

CONSTITUTION

1 Name

This is the Constitution of the voluntary membership not for profit association existing under the common law to be known as THE SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS ("SAICA")

2 Definitions

- 2.1 "Associate" means a person who has satisfied the requirements for associateship pursuant to the By-laws and who has been granted associateship of the Institute;
- 2.2 "Board" means the board of the Institute;
- 2.3 "Board Member" means a member of the Board;
- 2.4 "By-laws" means the By-laws, inclusive of the appendices thereto, of the Institute in force from time to time under this Constitution;
- 2.5 "Chairperson" means the person who holds the office of the chairperson of the Board from time to time, by whatever title he or she may be known;
- 2.6 "Chartered Accountant" means a member in good standing of the Institute (and who is entitled to use the "Chartered Accountant (SA)" and related designation) in terms of the provisions of the Designation Act;
- 2.7 "Chief Executive Officer" or "CEO" means the chief executive officer of the Institute by whatever title he or she may be known;
- 2.8 "Constituency" means the Members resident in a region or forming part of an interest group, as the case may be;
- 2.9 "Council" means the council of the Institute;
- 2.10 "Designation Act" means the Chartered Accountants Designation (Private) Act, 67 of 1993;
- 2.11 "District Association" means an association of Members resident in a sub-region of a region as determined by the applicable Regional Council from time to time;
- 2.12 "Entrenched rights" means the right of the Members residing within a region to appoint Members resident in that region to the Regional Council which encompasses that region;
- 2.13 "General Meeting" means an annual general meeting of Members ("AGM") or a special general meeting of Members ("SGM");
- 2.14 "Good Standing" means, in relation to a Member:
 - 2.14.1 that the name of the Member is on the register of Members ("the Register") and that he or she has not been suspended from membership;
 - 2.14.2 that the Member has complied with the CPD requirements;

Constitution

- 2.14.3 that there are no proceedings to remove the name of the Member from the Register or to suspend him or her from membership; and
- 2.14.4 that the Member is up to date with all amounts owed by him or her to the Institute;
- 2.15 "Independent Board Member" means that, when judged from the perspective of a reasonable and informed third party, the Member has no interest, position, association or relationship which is likely to unduly influence or cause bias in decision-making in the best interests of the Institute, provided that membership of the Institute will not automatically result in a presumption of a lack of independence;
- 2.16 "Interest group" means an interest group identified and recognised as such by the Board from time to time; the interest groups identified and recognised by the Board at the date of adoption of this Constitution are more fully defined in Appendix 3 to the By-laws;
- 2.17 "Institute" means The South African Institute of Chartered Accountants;
- 2.18 "Member" means a person who has satisfied the requirements for membership pursuant to the By-laws and who has been admitted to membership of the Institute in a category defined in paragraph 5 of this Constitution and in the definition of "members" in the By-Laws;
- 2.19 "Ordinary resolution" means a resolution of Members at a meeting at which a quorum is present in person or by proxy, and which requires more than 50% (fifty percent) of the votes cast to be in favour of the resolution;
- 2.20 "President" means the person who holds the office of chairperson of the Council from time to time, by whatever title he or she may be known;
- 2.21 "Profession" means persons who are registered as Chartered Accountants, Associate General Accountants, Accounting Technicians and persons who are training to achieve those designations;
- 2.22 "Provincial Association" means an association of Members resident in a region that is substantially aligned with the boundaries of a province of the Republic as defined in section 103(1) of the Constitution of the Republic of South Africa, 1996;
- 2.23 "Region" means a region as determined by the Board from time to time; the regions determined as such by the Board are more fully defined in Appendix 3 to the By-laws;
- 2.24 "Regional Council" means a regional council appointed in the manner, and having the powers, set out in the By-laws;
- 2.25 "Registered Address" means a Member's address as defined in the By-laws;
- 2.26 "Republic" means the Republic of South Africa;
- 2.27 "Special Resolution" means a resolution of Members at a meeting at which a quorum is present in person or by proxy, and which requires more than 75% (seventy five percent) of the votes cast to be in favour of the resolution;
- 2.28 "Trainee Accountant" means a person or learner who is in the permanent employ of a training office, as accredited by the Institute, and who is serving under a training contract; and

2.29 “Year” means a year commencing on 1 January.

3 Legal Persona

The Institute is a body corporate with perpetual succession capable of suing and being sued in its own name and of performing such acts as are necessary for or incidental to the achievement of its objects, the exercise of its powers and the performance of its functions and duties under this Constitution or under any statute of the Republic.

4 Purpose and Objects

4.1 The principal purpose and object of the Institute is to enhance the relevance, values, competence and influence of Members and Associates in South Africa and abroad, and to contribute to economic and social development in South Africa. To achieve its purpose, the Institute has the following fundamental, enduring and long-term ancillary objects for itself and for its Members and Associates:

4.1.1 **To act in the public interest and to safeguard the values of the Profession**

In order to serve the public interest and safeguard the values of the Profession, the Institute must, *inter alia* -

- 4.1.1.1 conduct activities in such a manner as to avoid conflicts with the public interest;
- 4.1.1.2 uphold, promote and enforce the highest ethical standards;
- 4.1.1.3 employ the necessary competencies to carry out its objectives and undertakings; and
- 4.1.1.4 deal speedily and fairly with complaints of unprofessional and incompetent behaviour, and pursuant thereto prescribe a code of professional conduct applicable to Members, Associates and Trainee Accountants.

4.1.2 **To promote the common interests of Members and Associates nationally and internationally**

The Institute must understand the needs of Members in order to promote their common interests. As a consequence, the Institute should implement interventions that, *inter alia* -

- 4.1.2.1 identify stakeholders that affect and influence the Profession’s interests;
- 4.1.2.2 engage with its key stakeholders in order to understand their needs;
- 4.1.2.3 provide operating structures to encourage and facilitate Member and Associate involvement on a regional and constituency basis;
- 4.1.2.4 promote the common interests of Members and Associates;
- 4.1.2.5 promote, market and protect the Institute's brands and all designations relating to Members and Associates;
- 4.1.2.6 forge strong relationships with relevant international accountancy and business-related bodies as well as accountancy bodies in other countries to ensure that the voice of the Profession in South Africa is recognised internationally; and
- 4.1.2.7 negotiate appropriate reciprocal membership agreements with other aligned professional organisations.

4.1.3 To support and encourage the advancement of skills and knowledge and ensure Members have the appropriate competencies

The Institute must support lifelong learning in order that the Profession remains relevant in all services that its Members provide. For that purpose, it should, *inter alia* -

- 4.1.3.1 advance the theory and practice of accountancy, and professional and business skills and knowledge;
- 4.1.3.2 monitor developments and changes in the professional and business environments both locally and internationally;
- 4.1.3.3 set standards for the Profession;
- 4.1.3.4 assist Members and Associates to adapt to changes in the professional and business environments and to exploit competitive advantages;
- 4.1.3.5 provide professional and business information to enable Members and Associates to remain competent and competitive; and
- 4.1.3.6 encourage Members and Associates to continuously enhance their professional and business knowledge and skills and provide training where appropriate.

4.1.4 To contribute to economic and social advancement of the Republic

The Institute's Members and Associates act in the public interest and in so doing, contribute to the economic and social advancement of the Republic. The Institute should facilitate such activities and may, *inter alia* -

- 4.1.4.1 design and implement programmes to assist in enhancing accounting and business skills in the public sector and for emerging business;
- 4.1.4.2 provide input and advice (to the extent that it does not compete with its Members and Associates) to governmental and private sector bodies on accountancy and business-related issues;
- 4.1.4.3 secure funding for the implementation of development programmes; and
- 4.1.4.4 uphold, safeguard and advance the rule of law, administration of justice, the Constitution and the laws of the Republic.

4.1.5 To grow and transform the Profession

In order to meet the needs of its Members and Associates both locally and internationally, the Institute must, *inter alia* -

- 4.1.5.1 strive to recruit highly ethical and competent trainees into the Profession;
- 4.1.5.2 develop and implement competitive education and training programmes for new recruits which are in line with international standards and national needs;
- 4.1.5.3 identify the requirements for the advancement and transformation of the Profession in the Republic and internationally; and
- 4.1.5.4 develop and implement transformation programmes to ensure meaningful and lasting transformation of the Institute and the Profession.

5 Membership, associateship and designations

- 5.1 Only a Member who is a Member in good standing is entitled to use the designations reserved for Members of the Institute in terms of the Designation Act.

Constitution

- 5.2 Associates of the College of General Accountants are entitled to use the designation “Associate General Accountant (South Africa)” or “AGA(SA)”.
- 5.3 Nothing in this Constitution or in the By-laws shall be construed as conferring upon an Associate or Trainee Accountant any rights to use any of the designations reserved for Chartered Accountants in terms of the Designation Act.

6 Board

6.1 The affairs of the Institute shall be governed by the Board.

6.2 Composition of the Board

- 6.2.1 The Board may determine the number of Board Members at any time, subject to the proviso that:
- (i) the minimum number of Board Members shall be 8 (eight);
 - (ii) the maximum number of Board Members shall be 12 (twelve); and
 - (iii) the composition of the Board must be diverse and must have an appropriate mix of race, gender and diversity.
- 6.2.2 The Board shall comprise a balance of executive and non-executive Board Members, with a majority of the Board Members being independent. Subject to the requirement that:
- (i) the majority of Board Members shall be Chartered Accountants CA(SA); and
 - (ii) a maximum of 3 (three) and not less than 2 (two) of the non-executive Board Members must be non-Chartered Accountants and shall be independent.
- 6.2.3 The President or his or her nominee shall be an *ex officio* non-independent Board Member.
- 6.2.4 The Board must appoint the CEO and approve his or her nominated senior executive to the Board. The CEO and such nominated senior executive shall be *ex officio* Board Members.
- 6.2.5 Only individuals with sound ethical reputations and business or professional expertise, and who have sufficient time to effectively fulfil their role as Board Members, will be considered for appointment to the Board.
- 6.2.6 The Board must include sufficient members who understand the core skills of the Profession as well as the future training needs of the Profession.
- 6.2.7 The Board may fill casual vacancies up until the next AGM.
- 6.2.8 Board members shall be elected by the members of the Institute. Board Members appointed by the Board to fill a casual vacancy, retire at the first subsequent AGM unless they are elected at such Members’ meeting.
- 6.2.9 One-third of Board members, excluding the *ex officio* members, must retire at each AGM provided that the Board Member has served at least 1 (one) year. The Board Members who retire shall be those Board Members who have held office for the longest period of time since their last election. Should there be more Board Members than necessary who have been on the Board for an equal length of time, those to retire shall be chosen by lots.

- 6.2.10 Retiring Board members may be re-elected provided they are eligible. If at the date of the AGM, any Board member has held office for a period in excess of three years or longer since his or her last election or appointment, he or she shall retire at such AGM, either as one of the Board members who are subject to rotation or in addition thereto.
- 6.2.11 No Board Member shall serve for a period longer than 6 (six) years. Should a Board Member be appointed to fill a casual vacancy or be appointed at a SGM then the 6 (six) years shall be determined from the date of the first AGM subsequent to their appointment.
- 6.2.12 A Board Member who has completed a 6 (six) year term, shall be eligible for re-election to the Board after a period of 3 (three) years subsequent to their last service for a term as defined in 6.2.11.
- 6.2.13 The roles and responsibilities of the Board shall be described in the Board Charter contained in Appendix 1 of the By-laws.
- 6.2.14 New Board members will be inducted prior to their first meeting. This shall be facilitated by the Secretary.

6.3 The Key Objectives of the Board

- 6.3.1 The objectives of the Board will be described in the Board Charter and will require the Board, *inter alia*, to:
 - 6.3.1.1 ensure that strategic objectives are set and achieved in line with the Purpose and Objects of the Institute;
 - 6.3.1.2 establish a policy framework and funding model within which the organisation must operate;
 - 6.3.1.3 act as the custodian of corporate governance in the Institute;
 - 6.3.1.4 ensure the Board committees discharge their functions appropriately in relation to meeting strategic plans and budgets;
 - 6.3.1.5 monitor the activities of trusts, non-profit organisations and social responsibility projects established by the Institute, as determined in the Institute's Delegation of Authority;
 - 6.3.1.6 appoint, set performance criteria and evaluate the performance of the CEO;
 - 6.3.1.7 ensure that the Institute maintains a robust process for identifying, prioritising, managing, mitigating, monitoring and reporting critical risks through the Audit and Risk Committee;
 - 6.3.1.8 ensure that the Institute and its Members, Associates and Trainee Accountants adhere to the highest standards of ethics and competence, that the relevant designations are protected and that the Profession is trusted;
 - 6.3.1.9 oversee the disciplinary process with regard to Members, Associates and Trainee Accountants by:
 - 6.3.1.9.1 ensuring that the Institute has adequate resources for investigative and disciplinary processes;
 - 6.3.1.9.2 ensuring that the impact of the approved disciplinary process, including the By-laws, meets, and continues to meet, the expectations of the Profession and stakeholders;
 - 6.3.1.9.3 appointing an independent disciplinary panel;

6.3.1.9.4 satisfying itself that the approved disciplinary process is followed by the Professional Conduct Committee and the Disciplinary Committee; and

6.3.1.9.5 accounting to members on the outcomes of disciplinary proceedings.

6.3.1.10 promote and monitor transformation in the Profession;

6.3.1.11 review and approve appropriate By-laws; and

6.3.1.12 engage with stakeholders and Members.

6.4 The Chairperson

6.4.1 is elected by the Board after each AGM;

6.4.2 is an independent non-executive member of the Board with no executive or management responsibilities;

6.4.3 is not a member of the Council;

6.4.4 provides leadership at Board level, represents the Board to the Members and is responsible for ensuring the integrity and effectiveness of the Board and its committees; and

6.4.5 is the Chairperson of the General Meetings of Members.

6.4.6 The duties of the Chairperson shall be prescribed in the Board Charter but will include:

6.4.6.1 leadership of the Board;

6.4.6.2 overseeing the Board in the effective discharge of its supervisory role;

6.4.6.3 facilitating the effective contribution of all Board Members;

6.4.6.4 promoting constructive and respectful relations between Board Members and between the Board, the Council and management;

6.4.6.5 committing the time necessary to discharge effectively his or her role as Chairperson;

6.4.6.6 approving the agenda for Board meetings;

6.4.6.7 scheduling regular and effective evaluations of the Board's performance through the Nomination and Governance Committee;

6.4.6.8 ensuring effective communications and reporting between the Board and Council;

6.4.6.9 speaking on behalf of the Institute and/or the Board as required; and

6.4.6.10 conducting an annual evaluation of the CEO through the Human Resources and Remuneration Committee.

6.4.7 The Chairperson:

6.4.7.1 may not be a member of the Audit and Risk Committee;

6.4.7.2 may be a member but not Chairperson of the Human Resources and Remuneration Committee;

6.4.7.3 must be a member and Chairperson of the Nomination and Governance Committee;

6.4.7.4 may be a member but not the Chairperson of the Social, Ethics and Transformation Committee;

6.4.7.5 may be a member but not the Chairperson of the Digital Transformation Governance Committee; and

6.4.7.6 may not be a member of Council.

6.5 Lead Independent Board Member

The Board must appoint a Lead Independent Board Member to assist the Chairperson in the execution of his or her/her duties and such other functions as the Board may wish to delegate to the Lead Independent Board Member in the Board Charter. The Lead Independent Board Member's appointment shall be reviewed and confirmed annually after the AGM.

6.6 Secretary

The Board should be assisted by a competent, suitably qualified and experienced Secretary. The decision to appoint or remove the Secretary is a Board decision.

6.7 Delegation & Board Committees

6.7.1 The Board has the power to make any decision in respect of the Institute which has not been specified or reserved for decision by the Members.

6.7.2 Without detracting in any way from the general powers of the Board, the Board may from time to time determine, in terms of the governance framework and delegated authorities, which matters:

6.7.2.1 are reserved for final decision-making by the Board or Board committees; or

6.7.2.2 require the Board's or Board committees' consent before a final decision is made.

6.7.3 In terms of the Constitution, the Board is empowered to constitute Board and other committees and to delegate powers to such committees. The Board may appoint such of its members and such persons who are not members of the Board or the Institute as it may deem fit, to be members of any such a committee.

6.8 Nomination and Governance Committee

6.8.1 The Nomination and Governance Committee shall, on an annual basis, table with the Board a list of names of Board Members that remain on the Board and a list of proposed replacements to fill any vacancies. After acceptance by the Board, the list will be tabled with the Council for input and discussion. Thereafter the Board will determine the final list of names to be put to the AGM for election.

6.8.2 The Nomination and Governance Committee may canvas Members for nominations and will take into account the requirements of this Constitution.

6.9 Quorum and Voting

A majority of Board Members must be present at a meeting, either in person or electronically to form a quorum. Decisions must be approved by majority of the Board Members present. The Chairperson shall not have a casting vote.

6.10 Written Resolutions

Constitution

Decisions taken by written resolution are valid decisions of the Board if signed by the majority of Board Members, provided all Board Members have given notice of the proposed resolution and have an opportunity of expressing their views on the resolution.

6.11 Removal of Members of the Board

The Board shall by majority vote, have the right to suspend or remove any Board Member, or require a Board Member to recuse himself or herself from the consideration of any matter, when it deems it appropriate to do so.

6.12 Council

The Board shall be advised by a Council appointed in the manner set out in paragraph 8 below.

7 Powers of the Board

- 7.1 In directing and governing the affairs of the Institute, the Board may exercise any or all powers of the Institute except such powers as are expressly reserved by the provisions of this Constitution to the Members in a General Meeting.
- 7.2 Without in any way limiting the scope of its powers as generally described in paragraph 7.1 and in addition to powers given to it elsewhere in this Constitution or the By-laws, the Board shall have power in the name of and on behalf of the Institute:
 - 7.2.1 to receive and accept donations, grants and other moneys;
 - 7.2.2 to purchase or otherwise acquire, take on lease or hire, exchange, improve, sell, mortgage, pledge, let, dispose of or otherwise deal in property of any description whatsoever;
 - 7.2.3 to raise or borrow or secure any sum of money or to secure the performance of any obligation in such manner and upon such terms and conditions as it deems fit and, in particular, by the execution of mortgage or notarial bonds or the issue of debentures or debenture stock charged upon all or any of the property of the Institute;
 - 7.2.4 to invest the funds of the Institute or any portion thereof in such securities or investments and in such manner as the Board may from time to time determine, and to vary or transpose such investments in its discretion;
 - 7.2.5 to open and operate banking accounts and savings accounts with registered banking institutions;
 - 7.2.6 to apply and use the funds and income of the Institute to promote the purpose and objects of the Institute;
 - 7.2.7 to pay reasonable travelling, subsistence and other expenses incurred in connection with the affairs of the Institute by any members of the Board or its committees.
 - 7.2.8 to institute and defend legal proceedings;
 - 7.2.9 to appoint any person as the CEO and to determine his or her duties, remuneration and other terms of employment;

Constitution

- 7.2.10 to enter into contracts and to authorise the settling of the terms of and the signature of any contract or any other document;
 - 7.2.11 to interpret any clause of the Constitution or By-laws if any dispute arises as to its meaning, such interpretation being binding on the Members, Associates or Trainee Accountants if accepted by the Board ;
 - 7.2.12 to prescribe the form of the instrument appointing a proxy; and
 - 7.2.13 generally to do whatever the Board deems necessary to enable it to carry out the purpose and objects of the Institute and to exercise the powers and to perform the functions and discharge the duties given to or imposed upon it in terms of this Constitution.
- 7.3 The Board may develop a system of delegation of its powers in order to improve administrative and operational efficiency and to provide for adequate checks and balances. Pursuant thereto the Board may in writing delegate appropriate powers (excluding the power to prescribe By-laws) to a committee of the Board, to the CEO, to an employee of the Institute or to any individual Board Member.
- 7.4 Any delegation of its powers by the Board in terms of paragraph 7.3 above:
- 7.4.1 will be subject to such limitations and conditions as the Board may impose;
 - 7.4.2 may authorise sub-delegation; and
 - 7.4.3 does not divest the Board of the delegated power and responsibility.
- 7.5 The Board may confirm, vary or revoke any decision taken by a committee, the CEO, a Board Member or an employee as a consequence of a delegation in terms of its powers of delegation.

8 Council

- 8.1 The Board will be advised, at the request of the Board, by the Council, the composition of which shall be representative of constituencies, as detailed in the By-Laws. The composition will be amended from time to time to ensure representation of constituencies subject to the entrenched rights.
- 8.2 A maximum of 5 (five) Members may be co-opted to the Council by the Council and in addition, the Council may, at any time, co-opt any person as a non-voting observer whenever it deems such co-option necessary.
- 8.3 The CEO shall be an *ex officio* member of the Council;
- 8.4 1 (one) other member of management appointed by the Board on the recommendation of the CEO shall be an *ex officio* member of the Council.
- 8.5 Members of the Council shall hold office for a period of 3 (three) years, which may be renewed for a further 3 (three) year period.
- 8.6 The Council shall elect from among its members a President who shall not be an *ex officio* member of Council.
- 8.7 The Council shall have the right to recuse, suspend or remove any member of the Council, or require a member of the Council to recuse himself or herself from the consideration of any matter, whenever it deems it appropriate to do so.

Constitution

- 8.8 The Council shall not interfere with the activities of the Board, unless the Board fails to comply with its mandate in terms of the Constitution in which case the matter must be brought to the attention of the Members by the Council at a General Meeting in terms of the paragraph 13 or 14.
- 8.9 The Role of the Council shall be described in a Council Charter contained in Appendix 2 of the By-laws approved by the Board.
- 8.10 The President of the Council or his/her nominee shall be an *ex officio* member of the Board.
- 8.11 Objects of the Council
- The Council shall:
- 8.11.1 serve as a consultative forum and shall consider and advise the Board on matters relating to the strategy of the Board and the Profession;
- 8.11.2 represent Members' interests through input from the Regional Councils and other relevant sources and communicated by the Council to the Board;
- 8.11.3 identify and recommend to the Board new interest groups to be included for recognition in the By-laws;
- 8.11.4 provide input to the Board for the election or appointment of Board Members;
- 8.11.5 make recommendations to the Board for the award of long service and honorary life membership to Members;
- 8.11.6 recommend changes to the Code of Professional Conduct for approval by the Board; and
- 8.11.7 temporarily assume the powers and functions of the Board if the majority of the Board Members resign or are removed and are not replaced in accordance with the provisions of the Constitution and the By-laws until such time as a new Board can be appointed.

9 Disciplinary Panel, Professional Conduct Committee and Disciplinary Committee

- 9.1 The Board shall appoint a panel from which the Professional Conduct Committee and a Disciplinary Committee shall be appointed and which shall have the powers to carry out the duties and exercise the functions granted to those committees under the By-laws.
- 9.2 The powers and duties of the Professional Conduct Committee and the Disciplinary Committee referred to in the By-laws are deemed to have been delegated to those committees by the Board.

10 Funds of the Institute

- 10.1 The Institute shall, subject to the provisions of this Constitution, apply its funds and income exclusively in promoting the objects of the Institute or for investment purposes.
- 10.2 The Institute shall not distribute any surpluses or gains by way of dividend or otherwise to its Members, Associates or Trainee Accountants or to any other person.

Constitution

- 10.3 The Institute may not pay to any employee, office bearer, Member or other persons any remuneration, as defined in the fourth schedule of the Income Tax Act, 58 of 1962, which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered.
- 10.4 Should the Institute be wound up, a person who has ceased to be a Member, Associate or Trainee Accountant or the executors, administrators, heirs or assigns of such person, shall in no circumstances have any claim to or against the Institute by reason only of such previous membership, associateship or registration.
- 10.5 Should the Institute be wound up, its funds shall be dealt with in accordance with the provisions of this Constitution and the By-laws.

11 Shares and interests in members' business

- 11.1 The Institute may not have a share or other interest in any business, profession or occupation which is carried on by its Members.
- 11.2 No Member may directly or indirectly have any personal or private interest in the Institute other than his or her interest as a Member.

12 Reporting requirements

- 12.1 The Institute shall comply with such reporting requirements as may be determined by the Commissioner for the South African Revenue Service ("SARS") from time to time, provided that such reporting requirements are reasonable and in line with the tax laws of the Republic as administered by SARS.
- 12.2 The Institute is not knowingly and shall not knowingly become, a party to, and does not knowingly and will not knowingly permit itself to be used as part of, an impermissible tax avoidance arrangement contemplated in part IIA of chapter III, or a transaction, operation or scheme contemplated in section 103(5), of the Income Tax Act, 58 of 1962.

13 Annual General Meeting

- 13.1 The AGM shall be held at the head office of the Institute, or such other place as determined by the Board, for the purposes of transacting the following business:
- 13.1.1 the consideration of the annual financial statements and integrated report;
 - 13.1.2 the consideration of reports by the Chairperson and the CEO;
 - 13.1.3 the consideration of a report by the external auditors;
 - 13.1.4 the appointment of the external auditors by ordinary resolution;
 - 13.1.5 the election of Board Members by ordinary resolution;
 - 13.1.6 approval of the increase/decrease and/or any change in the basis of determining the Board and Board committee member fees for the ensuing year.
 - 13.1.7 the approval of the Remuneration Policy by a special non-binding vote; and
 - 13.1.8 the approval of the report on implementation of the Remuneration Policy by special non-binding vote.

- 13.2 If the resolution in terms of 13.1.6 is not approved, then the existing Board and Committee member fees would remain in place for a period of not more than 9 (nine) months or until approval by the Members is achieved.
- 13.3 If the votes in terms of Item 13.1.7 and 13.1.8 are less than 75% (seventy five percent) in favour, the Board is required to consult with Members in order to understand their concerns.
- 13.4 The AGM shall be held on a date and at a time determined by the Board, but no later than 31 May in each year.
- 13.5 21 (twenty-one) days' notice of an AGM, specifying the place, date and time of the meeting and the business to be dealt with, shall be sent to each Member at his or her Registered Address. The accidental omission to give notice to any Member shall not invalidate the proceedings at any such meeting.
- 13.6 The quorum at an AGM shall be 50 (fifty) Members personally present, or via the designated electronic platform who are entitled to vote. Unless 50 (fifty) Members are present either in person or electronically within 30 (thirty) minutes of the time appointed for the meeting, the meeting shall stand adjourned for the same time, at the same place and on the same day of the next week, and if such day be a public holiday, to the next business day thereafter.
- 13.7 At an adjourned meeting the Members present in person or electronically shall form a quorum and shall have full power to transact the business of the meeting which could have been transacted had the meeting been held on the date for which it was called.
- 13.8 Every Member who is in good standing and is not in arrears in the payment of his or her annual subscription or any contribution or charge payable by him or her to the Institute shall be entitled to be present in person or by proxy at an AGM.
- 13.9 Each such Member shall have 1 (one) vote, but on a poll shall in addition have 1 (one) vote for every Member for whom he or she holds a proxy. Each such Member shall have 1 (one) vote, but all voting shall be by poll by those Members present in person or by proxy.
- 13.10 Proxies in the form laid down by the Board shall be lodged at the head office of the Institute not less than 48 (forty eight) hours before the time of the meeting.
- 13.11 Every motion proposed and seconded at an AGM of the Institute shall be decided by way of a poll.
- 13.12 A poll demanded on any issue other than the meeting of the business as reflected in the agenda shall be taken at such time as the Chairperson of the meeting determines. A poll shall be taken in such manner as the Chairperson directs and the result of the poll shall be deemed to be the resolution of the meeting.
- 13.13 Scrutineers, not being proposers or seconders of the resolution, shall be elected to declare the result of the poll and their declaration, which shall be announced by the Chairperson of the meeting, shall be deemed to be the resolution of the meeting at which the poll was demanded, and an entry to that effect in the minutes of the proceedings shall be conclusive evidence of the result.

14 Special general meetings

- 14.1 The Board may, whenever it thinks fit, and shall, on the receipt of a written requisition expressing the objects of the proposed meeting and signed by not less than 1000 (one thousand) of the Members in Good Standing specifying the business required to be dealt with at that meeting (which business shall be expressed in the form of a resolution which shall be voted on at that meeting without amendment), call a special general meeting.
- 14.2 The notice calling such special general meeting shall be issued by the Board within 15 (fifteen) days of the receipt of the request, and the provisions of paragraphs 13 relating to the AGM shall apply *mutatis mutandis* to such a special general meeting.

15 By-laws

- 15.1 The By-laws of the Institute shall be those annexed hereto.
- 15.2 The Board may from time to time amend the By-laws or make new By-laws.
- 15.3 The Board, in amending the By-laws or making new By-laws, may incorporate any matter which the Board considers necessary or expedient to prescribe for the better execution of this Constitution and the furtherance of the objects of the Institute.

16 Indemnities

- 16.1 Every member of the Board, the Council or of any committee appointed by it, and every officer and employee of the Institute, shall be indemnified by the Institute against claims made against him or her and any losses and expenses incurred by him or her in or about the execution of his or her duties, except claims, losses or expenses arising from his or her own dishonesty or wilful default.
- 16.2 No Member, Associate or Trainee Accountant shall have any claim against the Institute, or against a member of the Board, the Council or of any committee appointed by it, or against any officer or employee of the Institute, in respect of anything done *bona fide* by it or them or any of them in the execution of their duties.

17 Limitations of liability

- 17.1 A Member, Associate or Trainee Accountant shall not have any liability for any commitments undertaken by the Institute. All persons shall be deemed to contract or deal with the Institute on this basis.
- 17.2 The liability of a Member, Associate or Trainee Accountant is limited to the payment to the Institute of any outstanding fees, subscriptions and contributions and settlement of any other debts to the Institute which he or she may have incurred.

18 Amendment of Constitution

The Constitution may from time to time be amended, provided that such amendments are:

- 18.1 approved by a special resolution of the Members who are present in person, electronically or by proxy at a General Meeting of which the requisite notice has been given, with full particulars of the proposed amendments; and

Constitution

- 18.2 submitted to the Commissioner for SARS provided that should the entrenched rights be affected by any proposed amendment, before the proposed amendment is placed before the general body of Members, such amendment shall be approved by not less than three-fourths of the Members residing within the relevant province who are present in person or by proxy at a General Meeting of such Members. Such General Meeting shall be held in accordance with the provisions of paragraph 13 above, *mutatis mutandis*.

19 Amalgamation

With the approval of not less than 75% (seventy five percent) of Members who are present in person or by proxy at a General Meeting duly convened and constituted for that purpose, the Institute may amalgamate or incorporate or join with other bodies of accountants in the Republic or elsewhere, whether or not incorporated by statute, provided these other bodies have objects similar to those of the Institute. For this purpose, the Institute may take over and assume the assets and liabilities of the aforesaid bodies of accountants, including books, records, documents and coats of arms, or may make over part or all of the assets and liabilities of the Institute.

20 Winding up

- 20.1 The Institute may be wound up in terms of the provisions of the By-laws by a resolution of not less than 75% (seventy five) of the Members who are present in person or by proxy at a General Meeting duly convened and constituted for that purpose.
- 20.2 Members, Associates or Trainee Accountants shall not have any claim in respect of any surplus there may be on winding up of the Institute, which shall be dealt with in terms of the By-laws.
- 20.3 Upon its being wound up any funds or assets of the Institute remaining after the payment of the debts and expenses of the Institute and the costs of winding up shall be distributed to or amongst such kindred or related associations, bodies or institutions, with objects similar to those of the Institute, including educational institutions (but excluding individual Members, Associates or Trainee Accountants or firms or companies controlled by Members, Associates or Trainee Accountants) as the Board shall decide; provided that such associations, bodies or institutions are themselves exempt from liability to pay income tax as a result of being so approved by the Commissioner for SARS.

21 Transitional Arrangements

- 21.1 Upon the adoption of the Constitution by Members:
- 21.1.1 the existing Board will continue in office until the election of the new Board has been completed and the new Board has been constituted;
- 21.1.2 the Board will conduct an exercise to determine the Board Member and Board committee fees up to the following AGM, to be put forward for approval by Members at the SGM; and
- 21.1.3 the Board shall cause to be created a Transitional Nomination Committee which shall be charged with the drafting of the criteria for members of the new Board, publication of the necessary advertisement to seek nominations and the short listing of candidates to be discussed by the Board with input from the Council if constituted at this time.

Constitution

- 21.2 A SGM of Members shall thereafter be called by the Board to elect the members of the new Board and approve the Board and Board committee fees until the following AGM, upon which the existing Board will retire.