

SABO CONSTITUTION

SOUTH AFRICAN BIOPRODUCTS ORGANISATION (SABO)

1. PREAMBLE

1.1. Purpose

SABO's purpose will be to develop the bioproduct industry in South Africa and to self-regulate the activities of participants in accordance with high ethical, legally compliant and science-based standards.

2. DEFINITIONS

- 2.1 **“Board”** means the SABO Board of Directors appointed in terms of this Constitution;
- 2.2 **“Bioproducts”** means naturally occurring living organisms and extracts of living organisms, used to control pests and diseases, enhance growth of and protect plants, animals and indoor and outdoor environments.
- 2.3 **“Constitution”** means this Constitution;
- 2.4 **“Directors”** means the duly appointed Directors of the Board;
- 2.5 **“Exco”** means the Executive Committee appointed in terms of this Constitution.
- 2.6 **“Industry”** means the bio-product industry.
- 2.7 **“Member”** means a paid up member in good standing of SABO
- 2.8 **“SABO”** means the South African Bioproducts Organisation;

3. NAME

The name of the organisation is the “South African Bioproducts Organisation” which will commonly be known as “SABO”.

4. INTERPRETATION

If a dispute arises about the interpretation of any provision of the Constitution, the SABO Board's interpretation will prevail.

5. LEGAL STATUS

5.1. SABO will be registered in terms of Section 21 of the Companies Act as an association not for gain. It will operate as a voluntary organisation in terms of the Constitution pending registration.

5.2. As a registered Section 21 Company, SABO will become a body corporate and assume the legal rights and obligations prescribed by law from time to time.

6. OBJECTIVES

6.1 SABO is established to achieve the following main objectives -

- a) To promote the Industry in South Africa in accordance with international best practice and relevant legislation.
- b) To promote high levels of professionalism and competence;
- c) To self-regulate the proper conduct and practice of members in accordance with the SABO Code of Ethics and Constitution;
- d) To represent the Industry in its dealings with local and international role-players in the Industry in both the public and private sectors;
- e) To promote general public knowledge of the benefits of the products and services available in the Industry;
- f) To promote research, development and training in the Industry.
- g) To cooperate and liaise with the Registrar: Act No. 36 of 1947 to expedite product registrations for the Industry.

7. ACTIVITIES

SABO will undertake all activities that may be necessary and appropriate to achieve the objectives referred to in clause 6.

8. MEMBERSHIP

8.1 Membership of SABO will be open to participants who are engaged in the Industry as -

- a) Manufacturers
- b) Distributors and marketers
- c) Users of Bioproducts
- d) Academics and researchers; and/or
- e) Representatives and consultants in the food retail industry
- f) Other entities or individuals who have an active or vested interest in promoting the Industry.

8.2. The criteria for SABO membership will be –

- a) A participant in the Industry in one or more of the capacities referred to in clause 8.1;
- b) Full compliance with the SABO Constitution and Code of Ethics.....

8.3 Application for membership

- a) Applicants must complete the SABO Membership Application Form and submit it to the Secretary

- b) The Secretary will submit the Application Form to the Board for consideration
- c) The Board will consider the application with reference to the requirements of clause 8.1 and 8.2 and decide whether the applicant qualifies for admission as a Member.
- d) The Secretary will advise the applicant of the Board's decision as soon as possible.
- e) The Secretary will enrol the applicant as a Member if the Board approves the application.

8.4 Termination of Membership

SABO membership may be terminated by:

- 8.4.1 On written notice of termination to the Secretary; or
- 8.4.2 The insolvency, dissolution or closure of the member's legal entity;
- 8.4.3 A resolution of the Board to terminate a Member's membership for good cause which could include –
 - a) Misconduct; or
 - b) Breach of SABO's Constitution, or Code of Ethics and Conduct;
 - c) Failure to comply with the SABO's membership criteria; or
 - e) For any other reason recognised by law.
- 8.4.4 The Member concerned, as the case may be, must have a reasonable opportunity to hear the case against it and to state its own case in response to the allegations before a final decision is made.
- 8.4.5 A Member's liability will be limited to the amount of their unpaid subscriptions, if any, or any amounts specifically provided for in this Constitution. No members will be personally liable for any debts, obligations or liabilities which SABO incurs.

9. SABO'S POWERS

SABO will have whatever powers are reasonably required to enable it to achieve its objectives.

10. SABO STRUCTURE AND MANAGEMENT

10.1. SABO will be governed and managed by the following structures:-

10.1.1. A **Board of Directors** consisting of a minimum of seven (7) Members, elected at an AGM.. The seven Members must include at least three (3) manufacturers, two (2) distributors and two (2) others. At least three (3) Directors will retire annually by rotation at each AGM and will be eligible for re-election.

10.1.2. A **Chairperson of the Board**, elected annually after the AGM by the Board from among their ranks to hold office for one year.

10.1.3 An **Executive Committee** consisting of a minimum of three (3) members, which will be appointed by the Board. The members of the Executive Committee must include one (1) manufacturer, one (1) distributor and one (1) other. The Chairman must be included as one of the members.

10.1.4 A **Finance Committee** appointed by the Board consisting the Chairman and two (2) Directors, one of whom must not be Executive Committee member.

10.1.5 A **Secretary**, appointed and employed by the Board on a part-time or full time basis for remuneration and other benefits determined by the Board, to manage the administration and SABO's finances;

10.1.6 The **Members** at an AGM who will vote for the election of the Board members on the basis of a simple majority;

10.2. The general governance of SABO will vest in the Board.

10.3. The general management of SABO will vest in Exco whose duties will be –

- a) To arrange meetings
- b) To hold an annual general meeting
- c) To control income, expenditure and assets
- d) Arrange workshops, seminars, courses, training sessions and related events
- e) Request a Member to fulfil a specific duty and reimburse the member for reasonable travel and accommodation costs incurred in the course of performing the duties
- f) Co-opt up to six members for any purpose that falls within the scope of SABO's objectives or activities;
- g) Make recommendations to the Board for the admission of new Members and the termination of existing Members for good cause;
- h) Perform any other activity, which it believes will promote the objectives of SABO and the proper implementation of the Constitution.

10.4. A Board member, who is absent without good reason from two (2) consecutive scheduled meetings, will be deemed to have resigned from the Board.

10.5. Only paid-up Members of SABO in good standing may be elected or appointed as members of the Board.

10.6. The Secretary will report to Exco.

11. MEETINGS OF SABO MEMBERS

11.1. SABO meetings will be conducted generally in accordance with the protocols described in the Companies Act.

11.2. The Board will have the power to organise any event and to invite any person or member, provided that decisions to be taken by SABO may only be taken at a general meeting.

11.3. At a Board meeting, a minimum of four (4) Directors will constitute a quorum. The Board will have the power to make decisions by simple majority vote amongst Directors on any operational, financial or strategic issues which fall reasonably within the scope of operating SABO's affairs in terms of this Constitution and other mandates given to the Board by Members from time to time in general meetings. The Board will not have the

power to make decisions to amend this Constitution or to take any action which could prejudice SABO's financial security or its integrity.

11.4. At a general meeting of members, a minimum of 51% of Members will constitute a quorum.

11.5. In the absence of a quorum, the meeting may proceed and make decisions on items on the published agenda by simple majority vote amongst those Members present. Such decisions will be subject to ratification by Members. The Secretary must communicate such decisions to Members and request them to indicate within 21 days whether they approve the decisions. The decisions will be deemed to have been adopted if the majority of those Members who respond to the communication approve the decisions.

11.6. SABO must give twenty one calendar days (21) days' notice of any SABO general meeting. The notice will specify the place, the day and hour of the meeting, and in the case of special business, the nature of such business.

11.7. An Annual General Meeting will be held within 6 months after the close of SABO's financial year, at a date and place to be determined by the Board.

11.7.1. The business of the annual general meeting of SABO will include:

- a) The election of Board members
- b) Receiving SABO's annual report, its audited financial balance sheet and accounts;
- c) The election of auditors;
- d) The approval of membership fees, and
- e) The transaction of any other matters which the Board may deem expedient.

11.7.2. The Board will maintain minutes entered in minute books provided for the purpose as required by the rules of good corporate governance.

Records will be kept of:

- a) All appointments of members of the Executive Committee
- b) The names of the elected Board members; and
- c) All resolutions and proceedings of meetings of the Board and Executive Committee, and all resolutions made at annual general meetings of SABO.

12. FINANCIAL

12.1. SABO's financial year will be from 1 March to 28 February.

12.2. SABO must keep proper books of account of its affairs.

12.3. SABO must appoint a Finance Committee from within its ranks to manage its financial affairs and to keep the records.

12.4 SABO's auditors must conduct an annual audit of SABO's financial affairs and prepare annual financial statements in accordance with generally accepted accounting practices.

12.5 The Members will appoint the Auditors and fix their remuneration at the Annual General Meetings.

13. AMENDMENTS

13.1. This Constitution may be amended by resolution passed by not less than two-thirds of Members present at a general meeting or a special meeting called for the purpose.

13.2. Twenty one (21) days written notice of any intended amendment must be given. The notice must describe the amendment and give reasons why it is required.

14. DISSOLUTION

14.1. SABO may be wound-up or liquidated by a resolution passed by not less than two-thirds of the Members present at a special meeting called for the purpose. The notice must specify the proposed resolution and give reasons.

14.2. Twenty one (21) days written notice will be given of a special meeting.

14.3. Any SABO property or assets which are left after all its debts and liabilities have been fully paid following dissolution or winding up, must not be paid to or distributed amongst SABA Members.

14.4. Any remaining amount may be given or transferred to such other institution or institutions having objectives similar to SABO's. SABO must determine which institution or institutions qualify in terms of the Fund-raising Act (No. 107 of 1978).