within 30 (thirty) days by written notice by the Governing Board to do so, the Governing Board may nominate a person as a member to represent organised labour, organised employers or a government department, as the case may be.

## **11 MEETINGS OF THE GOVERNING BOARD**

- 11.1 Governing Board must meet at least four (4 times per year) one meeting of which shall be the Annual General Meeting. General Meetings of the Governing Board may also be convened to consider resolutions that are raised by members concerning issues that affect the Governing Board.
- 11.2 The Chief Executive Officer must give written notice of meetings starting time, date, venue and business to be transacted, either personally or by electronic mail to members. At least twenty one (21) days notice must be given unless the Chairperson decides that there are good grounds for calling a meeting at shorter notice. Ordinary meetings of the Governing Board may be held at such times and places as the Governing Board, or the Chairperson may determine, and shall be called either at the request of any member, with the agreement of at least fifty percent (50%) of the organised employer members and at least fifty percent (50%) of organised labour members, or by agreement between the Chairperson and Deputy Chairperson. All motions to be considered by the Governing Board shall, unless otherwise permitted by the Chairperson, be submitted to the Chairperson in writing and read by the Chairperson to the meeting of the Governing Board. No motion shall be considered unless seconded.
- 11.3 The business of the Governing Board when meeting as an Annual General Meeting of the Governing Board shall include:
- a) Consideration of the audited financial statements of the MERSETA, the Annual Report of the MERSETA and the report of the Auditor-General.

- b) Discussion of any matter referred to in or arising **from** the audited financial statements or reports.
- c) Discussion of any matter of which notice shall be given to the Chief Executive Officer at least thirty (30) days prior to the date of the Annual General Meeting for inclusion with the notification for the meeting.
- d) The election, by Governing Board members, of office bearers of the Governing Board.

**11.4** The Chairperson must preside over all meetings of the Governing Board. In the event of the Chairperson being absent, the Deputy-Chairperson must preside. If the Deputy-Chairperson is absent, then the Governing Board must appoint one of the member representatives to preside.

**11.5** Any person in attendance at a meeting of the Governing Board who has a direct or personal interest in any matter before the meeting must, before the matter is discussed by the meeting, declare such interest to the meeting. The Chairperson must determine whether such a person may participate in the consideration of the matter.

**11.6** The quorum for meetings of the Governing Board shall include, at least, a majority of the members representing organised labour, plus a majority of the members representing organised employers. For the purposes of determining whether a quorum is present, alternates of members who are absent, shall be regarded as members.

If, within one hour of the time and date fixed for any meeting of the Governing Board a quorum is not present, the meeting shall stand adjourned to a date to be fixed by the Chairperson, in consultation with members present, being not less than seven (**7**) and not more than ten (**10**) days from the date of the meeting which stands adjourned. Notice in writing shall be given by the Chief Executive Officer to each member stating the date and time of the adjourned meeting. At such adjourned meeting, the members present shall constitute a quorum.

**11.7** A decision of the Governing Board shall be by consensus. If a consensus cannot be reached, then the decision will be determined by a majority vote, by show of hands of members present at a properly constituted meeting of the Governing Board.

**11.8** Voting on decisions to be made shall take place by a show of hands.

**11.9** A decision may not be declared invalid due to a vacancy or the attendance of an unauthorised person at a meeting.

11.10 The Company Secretary must ensure that proper minutes of all meetings are taken, formally documented, distributed to members and approved at the following Governing Board meeting and retained in an archive and record system.

11.11 Decisions of the Governing Board can be taken by a process of "Round Robin" if agreed at the previous meeting.

## 12 OFFICE BEARERS AND MEMBERS OF THE GOVERNING BOARD

12.1 Members nominated to the Governing Board shall comply with the minimum skill and knowledge requirements to do so. Members who have not achieved the National Qualification Framework level 5 qualification, shall do so within 6 months of election and a process of Recognition of Prior Learning can be followed as well.

12.2 The Governing Board shall nominate the following office bearers:

- i) A Chairperson
- ii) A Deputy-Chairperson

Nominees for office bearer positions shall be properly proposed, seconded and their availability confirmed at the Annual General Meeting.

12.3 The Governing Board may decide to appoint an Independent Chairperson and may, in addition, nominate two Deputy Chairpersons from its respective member constituencies.

12.4 The Chairperson and Deputy-Chairperson shall be nominated annually during an Annual General Meeting of the Governing Board from among the members of the Governing Board representing organised employers and organised labour. Where the Chairperson is nominated from members representing organised labour, the Deputy-Chairperson must be nominated from members representing organised employers and vice versa. Each year the roles must be reversed – unless otherwise agreed.

12.5 Both the Chairperson and the Deputy-Chairperson shall be eligible for re-election to that position of office.

12.6 Once a new Chairperson and Deputy-Chairperson have been appointed, the duties of the current Chairperson and Deputy-Chairperson terminate.

12.7 In the event of either or both of the office bearers being unable to perform their duties on a permanent basis, the Governing Board may choose to nominate new office bearer/s for the remaining period until the next Annual General Meeting.



## 13 COMMITTEES OF THE MERSETA

13.1 The Governing Board will establish the following committees:

- a) An Executive Committee.
- b) Functional Standing Committees for Finance, Remuneration and ETQA;
- c) Chambers for:
  - i) Automobile Manufacturing
  - ii) Metal and Engineering,
  - iii) Retail Motor and Components,
  - iv) New Tyre,
  - v) Plastics.
- d) Regional Committees shall be established if the Governing Board deems it necessary
- e) Communication Committee shall be established if the Governing Board deems it necessary.

### 9 Audit Committee

13.2 Executive Committee

- a) The voting members of the Executive Committee shall comprise ~~the~~ Chairperson and Deputy-Chairperson of the Governing Board ~~plus~~ five (5) members of the Governing Board nominated by members representing organised labour on the Governing Board and five (5) members of the Governing Board nominated by members representing organised employers on the Governing Board as per schedule 2.
- b) The Chief Executive Officer, Chief Financial Officer and the Skills Development Implementation Manager shall be non-voting members of the Executive Committee.
- c) The majority plus one (1) members of the Executive Committee, on the side of organised employers as well as organised labour will constitute a quorum.
- d) Sub-clauses 11.5 to 11.11, with the necessary changes, apply to Executive Committee meetings.

- e) The Executive Committee shall meet at least every six weeks.
- 9** The Executive Committee shall be responsible for the oversight of the management of the operational affairs of the MERSETA.
- g)** The Executive Committee shall have the power to refer such matters as it may deem fit to any other standing committee or any ad-hoc committee it may establish and to withdraw or vary such reference at any time.
- h)** In particular, but without limiting the generality of this, the Executive Committee shall have the following specific functions and duties:
  - i) Present the policies, annual budget, business plan, and sector skills plan, service level agreement, annual report and annual financial report to the Governing Board **for** ratification.
  - ii) Manage, co-ordinate and monitor the activities of Functional Standing Committees, chambers, and any other ad hoc committees of the Governing Board.
  - iii) Ensure that any issues and responsibilities are referred to the relevant Functional Standing Committees, chambers or Regional Committees of the Governing Board, for appropriate action.
  - iv) Appoint such ad hoc committees as may be required.
  - v) Submit the annual report on the affairs of the MERSETA to its members for consideration.
  - vi) Present the financial statements of the MERSETA to its members for approval.

### **13.3 Functional Standing Committees**

- a) There shall be five (5) members representing organised employers and five (5) members representing organised labour on each Functional Standing Committee.
- b) There shall be an equal number of organised employer members per chamber on each Functional Standing Committee.
- c) The members representing organised labour on each Functional Standing Committee will be determined by the organised labour caucus based on proportional representation.

- d) The Functional Standing Committees shall elect the following office bearers:

A Chairperson and

A Deputy-Chairperson

Nominees for office bearer positions shall be properly proposed, seconded and their availability confirmed at the first meeting each year of the relevant functional standing committee. Voting shall take place by show of hands, unless there is unanimity amongst all members.

The Chairperson and Deputy-Chairperson shall be nominated annually from among members representing organised employers and organised labour on the Functional Standing Committee concerned. Where the Chairperson is nominated from the organised labour constituency, the Deputy-Chairperson must be nominated from the organised employer constituency and vice versa. Each year the roles must be reversed – unless otherwise agreed.

- e) Sub-clauses 11.5 to 11.11, with the necessary changes, apply to Functional Standing Committee meetings.
- f) Both the Chairperson and the Deputy-Chairperson shall be eligible for re-election to that position of office.
- g) Once a new Chairperson and Deputy-Chairperson have been appointed, the duties of the current Chairperson and Deputy-Chairperson terminate.
- h) In the absence of the Chairperson, the Deputy-Chairperson **will** perform the functions of the chairperson at meetings of the relevant Functional Standing Committee. In the event of both being absent, the relevant Functional Standing Committee may appoint a temporary chairperson to perform these functions.
- i) There shall be at least one (1) non-voting MERSETA staff representative on each Committee.
- j) Each Functional Standing Committee shall meet at least four (4) times per year.
- k) The Functional Standing Committees report to the Executive Committee.
- l) The terms of reference for the Functional Standing Committees are contained in Schedule 7.

**13.4 Finance Committee**

- a) The Chairperson, Deputy Chairperson and Chief Executive Officer and Chief Financial Officer of the MERSETA will be additional members to this committee. The Chief Executive Officer and Chief Financial Officer will be non-voting members.
- b) The committee shall be responsible for monitoring the financial, budgetary, personnel and facilities affairs of the MERSETA.
- c) Ensure that the MERSETA meets the requirements of the PFMA.
- d) In particular, but without limiting the generality of this, the Committee shall have the following specific functions and duties:

**Finance**

- i) To develop policies, principles, criteria and guidelines related to finance for recommendation to the Executive Committee.
- ii) To prepare and recommend the annual business plan and budget.
- iii) To recommend the appointment of the independent auditor and to receive and consider the auditor's report.
- iv) To recommend auditors to conduct annual risk assessments for the MERSETA.

**13.5 Chambers**

- a) Each chamber shall comprise equal numbers of members representing organised employers and organised labour but shall not exceed eight (8) voting members per side and six (6) alternates. Alternates may attend meetings and participate through their principals. Alternates may only vote if the principal member cannot attend the meeting.
- b) The chamber shall elect the following office bearers:

A Chairperson and

A Deputy-Chairperson

Nominees for office bearer positions shall be properly proposed, seconded and their availability confirmed at the first meeting of the relevant chamber in any calendar year. Voting shall take place by means of a show of hands, unless there is unanimity amongst members.

The Chairperson and Deputy-Chairperson shall be nominated annually from among members representing the organised employers and organised labour on the chamber concerned. Where the Chairperson is nominated from the organised labour constituency, the Deputy-Chairperson must be nominated from the organised employer constituency and vice versa. Each year the roles must be reversed – unless otherwise agreed.

- c) Both the Chairperson and the Deputy-Chairperson shall be eligible for re-election to that position of office.
- d) Once a new Chairperson and Deputy-Chairperson have been appointed, the duties of the current Chairperson and Deputy-Chairperson terminate.
- e) In the absence of the Chairperson, the Deputy-Chairperson will perform the functions of the Chairperson at meetings of the relevant chamber. In the event of both being absent, the relevant chamber may appoint a temporary chairperson to perform these functions.
- f) Sub-clauses 11.5 to 11.11, with the necessary changes, apply to chamber meetings.
- g) Each chamber shall meet at least four (4) times per year.
- h) Each chamber has decision making powers on functions delegated to it in terms of clause 8.2. The decisions of chambers must be consistent with the principles, criteria, policies and guidelines of the MERSETA.
- i) The Terms of Reference of the chambers are contained in schedule 6, and includes the following:
  - j) Develop sub sectoral input into the sector skills plan in accordance with principles, criteria, policies and guidelines of the MERSETA.
    - i) Identify education and training needs in the sub sector.
    - ii) Monitor the development and implementation of apprenticeships, learnerships, skills programmes and ABET in the sub sector.
    - iii) Liaise with relevant bargaining councils, forums, professional associations and specialised sub sector providers.
- k) Chambers report to the Executive Committee of the MERSETA.

### **13.6 Audit Committee**

- a) The Governing Board shall appoint an audit committee, comprised of five (5) members including the chairperson, the majority of whom shall not be employed by the MERSETA.
- b) The audit committee members will be appointed for a three (3)-year term of office.
- c) The fees payable to members of the audit committee will be determined by the Governing Board.
- d) The audit committee will function in accordance with the requirements of the PFMA.
- e) The members of the audit committee must have the necessary standing and expertise to assure the Governing Board that the material risks associated with the MERSETA are being appropriately managed.
- f) The audit committee will meet biannually or more regularly if the risk profile of the MERSETA so requires.
- g) The audit committee will be required to submit a report to the Executive Committee on at least a biannual basis.
- h) The Chief Executive Officer of the MERSETA shall attend the meetings of the audit committee and report to it on matters within its jurisdiction.
- i) The MERSETA will provide support services to the audit committee in performing its functions.
- j) Sub-clauses 11.5 to 11.11, with the necessary changes, apply to meetings of the audit committee.

## **14 CHIEF EXECUTIVE OFFICER AND EMPLOYEES OF THE MERSETA**

- 14.1 The Chief Executive Officer for the MERSETA shall be appointed by the Executive Committee of the MERSETA on such terms as may be determined by the Executive Committee and within the policy of the Governing Board.
- 14.2 The Chief Executive Officer shall be responsible to and report to the Executive Committee. The Executive Committee shall give the Chief Executive Officer such direction and supervision as may be necessary to enable him/her to perform the functions required of the position in a fit and proper manner.

14.3 The powers, delegated powers, duties, functions and rights of the Chief Executive Officer shall be as determined from time-to-time by the Governing Board. The Chief Executive Officer shall, in consultation with the Executive Committee, be responsible and accountable for the recruitment, appointment and management of all employees of the MERSETA.

## **15 CONDUCT OF MEMBERS**

15.1 Members of the MERSETA are bound by a Code of Conduct attached as Schedule 4. This Code guides members in the performance and conduct of their functions and duties. Serious neglect of duty or misconduct may result in members being removed from office.

## **16 LIMITATION OF LIABILITY**

16.1 No member, office-bearer or employee of the MERSETA shall be liable for any of the obligations and liabilities of the MERSETA solely by virtue of his/her status as a member, office bearer or employee.

16.2 No member, office-bearer or employee of the MERSETA shall in any way be personally liable for any loss or damage suffered by any person as a result of the execution or non-execution, in good faith, of the member's, office bearer's or employee's duties and powers under this constitution. Such members, office bearers and employers will be indemnified by the MERSETA for any such loss or damage.

## **17 DISPUTE RESOLUTION PROCEDURE**

17.1 Any dispute concerning the application or interpretation of this constitution will be dealt with in accordance with the MERSETA Dispute Resolution Procedure attached as Schedule 5.

## **18 FINANCES OF THE MERSETA**

18.1 The MERSETA shall be financed from:

- a) The skills development levies, interest and penalties collected in respect of the MERSETA as allocated in terms of sections 8(3)(b) and 9(b) of the Levies Act;
- b) Monies paid to it from the National Skills Fund;
- c) Income earned on surplus monies deposited or invested;
- d) Income earned on services rendered in the prescribed manner;
- e) Monies received from any other legal source.

- 18.2 The monies received by the MERSETA must be managed as contemplated in sections 14(2), 14(3), and 14(5) of the Act.
- 18.3 All money, funds, property or other assets owned, vested in, held, acquired or received by the MERSETA shall be held, controlled and administered by the Executive Committee, and shall be applied to the achievement of the objectives of the MERSETA in accordance with its policies and this constitution to fund the performance of its functions and to pay for its administration.
- 18.4 Any banking account opened in the name of the MERSETA shall be operated by the Chief Executive Officer and three other co-signatories appointed by the Executive Committee, at least two of whom must be members of the Executive Committee. The withdrawal of monies from any bank account of the MERSETA by cheque, credit transfer or by any other means, requires the written authority of at least two (2) signatories, at least one (1) of whom is a member of the Executive Committee.
- 18.5 The books of account, statements of account and financial statements of the MERSETA must be audited annually by the Auditor-General. The Auditor-General must compile a report on the audit and submit a copy of it to the Minister and the Chairperson of the Governing Board. The Chairperson must provide each member of the Governing Board with a copy of the report of the Auditor General.
- 18.6 The MERSETA, through the Executive Committee assisted by the Finance Functional Standing Committee, shall, in accordance with the standards of generally accepted accounting practice:
- a) Keep proper record of all its financial transactions; assets and liabilities;
  - b) Submit annually to the Department of Labour, within one (1) month after receipt of the audited financial statements from the Auditor-General, an original copy of such financial statements; and
  - c) For purposes of sound financial management, comply with the applicable provisions of the PFMA.

## 19 TAKING OVER ADMINISTRATION OF THE MERSETA

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



## **20 AMALGAMATION AND DISSOLUTION OF SETAS**

The Minister may after consulting with the National Skills Authority **and** the MERSETA amalgamate or dissolve the MERSETA as contemplated in Section 9A of the Act.

## **21 AMENDMENT OF THIS CONSTITUTION**

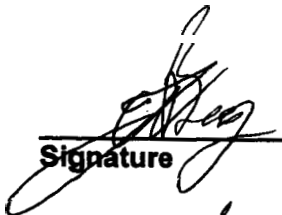
- 21.1 The constitution may be amended by the **MERSETA** only by a resolution of at least two-thirds of the members of the Governing Board present at an Annual General Meeting or a General Meeting of the Governing Board for which there is a quorum and with the approval of the Minister.
- 21.2 The Chief Executive Officer of the MERSETA must ensure that copies of the proposed amendment, notifications for the meeting and the meeting agenda are dispatched to all members of the **MERSETA** at least twenty-one (21) days prior to the meeting at which an amendment of the constitution is to be considered.
- 21.3 No amendment of this constitution shall have any force or effect until it has been approved by the Minister.
- 21.4 The Minister, after consultation with the MERSETA may amend this constitution.

**APPROVAL AND STAKEHOLDER ENDORSEMENT**

**STAKEHOLDER ENDORSEMENT**

Signed at Johannesburg on this 04 day of April 2006

**ORGANISED LABOUR**

  
\_\_\_\_\_  
Signature

J.W. DICKGEB  
\_\_\_\_\_  
Name

SOLIDARITY  
\_\_\_\_\_  
Organisation


  
\_\_\_\_\_  
Signature

MALEBO MOGOPODI  
\_\_\_\_\_  
NAME

NUMSA  
\_\_\_\_\_  
Organisation

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

  
\_\_\_\_\_  
Signature

B. S. HOLLAND  
\_\_\_\_\_  
Name

NUMSA/SAMA  
\_\_\_\_\_  
Organisation

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Organisation

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
**Organisation**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Name**

\_\_\_\_\_  
**Organisation**

\_\_\_\_\_  
**Organisation**

**EMI LOYERS/ EMI LOYER BONDS**



Signature

Lizele Heunis

Name

RWF

Organisation



Signature

Romano Davies

Name

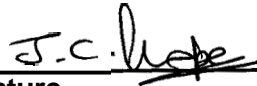
NEW FYLE

Organisation

Signature

Name

Organisation



Signature

J.C. WORS

Name

SEIFSA.

Organisation

Signature

Name

Organisation

Signature

Name

Organisation

## 22 SCHEDULE 1: UPDATED SCOPE AND COVERAGE OF THE MERSETA

SCOPE OF COVERAGE	SIC CODE*
MANUFACTURE OF PLASTIC BAGS	33431
MANUFACTURE OF TYRES AND TUBES	33711
REBUILDING AND RETREADING OF TYRES	33712
MANUFACTURE OF OTHER RUBBER PRODUCTS	33790
CALENDARING	33791
COMPOUNDING	33792
INJECTION MOLDING	33801
BLOW MOLDING	33802
EXTRUSION	33803
PLASTICS PROCESSES	33804
BASIC IRON AND STEEL INDUSTRIES, EXCEPT STEEL PIPE	35101
STEEL PIPE AND TUBE MILLS	35102
SILVER PLATI	
MANUFACTURE OF PRIMARY NON-FERROUS METAL PRODUCTS	35202
CASTING OF IRON AND STEEL	35310
CASTING OF NON-FERROUS METALS	35320
MANUFACTURE AND/OR REPAIRS OF MOVABLE METAL STRUCTURE AND OTHER METAL PARTS	35411
MANUFACTURE OF BASIC METALS, FABRICATED METAL PRODUCTS	35412
MANUFACTURE AND/OR REPAIRS OF STRUCTURAL METAL PRODUCTS AND COMPONENTS INCLUDING DOORS, WINDOWS AND GATES	35419
MANUFACTURE OF TANKS, RESERVOIRS AND SIMILAR CONTAINERS	35420
MANUFACTURE OF STEAM GENERATORS, EXCEPT CENTRAL HEAT	35430
FORGING, PRESSING, STAMPING AND ROLL-FORMING OF METAL	35510
TREATMENT AND COATING OF METALS; GENERAL MECHANICAL	35520
TREATING AND COATING OF METALS	35521
GENERAL MECHANICAL ENGINEERING ON A FEE OR CONTRACT BASIS	35522
MANUFACTURE OF CUTLERY, HAND TOOLS AND	35530

GENERAL HAR	
MANUFACTURE OF CABLES AND WIRE PRODUCTS	<b>35592</b>
MANUFACTURE OF SPRINGS (ALL TYPES)	<b>35593</b>
MANUFACTURE OF METAL FASTENERS	<b>35594</b>
MANUFACTURE OF OTHER METAL PRODUCTS NEC.	<b>35599</b>
MANUFACTURE OF ENGINES AND TURBINES, EXCEPT AIRCRAFT	<b>35610</b>
MANUFACTURE OF PUMPS, COMPRESSORS, TAPS AND VALVES	<b>35620</b>
MANUFACTURE OF BEARINGS, GEARS, GEARING AND DRIVING	<b>35630</b>
MANUFACTURE AND/OR REPAIRS OF OVENS, FURNACES, BURNERS EXCLUDING REFRACTORY WORK AND PRODUCTS	<b>35640</b>
MANUFACTURE AND/OR REPAIRS OF LIFTING AND HANDLING EQUIPMENT	<b>35650</b>
MANUFACTURE AND/OR REPAIRS OF OTHER GENERAL PURPOSE MACHINERY	<b>35690</b>
AIR CONDITIONING AND REFRIGERATION EQUIPMENT, AND	<b>35691</b>
MANUFACTURE AND/OR REPAIRS OF AGRICULTURE AND FORESTRY MACHINERY	<b>35710</b>
<b>MANUFACTURE AND/OR REPAIRS OF MACHINERY AND TOOLS</b>	<b>35720</b>
MANUFACTURE AND/OR REPAIRS OF MACHINERY FOR METALLURGY	<b>35730</b>
MANUFACTURE AND/OR REPAIRS OF MACHINERY FOR MINING, QUARRYING, AND CONSTRUCTION	<b>35740</b>
MANUFACTURE AND/OR REPAIRS OF FOOD, BEVERAGES AND TOBACCO PROCESSING	<b>35750</b>
MANUFACTURE AND/OR REPAIRS OF MACHINERY FOR TEXTILE APPAREL AND LEATHER PRODUCTION	<b>35760</b>
MANUFACTURE AND/OR REPAIRS OF WEAPONS AND AMMUNITION	<b>35770</b>
MANUFACTURE AND/OR REPAIRS OF INSTALLATION PNEUMATIC AND HYDRAULIC SYSTEMS	<b>35780</b>
MANUFACTURE AND/OR REPAIRS OF MECHANICAL AND ELECTRICAL HOUSEHOLD APPLIANCES NEC.	<b>35800</b>
MANUFACTURE AND/OR REPAIRS OF OFFICE ACCOUNTING, COMPUTING MACHINERY	<b>35900</b>
RETAIL SALE OF NEW MOTOR VEHICLE PARTS AND ACCESSORIES	<b>35901</b>

TOW TRUCK SERVICES WHERE TOWING SERVICES ARE ANCILLARY SERVICES TO AN ENTERPRISE WHERE THE CORE BUSINESS IS PANEL BEATING	<b>35903</b>
POWDER SHELVING	<b>35904</b>
MANUFACTURE AND/OR REPAIRS OF ELECTRIC MOTORS, GENERATORS AND TRANSFORMERS	<b>36100</b>
MANUFACTURE AND/OR REPAIRS OF ELECTRICITY DISTRIBUTION AND CONTROL APPARATUS	<b>36200</b>
MANUFACTURE AND/OR REPAIRS OF INSULATED WIRE AND CABLE	<b>36300</b>
MANUFACTURE AND/OR REPAIRS OF ELECTRIC BULBS AND FLUORESCENT TUBES	<b>36501</b>
MANUFACTURE AND/OR REPAIRS OF ELIMINATED SIGNS AND ADVERTISING DISPLAYS	<b>36502</b>
MANUFACTURE AND/OR REPAIRS OF OTHER ELECTRICAL EQUIPMENT N.E.C.	<b>36600</b>
MANUFACTURE AND/OR REPAIRS OF ELECTRICAL MACHINERY AND APPARATUS N.E.C.	<b>36601</b>
MANUFACTURE OF ELECTRIC VALVES AND TUBES AND OTHER ELECTRIC COMPONENTS	<b>37100</b>
MANUFACTURE AND/OR REPAIRS OF TELEVISION AND RADIO TRANSMITTERS AND APPARATUS FOR LINE TELEPHONY AND LINE TELEGRAPHY	<b>37200</b>
MANUFACTURE AND/OR REPAIRS OF TELEVISION AND RADIO TRANSMITTERS AND APPARATUS AND LINE TELEGRAPHY AND OTHER COMMUNICATION EQUIPMENT N.E.C.	<b>37201</b>
MANUFACTURE AND/OR REPAIRS OF TELEVISION AND RADIO RECEIVERS, SOUND OR VIDEO RECORDING OR REPRODUCING APPARATUS AND ASSOCIATED GOODS	<b>37300</b>
MANUFACTURE AND/OR REPAIRS OF INSTRUMENTS AND APPLIANCES FOR MEASURING, CHECKING, TESTING, NAVIGATING AND FOR OTHER PURPOSES EXCEPT INVESTOR PROCESS CONTROL EQUIPMENT	<b>37420</b>
MANUFACTURE AND/OR REPAIRS OF INDUSTRIAL PROCESS CONTROL EQUIPMENT	<b>37430</b>
MANUFACTURE AND/OR REPAIRS OF OPTICAL INSTRUMENTS AND PHOTOGRAPHIC EQUIPMENT	<b>37500</b>
MANUFACTURE AND/OR REPAIRS OF TRANSPORT EQUIPMENT	<b>38000</b>
MANUFACTURE OF MOTOR VEHICLES	<b>38100</b>
MANUFACTURE AND ASSEMBLY OF MOTOR VEHICLES	<b>38101</b>
MANUFACTURE AND/OR REPAIRS OF BODIES	<b>38200</b>

(COACHWORK) FOR MOTOR VEHICLES; MANUFACTURE OF TRAILERS AND SEM-TRAILERS	
MANUFACTURE AND/OR REPAIRS OF PARTS AND ACCESSORIES FOR MOTOR VEHICLES AND THEIR AGENCY	<b>38300</b>
MANUFACTURE AND/OR REPAIRS OF RADIATORS	<b>38301</b>
ACTIVITIES OF SPECIALISED AUTOMOTIVE ENGINEERING W	<b>38302</b>
MANUFACTURE AND/OR REPAIRS OF OTHER MOTOR VEHICLE PARTS AND ACCESSORIES	<b>38309</b>
BUILDING AND REPAIRING OF SHIPS	<b>38410</b>
BUILDING AND REPAIRING OF PLEASURE AND SPORTING BO	<b>38420</b>
MANUFACTURE AND/OR REPAIRS OF RAILWAY AND TRAMWAY LOCOMOTIVES AND ROLLING STOCK	<b>38500</b>
MANUFACTURE AND/OR REPAIRS OF AIRCRAFT AND SPACECRAFT	<b>38600</b>
MANUFACTURE AND/OR REPAIRS OF MOTORCYCLES	<b>38710</b>
MANUFACTURE AND/OR REPAIRS OF BICYCLES AND INVALID CARRIAGES	<b>38720</b>
MANUFACTURE AND/OR REPAIRS OF OTHER TRANSPORT EQUIPMENT	<b>38790</b>
ROTATIONAL MOULDING	<b>39001</b>
DIP COATING	<b>39002</b>
COMPRESSION MOULDING	<b>39003</b>
CAST MOULDING	<b>39004</b>
MANUFACTURE AND OR REPAIRS OF FURNITURE MADE PREDOMINANTLY OF METAL	<b>39101</b>
MANUFACTURE AND/OR REPAIRS OF FURNITURE MADE PREDOMINANTLY OF PLASTIC MATERIALS	<b>39102</b>
RECYCLING OF PLASTIC MATERIALS	<b>39521</b>
MANUFACTURE AND/OR REPAIRS OF SPRINKLERS	<b>50392</b>
MANUFACTURE AND/OR REPAIRS OF WATER PROOFING PRODUCTS	<b>50492</b>
MANUFACTURE OF RESISTANT AND INSULATION MATERIAL	<b>50493</b>
WHOLESALE TRADE IN NON-AGRICULTURAL INTERMEDIATE P	<b>61400</b>
WHOLESALE TRADE IN OTHER INTERMEDIATE PRODUCTS, WA	<b>61490</b>
RETAIL SALE OF NEW MOTOR VEHICLES	<b>63121</b>
GENERAL REPAIRS	<b>63201</b>
ELECTRICAL REPAIRS OF MOTOR VEHICLES	<b>63202</b>
RADIATOR REPAIRS	<b>63203</b>



BODY REPAIRS	<b>63204</b>
SALE, SERVICE, FITTING, MAINT, REPAIR OF CARS	<b>63205</b>
OTHER MAINTENANCE AND REPAIRS N.E.C.	<b>63209</b>
SALE, SERVICE AND FITTING OF CAR ACCESSORIES	<b>63312</b>
SALE OF USED PARTS AND ACCESSORIES FROM METAL SCRA	<b>63313</b>
SALE FITTING AND SERVICE OF NEW AND USED TYRES	63314
SALE OF USED PARTS AND ACCESSORIES	63320
SALE, SERVICE, FITTING, MAINT, REPAIR OF MOTOR CYC	<b>63402</b>
RETAIL SALE OF AUTOMOTIVE FUEL	63500
MANUFACTURE AND/OR REPAIRS OF ALARM SYSTEMS	<b>86015</b>
PRECISION ENGINEERING	<b>88201</b>

## **23 SCHEDULE 2: TRADE UNIONS, EMPLOYER ORGANISATIONS AND RELEVANT GOVERNMENT DEPARTMENTS IN THE MERSETA**

### **Organised labour**

- MEWUSA
- National Union of Metalworkers of South Africa - NUMSA
- Chemical, Energy, Pulp, Paper, Wood and Allied Workers Union - CEPPWAWU
- United Association of South Africa - UASA
- Solidarity
- Motor Industry Staff Association - MISA / South African Motor Union - SAMU

### **Employers/ Organised Employers**

- Automobile Manufacturers Employers Organisation - AMEO
- Steel and Engineering Industries Federation of South Africa - SEIFSA
- Retail Motor Industry Organisation - RMI
- Plastics Federation of South Africa - PFSA
- Plastics Converters Association - PCA
- New Tyre Manufacturers Employers Association
- Fuel Retailers Association - FRA

### **Government Departments**

- Department of Trade and Industry
- Department of Labour

## 24 SCHEDULE 3: NOMINATION OF MEMBERS

### 1 Nominations by organised employers

Organised employers listed in Schedule 2 may nominate sixteen (16) members to represent their interests on the Governing Board.

### 2 Nominations by organised labour

Trade unions listed in Schedule 2 may nominate sixteen (16) 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 Schedule 2 may apply to the Governing Board to participate in the nomination of members to represent organised employers or organised labour (as the case may).

#### 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 Manufacturing, Engineering and Related Services sector, then the Governing Board must list the organisation in Schedule 2. 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 organised labour every ~~two~~ (2) 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 (2) 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 nominated 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 nominated 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 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 Schedule 5 of the constitution.

## **25 SCHEDULE 4: CODE OF CONDUCT**

### **1. POLICY**

The Code of Conduct is for all constituencies of the MERSETA and members of committees and any other MERSETA stakeholder structure including ad-hoc structures is subject to the Code of Conduct.

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

### **2. UNDERSTANDING THE CODE**

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

### **3. COMPLIANCE WITH LAWS AND REGULATIONS**

Members must comply with all applicable laws and regulations, which regulate their activities for and on behalf of the MERSETA.

### **4. CONFLICT OF INTERESTS**

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

- 4.2** A conflict could arise where a member, family members of a business with which the member or family member is associated obtains a gain, advantage or profit by virtue of the member's position or knowledge gained through that position.
- 4.3** 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, they must immediately disclose all known facts to the Chief Executive Officer. The Chief Executive Officer will, in consultation with the Executive Committee, make a determination, which determination is final and binding.
- 4.4** Where conflict of interest cannot be avoided by a Committee member, he or she shall immediately disclose the nature of the conflict to the Chairperson of the Committee and shall recuse himself or herself from any related decision making.
- 4.5** 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 Chief Executive Officer.

**4.6 Relationships with Clients, Customers and Suppliers**

Members should ensure that they are independent from any business organisation having a contractual relationship with the MERSETA or providing goods or services to the MERSETA if that association might influence or create the impression of influencing their decisions or the performance of their MERSETA 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.

**5. ATTENDANCE OF MEETINGS**

Where a member is unable to attend a meeting he/she shall inform the Chairperson of the Committee no later than forty eight (48) hours prior to the meeting.

## 6. BUSINESS PRACTICES

### 6.1 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 MERSETA.

A member should 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:

6.1.1 advertising matter of limited commercial value

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

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

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

Unsolicited gifts, not within reasonable and acceptable limits, should be returned or donated to a reputable charity. The recipient of **an** unsolicited gift, not within reasonable and acceptable limits, must immediately advise the Chief Executive Officer of such unsolicited gifts, in which case the latter will resolve to return the gift, alternatively donate it to a respectable charitable organisation.

## 7. MERSETA FUNDS AND PROPERTY

7.1 Members must at all times ensure that the MERSETA's funds and property are used only for legitimate business purposes. When the **MERSETA'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 MERSETA for such expenditures.

- 7.2** Any member, who becomes aware that the MERSETA's funds or property may be ~~used~~ in a fraudulent or improper manner, should immediately and in confidence advise the Chief Executive Officer of such incident in the manner prescribed below.

## **8. REMUNERATION**

No committee member is entitled to remuneration with the exception of the members of the Audit Committee.

## **9. ACCOUNTING STANDARDS**

The MERSETA's books and records must reflect all business transactions in an accurate and timely manner in conformity with generally accepted accounting principles. Non-disclosure 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.

## **10. SECURITY OF INFORMATION**

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

### **10.1 Obtaining and Safeguarding information**

Only information necessary to the MERSETA'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.

### **10.2 Access to information**



No confidential information may be disclosed by any 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.

## **11. CONTRAVENTION OF THE CODE**

- 11.1 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 Chief Executive Officer.
- 11.2 Members suspecting a contravention of the Code by another member should report this, preferably in writing, to the Chief Executive Officer. By following this process, confidentiality will be maintained and the matter will be investigated impartially.
- 11.3 A contravention of the Code may result in disciplinary action being taken that could result in the termination of membership to the MERSETA.

## **12. DISCIPLINARY PROCEDURE**

- 12.1 If a member is reasonably suspected of having breached this Code then the Governing Board may convene a hearing into the matter.
- 12.2 The Chairperson must notify the member in writing of the charges against him or her.
- 12.3 The member must be afforded an opportunity to represent his / her case. This includes calling witnesses, giving oral evidence and presenting documentary evidence.
- 12.4 The Chairperson must chair the meeting.
- 12.5 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.

- 12.6 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.
- 12.7 The Governing Board makes the final decision on the appropriate sanction of the member.
- 12.8** 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.
- 12.9** If the transgression constitutes a criminal offence then the Chairperson must report the matter to the South African Police Services.

## 26 SCHEDULE 5: DISPUTE RESOLUTION

### I. 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 MERSETA.

### 2. DISPUTE RESOLUTION PROCEDURE

- 2.1 Any constituency that is a party to a dispute concerning the interpretation or application of this Constitution may serve a notice of the dispute to the Chief Executive Officer of the MERSETA.
- 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 on every other affected party.
- 2.3 The Chief Executive Officer must within seven (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 thirty (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 MERSETA 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 fourteen (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 Chief 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.

**SCHEDULE 6**

**TERMS OF REFERENCE OF GOVERNING BOARD SUB  
STRUCTURES**

## Terms of Reference: Chamber Committees

---

### Table of Contents

---

Terms of Reference Overview .....	2
Legal Basis .....	3
Operational Principles.....	4
Operational Functions .....	7
Code of Conduct .....	8
Acceptance & Adoption of ToR .....	11

---

---

--	--

---

## Terms of Reference: Chamber Committees

### Terms of Reference Overview

**Introduction** These Terms of Reference of the MERSETA Chamber Committees **sets** out the specific responsibilities delegated by the Governing Board to the Chamber Committees and details the manner in which the Chamber Committees will operate.

The contents of this Terms of Reference must be read and interpreted in conjunction with the Constitution of the MERSETA.

In the case of any dispute related to the interpretation of the Terms of Reference, the Constitution shall take precedence.

**Purpose** The Chamber Committees shall be responsible for ensuring industry needs are identified and articulated, monitor the progress of the chamber operational plan quarterly and support the **set** up of information platforms.

The Chamber Committees shall deal with any and **all** matters as may be referred or delegated to it by the Executive Committee.

**Composition** 1. The MERSETA Chamber Committees shall be made up of the following

Quantity	Stakeholder Grouping
8	Organised Employer Appointed Members
8	Organised Labour Appointed Members
6	Organised Employer Appointed Alternates
6	Organised Labour Appointed Alternates
1	Chamber Coordinator (non-voting)
<b>29</b>	<b>TOTAL</b>

Issue Date	7 December 2005	Version	1	Page 2 of 11
Review Date		Last Review	None	Created by Corli van Rensburg

## Terms of Reference: Chamber Committees

### Legal Basis

#### Legal Basis

As per the MERSETA Revised Constitution, the duties and functions of the Chamber Committees are outlined.

Clause	Quotation
13.5 i i)	Develop sub sectoral input into the sector skills plan in accordance with principles, criteria, policies and guidelines of the MERSETA.
13.5 i ii)	Identify education and training needs in the sub sector.
13.5 i iii)	Monitor the development and implementation of apprenticeships, learnerships, skills programmes, ABET as well all other training in the sub-sector.
13.5 i iv)	Make inputs to education and training policies and systems that may be particular to the sub-sector.
13.5 i iv)	Liaise with relevant bargaining councils, forums, professional associations and specialized sub sector providers.

Issue Date	7 December 2005	Version	1	Page 3 of 11
Review Date		Last Review	None	Created by Corri van Rensburg



## Terms of Reference: Chamber Committees

### Operational Principles

#### Operational Principles

1. The Governing Board shall have the power to constitute and dissolve the Chamber Committees.
2. The Governing Board shall have the power to amend or revoke the Terms of Reference and organizational structures of the Chamber Committees.
3. The Chamber Committees shall have the power to co-opt additional members of the MERSETA who have expertise, knowledge and experience in matters relevant to the duties and functions of the Chamber Committees.
4. All bona fida MERSETA members have the right to attend and speak at the meetings of the Chamber Committees, but voting rights are limited to those MERSETA members who are members of the Chamber Committees. The alternates may attend and speak but only have voting rights if the principal member is not present.
5. MERSETA staff members who are required to attend any meetings of the Chamber Meetings shall have the right to speak at such meetings but shall have NO voting rights.
6. The term of office of each Chamber Committee member that is not an office bearer shall be for a period of not more than 3 years from date of election.
7. Any person nominated or appointed to the Chamber Committees shall be eligible for re-election or re-appointment to the Chamber Committee after expiry of the initial three (3) years.
8. The Chairperson and Deputy Chairperson of the Chamber Committees shall be nominated by the voting members of the Chamber Committees.
9. The Chamber Coordinator responsible for the Chamber Committee shall be the Executive Officer of the Chamber Committee.
10. The MERSETA shall provide a Secretariat to the Chamber Committees.

*Continued on next page*

Issue Date	7 December 2005	Version	1	Page 4 of 11
Review Data		Last Review	Name	Created by Corli van Rensburg

## Terms of Reference: Chamber Committees

### Operational Principles, Continued

#### Meetings

11. The MERSETA Chamber Committees shall meet at least twice a year.
12. Special meetings of the Chamber Committees may be convened as required, in accordance with agreed procedure as stipulated in the Constitution.
13. Any voting member of the Chamber Committees may request the Chairperson to call a special meeting. This however is at the discretion of the chair and deputy chairperson.
14. A quorum shall be fifty percent plus one (50% + 1) organized labour members and fifty percent plus one (50% + 1) organized employer members.
15. Notice shall be given in writing to all members of the Chamber Committees and other identified interested parties, of each meeting to be held, at least twenty one (21) days prior to the date on which such meeting is to be held.
16. The agenda of the meeting shall be prepared and distributed at least five (5) working days prior to the meeting. Any person attending the meeting may add items to the agenda in writing up until two (2) days before the said meeting. Such items are to be provided to the Secretariat of the Chamber Committees.
17. The proceedings of all meetings will be documented in the form of minutes, and these shall be kept by the Secretariat.
18. Correction of minutes taken by the Secretariat shall be the responsibility of the Executive Officer of the Chamber Committees.
19. The Secretariat shall distribute such minutes of meetings within fourteen (14) working days of the dates of the said meeting for review and action by the Chamber Committees' members
20. The Secretariat shall include the minutes with the Agenda of the following Chamber Committee meeting.

*Continued on next page*

<b>Issue Date</b>	7 December 2005	<b>Version</b>	1	<b>Page 5 of 11</b>
<b>Review Date</b>		<b>Last Review</b>	None	Created by Cori van Rensburg

## Terms of Reference: Chamber Committees

### Operational Principles, Continued

- 
- |                    |  |
|--------------------|--|
| <b>Reporting</b>   | <p>21. The Chamber Committees shall report to the Executive Committee</p> <p>22. The Chairperson of the Chamber Committees shall report to the MERSETA all significant issues.</p> <p>23. The Chamber Committees shall submit to the <b>MERSETA</b> an annual report summarizing the activities, recommendations and decisions of the Chamber Committees during the previous financial year.</p> <p>24. Decisions of the Chamber Committees can <del>be</del> taken by a process of "Round Robin" if agreed at the previous meeting.</p> |
| <b>Assessments</b> | <p>25. All members of the Chamber Committee shall conduct self assessment on its performance as a committee against set targets on a bi-annual basis. The chairperson and the deputy chairperson shall be assessed by the committee or an independent person bi-annually.</p>  |
- 

Issue Date	7 December 2005	Version	1	Page 6 of 11
Review Date		Last Review	None	Created by Corli van Rensburg

## Terms of Reference: Chamber Committees

### Operational Functions

#### Key Performance Areas

1. Evaluate, approve and oversee implementation of the Chamber operational plan.
2. Evaluate, approve and oversee implementation of qualifications development and courseware development as part of the operational plan.

#### 1. MERSETA Chamber Operational Plan

The Chamber Coordinator shall report to the Chamber Committee on a quarterly basis on the progress and implementation of the Chamber's operational plan, expenditure and budget as well as related projects.

The SDI Manager shall have full operational management discretion with regards to the human, physical and administrative resource utilisation of the Chamber.

The Chamber Committee shall ensure that such functions are carried out in accordance with all legislative requirements governing the MERSETA.

#### 2. Other Chamber Related functions

- The Chamber Committee shall perform any other function as is reasonably requested and determined by the Executive Committee from time to time.


## Terms of Reference: Chamber Committees

### Code of Conduct

#### MERSETA Constitution

This Terms of Reference is to be read in conjunction with the Code of Conduct as stipulated in Schedule 5 of the MERSETA Constitution.

#### Conflict of Interests

1. A Chamber Committee member shall be familiar with the Chamber Committee Terms of Reference.
2. A Committee member shall inform the Chairperson of the Committee, any situation in which there is an actual or potential conflict of interest as soon as the existence of such a situation comes to his or her notice, and shall make every effort to immediately take all responsible steps to avoid such a conflict of interest.
3. Where a conflict of interest cannot be avoided by a Committee member, he or she shall immediately disclose the nature and extent of the conflict of interest to the Chairperson of the Committee, and shall afford the Committee the opportunity of reviewing the committee members' seat on the Committee.

#### Attendance of Meetings

4. All committee members shall inform the Secretariat of their availability for any said Committee meetings or Committee related functions / activities, at least forty eight (48) hours before the meeting.
5. Where a Committee member is unable to attend meetings on a regular basis, or participate fully in the functions of the Committee, then he / she shall immediately inform the Chairperson of the Committee thereof and where possible or appropriate, either
  - Request temporary leave of absence from the Committee;
  - Resign from the Committee.

*Continued on next page*

Issue Date	7 December 2005	Version	1	Page 8 of 11
Review Date		Last Review	None	Created by Corli van Rensburg

## Terms of Reference: Chamber Committees

### Code of Conduct, Continued

Execution of duties

6. Where a Committee member is allocated a task or volunteers for a task, they shall undertake to accept full responsibility for the completion of the task within the timeframe designated for the task.
7. Should any Committee member who has been allocated, or volunteered for a task on behalf of the Committee, be unable or unwilling to complete such a task, either timeously or at all, they shall inform the Chairperson immediately thereof.

Confidentiality

8. Where the relationship between the Committee and a Committee member is terminated for any reason, the Committee member shall respect and observe any conditions attached to said termination and shall immediately return to the Committee, at the Committee Chairperson's request, all information, regardless of the medium in which it is stored, which belongs to the Committee.

Remuneration

9. A Committee member is not entitled to remuneration for Committee activities, nor may the Committee member ask for nor accept remuneration or any other form of gratuity for said Committee activities from any other party unless such remuneration is gained as part of their normal duties or agreed to by the MERSETA Governing Board.

Ethics of Operation

10. A Committee member shall at all times observe the Standard Code of Ethics.

*Continued on next page*

, Continued

<b>Issue Date</b>	7 December 2005	<b>Version</b>	1	<b>Page 9 of 11</b>
<b>Review Date</b>		<b>Last Review</b>	None	<b>Created by Cori van Rensburg</b>

## Terms of Reference: Chamber Committees

### Standard Code of Ethics

All members of the Chamber Committees shall:

11. At all times act honestly and fairly and with due care and diligence, and in the best interest of the MERSETA, and so maintain the integrity of the Committee
12. Not unfairly discriminate against any person, party or organization
13. Assure a respect for human dignity in all aspects of the Committee's functions
14. Not provide advice and/or a service to the Committee in a manner which:
  - undermines the authority of the MERSETA;
  - demeans the existence, credibility or purpose of any member of the MERSETA or the Committee;
  - promotes the interests of one stakeholder grouping over the interest of the MERSETA or the Committee.
15. Not knowingly give out advice or information, which may be false, inaccurate or misleading in the knowledge that the Committee is likely to act on such advice or information.
16. Not give advice or render a decision without taking in due consideration the consequences for the Committee acting on such advise or decision.
17. At no time make any communication, advertisement or announcement to the MERSETA management, Governing Board or the general public, which is unfair, misleading or ambiguous regarding the functions of the Committee.
18. Avoid situations that could lead to a conflict of interest wherever possible.
19. Failure to abide by the MERSETA's code of conduct will result in the disciplinary procedure to be implemented and a member to be removed. The decision to remove a member will be taken by the members of the Governing Board by a majority vote.
20. The member's organisation will be informed of the disciplinary procedure, outcome, as well as the sanction.
21. Failure to remove a member will be reported to the Department of Labour and the Minister of Labour.

Issue Date	7 December 2005	Version	1	Page 10 of 11
Review Date		Last Review	None	Created by Corli van Rensburg





**Terms of Reference: ETQA FSC**

**Table of Contents**

Terms of Reference Overview .....	2
Legal Basis .....	3
Operational Principles.....	4
Operational Functions .....	7
Code of Conduct.....	8
Acceptance & Adoption of ToR .....	11

Issue Date	7 December 2005	Version	1	Page 1 of 11
Review Date		Last Review	None	Created by Corli van Rensburg

## Terms of Reference: ETQA FSC

### Terms of Reference Overview

**Introduction** These Terms of Reference of the Education, Training, Quality Assurance (ETQA) Functional Standing Committee (FSC) sets out the specific responsibilities delegated by the Governing Board to the Education, Training, Quality Assurance (ETQA) Functional Standing Committee and sets out the details and the manner in which the Education, Training, Quality Assurance (ETQA) Functional Standing Committee will operate.

The contents of this Terms of Reference must be read and interpreted in conjunction with the Constitution of the MERSETA.

In the case of any dispute related to the interpretation of the Terms of Reference, the Constitution shall take precedence.

**Purpose** The Education, Training, Quality Assurance (ETQA) Functional Standing Committee will have oversight of the management, on behalf of the Executive Committee, of the quality assurance functions and obligations of MERSETA in its role as an Education and Training Quality Assurance (ETQA) Body, as provided in the South African Qualification authority Act, 58 of 1995 and the Education and Training Quality Assurance Regulations, 1998.

The Education, Training, Quality Assurance (ETQA) Functional Standing Committee shall deal with any and all matters as may be referred or delegated to it by the Executive Committee.

**Composition** 1. The Education, Training, Quality Assurance (ETQA) Functional Standing Committee shall be made up of the following

Quantity	Stakeholder Grouping
5	Organised Labour Appointed Members
5	Organised Employer Appointed members
1	MERSETA ETQA Divisional Manager (non-voting)
<b>11</b>	<b>TOTAL</b>

Issue Date	7 December 2005	Version	1	Page 2 of 11
Review Date		Last Review	None	Created by Corli van Rensburg

## Terms of Reference: ETQA FSC

### Legal Basis

#### Legal Basis

As per the MERSETA Revised Constitution, the duties and functions of the ETQA FSC are outlined:

Clause	Quotation
	The ETQA FSC shall be responsible for the monitoring on behalf of MERSETA of the quality assurance functions and obligations of MERSETA in its role as an Education and Training Quality Assurance Body as provided in the South African Qualifications Authority Act, 58 of 1995, and the Education and Training Quality Assurance Regulations, 1998. It shall deal with such matters as may be referred to it by MERSETA.
	The ETQA FSC shall be responsible to and shall report to the Executive Committee.

---

## Terms of Reference: ETQA FSC

### Operational Principles

---

Operational Principles

1. The Governing Board shall have the power to constitute and dissolve the ETQA FSC.
2. The Governing Board shall have the power to amend or revoke the Terms of Reference and organizational structures of the ETQA FSC.
3. The ETQA FSC shall have the power to co-opt additional members of the MERSETA who have expertise, knowledge and experience in matters relevant to the duties and functions of the ETQA FSC.
4. MERSETA staff members who are required to attend any meetings of the ETQA FSC shall have the right to speak at such meetings but shall have **NO** voting rights.
5. The Chairperson and Deputy Chairperson of the ETQA FSC shall be nominated by the voting members of the ETQA FSC.
6. The MERSETA shall provide a Secretariat to the ETQA FSC.

---

*Continued on next page*

---

--	--

---

## Terms of Reference: ETQA FSC

### Operational Principles, Continued

#### Meetings

7. The MERSETA ETQA FSC shall meet at least twice a year,
8. Special meetings of the ETQA FSC may be convened as required, in accordance with agreed procedure as stipulated in the Constitution.
9. Any voting member of the ETQA FSC may request the Chairperson to call a special meeting. This however is at the discretion of the chair and deputy chairperson.
10. A quorum shall constitute ~~fifty~~ percent plus one (50% + 1) organised labour members and ~~fifty~~ percent plus one (50% + 1) organised employer members.
11. Notice shall be given in writing to all members of the ETQA FSC and other identified interested parties, of each meeting to be held, at least twenty one (21) days prior to the date on which such meeting is to be held.
12. The agenda of the meeting shall be prepared and distributed at least five (5) working days prior to the meeting. Any person attending the meeting may add items to the agenda in writing up until ~~two~~ (2) days before the said meeting. Such items are to be provided to the Secretariat of the ETQA FSC.
13. The proceedings of all meetings will be documented in the form of minutes, and these shall be kept by the Secretariat.
14. Correction of minutes ~~taken~~ by the Secretariat shall be the responsibility of the Divisional Manager: ETQA.
15. The Secretariat shall distribute such minutes of meetings within fourteen (14) working days of the dates of the said meeting for review and action by the ETQA FSC' members.
16. The Secretariat shall include the minutes with the Agenda of the following ETQA FSC meeting.

*Continued on next page*

<b>Issue Date</b>	7 December 2005	<b>Version</b>	1	<b>Page 5 of 11</b>
<b>Review Date</b>		<b>Last Review</b>	None	<b>Created by Corli van Rensburg</b>

## Terms of Reference: ETQA FSC

### Operational Principles, Continued

- 
- |                    |  |
|--------------------|--|
| <b>Reporting</b>   | <p>17. The ETQA FSC shall report to the Executive Committee.</p> <p>18. The Chairperson of the ETQA FSC shall report to the MERSETA all significant issues that may indicate the presence or possibility of a contingent liability.</p> <p>19. Decisions of the ETQA FSC can be taken by a process of "Round Robin" if agreed at the previous meeting.</p> |
| <b>Assessments</b> | <p>20. All members of the ETQA FSC shall conduct self assessment on its performance as a committee against set targets on a bi-annual basis. The chairperson and the deputy chairperson shall be assessed by the committee or an independent person bi-annually.</p>   |
- 

Issue Date	7 December 2005	Version	I	Page 6 of 11
Review Date		Last Review	None	Created by Corti van Rensburg

## Terms of Reference: ETQA FSC

### Operational Functions

#### Key Performance Areas

1. Approve Quality Assurance Policies and Procedures.
2. Evaluate, approve and oversee implementation of the MERSETA ETQA Divisional Plan.
3. Ensure that the 5 year accreditation status of the MERSETA is maintained with the South African Qualifications Authority (SAQA).
4. Perform any other quality related function.
5. Monitor learner achievements.
6. Ensure the quality of providers.

#### 1. MERSETA ETQA Division Business Plan

The Divisional Manager ETQA shall report to the ETQA FSC on a quarterly basis on the progress and implementation of the ETQA Division business plan, budget as well as related projects.

The ETQA FSC shall ensure that such functions are carried out in accordance with all legislative requirements governing the MERSETA ETQA function.

#### 2. Other ETQA Related functions

- The ETQA FSC shall perform any other function as is reasonably requested and determined by the Executive Committee from time to time.

issue Date	7 December 2005	Version	1	Page 7 of 11
Review Date		Last Review	None	Created by Cori van Rensburg

## Terms of Reference: ETQA FSC

### Code of Conduct

MERSETA  
Constitution

This Terms of Reference is to be read in conjunction with the Code of Conduct as stipulated in Schedule 5 of the MERSETA Constitution.

Conflict of  
Interests

1. All ETAQ FSC members shall be familiar with the ETQA FSC Terms of Reference.
2. A Committee member shall inform the Chairperson of the Committee, any situation in which there is an actual or potential conflict of interest as soon as the existence of such a situation comes to his or her notice, and shall make every effort to immediately take all responsible steps to avoid such a conflict of interest.
3. Where a conflict of interest cannot be avoided by a Committee member, he or she shall immediately disclose the nature and extent of the conflict of interest to the Chairperson of the Committee, and shall afford the Committee the opportunity of reviewing the committee members' seat on the Committee.

Attendance of  
Meetings

4. All committee members shall inform the Secretariat of their availability for any said Committee meetings or Committee related functions / activities, at least forty eight (48) hours before meetings.
5. Where a Committee member is unable to attend meetings on a regular basis, or participate fully in the functions of the Committee, then he / she shall immediately inform the Chairperson of the Committee thereof and where possible or appropriate, either
  - Request temporary leave of absence from the Committee
  - Resign from the Committee

*Continued on next page*

Issue Date	7 December 2005	Version	1	Page 8 of 11
Review Date		Last Review	None	Created by Corti van Rensburg



## Terms of Reference: ETQA FSC

### Code of Conduct, Continued

---

#### Execution of duties

6. Where a Committee member is allocated a task or volunteers for a task, they shall undertake to accept full responsibility for the completion of the task within the timeframe designated for the task
7. Should any Committee member who has been allocated, or volunteered for a task on behalf of the Committee, be unable or unwilling to complete such a task, either timeously or at all, they shall inform the Chairperson immediately thereof.

---

#### Confidentiality

8. Where the relationship between the Committee and a Committee member is terminated for any reason, the Committee member shall respect and observe any conditions attached to said termination and shall immediately return to the Committee, at the Committee Chairperson's request, all information, regardless of the medium in which it is stored, which belongs to the Committee.

---

#### Remuneration

9. A Committee member is not entitled to remuneration for Committee activities, nor may the Committee member ask for nor accept remuneration or any other form of gratuity for said Committee activities from any other party unless such remuneration is gained as part of their normal duties or agreed to by the Governing Board.

---

#### Ethics of Operation

10. A Committee member shall at all times observe the Standard Code of Ethics

---

*Continued on next page*

---


## Terms of Reference: ETQA FSC

Standard  
Code of  
Ethics

**All members of the ETQA FSC shall:**

11. At all times act honestly and fairly and with due care and diligence, and in the best interest of the MERSETA, and so maintain the integrity of the Committee
12. Not unfairly discriminate against any person, party or organization
13. Assure a respect for human dignity in all aspects of the Committee's functions
14. Not provide advice and/or a service to the Committee in a manner which:
  - undermines the authority of the MERSETA;
  - demeans the existence, credibility or purpose of any member of the MERSETA or the Committee;
  - promotes the interests of one stakeholder grouping over the interest of the MERSETA or the Committee.
15. Not knowingly give out advice or information, which may be false, inaccurate or misleading in the knowledge that the Committee is likely to act on such advice or information.
16. Not give advice or render a decision without taking in due consideration the consequences for the Committee acting on such advise or decision.
17. At no time make any communication, advertisement or announcement to the MERSETA management, Governing Board or the general public, which is unfair, misleading or ambiguous regarding the functions of the Committee
18. Avoid situations that could lead to a conflict of interest wherever possible.
19. Failure to abide by the MERSETA's code of conduct will result in the disciplinary procedure to be implemented and a member to be removed. The decision to remove a member will be taken by the members of the Governing Board by a majority vote.
20. The member's Organisation will be informed of the disciplinary procedure, outcome, as well as the sanction.
21. Failure to remove a member will be reported to the Department of Labour and the Minister of Labour.

Review Date		Last Review	None	Created by Corli van Rensburg
-------------	--	-------------	------	-------------------------------

**Terms of Reference: ETQA FSC**

**1 & Adoption of ToR**

Compiled and submitted by ..... on behalf of the MERSETA  
 on .....

Name = MERSETA Chief Executive  
 Officer

Signature

Accepted and adopted by ..... on behalf of the ETQA FSC on

Name = ETQA FSC Chairperson

Signature

Ratified by ..... on behalf of the Governing Board

Name = Chairperson of the Governing  
 Board

Signature

Issue Date	7 December2005	Version	1	Page 11 of 11
Review Date		Last Review	None	Created by Corli van Rensburg

## Terms of Reference: Executive Committee

---

### Table of Contents

---

Terms of Reference Overview .....	2
Legal Basis .....	3
Operational Principles.....,.....,.....	4
Code of Conduct .....	8
Acceptance & Adoption of ToR .....	11

Issue Date	7 December 2005	Version	1	Page 1 of 11
Review Date		Last Review	None	

## Terms of Reference: Executive Committee

### Terms of Reference Overview

**Introduction** These Terms of Reference of the Executive Committee sets out the specific responsibilities delegated by the Governing Board to the Executive Committee and details the manner in which the Executive Committee will operate.

The contents of this Terms of Reference must be read and interpreted in conjunction with the Constitution of the MERSETA.

In the case of any dispute related to the interpretation of the Terms of Reference, the Constitution shall take precedence.

**Purpose** The Executive Committee shall have oversight of the management of the operational affairs of the MERSETA and ensure that the MERSETA meets the requirements of the Skills Development Act (SDA) 97 of 1998 (as amended), and the Skills Development Levies Act (SDLA) 9 of 1999, Public Finance Management Act 1999, (Act 1 of 1999) (PFMA) and Treasury Regulations.

The Executive Committee shall deal with any and all matters as may be referred or delegated to it by the Governing Board.

**Composition** 1. The MERSETA Executive Committee shall be made up of the following

Quantity	Stakeholder Grouping
6	Organised Employer Appointed Members
6	Organised Labour Appointed Members
1	MERSETA Chief Executive Officer (Non-voting)
1	MERSETA Chief Financial Officer (Non-voting)
1	Skills Development Implementation Manager (non-voting)
1	Company Secretary (non-voting)
16	TOTAL

<b>Issue Date</b>	7 December 2005	<b>Version</b>	1	<b>Page 2 of 11</b>
<b>Review Date</b>		<b>Last Review</b>	None	

## Terms of Reference: Executive Committee

### Legal Basis

#### Legal Basis

As per the MERSETA Revised Constitution, the duties and functions of the Executive Committee are outlined:

Clause	Quotation
13.2.h.i	Present the policies, annual budget, business plan, sector skills plan, service level agreement, annual report and annual financial report to the Governing Board for ratification.
13.2.h.ii	Manage, co-ordinate and monitor the activities of functional standing committees, chambers, regional committees and any other ad hoc committees of the Governing Board.
13.2.h.ii i	Ensure that any issues and responsibilities are referred to the relevant functional committees, chambers or regional committees of the Governing Board, for appropriate action, and manage feedback on issues and appropriate action referred to committees.

--	--

## Terms of Reference: Executive Committee

### Operational Principles

#### Operational Principles

1. The Governing Board shall have the power to constitute and dissolve the Executive Committee.
2. The Governing Board shall have the power to amend or revoke the Terms of Reference and organizational structures of the Executive Committee.
3. The Executive Committee shall have the power to co-opt additional members of the MERSETA who have expertise, knowledge and experience in matters relevant to the duties and functions of the Executive Committee.
4. All bona fide MERSETA members have the right to attend and speak at the meetings of the Executive Committee, but voting rights are limited to those MERSETA members who are members of the Executive Committee.
5. MERSETA staff members who are required to attend any meetings of the Executive Committee shall have the right to speak at such meetings but shall have no voting rights.
6. The Chairperson and Deputy Chairperson of the Governing Board shall be nominated to preside over the Executive Committee.
7. The Chief Executive Officer responsible for the MERSETA shall be the Executive Officer of the Executive Committee.
8. The MERSETA shall provide a Secretariat to the Executive Committee.

*Continued on nextpage*

Review Date		Last Review	None	
-------------	--	-------------	------	--

## Terms of Reference: Executive Committee

### Operational Principles, Continued

#### Meetings

9. The Executive Committee shall meet at least every six weeks.
10. Special meetings of the Executive Committee may be convened as required, in accordance with agreed procedure as stipulated in the Constitution.
11. Any voting member of the Executive Committee may request the Chairperson to call a special meeting. This however is at the discretion of the chair and deputy chairperson.
12. A quorum shall constitute fifty percent plus one (50% + 1) organized labour members and **fifty** percent plus one (50% + 1) organized employer members
13. Notice shall be given in writing to all members of the Executive Committee and other identified interested parties, of each meeting to be held, at least twenty one (21) days prior to the date on which such meeting is to be held.
14. The agenda of the meeting shall be prepared and distributed at least five (5) working days prior to the meeting. Any person attending the meeting may add items to the agenda in writing up until **two** (2) days before the said meeting. Such items are to be provided to the Secretariat of the Executive Committee.
15. The proceedings of **all** meetings will be documented in the form of minutes, and these shall be kept by the Secretariat.
16. Correction of minutes taken by the Secretariat shall be the responsibility of the Executive Officer of the Executive Committee.
17. The Secretariat shall distribute such minutes of meetings within fourteen (14) working days of the dates of the said meeting for review and action by the Executive Committee members
18. The Secretariat shall include the minutes with the Agenda of the following Executive Committee meeting.

Issue Date	7 December2005	Version	1	Page 5 of 11
Review Date		Last Review	None	



## Terms of Reference: Executive Committee

- Reporting
- 19.** The Executive Committee shall be responsible to and shall report to the Governing Board
- 20.** The Chairperson of the Executive Committee shall report to the Governing Body all significant issues that may indicate the presence or possibility of a contingent liability
- 21.** Decisions of the Executive Committee can be taken by a process of "Round Robin" if agreed at the previous meeting.
- Assessment
- 22.** All members of the Executive Committee Board shall conduct **self** assessments on its performance as a committee against set targets on a bi-annual basis. The chairperson and the deputy chairperson shall be assessed by the committee or an independent person bi-annually.

---

*Continued on next page*

Issue Date	7 December 2005	Version	1	Page 6 of 11
Review Date		Last Review	Ncne	

## Terms of Reference: Executive Committee

### Operational Functions

#### Key Performance Areas

1. Have oversight of the management of the operations of the MERSETA.
2. Appoint the MERSETA Chief Executive Officer.
3. Oversee MERSETA compliance with legislative requirements, i.e. Skills Development Act (SDA) 97 of 1998 (as amended), and the Skills Development Levies Act (SDLA) 9 of 1999, Public Finance Management Act (PFMA) and Treasury Regulations.
4. Manage, co-ordinate and monitor the activities of functional standing committees, chambers, and any other ad hoc committees of the Governing Board.
5. Ensure that any issues and responsibilities are referred to the relevant functional committees, chambers of the Governing Board, for appropriate action.
6. Approve operational policies, annual report and project proposals that are consistent with the NSDS targets.
7. Monitor the progress of the MERSETA against the signed SLA with the DoL.
8. Approve the workplace skills plan.
9. Manage the performance of the Chief Executive Officer.

#### 2 Other Management Related functions

- The Executive Committee shall perform any other function as is reasonably requested and determined by the Governing Board from time to time.

Review Date		Last Review	None	
-------------	--	-------------	------	--

**Terms of Reference: Executive Committee**

**Code of Conduct**

MERSETA  
Constitution

This Terms of Reference is to be read in conjunction with the Code of Conduct as stipulated in Schedule 5 of the MERSETA Constitution

Conflict of  
Interests

1. An Executive Committee member shall be familiar with the Executive Committee Terms of Reference.
2. A Committee member shall inform the Chairperson of the Committee, any situation in which there is an actual or potential conflict of interest as soon as the existence of such a situation comes to his or her notice, and shall make every effort to immediately take all responsible steps to avoid such a conflict of interest.
3. Where a conflict of interest cannot be avoided by a Committee member, he or she shall immediately disclose the nature and extent of the conflict of interest to the Chairperson of the Committee, and shall afford the Committee the opportunity of reviewing the committee members' seat on the Committee.

Attendance of  
Meetings

4. All committee members shall inform the Secretariat of their availability for any said Committee meetings or Committee related functions / activities, at least forty eight (48) hours before the meeting.
5. Where a Committee member is unable to attend meetings on a regular basis, or participate fully in the functions of the Committee, then he / she shall immediately inform the Chairperson of the Committee thereof and where possible or appropriate, either -
  - Request temporary leave of absence from the Committee
  - Resign from the Committee

*Continued on next page*


## Terms of Reference: Executive Committee

### Code Of **Conduct**, Continued

---

#### Execution of duties

6. Where a Committee member is allocated a task or volunteers for a task, they shall undertake to accept full responsibility for the completion of the task within the timeframe designated for the task.
7. Should any Committee member who has been allocated, or volunteered for a task on behalf of the Committee, be unable or unwilling to complete such a task, either timeously or at all, they shall inform the Chairperson immediately thereof.

---

#### Confidentiality

8. Where the relationship between the Committee and a Committee member is terminated for any reason, the Committee member shall respect and observe any conditions attached to said termination and shall immediately return to the Committee, at the Committee Chairperson's request, all information, regardless of the medium in which it is stored, which belongs to the Committee.

---

#### Remuneration

9. A Committee member is not entitled to remuneration for Committee activities, nor may the Committee member ask for nor accept remuneration or any other form of gratuity for said Committee activities from any other party unless such remuneration is gained as part of their normal duties or agreed to by the Governing Board.

---

#### Ethics of Operation

10. A Committee member shall at all times observe the Standard Code of Ethics.

---

*Continued on nextpage*

Continued

---


## Terms of Reference: Executive Committee

Standard  
Code of  
Ethics

All members of the Executive Committee shall:

11. At all times act honestly and fairly and with due care and diligence, and in the best interest of the MERSETA, and so maintain the integrity of the Committee.
12. Not unfairly discriminate against any person, party or organization.
13. Assure a respect for human dignity in all aspects of the Committee's functions.
14. Not provide advice and/or a service to the Committee in a manner which:
  - undermines the authority of the MERSETA;
  - demeans the existence, credibility or purpose of any member of the MERSETA or the Committee;
  - promotes the interests of one stakeholder grouping over the interest of the MERSETA or the Committee.
15. Not knowingly give out advice or information, which may be false, inaccurate or misleading in the knowledge that the Committee is likely to act on such advice or information
16. Not give advice or render a decision without taking in due consideration the consequences for the Committee acting on such advise or decision
17. At no time make any communication, advertisement or announcement to the MERSETA management, Governing Board or the general public, which is unfair, misleading or ambiguous regarding the functions of the Committee
18. Avoid situations that could lead to a conflict of interest wherever possible.
19. Failure to abide by the MERSETA's code of conduct will result in the disciplinary procedure to be implemented and a member to be removed. The decision to remove a member will be taken by the members of the Governing Board by a majority vote.
20. The member's organisation will be informed of the disciplinary procedure, outcome, as well as the sanction.
21. Failure to remove a member will be reported to the Department of the Labour and the Minister of Labour.

Issue Date	7 December 2005	Version	1	Page 10 of 11
Review Date		Last Review	None	

**Terms of Reference: Executive Committee**

**Acceptance & Adoption of ToR**

Compiled and submitted by ..... on behalf of the MERSETA  
on .....

Name = MERSETA Chief Executive  
Officer

Signature

Accepted and adopted by ..... on behalf of the Executive Committee on

Name = Executive Committee  
Chairperson

Signature

Ratified by ..... on behalf of the Governing Board

Name = Chairperson of the Governing  
Board

Signature

Review Date		Last Review	None	
-------------	--	-------------	------	--

## Terms of Reference: Finance Functional Standing Committee

---

### Table of Contents

---

Terms of Reference Overview.....	2
Legal Basis.....	3
Operational Principles.....	4
Operational Functions.....	7
Code of Conduct .....	8
Acceptance & Adoption of ToR .....	11

Review Date		Last Review	None	Created by Corli van Rensburg
-------------	--	-------------	------	-------------------------------

## Terms of Reference: Finance Functional Standing Committee

### Terms of Reference Overview

#### Introduction

These Terms of Reference of the Finance Functional Standing Committee (FFSC) sets out the specific responsibilities delegated by the Governing Board to the FFSC and details the manner in which the FFSC will operate.

The contents of this Terms of Reference must be read and interpreted in conjunction with the Constitution of the MERSETA.

In the case of any dispute related to the interpretation of the Terms of Reference, the Constitution shall take precedence.

#### Purpose

The FFSC shall deal with any and all matters as may be referred or delegated to it by the Executive Committee and ensure that the MERSETA meets the requirements of the Skills Development Act (SDA) 97 of 1998 (as amended), and the Skills Development Levies Act (SDLA) 9 of 1999, Public Finance Management Act 1999, (Act 1 of 1999) (PFMA) and Treasury Regulations.

The FFSC shall deal with any and all matters as may be referred or delegated to it by the Executive Committee.

#### Composition

1. The MERSETA FFSC shall be made up of the following

Quantity	Stakeholder Grouping
5	Organised Employer Appointed Members
5	Organised Labour Appointed Members
1	MERSETA Chief Executive Officer (Non-Voting)
1	MERSETA Chief Financial Officer (Non-Voting)
<b>12</b>	<b>TOTAL</b>

<b>Issue Date</b>	31 October 2005	<b>Version</b>	1	<b>Page 2 of 11</b>
<b>Review Date</b>		<b>Last Review</b>	None	<b>Created by Corli van Rensburg</b>



## Terms of Reference: Finance Functional Standing Committee

### Legal Basis

Legal Basis As per the MERSETA Revised Constitution, the duties and functions of the FFSC are outlined.

Clause	Quotation
13.4 i)	To develop policies, principles, criteria and guidelines related to finance for recommendation to the Executive Committee.
13.4 ii)	To prepare and recommend the annual budget as per the business plan.
13.4 iii)	To recommend the appointment of the independent internal auditor and to receive and consider the Auditor General's report.

13.4 i)	To recommend the appointment of the independent internal auditor and to receive and consider the Auditor General's report.
---------	--

--	--

## Terms of Reference: Finance Functional Standing Committee

### Operational Principles

#### Operational Principles

1. The Governing Board shall have the power to constitute and dissolve the FFSC.
2. The Governing Board shall have the power to amend or revoke the Terms of Reference and organizational structures of the FFSC.
3. The FFSC shall have the power to co-opt additional members of the MERSETA who have expertise, knowledge and experience in matters relevant to the duties and functions of the FFSC.
4. All bona fida MERSETA members have the right to attend and speak at the meetings of the FFSC, but voting rights are limited to those MERSETA members who are members of the FFSC
5. MERSETA staff members who are required to attend any meetings of the FFSC shall have the right to speak at such meetings but shall have no voting rights
6. The term of office of each FFSC member that is not an office bearer shall be for a period of not more than 2 years from date of election
7. Any person nominated or appointed to the FFSC shall be eligible for re-election or reappointment to the FFSC for a maximum of six months after expiry of the initial two (2) years.
8. The Chairperson and Deputy Chairperson of the FFSC must have financial acumen. The Governing Board shall nominate the Chairperson and Deputy Chairperson accordingly.
9. The Chief Financial Officer responsible for the FFSC shall be the Executive Officer of the FFSC.
10. The MERSETA shall provide a Secretariat to the FFSC.

*Continued on next page*

Review Date		Last Review	None	Created by Corli van Rensburg
-------------	--	-------------	------	-------------------------------

---

## Terms of Reference: Finance Functional Standing Committee

### Operational Principles, Continued

---

#### Meetings

11. The MERSETA FFSC shall meet at least twice a year.
12. Special meetings of the FFSC may be convened as required in accordance with agreed procedure as stipulated in the Constitution.
13. Any voting member of the FFSC may request the Chairperson to call a special meeting. This however is at the discretion of the chair and deputy chairperson.
14. A quorum shall constitute fifty percent plus one (50% + 1) organized labour members and fifty percent plus one (50% + 1) organised employer members..
15. Notice shall be given in writing to all members of the FFSC and other identified interested parties, of each meeting to be held, at ~~least~~ twenty one (21) days prior to the date on which such meeting is to ~~be~~ held.
16. The agenda of the meeting shall be prepared and distributed at least five (5) working days prior to the meeting. Any person attending the meeting may add items to the agenda in writing up until ~~two~~ (2) days before the said meeting. Such items are to be provided to the Secretariat of the FFSC.
17. The proceedings of all meetings will be documented in the form of minutes, and these shall be kept by the Secretariat.
18. Correction of minutes taken by the Secretariat shall be the responsibility of the Executive Officer of the FFSC.
19. The Secretariat shall distribute such minutes of meetings within fourteen (14) working days of the dates of the said meeting for review and action by the FFSC members.
20. The Secretariat shall include the minutes with the Agenda of the following FFSC meeting.

---

*Continued on next page*

---

---

---

## Terms of Reference: Finance Functional Standing Committee

### Operational Principles, Continued

- 
- |                    |  |
|--------------------|--|
| Reporting          | <p>21. The <b>FFSC</b> shall report to the Executive Committee.</p> <p>22. The Chairperson of the <b>FFSC</b> shall report to the MERSETA all significant issues that may indicate the presence or possibility of a contingent liability. .</p> <p>23. Decisions of the <b>FFSC</b> can be taken by a process of "Round Robin" if agreed at the previous meeting.</p> <p>24. The <b>FFSC</b> shall submit to the MERSETA an annual report summarizing the activities, recommendations and decisions of the <b>FFSC</b> during the previous financial year.</p> |
| <b>Assessments</b> | <p>25. All members of the <b>FFSC</b> shall conduct self assessment on its performance as a committee against set targets on a bi-annual basis. The chairperson and the deputy chairperson shall be assessed by the committee or an independent person bi-annually.</p>  |
- 

Issue Date	31 October 2005	Version	1	Page 6 of 11
Review Date		Last Review	None	Created by Corli van Rensburg

## Terms of Reference: Finance Functional Standing Committee

### Operational Functions

**Key Performance Areas**

1. Evaluate and recommend the MERSETA budget and financial policies.
2. Evaluate and approve the MERSETA finance division plan.
3. Evaluate, approve and oversee implementation of the MERSETA Financial legislative functions.
4. Present quarterly and annual financial statements to the Audit Committee.
5. Monitor the MERSETA income and expenditure.
6. Review and action the recommendations of the Auditor General's Report as well as internal audit reports.

**1. MERSETA Finance Division Business Plan**

The Chief Financial Officer shall report to the FFSC on a quarterly basis on the progress and implementation of the Finance Division business plan, budget and related projects.

The Chief Financial Officer shall have full operational management discretion with regards to the human, physical and administrative resource utilisation of the Finance Division.

The FFSC shall ensure that such functions are carried out in accordance with all legislative requirements governing the MERSETA Finance function.

**2. Other Finance Related functions**

- The FFSC shall perform any other function as is reasonably requested and determined by the Executive Committee from time to time.

--	--

## Terms of Reference: Finance Functional Standing Committee

### Code of Conduct

---

#### MERSETA Constitution

This Terms of Reference is to be read in conjunction with the Code of Conduct as stipulated in Schedule 5 of the MERSETA Constitution

---

#### Conflict of Interests

1. A FFSC member shall be familiar with the FFSC Terms of Reference.
  2. A Committee member shall inform the Chairperson of the Committee, any situation in which there is an actual or potential conflict of interest as **soon** as the existence of such a situation comes to his or her notice, and shall make every effort to immediately take all responsible steps to avoid such a conflict of interest.
  3. Where a conflict of interest cannot be avoided by a Committee member, he or she shall immediately disclose the nature and extent of the conflict of interest to the Chairperson of the Committee, and shall afford the Committee the opportunity of reviewing the committee members' seat on the Committee.
- 

#### Attendance of Meetings

4. All committee members shall inform the Secretariat of their availability for any said Committee meetings or Committee related functions / activities at least forty eight (48) hours before the meeting.
  5. Where a Committee member is unable to attend meetings on a regular basis, or participate fully in the functions of the Committee, then he / she shall immediately inform the Chairperson of the Committee thereof and where possible or appropriate, either –
    - Request temporary leave of absence from the Committee
    - Resign from the Committee
- 

*Continued on next page*

<b>Review Date</b>		<b>Last Review</b>	None	<b>Created by</b> Corli van Rensburg
--------------------	--	--------------------	------	--------------------------------------

**Terms of Reference: Finance Functional Standing Committee**

**Code of Conduct, Continued**

Execution of duties

- 6. Where a Committee member is allocated a task or volunteers for a task, they shall undertake to accept full responsibility for the completion of the task within the timeframe designated for the task.
- 7. Should any Committee member who has been allocated, or volunteered for a task on behalf of the Committee, be unable or unwilling to complete such a task, either timeously or at all, they shall inform the Chairperson immediately thereof.

Confidentiality

- 8. Where the relationship between the Committee and a Committee member is terminated for any reason, the Committee member shall respect and observe any conditions attached to said termination and shall immediately return to the Committee, at the Committee Chairperson's request, all information, regardless of the medium in which it is stored, which belongs to the Committee.

Remuneration

- 9. A Committee member is not entitled to remuneration for Committee activities, nor may the Committee member ask for nor accept remuneration or any other form of gratuity for said Committee activities from any other party unless such remuneration is gained as part of their normal duties or agreed to by the Governing Board.

Ethics of Operation

- 10. A Committee member shall at all times observe the Standard Code of Ethics.

*Continued on next page*

, Continued

--	--

## Terms of Reference: Finance Functional Standing Committee

### Standard Code of Ethics

#### All members of the FFSC shall:

11. At all times act honestly and fairly and with due care and diligence, and in the best interest of the MERSETA, and so maintain the integrity of the Committee.
12. Not unfairly discriminate against any person, party or organization.
13. Assure a respect for human dignity in all aspects of the Committee's functions.
14. Not provide advice and/or a service to the Committee in a manner which:
  - undermines the authority of the MERSETA;
  - demeans the existence, credibility or purpose of any member of the MERSETA or the Committee;
  - promotes the interests of one stakeholder grouping over the interest of the MERSETA or the Committee.
15. Not knowingly give out advice or information, which may be false, inaccurate or misleading in the knowledge that the Committee is likely to act on such advice or information
16. Not give advice or render a decision without taking in due consideration the consequences for the Committee acting on such advise or decision
17. At no time make any communication, advertisement or announcement to the MERSETA management, Governing Board or the general public, which is unfair, misleading or ambiguous regarding the functions of the Committee
18. Avoid situations that could lead to a conflict of interest wherever possible.
19. Failure to abide by the MERSETAs code of conduct will result in the disciplinary procedure to be implemented and a member to be removed. The decision to remove a member will be taken by the members of the Governing Board by a majority vote.
20. The member's Organisation will be informed of the disciplinary procedure, outcome, as well as the sanction.
21. Failure to remove a member will be reported to the Department of Labour and the Minister of Labour.

Issue Date	31 October 2005	Version	1	Page 10 of 11
Review Date		Last Review	None	Created by Corli van Rensburg



**Terms of Reference: Finance Functional Standing Committee**

**Acceptance & Adoption of ToR**

Compiled and submitted by ..... on behalf of the MERSETA  
 on .....

Name = MERSETA Chief Executive Officer

Signature

Accepted and adopted by

on behalf of the FFSC on

Name = FFSC Chairperson

Signature

Ratified by

on behalf of the Governing Board

Name = Chairperson of the Governing Board

Signature

Issue Date	31 October 2005	Version	1	Page 11 of 11
Review Date		Last Review	None	Created by Corli van Rensburg

## Terms of Reference: Governing Board

---

### Table of Contents

---

Terms of Reference Overview .....	2
Legal Basis .....	3
Operational Principles .....	4
Code of Conduct .....	8
Acceptance & Adoption of ToR .....	11

Issue Date	7 December 2005	Version	1	Page 1 of 11
Review Date		Last Review	None	Created by Corli van Rensburg

## Terms of Reference: Governing Board

### Terms of Reference Overview

**Introduction** These Terms of Reference of the Governing Board sets out the specific responsibilities of the Governing Board and details the manner in which the Governing Board will operate.

The contents of this Terms of Reference must be read and interpreted in conjunction with the Constitution of the MERSETA.

In the case of any dispute related to the interpretation of the Terms of Reference, the Constitution shall take precedence.

**Purpose** The Governing Board shall be responsible for the overall strategic leadership and management of the MERSETA and shall be the accounting authority of the MERSETA and ensure that the MERSETA meets the requirements of the Skills Development Act (SDA) 97 of 1998 (as amended), and the Skills Development Levies Act (SDLA) 9 of 1999, Public Finance Management Act 1999, (Act 1 of 1999) (PFMA) and Treasury Regulations.

**Composition** ■ The Governing Board shall be made up of the following

Quantity	Stakeholder Grouping
1	Company Secretary (non-voting)
1	Member nominated by DTI and DoL respectively (Non-voting)
36	TOTAL

<b>issue Date</b>	7 December 2005	<b>Version</b>	1	<b>Page 2 of 11</b>
<b>Review Date</b>		<b>Last Review</b>	None	Created by <b>Corli van Rensburg</b>

## Terms of Reference: Governing Board

### Legal Basis

#### Legal Basis

As per the MERSETA Revised Constitution, the duties and functions of the Governing Board are outlined:

Clause	Quotation
8.1.b	Establish committees and chambers in addition to those referred to in this constitution;
8.1.c	Dissolve any committee and chamber and amend or revoke the terms of reference thereof;
8.1.j	Report on its income and expenditure to the Director-General, Labour.
8.1.k	Report on skills development within the Sector to the Director-General, Labour.

--	--

## Terms of Reference: Governing Board

### Operational Principles

#### Operational Principles

1. The Governing Board shall have the power to amend or revoke the Terms of Reference and organizational structures of the committees specified in the constitution.
2. The Governing Board shall have the power to co-opt additional members of the MERSETA who have expertise, knowledge and experience in matters relevant to the duties and functions of the Governing Board.
3. The MERSETA Governing Board Co-opted members of the Committee shall have no voting rights.
4. All bona fida MERSETA members have the right to attend and speak at the meetings of the Governing Board, but voting rights are limited to those MERSETA members who are members of the Governing Board.
5. MERSETA staff members who are required to attend any meetings of the Governing shall have the right to speak at such meetings but shall have no voting rights.
6. The Chairperson and Deputy Chairperson of the Governing Board shall be nominated by the voting members of the Governing Board.
7. The Chairperson and Deputy Chairperson of the Governing Board shall be nominated by the voting members of the Governing Board.
8. The Chief Executive Officer responsible for the MERSETA shall be the Executive Officer of the Governing Board.
9. The MERSETA shall provide a Secretariat to the Governing Board.

*Continued on nextpage*

Issue Date	7 December 2005	Version	1	Page 4 of 11
Review Date		Last Review	None	Created by Corti van Rensburg

## Terms of Reference: Governing Board

### Operational Principles, Continued

#### Meetings

10. The Governing Board shall meet at least 4 times a year (one AGM included).
11. Special meetings of the Governing Board may be convened as required, in accordance with agreed procedures as stipulated in the Constitution.
12. Any voting member of the Governing Board may request the Chairperson to call a special meeting. This however is at the discretion of the Chairperson and deputy chairperson.
13. A quorum shall constitute fifty percent plus one (50% + 1) organized labour members and fifty percent plus one (50% + 1) organized employer members.
14. Notice shall be given in writing to all members of the Governing Board and other identified interested parties, of each meeting to be held, at least twenty one (21) days prior to the date on which such meeting is to be held.
15. The agenda of the meeting shall be prepared and distributed at least five (5) working days prior to the meeting. Any person attending the meeting may add items to the agenda in writing up until two (2) days before the said meeting. Such items are to be provided to the Secretariat of the Governing Board.
16. The proceedings of all meetings will be documented in the form of minutes, and these shall be kept by the Secretariat.
17. Correction of minutes taken by the Secretariat shall be the responsibility of the Executive Officer of the Governing Board.
18. The Secretariat shall distribute such minutes of meetings within fourteen (14) working days of the dates of the said meeting for review and action by the Governing Board members
19. The Secretariat shall include the minutes with the Agenda of the following Governing Board meeting.

*Continued on next page*

<b>Issue Date</b>	7 December 2005	<b>Version</b>	1	<b>Page 5 of 11</b>
<b>Review Date</b>		<b>Last Review</b>	None	<b>Created by Corli van Rensburg</b>

---

## Terms of Reference: Governing Board

### Reporting

20. The Chairperson of the Governing Board shall report to the Governing Board all significant issues that may indicate the presence or possibility of a contingent liability.

21. Decisions of the Governing Board can be taken by a process of "Round Robin" if agreed at the previous meeting.

### Assessments

22. All members of the Governing Board shall conduct self assessment on its performance as a committee against set targets on a bi-annual basis. The chairperson and the deputy chairperson shall be assessed by the committee or an independent person bi-annually.


## Terms of Reference: Governing Board

### Operational Functions

#### Key

Performance  
Areas

1. Provide strategic leadership to the MERSETA.
2. Manage the overall performance and affairs of the MERSETA.
3. Take responsibility for MERSETA compliance with legislative requirements, i.e. Skills Development Act (SDA) 97 of 1998 (as amended), and the Skills Development Levies Act (SDLA) 9 of 1999, Public Finance Management Act (PFMA) and Treasury Regulations
4. Ratify policies proposed by the Executive Committee to govern its functions and those delegated to chamber committees, the CEO and staff, as recommended by Exco.
5. Approve and sign the Service Level Agreement with DoL which includes the approved business plan, annual budget and Sector Skills Plan of the MERSETA.
6. Ratify the scale of reimbursement of expenses and other related matters for the members of the Governing Board, chambers and functional standing committees, proposed by the Remuneration Committee where applicable.

<b>Issue Date</b>	7 December 2005	<b>Version</b>	1	Page 7 of 11
<b>Review Date</b>		<b>Last Review</b>	None	Created by Corti van Rensburg



## Terms of Reference: Governing Board

---

### Code of Conduct

---

MERSETA  
Constitution

This Terms of Reference is to be read in conjunction with the Code of Conduct as stipulated in Schedule 5 of the MERSETA Constitution

---

Conflict of  
Interests

1. A Governing Board member shall be familiar with the Governing Board Terms of Reference.
  2. A Committee member shall inform the Chairperson of the Committee of, any situation in which there is an actual or potential conflict of interest as soon as the existence of such a situation comes to his or her notice, and shall make every effort to immediately take all responsible steps to avoid such a conflict of interest.
  3. Where a conflict of interest cannot be avoided by a Committee member, he or she shall immediately disclose the nature and extent of the conflict of interest to the Chairperson of the Committee, and shall afford the Committee the opportunity of reviewing the committee members' seat on the Committee.
- 

Attendance of  
Meetings

4. All committee members shall inform the Secretariat of their availability for any said Committee meetings or Committee related functions / activities at least forty eight (48) hours before the meeting.
  5. Where a Committee member is unable to attend meetings on a regular basis, or participate fully in the functions of the Committee, then he / she shall immediately inform the Chairperson of the Committee thereof and where possible or appropriate, either
    - Request temporary leave of absence from the Committee
    - Resign from the Committee
- 

*Continued on nextpage*

Issue Date	7 December 2005	Version	1	Page 8 of 11
Review Date		Last Review	None	Created by Corli van Rensburg

## Terms of Reference: Governing Board

### Code of Conduct, Continued

#### Execution of duties

6. Where a Committee member is allocated a task or volunteers for a task, they shall undertake to accept full responsibility for the completion of the task within the timeframe designated for the task.
7. Should any Committee member who has been allocated, or volunteered for a task on behalf of the Committee, be unable or unwilling to complete such a task, either timeously or at all, they shall inform the Chairperson immediately thereof.

#### Confidentiality

8. Where the relationship between the Committee and a Committee member is terminated for any reason, the Committee member shall respect and observe any conditions attached to said termination and shall immediately return to the Committee, at the Committee Chairperson's request, all information, regardless of the medium in which it is stored, which belongs to the Committee.

#### Remuneration

9. A Committee member is not entitled to remuneration for Committee activities, nor may the Committee member ask for nor accept remuneration or any other form of gratuity for said Committee activities from any other party unless such remuneration is gained as part of their normal duties or agreed to by the Governing Board.

#### Ethics of Operation

10. A Committee member shall at all times observe the Standard Code of Ethics.

*Continued on nextpage*

<b>Issue Date</b>	7 December 2005	<b>Version</b>	1	<b>Page 9 of 11</b>
<b>Review Date</b>		<b>Last Review</b>	None	<b>Created by Corli van Rensburg</b>

## Terms of Reference: Governing Board

### Standard Code of Ethics

All members of the Governing Board shall:

11. At all times act honestly and fairly and with due care and diligence, and in the best interest of the MERSETA, and so maintain the integrity of the Committee.
12. Not unfairly discriminate against any person, party or organization.
13. Assure a respect for human dignity in all aspects of the Committee's functions.
14. Not provide advice and/or a service to the Committee in a manner which:
  - undermines the authority of the MERSETA
  - demeans the existence, credibility or purpose of any member of the MERSETA or the Committee
  - promotes the interests of one stakeholder grouping over the interest of the MERSETA or the Committee.
15. Not knowingly give out advice or information, which may be false, inaccurate or misleading in the knowledge that the Committee is likely to act on such advice or information.
16. Not give advice or render a decision without taking in due consideration the consequences for the Committee acting on such advice or decision.
17. At no time make any communication, advertisement or announcement to the MERSETA management, Governing Board or the general public, which is unfair, misleading or ambiguous regarding the functions of the Committee.
18. Avoid situations that could lead to a conflict of interest wherever possible.
19. Failure to abide by the MERSETA's code of conduct will result in the disciplinary procedure to be implemented and a member to be removed. The decision to remove a member will be taken by the members of the Governing Board by a majority vote.
20. The member's organisation will be informed of the disciplinary procedure, outcome, as well as the sanction.
21. Failure to remove a member will be reported to the Department of Labour and the Minister of Labour.

Issue Date	7 December 2005	Version	1	Page 10 of 11
Review Date		Last Review	None	Created by Corli van Rensburg

### Terms of Reference: Governing Board

### Acceptance & Adoption of ToR

Compiled and submitted by ..... on behalf of the MERSETA  
on .....

Name – MERSETA Chief Executive  
Officer

Signature

Accepted and adopted by

on behalf of the MERSETA on

Name – Chairperson of the Governing  
Board

Signature

Ratified by

on behalf of the MERSETA Governing Board

Issue Date	7 December 2005	Version	1	Page 11 of 11
Review Date		Last Review	None	Created by Corti van Rensburg

## Terms of Reference: Remuneration Committee

---

### Table of Contents

---

Terms of Reference Overview .....	2
Legal Basis.....	3
Operational Principles .....	4
Operational Functions .....	7
Code of Conduct .....	8
Acceptance & Adoption of ToR .....	11

Issue Date	7 December2005	Version	1	Page 1 of 11
Review Date		Last Review	None	Created by <i>Corli van Rensburg</i>

## Terms of Reference: Remuneration Committee

### Terms of Reference Overview

**Introduction** These Terms of Reference of the Remuneration Committee (sets out the specific responsibilities delegated by the Governing Board to the Remuneration Committee and details the manner in which the Remuneration Committee will operate.

The contents of this Terms of Reference must be read and interpreted in conjunction with the Constitution of the MERSETA.

In the **case** of any dispute related to the interpretation of the Terms of Reference, the Constitution shall take precedence.

**Purpose** The Remuneration Committee shall be responsible for the development of guidelines and review the compensation and performance of staff of the organization, review and approve corporate goals relevant to the compensation of the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of these goals and objectives and will take responsibility for all Human Resources related matters.

**Composition** 1. The Remuneration Committee shall be made up of the following

Quantity	Stakeholder Grouping
2	Non-executive independent members (non-voting)
9	TOTAL

## Terms of Reference: Remuneration Committee

### Legal Basis

#### Legal Basis

As per the MERSETA Revised Constitution, the duties and functions of the Remuneration Committee are outlined:

Clause	Quotation
	To develop policies, principles, criteria and guidelines related to remuneration and Human Resources for recommendation to the Executive Committee
	Make recommendations to the Governing Board with respect to incentive-compensation plans and equity-based plans;
	Develop plans for managerial succession of the organization;
	Review major organizational and staffing matters
	Annually review and reassess the adequacy of the remuneration policy and recommend any proposed changes to the Executive Committee for approval.

--	--

## Terms of Reference: Remuneration Committee

### Operational Principles

---

**Operational Principles**

1. The Governing Board shall have the power to constitute and dissolve the Remuneration Committee.
2. The Governing Board shall have the power to amend or revoke the Terms of Reference and organizational structures of the Remuneration Committee.
3. The Remuneration Committee shall have the power to co-opt additional members of the MERSETA who have expertise, knowledge and experience in matters relevant to the duties and functions of the Remuneration Committee.
4. All bona fida MERSETA members have the right to attend and speak at the meetings of the Remuneration Committee, but voting rights are limited to those MERSETA members who are members of the Remuneration Committee.
5. MERSETA staff members who are required to attend any meetings of the Remuneration Committee shall have the right to speak at such meetings but shall have no voting rights.
6. The Executive officer of the Remuneration Committee will be the Human Resources Manager of the MERSETA.
7. The MERSETA shall provide a Secretariat to the Remuneration Committee.

---

*Continued on next page*

--	--



**Terms of Reference: Remuneration Committee**

**Operational Principles, Continued**

Meetings

8. The Remuneration Committee shall meet at least twice a year,
9. Special meetings of the Remuneration Committee may be convened as required, in accordance with agreed procedure as stipulated in the Constitution.
10. A quorum shall constitute fifty percent plus one (50%) organized labour members and **fifty** percent plus one (50%) organized employer members.
11. Notice shall be given in writing to all members of the Remuneration Committee and other identified interested parties, of each meeting to be held, at least twenty one (21) days prior to the date on which such meeting is to be held.
12. The agenda of the meeting shall be prepared and distributed at least five (5) working days prior to the meeting. Any person attending the meeting may add items to the agenda in writing up until two (2) days before the said meeting. Such items are to be provided to the Secretariat of the Remuneration Committee.
13. The proceedings of all meetings will be documented in the form of minutes, and these shall be kept by the Secretariat.
14. The Secretariat shall distribute such minutes of meetings within fourteen (14) working days of the dates of the said meeting for review and action by the Remuneration Committee members
15. The Secretariat shall include the minutes with the Agenda of the following Remuneration Committee meeting.

*Continued on next page*


## Terms of Reference: Remuneration Committee

### Operational Principles , Continued

- 
- |                    |   |
|--------------------|---|
| <b>Reporting</b>   | 16. The Remuneration Committee shall report to the Executive Committee.   |
|                    | 17. Decisions of the Remuneration Committee can be taken by a process of "Round Robin" if agreed at the previous meeting.   |
| <b>Assessments</b> | 18. All members of the Remuneration Committee shall conduct self assessment on its performance as a committee against set targets on a bi-annual basis. The chairperson and the deputy chairperson shall be assessed by the committee or an independent person bi-annually. |
- 


## Terms of Reference: Remuneration Committee

### Operational Functions

**Key**

Performance Areas

1. Develop guidelines and review the compensation and performance of staff of the organization, review and approve corporate goals relevant to the compensation of the Chief Executive Officer, evaluate the Chief Executive officer's performance in light of these goals and objectives, set the Chief Executive Officer's compensation in accordance with applicable rules and regulations.
2. Make recommendations to the Executive Committee with respect to incentive-compensation plans and equity-based plans.
3. Develop plans for managerial succession of the organization.
4. Review organizational and staffing matters.
5. Review member representatives compensation levels and practices, and recommend, from time to time, changes in such compensation levels and practices to the Governing Board.
6. Annually review and reassess the adequacy of the remuneration policy and recommend any proposed changes to the Governing Board for approval; and
7. Perform any other activities consistent with this policy.

2  
Other  
Remuneration  
and HR  
Related  
functions

- The Remuneration Committee shall perform any other function as is reasonably requested and determined by the Executive Committee from time to time.

<b>Issue Date</b>	7 December 2005	<b>Version</b>	1	<b>Page 7 of 11</b>
<b>Review Date</b>		<b>Last Review</b>	None	<b>Created by Corli van Rensburg</b>

## Terms of Reference: Remuneration Committee

### Code of Conduct

---

#### MERSETA Constitution

This Terms of Reference is to be read in conjunction with the Code of Conduct as stipulated in Schedule 4 of the MERSETA Constitution

---

#### Conflict of Interests

1. All Remuneration Committee members shall be familiar with the Remuneration Committee Terms of Reference.
  2. A Committee member shall inform the Chairperson of the Committee, of any situation in which there is an actual or potential conflict of interest as soon as the existence of such a situation comes to his or her notice, and shall make every effort to immediately take all responsible steps to avoid such a conflict of interest.
  3. Where a conflict of interest cannot be avoided by a Committee member, he or she shall immediately disclose the nature and extent of the conflict of interest to the Chairperson of the Committee, and shall afford the Committee the opportunity of reviewing the committee members' seat on the Committee.
- 

#### Attendance of Meetings

4. All committee members shall inform the Secretariat of their availability for any said Committee meetings or Committee related functions / activities, at least forty eight (48) hours before the meeting.
  5. Where a Committee member is unable to attend meetings on a regular basis, or participate fully in the functions of the Committee, then he/ she shall immediately inform the Chairperson of the Committee thereof and where possible or appropriate, either –
    - Request temporary leave of absence from the Committee
    - Resign from the Committee
- 

*Continued on next page*

--	--

## Terms of Reference: Remuneration Committee

### Code of Conduct, Continued

- 
- |                     |  |
|---------------------|--|
| Execution of duties | <p>6. Where a Committee member is allocated a task or volunteers for a task, they shall undertake to accept full responsibility for the completion of the task within the timeframe designated for the task</p> <p>7. Should any Committee member who has been allocated, or volunteered for a task on behalf of the Committee, be unable or unwilling to complete such a task, either timeously or at all, they shall inform the Chairperson immediately thereof.</p> |
|---------------------|--|
- 
- |                 |  |
|-----------------|--|
| Confidentiality | <p>8. Where the relationship between the Committee and a Committee member is terminated for any reason, the Committee member shall respect and observe any conditions attached to said termination and shall immediately return to the Committee, at the Committee Chairperson's request, all information, regardless of the medium in which it is stored, which belongs to the Committee.</p> |
|-----------------|--|
- 
- |              |   |
|--------------|---|
| Remuneration | <p>9. A Committee member is not entitled to remuneration for Committee activities, nor may the Committee member ask for nor accept remuneration or any other form of gratuity for said Committee activities from any other party unless such remuneration is gained as part of their normal duties or agreed to by the Governing Board.</p> |
|--------------|---|
- 
- |                     |   |
|---------------------|---|
| Ethics of Operation | <p>10. A Committee member shall at all times observe the Standard Code of Ethics.</p> |
|---------------------|---|
- 

*Continued on next page*

<b>Issue Date</b>	7 December 2005	<b>Version</b>	1	Page 9 of 11
<b>Review Date</b>		<b>Last Review</b>	None	Created by Corli van Rensburg

## Terms of Reference: Remuneration Committee

### Standard Code of Ethics

#### All members of the Remuneration Committee shall:

11. At all times act honestly and fairly and with due care and diligence, and in the best interest of the MERSETA, and so maintain the integrity of the Committee
12. Not unfairly discriminate against any person, party or organization
13. Assure a respect for human dignity in all aspects of the Committee's functions
14. Not provide advice and/or a service to the Committee in a manner which:
  - undermines the authority of the MERSETA;
  - demeans the existence, credibility or purpose of any member of the MERSETA or the Committee;
  - promotes the interests of one stakeholder grouping over the interest of the MERSETA or the Committee.
15. Not knowingly give out advice or information, which may be false, inaccurate or misleading in the knowledge that the Committee is likely to act on such advice or information.
16. Not give advice or render a decision without taking in due consideration the consequences for the Committee acting on such advice or decision.
17. At no time make any communication, advertisement or announcement to the MERSETA management, Governing Board or the general public, which is unfair, misleading or ambiguous regarding the functions of the Committee.
18. Avoid situations that could lead to a conflict of interest wherever possible.
19. Failure to abide by the MERSETA's code of conduct will result in the disciplinary procedure to be implemented and a member to be removed. The decision to remove a member will be taken by the members of the Governing Board by a majority vote.
20. The member's organisation will be informed of the disciplinary procedure, outcome, as well as the sanction.
21. Failure to remove a member will be reported to the Department of Labour and the Minister of Labour.

Issue Date	7 December 2005	Version	1	Page 10 of 11
Review Date		Last Review	None	Created by Corti van Rensburg

**Terms of Reference: Remuneration Committee**

**Acceptance & Adoption of ToR**

Compiled and submitted by ..... on behalf of the MERSETA  
 on .....

Name – MERSETA Chief Executive  
 Officer

Signature

Accepted and adopted by

on behalf of the Remuneration Committee on

Name – Remuneration Committee  
 Chairperson

Signature

Ratified by

on behalf of the Governing Board

Name – Chairperson of the Governing  
 Board

Signature

Issue Date	7 December 2005	Version	1	Page 11 of 11
Review Date		Last Review	None	Created by Corli van Rensburg