

RULES OF GOVERNANCE

(with effect from 1 August 2005)

1. THE MANAGEMENT BOARD

- 1.1 The Management Board shall comprise fourteen directors, who shall be elected annually at the Annual General Meeting. Two of these directors shall be elected by the Management Board as the President and Deputy President of the Chamber respectively (see 6.6).
- 1.2 The President and Deputy President shall be the Chairperson and Deputy Chairperson, respectively, of the Management Board. In the absence of both, the Board shall elect another Director to act as chairperson.
- 1.3 The Management Board shall meet no fewer than five times each year.
- 1.4 At least one week's written notice, with an agenda, shall be given for each normal meeting.
- 1.5 At the discretion of the President, and in response to circumstances requiring the urgent attention of the Board, a Special Meeting may be convened without due notice having been given, provided that by resolution the members of the Board accept the short notice of the meeting.
- 1.6 The presence of three members of the Board shall constitute a quorum, as directed in section 4.7 of the Articles of Association.
- 1.7 The Management Board shall have the right to co-opt, without any right to vote, individuals who, in the opinion of the Committee, have some particular expertise or influence from which the Board or the PCB may benefit, provided that no more than seven individuals are co-opted at any one time and the service of any co-opted person ends no later than at the Annual General Meeting following the co-option. Such person may be co-opted again.
- 1.8 The presiding Chairperson of any Management Board meeting shall have a deliberative and a casting vote.
- 1.9 The Management Board, following each Annual General Meeting, shall either appoint one of the Directors as the Honorary Treasurer of the PCB, or co-opt a person considered to have the necessary expertise, should no Director be considered suitable to take such responsibility.
- 1.10 The Management Board, from time to time, may establish offices, appoint office-bearers from among its members or allocate particular responsibilities or portfolios to its members.

1.11 In the event of a Director resigning or retiring from the company of which he was a representative at the time of his election, he may not continue to serve as a Director and shall be required to submit his resignation. This shall apply even if he moves to a company which is also a member of the PCB.

2. COMMITTEES

2.1 The Management Board may appoint any number of its members to one or more executive sub-committees. Such sub-committees shall be chaired by any one of the President, the Deputy President or the Treasurer, provided that the Treasurer is a Director, or any other Director should the Management Board so determine.

2.2 The Management Board shall determine from time to time what standing or ad hoc committees, task teams or working groups it should set up, their delegated responsibilities, who should chair such committees and who should constitute the membership.

2.3 The meetings of any sub-committees of the Management Board or standing committees shall be formally minuted, but the proceedings of ad hoc committees, task teams or working groups may be the subject of verbal or summarised written reports.

3. CONSULTATION WITH MEMBERS

3.1 The Management Board shall establish appropriate mechanisms by which the members of the PCB, or their representatives, may be consulted from time to time on general or specific issues of relevance to business.

3.2 Such mechanisms may include general meetings of the PCB membership, fora, standing or ad hoc committees, task groups or any other gathering at which input from members or their representatives may be solicited.

4. MEMBERSHIP

4.1 The Management Board shall apply the following criteria in considering applications for membership.

4.1.1 **Corporate Members** shall be registered companies, close corporations, partnerships or sole proprietorships and any other enterprise established for the primary reason of conducting business.

- (a) corporate members shall nominate one or more individuals to be its authorised representative/s;
- (b) to qualify for membership, the applicant should trade or conduct business operations in the areas of the KZN Midlands, or specifically, within the municipal areas of Msunduzi and Umgungundlovu;
- (c) corporate members that are located in mainly rural areas may, at the discretion of the Management Board and following formal application, be granted a discount on the normal subscription applicable for that category of member, provided that

- (i) the percentage discount is determined for all such members at the same time that the Board determines the subscriptions for the following year;
- (ii) companies located within the mainly urban areas of the eThekweni and Msunduzi Municipalities, the corridor adjacent to the N3 highway through the Mkhambathini Municipality (and between the Msunduzi Municipality and Howick) do not qualify for such discount;
- (iii) in exercising its discretion, the Board shall consider the nature of the company's main market relative to that of other members of the Chamber so as to avoid unfair discrimination, and the extent to which the remote location prejudices the service relationship between the Chamber and the company in question.

4.1.2 Individual Members shall be individuals who either

- (a) have retired from business and wish to retain their association with the PCB; or
- (b) are not engaged in a business occupation but are interested in the work of the PCB and wish to be active in its affairs; or
- (c) are employed in a company which may or may not be a member and wishes to avail him/herself of the facilities offered by the PCB; provided that the individual seeking this category of membership is an employee of a company and not in a position to determine whether the company should be a corporate member or the PCB or not.

4.1.3 Associate Members shall be either

- (a) Public benefit, non government or education organisations which wish to avail themselves of the advantages of the PCB network and facilities but whose primary function is not business; or
- (b) Individuals who are not yet established in a business enterprise, either as employer or employee, but who wish to learn about business and its community by joining the PCB; or
- (c) Fledgling business enterprises in the first year of their establishment.

4.1.4 For the purpose of subscription differentiation, (b) and (c) above shall be called **provisional** members.

4.1.5 Provisional membership shall be available for a limited period of one year unless the Management Board decides that there are sound reasons for it to be extended to a second year.

4.1.5.1 Any new business entity provided it is not a part or subsidiary of an established company shall qualify as "fledgling".

4.1.5.2 The period of one year shall apply from the date of the member's formal addition by the Management Board and expire at the end of the month following the anniversary date.

4.1.5.3 Should the date of the expiry not coincide with the end of the PCB's

financial year, subscriptions payable in the year of expiry shall be pro-rata for the number of months as a provisional Member and the number of months as a corporate member.

4.1.5.4 A provisional member shall be given at least 30 days notice of the expiry of that category of membership.

4.1.5.5 A provisional member shall signify the intention of the enterprise to become a corporate member.

4.1.5.6 A motivation for the provisional membership to be extended to a maximum of two years shall be provided by the PCB's recruiting agent or staff to the Management Board.

4.1.6 **Honorary Members** are individuals on whom this honour is conferred at the discretion of the Management Board. They shall enjoy all the benefits of PCB membership without the payment of subscriptions.

4.1.7 In accordance with the Articles of Association, only Corporate and Individual Members shall have the right to vote.

4.2 At its discretion the Management Board may decide to admit an applicant as a member of the PCB if the circumstances of the applicant are in line with the objectives of the PCB but not specifically covered in section 4.1 above. In particular, an organisation which would normally qualify for associate membership, but is willing to pay the additional subscription to be a corporate member, may be admitted as such provided that its operations include commercial activity.

4.3 Subscriptions

4.3.1 The Management Board shall determine the subscriptions applicable for each category of membership each year and these shall be conveyed to members in advance of the year for which the subscriptions have been determined.

4.3.2 The Management Board may also determine from time to time an enrolment fee which shall be payable on application for membership.

4.3.3 The payment of subscriptions in instalments by debit order shall be permitted with the understanding that the cost of recovery by this means will increase the annual subscription. At any stage during the year while monthly payments have been effected, the member shall be considered to be paid up.

5. THE ANNUAL GENERAL MEETING

5.1 The credentials of each person present shall be established at the commencement of the meeting. Each Corporate member shall be entitled to one authorised representative to vote on its behalf, although there is no limit to the number of representatives who may attend.

- 5.2 The President shall provide an Annual Report detailing the important activities of the PCB since the previous AGM.
6. NOMINATION AND ELECTION OF OFFICERS AND DIRECTORS
- 6.1 Nominations for election of fourteen Directors shall be invited from all corporate and individual members no less than 45 days prior to the date of the AGM.
- 6.2 Nominations must be made in writing by an authorised representative of a corporate member or an individual member and must include the signature of the nominee to reflect his/her willingness to stand. Such nominations must be submitted by a date to be determined by the Chief Executive Officer which shall be at least 30 days prior to the date of the AGM.
- 6.3 The list of those nominated for the directorships shall be conveyed to all members at least twenty one clear days prior to the date of the AGM.
- 6.4 Corporate and Individual members will be provided with a prepared form to enable them to submit a proxy in order to participate in the election of the directors if they are not able to be present at the AGM.
- 6.5 The Chief Executive Officer shall conduct the election at the AGM.
- 6.6 At its first meeting following the AGM, convened by the Chief Executive Officer, the Management Board shall elect from among its number a Chairperson and Vice-Chairperson who shall serve as President and Deputy President, respectively, of the Chamber.
- 6.7 A person shall serve as either President or Deputy President for a term of one year, but may be nominated and re-elected for an additional consecutive term.
- 6.8 A person elected as either President or Deputy President may not serve more than two consecutive terms, but may be re-elected after a break of one year at least.
- 6.9 A person who has served one or two consecutive terms as either the President or Deputy President, may be elected to fill the other office without any break.
- 6.10.1 In the event of either the President or Deputy President vacating the office during a term, the Management Board shall elect, from among its number, a replacement, who shall serve until the following AGM.
- 6.10.2 Should the length of time before the following AGM be six months or more, it shall constitute a full term as provided in 6.7; if less than six months, it will not be considered a full term.
- 6.11 In the event of a director vacating a directorship for any reason, the vacancy shall remain unfilled until the following AGM, unless the number of vacancies reaches five or more when the Management Board shall appoint a director or directors to reduce the number of vacancies to no more than four.

7. CHANGES TO THE RULES OF GOVERNANCE

The Rules of Governance may be amended at any time by the Management Board, provided that

- (a) at least fourteen days written notice of the proposed changes has been given;
- (b) the proposed amendments are supported by at least nine directors.