

AGREEMENT

on a set of principles which will underpin the formation of a new South African Cane Growers' Association

between

Representatives of

SOUTH AFRICAN CANEGROWERS NEGOTIATING TEAM (SACNT)

and

SOUTH AFRICAN FARMERS DEVELOPMENT AGENCY (SAFDA)

WHEREAS, the parties have met to engage on the possible formation of a new South African Cane Growers' Association (Association);

And WHEREAS, the parties have reached agreement on certain principles which will inform the structure and functions of the Association;

And WHEREAS, the parties now wish to record their agreement in writing.

NOW THEREFORE IT IS AGREED:

1. An Association will be established which would make provision for representation by independent cane grower organisations (Organisations) represented on the basis of system of proportional representation.

2. The system of proportional representation will manifest in the first instance at the Local Grower Council level in the following manner:

- 2.1 The system of representation at the Local Grower Council will be maintained on the basis that there will be an allocation of seats of 12 seats each between Small Scale Growers (SSG) and Large Scale Growers (LSG); and
- 2.2 Organisations may compete for seats in both the SSG and LSG categories on the basis of support from grower associations linked to their members' cane production volumes. It is noted in this regard that SAFDA has raised a concern that the approach to representation in the LSG category may not accommodate the interests of land reform growers and the parties have agreed to review and address this concern in the Task Team referred to below.

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 - Top left: A large signature, possibly "M. M. M."
 - Middle left: A signature that appears to be "D. M. M."
 - Middle right: A signature that appears to be "D. M. M."
 - Far right: A signature that appears to be "D. M. M."
 - Bottom right: A signature that appears to be "D. M. M."

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3. Organisations in each Local Grower Council will nominate representatives in proportion to the level of representation they enjoy at the Local Growers Council:

- 3.1 To the various local industry structures (Mill Group Boards and Local Pest, Disease and Variety Control Committees); and
- 3.2 4 representatives per Local Grower Council to the Board/Congress of the Association.

4. Organisations represented on the Board/ Congress will nominate 18 delegates to SASA, 11 SASA Councillors, 4 alternates Councillors and a nominee as SASA Chairman or Vice Chairman in proportion to the level of representation they enjoy at the Board/ Congress.

5. The functions of the Board/ Congress will be as follows:

- 5.1 To elect by secret ballot its Chairman and vice Chairman;
- 5.2 To nominate delegates as described in 4 above;
- 5.3 To nominate representatives to the various SASA Committees;
- 5.4 To determine functions of the Association; and
- 5.5 To determine the budget for the administration and operations of the Association as per Clause 162 of the Sugar Industry Agreement, 2000. It is recorded that the functions of the Association will be for the benefit of all growers and therefore all growers will be levied thereby reducing the occurrence of "free-riders".

6. The Chairmen of the Association and the nominee for SASA Chairman or Vice Chairman will be from different organisations.

7. The Parties will jointly form the Task Team that will undertake the following:

- 7.1 The Chairmen of the parties will take responsibility for convening the Task Team and setting the work schedule;
- 7.2 The Parties will be equally represented on the Task Team;
- 7.3 Consider the appointment of an independent Chairperson;
- 7.4 Develop the detail that underpins the architecture described above including the form of the legal entity and its constitution;
- 7.5 Any further amendments to Memoranda of Incorporations' or Constitutions' required by local industry structures and Local Growers Councils;
- 7.6 Determine the staffing requirements of all relevant bodies;
- 7.7 Develop as a matter of priority a project plan which will detail objectives/milestones to be achieved, persons responsible and timeframes within which tasks will be successfully completed.
- 7.8 Report on a monthly basis to the dti on the progress achieved; and
- 7.9 The Task Team will aim to make sufficient progress to enable the parties to present at their respective decision making bodies in February 2017 with a view to achieving a comprehensive proposal for the implementation of the new structure that will nominate delegates to the SASA AGM in July 2017.

- 7.10 Consider changes that may be required to the SASA Constitution with regards to voting at SASA Council, in order to protect minorities.
8. This Agreement on principles will be presented by each party to its constituency for consideration and ratification as soon as is reasonably possible.

Signed at Mt Edgecombe on the 24 November 2016

Name

T.J Whursey

Capacity

Chairman SACT

SACNT

T.J Whursey

Name

SIMPSON GM

Capacity

CHAIRMAN

SAFDA

Blair

(W)

(W)
 Simpson GM
 Blair

DR

Blair
 Simpson GM