

**COMPANIES AND INTELLECTUAL PROPERTY COMMISSION
SOUTH AFRICA**

**REPUBLIC OF SOUTH AFRICA
COMPANIES ACT, 2008**

MEMORANDUM OF INCORPORATION

of

**SOUTH AFRICAN ANIMAL SANCTUARY ALLIANCE
(NON-PROFIT COMPANY)**

**Registration Number:
2000/000667/08**

which is referred to in the rest of this Memorandum of Incorporation as “the Company”

The company is a Non Profit Company with members, and defined in the Companies Act, 2008 as follows:

“**non-profit company**” means a company—

- (a) incorporated for a public benefit or other object as required by item 1 (1) of Schedule 1;
and
- (b) the income and property of which are not distributable to its incorporators, members, directors, officers or persons related to any of them except to the extent permitted by item 1 (3) of Schedule 1;

VISION, MISSION AND OBJECTS OF THE NON PROFIT COMPANY

TO MAINTAIN AND MANAGE AND FURTHER THE INTERESTS OF VARIOUS WILDLIFE SANCTUARIES IN SOUTH AFRICA AND THE REST OF THE WORLD.

ADOPTION OF MEMORANDUM OF INCORPORATION

This Memorandum of Incorporation was adopted by the Board of Directors of the Company by passing of special resolution to amend the Memorandum and Articles of Association of a company incorporated on **20 JANUARY 2000**.

In this Memorandum of Incorporation -

- a) a reference to a section by number refers to the corresponding section of the Companies Act, 2008; and
- b) words that are defined in the Companies Act, 2008 bear the same meaning in this Memorandum as in that Act.

ARTICLE 1 – INCORPORATION AND NATURE OF THE COMPANY

1.1 Incorporation

- (1) The Company is incorporated as a Non Profit company, as defined in the Companies Act, 2008;
- (2) The Company is incorporated in accordance with, and governed by -
 - (a) The unalterable provisions of the Companies Act, 2008 that are applicable to Non Profit companies;
 - (b) The alterable provisions of the Companies Act, 2008 that are applicable to Non Profit companies, subject to any limitation, extension, variation or substitution set out in this Memorandum and;
 - (c) The provisions of this Memorandum of Incorporation.

1.2 Objects and Powers of the Company

- (1) The objects of the Company are as set out on the cover sheet and, except to the extent necessarily implied by the stated objects, the purposes and powers of the Company are subject to restriction, limitation or qualification, as contemplated in section 19(1)(b)(ii) as set out hereunder:

- (a) **Members not to profit**

The objects of the Company must not be carried on for the purposes of profit or gain to its members and the income and property of the Company must be applied solely towards the promotion of the objects of the Company, except as bona fide compensation for services rendered or expenses incurred on behalf of the company.

(b) **Limitations**

The Company does not have the power to:

- (a) Issue shares of any kind; or
 - (b) Apply, pay or transfer, whether directly or indirectly, any portion of the income and property of the Company for the benefit of, or to, a member, other than:
 - a. The payment by way of grant or subsidy to a member solely for the advancement of the purposes or objects of the Company;
 - b. The payment, in good faith, of reasonable and proper remuneration or reimbursement of expenses incurred on behalf of the Company, to any officer or servant of the Company, or to any member of the Company, in return for any services actually rendered to the Company or reimbursement of expenses incurred on behalf of the Company or for goods supplied in the ordinary and usual way of business; and
 - c. The payment of interest at a rate not exceeding interest at the rate for the time being charged by its bankers for overdrawn accounts on money lent, or reasonable and proper rent for premises demised or let, by any member of the Company.
- (2) The Company is not subject to any provisions contemplated in section 15(2)(b) or (c).
- (3) Upon dissolution of the Company, its net assets must be distributed in the manner determined in accordance with –
- (a) Item 1(4)(b) of Schedule 1 of the Companies Act, 2008; and
 - (b) If the Company is wound up or dissolved, the members:
 - (a) Are liable to pay R1 to the Company if the assets of the Company are not sufficient to pay outstanding debts and liabilities owing to creditors of the Company; and
 - (b) Have no right to participate in any distribution of the assets or property of the Company.
 - (c) the assets and property available for distribution after satisfaction of all debts and liabilities will be given or transferred to some other institution or institutions:
 - (i) Having objects similar to the Company;
 - (ii) Which is not carried on for profit or gain of its individual members;
 - (iii) To which income tax deductible gifts can be made; and
 - (iv) Whose constitution, MoI or any governing document prohibits the distribution of income and property to members.
 - (d) The Directors will determine the identity of the institution or institutions for purposes of clause 3(c) at the time of dissolution.
 - (e) If the directors fail to determine the identity of the institution or institutions under clause 3(c), the Company's solicitors for the time being will make that determination.

1.3 Memorandum of Incorporation and Company Rules –

- (1) The Memorandum of Incorporation of the Company may be amended or altered in the manner set out in section 16, 17 or 152(6)(b), subject to the provisions contemplated in section 16(1) (c) and only by way of special resolution passed at an Extraordinary Meeting of members where 75% of voting members present voted in favour of the proposed special resolution. The amendment or alterations to the Mol is to be registered and published in accordance with the Companies Act 2008 and a copy of such amendments and alterations are to be delivered to each director and member by ordinary mail.
- (2) The Board's authority to make rules for the company, as contemplated in section 15(3) to (5) of the Act is not restricted in any manner. The rules, if any, are to be published and registered in accordance with the Companies Act 2008 and a copy of such amendments and alterations are to be delivered to each director and member by ordinary mail.

1.4 Optional provisions of Companies Act, 2008 do not apply

The Company does not elect, in terms of section 34(2) of the Act, to comply voluntarily with the provisions of Chapter 3 of the Act but may, at sole discretion of the directors, elect to have audit function performed at any time it may deem fit. Should the company's public interest score, as determined by a Registered Auditor listed with IRBA, require audit and audit functions, the directors shall ensure that the Memorandum of Incorporation of the company be amended in the manner required and prescribed by the Companies Act, 2008.

The Company however elects to appoint an Auditor to assist in a financial advisory position and to assist the company to comply with corporate governance matters. The appointment of auditor in aforementioned capacity does not enforce on the company submission to Audit and such appointment shall be done by way of registration of form CoR44.

1.5 Members of the Company

- (1) As contemplated in Item 4(1) of Schedule 1 of the Act, the Company has members, who are all in a single class, being voting members, each of whom has an equal vote in any matter to be decided by the members of the Company.
- (2) The terms and conditions of membership in the company are as set out hereunder:

1. **Number of Members**

The number of members must not be less than one nor more than the maximum number (if any) which the Board may from time to time prescribe.

2. **Admission to Membership**

- (a) Every person who, at the date of adoption of the Mol, is a member continues to be a member.
- (b) No member shall be entitled to any of the privileges of membership unless and until it shall have paid every subscription and other sum (if any) which shall be due and payable to the company in respect of its membership thereof.
- (c) Members shall be ordinary members who become members after applying in writing for membership under the obligation to be bound by the terms of the Memorandum of Incorporation of the company, and shall be admitted by a majority of the directors present at a directors' meeting.
- (d) Written application to become a member of the company shall be made in such manner as the Board shall determine from time to time. Each application shall be considered by the Board or by any person to whom they from time to time delegate the power and an applicant shall become a member of the company on approval of the application.
- (e) Should an applicant's application not be approved any subscription paid shall be refunded. Neither the Board nor any committee or person disapproving an application shall be obliged to furnish any reason for not approving an application.

3. **Membership fees and levies**

The following membership fees and levies shall apply:

- (a) There shall be a registration fee of R1 (One Rand) payable by a member on joining the company.
- (b) Each member shall contribute to the company such monthly, annual or periodic subscription fees as may be determined by the Board.
- (c) The subscription fee shall be payable by such member (irrespective of whether its application for membership has been accepted at such date or not) in advance on the first day of each and every succeeding period.
- (d) The Board shall not be entitled to impose a levy on a compulsory or voluntary basis, and shall be entitled to impose a refundable loan levy on a compulsory or voluntary basis on members from time to time with a view to securing additional funds for the purpose connected with the aims and objects of the company provided that it has obtained the approval of the members at a general meeting of the company of which no less than two-thirds of the votes are cast in favour thereof.

4. Cessation and suspension of membership

4.1 The membership of a member shall cease:

- (a) Upon expulsion of the member from the company in terms of any of the provisions of this Memorandum of Incorporation;
- (b) Upon the member giving at least one month's written notice to the secretary to that effect and such member shall cease to be a member upon expiration of such notice.

4.2 Any member who fails to make payment to the company of any subscription or other amount payable by such member on the due date thereof, or which otherwise breaches or fails in the observance of any of the provisions of this Memorandum of Incorporation, may, if so determined by a resolution passed at a meeting of the Board:

- (a) Be suspended from membership of the company for such period and on such conditions (including a condition that such suspension shall operate until all arrears owing by such member have been paid by such member), and/or
- (b) Be expelled from membership of the company.
- (c) The membership concerned shall be invited to attend such Board by notice in writing delivered to such member not less than seven (7) days prior to the holding thereof. Such member, which shall not be legally represented, shall be given the right to speak but shall not be present at the voting.

4.3 The Board shall have the right at any time to reinstate any suspended or expelled member as a member of the company, on such terms and conditions as it shall determine in its discretion.

4.4 The suspension or expulsion of a member shall not prejudice the rights of the company to claim from such member any arrear subscriptions or other sums due and payable to the company at the time of its suspension or expulsion.

5. Register of members

- (a) The Board must maintain, in accordance with the requirements of the Companies Act, 2008, a Register and such Register must contain the following particulars:
 - a. The name, address and contact details of each member;
 - b. The date on which the name of each member was entered into the Register;
 - c. The date on which the member ceases to be a member; and
 - d. The class of membership allocated to such member.
- (b) Each member must notify the Secretary of any change in its address or contact details within 14 days of any such change.

6. Entitlement to Vote

Subject to any rights or restrictions attached to any class of member, all members are eligible to attend meetings of the Company and are entitled to one vote.

ARTICLE 2 – RIGHTS OF MEMBERS

2.1 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), the authority of the members to act without notice or compliance with any other internal formalities, as set out in that section, are not limited or restricted by this Memorandum of Incorporation.

2.2 Members' right to Information

In addition to the rights to access information set out in section 26(1), a member of the Company has no further general rights to additional information.

2.3 Representation by concurrent proxies

The right of a member of the Company to appoint persons concurrently as proxies, as set out section 58(3)(a) is not limited, restricted or varied.

2.4 Authority of proxy to delegate

The authority of a member's proxy to delegate the proxy's powers to another person, as set out in section 58(3)(b) is limited or restricted to the extent that no proxy appointed by a member shall have the right or powers to delegate the proxy's powers to another person.

2.5 Requirement to deliver proxy instrument to the Company

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 members meeting, as set out in section 58(3)(c) is as follows:

- (a) The instrument appointing a proxy must be in writing under the hand of the appointer or its attorney duly authorised in writing.
- (b) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than 24 hours before the time appointed for taking of the poll and in default the instrument of proxy will not be valid.

2.6 **Deliberative authority of proxy**

The authority of a member's proxy to decide without direction from the member whether to exercise, or abstain from exercising any voting right of the member, as set out in section 58(7) is limited and restricted as follows:

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, shall be clear and specific as to the whether the voting member appoints such proxy to vote for, vote against or abstain from the voting process. The proxy shall not have the authority to decide without direction from the member whether to exercise or abstain from exercising any voting right of the member.

2.7 **Record date for exercise of member rights**

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

ARTICLE 3 – MEMBERS MEETINGS

3.1 **Requirement to hold meetings**

The Company is required to hold members meetings, in addition to those specifically required by the companies Act, 2008 set out as follows:

1. A general meeting shall be held once in every year at such time and place as may be prescribed by the company in general meeting, or by the directors, subject always to the provisions of the Act.
2. The general meeting referred to in 1 will be called an Annual General Meeting and all other general meetings will be called General Meetings.
3. The business of the Annual General Meeting is to receive and consider the financial report, directors' report and the auditor's report prepared in accordance with the Companies Act, 2008, to elect Directors in accordance with the MoI and to transact any other business.
4. The directors may, whenever they think fit, convene a general meeting, and a general meeting shall also be convened on a requisition made in terms of the Act or, in default, may be convened by the requisition as provided by and subject to the provisions of the Act. If at any time there shall not be within the Republic sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors. The accidental omission to give notice of a meeting

to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

3.2 Members' right to requisition a meeting

The right of members to requisition a meeting, as set out in section 61(3), may be exercised by at least 25% of the voting members, as provided for in that section.

3.3 Location of members meetings

The authority of the Company's Board of Directors 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) is not limited or restricted by this Memorandum of Incorporation.

3.4 Notice of members meetings

The minimum number of days for the Company to deliver a notice of a members meeting to the members, as required by section 62, is as provided for in section 62(1), in the prescribed manner and form to all of the members of the company as of the record date for the meeting, being at least 15 (Fifteen) business days before the meeting is to begin.

3.5 Electronic participation in members meetings

The authority of the Company to conduct a meeting entirely by electronic communication or to provide participation in a meeting by electronic communication, as set out in section 63 is not limited or restricted but extended as follows:

1. For the purposes of the Companies Act, 2008, each member, on becoming a member (or any on the adoption of this Mol), consents to the use of the following technology for calling or holding of an AGM or general meeting:
 - a) Video;
 - b) Telephone;
 - c) Any combination of the technologies described in 1(a) and (b) hereof.
2. A member may withdraw the consent given under this clause 1 in accordance with the Companies Act, 2008.
3. Where the members are not all in attendance at one place and are holding a meeting using technology and each member can communicate with the other members:

- (i) The participating members are, for the purpose of every provision of the Mol concerning meetings of the members, taken to be assembled together at a meeting and to be present at that meeting; and
- (ii) All proceedings of those members conducted in that manner are as valid and effective as if conducted at a meeting at which all of them were present.

3.6 Quorum for members meetings

- (1) The quorum requirement for a members meeting to begin, or for a matter to be considered is three members present in person or represented by proxy, or if the Company has only one member, that member.
- (2) The time periods allowed in section 64(4) and (5) apply to the Company, being :
 - (a) if, within one hour after the appointed time for a meeting to begin, a quorum is not present, the meeting is postponed without motion, vote or further notice, for one week;
 - (b) if, within one hour after the appointed time for a meeting for consideration of a particular matter to begin, the quorum requirement have not been satisfied—
 - (i) if there is other business on the agenda of the meeting, consideration of that matter may be postponed to a later time in the meeting without motion or vote; or
 - (ii) if there is no other business on the agenda of the meeting, the meeting is adjourned for one week, without motion or vote.
 - (c) The person intended to preside at a meeting that cannot begin due his absence, the one-hour limit allowed in subsection (4) of the Act may be extended for a reasonable period on the grounds that—
 - (a) exceptional circumstances affecting weather, transportation or electronic communication have generally impeded or are generally impeding the ability of members to be present at the meeting; or
 - (b) one or more particular members, having been delayed, have communicated an intention to attend the meeting, and those members, together with others in attendance, would satisfy the quorum requirement.
- (3) The authority for a meeting to continue to consider a matter, as set out in section 64(9) is not limited or restricted by this Memorandum of Incorporation.

3.7 Adjournment of members meetings

1. If a quorum is not present within 30 minutes from the time appointed for the meeting:
 - (i) Where the meeting was convened upon the requisition of members, the meeting will be dissolved; or
 - (ii) In any other case:
 - a. The meeting stands adjourned to such day, and at such time and place, as the Board determines or, if no determination is made by the Board, to the same day in the next week at the same time and place; and
 - b. If at the adjourned meeting a quorum is not present within 30 minutes from the time appointed for the meeting, the members present in person or by proxy will be a quorum.
2. The chairperson may, and must if so directed by the meeting, adjourn the meeting from time to time and from place to place.
3. No business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
4. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given, as in the case of an original meeting.
5. Except as provided by clause 4 hereof, it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

3.8 Members resolutions

1. Any resolution to be considered at a general meeting must be decided on a show of hands unless a poll is demanded. A declaration by the Chairperson that a resolution has on a show of hands been carried or lost and an entry that effect in the minutes of the general meeting is taken as conclusive evidence of the fact without the need to show the number or proportion of the votes recorded in favour of or against the resolution.
2. A special resolution needs to be passed by at least 75% of members present at the meeting whereby the special resolution is proposed. Special resolutions are required for any of the following amendments to be made to the Memorandum of Incorporation of the Company:
 - Change of name
 - Conversion from one type of company to another
 - Main objectives of the company
 - Main and auxiliary powers of the company and its office bearers
 - Ring fencing conditions (removal, amendment or insertion)
3. Special resolutions need to be passed by at least 75% of members present at the meeting whereby the special resolution in terms of Section 65(11) of the Act is contemplated, with regards to:

- Ratifying an act by company or board, outside its MoI authority
- Loans or financial assistance to directors, related and inter-related company, etc
- Save as set out in the MoI, remuneration to directors
- Voluntary winding up
- Winding up
- Disposal of whole or greater part of assets
- Fundamental transactions (disposal, amalgamation or merger and a scheme)
- Revoking a resolution contemplated in section 164(9)(c)
- Liquidation of SOLVENT company
- To implement business rescue proceedings
- Any matter so required in the MoI

ARTICLE 4 – DIRECTORS AND OFFICERS

4.1 Composition of the Board of Directors

1. The minimum requirement as set down in the Companies Act, is 3 (THREE) directors for this type of company.
2. Directors appointed as at date of registration of this Memorandum of Incorporation remain appointed directors.
3. In addition to the appointed directors there are no appointed or *ex officio* directors of the company as contemplated in section 66(4).
4. The Company may from time to time by resolution passed at a general meeting, fix the number of directors or increase or reduce the number of directors (but so that the number must be not less than the minimum number required in terms of the Companies Act, 2008) and may, determine in what rotation the increased or reduced number is to go out of office.
5. In addition to satisfying the qualifications and eligibility requirements set out in section 69, to become or remain a director of the company, such person must be a member.
6. The Company may, by resolution of which notice in accordance with the Companies Act, 2008 has been given, remove any director before the expiration of their term of office and may, by resolution, appoint another person in their place. The person so appointed shall hold office for the remainder of the term of office of the director whose office has become vacant at which time they must retire but will be eligible for re-appointment.
7. Directors serve for an indefinite term until –
 1. Such director becomes incapable of acting in such capacity by whatever means or reason; or
 2. Resigns; or

3. Absents himself from a meeting of directors for a period of six months without special leave of absence from the other directors.
8. Alternate Directors
 - 8.1 Each director shall have the power at any time to appoint in writing under his hand any other person to act as alternate director in his place during his absence or inability to act as director, and on such appointment being made, the alternate director shall in all respects, have and exercise all the powers, rights, duties and authorities of the director appointing him. A director whilst also acting as alternate directors shall, at any meeting of directors, be entitled to exercise his own vote in addition to the vote which he may exercise as an alternate director.
 - 8.2 A director may at any time by notice in writing revoke the appointment of an alternate director appointed by him, and appoint another person in his place, and if a director shall die or cease to hold the office of director, the appointment of his alternate director shall thereupon cease and terminate.

4.2 Authority of the Board of Directors

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) is not limited or restricted but extended as follows:

1. The business of the Company shall be managed by the directors.
2. Subject to the express provisions of this Memorandum of Incorporation, the directors shall manage and control the business and affairs of the company, and, save as may be expressly provided in these presents, may exercise all such powers of the company, and do all such acts on behalf of the company, but which are not by the Act or by this Memorandum of Incorporation required to be exercised or done by the company in general meeting, subject nevertheless to any provisions of the Act, and to such regulations as may be prescribed by the company in general meeting from time to time, provided that no regulation made by the company in general meeting shall invalidate any prior act of the Board of Directors which would have been valid if such registration had not been made.
3. Without derogating from the generality of any of their powers, the Board of Directors shall have specific powers:
 - a. To purchase or otherwise acquire for the company any property, rights or privileges which the company is authorized to acquire at a price and generally upon such terms and conditions as they may think fit;
 - b. To appoint at their discretion, to remove or suspend such managers, employees and servants from permanent, temporary or special service as they may from time

to time think fit, and to determine their powers, duties and fix their salaries or emoluments and to require security in such instances and to such amounts as they shall think fit;

- c. To execute in the name and on behalf of the company or in favor of any director or such person who may incur or be about to incur any personal liability for the benefit of the company, such bonds or mortgages of the property of the company, present or future, as they shall think fit;
- d. To engage, due regard being had to the objects of the company, consultants, technical advisers, engineers, architects, surveyors and town planners and to determine the period of their engagement and determine their powers, duties and fix their reward to require security;
- e. To borrow, lend or secure the repayment of money for the purpose of the company on such terms and in such manner as they may think fit;
- f. To sign, execute, endorse and complete undertakings, suretyships, promissory notes, bills of exchange and other documents for the accommodation of any other person, persons or company in such form and upon such terms and conditions as the directors shall determine.
- g. No director shall be disqualified by his office from contracting with the company either as a vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the company in which a director shall be in any way interested be avoided, nor shall any director so contracting or being so interested be liable to account to the company for any profits realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest must be disclosed by him at the meeting of directors at which the contract or arrangement is determined on, if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest; any director may as a director vote in respect of any contract or agreement in which he is so interested as aforesaid. A general notice that a director is to be regarded as interested in any contracts or arrangements which may be made with any specified person, firm or corporation after the date of such notice shall be sufficient under this article.
- h. The directors shall be fully authorized by the members of the company to, should it at anytime become evident that the company no longer requires to submit to annual audit, by ordinary resolution of the Board of Directors, amend the optional provisions of the Memorandum of Incorporation to reflect that the company no longer elects to submit voluntarily to this requirement.

4.3 Board of Directors meetings

- (1) The authority of the Company's Board of Directors to consider a matter other than at a meeting, as set out in section 74 is not limited or restricted by this Memorandum of Incorporation.
- (2) The right of the Company's Directors to requisition a meeting of the Board, as set out in Section 73(1), may be exercised by at least 25% of the directors, as provided in that section.
- (3) 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) is not limited or restricted by this Memorandum of Incorporation.
- (4) 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) is not limited or restricted by this Memorandum of Incorporation.
- (5) 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) is not limited or restricted by this Memorandum of Incorporation.
- (6) The quorum requirement for a directors meeting to begin, the voting rights at such meeting, and the requirements for approval of a resolution at such meeting, are as set out in section 73(5) subject to the variations set out hereunder:
 1. The Board of Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they may think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote.
 2. Any one (1) director may requisition a meeting at any time. Notice shall be given either orally or in writing at the business address of the directors and it shall not be necessary to give notice of a meeting of the Board of Directors to any director for the time being absent from the Republic.
 1. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall, when the number of directors exceed three, be three and when the number of directors does not exceed three, shall be two.
 2. If within half an hour from the time appointed for the holding of a meeting of the board of directors a quorum is not present, it shall stand adjourned to the same day in the next week, if on a public holiday, Saturday or Sunday the day thereafter, at the same time and place and at such adjourned meeting a quorum shall be two directors.
 3. Subject to the provisions of this Memorandum of Incorporation, a resolution shall be carried if the majority of the votes cast thereon are cast in favor of the adoption

thereof. Every director shall have one vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.

4. The continuing directors may act notwithstanding any vacancy in their number but if and so long as their number is reduced below the number fixed by or pursuant to the Memorandum of Incorporation and Company Rules, if any, as the necessary quorum of Board of Directors, the continuing directors may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.
5. All acts done by any meeting of the Board of Directors or of a committee appointed by them, or by any person acting for the Board of Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.
6. A resolution in writing signed by a 2 (TWO) directors (a quorum) if there are less than three directors and 3 (THREE) directors (a quorum) if there are more than three directors, shall be valid and effectual as if it had been duly passed at a meeting of all directors duly convened and held.

4.3.1 Meetings by Technology

Where the directors are not all in attendance at one place and are holding a meeting through a system of communication and each of the directors can hear and be heard by one another:

- (a) The participating directors are taken to be assembled together at a meeting and be present at that meeting;
- (b) The meeting is taken to be held at the place agreed to by the participating directors so long as at least one participating director is physically present at the place; and
- (c) All proceedings of those directors conducted in that manner are as valid and effective as if conducted at a meeting at which all of them were present.

4.3.2 Quorum of Meetings

- (a) At any meeting of the Board, the quorum is 3 (three) directors when the number of directors exceed three and 2 (two) when the number is less than three.
- (b) No item of business may be transacted at a meeting of the Board unless a quorum is present when the meeting proceeds to consider it. If a quorum is present at the beginning of a meeting, it is deemed present throughout the meeting unless the chairperson otherwise declares.

- (c) If within 30 minutes of the time proposed for a meeting of the Board a quorum is not present, the meeting is adjourned to a time, date and place that the directors present determine.
- (d) At any meeting of the Board that has been adjourned in accordance with clause 3(c) hereof, two directors present is a quorum.

4.3.3 Chairperson

Subject to foregoing the company may in a general meeting from time to time elect a Chairman and vice-Chairman to preside at meetings of the directors and determine the period for which they are to hold office, but if no such Chairman or vice-Chairman be elected, or if at any meeting the Chairman or vice-Chairman be not present within 5 minutes after the time appointed for holding the same, the directors present shall choose someone of their number to be Chairman of such meeting.

4.3.4 Secretary

The directors may from time to time, by resolution, appoint a person or persons to be secretary or secretaries of the company.

4.3.5 Remuneration of Directors

- (a) The directors may be paid out of the funds of the Company by way of remuneration for their services such fixed sum as is, from time to time, determined by the Board and such remuneration may be paid to, or applied for the benefit of, the directors in such proportions and in such manner as the directors may determine and in default of such determination, equally.
- (b) If any director, being willing, is called upon to perform extra services or to make any special exertions in going from his usual residence or otherwise for any of the purposes of the Company, the Company may remunerate the director for so doing in such sum as may be determined by the Board.

4.3.6 Increase in payments to Directors

The remuneration of the directors must not be increased except at a general meeting called by a notice specifying the intention to propose the increase, the amount of the increase and the maximum sum that may be paid to the directors as a whole.

4.4 Indemnification of Directors

- (1) The authority of the Company's Board of Directors to advance expenses to a director, or indemnify a director, in respect of the defense of legal proceedings, as set out in section 78(3) is as follows:

Payment of Expenses

The directors may also be paid all travelling and other expenses properly incurred by them in attending, participating in and returning from meetings of the directors, or any committee of the directors, or general meetings of the company, or otherwise in connection with the business of the company.

- (2) The authority of the Company's Board of Directors to indemnify a director in respect of liability, as set out in section 78(5) is as follows:

Indemnity

- (a) Subject to the Companies Act, 2008, the Company will indemnify any person who is or has been a director, secretary or executive officer of the Company and, if appropriate, an officer of a related body corporation, against a liability:
 - a. Incurred by the person acting in their capacity as a director, secretary or executive officer to a person other than the Company or a related body corporate where the liability does not arise out of lack of good faith;
 - b. For the costs and expenses incurred by the person:
 - i. In defending proceedings, whether civil or criminal, in which judgment is given in favor of the person, or in which the person is acquitted; or
 - ii. In connection with an application, in relation to such proceedings, in which the court grants relief to the person under the Companies Act, 2008.
- (b) Every employee who is not a director, secretary or executive officer of the Company may be indemnified out of the property of the Company against a liability:
 - a. Incurred by the employee acting in that capacity;
 - b. For the costs and expenses incurred by an employee:
 - i. In defending proceedings, whether civil or criminal, in which judgment is given in favor of the employee, or in which the person is acquitted; or
 - ii. In connection with an application, in relation to such proceedings, in which the court grants relief to the employee under the Companies Act, 2008.

- (3) The authority of the Company's Board of Directors to purchase insurance to protect the Company, or a director, as set out in section 78(6) is as follows:

Insurance

- (a) Subject to the Companies Act, 2008, the Company may pay insurance premiums in respect of insurance for the benefit of a Director, secretary or executive officer acting in that capacity against:
- a. Costs and expenses in defending any proceedings, whether civil or criminal, whatever the outcome; and
 - b. A liability arising from negligence or other conduct not being a liability incurred by the person acting in that capacity and arising out of conduct involving a willful breach of duty in relation to the company or a breach of the provisions of the Companies Act, 2008 dealing with improper use of inside information or position.
- (b) The company may pay insurance premiums in respect of insurance for the benefit of the auditor or an employee of the company who is not a director, secretary or executive officer concerned in the management of the Company Notices.

4.5 Officers and Committees

- (1) The Board of Directors may appoint any officers it considers necessary to better achieve the objects of the Company.
- (2) 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 as set out in section 72(1), or to include in any such committee persons who are not directors, as set out in section 73(2)(a) is not limited or restricted by this Memorandum of Incorporation.
- (3) The authority of a committee appointed by the Company's Board, as set out in section 72(2)(b) and (c) is not limited or restricted by this Memorandum of Incorporation:

Delegation to committees

1. The directors may delegate any of their powers to committees consisting of such number of members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any regulation that may be imposed on them by the directors.
2. A committee may elect a chairman of their meetings; if no such chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.

3. A committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes the chairman shall have a second or casting vote.
4. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director of committee or persons acting as aforesaid, or that they are any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director

ARTICLE 5 – GENERAL PROVISIONS

CONDITIONS

Any special conditions which apply to the company and the requirements, if any, additional to those prescribed in the Act for their alteration are:

- 5.1 The income and property of the company when so ever derived shall be applied solely towards the promotion of its main object and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus, or otherwise howsoever, to the members of the company or to its holding company or subsidiary: Provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration which is not excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered to any officer or servant of the company or to any member thereof in return for any services actually rendered to the company.
- 5.2 Upon its winding-up, deregistration or dissolution the assets of the company remaining after the satisfaction of all its liabilities, shall be given or transferred to some other association or institution or associations or institutions having objects similar to its main object, to be determined by the members of the company at or before the time of its dissolution or, failing such determination, by the court provided that in any event such other association or institutions shall be public benefit organisations within the Republic of South Africa which if the company is exempt from tax are themselves exempt from tax.
- 5.3 The company may not carry on any business undertaking or trading activity otherwise than to the extent that:
 - 5.3.1 the gross income derived from such business does not exceed the amounts set out in the Income Tax Act section 30(3)(b) or its successor;

- 5.3.2 the undertaking is directly related to the sole object of the company and the activity is carried out on a basis substantially the whole of which is directed towards the recovery of cost and which would not result in unfair competition in relation to taxable entities;
 - 5.3.3 the undertaking or activity, if it does not fall within 5.3.2 because it is not directly related to the sole object of the company, is of an occasional nature and is undertaken substantially with assistance on a voluntary basis without compensation; or
 - 5.3.4 the activity has been approved by the Minister by Notice in the Gazette.
- 5.4 The company may not accept any donation which is revocable at the instance of the donor for reasons other than a material failure to the designated purposes and conditions of such donation, including a misrepresentation with regard to the tax deductibility thereof in terms of section 18A of the Income Tax Act or its successor: Provided that the donor may not imposed 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.
- 5.5 The company is required to submit to the Commissioner a copy of any amendment to its Memorandum of Incorporation.
- 5.6 The company may sue and be sued in its corporate name, and service of all summonses, processes, notices and the like shall be valid and effectual if served at the registered office of the company.
- 5.7 **RESERVE FUND**

The directors may establish any reserve fund or funds for the purpose of meeting contingencies or for the furtherance of any of the objects of the company, and such fund or funds may be invested as the directors may think fit.