

MEMORANDUM OF INCORPORATION
OF
THE FERTILIZER ASSOCIATION OF SOUTHERN AFRICA NPC
REGISTRATION NUMBER: 1971/000012/08

Which is a Non-profit Company (NPC), with members, registered under Registration No.1971/000012/08 (hereinafter referred to as “the Company”) with members.

In this Memorandum of Incorporation:

- A reference to a section by number refers to the corresponding section of the Companies Act 2008.
- A reference in this Memorandum of Incorporation to “the Act” is a reference to the Companies Act 2008.
- Words that are defined in the Companies Act 2008 bear the same meaning in this Memorandum as in that Act.
- The Schedules attached to this Memorandum of Incorporation are a part of this Memorandum of Incorporation.

1.

ARTICLE 1 - INCORPORATION AND NATURE OF THE COMPANY

This Memorandum of Incorporation was adopted by the members of the Company by Special Resolution, dated **18 April 2018**.

1.1. Corporation

1.1.1. The Company is incorporated as a Non-profit Company, as defined in the Companies Act 2008 and is now governed by:

1.1.1.1. the unalterable provisions of the Companies Act, 2008 that are applicable to Non-profit Companies.

1.1.1.2. the alterable provisions of the Companies Act 2008 that are applicable to Non-profit Companies, subject to any limitation, extension, variation or substitution set out in this Memorandum of Incorporation; and

1.1.1.3. the provisions of this Memorandum of Incorporation.

1.2. Objects and Powers of the Company

1.2.1. The main object of the Company is:

1.2.1.1. To render quality service upon requirements of its members;

1.2.1.2. To encourage practices conducive to the economic optimal use of fertilizer;

1.2.1.3. To seek active collaboration, on behalf of its members, with the relevant Department(s) of government, organised agriculture and other institutions in the interest of crop production and appropriate fertilizer use;

1.2.1.4. To strive for the adoption and application of a code of fertilizer practices aimed at the maintenance of an ecologically sound environment;

1.2.1.5. To promote the image of the fertilizer manufacturing industry;

1.2.1.6. Any ancillary objects, which are not in accordance with the main object, are excluded.

1.2.2. The main purpose of the Company is to promote the common interest of customers and stakeholders of The Company, which is representative of the fertilizer industry in Southern Africa. It shall conduct itself as an independent and authoritative body on fertilizer related matters and undertake to:

1.2.2.1. 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 industry;

1.2.2.2. Assimilate, add value to and disseminate fertilizer related information in such a way that the agro-economic justifiable use of fertilizer is promoted and optimized, and;

1.2.2.3. Promote fertilizer practices conducive to the maintenance of a sustainable and ecologically sound environment; and

1.2.2.4. Promote business practices in the fertilizer industry that are both ethical and competitive, including inter alia compliance with the requirements of the Competition Act, Consumer Protection Act and the Fertilizer Act.

1.2.2.5. Promote food security through the improvement and maintenance of soil health and soil fertility by disseminating information regarding the efficient and responsible use of fertilizers and plant nutrition.

- 1.2.3. The Company is not subject to any provision contemplated in section 15(2) (b) or (c).
- 1.2.4. The purposes and powers of the Company are not subject to any restriction, limitation or qualification, as contemplated in section 19(1) (b)(ii).
- 1.2.5. Upon dissolution of the Company, its net assets must be distributed in the manner determined in accordance with:
 - 1.2.5.1. Item 1(4) (b) of Schedule 1 of the Companies Act 2008; and
 - 1.2.5.2. The provisions set out in Part C of Schedule 1 of this Memorandum of Incorporation.

1.3. Memorandum of Incorporation and Company Rules

- 1.3.1. This Memorandum of Incorporation of the Company may be altered or amended only in the manner set out in sections 16, 17 or 152(6) (b), subject to the provisions contemplated in Section 16(1) (c) as set out in Part D of Schedule 1 of this Memorandum of Incorporation.
- 1.3.2. The authority of the Company's Board of Directors to make rules for the Company, as contemplated in section 15(3) to 15(5), is not restricted in any manner by this Memorandum of Incorporation.
- 1.3.3. The Board must publish any rules made in terms of section 15(3) to 15(5) by delivering a copy of those rules to each member by ordinary or electronic mail.
- 1.3.4. The Company must publish a notice of any alteration of the Memorandum of Incorporation or the Rules, made in terms of section 17(1), by delivering a copy of those rules to each member by ordinary or electronic mail.

1.4. Optional Provisions of the Companies Act 2008

The Company does not elect, in terms of section 34(2), to comply voluntarily with the provisions of Chapter 3 of the Act.

1.5. Members of the Company

- 1.5.1. As contemplated in item 4(1) of Schedule 1 of the Act, the Company has members, who are all in either of two classes, being voting or non-voting member, respectively.
- 1.5.2. The terms and conditions of membership are set out in Part E of Schedule 1 to this Memorandum.
- 1.5.3. The terms and conditions of membership are set out in Part E of Schedule 1 to this Memorandum.

ARTICLE 2 – RIGHTS OF MEMBERS

2.1. Members Authority to Act

If, at any time, every member of the Company who is also a Director of the Company, as contemplated in section 57(4), the authority of the members to act without notice or compliance with any other internal formalities, as set out in that section is not limited or restricted by this Memorandum of Incorporation.

2.2. Members Rights to Information

A member of the Company has the right to access information set out in section 26(1) of the Act.

2.3. Members Representation by Proxies

2.3.1. The right of a member of the Company:

2.3.1.1. To appoint proxies, as set out in section 58(3)(a) is limited or restricted by this Memorandum of Incorporation and is limited to the appointment of one proxy;

2.3.1.2. To delegate the proxy's powers to another person, as set out in section 58(3)(b) is not limited.

2.3.2. The requirement that a member must deliver to the Company a copy of the instrument appointing a proxy before that proxy may exercise the member's rights at a members' meeting, as set out in section 58(3)(c) is varied by this Memorandum of Incorporation, and must be delivered to the registered office of the Company at least 48 hours before the time appointed for the meeting for which such proxy is appointed to begin.

2.3.3. The authority of a member's proxy to decide without direction from the member whether to exercise or abstain from exercising any voting right of the member, as set out in section 58(7) is not limited or restricted by this Memorandum of Incorporation.

2.4. Record Date for Exercise of Members Rights

If at any time, the Company's Board of Directors fails to determine a record date, as contemplated in section 59, the record date for the relevant matter will be the date of the action or event.

ARTICLE 3 – MEMBERS’ MEETINGS

3.1. Requirement to Hold Meetings

The Company is not required to hold any members’ meetings other than those specifically required by the Companies Act 2008.

3.2. 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 at least 25% of the voting rights entitled to be exercised in relation to the matter to be considered at the meeting.

3.3. Location of Members’ meetings

The authority of the Company’s Board of Directors to determine the location of any members’ meetings, and the authority of the Company to hold any such meeting in the Republic or in any foreign country, as set out in section 61(9) is not limited or restricted by this Memorandum of Incorporation.

3.4. Notice of Meeting

The minimum number of days for the Company to deliver Notice of a members’ meeting to members is 15 business days, as provided for in section 62(1).

3.5. Electronic Participation in Members’ Meetings

The authority of the Company to conduct a meeting entirely by electronic communication or to provide for participation by certain members in a meeting by electronic communication is not limited or restricted by this Memorandum of Incorporation.

3.6. Quorum for Members’ Meetings

3.6.1. The quorum requirement for a members’ meeting to begin shall be not less than one third (33,3%) plus one (1) of all ordinary members personally or electronically present or represented by means of a proxy.

3.6.2. The authority of a meeting to consider a matter, as set out in section 64(9) is not limited or restricted by this Memorandum of Incorporation.

3.7. Members Resolutions

- 3.7.1. For an ordinary Resolution to be adopted at a members' meeting, it must be supported by the holders of at least 50% (fifty per cent), including proxies, of the voting rights exercised on the Resolution, as provided in section 65(7).
- 3.7.2. Special Resolutions shall require approval at a members' meeting of 75% (seventy-five per cent), including proxies, of voting rights present at such meeting, or by written approval of 75% of members entitled to attend and vote at such a meeting.
- 3.7.3. A special Resolution adopted at a members' meeting is not required for a matter to be determined by the Company, except those matters set out in section 65(11), or elsewhere in the Act.

4.

ARTICLE 4 – DIRECTORS AND OFFICERS

4.1. Composition of the Board of Directors

- 4.1.1. The Board of Directors of the company comprises of six (6) directors, who continue to serve as elected according to Schedule 4, Part A, Clause 3 of this MOI.
- 4.1.2. In addition to the appointed directors there is one ex-officio Director of the Company as contemplated in section 66(4) to be designated in the manner specified in Part B of Schedule 4, which is the Chief Executive Officer of the Company.
- 4.1.3. Appointment of Directors shall be in the manner as set out in Part A of Schedule 4 and non-executive Directors shall rotate as set out in Part B of Schedule 4.
- 4.1.4. In addition to satisfying the qualification and eligibility requirements set out in section 69, to become or remain a director of the Company a person need not satisfy any further additional eligibility requirements and qualifications as set out in Part B of Schedule 2.

4.2. Authority of the Board of Directors

The authority of the Company's Board of Directors to manage and direct the business and affairs of the Company, as set out in section 66(1) is not limited or restricted by this Memorandum of Incorporation.

4.3. Directors Meetings

- 4.3.1. Despite the provisions set out in section 73(1), the right to call a meeting of the Board of Directors may be exercised by at least 25% (twenty-five per cent) of the directors, as provided in that section.
- 4.3.2. The quorum required for a Directors Meeting to make decisions is a majority of 50% (fifty per cent) plus one (1) Director.
- 4.3.3. Each Director plus the Chief Executive Officer shall have one vote on any matter raised at a Directors Meeting, and a majority of the votes on any Resolution are required to approve such Resolution.
- 4.3.4. This Memorandum of Incorporation does not limit or restrict the authority of the Company's Board of Directors to:
 - 4.3.4.1. Conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication by one or more parties, as set out in section 73(3); or
 - 4.3.4.2. Determine the manner and form of providing notice of its meetings, as set out in section 73(4); or
 - 4.3.4.3. Proceed with a meeting despite a failure or defect in giving notice of the meeting as set out in section 73(5); or
 - 4.3.4.4. Consider a matter other than at a meeting, and given written approval thereof as contemplated in section 74.

4.4. Indemnification of Directors

This Memorandum of Incorporation does not limit the authority of the Company to:

- 4.4.1. Advance expenses to a Director, or indemnify a Director, in respect of the defence of legal proceedings as set out in section 78(3);
- 4.4.2. Indemnify a Director in respect of liability as set out in section 78(5); or
- 4.4.3. Purchase insurance to protect the Company, or a Director, as set out in section 78(6).

4.5. Officers and Committees

- 4.5.1. The Board of Directors may appoint any officers it considers necessary to better achieve the objects of the Company.
- 4.5.2. The authority of the Board of Directors to appoint committees of Directors and to delegate authority to such committee as set out in section 72(1) and to include in such committees' persons who are not Directors in terms of section 72(2)(a) is not limited by this Memorandum of Incorporation.
- 4.5.3. The authority of a committee appointed by the Board of Directors as set out in section 72 is not limited by this Memorandum of incorporation.
- 4.5.4. Operating Committees are appointed by the members and such committees report to the Chief Executive Officer.

5.

ARTICLE 5 – GENERAL PROVISIONS

SCHEDULE 1

Part A

The income and property of the Company must be applied solely for the promotion of its main object and no portion thereof shall be paid or transferred directly or indirectly by way of dividends, bonus payments or otherwise to the members of the Company provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration to any officer or servant of the Company or to any member thereof in return for any services actually rendered to the Company.

Part B

NOT APPLICABLE

Part C

- 1. Any Resolution for the winding up or deregistration of the Company must be approved by the Commissioner of the SA Revenue Service.
- 2. On dissolution or liquidation, the excess funds and remaining assets of the Company must be transferred to one or more of the following:
 - 2.1. A similar organisation incorporated or established in the Republic which has been approved as a Public Benefit Organisation in terms of clause 30 of the Income Tax Act;

- 2.2. An organisation established under any law which is exempt from Tax in terms of section 10(1)(c) of the Income Tax Act whose sole or principal object is the carrying on of an approved public benefit activity;
- 2.3. A department of State or Administration in the National, Provincial or Local sphere of Government of South Africa.

Part D

Any Resolution for the Amendment of the Memorandum of Incorporation of the Company must be approved by The Commissioner of the South African Revenue Service.

Part E

1. Membership

The Company has three types of members, namely: ordinary members, affiliate members and honorary members. The Company is funded through membership fees which are paid by all members except for honorary members. Membership fees will be reviewed annually and submitted to the Board of Directors for approval.

1.1. Ordinary Members

1.1.1. Criteria for Ordinary Membership.

Companies and institutions which derive its income from any of the following activities shall be deemed Ordinary Members, namely:

- 1.1.1.1. manufacturing of raw materials, intermediate and/or finished fertilizer products;
- 1.1.1.2. mixing of, and resale of raw materials, intermediate and/or finished fertilizer product under own brand name;
- 1.1.1.3. trading in raw materials, intermediate and/or finished fertilizer products;
- 1.1.1.4. supply of micronutrients and other materials for use in fertilizers;
- 1.1.1.5. production and marketing of agricultural lime;
- 1.1.1.6. in all instances "fertilizers" means chemical, organic and semi-organic fertilizers included in Group 1, Group 2 and Group 3 fertilizers as defined in the Regulations, 2012 of Act 36 of 1947.

1.1.2. Ordinary member categories and subscription fees.

Ordinary membership contributions and voting rights are based on the following membership levels:

1.1.2.1. Level 1: Companies with an annual turnover of less than R50 million;

1.1.2.2. Level 2: Companies with an annual turnover of between R50 to R200 million;

1.1.2.3. Level 3: Companies with an annual turnover of between R200 to R500 million;

1.1.2.4. Level 4: Companies with an annual turnover of between R500 million to R1 billion;

1.1.2.5. Level 5: Companies with an annual turnover of between R1 to R1,8 billion;

1.1.2.6. Level 6: Companies with an annual turnover of more than R1,8 billion.

The minimum/maximum turnover limits for ordinary members can be revised from time to time by the Board of Directors to make provision for changing circumstances.

1.1.3. Liability of ordinary members.

Liability of ordinary members for the debts of the Company shall be limited to such subscriptions plus similar proportionate share on winding up or dissolution.

1.2. Affiliate Members.

Affiliate members shall be those companies, institutions, associations and individuals who do not qualify for ordinary membership and/or where the holding company is already an ordinary member of the Company.

1.2.1. Criteria for Affiliate Membership – Organisations.

Application of organisations for affiliate membership will be evaluated against the following criteria:

1.2.1.1. Subsidiaries or affiliates of existing ordinary members that would qualify for ordinary membership; or

- 1.2.1.2. Local agents who act on behalf of producers and/or suppliers of fertilizers to the Southern African market who don't have registered offices in the Republic of South Africa; or
- 1.2.1.3. Governmental agencies (research, extension, regulatory) and non-governmental organisations with activities (e.g. research) in the fields of plant nutrition, fertilizer and soil fertility management; or
- 1.2.1.4. Institutions and enterprises which are involved in plant nutrition, fertilizer or soil fertility management activities; or
- 1.2.1.5. Universities with agricultural faculties, soil science, plant nutrition or engineering related to fertilizer technology and production departments.
- 1.2.1.6. Individuals who are involved in plant nutrition, fertilizer or soil fertility management.

1.2.2. Criteria for Affiliate Membership – Individuals.

Application of individuals for affiliate membership will be evaluated against the following criteria:

- 1.2.2.1. Natural scientists who specialise in soil science, soil fertility and plant nutrition; and
- 1.2.2.2. Researchers, extension officers, lecturers and teachers who are involved in activities related to soil science, soil fertility and plant nutrition.
- 1.2.2.3. Students in the disciplines of soil science, agronomy, horticulture, pasture science or any other field related to soil fertility or plant nutrition.

1.2.3. Liability of Affiliate Members.

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

1.3. Application for Ordinary and Affiliate Membership

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

1.3.2. Application for 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 Board of Directors. An applicant shall be elected as a member by no less than a two-thirds majority of directors present. Voting shall be by ballot.

1.4. Honorary Members.

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

1.5. Subscription Fee.

Members, excluding Honorary Members, shall pay in advance a minimum subscription fee for each calendar year in accordance with its type and level of membership. Fees shall fall due on the 1st January of each year and shall be payable before the end of February of the same year or within sixty (60) days from the date of approval of a new member. Fees shall be revised annually by the Board of Directors and approved at a meeting called for this purpose.

1.6. Resignation and Termination of Membership.

1.6.1. A member may resign from the Company by giving the Company one year's written notice of their intention and shall pay all dues that may be outstanding at the date of resignation. Fees are therefore payable for one year after the written notice has been received by the Company.

1.6.2. Any member who ceases, and without giving notice through business interest, to be a member shall be liable for one year's subscriptions based on his/its contributions to the Company 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 Company and is prepared to honour the obligations and responsibilities of the member towards the Company.

1.6.3. Any member shall cease to be a member of the Company upon-

1.6.3.1. Becoming insolvent, or suspending payment to or compounding with his/its creditors; or if being a natural person, becoming of unsound mind; or

1.6.3.2. being convicted of an offence and being sentenced; or

1.6.3.3. being a company whose controlling officers as such are sentenced, to a period of imprisonment without the option of a fine; or

1.6.3.4. Fifty per cent (50%) plus one (1) of the votes of ordinary members of the Company having been cast by ballot in general meeting of the effect that, in the interest of the Company, the membership of such member shall cease from a date determined by ballot.

2. **Members' meetings**

2.1. Each member (ordinary and affiliate) will have the right to be represented by one delegate and one alternate delegate at a members' meeting; and

2.2. The members' meeting will be held at least twice a year.

3. **Voting**

3.1. Voting Rights.

3.1.1. Ordinary Members

Each ordinary member has voting rights on all matters, including the election of directors for the relevant Group, in line with the membership level of the member; namely:

Membership Level	Voting Rights
1	1
2	1
3	2
4	2
5	3
6	3

3.1.2. Affiliate and Honorary Members.

Neither affiliate nor honorary members have voting rights.

3.2. Method of Voting

3.2.1. All voting shall be decided by a majority of votes 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 ordinary member first demanding the ballot, if ascertainable, or otherwise by the meeting. The chairman of the meeting shall appoint the other scrutinisher.

3.2.2. 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.

3.3. Exercise of Vote.

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

3.4. Casting Vote.

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

SCHEDULE 2 – Rights of Members

NOT APPLICABLE

SCHEDULE 3 – Members’ meetings

PART A

NOT APPLICABLE

PART B

NOT APPLICABLE

PART C

NOT APPLICABLE

PART D

If within 30 minutes from the time appointed for a general meeting, or at any time during the course of a general meeting a quorum is not present, the general meeting shall stand adjourned.

PART E

1. A meeting that has been adjourned as above shall stand adjourned to a date not earlier than seven days or later than twenty-one days after the date of the said adjourned meeting.
2. The Company must give proper notice to all members stating the date time and place to which the said meeting has been adjourned.
3. If at any adjourned meeting a quorum is not present within 30 minutes from the appointed time for such meeting to commence, the members who are present or represented by proxy and entitled to vote shall constitute a quorum and may proceed to transact the business of the meeting.

PART F

NOT APPLICABLE

SCHEDULE 4 – Directors of the Company

PART A

1. The Board of Directors of The Company comprises the six (6) directors each of which is to be elected and serves for a period of two (2) years.
2. Half of the directors elected at the first general members' meeting will serve for a period of three years. All other directors serve for a period of two years.
3. The directors will represent the members in the following manner:
 - 3.1 Six (6) directors will be elected by the ordinary members.
 - 3.2 No member will be represented by more than one (1) director same time.
 - 3.3 All directors have equal voting rights on all matters.

PART B

1. All directors are eligible for re-election for a further term of two years. No director will serve for more than two subsequent terms unless serving for a further term or terms is approved by a two-thirds majority of votes at a general members' meeting.
2. In addition to the elected directors there is one ex officio director of the Company as contemplated in section 66(4) of the Companies Act.

SCHEDULE 5 – Company Rules

The Company Rules as accepted by the Members on 13 March 2018 form an integral part of this MOI.

1. DEFINITIONS

- 1.1 "the Act" means the Companies Act 71 of 2008 and its regulations as amended from time to time;
- 1.2 "Applicant" means any person, company, body corporate, statutory body, partnership or association who applies to FERTASA for membership;
- 1.3 "Affiliate members" means the companies and institutions which as defined in the MOI;
- 1.4 "Board" means the board of directors of FERTASA;
- 1.5 "FERTASA" means the Fertilizer Association of Southern Africa NPC;
- 1.6 "Honorary Members" means the companies and institutions which as defined in the MOI;
- 1.7 "Member" means a voting member or a non-voting member of FERTASA and includes Ordinary Members, Affiliate Members and Honorary Members;
- 1.8 "MOI" means the memorandum of incorporation of FERTASA adopted by the Members by special resolution dated 14 March 2013 as amended from time to time;
- 1.9 "Ordinary Member" means the companies and institutions which as defined in the MOI;

2. BOARD COMPOSITION AND VACANCIES

- 2.1 In terms of Article 4 of the MOI, the Board consists of 6 (six) directors, plus one ex-officio director of the company as contemplated in Section 66(4) to be designated in the manner specified in Part B of Schedule 4. The Board may act notwithstanding any vacancies on it but must endeavour to fill those vacancies as soon as possible.

2.2 Election of Chairman and Vice-Chairman

A chairman and vice-chairman of the Company shall be elected from the Directors as individuals every second year by the members at a general meeting. Their period of office shall be two years. Such officials shall be available for re-election. Should the office of chairman or vice-chairman be vacated for any reason, the Board of Directors shall have the power to fill the vacancy for the remaining portion of the period of office.

2.3 Chairman of Meetings

- 2.3.1 The chairman and vice-chairman of the Company shall automatically perform the function of the chairman and vice-chairman of the Board of Directors and General Meeting.
- 2.3.2 At each meeting of The Company or Board of Directors the chairman of the Company, if not present within fifteen minutes after the time appointed to hold the meeting or failing such presence or if the chairman be unwilling to act as chairman, the vice-chairman shall preside. If neither the chairman nor vice-chairman is present or unwilling so to act, the meeting shall appoint its own chairman.

2.3.3 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 the Companies Act No. 71 of 2008, as amended, when such section is applicable, and save as aforesaid, it shall not be necessary to give notice neither of the adjournment nor of the business to be transacted at an adjourned meeting.

2.4 **Appointment of Committees**

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

2.4.2 The Members shall have power to appoint operating committees at a general meeting to perform work on behalf of the members. The CEO is to determine the scope of work to be done by such committees. The members of each Operating Committee shall appoint the chairperson of the committee. Such committees shall report to the Chief Executive Officer.

2.5 **Co-option**

2.5.1 The Board of Directors and any committees 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 Board of Directors or any committee, or any non-members appointed to a committee shall have the right to vote.

2.6 **Quorum of Committees**

In the case of a committee not less than three representatives of ordinary members of the Company shall form a quorum.

2.7 **The Secretary**

2.7.1 The Secretary shall supply each member with a copy of the Memorandum of Incorporation and Rules of the Company, shall enter or cause to be entered into a Minute Book or Books a record of all business transacted at meetings of the Company, Board of Directors and committees, and shall fulfil all requirements of a secretary as laid down in the Rules and the Companies Act

2.7.2 Further, the Company shall submit at each ordinary general meeting of the Company a statement of receipts and expenditure for the financial year, which shall terminate on the 31st December of the previous year.

3. MEMBERSHIP APPLICATION AND APPROVAL

- 3.1 Any membership application must be complete and correct, and must be submitted, by hand or electronically, to the Board for approval on the prescribed application form.
- 3.2 Application for membership must be made for Ordinary and Affiliate Membership in accordance with the Memorandum of Incorporation.
- 3.3 The Board must, within 60 business days after receiving a complete and correct application, decide whether to approve the application, and provide written reasons for its decision to the applicant. If an application for Membership is approved, the Board must confirm the class of membership.

4. TERMINATION OF MEMBERSHIP BY THE MEMBER

- 4.1 A Member that resigns must resign in writing and submit such resignation to the Board.
- 4.2 A membership resignation is final. If membership has been terminated by a Member, a new application for membership will be required if the individual or organisation wishes to become a Member of the Company at any future date.

5. VOLUNTARY

- 5.1 Voluntary suspension of membership is possible if a Member does not intend to be active within the areas defined as a precondition for membership in South Africa for a specified period of time.
- 5.2 If a Member wishes to voluntarily suspend their membership for a period of time, a request for voluntary suspension must be submitted for approval on the prescribed form, by hand or electronically, to the Board.
- 5.3 Voluntary suspension will become effective from the end of the quarter of the year in which voluntary suspension is approved by the Board.
- 5.4 Upon approval of voluntary suspension, membership fees will be payable for the remainder of the calendar year.
- 5.5 To restore membership after voluntary suspension, the suspended Member must apply for reinstatement to the Board on the prescribed form, submitted by hand or electronically.
- 5.6 Upon approval of reinstatement, membership fees will become due on a pro rata basis for the calendar year in which the application is approved.

6. TERMINATION OF MEMBERSHIP BY THE BOARD

- 6.1 If the Board terminates a Member's membership, the Member will be notified within 7 days from the decision date.
- 6.2 Membership termination is effective from the date of the Board decision and is final.

6.3 Termination of membership is final. If membership has been terminated by the Board, a new application for membership will be required if the individual or organisation wishes to become a Member of the Company at any future date.

6.4 Termination in terms of the FERTASA Code of Conduct

6.4.1 The Board adjudicates upon all complaints and appeals. The interpretation of the Code of Conduct is vested in the Board.

6.4.2 The Chairman of the Board may, if satisfied that no injustice will result, extend any time period contemplated in the rules pertaining to termination of membership in terms of the FERTASA Code of Conduct.

6.4.3 Any interested party wishing to make a complaint (hereinafter called the complainant) against a FERTASA member in terms of the FERTASA Code of Conduct, must submit a written complaint to the Chairman of the Board. The complainant shall be provided with a copy of the Code of Conduct. The complaint must take the form of a written statement and must contain full of the complaint, copies of all relevant correspondence, the names and addresses of any witnesses, if applicable, and any other evidence, including affidavits in support of the complaint.

6.4.4 The Chairman of the Board must submit a copy of any complainant's statement to the respondent. The respondent must within fourteen days of receipt of such statement submit a written statement to the Chairman of the Board which must set out fully his/her/their defence to the complaint together with reference to supporting evidence where necessary, including the names and addresses of witnesses, if applicable. The Chairman of the Board must submit a copy of the respondent's statement and supporting documents to the complainant.

6.4.5 The Chairman of the Board must determine a date, time and venue for the hearing of any Code of Conduct complaint against a FERTASA member.

6.4.6 The Chairman of the Board must notify the complainant and the respondent of the date, time and venue of the hearing at which a complaint will be adjudicated upon.

6.4.7 The complainant and the respondent must both appear personally at the hearing of the complaint and will be permitted to give oral evidence and call witnesses.

6.4.8 The complainant and the respondent will not be entitled to legal representation at the hearing.

6.4.9 Any party who gives oral evidence may be cross-examined and questioned by the Board and may be re-examined in accordance with the procedure ordinarily applied in South African Courts of Law.

6.4.10 Any party giving evidence at a complaint hearing must take an oath or make affirmation.

6.4.11 All oral evidence given at a complaint hearing must be recorded.

6.4.12 After all the evidence has been given, both parties will be entitled to address the Board in the order determined by the Chairman of the Board.

6.4.13 After a hearing has been completed, the Board must draw its conclusion and prepare a report on its finding. Copies of the report must then be sent to the complainant and the respondent.

6.4.14 The Board has the sole right to decide, after considering the report, whether or not to implement the recommendation, including a recommendation to withdraw membership of any member. There is no right of appeal against such a decision.

7. MEMBERS' RIGHTS

7.1 Members are entitled to vote in accordance with the Memorandum of Incorporation.

7.2 Voting members can nominate candidates for election or appointment to the Board in accordance with the Memorandum of Incorporation.

8. MEMBERS' OBLIGATIONS

8.1 All Members must comply with the MOI, Company Rules, and Code of Conduct.

8.2 Members pay the following fees:

8.2.1 Application fees:

No application fee is to be paid.

8.2.2 Membership fees:

8.2.2.1 Ordinary Members

ANNUAL TURNOVER (R million)	Full Fee R/annum (excl VAT)
ORDINARY MEMBERS	
< 30 (Level 1a)	46 864
30 - 100 (Level 1b)	62 724
100 - 250 (Level 2)	98 633
250 - 600 (Level 3)	172 432
600 - 1 000 (Level 4)	262 781
1 000 - 2 000 (Level 5)	366 099
> 2 000 (Level 6)	387 805
AGENTS	
≤ 50	19 385
50 - 100	30 524
100 - 200	46 696
200 - 500	86 679
500 - 1 000	152 938
1 000 - 2 000	227 907

8.2.2.2 Affiliate members

ANNUAL TURNOVER (R million)	Full Fee R/annum (excl VAT)
AFFILIATE MEMBERS	
Affiliate: Subsidiary	9 454
Affiliate: Individual	1 350
Affiliate: Student	336
Affiliate: Small Fertilizer Business	28 941
Affiliate: Associations	2 315
Affiliate: Service Providers	11 576

8.2.3 Fees can be paid by cheque or by electronic funds transfer into the following bank account:

Bank name: First National Bank of South Africa

Branch: Lynnwood (The Grove)

Account name: Fertilizer Association of Southern Africa NPC

Account number: 50 980 765 860

Branch code: 25-20-45

8.2.4 Such fees applicable to members will be revised on a yearly basis by the Board.

9. GENERAL

9.1 A proxy is valid for 6 (six) months from the date when it was signed, unless specifically stated otherwise in the proxy itself.

9.2 A proxy will only be used at an adjourned meeting if it could have been used at the original meeting.

9.3 A voting Member entitled to attend, and vote is entitled to appoint a proxy to attend, speak and vote in the voting Member's stead, and such proxy need not also be a Member.

9.4 An instrument appointing proxy must be delivered to FERTASA at least 48 (Forty-Eight) hours before the meeting at which the person named in the instrument proposes to vote.

9.5 The instrument appointing a proxy must be in writing, signed by the appointer or by his agent duly authorised in writing, and in the following form (or as near to that form as possible).