CONSTITUTION OF

THE SOUTH AFRICAN WOOD PRESERVERS ASSOCIATION



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1. DEFINITIONS

1.1 Affiliate Member
Organisations rendering a service related to the Timber Preservation Industry and Members of SAWPA, e.g. certification and inspection bodies, research and academic institutions, and other recognised industry bodies related to the timber industry.

1.2 Ballot
A form of voting, either physical or electronic, conducted in a manner that ensures secrecy of the vote when required, and an accurate tally of the results.

1.3 Class I Chemical Supplier Member
Manufacturers or suppliers of primary timber preservatives to Class I Treater Members.

1.4 Class I Treater Member
Preservative treated timber producers who purchase and apply primary timber preservatives to timber in an industrial timber preservation processing plant.

1.5 Class II Member
All other companies with an interest in wood protection including wood preservation, but don't produce preservative treated timber, e.g. merchants, hardware suppliers, manufacturers and suppliers of protective coatings, etc.

1.6 Good standing
Means any paid-up member (see 11.6.1) as relevant, that supports and subscribes to the interest of SAWPA and its members, acts in terms of this Constitution, and fulfil the conditions of membership.

1.7 Honorary Member
Membership awarded to individuals who after dedicating a significant part of their career in the timber preservation industry and made substantial contributions as an active member to SAWPA.

2. NAME AND QUALIFICATIONS

The name of the Association shall be the **SOUTH AFRICAN WOOD PRESERVERS ASSOCIATION** (hereinafter referred to as "SAWPA").

2.1 SAWPA shall be a "universitas" with a separate legal identity from its Members, and possessed of all the rights and obligations of a universitas as provided by law, including perpetual succession, the capacity to sue and be sued in its own name, to own property and to contract in its own name through its duly authorised representatives. The Members shall not, in their personal capacities, be liable for the debts of SAWPA.

2.2 Membership does not and shall not give any Member any proprietary right, title, interest, claim or demand in or to any of the moneys, property or assets of SAWPA, but only confers on such Members the rights and privileges as set out in this Constitution.

2.3 In case of doubt as to the meaning or interpretation of the Constitution and rules of SAWPA, the interpretation of the Executive Committee shall be final and binding on all Members of SAWPA.

3. OBJECTIVES AND POWERS

3.1 The objectives of SAWPA shall be:

3.1.1 to promote the interests of all Members who are producers of preservative treated timber and/or supplying timber preservative chemicals for commercial purposes;

3.1.2 to promote and encourage the use of properly treated timber products and to take such steps to facilitate the marketing of such products;

3.1.3 not to engage in any business carried on by any of its Members; or provide any of its Members with financial assistance, any premises or continuous services required by them for the purpose of carrying on any business or profession; and

3.1.4 not to distribute any of its profits to any person and all funds will be applied solely in the promotion of SAWPA's objectives or for investment purposes.

3.2 SAWPA shall have the power:

3.2.1 to acquire either by purchase, lease or otherwise, any movable and immovable property, and to sell, let, mortgage or otherwise deal with and dispose of movable or immovable property or other assets belonging to SAWPA;

3.2.2 to borrow, invest, lend, subscribe or donate money for the furtherance of the objectives of SAWPA;

3.2.3 to use every legitimate means to induce all persons who are eligible for Membership to become Members;

3.2.4 to promote, support or oppose as may be deemed expedient, any proposed legislative or other measure affecting the interests of Members;

3.2.5 to promote good environmental, health and safety practices amongst Members;

3.2.6 to do such other lawful things as may appear to be in the interest of SAWPA or its Members and which are not inconsistent with the objects or any matter specifically provided for in this Constitution; and

3.2.7 to employ staff under such terms and conditions as laid down by the Executive Committee.

4. MEMBERSHIP

4.1 Class I and II Membership: All Treater Members (see 1.4) and all Chemical Supplier Members (see 1.3) shall be eligible for Class I Membership with voting rights.

All other companies, employers and persons, having an interest in timber treatment and protection, but are not eligible for Treater or Chemical Supplier Membership shall be eligible for Class II Membership with voting rights.

4.1.1 Applications for Membership shall be lodged in writing on the membership application form with the Administrator.

4.1.2 Applications for Membership shall be provisionally accepted, notifying the applicant in writing that the application will be considered for final and official approval at the next meeting of the Executive Committee.

4.1.3 In the case of Treater Member applications, the applicable chemical supplier/s will be notified of the membership application so that membership fees (5.1) can be levied.

4.1.4 On approval by the Executive Committee, an official Membership certificate will be issued by the Administrator.

4.1.5 If an application for Membership is refused by the Executive Committee, the applicant concerned shall be notified by means of a letter from the Chairman and shall have the right to appeal to the next Annual General Meeting of SAWPA. The appeal shall be lodged, in writing, with the Administrator and the appellant shall be afforded an opportunity to state his case personally to an Annual General Meeting.

4.1.6 Every Member shall notify the Administrator, in writing, of their physical and postal address, e-mail address and contact numbers and any changes thereof, within fourteen (14) days of the day on which the change took place.

4.1.7 Only one representative of a Class I or II Member shall be entitled to vote at meetings of or in ballots conducted by SAWPA and the name of the representative shall be notified, in writing, to the Administrator from time to time.

4.2 Affiliate Members: Affiliated Membership without voting rights are presented on invitation by the Executive Committee, subject to such terms and conditions as may be determined from time to time by the Executive Committee.

4.3 Honorary Life Members*:* Honorary Life Membership without voting rights may be extended at the discretion of SAWPA in an Annual General Meeting subject to the recommendation of the Executive Committee and on such terms and conditions as may be decided upon from time to time.

5. MEMBERSHIP FEES

5.1 Class I Members*:* No entrance fee shall be payable by a Class I Member. Instead, membership fees will be by means of levies payable under a scheme of arrangement with the Treater Members and Chemical Supplier Members. Levies shall be at a rate determined by the Executive Committee from time to time and approved by the Members at an Annual General Meeting. If not approved by the members the levies will remain unchanged until a different proposal is approved at a future general meeting. Levies collected by the Chemical Supplier Members will be declared and paid over to SAWPA. Each Class I Member shall have three (3) votes at an Annual General Meeting.

5.2 Class II Members: No entrance fee is payable, but an annual membership fee as determined by the Executive Committee from time to time, shall be payable by each Class II Member. The subscription fees shall be paid on issuance of the invoice by the Administrator. Each Class II Member shall have one (1) vote at an Annual General Meeting.

5.3 Affiliate Members: A subscription fee as determined from time to time by the Executive Committee may be payable. The Executive Committee may reduce, increase or suspend such subscriptions on such terms and conditions as may be decided upon from time to time.

5.4 Honorary Life Members: No subscription fee shall be payable by Honorary Life Members.

5.5 Financial Year: The Financial Year of SAWPA shall commence on 1 April and end on 31 March of the following year.

5.6 Membership Certificates: Membership certificates for Class I and II members are reissued annually. For all other membership categories certificates issued will remain valid for as long as the membership is in good standing.

6. CHANGE IN MEMBERSHIP

Should a Class I Member cease purchase and use or supplying timber preservatives at a price which includes a levy payable to SAWPA as per Clause 4.1 then that Member shall cease to be a Class I Member but will be eligible to apply for Class II Membership if they continue to have an interest in timber protection.

7. MEETINGS

7.1 An Annual General Meeting of SAWPA shall ordinarily be held once every twelve (12) months. Special General Meetings shall be called whenever desired by a majority of the Executive Committee or upon a requisition signed by not less than one-third (⅓) of Members in good standing.

7.2 Notices of Annual General Meetings showing the business to be transacted thereat shall be given to Members, in writing, by the Administrator not less than twenty-one (21) days before the date of such meetings. In the case of Special General Meetings, shorter written notice being of not less than twenty-four (24) hours as may be decided by the Chairman, may be given.

7.3 The Annual General Meeting shall be held not later than six (6) months after the financial year end of SAWPA.

7.4 Subject to Clause 7.2, all matters on which this Constitution is silent shall be decided on motion by a majority vote of the Members present at the Annual General Meeting.

7.5 The Executive Committee shall ordinarily meet when considered necessary by the Chairman. Special Meetings of the Executive Committee shall be called by the Chairman whenever he deems it advisable or upon a requisition signed by not less than one-third (⅓) of Members of the Executive Committee, in which event the Meeting shall be called within fourteen (14) days of receipt by the Administrator of the requisition.

7.6 Members of the Executive Committee shall be notified in writing by the Administrator of the time and place of meetings of the Committee, at least fourteen (14) days before the dates of such meetings, provided that shorter notice being not less than twenty-four (24) hours may, at the discretion of the Chairman, be given in respect of Special Meetings. To every Notice of Meeting, an Agenda shall be attached. All matters for consideration by the Executive Committee shall be decided on consensus failing which on motion duly seconded and voted upon by show of hands.

7.7 The quorum for an Annual General Meeting shall be ten (10) voting Members in good standing and the quorum for Executive Committee Meetings shall be four (4) Members of the Committee. If within thirty (30) minutes of the times fixed for any Meeting a quorum is not present, the Meeting shall stand adjourned to the same day in the week following (and if that day is a Public Holiday, then to the next succeeding working day) at the same time and place. At such adjourned Meeting of which written notice shall be given, the Members present shall form a quorum.

7.8 At every Annual General Meeting the Minutes of the last preceding Meeting shall be put forward for approval and signed by the Presiding Officer after confirmation. Minutes of Meetings of the Executive Committee shall be similarly dealt with by that body.

7.9 The proceedings of any Meeting shall not be invalidated by reason of the non-receipt by any Member of the Notice of the Meeting.

7.10 Subject to Clause 7.2, matters arising at any Meeting of SAWPA shall be decided by the majority of the Members present.

7.11 Class I and II Members may appoint any other member in good standing as a Proxy to represent and vote for them at any Meeting of SAWPA provided that the written notification of the appointment is lodged with the Administrator before commencement of the Meeting.

8. STRUCTURE OF SAWPA

8.1 Executive Committee:

8.1.1 The Management of the affairs of SAWPA shall be invested in an Executive Committee consisting of:

8.1.1.1 the Chairman of the Executive Committee, who shall ipso facto be Chairman of SAWPA, shall be someone with a good understanding and knowledge of the industry, but not necessarily be actively and directly involved with a member company,

8.1.1.2 a representative from each of the Regional Committees which under normal circumstances will be the duly elected Chairmen of the Regional Committees. In the event of the incumbent Chairman of a Regional Committee not being able to fulfil this position, his duly elected alternative shall be the representative on the Executive Committee,

8.1.1.3 three (3) representatives from the Chemical Forum, one (1) of whom shall be the duly elected Chairman of that Forum, and two (2) representatives duly elected by the Forum (see 8.4.3), and

8.1.1.4 the Executive Director of SAWPA, who shall be an ex officio Member of the Executive Committee and Chemical Forum .

8.1.2 The Executive Committee shall hold office until the next Annual General Meeting of SAWPA. The Chairman shall ordinarily be elected at the Annual General Meeting on nomination duly seconded and voted upon by a show of hands or ballot. At every Annual General Meeting the nominated representatives of each of the Regional Committees and of the Chemical Forum shall need to be approved.

8.1.3 Nominations for the election of Chairman of the Executive Committee will be accepted and voted upon at the Annual General Meeting. Nominations shall be submitted to the Administrator at least seven (7) days before the Annual General Meeting. The incumbent Chairman will automatically be a nominee, unless he indicates his unavailability at least thirty (30) days before the Annual General Meeting

8.1.4 A Member of the Executive Committee shall vacate his seat in any one of the following circumstances:

8.1.4.1 on resignation, suspension or expulsion from Membership of SAWPA;

8.1.4.2 on absenting himself without permission of the Executive Committee from three (3) consecutive Annual General Meetings or Meetings of the Committee;

8.1.4.3 on ceasing to be in good standing; or

8.1.4.4 on resigning as a Member of the Committee by giving written notice to the Administrator.

8.1.5 The Executive Committee shall, subject to the general direction and decisions of Annual General Meetings, and to the provisions of this Constitution, have power:

8.1.5.1 to appoint from time to time such Sub-Committees as it may deem fit for the purpose of investigating and reporting on any matter referred to them by the Executive Committee;

8.1.5.2 to admit or refuse to admit persons to Membership of SAWPA, to fix the conditions under which former Members may be re-admitted, and to suspend or expel a Member for causes appearing sufficient to a majority of the Executive Committee;

8.1.5.3 to institute legal proceedings on behalf of or to defend proceedings against SAWPA;

8.1.5.4 to acquire, either by purchase, lease or otherwise, any movable or immovable property on behalf of SAWPA, and to sell, let, mortgage, or otherwise deal with or dispose of any movable or immovable property belonging to SAWPA, provided that no immovable property shall be acquired or sold or mortgaged or let or leased for a period longer than five (5) years unless at least thirty (30) days written notice of intention to do so has been given to each Member by the Administrator. If during this period not less than one-third of Members demand, in writing, that a ballot be taken on the proposed action, such ballot shall be taken;

8.1.5.5 to appoint and dismiss an Executive Director , Administrator or other employees of SAWPA and to fix their conditions of employment and define their duties;

8.1.5.6 to open and operate a banking account in the name of SAWPA; and

8.1.5.7 to do such other lawful things as, in the opinion of the Executive Committee, appear to be in the interest of SAWPA and which are not inconsistent with the objects set out in Clause 2.1 or any matter specifically provided for in this Constitution.

8.2 Working Committees: The Executive Committee may from time to time appoint Working Committees to conduct such functions under the supervision of the Executive Committee as may be required from them including, but not limited to, matters of research, marketing, technical, etc. The Chairman of the Executive Committee and the Executive Director shall be ex officio Member of all Working Committees.

8.3 Regional Committees: Regional Committees consisting of representatives of all Membership classes will operate in demarcated areas. These areas will be the regions defined by the following provinces: -

Limpopo
Mpumalanga and Eswatini
KwaZulu-Natal
Southern and Eastern Cape
Western Cape
Gauteng and Northwest Province

The Executive Committee may alter, reduce or increase the centres and areas, as is considered appropriate for the well-being of SAWPA.

8.3.1 Regional meetings will be held to receive feedback from SAWPA and will deal with issues effecting the timber treatment industry on a regional, national and when appropriate, an international basis. They shall meet at least once a year and also when appropriate.

8.3.2 Prior to the Annual General Meeting each Region shall meet to elect a Chairman to hold office for at least one year until the following years Annual General Meeting. Nominations for Regional Chairman shall be submitted to the Administrator at least seven (7) days before the regional meeting. The incumbent Chairman will automatically be a nominee unless he indicates his unavailability at least twenty-one (21) days before the regional meeting. In the case an incumbent Chairman indicated their unavailability, and no other nominations were received seven (7) days before the upcoming meeting, the members will have to appoint a Chairman on the day of the regional meeting. The duly elected Chairman of each Region shall be a member of the Executive Committee and representative of the region that appointed them, subject to the final approval of Members of SAWPA at the Annual General Meeting.

8.4 ***Chemical Forum:*** A forum consisting of Chemical Supplier Members will be formed

8.4.1 Any new Chemical Supplier Member of SAWPA will ipso facto be a member of the Chemical Forum .

8.4.2 The Forum will deal with issues related to and effecting the supply and use of primary wood preservatives to the preservative-treated timber industry, including any legislative impacts affecting such supply. Meetings will be convened as and when appropriate.

8.4.3 The Forum shall elect a Chairman and two representatives (see 8.1.1.3) who shall hold office for at least two (2) years and until the next Annual General Meeting. If considered practicable by the Chemical Forum, the two (2) representatives shall be a waterborne preservative type (e.g. CCA) Manufacturer/supplier appointee and the other a Coal-tar Creosote Manufacturer/supplier appointee.

8.4.4 The duly elected representatives shall, subject to the approval of members at the next Annual General Meeting, be members of the Executive Committee.

8.4.5 The Chairman of the Forum shall be eligible for election as a representative.

8.5 ***Indemnity:*** The Executive Committee, Working Committees, Regional Committees and Chemical Forum, Working Groups, all Officers, all Employees and the Auditor of SAWPA shall be indemnified and held harmless out of the funds and property of SAWPA in respect of any and all claims against them personally or collectively arising out of their activities as such, provided that they shall not be indemnified in respect of any actions by them in their said capacities committed or omitted in bad faith.

9. OFFICE BEARERS

9.1 The duties of the office bearers shall be:

9.1.1 Chairman: The Chairman shall preside at all Executive Committee and General Meetings at which he is present, enforce observance of the Constitution of SAWPA, sign Minutes of Meetings after confirmation and generally exercise supervision over the affairs of SAWPA and perform such

other duties as by usage and custom pertains to the office. He shall not have a deliberative vote, but shall, in the event of equality of voting, have a casting vote.

He shall ipso facto be a Member of any Sub-Committee and Working Committee.

9.1.2 Administrator*:* The Administrator shall be an employee of SAWPA. The Administrator shall prepare and keep proper books of accounts, financial statements, records of proceedings, receive requisitions for Meetings; issue Notices of Meetings, conduct all correspondence of SAWPA; keep originals of letters received and copies of those dispatched and at each Meeting of the Executive Committee report on the correspondence which has taken place since the previous Meeting; attend all Meetings and record Minutes of the proceedings; keep a register of Members; record therein every Member's address and date of enrolment and in the event of the resignation or termination of Membership, the date thereof and perform such other duties as the Executive Committee or a General Meeting may direct. They shall attend all Meetings of the Executive Committee and all General Meetings but shall have no voting power.

9.1.3 Acting Chairman: In the event of the Chairman being unable, either temporarily or permanently, to perform his duties, the Executive Committee shall appoint a person who is a representative of a Member or a Member of SAWPA to act as Chairman until the Chairman is able to resume his duties or until the next election, as the case may be.

9.1.4 Executive Director*:* The Executive Director shall be an employee of SAWPA employed under terms and conditions as laid down by the Executive Committee. He shall be the Chief Executive Officer and be responsible for the representation and promotion of SAWPA and the use of treated timber and treated timber products to the extent as laid down by the Executive Committee and confirmed, in writing, by the Chairman.

10. RESOLUTIONS AND VOTING

10.1 Annual General Meetings

10.1.1 At all Annual General Meetings resolutions shall preferably be decided by means of consensus.

10.1.2 If consensus is not reached, a resolution put to vote shall be decided by means of a show of hands or by ballot.

10.1.3 A vote by ballot shall be taken only if demanded by the Chairman, or by not less than one-third (⅓) of the Members voting in person or by proxy, and ballot papers shall be provided by the Administrator to each eligible voting Member present, or in the case of Members attending the meeting online, an electronic ballot can be submitted to the Administrator by means of an acceptable electronic platform (read in combination with 7.2).

10.1.4 On completion of the votes the Administrator shall ascertain the result of the vote, and the presiding officer shall make it known to the Members. The result of voting shall be the resolution of the meeting.

10.2 A Meeting of the Executive Committee may decide that a special ballot of Members be taken in which event the ballot shall be conducted in the following manner:

10.2.1 The Administrator shall send an electronic notice to each eligible Member marked *"Ballot"* and specifying the reason for the ballot.

10.2.2 The ballot shall on completion be returned to the Administrator within the period indicated, which shall be at least seven (7) days from the date of despatch from SAWPA's office to the Member.

10.2.3 The Administrator shall ascertain the result of the electronic ballot and shall immediately advise the Executive Committee of the result of the ballot.

10.3 Except as provided in Clause 8.1.5 of this Constitution, the Executive Committee shall be bound to act according to the decision of a majority of the Members voting by the ballot.

11. DISCIPLINE

11.1 A Member may be suspended or his Membership terminated as may be determined by the Executive Committee:

11.1.1 if he fails within seven (7) days after having received written notice from the Administrator to that effect, to pay any subscription which is more than three (3) months in arrear; or

11.1.2 if he infringes any of the terms of this Constitution or acts in a manner which is detrimental to the interests of SAWPA or should he cease to fulfil the conditions of Membership.

11.2 No Member may be suspended or his Membership terminated unless he has been afforded an opportunity to state his case personally at a Meeting of the Executive Committee for which he has received not less than seven (7) days' notice, in writing, from the Administrator. The matter with which the Member is charged shall be set out in such notice.

11.3 A Member who has appeared before the Executive Committee in accordance with Clause 11.2 shall have the right of appeal against any decision by the Executive Committee at the first ensuing Annual General Meeting. Notice of such appeal, stating the grounds of appeal, shall be given, in writing, to the Administrator within ten (10) days of the date on which the decision of the Executive Committee was communicated to the Member concerned. Unless such notice is given within the period stipulated the right of appeal shall deem to have lapsed. The Member concerned shall have the right to state his case personally to the Annual General Meeting who shall then act in terms of Clause 11.4.

11.4 Any decision taken by the Executive Committee in terms of Clause 11.1.2 shall, if an appeal has been lodged in terms of Clause 11.2 be subject to ratification, variation or reversal by an Annual General Meeting.

11.5 Upon termination of Membership, all monies due to SAWPA by such Member shall become payable. If payment thereof is not made within thirty (30) days, the Executive Committee may take such steps as it deems necessary to secure settlement.

11.6 A Member shall cease to be entitled to any of the benefits of Membership including the right to vote (where applicable) and shall be deemed to be out of good standing:

11.6.1 if any subscription or other amount due by him to SAWPA is more than three (3) months in arrear;

11.6.2 during any period while he is under suspension in terms of this Constitution.

11.7 In the event of any subscription or other amount due to SAWPA by a member being more than three (3) months in arrear, he shall continue to be subject to the disabilities imposed by Clause 11.6 until all arrears have been paid.

11.8 Any notice required to be sent to a Member in terms of the preceding sub-clause, shall be regarded as delivered if posted by prepaid registered letter to the address furnished by such Member in terms of Clause 4.1.4.

12. RESIGNATION OF MEMBERSHIP

A Member may resign by giving one (1) months' notice, in writing, to the Administrator, provided that no resignation shall take effect until all monies due to SAWPA by the Member concerned have been paid.

13. DISSOLUTION

13.1 SAWPA shall be dissolved if, by a ballot conducted in the manner prescribed in the Constitution, not less than two-thirds (⅔) of the total number of Members in good standing vote in favour of a resolution that SAWPA be dissolved.

13.2 If a resolution for dissolution of SAWPA has been passed or if for any reason SAWPA is unable to continue to function, the following provisions shall apply:

13.2.1 the last-appointed Chairman of SAWPA, or if he is not available, the available Members of the last-appointed Executive Committee shall forthwith appoint a liquidator to carry out the dissolution. The Liquidator shall not be a Member of SAWPA and shall be paid such fees as may be agreed upon between him and the said Members of the last-appointed Executive Committee.

13.2.2 the Liquidator so appointed shall call upon the last-appointed office bearers of SAWPA to deliver to him the assets and liabilities together with the register of Members showing for the twelve (12) months prior to the date on which the resolution for dissolution was passed or to the date as from which SAWPA was unable to continue to function as the case may be, hereinafter referred to as the date of dissolution, the payments received from each Member and his last known address.

The Liquidator shall also call upon the said office bearers to hand over to him all unexpended funds of SAWPA and to deliver to him the assets and the documents necessary in order to liquidate the assets.

13.2.3 the Liquidator shall take the necessary steps to liquidate the debts of SAWPA from its unexpended funds and any other monies realised from any assets and if the said funds and monies are insufficient to pay all creditors after the liquidator's fees and the expenses of dissolution have been met, the order in which creditors shall be paid shall be the same as that prescribed in any law for the time being in force relating to the distribution of the assets of an insolvent estate and the Liquidator's fees and the expenses of dissolution shall rank in order of preference as though he were a Liquidator of an insolvent estate and as though the expenses were the costs of sequestration of an insolvent estate.

13.2.4 after the payment of all debts the remaining funds, if any, shall be paid by the Liquidator to a public benefit or not for profit industry body with similar comparable aims as SAWPA.

13.2.5 the liability of Members shall for the purpose of Clause 13 be limited to the amount of contributions or subscriptions due by them to SAWPA in terms of this Constitution as at the date of dissolution.

14. AMENDMENTS TO THE CONSTITUTION

Any of the provisions of this Constitution may be amended by resolution of a Annual General Meeting of SAWPA provided that at least fourteen (14) days' notice of any proposed alteration shall have been given to Members.