

CONSTITUTION
of the
association of persons known as
AFRICAN ASSOCIATION OF AUTOMOTIVE MANUFACTURERS
(the "Constitution")

1. **NAME**

The name of the Association shall be 'AFRICAN ASSOCIATION OF AUTOMOTIVE MANUFACTURERS (herein after referred to as the 'AAAM' or the 'Association').

The Association is an association of persons contemplated in section 30B(1)(b)(iii) of the Income Tax Act, 58 of 1962 (the "Income Tax Act") and established as such in terms of this Constitution.

2. **VISION AND MISSION STATEMENTS**

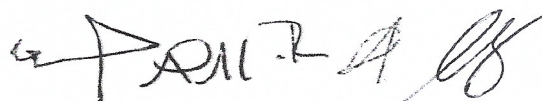
The vision of the Association is:

- 2.1 To engage with selected African governments, to provide advice on opportunities and to establish automotive manufacturing industries through the establishment of an investor friendly regulatory framework and supportive auto industry legislation including, but not limited to, input on automotive policies, incentives, investment, trade agreements and import duties.
- 2.2 To ensure that AAAM plays a constructive and effective role in all matters relevant to the African automotive industry, and that AAAM is regarded as the professional institution in Africa representing the interests of the automotive industry.
- 2.3 To facilitate the progressive industrialization of African automotive and associated industries through bilateral trade and, in the process, promote employment growth, infrastructure development, skills transfer and economic empowerment in the countries in which the AAAM will operate.
- 2.4 To ensure compliance with international competition guidelines and regulations and to prevent any form of anti-competitive behaviour in the automotive industry.
- 2.5 To focus on manufacturing competitiveness improvement including training and technology transfer, in the automotive industry.
- 2.6 To, initially, focus on the automotive industry in the following African markets – Nigeria, Ghana, Algeria, Egypt, Kenya, Angola, Morocco, and Ethiopia – in addition to South Africa.

3. **OBJECTS AND PURPOSE**

Subject at all times to, and restricted to the extent necessary to procure due compliance with, the special provisions applicable to Associations approved in terms of Section 30B of the Income Tax Act, as referred to in Annexure "A" to this Constitution (the "Prescribed Provisions"), the objects, purpose and powers of the Association shall be –

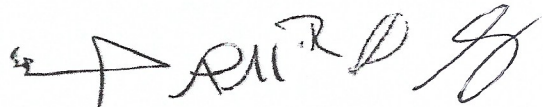
- 3.1 To promote and advance the common interests of its members in African countries and African automotive markets ("Members").



- 3.2 To work with the local authorities (directly or through consultants) on proposed legislative or other measures affecting the common interests of its Members to ensure an investor friendly and open trading environment in the African automotive industry.
- 3.3 To appoint an auditor or auditors, to engage and dismiss employees of the Association, to fix their remuneration and to define their duties.
- 3.4 To appoint from time to time such committees, special advisory committees, and sub-committees as it may deem fit and as may be required by the Prescribed Provisions, for the purpose of investigating and reporting on any matters referred to it and to define the powers, functions and duties of such committees or sub-committees as it may deem necessary.
- 3.5 To institute, defend, or abandon legal proceedings by or against the Association.
- 3.6 To acquire, either by purchase, lease or otherwise any movable or immovable property and to sell, let or mortgage or otherwise deal with or dispose of any movable or immovable property only in accordance with, and in furtherance of, the objects and purpose of the Association as set out in this Constitution.
- 3.7 To open and operate a banking account in the name of the Association;
- 3.8 To borrow or lend moneys for the objects and purpose of the Association and to make investments upon such security and with such purposes and intention and on such terms and conditions as may be decided upon from time to time, save for any investment, share or interest in any business, profession or occupation carried on by the Members.
- 3.9 To do all such other lawful things as the Association may deem necessary to give effect to its stated objects, purpose and powers.
- 3.10 To ensure that substantially the whole of the activities of the Association are directed to the furtherance of its sole or principal object as set out above and not for the specific benefit of an individual Member or minority group.

4. MEMBERSHIP

- 4.1 Membership of the Association will be open to original equipment manufacturers of motor vehicles (OEM) that manufacture in African countries which agree in writing to be bound by and comply with the AAAM Constitution. For the purposes of this Constitution 'motor vehicle' means any wheeled conveyance propelled by electrical or mechanical power and designed for haulage and / or the transportation of persons and / or goods and / or loads.
- 4.2 A company / Organisation which does not fulfil the requirements of Clause 4.1 but which is active within the African automotive industry, may apply to become a Non-OEM Member or an Associate Member, provided they agree in writing to be bound by and comply with the Constitution.
- 4.3 Applications for membership shall be lodged in writing with the Association and shall be considered by the first meeting of Members thereafter, where the Association may in its sole discretion accept or reject any application for Membership.
- 4.4 No member may directly or indirectly have any personal or private interest in the Association.

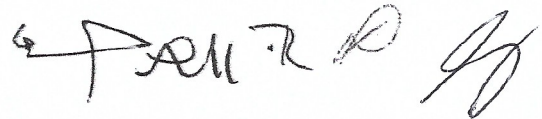


5. TERMINATION OF MEMBERSHIP

- 5.1 A Member may resign from the Association by giving written notice of such resignation to the Association; provided that such resignation shall not take effect until all moneys due by the Member to the Association shall have been paid.
- 5.2 A general meeting of the Members may expel from Membership of the Association any Member who is more than six months in arrears with its subscription or which:
- 5.2.1 has committed any material breach of the Constitution of the Association, or
- 5.2.2 has in its conduct rendered itself unfit to remain a Member of the Association.
- 5.3 Any Member which it is proposed to be expelled in terms of Sub-Clause 5.2 shall be required to appear at a general meeting of the Members of which not less than 14 (fourteen) days' notice shall be given to that Member either by registered letter to his address registered with the Association in terms of Clause 6 of this Constitution or via electronic format. The reasons for the proposed expulsion shall be set out in the notice. At such meeting, such Member may appear in person or by way of representation authorised in writing, and such Member shall be given the opportunity of denying or explaining the conduct complained of. Should such Member fail to appear himself or by way of representation authorised in writing, the meeting may deal with the matter in his absence. The decision of the meeting shall be notified to the Member by notice delivered via electronic format or by registered letter as per this clause 5.3 within 14 (fourteen) days of the date of the meeting or adjourned meetings at which the matter was considered;
- 5.4 A Member shall be entitled to call witnesses in support of his case, when attending a general meeting in terms of Clause 5.2.2.
- 5.5 The expulsion of a Member shall become effective from the date on which the decision of the general meeting of the Members was notified to the Member. A Member who is expelled from Membership shall have no claim to the funds of the Association.
- 5.6 When a Member is expelled from the Association, the Association shall advise all the Members of the fact that such person/firm is no longer a Member.
- 5.7 No Member shall be expelled in terms of this Clause 5 unless the representatives of the majority (fifty-one per cent or more) of Members of the Association have voted in favour of such expulsion;
- 5.8 A Member who has resigned or been expelled from the Association may be re-admitted to Membership on such conditions as may be determined by a general meeting of the Members of the Association.

6. NOTICES

Every Member shall register with the Association both a physical and electronic address to which notices may be sent, and except where otherwise provided herein, notices may be served upon any Member either personally or by sending them via an electronic format or by mail. Any notice if given in electronic format or by post shall be deemed to have been served at the time when the letter containing the notice is posted or sent electronically.



7. REPRESENTATION OF MEMBERS

Each Member of the Association shall be entitled to be represented at a general meeting of the Association by appointed representatives and for each such representative; a Member may also appoint an alternate.

8. GENERAL MEETINGS

- 8.1 An annual general meeting (AGM) of the Association shall be held each calendar year at a time and place to be decided upon by the chairperson (as contemplated in clause 12.2.1 below). At least fourteen (14) days' notice of every AGM shall be given to Members provided that such notice may be waived with the consent of a simple majority of Members. The business of the annual general meeting shall be –
- 8.1.1 To consider the balance sheet and income and expenditure account of the Association and the report of the auditor on such accounts, and of the operation or activities of the Association during such year;
- 8.1.2 To elect a President and Vice-Presidents every second year for the ensuing two years; the one Vice-President will represent the component chapter of the Membership and any other Vice-Presidents appointed will represent the regions. The outgoing President will serve two years as the immediate past President.
- 8.1.3 To transact such other business of which notice specifying the nature of such business shall have been given in the notice convening the AGM, or which the meeting may agree to consider.
- 8.1.4 To determine the annual subscriptions in respect of full Members, Non-OEM members and Associate Members.
- 8.2 Further general meetings may be held at such time and place as the Association may decide, provided that upon receipt of a written requisition from no fewer than three Members, the President shall call a special general meeting to take place not later than a period of two weeks from the date of receipt of such requisition. Such requisition shall state clearly the object of such meeting and no other business may be transacted at such meeting, unless the meeting so agrees;
- 8.3 In the case of general meetings seven days' notice shall be given provided that in a case of urgency such shorter notice as may be decided by the President may be given.
- 8.4 Minutes of each general meeting of the Members of the Association shall be prepared and circulated to Members. At each general meeting of the Members of the Association, the minutes of the last preceding meeting shall be signed by the presiding officer after confirmation;
- 8.5 The proceedings of any meeting shall not be invalidated by reason of the non-receipt by any Member of the notice of the meeting.

9. QUORUM, VOTES AND PROCEEDINGS AT GENERAL MEETINGS

- 9.1 The quorum for any general meeting shall be one representative or his alternate of each Member of not less than 50% Members. If within fifteen minutes of the time fixed for any general meeting a quorum is not present, the meeting shall stand adjourned until such time and at such place as the representatives or alternates present may decide, and at such adjourned meeting the representatives of full Members, or their alternates, shall form a quorum.

- 9.2 The President, or in his absence, a Vice-President, shall preside at all general meetings. In the event of the President and a Vice-Presidents not being present within five minutes after the time for which the meeting is called, one of the representatives shall be elected as acting President.
- 9.3 Decisions taken at a general meeting shall be, in the first instance, by way of consensus of the Members present at the meeting. Members are committed to resolving matters amongst themselves and will therefore always seek to achieve consensus at a general meeting or at any adjourned general meeting. Where following unsuccessful attempts to achieve consensus, the matter will be put to a vote and the principle of a majority vote (51% or more) of Membership will apply.
- 9.4 Each Member shall have one vote and a simple majority will apply.
- 9.5 Non-OEM Members and Associate Members shall not have voting rights.

10. ACQUISITION AND DISPOSAL OF PROPERTY

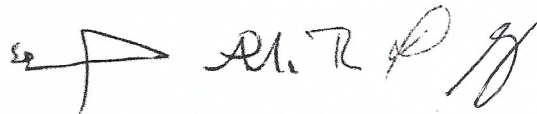
A general meeting of the Members of the Association may acquire, either by purchase, lease or otherwise any movable or immovable property on behalf of the Association and sell, let or mortgage or otherwise deal with or dispose of any movable or immovable property belonging to the Association – subject to any conditions or terms, if any, resolved by the meeting and further only in accordance with, and in furtherance of, the objects and purpose of the Association as set out in this Constitution;

11. EXECUTION OF DOCUMENTS

All execution of documents, powers of attorney, bonds, deeds and other documents, the execution of which has been authorised, shall be signed by a duly authorised official of the Association.

12. OFFICE BEARERS AND OFFICIALS

- 12.1 Office Bearers shall be elected on motion duly seconded and voted upon at the AGM of the Association and shall hold office for two years until the next annual general meeting and shall be eligible for re-election on termination of their period of office. If an office bearer dies or resigns or becomes otherwise disqualified, his successor shall be appointed at the next general meeting. Office Bearers should not be connected persons in relation to each other and there shall always be at least three Office Bearers at any given time. Should there be less than three Office Bearers, the Members shall convene a special general meeting to elect sufficient Office Bearers so that there are at least three;
- 12.2 The duties of the Office Bearers shall be –
- 12.2.1 President: The President shall preside at all general meetings at which he is present, enforce observance of the Constitution of the Association, sign minutes of meetings after confirmation, exercise supervision over the affairs of the Association, and perform such other duties as by usage and custom pertain to the office of President.
- 12.2.2 Vice-President: A Vice-President may be requested to exercise the powers and perform the duties of the chair in the absence of the President.
- 12.2.3 Administrator/Secretary: The Chief Executive Officer (CEO) of the AAAM or an administrator/secretary appointed by the Members for an interim period, shall perform the role of an administrator or secretary and shall keep such books and accounts as may be prescribed by the Association; issue notices of meetings; conduct the correspondence of the Association; attend meetings and record minutes of the proceedings; keep a register of Members, a record of the subscriptions paid by each Member and the

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period to which such subscription relates, and in the event of cessation of Membership, the date thereof, prepare the statement of income and expenditure and balance sheet referred to in Clause 8.1.1 of this Constitution and perform such other duties as the Association may assign to him from time to time. The Administrator/Secretary may resign on giving a month's notice in writing and may be discharged on similar notice being given, provided that he may be summarily discharged for serious neglect of duty or misconduct.

12.2.4 Other: The other elected Office Bearers shall have such powers and duties as are conferred upon them by the Members at the time of election in accordance with 12.1 above.

12.3 The Office Bearers shall collectively accept the fiduciary responsibility of the Association.

12.4 No single person may directly or indirectly control the decision-making powers of the Association.

12.5 The Association must not pay to any employee, Office Bearer, Member, or other person any remuneration which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered.

13. SUBSCRIPTIONS: FUNDING OF AAAM

13.1 The income of the Association shall consist of subscriptions and/or levies payable by Members under the provisions of this Constitution and such other monies as may be received by it as interest on investments or any other income, provided at all times that substantially the whole of the Association's funding must be derived from its Members or from an appropriation by the government of the Republic of South Africa in the national, provincial or local sphere.

13.2 The Association may not directly or indirectly distribute any of its funds or assets to any person other than in the course of furthering its objectives

13.3 A budget shall be;

13.3.1 prepared prior to the commencement of each financial year showing the anticipated expenditure of the Association during the following year, and the income from all sources other than the subscriptions from Members. The shortfall between the income from all sources other than subscriptions from Members and the Association's anticipated annual expenditure shall be subscription income payable by Members.

13.3.2 submitted to a general meeting for confirmation;

13.4 The subscription payable by Non-OEM Members and Associate Members shall be determined by a general meeting of the Members of the Association. Where an organisation or association joins as an Associate Member the subscription payable can be void subject to approval of the President and the majority of Vice Presidents.

13.5 All subscriptions shall become due on receipt of subscription accounts and shall be paid within three months of that date.

13.6 in the event of Members being admitted to the Association after the 30th day of June in any year, the Association may in its discretion accept a proportionate amount of the subscription due for that year.

13.7 The financial year of the Association shall be from the 1st March in any year to the 28th February of the following year;

13.8 A general meeting of the Members may, with a view to securing funds for any particular purpose, by resolution of at least a simple majority of the representatives of Members present at the meeting, at any time resolve to impose a levy on Members, which levy shall be either proportionate to the annual

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subscription or calculated on any other basis as may be agreed upon by the general meeting provided that notice of the proposed levy shall appear in the agenda for the meeting. Such levy shall be paid in such a manner and within such time or by such date as may be decided at the general meeting.

14. FINANCE

- 14.1 All subscriptions and monies levied by the Association in terms of section 13 et.al. and all other funds of the Association shall be applied to the furtherance of the objects of the Association specified in section 3 of this Constitution;
- 14.2 A statement of income and expenditure and a balance sheet in respect of each financial year of the Association shall be prepared by the administrator/secretary and shall be audited by an auditor appointed by the Association. Copies of such audited statement together with the auditor's report thereon shall be submitted to the annual general meeting and circulated to Members as soon as possible thereafter.
- 14.3 The Association will comply with such reporting requirements as may be determined by the Commissioner for the South African Revenue Service ("SARS");
- 14.4 The Association is not knowingly and will not knowingly become a party to, and does not knowingly and will not knowingly permit itself to be used as part of, an impermissible avoidance arrangement contemplated in Part IIA of Chapter III, or a transaction, operation or scheme contemplated in section 103(5) of the Income Tax Act.
- 14.5 A Member which ceases for any reason to be a Member shall have no claim on the funds of the Association.

15. ALTERATION IN CONSTITUTION AND FRAMING OF BY-LAWS

- 15.1 This Constitution may be amended, altered, added to, repealed, or substituted, or by-laws of the Association be adopted by approval at a general meeting of the Members provided that the representatives of not less than two-thirds of the Members of the Association who are able to vote at a general meeting have voted in favour of such amendment, alteration, addition repeal or substitution.
- 15.2 Any such amendment, alteration, repeal of, or addition to any of the provisions hereof, or substitution of this Constitution being made as aforesaid, or by-laws being adopted, shall be binding upon all Members of the Association.
- 15.3 Any amendment of the Constitution of the Association shall be submitted by the Office Bearers of the Association to the Commissioner for SARS within 30 days of its amendment as set out in section 30B(2)(b)(xi) of the Income Tax Act.

16. WINDING UP

- 16.1 The Association shall be wound up if at a general meeting of the Members the notice of which has stated that the proposed winding up of the Association will be an item on the agenda, not less than three-quarters of the full Members of the Association who are entitled to vote at a general meeting in good standing vote in favour of a resolution that the Association be wound up, or if for any reason the Association is unable to continue to function;.


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- 16.2 If a resolution for the winding-up of the Association has been passed as provided in clause 16.1 or if for any reason the Association is unable to function, the following provisions shall apply –
- 16.2.1 The last-appointed president of the Association, or if he is not available, the available Members of the Association 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 and the Members of the Association.
- 16.2.2 The liquidator so appointed shall call upon the administrator/secretary, or if no longer employed, the last-appointed Office Bearers of the Association to deliver to him the Association's books of account showing the Association's assets and liabilities, together with the register of Members showing for the twelve months prior to the date of 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 (hereinafter referred to as the date of dissolution), the subscription paid by each Member and his address as at the said date. The liquidator shall also call upon the said officials and Office Bearers to hand over to him all unexpended funds of the Association and to deliver to him the Association's assets and the documents necessary in order to liquidate the assets, subject always to 16.2.3 below.
- 16.2.3 The liquidator shall take the necessary steps to liquidate the debts of the Association from its unexpended funds and any other moneys realised from any assets of the Association and if the said funds and moneys are insufficient to pay all creditors after the liquidator's fees and the expenses of winding-up have been met, the order in which the creditors shall be paid shall, subject to the provisions of clause 16.2.4 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 winding-up 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;
- 16.2.4 After payment of all debts in accordance with clause 16.2.3 the remaining funds, if any, shall be given or transferred by the liquidator to some other association or society, as may be determined by not less than a majority of Members in good financial standing as at the date of dissolution, which shall have similar objects and operate in the African automotive industry, failing which to such association or society in the African automotive markets, with similar objects as the majority of such Members may determine, provided in each case that such other association or society is:
- 16.2.4.1 another entity approved by the Commissioner for SARS in terms of section 30B of the Income Tax Act;
- 16.2.4.2 a public benefit organisation approved in terms of section 30 of the Income Tax Act; or
- 16.2.4.3 an institution, board or body which is exempt from tax under section 10(1)(cA)(i) of the Income Tax Act,
- failing which, the remaining assets shall be transferred to the government of the Republic of South Africa in the national, provincial or local sphere;
- 16.2.5 The liability of Members shall for the purposes of this section be limited to the amount of subscriptions due by them to the Association in terms of this Constitution as at the date of dissolution.



This Constitution was formally adopted at a general meeting of the Association held on 27th November 2015


Subsequent amendments were made on 17th March 2020




PRESIDENT
M. Whitfield




VICE PRESIDENT
A. Kirby



VICE PRESIDENT
Dr M. Thill



VICE PRESIDENT
Dr A. Fikry



ADMINISTRATOR/SECRETARY
CEO AAAM
D. Coffey

AS WITNESSES: 1.  _____ 2.  _____

DATE: 13 APRIL 2022

PRESCRIBED PROVISIONS

In the event, and for the duration, that the Company is approved by the Commissioner for SARS in terms of section 30B(2) of the Income Tax Act, as amended, this Constitution shall, with effect from the date of such approval and for the duration thereof, be deemed to include the required provisions of the Income Tax Act regulating Associations approved in terms of section 30B(2) of the Income Tax Act (as such provisions are amended from time to time), including, without limitation, the following current provisions of the Income Tax Act:

1. The Association must have a committee, board of management or similar governing body consisting of at least three persons, who are not connected persons in relation to each other, to accept the fiduciary responsibility of the Association;
2. No single person may directly or indirectly control the decision-making powers relating to the Association;
3. The Association may not directly or indirectly distribute any of its funds or assets to any person other than in the course of furthering its objectives;
4. The Association is required to utilise substantially the whole of its funds for the sole or principal object for which it has been established;
5. No Member may directly or indirectly have any personal or private interest in the Association;
6. Substantially the whole of the activities of the Association must be directed to the furtherance of its sole or principal object and not for the specific benefit of an individual Member or minority group;
7. The Association may not have a share or other interest in any business, profession or occupation which is carried on by its Members;
8. The Association must not pay to any employee, Office Bearer, Member or other person any remuneration, as defined in the Fourth Schedule to the Income Tax Act, which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the services rendered;
9. Substantially the whole of the Association's funding must be derived from its Members or from an appropriation by the government of the Republic of South Africa in the national, provincial or local sphere;
10. The Association must as part of its dissolution transfer its assets to:
 - a. another entity approved by the Commissioner for SARS in terms of section 30B of the Income Tax Act;
 - b. a public benefit organisation approved in terms of section 30 of the Income Tax Act;
 - c. an institution, board or body which is exempt from tax under section 10 (1) (cA) (i) of the Income Tax Act; or
 - d. the government of the Republic of South Africa in the national, provincial or local sphere;
11. The persons contemplated in 1 above will submit any amendment of the Constitution of the Association to the Commissioner for SARS within 30 days of its amendment;
12. The Association will comply with such reporting requirements as may be determined by the Commissioner for SARS from time to time; and
13. The Association is not knowingly and will not knowingly become a party to, and does not knowingly and will not knowingly permit itself to be used as part of, an impermissible avoidance arrangement contemplated in Part IIA of Chapter III of the Income Tax Act, or a transaction, operation or scheme contemplated in section 103 (5) of the Income Tax Act.

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