

SOUTH AFRICAN REWARD ASSOCIATION CONSTITUTION

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- 1. Name**
- a) The association hereby constituted shall be called the South African Reward Association (hereinafter referred to as the association).
 - b) Its name shall be abbreviated as **SARA**.
- 2. Body Corporate**
- The association shall -
- a) exist in its own right, separately from its members;
 - b) continue to exist even when its membership changes and there are different office-bearers;
 - c) be able to own property and other possessions;
 - d) be able to sue and be sued in its own name; and
- the liability of any member for any obligation of the association shall be limited to the membership fees payable by the member in a single year.
- 3. Objectives**
- The main objective of the association shall be to promote, develop and empower the reward profession in South Africa, and to ensure that the reward specialists and managers, human resources professionals and executives dealing with and responsible for reward management, have the skills, confidence and passion for the reward discipline to make a significant difference in a way organisations position themselves to achieve their strategic objectives. SARA will seek to achieve this by:
- a) providing reward management developmental and networking opportunities and resources to members;
 - b) by providing a framework of professional designations and professional support facilities;
 - c) and by supporting the efforts of other associations with compatible goals.
- 4. Limitations on the Distribution of Income**
- The income and property of the association must be used solely for the promotion of its objectives. No portion thereof may be paid, or directly

or indirectly transferred by any means, to its members, provided that the foregoing shall not prevent the payment in good faith of reasonable remuneration to any officer, servant or member of the association in return for services actually rendered to the association.

5. Membership

The association shall consist of corporate members (where membership is held by an organisation) and individual members (where membership is held by an individual).

- a) Each corporate member shall nominate in writing a person known as the corporate member representative.
- b) The corporate member representative shall represent that corporate member at meetings of the association and may vote on behalf of the corporate member.
- c) The executive committee may from time to time create other non-voting membership classes (eg. student membership), including classes associated with any professional designations that the association may from time to time create.
- d) The executive committee shall determine the criteria and application procedures for members to join or leave the association.
- e) The executive committee may recover the operating costs of the association by charging members an annual membership fee.
- f) Notices to members shall be conveyed by email.

6. Executive Committee

The association shall be managed by an executive committee.

- a) The executive committee shall consist of nine members and the chairpersons of any branches and sub-committees of the association, who shall be the office-bearers of the association.
- b) The executive committee shall meet at least once every six months.
- c) The quorum for executive committee meetings shall be five.
- d) Minutes shall be taken at every meeting to record the executive committee's decisions. The minutes of each meeting shall be given to executive committee members at least two weeks before the next meeting.
- e) The minutes shall be confirmed as a true record of proceedings by the next meeting of the executive committee and shall thereafter be signed by the chairperson and pasted into a minutes book.

- f) The executive committee shall have the right to form subcommittees, branch steering committees and special interest group committees. Resolutions of these committees must be ratified by the executive committee.
- g) All members of the association shall abide by decisions taken by the executive committee.
- h) The president, the secretary or any two members of the executive committee may call a meeting of the executive committee, provided that members are given 14 days' notice of the meeting and an agenda is provided.
- i) The president shall act as the chairperson of the executive committee. If the president does not attend a meeting, the committee members present shall elect one of their number to chair that meeting. This shall be done before the meeting starts.
- j) When necessary, the executive committee shall vote on issues. If the votes are equal on an issue, the chairperson shall have a casting vote.
- k) The executive committee may assume any powers and authority it believes necessary to enable it to achieve the association's objectives as stated in this constitution.
- l) The executive committee may delegate to any member or office-bearer its authority to sign agreements with third parties, open bank accounts, pay debtors or bind the association in agreement.
- m) The executive committee may co-opt members to fill a specific office on the committee as may be required from time to time.

7. Office-Bearers

The office-bearers shall be a president, president elect and immediate past president, four additional committee members, the chief operating officer (COO) and the secretary.

- a) **Term of office:** Office-bearers shall serve for two years, but may stand for re-election.
- b) **Secretariat:** The day-to-day management of the association shall be undertaken by an administrator, who may be a person or a body corporate and shall be known as the secretary of the association.
- c) **Appointment of a Secretary:** The secretary shall be appointed by the executive committee who shall be an ex-officio member of the

executive committee.

- d) **Appointment of a COO:** The COO shall be appointed by the executive committee who shall be an ex-officio member of the executive committee.
- e) **Nominations:** Any corporate member representative may nominate any corporate member employee as an office-bearer by submitting a written nomination to the secretary no less than fourteen days prior to the AGM. The nominee must countersign the nomination. The nominee must have served at least one term on the sub-committees of the association before they are eligible for election to the executive committee.
- f) **Balloting:** If the secretary receives more than five nominations for office-bearers, the membership shall determine the composition of the executive committee by electronic ballot.
- g) **Nominations:** The nomination forms and ballot forms shall provide for the nomination of and voting for a president elect, and four ordinary committee members. Nominees must have served at least one term on the sub-committees of the association before they are eligible for nomination to the executive committee.
- h) **Presidential succession:** The president elect becomes the president of the association at the time of the AGM where a new executive committee is elected, subject to approval of the outgoing executive committee. The president and president elect must previously have served at least one term on the executive committee. In the event of the president-elect not being available to fulfil the presidential succession, the balloting process for the position of President shall be applied at the same time as the election of president-elect and office bearers of the association.
- i) **Counting of votes:** Counting of votes shall be in two rounds, the first to determine the composition of the executive committee on done on the aggregate of votes.
- j) **Absenteeism:** If a member of the executive committee of the association does not attend three consecutive executive committee meetings, the executive committee may replace that member with another member, at the discretion of the president. The same

applies to sub-committees, where the member may be replaced at the discretion of the respective sub-committee chairs

- k) **Personal Liability:** Office-bearers shall not be personally liable for any loss suffered by any person or organisation as a result of an act or omission that occurs in good faith while the office-bearer is performing functions for or on behalf of the association.
- l) **Conflicts of Interest:** Members and office bearers who participate in governance processes of the association must declare any personal or commercial conflicts of interest and recuse from deliberations where appropriate.

8. Branches and Chapters

The executive committee may establish branches/chapters and sub-committees of the association.

- a) The objectives of a branch/chapter shall be the same as the objectives of the association.
- b) Where legislation requires, chapters may adopt their own constitution, retaining the objectives of the association.
- c) Each branch/chapter shall have a steering committee consisting of corporate representative members and co-opted volunteers.
- d) The chairperson of the branch/chapter steering committee shall be an ex-officio member of the executive committee of the association.
- e) Branch/chapter office-bearers shall include at least a chairperson and a secretary.
- f) Branch/chapter office-bearers shall be elected at a branch/chapter meeting, for a two-year term. Retiring members may stand for re-election.
- g) Branch/chapter steering committee minutes shall be tabled and ratified by the executive committee of the association.
- h) Branch/chapter meetings must be held at least once a year.
- i) No person may serve as the chairperson of a branch/chapter for more than two successive terms.
- j) Only corporate representative members may vote at branch/chapter meetings and branch/chapter steering committee meetings.

9. Annual General Meeting

An annual general meeting of the association shall be held each year. Members shall receive notice of the AGM at least 14 days before the

date of an AGM.

The annual general meeting shall keep a register of attendance and hear the president's AGM report.

10. Financial Management

The executive committee is responsible for the management of the association's finances.

- a) The executive committee shall ensure that appropriate accounting records are kept and that statutory returns and taxes are submitted on time.
- b) The executive committee shall ensure that an annual budget is produced and approved and that expenditure is kept within the limits of the approved budget.
- c) The financial year of the association ends on 31 December of each year.
- d) If the association has funds that can be invested, the funds may be invested only with registered financial institutions. These institutions are listed in section 1 of the Financial Institutions (Investment of Funds) Act, 1984. Alternatively, the association may invest in securities that are listed on a licensed stock exchange as set out in the Stock Exchange Control Act, 1985.

11. Regulatory Governance

The following limitations as determined by Section 30b of the Income Tax Act, No 58 of 1962 ("the Act") are recorded as forming part of the constitution:

- i) SARA will have an Executive Committee consisting of at least 8 persons, who are not connected persons in relation to each other, who shall accept the fiduciary responsibility of SARA;
- ii) no single person may directly or indirectly control the decision-making powers relating to SARA;
- iii) SARA may not directly or indirectly distribute any of its funds or assets to any person, other than in the course of furthering its objectives;
- iv) SARA is required to utilise substantially the whole of its funds for the sole or principal object for which it has been established;
- v) no member may directly or indirectly have any personal or private

- interest in SARA;
- vi) substantially the whole of the activities of SARA must be directed to the furtherance of its sole or principal object and not for the specific benefit of an individual member or minority group;
 - vii) SARA may not have a share or other interest in any business, profession or occupation which is carried on by its members;
 - viii) SARA must not pay to any employee, office bearer, member or other person any remuneration, as defined in the Fourth Schedule, which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered;
 - ix) substantially the whole of SARA's funding must be derived from its annual or other long-term members;
 - x) SARA must as part of its dissolution transfer its assets to -
 - another entity approved by the Commissioner in terms of this section;
 - a public benefit organisation approved in terms of section 30 of the Act;
 - an institution, board or body which is exempt from tax under section 10(1)(cA)(i) of the Act;
 - the persons contemplated in paragraph (b)(i) will submit any amendment of the constitution or written instrument of the entity to the Commissioner within 30 days of its amendment;
 - xi) the entity will comply with such reporting requirements as may be determined by the Commissioner from time to time; and
 - xii) the entity is not knowingly and will not knowingly become a party to, and does not knowingly and will not knowingly permit itself to be used as part of, an impermissible avoidance arrangement contemplated in any section of the Act.

12. Changes to the Constitution

- The constitution may be changed by the members at an annual general meeting, at a general meeting or in a fax or mail ballot, provided that –
- a) two-thirds of the members who vote support the changes;
 - b) members received at least 14 days' notice of the proposed changes;
 - c) the ballot is a secret ballot.

13. Dissolution

Upon dissolution, any surplus of assets over liabilities shall be given or

transferred to some other non-profit association having objectives similar to the main objective of the association. The association may be dissolved if 75% of the members in good standing, by secret or postal or fax vote, agree to such dissolution.

This constitution was approved and accepted by the members

on _____22 June 2018._____

A handwritten signature in black ink, appearing to be 'B. ...', written over a horizontal line.

Chairperson / Secretary