

**CONSTITUTION OF THE  
SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS**

**1. Name**

- 1.1. This is the Constitution of the voluntary membership not for profit association (registered under the Non-Profit Organisation Act, 71 of 1997 with registration no 020-050-NPO) known as THE SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS ("SAICA").

**2. Definitions**

- 2.1. **"Accountant"** means a financial professional who performs functions including but not limited to the review and analysis of financial records and keeping track of financial transactions and records and assessing the financial position of his/her clients as trained and certified by the Institute;
- 2.2. **"Annual General Meeting" or "AGM"** means a scheduled meeting of the Institute's Eligible Voting Members held once per year for the purposes of transacting the business as set out in **paragraph 13.1**;
- 2.3. **"Associate Accounting Technicians" or "AT(SA)"** means a person who has satisfied the requirements for membership pursuant to the By-laws and who has been granted membership of the Institute and is entitled to use the trademark registered Designation "Accounting Technician (South Africa)" or "AT(SA)", who is in Good Standing of the Institute;
- 2.4. **"Associate General Accountant (South Africa)" or "AGA(SA)"** means a person who has satisfied the requirements for membership pursuant to the By-laws and who has been granted membership of the Institute and is entitled to use the trademark registered Designation "Associate General Accountant (South Africa)" or "AGA(SA)", who is in Good Standing of the Institute;
- 2.5. **"Board"** means the board of the Institute constituted by this Constitution and as referred to in By-law 3 of the By-laws;
- 2.6. **"Board Member"** means a member of the Board;
- 2.7. **"By-laws"** means the By-laws of the Institute, inclusive of the appendices thereto in force from time to time under this Constitution;
- 2.8. **"Chairperson"** means the person who holds the office of the chairperson of the Board from time to time, by whatever title he or she may be known;
- 2.9. **"Chartered Accountant (South Africa)" or "CA(SA)"** means a person who has satisfied the requirements for membership pursuant to the By-laws and who has been granted membership of the Institute and is entitled to use the CA(SA) Designation and related Designations in terms of the provisions of the Designation Act, who is in Good Standing of the Institute;
- 2.10. **"Chief Executive Officer" or "CEO"** means the chief executive officer of the Institute, by

- whatever title he or she may be known;
- 2.11. **“Constituency”** means the Category A Members resident in a region or forming part of an interest group, as the case may be;
  - 2.12. **“Council”** means the council of the Institute;
  - 2.13. **“Connected Person”** means a ‘connected person’ as defined in section 1(1) of the Income Tax Act;
  - 2.14. **“Designation”** means an official name or title awarded to an individual who meets the requirements set by the Institute and has successfully applied to the Institute for the use of the relevant name or title;
  - 2.15. **“Designation Act”** means the Chartered Accountants Designation (Private) Act, 67 of 1993;
  - 2.16. **“District Association”** means an association of Members resident in a sub-region of a region as determined by the applicable Regional Council from time to time;
  - 2.17. **“DDO”** means the Designated Disciplinary Officer (employed as Lead: Discipline) of the Institute, or any person designated to act in that capacity by the CEO);
  - 2.18. **“Eligible Voting Members”** means an individual who meets the criteria set out in this Constitution and the By-laws to participate in Ordinary Resolutions or special non-binding votes;
  - 2.19. **“Entrenched rights”** means the right of the Members residing within a region to appoint Members resident in that region to the Regional Council with jurisdiction over that region, subject to the provisions of the By-laws and the applicable Regional Council Charter;
  - 2.20. **“Financial Year”** means period starting from 1 January to 31 December of each year;
  - 2.21. **“Financial year-end”** means 31 December of each year;
  - 2.22. **“General Meeting”** means an annual general meeting of Eligible Voting Members (“AGM”) or a special general meeting of Eligible Voting Members (“SGM”);
  - 2.23. **“Good Standing”** means, in relation to a Category A and B Member:
    - 2.23.1. that the name of the Category A and B Member is on the register of Category A and B Members (“the Register”) and that he or she has not been suspended from membership;
    - 2.23.2. that the Category A and B Member has complied with the Continuing Professional Development (CPD) requirements in terms of the SAICA Code of Professional Conduct for Chartered Accountants;
    - 2.23.3. that there are no proceedings to remove the name of the Category A and B Member from the Register or to suspend him or her from membership; and
    - 2.23.4. that the Category A and B Member is up to date with all amounts owed by him or her to the Institute;
  - 2.24. **“Income Tax Act”** means the Income Tax Act, 58 of 1962;
  - 2.25. **“Independent Board Member”** means that, when judged from the perspective of a reasonable

and informed third party, the Board Member has no interest, position, association or relationship which is likely unduly to influence or cause bias in decision-making in the best interests of the Institute, provided that membership of the Institute will not automatically result in a presumption of a lack of independence;

- 2.26. **“Interest group”** means an interest group identified and recognised as such by the Board from time to time; the interest groups identified and recognised by the Board at the date of adoption of this Constitution are more fully defined in Appendix 3 to the By-laws;
- 2.27. **“Institute”** means The South African Institute of Chartered Accountants;
- 2.28. **“Member”** means a person or entity who has satisfied the requirements for membership pursuant to the By-laws and who has been granted membership of the Institute in a category defined in the By-Laws;
- 2.29. **“Membership Categories”** means the categories of members that SAICA has established, which categories are set out in the By-Laws and the basis upon which it grants membership;
- 2.30. **“Ordinary resolution”** means a resolution of Eligible Voting Members passed at a General Meeting at which a quorum is present in person or by proxy, and which requires more than 50% (fifty percent) of the votes cast to be in favour of the resolution;
- 2.31. **“Personal or Private Interest”** means:
- 2.31.1. receiving any distributions or profit shares from the Institute;
  - 2.31.2. holding shares or ownership interests in a business operated by the Institute;
  - 2.31.3. using the Institute’s assets for personal gain;
  - 2.31.4. preferential treatment in contracts, procurement, or service delivery due to one’s position in the Institute;
  - 2.31.5. loans or advances made by the Institute to a Member without proper terms or outside the scope of its objectives;
  - 2.31.6. family members benefiting from the Institute’s operations in a way that is not available to the general membership or public;
  - 2.31.7. any other interest as may constitute a personal or private interest as defined or prescribed in terms of South African and where applicable international law or regulation from time to time, and in the event of any conflict between the definition contained in this Constitution and that defined or prescribed by any such law or regulation, the definition prescribed by law or regulation shall prevail;
- 2.31.8. This does not, however, include:
- 2.31.8.1. reasonable access to the use of the Institute’s assets as part of its ordinary benefits as a Member;
  - 2.31.8.2. commercial transactions with the Institute at arm's length;
  - 2.31.8.3. reimbursement of legitimate expenses incurred on behalf of Institute;

- 2.31.8.4. reasonable compensation for services actually rendered to the Institute; and
- 2.31.8.5. access to benefits that are equally available to all Members (e.g., training, networking events); and
- 2.31.8.6. employee/employer relationships where a Member is an employee of the Institute;
- 2.32. **“President”** means the person who holds the office of chairperson of the Council from time to time, by whatever title he or she may be known;
- 2.33. **“Profession”** means the profession of accountancy represented by persons who are registered as Category A and B Members;
- 2.34. **“Region”** means a region as determined by the Board from time to time; the regions determined as such by the Board at the date of adoption of this Constitution are more fully defined in Appendix 3 to the By-laws;
- 2.35. **“Regional Council”** means a regional council appointed in the manner, and having the powers, set out in the By-laws;
- 2.36. **“Registered Address”** means a Member’s registered address (including physical or electronic, email address) as defined in the By-laws;
- 2.37. **“Republic”** means the Republic of South Africa;
- 2.38. **“Special General Meeting”** means an ad hoc meeting convened to address specific or urgent matters requiring member input or decision outside of the Annual General Meeting, in accordance with **paragraph 13**;
- 2.39. **“Special Resolution”** means a resolution of Eligible Voting Members passed at a General Meeting at which a quorum is present in person or by proxy, and which requires more than 75% (seventy-five percent) of the votes cast to be in favour of the resolution; and
- 2.40. **“Year”** means a period of 12 (twelve) months commencing on 1 January.

### 3. Legal Persona

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

### 4. Purpose and Objects

- 4.1. The principal purpose and object of the Institute is to promote the common interests of Members in South Africa and abroad, and the public interest as set out in the table below.
- 4.2. Substantially the whole of the Institute's activities is are directed to the furtherance of its principal purpose and object and not for the specific benefit of an individual Member or minority group.
- 4.3. To achieve its purpose, the Institute has the following fundamental, enduring, and long-term ancillary objects for itself and for its Members' set out in items 2 to 5 of column A of the table

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Constitution as approved by members at the  
SGM held on

below. To the extent applicable, the objectives shall be pursued as set out in column B of the table below.

ITEM	A. OBJECTIVE	B. HOW THE OBJECTIVE SHALL BE PURSUED
1.	To promote the common interests of Members in South Africa and abroad	<p>1.1 The Institute should implement interventions that, <i>inter alia</i>:</p> <p>1.1.1 identify stakeholders that affect and influence the interests of the Profession;</p> <p>1.1.2 engage with its key stakeholders in order to understand their needs;</p> <p>1.1.3 provide operating structures to encourage and facilitate Category A Member involvement on a Regional and Constituency basis (subject to the relevant Charter and/or rules applicable to such Region or Constituency);</p> <p>1.1.4 take every reasonable step to promote the common interests of its Members as it relates to the Profession;</p> <p>1.1.5 promote, market and protect the Institute's brands and all Designations relating to Members;</p> <p>1.1.6 forge strong relationships with relevant international accountancy and business-related bodies as well as national accountancy bodies in other countries, to ensure that the voice of the Profession in South Africa is recognised internationally;</p> <p>1.1.7 contribute to economic and social development in South Africa; and</p> <p>1.1.8 negotiate appropriate reciprocal membership agreements with other aligned professional organisations.</p>
2.	To enhance the relevance, values, competence and influence of Members in South Africa and abroad.	<p>2.1 The Institute should, <i>inter alia</i>:</p> <p>2.1.1 conduct activities in such a manner as to avoid conflicts with the public interest;</p> <p>2.1.2 uphold, promote and enforce the highest ethical standards;</p> <p>2.1.3 employ the necessary competencies to carry out its objectives and undertakings; and</p>

		2.1.4	deal speedily and fairly with complaints of unprofessional and incompetent behaviour of its Members. and pursuant thereto prescribe a code of professional conduct applicable to its Members.
3.	To act in the public interest and to safeguard the values of the Profession.	3.1	The Institute shall promote and enforce compliance with the following fundamental principles as set out in the SAICA Code of Professional Conduct:
		3.1.1	Integrity;
		3.1.2	Objectivity;
		3.1.3	Professional competence and due care;
		3.1.4	Confidentiality; and
		3.1.5	Professional behaviour.
		3.2	The Institute should, <i>inter alia</i> :
		3.2.1	conduct activities in such a manner as to avoid conflicts with the public interest;
		3.2.2	uphold, promote and enforce the highest ethical standards;
		3.2.3	employ the necessary competencies to carry out its objectives and undertakings; and
		3.2.4	deal speedily and fairly with complaints of unprofessional and incompetent behaviour of its Members. and pursuant thereto prescribe a code of professional conduct applicable to its Members.
4.	To support and encourage the advancement of skills and knowledge and ensure Members have the appropriate relevant competencies.	4.1	The Institute must support lifelong learning in order that the Profession remains relevant in all services that its Members provide. It should, <i>inter alia</i> :
		4.1.1	advance the theory and practice of accountancy and professional and business skills and knowledge;
		4.1.2	monitor and contribute to developments and changes in the professional and business environments both locally and internationally;
		4.1.3	assist Members to adapt to changes in the professional and business environments and to maximise competitive advantages;

		4.1.4	provide professional and business information to enable Members to remain competent and competitive;
		4.1.5	encourage Members to continuously enhance their professional and business knowledge and skills; and
		4.1.6	provide, establish and conduct life-long learning programmes where appropriate.
5.	To grow and transform the Profession.	5.1	In order to meet public interest needs as well as the needs of its Members both in South Africa and abroad, the Institute should, <i>inter alia</i> :
		5.1.1	strive to attract and develop highly ethical and competent Category C Members for the Profession;
		5.1.2	develop and implement a high-quality qualification process and related competency framework for Category C Members which are in line with international and national standards' needs;
		5.1.3	develop and implement innovative programmes for the progressive functioning of the Institute to ensure meaningful and lasting transformation that reflects South Africa's demographics of the economically active population at all levels of the Institute and the Profession, whilst affording equal opportunities to those who are economically disadvantaged.

## 5. Business Language elected by the Institute

- 5.1. The Institute's business language is English, and it elects to communicate in and to receive all communication in English only.
- 5.2. Any person who submits communication to the Institute shall ensure that such communication is in English and that any documents which contain a language other than English are translated into English before being submitted to the Institute.

## 6. Membership and Designations

- 6.1. The Institute's membership shall comprise of the various Membership Categories as it may be accepted for membership according to the provisions of the By-laws.
- 6.2. Only a CA(SA)) who is a Member in Good Standing is entitled to use the Designations reserved for CA(SA) of the Institute in terms of the Designation Act.
- 6.3. Only an AGA(SA)) who is a Member in Good Standing is entitled to use the trademark registered Designation "Associate General Accountant (South Africa)" or "AGA(SA)".
- 6.4. Only an AT(SA)) who is a Member in Good Standing is entitled to use the trademark registered

Designation "Accounting Technician" or AT(SA).

- 6.5. Nothing in this Constitution or in the By-laws shall be construed as conferring upon any Member who does not meet the requirements for or qualify to use a Designation or trademark any rights to use any of the Designations or trademarks reserved for Category A and B Members as set out in this **paragraph 6**.

6.6. **Board**

- 6.6.1. The affairs of the Institute shall be governed by the Board.
- 6.6.2. No single person may directly or indirectly control the decision-making powers relating to the Institute.

6.7. **Composition of the Board**

- 6.7.1. The Board may determine the number of Board Members at any time, subject to the proviso that:
- 6.7.1.1. the minimum number of Board Members shall be 8 (eight);
- 6.7.1.2. the maximum number of Board Members shall be 12 (twelve); and
- 6.7.1.3. the composition of the Board must be diverse and must have an appropriate mix of age, race, gender, and skills.
- 6.7.2. The Board shall comprise a balance of executive and non-executive Board Members, with a majority of the Board Members being independent, subject to the requirement that:
- 6.7.2.1. the majority of Board Members shall be CA(SA)s; and
- 6.7.2.2. not more than 3 (three) and not less than 2 (two) of the non-executive Board Members must be non-CA(SA)s and must be Independent Board Members;
- 6.7.2.3. for the avoidance of doubt, the Board Members may not be Connected Person and accept the fiduciary responsibility of the Institute.
- 6.7.3. The President or his or her nominee shall be an ex officio non-independent Board Member.
- 6.7.4. The Board must appoint the CEO on a fixed term contract. The CEO shall be a CA(SA) in Good Standing. The term of the CEO's contract shall end at the conclusion of the AGM held in the final year of the term or mutually agreed upon earlier date and may be extended or renewed at the discretion of the Board for a maximum of 1 (one) term. The Board must also approve the appointment of the CEO's nominated Executive to the Board. The CEO and such nominated Executive shall be ex officio Board Members.
- 6.7.5. Only individuals with sound reputations for ethical behaviour and business or professional expertise, and who have sufficient time effectively to fulfil their role as Board Members, will be considered for appointment to the Board.

- 6.7.6. The Board must include a sufficient number of members who have a reasonable understanding of the concept of professional status and a vision of the future competencies required of the profession. For avoidance of doubt, the Board Members may not be 'connected persons'.
- 6.7.7. The Board may fill casual vacancies up until the next AGM.
- 6.7.8. Board members shall be elected by the members of the Institute. Board Members appointed by the Board to fill a casual vacancy, retire at the first subsequent AGM unless they are elected at such meeting.
- 6.7.9. One-third of Board members, excluding the ex officio members, must retire at each AGM provided that a Board Member who is scheduled to retire by rotation has served at least 1 (one) year. The Board Members who retire shall be those Board Members who have held office for the longest period of time. Should there be more Board Members scheduled to retire who have been on the Board for an equal length of time, those to retire shall be chosen by lot.
- 6.7.10. Retiring Board members may be re-elected provided they are eligible. If at the date of the AGM any Board member has held office for a period longer than three years since his or her last election or appointment, he or she shall retire at such AGM, either as one of the Board members who are subject to retirement by rotation or in addition thereto.
- 6.7.11. No Board Member shall serve for a period longer than 9 (nine) years. Should a Board Member be appointed to fill a casual vacancy or be appointed at a SGM then the 9 (nine) years shall be determined from the date of the first AGM following his or her appointment.
- 6.7.12. A Board Member who has completed a 9 (nine) year term shall be eligible for re-election to the Board after the lapse of a period of 3 (three) years from the date of his or her last service for a term as contemplated in **paragraph 6.7.11**.
- 6.7.13. The Board shall, on an annual basis, assess the independence of each non-executive Board member and Audit and Risk Committee members, including those designated as Independent Board members. The outcome of the assessment shall be documented and reviewed by the Nomination and Governance Committee and reported to the Board.
- 6.7.14. The roles and responsibilities of the Board shall be described in the Board Charter contained in Appendix 1 of the By-laws, including their fiduciary responsibility to the Institute.
- 6.7.15. New Board members will be inducted prior to their first meeting. This shall be facilitated by the Secretary.

## 6.8. The Key Objectives of the Board

- 6.8.1. The objectives of the Board are described in the Board Charter and require the Board,

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*inter alia*, to:

- 6.8.1.1. promote the public interest;
- 6.8.1.2. promotes the common interests of Members;
- 6.8.1.3. ensure that strategic objectives are set and achieved in line with the Purpose and Objectives of the Institute;
- 6.8.1.4. establish a policy framework and funding model within which the Institute must operate;
- 6.8.1.5. act as the custodian of corporate governance in the Institute;
- 6.8.1.6. ensure that the Board committees discharge their functions appropriately in relation to meeting strategic plans and budgets;
- 6.8.1.7. approve the establishment and oversee the activities of entities, trusts, non-profit organisations and social responsibility and public interest projects established by the Institute;
- 6.8.1.8. establish performance criteria and evaluate the performance of the CEO against those criteria;
- 6.8.1.9. ensure that the Institute maintains a robust process for identifying, prioritising, managing, mitigating, monitoring, and reporting critical risks through the Audit and Risk Committee;
- 6.8.1.10. ensure that the Institute and its Members adhere to the highest standards of ethics and competence, that the respective Designations are protected and that the reputation of the Profession is promoted;
- 6.8.1.11. oversee the disciplinary process with regard to Members by:
  - 6.8.1.11.1. ensuring that the Institute has adequate resources for its investigation and disciplinary processes;
  - 6.8.1.11.2. ensuring that the effectiveness of its disciplinary structures and processes, including the By-laws, meets, and will continue to meet, the expectations of the Profession, and its stakeholders and the public;
  - 6.8.1.11.3. appointing an independent disciplinary panel;
  - 6.8.1.11.4. satisfying itself that its disciplinary processes are followed by the Professional Conduct Committee, Disciplinary Committee and the DDO;
  - 6.8.1.11.5. reporting to Members, and where appropriate, to the public on the outcome of disciplinary proceedings;
  - 6.8.1.11.6. promote and monitor transformation in the Profession;
  - 6.8.1.11.7. make, and from time-to-time review, appropriate By-laws; and
  - 6.8.1.11.8. engage with stakeholders and Members.

## 6.9. The Chairperson

### 6.9.1. The Chairperson:

- 6.9.1.1. shall be a CA(SA);
- 6.9.1.2. is elected by the Board after each AGM and shall be capable of serving a 1 (one) year term of office renewed annually, up to a maximum of 6 (six) years in aggregate;
- 6.9.1.3. is a non-executive Independent Board member with no executive or management responsibilities;
- 6.9.1.4. is not a member of the Council;
- 6.9.1.5. provides leadership at Board level, represents the Board to the Members and is responsible for ensuring the integrity and effectiveness of the Board and its committees; and
- 6.9.1.6. is the Chairperson of the General Meetings of Category A Members.

### 6.9.2. The duties of the Chairperson are prescribed in the Board Charter but will include, without limitation:

- 6.9.2.1. leadership of the Board;
- 6.9.2.2. overseeing the effective discharge by the Board of its supervisory role;
- 6.9.2.3. facilitating the effective contribution of all Board Members;
- 6.9.2.4. promoting constructive and respectful relationships between Board Members and between the Board, the Council and management;
- 6.9.2.5. committing the time necessary to discharge effectively his or her role as Chairperson;
- 6.9.2.6. approving the agenda for Board meetings;
- 6.9.2.7. scheduling regular and effective evaluations of the Board's performance through the Nomination and Governance Committee;
- 6.9.2.8. ensuring effective communication and reporting between the Board and the Council;
- 6.9.2.9. speaking on behalf of the Institute and/or the Board as required; and
- 6.9.2.10. conducting an annual evaluation of the CEO through the Nomination and Governance Committee.

### 6.9.3. The Chairperson:

- 6.9.3.1. may not be a member of the Audit and Risk Committee;
- 6.9.3.2. may be a member, but not Chairperson, of the Human Capital and Remuneration Committee;

- 6.9.3.3. must be a member and Chairperson of the Nomination and Governance Committee;
- 6.9.3.4. may be a member, but not the Chairperson of the Social, Ethics and Transformation Committee;
- 6.9.3.5. may be a member, but not the Chairperson of the Education and Assessment Committee;
- 6.9.3.6. may be a member but not the Chairperson, of the Digital Transformation and Governance Committee; and
- 6.9.3.7. may not be a member of the Council.

#### **6.10. Lead Independent Board Member**

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

#### **6.11. Secretary**

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

#### **6.12. Delegation and Board Committees**

- 6.12.1. The Board has the power to make any decision in respect of the affairs of the Institute which has not been reserved for decision by the Members.
- 6.12.2. Without detracting in any way from the general powers of the Board, the Board may from time to time determine, in terms of the governance framework and delegated authorities, which matters:
  - 6.12.2.1. are reserved for final decision-making by the Board or by a Board committee; or
  - 6.12.2.2. require review by the Board or a committee of the Board before a final decision is made.
- 6.12.3. The Board constituted by this Constitution and the Board is empowered to constitute Board committees and other committees and to delegate powers to such committees. The Board may appoint such of its members and such persons who are not members of the Board or Members of the Institute as it may deem fit to be members of any such committee. For the avoidance of doubt, and in order to maintain independence in the Institute's disciplinary procedures, the Board is empowered to appoint an independent Disciplinary Panel as contemplated in this Constitution and the By-laws, but the Board is not empowered to appoint the members of the Professional Conduct Committee or Disciplinary Committee.

#### **6.13. Nomination and Governance Committee**

- 6.13.1. The Nomination and Governance Committee shall, on an annual basis, table with the Board

a list of names of Board Members who are current members of the Board and a list of proposed replacements to fill any vacancies. After acceptance by the Board, the list will be tabled with the Council for input and discussion. Thereafter the Board will determine the final list of names to be put to the AGM for election.

6.13.2. The Nomination and Governance Committee may request Members nominations from Members and in doing so must take into account the requirements of this Constitution.

6.13.3. The Nomination and Governance Committee shall, on an annual basis, table with the Board a list of names of committee members who are current members of the core committees and a list of proposed replacements to fill any vacancies. After acceptance by the Board, the list will be tabled with the Council for input and discussion. Thereafter the Board will consider and approve the appointment of committee members.

6.13.4. The Nomination and Governance Committee may request Members for nominations and in doing so must take into account the requirements of this Constitution.

#### 6.14. **Quorum and Voting**

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

#### 6.15. **Written Resolutions**

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

#### 6.16. **Removal of Members of the Board**

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

#### 6.17. **Council**

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

### **7. Powers of the Board**

7.1. In directing and governing the affairs of the Institute, the Board may exercise any and all powers of the Institute except such powers as are expressly reserved by the provisions of this Constitution to the Eligible Voting Members in a General Meeting.

7.2. Without limiting its powers described in **paragraph 7.1**, and those powers aligned with the Board approved delegation of authority in the name of and on behalf of the Institute:

7.2.1. to receive and accept donations, grants, and other moneys;

7.2.2. to purchase or otherwise acquire, take on lease or hire, exchange, improve, sell, mortgage,

- pledge, let, dispose of, or otherwise deal in property of any description whatsoever;
- 7.2.3. raise or borrow or secure any sum of money or to secure the performance of any obligation in such manner and upon such terms and conditions as it deems fit and, in particular, by the execution of mortgage or notarial bonds or the issue of debentures or debenture stock charged upon all or any of the property of the Institute;
- 7.2.4. to invest the funds of the Institute or any portion thereof in such securities or investments and in such manner as the Board may from time to time determine, and to vary or transpose such investments in its discretion;
- 7.2.5. to open and operate banking accounts and savings accounts with registered banking institutions;
- 7.2.6. to apply and use the funds and income of the Institute to promote the purpose and objectives of the Institute;
- 7.2.7. to pay for reasonable travel, subsistence and other expenses incurred in connection with the affairs of the Institute by any members of the Board, Board committees or its other core area committees;
- 7.2.8. to institute and defend legal proceedings;
- 7.2.9. to appoint the CEO and to determine his or her duties, reasonable remuneration and other terms of employment;
- 7.2.10. to enter into contracts and to authorise the settling of the terms of and the signature of any contract or any other document;
- 7.2.11. to interpret any clause of the Constitution or By-laws if any dispute arises as to its meaning, such interpretation being binding on the Members if accepted by the Board;
- 7.2.12. to prescribe the form of the instrument appointing a proxy; and
- 7.2.13. generally, to do whatever the Board deems necessary to enable it to carry out the purpose and objects of the Institute and to exercise the powers and to perform the functions and discharge the duties given to or imposed upon it in terms of this Constitution.
- 7.3. The Board may develop a system of delegation of its powers in order to improve administrative and operational efficiency and to provide for adequate checks and balances. Pursuant thereto, the Board may in writing delegate appropriate powers (excluding the power to prescribe By-laws) to a committee of the Board, to other committees or task groups as contemplated in By-law 9, to the Professional Conduct Committee, to the Disciplinary Committee, to the CEO, to an employee of the Institute or to any individual Board Member.
- 7.4. Any delegation of its powers by the Board in terms of **paragraph 7.3** above:
- 7.4.1. will be subject to such limitations and conditions as the Board may impose;
- 7.4.2. may authorise sub-delegation; and
- 7.4.3. does not divest the Board of the delegated power and responsibility.

- 7.5. The Board may confirm, vary or revoke any decision taken by a committee, the CEO, a Board Member or an employee as a consequence of a delegation in terms of its powers of delegation, save that in the case of decisions taken by the Professional Conduct Committee or the Disciplinary Committee, the Board shall not have the power to confirm, vary or revoke any such decision, and the Institute or any person who wishes to challenge such decision shall be required to have recourse to the ordinary principles of law.
- 7.6. The Board may, at any time, co-opt any person as a non-voting observer whenever it deems such co-option necessary.

## **8. Council**

- 8.1. The Board will be advised, by the Council, the composition of which shall be representative of Constituencies, as detailed in the By-laws. The composition of the Council may be amended from time to time to ensure representation of Constituencies, subject to the entrenched rights.
- 8.2. A maximum of 5 (five) Members may be co-opted to the Council by the Council and in addition, the Council may, at any time, co-opt any person as a non-voting observer whenever it deems such co-option necessary.
- 8.3. The CEO shall be an ex officio member of the Council.
- 8.4. 1 (one) other member of management appointed by the Board on the recommendation of the CEO shall be an ex officio member of the Council.
- 8.5. Members of the Council shall hold office for a period of 3 (three) years, which may be renewed for a further 2 (two) 3 (three) year periods.
- 8.6. The Council shall elect a President from among its CA(SA) members a President who shall not be an ex officio member of Council.
- 8.7. The President's term of office is detailed in the By-laws.
- 8.8. The Secretary must schedule regular and effective evaluations of the Council's performance for review by the Nomination and Governance Committee;
- 8.9. The Council shall have the right to recuse, suspend, or remove any member of the Council, or require a member of the Council to recuse himself or herself from the consideration of any matter, whenever it deems it appropriate to do so.
- 8.10. The Council shall not interfere with the activities of the Board, unless the Board fails to comply with its mandate in terms of the Constitution, in which event the matter must be brought to the attention of the Category A and B Members by the Council at a General Meeting in terms of **paragraphs 13 or 14.**
- 8.11. The role of the Council shall be described in the Council Charter contained in Appendix 2 of the By-laws and approved by the Board.
- 8.12. The President of the Council or his or her nominee shall be an ex officio member of the Board with effect from the date of the AGM following such appointment.

#### **8.13. Function and Mandate of the Council**

The function and mandate of the Council is described in the Council Charter as set out in Appendix 2 of the By-laws and requires that the Council:

- 8.13.1. serve as a consultative forum and shall consider and advise the Board on matters relating to the strategy of the Institute and the Profession;
- 8.13.2. represent Category A and B Members' interests through input from the Regional Councils and other relevant sources and communicated by the Council to the Board and management;
- 8.13.3. identify and recommend to the Board new interest groups to be included for recognition in the By-laws;
- 8.13.4. provide input to the Board for the election or appointment of Board Members;
- 8.13.5. make recommendations to the Board for the making of long service awards and the granting of honorary life membership to Category A and B Members;
- 8.13.6. recommend changes in alignment with applicable laws, regulations, and standards to the Code of Professional Conduct for approval by the Board; and
- 8.13.7. temporarily assume the powers and functions of the Board if the majority of the Board Members resign, or are removed and are not replaced in accordance with the provisions of the Constitution and the By-laws, until such time as a new Board has been appointed.

#### **9. Disciplinary Panel, Professional Conduct Committee Disciplinary Committee and DDO**

- 9.1. The Board shall appoint an independent Disciplinary Panel from which the office of the DDO shall appoint members of the Professional Conduct Committee and the Disciplinary Committee, as contemplated in the By-laws, which committees shall have the powers to carry out the duties and exercise the functions granted to them under the By-laws.
- 9.2. The DDO shall have the power to carry out the duties and exercise the functions granted to him or her under the By-laws.
- 9.3. The powers and duties of the Professional Conduct Committee the Disciplinary Committee and the DDO referred to in the By-laws are deemed to have been delegated to those committees and/or individuals (as the case may be) by the Board.

#### **10. Funds of the Institute**

- 10.1. The Institute shall, subject to the provisions of this Constitution, apply its funds and income exclusively in promoting the objectives of the Institute..
- 10.2. The Institute shall not distribute any surpluses or gains by way of dividend or otherwise to its Members or to any other person.
- 10.3. The Institute may not pay to any employee, office bearer, Member or other persons any remuneration, as defined in the Fourth Schedule of the Income Tax Act, which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the

service rendered.

- 10.4. Substantially the whole of the Institute's funding shall be derived from its annual or other long-term Members or from an appropriation by the government of the Republic in the national, provincial, or local sphere.
- 10.5. Should the Institute be wound up, a person who has ceased to be a Member or the executors, administrators, heirs or assigns of such person shall in no circumstances have any claim to the funds of the Institute by reason only of such previous membership or registration.
- 10.6. Should the Institute be wound up, its funds shall be dealt with in accordance with the provisions of this Constitution and the By-laws.

#### **11. Shares and interests in Members' business**

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

#### **12. Reporting requirements**

- 12.1. The Institute shall comply with such reporting requirements as may be determined by Accreditors, Regulators, Professional Bodies and other Authorities from time to time, provided that such reporting requirements are reasonable and in line with applicable laws, regulations and standards of the Republic as administered by the respective Accreditors, Regulators, Professional Bodies and other Authorities.
- 12.2. The Institute is not knowingly, and shall not knowingly become, a party to, and does not knowingly and will not knowingly permit itself to be used as part of, an impermissible tax avoidance arrangement contemplated in part IIA of chapter III, or a transaction, operation or scheme contemplated in the Income Tax Act.

#### **13. Annual General Meeting**

- 13.1. An AGM shall be held each year at the head office of the Institute, or such other place as determined by the Board, for the purposes of transacting the following business:
  - 13.1.1. the consideration of the annual financial statements and integrated report;
  - 13.1.2. the consideration of reports by the Chairperson and the CEO;
  - 13.1.3. the consideration of a report by the external auditors;
  - 13.1.4. the appointment of the external auditors by Ordinary Resolution of Eligible Voting Members;
  - 13.1.5. the election of Board Members according to the highest number of votes received from the Eligible Voting Members present;
  - 13.1.6. approval of any increase or decrease and or any change in the basis of determining the fees payable to the Board and Board committee members for the ensuing year, as set out in the Board Member Fee Policy;

- 13.1.7. the approval of the Employee Remuneration and Reward Policy by a special non-binding vote of Eligible Voting Members; and
- 13.1.8. the approval of the report on implementation of the Employee Remuneration and Remuneration Policy by special non-binding vote of Eligible Voting Members.
- 13.2. If the resolution in terms of **paragraph 13.1.6** is not approved, then the existing Board and Committee member fees would remain in place for a period of not more than 12 (twelve) months until the fees are approved by the Eligible Voting Members, whichever occurs earlier.
- 13.3. If the votes in terms of Item **paragraph 13.1.7** and **13.1.8** are less than 75% (seventy-five percent) in favour, the Board is required to consult with Eligible Voting Members in order to understand their concerns.
- 13.4. The AGM shall be held on a date and at a time determined by the Board, but no later than 31 May in each year.
- 13.5. 21 (twenty-one) days' notice of an AGM, specifying the place, date and time of the meeting and the business to be dealt with, shall be sent to each Category A Member at his or her Registered Address and/or nominated email address. The accidental omission to give notice to any Category A Member shall not invalidate the proceedings at any such meeting.
- 13.6. The quorum at an AGM shall be 50 (fifty) Category A Members present in person or via the designated electronic platform who are entitled to vote. Unless 50 (fifty) Category A Members are present either in person or electronically within 30 (thirty) minutes of the time appointed for the meeting, the meeting shall stand adjourned to the same place and at the same time and on the same day of the next week, and if such day be a public holiday, to the next business day thereafter.
- 13.7. At an adjourned meeting, the Category A Members present in person or electronically shall form a quorum and shall have full power to transact the business of the meeting which could have been transacted had the meeting been held on the date for which it was called.
- 13.8. Every Category A Member, who is in Good Standing, shall be entitled to be present in person or electronically or by proxy at an AGM. Good Standing shall be determined 10 business days prior to the issue of the AGM notice referred to in **paragraph 13.5** above.
- 13.9. In relation to each vote which they are eligible to participate in, each Eligible Voting Member shall have 1 (one) vote, but on a poll shall have 1 (one) additional vote for every proxy he or she holds. Proxies in the form laid down by the Board shall be lodged at the head office of the Institute not less than 48 (forty- eight) hours before the time of the meeting.
- 13.10. Every motion proposed and seconded at an AGM of the Institute shall be decided by way of a poll.
- 13.11. A Category A Member is entitled to demand that a poll is taken on any issue at the AGM provided that:
- 13.11.1. The poll demanded by a Category A Member must (prior to the AGM) be supported by at

- least 80 Members in Good Standing evidenced by a petition signed by the relevant Category A Members and delivered to the Board together with the notice in **paragraph 13.11.2** below; and
- 13.11.2. Notice of the poll demanded by the Category A Member must be delivered to the Secretariat or Chairperson of the Board by no later than 31 March of the relevant year (i.e.: the year of the AGM at which that issue will be polled).
  - 13.11.3. The notice to the Secretariate or Chairperson of the Board as contemplated in **paragraph 13.11.2** above must be accompanied by the petition in terms of **paragraph 13.11.1** above and must set out the issue to be voted on (by polling) and attach any documents relevant to that issue.
  - 13.12. The Chairperson of the Board shall have the discretion to defer or refuse a poll demanded by an Eligible Voting Member on any matter not forming part of the formal agenda, provided such discretion is exercised in good faith and in accordance with governance best practices. In exercising this discretion, the Chairperson shall:
    - 13.12.1. ensure the decision is fair, transparent, and aligned with the principles of accountability and responsible leadership;
    - 13.12.2. provide written reasons for the decision and record the decision in the minutes of the relevant General Meeting;
    - 13.12.3. allow any Member aggrieved by the decision to submit a written appeal to the Nominations and Governance Committee within 10 (ten) business days, which shall consider the appeal and issue a final determination.
  - 13.13. Scrutineers, not being proposers or seconders of the resolution, shall be elected to declare the result of the poll, and their declaration, which shall be announced by the Chairperson of the meeting, shall be deemed to be the resolution of the meeting at which the poll was demanded, and an entry to that effect in the minutes of the proceedings shall be conclusive evidence of the result.

#### **14. Special general meetings**

- 14.1. The Board may, whenever it thinks fit, and shall, on the receipt of a written requisition expressing the objectives of the proposed meeting and signed by not less than 1000 (one thousand) of the Category A Members in Good Standing specifying the business required to be dealt with at that meeting (which business shall be expressed in the form of a resolution which shall be voted on at that meeting without amendment), call a SGM.
- 14.2. The notice calling upon the SGM shall be issued by the Board within 15 (fifteen) days of the receipt of the request, and the provisions of **paragraph 13** relating to the AGM shall apply mutatis mutandis to such a special general meeting, provided at all times that only Eligible Voting Members will be entitled to vote on resolutions which are taken at a SGM.

## **15. By-laws**

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

## **16. Indemnities**

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

## **17. Limitations of liability**

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

## **18. Amendment of Constitution**

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

- 18.1. such amendments are approved by a Special Resolution of Eligible Voting Members who are present in person, electronically or by proxy at a General Meeting of which the requisite notice has been given, with full particulars of the proposed amendments;
- 18.2. such approval shall be by not less than three-fourths of the Eligible Voting Members who are present in person or electronically or by proxy at a General Meeting of such Eligible Voting Members;
- 18.3. such General Meeting shall be held in accordance with the provisions of **paragraph 13** above; and
- 18.4. the amendments are subsequently submitted to the relevant regulatory authorities within the prescribed timelines. For the avoidance of doubt, this shall include submitting such amendments to the Commissioner of the South African Revenue Service within 30-days from the date of such amendment.

## **19. Transitional Provisions**

### **19.1. Effective Date of Amendments**

- 19.1.1. All amendments to this Constitution, as approved by Special Resolution of the Eligible Voting Members, shall take effect on the date specified in the resolution or, where no date is specified, on the date of approval by the Eligible Voting Members and subsequent submission to the relevant regulatory authorities, within the prescribed timelines.

### **19.2. Continuity of Governance Structures**

- 19.2.1. Any governance structures, including the Board, Council, Committees, and Task Groups, constituted prior to the effective date of these amendments shall continue to operate in accordance with their existing mandates until reconstituted in alignment with the amended provisions of this Constitution and the By-laws.

### **19.3. Membership Categories Transition**

- 19.3.1. Existing Members, Associates, Trainees, and other stakeholders shall be transitioned into the newly defined membership categories (Category A, B, and C) as set out in the amended By-laws. The Institute shall issue guidance to facilitate this transition, including updates to designations, rights, and obligations.

### **19.4. Pending Matters and Legacy Provisions**

- 19.4.1. Any disciplinary, governance, or administrative matters initiated prior to the effective date shall be concluded under the provisions in force at the time of initiation, unless otherwise determined by the Board or the DDO in accordance with the amended Constitution and By-laws.

### **19.5. Interpretation and Clarification**

- 19.5.1. In the event of any ambiguity or uncertainty arising from the transition to the amended Constitution, the Board shall have the authority to issue binding interpretations, provided such interpretations are consistent with the objectives of the amendments and applicable laws and regulations.

## **20. Amalgamation**

- 20.1. By Special Resolution of Eligible Voting Members who are present in person or electronically or by proxy at a General Meeting duly convened and constituted for that purpose, the Institute may amalgamate or incorporate or join with other bodies of accountants in the Republic or elsewhere, whether or not incorporated by statute, provided these other bodies have objects objectives similar to those of the Institute. For this purpose, the Institute may take over and assume the assets and liabilities of the aforesaid bodies of accountants, including books, records, documents, and coats of arms, or may make over part or all of the assets and liabilities of the Institute.

## **21. Winding up or Dissolution**

- 21.1. The Institute may be wound up in terms of the provisions of the By-laws by a Special Resolution

Constitution as approved by members at the  
SGM held on

of the Eligible Voting Members who are present in person or electronically or by proxy at a General Meeting duly convened and constituted for that purpose.

- 21.2. Members shall not have any claim in respect of any surplus there may be on winding up of the Institute, which shall be dealt with in terms of the By-laws.
- 21.3. Upon its being wound up any funds or assets of the Institute remaining after the payment of the debts and expenses of the Institute and the costs of winding up shall be distributed to or amongst such kindred or related associations, bodies or institutions, with objectives similar to those of the Institute, including educational institutions (but excluding individual Members or firms or companies controlled by Members) as the Board shall decide; provided that such associations, bodies or institutions are themselves exempt from liability to pay income tax as contemplated in the Income Tax Act as a result of being so approved by the Commissioner for SARS.