

CONSTITUTION OF SARTSMA

The South African Road Traffic Safety Management Association

OBJECTIVES AND RULES

1. OBJECTIVES

1.1. The name of the Association is:

"THE SOUTH AFRICAN ROAD TRAFFIC SAFETY MANAGEMENT ASSOCIATION"

The office of the Association will be situated in South Africa.

1.2. The objectives for which the Association is established are:-

- a) To constitute, provide and maintain a central national organisation for those concerned with products & systems for the detection, measurement, safety, guidance and control of road traffic.
- b) To ensure that members are aware of relevant industry standards.
- c) To engage in the resolution of non adherence to mandatory standards
- d) To become the reputable mouthpiece of Industry to Government & Standards Bodies to ensure that the relevant standards and specifications produced are credible and implementable.
- e) To promote, foster and encourage co-operation, joint endeavour and mutual aid amongst the members of the Association and with outside persons, associations and other bodies having interests and objects in common with the Association and its members.
- f) To make proposals and representations on the objects of the Association to National, Provincial and Local Government Departments and other Public Bodies and Authorities; and as far as possible secure the adoption of such proposals and representations, and to obtain representation and appoint representatives on Government Committees and other Public Bodies and Authorities.

Provided, always, that the Association shall not make any agreement or recommendation or impose any obligation which would cause the Constitution of the Association to contravene the Competitions Act, 1998.

2. RULES

2.1. Members

- a) Membership shall be divided into four levels: -

Level S:	Sponsor Member
Level 1a:	Standard Member
Level 1b:	Standard Member
Level 1c:	Individual Member

- b) A **Sponsor Member** may be any company, or firm, or a National, Provincial or Local Government Department in South Africa which manufactures, supplies or installs one or more components of road traffic signs and / or devices prescribed in the current Traffic Signs Regulations and SADC Road Traffic Signs Manual, or such other systems or products for the detection, measurement, safety, guidance or control of road traffic as the Executive Committee may agree (hereinafter called traffic safety products). Any such company or firm may not be a subsidiary of, or owned by, any other Member. A company or firm established in South Africa, which is the sole technical representative of an overseas manufacturer of an important traffic product being used in this country, may be admitted to this class of membership. A Sponsor Member shall be entitled to attend all meetings and to vote thereat and to receive all literature from the Association from time to time.
- c) A **Standard Member** may be any company, or firm, or a National, Provincial or Local Government Department in South Africa which manufactures or supplies one or more components of road traffic signs and/or devices prescribed in the current Traffic Signs Regulations and SADC Traffic Signs Manual, or such other systems or products for the detection, measurement, safety, guidance or control of road traffic as the Executive Committee may agree (hereinafter called traffic safety products). Any such company or firm may not be a subsidiary of, or owned by any other Member. A company or firm established in South Africa, which is the sole technical representative of an overseas manufacturer of an important traffic product being used in South Africa, may be admitted to this class of membership. A **Standard Member** shall be entitled to attend all meetings of the Association, to vote thereat and to receive all literature from the Association from time to time.

To encourage the development of SMME operations in the traffic products industry, **Standard Member** level is structured as follows:

- Level 1a Standard Member** is a medium to large company or firm with an annual sales turnover in excess of R10 million. **Level 1a Standard Member** is entitled to one (1) vote at meetings.
 - Level 1b Standard Member** is a small to medium company or firm with an annual turnover of less than R10 million. **Level 1b Standard Member** is entitled to a half (0,5) vote at meetings.
- d) An **Individual Member** may be a company, partnership, or individual who practises as a Consultant *or provides insurance or service* in the field of traffic safety products. Any such company or firm may not be a subsidiary of, owned by, or be employed by any other Sponsor or Ordinary Member. **Individual Members** shall be entitled to attend meetings of the Association without power to vote, and to receive literature distributed from the Association from time to time.

- e) **Sponsor, Standard and Individual Members** shall agree, as a condition of their membership to:
- i. comply with all relevant National Standards and/or customer's specification in the manufacture and supply of their goods;
 - ii. maintain a high standard of design and manufacture of products and uphold the highest commercial and professional ethics of sales and advertising activities; and
 - iii. freely submit to an investigation as detailed in **Rule 2.13** if it is alleged that they are in breach of the Rules and/or Obligations of Membership or if the Member Company has been convicted, in a Court of Law, for any offence committed against any law relating to good commercial and/or professional behaviour.
- f) The Association shall have full power to nominate and elect, as **Honorary Members**, persons of eminence who, in their opinion, are eligible for that position. **Honorary Members** may be invited to attend general meetings, but shall not be entitled to vote thereat and shall not be eligible to be Chairman or Vice Chairman of the Association.

2.2 Conditions of Membership

- a) Application for membership shall be made to the General Secretary in writing on the appropriate form
- b) New member applicants shall be requested to produce a current tax clearance certificate. The tax clearance certificate will be in the name of the business applying for membership.
- c) All potential members will initially be audited by the SARTSM Executive Committee and their nominated representative to demonstrate that they meet the required standards of the Association. A common check list will be used in order to undertake the evaluation process.
- d) A note of every application for membership shall be referred to all members for comments. The Executive Committee shall have full powers to accept or reject an application after considering any comments made by members.
- e) The Association reserves the right to reject any application for membership without having to give a reason for such rejection.
- f) Upon election to membership the name of a new member shall be notified to all members of the Association.
- g) All existing and new member applicants will be encouraged to obtain BBBEE status, SANS appropriate product, ISO 9000 and ISO 14000 accreditation. Time will be given to obtain the relevant accreditation.
- h) Members who wish to undertake work on National and Provincial tenders must be registered and comply with CIDB level requirement. New members will be given time to register. Members who continue to undertake this type of work will be required to provide evidence, on an annual basis, of current level of compliance.

2.3 Entrance Fees and Subscriptions

- a) The membership entrance fee, payable by new members, shall be decided by the Association at the Annual General Meeting (AGM) and shall be applicable to new members who apply for membership after that date.
- b) The subscription fees to the funds of the Association shall be fixed by the Association at the AGM. An estimate of expenditure for the ensuing year shall be presented, and this amount, or any other amount that may be decided, shall be the basis for assessing the subscriptions for the next year to be paid by the members in each level of membership.
- c) Any additional sums that may be required during the year to meet working expenses shall be fixed by the Association at an extraordinary general meeting in such manner as shall be decided at that meeting. The members will be informed of the additional sum within 14 days of the meeting and advised when the additional amount is payable.
- d) Annual membership subscriptions are calculated and due from 1st March – 28th February. New members joining the Association during these dates will be invoiced for the appropriate portion of the first year. Membership subscriptions that are paid annually (or part thereof for the first year) in advance, are subject to 15% discount on the appropriate subscription amount, subject to the receipt of full payment within 30 days from invoice. Members may pay the required membership subscription by standing order, monthly, in advance. There is no discount applicable to membership subscriptions paid on a monthly basis.

2.4 Retirement and / or Expulsion

- a) Any member is entitled to revise membership tier status, or retire from the Association, after not less than 12 months from the date of admission, by giving to the Secretary at least three months notice in writing. In such cases, the Secretary shall advise all other members of the Association within seven days of receipt of such notices.
- b) Every member shall adhere to all decisions taken by the Association until his membership ceases. He shall pay his annual subscription in respect of the year in which he gives notice to retire and, if membership continues into the subsequent year, for each month of that year into which his membership extends, but shall be under no further financial obligation save that he shall, for twelve months after retirement, be liable to contribute to the funds under **Rule 2.15(c)**
- c) Any firm ceasing for any reason to be a member of the Association shall have no claim on the funds, property or assets of the Association.
- d) Any member of the Association going into bankruptcy, compounding with his creditors, making an assignment to his creditors, or going into liquidation, otherwise

than for the purpose of reconstruction or amalgamation, shall forthwith cease to be a member of the Association.

- e) Any member whose subscription has not been paid for three months (application for payment having duly been made) shall, without prejudice to his liabilities, if any, under these rules, automatically cease to be a member of the Association.
- f) Any member may be suspended from the proceedings of any meeting by resolution of the members present and voting. A member may also on the recommendation of the Executive Committee be expelled from the Association, but such member shall have fourteen clear days' notice of the Association meeting at which his case is to be heard and he may make explanation but shall not be present at the discussion, nor vote, nor take part in the proceedings otherwise than as the Association may allow. In cases of suspension or expulsion the member concerned shall continue to be liable in the terms of clause **2.4(b)**.
- g) The Executive Committee may reinstate membership of the Association, subject to application and evaluation process, to any past member of the Association upon such terms as it may decide.

2.5 Management and Control

- a) The management and control of the affairs of the Association shall be vested in an Executive Committee.
- b) The Executive Committee shall consist of all current association members. However, this will be reviewed on an annual basis at the AGM until, as agreed, from the date of the appropriate Annual General Meeting, the Executive Committee will be reduced to Five (5) representatives, proposed of the three (3) registered directors of the Association & two (2) Level S and/or 1a Standard Members elected by the members. Each member of the Executive Committee shall serve solely in his/her personal capacity but shall cease to be a member of the committee if his/her firm ceases to be a member of the Association, or if he/she ceases to be employed by that members firm. A member of the Executive Committee may be represented by a nominated representative as a deputy at one meeting, but not at two successive meetings. Each member of the Executive Committee, or his nominated representative, shall have one vote on executive committee matters except that the Chairman shall have, in addition to his ordinary vote, a casting vote.
- c) The Executive Committee may co-opt up to three members, as and when required; co-opted members shall attend only the meetings to which they are invited and shall in any case retire at the next Annual General Meeting.
- d) One of the elected members of the Executive Committee, excepting the Directors elect, shall retire by rotation at the conclusion of each annual general meeting. The member who has served on the Committee for the longest uninterrupted period shall retire first; if two or more members have served on the Committee for an equal period the member to retire shall be decided by lot.

- e) Vacancies caused by elected members going out of office under the preceding paragraph shall be filled by ballot of all Level S & 1a Standard Members. The election of members shall take place before the annual general meeting each year and the members so elected shall hold office from the conclusion of the Annual General Meeting. The Secretary shall invite each Standard Member, excluding any whose representatives are members of the Executive Committee for the ensuing year, to name within seven days, persons who are available for election to the Executive Committee. If the number of nominations exceeds the number of vacancies, the Secretary shall then issue to each Standard Member the list of those candidates and invite each Standard Member to vote for the required number of candidates. The election shall be decided by a simple majority of the ballot paper votes received by the closing date for voting. Any tie shall be decided by a casting vote of the Chairman. The member retiring by rotation shall be eligible for immediate re-election.
- f) Any casual vacancy on the Executive Committee may be filled by the Executive Committee. The member so appointed shall retire at the next annual general meeting but shall be eligible for re-election.
- g) The continuing members of the Executive Committee may act notwithstanding any vacancy in their body, but if and so long as the number of members of the Executive Committee is reduced below the number fixed as the necessary quorum, the continuing members may act for the purpose of increasing the number of members of the Executive Committee or of summoning a general meeting of the Association but for no other purpose.
- h) The quorum for any meeting of the Executive Committee shall be not less than two of the elected members plus either Chairman or Vice Chairman.
- i) The Executive Committee may make such rules for the conduct of its business as it sees fit.
- j) It shall be the duty of the Executive Committee to report to members after each meeting of the committee such matters of general interest as have come before them.

2.6 Officers

- a) The Chief Executive Officer of the Association shall be called "the General Secretary and Administrator". The General Secretary shall be appointed by the Executive Committee for such time, at such remuneration and upon such conditions as they may think fit, and any official so appointed may be removed by them.

2.7 Finance

- a) The Executive Committee shall cause true accounts to be kept of the receipts and expenditure of the Association and such accounts shall be kept at the offices of the Association and, subject to any reasonable restrictions as to time and manner of

inspecting, be open to inspection by members, with the exception of the register of subscriptions which shall not be open to inspection.

- b) The financial year shall begin on 1st March and end on 28th February in each year.
- c) The General Secretary, for the time being, shall be the trustee of the income and property of the Association with power to open and operate the Association's banking account in accordance with the following provisions:
 - i. Working expenses shall be defrayed from the annual subscriptions of members, but in the event of funds so obtained being insufficient to meet the working expenses, or any extraordinary expenses, further contributions for the ascertained balance shall be made in a manner to be decided by members in general meeting.
 - ii. All monies received shall be lodged with a bank approved by the Association in general meeting, in an account named "The South African Road Traffic Safety Management Association". All cheques drawn thereon shall be signed by the General Secretary & one other Director. All cheques and moneys lodged in the account shall be endorsed by the above.
 - iii. At the Annual General Meeting in each year the Executive Committee shall submit audited accounts for the past year.

2.8 Annual Report

- a) The work of the Association shall be the subject of an annual report which shall be submitted by the Chairman to the Executive Committee at the annual general meeting.

2.9 Meetings of the Association

- a) Annual General Meeting

The Annual General Meeting (AGM) of the Association shall be held at such other time as the Executive Committee may determine. Not less than fourteen clear days' notice of the AGM shall be given to each member with an agenda of the business to be discussed.

The business of the AGM shall be to receive the annual report and audited accounts for the past year, to elect auditors, to receive the names of those elected to the Executive Committee and offices of the Association, and any other competent business.

- b) General Meetings

One (1) General Meeting will be held in each quarter of the year, except in the quarter that the AGM is held. The business of the General Meeting shall be to update members on the current status of the business plan and projects.

(Additional meetings may be called at any time by the General Secretary at the direction of the Chairman or the Executive Committee or on demand of not less than five of the Sponsor & Standard Members of the Association, subject to not less than seven days'

notice to all members, accompanied by an agenda setting out the business for which such meeting is called).

c) Working Group Meetings

Working Groups (WG), as formed by the Executive Committee to engage in specific tasks, may require meetings to be arranged from time to time by the General Secretary, subject to not less than seven days' notice to Working Group Members accompanied by an agenda of the business to be discussed.

2.10 Proceedings at Meetings

- a) Five (5) Sponsor and/or Standard Members present in person at the commencement of the business of the meeting, shall form a quorum at all General Meetings of the Association.
- b) Every delegate shall write his name and the member he represents on an attendance list provided for the purpose, and if there is more than one delegate per member, the delegate who is to vote on behalf of the member shall so indicate.
- c) If within half-an-hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the following week at the same time and place, and if at such adjourned meeting a quorum is not present, the members then present shall be sufficient quorum.
- d) The Chairman of the Association or, in his absence, the Vice Chairman of the Association shall preside as Chairman at every meeting of the Association, and in the absence of both, a Chairman shall be elected from those present and be entitled to a casting vote at such meeting.
- e) The Chairman may, with the consent of the meeting, adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. No poll may be demanded on any resolution for adjournment.
- f) Each Sponsor Member and level 1a Standard Member present shall be entitled to one (1) vote, and each level 1b Standard Member present shall be entitled to half (0,5) a vote at all Annual General Meetings or General Meetings of the Association. Non-Voting members shall not be entitled to vote.
- g) Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairman shall, both on a show of hands and at the poll, if demanded, have a casting vote in addition to the vote to which he is entitled as a member.
- h) At any meeting, unless it be an annual general meeting or a general meeting, a declaration by the Chairman that a resolution has been carried or carried by a

particular majority or lost or not carried by a particular majority, together with an entry to that effect in the minutes of the Association, shall be conclusive evidence of the decision. If a poll is then demanded by three Members present, the meeting shall appoint two scrutinisers, and the procedure in **2.10(i)** below shall apply.

- i) If a poll has been demanded in the manner aforesaid at the meeting at which the resolution in question shall have been put to the vote, the secretary shall send as soon as practicable to each Member a voting paper prepared in accordance with a form to be approved by the Chairman and Vice Chairman of the Association, stating the questions voted upon at such meeting and a time (not being more than fourteen days after the date of issue of the form) within which the voting paper, duly completed and signed by the member voting, is to be returned to and received at the office of the Association. Within three days after the time for the return of the forms, the two members of the Association nominated by the meeting to act as scrutinisers shall declare the result of the voting and scrutiny by notice in writing to be handed to the General Secretary, or in his absence to a responsible servant of the Association at the Association's office, This decision shall be final. The result of such polling shall be deemed to be the resolution of the Association in general meeting, and members notified accordingly.

2.11 Resolutions

- a) All resolutions to change the objects or rules of the Association shall require a majority of three-fourths of those members present and voting.
- b) At any general meeting of the Association, the members may resolve, subject to a majority of three-fourths of those present and voting, to commit each member of the Association to the expenditure of up to R..... per item, subject to a maximum of R..... per member in any financial year, on any project for which provision has not been made in the estimate of expenditure for that financial year, as presented at the preceding ordinary meeting, provided that due notice has been given in the agenda for the meeting at which the matter is to be discussed
- c) All other resolutions shall require a simple majority of those present and voting.

2.12 Indemnity

- a) The Chairman, Vice Chairman and members of any committee, and the other officers for the time being of the Association shall be indemnified out of the funds of the Association against all costs, charges, losses, damages and expenses which they shall respectively incur or sustain on account of any act, deed, matter or thing which shall be concurred in, or omitted by them, respectively in or about the bona fide execution of their duty in their respective offices; and shall be reimbursed by the Association all reasonable expenses incurred by them in or about any legal proceedings or arbitration on account of the Association, or otherwise, in the execution of their respective offices - except such costs losses and expenses as shall happen through their respective wilful acts, neglect or defaults - and none of them

shall be chargeable for any money which he shall not actually receive, or be answerable for the act, receipt, neglect or default of any other member of the Association, or officer, or trustee, or any banker, broker, collector, agent or other person appointed by the Association, or such trustees (as the case may be) with whom or into whose hands any property, funds or monies of the Association may be deposited or come: or for the insufficiency of any security or investment in, or upon, which any of the moneys of the Association shall be invested by order of the Association, or for any loss or damage which may happen in the execution of his office - unless the same shall happen through his own wilful act, neglect or default.

2.13 Breach of Rules and / or Obligations of Membership

- a) Any alleged infringement of the Rules or obligations of membership or any complaint against any member in connection with his membership of the Association, shall be reported to the Executive Committee, and if they see fit shall be communicated in due form by them to the member against whom the complaint is made with a request for an explanation.
- b) The Executive Committee shall have the right to call for, and the member shall submit within fourteen days, all correspondence and relevant documents to enable a complete investigation to be made, even if such correspondence relates to apparatus or material other than systems or products as referred to in **Rule 2.1(b) or (c) or (d)** provided it is relevant to the investigation.
- c) On completing their investigation the Executive Committee may at their discretion submit a full report thereon to the Association and if they do so shall send a copy to the member whose action has been investigated. On receipt of such report, that member shall make a reply in writing within fourteen days and on receipt of such reply, or failure to reply within fourteen days, the Association shall consider and determine any further action to be taken on the matter.

2.14 Interpretation of the Rules & Obligations of Membership

- a) In the event of any member having doubt as to the meaning of any of the rules or obligations of membership, he should apply to the Executive Committee for a ruling. Where the issue is one of major importance the committee shall circulate their ruling to all the members and such ruling shall be accepted and acted upon by all members unless and until amended or rescinded by a decision of the Association.

2.15 Duration

- a) The Association shall continue until dissolved by resolution of a meeting of the Association specially called for the purpose, provided that not less than thirty days' notice shall have been given to all members and that not less than three-fourths of all members present and voting vote in favour of such resolution at the meeting.

- b) In the event of such dissolution, the property of the Association shall, after discharging all liabilities and the costs of winding up, be divided between the members pro rata to the current year's subscription.
- c) If the funds of the Association on dissolution shall prove insufficient to meet the Association's debts, liabilities and the expense of winding-up, the deficiency shall be contributed by all members or past members under **Rule 2.4(b)**, in proportion to subscriptions last payable.

2.16 Confidentiality

- a) The rules and obligations of membership and all information, whether oral or documentary, which it shall be necessary for members to disclose to each other or to the Executive Committee at any time, including all discussions and resolutions at meetings of the members, shall be deemed to have been disclosed in strictest confidence.

2.17 Obligations of Membership

- a) The obligations of membership herein contained and any alteration or additions thereto which may be made from time to time shall be binding on and be observed, in letter and spirit, by all members, and the word "member" or "membership" shall be construed as in **Rule 2.1**.