



## **Memorandum of Incorporation of**

### **THE STEEL AND ENGINEERING INDUSTRIES FEDERATION OF SOUTHERN AFRICA (SEIFSA)**

(which replaces the Constitution, Articles of Association and  
Memorandum of Incorporation thereof)

which is a Non-Profit company, is not authorised to issue securities, and is referred  
to in the rest of this Memorandum of Incorporation as the “Federation”.

### **Objects**

The Federation is a Non-Profit Company with members, with the following objects:

1. Promote the interests of members;
2. Regulate relations between members and employees and trade unions;
3. Plan and organise its administration and lawful activities;
4. Affiliate with and participate in the affairs of any other organisations in the interest of its members;
5. Promote, support or oppose any proposed legislative or other measures affecting the interests of members;
6. Use every legitimate means to encourage eligible employer Associations to become members;
7. Provide assistance to members on matters affecting the relationship between themselves and their employees or trade unions;
8. Establish and administer funds for the benefit of its members and for the furtherance of the objectives of the Federation;

9. Do such lawful things as may appear to be in the interest of the Federation and its members and which are not inconsistent with the objectives or any other matter specifically provided for in the Memorandum of Incorporation;
10. Amalgamate or affiliate or collaborate with any companies, institutions, societies or organisations having objectives altogether or in part similar to those of the Federation;
11. Further the interests of the industry through public relations activities;
12. Act as the centre for industry liaison, contact and knowledge;
13. Accept any gift, whether subject to any special trust or not, which promotes any one or more of the objectives of the Federation;
14. Secure contributions to the funds of the Federation by such means as may be decided on;
15. Print and publish or assist financially, or subsidise any newspapers, periodicals, books or leaflets that the Federation may think desirable for the promotion of any of its objectives and establish and maintain a reference library consisting of books and publications containing information;
16. Borrow, invest, lend, subscribe or donate money for the furtherance of the objectives of the Federation;
17. Assist in the settlement of disputes between members and their employees or trade unions; and
18. Collect, collate, tabulate and disseminate any information likely to be of use to members
19. Promote transformation within Federation and ensure representivity in terms of race and gender, including the Board and Council

### **Adoption of Memorandum of Incorporation**

This Memorandum of Incorporation was adopted by the incorporators of the Federation, in accordance with section 13 (1), as evidenced by the following signatures made by each of them, or on their behalf.

Name and Address	ID Number	Signature	Date
ANDREAS MOZ			
ALPHEUS NGAPO			
MAYLEEN KAYSTER			
NONHLANHLA NGWENYA			
SENECA LUTCHMANA			
ELIAS MONAGE			

PATRICK METSWI \_\_\_\_\_  
TUMI TSEHLO \_\_\_\_\_  
KAIZER NYATSUMBA \_\_\_\_\_  
LUCIO TRENTINI \_\_\_\_\_

**In this Memorandum of Incorporation-**

- (a) A reference to a section by number refers to the corresponding section in the Companies Act 71 of 2008 (the Act); and
- (b) Words that are defined in the Act bear the same meaning in this Memorandum as in the Act.

The Schedules attached to this Memorandum are part of the Memorandum of Incorporation.

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## ARTICLES

### Article 1- Incorporation and Nature of the Federation

#### 1.1 Incorporation

- (1) The Federation is incorporated as a Non-Profit company, as defined in the Companies Act 71 of 2008.
  - (a) The Federation is incorporated in accordance with and governed by:
    - (i) the unalterable provisions of the Act, that are applicable to Non-Profit companies;
    - (ii) The alterable provisions of the Act that are applicable to Non-Profit companies, subject to the limitations,

extensions, variations or substitutions set out in this Memorandum of Incorporation; and

- (iii) The provisions of this Memorandum of Incorporation.
- (b) This Federation is in every material way a continuation of the company registration number incorporated under section 21 of the previous Companies Act 61 of 1973.
- (2) The Federation complies with Chapter VI: Part B Section 107 of the Labour Relations Act 66 of 1995 in terms of registration as an employer federation.

## **1.2 Objects and powers of the Federation**

The objects of the Federation are set out in the cover sheet and, except to the extent necessarily implied by the stated objects and this section, the purpose and powers of the Federation are not subject to any restriction, limitation or qualification, as contemplated in section 19 (1)(b)(ii).

- (1) The Federation is subject to the provisions contemplated in section 15 (2) (b) and/or (c), as far as set out in Part B of Schedule 1.
- (2) Upon dissolution of the Federation, its net assets must be distributed in the manner determined in accordance with the provisions and in terms of the procedure set out in Part C of Schedule 1 of this Memorandum.

## **1.3 Memorandum of Incorporation and Federation rules**

- (1) This Memorandum of Incorporation of the Federation may be altered or amended in the manner set out in section 16, 17 or 152 (6)(b), subject to the provisions contemplated in section 16 (1)(c), and set out in Part D of Schedule 1.
- (2) The authority of the Board of Directors to make rules for the Federation, as contemplated in section 15 (3) to (5) is limited or restricted to the extent set out in Part D of Schedule 1.
- (3) The Board of Directors must publish any rules made in terms of section 15 (3) to (5) in accordance with the requirements set out in Part D of Schedule 1.

- (4) The Federation must publish a notice of any alteration of the Memorandum of Incorporation or the Rules, made in terms of section 17 (1) in accordance with the requirements set out in Part D of Schedule 1.

#### **1.4 Optional provisions of the Companies Act, 2008.**

The Federation elects, in terms of section 34 (2), to comply voluntarily with the provisions of Chapter 3 of the Companies Act, 2008.

#### **1.5 Members of the Federation**

- (1) “Member” is defined as an Association of employers which is a member of the Federation.
- (2) As contemplated in Item 4 (1) of Schedule 2 of the Act, the Federation has members who are in either of two classes, being voting and non-voting members respectively.
- (3) The terms and conditions of membership in the Federation are set out in Part E of Schedule 1 to this Memorandum.
- (4) An Associate that is an Alliance Partner to SEIFSA is not eligible for election onto the Board Directors.

#### **1.6 Associate Members of the Federation**

- (1) Associate Member is defined as an Association of employers and/ or an individual company which is not eligible for membership to any of the SEIFSA affiliated Associations.

### **Article 2 – Rights of Members**

#### **2.1 Members’ right to information**

Members have the right to access information as set out in section 26 (1) and as provided in Schedule 2 Part B.

#### **2.2 Representation by concurrent proxies**

The right of a member of the Federation to appoint persons concurrently as proxies as set out in section 58 (3) (a) is not limited, restricted or varied.

#### **2.3 Authority of proxy to delegate**

The authority of a member's proxy to delegate the proxy's powers to another person, as set out in section 58 (3) (b) is limited to the extent set out in Part C of Schedule 2.

**2.4 Requirement to deliver proxy instrument to the Federation**

The requirement that a member must deliver to the Federation a copy of the instrument appointing a proxy before that proxy may exercise the member's rights at a Council meeting, as set out in section 58(3)(c) is varied to the extent set out in Part C of Schedule 2.

**2.5 Deliberative authority of proxy**

The authority of a member's proxy to decide, without direction from the member, whether to exercise, or abstain from exercising any voting right of the member, as set out in section 58 (7) is not limited or restricted by this Memorandum of Incorporation.

**2.6 Record date for exercise of member rights**

If, at any time, the Board of Directors fails to determine a record date, as contemplated in section 59, the record date for the relevant matter is as provided for in Section 59(3).

**Additional Provisions**

**2.7 Refusal and Removal of Membership**

No member shall be refused membership or be removed from membership except according to Part E of Schedule 2.

**2.8 Notice and Addresses**

The responsibility for keeping addresses up to date is provided for in Part F of Schedule 2.

**2.9 Liability of Members**

No member shall be liable as a result of his membership except according to Part G of Schedule 2.

**Article 3 – Members Meetings (herein referred to as Council meetings)**

**3.1 Requirement to hold meetings**

- (1) The Federation is required to hold Council meetings not less than six times per year, in addition to those specifically required by the Companies Act, 2008 as set out in Part A of Schedule 3.
- (2) In addition, the Federation can hold Special General Meetings.



### **3.2 Member's right to requisition a meeting**

The right of members to requisition a meeting, as set out in section 61 (3) may be exercised by at least 30% of the voting members.

### **3.3 Location of Council meetings**

The authority of the Board of Directors to determine the location of any Council meeting, and the authority of the Federation to hold any such meeting in the Republic or in any foreign country, as set out in section 61 (9) is limited or restricted to the extent set out in Part B of Schedule 3.

### **3.4 Notice of Council meetings**

The minimum number of days for the Federation to deliver a notice of a Council meeting to the members, as required by section 62, is as provided in Part A of Schedule 3. Meeting proceedings shall not be invalidated by reason of the non-receipt.

### **3.5 Electronic participation in Council meetings**

The authority of the Federation to conduct a meeting entirely by electronic communication or to provide for participation in a meeting by electronic communication as set out in section 63 is not limited or restricted.

### **3.6 Quorum for Council meetings**

- (1) The quorum requirement for a Council meeting to begin, or for a matter to be considered, are as set out in section 64 (1) shall be 25% of members entitled to vote.
- (2) The time periods allowed in section 64 (4) and (5) apply to the Federation, subject to the variations set out in Part E of Schedule 3.
- (3) The authority of a meeting to continue to consider a matter, as set out in section 64 (9), is limited or restricted to the extent set out in Part D of Schedule 3.

### **3.7 Adjournment of Council meetings**

The maximum time period allowable for an adjournment of a Council meeting is as set out in section 64 (13), subject to the variation set out in Part E of Schedule 3.

### **3.8 Members resolutions**

- (1) For an ordinary resolution to be adopted at a Council Meeting, it must be supported by at least the minimum percentage of members voting on the resolution, as set out in Part F of Schedule 3.
- (2) For a special resolution to be adopted at a Council Meeting, it must be supported by at least the minimum percentage of the members who voted on the resolution, as set out in Part F of Schedule 3.
- (3) A special resolution adopted at a Council Meeting is required, in addition to the matters set out in section 65(11) as provided for at various places in this Memorandum of Incorporation.

## **Article 4 – Directors and Officers**

### **4.1 Directors and Composition of the Board of Directors**

- (1) The Board of Directors shall be comprised as follows:
  - (a) The President and two (2) Vice-Presidents, two (2) of whom will be elected at the Annual General Meeting of the Federation;
  - (b) The out-going President of the Federation automatically becomes one of the three Vice-Presidents and is not elected at the Annual General Meeting;
  - (c) Seven other members of the Council elected at the Annual General Meeting of the Federation; and
  - (d) The Executive Directors.
  - (e) The Board of Directors shall appoint Executive Directors, each of whom is to be appointed in the manner set out in Part A of Schedule 4; and who will serve until otherwise determined by the Board of Directors. In addition, there are two *ex officio* Non-Executive Directors who are Directors by virtue of being the President and former President of the Council, who serve for a term of one year.
- (2) Non-Executive Directors elected at the Annual General Meeting of the Federation shall serve a two-year term. In order to ensure continuity:
  - (a) Fifty percent (50%) of the Non-Executive Directors will be elected at the Annual General Meeting each year, with the remaining thirty-five percent who will have been in office for a

- year at the time continuing in office until the end of their term at the following AGM.
- (b) Fifty percent (50%) of the Non-Executive Directors elected in the preceding Annual General Meeting will have their term of office expiring at the AGM in the following year, to be replaced by Non-Executive Directors who will be elected at that AGM, who will also serve a two-year term.
  - (3) In addition to satisfying the qualification and eligibility requirements set out in section 69, to become or remain a Director of the Federation, a person need not satisfy any further eligibility requirements or qualifications.
  - (4) There are no Alternative Directors.

#### **4.2 Authority of the Board of Directors**

The authority of the Board of Directors to oversee and direct the business and affairs of the Federation as set out in section 66 (1) is limited or restricted to the extent set out in Part C of Schedule 4.

#### **4.3 Board of Directors**

- (1) The authority of the Board of Directors to consider a matter other than at a meeting, as set out in section 74, is limited or restricted to the extent set out in Part D of Schedule 4.
- (2) The right of the Board of Directors to requisition a meeting of the Board, as set out in section 73 (1), may be exercised by at least two (2) of the Directors, despite the provisions of that section.
- (3) The authority of the Board of Directors to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, as set out in section 73 (3) is not limited or restricted.
- (4) The authority of the Board of Directors to determine the manner and form of providing notice of its meetings, as set out in section 73 (4) is not limited or restricted.
- (5) The authority of the Board of Directors to proceed with a meeting despite a failure or defect in giving notice of the meeting as set out in section 73 (5) is not limited or restricted .
- (6) The quorum requirement for a Board of Directors meeting to begin, the voting rights at such meeting and the requirements for approval

of a resolution at such meeting are as set out in section 73 (5), subject to the variations set out in part E4 of Schedule 4.

#### **4.4 Indemnification of Directors**

- (1) The authority of the Board of Directors to advance expenses to a Director, or indemnify a Director, in respect of the defence of legal proceedings, as set out in section 78 (3) is not limited or restricted or extended.
- (2) The authority of the Board of Directors to indemnify a Director in respect of liability, as set out in section 78 (5) is not limited or restricted by this Memorandum of Incorporation.
- (3) The authority of the Board of Directors to purchase insurance to protect the Federation, or a Director, as set out in section 78(6) is not limited or restricted by this Memorandum of Incorporation.

#### **4.5 Officers and Committees**

- (1) The Board of Directors may appoint any officers it considers necessary to better achieve the objects of the Federation.
- (2) The authority of the Board of Directors to appoint Committees of Directors, and to delegate to any such Committee any of the authority of the Board of Directors as set out in section 72 (1), or to include in any such Committee persons who are not Directors, as set out in section 72 (2)(a) is not limited, restricted or extended.
- (3) The authority of a Committee appointed by the Board of Directors as set out in Section 72 (2)(b) and (c) is limited, restricted or extended to the extent set out in Part G of Schedule 4.

#### **Article 5 Additional Provisions**

- (1) The Federation shall have a Secretary.
- (2) This Memorandum of Incorporation should be interpreted so as to comply with the Labour Relations Act as well as the Act.

- (3) If there should be a conflict between this Memorandum of Incorporation and any former documents of the Federation, then this Memorandum of Incorporation will apply.

## **SCHEDULES**

### **Schedule 1 – Incorporation and nature of the Federation**

#### **Part A: Restriction of Powers**

There are no further provisions in this section.

#### **Part B: Powers**

- (1) The Federation shall be a body corporate with perpetual succession capable of entering into contractual and other relations and of suing and being sued in its own name and shall be an organisation not for gain.
- (2) Oversight of the affairs of the Federation shall be vested in the Board of Directors.
  - (a) The Board of Directors shall be comprised as follows:
    - (i) The President and three (3) Vice-Presidents, two (2) of whom will be elected at the Annual General Meeting of the Federation;
    - (ii) The out-going President of the Federation automatically becomes one of the three Vice-Presidents and is not elected at the Annual General Meeting;
    - (iii) Seven other members of the Council elected at the Annual General Meeting of the Federation; and
    - (iv) The Executive Directors.
- (3) The Council shall be responsible for those affairs of the Federation that require a mandate from member Associations and is empowered, in terms of this Memorandum of Incorporation, to deal with all such matters as, in the opinion of the Council, may be conducive to the objects set out in the cover sheet hereto.

- (a) The Council shall be comprised as follows:
  - (i) Two representatives and one alternate elected by each member Association (other than associate members);
  - (ii) A representative and an alternate elected by any advisory committee if so established within the Federation by the Council.
- (4) The Council shall have the power to co-opt persons who are held by the Council to be prominent industrialists concerned in the iron, steel, engineering or allied industries whose experience, knowledge and status render them individuals whose services will be of value to the Federation. Co-opted members shall be entitled to attend Council meetings and may speak, but shall not be entitled to vote.
- (5) The Federation shall have the power to act as agent or representative or both on behalf of any member or members generally.
- (6) In particular and without limiting the generality of the aforesaid power, the Federation shall have the power to act as agent or representative or both on behalf of any member or members, without limitation, in the affairs of the Metal and Engineering Industry Bargaining Council, the Manufacturing Engineering and Related Services SETA, the Metal Industries Benefit Funds Administrators or any other body on which the members require representation for purposes which accord with the objectives of the Federation.
- (7) The said power referred to in (5) and (6) above is subject to appropriate mandates from or ratification by the member or members so represented. The Federation shall not represent or act as the agent of a member or members, as set out in this article, in the execution of any mandate which does not comply with the objectives of the Federation, which compliance will be determined by the Board of Directors.
- (8) For the purpose of clauses (5), (6) and (7), the Federation shall mean the Federation as a whole, any committee of the Federation, any Board of Directors member of the Federation, any officer appointed by the Board of Directors in terms of article 4.5(1), a representative elected to the Council by a member Association or an alternate as set out in Schedule 1, part B.

- (9) In order for any of the above entities or individuals to act in a representative or agency capacity as contemplated above, they must be so authorised by the Board of Directors.

### **Part C: Winding Up**

- (1) The Federation shall be dissolved/ wound up if at a special meeting of the Council specifically called for that purpose, by a special resolution of member Associations of the Federation present.
- (2) If a resolution for the dissolution/ winding up of the Federation has been passed or, if for any reason the Federation is unable to continue to function, the following provisions shall apply:
- (a) The last appointed President of the Federation, or if he/she is not available, the available members of the last appointed Board of Directors of the Federation, shall forthwith transmit to the Labour Court a statement signed by him/her or them setting forth the resolution adopted or the reasons for the Federation's inability to continue to function, as the case may be, and request the Labour Court to grant an order in terms of Section 103 of the Labour Relations Act, 1995.
  - (b) The liquidator appointed by the Labour Court shall call upon the last appointed office bearers of the Federation to deliver to him/her the Federation's books of accounts showing the assets and liabilities, together with the register of members showing, for the twelve (12) months prior to the date on which the resolution for winding up was passed or to the date as from which the Federation was unable to continue to function, as the case may be (herein referred to as the date of dissolution), the membership fees paid by each member and his/her address as at the said date.
  - (c) The liquidator shall also call upon the said office bearers to hand over to him/her all unexpended funds of the Federation and to deliver to him/her the Federation's assets and the documents necessary in order to liquidate the assets.
  - (d) The liquidator shall take the necessary steps to liquidate the debts of the Federation from its unexpended funds and any other monies realised from any assets of the Federation, and if the said funds and

monies are insufficient to pay all creditors after the liquidator's fees and the expenses of winding-up have been met, the order in which creditors shall be paid shall be the same as that prescribed in any law for the time being in force relating to the distribution of assets of an insolvent estate, and the liquidator's fees and the expenses of winding-up shall rank in order as though the expenses were the cost of sequestration of an insolvent estate.

- (e) After the payment of all debts in accordance with paragraph (2)(b), the remaining funds and assets shall, as part of the Federation's dissolution/ winding up, be transferred to:-
  - i. another entity approved by the Commissioner in terms of section 30B of the Income Tax Act, 1962;
  - ii. a public benefit organisation approved in terms of section 30 of the Income Tax Act, 1962;
  - iii. an institution, board or body which is exempt from tax under section 10(1)(cA)(i) of the Income Tax Act, 1962; or
  - iv. the government of the Republic in the national, provincial or local sphere.
- (f) The liability of members shall for the purpose of this clause, be limited to the amount of subscriptions due by them to the Federation in terms of this Memorandum of Incorporation as at the date of dissolution.

#### **Part D: Amendment and Rules**

- (1) This Memorandum of Incorporation may be amended, altered, added to, repealed or substituted and bye-laws adopted by :
  - (a) A proposal for the amendment, alteration, addition to, repeal, substitution, supported by 10% of the members of Council;
  - (b) Compliance with a court order effected by a resolution of the Board and does not require a special resolution;
  - (c) A special resolution proposed by the Board Members entitled to exercise at least 75% of the voting rights that may be exercised on such a resolution
- (2) Upon such amendment, alteration, repeal of, or addition to any of the provisions thereof, or substitution of this Memorandum of Incorporation being made as aforesaid, or bye-laws being adopted, the same shall be binding upon all members of the Federation provided that no such



amendment, alteration, repeal of, or addition to the provisions of this Memorandum of Incorporation or the substitution thereof, shall have any force or effect until certified in terms of Sub-Section (3) of Section 101 of the Labour Relations Act, 1995 and registered in accordance with the provisions of the Companies Act.

- (3) By-laws shall not be inconsistent with this Memorandum of Incorporation, the Act or any other law.
- (4) The Board of Directors shall:
  - (a) publish any rules made in terms of section 15 (3) –(5) or any notice of amendment of the Memorandum of Incorporation in terms of section 17(1) by way of delivering a copy of those rules or amendments to each member and each director by ordinary mail.
  - (b) file a copy of those rules or amendments

## **Part E: Membership**

### **(1) Associations**

Any Association of employers, whether national or regional, representing any branch of the iron, steel, engineering or allied industries shall be eligible for membership of the Federation.

### **(2) Associates**

- (a) Any employer, organisation, institute, institution, group or cluster of organisations which is not eligible for membership of any Association which is a member of the Federation, but wishes to avail itself of the benefits of the Federation's membership, shall be eligible for associate membership of the Federation.
- (b) Any employer Association which falls outside the ambit of the iron, steel, engineering or allied industries shall be eligible for associate membership.
- (c) Applications for membership by employer Associations or employers seeking associate status shall be lodged in writing with the Secretary of the Federation.

### **(3) Applications**

Applications for membership shall be considered by the Council and shall be admitted by a special resolution of those Council members present at the duly constituted meeting of the Council. In considering applications for membership, the Council shall give due consideration to the representative character and importance of the interests which the applicant Association purports to serve and to evidence indicating that the applicant operates on a substantial scale.

**(4) Associates**

Applications for membership shall be considered by the Executive Committee and shall be ratified by the Board of Directors. In considering applications for associate membership, the Executive Committee shall give due consideration to the type of activities conducted by the employer and the desirability of admission with due regard to the objects of the Federation. An applicant refused membership by the Executive Committee shall be provided with reasons for such refusal and shall have the right of appeal to the next duly constituted meeting of the Board of Directors where they may be admitted by special resolution of the Board members present at that meeting.

- (5) Members shall conduct their business in accordance with generally accepted ethical standards and at no time shall a member bring the name of the Federation into disrepute.

**(6) Subscriptions**

The Federation shall be financed by subscriptions from members as follows:

**(a) Associations:**

- (i) A basic amount per annum.
- (ii) An annual per capita levy calculated on the average total number of employees employed during the six months immediately preceding 1 July of each year by the member firms of the Association.
- (iii) The rates for this basic amount, the levy and the minimum amounts per firm shall be decided by the Council from time to time.

**(b) Associates:**

An amount to be decided by the Council from time to time to be invoiced out according to the following levies:

	Minimum Basic per annum	Maximum Basic per annum	Minimum Per Capita Levy per annum	Maximum Per Capita Levy per annum
Companies	3,089.77	10,000.00	28.20	100.00
Alliance Partners	721.79	5,000.00	n/a	n/a
Associations and Institutions	1,521.98	5,000.00	n/a	n/a
FET Colleges, Universities and Training Providers	1,521.98	5,000.00	n/a	n/a

- (7) The funds and property of the Federation shall not be paid in any way to the members of the Federation but used for the objects of the Federation.

## Schedule 2 – Rights of members

### Part A: Member Access to information

Every member shall have free access during business hours to the following records of the Federation:

- (1) The Memorandum of Incorporation and any amendment thereto;
- (2) The register of all members;
- (3) The record of Directors;
- (4) All annual reports;
- (5) Annual financial statements;
- (6) Accounting records;
- (7) Notices and minutes of Council meetings and any resolutions; and

- (8) Minutes of all meetings and resolutions of Directors, or Directors' Committees or Audit Committee.

They shall not be removed without the consent of the Board of Directors, but members shall be permitted to make copies of or to take extracts from the records and for this purpose true copies of such documents shall be made available to them.

#### **Part B: Proxies**

- (1) Only a member or his / her appointed proxy may exercise a member's rights at any meeting of the Council.
- (2) At its absolute discretion, the Board of Directors or the Council can waive the requirement that a proxy must submit the instrument in writing before the meeting.

#### **Part C: Record Date**

There are no further provisions in this section.

#### **Additional Provisions**

##### **Part D: Refusal and Removal of Membership and Resignations**

- (1) An applicant refused membership of the Council shall be provided with reasons for such refusal and shall have the right of appeal to the next duly constituted meeting of the Council where they shall be admitted by special resolution of the Council members present at that meeting.
- (2) On the written application of at least ten (10) members of the Council in good standing, the Board of Directors shall call a Special General Meeting. At least seven (7) days' notice shall be given in writing to each member of such meeting. An agenda listing the items for discussion shall accompany such notice.
- (3) An office bearer or official who has appeared before the Board of Directors and who is dissatisfied with the decision of the Committee shall have the right to appeal to the first ensuing meeting of the Council. Notice of appeal shall be given to the Secretary, in writing, within thirty days of the date on which the decision of the Board of Directors was communicated to the person concerned. The Council may confirm or reverse the decision of the Board of Directors and the decision of the Council shall be final.

- (4) Provided that there shall be a right of appeal against suspension or expulsion to the first ensuing normal meeting of the Council. Notice of any such appeal shall be given to the Secretary in writing within thirty days of the date on which the decision of the Board of Directors was communicated to the member concerned.
- (5) No member may be suspended or expelled unless it has been afforded an opportunity to state its case personally at a meeting of the Board of Directors of which it has received not less than thirty days' notice in writing from the Secretary. The reason for such suspension shall be set out in such notice.
- (6) A member who has appeared before the Board of Directors in accordance with this section shall, if it is dissatisfied with the decision of the Board and has lodged an appeal in the manner herein provided, have the right to restate its case personally to the Council which shall consider the matter, whose decision shall be final.
- (7) Both the Federation and the member shall be entitled to call witnesses in support of their case when attending a meeting of the Board of Directors or a Council meeting in terms of this section.
- (8) Any decision taken by the Board of Directors on terms of this section shall, when an appeal has been lodged, be subjected to ratification or otherwise by a meeting of the Council.
- (9) The Council may, at any meeting, remove from the membership roll of the Federation any member Association which is more than six (6) months in arrears with its payments. Such member shall be deemed to have been expelled and shall have no recourse in law against the Federation for damages which it may hold itself to have suffered.

**(10) Resignations**

No resignation shall be accepted of which 1 (one) month's notice in writing has not been received by the Secretary and no resignation shall take effect until all monies due to the Federation by the members concerned have been paid. Any member who resigns may not claim any refund of money paid to the Federation.

## **(11) Discipline**

A member may be suspended or expelled as may be determined by the Board of Directors:

- (a) If it fails within sixty days of demand, in writing, by the Secretary to pay membership fees, or levies, which are more than three months in arrears.
- (b) If it infringes any of the terms of this Memorandum of Incorporation or acts in a manner which is detrimental to the interests of the Federation.

## **Part E: Notice and Addresses**

- (1) Every member shall register with the Secretary an address and, except where otherwise provided herein, notices may be served upon any member either personally, by sending them through the post, in a prepaid letter addressed to such member at its registered address, or by means of facsimile or other electronic medium.
- (2) Every member shall notify the Secretary, in writing, of its postal address and any change thereof within four weeks of the date of the change.
- (3) Should a member fail to so register its address, it shall be deemed to have waived its right to receive notices.

## **Part F: Liability of Members**

The liability of members is limited to the amount unpaid on their subscriptions. Every office bearer, committee, person, paid official and employee of the Federation shall be indemnified by the Federation against all costs, losses and expenses he/she may incur as a result of his/her carrying out the instructions of the Federation or in performance of his/her legitimate official duty of the Federation.

## **Schedule 3 – Council meetings**

### **Part A: Meeting Dates and Notice**

- (1) The Annual General Meeting of the Federation shall be held on a date between 1 July and 31 December in each year to conduct such further business of which notice shall have been given. At least seven (7) days'

written notice of each Annual General Meeting and of the time and place at which it shall be held shall be given to the members. An agenda listing the items for discussion at the meeting shall accompany the notice of such meetings.

- (2) The business of the Annual General Meeting shall be:
  - (a) To consider and adopt the balance sheet and income and expenditure account of the Federation, the report of the Auditors and of the Chief Executive Officer on the activities of the Federation during such year;
  - (b) To elect co-opted members to the Council;
  - (c) To elect a President and two (2) Vice–Presidents, with the out-going President automatically being one of three Vice-Presidents;
  - (d) To elect seven (7) other members to the Board of Directors;
  - (e) And to appoint duly-registered auditors who will be appointed each year.
- (3) Special meetings will be held on the written application of at least ten (10) paid up members of the Council. On such application, the Board of Directors shall call a Special General Meeting. At least seven (7) days' notice shall be given in writing to each member of such meeting. An agenda listing the items for discussion shall accompany such notice or shall be tabled at the special meeting.
- (4) Council meetings will be held not less than six times per year. At least seven (7) days' written notice of each Council Meeting and of the time and place at which it shall be held shall be given to the members. An agenda listing the items for discussion at the meeting shall accompany the notice of such meetings.

### **Part B: Meeting Locations**

The Annual General Meeting and any Special meetings of the Federation shall be at a time and place fixed by the Council.

### **Part C: Electronic Communication**

There are no further provisions in this section.

**Part D: Quorum and Authority to Continue**

- (1) 25% of members of good standing entitled to vote shall form a quorum at any meeting of the Council and at any Annual General Meeting.
- (2) The quorum for a meeting of the Board of Directors shall be three (3) Directors.

**Part E: Adjournment Times**

- (1) If at a meeting of the Federation any member who is present and is entitled to vote demands the adjournment of the meeting, on grounds stated by him, the Chairperson must put the demand to a vote at the meeting. If a majority of the members present or represented, and entitled to vote at that meeting, vote in favour of an adjournment the Chairperson must adjourn the meeting to a date not earlier than seven days and not after 21 days after the date of the meeting.
- (2) In the event of there being insufficient members to form a quorum at a meeting, the meeting shall stand adjourned for a further date not less than seven days from the date of the adjourned meeting, and the members attending the adjourned meeting shall constitute a quorum.
- (3) The Chairperson shall have the power, with the consent of the meeting, to adjourn a meeting from time to time and from place to place.
- (4) If, within fifteen minutes from the time appointed for any meeting, a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the week following, or in the event of such day being a public holiday, to the succeeding working day at the same time and place and at such adjourned meeting the members present shall form a quorum. Notice of such adjourned meeting shall be given by the Secretary to members.
- (5) If within fifteen minutes from the time appointed for any Board of Directors meeting a quorum is not present, the meeting may stand adjourned to the same day in the week following, or in the event of such a day being a public holiday, to the succeeding working day at the same time and place. And at such adjourned meeting the members present shall form a quorum. Notice of such adjourned meeting shall be given by the Chief Executive Officer to members of the Board of Directors.



## **Part F: Percentage for Resolutions**

- (1) In respect of the meetings of the Board:
  - i. An ordinary resolution shall be 51% of those members present and entitled to vote.
  - ii. A special resolution shall be 75% of those members present and entitled to vote.
- (2) In respect of meetings of the Council:
  - i. An ordinary resolution shall be 51% of those members present and entitled to vote.
  - ii. A special resolution shall be 75% of those members present and entitled to vote.

## **Part G: Election of Officers of the Council**

- (1) A President two (2) Vice-Presidents elected by the Annual General Meeting from among its members, provided that no person shall be elected to the office of President for more than two (2) successive **terms**;
- (2) The out-going President automatically becomes one of three Vice-Presidents (the other two elected at the AGM as described above);
- (3) And three other Directors, to bring the number of Non-Executive Directors to seven.
- (4) Such officers must represent the Federation in a way that promotes the Federation.
- (5) The President of the Council, or in his absence the Vice President he/she so appoints, will chair all meetings of the said Council and of the Board of Directors. In the event that the President and Vice President are not present within five minutes after the time for which the meeting is called, the members present shall proceed to elect an acting Chairperson by ordinary resolution.

## **Part H: Voting**

- (1) Questions arising for decision at any meeting shall, unless otherwise decided herein, be decided by an ordinary resolution on a show of hands on a motion duly seconded, or by ballot should the meeting so decide.
- (2) In any ballot the Chairman shall appoint two scrutineers. Each member in good standing present at the meetings shall be given one ballot paper which he/she shall thereupon complete, fold and return to the scrutineer by whom the results shall be declared, and such declaration can be final.
- (3) No member shall be regarded as in good standing or have the right to vote if and for so long as any subscription due by the Association which her/she represents is unpaid for a period exceeding three (3) months.
- (4) At every meeting the minutes of the preceding meeting shall be read by the Secretary or shall have been circulated by the Secretary prior to the meeting and be signed by the Chairperson after confirmation.

## **Schedule 4 – Directors of the Federation**

### **Part A: Manner of Election of Directors**

- (1) The Board of Directors shall have the power to appoint Executive Directors who shall serve an indefinite term, and;
- (2) In addition, fifty percent (50%) of the Non-Executive Directors shall be elected at the Annual General Meeting of the Council to serve for a term of **two years**.
- (3) The out-going President will automatically become one of three Vice-Presidents, with the other two elected as described above.
- (4) The Council shall also elect among its members a minimum of three other Non-Executive Directors who will also serve a term of two years.
- (5) The Council shall have the power to co-opt persons who are held by the Council to be prominent industrialists concerned in the iron, steel, engineering or allied industries whose experience, knowledge and status render them individuals whose services will be of value to the Federation.

## Part B: Eligibility of Directors

To be eligible for nomination and to be able to serve the full term of two (2) years as a Board member of the Federation, the candidate or incumbent must be a prominent industrialist serving in the iron, steel, engineering or allied industries whose experience, knowledge and status render the individual's services to be of value to the Federation.

## Part C: Authority of Board of Directors

- (1) All elected members of the Board of Directors shall hold office until **the end of their two-year term at an** Annual General Meeting, when they shall retire from office, but shall be eligible for re-election.
- (2) Vacancies occurring on the Board of Directors shall be filled by the Board. A member so appointed to fill a vacancy shall hold office for the unexpired portion of the period of office of his/her predecessor.
- (3) The Board of Directors shall have power:
  - (a) To hire or secure suitable premises for the purposes of the Federation;
  - (b) To engage the Executive Director(s), to fix their salaries, prescribe their duties and to dismiss such persons in accordance with the principles of the Labour Relations Act 66 of 1995;
  - (c) To make, amend and enforce bye-laws and/rules not inconsistent with this Memorandum of Incorporation for the time being in force or with the Act or any other law;
  - (d) To regulate the form and procedure in the Board;
  - (e) Subject to the provisions of part E of Schedule 1 and part E of Schedule 2, to accept or refuse applications for membership of associates;

- (f) To acquire, either by purchase, lease or otherwise, any movable or immovable property, and also to sell, let, mortgage, or otherwise deal with or dispose of movable or immovable property belonging to the Federation; provided that no immovable property shall be alienated or mortgaged or leased for longer periods than seven (7) years without the sanction of a resolution of the Federation's General meeting, convened on not less than fourteen (14) days' notice either by circular to members or by advertisement, for the purpose of authorising such alienation, mortgage or lease;
- (g) To open and operate a banking account in the name of the Federation and to appoint an auditor or auditors;
- (h) To further the objects of the Federation generally and to do and carry out all its purposes, aims and objectives with the exception of those that this Memorandum of Incorporation requires to be carried out by the Federation in the Annual General Meeting or in a meeting of the Council; and
- (i) The Board of Directors has authority to approve the budget for the Federation.

#### **Part D: Considering Matters outside Meetings**

There are no further provisions in this section.

#### **Part E1: Notice of Meetings**

- (1) Meetings of the Board of Directors will be held not less than four (4) times per year, three of which shall be meetings of the Non-Executive Directors, at a time and place decided by the President, for which at least three days' notice has been given in writing to each member of the Board. An agenda listing the items for discussion at the meeting shall accompany the notice of such meetings.
- (2) Special meetings of the Board of Directors may be convened by the President or, in his/her absence, by any of the Vice-Presidents at any time. An agenda listing the items for discussion shall either accompany such notice or shall be tabled at the special meeting.

**Part E2: Electronic Communications**

There are no further provisions in this section.

**Part E3: Continuing in the Absence of Notice**

There are no further provisions in this section.

**Part E4: Quorum**

The quorum for a meeting of the Board of Directors shall be five (5) ) members.

**Part F: Indemnification and Insurance**

There are no further provisions in this section.

**Part G: Committees**

- 1) There are no further provisions in this section related to the authority of the Board of Directors to create Committees of Directors.
- 2) The said Committees are not authorised to bind the Board of Directors, but must bring any decisions and recommendations back to the Board of Directors for ratification.

**Part H: Removal from the Board of Directors**

- (1) The office of a member of the Board of Directors shall automatically be vacated:
  - (a) On suspension or expulsion of his/her company from membership of the Federation to which his/her company belongs;
  - (b) On being absent from three consecutive meetings of the Board of Directors other than Special meetings, without the permission of the Board of Directors being first obtained;
  - (c) On resigning by giving one (1) month's notice to the Board of Directors;
  - (d) On ceasing to be in good standing that is when the subscription or any special fund contributed by his/her company is more than three (3) months in arrears, or;

- (e) If he/she becomes insolvent or being the representative of a company, if the company he/she represents is placed under liquidation.

### **Part I: Voting**

Each member of the Board of Directors shall have one (1) vote and in the case of an equality of votes, the Chairperson shall have a casting vote in addition to his or her deliberative vote.

## **Schedule 5 – Code of Ethics**

### **PART A: Background**

The reputation of SEIFSA, as a Federation of Employers in the Metals and Engineering Sector, is one of its most important assets. As such, maintaining the trust and confidence of stakeholders is critically important and all decision making processes must, therefore, be objective, transparent and accountable.

The Board of Directors, collectively and Board and Committee Members, individually, are custodians of SEIFSA's reputation. To serve the Federation's interest, Directors have a responsibility to uphold the Federation's mandate. Therefore, it is essential that all individuals in these roles conduct themselves at all times according to the highest professional and ethical standards consistent with the interests of SEIFSA.

The principles in this clause are general in nature and are not finite. Each individual must take responsibility for how to behave and distinguish right from wrong and show a commitment to doing what is right and act in compliance with the conduct for directors as prescribed in the Companies Act, 71 of 2008 and the King Code IV and the successor thereof.

## **PART B: PURPOSE AND APPLICABILITY**

The principles formulated herein are with a purpose to establish the rules governing the business and ethical conduct for members of the Board of Directors and members of Board- appointed Committees of SEIFSA.

The principles are applicable to all Directors and Board Committee Members. They reflect a commitment to the Federation's core values of accountability, and integrity and provide a framework to guide conduct in a way that upholds the integrity and reputation of the Federation.

The range and complexity of the Federation's activities are such that it is not possible to produce an exhaustive list of prohibitions which covers all situations. Directors and Committee members understand that the principles do not cover every specific scenario and will use the spirit and intent behind the principles to guide their conduct and exercise care and diligence in the course of their work with and within the Federation.

Directors understand that these principles are not intended to conflict with other codes of conduct.

In the event of any uncertainty about how the rules apply, advice should be sought from the Social and Ethics Committee of the Board of Directors.

## **PART C: APPROVAL AND MAINTENANCE**

These principles will be reaffirmed annually by the Board to ensure it remains current and relevant. To demonstrate commitment to transparency and accountability, these principles will be made available on SEIFSA's website. Each Director confirms, on an annual basis, his/her understanding of, and commitment to, the expectations of the ethical principles. This includes a signed acknowledgement to abide by the principles.

The Social and Ethics Committee is responsible for the administration of these principles and, if questions arise, they will be settled in accordance with the spirit and intent hereof.

The Chairperson of the Board of Directors is the custodian of the principles on behalf of the Board of Directors and the CEO.

## **PART D: FOUNDATIONAL PRINCIPLES**

The general principles upon which these principles are based are listed below. All Directors have a duty to promote and support these principles by leadership and example, and to maintain and strengthen the trust and confidence in the integrity of the Federation.

### **1. Accountability and Stewardship**

Directors are responsible stewards of corporate resources and exercise prudent financial and risk management.

Directors are accountable individually and collectively for their decisions to the Federation and its member Federations.

Directors conduct themselves with dignity and in a professional manner.

Directors practise and encourage ethical behaviour and governance best practices.

### **2. Confidentiality**

Directors do not disclose confidential information in any way, specifically not for personal advantage, or in such a way as to discredit the Federation.

This also applies in instances where a Director holds the personal view that such information should be publicly available.

### **3. Duty**

Directors have a duty to uphold the law and act in accordance with the law and the public trust placed in him/her.

Directors have a duty to act in the interests of the Federation as a whole and all the members served by it.

### **4. Honesty and Integrity**

Directors have a duty to act honestly.

Directors must declare any private interests relating to official duties and take steps to resolve any conflicts arising in a way that protects the public interest.



Directors do not place themselves under any financial or other obligation to any individual or organization that might reasonably be thought to influence them in the performance of their duties for SEIFSA.

Directors have a duty to take decisions in the interest of the profession and the public at large and must not act in order to gain any personal benefit for themselves or their Associates.

## **5. Objectivity and Impartiality**

Directors act impartially and without bias or discrimination of any kind.

Directors bring an open mind to all matters under discussion and encourage and permit full discussions of all points of view.

As a Director or a member of a Board Committee, you have a duty to be as open as possible about your decisions and actions, giving reasons for your decisions and restricting information only when the wider Federation's interest clearly demands.

As a Director or a member of a Board Committee, you must make decisions solely on merit when carrying out Federation business, including making appointments, awarding contracts or recommending individuals for rewards and benefits.

## **6. Respect**

Directors demonstrate respect towards all Office Bearers and staff members for the role they play in the Federation. All individuals should be treated with courtesy at all times.

No Director shall engage in discriminatory practices on the basis of any criteria defined in the Constitution of South Africa.

## **PART E: GENERAL CONDUCT**

In addition to the foundational principles, Directors shall discharge their duties professionally, with due diligence and efficiency, a high standard of care and to the best of their abilities.

In performing their duties, Directors shall be responsible only to the Federation and shall ensure that their actions remain within the powers conferred upon them by the rules of the Federation and related legislation. They acknowledge their responsibility to the Federation.

In discharging their duties, Directors shall, in particular, endeavour to:

- comply with applicable laws and regulations in terms of common law, the Companies Act, this Memorandum of Incorporation and the Federation's policies and guidelines, as amended from time to time;
- act only in the best interests of the Federation, without allowing themselves to be influenced by personal interests or relationships, and without representing any constituency or interest group in exercising their fiduciary duties;
- refrain from taking inappropriate actions that could compromise the professional image, credibility or integrity of SEIFSA, its members and the Metals and Engineering Industry;
- remain loyal to the Federation and avoid any situation which may give rise to a conflict – or a perceived conflict – of interest;
- respect the obligation of confidentiality in respect of information received in the course of their duties and shall continue to be bound by this obligation after expiry of their terms as Directors or Board Committee Members;
- refrain from overstepping the powers conferred upon them;
- make use of the Federation's name and resources only in the interest of the Federation;
- conduct themselves in a manner that supports their objectives, serve the overall best interests, respect the principles of due process and bring credibility as well as goodwill to SEIFSA;
- provide a conducive and supportive environment for the CEO to manage the affairs and business of the Federation efficaciously;
- not exercise authority over, or influence SEIFSA staff, except where required in relation to committee deliverables and then only through the Chief Executive Officer;
- act in good faith to promote the success of the Federation.

## **PART F: CONFLICTS OF INTEREST AND DISCLOSURES**

Directors are duty bound to conduct themselves honestly and sensitively with respect to acceptance of certain functions, perquisites or assignments which could conflict with the knowledge acquired by them in the performance of their duties as Directors. They shall continue to be bound by this obligation after expiry of their terms as Directors or members of Board Committees.

Directors know that when they become aware of an actual or perceived conflict of interest based on their current circumstances, they must at the first opportunity disclose this conflict. If a Director wishes to undertake an activity which may give rise to a conflict of interest as regards his/her duties and responsibilities as a Director, he/she shall inform either the Chairperson of the Board of Directors or the Chairperson of the Social and Ethics Committee, in writing, who shall determine whether accepting such position would be compatible with his/her duties and responsibilities as a member of the Board.

A Director who has a conflict of interest concerning a decision to be taken at a specific meeting shall declare it to the Chairman of the meeting at the start of the meeting, in the presence of other Board members. In such instances, the Director shall not communicate with other Directors about the decision, shall absent him-/herself from the discussion of such operation in the Board, and shall abstain from voting on such decision. Any such declaration concerning a decision of the Board shall be included in the minutes of the meeting and, therefore, shall not require a subsequent declaration to the Social and Ethics Committee.

Directors understand that disclosure itself does not remove a conflict of interest.

During the six months after ceasing to hold office of the Federation, former Directors shall not lobby with members of the Federation and its staff for their business, client or employer.

## **PART G: APPOINTMENTS TO OTHER ORGANISATIONS**

A Director who is appointed as a member of another body or organisation may be bound by the rules of such organisation and will take responsibility for any actions as a member of such an organisation. In such circumstances, it is the responsibility of the individual concerned to ensure that he/she continues to observe the rules of these principles in carrying out the duties of that body.

If a conflict of interest arises between such company and the Federation, it is the responsibility of the individual concerned to take advice on the appropriate action to follow, which may include issues of declarations of interest or recusal.

## **PART H: PERSONAL GAIN**

Directors must behave in a way that demonstrates that their behaviour and actions are fair and reasonable and in the sole interest of the Federation. Directors have a responsibility to act in good faith and to place the interests of the Federation above their own personal interests.

Directors may not:

- use the information or privileges acquired by virtue of their position for private gain or to improperly benefit another person; or
- take a decision on behalf of SEIFSA concerning a matter in which they, or their Associates, have a direct or indirect personal or private business interest.

Except with the written consent of the Board of Directors, which will not be unreasonably withheld, no Director may be party to a contract for the provision of goods or services to the Federation. Even in the event where there could be significant benefit to SEIFSA to engage in business with such an individual or business, approval must be obtained first from the Board of Directors.

## **PART I: UNDUE INFLUENCE**

Directors may not:

- unduly influence or attempt to influence the Board of Directors of SEIFSA, or any structure or functionary of the Federation, with a view to obtaining any appointment, promotion, privilege, advantage or benefit either for themselves or an Associate;
- attempt to mislead the Board of Directors, or a structure or functionary of the Federation, in its consideration of any matter; or
- be involved in a business venture with other Directors, without the prior written consent of the Board of Directors.

## **PART J: REWARDS, GIFTS AND FAVOURS**

Directors must not accept or receive gifts and gratuities other than the normal exchange of gifts between friends or business colleagues, tokens exchanged as part of protocol, or the normal presentation of gifts to people participating in the Federation's functions and to the maximum value of R1000,00.

Directors shall not apply for, receive or accept from any source any advantage, direct or indirect, which is or may appear in any way connected with their mandate in the Federation.

## **PART K: CONFIDENTIALITY AND DISCLOSURE OF INFORMATION**

Directors shall protect personal information within the provisions regarding its collection, use or disclosure under all privacy legislation. The responsibility for maintaining the confidentiality of information or documents continues throughout the Director's appointment to the Board and survives the expiry of their term of appointment.

Directors shall not, without permission, divulge any privileged or confidential information, or data coming to their knowledge during the performance of their duties, to persons or bodies outside the Board itself, outside the Federation, outside their branch, or outside their Committee structure, other than to the CEO or the Board Chairman.

For the purpose of this item, "privileged or confidential information" includes any information —

- determined by any structure or functionary of SEIFSA to be privileged or confidential;
- discussed in closed session by the Board or a Committee of the Board of Directors of SEIFSA;
- disclosure of which would violate a person's right to privacy; or
- declared to be privileged, confidential or secret in terms of any law.

Directors who, in the context or course of their duties, have direct or indirect access to privileged or confidential information in respect of the Federation, shall not:

- disclose such information to any other person unless such disclosure is made in the normal exercise of their duties in the service of the Federation on a strict "need-to-know" basis;
- use, either directly or indirectly, such information in order to carry out, recommend or advise against the Federation.

Directors shall protect the integrity of the Federation's decision-making processes. In particular, they shall refrain from disclosing what is said at Board, Committee or other Federation meetings, and from disclosing the voting behaviour of individual Board members to persons or bodies outside the Federation.

Directors shall continue to be bound by their obligation to confidentiality after expiry of their terms or termination of their mandates. Once Directors have left the Federation, they must not disclose confidential information that they became aware of during their time with the Federation and must not use their contacts with their former colleagues to gain an unfair advantage for their current circumstance.

This item does not derogate from a person's right of access to information in terms of national legislation.

## **PART L: SEIFSA PROPERTY**

Directors shall exercise utmost care and diligence in handling SEIFSA property. Everybody in possession of SEIFSA assets must ensure that they secure and prevent theft and damage to SEIFSA's property and assets.

The property of SEIFSA (including facilities, equipment, materials and supplies) must be used for the business and not for personal purposes. Nobody may use, take, acquire, or benefit from any property or asset owned, controlled or managed by SEIFSA to which that individual has no right, unless expressly authorised by the Board of Directors or its delegated nominees.

Intangible property such as inventions, ideas, documents, software, patents and other forms of intellectual property related to the performance of employee duties belong, on that basis, to SEIFSA.

## **PART M: LIMITS ON AUTHORITY**

Directors are to ensure that they work and conduct themselves within their delegated limits of authority.

No individual should accept or undertake any obligations on behalf of SEIFSA, unless he/she has express authority from the Board of Directors or the Chief Executive Officer to do so.

The CEO and the Chairman of the Board of Directors are the official spokespeople of the Federation and are the only individuals allowed to speak on behalf of the Federation, unless anybody else is authorized by the CEO or the Chairman of the Board of Directors to do so.

In respect of general promotion of the industry, it is acknowledged that any opportunity for positive publicity should be maximized and all office bearers should seize an opportunity to contribute in this regard.

## **PART N: POST-APPOINTMENT RESTRICTIONS**

Directors, Office Bearers and staff members shall not, after they leave office, take improper advantage of their previous office at SEIFSA.

Directors are prohibited, at any time, from acting on behalf of any person, commercial entity, Federation or any other body in connection with any specific on-going negotiations, proceedings, transactions or case to which SEIFSA is a party and where the former Director acted for, or advised SEIFSA.

## **PART O: COMPLIANCE**

Directors shall each sign an annual declaration that they have read, are familiar with, understand and will comply with these principles.

Any Director who may have any doubts regarding a questionable situation that might arise should immediately consult the Chairperson of the Board or the Chairman of the Social and Ethics Committee, whichever may be appropriate in the circumstances.

It is the responsibility of any Director to enforce these principles and be alert to possible violations. Violations in terms of these principles should be reported to the Chairperson of the Board of Directors or the Chairman of the Social and Ethics Committee.

All Directors undertake to co-operate with any internal or external investigations of possible violations of these principles.

Reprisals, threats, retribution or retaliation against anybody who has in good faith reported a violation or a suspected violation of these principles or any other Federation policy or any person investigating such report is strictly prohibited.

Directors who violate these principles are subject to appropriate disciplinary action by the Federation, including censure, suspension or possible termination from governance structures or employment.

## **PART P: MONITORING, EVALUATION AND REPORTING**

Implementation of these principles is the responsibility of the Chairperson of the Social and Ethics Committee, who will monitor progress and deviations in this regard.

The Chairperson of the Board of Directors will have an oversight role in terms of the provisions of this Memorandum of Incorporation, and shall report to the Board in respect of any deviations in the implementation of the principles.

## **PART Q: SANCTION**

Directors (or former Directors) who are perceived to have acted in contravention of any of the stipulations of these principles will be subject to disciplinary action, which may result in any one or combination of the following outcomes:

- mediation and/or arbitration;
- removal from office in accordance with the provisions of the Companies Act and the SEIFSA Memorandum of Incorporation;
- termination of membership of SEIFSA;
- prosecution in terms of the laws of the country.