

SOUTH AFRICAN INDEPENDENT POWER PRODUCERS ASSOCIATION

CONSTITUTION – NOVEMBER 2014

1. Name
- a) The association hereby constituted shall be called the South African Independent Power Producers Association.
 - b) Its name shall be abbreviated as **SAIPPA**.
2. Body Corporate
- The association shall –
- a) be a common-law association;
 - b) exist in its own right, separately from its members;
 - c) shall have perpetual existence separate from its members and office bearers;
 - d) be able to own property and other possessions;
 - e) be able to sue and be sued in its own name;
 - f) limit the liability of its members and office bearers to the amount of two rand per member or office bearer;
 - g) be subject to the laws of South Africa.
3. Objectives
- The association shall promote the industry interests of independent power producers in Southern Africa, with due regard for the prescripts and limitations imposed by the Competition Act.
4. Membership
- The voting members of the association shall be companies and organisations with commercial or developmental interests in the independent production of electrical energy in Southern Africa, who are not state owned enterprises, who have paid membership fees prescribed by the management committee. Every member organisation shall be formally represented by one nominated representative. All voting membership applications are subject to approval of the management committee.
5. Associates
- Any person or institution can participate in the activities of the association provided that such person or entity has provided written permission to the association in terms of the Protection of Personal Information Act, to receive notices and newsletters from the association, and have paid such attendance or participation fees as may be prescribed from time to time. Associates will not be entitled to vote at meetings of members. All applications to participate as associates of the association are subject to approval of the management committee.
6. Limitations on the Distribution of Income
- The income and property of the association must be used solely for the promotion of its objectives. No portion thereof may be paid, or directly or indirectly transferred by any means, to its

members, provided that the foregoing shall not prevent the payment in good faith of reasonable remuneration to any officer, servant or member of the association in return for services actually rendered to the association.

7. Regulatory
Governance

The following limitations as determined by Section 30b of the Income Tax Act, No 58 of 1962 ("the Act") are recorded as forming part of the constitution:

i) SAIPPA will have a management committee consisting of at least 3 persons, who are not connected persons in relation to each other, who shall accept the fiduciary responsibility of SAIPPA;

ii) no single person may directly or indirectly control the decision-making powers relating to SAIPPA;

iii) SAIPPA may not directly or indirectly distribute any of its funds or assets to any person, other than in the course of furthering its objectives;

iv) SAIPPA is required to utilise substantially the whole of its funds for the sole or principal object for which it has been established;

v) no member may directly or indirectly have any personal or private interest in SAIPPA;

vi) substantially the whole of the activities of SAIPPA must be directed to the furtherance of its sole or principal object and not for the specific benefit of an individual member or minority group;

vii) SAIPPA may not have a share or other interest in any business, profession or occupation which is carried on by its members;

viii) SAIPPA must not pay to any employee, office bearer, member or other person any remuneration, as defined in the Fourth Schedule, which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered;

ix) substantially the whole of SAIPPA's funding must be derived from its annual or other long-term members;

x) SAIPPA must as part of its dissolution transfer its assets to -

- another entity approved by the Commissioner in terms of this section;

- a public benefit organisation approved in terms of section 30 of the Act;
- an institution, board or body which is exempt from tax under section 10(1)(cA)(i) of the Act;
- the persons contemplated in paragraph (b)(i) will submit any amendment of the constitution or written instrument of the entity to the Commissioner within 30 days of its amendment;

xi) the entity will comply with such reporting requirements as may be determined by the Commissioner from time to time; and

xii) the entity is not knowingly and will not knowingly become a party to, and does not knowingly and will not knowingly permit itself to be used as part of, an impermissible avoidance arrangement contemplated in any section of the Act.

8. Management Committee

The association shall be managed by a management committee consisting of up to fifteen management committee members, of which one will be the corporate secretary of the association, one will be the secretary general of the association and the other management committee members will be eminent experts in the field of independent power generation, who need not be members of the association.

During every second year, the corporate secretary will invite from the members' nominations for suitable management committee members, and will provide for an electronic vote to determine the composition of the management committee for the next two year period. Every individual nominee shall be put to the vote even if the number of nominees is less than the number of vacancies on the management committee.

At meetings of the management committee, fifty percent of the members plus one shall constitute a quorum.

The management committee members shall elect bi-annually, or when a vacancy arises, a chairman and Secretary General for the committee, from among the management committee members. Decisions shall be taken by simple majority show of hands and the chairman shall have a casting vote in the event of an equality of votes.

All positions will expire at the two yearly members meeting prior to the election of office bearers.

The management committee can fill vacancies on the management committee when such vacancies occur. The term of office of such appointees will lapse at the next general members meeting. The committee can remove members from the committee who repeatedly do not attend meetings without written apologies.

The management committee shall have such powers as are needed to make good on the objectives of the association and limited to the objectives of the association, and shall ensure good governance of the association. This shall include the powers to open bank accounts, to contract and to delegate authority.

The management committee shall meet at least twice a year.

9. Corporate Secretary The corporate secretary of the association shall be appointed by the management committee and must be a person or a company skilled in the financial management, legal compliance, risk management and administration of associations, and will report to the management committee.

10. Secretary General The secretary general of the association shall be responsible for the operations of the association as well as for general membership engagement and industry development as set out in the objectives of the association.

11. Chairman The chairman of the association shall chair all management committee meetings, meetings of members as well as stakeholder relations, lobby work, industry intelligence, knowledge management, and in general representing the association and the industry in meetings and in the media.

12. Meetings of Members The association shall convene at least one meeting of members per annum where members will determine the policies and strategic deliverables of the management committee. The chairman of the management committee will present a report on operations as well as the financial position of the association to the members and will provide to the members the opportunity to debate and set organisational strategy and policy in a "members-only session". A quorum at the convention of members shall be one third of the members in good standing.

The chairman of the management committee shall chair meetings of members, and in his absence any member of the management committee.

13. Limitations The organisation and the name of the organisation may not be used directly or indirectly for commercial gain by any member or third party.
14. Changes to the Constitution To change this constitution seventy five percent of the respondents in an electronic poll of paid up members must agree to the change. Alternatively, two thirds of the paid up members present at a members meeting, may change the constitution by secret ballot.
15. Dissolution Upon dissolution, any surplus of assets over liabilities shall be given or transferred to some other non-profit association having objectives similar to the main objective of the association. The association may be dissolved if two thirds of the members in good standing, by secret or electronic vote, agree to such dissolution.

Thus adopted by members on 19 November 2014 in Bryanston.

A handwritten signature in black ink, appearing to read 'Vijayakumar', is written over a horizontal line.

Chairman