

RULES

ADOPTED BY THE

BROILER BOARD OF THE BROILER ORGANISATION,

A DIVISION OF

THE SOUTH AFRICAN POULTRY ASSOCIATION 16 APRIL 2020

1. **ADOPTION OF RULES**

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

2. **INTERPRETATION**

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

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

2.2 Words importing -

2.2.1 Any one gender includes the other genders;

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

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

3. **COMPOSITION OF THE BROILER BOARD**

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

3.1.1 Small & Subsistence Farmers - 5 representatives;

3.1.2 Abattoirs - 2 representatives;

3.1.3 Hatcheries (DOCs) - 2 representatives;

3.1.4 Contract growers - 2 representatives;

3.1.5 Large Farmers / integrators - 2 representatives.

3.2 For the purposes of this paragraph:

3.2.1 "**Large Farmers**" means Members producing more than 40 000 Broiler Products per Cycle;

3.2.2 "**Small Farmers**" means Members producing more than 1 500 but less than 40 000 Broiler Products per Cycle;

3.2.3 "**Subsistence Farmers**" means Members producing less than 1 500 Broiler Products per Cycle;

3.2.4 "**Cycle**" means one growing cycle measured from the date of placing of day-old chicks up to the date of catching of that flock.

4. **VOTING RIGHTS OF MEMBERS**

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

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

4.3 Each paid up member of the Broiler Organisation will have:

4.3.1 One vote by virtue of being a member; and

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

(i) Contract growers

4.3.2. (i)(a) Small Farmers and Subsistence Farmers, after being members of the Broiler Organization for longer than 2 (two) completed financial years, will enjoy a minimum of 5

(five) votes in total, (1 (one) vote for being a member and 4 (four) additional votes. In the event that a Small Farmer or Subsistence Farmer qualifies for more than 4 (four) additional votes by way of financial contributions as set out in 4.3.2, the additional 4 (four) votes shall be cumulative

- (ii) Day old chick producers,
- (iii) Producers who sell chickens directly (whether live or for slaughter
- (iv) Abattoirs
- (v) Cull Traders shall have one vote
- (vi) Allied members shall have one vote

Provided that if any member entity falls within more than one of the aforesaid categories, their additional votes, based on 4.3.2, shall be calculated per category and shall be cumulative.

4.3.3 The Secretariat shall be entitled to verify the size of the enterprise operated by any member of the Broiler Organisation and to confirm that such Contract Grower member, Day Old Chick Producer, Producers who sell chickens directly (whether live or for slaughter), abattoirs, is a producer, Allied member or Cull Trader if deemed necessary by the Broiler Board.

5. ADMINISTRATIVE MATTERS

5.1 Voting rights of Broiler Board members

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

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

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

6. **SUSTAINABILITY**

6.1 **Codes of Practice**

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

6.2 **Specialist Work Groups**

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

6.3 **Legislation**

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

6.4 **Training Standards**

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

7. **MARKETING**

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

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

8. **AFFILIATIONS**

8.1 **International affiliations**

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

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

8.2 Local affiliations

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

8.2.2 The Broiler Board shall be entitled to propose particular Members and or SAPA staff members to represent the Association on such broiler specific local bodies and forums.

9. FUNDING

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

9.1 Not adversely affect the Association's status as an income tax exempt entity of section 10(1)(d)(iv)(bb) of the Income Tax Act, 1962; and

9.2 Shall comply with all applicable legislation including, to the extent necessary, the Competition Act, 1998.

10. BUDGETS

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

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

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

- 10.2 The Broiler Board shall annually, or otherwise as determined by the Broiler Board, determine, in its sole discretion, the formula to be applied by the SAPA Board in determining the amount for which each of its members is required to contribute as a basic annual membership fee, its monthly fees or statutory levy, and the amount which each of its members is required to contribute to the Association to cover the Broiler Budget.
- 10.3 The Broiler Board shall be entitled, from time to time, to issue written directions to SAPA in respect of the application of the funds that have been allocated to the Broiler Organisation. Such directions must be in line with the annual Broiler Budget applicable at the time unless otherwise agreed by all of the Broiler Board members.

11. MEMBERSHIP

- 11.1 It is required that, on the adoption of these rules, the following six (6) Companies in 11.2, on remaining or becoming members of the Broiler Organisation of SAPA, shall thereafter remain a member of the Broiler Organisation of SAPA, without the ability to resign, for a minimum period of three (3) Years from the date these rules are adopted, or the date they join SAPA, or the date the Memorandum of Understanding is signed, whichever date is last, notwithstanding clauses 5.3.2; 5.4 and 17 of the Constitution, and further in accordance with the Memorandum of Association between SAPA and the 'BROILER PRODUCERS' companies specified in 11.2, these Rules shall be binding on the signatories of the six (6) "Broiler Producers" in 11,2
- 11.2 AFGRI POULTRY (PTY) LTD t/a DAYBREAK; ASTRAL OPERATIONS LTD; COUNTRY BIRD HOLDINGS (PTY) LTD; FOURIE'S POULTRY FARMS (PTY) LTD t/a CHUBBY CHICK; GRAIN FIELD CHICKENS (PTY) LTD and RCL FOODS CONSUMER (PTY) LTD;