

CONSTITUTION OF THE SOUTH AFRICAN RUGBY UNION

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1. INTERPRETATION AND DEFINITIONS

- 1.1 When interpreting this constitution and unless contrary to or inconsistent with the context -
- 1.1.1 words signifying the singular number shall include the plural and *vice versa*;
 - 1.1.2 words signifying the masculine shall include the feminine;
 - 1.1.3 any words defined in the Act and not defined in this constitution, shall bear the meaning ascribed to it in the Act; and,
 - 1.1.4 the headings of clauses are for reference purposes only and shall not be taken into account in construing the constitution.
- 1.2 The following words and expressions shall, unless the context indicates otherwise, have the following meanings:
- 1.2.1 “Act” means the Companies Act, No. 71 of 2008, and, following its commencement, the new Companies Act and references to sections of the current Act shall be references to corresponding sections of the new Act, if any;
 - 1.2.2 “*amateur rugby*” means the game played, managed, controlled and administered under the laws of the game of rugby union as framed by the IRB and under the constitution, by-laws, rules and regulations of the IRB and this constitution and the rules, regulations and decisions made, or deemed to have been made, in terms of this constitution, excluding professional rugby as defined herein;
 - 1.2.3 “*annual general meeting*” means the annual general meeting referred to in clause 12.1;
 - 1.2.4 “*associate member*” means an association, society or body as defined in clause 11.2 hereof;
 - 1.2.5 “*auditor*” means the auditors of SARU appointed from time to time by the members in general meeting;
 - 1.2.6 “CAR” means the Confederation of African Rugby;
 - 1.2.7 “*club*” means a body or organisation which is a member of, or affiliated to, a member of SARU;
 - 1.2.8 “*commercial company*” means the company or other entity which conducts the commercial activities of, and is responsible for, professional rugby of a member;

- 1.2.9 *“days”* means all calendar days excluding the first day and excluding the last day, with the exception of Clause 12.5;
- 1.2.10 *“employee”* means a paid official or employee of SARU;
- 1.2.11 *“game”* means rugby played in accordance with the laws of the game;
- 1.2.12 *“general meeting”* means the annual general meeting or a special general meeting or an ordinary general meeting of members;
- 1.2.13 *“IRB”* means the International Rugby Board;
- 1.2.14 *“members”* means one (1) or more or all of the following provincial unions, and such additional unions as may in future become members –
- 1.2.14.1 Blue Bulls Rugby Union;
 - 1.2.14.2 Boland Rugby Union;
 - 1.2.14.3 Border Rugby Football Union;
 - 1.2.14.4 Eastern Province Rugby Union;
 - 1.2.14.5 Free State Rugby Union;
 - 1.2.14.6 Golden Lions Rugby Union;
 - 1.2.14.7 Griffons Rugby Union;
 - 1.2.14.8 Griqualand West Rugby Union;
 - 1.2.14.9 KwaZulu-Natal Rugby Union;
 - 1.2.14.10 Leopards Rugby Union;
 - 1.2.14.11 Mpumalanga Rugby Union;
 - 1.2.14.12 South Western Districts Rugby Football Union;
 - 1.2.14.13 Valke Rugby Union;
 - 1.2.14.14 Western Province Rugby Football Union,
- all as presently constituted or demarcated or as may be re-constituted or re-demarcated at any future time;
- 1.2.15 *“ordinary general meeting”* means the meetings referred to in clause 12.2;
- 1.2.16 *Ordinary Resolution* means a resolution passed by SARU by a simple or

bare majority (for example more than 50% of the vote) at a convened meeting of SARU or by circulating a resolution for signature, which requires all members of SARU to sign.

- 1.2.17 *“person”* means, for the purpose of clause 22.1, a player, trainer, referee, touch-judge, coach, selector, medical officer, physiotherapist, an employee or other individual who is or has been involved in rugby or in the organisation, administration or promotion of rugby under the jurisdiction of SARU, a province, an associate member, rugby body or a club;
- 1.2.18 *“professional rugby”* means the game played, managed, controlled and administered under the laws of the game as framed by the IRB and under the constitution, by-laws, rules and regulations of the IRB and this constitution and the rules, regulations and decisions made, or deemed to have been made, in terms of this constitution, for financial gain, excluding amateur rugby as defined herein, and includes the commercial activities relating thereto;
- 1.2.19 *“player”* means a rugby player under the jurisdiction of SARU, a province, an associate member, a rugby body or a club;
- 1.2.20 *“profits”* includes revenue and capital profits;
- 1.2.21 *“province”* means a provincial union as mentioned in the definition of *“members”* and includes the company or other entity conducting and responsible for such provincial union's commercial activities and its professional rugby business;
- 1.2.22 *“Republic”* means the Republic of South Africa as defined by the Constitution of the Republic of South Africa, 1996;
- 1.2.23 *“rugby”* means amateur and professional rugby unless specified differently;
- 1.2.24 *“rugby body”* means a union, associate member, club or similar organisation which is a member of or is affiliated, directly or indirectly, to a member or associate member of SARU; or a province or a corporate or incorporate association of provinces participating in the SANZAR Super Rugby Competitions;
- 1.2.25 *“SANZAR”* means the joint venture between SARU, the New Zealand Rugby Football Union Incorporated and the Australian Rugby Football Union Limited;
- 1.2.26 *“SARU”* means the South African Rugby Union either before or following the commencement of this constitution as appears from the context;

- 1.2.27 “Springboks” means the senior national representative men’s team of SARU;
- 1.2.28 “*special general meeting*” means a general meeting convened to conduct special business as provided for in clause 12.3; and,
- 1.2.29 *Special Resolution* means an extraordinary resolution regarding an important decision, such as for amending the constitution, or making some other major or fundamental changes in SARU, or changing the format of SARU’s major domestic competition. A special resolution typically requires (1) not less than (twenty one) 21 days’ notice to the members of the intention to propose the resolution, (2) not less than three-quarters of the votes of the members present in person for approval.
- 1.2.30 “*sub-committees*” mean those standing committees provided for in clause 15.11.1.
- 1.2.31 “*union*” means a member.
- 1.2.32 “*SARU Group*” means any commercial entity in which SARU has a shareholding;

2 STATUS

SARU is an incorporated association of persons with perpetual succession and juristic personality.

3 HEADQUARTERS AND HOSTING OF INTERNATIONAL MATCHES

- 3.1 SARU shall have its headquarters in Cape Town, or such other place as a general meeting may decide from time to time, and the Republic shall be its area of jurisdiction.
- 3.2 All international matches in the Republic involving any senior or next senior national representative team, including the British and Irish Lions and the Combined Teams of the Pacific Island Unions, must be staged at a stadium which falls under the control of, or is approved by a provincial union.

4 MAIN OBJECT

SARU’s main object is the promotion, development and support of all levels of rugby in the Republic.

5 ANCILLARY OBJECTS

SARU’s ancillary objects include, but are not limited to -

- 5.1 applying its income, directly and indirectly, for the promotion, development, support, upliftment, administration and playing of rugby in South Africa;
- 5.2 pursuing policies and programmes, at national and all other levels, aimed at redressing imbalances of the past and creating a genuinely non-racial, non-political and democratic dispensation for rugby in South Africa;
- 5.3 adopting and enacting such measures as will foster, promote, regulate and encourage the playing of rugby and provide facilities for rugby in South Africa, and in any other territory as may be decided upon, for all persons, irrespective of race, colour, creed or gender, and to eliminate any discrimination and inequality amongst players and officials alike;
- 5.4 being a member or an affiliate of the IRB, SANZAR, CAR and any other organisation with similar objects, and to appoint representatives thereto;
- 5.5 acting as the controlling and co-ordinating body of its members;
- 5.6 adopting measures governing the activities of its members and the administration of the game in South Africa, including measures which will promote and develop rugby;
- 5.7 arranging national and international competitions and matches;
- 5.8 conducting rugby business on a national and international level as well as the commercial activities associated therewith;
- 5.9 continuing to exercise the powers and performing the functions, duties and obligations of SARU and the company as they were before the commencement of this constitution; and,
- 5.10 fostering good relationships with its stakeholders, including, but not limited to, its members, associate members, sponsors, the media, government and supporters.

6 MAIN BUSINESS

The main business which SARU has to conduct, is to -

- 6.1 develop and administer rugby on a national basis;
- 6.2 adopt measures governing the development and administration of rugby in South Africa;
- 6.3 act as controlling and co-ordinating body of all its members and the associations, societies and bodies admitted to membership or to associate membership of SARU;
- 6.4 bind its members to all obligations entered into by it for the benefit of rugby;
- 6.5 determine and arrange rugby competitions and matches and activities associated

- therewith;
- 6.6 regulate and control rugby competitions and matches played under its auspices;
 - 6.7 determine the conditions under which competitions and matches have to be conducted and played, including the conditions under which trophies and awards offered to, and accepted by it, are to be competed for;
 - 6.8 decide upon and make arrangements for visits of rugby teams from and to countries other than the Republic and to determine the conditions under which such visits have to take place;
 - 6.9 procure such funds and assets, and to undertake such obligations, as may be deemed appropriate by it and, for this purpose, to enter into such contracts, deeds and agreements as may be deemed necessary;
 - 6.10 apply its income and property solely to promote its main object and ancillary objects;
 - 6.11 implement the laws regulating rugby and to initiate improvements of such laws;
 - 6.12 make rules and regulations and take decisions in relation to rugby, and the conditions under which rugby is played, and to repeal or vary any such rules and regulations and decisions, and to bind its members to all rules and regulations and decisions so made or taken and for the time being in force;
 - 6.13 conduct the commercial activities associated with professional rugby in South Africa and abroad involving, but not limited to –
 - 6.13.1 all national rugby teams, as well as their support staff;
 - 6.13.2 high performance programmes;
 - 6.13.3 brand building and protection;
 - 6.13.4 merchandising;
 - 6.13.5 sponsors of, and official suppliers to, professional rugby;
 - 6.13.6 media rights, including, but not limited to, entering into, taking over, negotiating or otherwise acquiring any contract with any person for the right to broadcast which shall mean, for the purpose of this clause, the transmission and/or recording and/or otherwise storing of coverage of or other reproduction of a match or matches in any medium and any use or exploitation of the same by any means in any electronic media now known or in any time in the future developed, including, but not limited to, all forms of television (which will include, without limitation, video, DVD, CD-Rom and/or other audio-visual recorded viewing

medium) and all forms of interactive and/or on-line transmissions via the internet or any other system, radio and all other audio-only media (which will include all forms of recordings and/or interactive and/or on-line audio transmissions via the internet or any other system) whether live or deferred and whether in whole or in part throughout the world or any part thereof;

6.13.7 marketing;

6.13.8 the management of tours, tournaments and competitions;

6.13.9 event management;

6.13.10 investments; and

6.14 do all such things as are incidental or conducive to the attainment of its main and ancillary objects and generally to advance the game of rugby.

7 POWERS

The following ordinary powers are included in the powers which SARU has, subject to this constitution, in order to effectively pursue its main object, ancillary objects and main business, viz to –

7.1 purchase or acquire in any way stock-in-trade, plant, machinery, land, buildings, agencies, shares, debentures and every other kind or description of movable and immovable property;

7.2 manage, insure, sell, lease, mortgage, dispose of, give in exchange, work, develop, build on, improve, turn to account or in any way otherwise deal with its undertaking or all or any part of its property and assets;

7.3 apply for, purchase or by any other means acquire, protect, prolong and renew any patents, patent rights, licenses, trademarks, concessions or other rights and to deal with and alienate them as provided in the preceding sub-paragraph;

7.4 borrow money;

7.5 secure the payment of monies borrowed in any manner, including the mortgaging and pledging of property;

7.6 lend money to any member, associate member, person or company;

7.7 invest money in any manner;

7.8 open and operate banking accounts for the purpose of conducting its business and to overdraw such accounts;

- 7.9 make, draw, issue, execute, accept, endorse and discount promissory notes, bills of exchange and any other kind of negotiable or transferable instruments;
- 7.10 adopt such means of making known its main and ancillary objects as it may deem expedient and to encourage and promote the publication of literature and all forms of information which may further its objects and the interests of rugby;
- 7.11 apply to any authority to authorise anything conducive to any of its objects or necessary or expedient in relation thereto;
- 7.12 enter into such arrangements with appropriate authorities as it may deem conducive to any of its objects or main business or necessary or expedient in relation thereto and to obtain from such authorities any rights, privileges and concessions which it may deem advisable to obtain;
- 7.13 accumulate capital for any of its purposes, by capitalising unexpended income or otherwise, and to appropriate any of its assets for specific purposes, either conditionally or unconditionally;
- 7.14 invest and deal with any of its monies not immediately required for carrying on its activities upon such securities and in such manner as may from time to time be determined by it, and to realise, vary, re-invest or otherwise deal with such securities;
- 7.15 pay or lend money and grant subsidies and bursaries to any member, associate member, school, university or public body, for the furtherance of rugby on such terms as it may deem expedient;
- 7.16 guarantee the performance of contracts by any person or member, and for this purpose to enter into indemnities, guarantees and suretyships of every description;
- 7.17 effect insurance of all descriptions, including insurance against accidents of any description, against liability to pay compensation for injuries happening to or sustained by any employee, administrator or player of or connected to it, against liability to pay damages to any person in consequence of such accident, and to pay the premiums and other monies required to keep such policies of insurance of full force and effect;
- 7.18 form and have an interest in any company or companies for the purpose of acquiring the undertaking or all or any of the assets or liabilities of such company or for any purpose calculated to benefit SARU, whether directly or indirectly;
- 7.19 take part in the management, supervision and control of the business or operations of any company or business and to enter into partnerships;
- 7.20 remunerate any person or persons for services rendered in its formation or in the development of its business;

- 7.21 make and receive donations;
- 7.22 undertake and execute any trust;
- 7.23 act as principal, agent, contractor or trustee;
- 7.24 pay gratuities and pensions and establish pension schemes and incentive schemes in respect of its executive council members, officers and employees;
- 7.25 make payment towards the medical aid of any employee and ex-employee and to grant pensions, allowances and *ex gratia* payments and to contribute to pension funds on behalf of such employees;
- 7.26 enter into contracts inside and outside the Republic and to execute any contracts, deeds and documents in any foreign country;
- 7.27 engage in foreign exchange contracts and transactions for the purpose of securing forward cover;
- 7.28 designate persons as patrons of SARU by reason of having rendered exceptional services to, or having conferred some special benefit upon, SARU or its predecessors;
- 7.29 bestow honorary life membership of SARU on persons who have rendered exceptional services to, or conferred some special benefit upon, SARU or its predecessors notwithstanding the fact that natural persons cannot become members of SARU in the ordinary course; and,
- 7.30 do all such other things as are incidental or conducive to the attainment of the above objects, whether main or ancillary, and to conduct its main business.

8 GOVERNANCE

- 8.1 Subject to this constitution, SARU's business and activities will be overseen by the general meeting which shall have the ultimate authority in respect of, and responsibility for, its affairs.
- 8.2 The general meeting is SARU's highest authority and shall, *inter alia*, be responsible for –
 - 8.2.1 formulation of policies, rules and regulations;
 - 8.2.2 adoption and amendment of the constitution;
 - 8.2.3 approval of a strategic plan;
 - 8.2.4 approval of the annual budget;
 - 8.2.5 approval of the format, structure and composition of SARU's major competition currently known as the Absa Currie Cup or its successor as

well as determining the SA teams to participate in Super Rugby competitions.

- 8.2.6 adoption of the annual financial statements;
 - 8.2.7 appointment of an auditor;
 - 8.2.8 election of the president, deputy president and vice president;
 - 8.2.9 election of the four (4) union representatives as members of the executive council, subject to the provisions of clause 14.3; and
 - 8.2.10 appointment of the chief executive officer.
- 8.3 Subject to this constitution, all SARU's affairs shall be governed by the executive council which may exercise all such powers and perform all such functions as are not required by this constitution to be exercised or performed by the general meeting: Provided that the general meeting retains the authority to exercise such powers and perform such functions if the executive council is, for whatever reason, unwilling or unable to do so.
- 8.4 Without derogating from the generality of the foregoing, the executive council shall determine a policy framework for, and oversee SARU's governance and exercise the powers and perform the functions necessary to achieve and promote the main and ancillary objects.
- 8.5 A vote of no confidence in writing signed on behalf of at least four (4) members against a person referred to in 14.2.1 – 14.2.4 shall be referred to a general meeting. In the event of at least eleven (11) members in support of the vote of no confidence, and subject to the rules of natural justice, such person shall vacate his position.
- 8.6 The provisions in the Act and the rules of common law which govern the powers and functions of members of the board of directors of a public company, the relationship between such directors and such company, whether fiduciary or otherwise, as well as the personal liability, criminal or delictual, of such members flowing from fraudulent or negligent acts or omissions in relation to such members aforesaid powers and functions, apply *mutatis mutandis*, and to the extent that it is consistent with SARU's status, to the members of the executive council as if SARU were a public company.
- 8.7 The principles and the best practice recommendations set out in the Code of Governance Principles for South Africa - 2009 King III, as augmented and amended from time to time, shall apply to the governance of SARU as a guideline.

9 MEMBERSHIP OF THE INTERNATIONAL RUGBY BOARD AND OTHER ORGANISATIONS

- 9.1 SARU is a member of the IRB, which is managed and controlled by its council on

which, in terms of the IRB's by-laws, SARU is entitled to have two (2) representatives.

- 9.2 One (1) of the two (2) SARU representatives on the council of the IRB shall be the president: Provided that if the president is unable to attend any meeting of the council, his place shall be taken by the deputy president, and if the latter is unable to attend, his place shall be taken by the vice president.
- 9.3 The additional SARU representative on the IRB's council shall be appointed from time to time by the general meeting: Provided that if the additional representative is unable to attend any meeting of the aforesaid council, his place shall be taken by someone appointed by the executive council.
- 9.4 SARU's membership of the IRB shall be effective as an agreement between it and the IRB to abide by the laws of the game and the IRB's by-laws, rules and regulations and to accept and enforce all the IRB's decisions in respect of the playing and administration of rugby throughout the Republic.
- 9.5 Notwithstanding anything to the contrary contained in clause 10.4, SARU shall have the power to determine, introduce and enforce such experimental laws, together with such interpretations and rulings in relation to such experimental laws, as in the discretion of the general meeting will be to the advantage of rugby provided that the approval of the IRB has been obtained prior to the introduction of such experimental laws, interpretations and rulings.
- 9.6 Such experimental laws, interpretations and rulings in respect thereof as have been approved by the IRB shall, upon approval, be promulgated by notification in writing to members, or in such other manner as the executive council may direct.
- 9.7 All such experimental laws shall be binding on members.
- 9.8 Subject to the provisions of clause 9.9, the general meeting shall appoint the SARU representatives to all other organisations to which SARU is affiliated or associated with.
- 9.9 The executive council shall appoint the SARU representatives to SANZAR, or should SARU cease to be a member of SANZAR, to such entity as may succeed SANZAR or have similar objects.

10 MEMBERSHIP AND ASSOCIATE MEMBERSHIP

- 10.1 SARU's membership shall be limited to the unions and such other rugby unions as may be established and admitted from time to time following adoption of a resolution to that effect at an annual general meeting of members.
- 10.2 Any association, society or other body of persons, which has as its principal object the playing, administration and promotion of the game which is able to show that it

enjoys substantial support amongst players within its jurisdictional area may, at the discretion of SARU, be admitted to associate membership of SARU at an annual general meeting.

- 10.3 SARU and an associate member shall enter into a memorandum of understanding setting out the rights, privileges and obligations of the associate member. The rights and privileges shall in any event not make provision for the associate member to submit a motion to SARU, or to second a motion submitted to SARU, or to have a vote at any meeting of SARU.
- 10.4 Any association, society or other body of persons being desirous of becoming a member or an associate member of SARU shall make written application to SARU, which application shall be proposed and seconded by at least three (3) members of SARU and which application shall provide such particulars as SARU may require from time to time and shall also include a declaration to be bound by this constitution, the rules, regulations and decisions made in terms thereof, or deemed to have been made in terms thereof, and the agreements entered into by SARU for the general benefit of the game in the Republic on becoming a member or an associate member of SARU.
- 10.5 Such application shall be considered at the annual general meeting of members and shall appear on the agenda of the meeting at which it is to be considered.
- 10.6 The supporting votes of at least seventy-five percent (75%) of the representatives entitled to vote at the relevant meeting shall be required before such application may be approved.
- 10.7 Any association, society or other body of persons which has been accepted as a member or associate member of SARU shall be bound by the constitution, rules, regulations and decisions of SARU and the agreements entered into by it for the general benefit of the game in the Republic.

11 GENERAL MEETINGS

- 11.1 There shall be at least three (3) general meetings in each calendar year, one (1) of which shall be the annual general meeting.
- 11.2 The other two (2) meetings shall be ordinary general meetings of members.
- 11.3 The aforesaid general meetings shall be held at such times and places as may be determined by a general meeting, the executive council or the president: Provided that every general meeting shall, unless otherwise determined by the executive council, be held in Cape Town: Provided further that meetings additional to those referred to in clause 11.1, which shall be regarded as special meetings, may be convened to dispose of special business only within the timeframe described in clause 12.1 at the request of any eight (8) members or by the executive council.

- 11.4 The members shall designate two (2) persons each, one (1) of whom has to be its president and/or deputy president or a designated official, to represent them at general meetings of members, each of whom will have one (1) vote.
- 11.4.1 Subject to clause 10.3 above an associate member will be represented by one (1) representative nominated by such associate member.
- 11.5 A member shall be considered present at any general meeting if one (1) of its representatives is present at such meeting.
- 11.6 All members of the executive council shall be entitled to attend general meetings, however, only the president and in his absence, the chairman, as per clause 13.8, shall be entitled to vote. The remaining members of the executive council shall not have the right to vote.
- In the case of an equality of votes, whether on a show of hands or on a poll, the President, if presiding, or whosoever is the chairman, shall be entitled to a second vote or casting vote, provided he has used his deliberative vote.
- 11.7 No more than fifteen (15) months shall elapse between the date of one (1) annual general meeting and that of the next, and an annual general meeting shall be held within six (6) months of the end of SARU's financial year.
- 11.8 A delegate who is unable to attend the general meeting due to extraordinary circumstances beyond his control may appoint the other delegate from his union as his proxy, or if both delegates are not available, to any member of the general council of SARU entitled to be present, as their proxy to vote on specified agenda items or on topics requiring a vote. Prior to voting, the CEO will verify the vote. The meeting has to approve of the proxy.

12 NOTICE AND AGENDA OF GENERAL MEETINGS

- 12.1 An annual general meeting and a special general meeting shall be called by giving not less than twenty-one (21) days' notice in writing and an ordinary general meeting by giving not less than fourteen (14) days' notice in writing.
- 12.2 The notice shall be exclusive of the day on which it is served or deemed to have been served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting, the business to be transacted thereat, and, subject to the provisions of clause 25.3, shall enclose copies of the minutes of the preceding Annual General Council Meeting of SARU and of any other Special or Ordinary General Council meetings of SARU held since the last General Meeting and shall be given in the manner hereinafter described or in such other manner, if any, as may be prescribed by SARU in any general meeting, to such persons as are, under this constitution, entitled to receive such notices from SARU: Provided that a general meeting shall, notwithstanding the fact that it is called by shorter notice than that prescribed in this constitution, be deemed to have been duly called if it is so agreed, before the meeting, by no fewer than thirteen (13) members having a right to attend

and vote at the meeting or, at the meeting by no fewer than ninety percent (90%) of the representatives entitled to vote at the relevant meeting.

- 12.3 Notice of general meetings must be given, by registered post, courier, hand delivery, telefax or electronic mail, at the head office of the member concerned.
- 12.4 The unintentional failure to give notice of a general meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not *per se* invalidate the proceedings of that meeting.
- 12.5 Notice of a motion to consider and to pass with or without modification any resolutions concerning the affairs of SARU, including the right to determine the policy of SARU in this regard, must reach SARU not later than twenty (20) calendar days prior to the date of the meeting at which such motion will be considered, a copy whereof must be submitted to all Members of SARU and to all persons entitled to receive notice and to attend and to vote at General Council meetings not later than ten (10) calendar days prior to the meeting at which the motion will be considered.
- 12.6 The agenda of the annual general meeting and an ordinary general meeting shall be sent to the members not later than (ten) 10 days prior to the meeting.
- 12.7 Notice of cancellation or postponement of any general meeting shall be given in writing with (three) 3 days' notice before the date of such meeting on the request of the same party/parties that requested the calling of the meeting

13 PROCEEDINGS AT GENERAL MEETINGS

- 13.1 The annual general meeting shall be competent to deal with and dispose of all matters prescribed by this constitution, and any other matters laid before it, including –
 - 13.1.1 adoption of the audited annual financial statements;
 - 13.1.2 election of the president, deputy president and vice president when their terms of office have expired or to fill a vacancy;
 - 13.1.3 election of the four (4) additional executive council members when their terms of office have expired or to fill a vacancy;
 - 13.1.4 appointment of an auditor; and
 - 13.1.5 approval of the remuneration of the members of the executive council and the auditor.
 - 13.1.6 To consider and to pass, with or without modification, any resolutions concerning the affairs of SARU, including the right to determine the policy of SARU in this regard, of which due and proper notice is given.

- 13.1.7 To consider and to pass, with or without modification, any resolution adding to, rescinding or amending, any part of the Constitution, of which due and proper notice is given.
- 13.2 SARU's budget for the following year should be considered for approval at the last general meeting to take place in each financial year.
- 13.3 Ordinary general meetings shall be competent to deal with and dispense of all matters prescribed by this constitution with the exception of the matters referred to in clause 13.1 and all other matters reserved by this constitution to be dealt with at annual general meetings: Provided that an ordinary general meeting may fill vacancies of the nature referred to in clauses 13.1.2 and 13.1.3.
- 13.4 The only matters that may be dealt with at a special general meeting are the matters that necessitated the calling of that meeting of which notice has to be given in accordance with the provisions of clause 11.1 and such matters may include any matter that may be dealt with and disposed of at ordinary general meetings with the exception of the approval of the budget.
- 13.5 No business shall be transacted at any general meeting unless a quorum is present.
- 13.6 Save as otherwise provided herein, a quorum requires the presence of ten (10) members duly represented as provided for herein.
- 13.7 If within thirty (30) minutes of the time appointed for a general meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or, if that day is a public holiday, to the next succeeding day other than a public holiday, and if at such adjourned meeting a quorum is not present within thirty (30) minutes of the time appointed for the meeting, the representatives present shall be a quorum.
- 13.8 The president of SARU, or its deputy president if the president is not available, or the vice president if the deputy president is not available, shall preside at every general meeting: Provided that if there is no president, deputy president or vice president, or if at any meeting not one (1) of them is present within fifteen (15) minutes of the time appointed for holding the meeting or is unwilling to act as chairperson, a member of the executive council elected by the members present, or if no member of the executive council is present, or if all the members of the executive council present decline to take the chair, a representative of a member elected by the members present, shall preside as chairperson.
- 13.9 The chairperson of a general meeting may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting at which the adjournment took place.

- 13.10 Subject to 13.3, any motion put to the vote at any general meeting of SARU shall be decided on a show of hands unless a ballot is demanded by the chairperson or a delegate prior to the resolution being put to the vote.
- 13.11 If a poll is demanded it has to 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 at which the poll was demanded.
- 13.12 Scrutineers shall be elected to declare the result of the poll, and their decision, which has to be given by the chairperson of the meeting, shall be deemed to be the resolution of the meeting at which the poll is demanded.
- 13.13 Unless otherwise provided for herein, the adoption of resolutions shall require a majority of the representatives present and voting: Provided that the adoption of special resolutions at special general meetings shall require a majority of seventy-five percent (75%) of the representatives present and voting.
- 13.14 A poll shall be taken forthwith and the demand therefor, which may be withdrawn, shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll had been demanded.
- 13.15 On a poll, votes must be cast in person.
- 13.16 A resolution in writing signed on behalf of all the members, by its president and by the president of SARU, or in his absence, the deputy president of SARU within ten (10) days, excluding Saturdays, Sundays and Public Holidays, of the draft resolution having been sent to the members, shall be as valid and effective as if it had been passed at a general meeting duly convened and held.

14 EXECUTIVE COUNCIL

- 14.1 SARU shall have an executive council consisting of no more than thirteen (13) members.
- 14.2 Following the commencement of this constitution, the executive council shall consist of –
- 14.2.1 the president;
- 14.2.2 the deputy president; and
- 14.2.3 the vice president,
- all of whom shall be elected at an annual general meeting for a period of four (4) years , whereafter they shall be eligible for re-election;
- 14.2.4 four (4) union representatives elected at an annual general meeting for a period of four (4) years, whereafter they shall be eligible for re-election;

- 14.2.5 two (2) independent members to be elected by the executive council on the strength of their exceptional business, rugby and professional acumen and experience and who are not office holders or employees of SARU or of a province, for a period of one (1) year and who shall be eligible for re-election;
 - 14.2.6 a chief executive officer (CEO) appointed at a general meeting who shall also be the accounting officer;
 - 14.2.7 a chief financial officer appointed by the executive council; and
 - 14.2.8 one (1) player representative elected at the annual general meeting or a special general meeting of SARPA.
- 14.3 At any general council meeting of the union the election of the persons referred to in clauses 14.2.1: 14.2.2: 14.2.3:14.2.4 shall be done by way of ballot.
- 14.4 To be eligible for election to the executive council at an annual general meeting, candidates have to be members of their unions' executives or of the board of directors of their unions' commercial arms and must have served as such for more than one (1) year immediately prior to such general meeting. A candidate who is elected must resign with immediate effect from such position upon becoming a member of the executive council, failing which, the position on the executive council shall become vacant.
- 14.5 For the purpose of re-election of any member of the executive council, such member shall be considered eligible for the same or any other position on the executive council.
- 14.6 Any vacancy which occurs in the executive council must be filled by –
- 14.6.1 a general meeting in respect of members serving by virtue of clauses 14.2.1 to 14.2.4 and 14.2.6;
 - 14.6.2 the executive council in respect of members serving by virtue of clauses 14.2.5 and 14.2.7; and
- 14.7 Subject to the provisions of clause 14.3, the president of SARU, or its deputy president if the president is not available, or the vice president if the deputy president is not available, shall preside as chairperson at every meeting of the executive council: Provided that if there is no president, deputy president or vice president, or if at any meeting not one (1) of them is present within fifteen (15) minutes of the time appointed for holding the meeting or is unwilling to act as chairperson, a member of the executive council elected by the members present shall preside as chairperson.

- 14.8 Nominations in writing
- 14.8.1 Nominations in writing by members of candidates for the positions on the executive council which have to be filled by an annual general meeting or general meeting must reach SARU not later than thirty(30) calendar days prior to the date of the meeting at which the election is to take place, and such nominations must be accompanied by the nominee's written acceptance of the nomination, an appropriate CV and a written undertaking that he will resign with immediate effect from his unions' executive and/or of the board of directors of his unions' commercial arm upon being elected to the executive council. The nomination must indicate for which positions that have to be filled at the meeting in question, the nominee is nominated: Provided however, that the serving executive council members shall be eligible for re-election without nomination.
- 14.8.2 Only members in good financial standing with SARU may nominate a person for election. To be in good financial standing, a member must have no monies outstanding prior to the year of the elections, or have a prior written agreement with SARU concerning the payment of outstanding monies.
- 14.9 A list containing the nominations with the appropriate CVs must accompany the notice of the annual or other general meeting at which the elections have to take place.
- 14.10 The adoption of a vote of no confidence in respect of any member/s serving by virtue of clause 14.2.5, passed by an ordinary majority at any meeting of the executive council as provided for in clause 18.4 and upon the adoption of any such vote of no confidence the person concerned shall vacate his position forthwith.

15 MEETINGS, POWERS AND FUNCTIONS OF THE EXECUTIVE COUNCIL

- 15.1 The executive council shall meet at least six (6) times per calendar year and shall report in full after each meeting to each member of SARU.
- 15.2 SARU's business shall be governed by the executive council subject to this constitution, and to such regulations, not inconsistent with this constitution, as may be prescribed by the general meeting, but no regulation prescribed by the general meeting shall invalidate any prior act of the executive council which would have been valid had such regulation not been prescribed.
- 15.3 The executive council may exercise all SARU's powers to invest its funds, borrow money, sign surety and mortgage or bind or charge its undertaking and property or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of SARU or of any third party: Provided that the amount for the time being remaining undischarged in respect of monies borrowed or secured by the executive council as aforesaid, apart

from temporary loans obtained from SARU's bankers in the ordinary course of business, shall not at any time, without the prior sanction of a general meeting, exceed an amount determined by the general meeting.

- 15.4 The executive council shall consider and approve the audited annual financial statements for adoption by the annual general meeting and consider and recommend the approval of the annual budget at a general meeting.
- 15.5 The executive council may open and operate banking accounts and overdraw such accounts.
- 15.6 The executive council may secure the payment or repayment of any sums of money borrowed or raised, or the payment of any debt, liability or obligation whatsoever of SARU or of a third party, in such manner and upon such terms and conditions as it deems fit.
- 15.7 The executive council may from time to time entrust to, or confer upon, the chief executive officer such powers vested in it as it may deem fit for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it may deem appropriate, and may confer such powers either collaterally or to the exclusion of, or substitution for, all or any of the powers of the executive council and may from time to time revoke or vary all or any such powers.
- 15.8 The chief executive officer shall not be regarded as an agent or delegate of the executive council and after powers have been conferred upon him by the executive council in terms hereof, he shall be deemed to derive such powers directly from this constitution.
- 15.9 The chief executive officer shall be responsible, together with his staff, but always subject to the directions of the executive council, for the day-to-day management of SARU's activities.
- 15.10 The executive council shall have the power to delegate, or to allocate such powers and functions as are vested in it by virtue of this constitution to any one (1) or more of its number or to any other person or persons, whether in the Republic or not, as it may deem fit.
- 15.11 The executive council may delegate in writing any of its powers and functions to –
 - 15.11.1 Sub-committees, including but not limited to the following:
 - 15.11.1.1 Audit and Risk committee comprising of not fewer than four (4) members and not more than six (6) members; and
 - 15.11.1.2 Human Resources and Remunerations committee comprising of not fewer than four (4) members and not more than six (6) members; and

- 15.11.1.3 National Judicial Committee comprising of not fewer than three (3) members and not more than six (6) members; and
 - 15.11.1.4 Selection Committees comprising of members as determined in clause 15.23; and
 - 15.11.1.5 Games and Policies Committee.
Comprising of not fewer than six (6) members and not more than eight (8) members; and
 - 15.11.1.6 Finance committee comprising of not fewer than four (4) members and not more than six (6) members, the members thereof shall be members of the executive council.
- 15.11.2 These subcommittees appointed in terms of clauses 15.11.1.1 – 15.11.1.6 shall be appointed for a period of 2 years, with the exception of 15.11.1.4 (Selectors), whose term is determined in clause 15.23.9 at the first meeting of the executive council after the corresponding Annual General Meeting.
- 15.12 Without derogating from the generality of the powers and functions conferred on the executive council by this constitution, the executive council –
- 15.12.1 has the power to implement SARU’s rules and regulations and to take any decisions that are necessary or expedient in order to achieve SARU’s objects, including, but not limited to, anti-doping rules and regulations and rules and regulations providing for the procedures to be followed to exercise the necessary powers in relation to disciplinary actions;
 - 15.12.2 has the power to take such steps as it may deem fit against any rugby body or person failing to comply with or contravening –
 - 15.12.2.1 this constitution, any of SARU’s rules or regulations;
 - 15.12.2.2 the constitution or any of the by-laws, rules and regulations of the IRB, or any body of persons or organisation to which SARU is affiliated or associated with in terms of a joint venture agreement or other agreement, including, but not limited to, SANZAR and CAR;
 - 15.12.2.3 any decisions taken, resolutions adopted or rulings made by the general meeting, the executive council, the IRB or any body of persons or organisation to which SARU is affiliated or associated with in terms of a joint venture agreement or other agreement, including, but not limited to, SANZAR and CAR;
 - 15.12.2.4 any contract entered into by or on behalf of SARU; and

- 15.12.2.5 the laws of the game;
- 15.12.3 shall be responsible for –
 - 15.12.3.1 overseeing project management and the implementation of strategy;
 - 15.12.3.2 complying with the requirements of good corporate governance;
 - 15.12.3.3 providing strategic leadership; and
 - 15.12.3.4 overseeing SARU's financial affairs.
- 15.13 The executive council must establish a national judicial committee where members should be independent of SARU. The executive council may delegate its disciplinary powers to the national judicial committee or an *ad hoc* committee, either of which shall have the right, notwithstanding the provisions of this constitution, to further delegate such powers, and may for this purpose issue rules regarding –
 - 15.13.1 any matter which shall or may be prescribed in terms of this constitution, including the right to further delegate such powers to disciplinary committees or judicial officers;
 - 15.13.2 procedures to be observed in the conduct of hearings;
 - 15.13.3 prescribed sanctions;
 - 15.13.4 the right of appeal to an appeal committee;
 - 15.13.5 the constitution of such appeal committee; and
 - 15.13.6 in general, any other matter which it deems necessary or expedient to prescribe in order to achieve or promote the objects of this clause.
- 15.14 Disciplinary committees, judicial officers, appeal committees and appeal officers constituted or appointed under this constitution and the rules or regulations made hereunder or deemed to be constituted or appointed under this constitution, have to exercise their functions independently of SARU, are fully autonomous and any decision any of them makes, shall be binding on SARU, which shall not have the power to affirm, revoke or alter any such decision.
- 15.15 The executive council must establish an audit committee whose members should be independent non-executive members and may not include the chairman of the executive council. The audit committee must, in the exercise of the powers allocated or delegated to it, conform to the terms of reference approved by the executive council.

- 15.16 The executive council must establish a remunerations committee with appropriate terms of reference approved by the executive council.
- 15.17 All acts of the executive council, or of a committee, or person appointed by the executive council, in respect of disciplinary proceedings shall, notwithstanding that it be afterwards discovered that there was some defect in the election or appointment of such committee or person, or any of them was disqualified, be valid.
- 15.18 Should a vacancy occur in any subcommittee or *ad hoc* committee of the executive council, the executive council shall have the right to fill such vacancy, subject to the provisions of this constitution, by the appointment of any qualified person to such committee.
- 15.19 Sub committees and *ad hoc* committees may meet and adjourn as they deem fit and the majority of the members of any such committee shall constitute a quorum for any meeting thereof.
- 15.20 Except as provided for in clause 15.25 in respect of the selection of the Springboks, issues arising at any meeting of any committee shall be determined by a majority of votes of the members present and voting, and in the case of an equality of votes the chairperson shall have a second or casting vote, provided he has exercised his deliberative vote.
- 15.21 Save as aforesaid, the meetings and proceedings of a committee consisting of more than one (1) person, shall be governed by the provisions of this constitution regulating the meetings and proceedings of the executive council to such an extent as is feasible.
- 15.22 The executive council may establish and maintain any non-contributory or contributory pension, superannuation, provident and benefit fund for the benefit of, and give pensions, gratuities and allowances to and make payments for or towards the insurance of any persons who are employees or ex-employees.
- 15.23 Once the CEO and his operational staff have followed the prescribed process, the CEO shall make recommendations to the executive council for the appointments to be made in terms of paragraphs 15.23.1 to 15.23.7. After consideration of the recommendations made by the CEO, the executive council shall make such appointments for the said positions, as they in their absolute discretion might deem fit:-
- 15.23.1 the South African “A” coach;
 - 15.23.2 the emerging Springboks coach;
 - 15.23.3 the South African under-20 coach;
 - 15.23.4 the Springboks sevens coach;

- 15.23.5 the women Springboks coach;
- 15.23.6 the women Springboks sevens coach;
- 15.23.7 the South African national schools coach;
- 15.23.8 any other national coach whose appointment may be required from time to time;
- 15.23.9 Springboks selection committee which consists of the Springboks coach plus two (2) additional members appointed to serve for such a period as coincides with the term of the Springboks coach, of whom the executive council shall nominate one (1) as the convenor and who shall both serve on all other selection committees.
- 15.23.10 All other selection committees and the composition thereof should be determined on an annual basis
- 15.23.11 all team managers after consultation with the relevant coaches; and,
- 15.23.12 all team support staff after consultation with the relevant coaches.
- 15.24 The executive council must appoint the Springbok coach, which appointment has to be ratified at a general meeting.
- 15.25 The selection of Springboks shall be done by consensus among the members of the selection committee, failing which the coach shall have the final right of selection.

16 CONSTRAINTS ON MEMBERS OF THE EXECUTIVE COUNCIL

- 16.1 A non-executive member of the executive council may not: –
 - 16.1.1 be a director of any company promoted by SARU or in which it may have an interest as vendor, shareholder or otherwise;
 - 16.1.2 represent SARU in the management of any business or operations or concern in which it may be interested as a partner or otherwise; and,
 - 16.1.3 be employed by SARU or accept a retainer from it in consideration for which he agrees to give his services to SARU in any special capacity when called upon to do so by it.
- 16.2 A non-executive council member may not serve on the governing structure of any provinces and/or subsidiaries of SARU.

17 DISQUALIFICATION OF NON- EXECUTIVE MEMBERS OF THE EXECUTIVE COUNCIL

A non-executive member of the executive council shall cease to hold office if –

- 17.1 he becomes disqualified by virtue of any provision of this constitution;

- 17.2 he is removed from office by a resolution of a general meeting;
- 17.3 a notice removing him from office is signed by the authorised representatives of all members having a right to attend and vote at a general meeting and is delivered to SARU or lodged at its headquarters;
- 17.4 his estate is sequestrated or he files an application for the surrender of his estate or an application for an administration order, or commits an act of insolvency as defined in the insolvency law for the time being in force, or makes any arrangement or composition with his creditors generally;
- 17.5 he is declared insane or incapable of handling his own affairs or becomes of unsound mind;
- 17.6 he has a direct or indirect interest in a contract or proposed contract with SARU and has failed to declare his interest and the nature thereof in the manner required of directors by the Act;
- 17.7 he has been removed from an office of trust on account of misconduct;
- 17.8 he is convicted of an offence of which dishonesty is an element;
- 17.9 he fails to attend three (3) executive council meetings in a calendar year without leave to do so from the chairman of the executive council: or
- 17.10 a motion of no confidence is adopted in him in accordance with the provisions of this constitution.

18 PROCEEDINGS OF THE EXECUTIVE COUNCIL

- 18.1 At the written request of at least seven (7) of the members of the executive council, the chief executive officer must convene a meeting of the executive council at any time.
- 18.2 The members of the executive council may meet for the dispatch of business, adjourn and otherwise regulate their meetings as they deem fit.
- 18.3 Unless otherwise decided by the members of the executive council, all its meetings have to be held at SARU's headquarters.
- 18.4 Matters arising at any meeting of the executive council have to be decided by a majority of votes of those present and voting and each member shall have one (1) vote by a show of hands or ballot.
- 18.5 The chairperson has a second or casting vote only if he has exercised his deliberative vote.
- 18.6 The members of the executive council may determine what period of notice shall be

given of meetings thereof and may determine the means of giving such notice, which may include notice by telefax, telephone or electronic mail.

- 18.7 A quorum shall consist of a majority of the serving members of the executive council.
- 18.8 All acts done and decisions taken by any meeting of the executive council or a committee thereof or by any person acting as a member shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any member of the executive council or any member of such committee, or that any of them was disqualified, be as valid as if every such person had been duly appointed and was qualified to be a member, whether of the executive council or the committee or both as the case may be.
- 18.9 Subject to this constitution a resolution in writing, including through the medium of telefax and electronic mail, signed by all the serving members of the executive council shall be as valid and effective as if it had been passed at an executive council meeting duly called and constituted.

19 VALIDITY OF ACTS OF MEMBERS OF THE EXECUTIVE COUNCIL

As regards all persons dealing in good faith with SARU, all acts done by any meeting of the executive council, or by a committee, or by any executives, or by any person acting as a member of the executive council, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment or continuance in office of any such members, committees or the members thereof, executives or persons acting as aforesaid, or that they or any of them were disqualified or had ceased to hold office or were not entitled to vote, be as valid as if every such person had been duly appointed or was qualified or had continued to be a member or was entitled to vote, as the case may be.

20 REMUNERATION OF MEMBERS OF THE EXECUTIVE COUNCIL

- 20.1 The remuneration of members of the executive council, which shall be deemed to accrue from day to day, shall from time to time be recommended by the remuneration committee for approval by the annual general meeting.
- 20.2 The members of the executive council may also be re-imbursed for all reasonable travelling, hotel and other expenses, as determined by the remuneration committee, duly incurred by them in respect of the performance of their duties as such and including those relating to attending and travelling to and from meetings of the executive council or any committee thereof or of members thereof.
- 20.3 SARU may pay any member of the executive council who serves on any committee or devotes special attention to its business which involves services which, in the opinion of the remuneration committee, are outside the scope of the ordinary duties of such a member, such extra remuneration as the remuneration committee may determine.

- 20.4 If any member of the executive council is called upon to perform extra services or to make any special effort such as going or residing abroad, or otherwise, for any of the objects or business of SARU, SARU may pay that member in respect thereof such remuneration as may be determined by the remuneration committee, either in addition to, or in substitution for, the remuneration to which he is ordinarily entitled by virtue of his position as a member of the executive council.
- 20.5 Presidents of unions who attend meetings of committees shall be remunerated in accordance with a determination of the remuneration committee and shall also be re-imbursed for all reasonable travelling, hotel and other expenses as determined by the remuneration committee duly incurred by them in respect of the performance of their duties as committee members and including those relating to attending and travelling to and from committee meetings or of members thereof.

21 OUTSIDE INTERESTS IN MEMBERS AND COMMERCIAL COMPANIES

- 21.1 No province shall permit any person, club, body corporate, partnership, trust or any other entity (all of which are hereinafter referred to as an entity) or group of entities, acting alone or in concert, directly or indirectly, to acquire an interest of whatever kind in that province without SARU's prior written consent, which consent shall not be unreasonably withheld.
- 21.2 For the purposes of clause 21.1, the concept "*interest*" is to be widely construed and will include, without limitation, the holding of any number or class of shares or debentures, or any other interest, in a commercial company, but shall not include loans.
- 21.3 No province shall permit any entity or group of entities, other than a member itself, acting alone or in concert, directly or indirectly to own or control a commercial company.
- 21.4 For the purposes of clause 21.3, the concept "*ownership*" includes, but is not limited to, the holding or having of a beneficial interest in a commercial company of fifty percent (50%) or more.
- 21.5 For the purposes of clause 21.3, the concept "*control*" means the ability of an entity, or group of entities, by whatever means, to procure that the affairs of a commercial company are or may be conducted or influenced in whole or in part in accordance with that entity's, or group of entities', wishes.
- 21.6 An entity, or group of entities, will be deemed indirectly to own or control a commercial company if, pursuant to an agreement or understanding, whether formal or informal, such entity or group of entities, acting alone or in concert, obtain or secure or are able to obtain or secure ownership or control of a commercial company, in whole or in part.
- 21.7 For the purposes of clauses 21.3 to 21.6, the concepts "*indirect ownership*" and

“control” are to be widely construed in order to give effect to the underlying intention that no entity, or group of entities, acting alone or in concert, shall control, or be in a position to control, either directly or indirectly, any commercial company, in whole or in part.

22. NON-COMPLIANCE WITH, BREACHING OR CONTRAVENING OF CONSTITUTION BY PROVINCES

22.1 A province, rugby body or person -

22.1.1 which fails to comply with, breaches or contravenes –

22.1.1.1 this constitution, any of SARU’s rules, regulations or decisions, or the by-laws, rules or regulations of the IRB, or any other body of persons or organisation to which SARU is affiliated or associated with in terms of a joint venture agreement or other agreement, including but not limited to, SANZAR, CAR, or otherwise;

22.1.1.2 any decisions taken, any resolutions adopted or rulings made by a general meeting, the executive council, the IRB or any other body of persons or organisation to which SARU is affiliated or associated with in terms of a joint venture agreement or other agreement, including but not limited to, SANZAR, CAR, or otherwise;

22.1.1.3 any contract entered into by SARU to which such a province is a party; or

22.1.2 whose action, or lack of action, is detrimental to SARU’s interests and those of rugby,

shall be guilty of misconduct and subject to sanction by SARU.

22.2 The general meeting shall make regulations providing for –

22.2.1 the procedures relating to alleged offences under clause 22.1 and appropriate sanctions for committing such offences ;

22.2.2 the appointment, powers and functions of judicial officers or judicial committees to adjudicate on cases of such alleged offences;

22.2.3 the appointment, powers and functions of appeal committees to hear and decide appeals from decisions made by judicial officers and judicial committees; and

22.2.4 the procedures relating to proceedings of judicial officers, judicial committees and appeal committees:

Provided that, unless revised or replaced by the executive council, the rules, regulations, decisions, resolutions or rulings made or taken by SARU and in force at the time of the commencement of this constitution and the codes of conduct, shall be deemed, in all respects, to have been made or taken by the general meeting or the executive council, as the case may be, and any reference therein to the president's council or any committee thereof shall be construed as a reference to the executive council or, if there is one, the appropriate committee thereof: Provided further that judicial officers, judicial committees and appeal committees duly appointed or established by SARU, shall be deemed to have been appointed or established, as the case may be, in terms of this constitution and the same applies, *mutatis mutandis*, to their proceedings.

- 22.3 Upon finding that an offence in terms of clause 22.1 has been committed, judicial officers, judicial committees and appeal committees shall be entitled to impose such penalties as prescribed by regulation.
- 22.4 Judicial officers, judicial committees and appeal committees shall be entitled to make such orders in relation to costs as may be deemed appropriate.
- 22.5 Any disciplinary proceedings that have been instituted or are underway when this constitution commences, shall be continued with and completed under the authority of this constitution.

23 ARBITRATION, NEGOTIATION AND MEDIATION

- 23.1 In the event of a dispute between members, or between a member or members and SARU, arising from or in connection with –
 - 23.1.1 this constitution, any of SARU's rules, regulations or decisions, or by-laws, rules or regulations of the IRB, or any other body of persons or organisation to which SARU is affiliated or associated with in terms of a joint venture agreement or other agreement, including but not limited to SANZAR, CAR, or otherwise;
 - 23.1.2 any decisions taken, any resolutions adopted or any rulings made by the general meeting, the executive council, the IRB or any other body of persons or organisation to which SARU is affiliated or associated with in terms of a joint venture agreement or other agreement, including but not limited to SANZAR, CAR, or otherwise
 - 23.1.3 any contract entered into or succeeded to by SARU; and
 - 23.1.4 the laws of the game;
 - the parties concerned must refer any dispute to be resolved by:
 - 23.1.4.1 negotiation; failing which
 - 23.1.4.2 mediation; failing which

23.1.4.3 arbitration.

- 23.2 Such a dispute exists once a party or parties notifies the others in writing of the nature of the dispute and requires it to be resolved under this clause. Within ten days of notification, the parties must seek an amicable resolution to the dispute by referring it to designated and authorised representatives of each of the parties to negotiate and resolve it by the parties signing an agreement resolving it within 15 days.
- 23.3 If negotiation fails, the parties must refer the dispute for resolution by mediation under the rules of the Arbitration Foundation of Southern Africa (or its successor or body nominated in writing by it in its stead) ("AFSA").
- 23.4 If mediation fails, the parties must refer the dispute within ten days for resolution by arbitration (including any appeal against the arbitrator's decision) by one arbitrator (appointed by agreement between the parties) as an expedited arbitration under the then current rules for expedited arbitration of AFSA. If the parties cannot agree on any arbitrator within a period of ten days after the referral, the arbitrator will be appointed by the Secretariat of AFSA. The periods for negotiation or mediation may be shortened or lengthened by written agreement between the parties.
- 23.5 This clause will not preclude any party from access to an appropriate court of law for interim relief in respect of urgent matters by way of an interdict, or mandamus pending finalisation of this dispute resolution process, for which purpose the parties irrevocably submit the jurisdiction of a decision of the high Court of the Republic of South Africa.
- 23.6 In the event of any allegations of mismanagement or disputes involving SARU or its members, SARU and its members reserve the right to institute its own internal corrective measures, and exhaust all its internal remedies in this regard prior to any interference of any other appropriate authority with jurisdiction.

24 ACCOUNTING RECORDS

- 24.1 The executive council shall cause such accounting records to be kept *mutatis mutandis* as prescribed by section 28 of the Act.
- 24.2 The accounting records shall be kept at SARU's headquarters or such other place or places as the executive council deems fit, and shall always be open to inspection by the members of the executive council.
- 24.3 The accounting records, or any of them, shall be open to inspection by members of SARU at all reasonable times and members shall also have the right to inspect any accounting records or documents *mutatis mutandis* as provided for in the Act.

25 FINANCIAL STATEMENTS

- 25.1 The executive council shall, cause to be prepared and lay before the annual general meeting annual financial statements which comply with the requirements of clauses 25.2 and 25.5.
- 25.2 SARU's annual financial statements must –
- 25.2.1 include an auditor's report;
 - 25.2.2 include a report by the executive council with respect to the state of affairs, the business and profit or loss of SARU and the SARU group, including –
 - 25.2.2.1 any matter material for the members of SARU to appreciate the state of affairs of SARU and the SARU group;
 - 25.2.2.2 any prescribed information;
 - 25.2.3 be recommended for approval by the Annual General Meeting by the executive council and signed by two authorised members of the executive council;
- 25.3 A copy of any annual financial statements, group annual financial statements and group reports which are to be laid before members in an annual general meeting, shall not less than ten (10) days before the date of the meeting be sent to every member.
- 25.4 The executive council shall prepare, or cause to be prepared, management financial statements on a regular basis, copies of which shall be available at SARU's headquarters.
- 25.5 Any financial statements, including any annual financial statements, must –
- 25.5.1 satisfy the financial reporting standards as to form and content;
 - 25.5.2 present fairly the state of affairs and business of SARU, and explain the transactions and financial position of the business of SARU;
 - 25.5.3 show SARU's assets, liabilities and equity, as well as its income and expenses, and any other prescribed information;
 - 25.5.4 set out the date on which the statements were published, and the accounting period to which the statements apply;

26 NOTICES

- 26.1 A notice may be given by SARU to any member by sending it by telefax or electronic mail to such member at its headquarters, or if it has no headquarters in the Republic, at the address (if any) within the Republic supplied by it to SARU for the giving of notices to it.

- 26.2 Notice of every general meeting shall be given in any aforesaid manner –
- 26.2.1 to every member of SARU; and,
 - 26.2.2 to the members of the executive council.
- 26.3 The signature to any notice given by SARU may be written or printed, or partly written and partly printed.

27 AUTHORITY OVER MEMBERS

- 27.1 Notwithstanding the fact that each member has the sole right to control its assets and to dispose of its funds within the terms of its constitution, in such manner as it may deem fit, no such funds shall be applied or contributed for any purpose other than rugby, its administration, development and promotion, except as may be provided for by this constitution and the rules and regulations made hereunder: Provided that nothing herein contained shall confer upon any member any power or authority not given to it by or under its own constitution.
- 27.2 SARU will distribute funds to members in accordance with a funding model which has been approved by a general meeting, provided that members submit their approved annual budgets before the commencement of their respective financial years, failing which SARU would be entitled to withhold any monies payable to them, until such time as they had complied.
- 27.3 Each member and its commercial company, if any, must, not later than two months (60 days) after the commencement of its/their new financial year, in each and every year, furnish SARU with an operating budget, in summary form, at least, for that financial year, appropriately approved by its governing body. The operating budget should reflect not worse than a break-even situation, and a budgeted loss will only be acceptable if it can be funded out of existing reserves or affordable borrowings.
- Failure by any union and/or its commercial company to timeously submit an annual budget which meets the above requirements could result in all funding to the union being suspended by SARU.
- 27.4 All funds disbursed to members may be audited by SARU to ensure that funds allocated by SARU to its members are spent for the purpose for which such funds were applied for and allocated.
- 27.5 Each member must, not later than six (6) months after the end of the member's financial year, in each and every year, furnish SARU with the audited annual financial statements in respect of that member's financial year then ended, and that of its commercial company, or group financial statements where applicable.
- 27.6 The constitutions, rules and regulations of members shall not be inconsistent with that of SARU.
- 27.7 Each member is a legal entity and SARU shall not have the authority to interfere in

its affairs except where, in the Executive Council's opinion, there has been mismanagement of the administrative and/or financial affairs of a member, the executive council shall have the right to recommend to that member corrective measures in this regard, and if these measures are not implemented to take over the administrative and/or financial affairs of the member until these are restored to a satisfactory position.

28 AMENDMENTS TO THE CONSTITUTION

- 28.1 This constitution shall not be substituted, amended, rescinded or added to except at an annual general meeting or a special general meeting of SARU.
- 28.2 A special resolution supported by at least seventy-five percent (75%) of the representatives at such annual general meeting or special meeting shall be required for the purpose of this clause.
- 28.3 Notice of the intention to amend, rescind or add to the constitution at an annual general meeting must be given in writing by the intending mover thereof (which must be a member of SARU or the executive council), to the CEO not later than sixty (60) calendar days prior to the date fixed for such meeting. These amendments, rescissions or additions, following discussion at subcommittee level (where applicable), will be distributed to all members for comment. SARU shall then give written notice of the intended amendments, rescissions or additions to all members and associate members and to all the persons entitled to receive notice and to attend such meeting and vote thereat at least ten (10) calendar days prior to the date of the relevant meeting.

If it is required that any such amendments, rescissions or additions be dealt with at a special general meeting of SARU, written notice thereof must be given to the CEO who shall within twenty (20) calendar days of receipt of such notice call a special general meeting of SARU by giving at least twenty one (21) calendar days' written notice thereof and of the intended amendments, rescissions or additions to all members and associate members and all persons entitled to receive notice and to attend such meeting and to vote thereat.

29 NOTICE TO REVIEW OR RESCIND RULINGS BY THE CHAIRPERSON

Notice to review or rescind any ruling of the chairperson at a meeting of the executive council may be given at the meeting at which the ruling was given, or within thirty (30) calendar days thereafter.

30 INDEMNITY AND RATIFICATION

- 30.1 The members of SARU, the executive council, all the committees and members thereof and all the officials and employees of SARU, shall be indemnified from SARU's funds from and against all losses, charges, costs, damages and all and every other expense or liability which they may incur or be put to concerning or about the

bona fide execution of their respective duties and actions for and on behalf of SARU.

- 30.2 None of the aforesaid members, entities, members of such entities, officials and employees shall be held answerable or deemed to be in any way responsible for any act or default of one (1) or the other of them or for any deficiency or insufficiency of any title or security whatsoever taken by SARU; nor shall any of them be liable for any loss occasioned by any banker or other person with whom monies or securities of SARU may be deposited or to whom it may be entrusted for safe custody, invested or otherwise placed; nor for any loss, misfortune or damage which may happen to take place in the execution of their respective offices or duties or as a result thereof.
- 30.3 Nothing in this constitution shall prevent SARU from ratifying the act of any member of SARU, the executive council, its members, committees and members thereof and any officials and employees of SARU, or from indemnifying any such entities and persons from any particular acts or omissions which might give rise to any liability which by law would otherwise attach to such entity or person in respect of any negligence, default, breach of duty or breach of trust of which such entity or person may be guilty in relation to SARU.

31 INTERPRETATION

- 31.1 The interpretation of this constitution and all rules, regulations and decisions made thereunder is the responsibility of the executive council whose interpretation shall be final and binding on all members unless set aside or varied by an arbitrator appointed in accordance with this constitution or a court having jurisdiction.
- 31.2 Should the constitution be translated into one or more other languages, the English version shall prevail in the event of any inconsistency between it and any other version thereof.

32 WINDING-UP OR DISSOLUTION

Upon its winding-up or dissolution, SARU's assets remaining after the satisfaction of all its liabilities, shall be given or transferred to some other association or institution having objects similar to its main object, to be determined by its members at or before the time of its winding-up or dissolution or, failing such determination, by a court having jurisdiction.

33 COMMENCEMENT AND REPEAL OF PREVIOUS CONSTITUTION

This constitution commences upon its adoption, or such later date as may be decided upon, and repeals the SARU constitution in force at the time, as of the date of its commencement