BG Bowman Gilfillan

REPUBLIC OF SOUTH AFRICA

COMPANIES ACT, 71 OF 2008

MEMORANDUM OF INCORPORATION

OF

AFRICAN UNION FOR HOUSING FINANCE NPC

A NON-PROFIT COMPANY WITH MEMBERS

REGISTRATION NUMBER OF COMPANY: 2005/039370/08

Neither the short nor the long standard form of memorandum of incorporation for a Non Profit Company, shall apply to the Company.

This Memorandum is in a form unique to the Company, as contemplated in section 13(1)(a)(ii) of the Act.

Adoption of Memorandum

This Memorandum was adopted by Special Resolution passed on 6 July 2012 and in substitution for the existing memorandum and articles of association of the Company.

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1. **INTERPRETATION**

In the interpretation of this Memorandum and unless contrary to or excluded by the subject or context:

1.1 any word or reference herein signifying:

1.1.1 the singular shall include the plural and vice versa;

1.1.2 any one gender, whether masculine, feminine or neuter, includes the other;

1.1.3 a person or persons, shall include, without being limited to, any individual, juristic person, body corporate, unincorporated association or other entity recognized under any law as having separate legal existence or personality;

1.1.4 references to a statute or statutory provision include any subordinate legislation made from time to time under that statute or provision, and references to a statute or provision include that statute or provision as from time to time modified or re-enacted as far as such modification or re-enactment applies, or is capable of applying, to this Memorandum.

1.2 any word herein which is defined in the Act and is not defined in article 1.6 shall bear that statutory meaning in this Memorandum;

1.3 any word, phrase or sentence herein which is not defined in the Act or in article 1.6 shall bear its usual meaning;

1.4 each term, power or authority herein shall be given the widest possible interpretation;

1.5 all the headings and sub-headings in this Memorandum are for convenience only

and are not to be taken into account for the purposes of interpreting it;

1.6 each of the following words and expressions herein shall have the meaning stated opposite it and, where applicable, shall include the word or expression stated opposite it:

1.6.1	"the Act"	means the Companies Act, 71 of 2008 together with the Companies Regulations, 2011;
1.6.2	"Auditors"	means the auditors of the Company from time to time;
1.6.3	"Associate Member"	means the class of membership agreed to by the Board in respect of any Individual or Corporate Member who in the sole discretion and opinion of the Board has contributed or furthered the objects of the Company;
1.6.4	"Applicant"	means any person, firm, partnership, company or close corporation who applies to become a Member of the Company;
1.6.5	"the Board[1]"	means the board of directors of the Company appointed in terms of this Memorandum;
1.6.6	"Business Day"	means any calendar day other than a Saturday, Sunday or a statutory public holiday in the Republic;
1.6.7	"the Chairman"	means the chairman of the Board;
1.6.8	"Classes of Membership"	means either Full Membership or Associate

		Membership;
1.6.9	"the Company"	means African Union for Housing Finance NPC (a company incorporated in terms of Schedule 1 of the Act);
1.6.10	"Corporate Member"	means, subject to this Memorandum, any firm, partnership, company, close corporation, or housing finance institution whose business includes the securing, facilitating and promoting of housing and homeownership and who qualifies to be a Member of the Company;
1.6.11	"the Directors"	means the directors for the time being of the Company;
1.6.12	"Full Membership"	means the class of membership agreed to by the Board in respect of any Individual or Corporate Member who, in the opinion of the Board, is actively involved in mobilizing resources for the provision of shelter in Africa;
1.6.13	"General Meeting"	means an ordinary meeting held between the Members of the Company;
1.6.14	"Honorary Member"	means any person, who, in the opinion of the Board has; (i) enjoyed a distinguished career in property related matters in the field of housing delivery, (ii) has distinguished themselves in the service of the Company and the promotion of its objects and (iii) is qualified for such membership;

1.6.15	"Housing Finance Institution"	means an organization, firm, partnership, company, close corporation, body of persons, department or group which procures finance and/or financial assistance in the furtherance of the promotion of providing housing and homeownership;
1.6.16	"Individual Member"	means subject to this Memorandum, any person that is a registered Member of the Company;
1.6.17	"Income Tax Act"	means the Income Tax Act, 58 of 1962;
1.6.18	"a Member or Members"	means any, some or all of the members of the Company as the case may be including an Individual, Corporate, Honorary or Associate Member;
1.6.19	"this Memorandum"	means the Memorandum of Incorporation of the Company for the time being in force;
1.6.20	"Non-Profit Companies"	means a non-profit company as defined in the Act;
1.6.21	"the Office"	means the registered office for the time being of the Company;
1.6.22	"the Republic"	means the Republic of South Africa;
1.6.23	"the Rules"	means the rules of the Company made from time to time in terms of section 15(3) to (5) of the Act and this Memorandum;
1.6.24	"the Secretary"	means the secretary of the Company for the time

		being, or any person duly authorised by the Board acting in the place of such secretary for the time being, or any person appointed by the Board to perform any of the duties of the Secretary or any person duly authorised to represent a corporate body which is the secretary of the Company;
1.6.25	"Special Meeting"	means a meeting of the Members or the Board which is convened to make a special decision relating to the business of the Company;
1.6.26	"the Treasurer"	means the Treasurer of the Company for the time being, or any person duly authorised by the Board acting in the place of such Treasurer for the time being, or any person appointed by the Board to perform any of the duties of the Treasurer or any person duly authorised to represent a corporate body which is the Treasurer of the Company;
1.6.27	"the Vice Chairman"	means the vice chairman of the Board;
1.6.28	"Writing"	means printing, typewriting, lithography or any other mechanical process, or partly one and partly the other.

2. ADOPTION OF MEMORANDUM OF INCORPORATION

2.1 This Memorandum was adopted by the Members as incorporators of the Company in accordance with section 13(1) of the Act, as evidenced by the signatures made by each of them or on their behalf on the form CoR15.1E.

3. INCORPORATION AND NATURE OF THE COMPANY

3.1 The Company is incorporated as a non-profit company with members, as defined in the Act.

3.2 The Company is incorporated in accordance with and governed by:

3.2.1 the unalterable provisions of the Act that are applicable to Non-Profit Companies;

3.2.2 the provisions of the Act, without any limitation, extension, variation or substitution; and

3.2.3 the provisions of this Memorandum.

4. THE PURPOSE FOR DESCRIBING THE MAIN BUSINESS

4.1 The business of the Company is to facilitate and promote homeownership and to facilitate the securing of finance and financial assistance for purposes of homeownership **[Clause 2 of the Amended Memorandum of Association ("the MOA")]**.

5. MAIN OBJECTS

5.1 The main objects of the Company shall be **[Clause 3 of the MOA]**:

5.1.1 to coordinate the activities of its Members with the aim of achieving the objects of the Company;

5.1.2 to facilitate and promote homeownership and to promote a greater understanding of savings towards homeownership;

5.1.3 to facilitate and assist through advice, consultation and discussion improvement in housing in Africa and the Republic;

5.1.4 to provide and develop such training courses and information programs to facilitate skills transfer amongst all its Members;

5.1.5 to assist in the application of appropriate technology and the improvement of housing in Africa;

5.1.6 to work together with and lobby Governments and other relevant organizations with the aim of improving the environment for homeownership and housing in the Republic and Africa;

5.1.7 to maintain and enhance the prestige, status and dignity of its Members;

5.1.8 to represent generally the views of the Company and its Members as same may relate to homeownership and housing finance and to create an appropriate environment for Members to conduct viable and sustainable business in a responsible and ethical manner;

5.1.9 to facilitate and promote finance and financial aid for homeownership;

5.1.10 to levy membership fees and raise funds to promote the activities of the Company;

5.1.11 to represent and assist its Members on housing finance issues and to facilitate an appropriate environment for its Members to enable them to conduct viable and sustainable business within the housing industry;

5.1.12 to promote a greater understanding of savings and homeownership in Africa, including the rights, responsibilities and obligations of both lenders and borrowers; and

5.1.13 to consult with Governments, international organizations and other relevant stakeholders in meeting housing needs in Africa and to

develop training programs, information exchanges and to carry out research.

5.2 The assets and income of the Company shall be applied solely towards the furtherance of its stated objects as set forth in this Memorandum and no distribution of funds may be made by the Company to any person otherwise than in the furtherance of its objects.

5.3 Subject to article 5.2 and Schedule 1 of the Act, the Company may acquire and hold securities issued by a profit company; or directly or indirectly, alone or with any other person, carry on any business, trade or undertaking consistent with or ancillary to its stated objects as set forth in this Memorandum.

6. SEPARATE LEGAL IDENTITY OF THE COMPANY

6.1 The Company shall be deemed to be a body corporate and shall have an identity and existence distinct from that of the Members **[Clause 33.1 of the Articles]**.

6.2 Legal proceedings instituted by or against the Company may be instituted in the name of the Company **[Clause 33.2 of the Articles]**.

6.3 Howsoever or wherever the Company's assets may be held or registered they shall be held on and for the account of the Company and at no time shall the Members be deemed to acquire for themselves or their personal account or benefit any vested right or interest in the funds or assets of the Company **[Clause 33.3 of the Articles]**.

7. MEMBERSHIP

7.1 Members of the Company shall be divided into the following categories **[Clause 4.1 of the Articles]**:

7.1.1 Honorary Members;

7.1.2 Corporate Members; and

7.1.3 Individual Members.

7.2 Corporate Members and Individual Members may be of one of the following **[Clause 4.2 of the Articles]**:-

7.2.1 Full membership; or

7.2.2 Associate membership,

as determined by the Board.

7.3 Honorary and Associate Members shall be classified as non-voting Members and the Corporate Members (excluding the Associate Members) and the Individual Members shall be classified as voting Members, unless otherwise determined by the Board.

7.4 Each vote of the voting Member will carry equal value or weight on any matters.

7.5 An application for membership of the Company shall be made as provided for in this Memorandum. Applicants for membership shall, in terms of such application, agree to abide by the Rules and this Memorandum. The rights and obligations of membership shall not be transferable.

7.6 An Applicant shall submit an application for membership to the Secretary of the Company, who shall present such application to the Board for their consideration. Any rejected or deferred applications for membership may be reviewed by the Board at the next General Meeting of the Company.

7.7 To qualify for membership, an Applicant must be engaged in or have an interest in the housing sector in Africa through an affiliation with any building society, housing corporation or any other entity involved in the mobilization of finances for the development of shelter and housing on the African continent.

7.8 When an Applicant meets the qualifying criteria as determined by the Board to be a Member of the Company, such Applicant shall, subject to acceptance as a Member of the Company by the Board, qualify for membership of the Company.

7.9 Each Member, being a Corporate and Individual Member, shall pay to the Company an annual subscription and such fees, levies or other charges at such time and in such amounts as may from time to time be fixed by the Board.

7.10 Membership shall commence upon written confirmation by the Company of the Members' approval.

7.11 If any Member fails to pay a subscription or any fee, levy or other charge within one month after it has become due, the Treasurer or Chairman shall, by letter, telegram or fax draw his/its attention to the fact, and if the subscription or fee, levy or other charge in arrears is not paid within 14 (fourteen) Business Days from the date of such notice or within such further time as the Board may allow, proceedings for the recovery thereof may be taken against him/it.

7.12 No Member whose annual subscription is in arrears for more than 3 (three) months shall be entitled to be present at any General or Special Meeting of Members or to vote thereat.

7.13 The Board shall have the power to suspend absolutely or limit the rights and privileges of a Member relating to the membership of the Company, including but not limited to the class of membership, the right to vote at General Meetings or terminate a Member's membership, if:-

7.13.1 the payment of any subscriptions, fees, levies or other charges due to the Company are in arrears for 3 (three) or more months;

7.13.2 in the sole discretion of the Board, such Member is guilty of unethical conduct or conduct that is harmful to the interests, objects and aims of the Company.

7.14 If the membership of a Member has been deregistered and/or cancelled by the Board, as envisaged in terms of this Memorandum or the Rules, such Member shall ipso facto cease to be a Member of the Company.

7.15 A Member may resign as a Member of the Company by lodging his/its resignation in writing with the Board. The resignation of any membership shall not entitle the Member to claim a refund of any fees, levies, donations or any payment whatsoever.

7.16 The Members shall have the power to terminate a Member's membership in accordance with section 4(2)(e)(i) of Schedule 1 of the Act **[Section 4(2)(e)(i) of Schedule 1]**.

8. RIGHTS OF MEMBERS

8.1 Members Authority to Act

If at any time, every Member of the Company is also a Director of the Company, as contemplated in section 57(4) of the Act, the authority of the Members to act without notice or compliance with any other internal formalities as set out in that section is not limited or restricted by this Memorandum **[Section 57(4)]**.

8.2 Members' Right to Information

Members have the rights to access information as set out in section 26(1) of the Act **[Section 26(1)]**

8.3 Representation by Concurrent Proxies

8.3.1 The right of a Member of the Company to appoint persons concurrently as proxies, as set out in section 58(3)(a) of the Act is not limited, restricted or varied by this Memorandum **[Section 58(3)(a)]**.

8.3.2 At all General and Special meetings votes may be given in person or by proxy. In the case of doubt of the validity of a proxy at a meeting, the decision of that meeting regarding the validity of the vote shall be binding on that meeting.

8.3.3 Without derogating from the aforegoing, a proxy holder shall be a Member holding Full Membership and the votes and acts of a proxy holder shall be valid and effectual as if made, done or given by the Member personally. Without derogating from the aforegoing, every such proxy shall continue to be in force for that particular meeting for which it was given and for any adjournment thereof.

8.4 Authority of Proxy to Delegate

8.4.1 The authority of a Member's proxy to delegate the proxy's powers to another person as set out in section 58(3)(b) of the Act is not limited or restricted by this Memorandum **[Section 58(3)(b)]**.

8.5 Requirement to Deliver Proxy Instrument to the Company

8.5.1 The requirement that a Member must deliver to the Company a copy of the instrument appointing a proxy before that proxy may exercise the Member's rights at a Member's meeting as set out in section 58(3)(c) of the Act is not varied by this Memorandum **[Section 58(3)(c)]**.

8.5.2 The proxy instrument shall contain a statement of the subject on which the holder thereof is to vote and also in what manner the holder is to vote in respect thereof or whether he may vote thereon as he thinks fit.

8.5.3 The proxy instrument shall be lodged with the Secretary or the Chairman not less than 24 (twenty-four) hours prior to the time fixed for the commencement of the meeting at which the proxy is intended to be acted upon.

8.6 Deliberative Authority of Proxy

8.6.1 A proxy is entitled to exercise, or abstain from exercising, any voting right of the Member without direction, except to the extent that the instrument appointing the proxy, provides otherwise.

8.6.2 No proxy vote shall be recognized which is not dealt with and cast in accordance with the provisions of this Memorandum.

8.6.3 No Member shall be entitled to vote by proxy in the case of questions directly affecting any Member.

8.7 Record Date for Exercise of Member Rights

If at any time the Company's Board fails to determine a record date as contemplated in section 59 of the Act, the record date for the relevant matter is to be determined in accordance with section 59(3) of the Act **[Section 59(3)]**.

9. MEETINGS OF MEMBERS

9.1 Requirement to Hold Meetings

The Company is not required to hold any meetings other than those specifically required by the Act and this Memorandum.

9.2 Location of Members Meetings

The authority of the Board to determine the location of any Members meeting, and the authority of the Company to hold any such meeting in the Republic or in any foreign country, as set out in section 61(9) of the Act is not limited or restricted by this Memorandum **[Section 61(9)]**.

9.3 Notice of Members Meetings

9.3.1 Notice of every General Meeting of Members shall:-

9.3.1.1 state the date, time of commencement and place of the General Meeting;

9.3.1.2 state the business to be transacted at the General Meeting;

9.3.1.3 state the names of members, the name of the business under which they carry on business and the business addresses of any member who has been nominated for election to the Board;

9.3.1.4 call for notices of special business to be raised by any Member;

9.3.1.5 call for the appointment of the Auditors and the fixing of the amount of the Auditors' remuneration;

9.3.1.6 include an annual report of the Board; and

9.3.1.7 submit for consideration and transaction any business, which the Board may deem expedient to the meeting.

9.3.2 Notice of any special business to be raised by any Member at a General Meeting shall be given to the Secretary or Chairman in writing at least 14 (fourteen) Business Days before the date of the meeting.

9.3.3 The Board may on such dates and at such times and places as it may determine, convene Special Meetings.

9.3.4 The Board shall upon a request in writing made by Members in terms of the Act and in compliance therewith convene a Special Meeting to consider such business for which a meeting is required to be held.

9.3.5 Notice of every Special Meeting shall be posted to every Member by the Secretary or the Chairman at least 21 (twenty-one) Business Days before the date of the meeting and shall state:-

9.3.5.1 the date, place and time for which the meeting is convened;

9.3.5.2 the special business for which the meeting is convened;

9.3.5.3 should it be a matter of urgency, as to which the Board shall be the sole judge, such shorter period of notice as the Board may determine; and

9.3.5.4 that no business other than that for which a Special Meeting has been convened may be dealt with at the meeting.

9.4 Electronic Participation in Members Meetings

The authority of the Company to conduct a meeting entirely by electronic communication or to provide for participation in a meeting by electronic communication, as set out in section 63, is not limited or restricted by this Memorandum **[Section 63]**.

9.5 Quorum for Members Meetings

9.5.1 No business shall be transacted at any General or Special Meeting unless a quorum is present.

9.5.2 A quorum for a General or Special Meeting of Members properly called in terms of this Memorandum shall be one third of Members having full membership and whose levies/fees are fully paid up.

9.5.3 If on the date appointed for the holding of a General or Special Meeting there shall not be a quorum present at the time appointed for the meeting or within 30 (thirty) minutes thereafter, no business shall

be dealt with, and:-

9.5.3.1 if that meeting is a General Meeting or a Special Meeting, it shall stand adjourned to a corresponding time on a day not earlier than 7 (seven) days and not later than 21 (twenty-one) days after the date of the meeting at the same place and the Members then personally present shall nevertheless form a quorum provided that if such a day be a public holiday, the meeting shall stand adjourned to the corresponding time and the same place on the next succeeding Business Day; or

9.5.3.2 if that meeting is a Special Meeting requested in accordance with clause 10.4.5 above and there is not a quorum present at the time appointed for that meeting or within 15 (fifteen) minutes thereafter, the meeting shall be considered dissolved.

9.5.4 No business shall be transacted at an adjourned meeting other than the business competent to be considered and uncompleted at the meeting which was adjourned.

9.5.5 At all meetings of Members, the Chairman of the Board, and in his absence, the Vice Chairman of the Board shall preside as Chairman. In the absence of the Chairman and Vice Chairman, a chairman shall be elected at the meeting from the Members of the Board present at the meeting who shall continue to act as Chairman for so long as he is present at that meeting.

9.6 Members' Resolutions

9.6.1 Subject to article 9.6.3, the provisions of the Act and unless otherwise provided in this Memorandum, any matter requiring approval by ordinary resolution of the Members shall be decided by a majority of Members having Full Membership voting either in person or by proxy.

9.6.2 Subject to article 9.6.3, the provisions of the Act and unless otherwise provided in this Memorandum, any matter requiring approval by special resolution of the Members, shall be decided by at least 75 percent of the Members.

9.6.3 Associate and Honorary Members shall not be entitled to vote at any meeting held by the Company. Only Members who have paid all fees and/or levies due by them in terms of this Memorandum, shall be entitled to vote at any meeting held by the Company.

9.6.4 The Chairman shall have the casting vote at all meetings of the Members.

9.6.5 Voting in person shall be by way of a show of hands, provided that if the Chairman so directs or if a poll is requested by any Member, the vote shall be taken by poll in such a manner as the Chairman shall direct.

9.7 Meeting Minutes

9.7.1 Minutes of the proceedings of every meeting of Members shall be kept by the Secretary, or in the event of his absence, by any other person appointed for the occasion by the Chairman at the meeting, a fair copy of which minutes shall be entered into a minute book to be kept for that purpose and shall, subject to any necessary correction having been made, be signed as correct by the Chairman at the first succeeding meeting of the Board.

9.7.2 Such minutes shall be held available at the offices of the Chairman or Secretary for inspection, free of charge, by any Member on request, provided such Member has paid all fees and/or levies due in full.

10. QUALIFICATION FOR AND REGISTRATION OF MEMBERSHIP

10.1 Any person or corporate entity who qualifies to be registered as a Member of the Company as provided for herein, shall in Writing lodge with the Board via the Secretary an Application in such form as may be prescribed for such registration accompanied by the prescribed fee and such information and documentation as the Board may require from time to time.

10.2 If after consideration of such application, the Board is satisfied that the Applicant

10.2.1 in the event of a natural person:

(i) satisfies the membership criteria as provided for in the Rules or in any amendments thereto;
(ii) is not less than 21 (twenty-one) years of age;
(iii) is a fit and proper person to be registered as a Member; and
(iv) has satisfied the Board in terms of the Rules and this Memorandum that he is qualified to be registered as a Member,

then the Board shall register the Applicant as an Individual Member of the Company and issue to him a certificate of registration in such form as it may prescribe.

10.2.2 In the event of a corporate entity:

(i) being a firm, partnership, close corporation, company or housing finance institution; and
(ii) has satisfied the Board that it qualifies to be a Member,

then the Board shall register the Applicant as a Corporate Member of the Company and issue to it a certificate of registration in such form as it may prescribe.

11. DISQUALIFICATION FOR MEMBERSHIP

11.1 The Board may decline to register membership on the following grounds:-

11.1.1 in the event of a natural person:

(i) if he has at any time been removed from an office of trust on account of misconduct or dishonesty;
(ii) if he has been declared by a competent authority to be of unsound mind;\
(iii) if he is an un-rehabilitated insolvent;
(iv) if he is the subject of any order under the Act disqualifying him from being a Director of a company or a Member of a close corporation in terms of the relevant provisions of the Act; or
(v) if he has been convicted in the Republic or elsewhere of theft, fraud, forgery or uttering a forged document or perjury or any offence of dishonesty.

11.1.2 in the event of a corporate entity:-

(i) if such entity has been sequestrated or liquidated, as the case may be;
(ii) in the case of a Corporate Member in the event of any of its Directors being sequestrated or removed from office of trust on account of misconduct or dishonesty or declared by a competent authority to be of unsound mind or is an un-rehabilitated insolvent or is disqualified as being a Director or Member or has been convicted in the Republic or elsewhere of theft, fraud, forgery or uttering a forged document or perjury or any offence of dishonesty; or
(iii) If such entity has conducted its business in an unethical manner as determined by the Board in its sole discretion.

11.2 The decision of the Board within the context of this clause will be final.

12. DEREGISTRATION OF MEMBERS

12.1 The registration of any person as a Member shall lapse if such natural person:-

12.1.1 dies; or

12.1.2 fails to pay any fee, levy or other charges or portion thereof prescribed in terms hereof and payable by him within 3 (three) months after such a fee or portion becomes due or within such further period, which the Board may in any particular case allow.

12.2 The registration of any Corporate Member shall lapse if such Corporate Member

12.2.1 ceases to exist for any reason whatsoever; or

12.2.2 fails to pay any fee, levy or other charges or portion thereof prescribed in terms hereof and payable by it, within 3 (three)months after such a fee or portion becomes due or within such further period, which the Board may in any particular case allow.

12.3 The Board may cancel the registration of any Member who, subsequent to his registration:-

12.3.1 becomes subject to any of the disqualifications mentioned hereinabove; or

12.3.2 is found to have been disqualified at the time of being admitted as a Member by virtue of any of the disqualifications as provided for herein.

12.4 The Board shall forthwith cancel the registration of any Member:-

12.4.1 whose estate is sequestrated/ liquidated;

12.4.2 whose registration was made in error or on information subsequently

proved to be false or incorrect; or

12.4.3 who has prior or subsequent to his registration been guilty of conduct and who is in the opinion of the Board, not fit and proper to be registered as a Member.

12.5 Before cancelling any registration, the Board shall give to the Member not less than 21 (twenty-one) days notice in Writing of its intention to take such action, setting out the reasons why it intends to do so, and informing the Member that if within 21 (twenty-one) days of dispatch of the notice he informs the Board in Writing of his desire to do so, the Board will give him or their representative an opportunity before the action is taken, of showing cause why his registration as a Member should not be cancelled.

12.6 If, after giving any Member the opportunity of being heard, the Board decides to cancel the registration, it shall make an order to that effect and shall send a copy of the order to all other interested parties as the Board deems fit.

12.7 The Board may, in its sole discretion, at the written request of a Member, remove his name from the register, but the removal shall not exonerate such Member for the payment of any outstanding monies due to the Board, nor shall it prevent the Board from instituting any disciplinary proceedings against such Member either before or after such resignation in respect of the Member's conduct during the tenancy of his membership.

13. THE CONSTITUTION OF THE BOARD OF DIRECTORS, ELECTION AND PERIOD OF OFFICE

13.1 The Board of the Company shall consist of no less than 6 and no more than 8 Members, which shall at least consist of the:-

13.1.1 Chairman;

13.1.2 Vice Chairman;

13.1.3 Secretary; and

13.1.4 Treasurer.

13.2 Appointment of Directors

13.3 Directors appointed to the Board shall be elected by the Members at General Meetings held.

13.4 The first members of the Board shall be elected from amongst its Individual Members within 30 (thirty) days after the registration of this Memorandum. The Directors so elected shall remain in office until the first Annual General Meeting ("AGM") of the Company.

13.5 Notice of the date of every AGM and notice calling for nominations of Directors shall be communicated to every Member at least 60 days before the proposed date of every AGM. All nominations for Members of the Board shall be received by the Secretary or the Chairman of the Company at the AGM of the Company to be held, failing which, such nominations shall not be valid, unless the periods as provided herein have been waived by Special Resolution. The Secretary or the Chairman of the Company shall, not later than 30 days before the date on which the AGM is to be held, communicate to every Member an Agenda.

13.6 All Members shall be entitled to vote for the election of the Board.

13.7 Voting on the election of Directors shall be by means of a show of hands or a poll.

13.8 In the event of a tie between two or more candidates one of whom would otherwise have been elected as a Director having received the least number of votes of the successful candidates, leaving undecided which of those candidates is elected, the question of which of them shall be deemed to be elected shall be determined immediately by a lot drawn by a sub-committee appointed by the Chairman.

13.9 Directors will hold office for a term of 2 (two) consecutive years and shall be

eligible for re-election at the next General Meeting at which Directors are to be elected.

13.10 All Directors appointed to the Board shall be Individual Members who are registered Members of the Company.

13.11 The Directors may not be connected persons in relation to each other as defined in the Income Tax Act.

13.12 Each Director shall be entitled to appoint one alternate Director.

13.13 A Director shall cease to be a Director on the happening of any of the following events:-

13.13.1 resigns as Member of the Board;

13.13.2 is convicted of any offence which in the opinion of the Board renders him an unfit or improper person to continue as a Member of the Board;

13.13.3 is absent, without leave of the Chairman of the Board, for 3 (three) consecutive meetings of the Board without prior apology and/or without good cause;

13.13.4 is deregistered as a Member as provided for and as envisaged in the Rules;

13.13.5 his estate is finally sequestrated;

13.13.6 he files a petition for the surrender of his estate as insolvent;

13.13.7 he is placed under curatorship by any court of competent jurisdiction;

13.13.8 a written notice to that effect signed by 50% (fifty per cent) of the Members is delivered at the Office with effect from the date stated in that written notice;

13.13.9 he delivers a notice of his resignation at the Office with effect from:

13.13.9.1 the date on which that notice is delivered; or

13.13.9.2 any later date stated in that notice to which the Directors agree;

13.13.10 if he is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare his interest and the nature thereof in the manner required by the Act.

13.14 In the event of the disqualification, resignation or inability to act of any Board Member, the vacancy so arising may be filled by the Chairman who may nominate a person who is a Member of the Company to fill such vacancy, either for the remainder of the term of office of such Member or for the temporary period, subject to that person accepting such nomination and subject to the approval of the Board.

13.15 The Company shall not carry on any business undertaking or trading activity otherwise than to the extent permitted in terms of section 30 of the Income Tax Act, as amended from time to time.

13.16 In addition to satisfying the qualification and eligibility requirements set out in section 69 of the Act, to become or remain a Director of the Company, a person must satisfy the additional eligibility requirements and qualifications set out in Part B of Schedule 2 to this Memorandum **[Section 69]**.

13.17 In addition to the appointed Directors there are no appointed or *ex officio* Directors of the Company, as contemplated in section 66(4) of the Act **[Section 66(4)]**.

14. CHAIRMAN AND VICE CHAIRMAN OF THE BOARD

14.1 The Members of the Board shall, from their ranks, elect a Chairman and Vice

Chairman, who shall hold office for a period of 1 (one) year, but may be re-elected for a further 1(one) year period subject to article 14.3.

14.2 Any person so elected shall hold office as such until he ceases to be a Member of the Board or on the expiration, of his current period of office.

14.3 The Chairman elected may not hold office for more than 3 (three) consecutive years.

14.4 If the Chairman or the Vice Chairman vacates his office before the expiration of his period of office, another Member of the Board shall be elected as Chairman or Vice Chairman, as the case may be.

14.5 If, for any reason the Chairman is not able to act, the Vice Chairman, if able to do so, shall act as Chairman in his stead, and such Vice Chairman shall, while so acting, have all the powers and perform all the functions of the Chairman.

15. MEETINGS OF THE BOARD OF DIRECTORS

15.1 The Board shall convene a General Meeting at least 2 (two) times in every year

15.2 The time and place of such meetings shall be determined by the Chairman from time to time.

15.3 The Chairman may at any time call a Special Meeting of the Board to be held at such time and place as he may determine and shall, upon a written request signed by not less than 4 (four) Members of the Board, call a Special Meeting thereof to be held within 14 (fourteen) days after the date of such request, at such time and place as he may determine.

15.4 The authority of the Company's Board of Directors consider a matter other than at a meeting as set out in section 74 of the Act, is not limited or restricted by this Memorandum **[Section 74]**.

15.5 The right of the Company's Directors to requisition a meeting of the Board, as set out in section 73(1) of the Act, may be exercised by at least 25% of the directors, as provided in that section **[Section 73(1)]**.

15.6 The authority of the Company's Board of Directors to conduct a meeting entirely by electronic communication, or to provide for participation In a meeting by electronic communication, as set out in section 73(3) of the Act is not limited or restricted by this Memorandum **[Section 73(3)]**.

15.7 The authority of the Company's Board of Directors to determine the manner and form of providing notice of its meetings as set out in section 73(4) of the Act is not limited or restricted by this Memorandum **[Section 73(4)]**.

15.8 The authority of the Company's Board of Directors to proceed with a meeting despite a failure or defect in giving notice of the meeting as set out in section 73(5) of the Act is not limited or restricted by this Memorandum **[Section 73(5)]**.

16. QUORUM MAJORITY DECISION AND CHAIRMAN'S CASTING VOTE

16.1 Subject to the provisions of this Memorandum, a meeting of not less than 4 (four) Members of the Board shall form a quorum for any meeting of the Board.

16.2 The Chairman shall preside at all meetings of the Board at which he is present and, if both he and the Vice Chairman are absent from any meeting, the members present shall elect one of their number to preside at such a meeting.

16.3 Any matter requiring approval by:-

16.3.1 ordinary resolution of the Board shall be decided by a majority of the Members of the Board; or

16.3.2 special resolution of the Board, shall be decided by at least 75 percent of the Board.

16.4 In the event of an equality of votes in regard to any matter, the Chairman, or such person presiding at the meeting in question in accordance with article 16.2, shall have a casting vote in addition to his deliberative vote.

16.5 A member of the Board may require the person presiding at any meeting to direct that his dissent from any resolution passed by the Board and reasons for such dissent, be recorded in the minutes of the proceeding at which such resolution was passed.

16.6 No decision or act done under the authority of the Board shall be invalid by reason only of an intervening vacancy on the Board or of the fact that a person who is disqualified from being a member of the Board, or in respect of whose appointment the provisions of this Memorandum have not been observed, who sat or acted as a member at the time when the decision was taken or the act was performed or authorised by the majority of the members of the Board present at the time who were entitled to sit and act as members.

16.7 In the event of any decision of the Board directly affecting a member of the Board, such member shall be debarred from exercising a vote on such issue and shall not be present when such vote takes place.

17. OFFICERS AND COMMITTEES OF THE BOARD

17.1 The authority of the Company's Board of Directors to appoint committees of Directors and to delegate to any such committee any of the authority of the Board of Directors as set out in section 72(1) of the Act, or to include in any such committee Persons who are not directors as set out in section 73(2)(a) of the Act, is not limited or restricted by this Memorandum **[Sections 72(1) and 73(2)(a)]**.

17.2 The authority of a committee appointed by the Board as set out in section 72(2)(b) and (c) of the Act is not limited or restricted by this Memorandum **[Section 72(2)(b) and (c)]**.

17.3 In addition, the Board may:-

17.3.1 appoint any officers it considers necessary to better achieve the objects of the Company;

17.3.2 delegate the implementation of their decisions or day to day management of the affairs of the Company to any person or committee. Any instrument formalising any such delegation must be revocable at any time and shall be limited to a term of 2 (two) years;

17.3.3 establish sub-committees to assist it in the performance of its functions and duties and may appoint such persons, including persons other than Members of the Board of the Company as it may deem fit, to be Members of any such sub-committee; and

17.3.4 assign or delegate to a committee so established such of its powers as it may deem fit, but shall not be deemed to be divested of any power which it may have assigned to a committee and may amend or repeal any decision of any such committee.

18. REPORTS BY THE BOARD

18.1 The Board shall in each year in terms of the provisions of the Act, submit to the General Meeting of the Members of the Company reports and statements of account which are prescribed by the Act.

18.2 The Chairman of the Board may, in addition, submit to the General Meeting of the Members of the Company reports with regard to matters connected with the activities of the Company which in his opinion should be brought to the notice of the General Meeting.

19. GENERAL POWERS OF THE BOARD

19.1 The business of the Company shall be managed by the Board, who will pay all

such expenses of, preliminary, and incidental to the promotion, formation, establishment and registration of the Company as it thinks fit, and may exercise all such powers of the Company and on behalf of the Company, do all such acts as may be exercised and done by the Company in General Meeting, subject nevertheless, to any regulations of this Memorandum and any Rules and to the provisions of the Act for the time being in force and affecting this Memorandum and to such regulations, not being inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting, but no regulation made by the Memorandum in General Meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

20. DUTIES OF THE BOARD

20.1 The general affairs of the Company will be managed and controlled by the Board, subject to the provisions of this Memorandum as read together with the Rules.

20.2 The Board shall maintain a register of the Members of the Company, which register shall be kept at the registered office in terms of section 26(6) of the Act **[Section 26(6)]**.

20.3 Subject to the provisions of the Act and this Memorandum the Board shall:-

20.3.1 convene, annually, a General Meeting of Members;

20.3.2 convene in the prescribed circumstances a Special Meeting of all Members;

20.3.3 determine the date and place of such meetings and the business to be transacted at such meetings;

20.3.4 make rules providing for the calling of and procedure at such meetings and the manner in which motions shall be submitted to such meetings;

20.3.5 deposit all monies received by it with a recognized financial institution;

20.3.6 keep proper accounts of income and expenditure and of the assets and liabilities of the Company; and

20.3.7 generally attend to all necessary matters pertaining to the functioning and management of the Company.

21. AUTHORITY OF THE BOARD OF DIRECTORS

21.1 The authority of the Company's Board of Directors to manage and direct the business and affairs of the Company, as set out in section 66(1) of the Act is not limited or restricted by this Memorandum **[Section 66(1)]**.

21.2 Without in any way derogating from the provisions of this Memorandum, the Board shall have the power to:-

21.2.1 determine the procedure at meetings of the Board or any committee of the Board;

21.2.2 determine the area of responsibility of each Board Member from time to time;

21.2.3 prescribe an initial registration fee which shall be payable to the Company in respect of the registration of any Applicant as a Member;

21.2.4 pay any person allowances to cover expenses reasonably incurred by such Member in connection with the performance of any act at the request of or under the directions of the Board on behalf of or for the benefit of the Company;

21.2.5 take any steps including the incurring of any reasonable expenditure which it may consider expedient for the maintenance of the integrity, the enhancement of the status and the improvement of the standards

and qualifications of Members and to encourage research in connection with problems relating to any matter affecting them;

21.2.6 invest its funds in such a manner as it may deem fit;

21.2.7 conduct such commercial enterprise as the Members at a General or Special Meeting may approve;

21.2.8 determine the domicilium of the Company;

21.2.9 determine the manner in which the Board shall conduct its business;

21.2.10 take any steps including the incurring of any reasonable expenditure which is necessary to ensure and enhance the membership of the Company; and

21.2.11 take any steps including the incurring of any reasonable expenditure which it may consider to enhance the status and qualifications of its Members.

22. REMUNERATION

There shall be payable to a Member of the Board or a sub-committee of the Board such allowances to cover expenses reasonably incurred by him in the performance of his duties as a Member of the Board or such sub-committee as the Board may from time to time determine.

23. RULES

23.1 The Board shall have the right to formulate such Rules as they deem necessary to regulate all affairs of the Members and Company. Such Rules shall apply to all Members and shall be in addition to all Rules as contained in this Memorandum and shall be binding on all Members of the Company.

23.2 In addition to the rules formulated in terms of clause 23.1 above, the following Rules shall apply:-

23.2.1 Subject to any restriction imposed or direction given at a duly constituted General Meeting of the Company, the Board may from time to time make such rules to further the objects of the Company and/or to advance the interest of Members and/or to improve the management of the Company as they deem necessary;

23.2.2 the Board may enforce the Rules to ensure the payment of any debt and/or subscription fee due to the Company, and may:

23.2.3 give notice to a Member requiring him to remedy a breach or make payment of a debt due to the Company within such reasonable time as determined by the Board of Directors; and/or

23.2.4 take such steps as they may consider necessary to remedy the breach of any Rules of which the Member may be guilty, or to recover any monies due by the Member to the Company; and/or

23.2.5 take such other action as the Board deems necessary.

23.3 The Company may in a General Meeting itself make any additional rules which it is entitled to make or may vary or modify the rules made by it or the Board, as provided for in the Rules.

23.4 The Company must publish any rules made in terms of section 15(3) to (5) of the Act by delivering a copy of those rules to each Member and Director by ordinary or electronic mail **[Sections 15(3) to 15(5)]**.

23.5 The Company must publish a notice of any alteration of the Memorandum of Incorporation or the Rules, made in terms of section 17(1), by delivering a copy of those rules to each Member and Director by ordinary or electronic mail **[Section 17(1)]**.

24. AMENDMENTS TO MEMORANDUM OF INCORPORATION

24.1 This Memorandum may only be rescinded, amended or added to by a two-thirds majority of Members holding Full Membership of the Company and that has paid all monies due to the Company present at a Special Meeting called for this purpose, provided however, that written notice of any proposed rescission, amendment or addition be sent to the Chairman of the Company, not less than one week before the meeting of the Company at which such proposals are to be considered, and provided further that any such rescission, amendment or addition shall be submitted to, and shall be subject to the approval of, the Commissioner of the South African Revenue Services and the Director of Non-Profit Organizations.

24.2 Subject to article 24.2, any alteration or amendment to this Memorandum shall be made in accordance with the manner set out in sections 16, 17 or 152(6)(b) of the Act **[Sections 16, 17 or 1562(b)]**.

24.3 Where the Company has been approved as a public benefit organisation in accordance with the requirements of the Income Tax Act (as amended from time to time) as soon as any amendments are effected, a copy of all amendments to this Memorandum shall also be submitted to the Commissioner for the South African Revenue Service.

25. FUNDS OF COMPANY AND KEEPING AND AUDIT OF ACCOUNTS

25.1 The Board shall comply with the provisions of the Act insofar as it relates to the keeping and auditing of financial accounts.

25.2 The Board shall cause to be prepared in each year a statement of its income and expenditure during its last preceding financial year and a balance sheet showing its financial position at the end of that financial year, and shall, after such statement and balance sheet have been audited by an auditor appointed by the Board in accordance with section 90 of the Act, cause copies thereof to be

transmitted to every Member of the Board and the Company.

26. **CORRECTION OF REGISTER**

If the Board at any time has reason to believe that a Member has been or has become incorrectly registered, it may call for such evidence as it thinks fit as to the correctness of the registration and if satisfied that the Member has been or is incorrectly, registered, it shall correct the register and issue an amended certificate. The former certificate shall cease to have effect, and shall be returned forthwith to the Office of the Company.

27. **NOTICES**

27.1 Any notice or other document may be served by the Company upon any Member, or by any Member upon the Company or Chairman or Secretary by:-

27.1.1 delivering it to that person at the address of the person recorded in the register of members;

27.1.2 sending it by registered post in a prepaid letter, envelop or wrapper, addressed to such person at the address recorded in the register of members;

27.1.3 telefaxing it to the telefax number of such person given to the Board; or

27.1.4 sending it to such person by email to the email address furnished to the Board.

27.2 The Notices referred to above, other than service in terms of clause 30.1 above, shall be deemed to have been served:-

27.2.1 in the event of service in terms of clause 30.1 above, before 12h00 on the 7th (seventh) Business Day calculated from the following Business Day subsequent to the date of registered postage advice.

27.2.2 in the event of service in terms of clause 30.1.3 and 30.1.4 above within 48 (forty-eight) hours of the notice being submitted by telefax or electronically.

28. **FEES**

28.1 The Board may from time to time levy service fees upon the Members for the purpose of meeting all expenses which the Company has incurred, or which the Board reasonably anticipates the Company will incur in the achievement of its objects and aims.

28.2 The Board shall be empowered, in addition to such other rights as the Company may have in law as against its Members, to determine the rate of interest from time to time chargeable upon arrear service fees, provided that such rate of interest shall not exceed the rate laid down in terms of the Usury Act, Act No. 73 of 1968 as amended.

28.3 Any amount due by a Member by way of fees and interest, shall be a debt due by him to the Company.

28.4 No service fee or interest paid by a Member shall under any circumstances be repayable by the Company upon such Member ceasing to be a Member.

29. **INDEMNITY**

29.1 The authority of the Company's Board of Directors to advance expenses to a Director or indemnify a Director, in respect of the defence of legal proceedings as set out in section 78(3) of the Act is not limited or restricted by this Memorandum **[Section 78(3)]**.

29.2 The authority of the Board to indemnify a Director in respect of liability as set out in section 78(5) of the Act is not limited or restricted by this Memorandum **[Section 78(5)]**.

29.3 The authority of the Board to purchase insurance to protect the Company or a Director as set out in section 78(6) of the Act is not limited or restricted by this Memorandum **[Section 78(6)]**.

29.4 In addition, every person acting as or deemed to be a Director, Secretary or Officer of the Company shall be indemnified out of the available funds of the Company against:-

29.4.1 all liabilities incurred by him in that capacity;

29.4.2 expenditure in defending any proceedings, whether civil or criminal in which judgment is given in his favour, or in which he is acquitted; or

29.4.3 costs in connection with any application in which relief is granted to him by the Court.

29.5 Every such person shall be indemnified by the Company against, and it shall be the duty of the Board, out of the available funds of the Company to pay all costs, losses and expenses for which any such person may become liable by reason of:-

29.5.1 any contract entered into; or

29.5.2 any act done by him, in his capacity as Director, manager, Secretary or officer of the Company or in any way in the discharge of his duties.

29.6 Subject to the provisions of the Act, no person acting as or deemed to be a Director, manager, Secretary, Officer or employee of the Company shall be liable for:-

29.6.1 any act, omission, neglect or fault of any other such Officer or servant of the Company;

29.6.2 loss or expense suffered by the Company through the insufficiency or deficiency of title to any property acquired by order of the Board for

and on behalf of the Company;

29.6.3 the insufficiency or deficiency of any security in or upon which any of the monies of the Company have been invested;

29.6.4 any loss or damage arising from the insolvency or delict of any person with whom any monies, securities or effect have been deposited;

29.6.5 any loss or damage occasioned by any error of Judgment or oversight on his part; or

29.6.6 any loss, damage or misfortune, whatsoever which shall have happened in the execution of his duties of office or in relation thereto.

30. FINANCE

30.1 The financial year end of the Company is the last day of June each year The Board must ensure that annual financial statements are prepared in respect of the Company at the end of each financial year and must file the same with the Commissioner for the South African Revenue Service.

30.2 The Company's financial transactions shall be conducted by means of a banking account.

31. WINDING-UP/DISSOLUTION OF THE COMPANY

31.1 The Company shall continue indefinitely notwithstanding any changes in the composition of its membership until such time as the Members with Full Membership resolve, or are obliged by any duly authorised body, to dissolve the Company.

31.2 The Company may be dissolved if at least two-thirds of the Members with Full Membership present and voting at a General Meeting convened for the purpose of considering such matter are in favour dissolution. Not less than 21 (twenty-

one) days notice shall be given of such meeting and the notice convening the meeting shall clearly state that the question of dissolution of the Company and the disposal of its assets will be considered. If there is no quorum at such General Meeting, the meeting shall stand adjourned for not less than one week and the Members attending such adjourned meeting shall constitute a quorum.

31.3 Upon the winding-up, de-registration or dissolution of the Company, the assets of the Company remaining after the satisfaction of all its liabilities shall be transferred to:-

31.3.1 an organisation(s) which engages in similar public benefit activities as the Company having objects similar to its main objects which have been approved in terms of the Income Tax Act and is a registered Non-profit Company in terms of the Act; or

31.3.2 any institution, board or body which has its sole or principal object as the carrying on of any public benefit activity,

As may be determined by the Board at or before the time of the dissolution of the Company and provided that any such transfer of assets is on condition that such assets are used solely for the purposes of carrying on one or more public benefit activities.

32. RESTRICTIONS ON POWERS OF THE COMPANY

32.1 The Company shall be prohibited from distributing any of its funds to any person (otherwise than in the course of undertaking any public benefit activity) and is required to utilize its funds solely for the objectives for which it has been established, or to invest such funds:-

32.1.1 with a financial institution as defined in Section 1 of the Financial Services Board Act, 1990 (Act No. 97 of 1990);

32.1.2 in securities listed on a stock exchange as defined in Section 1 of the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985); or

32.1.3 in such other prudent investments in financial instruments and assets as the Commissioner of the South African Revenue Services may determine after consultation with the Executive Officer of the Financial Services Board and the Director of Non-Profit Organizations.

32.2 Provided that the provisions of this Memorandum shall not prohibit the Company from retaining any investment (other than any investment in the form of a business undertaking or trading activity or asset which is used in such business undertaking or trading activity) in the form that it was acquired by way of donation, bequest or inheritance.

32.3 The Company shall be prohibited from carrying on any business undertaking or trading activity unless approved per the Members holding Full Membership in a General or Special Meeting.

32.4 The Company shall be prohibited from accepting any donation which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof in terms of Section 18A of the Income Tax Act: Provided that a donor (other than a donor which is an approved public benefit organization or an institution, board or body which is exempt from tax in terms of Section 10(1)(A)(i), which has as its sole or principal object the carrying on of any public benefit activity) may not impose conditions which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.