



CONSTITUTION OF THE EDO PAYMENT SYSTEM STAKEHOLDER FORUM

Preamble

The South African Reserve Bank (SARB) as overseer of the payment system facilitated the formation of the EDO Payment Streams to promote fair access to the National Payment System (NPS) for Stakeholders who offer services of variable nature to Stakeholders that are time sensitive with regards to the collecting and fate (outcome) of debits processed.

The Stakeholders, under the said facilitation of the SARB, agreed to create an Association to assist in ensuring that the principles and undertakings agreed to regarding the collection of payments through the EDO Payment Streams is appropriately implemented and managed.

This is the Constitution of the said Association.

1 NAME

The name of the Association is the "EDO Payment System Stakeholder Forum", hereinafter referred to as "the EDO PSSF".

2 INTERPRETATION

In this Constitution:

- 2.1 any application, approval or notice referred to or required in terms of this Constitution, must be in writing.
- 2.2 any notice referred to in this Constitution required to be served shall be deemed to be properly served if addressed to the email address nominated by the EDO PSSF Member and if no delivery failure was received or addressed by registered mail to the address nominated by the Member if no email address were supplied.

- 2.3 any reference in this Constitution requiring an action or imposing an obligation on a member of PASA shall be referred to and addressed to PASA.
- 2.4 any reference in this Constitution, and unless a contrary intention clearly appears, words importing –
- 2.4.1 the singular include plural and *vice versa*; and
- 2.4.2 natural persons include created entities (corporate or unincorporated) and *vice versa*;
- 2.5 words and expression not defined in here shall have the meanings assigned to them when used in the NPS; and
- 2.6 unless otherwise specified or the context clearly indicates the contrary, the following words and expressions shall have the meanings assigned to them below:
- 2.6.1 **“Beneficiaries”** – means those persons in the NPS, who are entitled to the benefit of payments made in terms of and pursuant to the collection of such payments, subject to the criteria and rules of the applicable payment stream;
- 2.6.2 **“Beneficiary Service Providers”** means agents of Beneficiaries as set out and defined in the SARB Directive 1 of 2007 and SARB Directive 2 of 2007;
- 2.6.3 **“Collections”** - means the presentation by Beneficiaries of payment instructions for payment, as authorised by payers , to PCH Participants;
- 2.6.4 **“EDO Access Criteria”** – means access criteria for EDO established in terms of Section 6A (3) of the NPS Act by the EDO PCH Participants;
- 2.6.5 **“EDO Collection Services”** – means the enabling of Collections, as a service, to EDO PSSF Beneficiaries by EDO PCH Participants and / or EDO PSSF System Operators and / or system operators (acting as technical service provider agents of EDO PSSF Beneficiaries);

- 2.6.6 **"EDO Non-compliant Beneficiaries"** – means those persons doing Collections in EDO without being a Member of the EDO PSSF or their appointed Beneficiary Service Providers¹ (if any)
- 2.6.7 **"EDO Payment Stream" or "EDO"** – means the payment streams governed by the Authenticated Early Debit Order Payment Clearing House Agreement ("AEDO PCH Agreement") and Non- Authenticated Early Debit Order Payment Clearing House Agreement ("NAEDO PCH Agreement");
- 2.6.8 **"EDO PCH Participants"** – means those PASA Members participating in EDO;
- 2.6.9 **"EDO Regulatory Environment"** - means the legal and regulatory environment created by:-
- 2.6.9.1 PASA's EDO PCH Agreements, Clearing Rules and requirements; and
- 2.6.9.2 SARB's Directives, Criteria and requirements; and
- 2.6.9.3 EDO PSSF's Rules;
- 2.6.10 **"EDO PSSF Beneficiary Associations"** – means associations that are Members of the EDO PSSF, established by EDO PSSF Beneficiaries,;
- 2.6.11 **"EDO PSSF Beneficiaries"** – means Beneficiaries that are Members of the EDO PSSF or their appointed Beneficiary Service Providers² (if any);
- 2.6.12 **"EDO PSSF System Operator Associations"** also known as **"EDO PSSF Service Provider Associations"** – means associations that are Members of the EDO PSSF established by EDO System Operators;
- 2.6.13 **"EDO PSSF System Operators"** also known as **"EDO PSSF Service Providers"** – means System Operators (including those also acting as

¹ **NOTE: A Beneficiary Service Provider, in terms of the SARB directives 1 of 2007 and 2 of 2007 "Beneficiary service provider" means a person who accepts money or the proceeds of payment instructions, as a regular feature of that person's business, from multiple payers on behalf of a beneficiary;" AND FURTHER ensure that it is appointed as an agent of each beneficiary when acting as beneficiary service provider, acts as agent of a beneficiary. If that beneficiary is noncompliant, the BSP is (as agent for that Beneficiary) also noncompliant**

² **NOTE: A Beneficiary Service Provider, in terms of the SARB directives 1 of 2007 and 2 of 2007 "Beneficiary service provider" means a person who accepts money or the proceeds of payment instructions, as a regular feature of that person's business, from multiple payers on behalf of a beneficiary;" AND FURTHER ensure that it is appointed as an agent of each beneficiary when acting as beneficiary service provider, acts as agent of a beneficiary. If the beneficiary is an EDO PSSF Beneficiary, the BSP is (as agent for that EDO PSSF Beneficiary) also compliant.**

Beneficiary Service Providers) that are members of the EDO PSSF and offers EDO Collection Services to EDO PSSF Beneficiaries;

- 2.6.14 **"EDO PSSF Members"** – means all members of the EDO PSSF collectively;
- 2.6.15 **"EDO PSSF Rules"** – means the Rules formalised from time to time by the EDO PSSF Steerco in terms of Article 12 of this Constitution and once published, is enforceable in terms of this Constitution. If a rule is in conflict with the Constitution the Constitution will prevail;
- 2.6.16 **"EDO PSSF Steerco"** – means the steering committee of the EDO PSSF;
- 2.6.17 **"Industry"** – means those Beneficiaries in the NPS who can logically be grouped together due to the similarity of their underlying products and / or services offered or due to similar kinds of business operations conducted;
- 2.6.18 **"Invited Members"** – means any person or body who obtained membership through invitation by EDO PSSF Steerco;
- 2.6.19 **"NPS"** – means the National Payment System, which consists of those systems that enable payments to be effected or money to be circulated, including the instruments and procedures that relate thereto, as managed in terms of the NPS Act;
- 2.6.20 **"NPS Act"** – means the National Payment Systems Act (Act no. 78 of 1998);
- 2.6.21 **"PASA"** – means the Payments Association of South Africa, a payment system management body recognised by the SARB in terms of Section 3(1) of the NPS Act;
- 2.6.22 **"SARB"** – means the South African Reserve Bank, as defined in the NPS Act;
- 2.6.23 **"Stakeholders"** – means EDO PSSF Beneficiaries, EDO PSSF Beneficiary Associations, EDO PSSF System Operators and EDO PSSF System Operator Associations collectively; and
- 2.6.24 **"System Operators"** also known as **"Service Providers"** – means persons as set out and defined in the SARB Directive 1 of 2007 and SARB Directive 2 of 2007.

3 OBJECTIVES

The objectives of the EDO PSSF shall be:

- 3.1 to function as a forum for its Members to discuss and identify matters of concern and requirements to be met by EDO, on a co-ordinated basis;
- 3.2 to monitor and manage inappropriate conduct of Members in EDO as well as to monitor and report on other persons that operate in EDO outside the EDO regulatory environment;
- 3.3 to facilitate the acceptance of persons, eligible to participate in EDO, as Members of the EDO PSSF;
- 3.4 to participate, subject to such terms and conditions as may be prescribed by the SARB, in a Payment System Advisory Body established by the SARB for the purpose, *inter alia*, of facilitating the exercise by the SARB of its oversight of the NPS and implementation of its strategic policy of broadening access to the NPS. The EDO PSSF recognises the SARB's mandate to oversee the NPS and all participants therein and the role of PASA as payment system management body to facilitate such oversight and to manage risk in the NPS through self-regulation;
- 3.5 to provide advice and information, on a co-ordinated basis, to the Membership of the EDO PSSF and EDO PCH Participants with regards to the needs of Beneficiaries in the various Industries participating in EDO while acknowledging PASA's position and authority as the payment system management body recognised by the SARB in terms of Section 3(1) of the NPS Act;
- 3.6 to co-ordinate and foster dialogue and co-operation between EDO PSSF Members, PASA EDO PCH Participants and their appointed PCH System Operator for EDO in order to find acceptable solutions for the needs of those EDO PSSF Members who are time sensitive with regards to the receipt of feedback data relating to the fate (outcome) of Collections made via EDO and further to facilitate the limitation and management by PASA (including its EDO PSSF Participants), under the SARB oversight, of reputational and other risks that may arise in the NPS as a result of unacceptable market practices of EDO PSSF Members;
- 3.7 to facilitate limitation and management of risk resulting from access to and use of EDO, by managing any Stakeholder that is identified as being delinquent via the processes of the EDO PSSF and where necessary to apply appropriate sanctions against any such Stakeholder;

- 3.8 to enforce the EDO Regulatory Environment amongst Stakeholders and to advise PASA of suspension of any Stakeholders as a result of non-compliance of any Stakeholder;
- 3.9 to monitor, manage and sanction its Members abusing EDO, thus assisting EDO PCH Participants to protect the integrity of EDO;
- 3.10 to generally promote responsible behaviour by Stakeholders as well as to create a sound working relationship between PASA, EDO PCH Participants, the EDO PSSF and Stakeholders.

4 REALISATION OF OBJECTIVES

The EDO PSSF will strive to achieve its objectives by:

- 4.1 facilitating the registration of each Beneficiary as a Member of the EDO PSSF;
- 4.2 facilitating the registration of each Beneficiary Service Provider as a Member of the EDO PSSF;
- 4.3 facilitating the registration of each System Operator as a Member of the EDO PSSF;
- 4.4 facilitating the registration of EDO PSSF Beneficiary Associations and EDO PSSF System Operator Associations as Members of the EDO PSSF;
- 4.5 facilitating the implementation and maintenance of a Stakeholder index reflecting such Stakeholders Membership status with the EDO PSSF, including a database of information required for the management of the affairs of the EDO PSSF and its Members and by implementing measures to ensure that all Stakeholders participating in EDO are reflected on such index;
- 4.6 regular liaison through the EDO PSSF Steerco, as constituted in terms of Article 14.1 below, with other persons and bodies known to have particular skills, knowledge or expertise related to Collections, and other regulators or overseers, including any Payment System Advisory Board established by the SARB, the National Credit Regulator, the Financial Services Board, PASA and EDO PCH Participants that are active in the NPS, with regards to the collection of payments via the EDO Payment Stream;
- 4.7 conducting and facilitating workshops amongst the EDO PSSF Members, PASA and EDO PCH Participants to discuss their particular needs or differentials in the EDO

collections environment and to devise suggested practical solutions that respond to such needs or resolve such differentials;

- 4.8 facilitating the circulation of written material to educate and inform the EDO PSSF Members regarding acceptable standards of conduct as described in the EDO Regulatory Environment for reduction of risk in EDO;
- 4.9 facilitating co-operation amongst EDO PSSF System Operators and EDO PCH Participants in order to ensure compliance to the EDO Regulatory Environment;
- 4.10 issuing EDO PSSF Rules to Stakeholders;
- 4.11 generally doing all things necessary or desirable to achieve, or to work towards achieving, its objectives efficiently and effectively; and
- 4.12 levying membership fees consisting amongst other of any or a combination of application fees, annual registration fees and other usage fees.

5 LEGAL NATURE

The EDO PSSF is a legal entity with its own legal personality and shall exist and continue to exist in its own right, separately from its members, notwithstanding any change in its membership or office bearers. As such the EDO PSSF shall be liable for its own obligations and may sue and be sued in its own name in any court of law. No EDO PSSF Member, their representatives or other office bearer shall be personally liable for any claim against, debt or liability of the EDO PSSF.

6 GENERAL POWERS

The EDO PSSF shall be entitled to:

- 6.1 levy membership fees, acquire and dispose of assets and property of any kind. The acquisition and disposal of immovable property shall be subject to the approval of a majority of Members present at a duly constituted General Meeting;
- 6.2 raise loans and borrow money on such terms and conditions as may be approved by its members;
- 6.3 enter into such arrangements with appropriate authorities as it may deem necessary to achieve its' objects and to obtain from such authorities any rights, privileges and concessions which it may deem advisable to obtain and, to apply to any authority to authorise its' actions to facilitate the achievement of its objectives;

- 6.4 subscribe, administer and invest its funds in:
- 6.4.1 any recognised banking, trust or other financial institution;
 - 6.4.2 mortgage bonds, participation bonds and securities issued or guaranteed by government, municipal and local authorities or public utility corporations in South Africa subject to the provisions of Article 6.2 above;
 - 6.4.3 the purchase of land, buildings, debentures, securities and all kinds and descriptions of movable and immovable property, and in savings accounts and fixed deposits, and in pension and growth funds, and in shares in government and municipal stock, with specific power to sell, lease, mortgage, dispose of, give in exchange, work, develop, build, improve, turn to account and deal with all or any part of its property and / or rights, subject to the provisions of Article 6.2 above;
 - 6.4.4 invest and deal with any of its monies not immediately required for carrying on its business, in such securities and in such manner as may from time to time be determined by the EDO PSSF Steerco, and to realise, vary, reinvest or otherwise deal with such securities;
 - 6.4.5 draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments and to open and operate banking and other accounts in its name. Cheques, withdrawal slips or electronic payments shall be executed by the A and B signatories nominated by the EDO PSSF Steerco;
 - 6.5 delegate, through the appointment of third parties, any obligation or function required to be performed; amongst other with regards to the accumulation of information regarding Beneficiaries and their business operations;
 - 6.6 do all such other things as are incidental or conducive to the attainment of its objectives.

7 RESTRICTION OF POWERS

Notwithstanding anything to the contrary herein contained:

- 7.1 no decision or instruction of the EDO PSSF shall have the effect of changing or rescinding any law, regulation, decision or directive of any regulatory body having jurisdiction over any of the members of the EDO PSSF and members of PASA. Any

decision or rule of the EDO PSSF shall be deemed to be subject to the provisions of such law and / or the regulations, decisions or directives of such regulatory body.

- 7.2 no provision of this Constitution or of any rule of conduct, or of any admission criteria determined in terms hereof shall be enforceable unless such provision, rule or criteria is fair, equitable and transparent. Where any such provision, rule or criteria is alleged by any participant in the NPS not to be fair, equitable and / or transparent, the adjudication of the matter will be referred to the SARB, whose decision shall be final and binding on all affected parties. The SARB may in its sole discretion decide whether such provision, rule or criteria shall be deemed to be fair, equitable and transparent for the reason that such rules or criteria is in the national interest and appropriate for the management of risk in the NPS.
- 7.3 To the extent that the EDO PSSF is approved by the South African Revenue Services in accordance with the Minister of Finance's Regulations applicable to section 10(1)(d) organisation and as contemplated in section 30B of the Income Tax Act, as amended –
- 7.3.1 The EDO PSSF Steerco will consist of at least three persons, who are not connected persons in relation to each other, to accept the fiduciary responsibility of the EDO PSSF;
- 7.3.2 No single person will directly or indirectly control the decision-making powers relating to the EDO PSSF;
- 7.3.3 The EDO PSSF will not directly or indirectly distribute any of its funds or assets to any person other than in the course of furthering its objectives;
- 7.3.4 EDO PSSF will utilise substantially the whole of its funds for the sole or principal object for which it has been established;
- 7.3.5 No member will directly or indirectly have any personal or private interest in the EDO PSSF;
- 7.3.6 Substantially the whole of its activities will be directed to the furtherance of its sole or principal object and not for the specific benefit of an individual member or minority group;

- 7.3.7 The EDO PSSF will not have a share or other interest in any business, profession or occupation which is carried on by its members;
- 7.3.8 The EDO PSSF will not pay to any employee, office bearer, member or other person any remuneration, as defined in the Fourth Schedule, which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered;
- 7.3.9 Substantially the whole of EDO PSSF funding will be derived from its fees consisting of annual registration fees, application fees or other long-term members membership fees or from an appropriation by the government of the Republic in the national, provincial or local sphere;
- 7.3.10 The EDO PSSF will as part of its dissolution transfer its assets to—
- 7.3.10.1 another entity approved by the Commissioner in terms of section 30B of the Income Tax Act;
- 7.3.10.2 a public benefit organisation approved in terms of section 30 of the Income Tax Act;
- 7.3.10.3 an institution, board or body which is exempt from tax under section 10(1)(A)(i) of the Income Tax Act; or
- 7.3.10.4 the government of the Republic in the national, provincial or local sphere.
- 7.3.11 The persons accepting fiduciary responsibility for EDO PSSF for the purposes of section 30B of the Income Tax Act will submit any amendment of this constitution to the Commissioner within 30 days of its amendment;
- 7.3.12 The EDO PSSF will comply with such reporting requirements as may be determined by the Commissioner for the South African Revenue Services from time to time.

7.3.13 EDO PSSF 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, as amended.

8 **MEMBERSHIP³ AND CRITERIA**

Any Beneficiary contemplating to do or are doing Collections may only be granted access to the EDO Payment Streams by one or more EDO PCH Participants if such Beneficiary meet the EDO Access Criteria, which criteria require inter alia for such Beneficiary to be a member of the EDO PSSF.

Any such Beneficiaries and / or System Operators contemplating to be EDO PSSF Members, regardless of a being a member of any EDO PSSF Association or not, are obliged to apply directly to the EDO PSSF for membership.

The EDO PSSF Steerco , subject to compliance with the criteria stated in Article 9, admit as members to the EDO PSSF:

- 8.1.1 Beneficiaries;
- 8.1.2 System Operators;
- 8.1.3 Associations established by Beneficiaries; and
- 8.1.4 Associations established by System Operators.

Over and above the aforesaid persons:

- 8.2 The EDO PSSF also engage:
 - 8.2.1 The SARB as an ex officio member of the EDO PSSF;
 - 8.2.2 PASA;

³³ The EDO PSSF prefers to attract Associations with members that operate in an Industry. This provides a focused approach when pursuing the realisation of its objectives. However, practice dictates that instances exists e.g. schools and churches that do not necessarily have or want to create such an Association. Membership arrangements herein take cognisance of this.

- 8.2.3 Invited Members consisting of persons invited by the EDO PSSF Steerco to participate as and when deemed necessary.
- 8.3 The first ongoing qualifying criteria for prospective members and members of the EDO PSSF is an e-mail address where to and from where written communiqués can be sent. No Post Office mail from members will be accepted.
- 8.4 With regards to un-successful applications for membership to the EDO PSSF, Stakeholders as well as EDO Non-compliant Beneficiaries, the EDO PSSF shall maintain an Index reflecting each of these persons Membership Status with the EDO PSSF.

9 APPLICATION FOR MEMBERSHIP

- 9.1 Any person or Association, in order to apply for membership of the EDO PSSF must complete, sign and submit the applicable prescribed Membership Application Form and supply the source documentation specified, which Membership Application Form and source documentation may vary in accordance to the Membership applied for, the kind of business operation conducted by the person or the members of the association.
- 9.2 Applications, together with the proof of payment of the required membership fees communicated with the application form, must be submitted to the Data Custodian of the EDO PSSF who will vet all applications received in terms of this Constitution against the criteria set out herein including in this Article 9.
- 9.3 The Data Custodian, after vetting of the said applications, will submit a recommendation to the EDO PSSF Steerco for its approval or rejection of such EDO PSSF membership application;
- 9.4 All Membership Application Forms bears, whether indicated thereon or not, the following warrantee conditions -
- 9.4.1 that the Applicant has full legal capacity to become an EDO PSSF Member; and
- 9.4.2 that the person or persons applying on behalf of such Applicant are duly authorised to bind such Applicant by virtue of an appropriate resolution; and

- 9.4.3 that the Applicant irrevocable agrees to and mandate the EDO PSSF to verify the legitimacy of the Applicant's business operation as and when deemed necessary; and
- 9.4.4 that the Applicant irrevocable agrees to and undertakes, for as long as they remain an EDO PSSF Member, to comply to this Constitution as well as the EDO Regulatory Environment; and
- 9.4.5 that any clause or Article contained in its constitution, in the case of an association, which are in conflict with this Constitution will be amended to correspond with this Constitution within a reasonable period of time; and
- 9.4.6 that should its constitution, in the case of an association, be silent and fail to address anything specifically contained in this Constitution, such amendments through insertions will be made to its own constitution within a reasonable period of time; and
- 9.4.7 that pending such amendments warranted in terms of Articles 9.4.5 and 9.4.6 to its constitution, the association including all its members, will abide by all the conditions contained in this Constitution; and
- 9.4.8 that, subsequent to being accepted as an EDO PSSF Member, any of the prescribed membership fees payable to the EDO PSSF in forthcoming financial periods will be paid once such EDO PSSF Membership fees has been communicated to Members; and
- 9.4.9 that the applicant obtained approval from any individuals associated with the Beneficiary to the obtaining and including of the full names and identity numbers of any such individuals associated with the Beneficiary including sole proprietors, partners, directors of companies, members of close corporations and trustees of trusts from time to time and as on date of application, on the Index held by the EDO PSSF. Such individuals' particulars may therefore, without prejudice be obtained by the EDO PSSF, amongst other, from the official listing as reflected on the Companies and Intellectual Property Registration Office ("Cipro") website; and

- 9.4.10 that the applicant irrevocable consents, on behalf of the individuals associated with the Beneficiary, to have the Beneficiary's name and Membership Status with the EDO PSSF reflected next to the individuals particulars.
- 9.5 **A Beneficiary** shall be eligible to become a member of the EDO PSSF and / or an application on behalf of a Beneficiary shall be successful if the Beneficiary:
- 9.5.1 conducts a legitimate business operation which as a minimum entails registration with the applicable regulatory entity for the Industry in which he participates;
- 9.5.2 agrees to adhere in all instances to this Constitution and the EDO Regulatory environment; and
- 9.5.3 agrees to provide and / or have his / her / its EDO PSSF System Operator and / or have his / her / its PCH Participant provide the information requested by the EDO PSSF Steerco in as far as it does not constitute competitive information; and
- 9.5.4 irrevocably consents to the listing of his / her / it's Membership Status with the EDO PSSF especially once his / her / it's Membership has been terminated by the EDO PSSF; and
- 9.5.5 discloses the name of his / her / it's acquiring EDO PCH Participant(s); and
- 9.5.6 discloses the names (if any) of all of his / her / it's EDO PSSF System Operator(s) or System Operator(s) providing, or intending to provide, the EDO Collection Service to him / her / it ; and
- 9.5.7 certifies, in the case of non-disclosure of names in Article 9.5.6, that the EDO Collection Services are used by delivering, without assistance from a third person, deduction data directly to the acquiring EDO PCH Participant (s) indicated in Article 9.5.5; and
- 9.5.8 have paid the prescribed membership fees to the EDO PSSF as required.
- 9.6 **System Operators** shall be eligible to become EDO PSSF System Operators and / or applications on behalf of System Operators shall be successful if these System Operators warrants that -

- 9.6.1 they will monthly submit to the EDO PSSF the statistical information required in the prescribed electronic format of all Beneficiaries to whom the EDO Collection Services are provided;
- 9.6.2 they will communicate to all Beneficiaries serviced by them in EDO that such Beneficiaries have to apply directly to become Members of the EDO PSSF as prescribed herein;
- 9.6.3 they will refrain and / or cease to offer EDO Collection Services to any Beneficiary refusing to apply and / or once notified by the EDO PSSF that such Beneficiary refuse to apply and / or refuse to complete the application process as prescribed from time to time which may include a refusal of the Beneficiary to make the required payment;
- 9.6.4 each such Beneficiary using EDO Collection Services, conducts a legitimate business operation as required by the EDO Regulatory Environment;
- 9.6.5 they will disclose and timeously submit statistics, values and volumes as determined and required by the EDO PSSF from time to time;
- 9.6.6 they have paid the prescribed membership fees to the EDO PSSF as required;
- 9.6.7 their agreements, describing the EDO Collection Services to those Beneficiaries using it, does not contradict in any manner the EDO Regulatory Environment;
- 9.6.8 their EDO Collection Services offered to those Beneficiaries using it accommodate an unique User Abbreviated Name per Beneficiary and enrol such User Abbreviated Names in the manner described in the EDO Regulatory Environment;
- 9.6.9 they do not circumvent or collude with or knowingly permit any person to circumvent in any manner the EDO Regulatory Environment;
- 9.6.10 they promptly and diligently adhere to all risk containment measures prescribed by the EDO Regulatory Environment;
- 9.6.11 they promptly and diligently adhere to and implement risk reduction measures as prescribed by the EDO Regulatory Environment from time to time or as reasonably required by the EDO PSSF;

- 9.6.12 they maintain and ensure the certification (at their own cost) of the integrity, compliance and functionality of all of their systems provided to Beneficiaries in EDO, including hardware, software and data received and transmitted to the levels required by PASA from time to time, and in particular ensure that such modifications and improvements are made to their EDO Collection Service offering in order to comply with new requirements in terms of risk management and containment as and when it is adopted by PASA, and to provide the EDO PSSF with acceptable proof thereof as and when required;
- 9.6.13 they manage and investigate fraud or potential fraud and accept full liability for all fraud risk arising from their EDO Collection Services rendered to EDO PSSF Beneficiaries;
- 9.6.14 they will discuss and disclose with the EDO PSSF, with a view to the resolution thereof, any actual or apparent non compliance to the EDO Regulatory Environment;
- 9.6.15 they will perform, prior to enabling a Beneficiary for the first time to use their EDO Collection Service and thereafter at least once annually, audits at the premises of such Beneficiaries to verify the existence and obtainment of Mandates by such Beneficiaries;
- 9.6.16 they will report EDO PSSF Beneficiaries that are non-compliant to the EDO PSSF thus allowing the EDO PSSF to address any such Beneficiary in terms of this Constitution.
- 9.7 **An association of Beneficiaries** shall be eligible to become EDO PSSF Beneficiary Associations and / or applications on behalf of such an association shall be successful if the association warrants that -
- 9.7.1 their members operates within the same Industry, which definition of the industry may not be based on using EDO Collection Services and / or using the services of or being Beneficiary Service Providers;
- 9.7.2 the provisions of its constitution, rules and admission criteria are fair, equitable and transparent for participation by its members and such constitution and rules provide for:-

- 9.7.2.1 a process to verify that their members conduct a legitimate business operation which as a minimum entails registration with the applicable regulatory entity for such Industry;
- 9.7.2.2 a condition that all their prospective members and / or members using EDO must have applied directly to the EDO PSSF for EDO PSSF Beneficiary Membership;
- 9.7.2.3 a process to verify that their members using EDO are members of the EDO PSSF;
- 9.7.2.4 their members' interest in EDO will occur through the Association's participation at the EDO PSSF Steerco and / or sub-committees created by the EDO PSSF;
- 9.7.2.5 procedures to notify members of conduct deemed to be undesirable in EDO;
- 9.7.2.6 notification processes and periods requesting members to change practises deemed to be undesirable in EDO;
- 9.8 **An association of System Operators** shall be eligible to become an EDO PSSF System Operator Association and / or an application on behalf of such an association shall be successful if the association warrants that -
 - 9.8.1 their member(s) who provides services in EDO have a common business interest in rendering EDO Collection Services;
 - 9.8.2 the provisions of its constitution, rules and admission criteria are fair, equitable and transparent for participation by its members and such constitution and rules provide for:-
 - 9.8.2.1 a process to verify that their members conduct a legitimate business operation which as a minimum entails registration with PASA and any other applicable regulatory entity;
 - 9.8.2.2 disclosure of the names of all their members participating in EDO;
 - 9.8.2.3 disclosure of their member's registration status with PASA;

- 9.8.2.4 a condition that all their members participating in EDO will disclose in confidence information required by the Data Custodian, amongst others to determine the budget and will monthly before the 3rd (third) day of the month submit a Beneficiary Schedule to the Data Custodian of the EDO PSSF accounting for all Beneficiaries to whom EDO Collection Services are rendered;
- 9.8.2.5 a condition that all their members participating in EDO must have applied directly to the EDO PSSF for Membership;
- 9.8.2.6 a process to verify that their members participating in EDO are members of the EDO PSSF;
- 9.8.2.7 serving their members' interest in EDO through the Association's participation at the EDO PSSF Steerco and / or sub-committees created by the EDO PSSF, as the case may be;
- 9.8.2.8 procedures to notify members of conduct deemed to be undesirable in EDO;
- 9.8.2.9 notification processes and periods requesting members to change practises deemed to be undesirable in EDO;
- 9.8.2.10 each of its members active in EDO to meet all the conditions described in Articles 9.6 applicable to System Operators.

10 UN-SUCCESSFUL APPLICATIONS FOR MEMBERSHIP

- 10.1 The EDO PSSF Steerco, after having applied the relevant criteria included in Article 9, has the power to accept or refuse the recommendation of any application vetted and submitted by the Data Custodian for EDO PSSF Membership referred to it.
- 10.2 Any entity who's application has been refused may, within 1 (one) month of having received written notification of the refusal, appeal in writing to the EDO PSSF for its application to be reconsidered and decided by ballot at a specially constituted Special General Meeting of the EDO PSSF. The matter tabled shall be decided by a majority of not less than two-thirds of the votes of voting Members present at such Special General Meeting. If such appeal is successful and the appellant meets the relevant criteria in terms of Article 9 above, such appellant shall be granted the category of membership initially applied for.

10.3 No membership fees will be refunded to any un-successful applicants.

11 RESIGNATION OF EDO PSSF MEMBERS

11.1 Any EDO PSSF Member must give the EDO PSSF at least 3 (three) calendar months' written notice of resignation from the EDO PSSF.

11.2 An EDO PSSF Beneficiary Association, after service of a notice to terminate participation with the EDO PSSF, shall –

11.2.1 during the 3 (three) month notice period inform all its members of the various membership options available in the EDO PSSF; and

11.2.2 account to the EDO PSSF Steerco how all its members as at termination date, will in future be represented for participation at the EDO PSSF.

11.3 A Beneficiary, whether a member of an EDO PSSF Association or not, after service of a notice to the EDO PSSF to terminate participation with the EDO PSSF, shall –

11.3.1 prove to the EDO PSSF that the business is closed in totality and certifies that no further participation in EDO will occur; or

11.3.2 if sold to or taken over by another person:

11.3.2.1 supply such person's contact details and proof of such person's membership position in the EDO PSSF; and

11.3.2.2 confirm through which EDO PSSF System Operator and / or EDO PCH Participant he / she / it obtained access to EDO Collection Services; and

11.3.2.3 confirm through which EDO PSSF System Operator or EDO PCH Participant the new owners will obtain access to EDO Collection Services; and

11.3.2.4 confirm whether existing issued user abbreviated names or unique identifiers will be continued with by the new owners.

12 THE ROLE OF PASA AND INVITED MEMBERS

12.1 **PASA, including its EDO PCH Participants,** shall participate in the EDO PSSF, with full acceptance by the EDO PSSF of PASA's position and authority as the

payment system management body recognised by the SARB in terms of Section 3(1) of the NPS Act, as contemplated in this Constitution –

- 12.1.1 to create a conduit between Stakeholders on the one hand and PASA, including its EDO PCH Participants, on the other hand thereby reciprocally ensuring that the EDO Regulatory Environment are in harmony and enforced amongst the Stakeholders as well as the EDO PCH Participants and / or their appointed EDO PCH System Operator.
- 12.1.2 to grant visible and moral support to the enforcement of the EDO Regulatory Environment including the compliance by EDO PCH Participants:
 - 12.1.2.1 to their EDO Access Criteria stipulating that no EDO PCH Participant will offer EDO Collection Services to Beneficiaries unless such Beneficiaries are Members of the EDO PSSF, by amongst other:
 - 12.1.2.1.1 acting on information received from the EDO PSSF regarding suspended EDO PSSF Beneficiaries and / or EDO Non-compliant Beneficiaries;
 - 12.1.2.1.2 assisting the EDO PSSF by providing information, as agreed to from time to time, regarding EDO PSSF Beneficiaries and / or Beneficiaries sponsored by EDO PCH Participants;
 - 12.1.2.2 to not enable participation of System Operators and / or sponsor Beneficiary Service Providers in EDO that, at the same time, simultaneously operate as System Operators and Beneficiary Service Providers, unless such System Operators are EDO PSSF System Operators and Beneficiary Service Providers are EDO PSSF Beneficiaries; and
- 12.1.3 to investigate with a view to find a resolution to assist the EDO PSSF to achieve its objectives as set out in Articles 4.1, 4.2, 4.3 and 4.4 above; and
- 12.1.4 to receive, compile and monitor, in a constant manner, changes occurring in the broader EDO environment and Industries using EDO ensuring that problems occurring are identified and are, where required to intervene, addressed independently from the EDO PSSF with the EDO PCH Participants and / or the appointed EDO PCH System Operator; and
- 12.1.5 to assist the EDO PSSF Steerco in clarifying matters of concern raised by Stakeholders and where necessary, independently from the EDO PSSF and in

terms of their own Constitutions, Rules and authority to implement rules and / or to change rules ensuring that the EDO PCH Agreements and Clearing Rules address legitimate matters of concern; and

12.1.6 to supply feedback to the EDO PSSF on matters of concern escalated to PASA which are found to be outside the scope of PASA's regulatory powers and requires escalation to the SARB, other regulators and / or (as last resort) possible legal intervention.

12.2 **Invited Members** tasked with supervision and / or oversight over EDO PSSF Members shall participate in the EDO PSSF, with full acceptance by the EDO PSSF of such Invited Member's position and authority –

12.2.1 to monitor, in a constant manner, changes occurring in the broader Industry falling under such Invited Member's supervision and oversight ensuring that problems occurring, are identified and, where required to intervene, are addressed in terms of the authority of such Invited Member.

13 **VOTING AND PARTICIPATION RIGHTS OF MEMBERS IN THE EDO PSSF**

13.1 Participation in the activities of the EDO PSSF and the right to vote differs as set out in this Section.

13.2 **EDO PSSF Beneficiaries** and **EDO PSSF System Operators** are entitled to participate in the EDO PSSF –

13.2.1 through their attendance at the AGM, if invited by their Association, without the right to vote at the AGM; and

13.2.2 through their attendance at a Special Meeting, if invited by their Association, constituted as set out below in Article 18.4 without the right to vote at the Special Meeting;

13.2.3 on invitation, through their attendance and participation at sub-committee Meetings established by the EDO PSSF Steerco;

13.2.4 **once co-opted by the EDO PSSF** to participate in the activities of the EDO PSSF Steerco, which participation by the co-opted member may not be unreasonably withheld, from date of acceptance until conclusion of the business affairs of the next scheduled AGM as follows:

13.2.4.1 if the co-opted member is an EDO PSSF Beneficiary, through attendance at AGMs, Special General Meetings as well as EDO PSSF Steerco Meetings, with the same voting and participation rights as an EDO PSSF Beneficiary Association; and

13.2.4.2 if the co-opted member is an EDO PSSF System Operator, through attendance at AGMs, Special General Meetings as well as EDO PSSF Steerco Meetings, with the same voting and participation rights as an EDO PSSF System Operator Association.

13.3 **Invited Members** and **PASA** are entitled to participate in the EDO PSSF –

13.3.1 through their attendance at EDO PSSF Steerco Meetings without the right to vote at Steerco Meetings; and

13.3.2 through their attendance of AGMs without the right to vote at AGMs; and

13.3.3 in terms of their right to nominate representatives to attend EDO PSSF Steerco Meetings as is described in Articles 14.4 and 14.5; and

13.3.4 by receiving notification, viewing of agendas and minutes, tabling matters for discussion, addressing Members on any matter tabled for discussion and decision; and

13.3.5 by viewing and having access to annual financial statements published; and

13.3.6 by expressing views with regards to office bearer appointments; and

13.3.7 by expressing views with regards to Membership Application Forms received.

13.4 **EDO PSSF Beneficiary Associations** and **EDO PSSF System Operator Associations** are entitled to participate in the EDO PSSF –

13.4.1 through their attendance of AGMs;

13.4.2 each EDO PSSF Beneficiary Association will have 1 (one) vote at the AGM and be entitled, if appointed to Steerco, to appoint 1 (one) principal and 1 (one) alternate representative per EDO PSSF Beneficiary Association to the EDO PSSF Steerco;

- 13.4.3 EDO PSSF System Operator Associations will not contribute to more than one half of the votes available to the EDO PSSF Beneficiary Associations present at the AGM and will not be entitled to nominate and appoint more than 2 (two) principal and 2 (two) alternate members to the EDO PSSF Steerco;
- 13.4.4 Whilst there are less than 5 (five) EDO PSSF Beneficiary Associations representing Beneficiaries at the EDO PSSF, the EDO PSSF Beneficiary Associations and EDO PSSF System Operator Associations may nominate and appoint from amongst the midst of EDO PSSF Beneficiaries so many additional principal and alternate EDO PSSF Beneficiaries to the EDO PSSF Steerco to fill the vacancy/ies;
- 13.4.5 The nominations for and the appointment of additional EDO PSSF Beneficiaries to fill the vacancy on the EDO PSSF Steerco shall take place by way of show of hands or by ballot at the discretion of the Chairperson at the AGM;
- 13.4.6 by receiving notice of the AGM, viewing of the AGM Agenda and Minutes, tabling matters for discussion at the AGM, addressing members on any matter tabled for discussion and decision at the AGM;
- 13.4.7 by viewing and having access to annual financial statements published;
- 13.4.8 by expressing views with regards to office bearer appointments.
- 13.5 A **Stakeholder** shall not be allowed to participate as described in this Constitution when such a Stakeholder, once participating in the EDO PSSF or NPS if such Stakeholder –
- 13.5.1 does not comply with its obligations as set out in this Constitution or EDO Regulatory Environment;
- 13.5.2 acts in contravention to the EDO Regulatory Environment;
- 13.5.3 is in arrears with or defaults on payment of membership fees levied by the EDO PSSF. Ex Officio Members, Invited Members and PASA shall not be required to pay membership fees;

- 13.5.4 acts in a manner which has negative impact on the objectives of the EDO PSSF or acts in a manner to circumvent any of the objectives of the EDO PSSF or EDO Regulatory Environment;
- 13.5.5 if, as a member of the PSSF Steerco, fails to attend at least two consecutive scheduled EDO PSSF Steerco Meetings.

14 **COMMITTEE AND ADMINISTRATION**

- 14.1 Directly after the AGM, the Chairperson of the AGM and newly appointed EDO PSSF Steerco members' representatives will meet to elect from their midst persons to fulfil the following office bearer functions –
 - 14.1.1 Chairperson;
 - 14.1.2 Deputy Chairperson;
 - 14.1.3 Secretary; and
 - 14.1.4 Treasurer.
- 14.2 The election of office bearers shall take place by way of show of hands or by ballot in the discretion of the Chairperson.
- 14.3 The elected Chairperson shall appoint an additional person to represent his / her EDO PSSF Member.
- 14.4 The EDO PSSF Steerco may elect that the function of the Secretary and the Treasurer be combined in 1 (one) person and / or that the administrative⁴ and/or financial function or both be outsourced to a competent person or body.
- 14.5 The EDO PSSF Steerco may elect that the function to administer the EDO PSSF Member listing and the receipt, compilation and consolidation of related information be outsourced to a competent person or body.
- 14.6 The members of the EDO PSSF Steerco shall hold office for 1 (one) year only, whereupon they may be re-elected or replaced by newly elected members.

⁴ EDO PSSF Committee administrative functions currently outsourced to PASA

- 14.7 PASA shall be entitled to nominate 2 (two) representatives onto EDO PSSF Steerco as contemplated in this Constitution, but without voting rights. The Chairperson or Deputy Chairperson of the appropriate Payment Clearing House Participation Group must also attend meetings of EDO PSSF Steerco and shall also be representatives of PASA, without voting rights.
- 14.8 SARB as Ex Officio Member shall be entitled to nominate 1 (one) representative onto EDO PSSF Steerco as observer, advisor and participant, but without voting rights.
- 14.9 Invited Members shall be entitled to nominate 1 (one) representative onto EDO PSSF Steerco as contemplated in this Constitution, but without voting rights.
- 14.10 The appointed employees of the EDO PSSF and outsource agents may attend EDO PSSF Steerco Meetings, without any right to vote, to report and supply feedback on the EDO PSSF administration and related aspects as required from time to time.
- 14.11 The Chairpersons of sub-committees created or established by the EDO PSSF may attend EDO PSSF Steerco Meetings, without any right to vote, to report and supply feedback on the relevant sub-committee's activities and related aspects as required from time to time.
- 14.12 The EDO PSSF Steerco shall be entitled to fill any vacancies arising from time to time as it deems fit from the Membership or by a competent person or body.
- 14.13 The EDO PSSF Steerco shall meet not less than 4 (four) times a year and the Chairperson shall preside.
- 14.14 Meetings shall be convened by the Chairperson, Deputy Chairperson or any three EDO PSSF Beneficiary Associations by no less than 14 (Fourteen) business days notice to all EDO PSSF Members, which notice will be given by electronic mail. The agenda for any meeting as well as documentation relevant to any agenda point shall be made available on the secure website accessible to all EDO PSSF Steerco members.
- 14.15 The Chairperson, in his own discretion, will decide to allow or disallow discussion points not included on the agenda. Voting may only happen on items that were included in the original agenda.

- 14.16 Minutes shall be kept in the format approved by the EDO PSSF Steerco of every meeting and the minutes must be published on the secure website within 10 (ten) business days of the meeting.
- 14.17 All the Members of the EDO PSSF Steerco may condone short notice of meetings and new agenda points.
- 14.18 Provision will be made that:
- 14.18.1 on request of an EDO PSSF Steerco member and with the approval of the Chairperson, such member may attend the meeting using any electronic means suitable;
- 14.18.2 should both the principal and alternate representative not be available to attend a meeting, such notification by email must be delivered to the Secretary three business days prior to the meeting ensuring that a quorum will be present and such member will be entitled, in the same email, by way of proxy to nominate another representative to attend on such member's behalf;
- 14.18.3 EDO PSSF Steerco may invite persons as Invited Members to attend its meetings, but not to vote; and
- 14.18.4 in the absence of the Chairperson, the Deputy Chairperson shall preside over the meeting but should the Deputy Chairperson also not be present the members of the EDO PSSF Steerco present at the meeting shall elect a Chairperson from their ranks, who shall then preside at such meeting, and who shall have all the powers of the Chairperson defined herein.

15 **DECISIONS BY EDO PSSF STEERCO**

- 15.1 Each decision of the EDO PSSF Steerco shall be made by a simple majority subject to a quorum as described in Article 15.3 being present and / or the same voting rights as described in article 13. The Chairperson may at his / her discretion require the vote to be taken by a show of hands or a ballot.
- 15.2 The Chairperson shall have no vote except a casting vote.
- 15.3 No decisions of the EDO PSSF Steerco, taken at EDO PSSF Steerco meetings, shall be binding unless a quorum, consisting of at least:
- 15.3.1 1 (one) representative each of 3 (three) of the five Members contemplated in Article 13.4.4; and

15.3.2 1 (one) representative each of 2 (two) of the EDO PSSF System Operator Association Members appointed as contemplated in Article 13; and

15.3.3 2 (two) PASA representatives,

are present at the meeting of the EDO PSSF Steerco at which the decision is carried. Therefore, should a quorum not be present no meeting shall take any decisions on which voting is required and the Chairperson shall either:

15.3.4 call a further meeting ("follow-on meeting") on a date which will be no less than 14 (fourteen) business days after the date of the first meeting, and of which no less than 7 (seven) business days notice is given to all EDO PSSF Steerco members. At such follow-on meeting the number of members present will constitute a quorum for the purpose of deciding and / or voting. No item other than the item(s) that had been placed on the agenda of the meeting that gave rise to the follow-on meeting may be decided or voted upon; or

15.3.5 allows such decision to stand over until the next EDO PSSF Steerco meeting.

15.4 Decisions by the EDO PSSF Steerco on a Round Robin basis:

15.4.1 in this Constitution, "Round Robin basis" means the circulation, electronically or otherwise, of an issue, document or resolution to the EDO PSSF Steerco, requiring a decision normally taken at EDO PSSF Steerco meetings, for the express purpose of fast-tracking the normal process of approval for a particular issue or document.

15.4.2 the Secretary, with approval of the Chairperson, may obtain a decision from EDO PSSF Steerco by requesting each EDO PSSF Steerco member to indicate its support or approval of an issue or document referred to all EDO PSSF Steerco members on a Round Robin basis within a time frame that may not be less than 14 (fourteen) business days.

15.4.3 the provisions of Article 13.1 with reference to a decision, shall also apply to decisions obtained on a Round Robin basis. EDO PSSF Steerco members not responding to the request within the timeframe stipulated shall be deemed to be in support of the decision.

15.4.4 a decision requested on a Round Robin basis shall not be disposed of, if any Member declares a matter to be contentious or requiring further debate, in

which event the matter will be tabled at the next EDO PSSF Steerco meeting for a decision in terms of the provisions of Article 13.1.

- 15.5 All decisions of the EDO PSSF Steerco taken:
 - 15.5.1 at EDO PSSF Steerco meetings;
 - 15.5.2 on a Round Robin basis; and / or
 - 15.5.3 at EDO PSSF Steerco follow-on meetings shall be binding on all EDO PSSF Beneficiary Associations as well as all EDO PSSF Beneficiaries and / or on all EDO PSSF System Operator Associations as well as all EDO PSSF System Operators, as the case may be, unless an EDO PSSF Beneficiary Association and / or an EDO PSSF System Operator Association, as the case may be, declares (at the applicable meeting or as soon as reasonably possible after the results of a Round Robin resolution are made known and / or minutes of EDO PSSF Steerco meetings are published) that it rejects the decision pending an appeal to a Special General Meeting to decide by ballot the decision at hand. Such decision shall be determined by a majority of not less than two-thirds of the votes of the voting Members present at such Special General Meeting. If the decision is confirmed it shall forthwith be binding on all the relevant Members as well as the Member that lodged the appeal.
- 15.6 Nothing contained in this EDO PSSF Constitution shall prohibit any EDO PSSF Beneficiary Association and / or an EDO PSSF System Operator Association, as the case may be, to request a review of any decision of / by the EDO PSSF Steerco when it considers such decision to be harmful to the NPS or to the EDO PSSF. The EDO PSSF Beneficiary Association and / or an EDO PSSF System Operator Association, as the case may be, must submit the request for a review to the EDO PSSF Steerco in writing within 7 (seven) business days after the EDO PSSF Beneficiary Association and / or an EDO PSSF System Operator Association, as the case may be, became aware of such decision, or within such further period as the EDO PSSF Steerco may allow on good cause shown. The EDO PSSF Steerco shall on receipt of the request suspend any action and not implement the decision, until the EDO PSSF Beneficiary Association and / or an EDO PSSF System Operator Association, as the case may be, has been provided with a reasonable opportunity to make representations at the next meeting scheduled by the EDO PSSF Steerco.

16 POWERS OF EDO PSSF STEERCO

The EDO PSSF Steerco shall, in addition to the general powers of the EDO PSSF set out in Article 6 above, have authority to also:

- 16.1 manage and control the affairs of the EDO PSSF and shall have full power and authority to carry out all the objectives of the EDO PSSF listed in Article 3 above;
- 16.2 determine and approve a budget based on probable costs to be encountered in the next financial year and from that, based on a formula⁵ established for that purpose, determine the membership fees payable by the EDO PSSF Members, which budget and membership fees shall be implemented on condition that it must be ratified at the next scheduled AGM;
- 16.3 upon detecting a shortfall in funds collected, collect membership fees from all members to maintain the solvency of the EDO PSSF, which subscriptions are to be established using the formula used for the subscriptions of the same financial period;
- 16.4 collect membership fees established in terms of this Constitution, which membership fees shall be payable as determined from time to time by the EDO PSSF Steerco and such membership fees are payable in the month of enrolment and thereafter annually during February of each year;
- 16.5 maintain an Index reflecting the status of unsuccessful applications, Stakeholders as well as EDO Non-compliant Beneficiaries in relation to the EDO PSSF including:
 - 16.5.1 EDO Non-compliant Beneficiary participating in EDO; or
 - 16.5.2 application submitted; or
 - 16.5.3 application un-successful; or
 - 16.5.4 registered as EDO PSSF Member; or
 - 16.5.5 individual associated to a Beneficiary (together with the Beneficiary's name and status); or
 - 16.5.6 business closed down; or

⁵ See Annexure A for the formula.

- 16.5.7 resigned; or
- 16.5.8 suspended; and
- 16.5.9 individual resigned from an associated Beneficiary (together with the Beneficiary's status).

- 16.6 appoint a competent person or body, at acceptable market related rates, to fulfil any of the obligations or functions required in terms of this Constitution;
- 16.7 issue EDO PSSF Rules;
- 16.8 constitute sub-committees from time to time from the ranks of the Associations of the EDO PSSF, and invite any persons who possess specialised knowledge and expertise in Collections either as it may deem fit or as Invited Members to such sub-committees. EDO PSSF Steerco shall be entitled to facilitate, give guidance to, co-ordinate, promote, prescribe working methods to, educate and inform any sub-committee and generally may do all things necessary to achieve, or work towards achieving, the objective and purpose for which that sub-committee was constituted;
- 16.9 suspend the privileges of participation in the EDO PSSF where such Member, where applicable, omits to pay his / her / its subscriptions on or before when it is due, or where such Member's participation starts after 28 February, within 60 (sixty) business days. If after service on a Member of a notice requiring it to pay such subscription, it does not do so within one month of such date, the EDO PSSF Steerco shall have the power to expel the said Member;
- 16.10 investigate, evaluate and adjudicate or cause the investigation, evaluation and adjudication, of complaints as set out in detail herein, in relation to its Members and / or EDO Non-compliant Beneficiaries;
- 16.11 having followed proper procedure as set out in detail herein, impose any of the sanctions prescribed in Sub-Section B.

17 INQUIRIES INTO ALLEGED IMPROPER CONDUCT – ARTICLE 16.10 OF THE CONSTITUTION

17.1 In this process, the following words shall have the meaning assigned to them below, and any word or expression which has been defined in terms of Article 2 shall bear that meaning, unless the context clearly indicates otherwise –

17.1.1 “Business Day” – means any day other than a Saturday, Sunday or public holiday in the Republic of South Africa;

17.1.2 “Adjudicator ” – means the independent person appointed from amongst the midst of practising attorneys or advocates by the EDO PSSF Steerco for purpose of acting as Adjudicator during an Inquiry;

17.1.3 “Complainant” – means any natural or juristic person, Stakeholder, Payer, EDO PCH Participant, or group that lodges a complaint against a Respondent about alleged Improper Conduct in EDO;

17.1.4 “Complaint” – means any information regarding Improper Conduct in EDO for investigation, evaluation and adjudication against a Stakeholder, EDO Non-compliant Beneficiary or System Operator in terms of Article 16.10 of the Constitution;

17.1.5 “Improper Conduct” – shall mean any conduct or omission by a Stakeholder, EDO Non-compliant Beneficiary or System Operator which:

17.1.5.1 has an adverse or potentially adverse effect on one or more of the objectives of the EDO PSSF;

17.1.5.2 is in violation of the EDO PSSF membership requirements;

17.1.5.3 has a negative or potentially negative effect on the relationship between the EDO PSSF and PASA or its members;

17.1.5.4 brings or has the potential to bring the principles relating to, and the procedures of, the NPS into disrepute;

17.1.5.5 contravenes one or more of the EDO PSSF Rules;

17.1.5.6 does not comply with any of the provisions of this Constitution and / or the EDO Regulatory Environment;

17.1.6 "Inquiry" – means the proceedings instituted by the EDO PSSF Steerco to inquire into a Complaint against an EDO Non-compliant Beneficiary, Stakeholder or System Operator;

17.1.7 "Pro Forma Complainant" – means a person appointed by the EDO PSSF Steerco to represent the Complainant and to present the Complaint to the Adjudicator. Such person include the Administrative and Compliance Officer;

17.1.8 "Respondent" – means a Stakeholder and / or an EDO Non-compliant Beneficiary and / or a System Operator whose conduct is the subject of a Complaint in terms of this Article 17.

17.2 Lodging of complaints

17.2.1 A complaint must be lodged in writing and be addressed to the Administrative and Compliance Officer of the EDO PSSF. Nothing contained in this Article 17.2 will however prohibit the Administrative and Compliance Officer to investigate, evaluate and adjudicate or cause the investigation, evaluation and adjudication of Improper Conduct without a Complaint lodged in writing;

17.2.2 When a complaint is addressed to the EDO PSSF Steerco, it must be submitted to the Administrative and Compliance Officer;

17.2.3 The Administrative and Compliance Officer must –

17.2.3.1 peruse and analyse all Complaints received;

17.2.3.2 categorise them according to their significance, seriousness and nature;

17.2.3.3 record each Complaint against the name of the Respondent concerned in a register kept for this purpose;

17.2.3.4 refer complaints not falling under the jurisdiction of the EDO PSSF to the relevant authority which has jurisdiction over such complaints.

17.3 Pre-inquiry procedures

- 17.3.1 Once a Complaint has been received, recorded and falls under the jurisdiction of the EDO PSSF alternatively once the Administrative and Compliance Officer has caused an investigation out of own account, the Administrative and Compliance Officer may call for further information or an affidavit confirming the allegations made by the Complainant alternatively the Administrative and Compliance Officer may call for further information relating to the EDO PSSF' understanding of Improper Conduct.
- 17.3.2 The Administrative and Compliance Officer must notify the Respondent of the Complaint recorded by forwarding a copy of the Complaint together with copies of further information or affidavits referred to in Article 17.3 above, to the Respondent. If the Administrative and Compliance Officer has caused an investigation out of own account, the Administrative and Compliance Officer must deliver a notice to the Respondent calling for further information relating to the EDO PSSF' understanding of Improper Conduct.
- 17.3.3 The notice to the Respondent –
 - 17.3.3.1 must name the Respondent;
 - 17.3.3.2 must set out the EDO PSSF's understanding of the nature of the alleged Improper Conduct;
 - 17.3.3.3 must either:
 - 17.3.3.3.1 advise the Respondent:
 - 17.3.3.3.1.1 that if the understanding and allegations is true and of such a nature that it can be discontinued by the Respondent, to refrain from persisting with the such Improper Conduct with immediate effect or within a specified time; or
 - 17.3.3.3.1.2 if Article 17.3.3.2 applies, of steps or actions which can be taken or refrained from to remedy the alleged Improper Conduct and to report to the Administrative and Compliance Officer thereon within a specified period to the satisfaction of the EDO PSSF Steerco; or

- 17.3.3.3.2 must request the Respondent to submit a written explanation to the Administrative and Compliance Officer within a specified time, provided that the Respondent must be warned that such written explanation may later be used as evidence against him or her and that he or she has a right to remain silent;
- 17.3.3.4 must advise the Respondent that the matter may be referred to the Adjudicator for adjudication if the Respondent fails to comply with the provisions of the notice within the time provided for compliance or response (as the case may be); and
- 17.4 must set out –
- 17.4.1.1 the sanctioning powers of the EDO PSSF Steerco.
- 17.5 The notice or notification referred to in this Article will be deemed to have been received:
- 17.5.1 on the day such notification is hand-delivered to the registered address of the Respondent; or
- 17.5.2 if such notification is sent by email, three days after transmission if no delivery failure was received.
- 17.6 If the Respondent raises an objection to the notification and apply to the EDO PSSF Steerco in writing within 5 (five) business days after receipt of the notice to review or set aside any or all of the matters stated in such notice, then due consideration shall be given to such request by the EDO PSSF Steerco.
- 17.7 The Administrative and Compliance Officer, not later than on the date set by the notification to receive a response from the Respondent whether an appropriate response or no response or an objection were received must:
- 17.7.1 record a response or no response or an objection; and
- 17.7.2 refer the Complaint or matter together with all relevant documentation pertaining to the Compliant or Improper Conduct to the EDO PSSF Steerco; and

- 17.7.3 include his/her recommendation whether the matter should become an inquiry before an Adjudicator or not.
- 17.8 The EDO PSSF Steerco must, after due consideration of a Complaint or matter referred to it in terms of Article 17.7:
- 17.8.1 decide that an inquiry before an Adjudicator must be held and instruct the Administrative and Compliance Officer to arrange for the holding of such an Inquiry; or
- 17.8.2 decide that, even in circumstances where no report or written explanation was received from the Respondent, there are no grounds for an Inquiry or further action and shall instruct the Administrative and Compliance Officer to communicate in writing its decision to the Complainant and the Respondent, stating the reasons for such decision.
- 17.9 Appointment and Conduct of Inquiries before the Adjudicator –
- 17.9.1 On receipt of an instruction referred to in Article 17.8.1, the Administrative and Compliance Officer must appoint an Adjudicator at least 20 (twenty) Business Days before the inquiry.
- 17.9.2 On receipt of an instruction referred to in Article 17.8.1 and after the appointment of an Adjudicator, the Administrative and Compliance Officer must issue a notice to the Respondent, setting out where and when the inquiry will be held specifying further who will be acting as Adjudicator. An indictment as formulated by the Complainant or Pro Forma Complainant (as the case may be) must accompany the notice. The notice shall be served on the Respondent by hand delivery or by transmission to the registered email address at least 15 (Fifteen) Business Days prior to the inquiry.

Sub- Section A

- i. If the Respondent is absent from attendance on the date and time stated for attendance in the indictment, the Adjudicator shall immediately note a finding of guilty and refer the matter back to the EDO PSSF Steerco and Sub-Section B with regards to Sanctions shall apply.

- ii. The Respondent shall be asked by the Adjudicator to plead to the indictment, which plea shall be so recorded. If the Respondent fails or refuses to plead, this shall be recorded by the Adjudicator and a plea of not guilty shall be entered.
- iii. No legal representation will be allowed during an Inquiry.
- iv. The Pro Forma Complainant may lead evidence through the tendering and submittal of certified documentation, sworn affidavits and or through witnesses called in support of the Complainant's case. After the Pro Forma Complainant has closed his or her case, the Respondent may lead oral evidence and by calling witnesses and may tender certified documentation in support of his or her case, whereafter the Respondent shall close its case.
- v. All oral evidence tendered by parties shall be taken on oath or affirmation administered by the Adjudicator.
- vi. After the evidence of a witness has been given, the opposing party may cross-examine the witness.
- vii. The Adjudicator may examine a witness who has given evidence and may allow the opposing party to examine the witness regarding aspects forthcoming from the Adjudicator's examination.
- viii. The Adjudicator may allow the parties to lead further evidence or recall a witness after their cases have been closed and the Adjudicator may allow for the postponement of the Inquiry for such purpose.
- ix. After all the evidence has been adduced; the Pro Forma Complainant and the Respondent may address the Adjudicator on the evidence and the Complaint.
- x. Upon conclusion of a case, and after consideration of all material facts, the Adjudicator shall thereafter announce its finding.
- xi. The parties may thereafter inform the Adjudicator on their views regarding a suitable Sanction in terms of Sub-Section B to be imposed on the Respondent.
- xii. The Adjudicator shall supply the EDO PSSF Steerco with an abbreviated record of the proceedings and his finding and any material matters to be taken into consideration on a suitable Sanction in terms of Sub-Section B to be imposed on the Respondent. Such

abbreviated record and findings are confidential and all members of the EDO PSSF Steerco are bound to such confidentiality.

Sub-Section B

- i. During the next forthcoming EDO PSSF Steerco Meeting, the EDO PSSF Steerco will consider the nature, duration, gravity and extent of the Improper Conduct or the circumstances in which the Improper Conduct occurred or took place and the co-operation or lack thereof by the Respondent must also be taken into consideration once an appropriate Sanction is considered.
- ii. If prior to the scheduled EDO PSSF Steerco Meeting a written request is received from the Respondent to review or set aside the finding of the Adjudicator, the EDO PSSF Steerco shall consider in good faith such request with regards to a Sanction imposed but not with regards to the finding made by the Adjudicator.
- iii. After due consideration of all material facts the EDO PSSF Steerco, who has the sole discretion to impose Sanctions, has to impose the appropriate Sanctions for Improper Conduct which include all or any of the following –
 - a. in case of a member of an EDO PSSF Association, informing the relevant EDO PSSF Association of the details of the Improper Conduct by its member;
 - b. change and update the EDO PSSF Index reflecting the Status of the Membership to "Membership Suspended";
 - c. change and update the particulars of individuals associated with the Respondent to reflect the Respondent's Status;
 - d. impose a fine;
 - e. notify PASA, Members of PASA and EDO PSSF System Operators of the change in Status of Membership with the EDO PSSF of such Respondent;
 - f. If the EDO PSSF Steerco decides to impose a fine –
 - i. a fine, in the instance of a Beneficiary, EDO PSSF Beneficiary or EDO Non-compliant Beneficiary may not be more than the lesser of 10 (ten) times the value of the

average monthly collections of such Beneficiary during the preceding 12 (twelve) months or R 500 000.00 (five hundred thousand Rand); and / or

- ii. a fine, in the instance of an EDO PSSF System Operator or System Operator, may not exceed R 1 000 000.00 (one million Rand); and
- iii. The re-instatement of membership with the EDO PSSF may not occur with regards to a Respondent unless the imposed fine (if any) had been paid in full by the Respondent.
- iv. It is specifically recorded that the failure by any EDO PSSF Beneficiary Association to guide and inform its members or an EDO PSSF System Operator's failure to guide and inform Beneficiaries in EDO regarding information obtained by it or to support and pursue the objectives of this Constitution jeopardises the interests of the Membership of the EDO PSSF, and may be dealt with in terms of Articles 17.2.1 and pursuing Articles above.

18 **ANNUAL GENERAL MEETING**

- 18.1 The Annual General Meeting (AGM) shall be held within 3 (Three) months from the end of the financial year, which shall be a calendar year commencing on 1 January in each year.
- 18.2 The Secretary shall send out a written notice convening the AGM. Such notice shall be sent by e-mail to the Association Members of the EDO PSSF not less than 3 (three) weeks prior to the proposed date of the AGM. Such notice shall incorporate the agenda of the AGM to be held, including the particulars and wording of any resolution that is to be proposed at the AGM, including a resolution in terms of Article 18.7 below.
- 18.3 An AGM shall, notwithstanding that it is called by shorter notice than that specified in Article 18.2 above, be deemed to have been duly called when –
 - 18.3.1 it is so agreed in writing by EDO PSSF Beneficiary Associations representing not less than two-thirds of the total voting rights of all the EDO PSSF Beneficiary Associations of the EDO PSSF; and
 - 18.3.2 a quorum is present in person or in proxy at such an AGM.

18.4 The Chairperson of the EDO PSSF Steerco from the preceding year shall preside at the AGM, but in the absence of the Chairperson the preceding Deputy Chairperson of the EDO PSSF Steerco shall preside but should he / she also not be present, the meeting shall elect its own Chairperson from amongst the other members of the EDO PSSF Steerco present at that meeting. The Chairperson of the meeting shall remain in the chair until the conclusion of the meeting.

18.5 1 (one) half (rounded upwards) plus one of the EDO PSSF Beneficiary Associations present and not disqualified to participate in terms of Article 13.5, in person or by proxy shall form a quorum at the AGM.

18.6 A written proxy form or letter, signed by an EDO PSSF Beneficiary Association, that is not disqualified to participate in terms of Article 13.5, appointing a named representative of another EDO PSSF Beneficiary Association not disqualified to participate in terms of Article 13.5 or the Chairperson of the meeting as its proxy, mandating the proxy to vote on any issue in a particular manner or in the proxy's discretion, shall be valid and accepted at any meeting of the EDO PSSF if lodged with any EDO PSSF Steerco member at least 24 (twenty four) hours prior to the relevant meeting.

18.7 Every EDO PSSF Beneficiary Association and / or EDO PSSF System Operator Association shall have the participation votes described in Article 13 but the Chairperson shall have no vote, except a casting vote. A majority of the votes of the voting Members present shall decide any question before the meeting except a decision involving:

18.7.1 the reinstatement or expulsion of a Stakeholder; or

18.7.2 an amendment of the Constitution,

in which case a two-thirds majority of the votes of the voting Members not disqualified to participate in terms of Article 13.5 present at the meeting, shall be required. No Invited Member or PASA shall be entitled to vote at any General, Special General or EDO PSSF Steerco Meeting of the EDO PSSF.

18.8 The business to be transacted at the AGM shall include the following :

18.8.1 attendance and apologies for absence;

- 18.8.2 confirmation of the minutes of the previous General Meeting or Meetings;
 - 18.8.3 Chairperson's report;
 - 18.8.4 approval of the accounting statements and report of the accounting officer;
 - 18.8.5 if required, nominations for Beneficiary Members to be co-opted and who has indicated acceptance to participate should they so be co-opted;
 - 18.8.6 ratification of the budget and annual subscriptions presented by the EDO PSSF Steerco;
 - 18.8.7 consideration and passing, with or without modification, any resolutions concerning the affairs of the EDO PSSF of which due and proper notice has been given, including any resolution adding to, rescinding or amending any part of the Constitution;
 - 18.8.8 general matters.
- 18.9 Should a resolution of a General Meeting be required as evidence for any purpose whatsoever, a copy thereof signed by either the Chairperson or the Secretary shall be deemed to be a true copy of the business transacted at that meeting.

19 **SPECIAL GENERAL MEETINGS**

- 19.1 The EDO PSSF Steerco may, on 2 (two) weeks written notice to the Member Associations, if they deem it necessary or expedient, call a Special General Meeting. The EDO PSSF Steerco shall also call a Special General Meeting on receiving a written request to do so, signed by not less than two-thirds of the EDO PSSF Beneficiary Associations not disqualified to participate in terms of Article 13.5. Such request shall state the business of the proposed Special General Meeting and shall be addressed to the Secretary or the Chairperson.
- 19.2 The EDO PSSF Steerco must within 1 (one) month of receiving such notice from the EDO PSSF Beneficiary Associations call a Special General Meeting in writing.
- 19.3 A Special General Meeting shall, notwithstanding that it is called by shorter notice than that specified in Article 18.1 above, be deemed to have been duly called if –

- 19.3.1 it is so agreed in writing by EDO PSSF Beneficiary Associations representing not less than two-thirds of the total voting rights of all the EDO PSSF Beneficiary Associations of the EDO PSSF; and
- 19.3.2 a quorum is present in person or in proxy at such a Special General Meeting.
- 19.4 The EDO PSSF Steerco is obliged to notify and invite all Stakeholders to attend the Annual General Meeting (as observers) and at least 1 (one) other meeting per annum to function as foreseen in Article 3.1.

20 **AMENDMENT OF THE EDO PSSF CONSTITUTION**

This Constitution may be amended at any time by a two-thirds majority of the EDO PSSF Beneficiary Associations not disqualified to participate in terms of Article 13.5, present at an AGM or at a Special General Meeting, provided that a written notice containing the particulars of such proposed amendment has been posted or sent by email to all EDO PSSF Beneficiary Associations not less than 3 (three) weeks prior to the proposed date of the AGM or Special General Meeting convened for such purpose.

21 **BOOKS OF ACCOUNT**

The EDO PSSF Steerco shall cause proper books of account and records to be kept in which a true and satisfactory account of all transactions shall be recorded. Any statements required shall be extracted and prepared from such records and certified by the Chairperson and Treasurer.

22 **REGISTER OF MEMBERS**

The Members of the EDO PSSF shall communicate their addresses from time to time using the system provided by the EDO PSSF who shall keep a register of the names of such Members, their addresses and, for EDO PSSF Beneficiaries, the Short Name under which they operate in EDO.

23 **DISSOLUTION**

The EDO PSSF may be dissolved by a resolution passed at a Special General Meeting called for that purpose provided that such resolution is passed by two-thirds of the EDO PSSF Beneficiary Associations not disqualified to participate in terms of Article 13.5, present and entitled to vote at such a meeting. In the event of the dissolution of

the EDO PSSF, the property and funds remaining after the liquidation of all liabilities shall be dealt with as the majority of EDO PSSF Beneficiary Associations not disqualified to participate in terms of Article 13.5 present at a Special General Meeting shall, subject to clause 7.3.10.

24 REGISTERED ADDRESS

The registered address of the EDO PSSF shall be care of PASA, 2nd Floor, D-Building, Sunnyside Office Park, 32 Princess of Wales Terrace, Parktown, Johannesburg.

25 GENERAL

This Constitution replaces any and all previous Constitutions of the EDO PSSF and will come in effect on the date it is formally adopted by resolution of the EDO PSSF Beneficiary Associations.

CERTIFIED THE CONSTITUTION OF THE EDO PSSF AS ADOPTED AT ITS MEETING HELD AT JOHANNESBURG ON _____.

CHAIRPERSON

DATE

ANNEXURE A

The formula adopted is as follows:

- a. an annual fixed fee per Association Member – as set from time to time by the EDO PSSF Steerco;
- b. an annual fixed fee per System Operator – as set from time to time by the EDO PSSF Steerco even if the System Operator is:
 - i. a member of an existing EDO PSSF System Operator Association;
 - ii. acting also as and / or acting as a Beneficiary Service Provider; or
 - iii. providing its services through the use of another entity's systems; and
- c. an annual fixed fee per Beneficiary Legal Entity per System Operator / PCH Participant (as the case may be) as set from time to time by the EDO PSSF Steerco;

The annual fee for first time applicants will be payable per quarter regardless of the month within the quarter within which membership is granted being an amount as set from time to time by the EDO PSSF Steerco,.