

**Companies and Intellectual Property Commission  
Republic of South Africa**

**MEMORANDUM OF INCORPORATION**

of

**SA VENTURE CAPITAL AND PRIVATE EQUITY ASSOCIATION NPC**  
Registration number 2000/028170/08

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## 1. Interpretation

- 1.1 In this MOI, capitalised words shall bear the same meanings as in the Companies Act and the following words shall, unless otherwise stated or inconsistent with the context in which they appear, bear the following meanings:
- 1.1.1 "**Annual General Meeting**" means a meeting to be initially held, no more than 18 months after the Company's date of incorporation, and thereafter once every calendar year, but no more than 15 months after the date of the previous annual general meeting;
- 1.1.2 "**Associate Member**" means a member of the Company, with associate membership, as contemplated in the Companies Act, with rights ranking *pari passu* with Voting-Members, other than such Associate Members having no vote as member as contemplated in item 1(7) of Schedule 1 to the Companies Act;
- 1.1.3 "**Board**" means the board of Directors of the Company;
- 1.1.4 "**Business Day**" means any day other than a Saturday, Sunday or gazetted national public holiday in the Republic of South Africa;
- 1.1.5 "**Chairperson**" means the Chairperson of the Board of the Company;
- 1.1.6 "**Code of Conduct**" means the code of conduct of the Company approved by the Board from time to time;
- 1.1.7 "**Commission**" means the Companies and Intellectual Property Commission established in terms of section 185 of the Companies Act;
- 1.1.8 "**Companies Act**" means the Companies Act No. 71 of 2008, as amended from time to time;
- 1.1.9 "**Companies Regulations**" means the Companies Regulations of 2011 promulgated by the Minister in terms of section 223 of the Companies Act, as amended from time to time;
- 1.1.10 "**Company**" means SA Venture Capital and Private Equity Association NPC, registration number 2000/028170/08, a non-profit company incorporated in accordance with the laws of the Republic of South Africa;

- 1.1.11            "**Director**" means a Director of the Company;
- 1.1.12            "**Effective Date**" means the date on which this MOI is filed with the Commission;
- 1.1.13            "**file**", when used as a verb, means to deliver a document to the Commission in the manner and form, if any, prescribed for that document;
- 1.1.14            "**Full Member**" means a member of the Company, with full membership as contemplated in the Companies Act, each of which holds one vote as member as contemplated in item 1(7) of Schedule 1 to the Companies Act;
- 1.1.15            "**Income Tax Act**" means the Income Tax Act No. 58 of 1962, as amended from time to time;
- 1.1.16            "**Member**" means a member of the Company, including both Full Members and Associate Members;
- 1.1.17            "**MOI**" means this Memorandum of Incorporation of the Company, which shall become binding on the company with effect from the date upon which the MOI is filed with the Commission;
- 1.1.18            "**Ordinary Resolution**" means a resolution adopted with the support of more than 50% of the voting rights exercised on the resolution;
- 1.1.19            "**Rules**" means "**rules**" and "**rules of a company**" as defined in the Companies Act;
- 1.1.20            "**SARS Commissioner**" means the Commissioner of the South African Revenue Services; and
- 1.1.21            "**Special Resolution**" means a resolution adopted with the support of at least 75% of the voting rights exercised on the resolution.
- 1.2                In this Memorandum:
- 1.2.1                a reference to a "**section**" by number refers to the corresponding section of the Companies Act;
- 1.2.2                a reference to a "**paragraph**" by number refers to the corresponding paragraph in this MOI;

- 1.2.3 a reference to a "**Regulation**" by number refers to the corresponding regulation in the Companies Regulations;
- 1.2.4 any reference to a "**person**" includes any natural, juristic or quasi-juristic person, including without limitation any sole proprietorship, firm, partnership, trust, close corporation, company, undertaking, joint venture, authority or other incorporated or unincorporated entity or association;
- 1.2.5 references to a "**day**" shall be to any calendar day. Where any number of days or Business Days are prescribed in this MOI, those days shall be reckoned exclusively of the first and inclusively of the last day or Business Day (as the case may be), unless (in the case of days) the last day falls on a day not being a Business Day, in which event the last day shall be the next succeeding Business Day;
- 1.2.6 words importing the masculine gender include the feminine and neuter genders and *vice versa*; the singular includes the plural and *vice versa*; and natural persons include juristic persons, other corporate entities, unincorporated associations of persons and state entities, and *vice versa*;
- 1.2.7 any reference to an enactment includes any subordinate legislation made from time to time under that enactment, as may be amended from time to time;
- 1.2.8 words and expressions which are defined and used or have a particular meaning ascribed to them in a particular context in the Companies Act shall when used in this MOI in a similar context bear the same meaning unless excluded by the subject or the context, or unless this MOI provides otherwise;
- 1.2.9 the provisions of this MOI shall be interpreted in the same way as the provisions of the Companies Act (which forms part of the constitution of the Company in terms of section 19(1)(c)) are interpreted; and
- 1.2.10 each provision and each sentence and each part of a sentence in this MOI is separate and severable from each other, and to the extent any provision or sentence or part thereof is found to be illegal or unenforceable or inconsistent with or contravenes any provision of the Companies Act, or void, such may to that extent only be modified or severed from the MOI, so that the remaining part of that provision or sentence or part thereof, as the case may be, is legal,

enforceable or consistent with or does not contravene the Companies Act or is not void.

- 1.3 The long standard form of memorandum of incorporation for a Non-Profit Company with members contained in the regulations published in terms of the Companies Act, as amended from time to time, shall not apply to the Company.

## **2. Adoption of Memorandum of Incorporation**

- 2.1 This MOI is in a form unique to the Company, as contemplated in section 13(1)(a)(ii).
- 2.2 This MOI was proposed by the Board, and adopted by a Special Resolution of the Full Members.

## **3. Incorporation and Nature of the Company**

- 3.1 The Company is a Non-Profit Company, with members, as defined in the Companies Act.
- 3.2 The Company is, in terms of section 19(1)(c) read with section 15(2), incorporated in accordance with, and governed by:
- 3.2.1 the unalterable provisions of the Companies Act, that are applicable to Non-Profit Companies;
- 3.2.2 the alterable provisions of the Companies Act, that are applicable to Non-Profit Companies, subject to the limitations, extensions, variations or substitutions set out in this Memorandum of Incorporation; and
- 3.2.3 the provisions of this MOI.
- 3.3 This MOI does not necessarily refer to or address all of the provisions of the constitution of the Company as contemplated in paragraph 3.2. The persons bound by this MOI in terms of section 15(6), being for the time being the Company and each director and prescribed officer of the Company and each member of a Board committee, are required to familiarise themselves with the relevant provisions of the Companies Act, including those contemplated by paragraph 3.2 and the provisions of this MOI, as this MOI read together with the provisions of the Companies Act contemplated by paragraph 3.2 forms the constitution of the Company.

#### **4. Conflicts with the Companies Act**

##### **4.1 Notification of conflicts**

Any person bound by this MOI who has formed the view or forms the view or otherwise becomes aware that any provision of this MOI or any agreement entered into by the Company contravenes or is or has become inconsistent with any provision of the Companies Act (as it is amended from time to time), whether or not such provision is void or could be declared void by a court in terms of section 218(1) or a person could incur personal liability in terms of section 218(2) or otherwise, shall within 10 Business Days of forming that view or becoming aware of such contravention or inconsistency inform the Board in writing of the applicable contravention or inconsistency.

##### **4.2 No obligation to act inconsistently with the Companies Act**

4.2.1 Notwithstanding anything to the contrary contained elsewhere in this MOI, no person bound by this MOI shall be required, obliged or entitled in terms of this MOI to do or omit to do something in terms of this MOI to the extent that it is inconsistent with or contravenes any provision of the Companies Act.

4.2.2 Any person bound by the MOI who has complied with paragraph 4.1 and has done something or has failed to do something to the extent necessary so as not to be inconsistent with or contravene any provision of the Companies Act or to avoid personal liability under section 218(2) or otherwise in terms of the Companies Act, but as a result thereof has contravened any provision of this MOI which is void or is declared void by a court in terms of section 218(1), shall not for that reason alone be liable or responsible therefor under or in terms of this MOI with respect to any claim by any person bound by this MOI and entitled under or in terms of this MOI to do so, arising out of or in connection with any such act or omission.

##### **4.3 Board must address inconsistencies**

If any provision of the Companies Act is amended, or the Board is aware or informed of any inconsistency with or contravention of the Companies Act in terms of paragraph 4.1 or otherwise, then in addition to and without limiting the rights or remedies of any other person in terms of this MOI or otherwise, the Board shall expeditiously:

- 4.3.1 assess that amendment to the Companies Act and/or that inconsistency or contravention; and
- 4.3.2 obtain reasoned written external legal opinion if the Board deems it necessary with respect to any such alleged inconsistency or contravention; and
- 4.3.3 propose amendments to the agreement in question or propose the Special Resolutions required to appropriately amend the MOI, as the case may be, as is necessary so as to remove or eliminate or address any applicable contraventions or inconsistencies.

## 5. **Objects of the Company**

- 5.1 The main objectives of the Company are as follows:
  - 5.1.1 to promote the venture capital and private equity profession in South Africa;
  - 5.1.2 to represent the profession at national and international level;
  - 5.1.3 to develop and stimulate professional and transactional venture capital and private equity investments throughout South Africa;
  - 5.1.4 to stimulate the expansion of venture capital and private equity throughout South Africa;
  - 5.1.5 to collect information from markets and from Members;
  - 5.1.6 to circulate information to Members and the outside world;
  - 5.1.7 to stimulate and maintain contacts within the membership;
  - 5.1.8 to contribute to the management development of investors and investees;
  - 5.1.9 to provide the relevant authorities with proposals for improvement in the corporate, fiscal and legal environment for venture capital and private equity in South Africa;
  - 5.1.10 to maintain ethical and professional standards; and
  - 5.1.11 to generally comply with such reporting requirements as may be determined by the SARS Commissioner from time to time.



5.2 The legal powers and capacity of the Company are not subject to the restrictions, limitations or qualifications as contemplated in section 19(1)(b)(ii).

5.3 The Company is not subject to any restrictive conditions or prohibitions contemplated in section 15(2)(b) or (c).

## 6. Powers of the Company

The purposes and powers of the Company are subject to the following restrictions, limitations and qualifications:

### 6.1 Use of assets and funds

6.1.1 The income, property and assets of the Company, however derived, shall be applied solely towards the promotion of its stated objects as set out in this MOI, and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus, or otherwise howsoever, to the Directors of the Company or to any other person, provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration to any officer or employee of the Company, for any services rendered to, or expenses incurred on behalf of, the Company.

6.1.2 The Company may not pay any remuneration to any employee, office bearer, Member or other person, any "remuneration" as defined in the Fourth Schedule to the Income Tax Act, which is reasonably considered to be excessive, having regard to the venture capital and private equity sector in Southern Africa and in relation to the service rendered.

6.1.3 The Company shall not provide a loan to secure a debt or obligation of, or otherwise provide direct or indirect financial assistance to, a Member or a Member of a related or inter-related company, or to a person related to any such Member. The foregoing shall not prohibit a transaction if it:

6.1.3.1 is in the ordinary course of the Company's business and for fair value;

6.1.3.2 constitutes an accountable advance to meet:

6.1.3.2.1 legal expenses in relation to a matter concerning the Company; or

6.1.3.2.2 anticipated expenses to be incurred by the person on behalf of the Company;

6.1.3.3 is to defray the person's expenses for removal at the Company's request; or

6.1.3.4 is in terms of an employee benefit scheme generally available to all employees or a specific class of employees.

6.1.4 The Company is restricted to invest its funds:

6.1.4.1 with a financial institution as defined in section 1 of the Financial Institutions Protection of Funds Act No. 28 of 2001; or

6.1.4.2 in securities listed on a stock exchange as defined in section 1 of the Stock Exchanges Control Act No. 1 of 1985; or

6.1.4.3 in such other prudent investments in financial instruments and assets as the SARS Commissioner may determine after consultation with the Executive Officer of the Financial Services Board and the Director of Non-Profit Organisations,

provided that the provisions of this paragraph 6.1.4 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.

6.1.5 The Company shall not use its resources directly or indirectly to advance, support or oppose any political party.

## 6.2 **Activities**

6.2.1 The Company is prohibited from carrying on any business, undertaking or trading activity, other than to the extent that:

6.2.1.1 the business, undertaking or trading activity:

6.2.1.1.1 is integral and directly related to the stated objects of the Company; and

6.2.1.1.2 is carried out or conducted on a basis substantially the whole of which is directed towards the recovery of cost; and

6.2.1.1.3 would not result in unfair competition in relation to taxable entities,  
or

6.2.1.2 the business, undertaking or trading activity, if not integral and directly related to the stated objects of the Company as contemplated in paragraph 6.2.1.1, is of an occasional nature and undertaken substantially with assistance on a voluntary basis without compensation.

6.2.2 Substantially the whole of the activities of the Company shall be directed to the furtherance of its stated objects and not for the specific benefit of an individual Member or minority group.

6.2.3 The Company may not have a share or other interest in any business, profession or occupation which is carried on by its Members.

6.2.4 The Company does not knowingly and will not knowingly become a party to, and does not knowingly and will not knowingly permit itself to be used as part of, an impermissible avoidance arrangement contemplated in Part IIA of Chapter III of the Income Tax Act, or a transaction, operation or scheme contemplated in section 103(5) of the Income Tax Act.

### 6.3 **Payments by the Company**

The Company may not, directly or indirectly, pay any portion of its income or transfer any of its assets, regardless how the income or asset was derived, to any person who is or was an incorporator of the Company, or who is a Member or Director, of the Company, except:

6.3.1 as reasonable:

6.3.1.1 remuneration for goods delivered or services rendered to, or at the direction of the Company; or

6.3.1.2 payment of, or reimbursement for, expenses incurred to advance a stated object of the Company, or

6.3.2 as a payment of an amount due and payable by the Company in terms of a *bona fide* agreement between the Company and that person or another; or

6.3.3 as a payment in respect of any rights of that person, to the extent that such rights are administered by the Company in order to advance a stated object of the Company; or

6.3.4 in respect of any legal obligation binding on the Company.

#### 6.4 **Funding**

Substantially the whole of the Company's funding shall be derived from its Members or from an appropriation by the government of the Republic of South Africa in the national, provincial or local sphere.

### 7. **Fundamental Transactions**

The Company may not:

7.1 amalgamate or merge with, or convert to, a profit company; or

7.2 dispose of any part of its assets, undertaking or business to a profit company, other than for fair value, except to the extent that such a disposition of an asset occurs in the ordinary course of the activities of the Company.

### 8. **Amendment of the MOI**

8.1 This MOI may be altered or amended only in the manner set out in section 16 or 17, being:

8.1.1 in any manner necessary to correct a patent error in spelling, punctuation, reference, grammar or similar defect on the face of the document, by:

8.1.1.1 publishing a notice of the alteration, in any manner required or permitted by this MOI or the Rules of the Company; and

8.1.1.2 filing a notice of the alteration, or

8.1.2 in compliance with a court order, effected by a resolution of the Board; or

8.1.3 at any other time if a Special Resolution to amend the MOI is proposed and adopted by the Full Members.

8.2 Any amendment of the Memorandum, save for an amendment contemplated in paragraph 8.1.1, may only be effected by a Special Resolution of the Full Members.

8.3 The Company must publish a notice of any alteration of this MOI by delivering a copy of the amendment to each Director by email or ordinary mail.

8.4 A copy of all amendments to this MOI must be submitted to the SARS Commissioner within 30 days of its amendment.

## 9. Rules

9.1 The Company will ensure that it generally complies with such requirements set out by the SARS Commissioner, as may be necessary to obtain approval that the Company is recognised for tax and other purposes as an association in terms of the provisions of section 30B of the Income Tax Act.

9.2 The Board shall not have the authority to make, amend or repeal any necessary or incidental rules relating to the governance of the Company in respect of matters that are not addressed in the Companies Act or this MOI as contemplated in section 15(3) to 5(A), except with the prior approval of an ordinary resolution of the Full Members of the Company.

9.3 A Rule contemplated in paragraph 9.1:

9.3.1 must be consistent with the Companies Act and this MOI, and any such Rule that is inconsistent with the Companies Act or this MOI is void to the extent of the inconsistency; and

9.3.2 takes effect on a date that is the later of:

9.3.2.1 10 Business Days after the Rule is filed; or

9.3.2.2 the date, if any, specified in the Rule.

9.4 The Board must publish any Rules made, amended or repealed by delivering a copy of those rules to each Member and Director by email, ordinary mail or fax.

## 10. Members and membership

10.1 As contemplated in item 4(1) and 4(2)(d) of Schedule 1 of the Companies Act, the Company shall have two classes of Members, being Full Members, each of whom has an equal vote in any matter to be decided by the Members of the Company, and Associate Members, which shall have no vote in any matter to be decided by the Members of the Company other than as expressly provided for in this MOI.

- 10.2 The Members of the Company shall be such persons as from time to time are admitted to membership, as hereinafter provided.
- 10.3 Membership shall be personal to the Member concerned and may not be assigned or transferred by them to any other person, company or concern.
- 10.4 No Member may directly or indirectly have any personal or private interest in the Company.
- 10.5 Members may be any person including natural persons, companies or other bodies corporate, or statutory bodies, partnerships or associations of persons. Distinction is made between Full Members and Associate Members.
- 10.6 **Full membership**
- 10.6.1 Full membership is exclusively open to organizational units or persons operating in the Southern African venture capital or private equity industry who meet the criteria as laid out in terms of the Code of Conduct from time to time.
- 10.6.2 All applicants must:
- 10.6.2.1 be actively involved in venture capital, private equity investments or mezzanine finance;
- 10.6.2.2 be of good standing in the industry;
- 10.6.2.3 have, as its principal business, the provision of equity finance or mezzanine funding to unquoted companies and make its returns mainly through medium to long term capital gain;
- 10.6.2.4 have experienced executives engaged full-time in venture capital, private equity investment or mezzanine finance; and
- 10.6.2.5 have or will have venture capital, private equity or mezzanine funds under management and be actively making investments.
- 10.6.3 A Full Member shall be entitled to one vote on a show of hands or a poll at any general meeting of the Company.

## 10.7 **Associate membership**

10.7.1 Associate membership is open to persons and companies representing a special interest group that can influence the development of venture capital and private equity in South Africa. Persons eligible to become Associate Members include, but are not limited to, banks, development capital organizations, consultants, lawyers, accountants, financial advisors, stockbrokers, pension funds, insurance companies, development organizations and associations or private individuals and national associations for venture capitalists.

10.7.2 An Associate Member shall be entitled to attend and speak at any general meeting of the Company but shall not be entitled to vote.

## 10.8 **Applications for admission**

10.8.1 Applications for admission as a Full Member or an Associate Member must be addressed in writing to the Chairperson of the Board. Such applications must contain a commitment to abide by the MOI and the Code of Conduct of the Company and a commitment to meet the financial obligations of membership for the entire duration of membership.

10.8.2 The Board shall determine procedures for the admission of Members.

10.8.3 Candidates for membership and accepted members shall disclose such information as reasonably and equitably requested by the Board from time to time and under appropriate and clearly defined conditions of confidentiality.

## 10.9 **Scrutiny of admissibility**

10.9.1 The Board shall scrutinise the admissibility of the candidate for membership on the basis of the application for admission and the conditions as set out in paragraphs 10.6 and 10.7. The decision to admit an applicant for membership or to reject the application shall be at the sole and absolute discretion of the Board who shall not be required to give reasons for their decision.

10.9.2 If the Application for admission is accepted by the Board, the candidate shall become a Full Member or an Associate Member, as the case may be, of the Company upon receipt of the applicable dues and membership fees.

## 11. Termination of Membership

11.1 A Member's membership of the Company shall terminate if:

11.1.1 at a Meeting of the Board of which the Member shall have been given 21 clear days' notice and at which the Member shall have been given an opportunity of being heard, the Board resolves that:

11.1.1.1 in the sole discretion of the Board, he is guilty of conduct inimical to the interests and/or objects of the Company; or

11.1.1.2 in the sole discretion of the Board, it is inimical to the interests and/or objects of the Company that the Member continues as a Member of the Company;

11.1.2 he is sequestrated, surrenders his estate (whether voluntarily or compulsorily), or being a company the Member is wound up or placed in business rescue proceedings (whether provisionally or finally and whether voluntarily or compulsorily);

11.1.3 he commits any act of insolvency;

11.1.4 he dies, or is declared insane or incapable of managing his own affairs;

11.1.5 if any Member assigns or transfers, or purports to assign or transfer, its membership contrary to the provision of this MOI;

11.1.6 in the event of non-compliance by a Member with any such obligations as may attach to his membership, upon the expiration of a period of three months reckoned from:

11.1.6.1 the date of written notice by the Company to the Member concerned requiring the remedying of such default, save that the Board shall be entitled to extend the period of grace allowed to a particular Member to such extent and for such reasons as it may in its sole and absolute discretion deem appropriate;

11.1.6.2 the date of written notice by the Company to the Member concerned notifying the Member that its annual levies or contribution, as laid down from time to time by the Board, are overdue,



save that the Board shall have the power to reinstate such Member on such terms as to the payment of arrears and otherwise as the Board think fit.

- 11.2 A Member whose membership has been terminated shall remain liable for all sums that may at the date of termination of his membership be due from it to the Company and shall not have any claim against the Company or its officers, its property or its funds.
- 11.3 A Member shall cease to be a Member of the Company if his membership is terminated in terms of paragraph 11.1 or on receipt by the Company of written notice of resignation from the Member. No Member shall be entitled to the return of any membership fees, or contributions paid to the Company and any such resigning Member whose resignation takes effect after the first day in any financial year shall nevertheless be liable for the payment of its annual levies or contributions, as laid down by the Board from time to time, for the year.
- 11.4 Certificates of membership may be issued under the authority of the Board in such manner and form as the Board may determine from time to time.
- 11.5 The Company shall maintain at its registered office a register of Members of the Company as provided in section 24(4) of the Companies Act, containing among other things the email address, postal address and fax number of each Member.

## 12. **Members meetings**

### 12.1 **Right to call meeting**

- 12.1.1 The Board may call a Members' meeting at any time.
- 12.1.2 If the Company is unable to convene a meeting because it has no Directors or because all of its Directors are incapacitated then the Company authorises any Member to convene a meeting in these circumstances.

### 12.2 **Requirement to hold meetings**

- 12.2.1 The Company is, subject to paragraph 12.3, required to hold Members meetings in the following circumstances:
- 12.2.1.1 when adopting any Ordinary Resolution or Special Resolution;

- 12.2.1.2 whenever required in terms of section 70(3) to fill a vacancy on the Board;
- 12.2.1.3 when one or more written and signed demands for such a meeting are delivered to the Company, and each such demand describes the specific purpose for which the meeting is proposed, and in aggregate, demands for substantially the same purpose are made and signed by the holders, as of the earliest time specified in any of those demands, of at least 10% of the voting rights entitled to be exercised in relation to the matter proposed to be considered at the meeting.
- 12.2.2 Notwithstanding paragraph 12.2.1.3 the Company, or any Member, may apply to a court for an order setting aside such a demand on the grounds that the demand is frivolous, calls for a meeting for no other purpose than to reconsider a matter that has already been decided by the Members, or is otherwise vexatious.
- 12.2.3 At any time before the start of a Members meeting contemplated in paragraph 12.2.1.3 a Member who submitted a demand for that meeting may withdraw that demand; and the Company must cancel the meeting if, as a result of one or more demands being withdrawn, the voting rights of any remaining Members continuing to demand the meeting, in aggregate, fall below the minimum percentage requirement, as set out in paragraph 12.2.1.3, of voting rights required to call a meeting.
- 12.2.4 Notwithstanding anything to the contrary in this MOI, the Company shall in each year hold an Annual General Meeting of the Members; provided that not more than 15 months shall be permitted to elapse between the date of one Annual General Meeting and that of the next.
- 12.2.5 The Annual General Meeting shall deal with and dispose of all matters prescribed by the Companies Act, including the consideration of the annual financial statements, the election of directors and the appointment of an auditor, and may deal with any other business laid before it. All business laid before any other general meeting shall be considered special business.

### 12.3 **Members acting other than at a meeting**

12.3.1 Notwithstanding paragraph 12.2.1, an Ordinary Resolution or Special Resolution that could be voted on at a Members meeting may instead be voted on in writing, via a round-robin resolution if:

12.3.1.1 the resolution is submitted to Members entitled to exercise voting rights in relation to the resolution; and

12.3.1.2 is thereafter voted on in writing by the Members within 20 Business Days after the resolution was submitted to them.

12.3.2 A resolution contemplated in paragraph 12.3.1 will have been adopted if it is supported by persons entitled to exercise sufficient voting rights for it to have been adopted, as an Ordinary Resolution or Special Resolution, as the case may be, at a properly constituted Members meeting and if adopted, has the same effect as if it had been approved by voting at a Members meeting.

12.3.3 Within 10 Business Days after adopting the resolution as set out in paragraph 12.3.1, the Company must deliver a statement describing the results of the vote to every Member who was entitled to vote on the resolution.

12.3.4 The written resolution, as set out in paragraph 12.3.1, shall be deemed (unless a statement to the contrary is made in that resolution) to have been passed on the last day on which that resolution is signed by any one or more of the Members who are entitled to exercise voting rights in relation to that resolution. The written resolution may consist of two or more documents in the same form, each of which is signed by one or more such Members, as the case may be.

### 12.4 **Location of Members' meetings**

The Board may determine the location of Members' meetings.

### 12.5 **Notice of Members' meetings**

12.5.1 The Company must deliver a notice of each Members' meeting in the prescribed manner and form to all of the Members of the Company with at least 14 clear days' notice in writing in the case of an Annual General Meeting

or a General Meeting convened to pass a Special Resolution, and with at least 14 clear days' notice in writing in the case of any other General Meeting.

12.5.2 A meeting of Members may be called on less notice as required in paragraph 12.5.1, but such meeting may only proceed if 75% of the total voting rights of all Members having a right to attend and vote at the meetings are present at the meeting and vote to waive the required minimum notice of the meeting.

12.5.3 In terms of Regulation 36(2) notice of a Members meeting must be delivered to Members using Form CoR 36.2 and must include the following information:

12.5.3.1 the date, time and place for the meeting;

12.5.3.2 the purpose of the meeting;

12.5.3.3 a copy of any proposed resolution of which the Company has received notice, and which is to be considered at the meeting, and a notice of the percentage of voting rights that will be required for that resolution to be adopted; and

12.5.3.4 a reasonably prominent statement that:

12.5.3.4.1 a Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate in and vote at the meeting in the place of the Member;

12.5.3.4.2 a proxy need not also be a Member of the Company; and

12.5.3.4.3 participants will be required to provide satisfactory identification to verify their right to participate at the meeting, as contemplated in paragraph 12.7.

12.5.4 If the Company fails to give the required notice of a Members meeting, or if there was a material defect in the giving of the notice, the meeting may proceed if every Member who is entitled to exercise voting rights in respect of each item on the agenda of the meeting:

12.5.4.1 acknowledges actual receipt of the notice;

12.5.4.2 is present at the meeting; and

- 12.5.4.3 waives notice of the meeting, or in the case of a material defect in the manner and form of giving notice, ratifies the defective notice.

## 12.6 **Chairperson of the Board**

The Chairperson of the Board shall be entitled to chair meetings of Members. If, however, there is no Chairperson, or if he has notified his inability to attend a meeting or if at any meeting he is not present within 20 minutes of the time appointed for the meeting, the Members who are entitled to exercise voting rights at the meeting present and represented shall choose another Director to chair the meeting. If no Director is present or if none of the Directors present are willing to chair the meeting, then the Members shall choose one of their own to be the Chairperson.

## 12.7 **Verification of right to attend meeting**

- 12.7.1 A person wishing to attend or participate in a Members meeting (whether as a proxy or Member), must present reasonably satisfactory identification to the chairperson of the meeting at least 20 minutes before the time scheduled for the start of the meeting. The Chairperson must be reasonably satisfied that the right of the person to attend and vote has been reasonably verified.

- 12.7.2 For the purposes of this paragraph 12.7, the following forms of identification shall be reasonably satisfactory: a valid identity document, driver's license or passport (or a certified copy of any of these documents), accompanied by a power of attorney, letter of authority or other instrument appointing the proxy or person to attend the meeting on behalf of a Member.

- 12.7.3 In the event that the identification process is not completed by the time that the meeting is scheduled to begin, then the commencement of the meeting shall be delayed until the identification process is complete.

## 12.8 **Proxies**

- 12.8.1 The instrument appointing a proxy shall be in writing in a form to be decided by the Board, under the hand of the appointer or of his agent duly authorised in writing. A proxy need not be a Member. The holder of a General or Special Power of Attorney incorporating the necessary powers contemplated hereunder, shall be entitled to attend and vote at any meetings on behalf of the Member granting such power.

12.8.2 The Company shall be obliged to give effect to the appointment of a proxy, provided the instrument appointing such proxy, including the Power of Attorney or other authority, if any, under which it is signed or a duly certified copy thereof, shall have been delivered to the Company or to any other person acting on behalf of the Company provided that such instrument of proxy is delivered before the time for holding such meeting or any adjournment thereof. (section 58(3)(c)).

12.8.3 The instrument appointing a proxy shall be in the following form or as near thereto as circumstances permit:

**SA VENTURE CAPITAL AND PRIVATE EQUITY ASSOCIATION NPC**

(A non-profit company incorporated in terms of the Companies Act 71 of 2008)

I, \_\_\_\_\_ of \_\_\_\_\_ being a Full Member of the SA Venture Capital and Private Equity Association NPC, hereby appoint

\_\_\_\_\_ of \_\_\_\_\_ failing

\_\_\_\_\_ of \_\_\_\_\_ failing

\_\_\_\_\_ of \_\_\_\_\_, as my proxy to vote for me and on my behalf at the Annual General Meeting or General Meetings (as the case may be) of the Company to be held on the \_\_\_\_ day of \_\_\_\_\_ and at any adjournment thereof as follows:

	In favour of	Against	Abstain
Resolution to .....			
Resolution to .....			
Resolution to .....			

(Indicate instruction to proxy by way of a cross in the space provided above.)

Unless otherwise instructed, my proxy may vote as he thinks fit.

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of  
\_\_\_\_\_.

\_\_\_\_\_  
Signature

(Note: A Full Member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote in his stead, and such proxy does not have to be a Member of the Company.)

## 12.9 **Electronic participation in Members' meetings**

12.9.1 A Members meeting may be conducted entirely by electronic communication or one or more participants in the Members meeting may participate using electronic communication, provided that the electronic communication employed ordinarily enables participants in the meeting to communicate concurrently with each other without an intermediary and to participate effectively. A resolution signed by the requisite majority or percentage of Members who were connected electronically where:

12.9.1.1 all such Members remained connected for the duration of the electronic meeting;

12.9.1.2 the subject matter of the resolution has been discussed; and

12.9.1.3 the chairperson of the meeting or any other Member certifies in writing that the aforementioned requirements have been met,

shall be deemed to have been passed on the date on which the resolution was signed by the Member last to sign it (unless a statement to the contrary is made in that resolution) and such resolution may consist of several documents, each of which may be signed by one or more Members who participated in the electronic meeting.

## 12.10 **Quorum**

- 12.10.1 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business.
- 12.10.2 The quorum for a Member's meeting of the Company called for the passing of a Special Resolution or to dissolve the Company shall be at least two thirds of the number of Full Members present in person or by proxy or if a Full Member is a body corporate, its representative: Provided that a quorum shall never be less than three Full Members present in person or if a Full Member is a body corporate, its representative.
- 12.10.3 The quorum for an Annual General Meeting or any other Member's meeting of the Company shall be at least one third of the number of Full Members present in person or by proxy or if a Full Member is a body corporate, its representative: Provided that a quorum shall never be less than three Full Members present in person or if a Full Member is a body corporate, its representative.
- 12.10.4 The participation by a Member at a meeting of the Members' in accordance with paragraph 12.8.1 shall be taken into account for the purposes of constituting a quorum as well as with respect to voting at such meeting.
- 12.10.5 After a quorum has been established for a meeting (or in respect of a specific matter on the agenda), the meeting may continue (or the matter may be considered) provided the meeting is quorate for the full duration of the meeting.

## 12.11 **Postponement and adjournment of meetings of Members**

- 12.11.1 If within 30 minutes of the appointed time for a meeting to begin, a quorum is not present, the meeting will automatically (without any further action or formalities being required, unless the location of the meeting is different):
- 12.11.1.1 if convened on the requisition of Members, be dissolved; or
- 12.11.1.2 in any case other than contemplated in paragraph 12.11.1.1, be postponed to a date determined by the chairperson on written notice to the Members but which shall be no earlier than one week and no later than 21 days from the date of the non-quorate meeting (or if that is not a



Business Day, to the next succeeding Business Day) at the same time and place, or to such other time and place as the chairperson of the meeting may appoint.

- 12.11.2 If a quorum is not present when a matter is called on the agenda, consideration of that matter may be postponed to a later time in the meeting (without further action or formalities being required) if there is other business on the agenda. However, if there is no further business on the agenda, the meeting is automatically (without any further action or formalities being required, unless the location of the meeting is different) adjourned to a date determined by the chairperson on written notice to the Members but which shall be no earlier than one week and no later than 21 days from the date of the meeting (or if that is not a Business Day, to the next succeeding Business Day) to be continued at the same time and place, or to such other time and place as the chairperson of the meeting may appoint.
- 12.11.3 The 30 minutes limit specified in paragraph 12.11.1 may be extended by the Chairperson presiding at the Members' meeting as contemplated in section 64(5) for a reasonable period on grounds that:
- 12.11.3.1 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
- 12.11.3.2 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 requirements of paragraph 12.10.
- 12.11.4 A Members' meeting (or consideration of a particular matter on the agenda) may be adjourned without further notice to a fixed time and place (but will require a notice if it is adjourned "until further notice") by a vote in favour thereof by holders of a majority of those voting rights present or represented at the meeting and entitled to be exercised on at least one matter remaining on the agenda of the meeting or, where the adjournment is in respect of a particular matter, by a vote in favour thereof by holders of a majority of those voting rights present or represented by proxy and entitled to be exercised in respect of the matter in question.

12.11.5 No business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting which was adjourned.

12.11.6 Pursuant to section 64(8), if within 30 minutes of the appointed time for a postponed meeting to begin or an adjourned meeting to resume, the quorum requirements are not met, those Members who are entitled to exercise Voting Rights at the meeting, present or represented at the meeting will be deemed to constitute a quorum.

## 12.12 **Voting**

12.12.1 Save as is otherwise expressly provided by the Companies Act or by this MOI, all resolutions to be considered at any Members' meeting shall be decided by a majority of votes cast.

12.12.2 At a meeting of Members, voting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands a poll is demanded by the chairperson of the meeting or no less than five Members. Subject to the provisions of the Companies Act, unless a poll is demanded, a declaration by the Chairperson that a resolution has been carried, or carried by a particular majority, or lost, or not carried by a particular majority, shall be final and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

12.12.3 If a poll is demanded as aforesaid, it shall be taken in such manner and at such place and time as the chairperson of the meeting directs and either immediately or after an interval or adjournment which shall not exceed seven days, the demand for a poll may be withdrawn. Scrutineers shall be appointed by the Chairperson to count the votes and to declare the result of the poll, and their declaration, which shall be announced by the chairperson of the meeting, shall be deemed to be the resolution of the meeting at which the poll was demanded. In case of any dispute as to the admission or rejection of a vote, the chairperson of the meeting shall determine the dispute and the determination of the Chairperson made in good faith shall be final and conclusive.

12.12.4 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

12.12.5 In the case of an equality of votes, the chairperson shall have a casting vote in addition to any vote or votes to which he may have been entitled as a Member or representative of a Member, either on a show of hands or on a poll.

### 13. **Directors**

#### 13.1 **Powers of Directors**

The business of the Company shall be managed and supervised by the Board in accordance with the stated objects of the Company and as envisioned in terms of section 66(1). The Board may exercise all powers of the Company which are not excluded by a statute or this MOI.

#### 13.2 **Appointment**

13.2.1 Subject to paragraph 13.2.5, the Company shall have a minimum of three and a maximum of 13 Directors. No Director may be a 'connected person' (as defined in the Income Tax Act) in relation to any other Director. No single Director shall directly or indirectly control the decision making powers relating to the Company.

13.2.2 Where a vacancy on the board arises, each Full Member of the Company shall be entitled but not obliged to nominate one Director to fill such vacancy. Once the nominations have been made by the Full Members, the Full Members shall be entitled but not obliged to vote on the nominations by way of a poll.

13.2.3 Every Director must satisfy the qualification and eligibility requirements set out in section 69 to become or remain a Director, and save for the chief executive officer, be a representative of a Full Member of the Company.

13.2.4 The Directors may from time to time appoint one or more candidates to the office of executive director or chief executive officer on such terms and conditions as may be determined from time to time and may revoke such appointment. Such appointed chief executive officer shall be appointed to the Board.

13.2.5 The Board shall have the power at any time and from time to time to appoint any other person as a Director (in addition to the 13 Directors appointed in terms of paragraph 13.2.1) as an addition to the Board, provided that no more than three Directors so appointed shall be members of the Board at any one time. Any Director so appointed shall be entitled to vote and shall hold office only until the conclusion of the next following Annual General Meeting.

13.2.6 At least one third of the Directors who have served on the Board for more than 3 (three) years, must resign annually. Any such Director is eligible for re-election.

13.2.7 The Chairperson shall be elected by the Board annually from amongst the Directors at the first meeting of the Directors following the Annual General Meeting of the Company, subject always to a maximum continuous term in office of three years.

13.2.8 The Chairperson shall preside at meetings of the Board. If the Chairperson is not present or willing to act within five minutes of the time appointed for the commencement of such meeting, the Directors then present shall choose any other of their number to be chairperson of such meeting.

### 13.3 **Removal of a Director by the nominating Full Member**

13.3.1 In the event that the nominating Full Member wishes to remove and/or replace any Director appointed in terms of paragraph 13.2.2, it may nominate a replacement Director who shall hold office only until the conclusion of the next following Annual General Meeting.

### 13.4 **Vacation of office**

The office of the Director shall *ipso facto* be vacated if such Director:

13.4.1 is a representative of a Full Voting Member and the Full Voting Member who appointed him, ceases to be a Full Member of the Company;

13.4.2 dies;

13.4.3 resigns;

- 13.4.4 becomes incapacitated to the extent that the person is unable to perform the functions of a Director, and is unlikely to regain that capacity within a reasonable time;
- 13.4.5 ceases to be a representative of the Full Voting Member which appointed him;
- 13.4.6 is declared delinquent by a court, or placed on probation under conditions that are inconsistent with continuing to be a Director of the Company;
- 13.4.7 holds any other office of profit under the Company, without the consent of the Company, except that of executive director or chief executive officer;
- 13.4.8 is absent from meetings of Directors for more than six months without permission of the Board;
- 13.4.9 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 contemplated in paragraph 13.8;
- 13.4.10 becomes ineligible or disqualified in terms of section 69; or
- 13.4.11 is removed in terms of paragraph 13.5.

13.5 **Removal from office**

- 13.5.1 The Company may in accordance with section 71 remove any Director before expiration of this period of office, and may by Ordinary Resolution appoint another Member in his stead.
- 13.5.2 A Director may further be removed from office by order of the court as contemplated in section 71(5) or (6).

13.6 **Vacancies**

- 13.6.1 The Directors may act notwithstanding any vacancy on the Board, provided that for so long as their number is reduced below the number fixed in paragraph 13.2.1 as the minimum number of Directors, then the remaining Directors may act for the purpose of increasing the number of Directors to that number, but for no other purpose.

## 13.7 Meetings

- 13.7.1 The Directors must meet together at least quarterly for the dispatch of the business of the Company.
- 13.7.2 The conduct of meetings shall generally be governed in terms of section 73. Notwithstanding the aforementioned, the Board may regulate their meeting as they think fit.
- 13.7.3 The chief executive officer of the company shall attend all Members' meetings and Board meetings and shall not in his capacity as chief executive officer have a casting vote in addition to any vote he may have by virtue of being a Director of the Company.
- 13.7.4 Any three Directors may at any time convene a meeting of the Directors by requesting such a meeting from the Chairperson, who shall summon the meeting by no later than one month from receipt of the request. A Director while absent from the Republic of South Africa shall, during such absence, be entitled to notice of any meeting.
- 13.7.5 Notice of a Board meeting must be given to each Director in writing, whether by post, fax or email, not less than 14 days prior to the meeting.
- 13.7.6 Where the Chairperson has failed to give the required notice of the Board meeting, or there was a defect in the giving of the notice, such meeting may proceed, provided that all of the Directors:
- 13.7.6.1 acknowledge actual receipt of the notice; or
  - 13.7.6.2 are present at the meeting; or
  - 13.7.6.3 waive notice of the meeting.
- 13.7.7 A Board meeting may be conducted by electronic communication, or one or more Directors may participate in a meeting by electronic communication, so long as the electronic communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.
- 13.7.8 The quorum necessary for the transaction of the business of the Directors shall at all times be at least three Directors.

- 13.7.9 Each Director shall be entitled to one vote in regard to all business brought before the Board.
- 13.7.10 The chairperson of the Board meeting shall have a casting vote in the event of a tie.
- 13.7.11 Unless otherwise provided in this MOI, a majority of the votes cast on a resolution is sufficient to approve that resolution.
- 13.7.12 A decision that could be voted on at a Board meeting may instead be adopted by written consent of the required number of Directors, given in person, or by electronic communication, provided that each Director has received notice of the matter to be decided. A decision made in this manner is of the same effect as if it had been approved by voting at a meeting.
- 13.7.13 Resolutions adopted by the Board:
- 13.7.13.1 must be dated and sequentially numbered; and
- 13.7.13.2 are effective as of the date of the resolution, unless the resolution states otherwise.
- 13.7.14 The Company shall keep minutes of all Board meetings, and any of its committees, and include in the minutes:
- 13.7.14.1 any declaration of personal financial interest given by notice or made by a Director as required by section 75; and
- 13.7.14.2 every resolution adopted by the Board.
- 13.7.15 Any minutes of a Board meeting, or a resolution, signed by the chairperson of the meeting, or by the chairperson of the next Board meeting, is evidence of the proceedings of that meeting, or adoption of that resolution, as the case may be.

### 13.8 **Personal Financial Interests**

If a Director has a personal financial interest, (or knows that a related person has such an interest) he must disclose in advance, in writing, to the Board the nature and extent of that interest. This disclosure must comply with the requirements of the Companies Act. If the personal financial interest (including that of a related

person), arises after the matter has been approved by the Board then the Director or prescribed officer concerned must promptly, after the interest arises, disclose same to the Board in accordance with section 75.

### 13.9 **Indemnification**

13.9.1 Subject to a resolution of the Directors, the Board may:

13.9.1.1 advance expenses to a Director to defend litigation in any proceedings arising out of that Director's service to the Company; and

13.9.1.2 may directly or indirectly indemnify a Director for expenses contemplated in paragraph 13.9.1.1, irrespective of whether it has advanced those expenses, if the proceedings are abandoned or exculpate the Director, or arise in respect of any liability for which the Company may indemnify the Director as provided in terms of sections 78(5) and (6).

13.9.2 Subject to the limitations imposed by section 78(6), the Company may indemnify a Director, committee member or officer of the Company.

13.9.3 The Company may purchase insurance to protect:

13.9.3.1 a Director against any liability or expenses for which the Company is permitted to indemnify a Director in accordance with paragraph 13.9.2; or

13.9.3.2 the Company against any contingency including, but not limited to:

13.9.3.2.1 any expenses that the Company is permitted to advance in accordance with paragraph 13.9.1.1; or

13.9.3.2.2 any liability for which the Company is permitted to indemnify a Director in accordance with paragraph 13.9.2.

13.9.4 The Company is entitled to claim restitution from a director of the Company for any money paid directly or indirectly by the Company to or on behalf of that director in any manner inconsistent with this paragraph 13.9.



### 13.10 **Remuneration**

13.10.1 The Directors of the Company shall not be entitled to any remuneration or reimbursement of expenses in consideration for or respect of their services as directors (except as contemplated in this MOI for, or in respect of their services).

13.10.2 Where a Director renders additional services to the Company, other than his/her services as a Director, such Director may be remunerated by the Company for such services, provided that such remuneration is fair and reasonable, and has been approved by Board resolution following the procedure set out in section 75(5) and supported by no less than 75% of the disinterested Directors of the Company.

### 13.11 **Reimbursements**

A Director of the Company may be reimbursed by the Company for reasonable and necessary expenses incurred in the *bona fide* performance of his/her duties to the Company, provided that any reimbursement of any expense not of a category of expenses expressly budgeted for in the annual budget of the Company approved by the Board or of an amount exceeding any limit with respect to any category of expenses specified in the annual budget of the Company approved by the Board shall be subject to the prior approval of a disinterested majority of the Directors of the Company by resolution.

### 13.12 **Loans**

The Company may not provide a loan to, secure a debt or obligation of, or otherwise provide direct or indirect financial assistance to, a Director of the Company, or to a person related to any such director, unless it:

13.12.1 is in the ordinary course of the Company's business and for fair value and to advance one or more of the stated objects of the Company set out in this MOI;  
or

13.12.2 constitutes an accountable advance to meet:

13.12.2.1 legal expenses in relation to a matter concerning the Company; or

13.12.2.2 anticipated expenses to be incurred by the person on behalf of the Company, or

13.12.3 is to defray the person's expenses for removal at the Company's request; or

13.12.4 is in terms of an employee benefit scheme generally available to all employees or a specific class of employees.

#### 14. **Officers**

14.1 The Board may appoint any officers it considers necessary to better achieve the stated objects of the Company.

14.2 The Board may appoint any number of committees, and to delegate to any such committees any of the authority of the Board.

14.3 Any committee appointed by the Board:

14.3.1 may include in any such committees persons who are not directors, provided that:

14.3.1.1 any such person must not be ineligible or disqualified to be a director in terms of section 69; and

14.3.1.2 no such person has a vote on a matter to be decided by the committee,

14.3.2 may consult with or receive advice from any person; and

14.3.3 has the full authority of the Board in respect of a matter referred to it.

#### 15. **Registered office**

The registered office of the Company from time to time shall be at such location within the Republic of South Africa as the Board may from time to time determine.

#### 16. **Company records and accounting records**

16.1 All company records contemplated by section 24, and all accounting records contemplated by section 28 and Regulation 25, shall be kept and maintained at, and shall be accessible at or from, the registered office of the Company, or in the case of all or any of the company records at or from such other location or locations within the Republic of South Africa as the Board may from time to time determine.

16.2 The Company will comply with such reporting requirements as the SARS Commissioner may determine from time to time.

## 17. **Financial year**

The financial year of the Company shall end on 31 December of each year.

## 18. **Annual Financial Statements**

18.1 Each year, the Company must prepare annual financial statements within six months after the end of its financial year.

18.2 The Company elects, in terms of section 30(2)(b)(ii)(aa), that the annual financial statements of the Company be audited voluntarily.

18.3 The annual financial statements must:

18.3.1 include an auditor's report;

18.3.2 include a report by the Directors with respect to the state of affairs, the business and surplus or shortfall of the Company, including:

18.3.2.1 any material matter relating to the Company's state of affairs; and

18.3.2.2 any prescribed information;

18.3.3 be approved by the Board and signed by an authorised Director; and

18.3.4 be submitted to the Members in the first General Meeting, after such annual financial statements have been approved by the Board and signed by the authorised Director, within nine months of the end of the financial year.

## 19. **Annual returns**

19.1 Each year, the Company must file an annual return in the prescribed form with the prescribed fee, and within the prescribed period (currently being 30 days) after the end of the anniversary of the date of its incorporation, which return must:

19.1.1 include a copy of the Company's annual financial statements;

19.1.2 designate a Director, employee or other person who is responsible for the Company's compliance with the transparency, accountability and integrity requirements in terms of Part C of Chapter 2 of the Companies Act, and the

requirements of Chapter 3 of the Companies Act, if these requirements apply to the Company; and

19.1.3 any other prescribed information.

## 20. **Enhanced Accountability and Transparency**

20.1 The Company does not elect, in terms of section 34(2), to comply voluntarily with the provisions of Chapter 3 of the Companies Act.

20.2 The Company may, but is not obliged to, appoint a person to serve as company secretary and/or appoint a person to serve as an auditor, and/or establish an audit committee, on such terms and subject to such conditions as the Board in its discretion may from time to time determine.

20.3 The Company elected to have its annual financial statements audited in terms of sections 30(2) and (7), read with Regulation 28 and Regulation 26(2), and therefore the Company shall comply to the extent necessary with the provisions of Chapter 3 of the Companies Act with which it is required to comply.

## 21. **Reserves**

The Directors shall set aside and carry to a reserve fund all the surplus funds of the Company, which may at their discretion be applied for any purpose for which such funds of the Company may properly be applied in such manner as the Directors deem fit.

## 22. **Winding Up or Dissolution of the Company**

22.1 The Company may be wound up voluntarily by the Board in passing a resolution supported by a majority of the directors. Any such voluntary winding up shall be effected in accordance with section 80.

22.2 Upon the dissolution of the Company, its net assets must be distributed in the manner determined in accordance with item 1(4)(b) of Schedule 1 of the Companies Act and section 30B(8) of the Income Tax Act as follows:

22.2.1 to an association approved by the SARS Commissioner in terms of section 30B;

22.2.2 to a public benefit organisation which has been approved in terms of section 30 of the Income Tax Act;

- 22.2.3 to an institution, board or body which is exempt from tax under the provisions of section 10(1)(cA)(i) of the Income Tax Act; or
- 22.2.4 to the government of the Republic of South Africa in the national, provincial or local sphere.
- 22.3 . For the avoidance of doubt no past or present Member or Director of the Company, or person appointing a Director of the Company, is entitled to any part of the net value of the Company after its obligations and liabilities have been satisfied.