

**MEMORANDUM OF ASSOCIATION
OF
THE FERTILIZER SOCIETY OF SOUTH AFRICA**
(Incorporated Association under section 21)

1. NAME

- 1.1 The name of The Society is THE FERTILIZER OF SOUTH AFRICA (hereinafter called The Society);
- 1.2 The name of The Society in another official language of the Republic is "DIE MISSTOFVERENIGING VAN SUID-AFRIKA".

2. PURPOSE DESCRIBING THE MAIN BUSINESS

The main purpose of the Society is to promote the common interest of members of the Society, which are fully representative of the fertilizer manufacturing industry. It shall conduct itself as an independent and authoritative body on fertilizer related matters and subject to the provisions of 5.2, undertakes to:

- 2.1 Act as a forum which will facilitate effective liaison and negotiations with government, organised agriculture and other interest groups to enhance the common interest of the fertilizer manufacturing industry;
- 2.2 Assimilate, add value to an disseminate fertilizer related information in such a way that the agro-economic justifiable use of fertilizer is promoted;
- 2.3 Promote fertilizer practices conducive to the maintenance of an ecologically sound environment.

3. MAIN OBJECTS

Subject to the provisions of 5.2 the main objects of the Society are:

- 3.1 To render quality service as set out in 2.1 in compliance with the agreed upon requirements of its members;
- 3.2 To encourage practices conducive to the economic optimum use of fertilizer;
- 3.3 To seek active collaboration, on behalf of its members, with the Department(s) of Agriculture, organised agriculture and other institutions in the interest of crop production and correct fertilizer use;
- 3.4 To strive for the adoption and application of a code of fertilizer practices aimed at the maintenance of an ecologically sound environment;
- 3.5 To promote the image of the fertilizer manufacturing industry;
- 3.6 The Society will be funded through membership fees;
- 3.7 Any ancillary objects, which are not in accordance with the main object, are excluded.

4. POWERS

- 4.1 The specific powers or part of any powers of The Society, if any, which are excluded from the plenary powers set out in Schedule 2 of The Companies Act 61 of 1973, as amended ("The Act"):

The powers referred to in paragraphs (p), (q) and (s) are excluded;

- 4.2 The specific powers or any part of the specific powers of The Society as set out in Schedule 2 of The Act which are qualified under Section 34 of The Act:

- 4.2.1 "To form and have an interest in any company or companies or associations of a similar nature, having the same or similar object to The Society, for the purpose of acquiring the undertaking of all or any of the assets or liabilities of that company or companies or associations, or for any other purpose which may seem directly or indirectly calculated to benefit of The Society, and to transfer to any such company or companies or associations the undertaking of all or any of the assets and liabilities of The Society. (Provided that such company shall also be exempt from the payment of income tax, in terms of section 10(1)(cN) and section 30 of The Income Tax Act (Act No. 58 of 1962, as amended))";

- 4.2.2 Paragraph (1), is amended to read as follows:
"To amalgamate with other companies having the same or similar objects to The Society. Provided such company shall also be exempt from the payment of income tax in terms of section 10(1)(cN) and section 30 of The Income Tax Act (Act No. 58 of 1962, as amended)";

- 4.2.3 Paragraph (m), is amended to read as follows:
"To take part in the management, supervision and control of the business or operations of any other company, or business having the same or similar objects as The Society. Provided such company shall also be exempt from the payment of income tax in terms of section 10(1)(cN) and section 30 of The Income Tax Act (Act No. 58 of 1962, as amended)";

- 4.2.4 Paragraph (n), is amended to read as follows:
"To remunerate any person or persons in cash for services rendered in its formation or in the development of its business";

- 4.2.5 Paragraph (o), is amended to read as follows:
"To make donations except to members or directors";

- 4.2.6 Paragraph (r), is amended to read as follows:
"To pay gratuities and pensions and establish pension schemes in respect of its bona fide employees".

- 4.3 Powers (a), (b) and (c) will be executed only in accordance with the main object of The Society.

- 4.4 The powers referred to in paragraph (g) are amended as follows:
Funds available for investment may only be invested with registered financial institutions as defined in section 1 of the Financial Institutions (Investment of Funds) Act, 1984, and in securities listed on a licensed stock exchange as defined in the Stock Exchange Control Act, 1985 (Act No. 1 of 1985).

5. CONDITIONS

- 5.1 The income and property of The Society whenever derived shall be applied solely towards the promotion of the objectives of The Society, as set forth in this Memorandum of Association. No portion thereof shall be paid or transferred directly or indirectly, by way of dividend, bonus or

otherwise, by way of profit distribution to the members of The Society. Provided that nothing herein contained shall prevent the payment in good faith of remuneration to any officer or servant of The Society or to any member thereof in return for any services actually rendered to The Society.

- 5.2 The Society shall not carry on any profit making activities, participate in any business profession or occupation carried on by any of its members, nor provide any financial assistance, premises, continuous services, or facilities to its members for the purpose of carrying on any business, profession or occupation by them.
- 5.3 If, upon winding up or dissolution of The Society, there remains, after satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of The Society. The remaining property shall be donated or transferred to some other institutions or institutions having objectives similar to the objectives of The Society, and which is in itself exempt from paying income tax. This distribution is to be determined by the members of The Society at or before the time of dissolution, and in default thereof, by the Minister of Trade and Industry.
- 5.4 The liability of the members is limited.
- 5.5 The members undertake to contribute to the assets of The Society. In the event of The Society being wound up during their membership or within one year thereafter, the members undertake to contribute towards the settlement of the debts and liabilities contracted to by The Society prior to the cessation of their membership. This undertaking also applies to the cost, charges and expenses incurred in the winding up of The Society, as well as for the adjustment of the rights of contributors among themselves. Provided that such amount, as may be required, does not exceed any normal contribution or subscription, as the case may be, that may be due, plus a proportion based on the last contribution or subscription, of the said costs, charges and expenses of winding up and adjustment of rights.
- 5.6 Any amendments to the Memorandum or Articles of Association of "The Fertilizer Society of South Africa" are to be submitted to the Commissioner for Inland Revenue.

**ARTICLES OF ASSOCIATION
OF
THE FERTILIZER SOCIETY OF SOUTH AFRICA
RULES**

1. The Regulations in Table "A" and Table "B" of Schedule 1 of the Companies Act 61 of 1973, as amended, shall not apply to The Society.

2. MEMBERSHIP

(a) Corporate Members

Companies and institutions having been members in good standing of The Society on 27 November 1991 and subscribing to these Rules, and having paid the subscriptions detailed in paragraph 5(a), reckoned from 1 January 1992, shall be deemed Corporate Members.

Companies with an annual turnover of more than R100 million, within the boundaries for the RSA, Lesotho, Botswana, Namibia and Swaziland, which derive from the manufacture of raw materials, intermediate and finished fertilizer products shall qualify for corporate membership. Provided that an ordinary or associate member who does not satisfy the above-mentioned turnover requirement shall be entitled, in accordance with provisions laid down in Rule 3, to apply for upgrading to corporate membership.

Written application for corporate membership, in such form as may from time to time be laid down and having been proposed and seconded by corporate members, are elected as corporate members in accordance with the following procedure:

Application for corporate membership shall be circulated at least 21 days prior to the first meeting, following the receipt of the application, and be read out and voted upon at said first meeting of the Executive Council. An applicant shall be elected as corporate member by not less than a two-thirds majority of votes of corporate members present. Voting shall be by ballot.

(b) Ordinary Members

Companies and institutions having been members in good standing of The Society on 27 November 1991, and subscribing to these Rules, and having paid the subscriptions detailed in paragraph 5(b), reckoned from 1 January 1992, shall be deemed Ordinary Members.

Companies with an annual turnover of less than R100 million, which derive within the geographic borders of the RSA, and from any of the following activities, viz.:

- (i) manufacture of raw materials, intermediate and/or finished fertilizer products;
- (ii) mixing of, and resale of raw materials, intermediate and/or finished fertilizer product under own brand name;
- (iii) production and marketing of agricultural lime;
- (iv) companies in any other category not specified (e.g. co-operatives and companies outside the geographical boundaries as specified in Rule 2 (a)) shall qualify for ordinary membership.

Written application for ordinary membership, in such form as may from time to time be laid down and having been proposed and seconded by corporate and/or ordinary members, are elected as ordinary members in accordance with the following procedure:

Application for ordinary membership shall be circulated at least 21 days prior to the first meeting, following the receipt of the application, and be read out and voted upon at said first meeting of the Management Committee. An applicant shall be elected as an ordinary member of not less than the two-thirds majority of members present and having a vote. Voting shall be by ballot.

(c) Affiliate Members

Affiliate members shall be those companies, institutions, associations and individuals who do not qualify for either corporate or ordinary membership.

Written application for affiliate membership, in such form as may from time to time be laid down and having been proposed and seconded by corporate and/or ordinary members, are elected as affiliate members in accordance with the following procedure:

Application for affiliate membership shall be circulated at least 21 days prior to the first meeting, following the receipt of the application, and be read out and voted upon at said first meeting of the Management Committee. An applicant shall be elected as an affiliate member by no less than a two-thirds majority of members present having a vote. Voting shall be by ballot.

(d) Honorary Members

Honorary Members shall be those persons who, having been proposed and seconded by ordinary members, are elected as Honorary Members by unanimous vote of the corporate and ordinary members present and voting at Annual General Meetings.

3. UP AND DOWNGRADING OF MEMBERSHIP

Ordinary members shall be entitled to upgrade their membership after having paid the difference in subscription (Rule 5) for a full financial year. Downgrading of membership shall only be considered if the nature of the member's business has changed as such that it qualifies for a lower grade of membership and is approved by a majority vote in the Management Committee.

4. RESIGNATION AND TERMINATION OF MEMBERSHIP

- (a) A member may resign from The Society by giving The Society one year's notice of their intention and shall pay all dues that may be outstanding at the date of resignation.
- (b) Any member who ceases, and without giving notice as per Rule 4(a) through business interest, to be a member shall be liable for one year's subscriptions based on his/its contributions to The Society in the previous calendar year. The proviso, that should such business interest be transferred to another body, such member shall be absolved from the provisions of the first party of this rule, if the said body is elected as a member of The Society and is prepared to honour the obligations and responsibilities of the member towards The Society.
- (c) Any member shall cease to be a member of The Society upon -
 - (i) becoming insolvent, or suspending payment to or compounding with his/its creditors; or
 - (ii) if being a natural person, become of unsound mind; or

- (iii) being convicted of an offence and being sentenced, or being a company whose controlling officers as such are sentenced, to a period of imprisonment without the option of a fine; or
- (iv) two-thirds of the votes of the corporate and ordinary members of The Society having been cast by ballot in general meeting of the effect that, in the interest of The Society, the membership of such member shall cease from a date determined by ballot.

5. SUBSCRIPTIONS AND FINANCIAL LIABILITY

(a) Corporate Members

Corporate Members shall pay in advance subscriptions to the amount of R130,000 (one hundred and thirty thousand rand), excluding VAT, which shall fall due on the 1st January of each year, and shall be revised annually by the Executive Council and approved at a meeting called for this purpose.

The liability of Corporate Members for the debts of The Society shall be limited to such amounts as authorised and the expenses of winding up, and such dissolution should take place before or within one year after termination of membership and for the adjustments of rights of contributors amongst themselves.

(b) Ordinary Members

The contributions of Ordinary Members shall be as follows:

- (i) The contribution of ordinary members under Rule 2(b)(i) towards the expenses of The Society are payable in advance, and shall fall due the 1st January of each year. The contribution shall be calculated on basis of a factor of 0,08 percent of their turnover (excluding VAT) for the previous calendar year. Provided that the annual contribution shall not be less than R6,000 (six thousand rand), excluding VAT;
- (ii) The contribution of ordinary members under Rule 2(b)(ii) towards the expenses of The Society are payable in advance, and shall fall due the 1st January of each year. The contribution shall be calculated on basis of a factor of 0,04 percent of their turnover (excluding VAT) for the previous calendar year. Provided that the annual contribution shall not be less than R16,000 (sixteen thousand rand), excluding VAT;
- (iii) The contribution of ordinary members under Rule 2(b)(iii) and (iv) towards the expenses of The Society shall be R6,000 (six thousand rand), excluding VAT, payable in advance, and shall fall due on the 1st January of each year.

The membership fee for ordinary members shall be revised annually by the Management Committee and approved at a meeting called for this purpose.

Liability of ordinary members for the debts of The Society shall be limited to such subscriptions plus similar proportionate share on winding up or dissolution as laid down for corporate members.

(c) Affiliate Members

Affiliate Members shall pay in advance a minimum subscription fee to the amount of R2,000 (two thousand rand), excluding VAT, which shall fall due on the 1st January of each year and which

shall be revised annually by Management Committee and approved at a meeting called for this purpose.

Liability of affiliate members for the debts of The Society shall be limited to such subscriptions plus similar proportionate share on winding up or dissolution as laid down for corporate and ordinary members.

6. REVISION OF TURNOVER LIMITS AND ORDINARY MEMBERS' CONTRIBUTIONS

The minimum/maximum turnover limits for the various membership categories [Rules 2(a) and 2(b)] can be revised from time to time by the Management Committee to make provision for changing circumstances. The Management Committee is also empowered, from time to time, to revise the factor by which ordinary members' contributions are calculated (Rule 5(b)).

7. VOTING

(a) Voting Rights

(i) Corporate and Ordinary Members

For all voting purposes whether in general meeting or in committee each corporate and ordinary member shall have one vote for each R1 (one rand) paid by way of contribution to The Society in the previous calendar year.

(ii) Affiliate and Honorary Members

Neither affiliate nor honorary members shall have voting rights.

(b) Method of Voting

Subject to the provisions of Rules 2(c) and (d), 4(c) (iv) and 18(b) all voting shall be decided by a majority and, at the discretion of the chairman of the meeting concerned, may be by show of hands unless demand is made for a vote by ballot. Whereupon a ballot shall be held and two scrutinisers, not necessary members or their representatives, shall be appointed, of whom one may be appointed by the corporate or ordinary member first demanding the ballot, if ascertainable, or otherwise by the meeting. The chairman of the meeting shall appoint the other scrutinisher.

The scrutinisers shall be charged by the chairman of the meeting to keep the voting secret, not to divulge directly or indirectly the number of votes cast for or against the motion and to disclose only the bare result.

(c) Exercise of Vote

Notwithstanding the number of representatives of a corporate or ordinary member firm or company attending the meeting, only one representative with written authority shall exercise the vote of such corporate or ordinary member or company. Such authority shall be exhibited to the chairman upon his request, or by any challenge by any other corporate or ordinary member or company.

(d) Casting Vote

No chairman of any general or committee meeting shall have a casting vote.

8. BORROWING POWERS

- (a) The Management Committee may at its discretion, from time to time, raise or borrow from the members or other persons any sum or sums of money for the purposes of The Society. Provided that moneys so raised, shall not without the sanction of The Society in general meeting exceed the sum of R5,000 (five thousand rand).
- (b) The Management Committee may raise, secure the repayment of, such moneys in such manner and upon such terms and conditions, as it deems fit. In particular by the execution of mortgage bond over all or part of the property and rights of The Society, both in the present and in the future.

9. MEETINGS

- (a) A general meeting to adopt the Memorandum of Association and these Rules shall be held as agreed to by the subscribing companies, and thereafter a general meeting is to be held annually but not later than the last day of June. The place of such general meeting may be prescribed by The Society in general meeting or by the Management Committee.
- (b) The above-mentioned general meeting shall be called ordinary meetings and all other general meetings will be extraordinary.
- (c) An extraordinary general meeting may be convened through the Secretary by the Management Committee at its discretion and shall be convened as soon as reasonably possible by the Secretary. The extraordinary general meeting is to be called for in writing, signed by such members comprising at least two-thirds of the total voting rights.
- (d) All general meetings of The Society and all meetings of the Management Committee or any subcommittees shall be called by the Secretary, or failing him by such person nominated by the chairman, with not less than 21 days written notice. The notice shall be exclusive of the day on which it is served or deemed to be served (i.e., the date of posting if not physically served and, where posted on a Sunday or public holiday, on the first working day thereafter). The notice is to specify the date served as well as the date, place, and time of the meeting and in the case of an extraordinary general meeting, the general nature of the business to be considered. Notice is to be given in the manner mentioned hereinafter, or in such other manner as may be prescribed by The Society in general meeting, to such persons entitled to receive such notices. Provided that a meeting of the Management Committee may be convened by the chairman, and called by the Secretary, or failing him by such other person nominated by the chairman, for the purpose. Where the chairman considers an emergency has arisen, shorter notice may be served, as the chairman in his reasonable discretion considers acceptable under the circumstances.

Provided further than any meeting of The Society or of the Management Committee or any subcommittee shall, notwithstanding that it is called by shorter notice than that specified in this rule, be deemed to have been duly called if it is so agreed.

- (i) in the case of an ordinary general meeting by all the corporate and ordinary members;
- (ii) in the case of any other meeting, by a majority in number of the corporate and ordinary members having the right to attend and vote at the meeting together representing at least 95% of the total voting rights of all members.

10. QUORUM

- (a) No business shall be transacted at any general meeting of The Society save as is provided in Rule 18(b) unless there be present representatives of at least two-thirds of the corporate and ordinary members of The Society, and together representing not less than two-thirds of the total voting rights of all members.
- (b) Each member entitled to be present which is a firm or company may be represented at general meetings of The Society by not more than the number of representatives as stipulated in Rule 13(h), of whom one shall be authorised to vote. Additional representatives may be permitted to attend by the chairman of the meeting at which the members whom they are required to represent desire their attendance.
- (c) If within half an hour from the time appointed for a meeting a quorum is not present, the meeting shall stand adjourned until re-convened by notice of not less than 21 days given in the manner laid down in Rule 9(d). The Secretary shall send notice of the circumstances of the adjournment to each member of The Society.

11. ELECTION OF PRESIDENT AND VICE-PRESIDENT

A President and Vice-President shall be elected at every second ordinary general meeting as individuals from amongst the representatives of such corporate and ordinary members as are firms or companies and from such ordinary members as are individuals, whose period of office shall be two years. Such officials shall be available for re-election. Should the office of president or vice-president be vacated for any reason, the Management Committee shall have the power to fill the vacancy for the remaining portion of the period of office.

12. CHAIRMAN OF MEETINGS

- (a) The president and vice-president shall automatically perform the function of the chairman and vice-chairman of the Executive Council and Management Committee.
- (b) At each meeting of The Society or Management Committee the president of The Society, if not present within fifteen minutes after the time appointed to hold the meeting, or failing such presence or if the president be unwilling to act as chairman, the vice-president shall preside. If neither the president nor vice-president is present or unwilling so to act, the meeting shall appoint its own chairman.
- (c) The chairman 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. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Notice of the adjournment of a general meeting shall be given in terms of section 192(2) of the Companies Act No. 61 of 1973, as amended, when such section is applicable, and save as aforesaid, it shall not be necessary to give notice of the adjournment nor of the business to be transacted at an adjourned meeting.

13. MANAGEMENT COMMITTEE

(a) Formation

A committee (hereinafter referred to, as "The Management Committee" shall manage the affairs of The Society) consisting of representatives of all the corporate, ordinary and affiliate members of The Society is to be appointed, The committee may exercise all the powers of The Society as

is permitted by the Companies Act No. 61 of 1973, as amended, or by these Rules, required to be exercised by The Society in general meeting. Subject to these Rules, the provisions of the said Act, as amended, and to such other rules, not inconsistent with the aforesaid Rules or provisions as may be prescribed by The Society in general meeting. No rule of The Society in general meeting shall invalidate any prior act of The Management Committee that would have been valid had such rule not been made.

(b) Meetings of Management Committee

The Management Committee shall meet, in addition to the ordinary general meeting, at least twice in each calendar year at such times and places as it may decide. Failing decision at a prior meeting, a meeting may be convened by the chairman or the secretary, *mutatis mutandis*, and in accordance with the procedure laid down in Rule 9(d).

(c) Appointment of Subcommittees

The Management Committee shall have power to appoint subcommittees from members, representatives of members, and non-members, whom it may consider willing and for some special reason particularly suitable for such appointment. The Management Committee is to determine the scope of work to be done by such subcommittees, and to appoint the chairman of the subcommittees, who in the absence of other special provisions shall be the convener of such subcommittees. Subcommittees shall have similar power to appoint further subcommittees with similar power of appointment.

(d) Co-option

The Management Committee, Executive Council, and any subcommittees shall have power to co-opt such persons, who, by reason of specialised knowledge, may be of assistance to the committee. No co-opted representative serving on the Management Committee or any subcommittee, or any non-members appointed to a subcommittee shall have the right to vote.

(e) Quorum of Committees

At meetings of The Management Committee, representatives of corporate and ordinary members having the right to attend in terms of Rule 13(h) and vote in terms of Rule 7(c) at the meeting, together representing not less than 60% of the total voting rights of all members, shall form a quorum. In the case of a subcommittee not less than three representatives of corporate and ordinary members of The Society shall form a quorum. Three members entitled to serve on the Executive Council shall form a quorum.

(f) If within half an hour from the time appointed for a meeting of The Management Committee, a quorum is not present the meeting shall stand adjourned until reconvened by notice of not less than 21 days in the manner laid down in Rule 9(d). If no quorum present at the re-convened meeting, the representatives of corporate and ordinary members being present at the meeting having the right to attend and vote shall form a quorum.

(g) Written Resolutions

Any resolution, which has been circulated in writing to all corporate and ordinary members, having been agreed to in writing by members, whose total voting rights, as determined in Rule 7(a)(i), together constitute a majority of all possible votes, and subsequently entered into the Minute Book, shall have the force of a resolution duly passed at a meeting of The Management Committee.

(h) Proportional representation of companies and institutions on the Management Committee

A member company shall be entitled to appoint a representative on The Management Committee for every 10% or part thereof that company contributes towards the funds of The Society.

14. EXECUTIVE COUNCIL

(a) Composition of Executive Council

The Executive Council shall comprise of the President and Vice-President of The Society and company executives or their nominees of corporate members and 1 (one) representative elected from the ranks of the ordinary members, provided there are 4 (four) or more ordinary members. Members of the Executive Council shall not have the right to nominate alternates.

(b) Powers, Duty and Authority of the Executive Council

- (i) The Executive Council shall be responsible for assisting the Director and all other officials who may, from time to time, be employed by The Society, in the routine conducting of The Society's business. The Executive Council shall ensure that this is conducted in such a manner as to comply with the policy of The Management Committee as expressed from time to time.
- (ii) The Executive Council shall cause the Director of The Society to report in writing to the Management Committee on all actions taken by it, except on matters pertaining to staff remuneration and discipline.
- (iii) The members of The Executive Council shall be entitled to take decisions regarding the means of carrying out the work of The Society, or the implementation of The Management Committee's policy without holding a meeting for this purpose if suggestions submitted for their consideration are made by the Director in writing and are approved by all members of the Committee.
- (iv) If the members of The Executive Council should fail to agree on any proposed action or method of procedure, no vote shall be taken, but the matter shall be referred to The Management Committee for decision.
- (v) In cases of urgency or where the policy of The Management Committee has been clearly expressed regarding any action to be taken by The Society. The Executive Council may approve recommendations of subcommittees in order to enable the work of The Society to proceed, subject to the provisions of paragraphs (i) and (viii).
- (vi) Consideration of the Annual Budget to be presented to the Management Committee for approval.
- (vii) Subject to the prior approval of The Management Committee to engage such staff - secretarial, technical, commercial and otherwise - as are necessary to carry out efficiently the work of The Society, with the proviso that all matters relating to staff employed, e.g. control, dismissal and replacing of, and conditions of employment including remuneration, shall be vested in The Executive Council.
- (viii) The Executive Council shall make recommendations to The Management Committee regarding the controlling of The Society's expenditure and shall supervise all disbursements on behalf of The Management Committee. It shall also investigate

proposed expenditure on projects approved by subcommittees for recommendation to The Management Committee and make its own recommendations accordingly. Routine expenditure incurred in the conducting of The Society's business shall be approved by the president and in his absence, by the vice-president or immediate past president or co-opted members in that order of availability.

15. THE SECRETARY

The Secretary shall supply each member with a copy of the Memorandum of Association and Rules of The Society, shall enter or cause to be entered into a Minute Book or Books a record of all business transacted at meetings of The Society, Management Committee and subcommittees, and shall fulfil all requirements of a secretary as laid down in the Rules and the Companies Act 61 of 1973, as amended.

Further, The Society shall submit at each ordinary general meeting of The Society an audited statement of receipts and expenditure for the financial year, which shall terminate on the 31st December of the previous year.

16. ACCOUNTS

- (a) The Management Committee shall cause to be kept such books of accounts as are prescribed by Section 284 of the Companies Act 61 of 1973, as amended.
- (b) The books of accounts shall be kept at the registered office of The Society or at such other place or places as The Management Committee thinks fit and shall always be open to inspection of the members.
- (c) The Management Committee shall from time to time in accordance with Section 286 of the Companies Act 61 of 1973, as amended, cause to be prepared and laid before The Society in general meeting such profit and loss accounts, balance sheets and reports as are referred to in that section.
- (d) A copy of any balance sheet (including every document required by law to be annexed thereto) which is to be laid before The Society in general meeting, together with a copy of the auditor's report, shall not less than 21 (twenty one) days before the date of the meeting be sent to every member of The Society.

17. AUDIT

Auditors shall be appointed at each ordinary general meeting and their duties regulated in accordance with Sections 269 to 283, 300 and 301 of the Companies Act 61 of 1973, as amended.

18. GENERAL

(a) Notices

- (i) A notice may be given by The Society to any member personally, electronically, or by posting it in a pre-paid letter addressed to such member at his registered address.
- (iii) A notice which has been posted shall be deemed to have served at the time when the letter containing the same is delivered, properly addressed, to the Post Office.

(b) Alteration of Memorandum and Rules and Dissolution of The Society

- (i) Subject to the provisions of the Companies Act 61 of 1973, as amended, the Memorandum of Association and Rules of The Society may be altered or added to, or The Society may be dissolved, with the sanction of not less than two-thirds of the votes of the corporate and ordinary members of The Society cast by ballot in general meeting, provided that the nature of the business to be considered has been given in the notice calling the general meeting.
- (ii) In the event of a meeting called to consider the dissolution of The Society being adjourned in terms of Rule 10(c) and there being no quorum at the reconvened meeting, a resolution to dissolve The Society carried by a bare majority of votes of those corporate and ordinary members present, shall be valid and effective.
- (iii) Any alteration of the Memorandum of Association and Rules of The Society, and any decision in terms of Clause 18(b)(ii) above shall be submitted to the Commissioner of Inland Revenue within fourteen days from such alteration or resolution to dissolve.

13 March 2002