

CONSTITUTION

of

THE SOUTH AFRICAN PAINT INDUSTRY TRAINING INSTITUTE

1 NAME AND HEAD OFFICE:

The name of the Institute shall be:

THE SOUTH AFRICAN PAINT INDUSTRY TRAINING INSTITUTE

and the Head Office of the Institute shall be located at:

16 Nicol Road
Cnr Arbroath Road
BEDFORDVIEW
Johannesburg

2 DEFINITIONS

- 2.1 Member(s) shall also mean Manufacturing Member(s) or Associate Member(s), except where the context and wording clearly indicate otherwise.
- 2.2 Gender: words importing the masculine shall include the other genders also.

3 OBJECTIVES

- 3.1 To develop and maintain the necessary facilities and infrastructure for direct and distance education and training.
- 3.2 To obtain and/or develop education and training material and provide education and training services to the Paint Manufacturing Industry by any suitable means.
- 3.3 To develop education and training material and to provide education and training services to Industries directly associated with the Paint Manufacturing Industry i.e. companies supplying goods and services to the Industry, users/specifiers of the Industry's products, and in general to any persons wishing to acquire knowledge and skills relating to the Paint Manufacturing Industry.

- 3.4 To induce all eligible employers in the Paint Manufacturing and Supplier Industry to take up membership of South African Paint Manufacturers' Association.
- 3.5 To keep abreast of all current developments in the Paint Manufacturing Industry and adjust education and training material accordingly.
- 3.6 To borrow, invest, lend, subscribe or donate money for the furtherance of the objectives of the Institute.
- 3.7 To apply or invest the funds of the Institute solely to the furthering of the objectives for which it has been established; any profits or gains of the Institute, or any part thereof, shall not be distributed to Members or to any other person.
- 3.8 To do other lawful things in the interest of the Institute or its Members and which are not inconsistent with the objectives or any matter specifically provided for in this Constitution.

4 POWERS

The Institute shall, with reference to matters pertaining to education and training have all powers which are necessary, conducive or incidental to the attainment of the foregoing objectives and shall, without prejudice to the generality of the foregoing, have the following particular powers:

- 4.1 To draw, make, accept, endorse, discount, execute, negotiate, deal in and issue cheques, promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments.
- 4.2 To invest the moneys of the Institute not immediately required only with registered financial Institutions as defined in Section 1 of the Financial Institutions (Investment of Funds) Act, 1984, and in securities listed on a licensed stock exchange as defined in the Stock Exchange Control Act, 1985 (Act N^o1 of 1985).

Where shares (other than shares as mentioned above) have been donated or bequeathed to an exempt Institute or fund, these shares may be held without jeopardising the exempt status of the Institute or fund.

- 4.3 To raise or borrow, or secure the payment of money, or the performance of any obligation, in such a manner and on such terms as may seem expedient, and in particular by the issue of debentures or debenture stock, whether perpetual or otherwise, charged upon the whole or any part of the property of the Institute, both present and future, and to redeem purchase or pay off any such securities, and to confer any special rights and privileges on the holders of such debentures or debenture stock.
- 4.4 To employ, remunerate and dismiss staff and to grant pensions, allowances, gratuities and bonuses to any persons who have been in the employ or service of the Institute, or the dependants of such person.
- 4.5 To charge and recover fees as determined by the Executive Committee for education and training services rendered.
- 4.6 The organization shall;
- exist in its own right, separately from its members
 - be able to own property and other possessions
 - be able to sue and be sued in its own name

5 LIMITATIONS

The Institute shall not carry on any business, including, inter alia, ordinary trading operations in the commercial sense, speculative transactions, dividend stripping activities or the letting of property on a systematic or regular basis.

The activities of the Institute will be confined to the Republic of South Africa (including territories which formerly formed part of the Republic) and the funds of the Institute shall be applied within this area.

The conducting of courses outside the Republic of South Africa by South African instructors is acceptable provided that no funds are applied outside the Republic.

6 MEMBERSHIP

- 6.1 (a) There shall be two categories of membership:

MANUFACTURING MEMBER AND ASSOCIATE MEMBER

- (b) Membership as a Manufacturing Member shall be limited to employers in the Paint Manufacturing Industry as defined in Clause 6.1(e) and who have been actively engaged in the Industry in the Republic of South Africa for at least one year.

- (c) Membership as an Associate Member shall be limited to Companies involved in the manufacture and/or importation and/or supply of raw materials or packaging products or services to the paint manufacturing industry as defined in Clause 6.1 (e).
 - (d) Manufacturing Members and Associate Members shall be eligible for membership of the Institute on such terms and conditions as may be determined from time to time at the Annual General Meeting of the Institute.
 - (e) For the purposes of this Clause, the Paint Manufacturing Industry means the Industry in which employers and employees are associated for the purpose of carrying out any one or more of the following activities, namely, the preparation, manufacture, bottling, wrapping or packing of paints, pigments, distemper, lacquers, varnishes, enamels, finishes, powder coatings, fillers, putties, thinners and inks, and includes:
 - (i) The delivery and distribution of the said products to a depot of the manufacturer, or to the premises of a wholesaler or retailer, if such delivery or distribution is carried out by the same employer who prepared, manufactured, bottled, wrapped or packed such products, and:
 - (ii) All operations incidental and consequent on any of the aforesaid activities.
- 6.2 Applications for membership shall be lodged in writing with the Secretary on the form prescribed from time to time.
- 6.3 Applications for membership shall be considered by the Executive Committee, at its next meeting after receipt thereof by the Secretary.
- 6.4 If admission to membership is refused by the Executive Committee, the applicant concerned shall have the right of appeal. The appeal shall be lodged in writing with the Secretary and the appellant shall be afforded an opportunity to state his case personally to a meeting of the Executive Committee, and may if he so desires call witnesses in support of any statement made by him.
- 6.5 Every Member shall notify the Secretary, in writing, of his postal address, and any changes thereof within fourteen (14) days of the date on which the change took place.
- 6.6 A Member who has resigned or been expelled from the Institute and who is still engaged in the interests set forth in Clauses 6.1(b) and 6.1(c) may be re-admitted to membership on such conditions as the Executive Committee may determine.

- 6.7 Members or office bearers of the organisation do not have rights over property or funds belonging to the organisation.

7 ENTRANCE FEE AND SUBSCRIPTIONS

- 7.1 An entrance fee as determined from time to time at the Annual General Meeting shall be payable on application for membership of the Institute after the date of acceptance of this Constitution.
- 7.2 The annual subscription payable by Manufacturing Members and Associate Members shall be determined at each Annual General Meeting for the next ensuing subscription year.

8 MEETINGS

- 8.1 Notices of General or Annual General Meetings showing the business to be transacted thereat shall be given to members in writing by the Secretary not less than ten (10) days before the date of such meetings provided that in the case of meetings of the Executive Committee such shorter written notice being not less than twenty four (24) hours as may be decided by the Chairman, may be given.
- 8.2 The Annual General Meeting of the institute shall be held in the month of April each year or as soon as possible thereafter, but not later than the month of June in each year.
- 8.3 All matters on which this Constitution is silent shall be decided on motion by a majority vote of the Manufacturing Members present at a General or Annual General Meeting.
- 8.4 The Executive Committee shall ordinarily meet at least once every three months on a date to be fixed by the Chairman. Special Meetings of the Executive Committee shall be called by the Chairman whenever he deems it advisable or upon a requisition signed by not less than three (3) members of the Executive Committee, in which event the Special Meeting shall be called within fourteen (14) days of receipt of the requisition by the Chairman.
- 8.5 Members of the Executive Committee shall be nominated in writing of the time and place of meetings of the Committee by the Secretary at least ten (10) days before the dates of such meetings, provided that shorter notice, being not less than twenty four (24) hours may, at the discretion of the Chairman, be given in respect of Special Meetings. To every Notice of meeting an Agenda shall be attached. All matters for consideration by the Executive Committee, shall be decided on by a majority decision by a show of hands unless a ballot is requested by members present at a meeting. In the case of an equality of votes the Chairman shall have a second or casting vote.

- 8.6 The quorum for any General or Annual General Meeting shall be 25% of the Members in good standing and the quorum for Executive Committee meetings shall be 50% of the members of the committee. If within ten (10) minutes of the time fixed for any meeting a quorum is not present, the meeting shall stand adjourned to the same day in the week following (and if that day is a public holiday then to the next succeeding working day) at the same time and place. At such adjourned meeting of which written notice shall be given, the Members present shall form a quorum. Each Manufacturing Member or his representative shall have one vote only at General Meetings or in ballots conducted by the Institute as called for by the Executive Committee from time to time.
- 8.7 At every General Meeting the minutes of the last preceding meeting shall be read by the Secretary or provided they have been circulated in advance, be taken as read and signed by the Chairman after confirmation. Minutes of meetings of the Executive Committee shall be similarly dealt with by that body.
- 8.8 The proceedings of any meeting shall not be invalidated by reason of non-receipt by any Member of the Notice of Meeting.

9 EXECUTIVE COMMITTEE

- 9.1 The management of the affairs of the Institute between General Meetings shall be vested in an Executive Committee consisting of ten Representatives elected by the Manufacturing Members at the Annual General Meeting from nominations received at least 14 (fourteen) days before the meeting. Other members shall be: the Chairman of the Associate Members, Chairman of the Technical Committee and Chairman of the Education Committee. The Association's Executive Director shall be a non-voting member of the Executive Committee.

Preference will be given to Members who take an active part in the affairs of the Institute.

They shall, subject to the provisions of Clause 9.5, hold office until the next Annual General Meeting, and be eligible for re-election on termination of their period of office. The Chairman and Vice-chairman of the Executive Committee shall *ipso facto* be Chairman and Vice-chairman of the Institute.

Each of the members of the Executive Committee shall have a single vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.

The Executive Committee shall elect a Chairman from its Manufacturing Members whose term of office runs concurrently with the Institute's operating year (between A G M's).

The Chairman on his election, may nominate a Vice-chairman from the members of the Executive Committee.

- 9.2 Vacancies occurring on the Executive Committee shall be filled by the member nominating a replacement individual to fill his vacancy. A member appointed to fill a vacancy shall, subject to the provision of Clause 9.5 hold office for the unexpired portion of the period of office of his predecessor.
- 9.3 The Executive Committee shall review the number of seats reserved for Manufacturing Members at its last meeting before the Annual General Meeting and in the light of current membership numbers.
- 9.4 Each member of the Executive Committee shall nominate one alternate representative.
- 9.5 A member of the Executive Committee shall vacate his seat in any one of the following circumstances:
- (a) He, or the company he represents becomes insolvent or compounds with his creditors;
 - (b) He becomes of unsound mind;
 - (c) He resigns his office by written notice to the Secretary of the Institute;
 - (d) He ceases to be a representative of the corporate body, partnership or firm, which he originally represented;
 - (e) The Member which he represents directs that he shall no longer represent such Member.
- 9.6 No member of the Executive Committee nor the Member represented by him shall be disqualified by his office from contracting with the Institute in any way whatsoever nor shall such Member be liable to account to the Institute for any profit derived from any such transaction, but the member of the Executive Committee shall disclose his interest in such contract to the Institute and shall not vote in regard thereto.

- 9.7 All acts done at any meeting of the Executive Committee or a Committee of the members of the Executive Committee, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the members of the Executive Committee or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a member of the Executive Committee.
- 9.8 The Executive Committee shall, subject to the general direction and control of General Meetings, and to the provisions of this Constitution, have power:
- (a) To appoint from time to time such sub-committees as it may deem fit for the purpose of investigating and reporting on any matter referred to them by the Executive Committee;
 - (b) To admit or refuse to admit persons to membership of the Institute, to fix the conditions under which former Members of the institute may be readmitted to membership, and to suspend, fine or expel a Member for cause appearing sufficient to a majority of the Executive Committee;
 - (c) To institute legal proceedings on behalf of or to defend proceedings against the institute;
 - (d) To acquire, either by purchase, lease or otherwise, any movable or immovable property on behalf of the Institute, and to sell, let, mortgage, or otherwise deal with or dispose of any movable or immovable property belonging to the Institute, provided that no immovable property shall be acquired, sold, mortgaged, let or leased for a period longer than five (5) years, unless at least thirty (30) days' written notice of intention to do so has been given to each Member of the Institute by the Secretary. If during this period of written notice not less than three (3) Manufacturing Members demand in writing that a ballot be taken on the proposed action, such ballot shall be taken;
 - (e) To deal with disputes between a Member or any one or more Members and to endeavour to settle disputes by conciliatory methods;
 - (f) To engage and dismiss a Secretary and other employees of the Institute and to fix their conditions of employment and define their duties;
 - (g) To open and operate a banking account in the name of the institute;

- (h) To institute legal proceedings on behalf of, or to provide legal assistance to Members on matters affecting the relationship between themselves and to institute legal proceedings against individual Members;
- (i) To do such other lawful things as, in the opinion of the Executive Committee, appear to be in the interests of the institute and which are not inconsistent with the objectives set out in Clause 3 or any matter specifically provided for in this constitution.
- (j) To obtain from time to time skills and expertise not available from Committee Members by co-opting a person (or persons) possessing such skills and expertise as a non-voting member of the Executive Committee for a period or periods appropriate to the circumstances.
- (k) The organisation will continue to exist even when its membership or office bearers change.

10 OFFICE - BEARERS

10.1 The duties of the office-bearers shall be:

(a) **Chairman**

The Chairman shall preside at all meetings at which he is present, enforce observance of the Constitution of the Institute, sign minutes of meetings after confirmation, endorse all accounts for payment after approval by the Executive Committee and generally exercise supervision over the affairs of the Institute and perform such other duties as by usage and custom pertain to the office.

(b) **Vice-Chairman**

The Vice-Chairman shall exercise the powers and perform the duties of the Chairman in the absence of the latter.

(c) **Secretary**

- (i) The Secretary may resign on giving three (3) months' notice in writing to the Executive Committee and his services may be terminated by the Committee after a like period of notice has been given to him, provided that he may be summarily discharged by the Committee for serious neglect of duty or misconduct.

(ii) The Secretary or his nominee shall keep proper books of account in such form as may be prescribed by the Executive Committee; receive requisitions for meetings; issue notices of meetings; conduct all correspondence of the Institute; keep originals of letters received and copies of those despatched and at each meeting of the Executive Committee report on the correspondence which has taken place since the previous meeting; attend all meetings and record minutes of the proceedings; keep a register of Members; record therein every Member's address, date of enrolment, and, in respect of every year, the subscriptions and any levies and fines paid by such Members, and in the event of the resignation or expulsion of a Member the date thereof; collect subscriptions, fines and levies; issue official receipts for all moneys received; bank all moneys within three (3) days of receipt; submit reports in regard to the financial position of the Institute to the Executive Committee not less than once every three (3) months; prepare the balance sheet and statement of income and expenditure referred to in Clause 11.7 of this Constitution and perform such other duties as the Executive Committee or a General Meeting may direct. He shall attend all meetings of the Executive Committee and all General Meetings but shall have no voting power.

(d) **Acting Chairman**

In the event of both the Chairman and the Vice-Chairman being unable, either temporarily or permanently, to perform their duties, the Executive Committee shall appoint a Manufacturing Member of the Institute to act as Chairman until the Chairman or Vice-Chairman is able to resume his duties or until the next election as the case may be.

11 FINANCE

11.1 All amounts due by any debtor of the Institute to be paid by direct deposit or electronic means or to be paid in cash or by cheque shall be paid to the Secretary or his nominee who shall deposit them in such bank as may be decided upon by the Executive Committee.

The nominee shall issue official receipts for all moneys received; bank all moneys within three (3) days of receipt; submit reports in regard to the financial position of the Institute to the Executive Committee not less than once every three (3) months; prepare the balance sheet and statement of income and expenditure referred to in Clause 11.7 of this Constitution.

- 11.2 All donations to the Institute must be irrevocable and be subject to the terms and conditions of this Constitution.
- 11.3 The funds of the Institute shall be applied to the payment of expenses, the acquisition of property, the attainment of the objectives set forth in Clause 3 and such other purposes as may be decided upon by a General Meeting or by the Manufacturing Members voting by ballot for the attainment of the said objectives.
- 11.4 No single item of expenditure in excess of an amount determined at each Annual General Meeting other than the remuneration of the Institute's employees or the Secretary shall be met from the funds of the Institute unless such expenditure is approved by the Chairman or a Vice-Chairman.
- 11.5 Payments in terms of 11.4 and those specified in Clause 11.4, shall require the approval of the Executive Committee and shall be made by cheque signed or in the case of internet banking, authorised by any two of the following:
- The Chairman or Vice-Chairman, Director and/or Secretary or such other person(s) as may be authorised from time to time at the Annual General Meeting.
- 11.6 A General Meeting may at any time, with a view to securing funds for any particular purpose falling within any of the objectives specified in Clause 3, impose a levy not exceeding the amount of annual subscriptions at the time, on each Member for a period not exceeding twelve (12) months provided that notice of the proposed levy appeared in the Agenda for the meeting.
- 11.7 A balance sheet and a statement of income and expenditure in respect of each year ending December 31 shall be audited by a public accountant appointed at an Annual General Meeting. Such accountant shall be appointed from amongst persons other than the members of the Executive Committee or the office-bearers and officials of the institute and true copies of the audited balance sheet and statement of income and expenditure for each year and of the auditors' report thereon shall be available at the Institute's office for inspection by Members who shall be entitled to make copies thereof and to take extracts there from.
- 11.8 A Member, who resigns or is expelled from membership, shall have no claim on the funds of the Institute as and from the date on which the resignation or expulsion takes place.
- 11.9 The organization may not distribute any of its funds or property to its members or office bearers. Payment to members or office bearers must be a reasonable amount for the work that has been done.

11.10 SARS Requirements

- 11.10.1 The sole object of the public benefit organisation is to carry on one or more public benefit activity as defined in section 30(1) of the Act, in a non-profit manner and with an altruistic or philanthropic intent.
- 11.10.2 No activity will directly or indirectly promote the economic self-interest of any fiduciary or employee of the organisation otherwise than by way of reasonable remuneration.
- 11.10.3 At least three persons who accept fiduciary responsibility for the public benefit organisation, will not be connected persons in relation to each other, and no single person directly or indirectly controls the decision making powers relating to such organisation; Provided that these provisions shall not apply in respect of any trust established in terms of a will of any person who dies on or before 31 December 2003.
- 11.10.4 No funds will be distributed to any person (other than in the course of undertaking any public benefit activity).
- 11.10.5 The funds of the public benefit organisation will be used solely for the objects for which it was established.
- 11.10.6 On dissolution of the public benefit organisation, the remaining assets must be transferred to –
- (aa) A public benefit organisation, which has been approved in terms of section 30 of the Act.
 - (bb) Any institution, board or body which is exempt from the payment of income tax in terms of section 10(1)(cA)(i) of the Act, which has as its sole or principal object the carrying on of any public benefit activity; or
 - (cc) Any department of state or administration in the national or provincial or local sphere of government of the Republic, contemplated in section 10(1)(a) or (b) of the Act.
- 11.10.7 No donation will be accepted which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof in terms of section 18A: Provided that a donor (other than a donor which is an approved public benefit organisation or an institution, board or body which is exempt from tax in terms of section 10(1)(cA)(i), which has as its sole or principal object the carrying on of any public benefit activity may not impose any conditions which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.
- 11.10.8A copy of all amendments to the constitution, trust deed, memorandum and articles of association, or other written instrument, under which the public benefit organisation was established, will be submitted to the Commissioner for the South African Revenue Service.

- 11.10.9 No remuneration will be paid to any employee, office bearer, member or other person which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered and has not and will not economically benefit any person in a manner which is not consistent with its objects.
- 11.10.10 The public benefit organisation will not be a party to, or does not knowingly permit, or has not knowingly permitted, itself to be used as part of any transaction, operation or scheme of which the sole or main purpose is the reduction, postponement or avoidance of liability for any tax, duty or levy which, but for such transaction, operation or scheme, would have been or would have become payable by any person under this Act or any other Act administered by the Commissioner.
- 11.10.11 No resources will be used, directly or indirectly, to support, advance or oppose any political party.
- 11.10.12 The public benefit organisation will submit the required returns for income tax together with the relevant supporting documents.
- 11.10.13 In the case of any public benefit organisation which provides funds or assets to any association of persons contemplated in paragraph (b)(iii) of the definition of "public benefit activity", reasonable steps will be taken to ensure that the funds are utilised for the purpose for which it has been provided.
- 11.10.14 Where the public benefit organisation has been approved in terms of section 18A(1)(b)(i) of the Act, 75% of the funds received by the organisation by way of donations which qualify for a deduction, will be distributed (or an obligation will be incurred to so distribute) within twelve months from the financial year end during which such donations were received.

12 BALLOTS

- 12.1 In addition to those cases in respect of which the taking of a ballot is compulsory in terms of this Constitution, a ballot on any question shall be taken if the Executive Committee so decides, and shall also be taken if demanded in writing by not less than 30% of the Manufacturing Members of the Institute in good standing.
- 12.2 Ballots shall be conducted in the following manner:
- (a) Notice of a ballot shall be given to each Manufacturing Member of the Institute in writing by the Secretary, at least three (3) days before the ballot is to be taken, provided that a ballot may be taken without notice at any General Meeting on the decision of a majority of the Manufacturing Members present.
 - (b) Two scrutineers shall be appointed by the Executive Committee or a General Meeting to supervise any ballot and to ascertain the result thereof.

- (c) Except in the case of postal ballots, ballots shall be conducted at the place, on the date and during the hours as may be specified in the Notice referred to in paragraph (a) of this sub-clause.
- (d) Ballot papers shall be provided by the Secretary. The issue to be voted upon shall be set forth clearly on the ballot papers and such papers shall not contain any information by means of which it would be possible to identify the voters.
- (e) One ballot paper only shall be issued on demand at the place and during the hours fixed for the taking of the ballot, to each Manufacturing Member who is entitled to vote.
- (f) Each voter shall, in the presence of the scrutineers, be issued with one ballot paper, which he shall thereupon complete, fold and deposit in a container provided for the purpose.
- (g) Ballot papers shall not be signed or marked in any way apart from the mark required to be made by a Manufacturing Member in recording his vote. Papers bearing any other marks shall be regarded as spoilt and shall not be counted.
- (h) On completion of the ballot or as soon thereafter as possible, the result thereof shall be ascertained by the scrutineers in the presence of the Secretary and made known through this official. In the case of elections the candidates up to the required number receiving the highest number of votes shall be declared elected.
- (i) Ballot boxes shall be inspected by the scrutineers and sealed by the Secretary in their presence prior to the issue of ballot papers.
- (j) Ballot papers, after they have been counted, including spoilt papers, shall be placed in a container, which shall be sealed and retained by the Secretary for not less than three (3) years.

12.3 A General Meeting or the Executive Committee may decide that a postal ballot of Manufacturing Members be taken in which event the ballot shall be conducted in the following manner:

- (a) The Secretary shall send by post to each Manufacturing Member of the Institute a ballot paper and a stamped and addressed envelope marked "Ballot". The ballot paper shall on completion be inserted in the envelope provided for the purpose and posted so as to reach the Secretary within fourteen (14) days from the date of despatch from the Institute's office to such Manufacturing Member. On receipt of such envelopes, the Secretary shall immediately place such envelopes in a sealed ballot box.

- (b) Two scrutineers shall be appointed by the Executive Committee to ascertain the results of the ballot. The ballot box shall be opened and the ballot papers counted by the scrutineers in the presence of the Secretary who shall immediately advise the Executive Committee of the result of the ballot.
- (c) The provisions of paragraph (d), (g), (i) and (j) of sub-clause (2) shall *mutatis mutandis* apply in the case of a postal ballot.

12.4 Except as provided in Clause 8 of this Constitution the Executive Committee shall be bound to take action according to the decision of a majority of the votes by ballot, unless otherwise specified in this Constitution.

13 FINES

Wherever in this Constitution provision is made for the imposition of a fine on a Member, such fine shall not exceed amounts for the first and further offenses as may be determined from time to time at the Annual General Meeting.

14 DISCIPLINE

14.1 A Member may be suspended, fined or expelled as may be determined by the Executive Committee:

- (a) If he fails, within seven days after having received written notice from the Secretary to that effect, to pay any fines, levies or subscriptions which are more than three months in arrear,
- (b) If he infringes any of the terms of this Constitution or acts in a manner, which is detrimental to the interests of the Institute or should he cease to fulfill the conditions of membership.

14.2 No Member may be suspended, fined or expelled unless he has been afforded an opportunity to state his case personally at a meeting of the Executive Committee of which he has received not less than seven (7) days' notice in writing from the Secretary. The matter with which the Member is charged shall be set out in such notice.

- 14.3 A Member who has appeared before the Executive Committee in accordance with Clause 13.2 shall have the right of appeal against any decision by the Executive Committee. Notice of such appeal, stating the grounds of appeal, shall be given in writing to the Secretary within ten (10) days of the date on which the decision of the Executive Committee was communicated to the Member concerned. Unless such notice is given within the period stipulated the right of appeal shall deem to have lapsed. The Member concerned shall have the right to state his case personally at a meeting of the Executive Committee.
- 14.4 A Member shall be entitled to call witnesses in support of his case when attending a meeting of the Executive Committee in terms of Clause 14.2 or Clause 14.3 as the case may be.
- 14.5 Upon expulsion of a Member, all moneys due to the institute by such Member shall become payable. If payment thereof is not made within thirty (30) days, the Executive Committee may take such steps, as it deems necessary to secure a settlement.
- 14.6 (a) A Member shall cease to be entitled to any of the benefits of membership including the right to vote and shall be deemed to be out of good standing:
- (i) If the subscriptions or other charges due by him to the institute are more than three months in arrears.
 - (ii) During any period while he is under suspension in terms of this Constitution.
- (b) In the event of the subscriptions or other charges due to the Institute by a Member being more than three (3) months in arrear, he shall be subject to the disabilities imposed by paragraph (a) of this sub-clause until all arrears have been paid.
- 14.7 Any notice required to be sent to a Member in terms of the preceding sub-clause, shall be regarded as delivered if posted to the address furnished by such Member in terms of Clause 5.5.

15 RESIGNATIONS

A Member may resign by giving one (1) calendar month's notice in writing to the Secretary, provided that no resignation shall take effect until all moneys due to the institute by the Member concerned have been paid.

16 WINDING UP

- 16.1 The Institute shall be wound up if at a ballot conducted in the manner prescribed in the Constitution no less than 75% of the total number of votes cast by Manufacturing Members of the institute in good standing are in favour of a resolution that the institute be wound up if for any reason the institute is unable to continue to function.

If a resolution for the winding up the Institute has been passed as provided In Clause 15.1 or if for any reason the Institute is unable to continue to function the following provisions shall apply:

- (i) The last appointed Chairman of the Institute, or if he is not available, the available members of the last-appointed Executive Committee of the Institute shall forthwith transmit to the Chairman of the South African Paint Manufacturers' Association (SAPMA) a statement signed by him or them setting forth the resolution adopted or the reasons for the Institute's inability to continue to function as the case may be and the available members of the Institute's last-appointed Executive Committee shall appoint a liquidator to carry out the winding-up. The liquidator shall not be a Member of the institute and shall be paid such tariffs as may be determined from time to time by the Department of Justice by means of amendments to one or more schedules of the Insolvency Act 1936 (Act 24 of 1936).
- (ii) The liquidator so appointed shall call upon the last-appointed office-bearers of the Institute to deliver to him the Institute's books of accounts showing the Institute's 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 Institute was unable to continue to function as the case may be, hereinafter referred to as the date of dissolution, the subscriptions paid by each Member and his address as at the said date.

The liquidator shall also call upon the said office-bearers to hand over to him all unexpended funds of the Institute and to deliver to him the Institute's assets and the documents necessary in order to liquidate the assets.

- (iii) The liquidator shall take the necessary steps to liquidate the debts of the Institute from its unexpended funds and any other moneys realised from any assets of the Institute and if the said funds and moneys 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, subject to the provision of paragraph (v), be the same as that prescribed in any law for the time being in force relating to the distribution of the assets of an insolvent estate and the liquidator's fees and the expenses of

winding-up shall rank in order of preference as though he were a liquidator of an insolvent estate and as though the expenses were the costs of sequestration of an insolvent estate.

- (iv) After the payment of all debts in accordance with paragraph (iii), the remaining assets, if any, shall be transferred by the liquidator to charitable, ecclesiastical or educational institutions, within the Republic of South Africa, which are themselves exempt from income tax and donations tax, as may be determined by not less than 75% of the votes cast by Manufacturing Members in good financial standing as at the date of dissolution.
- (v) The liability of Members shall for the purpose of this clause be limited to the amount of subscriptions due by them to the Institute in terms of the Constitution as at the date of dissolution.

17 AMENDMENTS

- (i) Any of the provisions of this Constitution may be repealed, amended or added to in any manner by resolution of an Annual General Meeting of the Institute provided that at least fourteen (14) days' notice of any proposed alterations shall have been given to Members.
- (ii) A ballot shall be conducted in the manner prescribed in Clause 12 of this Constitution.
- (iii) Any repeals, amendments or additions to this Constitution shall require no less than 67% of the total number of votes cast by Manufacturing Members of the institute in good standing to be in favour of a resolution describing the proposed alterations.
- (iv) Any amendments to this Constitution shall be submitted to the Commissioner of Inland Revenue.

18 INDEMNITY

Every Executive Committee member, Chairman, Vice-Chairman, Secretary and other officers of the Institute shall be indemnified by the institute against, and it shall be the duty of the Executive Committee, out of the funds of the Institute, to pay all costs, losses and expenses which any such Executive Committee member or officer may incur or become liable for by reason of any contract entered into or act or deed done by him as such Executive Committee member or officer, or in any way in the discharge of his duties. This indemnity does not extend to any liability incurred by any such officer as against any third party for damages howsoever arising.

19 REPRESENTATION

A Member shall be entitled to nominate another Member of the Institute to represent him on the Institute. The name and address of the person so nominated shall be communicated to the Secretary in writing by the Member concerned. If a representative is withdrawn by a Member and another representative nominated, the name and address of the latter shall be similarly nominated.

Signed at _____ on behalf of the South African Paint Industry Training Institute on this _____ day of _____

SIGNED:

CHAIRMAN OF THE ASSOCIATION

SIGNED:

SECRETARY OF THE ASSOCIATION