

**CONSTITUTION
OF THE
AGRICULTURAL BUSINESS CHAMBER
(AGBIZ)**

**(As amended at Special Agbiz Members' Meeting held on 20
April 2018)**

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1. NAME

The name of the association is the Agricultural Business Chamber of South Africa (hereinafter referred to as Agbiz).

2. BUSINESS ADDRESS

The business address of Agbiz is The Grain Building, 477 Witherite Road, The Willows, Pretoria, or such other address on which the Council may decide from time to time.

3. OBJECTIVES

3.1 The objectives of Agbiz are to:

- 3.1.1 represent enterprises, organisations or individuals that do business with or are involved in the total agricultural industry in the Republic of South Africa, in all matters that influence the environment in which agribusinesses function in order to facilitate increased competitiveness, sustainable agricultural performance and food security for South Africa;
- 3.1.2 act as independent and autonomous entity to promote and support South African agriculture in general;
- 3.1.3 promote Agribusinesses and the Agricultural Business Chamber as key stakeholders in the South African and African economies, and even further abroad;
- 3.1.4 influence the policy and legislative environment insofar as it affects agribusiness activities, by way of on-going and professional interaction with all relevant government institutions;
- 3.1.5 improve the commercial and sustainable agribusiness environment for Members through network linkages, liaison and co-operation with influential groupings within the business environment, both locally and internationally;

- 3.1.6 support B-BBEE, transformation and development of emerging agribusiness and other role players in the agro-food value chain; and
- 3.1.7 create unique, relevant and accessible agribusiness intelligence to support Agbiz programmes and Members.
- 3.2 Agbiz is committed to applying the principles of good corporate governance in all its operations and activities to the extent applicable and to upholding its values as set out in the Agbiz Code of Conduct.

4. COMPOSITION, POWERS AND CONTROL

4.1. Composition

- 4.1.1. Agbiz consists of individuals, enterprises and organisations that subscribe to the objectives of Agbiz and that comply with the requirements for membership as described hereinafter.
- 4.1.2. The nature and scope of membership shall be determined in accordance with the terms of this Constitution.

4.2. Powers

- 4.2.1. Agbiz shall be entrusted with all the powers and signing powers necessary to enable it to achieve its objectives and, more specifically but without detracting from the generality of aforesaid powers, and as approved by Council from time to time in its delegation of authority matrix (Annexure A), Agbiz shall have the right to:
 - 4.2.1.1. own, purchase or otherwise obtain, sell or otherwise dispose of, rent or let, pledge or mortgage, offer as surety, or cede or secure any other right on any fixed or movable property, and, in general, engage in any juristic act in respect thereof;

- 4.2.1.2. borrow or lend money, or obtain or incur loans of any nature, and to offer or accept security for such loans as may be necessary;
- 4.2.1.3. advance money to any person or entity;
- 4.2.1.4. open bank accounts, and draw from and overdraw on such accounts;
- 4.2.1.5. invest funds in any way;
- 4.2.1.6. make donations to or accept donations from any person or entity;
- 4.2.1.7. institute and defend legal action, and subject to arbitration any dispute and, in respect of legal proceedings, arbitration or judicial inquiries, appoint and remunerate the necessary counsel;
- 4.2.1.8. appoint staff to execute and handle its work and affairs, with such powers and on such conditions in terms of salary and otherwise as may be determined from time to time;
- 4.2.1.9. pay honoraria and allowances to office bearers and management for services rendered.

4.3. **Control**

- 4.3.1. The business and affairs of Agbiz shall be managed by or under the direction of the Council, which has the authority to exercise all the powers and perform any of the functions of Agbiz, except to the extent limited in this Constitution.
- 4.3.2. The Council shall be appointed in terms of clause 8.2 of this Constitution.

4.4. **Governance Structure**

- 4.4.1 The governance structure of Agbiz will consist of:

- (i) Members: Corporate, Basic and Dedicated Desk Members with rights and obligations as set out in this Constitution;
- (ii) Governing Body: The Council whose main function and duty it is to determine strategy and provide oversight of the business and affairs of Agbiz;
- (iii) Committees of the Governing Body: Such committees as established by the Council from time to time in terms of clause 4.5, and including, at the time of adoption of this amended Constitution:
 - a. the Council Steering Committee whose main function it is to monitor the implementation of strategy and plans as approved by the Council and to fulfil such other functions as delegated by the Council from time to time to ensure the effective functioning of the day-to-day affairs of Agbiz; and
 - b. the Audit and Risk Committee whose main role it is to assist the Council in providing independent oversight of, among others:
 - i. the effectiveness of assurance functions and services of Agbiz, with particular focus on combined assurance arrangements, including external assurance service providers and the finance function;
 - ii. the integrity of the annual financial statements and other external reports issued by Agbiz; and
 - iii. the effective management of risk.

4.5. Officers and other Committees

- 4.5.1. The Council may appoint any officers and/or committees it considers necessary to better achieve the objects of Agbiz. The Council may from time to time confer upon any officer and/or committee such of the powers and authority vested in the Council as the Council may deem fit, for such time, for

such purpose and on such term and conditions and with such restrictions as the Council deems appropriate and the Council may from time to time revoke or vary all or any of such powers and authorities.

- 4.5.2. The authority of a committee appointed by the Council shall be as set out in the mandate given to the committee by the Council and as amended from time to time.

5. CORPORATE BODY

- 5.1. Agbiz shall be a corporate body, irrespective of its Members, and shall be the owner of all its assets.
- 5.2. The financial obligations of Members are limited to the membership fees payable in terms of this Constitution and as determined by the Council from time to time.

6. MEMBERSHIP

- 6.1. Membership of Agbiz is open to all entities and individuals whose written application for membership has been duly approved by the Council, who has paid the required membership fee and who has agreed to subscribe to this Constitution and the Agbiz Code of Conduct.
- 6.2. Agbiz Members shall consist of the following classes of membership:
- (i) Corporate Members;
 - (ii) Basic Members; and
 - (iii) Dedicated Desk Members.

A Member in Good Standing shall mean a Member whose membership fees have been duly paid in full and/or whose membership has not been suspended as provided for in 7.2.

- 6.3. The class of membership of each Member will be determined by his own choice on each occasion of payment of membership fees. Associated Desks are negotiated on an ad hoc basis, but the Desk contractor must however first be a Corporate Member before qualifying for a designated Desk.
- 6.4. Subject to 6.6, the terms of the respective membership classes are determined by the Council from time to time.
- 6.5. The annual membership fee shall be as determined by the Council from time to time according to membership fee policy, on the understanding that the membership fee payable by Basic Members shall be determined on a sliding scale of 0.06% of the last three years' average turnover, commencing at a minimum of one tenth of the membership fee determined for Corporate Members.
- 6.6. Only Corporate Members in Good Standing shall be entitled to:
- (i) participate in the activities of the Council;
 - (ii) nominate individuals for election as Office-bearers; and
 - (iii) support a demand for a meeting of Members to be called.
- 6.7. Basic members shall be entitled to:
- (i) all services offered by Agbiz administration.
 - (ii) all intelligence generated by Agbiz administration.
 - (iii) participation in all Agbiz events and workshops, subject to a possible fee determined by the administration to cover costs, and
 - (iv) have access to any other activity Agbiz may initiate.
- 6.8. The membership fees as determined by the Council each year shall be paid annually by the Members within 60 (sixty) days from date of invoice.

6.9 New Members whose applications have been approved by the Council shall be expected to pay a pro rata amount of the membership fee for the remainder of the financial year within which the membership application is approved, within 60 (sixty) days from date of invoice.

7. TERMINATION OF MEMBERSHIP

7.1. Membership shall be deemed terminated when a member:

- (i) submits a written resignation, provided that, in such a case, the member's resignation shall only be effective at the end of Agbiz's financial year subsequent to expiry of a period of three (3) months, calculated from the date on which such resignation was received by Agbiz;
- (ii) ceases to comply with the conditions of membership, and the Council, on the grounds of such non-compliance, gives the member written notice of termination of their membership; or
- (iii) fails to pay their membership fees within 60 (sixty) days after such fees became payable or such extended period as agreed to by the Council, and where the Council, on the basis of such non-payment, decide to terminate the Member's membership.

7.2 All categories of membership (i.e. Corporate, Basic and Dedicated Desk Members) may be suspended or terminated in terms of the following provisions:

7.2.1 If it shall appear to the Council that a Member has:

- (i) acted willfully in contravention of any provision of this Constitution or the Agbiz Code of Conduct; and/or
- (ii) been guilty of bringing Agbiz into disrepute; and/or been guilty of conduct which has rendered or may render the Member unfit to remain a Member of Agbiz;

the matter shall be considered by the Council at the earliest opportunity, on recommendation from the Steering Committee.

7.2.2 The Steering Committee shall, on not less than 20 (twenty) business days' written notice:

- (i) advise the Member of the intention of the Council to consider the matter; and
- (ii) invite the Member to be present in order to make such representations and advance such facts as may be relevant to the matter to be considered.

7.2.3 The Member may then within 10 (ten) business days after receiving the notice as contemplated above make such representation and advance such facts in writing or may personally appear to do so at the time the matter is considered by the Council.

7.2.4 The Council may, on consideration of the matter and in an appropriate case, whether or not the Member has availed himself of the rights set forth in 7.2.3:

- (i) make such ruling in the circumstances, as it may deem just in the interests of the Member and Agbiz, including suspending the membership of the Member for such period as the Council deem appropriate; or
- (ii) terminate the membership of such Member with immediate effect.

7.3 Any Member whose membership is terminated as envisaged herein for whatever reason shall thereupon cease to be a Member and shall have no claim whatsoever against Agbiz or the Council arising from such termination and whether for charges, return of membership fees or otherwise.

7.4 Any Member whose membership is suspended as envisaged herein for whatever reason shall not be entitled to vote at any meeting of Members for such period as the suspension remains in place.

7.5 Notwithstanding the termination of the membership of a Member as envisaged herein, Agbiz shall have the right to institute legal action against such Member to recover any outstanding monies due to Agbiz including outstanding membership fees.

8. MEETINGS AND EXECUTIVE

8.1. Members' Meetings

8.1.1. General Members' Meeting

8.1.1.1. The General Members' Meeting of Agbiz shall be held at least once every two (2) years at a venue, date and time as determined by the Council, as advised by the Steering Committee, in order to:

- (i) receive and consider the Chair's report;
- (ii) receive and consider the Agbiz annual financial statements for the previous financial year;
- (iii) elect the Chair and the First Deputy Chair and the Second Deputy Chair of the Agbiz Council who shall serve as Chair and Deputy Chairs until the conclusion of the subsequent General Members' Meeting;
- (iv) elect five (5) representatives from the corps of basic members that will serve on the Council;
- (v) determine the basis for calculating membership fees payable by members, with the understanding that membership payments will be in relation to voting power;
- (vi) consider, discuss and, if necessary, vote on motions placed by the Steering Committee, and/or that the CEO may include, on the agenda;

- (vii) deal with such other matters as the Steering Committee may include on the agenda;
- (viii) appoint the external auditors on recommendation from the Council.

8.1.2. **Special Members' Meetings**

Special Members' meetings –

- 8.1.2.1. may be convened from time to time as deemed necessary by the Council; and
- 8.1.2.2. must be convened within sixty (60) days as from receipt of a written request for such a meeting (specifying the purpose of the meeting) from not less than 5 (five) Corporate Members;

8.1.3. **General rules applicable to Members' Meetings and Special Members' Meetings**

8.1.3.1. Notice

The Council shall, with the assistance of the Steering Committee, inform Members of a Members' Meeting by way of written notice, which shall be sent at least 21 (twenty-one) days before the date of the relevant meeting. Such notice shall include the venue, date and time as well as the agenda and supporting documentation of such a Members' Meeting. The Steering Committee shall be responsible for preparation of the agenda and supporting documentation, subject to approval by the Council.

8.1.3.2. Chair

The Chair of the Council, or in his absence, one of the Deputy Chairs, shall preside over Members' Meetings, provided that, if neither the Chair nor Deputy Chairs are present within fifteen (15) minutes from the scheduled commencement time, those

representatives present shall, from their own ranks, elect a person to chair the meeting.

8.1.3.3. Voting rights and representation

- (i) In the case where voting takes place either per closed ballot or show of hands, a Corporate Member shall have 10 (ten) votes, and a Basic Member 1 (one) vote.
- (ii) Members are each entitled to 1 (one) representative at a Members' Meeting, unless decided otherwise by the Council before commencement of such a meeting. Members may also, at their discretion, send observers to a Members' Meeting, provided that such observers shall have no voting rights.
- (iii) A person may represent more than one Member for voting purposes, provided a formal proxy is submitted to the CEO ahead of the meeting.
- (iv) A person attending the meeting as the representative of a Member shall, before commencement of such meeting, submit written proof of authorisation to act as such, unless otherwise determined by the Chair.
- (v) Voting at Members' Meetings shall take place by way of a show of hands, or per closed ballot, if the Chair decides on the latter or if at least 10 (ten) representatives present formally request it, provided that in the election of the Chair or Deputy Chairs of Agbiz, voting shall always take place per closed ballot.

8.1.4. **Motions**

Each member as well as the Council members shall be entitled to submit any number of motions for the agenda of a Members' Meeting, subject to the following:

- 8.1.4.1. Motions shall reach the Chief Executive Officer of Agbiz before or on the date that will be made known to each member by way of a written notice, but which date shall be not later than 30 (thirty) days before the date of the relevant

Members' Meeting. No further motions shall be placed on the agenda of the Members' Meeting without the unanimous consent of the meeting, provided that the Chair shall decide at what point during the meeting such additional matters may be discussed.

8.1.4.2. All motions shall, after receipt thereof, be referred to the Steering Committee, which shall co-ordinate such motions and decide on the programme and agenda of the Members' Meeting, subject to prior approval of the Council.

8.1.5. **Quorum**

(i) Thirty per cent (30%) of Council Members shall form a quorum for a Members' Meeting.

(ii) If, within 30 (thirty) minutes after the scheduled time for the meeting to begin, a quorum is not present, the meeting will be postponed without motion, vote or further notice (unless the venue of the meeting is changed) for a period of one week and, if the postponed date falls on a public holiday, the meeting will be held on the first business day following such public holiday. In the event that the meeting was called on demand from Members, the meeting will not be postponed and will be cancelled.

(iii) If, within 30 (thirty) minutes after the scheduled time for the postponed meeting to begin, a quorum as required in terms of 8.1.6(i) is not present, the meeting will proceed and will be deemed to be quorate.

(iv) The Chair of the meeting of Members may extend the periods referred to above for a further 30 (thirty) minutes in the event of exceptional circumstances and such extension will be in the sole discretion of the Chair.

8.2. **Council**

8.2.1. The Agbiz Council shall be constituted as follows:

- i. The Chair of Agbiz;
- ii. The First and Second Deputy Chairs of Agbiz; and
- iii. One (1) representative each for Corporate Members.
- iv. The five (5) members who were elected in terms of 8.1.1.1 (iv) above by the General Members' Meeting.

Members of the Council shall at all times be expected to act:

- i. in good faith and for a proper purpose;
- ii. in the best interest of Agbiz;
- iii. with due care, skill and diligence; and
- iv. to declare any potential conflict of interest in a timeous manner.

8.2.2. **General**

- 8.2.2.1. Each Corporate Member shall be entitled to appoint and remove 1 (one) individual as a member of the Council by written notice addressed to the Chair of Agbiz.
- 8.2.2.2. The term of office of Council members appointed by Corporate Members shall take effect on receipt by Agbiz of the written notice as contemplated above.
- 8.2.2.3. The Chair and Vice-Chairs shall be elected at a General Members' Meeting based on a nomination process as approved by the Council from time to time. The term of office of the Chair and Vice-Chairs shall take effect immediately after the General Members' Meeting where they were elected and shall expire at the end of the next General Members' Meeting.
- 8.2.2.4. The Chair of Agbiz, or in his absence one of the Deputy Chairs, shall preside over Council meetings, provided that, if neither the Chair or Deputy Chairs are present at the meeting within 15 (fifteen) minutes after the scheduled commencement time, those Council members present shall from own ranks elect someone to chair the meeting.

8.2.2.5. If the office of Chair should become vacant for any reason, the First Deputy Chair shall act as Chair until the conclusion of the next General Members' Meeting where the vacancy shall be filled by the Members. In the event of the First Deputy Chair not being available to act as Chair, the Second Deputy Chair shall step into the acting position as envisaged herein.

8.2.2.6. If a member of the Council for any reason no longer represents a member of Agbiz, such member shall immediately vacate his office as Council member. Agbiz member has the onus to advise on a replacement representative for the Agbiz Council member.

8.2.3. **Powers**

8.2.3.1. The business and affairs of Agbiz shall be managed by or under the direction of the Council, which has the authority to exercise all the powers and perform any of the functions of Agbiz, except to the extent limited in this Constitution.

8.2.3.2. The Council may address representations to any national or international authority or government body regarding specific or general agricultural business matters.

8.2.3.3. The Council may annually spend and use such amount of Agbiz funds for education, advertising or any other purpose which, in the opinion of the Council, shall be to the direct or indirect benefit of members of the agribusiness sector.

8.2.3.4. The Council may establish trust funds, appoint trustees for said funds and dispose of the proceeds of such funds.

8.2.3.5. The Council may delegate any matter to the Steering Committee or any other committee, body, institution or working group.

8.2.3.6. The Council may appoint such committees, working groups and/or dedicated desks as may be necessary, and entrust

them with such powers as may be deemed advisable and necessary.

8.2.3.7. The Council shall appoint the Chief Executive Officer of Agbiz on such terms and for such period as the Council deems fit.

8.2.3.8. The Chairperson of Agbiz shall have the right to invite any person to attend a meeting of the Council or the Steering Committee, and to serve the Council or the relevant committee with advice.

8.2.3.9. The Council shall annually determine and specify membership fees considering, amongst others, the financial status and needs, budget and business plans of Agbiz.

8.2.3.10. The Council may award an outgoing Chair honorary chairmanship of Agbiz, which honorary chairmanship shall entitle the person to attend Members' Meetings of Agbiz but without the rights of a representative.

8.2.3.11 The Council may present an honorary award in the form of a luminary address to any person who has provided excellent service to the agricultural business sector.

8.2.3.12 The Council shall approve the audited annual financial statements of Agbiz within 6 (six) months after year end.

8.2.3.13 The Council shall review and approve the Agbiz strategy, budget and business plans from time to time on recommendation from the Steering Committee.

8.2.4 Quorum

A quorum for a Council meeting shall consist of a majority of the members of the Council present in person or via telecommunication.

8.2.5 Functions and duties

8.2.5.1 The main purpose of the Council shall be to direct and oversee the business and affairs of Agbiz taking guidance from the decisions taken at Members' Meetings and the strategic plan of Agbiz.

8.2.5.2 The objectives Agbiz should strive to achieve are to:

- (i) promote and represent agribusiness in South Africa;
- (ii) create and promote a spirit of co-operation and goodwill among agricultural businesses and organisations;
- (iii) co-ordinate, protect and promote the interests of its members, and to identify obstacles, carry out studies and submit recommendations with regard to agribusiness development and actions, provided that, with regard to internal decision-making by individual members, members themselves shall assume the initiative to implement such recommendations;
- (iv) maintain co-operation between national and provincial agricultural organisations, commodity and business organisations and members organisations, as well as promote international co-operation.

8.2.5.3 The Council shall furthermore be responsible:

- (i) for convening congresses and conferences of agricultural business groups, or other members, as may be deemed necessary;
- (ii) for addressing representations to the government or any state department or other body and to advise them on all matters affecting agricultural business;
- (iii) to oversee and direct the finances of Agbiz, and to have such finances inspected.
- (iv) to handle matters submitted by members to the Steering Committee and CEO through the Committees of Council;

- (v) to accept or reject the membership application of any person or organisation, without giving reasons for the decision; and
- (vi) to undertake any other function or duty that may be deemed to impact the agricultural business sector.

8.2.5.4 The Council may delegate any of its powers and functions as envisaged above in terms of a formal delegation of authority as approved from time to time but shall at all times remain accountable for the management of the affairs of Agbiz.

8.2.6 Meetings

8.2.6.1 Council Meetings shall be held when necessary and shall be convened at any time at the instructions of the Chair, provided that at least 3 (three) meetings shall be held each year.

8.2.6.2 A Council Meeting shall be convened if such meeting is requested in writing by at least five (5) members of the Council.

8.2.6.3 A Council member shall not be entitled to appoint a proxy and a member shall forfeit his membership of the Council if he misses more than 2 (two) consecutive Council Meetings without the consent of the Chair.

8.3 Steering Committee

8.3.1 In line with best practice and good corporate governance recommendations, the Council shall appoint a Steering Committee with responsibilities, amongst others, similar to those of a committee generally referred to as an executive committee.

The Steering Committee shall be composed as

follows:

- 8.3.1.1 the Chair of Agbiz;
- 8.3.1.2 the First and Second Deputy Chairs of Agbiz;
- 8.3.1.3 the Chief Executive Officer of Agbiz; and
- 8.3.1.4 2 (two) additional members of the Council.

8.3.2 The additional members of the Council as referred to in 8.3.5.4.4 shall be nominated and elected by the Council every second year at the first meeting of the Council following the General Members' Meeting. The nomination and election process shall be determined by the Council from time to time.

8.3.3 Quorum

A quorum for the Steering Committee shall be a majority of members present in person or via telecommunications.

8.3.4 Powers and duties

8.3.4.1 The Steering Committee shall have such powers and perform such duties as the Council may from time to time delegate or assign in terms of a formal delegation of authority framework, and shall be accountable to the Council, but may address representations and adopt views on behalf of the Council, within the ambit of its delegated authority, on condition that it reports fully to the Council in this regard.

8.3.4.2 The CEO shall table a written report on its activities and recommendations at each meeting of the Council.

9 FINANCIAL YEAR AND FINANCE

9.1 The financial year of Agbiz shall be the end of February

- 9.2 Books and accounts that reflect the financial transactions of Agbiz as well as an inventory of the assets of Agbiz shall be kept by the Chief Executive Officer. All such books and accounts, and entries therein, shall be audited annually and the audited annual financial statements shall be submitted to the Council for approval within 6 (six) months after the year end.
- 9.3 An Audit and Risk Committee consisting of at least 3(three) members with appropriate qualifications and/or experience will be appointed every second year by the Council at the first meeting of the Council following the General Members' Meeting.

10 AMENDMENT OF THE CONSTITUTION

- 10.1 This Constitution may be amended solely by way of a resolution adopted at a quorate Members' Meeting by at least a two-thirds majority of votes cast by those Member representatives present at the meeting.
- 10.2 The proposed amendment of the Constitution shall accompany the notice of the relevant Members' Meeting.

11 DISSOLUTION

- 11.1 Agbiz may only be dissolved at a Special Members' Meeting where at least 51% (fifty one percent) of Corporate Members are represented and at least 75% (seventy five percent) of the votes cast by Members are in favour of such dissolution.

11.2 In the event of a decision in favour of dissolution, the assets of Agbiz that remain after compliance with any obligations, shall be donated or made over to another organisation, society, association or institution with similar objectives as those of Agbiz. If, on dissolution, no such other organisation, society, association or institution exists, the members at the aforesaid Members' Meeting shall, by way of a simple majority of votes, decide on the way in which such assets should be dealt with.

12 GENERAL

- 12.1 For purposes of this Constitution the singular form shall also denote the plural, and vice versa, and words that indicate the male shall also denote the female, and words that refer to individuals shall be deemed to include corporate bodies.
- 12.2 Any reference in this Constitution to an enterprise or organisation shall be deemed to include a company, close corporation, partnership, trust, association, business, firm or similar entity.
- 12.3 In the event of a tie of votes, the Chair at any meeting shall, besides his ordinary vote, also have a deciding vote.
- 12.4 In case of uncertainty in respect of the meaning or interpretation of any of the terms of this Constitution, the Council shall be the final arbitrator and its decision shall be binding on all Members.



CHAIR



CHIEF EXECUTIVE OFFICER