



CONSTITUTION

OF THE

**SOUTH AFRICAN PROFESSIONAL AUCTIONEERS
ASSOCIATION (SAPAA)**

ADOPTED AT THE INAUGURAL AGM ON 28 AUGUST 2014

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CHAPTER 1

PREAMBLE, NAME, ABBREVIATED NAME, REGISTERED OFFICE, INCORPORATION, PURPOSE AND OBJECTIVES

(ss 1-4)

PART A

Preamble, Name, Abbreviated Name, Registered Office, and Incorporation (ss 1-4)

1. PREAMBLE

- (1) **REALIZING** that South Africa's auction industry lacks professionalism, ethics, equitableness, accountability, credibility and respectability;
- (2) **AND REALIZING** that South Africa's auction industry remains one of the most untransformed and inequitable industries more than twenty years after the dawn of democracy;
- (3) **AND REALIZING** that opportunities exist to grow the auction industry by educating and introducing auctioneering to previously disadvantaged individuals (PDIs) and masses;
- (4) **NOW THEREFORE**, the founders of SAPAA resolved to establish a voluntary association not for gain with a mandate to achieve the purpose and objectives outlined in this Constitution.

2. NAME AND ACRONYM

- (1) The name of the association shall be South African Professional Auctioneers Association.
- (2) The abbreviated name of the association shall be SAPAA.

3. REGISTERED OFFICE

SAPAA chooses the physical address of its duly appointed auditors as its registered office and domicilium citandi et executandi for purposes of all notices and any other proceedings.

4. INCORPORATION

- (1) SAPAA is incorporated as a non-profit corporation (NPC) for a public benefit object in terms of item 1 (1) of Schedule 1 of the Companies Act, No. 71 of 2008 (*"the Act"*).
- (2) SAPAA is not organized for profit and shall declare no dividends. Its income and property are not distributable to its incorporators, members, directors, officers or persons related to any of them.
- (3) No part of the net earnings of SAPAA shall inure to the benefit of any member, director, officer or individual; except that reasonable compensation may be paid to any member, director, officer or individual as permitted by item 1 (3) of Schedule 1 of the Act for:-
 - i. goods delivered or services rendered to advance SAPAA's purpose and objectives; and
 - ii. payment of, or reimbursement for expenses incurred to advance the stated purpose and objectives of SAPAA.
- (4) SAPAA EXCO members shall be registered with CIPC as directors of the association.

PART B

Purpose, Aims and Objectives (s 5)

5. PURPOSE, AIMS AND OBJECTIVES

- (1) The broad purpose of SAPAA is to establish a professional, ethical, equitable, accountable, credible and respectable auction industry.
- (2) SAPAA's aims and objectives are to:-
 - i. promote and advance the business conditions affecting the auction industry and auctioneering profession;
 - ii. professionalize the auction industry and auctioneering profession by; among other things, establishing minimum entry requirements into the auction profession, including educational qualifications, experiential requirements, occupational designations and continuous professional development;
 - iii. build the institutional capacity of its members by providing business and career development opportunities; including educational and training programs;
 - iv. transform the auction industry by; among other things, creating conditions conducive to the entry and participation of PDIs, and promoting the equitable distribution of auction work;
 - v. achieve a substantial change in the racial and gender composition of ownership, management and control structures as well as in the skilled and specialist positions of new and existing auction enterprises;
 - vi. influence the enactment of legislation, regulations, policies and programs conducive for the advancement of its purpose, aims and objectives; including but not limited to the regulation of the auction industry and the promotion of preferential procurement;
 - vii. represent and coordinate the several and joint interests of its members;
 - viii. promote ethical conduct within the auction industry by ensuring adherence to a code of conduct and only permitting **'fit and proper'**, honest and competent individuals and companies to practice as auctioneers;
 - ix. educate and inform the public about the advantages of auction selling and buying; and
 - x. provide platforms for networking opportunities among SAPAA members, with the broader auction industry in South Africa, with the international auction community and other relevant stakeholders through engagements such as seminars, conferences as well as inbound and outbound trade missions.

CHAPTER 2

MEMBERSHIP CATEGORIES, QUALIFICATIONS AND APPLICATION FOR MEMBERSHIP, RIGHTS AND OBLIGATIONS OF MEMBERS, JOINING FEES, ANNUAL SUBSCRIPTION FEES, LEVIES, FINES, TERMINATION OF MEMBERSHIP, NOTICES

(ss 6-13)

PART A

Membership Categories, Qualification and Application for Membership, and Rights and Obligations of Members (ss 6-8)

6. MEMBERSHIP CATEGORIES

In terms of item 4 (2) of Schedule 1 of the Act, SAPAA provides for two classes of membership (voting and non-voting), and six (6) categories of membership as follows:–

(1) **CATEGORY 1: CORPORATE MEMBERSHIP**

- i. **CORPORATE MEMBER:** Juristic bodies in their legal capacity whose core business is auctioneering, whether live or online.
- ii. Only genuine black-owned and black-empowered companies which fulfill the '**GENUINE OWNERSHIP**' criteria prescribed in Schedule 1 of this Constitution are eligible for membership to SAPAA. Schedule 1 may be amended by the Board of Directors from time to time.
- iii. **VOTING RIGHTS OF CORPORATE MEMBERS:** Each corporate member is entitled to one vote. Each corporate member shall designate one person and an alternate; preferably at director level as its representative responsible for voting and correspondence. Preferably, black-empowered corporate members should designate their PDI partners as their representatives.

(2) **CATEGORY 2: PROFESSIONAL MEMBERSHIP**

- i. **PROFESSIONAL MEMBER:** Natural persons in their personal capacity who are practicing qualified auctioneers. All natural persons, including white partners of both black-owned and black-empowered corporate members are eligible for professional membership.
- ii. **VOTING RIGHTS OF PROFESSIONAL MEMBERS:** Each professional member is entitled to one vote. Should a professional member also happen to be the person designated as a representative by a corporate member as contemplated in Category 1 of SAPAA's classes of membership herein; such a person shall have the right to exercise two votes.

(3) **CATEGORY 3: APPRENTICE MEMBERSHIP**

- i. **APPRENTICE MEMBER:** Natural persons in their personal capacity who have obtained their minimum auction educational qualification but are still fulfilling their experiential requirements under the supervision or mentorship of a Chartered Professional Auctioneer. All natural persons, including white partners of both black-owned and black-empowered corporate members are eligible for professional membership.
- ii. **VOTING RIGHTS OF APPRENTICE MEMBERS:** Apprentice members have no voting rights and cannot be designated as representatives of corporate members as contemplated in Category 1 of SAPAA's classes of membership herein.

(4) **CATEGORY 4: AFFILIATE MEMBERSHIP**

- i. **AFFILIATE MEMBER:** Non-professional employees of corporate members.
- ii. **VOTING RIGHTS OF AFFILIATE MEMBERS:** Affiliate members have no voting rights, and cannot be designated as representatives of corporate members as contemplated in Category 1 of SAPAA's classes of membership herein.

(5) **CATEGORY 5: ASSOCIATE MEMBERSHIP**

- i. **ASSOCIATE MEMBER:** Juristic entities and natural persons in their employ whose core business is not auctioneering, but are associated to the auction industry; either as clients or suppliers of professional services to the auction industry; including, but not limited to insurance companies, media companies, financial institutions, legal practitioners, training providers and government institutions.
- ii. **VOTING RIGHTS OF ASSOCIATE MEMBERS:** Associate members have no voting rights.

(6) **CATEGORY 6: HONOURARY MEMBERSHIP**

- i. **HONOURARY MEMBER:** Natural persons who have made a great contribution or are likely to contribute to the welfare and advancement of SAPAA's purpose, aims and objectives irrespective of whether they are auctioneers or not. Honorary membership is usually granted for life.
- ii. **VOTING RIGHTS OF HONOURARY MEMBERS:** Honorary members have no voting rights.

7. QUALIFICATIONS AND APPLICATION FOR MEMBERSHIP

- (1) The six (6) categories of corporate (juristic entities), professional (natural persons), apprentice (natural persons), affiliate (natural persons), associate (juristic entities and natural persons), and honorary (natural persons) contemplated in section 6 herein outline qualifications for membership to SAPAA.
- (2) Juristic entities and natural persons wishing to join SAPAA under any of the six (6) classes of membership shall complete and submit an application form for membership to the General Secretary, providing pertinent information including, but not limited to their proof of ID, physical address and core business.
- (3) The design and requirements of the application form contemplated in subsection 7 (2) herein shall be determined by the Board of Directors of SAPAA from time to time.
- (4) In the event of an application for membership being made by a juristic entity, such application shall be accompanied by a duly authorized and signed resolution authorizing the applicant to act on behalf of such a juristic person.
- (5) The Board of Directors of SAPAA may prescribe the format of the resolution contemplated in subsection 7 (4) herein from time to time.
- (6) Application for membership to SAPAA shall be accompanied by the joining fee contemplated in section 9 herein and prescribed in Schedule 1 of this Constitution.
- (7) The General Secretary shall refer all applications meeting SAPAA's qualifications requirements for membership to EXCO for approval.

8. RIGHTS AND OBLIGATIONS OF MEMBERS

- (1) Membership to SAPAA; although voluntary, carries with it the requirement for members in good standing to comply with the obligation to:-
 - i. acknowledge and accept that SAPAA's Constitution and the Code of Ethics prescribed in Schedule 3 of this Constitution constitute essential requirements for membership to SAPAA, and are binding upon each member in good standing;
 - ii. abide by SAPAA's Constitution and the Code of Ethics prescribed in Schedule 3 of this Constitution, as amended from time to time;
 - iii. timeously effect payment in full for prescribed joining fees, annual subscription fees and other levies and fines due to SAPAA from time to time; and
 - iv. actively participate in SAPAA activities including, but not limited to attendance at SAPAA's meetings and volunteering to serve on SAPAA's structures .
- (2) SAPAA members shall be required to affirm the following statement upon admission as a member: *"I solemnly swear that I will faithfully support SAPAA's aims and objectives; comply with SAPAA's Constitution and Code of Ethics, pay the prescribed fees, and actively participate in SAPAA's structures and activities"*

PART B

Joining Fees, Annual Subscription Fees, Levies and Fines (ss 9-11)

9. JOINING FEES

- (1) A once-off joining fee shall be payable; in advance, to SAPAA by all new members upon admission as a member; the amount of which shall be determined by the Board of Directors from time to time, and recorded in Schedule 2 of this Constitution.
- (2) Members who allow their membership to terminate as contemplated in subsection 10 (4) herein will only be readmitted upon application as a new member as contemplated in subsection 12 (2) herein.

10. ANNUAL SUBSCRIPTION FEES

- (1) Annual subscription fees shall be payable to SAPAA by each member on or before the 1st of February every year; the amount of which shall be determined by the Board of Directors from time to time, and recorded in Schedule 2 of this Constitution.
- (2) The membership of members whose annual subscription fees are paid late; after the 1st of February, but before the end of February shall automatically lapse, and such members will be charged a fine contemplated in subsection 11 (2) herein over and above the payment of their delinquent annual subscription fees to automatically reinstate their membership.
- (3) The status of members whose membership has lapsed as contemplated in subsection 10 (2) herein shall be marked *"member not in good standing"*, and they will forfeit their rights and benefits of membership including, but not limited to the right to vote.
- (4) The membership of members whose annual subscriptions fees are not paid by the 1st of March every year shall automatically terminate and will only be reinstated as contemplated in subsection 12 (3) herein.

11. LEVIES AND FINES

- (1) Two thirds (2/3) of SAPAA's voting members in good standing present at a duly convened AGM or SGM shall have the powers to impose a special levy on each SAPAA member from time to time when financial circumstances warrant such action.
- (2) Fines shall be levied on members who transgress SAPAA's Constitution and Code of Ethics; the amount of which shall be determined by the Board of Directors from time to time, and recorded in Schedule 2 of this Constitution.

PART C

Termination of Membership (ss 12-13)

12. TERMINATION OF MEMBERSHIP

- (1) Should any member fail to pay their annual subscription fees when due upon demand as contemplated in subsection 10 (4) herein, the membership of such member shall automatically terminate forthwith.
- (2) Members whose membership has terminated as contemplated in subsection 12 (1) herein shall cease to be SAPAA's members, and be summarily removed from SAPAA's register of members.
- (3) Members whose membership has terminated as contemplated in subsection 12 (1) herein shall only be readmitted upon application as a new member, and be required to pay all outstanding delinquent dues, repay the once-off joining fee as contemplated in subsection 9 (2) herein and pay all subsequent fines levied up to the date of the member's reinstatement. The Board of Directors has the right to reduce or remove such obligations at its sole discretion.
- (4) Any member may resign from SAPAA by written notice.
- (5) Membership shall, unless previously terminated automatically as contemplated in subsection 12 (1) herein, cease and terminate on the death or insolvency of a natural member or upon the liquidation or winding up of a corporate member.
- (6) The right of a member to enjoy any membership benefits, including voting or participation in any activities of SAPAA shall cease on termination of membership.
- (7) The rights and privileges of a member shall be specific to them in the case of juristic entities, and personal to them in the case of natural persons, and shall not be transferable to any other person either by the act of the member or in any other way.
- (8) Upon termination of membership for whatever reason, any assets belonging to SAPAA and allocated to a member shall be immediately returnable.

13. NOTICES

- (1) Any notice or other document may be served by SAPAA upon any member by:-
 - i. delivering it to that member at the address of the member recorded in SAPAA's register of members; or
 - ii. transmitting it via email to the email address recorded in such member's application for membership, or
 - iii. transmitting it via facsimile to the facsimile number recorded in such member's application for membership.
- (2) Save as determined in this Constitution, no member other than a registered member whose address appears in SAPAA's register of members shall be entitled to receive any notice from SAPAA.
- (3) In the event that a member's address and other contact details changes, such member shall be obliged to notify the General Secretary in writing within 30 days about such change, giving full details of such member's new contact details.

CHAPTER 3

BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, COMMITTEES, ELECTIONS AND INDEMNIFICATION OF DIRECTORS AND COMMITTEE MEMBERS

(ss 14-19)

PART A

Board of Directors, Executive Committee, Standing Committees, Sub-Committees and Elections
(s 14-18)

14. BOARD OF DIRECTORS

- (1) SAPAA's control and governance shall vest in its Board of Directors who will collectively be mandated to determine the strategic vision, policy formulation and action plans for the achievement of SAPAA's purpose, aims and objectives.
- (2) The Board of Directors shall consist of ten (10) natural members.
- (3) Nine (9) members of the Board of Directors shall be elected from the association, five (5) of whom will be elected as EXCO members in terms of subsection 15 (4) herein.
- (4) With the exception of the inaugural Board of Directors, two (2) of the nine (9) members contemplated in subsection 14 (3) will be elected annually by popularity vote.
- (5) One (1) member of the Board of Directors shall be appointed by the Chairperson of SAPAA at his or her discretion, who may or may not be a member of the association.
- (6) The term of office for the nine (9) elected members of the Board of Directors shall be three (3) years.
- (7) The term of office for the one (1) appointed member of the Board of Directors shall be one (1) year, with an option to be re-appointed for a maximum of three terms.
- (8) Retired elected directors shall be eligible for re-election for an unlimited number of terms.
- (9) Vacancies among directors of SAPAA shall be filled by a majority vote of a quorum of the Board of Directors and the director so chosen shall be appointed for the unexpired term of his or her predecessor in office.
- (10) Vacancies by directors other than the Chairperson need not be filled if the Board of Directors does not deem it necessary to fill such vacancies for the remainder of a three (3) year term.
- (11) The Board of Directors shall ensure that the activities of SAPAA are conducted in accordance with this Constitution, including but not limited to the following duties and responsibilities:
 - i. determination of SAPAA's strategic direction, vision and mission;
 - ii. preparation of SAPAA's annual action plans and programs;
 - iii. preparation of SAPAA's annual budget;
 - iv. convening SAPAA's meetings, including but not limited to the AGM and SGM;
 - v. presiding over the elections of directors;
 - vi. constitution of SAPAA sub-committees, including the appointment of their respective chairpersons;
 - vii. delegation of duties and responsibilities to SAPAA's sub-committees; and
 - viii. creation of capacity for the day-to-day management and administration of SAPAA.

- (12) The Board of Directors shall govern, manage and administer SAPAA's activities with diligence and uphold the fiduciary duties applicable to directors in accordance with the provisions of the Companies Act, No. 71 of 2008.
- (13) No director of the Board of Directors; including the Treasurer, shall; without the sanction of a majority vote by the Board of Directors, be allowed to:
 - i. borrow any money;
 - ii. invest SAPAA's funds anywhere other than with an accredited and approved financial institution agreed upon by the Board of Directors; and
 - iii. institute any legal proceedings on behalf of SAPAA.

15. EXECUTIVE COMMITTEE (EXCO)

- (1) The executive management of SAPAA shall vest in EXCO whose role shall be to monitor and coordinate the implementation of SAPAA's purpose, aims and objectives in accordance with the policies and resolutions of the Board of Directors adopted from time to time.
- (2) EXCO shall exercise the oversight powers and authority of the Board of Directors when the Board of Directors is not in session.
- (3) All resolutions of EXCO shall be reported to the Board of Directors for ratification at its succeeding meetings.
- (4) EXCO shall consist of five (5) members elected from the association as contemplated in subsection 14 (3) herein, who shall each hold the following positions:-
 - i. Chairperson
 - ii. Vice-Chairperson
 - iii. General Secretary
 - iv. Deputy Secretary
 - v. Treasurer
- (5) In order to be eligible to serve on EXCO, a member must have previously served a full three (3) year term on the Board of Directors.
- (6) Notwithstanding the provisions of subsection 15 (5) herein, candidates for SAPAA's inaugural EXCO shall be elected from members who demonstrate previous equivalent experience as directors from other associations similar to SAPAA.
- (7) The term of office for EXCO shall be three (3) years.
- (8) Retired members of EXCO shall be eligible for re-election for an unlimited number of terms.
- (9) Vacancies among EXCO members shall be filled from the Board of Directors by a majority vote of a quorum of EXCO, and the EXCO members so chosen shall be appointed for the unexpired term of his or her predecessor in office.
- (10) EXCO discharges its mandate collectively, but the specific duties and responsibilities of specific members of EXCO are as follows:
 - i. **CHAIRPERSON**
 - (a) The Chairperson shall lead EXCO and preside over its meetings, and the Vice-Chairperson shall perform the Chairperson's role in his or her absence.
 - (b) All members of EXCO shall discharge their respective duties and responsibilities under the authority of the Chairperson, or the Vice-Chairperson in the Chairperson's absence.

ii. **GENERAL SECRETARY**

- (a) The day-to-day management and administration of SAPAA shall vest in the office of the General Secretary, with the assistance and support of the Deputy Secretary.
- (b) The General Secretary shall serve as the secretary of the Board of Directors and EXCO, and the Deputy Secretary shall perform the General Secretary's role in his or her absence.
- (c) The General Secretary shall keep all SAPAA's records and correspondence.
- (d) The General Secretary shall keep SAPAA's minutes for all meetings, including AGM, SGMs, Board of Directors and EXCO meetings.

iii. **TREASURER**

- (a) The Treasurer shall be responsible for SAPAA's financial management, including the receipt and deposit of all monies payable to SAPAA from any source and keeping proper books of account for SAPAA's finances.
- (b) The Treasurer shall open and operate a current bank account on behalf of SAPAA.
- (c) Signatories for SAPAA's bank account shall be decided on an annual basis by the Board of Directors.
- (d) No cheques or electronic payments with less than two (2) signatures shall be issued.
- (e) No blank cheques may be signed.
- (f) The Treasurer shall prepare and present SAPAA's annual budget to EXCO and the Board of Directors for approval before the end of February every year.
- (g) SAPAA's financial year shall run from the 1st day of January until the last day of December.
- (h) The Treasurer shall prepare and present SAPAA's Audited Financial Statements at each AGM.
- (i) The Treasurer shall facilitate the appointment of SAPAA's Auditors at each AGM for the ensuing year.

16. STANDING COMMITTEES

- (1) The Chairperson, with the approval of the Board of Directors, shall establish the following standing committees for SAPAA, including the appointment of members of the standing committees:

i. **ELECTION COMMITTEE (ELECTCOM)**

- (a) ELECTCOM shall be responsible for the organization and coordination of elections of directors and EXCO members to serve on SAPAA's structures.
- (b) ELECTCOM shall determine the optimal SAPAA board matrix based on the strengths and needs of SAPAA from time to time.
- (c) ELECTCOM shall nominate, screen and recommend a minimum of at least two candidates per vacancy, assessing each candidate's eligibility and qualification for each position.
- (d) ELECTCOM shall solicit nominations from SAPAA's membership for the association's position on or before the 1st of April each year for election at the AGM.
- (e) Members not recommended by ELECTCOM may still run for office as long as the deadline contemplated in subsection 16 (1) [i] {f} herein is met.
- (f) SAPAA's Immediate Past Chairperson shall serve as Chairperson of ELECTCOM.
- (g) Notwithstanding the provisions of subsection 16 (1) [i] {d} herein, the inaugural Chairperson of ELECTCOM shall be a person who demonstrate previous equivalent experience in organizing and coordinating elections from other organizations similar to SAPAA.

ii. **EVENTS COMMITTEE (EVENTSCOM)**

- (a) EVENTSCOM shall be responsible for the organization and coordination of SAPAA's events such as annual conference, competitions, fund-raising and other public activities.
- (b) EVENTSCOM shall also be responsible for the management of SAPAA's media related matters in strict accordance with SAPAA's public relations and media policy.
- (c) The Deputy Secretary shall serve as Chairperson of EVENTSCOM.

17. SUB-COMMITTEES

- (1) The Chairperson, subject to the approval of the Board of Directors, may appoint such other sub-committees; permanent or ad hoc, as he or she and EXCO may deem necessary from time to time, including the appointment of members of such permanent and ad hoc committees and the respective chairpersons thereof.
- (2) Notwithstanding the provisions of subsection 16 (1), only members of the Board of Directors shall be eligible to serve as chairpersons of permanent and ad hoc committees of SAPAA.
- (3) The nature, duties and responsibilities of SAPAA's sub-committees shall be such as their names suggest by general usage, or such as may be assigned to them by the Chairperson and EXCO, subject to the approval of the Board of Directors.
- (4) All resolutions of SAPAA's sub-committees shall be reported to EXCO for ratification at its succeeding meetings.
- (5) The term of office for members of SAPAA sub-committees shall be one (1) year, or until their successors are appointed.
- (6) SAPAA's Chairperson and General Secretary shall serve as ex-officio members of all sub-committees.

PART B

Elections (s 18)

18. ELECTIONS

- (1) All active members of SAPAA in good standing shall be eligible for nomination and election for positions of director and EXCO member.
- (2) Nominations of members for positions of director and EXCO member shall be submitted to the Chairperson of ELECTCOM.
- (3) Each nomination form shall be signed and seconded by a member of SAPAA in good standing, and accepted by the nominated candidate.
- (4) Candidates standing for election for positions of director shall be given the opportunity to address the AGM for a maximum of three (3) minutes prior to the elections.
- (5) Candidates standing for election for positions of EXCO shall be allowed to address the AGM for a maximum of five (5) minutes prior to the elections.
- (6) Voting members of SAPAA in good standing shall have one (1) vote per candidate.
- (7) Except otherwise provided herein, elections and voting shall be by secret ballot unless a poll on a show of hands is demanded by at least two-thirds (2/3) of members present before such vote.
- (8) Absent voting members of SAPAA in good standing shall be entitled to nominate a proxy to vote in their place during elections, provided such a proxy is signed on the official form prescribed by SAPAA and lodged with the Chairperson of the ELECTCOM, at least 48 (forty eight) hours prior to the commencement of the AGM or SGM.
- (9) Voting members of SAPAA in good standing and in attendance at the AGM or SGM shall be entitled to hold two (2) proxies per meeting. The proxies thereof shall entitle a voting member of SAPAA in good standing and in attendance at the AGM or SGM to use his or her discretion to vote on behalf of the absent voting member of SAPAA in good standing.
- (10) Candidates standing for election for positions of EXCO members require a majority of the legal votes to be declared elected.

- (11) Should none of the candidates receive a majority of the legal votes cast, the candidate with the lowest number of votes shall be dropped and another vote shall be taken to determine the successful candidate for that position.
- (12) Voting shall continue until one candidate receives a majority of the legal votes cast to be declared elected.
- (13) Candidates standing for election for positions of director shall be elected by popularity vote.
- (14) In the case of a tie for the final position or positions, a run-off vote shall be held.
- (15) Newly elected directors and EXCO members shall assume office at the close of the AGM annually, or SGM.

PART C

Indemnification of Directors and Committee Members (s 19)

19. INDEMNIFICATION OF DIRECTORS AND COMMITTEE MEMBERS

- (1) Subject to the provisions of any relevant statute, persons acting as or deemed to be directors, EXCO members, sub-committee members, auditors or officers and any other office bearers of SAPAA shall be indemnified against all acts done by them (severally and jointly) in good faith for and on behalf of SAPAA.
- (2) Subject to the provisions of any relevant statute, no director, EXCO member, sub-committee member, auditor or officer and any other office bearer of SAPAA shall be liable for the acts, receipts, neglects or defaults of any other director, EXCO member, sub-committee member, auditor or officer and any other office bearer, or for any loss, damage or expense suffered by SAPAA, which occurs in the execution of the duties of his or her office, unless it arises as a result of his or her dishonesty, or failure to exercise the degree of care, diligence and skill required by law.
- (3) The indemnification contemplated in subsections 19 (1) and (2) herein will not negate, limit or restrict any legal consequences arising from an act or omission that constitute willful misconduct or willful breach of trust on the part of a director, EXCO member, sub-committee member, auditor or officer and any other office bearer of SAPAA.
- (4) In terms of item 5 (3) of Schedule 1 of the Act, SAPAA shall not provide a loan to, secure a debt or obligation of, or otherwise provide direct or indirect financial assistance to, a director, EXCO member, sub-committee member, auditor or officer and any other office bearer or to a person related to any such director, EXCO member, sub-committee member, auditor or officer and any other office bearer, unless such a transaction constitutes an accountable advance to meet:
 - i. legal expenses in relation to a matter concerning SAPAA; or
 - ii. anticipated expenses to be incurred by the person on behalf of SAPAA.

CHAPTER 4

ANNUAL GENERAL MEETINGS, SPECIAL GENERAL MEETINGS, BOARD OF DIRECTORS MEETINGS, EXECUTIVE COMMITTEE MEETINGS, COMMITTEE MEETINGS, MINUTES AND RESOLUTIONS

(ss 20-28)

PART A

Annual General Meetings, Special General Meetings, Board of Directors Meetings, Executive Committee Meetings and Committee Meetings (ss 20-25)

20. ANNUAL GENERAL MEETINGS (AGM)

- (1) SAPAA shall hold its Annual General Meeting (AGM) within six (6) months of the end of the financial year; at such time, date and place as shall be determined by the Board of Directors.
- (2) The Chairperson of SAPAA, or in his or her absence, the Vice-Chairperson, or in the absence of the two of them, any other director chosen by the directors present shall preside at an AGM.
- (3) Voting members of SAPAA in good standing shall be given at least thirty (30) days notice of the AGM together with the agenda, the minutes of the previous AGM and a proxy form, by written notice stating the date, day and time of the AGM.
- (4) Such notice shall be deemed to have been received by each voting member of SAPAA in good standing seven (7) days after postage thereof or successful transmission by facsimile or email.
- (5) The Board of Directors shall determine the agenda for the AGM.
- (6) Standing items for consideration at SAPAA's AGM shall include, but not be limited to:-
 - i. a report by the Chairperson;
 - ii. a report by the General Secretary;
 - iii. a report by the Treasurer;
 - iv. approval of SAPAA's annual financial statements;
 - v. the election of SAPAA's directors and EXCO members; and
 - vi. the appointment of SAPAA's Auditors.
- (7) Voting members of SAPAA in good standing wishing to contribute items for consideration at an AGM shall give notice to the General Secretary within fifteen (15) days after the notice contemplated in subsection 19 (3) herein.
- (8) A quorum for a duly convened AGM of SAPAA shall be at least thirty percent (30%) of voting members of SAPAA in good standing.
- (9) Should a quorum not be present within thirty (30) minutes after the appointed place, date, day and time for an AGM, no business shall be dealt with, and such AGM meeting shall be adjourned until further notice, which notice shall be issued by the Board of Directors.
- (10) Only voting members of SAPAA in good standing shall be entitled to one (1) vote in person at an AGM.
- (11) Other categories of members of SAPAA shall not be entitled to vote at an AGM.
- (12) Notwithstanding the provisions of subsections 18 (8) and (9) herein, absent members of SAPAA in good standing shall not be permitted to vote by proxy or otherwise on any substantive matter under the consideration at the AGM. The entitlement for members to vote by proxy provided for in subsections 18 (8) and (9) only applies to the election of candidates for the positions of director and EXCO members.

21. SPECIAL GENERAL MEETINGS (SGM)

- (1) Special General Meetings (SGMs) of SAPAA for any purpose whatsoever may be called by the Chairperson, Board of Directors or at the written request of at least ten percent (10%) of the members of SAPAA in good standing.
- (2) The Chairperson of SAPAA, or in his or her absence, the Vice-Chairperson, or in the absence of the two of them, any other Director chosen by the directors present shall preside at an SGM.
- (3) Voting members of SAPAA in good standing shall be given at least fifteen (15) days notice of the SGM together with the agenda and a proxy form, by written notice stating the date, day and time of the SGM.
- (4) Such notice shall be deemed to have been received by each voting member of SAPAA in good standing seven (7) days after postage thereof or successful transmission by facsimile or email.
- (5) Only those items specified in the notice for an SGM shall be considered and concluded at such an SGM.
- (6) A quorum for a duly convened SGM of SAPAA shall be at least thirty percent (30%) of voting members of SAPAA in good standing.
- (7) Should a quorum not be present within thirty (30) minutes after the appointed place, date, day and time for an SGM, no business shall be dealt with, and such SGM meeting shall be adjourned until the same day, time and place in the forthcoming week.
- (8) Should such a day be a public holiday, the meeting will be postponed to the next business day.
- (9) Should a quorum not be present within thirty (30) minutes after the appointed place, date, day and time for the adjourned SGM, the voting members of SAPAA in good standing present at such a meeting shall be deemed to constitute a quorum and the meeting shall be deemed to be duly constituted.
- (10) Only voting members of SAPAA in good standing shall be entitled to one (1) vote in person at an SGM.
- (11) Other categories of members of SAPAA shall not be entitled to vote at an SGM.
- (12) Notwithstanding the provisions of subsections 18 (8) and (9) herein, absent members of SAPAA in good standing shall not be permitted to vote by proxy or otherwise on any substantive matter under the consideration at the SGM. The entitlement for members to vote by proxy provided for in subsections 18 (8) and (9) only applies to the election of candidates for the positions of director and EXCO members.

22. BOARD OF DIRECTORS MEETINGS

- (1) There shall be a minimum of four (4) scheduled meetings of the Board of Directors annually, the first of which shall be held at the AGM every year to induct newly elected directors and to prepare SAPAA's annual program of activities.
- (2) The other three (3) meetings of the Board of Directors shall be held quarterly thereafter, before the end of June, before the end of September and before the end of January.
- (3) The Chairperson, or in his or her absence, the Vice-Chairperson, or in the absence of the two of them, any other director chosen by the directors present shall preside at a meeting of the Board of Directors.
- (4) Notice for scheduled meetings of the Board of Directors shall be given at least fifteen (15) days prior to such meetings.
- (5) Notice for special meetings of the Board of Directors shall be given at least seven (7) working days prior to such meetings.

- (6) Special meetings of the Board of Directors may be called by the Chairperson or at the written request of at least five (5) directors.
- (7) Only those items specified in the notice for a special meeting of the Board of Directors shall be considered and concluded at such a special meeting.
- (8) A quorum at any meeting of the Board of Directors; scheduled or special, shall be constituted by not less than five (5) directors.
- (9) Should a quorum not be present within thirty (30) minutes after the appointed place, date, day and time for a meeting of the Board of Directors, no business shall be dealt with, and such meeting of the Board of Directors shall be adjourned until the same day, time and place in the forthcoming week.
- (10) Should such a day be a public holiday, the meeting will be postponed to the next business day.
- (11) Should a quorum not be present within thirty (30) minutes after the appointed place, date, day and time for the adjourned meeting of the Board of Directors, the directors present shall be deemed to constitute a quorum and the meeting shall be deemed to be duly constituted.
- (12) Decisions and resolutions of the majority of all the directors present at a meeting at which a quorum is constituted shall be carried as duly authorized decisions or resolutions of the Board of Directors.
- (13) Absent directors shall not be permitted to vote by proxy at any meeting of the Board of Directors.
- (14) A director of SAPAA who is present at a meeting of the Board of Directors at which a decision or resolution is taken shall be presumed to have assented to such decision or resolution taken, unless his or her dissent is recorded in the minutes of the meeting or unless he or she files his or her written dissent to such a decision or resolution with the secretary of the meeting before the adjournment thereof, or undertakes to forward such dissent to the secretary of such a meeting immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favour of the decision or resolution during the meeting.
- (15) The absence of any director from two (2) consecutive scheduled meetings of the Board of Directors without a valid excuse shall be construed as voluntary resignation as a director of SAPAA, and the Board of Directors may declare such a director's position vacant and deal with it as contemplated in subsections 14 (9) and (10) herein.

23. EXECUTIVE COMMITTEE MEETINGS (EXCO)

- (1) There shall be a minimum of four (4) scheduled meetings of EXCO each calendar year.
- (2) No EXCO meetings shall be held during the months scheduled for meetings of the Board of Directors.
- (3) The Chairperson of SAPAA, or in his or her absence, the Vice-Chairperson, or in the absence of the two of them, members of the EXCO in attendance at a duly convened meeting where a quorum is present shall nominate one person among themselves to serve as Chairperson for such a meeting.
- (4) Notice for scheduled meetings of EXCO shall be given at least seven (7) days prior to such meetings.
- (5) A quorum at any meeting of EXCO shall be constituted by not less three (3) EXCO members.
- (6) Should a quorum not be present within thirty (30) minutes after the appointed place, date, day and time for an EXCO meeting, no business shall be dealt with, and such EXCO shall be adjourned until the same day, time and place in the forthcoming week.

- (7) Should such a day be a public holiday, the meeting will be postponed to the next business day.
- (8) Should a quorum not be present within thirty (30) minutes after the appointed place, date, day and time for the adjourned EXCO meeting, the members present shall be deemed to constitute a quorum and the meeting shall be deemed to be duly constituted.
- (9) All decisions and resolutions made by EXCO shall be subject to the ratification and approval of the Board of Directors.
- (10) An EXCO member who is present at an EXCO meeting at which a decision or resolution is taken shall be presumed to have assented to such decision or resolution taken, unless his or her dissent shall be recorded in the minutes of the meeting or unless he or she files his or her written dissent to such a decision or resolution with the secretary of the meeting before the adjournment thereof, or undertakes to forward such dissent to the secretary of the meeting immediately after the adjournment of such a meeting. Such right to dissent shall not apply to a director who voted in favour of the decision or resolution during such a meeting.
- (11) The absence of any EXCO member from two (2) consecutive EXCO meetings without a valid excuse shall be construed as voluntary resignation as SAPAA's EXCO member and the Board of Directors may declare such an office bearer's position vacant and deal with it as contemplated in subsections 15 (9) herein.

24. STANDING AND SUB-COMMITTEE MEETINGS

- (1) The Chairperson and General Secretary of SAPAA shall serve as ex-officio members of all permanent and ad hoc sub-committees of SAPAA.
- (2) The General Secretary of SAPAA shall serve as the secretary of all permanent and ad hoc sub-committees of SAPAA.
- (3) Each permanent or ad hoc sub-committee of SAPAA shall meet as and when the need arise, provided that each permanent or ad hoc committee shall meet at least once during its one (1) year tenure.
- (4) The Chairperson of each standing or sub-committee appointed by the Board of Directors as contemplated in subsections 16 (1) [i] {f} and 17 (1) and (2) herein shall preside at meetings of each respective standing or sub-committees of SAPAA.
- (5) Notice for meetings of standing or sub-committees of SAPAA shall be given at least seven (7) days prior to such meetings.
- (6) Each standing or sub-committee of SAPAA shall consist of at least two (2) members, excluding ex-officio members; namely, the Chairperson and General Secretary of SAPAA.
- (7) A quorum at any meeting of permanent or ad hoc sub-committees of SAPAA shall be constituted by not less than three (3) members, including ex-officio members; namely, the Chairperson and General Secretary of SAPAA.
- (8) Should a quorum not be present within thirty (30) minutes after the appointed place, date, day and time for any permanent or ad hoc sub-committee meeting, no business shall be dealt with, and such permanent or ad hoc sub-committee meeting shall be adjourned until the same day, time and place in the following week.
- (9) Should such a day be a public holiday, the meeting will be postponed to the next business day.
- (10) Should a quorum not be present within thirty (30) minutes after the appointed place, date, day and time for the adjourned permanent or ad hoc sub-committee meeting, the members present shall be deemed to constitute a quorum and the meeting shall be deemed to be duly constituted.
- (11) All decisions and resolutions made by the permanent or ad hoc sub-committee of SAPAA shall be subject to the ratification and approval of EXCO.

PART B

Minutes and Resolutions (s 25)

25. MINUTES AND RESOLUTIONS

- (1) The General Secretary of SAPAA shall keep the records and minutes of proceedings and resolutions of all meetings of SAPAA in prescribed minute books.
- (2) In the absence of the General Secretary, the Deputy Secretary or any one of EXCO's members shall keep such records and minutes.
- (3) Such records and minutes of proceedings and resolutions of all meetings of SAPAA shall be duly signed by the respective Chairperson of the meetings thereof.
- (4) All records and minutes of proceedings and resolutions of all meetings of SAPAA shall be made available at the office of the General Secretary of SAPAA for inspection by any active member of good standing during office hours.

CHAPTER 5

DURATION, DISSOLUTION, AMENDMENT OF CONSTITUTION AND MEMORANDUM OF INCORPORATION

(ss 26-29)

PART A

Duration, Dissolution, Amendment of Constitution and Memorandum of Incorporation

(ss 26-29)

26. DURATION

SAPAA shall have perpetual existence and shall continue until it is dissolved by operation of law or by vote of the requisite number of two thirds (2/3) of SAPAA's voting members in good standing present at a duly convened AGM or SGM.

27. DISSOLUTION

- (1) In the event of the liquidation or dissolution of SAPAA, whether voluntary or involuntary, no member shall be entitled to any distribution or division of SAPAA's remaining property or proceeds.
- (2) If upon the dissolution of SAPAA there remains any balance of money and/or other property whatsoever; after the satisfaction of all its debts and liabilities, such money and/or property shall not be paid to or distributed amongst the members of SAPAA, but shall be given or transferred to some other institution or institutions having objects similar to the objects of SAPAA.
- (3) The institution or institutions contemplated in subsection 26 (2) herein shall be determined by SAPAA on, or before the time of the dissolution, and if so and so far as effect cannot be given to the determination of such beneficiaries, then some charitable object appointed by the Minister of Social Welfare.

28. AMENDMENT OF CONSTITUTION

- (1) SAPAA's Constitution may be amended by vote of two-thirds (2/3) of the members voting at an AGM or SGM of SAPAA, including those ballots sent by absentee voters.
- (2) Absentee ballots will be accepted in the manner prescribed in subsection 17 (8) and (9).
- (3) Written notice setting forth the proposed amendment(s) and summary of the proposed changes to be effected thereby shall be given to each member of SAPAA entitled to vote at the proposed meeting not less than ten (10) nor more than fifty (50) days before the date of the meeting.

29. MEMORANDUM OF INCORPORATION

- (1) To the extent that the Memorandum of Incorporation (Memorandum) of SAPAA may conflict with this Constitution, any of the members may require the Memorandum to be amended accordingly.
- (2) The Memorandum may be amended by vote of two-thirds (2/3) of the members voting at an AGM or SGM of SAPAA, including those ballots sent by absentee voters.
- (3) Absentee ballots will be accepted in the manner prescribed in subsection 17 (8) and (9).
- (4) Written notice setting forth the proposed amendment(s) and summary of the proposed changes to be effected thereby shall be given to each member of SAPAA entitled to vote at the proposed meeting not less than ten (10) nor more than fifty (50) days before the date of the meeting.

SCHEDULES

JOINING FEES, ANNUAL SUBSCRIPTION FEES, LEVIES AND FINES

SCHEDULE 1

GENUINE OWNERSHIP CRITERIA

CRITERIA	DESCRIPTION
Black-Owned	A black-owned company is one in which 51% of the share equity are in the hands of PDIs (South Africans previously classified as Blacks, Indians and Coloureds).
Black-Empowered	A black-empowered company is one in which 26% of the share equity are in the hands of PDIs.
Payment	PDIs who claim to have acquired ownership must prove that the transaction involves actual payment for shares. Suspensive and conditional equity transactions shall not be considered for SAPAA membership.
Control	PDIs who claim ownership must prove that they share in decisions regarding the economic risk/gain of the business to the extent of their ownership; such as directorships and signing powers.
Management	PDIs who claim ownership must prove that they are involved in the business and make a meaningful contribution in its day-to-day management.

SCHEDULE 2

JOINING FEES, ANNUAL SUBSCRIPTION FEES, LEVIES AND FINES

- (1) Joining fees, annual subscription fees and fines chargeable (exclusive of VAT) by SAPAA as contemplated in sections 9, 10 and 11 of SAPAA's constitution are as follows:

CATEGORY	JOINING FEES	ANNUAL SUBSCRIPTION FEES	FINES
Corporate	R5,000-00	R5,000-00	50% of annual subscription fees
Professional	R2,500-00	R2,500-00	50% of annual subscription fees
Apprentice	R1,500-00	R1,500-00	50% of annual subscription fees
Affiliate	R500-00	R250-00	50% of annual subscription fees
Associate	R2,500-00	R2,500-00	50% of annual subscription fees

- (2) The payment of corporate membership joining and annual subscription fees shall entitle a corporate member to one (1) professional membership without the payment of additional professional membership joining and annual subscription fees.
- (3) Annual subscription fees shall not be levied on the first year during which any member joins SAPAA under any category of membership.
- (4) The joining fees, annual subscription fees and fines prescribed in item 1 of this Schedule 1 herein shall be revised by the Board of Directors from time to time.

SCHEDULE 3

CODE OF ETHICS, GRIEVANCE PROCEDURE AND DISCIPLINARY PROCESS

- (1) SAPAA has adopted the draft Auction Industry Code as its Code of Ethics.