

CONSTITUTION OF WINETECH

1. NAME AND STATUS OF THE ASSOCIATION

- 1.1 The name of the Association is WINETECH, (hereinafter referred to as the "Association")
- 1.2 The Association has the power to acquire rights, to perform juristic acts and to act in law.

2. POSTAL ADDRESS AND REGISTERED OFFICE OF ASSOCIATION

- 2.1 The postal address of the association to which all notices and communications may be addressed is :

P O Box 528
SUIDER-PAARL
7624

- 2.2 The registered office of the association to which all notices and communications may be addressed and where all documents may be served is :

La Concorde
57 Main Street
PAARL
7646

- 2.3 The Council of the Association may from time to time change the postal address and the registered office of the Association as it deems fit.

3. OBJECTIVES OF THE ASSOCIATION

The objectives of the Association are :

- 3.1 To assist the industry with expertise so that it will be able to deliver the best quality wines and vineyard products with the aid of environmentally friendly technology in the most cost effective manner.
- 3.2 To assist the industry in training sufficient people at all levels in respect of the appropriate knowledge, skills and insight in order to develop forefront expertise and technology and to integrate this with business strategy.
- 3.3 To establish a culture of innovation and utilization of the best technologies by effectively transferring technology to all sectors of the wine industry.

- 3.4 To support the access and development of producers with limited resources by the provision and transfer of leading and appropriate technologies.
- 3.5 To establish the network as the world leader in respect of scientific knowledge and technological skill on selected niche fields in the wine industry.
- 3.6 To commission relevant and thoroughly planned research, technology development and technology transfer in the promotion of the industry's technological capabilities and in the attainment of the other objectives.

4. POWERS OF THE ASSOCIATION

- 4.1 The Association has the capacity :
 - (a) to acquire movable or immovable property;
 - (b) to manage, insure, sell, lease, alienate or deal in any other manner with any or all of its goods and assets;
 - (c) to apply for patents, patent rights, copyrights, licenses, trademarks or any other similar rights or to buy or acquire these in any other manner, to protect, prolong or renew the same and to act therewith or to alienate as determined in paragraph (b) above;
 - (d) to invest money in any manner;
 - (e) to open, operate and close bank accounts;
 - (f) to draw up promissory notes, bills and any other kind of negotiable or transferable documents, to withdraw, issue, execute, accept, endorse and to discount;
 - (g) to appoint a person or persons and to remunerate them for services rendered in the attainment of its goals;
 - (h) to act as principal, agent or contractor;
 - (i) to claim and receive monies and to institute levies in respect of services rendered by the Association with the purpose of reimbursing the costs expended by the Association in providing such services;
 - (j) to claim and accept royalties or similar remuneration from any person to whom funds are granted for the implementation of the goals of the Association in respect of any income generated by such person which is directly or indirectly forthcoming from research funded in this manner.
- 4.2 The Association does not have the power to pay out to any person any surplus or profit which might arise from its activities. The Association is obliged to utilize its funds solely for the execution of its objectives or for investments. The sole aim of the activities of the Association is to promote its main objective.

- 4.3 Funds available for investment may only be invested at registered financial institutions as defined in section 1 of the Act on Financial Institutions (Investment of funds) 1984, and in shares which are noted on a licensed stock exchange as defined in the Act on Management of Stock Exchanges, 1985 (Act no 1 of 1985).
- 4.4 The Association shall not be entitled to carry on any trading or other profit making activities or to participate in any of the business, professional or occupational activities of its members or to provide any of its members with financial aid, premises, continuing services or facilities required by members in order to run their business, or exercise profession or occupation.

5. MEMBERSHIP OF THE ASSOCIATION

- 5.1 The members of the Association are:
- (a) Wine Cellars South Africa (WCSA).
 - (b) VinPro.
 - (c) Black Association of the Wine and Spirit Industry (BAWSI).
 - (d) National African Farmers' Union of South Africa (NAFU)
 - (e) South African Liquor Brandowners' Association (SALBA).
- 5.2 The Association may in its own discretion upon application admit another association, individual or entity as member of the Association.

6. FINANCING OF THE ASSOCIATION

The Association is financed by gifts, contributions, levies or grants of any nature made to the Association by any person, including the state or province, provided that the conditions, if any, stipulated by the donor or contributor fall within the framework of WINETECH's objectives.

7. RIGHTS AND OBLIGATIONS OF MEMBERS

Each member undertakes and is obliged to provide his full cooperation by means of structure, assistance and support in order to ensure that the objectives of the Association are strived for and attained and that all rules enacted by the Association are complied with. All members are obliged to bona fide endeavour to have all research which is generic in nature and in the broad interests of the industry done by the Association.

8. COUNCIL

- 8.1 The Association has a Council, which consist of -
- (a) one representative of each of the members of the Association referred to in section 5.1 above;
 - (b) the chairmen of the first level of permanent committees of the Association;
 - (c) the executive manager of the Association.

8.2 The Council may also co-opt any other person as observer or otherwise on the basis and for the period of time determined by the Council.

9. VACATING OF OFFICE AND FILLING OF VACANCY

9.1 A member of the Council will vacate his office if :

- (a) he is absent for four consecutive Council meetings without the consent of the Council;
- (b) he no longer satisfies the criteria set out in section 8.1 under which he became a member of the Council;
- (c) he has handed his written resignation to the executive manager of the Association;

9.2 A vacancy in the Council which arises in terms of the provisions of sub-section (1) or as a result of the death of a member is filled in the same manner in which the outgoing member became a member of the Council.

10. OBLIGATIONS OF THE COUNCIL

10.1 The business of the Association will be managed by the Council and the Council is in particular responsible for the following:

- (a) to exercise the powers of the Association in order to achieve the objectives of the Association; and
- (b) to account to members of the Association in respect of its management of the Association's affairs;
- (c) to vote on matters regarding the internal administration of the Association, Constitutional Amendments, Dissolution of the Association, the Council, members of the Association or entities associated to members of the Association; and
- (d) to vote on matters pertaining to the personnel, assets or finances of the Association.

10.2 At least two persons authorized thereto by the Council must sign any document wherein a financial obligation is entered into on behalf of the Association or whereby funds of the Association are withdrawn, provided that at least one of the aforementioned persons must be a member of the Council.

11. DELEGATION OF POWERS

The Council may from time to time entrust to or confer upon the executive manager such of the powers and authorities vested in them as they may think fit, and they may confer such powers and authorities for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think expedient; and they may confer such powers and authorities either collaterally with or to the exclusion of, and in substitution for, all or any of the powers and authorities of the Council and

may from time to time revoke or vary all or any of such powers and authorities.

12. CHAIRMAN AND VICE-CHAIRMAN

12.1 The members of the Council will elect a chairman and vice-chairman from amongst themselves.

12.2 The chairman and vice-chairman will remain in office for a period of two years and may be re-elected upon completion of this term of office.

13. CONVENING OF MEETINGS

13.1 Standard meetings of the Council will be convened as often and at such time and place as may from time to time be determined by the Council, provided that at least two meetings per year must be held.

13.2 The chairman may in his discretion convene an extra-ordinary meeting of the Council at a time and place determined by himself, with the intention of dealing with special or urgent matters. He is obliged to convene an extra-ordinary meeting at the request of at least three members of the Council.

13.3 The executive manager of the Association must give each member at least 7 days, or such longer or shorter period of time as the chairman may determine, notice of the date, time and place of each meeting.

14. QUORUM OF MEETINGS

Five members of the Council present at a meeting constitute a quorum for that meeting.

15. CHAIRMAN AT MEETINGS

15.1 The chairman of the Council, or in his absence the vice-chairman, must chair all meetings at which he is present.

15.2 If neither the chairman nor the vice-chairman of the Council is able to attend or to chair a meeting or a part of a meeting then the remaining members present must choose a person from their midst to chair the meeting for the period during which the chairman and vice-chairman are absent or unable to chair the meeting.

15.3 The person chosen in accordance with sub-section (2) may exercise all the powers and duties of the chairman for the period of time for which he chairs the meeting.

16. PROCEDURE AT MEETINGS

The person who chairs a meeting of the Council determines the procedure followed at that meeting or part of that meeting.

17. DECISIONS OF THE COUNCIL

17.1 The decision of the majority of the members of the Council present at a meeting will constitute a decision of the Council.

- 17.2 A person co-opted by the Council has no right to vote.
- 17.3 No decision taken by the Council or act performed on authority of a decision of the Council is invalid purely because of a temporary vacancy on the Council or because of the fact that a person who is not entitled to hold office as a Council member was in attendance at the meeting as a member of the Council at the time when the decision was taken, provided that the decision was taken by all Council members present who were entitled to attend the sitting.

18. EXECUTIVE COMMITTEE OF THE COUNCIL

- 18.1 The Council may have an executive committee consisting of the chairman, vice-chairman and the executive manager of the Association.
- 18.2 The executive committee exercises those powers and performs those duties assigned to it by the Council.

19. COMMITTEES

The Council may in their discretion appoint committees to exercise the powers of the Council, perform the duties of the Council and to carry out those tasks assigned to it by the Council.

20. ACCOUNTING RECORDS

- 20.1 The Association keeps the accounting records which are necessary to reasonably reflect the state of affairs and business of the Association and to explain the transactions and financial state of the business of the Association.
- 20.2 Such accounting records will be kept at the registered office of the Association or any other place determined by the Council and will at all times be available for inspection by members of the Association.

21. FINANCIAL YEAR OF THE ASSOCIATION

- 21.1 The first financial year of the Association will commence on the date of establishment of the Association and will end at a date determined by the Council which will be at least six months but not more than eighteen months after the date of commencement. Each ensuing financial year of the Association will extend over twelve months periods calculated from the end of the first financial year.
- 21.2 The Council may change the final date of a financial year to a date which is not more than six months earlier or later than the end of the financial year in which that decision was taken.

22. AUDITING

Within three months within the end of every financial year the accounting records of the Association must be submitted to an auditor as defined in the Act of Public Accountants and Auditors 1951 (Act 51 of 1951), and who is designated by the Council for this purpose, for the auditing thereof.

23. CHANGING OF THE CONSTITUTION

- 23.1 This constitution can be amended by a decision of the Council.
- 23.2 The Commissioner of Internal Revenue must be notified of all amendments to this constitution.

24. RESIGNATION

- 24.1 Any member of the Association can with 45 days notice resign from the Association and his accountability for any actions of the Association will terminate at the completion of the 45 day period. Such member will remain fully liable for his contribution to liabilities and costs incurred by the Association before the completion of the 45 day period. The member will however not be accountable for any obligations or costs incurred after the completion of this period.
- 24.2 Notwithstanding any other term contained in this Constitution, the resignation of a member of the Association will not influence the continued existence of the Association or the functioning of the Council. The duties and the functions of the members and their representatives on the Council will in the event of the resignation of a member be performed by the remaining members.

25. DISSOLUTION

- 25.1 The Association may be dissolved if the Council so decides.
- 25.2 Upon the liquidation or dissolution of the Association the assets which remain after the fulfillment of its obligations must be transferred by means of a division made in terms of and in accordance with a report of the auditor to another company, society or association with similar objectives to this Association and which is also exempted from the payment of income tax and tax on gifts in terms of section 10(1)(cB)(i)(aa) of the Income Tax Act.

11 NOVEMBER 2009