

Constitution

of the

South African Organic Sector Organisation

(a body corporate) incorporated in terms of section 12 (2) of the Non Profit Organisations Act, Nr 71 of 1997

1. NAME

- 1.1. The name of the Organisation is South African Organic Sector Organisation. Its shortened name will be SAOSO (hereinafter so referred to)
- 1.2. Constitution
SAOSO shall:
 - 1.2.1. Exist in its own right, separately from its members
 - 1.2.2. Continue to exist even when its membership changes and there are different office bearers.
 - 1.2.3. Be able to own property and other possessions.
 - 1.2.4. Be able to sue and be sued in its own name and right.

2. OBJECTIVES

- 2.1. Main Objective
 - 2.1.1. SAOSO is to establish and develop organics as an emerging sector within the broader context of South African agriculture. Organics has to be at the forefront as agriculture moves to address the global concerns about environmental sustainability of food production systems, consumer health, community well being and food safety. *SAOSO pursues the public interest solely and directly. Its activities are benevolent only.*
 - 2.1.2. **SAOSO's Vision:** A vibrant, sustainable, united, valued and credible organic sector, providing quality products and services to local and international consumers and markets, respecting Ubuntu principle.

2.2. Secondary Objectives

Under the **Mission** of:

- Promoting organic agro-ecological practices based on /informed by principles of Health, Fairness, Ecology and Care
- Creating an enabling environment through effective relationship and systems
- Realizing and integrating social, economic and environmental values through trade
- Developing sustainable communities through education, training, skills development, mentorship

- Maintaining standards and ensuring delivery through monitoring and evaluation
- Leading process of innovation by drawing on science, indigenous knowledge and accumulated wisdom

The secondary objectives are:

- 2.2.1. **Sector Leadership:** To establish a national leadership with robust vision and organisation, that is recognized by all stakeholders as the first stop and action point for all generic matters relating to organics.
- 2.2.2. **Sustainable Systems and Research:** To establish sound information base to manage the sustainability of production, processing transport and storage systems. *It furthers research in ecological processes and cycles to promote sustainable agriculture and a natural crop. It contributes to food sovereignty and to preventative health care and well-being.*
- 2.2.3. **Proactive links and leverage:** To ensure that pro-active links and leverage between conventional agriculture and organic systems is maintained and extended.
- 2.2.4. **Certification:** To ensure that certification schemes are robust and meet the needs of both producers and the consumer markets. *It may for that purpose support global and trans-national regional co-operative efforts in creating a harmonious environment regarding the certification of organic produce and products.*
- 2.2.5. **Relationship with local and central government:** To ensure that organic systems have recognition and support of authorities as a vital part of South Africa's food chain and national image. *It furthers community development through self-help, empowerment, and knowledge transfer increasing abilities to fight poverty. It engages within the official land-reform programmes to promote sustainable land use through Organic Agriculture. Toward this end SAOSO may provide, for example, for the exchange of knowledge and ideas among its members, the information of the public, representation in parliamentary and administrative rule-making, the development and permanent revision of Organic Standards for Production, Processing and Trading Standards.*
- 2.2.6. **Environmental Health:** The promulgation of widespread use and recognition of organic and related production processes with less impact on the environment for the maintenance of sustainable systems.
- 2.2.7. **Care for the Environment:** *It promotes conservation of the environment and its bio-diversity through awareness programmes in Organic Agriculture, publicly and at training institutions.*
- 2.2.8. **Consumer Health/Awareness of Organics:** To ensure consumer planners and decision makers understand the benefits. The organic sector assists career development within nutrition and education.

- 2.2.9. **Marketing and Branding:** Engage in proactive marketing using a strong SA brand.
- 2.2.10. **Sector Structure:** Assist to establish production units with good industry processing and distribution infrastructure. Good match of product supply and market demand.
- 2.2.11. **Knowledge and Information Base:** To establish an excellent information base on sustainable organic production systems, economics and avail these to interested parties.

3. Income and Property

SAOSO does not engage in activities primarily intended to accumulate capital. Its funds must be used exclusively for statutory purposes. Its members may not benefit from payments by SAOSO, which are not covered by the scope of its purpose, or from payments which are disproportional.

- 3.1. SAOSO will keep a record of everything it owns.
- 3.2. SAOSO may not give any of its money or property to its members or office bearers. The only time it can do this is when it pays for work that a member or office bearer has done for the organisation. The payment must be a reasonable amount for the work that has been done.
- 3.3. A member of SAOSO can only get money back from the organisation for authorised expenses that she or he has paid for on or behalf of the organisation.
- 3.4. Members or office bearers of SAOSO do not have rights over things that belong to the organisation.

4. Membership and Fees

- 4.1. At the discretion of the Management Committee (MANCO) the following shall be eligible for membership:
 - 4.1.1. Individuals, groups and organisations who are directly involved in the organic value chain; and
 - 4.1.2. Individuals, groups and organisations of people who identify with the aims of SAOSO; and
- 4.2. SAOSO may confer honorary membership upon individuals in recognition of outstanding contributions according to specific criteria.
- 4.3. Members shall be requested to pay a non refundable annual subscription fee, to be determined by SAOSO. SAOSO shall determine such fees separately for individuals, groups and organisations as defined in section 4.1 respectively.
- 4.4. Members shall be bound by such resolutions and measures as SAOSO deems necessary to implement to achieve its present and future goals and objectives.

- 4.5. Any member desiring to withdraw from membership may do so by giving written notice of such withdrawal. If a member has withdrawn or ceased to be a member they can be reinstated provided that all their obligations to SAOSO have been met. No member who has been expelled shall be admitted without prior approval of the members in the annual general meeting.

5. Management and Meetings

- 5.1. A management committee (MANCO) consisting of not less than seven (7) members will manage SAOSO. They are the office bearers of SAOSO.
- 5.2. The first MANCO will be formed by the founding members, who will be eligible for election at the first general meeting as envisaged in section 7.1
- 5.3. The MANCO will from within its own ranks appoint a:
 - 5.3.1. Chairperson
 - 5.3.2. Vice Chairperson
 - 5.3.3. Treasurer
 - 5.3.4. Secretary
- 5.4. MANCO members will serve for one year, but they can avail themselves for re-election. MANCO members may stand for re-election dependent on the level of services they have rendered. This is so long as their services are required and they are willing to serve.
- 5.5. The MANCO will meet at least once a month. A quorum will consist of at least five (5) members. A meeting via “conference call” will be deemed a normal meeting. Minutes to indicate likewise. At least 14 days notice of the MANCO meeting stating venue, date and time shall be given.
- 5.6. Properly recorded minutes will be taken at every meeting by the secretary. The minutes of each meeting will be availed to MANCO members not later than two (2) weeks after the meeting. The minutes shall be confirmed as a true record of proceedings by the next meeting of the MANCO, and the book-copy shall thereafter be signed by the chairperson and secretary.
- 5.7. As permanent record a minute book, wherein a copy of the minutes of each meeting will be pasted, shall be kept.
- 5.8. Should any corrections and / or additions / omissions be agreed upon by the attendees, the pasted minute in the minute book will be up-dated by hand writing accordingly and authenticated by the chairperson’s and secretary’s signatures in full.
- 5.9. Resolutions shall be determined by majority vote with the chairperson having a casting vote.

- 5.10. An attendance register will be strictly kept. Apologies should be indicated in the register. The register can be separate or form part of the minute book, pasted to each minute.
- 5.11. Should a member of the MANCO fail to attend three committee meetings in succession, without leave of absence from the chair person, such member would be in default and be replaced.

6. Powers of the Management Committee

- 6.1. The members in General Meeting may change and prioritize objectives and elects the MANCO as envisaged in section 5.2 and thereon.
- 6.2. The MANCO shall have the power and authority to:
 - 6.2.1. Raise funds and / or to invite and receive contributions.
 - 6.2.2. Apply funds in such a manner as to achieve the objectives of SAOSO economically and without personal gain.
 - 6.2.3. Install proper rules and regulations as to ensure proper management and administration.
 - 6.2.4. Establish proper procedure for application, approval and termination of membership.
 - 6.2.5. The MANCO will decide on the powers and function of future employees.

7. General Meetings

- 7.1. The first general meeting of SAOSO shall be held within one year after registration. (This is to allow for a road-show through 9 provinces by the founding members in partnership with DAFF and the Dti to recruit members.)
- 7.2. No decisions can be made unless a quorum is present. A quorum shall be a minimum of 51% of the members entitled to vote thereat be present in person or by proxy provided that there will always be at least nine (9) members (excluding the MANCO) present in person.
- 7.3. The agenda should cover at least:
 - 7.3.1. Attendance and quorum.
 - 7.3.2. Read and confirm the (agenda circulated to all members prior to the meeting – first (1) meeting) previous minutes with matters arising.
 - 7.3.3. Chairperson reporting mainly on progress regarding:
 - 7.3.3.1. Recruitment of members and issues relating thereto.
 - 7.3.3.2. Success with fundraising and issues relating thereto.
 - 7.3.4. Treasurer's report.

- 7.3.5. Elect the MANCO
- 7.3.6. General
- 7.3.7. Adjournment
- 7.4. An Annual General Meeting shall be held once in every year at such time and place as may be determined by the MANCO, provided that it shall be held not more than three (3) months after the end of the financial year of SAOSO.
- 7.5. At least twenty-one (21) day's notice in writing of every Annual General Meeting or General Meeting specifying place, date and time of the meeting shall be given in writing to all members.
- 7.6. All matters that are dealt with at an Annual General Meeting, with the exception of the consideration of the annual financial statements, the reports by the MANCO and of the auditors, the election of the new MANCO and the appointment and fixing of the remuneration of the auditors, will be deemed special, requiring submission of detail to be included in the agenda.

8. Finance

- 8.1. The financial year of SAOSO ends on 28 February.
- 8.2. An accounting officer / auditor shall be appointed at the annual general meeting.
- 8.3. The treasurer shall be responsible for:
 - 8.3.1. For the control of the day to day finances of the SAOSO
 - 8.3.2. Shall arrange for all funds to be deposited into a bank account in the name of the SAOSO.
 - 8.3.3. Shall keep a regular set of accounting records manually or electronically.
 - 8.3.4. Ensure that all financial transactions are properly recorded and all source documents are properly filed and safeguarded.
 - 8.3.5. Cheques and electronic transfers be authorized and signed by the chairperson and treasurer / secretary.
 - 8.3.6. Conform with requirements for submission / approval of financial statements to the Director of Non Profit Organisations within six months after end of financial yearend.
 - 8.3.7. Apply for Public Beneficiary status with the South African Receiver of Revenue under the Income Tax Act No. 58 of 1962, Article 30 (Ninth supplement inserted by a. 41 of Act No. 30 of 2002).
- 8.4. If SOASO has surplus funds to be invested, the funds may only be invested with registered Financial Institutions (Investment of Funds) Act, 1984. Or SAOSO can get Securities that are listed on a licensed stock exchange as set out in the Stock Exchange Control Act, 1985.

- 8.5. SAOSO is to comply with the provisions of the Income Act, 58 of 1962 as per attached SCHEDULE A.

9. Amendments to the constitution

- 9.1. The constitution can be amended by resolution, which has to be agreed upon and passed by not less than two thirds of the members present at the Annual General Meeting or a special General Meeting.
- 9.2. All and any proposed amendments to the constitution shall be circulated to all members prior to the meeting – at least 30 days. Proposals shall be coordinated by the secretary to be included in notice and agenda for applicable meeting.
- 9.3. No amendments may be made which would have the effect of causing SAOSO cease to exist.

10. Dissolution/Winding-up

- 10.1. SAOSO shall only be dissolved at a General Meeting called for that purpose, provided that notice to dissolve has been given in writing.
- 10.2. A resolution to dissolve SAOSO must be passed by a majority of two thirds of the votes of members either present in person or by means of a written proxy vote, at a meeting of SAOSO duly convened for this purpose.
- 10.3. When SAOSO closes down it has to pay of all debts. After doing this, if there is property or money left over it will not be paid out or given to members of SAOSO. It should be given in some way to another nonprofit organisation that has similar objectives or to government. SAOSO must decide at the Extraordinary General Meeting. *(In an event of dissolving SAOSO, assets will be transferred to government or another nonprofit organisation having similar aims.)*
- 10.4. Any member of SAOSO or the Board shall not personally be held liable for any loss suffered by any person or organisation as a result of an act or omission which occurs in good faith which such person is performing functions for or on behalf of SAOSO.

This constitution was approved and accepted by members os

At a special (general) meeting held on

Chariperson**Secretary**

SCHEDULE A

In compliance with the provisions of the Income Tax Act, 58 of 1962, SAOSO:

1. Must carry on at least 85% of its public benefit activities, measured either in cost or in time spent, for the benefit of persons in the Republic of South Africa;
2. Must carry on its public benefit activities in a non-profit manner;
3. Must comply with such conditions, if any, as the Minister may prescribe by way of regulation to ensure that the activities and resources of SAOSO are directed in the furtherance of its objects;
4. Must submit to the Commissioner of the South African Revenue Service a copy of the constitution under which it has been established;
5. Must have at least three persons, who are not connected persons in relation to each other, to accept the fiduciary responsibility of SAOSO;
6. Must in the event of SAOSO investing funds, invest such funds:
 - 6.1. with a financial institution as defined in section 1 of the Financial Institutions (Investment of Funds) Act, 1984 (Act No. 39 of 1984); and/or
 - 6.2. in securities listed on a stock exchange as defined in section 1 of the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985); and/or
 - 6.3. in such other prudent investments in financial instruments and assets as the Commissioner may determine after consultation with the Executive Officer of the Financial Services Board and the Director of Non-Profit Organisations;

provided that the provisions of this sub-paragraph do not prohibit SAOSO from retaining any investment (other than any investment in the form of a business undertaking or trading activity or asset which is used in such business undertaking or trading activity) in the form that it was acquired by way of donation, bequest or inheritance;

7. May not carry on any business undertaking or trading activity, otherwise than to the extent that:
 - 7.1. the gross income derived from such business undertaking or trading activity does not exceed the greater of:
 - 7.1.1. fifteen percent (15%) of the gross receipts of SAOSO; or
 - 7.1.2. twenty five thousand rand (R25 000,00);
 - 7.1.3. or as amended from time to time.
 - 7.2. the undertaking or activity is:
 - 7.2.1. integral and directly related to the sole object of SAOSO; and
 - 7.2.2. carried out or conducted on a basis substantially the whole of which is directed towards the recovery of cost, and which would not result in unfair competition in relation to taxable entities;
 - 7.3. the undertaking or activity, if not integral and directly related to the sole object of SAOSO, is of an occasional nature and undertaken substantially with assistance on a voluntary basis without compensation; or
 - 7.4. the undertaking or activity is approved by the Minister by notice in the Gazette, having regard to:
 - 7.4.1. the scope and benevolent nature of the undertaking or activity;
 - 7.4.2. the direct connection and interrelationship of the undertaking or activity with the sole purpose of the public benefit organisation;
 - 7.4.3. the profitability of the undertaking or activity; and
 - 7.4.4. the level of economic distortion that may be caused by the tax-exempt status of the public benefit organisation carrying out the undertaking or activity.
8. May not accept any donation which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation; provided that a donor may not impose conditions which

could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.

9. Must ensure that it is not knowingly a party to, and does not knowingly permit itself to be used as part of any transaction, operation or scheme of which the sole or main purpose is or was the reduction, postponement or avoidance of liability for any tax, duty or levy, which, but for such transaction, operation or scheme, would have been or would have become payable by any person under the Income Tax Act 58 of 1962, as amended, or any other Act administered by the Commissioner.
10. May not pay any remuneration to any employee, office bearer, member or other person, which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered.
11. Must comply with such reporting requirements as may be determined by the Commissioner.
12. Must take reasonable steps to ensure that the funds which it may provide to any association of persons as contemplated in section 30(b)(iii) of the Income Tax Act 58 of 1962, as amended, are utilised for the purpose for which they are provided.
13. Must become registered in terms of the Non-Profit Organisations Act 71 of 1997, as amended, within such period as the Commissioner may determine, and comply with any other requirements imposed in terms of that Act.
14. Must ensure that any books of account, records or other documents relating to its affairs are:
 - 14.1. where kept in book form, retained and carefully preserved by any person in control of SAOSO, for a period of at least four years after the date of the last entry in any such book; or
 - 14.2. where not kept in book form, are retained and carefully preserved by any person in control of SAOSO, for a period of four years after the completion of the transaction, act or operation to which they relate.