

MEMORANDUM OF INCORPORATION

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

**THE CHARTERED INSTITUTE FOR BUSINESS ACCOUNTANTS (NPC)
REGISTRATION NUMBER: 1990/005364/08**

(hereinafter referred to in the rest of the Memorandum of Incorporation as the “Company”)

NON-PROFIT COMPANY

INCORPORATED FOR A COMMUNAL OR GROUP INTEREST BENEFIT OR A PUBLIC BENEFIT

The amendments to this Memorandum of Incorporation were approved in terms of special resolutions adopted by Members at the annual general meeting of the Company held on 28 July 2022 and 17 October 2023.

Director

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MEMORANDUM OF INCORPORATION OF A NON-PROFIT COMPANY (NPC)

REPUBLIC OF SOUTH AFRICA

COMPANIES ACT, ACT NO 71 OF 2008

1 Interpretation

- 1.1 A reference to a section by number refers to the corresponding section of the Companies Act, Act No 71 of 2008, as may be amended from time to time ("the Act").
- 1.2 Words that are defined in the Act bear the same meaning in this Memorandum of Incorporation as in the Act.
- 1.3 Any reference to the Company is a reference to The Chartered Institute for Business Accountants NPC (Registration no. 1990/005364/08).
- 1.4 The Schedules, Annexures and Forms attached to this Memorandum of Incorporation, if any, form part of this Memorandum of Incorporation.

2 Adoption of Memorandum of Incorporation

- 2.1 This Memorandum of Incorporation replaces and supercedes the memorandum of incorporation of the Company applicable immediately prior to the filing of this Memorandum of Incorporation in its entirety.
- 2.2 This Memorandum of Incorporation is in a form unique to the Company, as contemplated in section 13(1)(a)(ii) of the Act and accordingly the standard form memorandum of incorporation for a Non-Profit Company referred to in Regulation 15(1)(a) shall not apply to the Company.

3 Registered Office

The registered office of the Company shall initially be situated at: 2 Oxford Office Park, 3 Bauhinia Street, Highveld Technopark, Centurion. The board of directors may change the registered office of the Company from time to time.

4 Objects for which the Company is established

- 4.1 The primary objects of the Company are to:
 - 4.1.1 Establish and provide membership, tiered recognition, designations, certifications, registrations and licensing for persons to be employed, or self-employed as accountants, tax practitioners, specialists, and finance executives in commerce, private practice, the public sector and academia.
 - 4.1.2 Afford designatory letters to qualifying members and provide these members with a professional identity.
 - 4.1.3 Promote and enforce appropriate standards of competence, practice, engagement standards, codes of ethics and conduct among members of the Company so engaged, including the reporting of non-compliant behaviour to any relevant authorities.
 - 4.1.4 Contribute to the development of the South African economy by enhancing the ability of members to perform effectively and efficiently in the workplace.
 - 4.1.5 Influence the development of national and international policy to ensure that members are free to pursue their career and practice ambitions to the fullest extent possible.
 - 4.1.6 And to do all such things as may advance the character of the profession of accountancy whether in relation to practice, or as applied to service in commerce, the public sector and academia.
- 4.2 In furtherance of the objectives and purposes set out above, the Company shall have the following ancillary objectives and powers:

- 4.2.1 To purchase, take on, lease, exchange, hire or in any other way acquire any real or personal property or options for acquiring the same in any part of the world considered necessary for the use of members and others or for any purposes of the Company and to sell, lease, mortgage by any means, exchange, partition or otherwise deal with in any way any real or personal property, rights or assets of the Company; and to construct, alter and maintain in any part of the world any buildings considered necessary for the use of members and others or for any purposes of the Company and to provide the same with all property and necessary fixtures, fittings, furniture and other equipment.
- 4.2.2 To accept any gift, endowment or bequest to the Company and to execute and perform any trust attaching thereto.
- 4.2.3 To accept and take by way of gift and absorb up on any terms the undertaking and assets of any society or body, whether incorporated or not, having objectives similar to those of the Company and to undertake all or such as may be agreed of the liabilities and engagements of any such other society or body but so that the exercise of the powers conferred by this paragraph shall be subject always to the approval in member's meeting by special resolution
- 4.2.4 To establish and administer or to participate in the establishment and administration of any organisation, whether incorporated or not and whether subsidiary to the Company or not, having as its principle objective or one of its principle objectives the advancement of the science of accountancy or any part thereof where in the opinion of the Board the interests of the accountancy profession may be most advantageously served through the medium of such an organisation.
- 4.2.5 To establish or participate, maintain, review and finance, alone or in conjunction with others, a body, whether incorporated or not, independent of the Company, having as its objective the review of the schemes of regulation and discipline of the Company and other participant accountancy bodies.
- 4.2.6 To undertake, execute and perform any trusts or conditions affecting any real or personal property of any description acquired by the Company.
- 4.2.7 To issue certificate of membership to persons seeking admission to membership of the Company and to provide for the use of designatory letters by such persons.
- 4.2.8 To encourage the study of such subjects by providing scholarships, bursaries, prizes and donations on such terms and conditions as may be deemed fit, by making grants to universities and other educational institutions, by facilitating courses, classes, lectures and other tuition for members and others or by making grants for the provision of the same or for research or by such other means as may be deemed appropriate.
- 4.2.9 To promote and facilitate the dissemination and exchange of information on matters of professional interest among members.
- 4.2.10 To provide such services, including technical and advisory services, as may promote and further the interest, training and efficiency of members and others and of the accountancy profession generally.
- 4.2.11 To form local branches and committees or appoint local representatives in any part of the world with such powers and subject to such conditions as the Board may from time to time determine and to make such grants and contributions (if any) to the same as the Board shall deem fit.
- 4.2.12 To procure the registration or recognition of the Company in any overseas country or place and to exercise any of its objectives or powers in any part of the world.
- 4.2.13 To make and carry out any arrangement for joint working or co-operation with any other society or body, whether incorporated or not, carrying out work similar to any work for the time being carried out by the Company.
- 4.2.14 To borrow or raise money on such terms and on such security as may be deemed fit for any of the purposes of the Company.
- 4.2.15 To establish, administer and contribute to any charitable purpose which in the opinion of the Board may tend to promote any of the objectives of the Company or which has objectives similar to those of the Company and to

establish and support or aid in the establishment and support of companies, institutions, funds, trusts and schemes for such purposes, and generally to contribute to or otherwise assist any charitable or benevolent institutions or undertakings and grant donations for any national or public purpose.

- 4.2.16 Consider the requirements of the National Qualifications Framework Act 67 of 2008 (or its successor or related statutes and legislation) for adoption if applicable.
- 4.2.17 Consider participation in the creation and revision of empowerment charters applicable to the profession.
- 4.2.18 Consider participation in social responsibility projects.
- 4.2.19 To pay to officials and servants of the Company their expenses and such salaries, pensions, gratuities or other sums in recognition of services.
- 4.2.20 To operate or contract into schemes of regulation and discipline of the Company 's members and such other persons as agree to be subject to such schemes and, with one or more other professional accountancy bodies, to establish and participate in a scheme (whether constituted as an incorporated body or not) for the investigation and discipline in certain circumstances of such persons as may be subject to the scheme pursuant to the procedures of that scheme rather than the Company 's own disciplinary scheme.
- 4.2.21 To take all such steps as it deems fit to enable it to remain, or become, and operate as a recognised professional body or supervisory body, in the broadest sense, for the purposes of the Close Corporations Act 1984, the Act and other statutes or regulations or the successor statutes or regulations and do anything whatsoever incidental to or in connection therewith and (without prejudice to the generality thereof) may:
 - 4.2.21.1 Lay down requirements and implement procedures (including professional experience, examinations and practical training) to ensure that the requirements for recognition of any professional qualification or designation required in terms of relevant statutes and regulations are, and continue to be, fulfilled.
 - 4.2.21.2 Implement designatory, certification, or licensing procedures for the purposes of the said statutes or regulations.
 - 4.2.21.3 Provide for the constitution of a scheme, fund or other arrangements for the compensation of persons dealing with persons allocated a designation, certification or licence by the Company for the purposes of the said statutes or regulations.
 - 4.2.21.4 Accept undertakings and enter into agreements with firms or persons (whether individuals or corporations) in relation to the certification of such firms or persons, or of firms in which such persons are partners or of corporations with which such persons are directly or indirectly concerned (whether through ownership, management or otherwise).
 - 4.2.21.5 Make provision (whether by agreement or otherwise) for the application of disciplinary procedures and sanctions to firms and persons giving such undertakings or entering into such agreements.
 - 4.2.21.6 To take all steps as it deems fit to enable any qualifications, designation, certificate or licence offered by it to be declared a recognised professional qualification, designation, certificate or licence for the purposes of the relevant statutes and regulations so as to enable it to become a recognised qualifying body or similar body for the purposes of the relevant statutes and any other corresponding or similar provision of the law of any other jurisdiction anywhere in the world.
 - 4.2.21.7 To co-operate with any third party in relation to the functions of monitoring and enforcement of compliance with the rules or standards of compliance as required of members in relation to functions as required by any statute, regulation or common law.
- 4.3 In general, to execute, alone or in conjunction with others, the foregoing and all such other lawful things in any manner whatsoever consistent with the provisions of this Memorandum of Incorporation and the Company Rules or regulations as may be incidental or conducive to furthering or protecting the interests and efficiency of the Company and its members and of the accountancy profession.

PART 1: INCORPORATION AND NATURE OF THE COMPANY

5 Powers of the Company

The Company is not subject to any restrictive conditions other than those contained in the Act.

6 Company Rules

- 6.1 In terms of this Memorandum of Incorporation, the Company is not limited from making, amending or repealing any company rules as contemplated in section 15(3) of the Act ("the Company Rules"), and the board of directors' capacity to make such rules is not limited or restricted.
- 6.2 The board of directors shall publish any proposed or amended Company Rules by dispatch of an electronic notice (e-mail) to members informing them of the publication of such rules and making a copy of the rules available for inspection and/or download by members on the Company's website *alternatively* in any manner required or permitted by this Memorandum of Incorporation, and by filing a copy of those rules.
- 6.3 Subject to the board of directors having the authority to make and revise any Company Rules, the terms, conditions and obligations of membership, by-laws and Conduct Rules at the date of adoption of this Memorandum of Incorporation shall apply and continue to be of force and effect until revised, repealed and/or replaced by the board of directors, whether in part or in its entirety, from time to time.

7 Amending Memorandum of Incorporation

- 7.1 This Memorandum of Incorporation does not contain any provision, the amendment of which is either subject to requirements for its amendment in addition to those set out in the Act or that is prohibited from being amended.
- 7.2 This Memorandum of Incorporation may be amended by way of a resolution of the board of directors to:
- 7.2.1.1 comply with or to give effect to a court order;
- 7.2.1.2 comply with any legal and/or statutory requirement imposed upon the Company and/or its members from time to time;
- 7.2.1.3 correct any patent errors in spelling, punctuation, reference, grammar or similar defect on the face of this Memorandum of Incorporation;
- 7.2.1.4 reflect any additions, removals or amendments to the categories of membership and/or designations of membership as provided for in this Memorandum of Incorporation; or
- 7.2.1.5 give effect to any other amendment as may be specifically placed within the purview of the board of directors in terms of this Memorandum of Incorporation.
- 7.2.2 The board of directors, or any person authorised by the board of directors to do so, shall give effect to such alteration by publishing and filing a notice of alteration with the Companies and Intellectual Property Commission ("the Commission").
- 7.2.3 Notice of such alteration must be sent to each director and member by ordinary mail or e-mail at least 10 (ten) business days prior to the filing of the notice of alteration with the Commission.
- 7.2.4 Any director or members that are of the view that the amendment exceeds the authority of the board of directors as set out above, may approach the Companies Tribunal in terms of section 17(2) of the Act, to have the amendment set aside.
- 7.2.5 This Memorandum of Incorporation may be amended by way of a special resolution of members if the special resolution:
- 7.2.5.1 is proposed by the board of directors or members entitled to exercise at least 10% (ten percent) of the voting rights that may be exercised in respect of such a resolution, and

7.2.5.2 is adopted at a members' meeting or in accordance with section 60 of the Act.

PART 2: MEMBERS RIGHTS AND OBLIGATIONS AND MEETINGS

8 Membership and classes of membership

8.1 The board of directors may on application, and against payment of the annual membership subscription fee and such other fees, charges and/or further conditions as the board of directors may determine from time to time, admit to membership any person eligible in terms hereof to be a member of the Company, whereafter the member's name will be entered into the register of members.

8.2 The board of directors may elect not to:

8.2.1 admit an applicant to membership and/or award a designation and/or a licence;

8.2.2 renew a member's membership of the Company, designation and/or licence,

as the board of directors may in its discretion determine, provided that the board of directors must not admit an applicant to membership and/or award a designation and/or licence to an applicant who has been removed from another controlling body recognised by the South African Revenue Service in terms of section 240A of the Tax Administration Act 2011 or other similar regulatory authority for misconduct.

8.3 Membership of the Company is not restricted to natural persons and the Company shall be entitled to admit juristic entities (such as partnerships and trusts) and legal entities (such as companies and close corporations) to membership on such terms and conditions as the board of directors may from time to time determine.

8.4 The Company has two classes of members, being non-voting and voting members, each of the latter who has an equal vote in any matter to be decided on by members of the Company.

8.5 The Company may further provide for subcategories of membership to differentiate between, without limitation, different designations, practice licenses, industries, interest groups function, status of the member, the professional conduct of such member and, in general, as the board of directors may determine to be in the best interest of the functioning of the Company and members as a whole.

8.6 The sub-categories are set out in Annexure A to this Memorandum of Incorporation.

8.7 The board of directors may expand, modify or contract the abovementioned sub-categories from time to time and further, may provide for practising licences/accreditation within the various sub-categories to provide for and regulate the professional functions and practice of such members and may allocate and/or revoke and/or amend such licenses/accreditation as the board of directors deems fit from time to time in its sole discretion.

8.8 The terms and conditions and qualifications for membership of the Company, the sub-categories of membership, the rights and obligations, if any, of membership in any class or sub-category and the grounds on which membership may, or will be, suspended or terminated, is provided for in this Memorandum of Incorporation.

8.9 Without derogating from the above:

8.9.1 any amount due by a member to the Company by way of membership fees, designation fees, licence fees and/or subscription fees, all other charges and fees determined by the Company from time to time and financial sanctions imposed on such member pursuant to clause 9.6 below shall be a debt due by that member to the Company;

8.9.2 a member shall be liable for and pay all legal costs, including costs as between attorney and own client, and collection commission, expenses and charges incurred by the Company in obtaining the recovery of any arrear amounts due and owing by such member to the Company;

8.9.3 the board of directors shall be entitled to raise interest on arrear amounts owed to the Company (whether in terms of clause 8.9.1 or 8.9.2, as the case may be) at such rate as may, from time to time, be determined by the board; and

8.9.4 no voting member shall be entitled to any of the privileges of membership of the Company, and shall not be entitled to attend or vote at any meeting of members of the Company, unless he or she shall have complied with all of the obligations of membership, including payment of all amounts owing to the Company and interest thereon from whatsoever cause arising.

8.10 The board of directors may provide for the separation of any sub-category of members into a separate sister Institute, if the board of directors deem such separation to be in the best interest of the sub-category of members and/or the members of the Institute in general and/or the public or, in general, to be in furtherance of the objectives of the Company as set out in this Memorandum of Incorporation. Such separate Institute shall be created on the same or materially the same terms and conditions as set out in this Memorandum of Incorporation (as may be adapted within the context and requirements of the specific sub-category of members and rationale underlying the board of directors's decision) and shall remain under the continued governance and/or authority of the Company, but subject to the Company's right of delegation of such authority as it deems fit from time to time.

9 Regulation of Conduct of Members

9.1 The board of directors of the Company may, from time to time, make rules in relation to the qualifications, experience, continuous professional development, standards of ethics, conduct, quality and engagement required of members, members' responsibilities and disciplinary procedures and enforcement ("Conduct Rules"). Without derogating from the generality of the foregoing, the board of directors may make, amend or repeal:

9.1.1 codes of ethics and conduct;

9.1.2 terms and conditions applicable to any recognition, designations, certifications, registrations and licenses provided by the Company; and

9.1.3 disciplinary procedures.

9.2 The board of directors shall deliver any new Conduct Rules or amendments to Conduct Rules made pursuant to clause 9.1 to each member by e-mail or by way of publication thereof on the Company's website. Any such rules or amendments shall take effect on the 10th (tenth) day following the earlier of the date of delivery or publication, as the case may be.

9.3 The Conduct Rules shall be binding between the Company and each member, and each member shall comply with all of the Conduct Rules.

9.4 The board of directors shall be entitled to investigate any complaint lodged with it in relation to a member's conduct, including complaints lodged by the South African Revenue Service or other professional bodies, in accordance with its disciplinary processes and procedures from time to time. The member concerned:

9.4.1 shall provide the Company with, and authorises the Company to request and obtain on his behalf, all such information and documentation as the Company may require for such purpose; and

9.4.2 hereby authorises the Company to request access from software companies engaged by the member to the work performed by the member using such software when preparing accounts, financial statements, and working papers, to verify the quality of the work performed.

9.5 The Company shall be entitled to inform the complainant and/or all relevant authorities, including the South African Revenue Service, of the outcome of any complaint referred to in clause 9.4.

9.6 In the event that, pursuant to the conclusion of any applicable disciplinary processes and procedures, a member is found to have contravened the Conduct Rules, the Company shall be entitled to:

9.6.1 notify all relevant authorities, including the South African Revenue Service, of such contravention;

9.6.2 impose on the member such fines, penalties, charges or other sanctions (including termination of membership), which the Company, in its sole discretion, considers to be proportionate to the contravention concerned; and

9.6.3 in the event that the sanction imposed concerns the termination of a member's membership of the Company, publish the identity and sanctioning of that member on the Company's website.

9.7 Should a member dispute the fact that he or she has contravened any of the Conduct Rules in terms of the then applicable disciplinary processes and procedures, the costs of any further processes and procedures resulting from such dispute shall be for the account of that member.

10 Termination of membership

10.1 A member may at any time terminate his membership of the Company by giving 30 (thirty) days written notice of such termination to the Company and vice versa.

10.2 Notwithstanding the termination of membership of the Company by a member in terms of clause 10.1:

10.2.1 the member shall remain bound by the Conduct Rules and the Company's disciplinary procedures in relation to any conduct of the member during the member's term of membership; and

10.2.2 in the event that such member has been found after the date of termination to have contravened the Conduct Rules in respect of conduct occurring prior to termination, the provisions of clause 9 shall continue to apply to that member and the Company shall be entitled to claim from that member any fines, penalties, charges imposed in terms of clause 9.6.

10.3 The member's membership of the Company shall automatically be terminated if the member, being a natural person, dies or if the member, being a legal person or juristic entity, is deregistered or provisionally or finally liquidated.

10.4 Membership of the Company and/or designations and/or licences issued by the Company shall further be terminated on written notice to a member if:

10.4.1 the member's membership is terminated pursuant to clause 9.6;

10.4.2 the member has been erroneously registered as a member of the Company for a designation and/or licence in circumstances in which he does not comply with the requirements for registration, provided that the member has been afforded at least 10 (ten) Business Days to remedy such non-compliance and has failed to do so within this period.

10.4.3 the member no longer complies with the requirements for membership of the Company from time to time;

10.4.4 the member has failed to comply with any applicable continuous professional development requirements or provide a police clearance certificate or affidavit when he is required by the Company to do so, provided that the member has been afforded a reasonable period of time to remedy such non-compliance and he has failed to do so; or

10.4.5 the member fails to pay any amounts due by that member to the Company in terms of clauses 8.9.1 and/or 8.9.2 and/or any other amounts owed by such member for goods and/or services provided by the Company to the member, on or before the date on which such amounts fell due, provided that the board of directors may in its discretion reinstate any member who makes payment of any arrears due within a period of 3 (three) months after the date on which it is due.

10.5 The Company may suspend the membership, designation, and/or licence of a member on prior written notice if it is of the opinion that the member's continuous behaviour, whether in public or as a professional whilst performing professional services, is damaging to the Company's and/or its members' image and reputation. Following suspension, the board of directors shall immediately refer the matter for investigation, adjudication and/or resolution in accordance with the Company's disciplinary procedures.

11 Members' right to be represented by proxy

11.1 This Memorandum of Incorporation hereby limits and restricts the appointment of proxies to the appointment of one proxy per voting member.

- 11.2 The Company shall be entitled to disregard a proxy form or instrument appointing a proxy, and to disregard the vote of any proxy or purported proxy, if:
- 11.2.1 the proxy form or instrument of proxy does not comply with the requisite formalities, or with the requirements as to content, as prescribed in section 58 of the Act or is inconsistent with or contravenes this Memorandum of Incorporation; or
- 11.2.2 the member is indicated as not being in good standing as at the record date pertaining to the specific meeting; or
- 11.2.3 the authority of the proxy has been revoked by the member.
- 11.3 Any person who is a proxy or purported proxy specified in a proxy form or instrument appointing a proxy which may be disregarded, or the voting of whom may be disregarded, shall not be entitled to attend, participate in, or speak or vote at the meeting of members in question or by way of round-robin resolution in terms of section 60 of the Act, and shall forthwith remove himself from the meeting in question at the request of the chairperson of the meeting.

12 Members' meetings

12.1 General:

- 12.1.1 The Company is not required to hold any members' meetings other than those specifically required by the Act.
- 12.1.2 The board of directors or any director of the Company authorised by the board of directors to do so, or the company secretary (if applicable), may call a meeting of members at any time, and must do so if and when required by the Act or this Memorandum of Incorporation to do so.
- 12.1.3 The board of directors must call a meeting of members if demanded by members in terms of section 61(3) of the Act. If there are no directors or all of the directors of the Company are incapacitated, the meeting shall be called by the company secretary, if applicable. If no company secretary has been appointed, the Company authorises any member of the Company to call a members' meeting for purposes of and in the circumstances contemplated in section 61(11) of the Act.
- 12.1.4 At any time before the start of a members' meeting a member who submitted a demand for that meeting may withdraw that demand and the Company shall cancel the meeting if, as a result of one or more demands being withdrawn, the voting rights of any remaining members who continue to demand the meeting, in aggregate, fall below the minimum percentage of voting rights required to call a meeting.
- 12.1.5 In the event of a demand for a meeting being withdrawn and the meeting being cancelled as set out above, the board of directors may refer the matter to the disciplinary structure of the Company to determine whether the demand for a meeting was made and/or withdrawn on a reckless and/or frivolous basis and, if so, may direct that the member pay to the Company the entirety, or such portion as the committee deem fit, of the wasted costs incurred by the Company as a result of the demand for and/or withdrawal of demand for a meeting.
- 12.1.6 The authority of the board of directors to determine the location of any members meeting, and to hold any such meeting is not limited or restricted by this Memorandum of Incorporation.
- 12.1.7 With respect to the location(s) and venue(s) of a members' meeting, the board of directors may determine that a meeting will take place electronically and/or at several locations and venues, and/or in combination of the aforementioned, and may determine such arrangements as it in its sole discretion deem appropriate and practical in any circumstances to address, without limitation: the location and venue where the chairperson of the meeting will preside ("the main meeting place"), the numbers of persons attending at any particular location or venue, the safety of persons attending at any particular location or venue, the facilitating factors of attendance of persons at any particular location or venue, the entitlement of persons to attend at any particular location or venue, and the electronic participation of persons in the meeting, and may from time to time vary any such arrangements.

12.1.8 A member who in person or as represented attends a members' meeting physically at any of the various locations and venues for a meeting, or by way of electronic participation shall be deemed to be present at the meeting in question, and counted towards the quorum, while so attending.

12.1.9 The chairperson of the board of directors or in his absence, the company secretary (if applicable), or in his absence, the lead independent non-executive director, shall preside as chairperson at every members' meeting. If there is no such chairperson as provided for above present within 15 (fifteen) minutes after the time appointed for holding the members' meeting, or the incumbent is unwilling to act as chairperson, the members entitled to vote which are present shall select a director present at the members' meeting or, if no director is present at the members' meeting, or if all the directors present decline to take the chair, the members entitled to vote shall select one of their number which is present to be chairperson of the members' meeting.

12.2 Closed Meetings:

12.2.1 Without derogating from the generality of the above, the board of directors of the Company may call a members' meeting with regards to a specific sub-category of members, at any time, to discuss and obtain the direction of such members with regards to issues that are specifically of import to such sub-category.

12.2.2 The result of such meeting shall only be applicable to and bind the relevant sub-category of members and shall not be made applicable to the members of the Institute at large without first having been put to the vote at a duly constituted meeting of all the members.

13 Notices

13.1 All notices required to be given by the Company to any member in terms of this Memorandum of Incorporation shall be given in writing in any manner authorised by the Companies Regulations, 2011 published in terms of General Notice R351 in Government Gazette 34239 of 26 April 2011 and any further regulations made in terms of the Act from time to time ("the Regulations"), and particularly Table CR3 annexed to the Regulations.

13.2 Each member shall notify the Company in writing of an electronic mail address, and a physical address, which address shall be his registered address for the purposes of receiving written notices from the Company in terms of this Memorandum of Incorporation and/or the Act.

13.3 If a member has not notified the Company of the address referred to in clause 13.2, the member shall be deemed to have waived his right to be served with such written notices. Electronic (e-mail) communication shall be the preferred method of communication with members.

13.4 A notice of a meeting of any class of members must be delivered electronically and contemporaneously to each member in good standing (as determined on the applicable record date for delivery for that meeting), of the class of member entitled to vote on any of the resolutions to be considered at the meeting, and to the auditors for the time being of the Company, in substantially the form and content as prescribed in section 62(3) of the Act, at least 10 (ten) business days before the date on which the meeting is to begin. Any failure to comply with this clause shall not affect the validity of the General Meeting.

13.5 Each member chooses the registered address referred to in clause 13.2 as his *domicilium citandi et executandi* for purposes of all legal and/or disciplinary action which may be instituted by the Company in terms of this Memorandum of Incorporation and/or any Conduct Rules. If a member wishes to change such *domicilium citandi et executandi* he must give written notice to that effect to the Company.

14 Meeting Quorum and Postponement

14.1 A member who in person or as represented participates in a meeting at any time electronically shall be deemed to be present at the meeting in question, and counted towards a quorum, while so participating.

14.2 At any members' meeting, a quorum shall be at least three members present in person, by proxy or by electronic participation and representing at least 0% (zero percent) of all the voting rights entitled to be exercised in respect of at least one matter to be decided by members at the meeting.

14.3 After a quorum has been established for a meeting or for a matter to be considered at a meeting, the meeting may continue, or the matter may be considered, so long as at least one member with voting rights entitled to be exercised at the meeting, or on that matter, is present or represented at the meeting.

15 Adjournment of members' meetings

15.1 Should a quorum not be present within 1 hour from the appointed time for such meeting to commence, then the meeting shall automatically stand adjourned for a period of one week as set out herein below.

15.2 An adjournment of a meeting, or of consideration of a matter being debated at the meeting shall be either to the initial time and venue(s) of the meeting one week hence, or to a fixed time and place, or until further notice, or as agreed at the meeting.

15.3 The Company shall not be required to give further notice of a meeting that is postponed or adjourned unless:

15.3.1 the location for the meeting is different from:

15.3.1.1 the location of the postponed or adjourned meeting; or

15.3.1.2 the location announced at the time of adjournment, in the case of an adjourned meeting; or

15.3.2 it is necessary to inform members of the availability of participation in the postponed or adjourned meeting by electronic means; or

15.3.3 the meeting has been adjourned "until further notice" in terms of this clause 15 of this Memorandum of Incorporation.

15.4 If at any adjourned meeting a quorum is not present within 30 (thirty) minutes from the appointed time for such meeting to commence, the members who are present or represented by proxy or electronic participation and entitled to vote shall constitute a quorum and may proceed to transact the business of the meeting.

15.5 No business shall be transacted at any adjourned members' meeting of the Company other than business left unfinished at the meeting from which the adjournment took place.

16 Conduct of meetings

16.1 In relation to the Company, and for purposes of this Memorandum of Incorporation, no person other than a member or his authorised representative or proxy shall be entitled to attend, speak and vote at a meeting of that class of members.

16.2 A person wishing to attend or speak at or participate in or vote at a members' meeting as a member personally or as an authorised representative or as a proxy for a member, or as the legal representative of a member, or as the auditors or representative of the auditors, must when requested to do so, for purposes of identification present reasonably satisfactory identification and evidence of their authority or entitlement to represent the member in question or to attend the meeting, to the chairperson of the meeting at least 30 (thirty) minutes before the appointed time for that meeting to begin or, if the meeting is adjourned, at least 30 (thirty) minutes before the appointed time for that adjourned meeting to resume, as the case may be, stipulated in the notice of the meeting or adjourned meeting in question.

16.3 The Company has the authority to conduct a members' meeting entirely by electronic communication or to provide for participation in a meeting by electronic communication of one or more members, or proxies for members, in all or part of a members' meeting, as long as the electronic communication employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary and to participate reasonably effectively in the meeting.

16.4 Members (or if applicable their representatives or proxies) may participate in all or part of a meeting (including the meeting as adjourned) which they are entitled to attend, by electronic communication, at their own expense.

16.5 A resolution adopted by members, some or all of whom were connected electronically, where:

- 16.5.1 members connected electronically remained connected for the duration of that part of the meeting during which the resolution was discussed; and
- 16.5.2 the subject matter of the resolution has been discussed; and
- 16.5.3 the chairperson of the meeting or any other person present in person or electronically at the meeting 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 adopted.
- 16.6 Within 10 (ten) business days after the adoption or failing of a resolution at a meeting where some or all of the members were connected and participated electronically, the Company shall:
- 16.6.1 deliver to each member a copy of the resolution proposed, accompanied by a statement describing the results of the vote, consent process or election, as the case may be; and
- 16.6.2 insert a copy of the said resolution and statement in the minute book of the Company.

17 **Votes of members**

- 17.1 At any meeting of the Company a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of this clause 17, and unless a poll is so demanded, a declaration by the chairperson that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or defeated, and an entry to that effect in the book containing the minutes of the proceedings 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. The demand for a poll may be withdrawn.
- 17.2 A demand for a poll may be made by:
- 17.2.1 a member who is, or members who together are, entitled, as members or proxies representing members to exercise at least 5% (five percent) of the voting rights entitled to be voted on that matter; or
- 17.2.2 the chairperson of the meeting.
- 17.3 If a poll is duly demanded, it shall be taken in such a manner as the chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In computing the majority on the poll, regard shall be had to the number of votes to which each member is entitled.
- 17.4 In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place, or at which the poll is demanded, shall not be entitled to a second or casting vote.
- 17.5 A poll demanded on the election of a chairperson or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairperson of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.
- 17.6 The passing of an ordinary resolution is subject to the approval of more than 50% (eg. 50.1% or more) of the votes cast by all members present in person or represented by proxy, at the meeting convened to approve such resolution.
- 17.7 The passing of a special resolution is subject to the approval of at least 75% (seventy-five per cent) of the votes cast by all members present in person, or represented by proxy, at the meeting convened to approve such resolution.
- 17.8 A special resolution adopted at a members' meeting is not required for a matter to be determined by the Company, except those matters set out in section 65(11) or elsewhere in either the Act or this Memorandum of Incorporation.
- 17.9 Round-robin resolutions of members entitled to vote will be passed if signed by members entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or special resolution, as the case may be, at a properly constituted members' meeting.

- 17.10 If a member entitled to vote is a body corporate represented at any members' meeting it shall have only 1 (one) vote. A proxy shall have only 1 (one) vote on a show of hands.
- 17.11 The Company is not obliged to file with the Commission any members' resolution (including any special resolution), except if required to do so in terms of the Act and the board of directors may decide whether the Company is obliged to file with the Commission any members' resolution.

PART 3 – BOARD OF DIRECTORS AND PRESCRIBED OFFICERS

18 Election and appointment

- 18.1 In terms of this Memorandum of Incorporation, the board of directors shall cause a Nominations Committee to be established. The Nominations Committee shall comprise at least one non-executive director and one executive director.
- 18.2 The Nominations Committee shall from time to time determine the rotation of directors and the qualifying criteria for any candidate to be nominated as a director in terms of the provisions set out below. The determination shall be in the sole discretion of the Nomination Committee taking into account factors such as, but not necessarily limited to, the Company's short and long-term strategy, operational requirements and the professional requirements of members.
- 18.3 Subject to the determination of candidates by the Nominations Committee, the board of directors shall be comprised of no less than 5 (five) and no more than 11 (eleven) directors, to be elected and appointed as follows:
- 18.3.1 Non-executive Directors (independent non-members) - Nominated, elected and appointed from nominations who are not required to be members of the Company.
- 18.3.2 Non-Executive Directors (members - not independent) - Nominated, elected and appointed from nominations of members (in good standing) of at least 3 (three) years uninterrupted membership of the Company.
- 18.3.3 Executive Directors (ex-officio):
- 18.3.3.1 one ex officio seat for the Chief Executive Officer, if any; and
- 18.3.3.2 one ex officio seat for the Chief Financial Officer, if any.
- 18.4 At least 30 (thirty) business days before the date of the annual general meeting at which the directors are to be elected, the Company shall give the voting members written notice calling on them to nominate candidates for appointment to the board of directors as per the determination of the Nominations Committee.
- 18.5 Each voting member may nominate an unlimited number of candidates, provided that such nominations are submitted to the Nominations Committee within 15 (fifteen) business days of the date of the written notice referred to in clause 18.4 and that each candidate signifies his or her acceptance of the nomination in writing on the nomination form delivered to the Company. Any nomination which is not accepted by the candidate in this manner shall be disregarded.
- 18.6 In the event that members may fail to nominate the required candidates or the required minimum number of candidates, the board of directors shall have the discretion, but not the obligation, to co-opt director(s) to fill such vacancy.
- 18.7 In the event that the number of directors of the Company together with any ex-officio directors, falls below 11 (eleven), but provided at least 3 (three) directors still remain in office, then the remaining directors shall be entitled to appoint directors to the board of directors to fill the vacancies so arising. The directors so appointed shall remain in office as determined during their appointment or until the first meeting of members, whichever event is the earliest.
- 18.8 Should the number of directors fall below 3 (three), then the remaining board of director's members shall call a meeting of members within 40 (forty) business days after the event, to elect sufficient directors to fill all vacancies on the board of directors at the time of the election.

19 Qualifying Criteria

A person becomes entitled to serve as a director of the Company when that person:

- 19.1 complies with the criteria for the category of director as set out in the requirements for the composition of the board of directors herein above;
- 19.2 complies with the criteria as determined by the Nominations Committee from time to time;
- 19.3 has been elected by members in meeting, or holds office, title, designation or similar status, entitling that person to be an *ex-officio* director of the Company or has been assumed or nominated by the board of directors; and
- 19.4 has delivered to the Company a written consent to serve as its director.

20 Disqualifying criteria

- 20.1 A person shall cease to be a director and a vacancy arises on the board of directors of the Company:
 - 20.1.1 when the person's term of office as director expires; or
 - 20.1.2 in any case, if the person:
 - 20.1.2.1 resigns or dies;
 - 20.1.2.2 in the case of an *ex-officio* director, ceases to hold the office, title, designation or similar status that entitled the person to be an *ex-officio* director;
 - 20.1.2.3 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 subject to section 71(3) of the Act;
 - 20.1.2.4 is declared delinquent by a court or placed on probation under conditions that are inconsistent with continuing to be a director of the Company in terms of section 162 of the Act;
 - 20.1.2.5 becomes ineligible or disqualified in terms of section 69 of the Act subject to section 71(3);
 - 20.1.2.6 is no longer a member of the Company or loses his status of being "in good standing", if applicable;
 - 20.1.2.7 fails to attend 2 (two) board of directors' meetings in a row without having been excused from the meetings by the board of directors.
 - 20.1.2.8 is removed:
 - 20.1.2.8.1 by resolution of the members in terms of section 71(1) of the Act;
 - 20.1.2.8.2 by resolution of the board of directors in terms of section 71(3) of the Act; or
 - 20.1.2.8.3 by order of the court in terms of section 71(5) or (6) of the Act.
- 20.2 Any person who is the audit partner of an audit firm who fulfils the duties of an external auditor of the Company shall not be eligible to be nominated and elected as a director of the Company for the duration while the firm holds such appointment.

21 Rotation and appointment of Ex-Officio, Non-Executive and Alternate directors

- 21.1 The list of eligible nominees and further directors, and the rotation of directors, shall be determined by the Nominations Committee from time to time.
- 21.2 All elected and appointed directors on the board of directors shall retire from office no later than the third annual general meeting after their election and newly elected members of the board of directors shall assume their office as directors at that meeting.

- 21.3 Retiring directors may be re-elected to office for two additional terms whereafter the director shall be subject to a 1 (one) year 'cooling off' period before he may again stand for election.
- 21.4 The directors elected to the board of directors at the annual general meeting may fill any vacancies remaining on the board of directors after the annual general meeting.
- 21.5 The board of directors may appoint a Chief Executive Officer and a Chief Financial Officer as and when such positions become vacant. A person who has served as an elected board member may not be appointed as Chief Executive Officer or Chief Financial Officer (acting or permanent), unless such person has been subject to a two-year cooling-off period calculated from the date that his last appointment as a director of the Company terminated. The Chief Executive Officer and the Chief Financial Officer will be *ex-officio* directors on the board of directors.
- 21.6 A person elected or appointed as an alternate for a director acts for all intents and purposes in the place of, and not for or as a representative of, the director for whom he is an alternate, and shall be treated as a director of the Company while he acts in the place of the director for whom he is an alternate.
- 21.7 While acting in the place of the director for whom he is an alternate, the alternate director may generally exercise all the rights of that director and shall, in all aspects, be subject to the terms and conditions existing with reference to the appointment, rights and duties as director and the holding of office of that director, and shall not have any claim of any nature whatsoever against the Company for any remuneration with respect to his services as a director or his appointment as an alternate.
- 21.8 A person may be elected or appointed as an alternate for one or more directors.
- 21.9 An alternate shall only be entitled to vote at any meeting if the director for whom he is an alternate is not present at that meeting, provided that the alternate may also attend a meeting at which the director for whom he is an alternate is present if the other directors present at the meeting resolve that he may attend, provided further, that in the circumstances when the director for whom he is an alternate is present, then the alternate shall not be counted towards a quorum and shall recuse himself from the meeting if requested by any director to do so.
- 21.10 An alternate shall only be entitled to sign a round-robin resolution if the director for whom he is an alternate is then absent from the Republic of South Africa or is out of reach of communication or is incapacitated.
- 21.11 The appointment of an alternate shall cease, and he shall vacate his office as an alternate, if:
- 21.11.1 the alternate was appointed by the board of directors and the board of directors gives notice to that alternate terminating his appointment;
- 21.11.2 the person (for whom another person has been elected or appointed as an alternate) ceases to be a director of the Company or ceases to be entitled to serve as a director, for any reason; or
- 21.11.3 an event occurs, or circumstances arise, in relation to an alternate, which if he were a full director would cause him to cease to be entitled to serve as a director in terms of the Act or this Memorandum of Incorporation.

22 Vacancies on Board of Directors

- 22.1 If a vacancy arises on the board of directors, the board of directors may elect a person who satisfies the requirements for election as a director to fill any vacancy and serve as a director of the Company on temporary basis until the earlier of the vacancy being filled by election by the members or the conclusion of the next meeting of members after the temporary filling.
- 22.2 If at any time the number of directors falls below the number required for a quorum, the continuing directors may act for the purpose of appointing sufficient directors to constitute a quorum or for convening a meeting of members but for no other purpose.
- 22.3 A director shall be entitled to resign as director on 30 (thirty) days' written notice to the Company or on such shorter notice as the board of directors may determine.

23 Governance by the Board of Directors

- 23.1 This Memorandum of Incorporation does not limit, restrict or qualify the authority of the board of directors to appoint any number of committees, or to delegate to any such committee any of the authority of the board of directors.
- 23.2 The board of directors shall have the power to appoint, and at its discretion to remove or suspend, committees and to fix and vary their remuneration; to establish and keep registered offices and branch registers in any foreign country whatsoever and to close same at its discretion; and to appoint and remove agents who represent the Company for such purposes as the board of directors may determine.
- 23.3 Save as may be provided for by the board of directors and/or the Act and/or any committee charter and/or the Company Rules governing the conduct of meetings of committees, the committees shall be free to determine their own proceedings and conduct of their meetings.
- 23.4 The directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors in terms of this Memorandum of Incorporation including the right of sub-delegation) and for such period and subject to such conditions as the directors may from time to time think fit. Any such appointment may, if the directors think fit, be made in favour of any company, the members, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the directors. Any such Power of Attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the directors think fit. Any such attorneys or agents as aforesaid may be authorised by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

24 Board of Directors Meetings

- 24.1 At the first meeting of directors following the Company's annual general meeting, the directors shall choose one of them to act as chairperson and one of them to act as vice-chairperson of any further meetings of the board. In the absence of the chairperson, the vice-chairperson shall preside. Failing the attendance of the chairperson and the vice-chairperson, the directors shall elect one of their members to act as chairperson for such meeting. The directors shall determine the manner, form and time of providing notice of its meetings and is not limited or restricted by this Memorandum of Incorporation. In the absence of such determination, a meeting shall be convened with at least 10 (ten) days notice.
- 24.2 Notwithstanding the above, the directors may meet together for the dispatch of business, adjourn or otherwise regulate their meetings as they see fit, subject to the provisions of the Act and this Memorandum of Incorporation.
- 24.3 The company secretary and/or a director authorised by the board of directors of the Company may call a meeting of the board of directors at any time and shall call such a meeting if required to do so by at least 25% (twenty-five percent) of the directors where the board of directors has eleven or more members, or 2 (two) directors in any other case. In the absence of a specifically authorised director, the meeting shall be called by the company secretary, if appointed and if not, by the chairperson of the board of directors who presided at the last meeting of directors.
- 24.4 The convener (as set out above) of the board of directors meeting may determine the location of the meeting, including the location of a meeting which has been adjourned, provided that the location shall be the registered office of the Company or a suitable venue in the Republic of South Africa which is reasonably accessible to each director.
- 24.5 In terms of the Act and this Memorandum of Incorporation, the authority of the board of directors to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, is not limited or restricted by this Memorandum of Incorporation.
- 24.6 The electronic communication facility employed by the Company must ordinarily enable all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.
- 24.7 A resolution adopted by directors, some or all of whom were connected electronically, where:
- 24.7.1 directors connected electronically remained connected for the duration of that part of the meeting when the resolution was discussed;

- 24.7.2 the subject matter of the resolution has been discussed; and
- 24.7.3 the chairperson of the meeting or any other director present in person or electronically 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 adopted.
- 24.8 Within 10 (ten) business days after the adoption or failing of a resolution at a meeting or where some or all of the directors were connected and participated electronically in terms of this clause 24, the Company shall:
- 24.8.1 deliver to each director of the Company a copy of the resolution proposed, accompanied by a statement describing the results of the vote; and
- 24.8.2 insert a copy of the resolution proposed and statement in the minute book of the Company.
- 24.9 A director who participated in a meeting at any time electronically in terms of this clause 24 shall be deemed to be present at the meeting in question, and counted towards a quorum, while so participating.

25 Board of Directors Quorum

- 25.1 The quorum for a board of directors meeting shall be the majority (50,1%) of the directors in office.
- 25.2 For purposes of counting a quorum at any time, a director or his alternate who is personally present at the meeting, or who participates electronically at that time, shall be counted towards a quorum at that time. A person whose election as director including as an alternate director is a nullity in terms of section 66(6) of the Act, or who ceases to be a director in terms of section 70 of the Act, shall not be counted towards any quorum of directors.
- 25.3 If the requirements for a quorum cannot be met due to there being insufficient directors in office who are also members of the Company of at least three years continuous membership and in good standing, then the remaining directors shall be entitled and obligated to appoint directors to fill the vacancies so arising.

26 Board of Directors Resolutions

- 26.1 The board of directors may propose any resolution to be considered by members.
- 26.2 Each director has 1 (one) vote on a matter before the board of directors except that:
- 26.2.1 a director whose ineligibility to serve as a director has been determined in terms of this Memorandum of Incorporation, shall not have a vote;
- 26.2.2 a director who has been suspended in terms of section 70(2) of the Act shall not have a vote on any matter before the board of directors;
- 26.2.3 a director who has a personal financial interest in respect of a matter to be considered by the board of directors or who knows that a related person has a personal financial interest in the matter in terms of section 75(4) or 75(5) of the Act, shall not have a vote in respect of that matter.
- 26.3 An abstention from voting shall not be counted as an exercise of a vote and shall in terms of section 73(5)(d) of the Act be disregarded for purposes of calculating whether a majority has been obtained.
- 26.4 If a resolution of the directors has failed because of a tie, such failure / deadlock shall not constitute grounds for the winding-up of the Company.
- 26.5 A resolution that could be voted on at a board of directors meeting other than a board of directors' resolution that the Company voluntarily begin business rescue proceedings and place the Company under supervision in terms of section 129(1) of the Act, may instead be submitted to each director for consideration and voting in terms of section 74(1) of the Act.

- 26.6 A round-robin resolution of directors shall be deemed to have been passed on the date specified in the resolution as the effective date of the resolution provided that the effective date is not a date earlier than the date the resolution was submitted to directors for their consideration. Failing any such effective date being specified in the resolution, the resolution shall be deemed to have been passed on the date on which the resolution was approved in writing by the last of the directors or their alternates entitled to do so voting in favour of the resolution and which votes aggregate are sufficient for the resolution to have been passed.

27 Indemnification and Directors' Insurance

In terms of the Act and this Memorandum of Incorporation, the authority of the Company to provide indemnification to its directors and prescribed officers and to purchase market related insurance to protect the Company or a director, as contemplated in section 78(7) of the Act, is not limited, restricted or extended by this Memorandum of Incorporation, giving authority to the Company to purchase insurance to protect a director against any liability or expenses for which the Company is permitted to indemnify a director or the Company against any contingency including, but not limited, to any expenses that the Company is permitted to advance or for which the Company is permitted to indemnify a director.

PART 4 – TRANSPARENCY, ACCOUNTABILITY AND INTEGRITY OF THE COMPANY

28 Records and Financial Statements

The accounting records shall be kept at or be accessible from the Company's registered office. The accounting records shall be open to inspection by any of the directors at any time.

29 Financial Year End of the Company

The Company's financial year which is its annual accounting period, ends on a date set out in the Company's Notice of Incorporation, subject to any change made in terms of this sub-article of the Memorandum of Incorporation, being 30 June annually.

30 Accounting Records of the Company

In terms of the Act and this Memorandum of Incorporation, the Company shall keep accurate and complete accounting records in one of the official languages of the Republic, as necessary to provide an adequate information-base sufficient to enable the Company to satisfy all reporting requirements applicable to it, as set out in this sub-article, and to provide for the compilation of financial statements.

31 Financial Statements and Financial Year

- 31.1 The directors shall, in accordance with sections 30 and 31 of the Act, cause to be prepared and laid before the Company at its annual general meeting its audited Financial Statements.

- 31.2 Not less than 10 (ten) business days before the date of any annual general meeting, a summarised form of the Financial Statements to be presented at such meeting *alternatively* directions for obtaining a copy of the complete Financial Statements for the preceding financial year shall be sent to every member, subject and in accordance with the provisions of the Act and this Memorandum of Incorporation.

- 31.3 Nothing contained in this clause 31, shall impose a duty on the directors to send copies of such documents to any person whose address is not known to the Company or who has waived his right to receive notice from the Company.

32 Annual Financial Statements

The Company's Annual Financial Statements shall be prepared in accordance with the provisions of the Act.

33 Compliance and Tax Exemption: Section 30B of the Income Tax Act, 58 of 1962 ("the Tax Act") and other provisions

In amplification of that which has been set out above, and in confirmation of the director's mandate to ensure compliance with all legislative and statutory obligations imposed on the Company, and with a view toward complying with the provisions of Section 30B of the Tax Act with regard to the tax-exempt status of the Company, it is recorded as follows:

- 33.1 the Company shall be governed by a board of directors as provided for in this Memorandum of Incorporation consisting of at least 3 (three) persons, who are not connected persons in relation to each other, to accept the fiduciary responsibility of the Company;
- 33.2 no single person may directly or indirectly control the decision-making powers relating to the Company;
- 33.3 the Company may not directly or indirectly distribute any of its funds or assets to any person other than in the course of furthering its objectives;
- 33.4 the Company is required to utilise substantially the whole of its funds for the sole or principal object for which it has been established;
- 33.5 no member may directly or indirectly have any personal or private interest in the Company;
- 33.6 substantially the whole of the activities of the Company must be directed to the furtherance of its sole or principal object and not for the specific benefit of an individual member or minority group;
- 33.7 the Company may not have a share or other interest in any business, profession or occupation which is carried on by its members;
- 33.8 the Company must not pay to any employee, office bearer, member or other person any remuneration, as defined in the Fourth Schedule to the Tax Act, which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered;
- 33.9 substantially the whole of the Company's funding must be derived from its annual or other long-term subscription of members or from an appropriation by the government of the Republic in the national, provincial or local sphere;
- 33.10 the Company must as part of its dissolution transfer its assets to:
- 33.10.1 another entity approved by the Commissioner of the South African Revenue Service ("the Commissioner") in terms of this section;
- 33.10.2 a public benefit organisation approved in terms of section 30 of the Tax Act;
- 33.10.3 an institution, board of directors or body which is exempt from tax under section 10 (1) (cA) (i) of the Tax Act;
- 33.10.4 the government of the Republic in the national, provincial or local sphere;
- 33.11 the Company will submit any amendment of this Memorandum of Incorporation to the Commissioner within 30 (thirty) days of its amendment;
- 33.12 the Company will comply with such reporting requirements as may be determined by the Commissioner from time to time; and
- 33.13 the Company is not knowingly and will not knowingly become a party to, and does not knowingly and will not knowingly permit itself to be used as part of, an impermissible avoidance arrangement contemplated in Part II A of Chapter III of the Tax Act, or a transaction, operation or scheme contemplated in section 103(5) of the Tax Act.

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MEMBERSHIP CLASSES AND CATEGORIES

A. Voting Members

- Business Accountant (SA): BA (SA) / Chartered Business Accountant: Chartered BA
- Business Accountant in Practice (SA): BAP (SA) / Chartered Business Accountant in Practice: Chartered BAP
- Certified Business Accountant (SA): CBA (SA) / Chartered Financial Manager: Chartered FM
- Certified Financial Officer (SA): CFO (SA) / Chartered Chief Financial Officer: Chartered CFO
- Chartered Financial Administrator: CFAdmin
- Chartered Bookkeeper: CBK

B. Non-Voting Members

- CIBA Associate

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