

## CONSULTING ENGINEERS SOUTH AFRICA

### BY-LAWS WITH EFFECT FROM JANUARY 2016

#### 1. REQUIREMENTS FOR PRACTICE

A Firm shall not obtain or retain Membership unless it meets the following requirements for practice in fulfilment of Clause 2.1.4 of the Constitution:

- 1.1 It shall be of such standing and experience as in the opinion of the Board entitles it to practise as a firm of consulting engineers and allied professionals.
- 1.2 It shall conduct its activities in such a manner that its membership does not detract from the dignity or standing of the Organisation.
- 1.3 It shall carry professional indemnity insurance in accordance with Clause 12 hereof.
- 1.4 It shall obtain the signatures of a Proposer and Seconder who are both Mandated Principals of Members that do not hold any interest in the firm applying for membership. A Mandated Principal may designate an alternate for this purpose where appropriate, provided this delegation is in writing and is carried out separately in each and every instance.
- 1.5 It may, as an alternative to 1.4, request an interview with a member of the Board and/or the Branch Chairman plus one other Registered Principal. Such member of the Board and/or Branch Chairman and other Registered Principal may then testify in a format prescribed by the Board, to the suitability of the applicant for membership.
- 1.6 It may, as an alternative to 1.5 or 1.6, request an interview with the Membership Committee of the Board

#### 2. ELECTION OF MEMBERS

- 2.1 An application for membership, or to become a Retired Principal, shall be made in writing in such format as shall be approved by the Board from time to time.
- 2.2 Where an application complies with all the requirements of the Constitution, the Membership Committee shall then instruct the Management to circulate to each Member of the Organisation the applicant's name, address and field of activity, and the names of its Mandated Principal and any other principals, indicating that the applicant is recommended for membership, and inviting comment from membership to be submitted in writing within two weeks of the circular having been mailed. Should no adverse comment be received within that period the applicant shall be admitted as a Member.
- 2.3 Where an application is incomplete or the information provided is not clear or raises doubts or where, upon circulation, an objection or adverse comment is received, the Membership Committee shall call for such additional information as it considers necessary, or may request the applicant to give such additional information or explanation by means of an interview.
- 2.4 In deciding not to admit an applicant as a Member, the Membership Committee shall give the reasons for the application not complying with the requirements of the Constitution. The Management shall convey this information to the applicant.
- 2.5 The Membership Committee shall report to the Board at its next meeting on all applications which the Committee has accepted.
- 2.6 Except where an applicant clearly does not comply with the Constitution, the Membership Committee shall not be empowered to refuse any application for membership or for entry in the Register of Retired Principals, but shall refer such application to the Board giving reasons why, in the Committee's opinion, the application should be rejected. The Board shall then deliberate upon the application and give its decision in terms of the Constitution.

- 2.7 In the case of the rejection of any application which has been referred to the Board by the Membership Committee the Management shall advise the unsuccessful applicant in terms to be decided by the Board for each particular case. The Board's decision shall be final.
- 2.8 In the case of the acceptance of an applicant as a Member or Retired Principal, the Management shall notify the successful applicant in writing, notifying the successful applicant of the due fee and subscription, if applicable, and of any prescribed undertaking to be signed and returned.
- 2.9 When the Management has received the required fee and/or annual subscription and the prescribed undertaking, the Management shall enter the applicant's name on the Register of Members or of Retired Principals, as applicable.

### **3. SIGNIFICATION OF MEMBERSHIP**

- 3.1 Only the following may be used to signify membership of the Organisation:
  - 3.1.1 Member Firm : Member Firm - Consulting Engineers South Africa
- 3.2 Members must disclose on their letterheads that they are members of the Organisation.
- 3.3 The Board may prescribe an emblem to be known as the Organisation's emblem. The emblem shall be used on all the Organisation's stationery so far as is practicable and may be used by any Member on its letterhead and other documents and on any site name board approved by the Board.

### **4. VOTES OF MEMBERS**

The number of votes to which a Member shall be entitled in mailed votes shall be the whole number nearest to the value determined from a formula to be determined by the Board with the approval of a General Meeting each year and applied to the size of the firm on 1 January each year.

### **5. SUBSCRIPTIONS**

- 5.1 Annual Subscription increase shall be determined by FINCOM and ratified by the BOARD for the acceptance and approval at the Annual General Meeting each year.
- 5.2 The first reminder to submit the Annual Declaration will be sent out via email on the 15 November, and the second reminder on the 15 January the following year. Reminders together with an extract from the CESA By Laws for Subscriptions will be sent to the Mandated Principal, all Principals, Subscription and/or Finance contact, the Marketing contact and the CESA 'Go to' contact person. Further reminders will be send on the 15 February, 15 March and the final reminder on the 15 April.
- 5.3 The Management shall base its calculation of annual subscriptions on the information supplied by the Member in its Annual Declaration. The Annual Declaration is due by 31 January and must be received by Management by no later than the 15 February every year. Where the Management has not received the Annual Declaration, it shall base its subscription calculation on the information used for the previous year's calculation. The amount so obtained shall then be increased by the annual percentage increase as determined at the AGM and a 20% (twenty percent) non-refundable penalty imposed for non-timeous return of the Annual Declaration and the Member invoiced accordingly. Should the Annual Declaration be submitted after the invoice with the penalty has been issued the member firm has the opportunity to pay the revised invoice by no later than the 31 May after which the revised invoice will fall away and the original invoice with the 20% non-refundable penalty will be reinstated.
- 5.4 A letter of warning will be issued to member firms who have not submitted their Annual Declarations or paid their membership fees by the 1 May. The letter will be distributed to the Mandated Principal, all Principals, Subscription and/or Finance contact, the Marketing contact and the CESA 'Go to' contact person. The letter will advise of automatic suspension for firms who have not submitted their Annual Declarations and/or not paid their membership fees by the 31 May.
- 5.5 A letter of suspension will be issued to member firms who have not submitted their Annual Declarations or paid their membership fees by the 1 July. The letter will be distributed to the Mandated Principal, all Principals, Subscription and/or Finance contact, the Marketing contact and

the CESA 'Go to' contact person. The letter will advise of automatic expulsion for firms who have not submitted their Annual Declarations and/or not paid their membership fees by the 31 July. If these members have still not settled the amounts owing to CESA by 31 July, they will be issued with letters confirming their automatic expulsion with effect from 1 August.

- 5.6 A list of members due for expulsion due to non-payment or non-submission of their Annual Declaration will be distributed to FINCOM and the Board by mid-July for approval and action.
- 5.7 Should the Member so request, the Management shall calculate, subject to the approval of the Executive Committee, the annual subscription of a group of Firms as one Member.
- 5.8 The Management shall send out annual subscription invoices in respect of the following twelve months to all Members who have submitted their Annual Declarations timeously at the beginning of March every year. The subscription for all Members shall become due within 30 days of invoice. The subscription of a newly elected Member for the current year of his election shall be determined pro rata at the time of election.
- 5.9 Members having been expelled for non-payment of subscriptions may re-apply for CESA membership after a period of 12 months has expired since their expulsion. Similarly members that have voluntarily resigned their CESA membership may re-apply for CESA membership after a period of 12 months has expired since their resignation.
- 5.10 Members that have been expelled for non-payment of amounts owing to CESA will be handed over to CESA's attorneys for collection of the outstanding amounts.

## **6. CODE OF CONDUCT**

See Annexure "A" hereto.

## **7. DISCIPLINE**

- 7.1 A Member shall be responsible for any breach of this Code of Conduct by any of its Principals or other personnel.
- 7.2 When the Board reaches the opinion, either of its own initiative or following a report to it by any Member or Client of a Member, that a Member or any of its principals or other personnel may have transgressed any of the rules of conduct, the Member shall be informed and a Committee shall be formed to investigate the matter. The Member shall have full opportunity to state its/his/her case to the Committee who will report to the Board for action.
- 7.3 The Board, following receipt and consideration of the report of the committee, may discharge or uphold the complaint. If the complaint is upheld the Board may terminate or suspend the membership of the relevant Member or reprimand such Member or levy a fine not exceeding R10 000 on such Member payable in such manner as it may determine including the suspension of the payment of the fine subject to such conditions as it may specify.
- 7.4 No resolution in terms of disciplinary measures shall have any operation or effect unless the Member shall have been given proper opportunity of submitting for the consideration of the Board a statement or explanation in writing and/or of attending a meeting and being heard by the Committee who will report to the Board.
- 7.5 When the Board has acted against any Member in terms of the requirements of the Constitution or By-Laws the Board shall publish such details of its action as it considers appropriate.
- 7.6 Any Member which is expelled or called upon to resign voluntarily shall return to the Board its Membership Certificate.

## **8. FORM OF PRACTICE**

- 8.1 Members may take any form or structure allowed in law, provided always that the principles of the Constitution are upheld.
- 8.2 The form of practice must be clearly shown on the Member's letterhead.

8.3 Where a Member is a joint practice involving any firm which is not a Member then such firm must comply with this By-law 8.

8.4 If a Member's shares are quoted on a stock exchange this shall be disclosed on the firm's stationery.

## **9. BRANCHES OF THE ORGANISATION**

9.1 Branches may be established in centres as approved by the Board from time to time.

9.2 Branches may be dissolved by the Board as it so decides.

## **10. COMMITTEES OF THE BOARD**

10.1 The Board shall at the first meeting of a new session appoint an Executive Committee comprising not less than nine and not more than eleven members of the Board excluding any officers of the Board. The Board may elect from its members alternates as it may deem fit and such alternates may then attend meetings of the Executive Committee.

10.2 The Board may delegate to Council such of its powers as the Board shall deem fit and the Council shall exercise such powers.

10.3 Members of the Executive Committee and their alternates shall serve for the session in which they are elected save that the Board may terminate the appointment of any Member of the Executive Committee or alternate and may elect a new Member to fill a vacancy.

10.4 The President shall preside at all meetings of the Executive Committee at which he is present. If the office of the President is vacant or if at any meeting the President is not present the Members present shall choose someone of their number to be Chairman of the meeting. This shall normally be, in order, the Deputy President, the immediate Past President or any other Member.

10.5 The Executive Committee shall meet at least once between consecutive the Board meetings or otherwise at such times as it shall from time to time decide.

10.6 Committees of the Board, other than the Executive Committee, shall meet at such times as the Board may direct or otherwise as the majority of the members of the committee shall decide.

10.7 Committees of the Board shall deal only with the business contained in their terms of reference and shall report only to the Board save as the Board may otherwise decide.

10.8 Notice convening any Committee of the Board meeting shall be given to committee members, and their alternates where alternates are elected, not later than seven days prior to the date determined for such meeting, provided that if no member dissents meetings may be called at shorter notice in special circumstances and/or by telephonic notice.

10.9 Questions arising from any meeting of a Committee of the Board shall be decided by a majority of votes and, in case of an equality of votes, the Chairman shall have a casting vote.

10.10 The quorum at all meetings of a Committee the Board shall be half the number of Members of such committee or the nearest whole number over unless the Board shall otherwise direct.

10.11 The Board may appoint and dissolve ad hoc committees to investigate any matter and may furthermore consider the payment of fees to the members of such committees.

## **11. MANAGEMENT**

11.1 The Board shall appoint a Management to carry out the day-to-day administration of the Organisation's affairs. The Members of the Management shall be salaried staff and shall hold office at the pleasure of the Board. No Member of the Management shall vote at any meeting.

11.2 The Board shall determine salaries, fringe benefits, conditions of employment, and retirement benefits and privileges in respect of each member of the Management.

11.3 The Management shall include a Director who shall bear the title of Chief Executive Officer, South African Organisation of Consulting Engineers also elsewhere as Executive Director and shall have the status of an Officer of the Board. The Chief Executive Officer shall be responsible for the

management of the Management.

- 11.4 The Chief Executive Officer shall take instructions from the Board. He or she may participate in deliberations but may not vote on any matter at a meeting of the Board or of the Executive Committee. He or she shall be responsible for the general administration of and financial control of the Organisation's affairs and shall relieve the Board and its Committees as much as possible of their respective duties. He or she may represent the Organisation in discussions with client bodies and outside organisations as the Board shall from time to time decide.
- 11.5 The Chief Executive Officer shall act in an advisory capacity to any meeting of the Board, the Executive Committee or any Committee of the Board and shall attend such meetings as the Board shall from time to time direct.
- 11.6 The Board shall acquire or rent and pay such rent for such offices as are necessary to house the Management and shall acquire such office furniture and office equipment as are necessary or beneficial to the efficient discharge of the Organisation's business.

## **12. PROFESSIONAL INDEMNITY INSURANCE**

- 12.1 The Board shall be empowered to recommend to Members of the Organisation a broker for Professional Indemnity insurance.
- 12.2 The Board shall, from time to time determine the minimum Professional Indemnity insurance cover for Members of the Organisation.
- 12.3 The Board shall request proof of Professional Indemnity insurance from a Member at least once per year.

## **13. OFFICES OF MEMBERS**

- 13.1 The Organisation shall list all offices of Members in the Organisation's Register of Members, provided that such offices are declared annually to the Organisation.
- 13.2 An office where at least one professionally registered person is in fulltime superintendence shall be listed in the Organisation's Register of Members as a fulltime office, and an office where no professionally registered person is in fulltime superintendence, as a satellite office.

## **14. ACCOUNTS**

The Organisation's financial year shall, unless otherwise decided by the Board, end as on the last day of February of each year.

## **15. ANNUAL DECLARATION**

Each year every Member shall submit a declaration signed by the Mandated Principal that the Firm complies with the Constitution and By-Laws of the Organisation. The Firm shall state its fields of expertise and provide a schedule of its Principals and other information required by the Management on an annual questionnaire.

The Management shall send out the Annual Declaration questionnaire on or before 1 December every year. These forms shall be completed by Members and returned so as to reach the Organisation's office by no later than 31 January. In addition the Management shall inform such Members in writing of the consequences of not submitting their Annual Declarations. Any member whose Annual declaration has not been received by 31 March shall not be listed in the Directory. The name of every Member whose Annual Declaration has not been received by 31 March shall be reported to the first **the Board** Meeting following 31 March. The BOARD will ratify expulsion of Members who have not submitted their Annual Declarations and /or not made payment of their annual membership subscription fees and instruct the Management to remove the Member's name from the Register of Members and cause this fact to be published.