



SAMAC
Macadamias South Africa NPC
Macadamia First. Quality Always

Rules:

Process for the nomination and election of directors

SAMAC
Macadamias South Africa NPC



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1. Interpretation

In these SAMAC processes, unless the context otherwise requires –

- 1.1 "the Act" means the Companies Act 71 of 2008, as amended or any act which replaces it, read with the Companies Regulations 2011.
- 1.2 "Annual General Meeting" or "AGM" meeting of members of SAMAC as contemplated in paragraph 16 of the MOI and section 61(7) of the Act.
- 1.3 "the Board" means the directors of SAMAC as constituted from time to time.
- 1.4 "Candidate" is an individual nominated by a member for the position of a director, whose suitability as a nominee has not yet been vetted by the CEO.
- 1.5 "Chief Executive Officer" or "CEO" means a person appointed by the board in terms of paragraph 23.3 and 23.4 of the Memorandum of Incorporation (MOI).
- 1.6 "Director" means a member of the Board of the Company, as contemplated in section 66 of the Act.
- 1.7 "Member in Good Standing" means in respect of any matter in which members are entitled to vote, a member who, at the record date, has no outstanding membership fees and whose financial obligations towards the Company are discharged in full, as per paragraph 1.1.26 of the MOI.
- 1.8 "Membership fee" means the amount paid to SAMAC annually for membership in accordance with paragraph 14.10.2 of the MOI.
- 1.9 "Memorandum" or "MOI" means the Memorandum of Incorporation of SAMAC as adopted by members and as amended from time to time.
- 1.10 "Ordinary resolution" means to be adopted at the members' meeting, it must be supported by more than 50% of the voting rights of members who voted on the resolution.
- 1.11 "SAMAC" or "the Company" means Macadamias South Africa NPC, a company registered as a non-profit company with members in South Africa in terms of the provisions of the Companies Act of 2008.
- 1.12 "Special resolution" means a special resolution to be adopted at the members' meeting, it must be supported by at least 67% of the voting rights of members who voted on the resolution, of which, such special resolution will be required only relating to matters as contemplated in section 65 (11) of the Act.

2. Introduction

- 2.1 The MOI states in paragraph 20.7 that the board shall determine and facilitate the manner and process in which the nomination and election of members to the board will take place.
- 2.2 Directors have certain obligations and duties.
- 2.3 The purpose of this document is to set out the process to be followed for the nomination, election, and appointment of a director/s. The process does not supersede the MOI.

3. Character and traits of directors

When considering the nomination of a candidate or the acceptance of a nomination, the following attributes of a director should be considered:

- 3.1 Passionate about the industry and SAMAC's vision.
- 3.2 Have integrity, be ethical and honest.
- 3.3 Have the relevant knowledge and expertise about the industry or profession that is needed to serve SAMAC well.
- 3.4 Dependability: be absolutely committed to the task at hand, being prepared, attentive, and present at all board meetings. Being dependable also means having the time required to fully commit to the role.
- 3.5 Inquisitive and open to new ideas and opinions.
- 3.6 Ability to think strategically and innovatively.
- 3.7 Results orientated.
- 3.8 Ability to build strong working relations internally and externally and serve as an influencer.
- 3.9 Make informed decisions quickly, considering options, risks, and benefits.
- 3.10 Communication is crucial for directors to convey ideas, listen, engage, and represent the organisation to stakeholders.
- 3.11 Governance knowledge and a sound understanding of legal duties, and fiduciary obligations.
- 3.12 Adheres to SAMAC's Code of Conduct.
- 3.13 Demonstrates an energetic ability to accomplish organisation objectives.
- 3.14 Must demonstrate constructive contributions in current and previous roles.

4. The requirements for nominations

The following requirements for nominations will apply:

- 4.1 A candidate to be nominated must be a grower member or (where the grower member is a juristic person) an employee, director or office bearer of such a grower member.
- 4.2 A candidate should be elected according to the expertise they will bring to the board and to the industry.
- 4.3 A representative of a grower member shall only qualify for appointment as a director for as long as he/she is employed by a grower member. A director so appointed shall resign as soon as this condition is no longer met.
- 4.4 No person actively involved in the handling of product (as defined by the MOI or the Gazette) or in the day-to-day management of a handler or Handler member shall be eligible to act as a director.
- 4.5 Each member in good standing shall be entitled to nominate for election and vote for the appointment of a director.
- 4.6 A candidate must not be guilty of a criminal offense, in South Africa or in any other country, whereby the nature of the offense may implicate or hold a reputational risk to SAMAC.
- 4.7 Candidates are expected to ensure absolute integrity and maintain the confidentiality of information obtained during and after their term as directors.
- 4.8 Should have sufficient time available to tend to obligations and duties associated with a director position including, but not limited, to board meetings, sub-committee meetings as well as local and international travel.

5. Nomination process timeline

Date	Activity
2 (Two) months before the AGM	<ul style="list-style-type: none">• Announcement via email to all members of the number of directors to be appointed in accordance with paragraphs 20.2, 20.3, and 20.4 of the MOI.• Nomination process opens.• Nominations to be submitted on prescribed form to the nominated email address of SAMAC.• Closing date for nominations will be included in the announcement email and on the nomination forms.• Closing date will be 20 calendar days from date of announcement.• No nominations received past the closing date will be considered.
Within 3 (three) days after the closing date for nominations	SAMAC will vet all nominations received, before communicating it to members.
21 (Twenty-one) Business days before the AGM	The announcement by SAMAC to members of eligible nominations received.
At the AGM	<ul style="list-style-type: none">• Voting takes place.• If SAMAC receives only one nomination for a director position, the CEO will communicate to the members that it is the sole nominee who should be considered duly elected without the need for a formal election process.
Results will be communicated within 7 (seven) days after the election	The outcome of voting results will be announced at the AGM and will be communicated to members within 7 (seven) business days after the election.

6. Notices regarding the AGM date, venue, and candidates

SAMAC must deliver a notice to all members, as of the record date of the AGM, in the manner prescribed by the Act, not less than 21 (twenty-one) business days before the meeting is to begin.

7. Verification of nominations

- 7.1 The CEO will verify that all nominations were submitted within the given period and include all the required information. The CEO will formally request further information from nominees by email if the nomination form lacks any detail as requested. Failure to supply the required information will lead to the disqualification of the nominee.
- 7.2 The CEO will notify nominees and the nominators of the receipt of the nomination. Ineligible nominations will be rejected with a response detailing the rejection criteria, and the nominators and nominees notified.
- 7.3 The CEO will forward the final list of nominees via e-mail to all members.

8. Withdrawal of nomination

A nominee may withdraw his/her nomination by notifying the CEO at least 7 (seven) business days before the AGM. The withdrawal notification must be submitted by either the nominator or the nominee. In any case, both the nominator and the nominee must be informed to verify and confirm the withdrawal before it can be formally accepted.

9. Proceedings for voting at the meeting

Voting at the meeting will be in accordance with the quorum requirements as stated in paragraphs 16 and 17 of the MOI.

10. Voting grower members voting rights

The number of votes that a member may exercise in respect of nominees is set out in paragraphs 14.7 to 14.9 of the MOI.

11. Methods of voting

The following methods of voting will be used:

Electronic voting

- 11.1 The electronic voting platform is an independent platform that will be made available to members to use during the voting process. The following will apply at the AGM:
- Start and ending times for electronic voting will be announced to members during the AGM.

- whereafter it will display on a screen the outcome of the voting. The outcome of electronic voting results will be verified by the Auditors and their report will be available for inspection by any registered member in good standing at SAMAC's office.

11.2 For members not being able to attend the AGM, voting will open 5 (five) days prior to the AGM and will close one day before the AGM is held.

12. Proxy holder

12.1 A member, being a juristic entity, shall be represented at any meeting of members by a single representative appointed by it, provided such member shall be required to deliver to the Board reasonably documentary proof of such representative's authority (in such manner and form determined by the Board) no later than 5 (five) business days prior the meeting.

12.2 No member shall be entitled to vote on behalf of more than 5 (five) proxies.

13. Term of appointment

13.1 As per clause 20.1.2 of the MOI, directors will be appointed for an initial period of 3 (three) years, provided that any directors who are re-elected shall (on each re-election) be appointed for a further period of 2 (two) years.

End

As amended on 11 July 2023 – Board approved.