

**RULES**

ADOPTED BY THE

**SAPA BOARD**

OF THE

**SOUTH AFRICAN POULTRY ASSOCIATION 13<sup>th</sup> March 2018**

## 1. **ADOPTION OF RULES**

In accordance with clause 12 of the Constitution of the Association, the SAPA 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. **DEFINITION OF BROILER PRODUCTS AND EGG PRODUCTS**

The terms "**Broiler Products**" and "**Egg Products**" as they are used in the Constitution shall be defined as follows:

3.1 "**Broiler Products**" means any product, or by-product derived from live broilers and their full breeding chain, including day-old chicks, rearing pullets, live broilers, meat, offal, blood, feathers, spent hens and litter;

3.2 "**Egg Products**" means any product, or by product derived from layer hens and their full breeding chain, including day-old chicks, rearing pullets, eggs, egg products, egg waste, spent hens and manure.

#### **4. VOTING RIGHTS OF MEMBERS**

At Congress and at any SAPA special general meeting, the voting rights of each paid up Member in good standing other than Honorary Life Members shall be as set out below.

##### **4.1 Ordinary Members**

###### **4.1.1 Members of the Broiler Organization**

Each paid up member in good standing of the Broiler Organization will have the number of votes allocated according to the Broiler Organization Rules clause 4.3.2:

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###### **4.1.2 Members of the Egg Organization**

Each paid up member in good standing of the Egg Organization will have the number of votes allocated according to the Egg Organization Rules clause 4.3.2:.

4.1.3 The Secretariat shall be entitled to verify the size of the enterprise operated by any Ordinary Member and to confirm that such Ordinary Member is a producer if deemed necessary by either the SAPA Board, or the National Board as per clause 4.3.3 of the National Board rules.

#### **5. ADMINISTRATIVE MATTERS**

##### **5.1 Size of the SAPA Board**

The SAPA Board shall, on an annual basis and prior to the agenda for the Congress being finalized and posted to Members, determine the size of the SAPA Board for the ensuing year. The SAPA Board will consist of a minimum of 6 (six) Board members, of which 3 (three) shall be from the Egg Organization, and 3 (three) from the Broiler organization, and a maximum of

12 (twelve) Board members, provided 50% shall be from the Broiler Organization and 50% from the egg organization.

The SAPA Board shall automatically contain the elected Executive committees of both the Egg and Broiler Organizations, consisting of the Chairman, Vice Chairman & one other elected executive committee member of the respective Egg & Broiler Boards in addition to other elected SAPA Board members, in even numbers, elected from both the Egg & Broiler Boards

Two (2) elected alternative SAPA Board members from each of the Egg Board and the Broiler Board may be called upon to attend a SAPA Board meeting as required, should a SAPA Broiler board member be unable to attend a SAPA Board meeting, a broiler alternative SAPA board member shall be called on to attend the SAPA Board meeting, and, vice versa, should a SAPA Egg Board member be unable to attend a SAPA Board meeting, an Egg Board alternate member shall be called on to attend the SAPA Board meeting, provided further that should a Day Old Layer Chick Producer Member not be elected to the Executive Committee of the Egg Board, then the first Egg Alternative SAPA Board member shall be elected from the amongst the Day Old Layer Chick Producer members of the Egg Board, provided that should a Broiler Day Old Chick Producer Member not be elected to the Broiler Executive Committee, then the first Alternative Broiler SAPA Board member shall be elected from the amongst the Broiler Day Old Chick Producer members of the Broiler Board, as per the National Board rules 5.2.3

## 5.2 **Sub-committees of the SAPA Board**

- 5.2.1 Each sub-committee of the SAPA Board other than the Executive committee (consisting of the Chairman, Vice Chairman and one other person elected from the SAPA 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 SAPA Board, appoint a chairperson from amongst its members who shall preside as chairperson at all sub-committee meetings.

5.2.2 Each sub-committee of the SAPA Board other than the executive committee may, by resolution, remove and replace its chairperson from time to time.

5.2.3 The SAPA Board shall, in each annual report, report on the activities of all sub-committees appointed by it since the previous Congress.

5.2.4 The Transformation committee shall consist of that number of National Organisation members, the two National Organisation General Managers and/or co-opted specialist experts as determined by the SAPA Board from time to time.

### 5.3 **Date of and venue for Congress**

The SAPA Board shall by no later than August of each year determine the date of and the venue for the next Congress, taking into account the potential costs and the number of expected attendees.

### 5.4 **Privileges of Allied Members and Cull Traders**

The SAPA Board shall, on an annual basis and prior to the agenda for the SAPA Congress being finalized and posted to Members, determine the privileges to be afforded to Allied Members and the various categories of Allied Members for the ensuing year. Allied members and Cull Traders may be members of both and/or either of the Egg and or Broiler organisations, may make financial contributions to both and/or the Egg and Broiler Organisations with an Allied entities Egg Organisation and Broiler organisation votes combined for SAPA Congress purposes, which shall not exceed two votes.

### 5.5 **Annual awards**

5.5.1 The SAPA Board shall, on an annual basis and prior to the agenda for the Congress being finalized and posted to Members, request the National Boards to each make recommendations in respect of the annual awards to be awarded to specific Members at Congress. The SAPA Board shall decide, should there be no worthy recipient or just

cause to award any category of an Annual Award, that there need not be an award made in any or all of the award categories.

- 5.5.2 Prior to Congress, the SAPA Board shall consider the aforesaid recommendations and determine the categories of awards to be awarded and the recipients of such awards based on publically ascertainable criteria.

## 5.6 **Disciplinary action against Members**

- 5.6.1 The SAPA Board shall from time to time determine the disciplinary procedures to be followed in respect of any defaulting Member who has contravened the Constitution, Rules and/or Codes of Practice or whose conduct has been detrimental or injurious to the interests of the Association, the National Organisations and/or their members. The SAPA Board shall have absolute discretion in this regard, provided that natural justice shall be observed.

- 5.6.2 The SAPA Board shall use its reasonable endeavours to ensure that any disciplinary procedure is completed within 30 days after the matter is first brought to its attention.

## 5.7 **Dispute settlement**

In the event of a dispute arising between two or more Members in respect of or relating to their rights and/or obligations in terms of the Constitution, the Rules and/or the Codes of Practice, or which pertains to the Broader Poultry Industry or any section thereof, such dispute may be referred by any Member to the SAPA Board who shall determine:

- 5.7.1 whether the SAPA Board itself or the applicable National Board shall act as arbitrator in respect of the dispute; and
- 5.7.2 the procedures to be followed in this regard.

## 5.8 **Litigation**

Any and all litigation and other legal proceedings instituted on behalf of the Association in accordance with the Constitution shall be separately funded (in such manner as the SAPA Board may determine from time to time) and the general reserves of SAPA shall not be used for these purposes.

## 6. **FINANCIAL MATTERS**

### 6.1 **Investment policy**

6.1.1 The SAPA Board, or the SAPA Management committee appointed by it, shall establish an investment policy in respect of investments to be made by the Association from time to time. No investment may be made save in strict accordance with such policy.

6.1.2 Before the Association makes any investment, risk must be considered before return.

6.1.3 At all times the investments of the Association must be spread across at least three (3) separate financial institutions or funds.

### 6.2 **Management accounts**

6.2.1 Within three (3) weeks after the end of each month, the Secretariat shall prepare, or cause to be prepared, and distribute to all SAPA Board, Broiler Board and Egg Board members a set of management accounts of the Association for the preceding month, including a balance sheet, income statement and cash flow statement.

6.2.2 The SAPA and National Boards may submit any comments on the management accounts to the Secretariat within a period of two (2) weeks following receipt thereof.

### 6.3 **Appointment of an auditor**

6.3.1 The Association shall appoint an auditor each year at Congress to hold office from the conclusion of Congress until the conclusion of the next Congress.

- 6.3.2 The SAPA Board shall, on an annual basis and prior to the agenda for the Congress being finalized and posted to Members, formally review the performance of the existing auditor and either propose that such auditor be reappointed at the next Congress, subject to 6.3.3, or propose the name of at least one other registered auditor to be considered for appointment at the next Congress. Such proposal shall be included on the agenda for Congress.
- 6.3.3 The same individual or firm may not serve as the auditor for the Association for more than 5 consecutive Financial Years.
- 6.3.4 Subject to 6.3.3, a retiring auditor may be reappointed at Congress.
- 6.3.5 If a vacancy arises in the office of auditor of the Association at any time, the SAPA Board must appoint a new auditor within 40 business days, who shall hold office until the next Congress.

#### 6.4 **Annual budgets**

- 6.4.1 The annual budgets prepared for the SAPA Board by the SAPA management committee and the National Organizations shall include but not be limited to a projected income statement, balance sheet and cash flow statement for the ensuing Financial Year.
- 6.4.2 In:
- 6.4.2.1 Preparing the Broiler Budget and the Egg Budget; and
- 6.4.2.2 Determining the proportion of the expenditure reflected in the SAPA Budget which the National Organisations shall bear,

The SAPA Board shall take into account any proposals made by the National Boards in this regard.

#### 6.5 **Membership fees**

- 6.5.1 By no later than the end of each Financial Year, the National Boards shall annually or otherwise determine the number and amount of the installments payable by each Member in respect of their annual



membership fees, monthly subscriptions and/or statutory levy, and the applicable payment dates and the SAPA secretariat shall invoice each Member accordingly.

6.5.2 Should a Member fail to pay any installment within the prescribed time period and:

6.5.2.1 Remains in default for more than 30 days after the applicable payment date, such Member shall automatically cease to be a Member in Good Standing; and/or

6.5.2.2 Remains in default for more than 60 days after the applicable payment date, the National Board shall be entitled to terminate the defaulting Member's membership on written notice to the said Member, provided such members termination of membership shall be ratified by the SAPA Board.

## 6.6 **Funding**

Any additional funding required by the Association from time to time shall:

6.6.1 Be approved by the SAPA Board;

6.6.2 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

6.6.3 Comply with all applicable legislation, including the Competition Act, 1998.

## 7. **TRANSFORMATION**

The SAPA Board, or a sub-committee appointed by it, shall, :

7.1 Abide by the appropriate transformation policy and strategy for the Association;

7.2 Abide by a set of targets and specific measures necessary to maintain the Association's transformation policy;

- 7.3 Undertake regular reviews of the Association's status in achieving its transformation policy; and
- 7.4 Ensure that sufficient resources are allocated in order to maintain the Association's transformation status.
- 7.5 The transformation policy of SAPA shall be supportive of the interests of the Broader Poultry Industry

## 8. **COMMUNICATIONS**

- 8.1.1 The SAPA Board, or a sub-committee appointed by it, shall establish both an internal and an external communications policy for the Association in order to enable the Association to interact effectively with its Members, the Broader Poultry Industry, the Government of RSA, international organizations, any entity deemed necessary by the SAPA Board, and the general public.
- 8.1.2 The SAPA Board shall appoint spokespersons to represent the Association and make official statements to the media. All spokespersons must have the requisite qualifications and/or training before being appointed.
- 8.1.3 All media releases, public announcements and other communications made on behalf of the Association must be coordinated with and approved in advance by the SAPA Board.

### 8.2 **Poultry Bulletin**

The SAPA Board, or a sub-committee appointed by it, shall on an annual basis (or more frequently if it deems it necessary), review the following in respect of the Association's Poultry Bulletin and shall be entitled to make any amendments thereto:

- 8.2.1 The editorial policy;
- 8.2.2 The budget

8.2.3 The advertising rates and terms and conditions applicable to the publication of advertisements; and

8.2.4 The distribution list.

### 8.3 **Website**

8.3.1 The SAPA Board, or a sub-committee appointed by it, shall on an annual basis (or more frequently if it deems it necessary) review the following in respect of the Association's website and shall be entitled to make any amendments thereto:

8.3.1.1 The editorial policy;

8.3.1.2 The budget; and

8.3.1.3 The advertising rates and the terms and conditions applicable to the publication of advertisements.

8.3.2 The SAPA Board, or a sub-committee appointed by it, shall be responsible for ensuring that the content contained on the Association's website is current and up-to-date.

## 9. **STRATEGIC PROCESSES**

### 9.1 **International affiliations**

9.1.1 The SAPA Board shall approve the international bodies and forums to which the Association shall be affiliated, as follows:

9.1.1.1 In respect of broiler specific bodies or forums, the recommendation and approval of the Broiler Board shall be obtained; and

9.1.1.2 In respect of egg specific bodies or forums, the recommendation and approval of the Egg Board shall be obtained.

9.1.2 The SAPA Board shall be entitled to mandate particular Members and SAPA Staff members to represent the Association on such international

bodies and forums taking into account any proposals by the National Boards in this regard.

## 9.2 **Local affiliations**

9.2.1 The SAPA Board shall accept the approval and recommendations of the National Organizations in determining as to which local bodies and forums the Association should be affiliated, as well as the terms and duration of such affiliation, provided that:

9.2.1.1 In respect of broiler specific bodies or forums, the recommendation and approval of the Broiler Board shall be obtained; and

9.2.1.2 In respect of egg specific bodies or forums, the recommendation and approval of the Egg Board shall be obtained.

9.2.2 The SAPA Board shall accept the National Organizations mandated Members and/or SAPA staff members to represent the Association on such local bodies and forums taking into account any proposals by the National Boards in this regard.

## 9.3 **Public private partnerships**

9.3.1 The Association may not form any public private partnership and the Secretariat may not enter into any negotiations in respect of a proposed public private partnership without the prior approval of the National Boards and ratification of the SAPA Board.

9.3.2 The SAPA Board must, before ratifying the aforesaid approval, consider the terms of the proposed public private partnership and be satisfied that such a partnership will be in the interests of the Association.

9.3.3 Any agreement giving effect to a public private partnership must contain an appropriate exit or termination clause (in the reasonable opinion of the SAPA Board) permitting the Association to withdraw from the partnership in certain circumstances.

## 9.4 **Parliament**

9.4.1 The Association may not interact with Parliament or any Portfolio Committee in any way without the prior approval of the SAPA Board.

9.4.2 The National Organization members may not interact with Parliament or any Portfolio committee in any way whatsoever without the explicit and prior approval of the respective National Board

9.4.3 The SAPA and/or relevant National Organization Board must mandate an individual to conduct such interactions on behalf of the Association or the relevant National organization.

## 9.5 **Lobbying**

The Association may not appoint any lobbyists without the prior approval of the SAPA and/or the relevant National Board.

## 10. **HUMAN RESOURCES**

### 10.1 **Human resource policy**

10.1.1 The SAPA Board, or a sub-committee appointed by it, shall establish a human resource policy for the Association applicable to all staff members, which shall include *inter alia* the following:

10.1.1.1 Disciplinary policy and procedure;

10.1.1.2 Grievance procedure;

10.1.1.3 Leave policy and procedure; and

10.1.1.4 Poor performance policy and procedure.

10.1.1.5 Any short term incentive scheme

### 10.2 **Staffing**

10.2.1 No additional positions shall be created within the Association without the prior approval of the SAPA Board.

- 10.2.2 All increases and/or bonuses payable to staff members require the prior approval of the SAPA Board.

## 11. SUSTAINABILITY

### 11.1 Research

The SAPA and/or the National Board, or a sub-committee appointed by it, shall establish a research policy which details, among other things, the manner in which research applicable to the Broader Poultry Industry shall be funded and carried out.

### 11.2 Statistics

- 11.2.1 The SAPA Board shall ensure that the compiling of all statistics is carried out in strict compliance with all applicable legislation, including the Competition Act, 1998.

- 11.2.2 The SAPA Board shall use its best endeavors to ensure that all statistics compiled by it or under its direction are fully representative of the Broader Poultry Industry, the Broiler Industry and/or the Egg Industry.

### 11.3 Disease management

- 11.3.1 The SAPA Board shall be responsible for overseeing the Poultry Disease Management Agency including, without limitation, its budgets and operational activities with regards to matters pertaining to the broader poultry industry.

- 11.3.2 The National Boards shall be responsible for overseeing the Poultry Disease Management Agency including, without limitation, its budgets and operational activities with regards to Broiler and Egg specific activities which shall be funded separately by the respective National Organization

#### **11.4 Codes of Practice**

11.4.1 The National Boards and the SAPA Board shall review the existing Codes of Practice at least every three years to ensure that they are current and up-to-date. To the extent that the National Boards and the SAPA Board determines that:

11.4.1.1 Amendments should be made to the SAPA Code of Practice or the Codes of Practice which have been established by the SAPA Board, it shall effect such amendments itself; or

11.4.1.2 Amendments should be made to the Codes of Practice that have been established by the Broiler Board and/or the Egg Board; it shall direct such National Boards to effect such amendments.

11.4.2 The SAPA Board shall determine at least once per annum whether any further Codes of Practice need to be established by it in relation to the Broader Poultry Industry.

#### **11.5 Specialist Work Groups**

The SAPA 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 Broader Poultry Industry. The SAPA Board shall determine the powers of such specialist work groups and shall regularly monitor their performance.

#### **11.6 Legislation**

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

#### **11.7 Training Standards**

The SAPA Board shall develop appropriate training standards for the Broader Poultry Industry, which standards shall be fully aligned with those of the Agricultural Sector Education and Training Authority (AgriSETA) and the

South African Qualifications Authority/Quality Council for Trade and Occupations, to the extent applicable.

## **12. MARKETING**

### **12.1 Generic marketing**

12.1.1 The Broiler Board and the Egg Board shall each be responsible for making decisions and determinations regarding the marketing of Broiler Products and Egg Products respectively.

12.1.2 The SAPA Board shall be responsible for making decisions and determinations regarding general marketing and consumer profiling which affects the Broader Poultry Industry.

### **12.2 Export markets**

The SAPA Board shall, report export opportunities, assist and support the National Boards to explore and develop export opportunities once the National Boards have determined new potential export markets are to be explored, and support such export opportunities recognized to enable the successful exports of Broiler and/or Egg Products produced in South Africa.