



# **CONSTITUTION OF GRAIN SA**

**As approved at the 2025 Congress**

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## CONSTITUTION

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## DEFINITIONS AND INTERPRETATION

### a) INTERPRETATION

The headings in this Constitution and the Regulations have been exclusively included for reference purposes and shall not impact the interpretation of any of the provisions therein.

Unless the context indicates otherwise-

- i. words presented in the singular form shall additionally encompass the plural form, and vice versa;
- ii. words denoting the masculine gender shall also denote the feminine gender;
- iii. words denoting natural persons shall also denote partnerships and legal entities.

### b) SOURCE DOCUMENT: AFRIKAANS TEXT

In the event that a dispute occurs with regards to the interpretation of the constitution or Regulations, in that instance the Afrikaans version of the constitution and Regulations will be used as source document.

### c) DEFINITIONS

<b>i</b>	<b>"Management/Management Team"</b>	The CEO and individuals reporting to the CEO of Grain SA.
<b>ii</b>	<b>"Extraordinary Congress"</b>	An extraordinary general meeting of delegated members.
<b>iii</b>	<b>"Days"</b>	Calendar days, including weekends and public holidays.
<b>iv</b>	<b>"Code of Conduct"</b>	Means the code of conduct for elected members and personnel, as approved by the Board from time to time.
<b>v</b>	<b>"Grain"</b>	Includes grains, winter cereals and oilseeds.
<b>vi</b>	<b>"Grain SA"</b>	Grain South Africa.
<b>vii</b>	<b>"Committees of the Board"</b>	Includes: <ul style="list-style-type: none"> <li>- Executive Committee of the Board.</li> <li>- Audit and Risk Committee</li> <li>- Remuneration Committee</li> <li>- Nomination Committee</li> </ul>
<b>viii</b>	<b>"Congress"</b>	The annual general meeting of delegated members.
<b>ix</b>	<b>"Consensus"</b>	Unanimity in the Board.

x	"Quorum"	<p>a) <b>Quorum at Congress/Extraordinary Congress:</b> A majority of paid-up delegates present at Congress, constitutes a quorum, calculated at 50% plus 1 (one) paid-up delegate, of the approved number of delegates to Congress.</p> <p>b) <b>Quorum at Board or Committees and Working groups of the Board:</b> A majority of the elected members of the Board, or of its Committees or Working Groups, shall constitute a quorum.</p>
xi	"Developing Producers"	Previously disadvantaged Producers of colour.
xii	"Producers"	Means Grain and oilseed Producers.
xiii	"Board"	The Board of Grain SA.
xiv	"Regulations"	The Regulations approved by the Board from time to time.
xv	"Present"	Present means present in person, or logged online if it is a virtual meeting, and virtual facilities for participation in the meeting or Congress are available. The Rules of Order for the meeting or Congress will determine if online participation will be allowed.
xvi	"Executive Committee"	The Executive Committee (ExCo) of the Board.
xvii	"Clear majority by weighted voting"	A clear majority by weighted voting is calculated at 50% plus at least one (1.0), in terms of weighted votes submitted.
xviii	"Chairperson and vice-chairpersons"	The chairperson and 2 (two) vice-chairpersons elected by Congress are also ex officio the Chairperson and Vice-chairpersons of the Board of Grain SA.
xix	"Working groups of the Board"	Include any other working groups approved by the Board from time to time.

# **CONSTITUTION OF GRAIN SOUTH AFRICA**

## **1. NAME**

- 1.1 The name of the organisation is Grain South Africa.
- 1.2 The abbreviated name of the organisation is Grain SA.

## **2. STATUS**

- 2.1 Grain SA is an autonomous, organisation not for gain, functioning within this Constitution's framework to further Producers' interests in South Africa.
- 2.2 Grain SA is a voluntary association of individuals and legal entities established with the objectives, powers and competencies set out herein. Grain SA is a legal entity, functioning independently from its members, and is an independent bearer of rights and obligations. Grain SA is competent to perform any legal act and may in its own name institute, conduct or oppose any legal proceedings in any court and shall be represented by its Board or by any person(s) duly authorised thereto by the Board in any such legal act or legal proceedings.
- 2.3 The liability of members for the debts of Grain SA is limited to the amount of a member's unpaid membership fees or any other amounts owed by the member to Grain SA, which may arise from private agreements between the member concerned and Grain SA.

## **3. OBJECTIVES:**

The objectives of Grain SA are:

- 3.1 To gain recognition and advocate on behalf of Producers in South Africa on all matters affecting the interests of grain Producers.
- 3.2 To gain input in decision-making and other processes that affect the interests of grain Producers on behalf of its members.

- 3.3 To develop and promote unity and a spirit of collaboration and togetherness among Producers and to act as a single interest group on behalf of Producers, provided that all matters are treated strictly on merit and a business basis and under no circumstances on the basis of party-political considerations.
- 3.4 To support efficient production and informed marketing of grains and grain products through continuous production, input, and marketing information via the Grain SA website, member communications and media channels.
- 3.5 To bring about and promote the best mutual relationships among producers, consumers and processors of grain and grain products in the grain value chain.
- 3.6 To conduct or commission research directly or indirectly in the interest of producers or the grain industry.
- 3.7 To promote cost-effective storage, handling, processing and sales of grain products.
- 3.8 To negotiate the most competitive pricing and cost structures achievable regarding farming requisites for Producers and to monitor the quality, pricing, and availability of inputs.
- 3.9 While promoting shared interests among all grain Producers in South Africa, to acknowledge and provide specialised services for commodities represented by Grain SA, including support for the smaller grain and oilseed commodities.
- 3.10 To recognise the interests of Developing Producers by providing for representation of such Producers in the Board and the Grain SA structures.

#### **4. POWERS OF GRAIN SA**

As a legal entity, Grain SA have all legal powers and capacities afforded to a natural person in order to execute the necessary actions for pursuing and achieving its objectives, except where limitations exist on what powers legal entities can exercise or where otherwise specified by the Constitution.



## 5. MEMBERSHIP AND MEMBERSHIP FEES

### 5.1 MEMBERS

Grain SA has the following categories of membership:

5.1.1 Commercial members. Natural persons, trusts or any legal entities who:

5.1.1.1 produce at least 100 tons of grain for marketing; and

5.1.1.2 want to associate with Grain SA; and endorse the objectives of the organisation; and

5.1.1.3 pay the stipulated membership fees and commodity levy to Grain SA as prescribed and approved by the Board from time to time;

qualify for membership in terms of the provisions set out in the Regulations.

5.1.1.4 Only paid-up commercial members, in terms of article 5.1.1 can be nominated as delegates with voting rights to Congress, as determined in article 23.4.

5.1.2 Study group members representing Developing Producers:

Members of study groups who:

5.1.2.1 produce grain on a small scale and less than 100 tons; and

5.1.2.2 want to associate with Grain SA; and endorse the objectives of the organisation; and

5.1.2.3 pay the stipulated study group fees for members as determined and approved by the Board from time to time;

qualify for study group membership according to the provisions set out in the Regulations.

5.1.2.4 Study group members are not eligible to vote or to be elected for any office and may attend Congress only as observers, as set out in article 23.4.

5.1.3 Associate members:

Retired Producers who:

5.1.3.1 do not produce grain; and

5.1.3.2. want to associate with Grain SA and endorse its objectives; and

5.1.3.3 pay the stipulated membership fees as determined and approved by the Board from time to time;

qualify for associate membership of Grain SA, according to the provisions for membership as set out in the Regulations.

5.1.3.4 Associate members are not eligible to vote or to be elected for any office and may attend Congress only as an observer.

5.1.4 Student membership:

Students who completed Grade 12 successfully, who:

5.1.4.1 do not produce grain; and

5.1.4.2 want to associate with Grain SA and endorse its objectives; and

5.1.4.3 pay the stipulated student membership fees as determined and approved by the Board from time to time;

qualify for student membership of Grain SA, according to the provisions for membership as set out in the Regulations.

5.1.4.4 Student members are not eligible to vote or to be elected for any office and may attend Congress only as an observer.

5.2 A member holds membership of Grain SA in only one of the membership categories:

5.2.1 commercial membership, as mentioned in article 5.1.1, or

5.2.2 study group membership, as mentioned in article 5.1.2, or

5.2.3 Associate members, as mentioned in article 5.1.3; or

5.2.4 Student members, as mentioned in article 5.1.4.

### 5.3 **MEMBERSHIP FEES AND COMMODITY LEVY**

5.3.1 The Board determines membership fees and the commodity levy, and funds obtained in this manner serve as a financing source for Grain SA. If the Board does not change membership fees or the commodity levy for a new financial year, the membership fees and commodity levy, as determined in the previous year, shall continue to apply.

5.3.2 Membership fees for all categories of membership and the commodity levy are paid annually from 1 October to the end of September, when the financial year for membership fees and commodity levies ends.

5.3.2.1 The status for membership is determined by payments received to the end of the month of September preceding Congress for accounting purposes to be consolidated in the Group financial statements.

5.3.2.2 However, commercial members as referred to in article 5.1.1, whose membership fees and commodity levies are paid-up within the 12 (twelve) calendar months to the end of February preceding Congress, qualify to attend Congress as delegate with voting rights.

### 5.4 **TERMINATION OF MEMBERSHIP**

Membership of Grain SA is terminated:

5.4.1 if a member no longer qualifies for membership in terms of articles 5.1.1, 5.1.2 or 5.1.3.

5.4.2 if a member does not pay the stipulated minimum membership fee and the commodity levy, on all grain the member produces;  
or

5.4.3 on receipt of a written notice of resignation from a member; or

5.4.4 If the Board decides to terminate a member's membership, subject to the provisions of the Regulations.

5.5 Members who do not adhere to the requirements for membership in terms of article 5.3.2 are not entitled to exercise any of the rights and privileges of membership of Grain SA and may not attend Congress as a voting delegate or be nominated to serve in any official capacity.

5.6 The Board may at any time require from a member to provide written proof that he, in terms of article 5.1, still complies with the requirements for membership of Grain SA. If a member fails to provide such written proof, the Board may terminate his membership. As soon as a member whose

membership was terminated complies with the membership requirements again, he may re-apply for membership in terms of the provisions of the Constitution.

## **6. ORGANISATIONAL COMPOSITION**

Grain SA is organised and managed on a national basis by:

- 6.1 Branches and study groups;
- 6.2 Regional management structures;
- 6.3 The Board and Grain SA's management team;
- 6.4 The Congress.

## **7. REGIONAL BRANCHES AND STUDY GROUPS**

### 7.1 Branches:

- 7.1.1 Branches are established in the regions as defined in article 8.1. Each branch consists of at least 10 (ten) members. A member may belong to only one branch, either in the region where his grain farming interests are situated or the region where he resides.
- 7.1.2 Should the members opt to manage local grain affairs through an established Farmers' Association without establishing a dedicated branch, said Association shall, for purposes of this Constitution, be regarded as a local grain branch, with the provision that solely paid-up Grain SA members present may vote on grain-related matters.
- 7.1.3 Branches may, provided that they do not conflict with the provisions of the Constitution or Regulations, make their own internal rules.
- 7.1.4 The organisational functioning of the branches is determined in the Regulations.

### 7.2 Study groups:

- 7.2.1 Study groups for Developing producers are established within the production regions as determined in article 8.2. Every such study group comprises of at least 10 (ten) study group members. A study group member may belong to only one study group, either in the region where his grain farming interests are situated

or the region where he resides.

- 7.2.2 Study groups may, provided that they do not conflict with the provisions of the Constitution or Regulations, make their own internal rules.
- 7.2.3 The organisational functioning of the study groups is determined in the Regulations.

## **8. REGIONAL DEMARCATION: COMMERCIAL AND DEVELOPING REGIONS**

- 8.1 The commercial grain-producing regions in South Africa are demarcated into regions by the Board.
- 8.2 The developing grain-producing areas in South Africa are demarcated into production regions by the Board.
- 8.3 In determining the regional demarcation, factors such as the payment of commodity levies and geographical and provincial boundaries are considered.
- 8.4 It is at the Board's discretion to approve a demarcation of regions as contemplated in articles 8.1 and 8.2 from time to time. Written notice of the demarcation of regions must be given to the concerned branches, study groups and regional management structures at least 45 (forty-five) days in advance, provided that:
  - 8.4.1 The delegation to the first subsequent Congress after the Board has approved the new regional demarcation is determined in terms of the newly demarcated regions.
  - 8.4.2 The election of Board members representing the new regions likewise take place at the subsequent Congress, according to the election procedures in article 17.2.
- 8.5 A regional management structure is established annually for every region, as determined in articles 8.1 and 8.2, comprising the relevant Board member and representatives of the relevant branches and study groups. The regional management structure should have at least one branch or study group representative.
- 8.6 Regional management structures may adopt their own internal rules if they do not conflict with the provisions of the Constitution or Regulations.
- 8.7 The organisational functioning of the regional management structures is determined by the Regulations.

## **9. THE BOARD**

- 9.1 The Board shall direct matters and activities of Grain SA. The Board shall have authority and responsibility for ensuring that the objectives of Grain SA are promoted and achieved and shall exercise all powers and perform all duties subject to the provisions of article 9.2.
- 9.2 The Board has the highest authority within Grain SA. The authority and powers of the Board are only limited to the extent where specific matters in terms of the Constitution must be approved by Congress, as set out in article 22 (Powers of Congress).

## **10. COMPOSITION AND ELECTION OF THE BOARD**

The Board is composed of the following individuals:

- 10.1 the chairperson and 2 (two) vice-chairpersons elected in terms of article 25, and
- 10.2 one representative for each region as mentioned in articles 8.1 and 8.2. The member representing each region within the Board is nominated during Congress by the delegates from said region and then elected by those regional delegates via a clear majority voting process; and
- 10.3 one additional member of the Board representing Developing producers. The additional Board member is elected in accordance with the provisions of article 25.
- 10.4 The Chairperson, 2 (two) Vice-chairpersons and the Additional member do not represent a region. If the Chairperson, Vice-chairpersons or the Additional member elected by Congress in terms of article 25 at that stage already represent a region on the Board, the relevant region's delegates must elect another member to the Board.

## **11. VACANCIES IN THE BOARD**

- 11.1 Should vacancies occur in the Board for whatever reason –
- 11.1.1 the Board must notify the applicable regional management structure of the vacancy and request the region to nominate an individual to fill the vacancy for the remainder of the term of office of the retiring representative;

- 11.1.2 If the regional management structure do not provide a nomination within 45 (forty-five) days from notice date, the Board have the authority to co-opt a replacement representative from said region at its discretion.
- 11.2 Any vacancy for the Chairperson or Vice-chairperson position shall be filled per article 26.
- 11.3 In the case of a vacancy in the Board as a result of the election of a person or persons from the Board as Chairperson or Vice-chairperson in terms of article 26, such vacancy must be filled in terms of article 11.1.1.
- 11.4 Should a vacancy arise in the position of the Additional member of the Board, the position remains vacant until the next Congress, since Congress delegates elect the Additional member in terms of article 25, and not a region.

## **12. QUALIFICATIONS OF MEMBERS OF THE BOARD**

Each member of the Board must:

- 12.1 be a paid-up member of Grain SA; and
- 12.2 be an elected delegate to Congress; and
- 12.3 earn a substantial portion of their farming income from the production and marketing of grain or oilseeds.
- 12.4 sign the Code of Conduct; and
- 12.5 A member of the Board may not be disqualified to be appointed in a fiduciary capacity in terms of section 6 of the Trust Property Control Act, No. 57 of 1988, and/or section 25A of the Non-Profit Organisations Act, No. 71 of 1997 and/or section 69 of the Companies Act, No. 71 of 2008.

## **13. CONSTITUENCY**

A member may avail himself for election in only 1 (one) region to serve in the Board or as a Congress delegate, namely either in the region within which his grain farming interests are situated or in the region where he resides.

## **14. POWERS OF THE BOARD**

The Board has all the powers and duties to realise the objectives of Grain SA by acting in good faith, to the advantage and in the interest of the Organisation and with the necessary diligence. The Board's powers include, among others:

#### 14.1 Amendment of Founding Documentation:

- 14.1.1 To establish and amend Regulations for the effective management of affairs.
- 14.1.2 To make recommendations to Congress regarding amendments to the Constitution.
- 14.1.3 To approve or reject amendments to the MOI's of PGP NPC and/or Nampo (Pty) Ltd after receiving recommendations from the respective Boards of Directors.

#### 14.2 Appointment of Representatives:

- 14.2.1 The nomination and election from its ranks of representatives to serve on the Committees of the Board, including the Executive Committee, the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee, and/or other committees of the Board as determined by the Board from time to time.
- 14.2.2 The nomination and election from its ranks of representatives to serve on internal Working groups of the Board and/or to co-opt persons to serve on Working groups of the Board.
- 14.2.3 To nominate and elect persons from its ranks to serve as representatives on external industry entities or to terminate such appointments.

#### 14.3 Appointment of the Chief Executive Officer:

To appoint the Chief Executive Officer of Grain SA from time to time after considering recommendations from the Remuneration Committee.

#### 14.4 Finances and approval of consolidated financial statements of the Group of Entities:

- 14.4.1 To consider and approve the financial statements, the audit report, and the consolidated group statements after receiving and considering recommendations from the Audit and Risk Committee.
- 14.4.2 To approve Auditors' fees after the Audit and Risk Committee has considered and recommended such fees.

#### 14.5 Approval of Grain SA's business strategy:

- 14.5.1 To annually consider and approve Grain SA's business strategy after receiving recommendations from the Executive Committee of the



Board.

14.6 Budget:

14.6.1 To annually approve the budget and capital budget for Grain SA.

14.6.2 To annually approve the membership fees for commercial members and study group members.

14.6.3 To annually approve the voluntary Grain SA levies on all grain and oilseed commodities serviced by Grain SA.

14.7 Membership:

14.7.1 To consider applications of new members, approve or not to approve applications, and terminate a member's membership should it be required from time to time under the applicable Regulations.

14.7.2 To determine membership criteria and amend them from time to time.

14.8 Policy formulation:

14.8.1 To formulate and approve policy on any matters that could impact the grains and oilseeds industry or sustainable production of grains and oilseeds.

14.8.2 To act as spokesperson for grain and oilseeds producers regarding policy and communicate these to relevant value chain stakeholders and/or government and/or any other role players.

14.9 Internal policy:

14.9.1 To determine internal policies for:

- (i) Investment management;
- (ii) Capital structure and expenditures;
- (iii) To undertake loans as may be required from time to time.

14.10 Approval of material changes to Entities within the Group of Entities:

14.10.1 To consider and approve or reject changes to business strategies as recommended by the Boards of Directors of PGP NPC or Nampo (Pty) Ltd from time to time, taking into consideration the provisions of the relevant founding documents of the Entities.

14.11 Performance evaluation:

14.11.1 To annually consider and approve the performance evaluation of Grain SA and other Entities within the group in terms of approved strategic plans.

14.12 New business initiatives:

14.12.1 To consider and approve new business initiatives or downscaling of existing business activities, considering the Constitution and other founding documents, of the relevant Entities.

14.12.2 To consider rezoning of fixed property from time to time.

14.13 Corporate identity:

To make recommendations to Congress from time to time regarding the consideration and approval of Grain SA's corporate identity and or trademarks.

14.14 Risk management:

To consider and approve the annual review of the top 10 (ten) risks applicable to all entities within the group and measures to manage these risks.

14.15 Delegation of authority:

To consider and approve from time to time amendments to the Delegation of Authority within Grain SA pertaining to the Board, the Management Committee of the Board and/or business entities within the group.

14.16 Head office location:

To consider and approve from time to time the location of the Grain SA head office.

14.17 Regional demarcation:

To take decisions regarding the demarcation of regions from time to time.

14.18 Realisation of Grain SA's objectives:

To perform such actions and make such decisions to pursue and realise the objectives of Grain SA sustainably.

## 15. EXECUTIVE COMMITTEE OF THE BOARD (ExCo)

### 15.1 Composition:

The Executive Committee of the Board is constituted as follows:

- 15.1.1 the Chairperson of the Board (ex officio), and
- 15.1.2 2 (two) Vice-chairpersons of the Board (ex officio) and
- 15.1.3 at least 4 (four) elected Board members elected by ballot from its ranks, of whom one person must be a developing producer; and
- 15.1.4 the CEO (Chief Executive Officer) and CFO (Chief Financial Officer), both ex officio, as standing invitees without voting rights.

### 15.2 Powers of the Executive Committee of the Board:

The Executive Committee of the Board has the authority to handle all matters in terms of the approved Delegation of Authority as well as the mandate to the Management Committee of the Board, which may be reviewed from time to time by the Board. This includes, among others:

- 15.2.1 Monitoring financial management.
- 15.2.2 Monitoring investment management in accordance with the approved investment policy.
- 15.2.3 Ensuring that bank accounts are opened with recognised banks or financial institutions in the name of Grain SA.
- 15.2.4 To ensure that all documents in terms of which Grain SA acquires rights and incurs obligations are signed on behalf of Grain SA by members of the Management, duly authorised for that purpose by the Executive Committee, in accordance with the mandates as set out in the Policy and Procedure of Grain SA.
- 15.2.5 Make decisions or recommendations to the Board regarding such matters as identified in the Delegation of Authority as well as the mandate of the Executive Committee of the Board.
- 15.2.6 The Executive Committee of the Board is responsible and accountable for the sustainability and performance of Grain SA, as determined in the strategic plan from time to time.

## **16. MEETINGS OF THE BOARD AND RESOLUTIONS BY WEIGHTED VOTING**

- 16.1 The Board meets as and when necessary, but at least 3 (three) times per annum.
- 16.2 Meetings of the Board are convened in accordance with the approved calendar for Grain SA, provided that a special meeting of the Board may be convened –
- 16.2.1 if the Chairperson of the Board so directs; or
- 16.2.2 if any of the Vice-chairpersons of the Board acting as Chairperson so directs; or
- 16.2.3 if at least one-third of the elected Board members request it in writing; or
- 16.2.4 in the case where article 24.2 applies, and at least one-third of the regional management structures submits a written request, stating reasons, for an Extraordinary Congress.
- 16.3 Voting and decision-making in the Board takes place in accordance with the provisions set out in the Regulations.

## **17. TERM OF OFFICE OF BOARD MEMBERS, CHAIRPERSON, VICE-CHAIRPERSONS AND ADDITIONAL MEMBER**

- 17.1 The term of office for Board members is 2 (two) years, provided that a Board member who is not an elected delegate to Congress for the following year must vacate his office as Board member upon expiry of his first year in office.
- 17.2 In cases where the Board has approved a demarcation of regions in terms of article 8.4, Board members of the regions concerned must vacate their offices during the subsequent Congress. Elections of representatives of newly demarcated regions occur for both the evenly and unevenly numbered regions concerned during the subsequent Congress.
- 17.3 The term of office of the Chairperson, Vice-chairpersons, and Additional member is 1 (one) year and they are elected annually by Congress in terms of article 25.
- 17.4 A retiring Board member is eligible for re-election by the delegates from his region.

## **18. VACATION OF OFFICE AS MEMBER OF THE BOARD**

A Board member shall vacate his office if:

- 18.1 the member concerned submits his resignation in writing; or
- 18.2 the member is declared insane, insolvent, otherwise legally unfit by any competent court, or placed under administration or curatorship; or
- 18.3 the member makes himself available for election to any party-political office; or
- 18.4 the member no longer qualifies for membership in terms of article 12; or
- 18.5 if the demarcation of regions results in amended regional boundaries, in terms of article 8.4.

## **19. TERMINATION OF MEMBERSHIP BY BOARD**

- 19.1 Membership may be terminated by the Board if the member concerned:
  - 19.1.1 is absent from 2 (two) consecutive meetings of the Board without good cause; or
  - 19.1.2 fails to pay his membership fees and commodity levies by the end of September annually; or
  - 19.1.3 is guilty of misconduct.
- 19.2 Misconduct includes a member:
  - 19.2.1 intentionally prevent or harming the realisation of the objectives of Grain SA; or
  - 19.2.2 being found guilty of a criminal offence by a court; or
  - 19.2.3 not complying with the provisions as set out in the Code of Conduct.
- 19.3 Upon termination of Board membership in terms of the provisions of article 19, the Board member must resign from all ex officio offices representing Grain SA. The Secretariat shall notify the Board member as well as the relevant entities accordingly.

- 19.4 If a Board member retires or resigns, other than in terms of the provisions of article 19, such a Board member must also resign from any office held on behalf of Grain SA as Board member, except in those cases where the Board requests the person to complete a term of office at an external entity.

## **20. COMMITTEES AND WORKING GROUPS OF THE BOARD**

### 20.1 Working groups of the Board:

- 20.1.1 The Board may appoint one or more working groups from its ranks to assist the Board with the execution of duties and delegated authorities.

20.1.1.1 The Board may increase or decrease the membership of a working group at any time. The Nomination Committee may make a recommendation to the Board to fill a vacancy in such a working group.

- 20.1.2 The working group members must annually elect a chairperson from their ranks at the working group's first meeting following Congress. The chairpersons of working groups are approved by the Board at the first subsequent meeting of the Board.

20.1.2.1 If the Board does not approve the elected chairperson of a working group, the Board may request that an alternative chairperson for the working group concerned be nominated and elected.

20.1.2.2 The Board may, in its discretion, delegate authorities to such a working group but is not divested of the responsibility for the delegated authority that the Board has delegated to a working group and may overturn or amend a decision of such working group.

20.1.2.3 Working groups are authorised to handle input, production, market, and other matters in order to promote Grain SA's strategic objectives.

### 20.2 Committees of the Board:

- 20.2.1 The following committees serve as Committees of the Board and are selected from the ranks of the Board:

20.2.1.1 Executive Committee of the Board

20.2.1.2 Audit and Risk Committee

20.2.1.3 Remuneration Committee

20.2.1.4 Nomination Committee

20.2.2 Other committees, as appointed from time to time by the Board.

20.3 The Executive Committee of the Board must provide reports on decisions or actions to the Board, by means of written reporting to serve at Board meetings. The relevant minutes must be submitted on time for inclusion in the agenda bundle distributed to the Board.

## **21. CONGRESS**

Congress is the annual general meeting of delegated representatives of the members of Grain SA. All other general meetings of delegated member representatives are Extraordinary Congresses. Congress is held annually on a date and place determined by the Board. Administrative arrangements regarding matters such as notice and quorum of a Congress or Extraordinary Congress are stipulated in the Regulations.

## **22. POWERS OF CONGRESS**

The powers of Congress are:

- 22.1 to consider the report of the Board on past year's activities, including the annual financial statements and consolidated group statements;
- 22.2 to elect the Chairperson, 2 (two) Vice-chairpersons and the Additional Board member;
- 22.3 to elect the Board members during Congress;
- 22.4 the annual appointment of an auditor, according to Regulation 10;
- 22.5 to handle any other matters referred to Congress by paid delegates or regional management structures as motions or agenda items for the Board to be mandated to handle matters after Congress;
- 22.6 to present breakaway groups for commodities represented by Grain SA for handling industry-specific matters;



- 22.7 to determine the number of delegates for a subsequent Congress, as may be required from time to time;
- 22.8 if necessary, to consider and approve the borrowing powers of Grain SA, which are limited to the extent of the total assets of Grain SA, including the aggregate of membership fees and commodity levies payable to Grain SA from time to time, unless Congress or any Extraordinary Congress decides otherwise;
- 22.9 if necessary, to consider and approve the sale or encumbrance of any immovable assets of Grain SA constituting more than half of the value of the total assets of Grain SA, which is subject to the approval of an ordinary majority of paid-up delegates present at a Congress or Extraordinary Congress convened for such purpose; and
- 22.10 to consider and approve amendments to the Constitution as set out in article 29.
- 22.11 to consider and approve the corporate identity or trademark for Grain SA, as amended from time to time.

### **23. COMPOSITION OF CONGRESS**

Members of Grain SA are represented at a Congress or Extraordinary Congress by delegates from the regions. The composition of Congress will be in accordance with the number of delegates as determined by Congress from time to time, provided that:

- 23.1 The production regions for Developing producers, in terms of article 8.2, are entitled to a Congress delegation of at least 10% of the total number of delegates.
- 23.2 The production regions for commercial Producers, in terms of article 8.1 and 8.2, are entitled to the number of delegates, as determined by Congress from time to time, in accordance with the payment of the 3 (three) year moving average commodity levy per region.
- 23.3 The number of delegates to Congress remains in effect until Congress has resolved on another composition for delegates, as set out in the Regulations.
- 23.4 Only paid-up commercial members, in terms of article 5.1.1, from regions mentioned in articles 8.1 and 8.2 can be nominated as Congress delegates. Should study group members, as mentioned in article 5.1.2, be nominated to attend Congress, these persons will only attend Congress as observers without voting rights, and they are also not eligible for election to any office in Grain SA.

## **24. EXTRAORDINARY CONGRESS**

An Extraordinary Congress, at which only matters are discussed for which it has been convened, may be called in the following instances:-

- 24.1 when the Board takes such a decision; or
- 24.2 upon written and motivated request of at least 1/3 (one-third) of the regional management structures, which request must be approved by the Board; and
- 24.3 An Extraordinary Congress to amend the Constitution may only be convened with the approval of the Board. Written notice of constitutional amendments to be presented at the Extraordinary Congress must be given to all regional management structures and study groups at least 45 (forty-five) days before Congress.

## **25. ELECTION OF CHAIRPERSON, 2 (TWO) VICE-CHAIRPERSONS AND THE ADDITIONAL MEMBER TO THE BOARD (REPRESENTING FARMER DEVELOPMENT)**

- 25.1 Congress must annually elect, in the manner prescribed in the Regulations, a Chairperson, 2 (two) Vice-chairpersons and an Additional member to the Board from the paid-up delegates to Congress. They must remain in office until the conclusion of the Congress following the Congress at which they were elected.
- 25.2 A person may only be nominated and elected as Chairperson, Vice-chairperson or Additional Board member if the person has been delegated to Congress by the region concerned.
- 25.3 For the Chairperson and Vice-chairperson elected first, Congress may nominate and elect any of the paid-up delegates.
- 25.4 Should only 1 (one) candidate be legally nominated, it shall be announced to Congress that the person has been unanimously elected as either the Chairperson or the Vice-chairperson that is elected first.
- 25.5 If 2 (two) or more candidates are nominated, all paid-up Congress delegates present shall elect the Chairperson or Vice-chairperson elected first with a clear majority of votes, in terms of the provisions of Regulation 7.

25.6 If the chairperson or vice-chairperson elected first is not representative of Developing Producers, the vice-chairperson elected second must be representative of Developing Producers, and must be elected pursuant to the procedure in article 25.5.

25.7 The additional Board member is elected in accordance with the provisions of article 25.9.

**25.8 Procedure for the nomination and election of the Vice-chairperson elected second if the Chairperson or Vice-chairperson elected first is not representative of Developing Producers:**

25.8.1 All developing delegates who meet the requirements for commercial membership, as described in article 5.1.1, qualify to be nominated for the position of Vice-chairperson, elected second, irrespective of the region that delegated the person to Congress.

25.8.1.1 For the office of Vice-chairperson, elected second, only developing delegates, irrespective of the region they represent, may participate in the nomination process. If only one candidate is legally nominated, it shall be announced to Congress that the person has been elected unanimously.

25.8.1.2 If more than two candidates are nominated, only the developing delegates, irrespective of the region represented, must choose between the nominated candidates to determine the top two nominated candidates. The process as set out in the Regulations will apply to determine the two final candidates.

25.8.2 In the instance where only two candidates have been nominated by the developing delegates in terms of article 25.8.1.1, or have been elected for nomination in terms of article 25.8.1.2, thereafter all paid-up Congress delegates present shall elect the Vice-chairperson second elected from the two nominated candidates.

25.8.3 The candidate with the clear majority of votes shall be elected as the Vice-chairperson elected second.

**25.9 Procedure for the election of an Additional Board member (Representing Developing Producers)**

25.9.1 An additional Board member representing Developing Producers shall be nominated and elected only by developing delegates, irrespective of the region from which they have been delegated to Congress. The nomination and election of the additional Board

member shall take place according to the provisions of the Regulations.

25.9.2 All developing delegates who meet the membership requirements as described in article 5.1.1, qualify to be nominated for the office of Additional Board member, irrespective of the region that delegated the person to Congress.

25.9.3 If only one candidate is legally nominated, it shall be announced to Congress that the person has been elected unanimously.

## **26. VACANCIES IN THE OFFICES OF CHAIRPERSON OR VICE-CHAIRPERSONS**

26.1 In the event of a permanent vacancy in the position of Chairperson, 1 (one) of the Vice-chairpersons shall fill that vacancy until the conclusion of the subsequent Congress. In such a case, the Board elects one of the 2 (two) Vice-chairpersons to serve as Chairperson. A replacement Vice-chairperson is then elected in accordance with article 26.2.

26.2 If a permanent vacancy with respect to 1 (one) of the 2 (two) Vice-chairpersons occurs, the Board must nominate and elect a member from its ranks to fill such vacancy until the conclusion of the next Congress.

## **27. ANNUAL FINANCIAL STATEMENTS**

The Board must annually consider and approve Grain SA's audited financial and consolidated group statements for the past financial year. The financial year of Grain SA runs from 1 October to 30 September annually or as determined by the Board from time to time.

## **28. INDEMNITY**

No action for damages shall be instituted against the Board, or any committee or working group or any member thereof, in respect of anything done in good faith in terms of the provisions of the Constitution.

## **29. AMENDMENT OF THE CONSTITUTION BY CONGRESS AND REGULATIONS BY THE BOARD**

This Constitution may at any time be amended and Grain SA may at any time be dissolved by Congress or an Extraordinary Congress specifically convened for that purpose: Provided that -

- 29.1 in the case of a proposed amendment to the Constitution-
- 29.1.1 the Board must notify all Board members, regional management structures and study groups in writing of the proposed constitutional amendments at least 45 (forty-five) days prior to the date of Congress or an Extraordinary Congress, stating details of the amendments recommended to the Constitution; and
  - 29.1.2 at least two-thirds of the delegates present at Congress, including weighted votes allocated to regions that qualify for weighted voting, must vote in favour of the amendment of the Constitution; and
  - 29.1.3 any amendment of the Constitution must be submitted to the Commissioner of SARS within 30 (thirty) days of its amendment, to comply with the provisions of section 30B(2)(b)(xi) of the Income Tax Act (Act 58 of 1962).
- 29.2 in the case of the proposed amendment to the Regulations
- 29.2.1 all Board members must be notified in writing of the proposed amendment at least 14 (fourteen) days prior to the date of the Board meeting or special Board meeting, and
  - 29.2.2 at least 2/3 (two-thirds) of the Board members must be present at the meeting, and
  - 29.2.3 the proposed amendment to the Regulations must be approved with at least a 75% majority, in accordance with weighted votes per region, as determined in terms of the Regulations.
- 29.3 in the case of a proposal for the dissolution of Grain SA as an organisation:
- 29.3.1 the Board must give all members of Grain SA as well as all study groups, regional management structures and branch structures notice of the proposed dissolution at least 45 (forty-five) days prior to the date of Congress or Extraordinary Congress. Members and structures must be notified in writing of the date and place of the Congress or Extraordinary Congress to consider the proposal for dissolution;
  - 29.3.2 it must be confirmed that a quorum of paid-up delegates is present at the Congress or Extraordinary Congress where the proposal for Grain SA to be dissolved is considered; and

- 29.3.3 if at least two-thirds of the paid-up delegates present at the Congress or Extraordinary Congress convened for that purpose vote in favour of dissolution, Grain SA shall be dissolved;
- 29.3.4 After resolving to dissolve, the Congress or Extraordinary Congress must appoint one or more liquidators to take possession of the assets of Grain SA and liquidate its estate. The liquidator(s) must sell such assets by public auction, privately, or through private tender as may be necessary to settle Grain SA's debts. The balance of assets and reserves must then be paid or transferred in accordance with article 32.10 as to comply with the requirements of Section 30B of the Income Tax Act (Act 58 of 1962).

### **30. TAX STATUS AND SPECIAL CONDITIONS**

The following special conditions shall apply at all times, in accordance with the tax status of Grain SA as approved by the Receiver of Revenue, in terms of section 30B of the Income Tax Act (Act 58 of 1962), namely:

- 30.1 Grain SA's Board shall consist of at least 3 (three) natural persons who are not connected persons in relation to each other, to accept fiduciary responsibility for Grain SA, who are not disqualified from being appointed in a fiduciary capacity in terms of section 6 of the Trust Property Control Act, Act 57 of 1988, and/or section 25A of the Non-Profit Organisations Act, Act 71 of 1997 and/or section 69 of the Companies Act, Act 71 of 2008.
- 30.2 No single person shall, directly or indirectly, control the decision-making powers of Grain SA.
- 30.3 Grain SA shall not, directly or indirectly, make any of its funds or assets available to anyone other than to promote the organisation's objectives.
- 30.4 Grain SA will use a significant proportion of the funds to promote the organisation's objectives.
- 30.5 No member shall, either directly or indirectly, have any personal or private interest in Grain SA.
- 30.6 Substantially, all of Grain SA's activities shall be directed at promoting its objectives and not for the specific benefit of any individual member or minority group.
- 30.7 Grain SA shall not have any share or other interest in any business, profession or occupation that is carried on by its members.

- 30.8 Grain SA shall not pay any employee, office bearer, member or any other person any remuneration, as defined in the Fourth Schedule to the Income Tax Act, which is excessive, taking into account what is generally considered as reasonable in the sector in relation to the services rendered.
- 30.9 Substantially, the whole of Grain SA's funding, being not less than 85% as interpreted in the 'general binding rulings' issued by SARS, shall be derived from its annual or other long-term members or an appropriation by the government of the Republic in the national, provincial or local sphere. In the absence of any formal or official interpretation issued by SARS in respect of the meaning of "funding", the Board shall confirm its interpretation and application of this condition in order to comply with the requirements of section 30B of the Income Tax Act (Act 58 of 1962).
- 32.10 On dissolution, Grain SA, as contemplated by section 30B(2)(b)(x) of the Income Tax Act (Act 58 of 1962), shall transfer its assets to:
- 30.10.1 Another entity approved by the Commissioner for SARS in terms of section 30B of the Income Tax Act (Act 58 of 1962),
  - 30.10.2 A public benefit organisation approved in terms of section 30 of the Income Tax Act (Act 58 of 1962), as amended;
  - 30.10.3 An institution, board or entity which is exempt from tax in terms of section 10(1)(cA)(i) of the Income Tax Act; or
  - 30.10.4 An institution or entity of the government of the Republic in the national, provincial or local sphere;
- 30.11 The Board shall submit any amendment of the Constitution to the Commissioner for SARS within 30 days of the amendment thereof;
- 30.12 Grain SA shall comply with reporting requirements as determined by the Commissioner for SARS from time to time;
- 30.13 Grain SA shall ensure that the organisation is not knowingly used for unacceptable tax avoidance arrangements as set out in section IIA of Chapter III of the Income Tax Act (Act 58 of 1962) or becomes involved in any transaction, operation or scheme referred to in section 103(5) of the Income Tax Act.

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## REGULATIONS

These Regulations are issued in terms of article 14 of the Constitution and are numbered from R1. Terminology is as defined in the Constitution unless explicitly specified otherwise in the Regulations.

### R1 **MEMBERSHIP AND STUDY GROUP MEMBERSHIP**

#### R1.1 **APPLICATION FORM**

Applicants for membership of Grain SA must complete the official application form.

#### R1.2 **CONTENT OF APPLICATION FORM**

The application form contains, among other things, a declaration by the applicant:

- R1.2.1 in the case of applications for commercial membership, that the applicant produces more than 100 tons of grain for marketing.
- R1.2.2 in the case of applications for study group membership, that the applicant produces less than 100 tons of grain.
- R1.2.3 In the case of an applicant for Associate Membership, that the applicant does not produce grain but wants to associate with Grain SA. Applications for Associate Membership must be approved by the Board. They will only be considered if the applicant was previously a paid-up member for at least 3 (three) years. Membership fees will be the same as commercial membership, with no commodity levy payable.
- R1.2.4 In the case of applications for student membership, that the applicant does not produce grain and has successfully passed Grade 12.
- R1.2.5 In all membership categories, the application form contains a declaration by the applicant endorsing the objectives of Grain SA.

#### R1.3 **CONSIDERATION**

All membership applications are considered and approved or rejected by the Board.



#### R1.4 **COMMENCEMENT**

Membership of Grain SA only comes into effect, and the new members only acquire membership rights after their membership fees and commodity levies have been paid.

#### R1.5 **MEMBERSHIP REGISTER**

A register of the names and addresses of all members is kept at the head office of Grain SA. Member data will be managed in accordance with applicable legislation.

#### R1.6 **TERMINATION OF MEMBERSHIP**

R1.6.1 When the Board considers terminating a member's membership, the chairperson must address a written notice to the member stating reasons for such consideration. The member concerned shall have 21 (twenty-one) days to submit written reasons to the Board as to why membership should not be terminated.

R1.6.2 The Board is entitled, but not obliged, to hear the member concerned, in which case the member is not entitled to legal representation.

R1.6.3 Within 21 (twenty-one) days after the Board meeting, the Board shall notify the member in writing whether their membership will be continued or terminated. The reason for the decision must be mentioned in the written notice.

### R2 **NOTICES**

#### R2.1 **DISPATCH**

All notices of Grain SA shall be sent electronically to members and/or structures at their e-mail addresses as registered in the Grain SA member database. Members and all structures are responsible for providing the Grain SA administration with any changes to their contact details and addresses. Any required notice period includes the day upon which such notice was dispatched.

## R2.2 CONGRESS

R2.2.1 A Congress shall be convened by at least 45 (forty-five) days' written notice to all Board members, study groups, regional management structures and branches. The notice shall confirm the venue, date and time of commencement of Congress. Due to the nature of Grain SA structures, notices for Congress and Extraordinary Congress shall thus be sent to regional structures and not directly to all members.

R2.2.2 An Extraordinary Congress shall be convened in the same manner as Congress, provided that an Extraordinary Congress may be convened on no less than 45 (forty-five) days' written notice.

## R2.3 FAILURE

Failure to give timely notice of any meeting of Grain SA to any particular member or structure shall not invalidate any proceedings taking place at such meeting.

## R3 MEMBERSHIP FEES AND LEVIES

### R3.1 NOTICE OF MEMBERSHIP FEES AND COMMODITY LEVIES

All members of Grain SA shall pay membership fees and commodity levies as determined by the Board. Members shall be notified electronically of any changes to membership fees or levies.

## R4 PROCEEDINGS FOR CONGRESS

### R4.1 POINTS FOR DISCUSSION AND AGENDA FOR CONGRESS AND AGENDA COMMITTEE

R4.1.1 The agenda for the Congress or an Extraordinary Congress must be made available in electronic format to all Board members and delegates at least 14 (fourteen) days prior to the meeting date.

R4.1.2 Discussion points or motions for Congress shall be submitted by delegates, study groups, branches and regional management structures to the Agenda Committee for approval and to compile an agenda for Congress. The Agenda Committee shall consist of the Chairperson, the 2 (two) Vice-chairpersons, the CEO and the Company Secretary.

R4.1.2.1 Approved motions and Congress resolutions shall be referred by Congress to the Board for further action.

#### **R4.2 QUORUM AND CONSTITUTION OF CONGRESS**

R4.2.1 At the commencement of Congress, Congress must be constituted, with confirmation of the number of paid-up delegates present, in order to determine whether a quorum is present. At Congress or any Extraordinary Congress, no legal resolutions may be passed unless a quorum of delegates is present. A majority of the paid-up delegates present at Congress constitutes a quorum, calculated at 50% plus 1 (one) paid-up delegate of the approved number of delegates to Congress.

R4.2.2 If no quorum is present within an hour after the time appointed for the commencement of the meeting, the Chairperson must adjourn the meeting until the same day in the following week at the same time and venue. If such day is a public holiday, a Saturday or Sunday, until the first day thereafter that is not a public holiday, Saturday or Sunday. If at such adjourned meeting no quorum is present within thirty minutes after the time appointed for the commencement of such meeting, the delegates present constitute a quorum.

#### **R4.3 ADJOURNMENT OF CONGRESS DURING A CONGRESS OR EXTRAORDINARY CONGRESS**

The chairperson may only, with a two-thirds majority vote of delegates, including weighted votes, of a Congress or Extraordinary Congress where a quorum is present, adjourn the Congress from time to time and from place to place. No matters may be transacted at an adjourned Congress other than matters that remained unfinished when the Congress was adjourned.

#### R4.4 **VOTING AND DECISION-MAKING DURING CONGRESS**

- R4.4.1 All resolutions of Congress or an Extraordinary Congress that are put to the vote by the meeting are taken by a show of hands, unless a ballot is requested by a paid-up delegate or the Chairperson.
- R4.4.2 Each delegate eligible to vote and present in person or online qualifies to participate in voting procedures, including weighted votes allocated per region, whether voting takes place by a show of hands or electronically. As approved by the Board, the Congress procedure and rules of order shall determine whether provision will be made for Congress delegates to participate online or only in person.
- R4.4.3 A vote may be requested by any paid-up delegate or the chairperson.
- R4.4.3.1 Votes are processed electronically in order to calculate weighted votes. The result of the ballot is deemed to be the resolution of the Congress or Extraordinary Congress at which the ballot was requested. All Congress resolutions must be minuted.
- R4.4.4 A vote on any matter must be held at such time during Congress as determined by the chairperson. The request for a ballot does not preclude Congress from proceeding and finishing any matters other than the matter in regard to which the ballot was requested.
- R4.4.5 Polling officers must be appointed in advance by the Chairperson to determine the result of a vote. Their finding, which is announced by the Chairperson, is deemed to be the resolution of such Congress or Extraordinary Congress.

#### R4.5 **EQUALITY OF VOTES AND CASTING VOTE BY CHAIRPERSON DURING CONGRESS AND THE BOARD MEETINGS: EXCLUDING NOMINATION AND ELECTION PROCEEDINGS**

- R4.5.1 Should equality of votes arise at a meeting of Congress or an Extraordinary Congress, the Chairperson shall, in addition to his ordinary vote, also have a casting vote, exclusive of any nomination and election procedure, which is provided for in Reg. 7.

R4.5.2 The chairperson of the Board has a casting vote in the event of an equality of votes at a Board meeting.

R4.6 **REPRESENTATION AND WEIGHTED VOTES AT CONGRESS**

Weighted votes shall be allocated per region, subject to conditions of such protocol approved by the Board from time to time. The protocol is contained in **Annexure A** to the Regulation.

R4.7 **QUORUM FOR MEETINGS OF THE BOARD, MANAGEMENT COMMITTEE AND COMMITTEES OR WORKING GROUPS OF THE BOARD**

A majority of the elected members of the Board or any committees or Working groups of the Board constitutes a quorum for such meetings.

R4.8 **VOTING AND DECISION-MAKING DURING BOARD MEETINGS: WEIGHTED VOTING**

R4.8.1 Resolutions are done by consensus. If consensus is not possible, the Chairperson should ensure that the matter is decided by voting, either by show of hands, ballot or electronic voting process.

R4.8.2 Any member of the Board present at the meeting is authorised to request that a decision on a specific matter be put to the vote.

R4.8.3 A vote on any matter, either arranged by the Chairperson in the absence of consensus on the issue or at the request of any Board member, shall be conducted at a time determined by the Chairperson. Requests for a vote do not preclude the meeting from continuing to address other points of discussion besides the one for which a vote is requested.

R4.8.4 Staff members shall be appointed in advance by the Chairperson as voting officers to calculate the outcome of votes. Their findings, which shall be publicly disclosed by the Chairperson, shall be deemed the decision of the Board.

R4.8.5 All Board members present in person at the meeting or registered online may participate in the voting process.

- R4.8.6 Voting by the Board shall take place with weighted votes allocated to the respective regions in accordance with the three-year moving average of commodity levies paid per region, with weights proportional to the number of delegates from each region at Congress. The weighted voting allocation for the Board shall remain in effect from the close of one Congress until the subsequent Congress.
- R4.8.7 Given that the Chairperson, 2 (two) Vice-chairpersons, and Additional Board member for Farmer Development do not represent a specific region, the weighted vote for these offices shall be determined by calculating the average weighted vote value allocated to all regions. The Chairperson, Vice-chairpersons and the Additional Board member for Farmer Development qualify for the average weighted vote allocation.
- R4.8.8 Persons who have been co-opted for general expertise in terms of Regulation 7.8, or for specialist expertise in terms of Regulation 9, do not qualify for the right to vote in the Board, as the person does not represent a region.

## **R5 ORGANISATIONAL FUNCTIONING OF BRANCHES, STUDY GROUPS AND REGIONAL MANAGEMENT STRUCTURES**

### **R5.1 BRANCHES AND STUDY GROUPS**

The house rules of branches and study groups make provision for –

- R5.1.1 the annual election of a Chairperson, Vice-chairperson and Secretary;
- R5.1.2 at least one member meeting per year;
- R5.1.3 the proper minute-keeping of proceedings at all meetings.

R5.2 The branches and study groups are reorganised annually. At establishment or conclusion of such reorganisation, the secretary concerned shall notify the Member Officers of the newly elected persons. The Member Officer shall notify the Board member concerned and the regional management structure of newly elected persons.

R5.2.1 In regional branches or study groups, decisions are made by a show of hands or by ballot papers. Votes are determined by one person having one vote, and weighted voting does not apply.

### R5.3 **REGIONAL MANAGEMENT STRUCTURES**

R5.3.1 At the first meeting after its composition for the year, a regional management structure elects a Management Committee from among its ranks, consisting of a Chairperson, a Vice-chairperson, a Secretary and 3 (three) Additional members.

R5.3.2 A regional management structure may involve technical advisers in its proceedings in order to provide guidance or advice. Such persons may participate in such proceedings but are not entitled to a vote. The regional management structure pays from its own resources for the travel and accommodation of such a guest at their meeting.

R5.3.3 Regional management structures meet at least once per year.

R5.3.4 A member makes himself available for election to only one regional management structure, namely either the area where he resides or the area where he produces grain for marketing.

## R6 **PUBLICATIONS**

### **MONTHLY PUBLICATION**

R6.1 The official publication and mouthpiece of Grain SA is known as SA Graan/Grain.

### **COPYRIGHT**

R6.2 All literary and artistic material submitted to Grain SA is deemed to be submitted for publication thereof by Grain SA. Upon submitting such material for publication, the individual must transfer the copyright in writing to Grain SA and furnish guarantees determined by Grain SA, confirming that publication would not infringe any third-party rights.

R6.3 No person may without the consent of the Editorial Working Group publish any material referred to in Regulation R6.2. If consent is granted in terms of this Regulation, the person to whom such consent has been given must ensure that the necessary acknowledgements of such facts be published.

R6.4 Copyright in the material referred to in Regulation R6.2 is deemed to vest in Grain SA upon receipt of the written transfer provided to Grain SA by the author of the material.

**R7 PROCEDURE FOR THE NOMINATION AND ELECTION OF THE CHAIRPERSON, (TWO) VICE-CHAIRPERSONS AND ONE ADDITIONAL MEMBER OF THE BOARD IN ACCORDANCE WITH ARTICLE 25, AND FOR THE NOMINATION AND ELECTION OF MEMBERS OF THE BOARD DURING CONGRESS:**

- R7.1 The chairperson and 2 (two) vice-chairpersons of Congress are elected by secret ballot by all the delegates present and entitled to vote at Congress.
- R7.2 The names of all persons, who must be nominated by at least 2 (two) delegates, are placed on a list of candidates.
- R7.3 No nomination for the office of chairperson, vice-chairperson or member of the Executive will be valid unless the person nominated has signed a letter of nomination in order to confirm his acceptance of such nomination.
- R7.4 All candidates duly nominated, will be announced to Congress, whereafter the first round of elections will proceed.
- R7.4.1 If two or more candidates are duly nominated for any office, in that instance, each delegate will be able to submit only one vote, or one weighted vote, whatever may be applicable, for the candidate of their choice, during all processes of elections.
- R7.4.2 If only one candidate is duly nominated, it will be announced to Congress that the person was elected unanimously by Congress.
- R7.4.3 Should no person succeed in obtaining a clear majority after the first round of votes, a maximum number of 5 (five) persons with the highest number of votes are placed on the list of candidates for a further vote, provided that –
- R7.4.3.1 should the difference in the number of votes between the person who obtained the second most votes and the person who obtained the third most votes be greater than the total number of votes brought out on the third person and on all further candidates lower down, only two candidates must be placed on the list of candidates, or only three candidates if a similar test is passed in relation to the difference between the third and the fourth person, or only four candidates if a similar test is passed in relation to the difference between the fourth and fifth person;
- R7.4.3.2 should, during the election of the said five candidates for the second vote, two or more persons obtain an equal number of votes, so that more than five persons would appear on the list of candidates, the persons to be placed on the list of candidates among the persons with equal vote counts in order to complete the list of five candidates for the next vote must be determined by drawing of lots, subject to the test referred to in Regulation R7.4.3.1 above;



- R7.4.3.3 should, during the second vote, no candidate obtain an absolute majority of votes in order to be declared elected, the candidate with the least number of votes (equal counts of votes must be determined by drawing of lots) must be omitted from the list, or more candidates must be omitted if the test referred to in Regulation R7.4.3.1 above succeeds if applied to the difference between the second and third persons or between the third and fourth persons, and a further vote must be held;
- R7.4.3.4 votes must repeatedly be held as above until a candidate obtains an absolute majority, whereupon he must be declared elected; but if an equality of votes should occur between the last two candidates, the matter must be decided by drawing of lots by way of the toss of a coin.
- R7.4.3.5 Clear absolute majority is applicable to all nominations and voting processes for:
- R7.4.3.5.1 The Chair and Vice-Chairpersons, as well as for the Additional member of the Board.
  - R7.4.3.5.2 The Board
  - R7.4.3.5.3 The Executive Committee of the Board
  - R7.4.3.5.4 The Chairpersons of Committees and Working Groups of the Board
- R7.4.3.6 The procedure as set out in R7.4.3 will ipso facto also apply to the nomination and election process for members of the Board by the different regions, as well as for the election of the additional member to the Board.

## R7.5 **CHAIRPERSON'S ABSENCE FROM BOARD MEETINGS**

In the absence of the chairperson, the vice-chairperson appointed by the Board for this purpose shall act as chairperson. In the absence of both the aforementioned individuals, the second vice-chairperson shall chair the meeting. Should all 3 (three) individuals be absent, a member of the Board shall be elected to chair the meeting in question.

## R7.6 **URGENT MATTERSTO BE HANDLED BY CHAIRPERSON**

In all urgent matters, the Chairperson and, in his absence, the Vice-chairperson, as designated by the Board for this purpose, shall act in accordance with the delegation of authorities as approved by the Board from time to time.

**R7.7 GUESTS AT MEETINGS OF THE BOARD, COMMITTEES OR WORKING GROUPS OF THE BOARD**

The Chairperson may, in his discretion, invite any person or persons to attend any Board meeting of Grain SA and/or participate in the discussions. Such persons are, however, not entitled to vote.

**R7.8 CO-OPTING TO THE BOARD OR COMMITTEES AND/OR WORKING GROUPS OF THE BOARD**

The Chairperson of the Board and the Chairpersons of the various Committees or Working Groups of the Board have the right to co-opt experts with approval from the Board, provided that:

7.8.1 Persons co-opted to the Board for specialist expertise in terms of Regulation 9 (Servicing specialist interests) qualify only for a vote in the working group of the Board in which the person serves.

7.8.2 Persons co-opted to the Board for their expertise (other than in terms of Regulation 9) do not qualify for a vote in the Board or in the Working Group in which the person serves.

**R8 COMMITTEES/WORKING GROUPS**

R8.1 Committees or Working Groups of the Board must report on activities from time to time in a manner determined by the Board.

R8.2 The Chairpersons of Working Groups are elected from the ranks of the relevant working groups.

R8.3 The Chairpersons of Committees of the Board are appointed by the Board, namely the Audit and Risk Committee, the Nomination Committee, and the Remuneration Committee. The matter is dealt with at the first Board meeting after Congress or as may be required from time to time. The Chairperson of the Board is also the Chairperson of the Executive Committee.

R8.4 Copies of all minutes of the Executive Committee of the Board are made available to members of the Board by including them in the Agenda Bundle for the Board.

## R9 **SERVICING SPECIALIST INTERESTS**

- R9.1 During Congress, delegates will meet in commodity break-away sessions to inter alia compile from their ranks a priority list of five persons by means of ballot, where the name of the delegate with the highest number of votes appears first on the list.
- R9.2 The Board shall determine at its first meeting after Congress whether sufficient expertise and representation in relation to specific grain commodities exist among its own ranks. If not, the Board must co-opt from the list persons as specialist experts for the relevant commodity. One person can be co-opted to the Board for each of the following commodities: sunflower, soyabeans, groundnuts, sorghum and winter cereals.
- R9.3 Working groups for all the grain and oilseed commodities that Grain SA represents must be maintained to look after the commodity interests of the producers concerned.
- R9.4 Specialist working groups must convene at least twice per annum.

## R10 **FINANCES AND RECORD KEEPING**

### R10.1 **ACCOUNTING RECORDS**

The accounting system for all transactions of Grain SA -

- R10.1.1 must be kept in a safe place and maintained complete and up to date, and must annually be placed at the disposal of the auditor in order to be subjected to a comprehensive audit; and
- R10.1.2 must at all reasonable times be available for inspection by the Executive Committee or by other persons who may, in the opinion of the Board, have an interest therein.

### R10.2 **APPOINTMENT OF AUDITOR**

- R10.2.1 Congress must annually pass resolutions on the appointment of an auditor.

R10.2.2 In the absence of the appointment of an official auditor by Congress or should the appointed auditor for whatever reason not take up the appointment, the Board shall appoint an alternative external auditor, until the first subsequent Congress, where Congress shall either ratify the appointment by the Board or appoint a new auditor.

R10.2.3 The Board shall annually approve the auditors' remuneration.

R10.2.4 Any proposal to replace Grain SA's existing auditor must be recommended by the Audit and Risk Committee to the Board and Congress.

### R10.3 **BUDGET**

R10.3.1 The Board must annually approve the budget for Grain SA that indicates the proposed income and expenditure for the relevant financial year.

R10.3.2 The Board also approves the annual commodity levy budget and determines the amount of levy per tons for each crop.

## R11 **VACATION OF OFFICES ON THE BOARD AND EXTERNAL ENTITIES**

R11.1 If any member of the Board retires or resigns for any reason, such member must also resign from any office held on behalf of Grain SA as a Board member, except in those cases where the Board requests the person to complete a term of office at an external entity.

R11.2 If a Board member has to resign from the Board in terms of article 19, the member must also immediately resign from all offices in which that member represents Grain SA.

## ANNEXURE “A” TO THE REGULATIONS

### PROTOCOL FOR WEIGHTED VOTES AT CONGRESS OR EXTRAORDINARY CONGRESS

#### 1. INTRODUCTION: GUIDELINES FROM THE CONSTITUTION

The following guidelines are applicable:

- 1.1     Reg 4.2.1             A quorum of paid-up delegates must be present at Congress for legal resolutions.
- 1.2     Definition:             Quorum at Congress:  
  
*A majority of paid-up delegates present at Congress, constitutes a quorum, calculated at 50% plus 1(one) paid-up delegate, of the approved number of delegates to Congress.*
- 1.3     Art 5.3.3 and  
Art 5.1.1.1             Only commercial paid-up members (production of at least 100 tons for marketing) qualify as voting delegates to Congress.
- 1.4     Art 23.4             Only paid-up commercial members can be nominated as Congress delegates. If not a paid-up commercial member, then to attend Congress as observer without voting rights.

#### 2. QUORUM AT CONGRESS: (HEADCOUNT OF DELEGATES PRESENT)

- 2.1     When Congress commences, it must be constituted, and the number of paid-up registered delegates present must be confirmed to determine whether a quorum is present. (Reg 4.2.1)
- 2.2     The composition of Congress will be in accordance with the number as determined from time to time by Congress (Art. 23)  
  
Note: Congress 2023 resolved that the Congress should be composed of 376 delegates, with the quorum calculated on 189 paid-up delegates present.
- 2.3     It is not a requirement that a quorum per region must be present at Congress.

### 3. CONDITIONS TO QUALIFY FOR WEIGHTED VOTES:

#### 3.1 A region will only qualify for weighted votes if:

- At least 65% of delegates allocated to the region was nominated for and registered at Congress, **and**
- If these nominated delegate's membership fee/levies was paid-up by the end of September preceding the Congress.

**Note:** *If any of these prerequisites are not complied with, regions will not qualify for weighted votes, but only for one vote per paid up delegate present at Congress.*

#### 3.2 Example: Calculation of weighted votes:

<b><i>Region X qualify for 10 delegates in terms of levies paid.</i></b>	
<i>10/10 paid up delegates nominated for and registered at Congress</i>	<i>1(one) vote per delegate.</i>
<i>9/10 paid up delegates nominated for and registered at Congress</i>	<i>1.11</i>
<i>8/10 paid up delegates nominated for and registered at Congress</i>	<i>1.25</i>
<i>7/10 paid up delegates nominated for and registered at Congress</i>	<i>1.43</i>
<i>At least 65% paid up delegates nominated for and registered at Congress</i>	<i>1.54</i>
<i>Less than 65% paid up delegates nominated for and registered at Congress</i>	<i>1(one) vote per delegate present at Congress.</i>

### 4. REQUIREMENTS TO QUALIFY FOR WEIGHTED VOTING: DELEGATES PRESENT AT CONGRESS:

- 4.1 In the instance where less than 65% of allocated delegates for a region registered at Congress, the region will then forfeit the weighted vote, and will only qualify for votes with the value of one vote per delegate present.
- 4.2 In the instance where 65% or more, but less than 100 % of the allocated delegates for a region registered at Congress, the paid-up delegates present will qualify for weighted votes.
- 4.3 If a delegate from a region does not register for Congress, and there is also no replacement for the nominated delegate, then in that instance the region will qualify for one less vote or weighted vote, whatever may be applicable.

**5. CUT OFF TIME FOR REGISTRATION TO DETERMINE A QUORUM**

5.1 The cut of time to register as delegates to determine a quorum, is 09:00 on day one of Congress.

**6. REPLACEMENTS OF DELEGATES AND REGISTRATION AT CONGRESS**

6.1 If a nominated paid-up delegate cannot attend the Congress, the region's Board member may nominate a paid-up member from the region to attend the Congress as replacement. This replacement will qualify for weighted votes as per the region, if verified as a fully paid-up member.

**7. CONFIRMATION OF QUORUM PER ROUND OF VOTING**

7.1 With all voting processes, it will be determined if a quorum is present with the verification of the number of votes or weighted votes submitted, by the closing time of each voting round. Each delegate can only submit 1(one) vote or weighted vote, whatever is applicable for the Region.

**8. TRANSPARENCY**

8.1 To ensure transparency, the congress must be advised during the constituting of Congress of the number of paid-up delegates present.

8.2 Weighted votes allocated to regions pre voting, will be available on request.

**9. NO RESTRICTIONS ON WEIGHTED VOTES**

9.1 Weighted votes issued to delegates may be used for all formal voting and resolution purposes at Congress, inclusive of elections of the Chairperson, the Vice-Chairpersons, and the Additional member to the Board (representative of developing producers).

**10. WEIGHTED VOTES ALLOCATED TO THE CHAIR, TWO VICE-CHAIRS AND THE ADDITIONAL MEMBER OF THE BOARD**

10.1 The Chair, 2(two) Vice- Chairs and additional member representing developing producers will qualify for weighted votes allocated to the region who nominated them as a delegate to Congress.

## 11. **NOMINATION LETTERS AND ELECTRONIC VOTING (WITH VOTING DEVICES OR CELLPHONES)**

- 11.1 Reg 4.4.2 determines that voting may take place by show of hands, or electronically.
- 11.2 Nomination letters will be issued to delegates during registration before Congress starts at 09:00. Delegates must sign off receipt for the nomination letters received, on the register of attendance.
- 11.3 Electronic voting will proceed with either devices issued, or by cellphones, whatever may be applicable. If voting is submitted via cellphone, a unique username and password will be issued to each delegate, prior to the commencement of Congress.
- 11.4 Weighted voting at Congress will be supported by voting software, set up before the constituting of the Congress, as to verify the weighted votes per region when voting proceeds.
- 11.5 Nomination papers will be used for nomination purposes by delegates for the Election Committee to validate nominations of candidates.

## 12. **CLEAR MAJORITY BY WEIGHTED VOTING**

- 12.1 Definition in Constitution:

*“A clear majority by weighted voting, is calculated by 50% plus at least one (1.0), in terms of the weighted votes submitted”.*

- 12.2 A clear majority is applicable to all nomination and voting processes for:
- The Chair and Vice-chairpersons, as well for the election of the Additional Board member (representing developing producers, and
  - The election of Board members by their respective regions.
  - The process as determined in Regulation 7 will be applicable.
- 12.3 If two or more candidates are duly nominated, each delegate will be able to submit only one vote or one weighted vote, per voting round.
- 12.4 The process as set out in Regulation 7, will be applicable to calculate votes and weighted votes submitted.