

RULES

ADOPTED BY THE

EGG BOARD OF THE EGG ORGANISATION,

A DIVISION OF

THE SOUTH AFRICAN POULTRY ASSOCIATION 13 MARCH 2018

1. **ADOPTION OF RULES**

In accordance with clause 19 of the Constitution of the Association, the Egg Board has adopted the Rules set out herein.

2. **INTERPRETATION**

The headings of the paragraphs in these Rules are for the purpose of convenience and reference only and shall not be used in the interpretation of nor modify nor amplify the terms of these Rules nor any paragraph hereof or of any schedule hereto. Unless a contrary intention clearly appears -

2.1 In these Rules, terms and expressions have the meanings assigned to them in the Constitution of the Association; and

2.2 Words importing -

2.2.1 Any one gender include the other two genders;

2.2.2 The singular include the plural and *vice versa*; and

2.2.3 Natural persons include created entities (corporate or unincorporated) and the state and *vice versa*.

3. **COMPOSITION OF THE EGG BOARD**

3.1 The Egg Board shall consist of 13 members representing the following categories of producers:

3.1.1 Chicks - 1 representative;

3.1.2 Rearing - 1 representative;

3.1.3 Large Farmers - 6 representatives;

3.1.4 Small & Subsistence Farmers, - 5 representatives.

3.2 For the purposes of this paragraph:

3.2.1 "**Large Farmers**" means Members having more than 50 000 hens;

3.2.2 "**Small Farmers**" means Members having between 500 and 50 000 hens;

3.2.3 "**Subsistence Farmers**" means Members having between 1 and 499 hens.

4. **VOTING RIGHTS OF MEMBERS**

4.1 At any meeting of the Egg Organization or Egg Board, voting shall be by means of a closed ballot, such ballot to be managed by a member of the secretariat.

4.2 At any annual general meeting and special general meeting of the Egg Organization, the voting rights of each member of the Egg Organization other than Honorary Life Members shall be as set out below.

4.3 Each paid up member of the Egg Organization will have:

4.3.1 One vote by virtue of being a member; and

4.3.2 Additional votes according to the Rands contributed by a member from January to December of the previous financial year divided by the cost of the basic membership fee of the Egg Organization for being a member of the Egg Organization, as determined in 10.2 of the rules on the following membership category basis:

(i) Egg Producers

4.3.2. (i)(a) Small Farmers and Subsistence Farmers, after being members of the Egg Organization for longer than 2 (two) completed financial years, will enjoy a minimum of 5 (five) votes in total, (1 (one) vote for being a member and 4 (four) additional votes. In the event that a Small Farmer or Subsistence Farmer qualifies for more than 4 (four) additional votes by way of financial contributions as set out in 4.3.2, the additional 4 (four) votes shall be cumulative.

- (ii) Day Old Layer chick producers;
- (iii) Pullet Rearers;
- (iv) Egg Pack House,
- (v) Cull Traders shall have one vote,
- (vi) Allied members, shall have one vote

Provided that if any member entity falls within more than one of the aforesaid categories, their additional votes, based on 4.3.2, shall be calculated per category and shall be cumulative, provided further that, in the event of a mandatory Statutory Egg levy existing, should Day Old Layer Chick Producers and Pullet Rearers contribute funds voluntarily to the Egg Organization, such fees shall be determined as per clause 10.2, and votes accruing as a result of such contributions shall be calculated as per clause 4.3.2 and shall be cumulative,.

- 4.3.3 The Secretariat shall be entitled to verify the size of the enterprise operated by any member of the Egg Organization and to confirm that such member is a Large, Small or Subsistence Egg producer, Day Old Layer Chick producer, Pullet Rearer, Egg Pack House, Allied member or Cull Trader if deemed necessary by the Egg Board.

5. ADMINISTRATIVE MATTERS

5.1 Voting rights of Egg Board members

The members of the Egg Board shall each have one vote on any matter before them.

5.2 **Sub-committees of the Egg Board**

- 5.2.1 Each sub-committee of the Egg Board other than the Executive committee of the Egg Board (consisting of the Chairman, Vice Chairman, and one other person elected from the Egg Board at the rise of the Annual General Meeting or Special General meeting convened for this purpose) shall, at its first meeting following its appointment by the Egg Board, appoint a chairperson from amongst its members who shall preside as chairperson at all sub-committee meetings.
- 5.2.2 The Executive committee of the Egg Board shall automatically represent the Egg Organization on the SAPA Board
- 5.2.3 Two (2) alternative SAPA Board directors shall be elected at the first meeting following the Annual General Meeting or Special General Meeting convened for this purpose, provided that should a Day Old Layer Chick Producer Member not be elected to the Executive Committee, then the first Alternative SAPA Board member shall be elected from the amongst the Day Old Layer Chick Producer members of the Egg Board
- 5.2.4 Each sub-committee of the Egg Board other than the executive committee may, by resolution, remove and replace the chairperson from time to time.
- 5.2.5 The members of each sub-committee shall each have one vote on any matter before them.
- 5.2.6 The Egg Board shall determine the powers and obligations of each sub-committee from time to time.

6. **SUSTAINABILITY**

6.1 **Codes of Practice**

The Egg Board shall determine at least once per annum whether any, or any additional, Codes of Practice need to be established by it in relation to the Egg Industry.

6.2 **Specialist Work Groups**

The Egg Board may instruct any sub-committee appointed by it to set up specialist work groups, which may include external advisors or experts, to deal with specific matters of limited duration and scope affecting the Egg Industry. The Egg Board shall determine the powers of such specialist work groups and shall regularly monitor their performance.

6.3 **Legislation**

The Egg Board shall be responsible for determining if and when any legislation solely affecting the Egg Industry should be disputed or challenged by the Association (to the extent it is permissible to do so).

6.4 **Training Standards**

The Egg Board shall develop appropriate training standards for the Egg Industry, which standards shall be fully aligned with those of the Agricultural Sector Education and Training Authority (AgriSETA) and the South African Qualifications Authority, to the extent applicable.

7. **MARKETING**

7.1 The Egg Board shall be responsible for making decisions and determinations regarding the marketing of Egg Products.

7.2 The Egg Board shall, from time to time, determine whether there are any new export markets which should be explored and export opportunities which should be developed in relation to Egg Products produced in South Africa

8. **AFFILIATIONS**

8.1 **International affiliations**

8.1.1 The Egg Board shall make any determination in respect of the egg specific international bodies and forums to which the Association should be affiliated. The Egg Board shall have absolute discretion in this regard.

8.1.2 The Egg Board shall be entitled to propose particular Members and or SAPA staff members to represent the Association on such egg specific international bodies and forums.

8.2 Local affiliations

8.2.1 The Egg Board shall make any determination in respect of the egg specific local bodies and forums to which the Association should be affiliated. The Egg Board shall have absolute discretion in this regard.

The Egg Board shall be entitled to propose particular Members and or SAPA staff members to represent the Association on such egg specific local bodies and forums

9. FUNDING

In the event that the Egg Board determines during any Financial Year that the Egg Organisation requires additional funding from outside sources, it shall be entitled in its sole discretion to determine the third parties from which, and the terms on which, such funding shall be obtained, provided that any additional funding shall:

9.1 not adversely affect the Association's status as an income tax exempt entity in terms of section 10(1)(d)(iv)(bb) of the Income Tax Act, 1962; and 9.2 shall comply with all applicable legislation including, to the extent necessary, the Competition Act, 1998.

10 BUDGETS

10.1 The Egg Board shall be entitled, by no later than 12 weeks before the end of each Financial Year, to make written proposals to the SAPA Board in respect of:

10.1.1 the Egg and SAPA Budgets to be prepared for the following year, including without limitation, proposals regarding any budget item; and

10.1.2 the proportion of the expenditure reflected in the SAPA Budget for the following year that the Egg Organisation should bear.

10.2 The Egg Board shall annually, or otherwise as determined by the Egg Board, determine, in its sole discretion, the formula to be applied by the SAPA Board in determining the amount for which each of its members is required to contribute as a

basic annual membership fee, its monthly fees or statutory levy, and the amount which each of its members is required to contribute to the Association to cover the Egg Budget.

10.3 The Egg Board shall be entitled, from time to time, to issue written directions to SAPA in respect of the application of the funds that have been allocated to the Egg Organisation. Such directions must be in line with the annual Egg Budget applicable at the time unless otherwise agreed by all of the Egg Board members.