

Constitution of the Electronic Security Distributors Association (ESDA)

1. Name

- The name of the Association shall be **ELECTRONIC SECURITY DISTRIBUTORS ASSOCIATION (ESDA)**.

2. Headquarters

- The Head Office of the Association shall be located in Gauteng within the Republic of South Africa.

3. Definition and Terms

• **In this Constitution:** –

- **‘Section 21 Company’** means that ESDA is an Association not for gain.
- **‘Applicant’** means the firm or company or Close Corporation or sole proprietor, or any division of such a firm, company or Close Corporation or sole proprietor, who is applying to become a member of the Association.
- **‘Association’** means the Electronic Security Distributors Association.
- **‘Branch Member’** means a branch office trading under the name of a member and qualified for membership in the same manner shall be deemed to be a branch member.
- **‘Branch Committee’** mean those persons appointed in terms of Clause (9) to run the Branch affairs of the Association and report directly to the Executive Committee.
- **‘Branch Secretary’** means a person appointed in terms of Clause (22) of this Constitution.
- **‘Constitution’** means the constitution of the Association.
- **‘Current rules’** means those rules as stated in the various Association documents including application forms.
- **‘Executive Committee’** mean those persons appointed in terms of Clause (9) to run the affairs of the Association.
- **‘Financial Year’** means the period from the first day in March in any one-year up to and including the last day of February of the year following, unless otherwise decided by majority vote at an Annual Meeting of members of the Association.
- **‘Industry’** means the Electronic Security Equipment Industry in which members are associated with the import, supply, distribution, manufacture and repair of Electronic Security Equipment.
- **‘Electronic Security Equipment’** is any electronic equipment designed and used for any security related purpose and/or application.
- **‘Member’** means a member of the Association whose main business activity is concerned with the importation, purchase, and/or manufacture for distribution to the local and/or export market of electronic security equipment and/or services related to the security industry. A member shall not install security equipment.
- **‘Member Exclusions’** means any Company whose core business and/or primary focus, is the installation, service and maintenance of electronic security equipment.
- **‘Secretary’** means the Secretary of the Association appointed in terms of Clause (14) of this Constitution.

4. Objectives

- The objective of this Association shall be:

- To encourage high quality equipment and to promote high standards of workmanship and ethical conduct with regard to the maintenance of such equipment and technical service to the electronic security industry.
- To promote, encourage and protect the interests of members, and to deal with each and all such matters as may affect the common interests of the members.
- To promote, encourage, support or oppose any legalisation, statutory or other measures affecting the interests of the Association or its members and to represent to any Government Department, Minister or Public Authority, Municipal, local or otherwise, the necessity for the enactment or amendment of legalisation or for the issue of regulations, by-laws, ordinances or rules, and/or the provision of services relating to the importation, exportation, supply, manufacture and or distribution of electronic security equipment.
- To collect, collate, tabulate and disseminate any information likely to be of use to members.
- To do or perform all such lawful acts, deeds, things or functions as may be incidental or conducive in the attainment of the above objectives in line with good corporate governance principles.
- Facilitating business-to-business contacts among industry stakeholders.
- coordinating with other security industry groups on lobbying government stakeholders around common issues; and
- organising conferences, exhibitions and promotional events in areas or markets where security equipment and technologies has strong potential and requires additional support

5. Membership

- Membership of the Association shall consist of any firm, company, Close Corporation or sole trader who qualifies in terms of the definition of a member, has applied and been accepted according to the current rules of the Association and whose entrance fee and subscription, as outlined per Schedule A, have been paid.
- Should the Executive Committee by majority vote decide to reject an application for membership such decision shall be final. Only the decision of the Executive Committee shall be communicated to the applicant and no reason of rejection will be given. The applicant whose membership has been rejected will be entitled to have the right to appeal to the Executive Committee.
- A firm, company, or Close Corporation, or any division of such firm, company or Close Corporation engaged in the Industry in the Republic of South Africa shall be eligible to apply for membership of the Association. Application for membership shall be made on the official form and shall be lodged with the Secretary.
- Members shall conduct their business in accordance with generally accepted accounting standards and in accordance with specifications as laid down by legislation. At no time shall the members bring the name of the Association into disrepute.
- All members will be entitled to use the association's logo on letters, websites, emails and advertising. The Executive Committee reserves the right to guide members should they feel that the logo is being used in an improper manner.

6. Meetings

- The Annual General Meeting of the Association shall be held as soon as possible, but not later than four months after the close of the financial year, at a time and place fixed by the Executive Committee. The business of The Annual General meeting shall be: –
- To consider the Audited Financial Statements and the report of the Auditors and of the Executive Committee of such accounts and operations or activities of the Association during the last financial year.
- To elect a Chairman and Vice Chairman, Treasurer, Secretary and members of the Executive Committee.
- Such further or other business of which notice shall be given Twenty One (21) days notice of each Annual General Meeting and of the time and of the place at which it shall be held shall be given by the Executive Committee.
- Special Meetings of the Association may be held upon receipt of a written request of not fewer than ten (10) members. The request must state the reasons for calling a special meeting. The Executive Committee shall call a Special Meeting to take place twenty one (21) days after the date of receipt of the written request. No other business may be transacted at this meeting.
- Notwithstanding that the notice given to members is shorter than that specified in Clause (6.2) a meeting of the Association shall be deemed to have been duly called if it is so agreed by a two thirds (2/3) majority in number of the members having a right to attend and vote at such meeting.
- Executive committee meetings are to be set quarterly/monthly by the secretary and require Fourteen (14) days written notice. The notice is to be sent via e-mail or facsimile to either the member of the Executive Committee or their duly appointed agent.
- Branch committee meetings are to be set quarterly/monthly by the Branch secretary and require Fourteen (14) days written notice. The notice is to be sent via e-mail or facsimile to either the member of the Executive Committee or their duly appointed agent.
- E-mailed or facsimile notices of any of the above Meetings may be sent to the Secretaries of the Branch Committees.

7. Quorum, Votes and Proceedings at Meetings

- At all meetings of the Association, the quorum of members in good standing shall be:
- In the case of a meeting of the Executive Committee three members or majority of the Executive whichever is the greater.
- In the case of a meeting of a Branch Committee other than a meeting in Johannesburg-two members.
- In the case of any General Meeting held in Johannesburg, one fifth of the number of paid-up members, excluding the branch members.
- The Chairman shall have the power to adjourn a meeting but no business shall be transacted at any adjourned meeting other than the business unfinished at the meeting from which the adjournment took place.
- Questions arising for decision at any meeting shall, unless otherwise provided herein, be decided by a majority vote on a show of hands on motions duly fixed and seconded, or by the ballot, should the meeting so decide in terms of Clause (21.1).

- No member, or their duly authorised representative shall be regarded as in good standing, nor have the right to vote, nor be entitled to any of the benefits of membership, if and so long as any subscription due is unpaid for a period exceeding three (3) months from the date on which the subscription invoice was due for payment.
- Members will be notified by email of any meeting and shall not be able to invalidate the meeting through claiming that they were not suitably notified. The accidental omission to give notice of any meetings to any member(s) shall not invalidate any resolution passed at such meeting.
- The Chairman or in his absence, the Vice Chairman, shall preside at all General Meetings. In the event of the Chairman and Vice Chairman not being present within fifteen minutes after the time for which the meeting is called, one of the members shall be elected as Acting Chairman on condition there is a quorum present.
- If within fifteen minutes from the time appointed for any General Meeting a Quorum is not present, the Meeting if convened on the requisition of members, may be dissolved, but in any other case, it shall stand adjourned to the same day in the week following, or in the event of such a day being a public holiday, to the succeeding working day at the same time and place, and at such adjourned meeting the members present shall form a Quorum. Three (3) days notice of such adjourned meeting shall be given by the Secretary to the members.
- Any resolution submitted shall, if the Chairman, Vice Chairman or Acting Chairman so decides, be reduced to writing and be delivered to the Chairman, Vice Chairman or Acting Chairman to be read at the Meeting. No motion shall be considered unless seconded.
- At every meeting of the Association, the minutes of the last meeting shall be taken as read by the members present and should be circulated by the Secretary at least fourteen (14) days prior to the meeting, and be signed by the Chairman.
- All members of the Association shall be entitled to be represented at all the meetings of the Association. More than one representative of a member may attend meetings, but members shall only be entitled to one vote. No one person may be nominated to represent the interests of more than one member.
- At all General Meetings of the Association, when a vote is taken, whether on a show of hands or on a ballot, every member present and entitled to vote, or a proxy in respect of such member, shall have one (1) vote only. A Branch Member shall only be entitled to exercise his vote at meetings of the Committee of the area in which that member is based.
- Proxies in respect of any members entitled to vote at a General Meeting shall be deposited, faxed or emailed at/to the offices of the Association, not less than forty eight (48) hours before the time fixed for the meeting and shall be valid for the meeting and any adjournment thereof.
- Each question arising at a General Meeting shall be decided on a show of hands unless The Chairman or any five (5) members with voting rights present in person demand a ballot, in which case a ballot shall be taken immediately in the manner determined by The Chairman of the General meeting. (Subject to Clause 21).
- Unless the ballot as provided for in Clause (7.13) has been demanded, a declaration by The Chairman of the meeting that a resolution has been carried by a majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to the effect in the minutes of the Association shall be conclusive evidence thereof without proof of the number or proportion of votes recorded in favour or against each resolution.
- Where the member is a firm or company, the vote of such member may be exercised only by their duly appointed representative in terms of Clause (7.10).

8. Resignations

- Resignations from the association are considered valid if –
- One (1) months notice in writing has been received by the Executive Committee.
- All monies due to the Association by the member concerned have been paid up to the date of resignation.
- In the event of the resignation of a member, no subscription, or part thereof, shall be refundable.

9. Executive Committee

- The management of the affairs of the Association between annual general meetings shall be vested in an executive committee consisting of the chairperson, the vice-chairperson, secretary, treasurer, the immediate past chairman and 2 other members of the organisation who shall be elected at the annual general meeting, of the Association on nomination duly seconded and voted upon by a majority show of hands. They shall hold office until the next annual general meeting, and be eligible for re-election on termination of their period of office. The chairperson and vice-chairperson of the executive committee shall *ipso facto* be chairperson and vice-chairperson of the organisation.
- The immediate past Chairman shall remain a member of the Executive Committee whilst filling the position of the Past Chairman.
- The Executive Committee shall have the power to co-opt any person to the Committee. Such co-option shall be for the purpose of advising the Committee on any particular matter and for such a period as the Committee may determine, but for no longer period than to the next Annual General Meeting. Co-opted persons shall be entitled to attend Committee Meetings and may speak but shall not be entitled to vote.
- The Chairman shall not be permitted to hold office for more than two consecutive one-year terms. The Past Chairman shall not be permitted to hold office for more than one, one-year term.
- Each person of the Executive Committee shall have one (1) vote.
- The Executive Committee shall meet, at the least, quarterly to conduct the business of the Association.
- Members of the Executive Committee shall be given at least fourteen (14) days notice in writing (normally via email or facsimile) of the time and place of the meeting by the Secretary. To every notice of a Meeting, an Agenda shall be attached, whenever practicable, or sent to reach the members at not less than twenty four (24) hours before the time of the meeting.
- Vacancies occurring on the Executive Committee may be filled by the Committee from the Members of the Association. A member so appointed to fill a vacancy shall hold office for the unexpired portion of the period of office by his predecessor.
- The Executive Committee shall have power to conduct the business of the organisation within normal business rules and in terms of an annual budget approved by the members at the Annual General Meeting of the Members. Unbudgeted expenses are limited to R20,000 without prior approval of a Special Meeting of the Association.
- Any office on the Executive Committee shall *ipso facto* be vacated:

- On suspension or expulsion of the members' firm from the membership of the Association.
- On member non-attendance at 3 consecutive meetings.
- On member resigning by giving one (1) month's notice in writing to the Executive Committee
- On ceasing to be in good standing. i.e. Non payment of fees.
- If the member becomes insolvent or is placed under liquidation whether voluntary or by order of Court.
- If the member merges with another member.
- For appeals procedure with reference to Expulsions refer to section 10.3 of this constitution.

10. **Expulsions**

- The Executive committee may expel from membership of the Association any member who is more than six (6) months in arrears with their subscription or who, in the opinion of the Committee, as shown by majority vote :-
- has committed any breach of the constitution or by-laws of the Association; or
- has committed any breach of any agreement, notice or award published or made under Act or any amendment thereof or of any law relating to the control of industry or labour whether or not such member has been charged or convicted in a Court of Law for such breach; or
- in the opinion of the majority of the Executive Committee has by the member's conduct rendered the member unfit; or
- has by the member's conduct brought the name of the Association into disrepute.
- Any member who it is proposed to expel or who is alleged to have been guilty of any conduct referred to in clause 10.1 shall be required to appear before a meeting of the Executive Committee held to deal with the matter. The member shall be given at least fourteen (14) days notice in writing (normally via email), or by registered letter to his/her last known address registered under clause (16), of the time and place of the meeting by the Secretary. This notice must include the reason for the proposed expulsion or the nature of the alleged misconduct. At such a meeting, at which such member may appear in person or by a representative authorised in writing, such a member shall be given an opportunity of denying or explaining the conduct complained of. Should such a member fail to appear by himself/herself or by a representative authorised in writing, the Committee may deal with the matter in his/her absence. The decision of the Committee shall be notified to the member in writing as above within fourteen (14) days of the meeting or adjourned meeting of the matter concerned.
- A member expelled by the Executive Committee for any reason other than non-payment of subscription shall, by written notice delivered to the General Secretary not more than fourteen (14) days after the date of expulsion, be entitled to appeal to a Special General Meeting of the Association, which the General Secretary shall on receipt of the notice forthwith convene in terms of Clause (6.2) of the Constitution.
- Such special General Meeting requires a quorum to be present.
- A member shall be entitled to call witness in support of their case when attending a meeting of the Executive Committee or special General Meeting in terms of clause (10.2) or Clause (10.3) as the case may be.

- The expulsion of a member shall become effective from the date on which the decision of the Executive Committee is made. In the event of an appeal, the expulsion remains in force until such time as the appeal process is complete and rules in favour of the member. A member who is expelled from membership shall have no claim on the funds of the Association.
- When a member is expelled from the Association, the Committee shall advise all members of the Association of the fact that such a firm or company is no longer a member.
- A re-submission penalty fee will be imposed on an expelled member due to non payment reasons. On re-application a new membership fee will be charged also including a pro-rata fee on outstanding monthly fees.

11. **Entrance Fees and Subscriptions**

- All new applicants shall pay an entrance fee to the association. Such entrance fee shall be fixed at every Annual General Meeting of the Association.
- The annual subscription, which shall be fixed at each Annual General Meeting, shall be payable by the first day of July in each year.
- Special levies must be approved at an Annual General Meeting of the Association after prior notice has been given.
- The income and expenditure of the Association, in whichever way derived shall be applied solely towards the promotion of the objectives of the Association as set forth in this Constitution and no portion thereof shall be paid or transferred directly by way of dividend bonus or any other manner by way of profit, to the members of the Association without the approval of the members. Provided, however that any payments in respect of remuneration to any officer or servant of the Association, or the reimbursement of expenses incurred for and on behalf of the Association shall not be regarded as a contravention of this Clause.
- The Association will not carry on any profit making activities or participate in any business, profession or occupation carried on by any of its members. Provide any financial assistance, premises, continuous services, or facilities to its members for the purpose of carrying on any business, profession or occupation by them without the approval of the members.

12. **Profits:**

- The income and expenditure of the Association, in whichever way derived shall be applied solely towards the promotion of the objectives of the Association as set forth in this Constitution and no portion thereof shall be paid or transferred directly or indirectly by way of dividend bonus or any other manner by way of profit, to the members of the Association without the approval of the members. Provided, however, that any payments in respect of remuneration to any officer or servant of the Association, or the reimbursement of expenses incurred for and on behalf of the Association shall not be regarded as a contravention of this Clause.
- The Association will not:
- Carry on any profit making activities or participate in any business, profession or occupation carried on by any of its members.
- Provide any financial assistance, premises, continuous services, or facilities to its members for the purpose of carrying on any business, profession or occupation by them without the approval of the members.

[back to top](#)

13. **Execution of Documents**

- All Powers of Attorney, Bonds, Deeds and other documents, the execution of which has been authorised by the Executive Committee, shall be signed by the Chairman and Secretary or two persons lawfully acting in their stead, and appointed for that purpose by the Executive Committee.
- Cheques drawn on account of the Association shall be signed by the Chairman or Vice-Chairman or the Treasurer.
- The funds of the Association shall be applied to the payment of expenses, the acquisition of property, and for the objects specified in Clause (4) as may be budgeted for. Unbudgeted payments are subject to the approval of the Executive Committee in terms of clause (9.8) or for such other purposes as may be decided upon by a Special Meeting of the Association.

14. **Appointments of Officials**

- If required, the Executive Committee shall have the right to appoint a paid secretary or any other paid official which it may deem necessary.
- The Secretary and every paid official of the Association shall be appointed by the Executive Committee and their appointment would be subject to the terms and conditions of the BCEA.

15. **Duties of Office Bearers and Officials**

- **Chairman:**

- The Chairman shall preside at all meetings at which he is present, may require any unruly or abusive member to recuse themselves from the Meeting, shall enforce observance of the Constitution, regulate the business of and sign Minutes of the Constitution, regulate the business of and sign Minutes of the Meeting after confirmation, generally exercise supervision over the affairs of the Association, sign cheques and perform such other duties as by usage and custom pertain to the office

- **Vice Chairman:**

- The Vice-Chairman shall exercise the powers and perform the duties of the Chairman in the absence of the Chairman.

- **Past Chairman:**

- The Past Chairman shall provide continuity and support to the Chairman and Vice Chairman so that decisions and matters in hand from the previous year can be discussed and enacted.

- **Treasurer:**

- The Treasurer shall keep a record of the subscriptions paid by each member and the period to which these payments relate, the address of each member, the date on which he/she becomes a member in terms of the Constitution and in the event of the cessation of membership, the date thereof and the reasons therefore, prepare annual and other reports and the publications as directed by the Association.
- The Treasurer shall take charge of the property and papers of the Association, collect all subscription and prepare accounts of the income and expenditure of such funds as he is authorised to deal with, and generally carry out such duties and functions as may be assigned to him/her from time to time. He/She shall keep proper books of account in such form as shall be prescribed.
- The Treasurer shall also take the necessary steps to ensure that the requirements of Section 8 (5) of the Act relating to the maintenance of a register of members, the keeping of proper books of account, the auditing of such books and the preparation of a balance sheet and a statement of income and expenditure and the submission or making available thereof to members are complied with.

- The Treasurer shall in all instances exercise the utmost discretion and maintain confidentiality in the foremost interest of the Association
- **Secretary:**
- The Secretary, must conduct the correspondence, attend meetings of the Association, take minutes of the proceeding and all communications and papers that he/she may be instructed to read and generally carry out such duties and functions as may be assigned to him/her from time to time.

16. Notices

- Every member shall register with the secretary a postal, physical and email address in The Republic to which notices may be sent, and except where otherwise provided therein, notice may be served upon any member either personally or through above addresses. Should a member fail to register his/her addresses, he/she shall be deemed to have waived his/her right to receive notices.

17. Indemnification and Liability of Members

- The liability of members is limited to the amount unpaid on their subscriptions. Every Office Bearer, Committee Person, Paid Official and Employee of the Association shall be indemnified by the Association against the instructions of the Association or in the performance of his/her legitimate official duty to the Association.

[back to top](#)

18. Alteration in Constitution and Framing of By-Laws

- Any of the provisions of this Constitution may be repealed, changed or added to in any manner by resolution of the Executive Committee:
- Provided that at least 21 days' notice of any proposed alteration shall first have been given to members. If within that period 7 members demand in writing that a ballot be taken on the matter a ballot shall be taken.
- The annual general meeting of the organisation shall also be empowered to change the organisation's constitution: Provided that the secretary shall be notified of any proposed change(s) at least 14 days prior to the annual general meeting.
- No change or addition shall have any force or effect until certified in terms of subsection (3) of section 101 of the Labour Relations Act, 1995.

19. The Inspection of Books

- Every member shall have free access during business hours to the Minutes of all meetings, to which they were entitled to attend, and to all audited accounts, and to the Auditor's report thereon: they shall not be removed without the consent of the Executive Committee but members shall be permitted to make copies of or to take extracts from the Annual Statement of Income and Expenditure and Balance Sheet and the Auditor's report thereon. For this purpose, true copies of such documents shall be made available to them. The above requirements fall in line with the Promotion of Access to Information Act, to which the terms and conditions of the above can be downloaded from the Association website or by written request from the Secretary.

20. Audit

- The accounts of the association shall be audited annually by auditors appointed at the AGM. The auditors shall be "Public Accountants" as defined in the Act. The report of the Auditors on the accounts of the Association and the Balance sheet and Statement of the Income and Expenditure prepared by him shall be submitted to each

Annual meeting of the Association. Such auditors shall be registered in terms of the Public Accounts and auditors Act, 1951.

21. **Ballots**

- Ballots shall be conducted in the following manner:
- Two scrutineers shall be appointed by a meeting to supervise any ballot and to ascertain the result thereof.
- Ballots shall be conducted at the place, on the date and during the hours as may be specified in a notice by the Association.
- Ballot papers shall be provided by the Association. The issue to be voted upon shall be set forth clearly on the ballot papers, such papers shall not contain any information by means of which it would be possible to identify the voters, and all voting by ballot shall be secret.
- One ballot paper only shall be issued on demand at the place and during the hours fixed for the taking of the ballot, to each member who is entitled to vote.
- Each voter shall, in the presence of the scrutineers, be issued with one ballot paper which he shall thereupon complete, fold and deposit in a container provided for the purpose.
- Ballot papers shall not be signed or marked in any way apart from the mark required to be made by a member in recording his vote. Papers bearing any other mark shall be regarded as spoilt and shall not be counted.
- On completion of the ballot or as soon thereafter as possible, the result thereof shall be ascertained by the scrutineers in the presence of the Secretary and made known through this official. In the case of elections the candidates up to the highest number of votes shall be declared elected.
- Ballot boxes shall be inspected by the scrutineer and sealed by the secretary in their presence prior to the issue of ballot papers.
- Ballot papers, including spoilt papers shall be placed in a sealed box, again after they have been counted and shall be retained by the secretary for no less than three (3) years
- Except as provided in Section 65 (2) (b) of the Act, the meeting shall be bound to take action according to the decision of a majority of the members voting by ballot
- The Executive Committee may decide that an electronic ballot of members shall be taken, in which event the ballot shall be conducted in the following manner:
- Notice of a ballot shall be given by the secretary to each member of the organisation by electronic mail, at least seven days prior to the ballot being taken. The issue to be voted upon shall be set forth clearly in the notice.
- A secure electronic ballot on the web domain of the association will be created for each matter to be voted on, and allowing each eligible member to cast their vote once on the particular matter being voted on.
- The electronic ballot will be available for members to vote on for a period not less than seven days from the last day mentioned in clause (b) above.
- The webmaster of the association together with two scrutinisers shall be appointed by the Executive Committee to ascertain the result of the ballot.
- The same procedure shall mutatis mutandis apply to an electronic ballot confined to members of the Executive Committee of the organisation.

- In any ballot conducted in connection with any election the candidates, up to the required number, receiving the highest number of votes shall be declared elected.
- The Executive Committee shall be bound to take action according to the decision of a majority of the members voting in a ballot.
- The organisation shall, before calling a lock-out, conduct a ballot of those of its members in respect of whom it intends to call the lock-out.
- Notwithstanding anything to the contrary contained in this Constitution, members of the organisation shall not be disciplined or have their membership terminated for failure or refusal to participate in a lock-out if –
- no ballot was held about the lock-out; or
- a ballot was held but a majority of the members who voted did not vote in favour of the lock-out.
- Any electronic notification and/or ballot directed to a member in terms of this clause or any other clause in the constitution will be considered to have been delivered to and received by the member upon proof presented by the secretary that the relevant electronic notification and/or ballot was sent to the last known email address of the member

22. **Branch Committees**

- A Branch committee may be established by the Executive Committee when there are at least three (3) members, or three (3) branch members within a province or geographical area.
- Each qualifying branch shall elect a Branch Committee to deal with all matters of purely local character on behalf of the Association and not affecting the general interest of the Association or industry throughout the Republic of South Africa
- The Executive Committee shall prescribe regulations governing administration which shall not be inconsistent with this constitution, the Act or any other law.
- The provisions of clause (20) (Audit) of this constitution shall mutatis mutandis apply to regions of the association.
- The provision of Clauses (6), (7), (9), (15), (16) and (21) shall mutatis mutandis apply to Branch Committee

23. **Winding Up**

- The association shall be wound up if at a Special Meeting convened for that purpose not less than two thirds (2/3) of the total number of members of the Association in good financial standing vote in favour of the resolution that the Association be wound up or subject to the provisions of Section 12 (1) of the act if for any reason the Association is unable to continue to function.
- If a resolution for the winding up of the Association has been passed as provided in clause (23.1), or if for any reason the Association is unable to continue to function the following provisions shall apply:
- The last appointed Chairman of the Association or if he/she is not available, the available members of the last Appointed Executive Committee of the Association shall forthwith transmit to the Industrial Registrar appointed in terms of the Act a statement signed by him/her or them setting forth the resolution adopted or the reason for the Association's inability to continue to function as the case may be, and the available members of the Association's last appointed Executive Committee who were in good standing at the date of dissolution shall appoint a liquidator to carry out the winding up. The liquidator shall not be a member of the Association and shall be paid such fees as may be agreed upon between him/her and the said members of the Association's last

appointed Executive Committee. Should the parties fail to agree upon the fees to be paid, the Registrar shall fix the basis on which the liquidator shall be paid.

- The liquidator so appointed shall call upon the last appointed office bearers of the Association to deliver to him/her the Association's books of account showing the Association's assets and liabilities together with the register of members showing for the twelve (12) months prior to the date on which the resolution for winding up was passed or the date as from which the Association was unable to continue to function, as the case may be, herein referred to as the date of dissolution, the subscription paid by each member and his/her address as at the said date.
- The liquidator shall also call upon the said office bearers to hand over to him/her all unexpended funds of the Association and to deliver to him/her the Association's assets and the documents necessary in order to liquidate the assets. All funds handed over are to be placed in a trust.
- The liquidator shall take the necessary steps to liquidate the debts of the Association from its unexpended funds and any other monies realised from any assets of the Association and if the said funds and monies are insufficient to pay all creditors after the liquidator's fees and the expenses of winding up have been met, the order in which creditors shall be paid shall, subject to the provisions of paragraph (f) be the same as that that prescribed in any law for the time being in force relating to the distribution of assets of an insolvent estate and the liquidator's fees and the expenses of winding up shall rank in order of preference as though he/she were a liquidator of an insolvent estate as though the expenses were the costs of sequestration of an insolvent estate.
- Upon dissolution of the Association, any surplus of assets over liabilities shall, at the discretion of the incumbent Management Committee and subject to 75% of the Management Committee voting in favour of such disposition, be given or transferred to any non-profit association having similar objectives to the main objective of the Association
- The liability of members shall, for the purpose of this clause, be limited to the amount of subscriptions due by them to the Association in terms of this Constitution as at the date of dissolution.

Schedule A to the Constitution

The following fees are payable to ESDA by its members in terms of the constitution:

- Entrance/Joining Fee: R650
- Annual Subscription Fee: R1,500

Both the Entrance and Annual Subscription Fees are payable in advance, in full. A certificate of membership shall be issued within one month of receipt of the annual subscription fee.