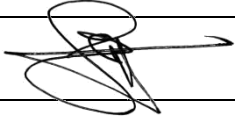




## MEMORANDUM OF INCORPORATION

**WP001**

<b>MOI COMPILED BY:</b>	<b>PwC</b>		
<b>MOI EFFECTIVE DATE:</b>	<b>25 June 2018</b>		
<b>SIGN OFF BY:</b>	<b>Lester Goldman</b>		
<b>SIGNATURE:</b>			
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V1	1	22 June 2022	Amended clauses 10.4.1.3, 10.4.3.1, Schedule 1, 7.7

**THE COMPANIES ACT, NO. 71 OF 2008**

(AS AMENDED)

**MEMORANDUM OF INCORPORATION**

of

**WATER INSTITUTE OF SOUTHERN AFRICA NPC**

(Registration Number 2000/001140/08)

("the Company")

This MOI was adopted by Special Resolution passed on 22 June 2022, a copy of which was filed together with a notice of amendment ("**Notice of Amendment**") in substitution for the memorandum of incorporation filed in June 2018. This MOI takes effect (in terms of section 16(9)(b)(i)) on the Designated Date (as defined in clause 1.2.3.10 hereof).

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## 1. INTERPRETATION

In this MOI -

- 1.1 article headings are for convenience purposes only and shall not be used in its interpretation;
- 1.2 unless otherwise expressly stated or the context clearly indicates a contrary intention -
  - 1.2.1 an expression which denotes any gender includes the other genders, a natural Person includes a juristic person (whether incorporated or unincorporated and including a partnership and the trustees of a trust acting in their capacities as such) and *vice versa*, and the singular includes the plural and *vice versa*;
  - 1.2.2 where any term is defined within a particular article, other than this interpretation article, that term shall bear the meaning assigned to it in that article wherever it is used in this MOI;
  - 1.2.3 the following words and expressions shall bear the following meanings and related words and expressions shall bear corresponding meanings -
    - 1.2.3.1 “**Business Day**” means any day other than a Saturday, Sunday or proclaimed public holiday in South Africa;
    - 1.2.3.2 “**Board**” means the Board of Directors of the Company from time to time;
    - 1.2.3.3 “**Chairperson**” means the chairperson of the Board from time to time, elected in terms of clause 10.5;
    - 1.2.3.4 “**Committee**” means a committee of the Company constituted in terms of 9.1;
    - 1.2.3.5 “**Company**” means Water Institute of Southern Africa NPC, a not-for-profit company incorporated in the RSA with registration number 2000/001140/08;
    - 1.2.3.6 “**Companies Act**” means the Companies Act 71 of 2008;
    - 1.2.3.7 “**Companies Regulations**” means the Companies Regulations, 2011 promulgated in accordance with section 223;
    - 1.2.3.8 “**CIPC**” means the Companies and Intellectual Property Commission, established in terms of section 185;
    - 1.2.3.9 “**Director**” means a Director of the Company;
    - 1.2.3.10 “**Designated Date**” means the date on which the Notice of Amendment

substituting the memorandum of association and articles of association of the Company (which were the constitutional documents of the Company in terms of the Companies Act No. 61 of 1973) with this MOI is filed with the Commission

- 1.2.3.11 **“Income Tax Act”** means the Income Tax Act 58 of 1962;
- 1.2.3.12 **“Member”** means a natural or juristic person who holds membership in, and specified rights in respect of the Company, as contemplated in Schedule 1 of the Companies Act;
- 1.2.3.13 **“MOI”** means this memorandum of incorporation of the Company;
- 1.2.3.14 **“Non-Voting Member”** means a Member who is not entitled to Voting Rights;
- 1.2.3.15 **“Objects”** means the objects of the Company set out in article 4;
- 1.2.3.16 **“Ordinary Resolution”** means a resolution adopted with the support of more than 50% of the voting rights exercised on that resolution, as contemplated in section 65(7);
- 1.2.3.17 **“Parties”** means the Company and each Director or any one or more of them, as the context may require;
- 1.2.3.18 **“Record Date”** means the date established in terms of section 59 on which date the Company determines the identity of the Members for purposes of the Companies Act;
- 1.2.3.19 **“Register”** means a register of Members to be kept and maintained by the Company;
- 1.2.3.20 **“Rules”** means any rules made in respect of the Company from time to time as contemplated in section 15(3) to (5) and clause 6 hereof
- 1.2.3.21 **“South Africa”** means the Republic of South Africa;
- 1.2.3.22 **“Special Resolution”** means a resolution adopted with the support of at least 75% of the Voting Rights exercised on that resolution, as contemplated in section 65(9);
- 1.2.3.23 **“Voting Member”** means a member entitled to exercise Voting Rights from time to time;
- 1.2.3.24 **“Voting Rights”** means in relation to each Voting Member, the voting rights

exercisable by such Member at a general meeting of the Company;

- 1.3 a reference to a section by number refers to the corresponding section of the Companies Act on the date of filing hereof, notwithstanding the renumbering of such section after the date of filing hereof;
- 1.4 the term “**section**” means a section of the Companies Act;
- 1.5 the term “**clause**” means a clause or sub-clause to this MOI;
- 1.6 the term “**regulation**” means a regulation of the Regulations;
- 1.7 “**holding company**” and “**subsidiary**” shall have the same meaning as assigned to them in the Companies Act;
- 1.8 a Member shall be in “**good standing**” if such Member has –
  - 1.8.1 paid all monies and fees owed by them to the Company, from time to time and is not in arrears with any payment;
  - 1.8.2 been compliant with all policies and governance documents of the Company and such member’s professional organisation, within a period of 12 (twelve) months prior to the date of determination of such standing;
- 1.9 words and expressions that are defined in the Companies Act and which are not defined herein shall have the same meaning assigned to them in the Companies Act;
- 1.10 a reference to a regulation by number refers to the corresponding regulation of the Regulations on the date of filing hereof, notwithstanding the renumbering of such regulation after the date of filing hereof;
- 1.11 if the due date for performance of any obligation in terms of this MOI is a day which is not a Business Day, the due date for performance of the relevant obligation shall (unless otherwise stipulated) be the immediately succeeding Business Day;
- 1.12 when any number of days is prescribed, such number shall exclude the first and include the last day, unless the last day falls on a day other than a Business Day, in which case the last day shall be the next succeeding Business Day;
- 1.13 any schedule or annexure to this MOI shall form part of and be deemed to be incorporated in, this MOI;
- 1.14 any reference to days, months or years shall be to calendar days, months or years, as

the case may be; and

- 1.15 the use of the word “including” or “includes” followed by a specific example/s shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example/s.

## 2. **CONFLICTS WITH MOI**

If there is a conflict between a provision (whether express or tacit) of this MOI and -

- 2.1 an alterable provision or elective provision of the Companies Act, the provision of this MOI shall prevail to the extent of the conflict, and to the extent that the Companies Act allows the Company to adopt the conflicting provision; or
- 2.2 an unalterable provision or non-elective provision of the Companies Act, the unalterable provision or non-elective provision of the Companies Act shall prevail to the extent of the conflict.

## 3. **INCORPORATION AND STATUS OF THE COMPANY**

- 3.1 The Company is a pre-existing non-profit company as defined in the Companies Act and, as such, continues to exist as a non-profit company as if it had been incorporated and registered in terms of the Companies Act, as contemplated in item 2 of the Fifth Schedule to the Companies Act.
- 3.2 The Company is incorporated and governed by –
- 3.2.1 the unalterable provisions of the Companies Act (subject to any higher standards, greater restrictions, longer periods of time and more onerous requirements set out in this MOI);
- 3.2.2 the alterable provisions of the Companies Act, subject to the extensions, limitations, substitutions or variations set out in this MOI; and
- 3.2.3 the other provisions of this MOI; and
- 3.2.4 its Rules, if any.
- 3.3 This MOI replaces and supersedes the memorandum of incorporation of the Company applicable immediately prior to the Designated Date.

- 3.4 Being a non-profit company, the Company must apply all its assets and income, however derived, to advance its stated objects, as set out in this Memorandum of Incorporation. Upon dissolution of the Company, its net assets must be distributed in the manner determined in accordance with –
- 3.4.1 item 1(4)(b) of the Schedule 2 of the Companies Act, 2008; and
- 3.4.2 the provisions, if any, set out in Part C of Schedule 1 of this MOI.
- 3.5 This Memorandum does not impose any liability on any person for the liabilities or obligations of the Company in addition to those set out in the Companies Act. No Person shall, solely by reason of being an incorporator or Director of the Company, be liable for any liabilities or obligations of the Company.
- 3.6 Save as provided for in this MOI, the Company elects, in terms of section 34(2), not to comply voluntarily with the provisions of Chapter 3 of the Companies Act.

#### 4. **OBJECTS OF THE COMPANY**

- 4.1 The objects of the Company are –
- 4.1.1 to promote the effective and efficient management of water resources and water services globally;
- 4.1.2 to promote the common interests of all persons engaged in the water sector and industry in order to improve the quality of water resources and water services management globally; and
- 4.1.3 to undertake and give effect to the broader objectives and aims of the Company set out in the Rules;
- 4.1.4 if deemed necessary or desirable, to maintain a financial aid/sponsorship scheme/s, and to do all other lawful things as may be incidental or conducive to the attainment of the foregoing objectives including, but not limited to, operating such enterprises and trading businesses as deemed appropriate and necessary from time to time to in order to demonstrably support its objectives.
- 4.2 In giving effect to the objects of the Company, the Company recognises and acknowledges the spirit of volunteerism inherent in its structures and that the Company is reliant on the skills, expertise and valuable input of those who volunteer, for no reward, their time and services to the Company.



5. **POWERS OF THE COMPANY**

5.1 There is no provision of this MOI which constitutes a restrictive condition as contemplated in section 15(2)(b).

5.2 Save as provided for in this MOI, the purposes and powers of the Company are not subject to any restrictions, limitation or qualification contemplated in section 19(1)(b)(ii).

6. **MOI AND RULES**

6.1 This MOI may be altered or amended in the manner set out in section 16, 17 or 152(6)(b), subject to the provisions contemplated in section 16(1)(c). For the avoidance of any doubt, it is recorded that the MOI may not be altered or amended by the Board unless such alteration or amendment is approved pursuant to a Special Resolution of the Voting Members.

6.2 The Board may make, amend or repeal any Rules relating to the governance of the Company in respect of matters that are not addressed in the Companies Act or this MOI, by –

6.2.1 publishing a copy of the Rules, in any manner required or permitted by the MOI, or the Rules; and

6.2.2 filing a copy of the Rules.

6.3 The Rules –

6.3.1 must be consistent with the Companies Act and this MOI, and any such Rule that is inconsistent with the Companies Act or this MOI is void to the extent of the inconsistency;

6.3.2 must be approved by a majority of the Directors; and

6.3.3 take effect on a date that is the later of –

6.3.3.1 ten Business Days after the Rule is filed; or

6.3.3.2 the date, if any, specified in the Rule,

provided that no Rule shall be of any force and effect until it has been approved by the majority of the Directors in office in accordance with article 6.3.2.

6.4 The Board must publish the Rules made in terms of section 15(3), read with section

15(4) and section 15(5) and any notice of alteration to the MOI and Rules by delivering a copy of those Rules and/or the alterations to the MOI and/or Rules and/or an amended MOI or Rules to each Member by the means of communication set out in Annexure 3 of the Companies Regulations.

6.5 The Board may alter the Rules, in any manner necessary to correct a patent error in spelling, punctuation, reference, grammar or similar defect on the face of the document by –

6.5.1 publishing a notice of any alteration made by delivering a copy of such amendments to each Member by ordinary mail and/or email; and

6.5.2 filing a notice of the alteration at the CIPC.

6.6 In the event that the Company is approved as an association in terms of section 30B of the Income Tax Act –

6.6.1 any amendments to this MOI shall be submitted to the Commissioner: South African Revenue Services within 30 (thirty) days from such amendment; and

6.6.2 the Company shall comply with such reporting requirements as may be determined by the Commissioner: South African Revenue Service from time to time.

## 7. MEMBERS

### 7.1 General

7.1.1 The Company shall have 2 (two) classes of Members, being Voting Members and Non-voting Members, as contemplated in section 8 and in Item 4 (1) of Schedule 1 of the Companies Act.

7.1.2 The qualifications, rights and obligations for membership for each class of Member and costs associated with each class of Member are as set out in **Schedule 1** hereto as required in terms of Item 4(2)(e) of the Companies Act. The Board may from time to time amend the criteria for Membership of any class of Member.

7.1.3 Both natural and juristic persons (including profit companies) shall be entitled to become Members. Juristic Members shall appoint a natural Person representative to represent the juristic Member.

## 7.2 **Register of Members**

The Company shall maintain a register of Members as contemplated in section 24(4).

## 7.3 **Existing Members**

All Members who were Members as at the Designated Date shall constitute Members of the Company without the need to apply to become Members, save that the Board shall, with effect from the Designated Date, designate whether such Member is a Voting Member or a Non-voting Member in accordance with the criteria set out in **Schedule 1** and shall cause existing Member's names and class to be entered into the Register as soon as possible after the Designated Date.

## 7.4 **New Members**

7.4.1 Persons who are not yet Members and who wish to apply to become Members, shall be required to make application in the manner and form published by the Company on its website and as may be further provided for in the Rules.

7.4.2 Applications for membership shall be submitted to and reviewed by the executive management of the Company.

7.4.3 Members shall be admitted on notice from the executive management of the Company, provided that the Board may, in its sole discretion, admit or refuse to admit any Person as Member irrespective of the recommendation of the executive management of the Company. The decision of the Board on whether to admit or not admit a person as a Member is final and not subject to appeal or review by any Person.

7.4.4 Following admission as a Member, a Member shall have the right to attend all meetings of members and have all benefits of Membership associated with the membership class of that Member.

## 7.5 **Termination of Membership**

7.5.1 A Member shall cease to be a Member immediately upon the happening of the following events ("**Termination Events**") –

7.5.1.1 upon final liquidation or insolvency of such Member, as the case may be;

7.5.1.2 upon being convicted of any criminal offence of which dishonesty is an element and/or for which a sentence is imposed exceeding a fine of R100 000 and/or suspended sentence of more than 1 year;

7.5.1.3 upon non-payment of any amount due to the Company for Membership

fees 30 (thirty) Business Days after due notice has been served upon the Member in accordance with the notice provisions of Annexure 3 of the Company Regulations;

7.5.1.4 material non-compliance with any codes of good conduct to which a Member is subject in their professional capacities and/or expulsion of a Member from any professional organisations recognised by the Company;

7.5.1.5 upon a letter of resignation from the Member received at the offices of the Company in accordance with the notice provisions of Annexure 3 of the Company Regulations;

7.5.1.6 upon the death, dissolution or provisional liquidation of a Member, as the case may be;

7.5.1.7 should a Member cease to qualify for Membership in terms of the criteria set out in **Schedule 1** of this MOI; and/or

7.5.1.8 upon a resolution of the Board taken upon good cause.

7.5.2 The termination of Membership shall take effect upon the happening of a Termination Event notwithstanding that the termination of Membership has not been communicated to a Member. Notwithstanding the occurrence of a Termination Event, the Board retains the discretion to (i) not terminate the membership of any Member or (ii) to change status of such Member.

## 7.6 **Honorary Membership**

The Board may award Lifetime Membership to any Person –

7.6.1 for service to the Company or the public benefit objects of the Company; and

7.6.2 who consents to such award.

## 7.7 **Members' right to Information**

Members shall have access to information set out in section 26 (1).

## 8. **MEMBERS' MEETINGS**

### 8.1 **Requirement to hold meetings**

8.1.1 The Board may convene a Members' meeting at any time.

8.1.2 The Company is not required to hold any Members' meetings other than those

specifically required by the Companies Act.

8.1.3 Only Members in good standing may attend meetings of Members.

**8.2 Members ' right to requisition a meeting**

The right of Members to requisition a meeting, as set out in section 61(3), may be exercised by the holders of at least 10% (ten percent) of the Voting Rights entitled to be exercised in relation to the matter to be considered at the meeting, as provided for in that section.

**8.3 Location of Members' meetings**

The authority of the Board to determine the location of any Members' meeting, and the authority of the Company to hold any such meeting in the RSA, as set out in section 61(9) is not amended by this MOI.

**8.4 Record date for exercise of Member rights**

If, at any time, the Board fails to determine a Record Date, as contemplated in section 59, the Record Date for the relevant matter is as determined in accordance with section 59(3).

**8.5 Notice of Members' meetings**

The Company shall furnish Members with at least 14 (fourteen) Business Days' written notice of any Members' meeting. Any notice convening a Member's Meeting shall set out -

8.5.1 the date, time and place for the Members' meeting and the Record Date for the Members' meeting and the details of any electronic communication to be used at the Members' meeting as contemplated in clause 8.6;

8.5.2 the general purpose of the Members' meeting and any specific purpose as contemplated in clause 8.5.5.3;

8.5.3 the form of proxy to be submitted by Members attending via proxy;

8.5.4 a copy of any proposed resolution in respect of which the Company has received notice and which is to be considered at the Members' meeting, and a notice of the percentage of the voting rights that will be required for that resolution to be adopted;

8.5.5 in the case of an annual general meeting of the Company –

8.5.5.1 the annual financial statements to be presented or a summarized version of

- the annual financial statements; and
- 8.5.5.2 directions for obtaining a copy of the complete annual financial statements for the preceding financial year; and
- 8.5.5.3 any matters raised by the Members, with or without advance notice to the Company.
- 8.5.6 a reasonably prominent statement that –
- 8.5.6.1 each Member that is entitled to attend and vote at the Members’ meeting is entitled to appoint a proxy to attend, participate in and vote at the Members’ meeting in the place of each such Member as contemplated in clause 8.8;
- 8.5.6.2 a proxy must be a Member or in the case of a Member that is an entity, a representative of any such Member;
- 8.5.6.3 Persons attending the Members’ meeting are required to provide satisfactory identification.

## 8.6 **Electronic participation in Members’ meetings**

The authority of the Company to conduct a Member’s meeting entirely by electronic communication or to provide for participation in a Member’s meeting by electronic communication, as set out in section 63(2) is not amended by this MOI, provided that the electronic communication employed enables all Persons participating in that Members’ meeting to communicate concurrently with each other and without an intermediary, and to participate reasonably effectively in the Members’ meeting.

## 8.7 **Quorum for Members’ meetings**

- 8.7.1 There shall be no valid quorum at meetings of Members unless the representatives of the Members are present (in person or by proxy) at the commencement and throughout the duration of such meetings to exercise, in aggregate, at least 25 Voting Members present in person or by proxy or, if less than 25 Voting Members are present, Members representing more than 25% (twenty five per cent) of the Voting Rights that are entitled to be exercised in respect of at least any matter to be decided at such meeting.
- 8.7.2 The time periods allowed in sections 64(4) and 64(5) apply to the Company without variation.
- 8.7.3 The authority of a meeting to continue to consider a matter, as set out in

section 64(9) is not amended by this MOI.

8.7.4 Should no quorum be present at any Members' meeting within 30 (thirty) minutes of the scheduled time for the holding of the meeting, the meeting shall be adjourned to the same day 7 (seven) Business Days later at the same time and venue, or if that day is not a Business Day, to the next succeeding Business Day, and if at the adjourned meeting a quorum is not present at the commencement of that meeting, the Voting Members present shall constitute a quorum.

8.7.5 The Company shall not be required to give further notice of a meeting that has been postponed or adjourned in terms of clause 8.7.4 unless the location for the meeting is different from –

8.7.5.1 the location of the postponed or adjourned meeting; or

8.7.5.2 the location announced at the time of adjournment, in the case of an adjourned meeting.

8.7.6 A Members' meeting, or the consideration of any matter being debated at the meeting, may be adjourned from time to time without further notice in accordance with the provisions of section 64(10).

8.7.7 The maximum period allowable for an adjournment of a Members' meeting is as set out in section 64(12), without variation.

## 8.8 **Proxies and representatives**

8.8.1 Any Member may, in terms of section 58(1) and subject to clause 8.5.6.2, appoint any natural person as proxy, provided that Members may not appoint two or more persons concurrently as proxies as set out in section 58(3)(a).

8.8.2 Any juristic Person which is a Member of the Company may authorise such natural Person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of such Member which he/she represents as that entity could exercise if it were a natural Person, but subject to the rights attaching the class of that Member.

8.8.3 A Member's proxy may not delegate his powers to another person as set out in section 58(3)(b).

8.8.4 Unless the instrument appointing a proxy provides otherwise, a Member's proxy may decide, without direction from the Member, whether to exercise or abstain

from exercising any Voting Right of the Voting Member, as set out in section 58(7).

8.8.5 The holder of a power of attorney or other written authority from a Member may, if so, authorised thereby, represent such Member at any meeting of the Company and such holder shall deliver the power of attorney or other written authority (if any), or a copy thereof, to the Company before such holder exercises any rights of the Member at a Members' meeting.

#### 8.9 **Requirement to deliver proxy instrument to the Company**

A copy of the instrument appointing a proxy must be delivered to the Company, or to any other person specified to receive such instrument in the notice convening the meeting before the scheduled time for commencement of the relevant meeting.

#### 8.10 **Votes of Members**

8.10.1 Any Member in good standing shall be entitled to attend and speak at a Members' meeting, but only Voting Members may vote on any resolutions proposed for adoption by Members.

8.10.2 Subject to any special terms or restrictions as to voting to which any Voting Member or a vote of a Voting Member may be subject, a Voting Member who is present in person, by authorised representative or by proxy shall have the right to 1 (one) vote.

8.10.3 All voting at Members' meetings shall be conducted by way of a poll and not on a show of hands.

8.10.4 Objections as to the admissibility of any vote may only be raised at the meeting or adjourned meeting at which such vote is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairperson of the meeting, whose decision, if made in good faith, shall be final and conclusive.

8.10.5 A poll shall be taken in such manner as the chairperson of the Voting Members' meeting directs and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was conducted. Scrutineers may be appointed to count the votes and to declare the results of the poll, and if appointed, their decision, which shall be given by the chairperson of the Members' meeting, shall be deemed to be the resolution of the meeting at which the poll is conducted.

8.10.6 In the case of an equality of votes, the chairman of the Members' meeting shall



not be entitled to a second or casting vote in addition to any deliberative vote he/she may have.

**8.11 Members' resolutions**

8.11.1 Save as otherwise provided herein, for an ordinary resolution to be adopted, it must be supported by the holders of more than 50% (fifty percent) of the Voting Rights present and voting or exercised on a round robin resolution, as provided in section 65(7).

8.11.2 Save as otherwise provided herein, for a special resolution to be adopted, it must be supported by the holders of at least 75% (seventy five percent) of the Voting Rights present and voting or exercised on a round robin resolution, as provided in section 65(10).

8.11.3 A special resolution is not required for a matter to be determined by the Company, except those matters set out in section 65 (11).

**8.12 Round robin resolutions**

8.12.1 A resolution that could have been voted on at a Members' meeting may, unless required to be adopted at a Members' meeting, instead be –

8.12.1.1 notified to all Member in terms of section 60;

8.12.1.2 submitted for consideration by the Voting Members entitled to exercise the Voting Rights in relation to that resolution; and

8.12.1.3 voted on in writing by such Voting Members within a period of 20 (twenty) Business Days after that resolution was submitted to them.

8.12.2 A resolution contemplated in article 8.12.1 –

8.12.2.1 will have been adopted if it is supported by Members entitled to exercise sufficient Voting Rights for it to have been adopted as an ordinary or special resolution, as the case may be, at a properly constituted Members' meeting; and

8.12.2.2 if adopted, will have the same effect as if it has been approved by voting at a Members' meeting.

8.12.3 Within 10 (ten) Business Days after adopting a resolution in accordance with this article 8.12, the Company shall deliver a statement describing the results of the vote, consent process, or election to every Member.

### 8.13 **Chairperson**

The chairperson of the Board shall preside as chairperson at every Member's meeting.

## 9. **AUTHORITY OF THE BOARD AND MANAGEMENT OF THE COMPANY**

9.1 The Board may delegate any of its powers, authority and functions (including the power to sub-delegate) to a Committee provided that –

9.1.1 such delegation and conditions are reflected in the minutes of a meeting of the Board;

9.1.2 at least 1 (one) Director serves on the Committee; and

9.1.3 the Committee must regularly report back to the Board on its activities.

9.2 The day-to-day affairs of the Company shall be managed by a Chief Executive Officer (“the CEO”) appointed by the Board on the recommendation of the relevant Committee.

9.3 The CEO shall –

9.3.1 be a Director;

9.3.2 be subject in all respects to the directions of the Board;

9.3.3 give effect to the applicable terms and conditions of the MOI; and

9.3.4 give effect to the applicable terms and conditions, without limitation, of the Rules, policies and charters of the Company.

## 10. **BOARD OF DIRECTORS**

### 10.1 **Authority of the Board**

10.1.1 The business and affairs of the Company shall be managed by or under the direction of the Board.

10.1.2 The authority of the Board to manage and direct the business and affairs of the Company, as set out in section 66(1) is limited or restricted to the extent set out in the Act, this MOI and the Rules.

10.1.3 If, at any time, the Company has only one Director, as contemplated in section 57(3), the authority of that Director to act without notice or compliance with any other internal formalities, is not limited or restricted by this MOI, the Rules and

the Act.

## 10.2 **Composition of the Board**

The Board shall comprise not less than 3 (three) Directors but not more than 11 (eleven) Directors, provided that a majority of Non-Executive Directors from time to time shall have been elected by the Members pursuant to clause 10.4.

## 10.3 **Executive Directors**

10.3.1. The day-to-day affairs of the Company shall be managed by a Chief Executive Officer (“CEO”) appointed by the Board on the recommendation of the Nominations Committee.

10.3.2 The CEO shall –

10.3.2.1 be an *ex officio* Director;

10.3.2.2 be subject in all respects to the directions of the Board;

10.3.2.3 give effect to the applicable terms and conditions of the MOI; and

10.3.2.4 give effect to the applicable terms and conditions, without limitation, of the Rules, policies and charters of the Company.

10.3.3 The Board shall appoint an Accounting Officer in the full time employ of the Company. Should the Board subsequently recognise the need for and appoint a Chief Financial Officer, he/she shall also be *ex officio* Director. The Accounting Officer, if not a Director, shall be required to attend all Board meetings.

10.3.4 Executive Directors shall be nominated, appointed and removed as follows:

10.3.4.1 Executive Directors, when vacancies arise, are appointed by the Board on recommendation of the Nominations Committee;

10.3.4.2 Executive Directors should be appointed in terms of a written employment agreement;

10.3.4.3 save as provided for in 10.3.4.4, the term of service of Executive Directors shall be determined by their employment agreements and they shall not be required to retire as contemplated in clause 10.4.3.1;

10.3.4.4 an Executive Director shall hold office as a Director until he/she -

10.3.4.4.1 is removed in terms of section 71;

10.3.4.4.2 resigns on notice to the Board on at least thirty days written notice; or

10.3.4.4.3 is disqualified in terms of section 69.

#### 10.4 **Non-Executive Directors**

##### 10.4.1 Elected Non-Executive Directors

Elected Non-Executive Directors shall be nominated and appointed as follows –

10.4.1.1 up to 6 (six) Non-Executive Directors shall be elected by the Voting Members in terms of this clause 10.4.1;

10.4.1.2 only Voting Members or representatives of juristic Voting Members who are natural persons shall be eligible for election as a Non-Executive Director;

10.4.1.3 any Voting Member shall be entitled to nominate a person for election to the Board as a Non-Executive Director and the Nominations Committee shall be obliged to consider the nominee's nomination provided that the nomination is seconded by another Voting Member;

10.4.1.4 the Nominations Committee will recommend to the Board the names of persons for election to the Board as Non-Executive Directors. The Board shall be obliged to table such nominations at an annual general meeting of Members;

10.4.1.5 only Voting Members may vote for the appointment of a Non-Executive Director and a nominee requires more than 50% (fifty percent) of the votes of persons present and voting in person or by proxy to be elected to the Board.

##### 10.4.2 Appointed Non-Executive Directors

Appointed Non-Executive Directors shall be nominated and appointed and removed as follows –

10.4.2.1 up to 4 (four) Non-Executive Directors shall be appointed by the remainder of the Board in terms of this clause 10.4.2;

10.4.2.2 appointed Non-Executive Directors need not be Members and may be appointed to fill a specific need or skills gap on the Board;

10.4.2.3 any Director shall be entitled to nominate a person for appointment to the Board as a Non-Executive Director and the Nominations Committee shall be obliged to consider the nominee's nomination provided that at least 2 (two) other Directors support the nomination;

10.4.2.4 the Nominations Committee will recommend to the Board the names of persons for appointment to the Board as Non-Executive Directors;

10.4.2.5 a nominee requires more than 50% (fifty percent) of the votes of the remaining Directors to be appointed to the Board.

#### 10.4.3 Termination of Directorship

10.4.3.1 At least 1/3 (one third) of all Non-Executive Directors shall be required to offer themselves for re-election each year, provided that no Non-Executive Director shall serve for a period exceeding 6 (six) consecutive years. Any Non-Executive Director who is not re-elected, resigns or retires from the Board shall not be eligible for re-appointment for a further period of 2 (two) years.

10.4.3.2 A Non-Executive Director shall hold office until he/she -

10.4.3.3 is removed in terms of section 71;

10.4.3.4 resigns on notice to the Board on at least thirty days written notice; or

10.4.3.5 is disqualified in terms of section 69.

#### 10.5 **Chairperson and Deputy Chairperson**

10.5.1 The Board shall appoint a Chairperson and deputy-Chairperson from amongst the elected Non-Executive Directors to serve in those capacities.

10.5.2 The Chairperson's duties and functions shall include presiding at meetings of the Board and Members, ensuring that all resolutions of the Board are carried into effect, the monitoring of the Company's and Directors' performances and such other functions, responsibilities and duties as may be given to the chairperson by the Board from time to time.

10.5.3 The Deputy-Chairperson shall assume the roles and functions of Chairperson, when the Chairperson is unable to act, and shall perform such other duties as may be assigned by the Board.

10.5.4 The Chairperson –

10.5.4.1 should not be a member of the Audit Committee;

10.5.4.2 may be a member of the Remuneration Committee;

10.5.4.3 may chair the Nominations Committee.

## 10.6 **Temporary vacancies**

The Board has the power to fill any vacancy on the Board on a temporary basis, as set out in section 68(3) (and subject to section 70), provided that if the vacancy arises with respect to a Director who was appointed or elected to the Board, the Board shall have the power to appoint an individual who satisfies the requirements for election as a Director to fill any vacancy and serve as a Director of the Company on a temporary basis.

## 10.7 **Directors' meetings**

10.7.1 The right of the Company's Directors to requisition a meeting of the Board, as set out in section 73(1)(b), may be exercised in terms of section 73(2), by any 1 (one) Director.

10.7.2 The Board shall meet as and when deemed necessary by the Directors, provided that not more than 6 (six) months shall elapse between meetings of the Board.

10.7.3 The authority of the Board to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, as set out in section 73(3) is not amended by this MOI.

10.7.4 Subject to section 73(5), a notice of a Board meeting must be in writing and delivered to each Director (including, if applicable, each alternate Director) so as to be received by the Director in question not less than 7 (seven) days before the date appointed for the Board meeting, provided that in exceptional circumstances the aforesaid period of 7 (seven) days may be shortened to such a degree as may be necessary to accommodate the holding of a meeting on shorter notice where exceptional circumstances so require.

10.7.5 An agenda of the matters to be discussed at such meeting shall be given contemporaneously with the notice convening the meeting. Should the agenda for the meeting not be so given no meeting may be held, unless otherwise unanimously agreed by the Directors.

10.7.6 Such notice of a Board meeting may be in any form determined by the Board, but must as a minimum include –

10.7.6.1 the date, time and place for the meeting;

10.7.6.2 an agenda for the meeting;

10.7.6.3 information with respect to the availability of participation in the meeting (and in the postponement or adjournment of the meeting) by electronic

communication and the necessary information to enable Directors (including if applicable, their alternates) to access the available medium or means of communication; and

10.7.6.4 the general purpose of the meeting.

10.7.7 The authority of the Board to proceed with a meeting despite a failure or defect in giving notice of the meeting, as set out in section 73(5) shall not apply, unless a majority of the Directors consent to the relevant meeting continuing.

10.7.8 A quorum at meetings of the Board shall be a majority of Directors.

10.7.9 If within 30 (thirty) minutes of the appointed time for a Board meeting to begin a quorum is not present, then the meeting is automatically postponed (without any motion, vote or further notice) for 1 (one) week. If at the time a matter is to be considered at a Board meeting, such meeting ceases to be quorate and there is no other business on the agenda which can be dealt with, the meeting is automatically adjourned (without any motion or vote for 1 (one) week. Further notice of a Board meeting that is postponed or adjourned is required on the same basis as the original meeting, which is being postponed or adjourned, save that notice shall be given within 2 (two) Business Days of the date on which the meeting which is being postponed or adjourned was held and the only items on the agenda may be the items which were on the agenda for the original meeting. If at the appointed time for a postponed meeting to begin or an adjourned meeting to resume, the quorum requirements are not met, then those Directors, present in person at the Board meeting including those participating electronically, will be deemed to constitute a quorum.

10.7.10 Each Director has one vote at a Board meeting. In the case of an equality of votes, the Chairperson shall not be entitled to a second or casting vote in addition to any deliberative vote he/she may have.

10.7.11 A round robin resolution of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted, provided that each Director has received notice of the matter to be decided upon.

## 10.8 **Directors' remuneration and financial assistance**

10.8.1 The authority of the Company to pay remuneration to the Company's Non-Executive Directors for their services as Directors of the Company, in accordance with a special resolution approved by the Voting Members within the previous 2

(two) years, as set out in sections 66(8) and 66(9) is not limited or restricted by this MOI.

10.8.2 The Board may not authorise the Company to provide a loan, secure a debt or obligation of a Director or otherwise provide financial assistance to a Director, prescribed officer or other persons referred to in Item 5 (3) of Schedule 1 of the Companies Act.

10.9 **Indemnification of Directors**

The authority of the Company to –

10.9.1 advance expenses to a Director, or indemnify a Director, in respect of the defence of legal proceedings, as set out in section 78(4) is not amended by this MOI;

10.9.2 indemnify a Director in respect of liability, as set out in section 78(5) is not amended by this MOI; and

10.9.3 purchase insurance to protect the Company, or a Director, as set out in section 78(7) is not amended by this MOI.

10.10 **Records of directors' meetings**

10.10.1 The Directors shall procure that the Company keeps minutes of the meetings of the Board, and its Committees, and include in those minutes -

10.10.1.1 attendance;

10.10.1.2 any declaration given by notice or made by a Director, as required by section 75; and

10.10.1.3 every resolution adopted by the Board and every Committee as the case may be.

10.10.2 Resolutions adopted by the Board -

10.10.2.1 must be dated and sequentially numbered as required by section 73 (7); and

10.10.2.2 are effective as of the date of the resolution unless the resolution states otherwise.

10.10.3 Any minutes of a meeting of the Board, or a resolution thereof, signed by the Chairperson, shall be evidence of the proceedings of that meeting, or adoption of that resolution, as the case may be.



#### 10.11 **Limitation of liability**

No person shall, solely by reason of being a Director, be liable for any liabilities or obligations of the Company, except to the extent that any liability or obligation of the Company, is incurred as a result of such person's fraud, malice, wilful misconduct or gross negligence in acting or failing to act as a Director.

### 11. **BOARD COMMITTEES**

11.1 The Board may delegate any of its powers, authority and functions to committees of the Board but without abdicating its own responsibilities.

11.2 The Board shall -

11.2.1 approve the formal terms of reference for each committee of the Board;

11.2.2 review the committees' terms of reference once a year;

11.2.3 constitute the committees with due regard to the skills required by each committee.

11.3 The Board shall create at least the following committees to assist the Board in the governance of the Company –

11.3.1 a Nominations Committee;

11.3.2 a Remuneration Committee; and

11.3.3 an Audit and Risk Committee.

11.4 The Board may from time to time establish other committees of the Board based on what is appropriate for the governance of the Company.

11.5 The terms of reference and functions of the Board committees will be set out in the Rules.

### 12. **DIVISIONS**

12.1 The Board shall be entitled to create divisions ("**Divisions**") to develop knowledge content and serve a technical advisory function to the Members and structures of the Company, including the Board, in relation to their area of expertise. The technical areas shall be areas concerning the water sector or a related industry as the Board may determine from time to time are relevant to its Members.

12.2 The terms of reference, composition and functions of the Divisions will be set out in the Rules.

### 13. **BRANCHES**

13.1 The Board shall facilitate the creation of a branch network which may be either branches of the Company or operate under the Company's umbrella under a different arrangement.

13.2 The terms of reference, composition and functions of the Branches will be set out in the Rules.

### 14. **EMPOWERMENT PLATFORMS**

14.1 The Board shall be entitled to establish "Empowerment Platforms" to enable the Company to -

14.1.1 align itself with national transformation and empowerment objectives;

14.1.2 grow the future Member pipeline; and

14.1.3 enhance personal growth of Members.

14.2 The Board shall determine the form, terms of reference, composition and functions of the Empowerment Platforms and may constitute them as Branches, Divisions or alternative structures within the Company and under its control.

### 15. **ANNUAL FINANCIAL STATEMENTS**

15.1 The Company elects to voluntarily audit its annual financial statements as provided for in section 30(2)(b)(ii).

15.2 The Company shall keep all such accurate and complete accounting records, in English, as are necessary to enable the Company to satisfy its obligations in terms of –

15.2.1 the Companies Act;

15.2.2 any other law with respect to the preparation of financial statements to which the Company may be subject;

15.2.3 the Regulations; and

15.2.4 this MOI; and

- 15.2.5 the Rules.
- 15.3 The Company shall each year prepare annual financial statements within 6 (six) months after the end of its financial year and shall be presented to the Board for approval.
- 15.4 For purposes of the audit of its annual financial statements, the Company shall appoint an auditor and comply with the provisions of Part C of Chapter 3 of the Companies Act.
- 15.5 The financial year of the Company shall end on 31 December of each year.

## 16. **DISSOLUTION OF THE COMPANY**

- 16.1 Upon dissolution of the Company the net assets after all obligations and liabilities have been settled will be transferred to one or more of the following -
- 16.1.1 a public benefit organisation approved by the Commissioner of the South African Revenue Services in terms of section 30 of the Income Tax Act;
- 16.1.2 an organisation established by or under law which is exempt from tax in terms of section 10(1)(cA)(i) of the Income Tax Act, with the sole or principal object to carry on any approved public benefit activity; and
- 16.1.3 government of the Republic in the national, provincial or local sphere contemplated in section 10(1)(a) of the Income Tax Act which is required to use those assets solely for the purpose of carrying on one or more public benefit activities.

## 17. **NOTICES**

- 17.1 Any person who becomes or intends to become a Member shall prior thereto furnish the Company with its *domicilium citandi et executandi* ("*domicilium*") for all purposes under this MOI, whether in respect of court process, notices or other documents or communications of whatsoever nature and such *domicilium* address shall be recorded in the Company' securities register.
- 17.2 Subject to the provisions of this MOI, a notice shall be in writing and shall be given or served by the Company upon any Member or Director either by hand delivery or by sending it through the post or by email, properly addressed to –
- 17.2.1 a Member at its address shown in the securities register; or
- 17.2.2 a Director at his address shown on his CoR 39.

- 17.3 Every such notice shall be deemed, until the contrary is proved, to have been received in accordance with annexure 3 of the Regulations.
- 17.4 When a given number of days' notice or notice over any period is required to be given, the date on which it is deemed to be received shall not be counted in such number of days or period.
- 17.5 Notwithstanding anything to the contrary contained in this MOI, but subject to the provisions of the Act and the Regulations, a written notice or communication actually received by a Member, Director or the Company shall be an adequate written notice or communication to such persons, notwithstanding that it was not sent or delivered at such person' chosen *domicilium*.

## 18. RESOLUTION OF DISPUTES

- 18.1 Each Member expressly waives any rights it may have to refer a dispute arising out of this MOI to any person or entity through any procedure or method contemplated in section 166 and section 167 of the Act.
- 18.2 In the event of there being any dispute or difference between any persons bound by this MOI ("**Disputing Parties**"), including any dispute or difference arising out of or in respect of –
- 18.2.1 any of the provisions of this MOI; and/or
- 18.2.2 any relationship between any two or more persons in their capacities as Members; and/or
- 18.2.3 any relationship between any person, in its capacity as a Member, on the one hand, and the Company on the other hand; and/or
- 18.2.4 any relationship between any person, in his or her capacity as a Director, on the one hand, and the Company on the other hand; and/or
- 18.2.5 any relationship between any person, in his or her capacity as a prescribed officer of the Company, on the one hand, and the Company on the other hand; and/or
- 18.2.6 any right and/or obligation of any Member, in its capacity as a Member, against or to the Company and/or any other Member; and/or
- 18.2.7 any right and/or obligation of the Company against or to any Member (in its capacity as a Member), and/or any Director (in his or her capacity as a Director), and/or any prescribed officer of the Company (in his or her capacity as a

- prescribed officer of the Company), and/or any other person serving the Company as a member of a committee of the Board with reference to such service; and/or
- 18.2.8 any right and/or obligation of any Director (in his or her capacity as Director) against or to the Company; and/or
- 18.2.9 any right and/or obligation of any prescribed officer of the Company (in his or her capacity as a prescribed officer of the Company) against or to the Company; and/or
- 18.2.10 any right or obligation of any other person serving the Company as a member of the committee of the Board with reference to such service,
- the Disputing Parties shall in respect of such dispute or difference, except to the extent that provision is made elsewhere in this MOI for the resolution of the dispute or difference in question, endeavour to settle the dispute by mediation.
- 18.3 The place of the mediation of the dispute shall be Sandton. If the Disputing Parties cannot agree on a mediator within ten business days, then any disputing party shall be entitled to request a Director of Tokiso Commercial (Proprietary) Limited to appoint an “accredited entity” (as contemplated in section 166(3)) as the mediator. Such appointment may be of Tokiso Commercial (Proprietary) Limited itself in the event that it is such an accredited entity. The mediator shall endeavour to assist the Disputing Parties to settle the dispute by agreement, in such manner as the mediator determines.
- 18.4 Each disputing party undertakes to cooperate in good faith with the mediator in the conduct of the mediation of the dispute.
- 18.5 If a settlement agreement is not reached in the mediation of the dispute –
- 18.5.1 the Disputing Parties’ submission of the dispute to mediation shall not prejudice any of the Disputing Parties’ rights; and
- 18.5.2 the dispute (or such part thereof which is not settled pursuant to the mediation) shall, if so, requested by any disputing party be submitted to arbitration in Johannesburg in accordance with the rules of the Arbitration Foundation of South Africa (“AFSA”), which arbitration shall be administered by AFSA.
- 18.6 Should AFSA, as an institution, not be operating at that time or not be accepting requests for arbitration for any reason, then the arbitration shall be conducted in accordance with the AFSA rules for commercial arbitration (as last applied by AFSA) before a single arbitrator appointed by agreement between the Disputing Parties or failing agreement within twenty one days of the demand for arbitration, then any

disputing party shall be entitled to call upon the chairperson of the Johannesburg Bar Council to nominate the arbitrator, provided that the person so nominated shall be an advocate or attorney of not less than fifteen years standing as such. The person so nominated shall be the duly appointed arbitrator in respect of the dispute or difference. In the event of the Disputing Parties failing to agree on any matter relating to the administration of the arbitration, such matter shall be referred to and decided by the arbitrator whose decision shall be final and binding on the Disputing Parties.

- 18.7 There shall be no appeal against a ruling of the arbitrator unless the dispute relates to a monetary claim, the amount of which exceeds R2 million, in which event –
- 18.7.1 within fourteen business days after the date of the award made by the arbitrator, any disputing party may in writing appeal against the arbitrator' award;
- 18.7.2 the appeal shall be heard by an appeal panel consisting of three persons appointed by agreement between the Disputing Parties from a list of names provided by AFSA or, should AFSA not be operating at that time, by the chairperson of the Johannesburg Bar Council;
- 18.7.3 if the Disputing Parties fail to agree on the appeal tribunal within a period of fourteen days after the appeal has been noted, any of the Disputing Parties shall be entitled to request the chairperson for the time being of AFSA or, should AFSA not be operating at that time, of the Johannesburg Bar Council to make the appointment;
- 18.7.4 the appeal shall be conducted in accordance with the AFSA rules regulating appeals as last applied by AFSA.
- 18.8 Notwithstanding anything to the contrary in this clause 18, a disputing party shall be entitled to apply for, and if successful, be granted, an interdict from any competent court having jurisdiction.
- 18.9 Any arbitration in terms of this clause 18 (including any appeal proceedings) shall be conducted *in camera* and the parties to the arbitration shall treat as confidential details of the dispute or difference submitted to arbitration, the conduct of the arbitration proceedings and the outcome of the arbitration.
- 18.10 For the purposes of clause 18.8 and for the purposes of having any award made by the arbitrator/ being made an order of court, each of the Disputing Parties hereby submits itself to the jurisdiction of the South Gauteng High Court, Johannesburg.
- 18.11 This clause 18 constitutes an irrevocable consent by the Disputing Parties to any

proceedings in terms hereof and no disputing party shall be entitled to withdraw therefrom or to claim in any such proceedings that it is not bound by this clause 18.

18.12 A request by a disputing party in terms of clause 18.5 that the dispute or difference be submitted to arbitration shall be deemed to be a legal process for the purpose of interrupting extinctive prescription in terms of the Prescription Act 68 of 1969.

## **SCHEDULE 1 – MEMBERSHIP CRITERIA**

1. Membership to the Company is not an automatic right but is granted at the sole discretion of the executive management of the Company.
2. Members may be natural or juristic persons registered as such in terms of the provisions of this MOI of the Company and their details are recorded in the “Register of Company Members” as contemplated in section 24(4) and who align themselves with the objects of the Company.
3. In terms of the Companies Act the criteria for membership set by the Board must not –
  - 3.1. amount to unfair discrimination in terms of section 9 of the Constitution;
  - 3.2. must not presume the automatic membership of any person on any basis other than for their services to the Company or towards the public benefit activities of the Company (set out in this MOI) and without their consent.

### **4. VOTING MEMBERS**

- 4.1. Persons eligible for registration as Voting Members shall comprise of natural persons, juristic persons and professional organisations to which Members are affiliated.
- 4.2. Eligible natural person Voting Members will comprise –
  - 4.2.1. Honorary Members designated as such by the Board in terms of clause 7.6 of this MOI;
  - 4.2.2. other persons who work in and/or conduct themselves, their businesses and/or professions, either in whole or in part, within the water sector.
- 4.3. Eligible juristic person Voting Members are commercial companies, non-profit and other organisations or associations, educational, research and training institutions, community based organisations, all arms of government such as local and other authorities, parastatals, etc. as well as all other Members who are not individual persons, such as Professional Member Associations, Educational Institutions and Water Utility Members, in each instance operating in whole or in part within the water sector.

### **5. NON-VOTING MEMBERS**

Non-Voting Members shall comprise of full-time students and other natural or juristic persons not falling within eligibility for Voting Membership, who align themselves with the objects of the Company and with an interest in the water sector.



## **6. APPLICATION AND PROCESSING**

- 6.1. Application for a particular Member category or change in Member status e.g., from a Non-voting to Voting Member, shall be made on the appropriate printed or electronic form, published on the Company website, and submitted to the Company's National Office.
- 6.2. Applications, excluding the category of Honorary Membership - which is awarded solely at the discretion of the Board, shall be considered by persons or a committee appointed by the Board.
- 6.3. Application for particular Member category may be refused or a different category may be granted. An Applicant wishing to dispute an allocated category may appeal in writing to the Board who has the discretion to abide by or overturn the decision of the relevant person or Company sub-structure. The Chief Executive Officer shall inform the applicant in writing of the Board's decision.
- 6.4. The last recorded address provided by a Member to the Company shall be deemed to be the Member's correct address for all purposes.
- 6.5. Members shall be managed in accordance with the provisions of the MOI and the Rules and benefits of each category of Members not contained therein shall be set out in a "Members Benefit" document.

## **7. FEES**

- 7.1. Every Member (other than Honorary Members) shall be liable for an entrance and annual Membership fee, where deemed appropriate. The entrance and Membership fees shall be published on the Company website and reviewed on an annual basis. The Board shall have the power to modify or waive any entrance fee or Membership fee in exceptional circumstances.
- 7.2. Annual Membership fees shall become due and payable during January of each calendar year.
- 7.3. A Member whose Membership fee is not paid 2 (two) months after the due date shall not be in good standing, shall not be entitled to Member privileges and benefits and may be struck off the Register of Company Members at the discretion of the Chief Executive Officer.
- 7.4. A Member whose Membership is in arrears and who has been struck off the Register of Company Members shall nevertheless be liable for all payments due by him. In this regard, the Member's membership will only be reinstated subject to the Company's sole and

exclusive discretion and, if reinstated, the Member will be liable for a reinstatement fee as well as payment of all the outstanding arrear amounts on the Membership.

- 7.5. The Chief Executive Officer or a duly delegated staff official shall notify Members of their admission to the Company and invoice them for the appropriate entrance and annual Membership fees.
- 7.6. Should the entrance and annual Membership fees not be paid within 2 (two) months of the being invoiced admission to the Company, as a Member, may be withdrawn.
- 7.7. The first Membership of a Member may be adjusted proportionately for the remainder of the Membership/calendar year at the discretion of the Board.