

Section 21 company
REPUBLIC OF SOUTH AFRICA
COMPANIES ACT, 1973

A COMPANY NOT HAVING A SHARE CAPITAL

Registration No of Company
95/08496/08

ARTICLES OF ASSOCIATION
(2007)

of the

STANDARD TRANSFER SPECIFICATION ASSOCIATION
(Association incorporated under Section 21)

- A.** The Articles of Table A contained in Schedule 1 to the Companies Act of 1973 shall not apply to the company.
- B.** The Articles of the company are as follows:

1 DEFINITIONS OF TERMS

In these articles, unless the context otherwise requires:

"Act" means the Companies Act 1973, or any amendment thereof, in force at the date at which these Articles become binding on the company.

"Directors" or "Management Board" means the Directors for the time being of the company appointed pursuant to the provisions of Article 15.

"In writing" includes writing, typing, printing, electronic mail and telecopier or facsimile;

"Month" means calendar month;

"Member" means a Member for the time being of the company, admitted as

such in terms of these articles;

"Paid" includes "credited as paid";

"Register" means the register of Members to be kept pursuant to Section 105 of the Act;

"Secretary" includes any person appointed to perform the duties of Secretary temporarily;

"the STS" means the Standard Transfer Specification;

Unless inconsistent with the context, words signifying one gender will include the others; words signifying the singular will include the plural and vice versa; and words signifying natural persons will include artificial persons and vice versa.

2 MAIN OBJECT AND PURPOSE

The main object and purpose of the company is to promote the recognition and use of the Standard Transfer Specification.

3 MEMBERSHIP

3.1 There shall at no time be less than 7 Members of the company. If the membership is reduced to less than 7 Members, the Directors shall be entitled to approve and appoint further Members to fill the vacancies.

3.2 Any Member who is a partnership, association or body corporate must

nominate a person authorised to represent that Member. That person must be one of the Member's partners, shareholders or senior employees.

- 3.3 Members of the company will have such rights of use and access to the STS as their class of membership permits, as determined by company policies then current.

4 CATEGORIES OF MEMBERSHIP

- 4.1 There shall be two categories of Members of the company, namely-

4.1.1 Founder Members; and

4.1.2 Ordinary Members.

- 4.2 The Management Board shall, from time to time, be entitled to create classes of membership in respect of Ordinary Members in accordance with the membership policy then current.

- 4.3 The Founder Members of the company are Eskom, Actaris Measurement and Systems (Pty) Ltd, Landis + Gyr (Pty) Ltd and Merlin Gerin South Africa (Pty) Ltd, their assigns or successors in title.

- 4.4 The Ordinary Members of the company shall be persons using or intending to use the STS and who are admitted to membership of the company by the Management Board.

5 ADMISSION TO MEMBERSHIP

An application for ordinary membership, specifying the class of membership required, shall be made to the Management Board in writing on the form and accompanied by the joining fee prescribed by the company from time to time.

6 REGISTER OF MEMBERS

The company shall maintain at its registered office a register of Members of the company as provided in Section 105 of the Act. The register of Members shall be open to inspection, as provided in Section 113 of the Act.

7 TRANSFER OF MEMBERSHIP

Membership of the company shall not be transferable or assignable.

8 TERMINATION OF MEMBERSHIP

8.1 A Member's membership of the company shall cease:-

8.1.1 upon receipt by the company of notice in writing to this effect from the Member concerned;

8.1.2 upon the issue of a final order of liquidation or sequestration of the Member concerned;

8.1.3 if the Member is a natural person, upon the death of the Member or upon the Member being declared insane or incapable of managing his affairs;

8.1.4 in the event of non-compliance with any obligation attaching to membership; provided that a period of 1 month written notice shall have been previously given by the company to the Member concerned, requiring the Member to remedy the default and provided further that the Member shall have failed to remedy the default;

8.1.5 upon the date set out in a notice issued by the company to the effect that the Management Board has agreed unanimously to terminate the membership of the Member concerned;

9 SUBSCRIPTIONS AND JOINING FEES

9.1 Members shall pay an annual subscription at such time and of such amount and in such manner as shall be determined for each category of membership from time to time by a meeting of the Management Board.

9.2 A schedule of the joining fees and subscriptions determined by the Management Board setting out in detail the joining fees and subscriptions payable by the separate categories of Members shall be kept at the company's registered office and copies will be made available to Members and prospective Members on request. The schedule shall be updated as soon as possible after any variation in the amount of joining fees and subscriptions payable has been determined by the Management Board.

10 GENERAL MEETINGS

10.1 The company shall hold its first annual general meeting within eighteen months after the date of its incorporation and shall thereafter in each year hold an annual general meeting, provided that not more than fifteen months shall elapse between the date of one annual general meeting and that of the next and that an annual general meeting shall be held within six months after the expiration of the financial year of the company.

10.2 Other general meetings of the company may be held at any time.

10.3 Annual general meetings and other general meetings shall be held at such time and place as the Directors shall appoint or at such time and place as is determined if the meetings are convened under Section 179(4), 181, 182 or 183 of the Act.

11 NOTICE OF GENERAL MEETINGS

11.1 An annual general meeting and a meeting called for the passing of a special resolution shall be called by not less than 21 clear days notice in writing and any other general meeting shall be called by not less than 14 clear days notice in writing. The notice:

11.1.1 shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business; and

11.1.2 shall be given in the manner set out in these Articles or in such other manner as may be prescribed by the company in general meeting; and

11.1.3 to such persons as are, under these Articles, entitled to receive such notices from the company.

11.2 Notice of any general meeting may be waived in writing by any Member entitled to notice at any time, whether before or after such meeting, and attendance at a general meeting in person shall constitute a waiver of notice of such meeting by all of the Members so attending.

11.3 The accidental omission to give notice of any meeting to any particular Member or Members shall not invalidate any resolution passed at any such meeting.

12 PROCEEDINGS AT GENERAL MEETINGS

12.1 The annual general meeting shall deal with and dispose of all matter as prescribed by the Act, including the consideration of the annual financial statements and the appointment of an auditor, and may deal with any other business laid before it. All business laid before any other general meeting shall

be considered special business.

- 12.2 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. The quorum at a meeting shall be 4 Members present at the meeting and entitled to vote and in the case of a Member that is a body corporate, a representative of the body corporate, provided always that a representative of each Founder Member must be present in order to constitute a quorum.
- 12.3 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 next week, at the same time and place or if that day is a public holiday, to the next succeeding day other than a public holiday and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall constitute a quorum.
- 12.4 Where a meeting has been adjourned, the company shall, upon a date not later than three days after the adjournment send a written notice to each Member of the company stating:
- 12.4.1 the date, time and place to which the meeting has been adjourned;
- 12.4.2 the matter before the meeting when it was adjourned; and
- 12.4.3 the ground for the adjournment.
- 12.5 The chairman, if any, of the Management Board shall preside as chairman at every general meeting of the company.
- 12.6 If there is no such chairman or if at any meeting he is not present within half an hour after the time appointed for holding the meeting or is unwilling to act as chairman, the Members present shall choose one of their number to be

chairman.

- 12.7 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) in terms of Section 192 of the Act, adjourn the 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. Where a meeting is adjourned as a result of a direction given in terms of Section 192, then notice of the adjourned meeting shall be given in the manner provided in that section, and save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

13 VOTE OF MEMBERS

- 13.1 Each Member shall be entitled to one vote on each matter submitted to the vote.
- 13.2 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll has (before or on the declaration of the result of the show of hands) been demanded by not less than two-thirds of the Members present at the meeting. The effect of such poll shall be to rescind the resolution decided on a show of hands.
- 13.3 If a poll is demanded, it shall be taken in such manner as the chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 13.4 In the case of an equality of votes, the chairman of the meeting shall be entitled to a second or casting vote.
- 13.5 A special resolution shall only be passed with the unanimous assent of all the Founder Members.

14 PROXIES

14.1 The instrument appointing a proxy (who need not be a Member of the company), shall be in writing under the hand of the appointer or of his agent authorised in writing or, if the appointer is a corporate body, under the hand of an officer or agent authorised by that body. The holder of a general or special power of attorney given by a Member shall be entitled to vote, if authorised under that power to attend and take part in the meetings and proceedings of the company.

14.2 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of such power or authority) shall be deposited at the registered office of the company within 48 hours of the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of six months from the date when it was signed, unless so specifically stated in the proxy itself, and no proxy shall be used at an adjourned meeting which could not have been used at the original meeting.

14.3 Subject to the provisions of the Act, an instrument appointing a proxy may be in such form as is approved by the Directors.

15 MANAGEMENT BOARD

15.1 The management and control of the company shall be vested in a Management Board.

15.2 The Members of the Management Board shall constitute the Directors of the company.

15.3 There shall at no time be less than 4 Directors of the company.

- 15.4 Each of the Founder Members shall have the right to appoint at least 1 Director.
- 15.5 The Directors will be entitled, by unanimous consent, to co-opt persons to serve as Directors on the Management Board of the company, provided that no more than 4 Directors will be co-opted in this manner.
- 15.6 In addition to the Directors appointed by the Founder Members in terms of Article 15.4 and co-opted to the Management Board in terms of Article 15.5, each class of Ordinary Members shall have the right to elect and appoint 1 Director to the Management Board.
- 15.7 Elected Directors will be elected, for one year at a time, by secret ballot, by Members present in person or by proxy at a duly constituted Annual General Meeting or a special general meeting called for this purpose by the Management Board.
- 15.8 Nominations for the Management Board must be submitted to the Secretary at least 1 month prior to the meeting to elect Directors.
- 15.9 If insufficient nominations for the Management Board are received, nominations may be made from the floor on the day of the meeting.
- 15.10 Nominations for election to the Management Board must comply with the following, failing which the nomination will be invalid and the nominee will not be permitted to stand for election. The nomination must specify:
- 15.10.1 the name of the nominating Member;
- 15.10.2 the full name of the nominee; and
- 15.10.3 the nomination must be supported by a written consent from the nominee to stand for election to the position nominated and the written agreement of the

nominee to perform the duties attendant upon the position should the nominee be elected.

16 FILLING OF VACANCIES ON AND ADDITIONS TO THE MANAGEMENT BOARD

The Directors may by unanimous decision at any time appoint any other person as a Director, either to fill a vacancy or as an addition to the Management Board with such voting power as the Directors may determine.

17 QUALIFICATION OF DIRECTORS

It shall not be necessary for a Director to be a Member of the company in order to qualify him to act as such.

18 ALTERNATE DIRECTORS

18.1 Each Director shall have the power to nominate any other person to act as alternate Director in his place during his absence or inability to act as such and provided that the appointment of an alternate Director shall be approved of by the Management Board and such appointment being made, the alternate Director shall in all respects be subject to the terms and conditions applicable to the other Directors of the company.

18.2 The alternate Directors, whilst acting in the place of the Directors who appointed them, shall exercise and discharge all the duties and functions of the Directors they represent.

18.3 The appointment of an alternate Director shall be cancelled, and the alternate Director shall cease to hold office whenever the Director who appointed him shall cease to be a Director, or shall give notice to the Secretary of the company that the alternate Director representing him shall have ceased to do so.

18.4 In the case of the disqualification or resignation of any alternate Director during the absence or inability to act of the Director whom he represents, the vacancy so arising shall be filled by the Management Board in accordance with Article 15.

19 POWERS AND DUTIES OF DIRECTORS

19.1 The Directors may authorise the payment of all expenses incurred in promoting and incorporating the company.

19.2 The Directors shall exercise all the powers of the company that are not specifically reserved, by the Act or by these Articles, for the company in general meeting.

19.3 The Directors shall exercise the powers of the company subject to these Articles, to the provisions of the Act and to such regulations as may be prescribed by the company in general meeting, provided that no regulation made by the company in general meeting shall invalidate any prior act of the Directors which would not have been invalid if such regulation had not been made.

19.4 The Directors shall exercise the powers of the company subject to the then current policies of the company.

20 BORROWING POWERS

The Directors may exercise all the powers of the company to borrow money and to mortgage or bind its undertakings and property or any part thereof.

21 MINUTES

21.1 The Directors shall, in terms of Section 204 of the Act, cause Minutes to be

kept:

21.1.1 of all appointments of officers;

21.1.2 of the names of the Directors present at each meeting of the company and of the Directors and of any committee of the Directors;

21.1.3 of all resolutions and proceedings at all meetings of the company, and of the Directors and of committees of Directors.

21.2 Such Minutes shall be signed by the chairman of the meeting at which the proceedings took place or by the chairman of the next succeeding meeting. Every Director present at any meeting of Directors or committee of Directors shall sign his name in a book to be kept for that purpose.

22 DISQUALIFICATION OF DIRECTORS

22.1 The office of Director shall be vacated if the Director:

22.1.1 ceases to be a Director or becomes prohibited from being a Director by virtue of any provision of the Act; or

22.1.2 resigns his office by notice in writing to the company and the Registrar; or

22.1.3 for more than 6 months is absent without permission of the Directors from meetings of Directors held during that period; or

22.1.4 is directly or indirectly interested in any contract or proposed contract with the company and fails to declare his interest and the nature thereof in the manner required by the Act; or

22.1.5 is removed from office by the Founder Member who appointed him; or

22.1.6 is removed from office by unanimous decision of the Management Board, in which event the term “unanimous” means a decision of all Directors on the Management Board other than the Director sought to be removed.

22.2 In the event that a Director who is removed or disqualified was originally appointed by a Founder Member, then only that Founder Member will be entitled to appoint a Director to replace the Director who is removed or disqualified.

23 REMOVAL OF DIRECTORS

Notwithstanding the provisions of any contract for the time being existing, the company may by resolution remove any Director from office and may (subject to the provisions of Article 15.4) by resolution appoint another person in his stead. The provisions of Sections 220 and 218(3) of the Act shall be complied with in connection with the removal of any Director.

24 PROCEEDINGS OF DIRECTORS

24.1 The Directors may meet for the despatch of business and may adjourn and otherwise regulate their meetings as they deem fit.

24.2 The quorum at a meeting of Directors shall be 4 Directors present at the meeting and entitled to vote, provided always that a Director appointed by each Founder Member must be present in person or by proxy in order to constitute a quorum.

24.3 A Director may at any time, and the Secretary shall upon the requisition of at least two Directors, convene a meeting of the Directors.

24.4 Questions arising at any meeting of the Directors shall be decided by a majority of votes, provided that co-opted Directors shall not have a vote. In the case of an equality of votes the chairman shall have a second or casting vote.

- 24.5 The Directors may elect a chairman and a deputy chairman and determine the period for which each is to hold office. The chairman, or in his absence the deputy chairman, shall be entitled to preside over all meetings of Directors. If no chairman or deputy chairman is elected, or if at any meeting neither is present or willing to act as chairman thereof, the Directors present shall choose one of their number to be chairman of such meeting.
- 24.6 Subject to the provisions of the Act a resolution in writing signed (or otherwise confirmed in writing as being correct) by all the Directors, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held.
- 24.7 The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number or of convening a general meeting of the company, but for no other purpose.
- 24.8 The Directors may delegate any of their powers to committees made up as they think fit and the committees so formed shall, in the exercise of the powers so delegated, conform to the policies of the company then current.
- 24.9 All acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Director or persons or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

25 POLICY STEERING COMMITTEE

- 25.1 The Directors representing the Founder Members on the Management Board

shall constitute the Policy Steering Committee.

- 25.2 Notwithstanding anything contained in these Articles, the Policy Steering Committee shall be entitled, but not obliged, to bar the adoption or implementation of any directive or policy in respect of the governance and business of the company adopted or sought to be adopted by the Management Board, provided the Policy Steering Committee does so within 3 months of the adoption or proposed adoption of such policy or directive and no policy or directive developed by or for the company shall be of any effect if so barred.
- 25.3 The chairman of the Policy Steering Committee shall be elected by the Policy Steering Committee members from amongst their number. The Policy Steering Committee shall determine the period for which the Policy Steering Committee chairman is to hold office.
- 25.4 The Policy Steering Committee may meet for the despatch of business and may adjourn and otherwise regulate its meetings as the committee members deem fit.
- 25.5 The quorum of committee members of the Policy Steering Committee is 1 person appointed by each of the Founder Members.
- 25.6 A Policy Steering Committee member may at any time convene a meeting of the Policy Steering Committee and the Secretary shall upon the requisition of any one Policy Steering Committee member, convene a meeting of the Policy Steering Committee.
- 25.7 Questions arising at any meeting of the Policy Steering Committee shall be decided by a simple majority of votes. In the case of an equality of votes the chairman of the Policy Steering Committee shall have a second or casting vote.

26 ACCOUNTS

- 26.1 The Directors shall cause such accounting records as are prescribed by Section 284 of the Act to be kept. Proper accounting records shall not be deemed to be kept if they do not fairly reflect the present state of affairs and business of the company or do not adequately explain the transactions and financial position of the trade or business of the company.
- 26.2 Subject to the provisions of the Act, the accounting records shall be kept at the registered office of the company or at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors.
- 26.3 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company shall be open to the inspection of Members who are not Directors, and no Member who is not a Director shall have any right of inspecting any account or book or document of the company except as conferred by statute or authorised by the Directors or by the company in general meeting.

27 ANNUAL FINANCIAL STATEMENT

The Directors shall from time to time, in accordance with Sections 286 and 288 of the Act, cause to be prepared and laid before the company in general meeting such annual financial statements as are referred to in those Sections.

28 AUDITORS

- 28.1 The Auditors of the company shall, subject to the provisions of the Act, hold office until another appointment or other appointments to the office shall be made at an annual general meeting of the company, and the provisions of Sections 270 and 271 of the Act shall apply to and be complied with in connection with any appointment proposed to be made, or not made of an

Auditor or Auditors of the company. The remuneration of the Auditor or Auditors shall be fixed by the company at each annual general meeting.

- 28.2 The appointment, powers, rights, remunerations and duties of the Auditors shall be regulated by the provisions of the Act.

29 INDEMNITIES

- 29.1 Every Director and officer of the company, and any person employed by the company as Auditor, shall be indemnified by the company against all liability incurred by him as such Director, officer or Auditor and against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto.

- 29.2 No Director, manager, Secretary or other officer or servant of the company shall be liable for the acts, receipts, neglects or defaults of any other Director, or officer or servant of the company or for joining in any receipt or other act of conformity, or for loss or expense happening to the company through the insufficiency or deficiency of title to any property acquired by order of the Management Board for or on behalf of the company, for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested, or for any loss or damage arising from the insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited, or for any loss or damage occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own negligence, default, breach of duty or breach of trust.

30 OFFICES OF THE COMPANY

The offices of the company shall be situated in Johannesburg, Gauteng, South Africa.

31 DISPUTES

31.1 Should any dispute arise between the Members of the company or between a Member and the company in connection with the interpretation or application of the provisions of these Articles or the validity of any documents furnished by the parties pursuant to the provisions of these articles, or any thing or cause related to the company or the activities of the company, they will be compelled to resolve the dispute in terms of this article (31).

31.2 The parties to the dispute shall try to resolve the dispute by negotiation as follows:

31.2.1 One of the parties to the dispute will be entitled to invite the other party or parties in writing to a meeting to be held within 14 days of the date of the invitation, which meeting shall be mediated by a mediator appointed by the company or the Arbitration Foundation of South Africa (AFSA), as the parties to the dispute may agree.

31.2.2 If the company is not a party to the dispute, the parties to the dispute shall notify the company of the meeting.

31.2.3 If this meeting fails to resolve the dispute, the company or any one of the parties to the dispute will be entitled to call a further meeting aimed at resolving the dispute, which meeting shall be held as soon as possible after the first meeting. The most senior executive officer of each party to the dispute shall attend the further meeting, which meeting shall be mediated by a mediator appointed by the company or the Arbitration Foundation of Southern Africa, as

the parties to the dispute may agree.

31.3 If the dispute is not resolved by such negotiation, the dispute shall be finally resolved in accordance with the Rules of the Arbitration Foundation of Southern Africa by an arbitrator or arbitrators appointed by the Foundation, provided that:

31.3.1 the arbitration proceedings will be held in Gauteng with only the arbitrator and the legal and other representatives of the parties present;

31.3.2 the proceedings will be held in an informal and summary manner in accordance with the formalities and procedures settled by the arbitrator and on the basis that it will not be necessary to observe or carry out the usual formalities of court litigation including procedures, pleadings and discovery or strict rules of evidence, it being the intention that the proceedings will be held and completed as soon as possible; and

31.3.3 the arbitrator will be entitled to determine the dispute on the basis of justice and equity and the decision of the arbitrator will be final and binding on the parties.

32 NO PROFIT DISTRIBUTION

The company may reimburse Members for expenses incurred in carrying out the business of the company, but there shall be no distribution of any profits to any Member.

33 DISSOLUTION

Upon its winding-up, deregistration or dissolution, the assets of the Company remaining after the satisfaction of all its liabilities shall be given or transferred to an association or institution having objects similar to the main object of the company, as may be determined by the Founder Members of the Company, at or before the time of its dissolution or, failing such determination, by the Court.

34 NOTICES

34.1 A notice may be given by the company to any Member personally or by sending it by prepaid registered post, telecopier or electronic mail.

34.1.1 A notice by post shall be deemed to have been delivered on the date the letter containing the notice was posted and in proving the giving of the notice by post, it shall be sufficient to prove that the letter containing the notice was properly addressed and posted.

34.1.2 A notice sent by electronic mail shall be deemed to have been delivered immediately upon the issuance, by the transmitting electronic mail server, of a report confirming correct transmission of the notice.

34.1.3 A notice sent by telecopier shall be deemed to have been delivered immediately upon the issuance, by the transmitting telecopier machine, of a report confirming correct transmission of the document containing the notice.

34.2 Notwithstanding anything to the contrary herein contained a written notice or communication actually received by a member will be an adequate written notice or communication.

34.3 Notice of every general meeting shall be given in any manner authorised in this article (34):

34.3.1 to every Member of the company except, in the case of notices to be given personally or sent by post, those Members who (having no registered address within the Republic) have not supplied to the company an address within the Republic for the giving of notices to them;

34.3.2 to the Auditor for the time being of the company; and

34.3.3 no other person shall be entitled to receive notice of general meetings.