

AGRI GAUTENG CONSTITUTION



CONSTITUTION
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1. NAME AND STATUS

- 1.1 The name of the organisation is 'AGRI GAUTENG' (hereinafter referred to as 'the Union')–
- 1.1.1 a federation of agricultural organisations within the Gauteng province with common objectives and therefore committed to collective action;
 - 1.1.2 a legal entity functioning as an association without profit motive;
 - 1.1.3 whose activities are conducted in Afrikaans and/or English;
 - 1.1.4 whose decision-making is based on democratic principles;
 - 1.1.5 whose views are always focused on agricultural merit; and
 - 1.1.6 whose mandates are not subordinate to those of any other organisation or movement in the public or private sector or civil society.
- 1.2 The funds at the Union's disposal are used solely to promote its objectives and shall not be divided amongst its affiliated or associated members or any other persons.

2. MISSION

- 2.1 The Union, on behalf of its members, promotes the development, profitability and sustainability of commercial agriculture in the Gauteng province through its involvement and inputs at provincial and national policy level.

3. OBJECTIVES

- 3.1 The Union's objectives are as follows:
- 3.1.1 To serve as a designated and cost-effective body for organisations that are representative of the spectrum of interest groups directly intent on realising the Union's mission statement and which subscribe to its constitution as well as value system - which corresponds with that of Agri SA – with a view to facilitating members' participation, coordinating their views, and planning and implementing joint actions.
 - 3.1.2 To cooperate, affiliate or federate with other organisations within and outside Gauteng and to forge and maintain networking relationships with organisations or stakeholders that can contribute towards the realisation of the Union's mission;
 - 3.1.3 To present the coordinated views of its members to any organisation as well as the government or other authorities and to cooperate with them in all matters relating to the welfare and development of the commercial agricultural industry, including the establishment of appropriate policy, legislation, services or programmes;
 - 3.1.4 In the interest of informed participation and decision-making, to communicate effectively with its members and agricultural producers regarding its activities and also with external organisations and the public at large where a correct understanding and appreciation of commercial agriculture's contributions, challenges and needs must be promoted;
 - 3.1.5 To carry out all such actions which, in the opinion of the Congress and General Council, have a bearing on or contribute towards realising the Union's mission, or such other actions which, in the opinion of the Congress or General Council, may be directly or indirectly in the interest of the agricultural industry;

- 3.1.6 To pay tribute in an appropriate manner to persons who had rendered exceptional service to the Union and/or agriculture, provided that this does not establish any rights for the person concerned in terms of this Constitution;
- 3.1.7 To have sufficient financial resources, with due consideration of the importance of members' contributions for the legitimacy of the Union as representative organisation, which shall ensure that the Union can give effect to its mandates on an ongoing basis; and
- , 3.1.8 To strive for the development and sustainability of the agricultural industry, including conservation of soil and water resources of the province, the maintenance and improvement of soil fertility and improved production methods.

4. POWERS

- 4.1 The Union has the power, in own name, to–
 - 4.1.1 own, purchase or otherwise acquire, sell, hire or let, pawn or encumber with mortgage, take or give as security and/or in any other manner alienate or dispose of, and to give or obtain any right *in rem* or other rights and, in general, take legal action in this regard;
 - 4.1.2 lend and/or in any manner whatsoever invest the money at its disposal, with or without security and subject to such conditions as may be decided on from time to time;
 - 4.1.3 borrow and take up, obtain and incur loans of any nature, and to give security for such loans as may be necessary;
 - 4.1.4 open bank accounts and to draw and withdraw funds from such accounts;
 - 4.1.5 where necessary, guarantee the obligations of any person or legal entity or stand surety for them, and to sign and enter into bail bonds and/or bonds of suretyship;
 - 4.1.6 institute and defend legal action and to subject any dispute to arbitration, and in respect of such lawsuits, arbitration proceedings or judicial inquiries, appoint and remunerate the necessary legal practitioners;
 - 4.1.7 appoint personnel to execute and undertake the relevant work and cases, with such powers and subject to such conditions with regard to salary and otherwise as may be determined from time to time;
 - 4.1.8 pay honoraria and allowances to office bearers, chairpersons of committees, committee members and personnel for services rendered;
 - 4.1.9 indemnify office bearers, council and committee members and personnel against any liability incurred or damage suffered by them in the course of their service;
 - 4.1.10 establish a pension / retirement fund for the benefit of any of its personnel or those of related bodies or to join an existing pension/retirement fund for this purpose;
 - 4.1.11 support financially any cause, the promotion of which is included in the aforesaid objectives;
 - 4.1.12 accept and receive any gifts and/or contributions of any nature;
 - 4.1.13 enter into partnerships and to establish and operate trusts or other business entities the functions of which are reconcilable with or supplementary to those of the Union; and
 - 4.1.14 do everything that may be necessary to give effect to the abovementioned powers and stated objectives.

5. MEMBERSHIP

5.1 Affiliated Members

- 5.1.1 The affiliated members of the Union shall be those that comply with the provisions of this Constitution and whose written affiliation application had been accepted by the General Council and had included a copy of the applicant's constitution / relevant documentation and a declaration that it subscribes to the

Union's Constitution and value system, as well as any other information that may be required, provided that the following organisations shall qualify for membership:

- 5.1.1.1 agricultural associations consisting of fully paid-up members whose objectives are reconcilable with those of the Union and whose members had met their financial obligations for affiliation with the Union;
 - 5.1.1.2 one organisation per commodity branch which, in the opinion of the General Council, is of sufficient size and/or operates provincially and whose objectives are reconcilable with those of the Union and whose members had met their financial obligations for affiliation with the Union;
 - 5.1.1.3 agribusinesses that do business mainly in Gauteng and whose members had met their financial obligations for affiliation with the Union; and
- 5.1.2 The General Council shall decide annually on appropriate membership fees for the following year.
- 5.1.3 Each affiliated member shall have full autonomy within its own area, including the right to set conditions for membership of its organisation, provided that–
- 5.1.3.1 all matters that also affect other affiliated members' interests in the province or have a wider application shall, after discussion thereof, be referred to the Union for coordination and further action; and
 - 5.1.3.2 if any affiliated members, after complying with the procedures in subclause 5.1.3.1, find it impossible to agree with the majority, they shall have the right to present their views independently to any other organisation.
- 5.1.4 Any affiliated member shall, if it decides to terminate its membership, submit their written resignation to the Union within three (3) months after the start of the Union's financial year. Should it fail to do so, all existing affiliated members shall be deemed to be members for that financial year.
- 5.1.5 The General Council may terminate the membership of any affiliated member if such member fails to meet their financial obligations to the Union or fails to comply with other conditions and duties of membership, provided that–
- 5.1.5.1 the Executive Committee decides to recommend termination of membership to the General Council;
 - 5.1.5.2 the relevant affiliated member is given written notice thereof, including reasons for such termination;
 - 5.1.5.3 the General Council, with a two-thirds majority, votes in favour of termination of the relevant member's membership; and
 - 5.1.5.4 the General Council receives at least thirty (30) days' prior notice that the termination of the relevant member's membership shall be considered at the meeting.
- 5.1.6 Any affiliated member that resigns and whose membership is terminated under the provisions of this clause shall–
- 5.1.6.1 as from the date of termination, forfeit all powers, privileges or say in the affairs of the Union as well as in the financial affairs or property of the Union; and
 - 5.1.6.2 be liable for the payment of outstanding fees up to the end of the relevant financial year.

5.2 Associated Members

- 5.2.1 Associated members are organisations representing significant interests and different agricultural interests than organisations affiliated with the Union in terms of subclauses 5.1.1.1, 5.1.1.2 and 5.1.1.3.

- 5.2.2 The General Council has the power to set rules regarding the conditions for associated membership of the Union, as well as the obligations, rights and privileges of such members, and the power to amend, replace and/or repeal such rules from time to time, provided that the representatives of such members shall not have voting rights in the organisation and may also not serve as office bearers. With regard to termination of any associated member's, the General Council shall be led by the provisions of sub-clause 5.1.4 of this Constitution.

5.3 Regions

- 5.3.1 The Union may, at the General Council's discretion, be divided into different regions for the purpose of effective functioning and good management.
- 5.3.2 The boundaries of the respective regions shall be determined by the General Council.

6. EXECUTIVE AND AUTHORITY

6.1 Congress

6.1.1 Authority of Congress:

- 6.1.1.1 The Union's Congress serves as its highest authority.

6.1.2 Composition and voting rights:

6.1.2.1 President;

6.1.2.2 Two (2) Vice Presidents;

6.1.2.3 Representatives delegated on the following basis:

- 6.1.2.3.1 Two (2) representatives for each affiliated member that had paid its affiliation fees for the preceding financial year in full;

- 6.1.2.3.2 A supplementary allocation of representatives to affiliated members, calculated annually based on the proportionate contributions by the relevant affiliated member to the funding of the Union in the preceding year, which calculation methodology shall be determined by the General Council and implemented annually; and

- 6.1.2.3.3 The Chair and Vice Chair of each of the Union's Centres of Excellence.

6.1.3 Observers

- 6.1.3.1 The Executive Committee shall decide on invitations to observers, bearing in mind that associated members may also delegate observers to the Congress who may then participate in the proceedings albeit without voting rights.

6.1.4 Quorum

- 6.1.4.1 Half plus one of the delegates in terms of subclause 6.1.2 shall form a quorum at the Congress, provided that for this purpose the number of delegates shall be calculated according to the number of votes allocated to them.

- 6.1.4.2 Should a quorum as per subclause 6.1.4.1 above not be present, the Congress shall be adjourned for half an hour, after which those present shall be deemed to form a quorum, provided that such Congress may

not adopt any resolutions regarding constitutional changes or dissolution but may deal with other matters on the agenda.

6.1.5 Congress rules

6.1.5.1 The Congress shall be held annually in Gauteng between August and October.

6.1.5.2 The date and venue shall be determined by the General Council at least two (2) months in advance.

6.1.5.3 The Chief Executive officer of the Union shall give each affiliated member at least thirty (30) days' prior notice of the date and venue of the Congress.

6.1.5.4 Each affiliated member entitled to nominate delegates shall, at least six (6) days before the Congress, provide the Union's Chief Executive Officer with a list of names and addresses of their delegates, provided that in the event of unavoidable absence of a delegate, the relevant nominating body may nominate a replacement in writing until the opening of the Congress.

6.1.5.5 Each affiliated member, Centre of Excellence and the General Council shall be entitled to submit any number of discussion points for the Congress agenda, subject to the following:

6.1.5.6.1 The discussion points shall reach the Chief Executive Officer of the Union before or on a date as determined per written notice to each affiliated and associated member, which date shall not be later than thirty (30) days prior to the date of the Congress, provided that no other discussion point shall be included on the Congress agenda without the approval of the Congress, and further that the President shall decide at which point during the Congress such additional matters may be discussed; and

6.1.5.6.2 All discussion points shall be referred to the Executive Committee, which shall then coordinate these and decide on the Congress programme and agenda.

6.1.6 A report on the past year's activities, together with the approved audited financial statements for the past financial year, shall be presented to Congress for approval.

6.1.7 Voting at the Congress shall take place per show of hands, except when electing the President and Vice President, in which case voting shall take place per closed ballot, provided that—

6.1.7.1 the President may decide that voting on a specific matter should take place per closed ballot and shall determine thus if at least ten (10) delegates present request it; and

6.1.7.2 delegates representing more than one nominating body or who are authorised to cast multiple votes on behalf of their affiliate shall be entitled to an agreed-upon number of votes as calculated in terms of the provisions of subclause 6.1.2 in all cases where voting takes place per closed ballot.

6.1.8 The President shall act as chair and have an ordinary as well as deciding vote.

6.1.9 The subsistence and travel costs of nominated delegates to the Congress shall be borne by the affiliated members, and they shall be responsible for making their own travel and accommodation arrangements, provided that the President and Vice Presidents' costs shall be borne by the Union.

6.2 Special Congress

6.2.1 The President may at any time convene a Special Congress, and shall be obliged to do so if a majority of members of the General Council decide so at a legally constituted meeting, provided that in each such case, a proper notice, together with details of the purpose of the Congress, shall be sent to each member of

the General Council, as well as to each body that may nominate delegates to the Congress, at least thirty (30) days prior to the date of the Special Congress, provided further that in the event of possible dissolution of the Union, clause 7.3 shall be applicable.

6.2.2 Quorum arrangements shall apply as set out in clause 6.4.

6.3 General Council

6.3.1 Authority of the General Council

The General Council shall serve as the highest authority of the Union when Congress is not in session and shall be accountable to Congress.

6.3.2 Composition and voting rights:

6.3.2.1 President, with one vote plus a deciding vote.

6.3.2.2 Two Vice Presidents, each with one vote; and

6.3.2.3 Each affiliated member:

6.3.2.3.1 one representative with voting rights; and

6.3.2.3.2 a supplementary allocation of votes to affiliated members calculated annually based on the proportionate contribution by the relevant affiliated member to the funding of the Union in the preceding year, provided that—

6.3.2.3.2.1 affiliated members must within 60 days after the Congress at the request of the Union's Chief Executive Officer, indicate whom they will represent as voting member/members in the Union's General Council; and

6.3.2.3.2.2 all members of the General Council shall serve until after the next Congress unless an affiliated member informs the Union that he/she had nominated another representative or representatives.

6.3.3 Quorum

6.3.3.1 A quorum for a General Council meeting shall be half plus one of the votes allocated to office bearers and affiliated members as represented by the members present;

6.2.3.2 If a quorum is not present, those members present shall be deemed to be a committee of the General Council whose decisions may be considered as recommendations at the next meeting of the General Council or Executive Committee.

6.3.4 Meetings

6.3.4.1 The General Council shall meet at least twice a year, while the President may at any time decide to convene the General Council and shall be obliged to do so should at least five (5) members request it in writing, provided that the General Council shall annually determine the number of meetings for the following year as well as the respective venues.

6.3.5 Powers and duties

6.3.5.1 Subject to the control and general policy of the Congress, the General Council shall be entrusted with all the powers and perform all the duties as set out in this Constitution and may also, at its own discretion,

delegate such powers and do everything that may be necessary to achieve the Union's mission and objectives and, for this purpose, more specifically–

- 6.3.5.1.1 deal with all matters assigned by the Congress to the General Council and carry out all the instructions issued by the Congress;
- 6.3.5.1.2 decide on the approval or termination of membership in terms of subclause 5.1.4 of the Constitution, provided that the General Council may also determine and apply norms for dealing with conflicting demands for affiliated membership of the Union; divide the Union's service area into different regions for the purpose of effective functioning, including demarcation arrangements; provide support to resolve disputes between affiliated members; and assist in establishing representative structures for producers if the Union does not have an affiliated member that meets a specific need in terms of representation;
- 6.3.5.1.3 decide with which organisations the Union may affiliate, as well as the Union's representation in such organisations, for which purpose the General Council may establish a code for dealing with nominations to and appointments in external bodies;
- 6.3.5.1.4 appoint such committees as it deems necessary, provided that–
 - 6.3.5.1.4.1 the General Council shall appoint a Remuneration Committee as well as a Budget and Audit Committee, with clear instructions regarding their functions and responsibilities; and
 - 6.3.5.1.4.2 the General Council may appoint policy committees, as well as chairpersons and office bearers for such committees, and delegate executive powers to such committees to act within approved policy and administrative procedures.
 - 6.3.5.1.4.3 the General Council shall lay down rules and regulations regarding the composition and functioning of such committee structures and, on the recommendation of the relevant affiliated members, review, amend, replace and/or repeal such rules and regulations;
- 6.3.5.1.5 approve a code for the delegation of powers in respect of decision-making and, if necessary, review such delegation of powers;
- 6.3.5.1.6 approve the Union's budget as well as audited financial statements for presentation to the Congress;
- 6.3.5.1.7 approve a report on the past year's activities for presentation to the Congress;
- 6.3.5.1.8 approve a code for the payment of subsistence and travel costs, provided that affiliated members shall bear the subsistence and travel costs of their delegates who attend the Union's meetings;
- 6.3.5.1.9 establish and operate a trust fund(s) or other business entity(-ies) and appoint trustees or directors for this purpose, and also formulate guidelines for using the proceeds of such trust fund(s) or entity(-ies).
- 6.3.5.1.10 determine where the Union's head office shall be located;
- 6.3.5.1.11 appoint auditors and determine their remuneration; and
- 6.3.5.1.12 decide on the allocation of signing powers, with due consideration of the nominations submitted by the Executive Committee in this regard.

6.4 Executive Committee

6.4.1 Composition

- 6.4.1.1 President;
- 6.4.1.2 Two Vice Presidents;
- 6.4.1.3 One member from the regions as determined by the General Council (5.3);

- 6.4.1.3 The Chairpersons of the Centres of Excellence;
- 6.4.1.4 One co-opted member as approved by the General Council.
- 6.4.2 Meetings
 - 6.4.2.1 The Executive Committee shall meet at least four (4) times a year or when the President requests a meeting.
- 6.4.3 Quorum
 - 6.4.3.1 A quorum for an Executive Committee shall consist of the majority of serving members.
- 6.4.4 Powers and duties
 - 6.4.4.1 The Executive Committee shall be subordinate and accountable to the General Council and, in accordance with its code relating to delegations / approval powers, shall be responsible for managing the Union's finances, with a further duty to coordinate and approve policy and to perform other duties as delegated or instructed by the General Council.

6.5 The President and Vice President

- 6.5.1 The Congress of the Union shall elect by an absolute majority of votes cast by voting members present at the Congress a President and two (2) Vice Presidents, provided that for such elections the voting members present shall nominate and vote per closed nomination letter and ballot and provided further that the rules applicable in this regard shall be approved by the Congress as a code.
- 6.5.2 Any candidate elected as President or Vice President shall immediately resign from any political or other office which, in the opinion of the General Council, could be prejudicial in exercising his/her duties as office bearer of the Union and shall also give an undertaking not to make him/herself available for public office for the term directly following his/her term of office as President or Vice President.
- 6.5.3 The election of the President and Vice Presidents for the following year shall take place at a point in time during the Congress as stipulated in the Congress programme.
- 6.5.4 The President shall be elected for a term of three years and may be re-elected thereafter, but not for a third consecutive term.
- 6.5.5 The Vice President shall be elected for a term of two years and may be re-elected thereafter but not for a third consecutive term.
- 6.5.6 If a permanent vacancy were to arise in respect of the President, one of the two (2) Vice Presidents shall be assigned by the General Council to fill that vacancy until after the next congress.
- 6.5.7 If a permanent vacancy were to arise in respect of the two (2) Vice Presidents, the General Council shall elect a member from its own ranks to fill that vacancy.
- 6.5.8 In the absence of the President, one (1) of the two (2) Vice Presidents as elected by the General Council shall serve as chair, entrusted with all the powers of the President. If the President and one (1) of the two (2) Vice Presidents are absent, the remaining Vice President shall serve as chair.

- 6.5.9 The President and Vice Presidents shall be *ex officio* members of each committee of the General Council, but the decision to attend such meetings shall be theirs.
- 6.5.10 The procedure that applies at meetings and discussions shall be determined by the President unless otherwise decided by a majority of members at the meeting.
- 6.4.11 In all matters of an urgent nature, the President, and in his absence the Vice President, shall act in the interest of the Union, provided that–
- 6.4.11.1 they may, at their discretion, seek the opinion of any office bearer(s) or committee chairperson(s) or affiliated member of the Union depending on the circumstances; and
- 6.4.11.2 they shall report to the next meeting of the General Council or Executive Committee, depending on the circumstances.
- 6.4.12 The President may at his sole discretion invite or allow representatives of other organisations or any person or persons to attend the Congress and meetings of the General Council committees and to participate in such discussions; however, such persons shall under no circumstances have any voting rights.
- 6.4.13 The President shall be entitled to co-op any person to any committee of the General Council and to request any person to attend a meeting of any nature in order to advise the Council or committee.

7. GENERAL PROVISIONS

7.1 Amendment of the Constitution

- 7.1.1 This Constitution may be amended at an ordinary Congress or a Congress specially convened for the purpose, provided that–
- 7.1.1.1 the Chief Executive Officer shall at least sixty (60) days prior to the date of the Congress notify all affiliated members of the proposed amendments, providing full details thereof;
- 7.1.1.2 notice of the proposed amendments shall reach the Chief Executive Officer at least ninety (90) days prior to the date of the Congress except where the General Council and/or Executive Committee propose amendments; and
- 7.1.1.3 a majority of votes are cast in favour thereof.

7.2 Liquidation or Dissolution

- 7.2.1 No motion relating to the liquidation or dissolution of the Union shall be considered unless the General Council had adopted a resolution to such effect.
- 7.2.2 The Union shall be liquidated or dissolved if two-thirds of the General Council members at a special General Council meeting had voted in favour of such a proposal by way of a closed ballot.

- 7.2.3 On liquidation or dissolution, the Union's property and assets that remain after meeting all obligations, shall not be paid out or transferred to affiliated or associated members of the Union but instead donated or transferred to another organisation with objectives similar to those of the Union and which organisation is also exempt from income tax. Such transfer must be approved by the General Council or special General Council meeting, provided that should no such similar organisation exist at the time of liquidation or dissolution, the Union's assets shall be held on trust until such organisation is established.

7.3 Affiliation

- 7.3.1 A resolution to the effect that the Union shall end its affiliation with an affiliated body may be adopted at a General Council or special General Council meeting if at least two-thirds of the voting members of the Council vote in favour thereof.

7.4 Interpretation

- 7.4.1 The General Council shall interpret the Constitution should any uncertainty arise as to the intention of a provision, word or phrase, or if any problems need to be resolved by applying the Constitution.
- 7.4.2 The Afrikaans version of the Constitution shall be used for interpretation purposes.

8. APPENDICES

- Appendix 1: Honorary awards
 Appendix 2: Delegation / Approval powers
 Appendix 3: Budget and Audit Committee Guidelines
 Appendix 4: Committees appointed by the General Council.

AGRI GAUTENG

HONORARY AWARDS

APPENDIX 1

The Union shall pay tribute, in an appropriate manner and in accordance with the following procedures, to persons who had rendered exceptional service to the organisation and/or agriculture in the Gauteng province, provided that, unless mentioned otherwise, such persons shall not be afforded any rights in terms of the Constitution.

1. The General Council may award an honorary presidency to an outgoing or retired president, which honorary president shall be entitled to attend annual congresses at Agri Gauteng's cost albeit without the rights of a delegate;
2. The General Council may award an honorary vice presidency to an outgoing or retired vice president, which honorary vice president shall be entitled to attend annual congresses at Agri Gauteng's cost albeit without the rights of a delegate; and

- 3 The General Council may present an honorary award to any person or institution in the form of an illuminated address for excellent service rendered to the organisation or to agriculture in the Gauteng province, provided that the General Council shall be allowed to limit the number of awards presented annually.

AGRI GAUTENG

DELEGATION / APPROVAL POWERS

APPROVAL POWERS

APPENDIX 2

Approval is granted by the relevant person's signature or, in the case of the General Council, a minuted resolution adopted by the Council or Executive Committee.

1. EXPENDITURE

Provision is made for three types of expenditure, namely:

1.1 Capital expenditure

Capital expenses are non-consumable, depreciable items in terms of the expansion, replacement and upgrading of fixed assets. This includes computer equipment, software, furniture and other office equipment. Such expenses may only be incurred if at least two quotations had been obtained.

Such expenses must be provided for in the annual budget.

Authorisation:

- Chief Executive Officer
- The Executive Committee's authorisation is required for interim and unbudgeted expenses.

1.2 Other expenditure

Other expenses relate to consumable items, which include the following:

Operating expenses, entertainment costs, petty cash, repairs and maintenance and purchase of supplies.

Authorisation:

- For budgeted expenses, the Chief Executive Officer
- Unbudgeted expenses and cost of lawsuits must be approved by the Executive Committee.

1.3 Travel and accommodation costs

Authorisation:

- Travel arrangements for personnel shall be cleared in advance with the Chief Executive Officer by means of written application and approval.

- The travel arrangements of the Chief Executive Officer shall be cleared with the President in advance and reduced to writing.

2. CONTRACTS

Contracts are those documents in terms of which the organisation is contractually bound or documentation used in lawsuits.

Authorisation:

- Contracts must be signed by two (2) persons, including the President and Chief Executive Officer, unless the Executive Committee decides otherwise;
- The Executive Committee may decide which contracts may be entered into with the approval of the President for reporting to the General Council.
- All other contracts must be submitted to the Executive Committee for approval.

3. DEBTORS / CREDITORS

This section refers to the write-back of interests, issuing of credit notes and write-off of bad debt.

Authorisation:

- All writing off of bad debt must be recommended by the Budget and Audit Committee and approved by the Executive Committee.
- The writing off of affiliation fees must be recommended by the Budget and Audit Committee and approved by the Executive Committee.
- Writing back of interest and issuing of credit notes must be approved by the Chief Executive Officer on the recommendation of the Budget and Audit Committee.

4. STOCK CONTROL

Stock control must be applied to the following items:

Promotional clothing
Stationery
Crocery
Refreshments
Cleaning materials

Manual records / stock charts shall be maintained and stock counts conducted on a bimonthly basis by persons to whom these responsibilities are assigned.

CHEQUE-SIGNING POWERS AND ELECTRONIC TRANSFER OF FUNDS

Any two signatures

- The President and Chief Executive Officer may sign cheques subject to the approval of the Executive Committee (see subclause 6.5.1.3);

- All electronic transfers are approved on the system by the Chief Executive Officer and documentation is authorised by two signatures.

General rule

All approvals in respect of costs to be incurred shall first be verified by the Chief Executive Officer as budgeted expenses, after which the Executive Committee shall authorise such expenses.

Transfer of funds

Funds may only be transferred between investment and current accounts of one organisation, and not from one organisation to another. Such transfers can only be authorised by the Chief Executive Officer.

AGRI GAUTENG

BUDGET AND AUDIT COMMITTEE GUIDELINES

APPENDIX 3

NAME

The name of the committee the **BUDGET AND AUDIT COMMITTEE OF AGRI GAUTENG.**

STATUS

- The Committee functions as a committee and is appointed by the General Council.
- The Committee reports directly to the General Council but if deemed necessary, shall in the interim report to the Executive Committee.

OBJECTIVES

- To act in cooperation with the General Council and external auditors in the interests of the Union;
- To ensure that the Union's budget corresponds with the Union's objectives and strategy;
- To improve and ensure the accuracy, reliability and credibility of the Union's financial and non-financial reporting;
- To assist the General Council in fulfilling its responsibilities and to ensure that the Union's internal control, information systems, accounting practices and audit processes are at all times adequate, effective and cost-effective.

COMPOSITION

- The Committee shall consist of three members who have the necessary financial and management expertise.
- Members shall be appointed for two years, after which the General Council may appoint outgoing members for a further term. The General Council reserves the right, in its discretion, to remove members from their positions and to appoint other members in their place.
- Official appointment and reappointment of members of the Committee shall take place at the first meeting of the General Council following the Congress.
- The meetings shall be attended *ex officio* by the Union's President and Chief Executive Officer and the Union's external auditors.
- Should a vacancy arise in the Committee, the Chief Executive Officer must inform the Union's President thereof without delay. The General Council shall, on receipt of such notice or within a reasonable period thereafter, fill the relevant vacancy.

- The Chief Executive Officer of the Union shall perform the Committee's secretarial duties.

FUNCTIONING OF THE COMMITTEE

- The General Council shall appoint the chairperson.
- Should the chairperson be absent during a meeting, the members present shall elect a chairperson from their own ranks for the duration of the meeting.
- A minimum of two members must be present in person during a meeting to form a quorum.
- Matters shall be decided by a majority of votes, and in the event of a tie, the matter shall be rejected. An attempt should be made to reach consensus, but if a matter be rejected, it shall be reported to the General Council.
- The Committee shall meet on a regular basis, with a minimum of two meetings a year, the dates of which shall be determined by the Committee as such, bearing in mind, in particular, the dates on which interim and final reports of the external auditors become available and when budgets have to be dealt with.
- Special meetings may be requested by any member of the Committee.
- Meetings shall be recorded and the minutes presented to the General Council and Executive Committee as soon as possible.

POWERS

The Budget and Audit Committee shall have the power to—

- conduct interviews with the Union's Council members, advisers and personnel;
- liaise directly with external auditors;
- investigate matters which it deems necessary and seek advice from external experts;
- gain unrestricted access to the Union's records and information;
- co-opt persons to serve on the Committee where specific expertise is required;
- demand the resources it may require to effectively fulfil its duties and responsibilities, subject to affordability.

Budgetary responsibilities

- The Committee advises the General Council on the time scales for finalisation of the budget, provided that the General Council shall during the first meeting of the year consider the budget for the subsequent financial year.

- Control reports shall be presented to the Committee at its meetings for the purpose of monitoring performance against budget.

AUDITING RESPONSIBILITIES

The Committee shall be responsible for–

- assessing the proposed audit scope and approach of the external audit to ensure that all critical risk areas are addressed in an effective manner.
- assessing and evaluating the effectiveness of the external auditor's work.
- evaluating the adequacy of audit procedures that must be conducted, which procedures shall include testing of controls and verification of accounting records.
- ensuring that the external audit is conducted independently and is not in any manner limited or hampered.
- noting the dates when reports must be submitted and when annual financial statements must be finalised and other relevant requirements met.
- identifying steps that must be taken to avoid problems encountered in the previous financial year and so-doing avoid unnecessary audit work.

The Committee shall consider the following aspects:

- The effectiveness of internal accounting control as identified during the external audit.
- Significant differences of opinion between the external auditors and the administration.
- Any significant unresolved accounting and auditing problems identified during the external audit.
- Changes in the scope or approach of the external audit in response to altered circumstances or problems experienced, compared to what was set out in the original audit plan.
- Recommendations to the General Council regarding the appointment and/or reappointment of external auditors and consideration of the budgeted audit fees and remuneration payable to the external auditors.
- Monitoring of the financial opinion and actions of the Union's personnel.

The Committee's reporting shall include the following:

- An assessment of whether the generally accepted accounting practice and other requirements for compiling the annual financial statements had been met.

- Disclosure of any possible risks for the General Council by bringing these to the attention of the President.

Control-related aspects

- Assessment of the policy and procedures put into effect by the General Council to ensure that the accounting and related internal control systems are adequate and function effectively.
- Identification of major risks to which the General Council is exposed and confirmation that the relevant internal control systems are adequate and function effectively.
- Assessment of identified weaknesses in the accounting and internal control systems and the steps taken to address such identified weaknesses.

Internal audit matters

- Evaluation of the effectiveness and efficiency with which the Union's finances and control measures are dealt with.

AGRI GAUTENG

COMMITTEES APPOINTED BY THE GENERAL COUNCIL APPENDIX 4

The Constitution states that the General Council may appoint a Remuneration Committee as well as a Budget and Audit Committee. In addition, the Centres of Excellence that are appointed shall also be listed in the appendix. The Council shall appoint the following committees:

- Natural Resources
- Economics and Trade
- Land
- Labour and Development
- Rural Safety

Each Centre of Excellence shall consist of five (5) permanent members elected by the General Council after affiliates had been asked for nominations to fill the vacancies; however, all affiliates of the Union may attend committee meetings and shall be provided with an agenda.

The General Council shall appoint a chair for each Centre of Excellence who should preferably be a serving member of Council.

Each Centre of Excellence shall elect a vice chair from own ranks.

The Centre of Excellence shall be constituted during the first meeting of the General Council following the Congress.

The General Council may also appoint a Legal Advisory Committee to advise the Union on its involvement in lawsuits and litigation.

DEFINITIONS

Unless indicated otherwise, the following words and phrases in the Constitution shall have the meaning assigned to them:

1. "Office bearer / Executive member" refers to a person who occupies an executive authority position.
2. "Bank account" refers to an account with a registered bank, registered in terms of the Banks Act, 1990 (Act 94 of 1990) or with a mutual bank, registered in terms of the Mutual Banks Act (Act 124 of 1993).
3. "Financial year", with reference to Agri Gauteng, means a period starting on 1 March and ending on 28/29 February of the next year.

4. “Financial statements” means an accounting report on an entity’s financial statements in the form of two financial statements, namely:

A **Balance sheet** which reflects the financial position at a specific point in time in terms of the assets in the entity’s possession, the liabilities that it is obliged to settle and the resulting equity which is the difference between the assets and liabilities; and

An **Income statement** which reflects the financial performance in terms of income and expenditure and the resulting profit or loss over a specific period.

5. “Registered non-profit organisation” means a non-profit organisation registered in terms of section 13 (vii) of the Non-Profit Organisations Act (Act 71 of 1997).
6. “Household rules” refers to the fundamental principles in terms of which the business (Agri Gauteng) will be managed and governed.
7. “Non-profit organisation” refers to a trust, company or other organisation of persons–
- a. established for a public purpose; and
 - b. of which the income and property may not be divided amongst the members and office bearers, unless it is used as reasonable compensation for services rendered.
8. “Legal entity” refers to a partnership, community or other organisation of persons, incorporated or non-incorporated, with full legal capacity and which exists separately from its members.

9. Affiliated members

These are members whose membership fees had been fully paid up for the relevant financial year. Such members have voting rights in Agri Gauteng

10. Associated members

These are members who wish to promote the interests of agriculture. Such members do not have voting rights in Agri Gauteng.

These are organisations that wish to join Agri Gauteng as an agricultural business; businesses that wish to do business with Agri Gauteng or its members; or, for example, commercial banks, input supplier, agribusinesses, cooperative agricultural companies and/or associations. The General Council, with due consideration of financial conditions, sets the annual fees for such organisations. The annual fees are set annually and are payable to Agri Gauteng on an annual basis. Associated members do not have voting rights.

11. Definitions

- a. An Agri Gauteng affiliate is a body that strives for the welfare of the commercial agricultural producer and which, with the approval of the General Council, becomes a member of Agri Gauteng subject to certain financial obligations. This means that such affiliate shall share in all rights and privileges of Agri Gauteng, and may also assist in establishing powers, rights and privileges. The affiliates are represented by the relevant membership categories of Agri Gauteng (refer to paragraph 7 of the Constitution as well as

the Household Rules).

- b. A specialist association is an association in which producers who produce the same product, group themselves together to protect the interest of such product.
- c. For purposes of the Constitution, a farmer association is an association of commercial agricultural producers with the welfare of the producer as primary objective. A farmer association affiliates with Agri Gauteng and is therefore entitled to representation at the organisation's Annual General Meeting.
- d. A regional agricultural association is a body where a number of farmer associations are organised into a central structure consisting of representatives of the said farmer associations. This association has its own executive and aims to manage the interests of such farmer associations. Its sphere of interest would usually correspond with the regional municipal demarcation and represents decision-making which affects commercial agriculture collectively within the demarcated area. The task of this structure is to manage the common interests of members within that area and serve as a link to Agri Gauteng. The regional agricultural association does not have to be divided strictly in accordance with district boundaries.
- e. A Commodity Committee is a committee of Agri Gauteng which specialises in a specific industry in respect of an agricultural product to effectively protect the interests of that industry.
- f. For purposes of this Constitution, a cooperative is an agricultural association or company established in terms of the Cooperatives Act with objectives as mentioned in the said Act.