

Memorandum of incorporation

of

Consulting Engineers South Africa NPC
(registration number: 2012/045727/08)
(Company)

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1 Definitions and interpretation

1.1 In this Memorandum of Incorporation:

- (1) a reference to a section by number refers to the corresponding section of the Act;
- (2) words that are defined in the Act bear the same meaning in this Memorandum of Incorporation as in that Act;
- (3) the headings to the clauses of this Memorandum of Incorporation are for reference purposes only and shall in no way govern or affect the interpretation of nor modify nor amplify the terms of this Memorandum of Incorporation nor any clause hereof.

1.2 Unless inconsistent with the context, the words and expressions set forth below shall bear the following meanings and cognate expressions shall bear corresponding meanings:

- (1) **Act** means the *Companies Act, 2008*, as amended, together with any regulations published in terms thereof;
- (2) **Director** means a director of the board of the Company, a member of the Board of the Company and the alternate Directors thereof;
- (3) **Board** means the board of Directors for the time being of the Company and appointed in terms of this MOI;
- (4) **Branch** means a local unit of the Company comprising members from a geographical region as are created in terms of a decision of the Board;
- (5) **By-Laws** means the rules of the Company determined from time to time by the Board;
- (6) **Chief Executive Officer** means the chief executive officer of the Company;
- (7) **Code of Conduct** means the code of conduct of the Company determined from time to time by the Board;
- (8) **Council** means the council of the Company whose members will be Registered Professionals of Members of the Company and will provide guidance on strategic and policy issues relating to the Company;
- (9) **Financial Year** means a period commencing on 1 March of a calendar year and terminating on the last day of February of the following calendar year, or any other period of 12 consecutive calendar months as may be decided by the Board;
- (10) **Firm** means a natural person or legal entity which provides primarily independent technology-based intellectual services in the built, human and natural environment to clients for a fee, and which may be any of the following:
 - (a) a Registered Principal who is a sole practitioner; or

- (b) a partnership in which Registered Principals constitute at least 50 per cent of the partners; or
- (c) a close corporation in which Registered Principals constitute at least 50 percent of the close corporation members; or
- (d) a company in which Registered Principals constitute at least 50 percent of the directors of the company appointed in terms of the Act;
- (e) a subsidiary or regional office or associate office in South Africa of a foreign firm, that:
 - (i) is appropriately registered in South Africa,
 - (ii) is under full time control of a Registered Principal, and
 - (iii) in which locally based Registered Principals constitute at least 50 percent of the principals of the locally registered entity;

Provided always that there shall be excluded from this definition any firm:

- (iv) which engages in or is a subsidiary or holding company of a company which engages in manufacturing or contracting such as would in the opinion of the Board tend to influence the exercise of independent judgement of a Principal in such firm in relation to the matters in which the firm provides service; or
 - (v) whose holding company has any other subsidiary which engages in manufacturing or contracting unless the Board is satisfied that the independent judgement of the Principals of the firm is not influenced by the interests of such other subsidiary; or
 - (vi) which (in the opinion of the Board) is in substance owned by the State or a similar public body or is in substance the design department of a development, manufacturing or contracting enterprise; or
 - (vii) the ownership of which (in the opinion of Board) is such as would tend to influence a Principal in such firm in the exercise of independent judgement in relation to the technology-based intellectual services provided by such firm; or
 - (viii) where any persons directly or indirectly participating in the management of the firm are considered unsuitable by Board; or
 - (ix) which engages in or is a subsidiary or holding company of a company which engages in manufacturing or contracting and whose clients are substantially its owners or any other subsidiary of its holding company;
- (11) **Management** means the Chief Executive Officer and staff employed by the Company;
 - (12) **Mandated Principal** means a Principal who has been given a mandate by the fellow-Principals of his / her firm to sign documents and make undertakings on behalf of his / her firm in its capacity as a Member of the Company;
 - (13) **Member** means a business entity which is a member of the Company;

- (14) **MOI** means this Memorandum of incorporation;
- (15) **Office** means the registered office of the Company;
- (16) **Patron** means a business entity falling in the category of CESA Sponsor, CESA Affiliate or CESA Associate,
- (17) **Principal** means a principal of a Firm and shall be any of the following who is in active practice in the Firm:
 - (a) a sole practitioner; or
 - (b) where the Firm is a partnership, all the partners; or
 - (c) where the Firm is a close corporation, all the members; or
 - (d) where the Firm is a company, all the directors appointed in terms of the companies act or equivalent in the country of operation; or
 - (e) an appropriately professionally registered full-time employee of the Firm, designated as such by the Firm and whose designation is approved by the Company. Such a person must:
 - (i) have delegated authority to manage the technical assets and operations of the Firm; and
 - (ii) carry technical liability for the actions of the Firm and therefore be able to determine the technical policies and direct and control the technical operations of the Firm. To this end, the Firm may be required to demonstrate this authority to the satisfaction of the Company;
- (18) **Registered Principal** means a Principal who is professionally registered as a professional engineer or a professional technologist with a statutory body recognised by the Board;
- (19) **Registered Professional** means a person who is professionally registered as a professional engineer or a professional technologist with a statutory body recognised by the Board;
- (20) **Republic** means the Republic of South Africa as constituted from time to time;
- (21) **Retired Principal** means a Registered Principal who has retired from active practice as a Principal and has been accepted by the Board as a Retired Principal;
- (22) **Rules** means any rules made by the Company as contemplated in terms of section 15(3) to (5) of the Act but excludes the By-Laws and Code of Conduct;
- (23) **Session** means the period between two consecutive annual general meetings;
- (24) **Voting Rights** means the rights of a member to vote in connection with any matter to be decided by the Company.

1.3 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any person, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision of this MOI.

1.4 Unless inconsistent with the context, an expression which denotes:

- (1) any gender includes the other genders;
 - (2) a natural person includes an artificial person (including a trust) and vice versa;
 - (3) the singular includes the plural and vice versa.
- 1.5 The schedules to this MOI, if any, form an integral part hereof and words and expressions defined in this MOI shall bear, unless the context otherwise requires, the same meaning in such schedules.
- 1.6 When, in this MOI, a particular number of business days is provided for between the happening of one event and another, the number of days must be calculated by:
- (1) excluding the day on which the first such event occurs;
 - (2) including the day on or by which the second event is to occur; and
 - (3) excluding any public holiday in South Africa, Saturday or Sunday that falls on or between the days contemplated in clauses 1.6(1) and 1.6(2), respectively.
- 1.7 Where any term is defined within the context of any particular clause in this MOI, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the same meaning ascribed to it for all purposes in terms of this MOI, notwithstanding that that term has not been defined in this interpretation clause.

2 Incorporation and nature of the Company

2.1 Incorporation

- (1) The Company is incorporated as from 5 May 2012 as a non-profit Company as defined in the Act.
- (2) The Company is incorporated in accordance with, and governed by:
 - (a) the unalterable provisions of the Act, that are applicable to Non-Profit Companies;
 - (b) the alterable provisions of the Act that are applicable to Non-Profit Companies, subject to any limitation, extension, variation or substitution set out in this MOI;
 - (c) the provisions of this MOI; and
 - (d) any provisions imposing on the Company a higher standard, greater restriction, longer period of time or any similar more onerous requirement, than would otherwise apply to the Company in terms of an unalterable provision of the Act.

2.2 Powers of the Company

- (1) This MOI does not:
 - (a) contain any restrictive conditions applicable to the Company and any requirement, in addition to the requirements set out in clause 2.4 for the amendment of any such conditions; and
 - (b) prohibit the amendment of any particular provision hereof.

- (2) The Company has all of the legal powers and capacity of an individual, to the extent possible subject to any restrictions, limitations or qualifications arising from this MOI.
- (3) Upon dissolution of the Company, its net assets must be distributed in the manner contemplated in clause 11 of this MOI.

2.3 **Objects of the Company**

The Company aims to:

- (1) uphold the professional standards of its Members and the quality assurance implicit in membership;
- (2) promote the joint interest of its Members;
- (3) ensure the Members adhere to quality and integrity management systems;
- (4) enhance the professional and business interests of its Members;
- (5) promote engineering excellence;
- (6) build capacity and understanding amongst Members and their clients through targeted training and continuous education programmes; and
- (7) maintain and ensure access to a database of information relevant to the engineering and business interests of Members and their clients.

2.4 **Memorandum of incorporation and Company Rules**

- (1) This MOI of the Company may be altered or amended only:
 - (a) in compliance with a court order to be effected by a resolution of the Company's Board;
 - (b) by a special resolution of the Members but subject to that special resolution having been proposed by i) the Board, or ii) by Members entitled to exercise at least five percent of the Voting Rights that may be exercised on such a resolution.
- (2) An amendment contemplated in clause 2.4(1)(b) may take the form of:
 - (a) a new MOI in substitution for the existing MOI; or
 - (b) one or more alterations to the existing MOI by:
 - (i) changing the name of the Company;
 - (ii) deleting, altering or replacing any of its provisions;
 - (iii) inserting any new provisions; or
 - (iv) making any combination of such alterations.
- (3) After amending its MOI, the Company shall file a Notice of Amendment with the Commission in accordance with the requirements contemplated in section 16(7) and (8).

- (4) An amendment to this MOI shall take effect:
 - (a) in the case of an amendment that changes the name of the Company, on the date set out in the amended registration certificate issued by the Commission; or
 - (b) in any other case, on the later of:
 - (i) the date on, and time at, which the Commission accepts the filing of the Notice of Amendment; or
 - (ii) the date, if any, set out in the Notice of Amendment.
- (5) The Board shall have 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 this MOI or the Act but in terms of clause 2.4(5), by:
 - (a) delivering a copy of those Rules or any amendment or repeal thereof, to every Member by hand, by ordinary mail (at such Member's registered address). Alternatively, delivery may be by email, provided that the Member has given the Company an email address for the purposes of receiving communications; and
 - (b) filing a copy of those Rules or any amendment or repeal thereof, with the Commission.
- (6) Any necessary or incidental rules or Rules made, amended or repealed as contemplated in clause 2.4(5) shall:
 - (a) take effect on the later of:
 - (i) 10 business days after the Rule is filed with the Commission; or
 - (ii) the date, if any, specified in the Rule; and
 - (b) be binding:
 - (i) on an interim basis from the time it takes effect until it is put to a vote at the next general members meeting of the Company and approved by not less than two-thirds majority of the Members present and entitled to vote; and
 - (ii) on a permanent basis only if it has been ratified by an ordinary resolution at the meeting contemplated in clause 2.4(6)(b)(i).

2.5 Alterations of Memorandum of Incorporation and Company Rules, translations and Consolidations of Memorandum of Incorporation

- (1) The Company's Board, or an individual authorised by the Board, may alter the Company's Rules or its MOI, in any manner necessary to correct a patent error in spelling, punctuation, reference, grammar or similar defect on the face of the document, by:
 - (a) delivering a notice of the alteration in the manner contemplated in clause 2.4(5)(a); and
 - (b) filing a notice of the alteration with the Commission.

- (2) At any time after having filed its MOI with the Commission, the Company may file one or more translations thereof, in any official language or languages of the Republic, provided that every such translation must be accompanied by a sworn statement by the person who made the translation, stating that it is a true, accurate and complete representation of the MOI, as so translated.
- (3) At any time after having filed its MOI with the Commission, and having subsequently filed one or more alterations or amendments to it, the Company may (or if the Commission requires it to, must) file a consolidated revision of its Memorandum of Incorporation, as so altered or amended, provided that every such consolidated revision filed with the Commission in terms of this clause must be accompanied by:
 - (a) a sworn statement by a Director; or
 - (b) a statement by an attorney or notary public,
 - (c) stating that it is a true, accurate and complete representation of the Company's MOI, as so altered or amended up to the date of the statement.

2.6 **Optional provisions of the Act**

The Company, being a non-profit Company, elects to comply voluntarily with the extended accountability requirements contained in Chapter 3 of the Act, relating only to annual general meetings and audited financial statements.

2.7 **Non-Profit company provisions**

- (1) The Company is a non-profit company and:
 - (a) must apply all of its assets and income, however derived, to advance its stated objects, as set out in this Memorandum of Incorporation; and
 - (b) subject to clause 2.7(1)(a) may:
 - (i) acquire and hold securities issued by a profit company; or
 - (ii) directly or indirectly, alone or with any other person, carry on any business, trade or undertaking consistent with or ancillary to the Company's stated objects.

3 **Members**

3.1 **Membership**

3.2 **Members**

- (1) Members will be such persons as may be admitted to membership in accordance with this MOI.
- (2) Application for membership shall be made to the Board, giving such details as the Board may require from time to time.
- (3) No person shall be admitted as a Member unless such person has agreed in writing to be bound by the terms and conditions of this MOI.
- (4) The Members of the Company shall comprise of Firms only.

- (5) Every Member shall, on admission and at all times thereafter, conform to the following requirements:
- (a) to the definition of a Firm given in this MOI;
 - (b) its main business shall be the provision of independent technology-based intellectual services in the built, human and natural environment to clients for a fee;
 - (c) act in the legitimate interests of its clients and shall make full disclosure of any material or potential conflict of interest;
 - (d) where there is outside control or ownership and such outside controller or owner is not another Member, the Member shall:
 - (i) practice without receiving from such outside controller or owner the facilities of non-refundable financial subsidies and/or preferential appointments; and
 - (ii) be free to decline to carry out assignments for the outside controller or owner.
 - (e) in the opinion of the Board have high professional repute and ethical standards and meet all requirements for practice as established in the Rules of the Company;
 - (f) its practice must not be conducted under an arrangement that involves a conflict of interest or that prevents the Member from exercising independent judgement;
 - (g) it shall be indemnified to the satisfaction of Board against claims for acts or omissions arising out of the conduct of its professional practice; and
 - (h) it shall comply with the Code of Conduct.

3.2 Patrons

A Patron shall be a business entity falling in one of the following categories:

- (1) Sponsors
 - (a) Sponsors shall be Full Members, Affiliates, Associates or other Entities as may be admitted to membership in accordance with this MOI.
 - (b) Application for membership for an event or activity shall be made to the Board, giving such details as the Board may require from time to time.
 - (c) Sponsors shall, on admission and at all times thereafter comply with the requirements set by the Board.
- (2) Affiliates
 - (a) Affiliates shall be business entities who don't fully meet the spirit and intent of the Objects as determined by the Board.
 - (b) Application for membership shall be made to the Board, giving such details as the Board may require from time to time.

- (c) Affiliates shall, on admission and at all times thereafter comply with the requirements set by the Board.
- (3) Associates
- (a) Associates shall be State Owned Entities, Departments, Government Authorities or Metropolitan municipalities.
 - (b) Application for membership shall be made to the Board, giving such details as the Board may require from time to time.
 - (c) Associates shall, on admission and at all times thereafter comply with the requirements set by the Board.

3.3 Rights and obligations of Members

- (1) The privileges of Membership shall not be transferable provided that a change in the name of a Firm only or the dissolution of a partnership following which the majority of the partners form a new partnership, close corporation or limited company under the same name shall not require re-registration of such Firm or partnership.
- (2) The Member shall always further the objects and interests of the Company to the best of his or her ability.

3.4 Rights and obligations of Sponsors

- (1) Sponsors shall receive participation rights in accordance to category type

3.5 Rights and obligations of Affiliates

- (1) Affiliates shall receive all membership services but get no vote at Consulting Engineers South Africa (CESA) AGM.
- (2) Affiliates are not eligible to sit on Governance Committees (Board, Council or Branch).

3.6 Rights and obligations of Associates

- (1) Associates shall receive all membership services but get no vote at Consulting Engineers South Africa (CESA) AGM.
- (2) Associates are not eligible to sit on Governance Committees (Board, Council or Branch).

3.7 Number of Members

The number of Members from time to time shall not be limited.

3.8 Retired Principals

- (1) A Retired Principal shall be either of the following:
 - (a) a person who was a Retired Member of the Company prior to its incorporation and prior to 1 January 2000 and has not subsequently relinquished that status; or

- (b) a Registered Principal who has retired from active practice as a Principal of a Member, and has been accepted by the Board as a Retired Principal.
- 3.9 Every Retired Principal shall, on admission and at all times thereafter, conform to the following requirements:
 - (1) The Retired Principal:
 - (a) shall not have taken up any form of employment not approved of by Board;
 - (b) may continue to serve the public in a limited capacity such as acting as a consultant to a firm which offers independent technology-based intellectual services in the built, human and natural environment to clients, providing expert evidence, acting as a mediator or an arbitrator or engaging in similar activities which, in the opinion of the Board, does not infringe upon his/her status as an independent professional no longer in full time employment; and
 - (c) shall abide by the Code of Conduct.
- 3.10 Each Retired Principal shall be entitled to notification of and to attend all general meetings and to take part in discussions thereat but shall not vote on any question and shall receive such communications regarding the Company as the Board decides.
- 3.11 The procedures to be followed by the Company in dealing with applications by individuals to be Retired Principals shall be as described in the By-Laws.
- 3.12 **Honorary Fellows**
 - (1) Any person who was an Honorary Fellow of the Company prior to incorporation and prior to 1 January 2000 shall become an Honorary Fellow.
 - (2) An Honorary Fellow shall be a person whom the Company wishes to honour and who, in the opinion of Board, has achieved distinction in his/her professional career and/or has rendered distinguished services to the Company and/or to the engineering and/or allied professions.
 - (3) The Board shall bestow this honour only in the most exceptional cases.
 - (4) The procedure to be followed in bringing a proposal to the Board for the appointment of an Honorary Fellow shall be as described in the By-Laws. If the Board accepts the proposal by the majority of not less than four fifths of the Board present at a Board meeting, the nominated person shall be held to be accepted as an Honorary Fellow.
- 3.13 **Election of Members and Retired Principals**
 - (1) A Firm wishing to become a Member shall make its application in writing in such format as shall be approved by the Board from time to time.
 - (2) A person wishing to become a Retired Principal shall make his/her application in writing in such format as shall be approved by the Board from time to time.
 - (3) The procedures to be followed by the Company in dealing with applications by Firms to be Members, or individuals to be Retired Principals, shall be described in the By-Laws.

- (4) No election of a new Member or Retired Principal shall become effective until the pro-rata subscription for the then current year has been paid.

3.14 Cessation of Membership

- (1) A Member shall cease to be a Member upon the happening of any of the following events:
 - (a) upon giving to the Company notice in writing of its resignation from membership;
 - (b) if a receiver is appointed over any of the assets of the Member or the Member makes any arrangement or composition with its creditors or becomes subject to an administration order;
 - (c) if a Member is declared insolvent or goes into liquidation, or business rescue provisions otherwise than for the purposes of amalgamation or reconstruction;
 - (d) if a Member ceases to conform to the definition of a Firm set out in clause 1.2(10) or shall otherwise cease to be qualified as a Member under this MOI; or
 - (e) if the Member fails to pay its annual subscription within two months after the same has become due and if, after due warning, continues for a further two months to be in default and the Board then approves that the Member be deregistered.
- (2) The Board shall have the power by resolution to call for the resignation of or expel any Member from membership where, in the opinion of the Board, the Member shall have committed a breach of the provisions of this MOI, Code of Conduct, By-Laws or any Rules approved of in terms of clause 2.4(5) hereof or shall have been guilty of such conduct as shall in the opinion of Board have rendered the Member unfit to belong to the Company.
- (3) The Board shall have the power by resolution to suspend a Member's membership of the Company temporarily if, in the opinion of the Board, such Member shall have committed a breach of the provisions of this MOI, Code of Conduct, By-Laws or any Rules approved in terms of clause 2.4(5) hereof or shall have been guilty of such misconduct as shall in the opinion of the Board have merited temporary suspension from the Company.
- (4) No resolution in terms of clause 3.14(3) shall have any operation or effect unless the Member has been given proper opportunity of submitting for the consideration of the Board a statement or explanation in writing and/or of attending a meeting and being heard by the Board.
- (5) Any Member which is expelled or called upon to resign or which resigns voluntarily shall return to the Board its membership certificate.
- (6) Should any Member cease to be a Firm that renders independent technology-based intellectual services in the built, human and natural environment in order to engage in other work or for any other reason be unable to comply any longer with the requirements of this MOI, or should it for any reason desire to leave the Company, it shall send in its resignation in writing together with its membership certificate where applicable and its name shall be removed from the register of Members.

- (7) The Board may, by a majority of not less than four fifths present at a meeting, remove a person's name from the list of Honorary Fellows.
- (8) The Board may, by a majority of not less than four fifths present at a meeting, remove a person's name from the register of Retired Principals. A person's name shall be removed from the register of Retired Principals if he/she ceases to comply with the conditions stipulated in this MOI, Code of Conduct, By-Laws and Rules.

3.15 Subscriptions

- (1) The annual subscription payable by a Member shall be related to the number of votes to which the Member is entitled in terms of the formula given in the By-Laws for ballots of Members.
- (2) The annual subscriptions of all Members and Retired Principals shall be such amounts and shall be payable on such date or dates as shall from time to time be fixed by the Board and approved by the Members at a general meeting.
- (3) No pro rata reduction of subscriptions will be refundable for any curtailment of membership.
- (4) The Board may require Members to contribute special levies from time to time.

3.16 Register of Members

The Company shall maintain a register of Members.

3.17 Rights of Members to information

Other than the rights to access information set out in section 26 of the Act, a Member has no further rights to information pertaining to the Company.

3.18 Members' authority to act

- (1) If the Company has only one Member, the ability of that Member to exercise any or all of the voting rights pertaining to the Company on any matter, at any time, without notice or compliance with any other internal formalities, is not restricted or varied by this MOI.
- (2) If, at any time, every Member is also a Director, the authority of the Member to act on any matter that is required to be referred by the Company's Board to the Members for decision at any time after being referred by the Board, without notice or compliance with any other internal formalities, is not restricted or varied by this MOI.
- (3) A resolution which could be voted on at a Members meeting may instead be adopted by written consent of the Members, given in person or by electronic communication, provided that the resolution was submitted for consideration to the Members entitled to exercise voting rights in relation to the resolution and the resolution is voted on in writing or by electronic communication by such Members within 20 business days after the resolution was submitted to them.

3.19 Votes of Members

The number of votes to which a Member shall be entitled shall be the whole number nearest to the value determined from a formula determined by the Board that will be approved at the annual general meeting each year. Patrons shall not be entitled to any votes.

3.20 Proxies

- (1) A Member with may, at any time, appoint any other Member with Voting Rights, as a proxy to:
 - (a) participate in, and speak and vote at, a Member’s meeting on behalf of the Member; or
 - (b) give or withhold written consent on behalf of the Member to a decision by Members acting other than at a meeting.
 - (c) The instrument that appoints a proxy must:
 - (i) be in writing, dated and signed by the Member;
 - (ii) be given by the Member or its representative so authorised if the appointor is another company.
- (2) Members may only appoint a proxy that is a Member whose annual subscription has been paid.
- (3) Every instrument of proxy, whether for a specified meeting or otherwise, must comply with section 58 of the Act and subject thereto be in following format, or in such other form as the Company’s board may approve, and the Board may, if they think fit, send out with the notice of any meeting proxy forms for use at the meeting:

“I/We

 of

 being a Member/Members of the abovenamed Company do hereby appoint
of or failing
 him/herof or
 failing him/her the chairperson of the Company or failing him/her the
 chairperson of the meeting as my / our proxy to:
 [participate in, and speak and vote for me / us at a Members meeting of the
 Company to be held at on
 20..... at (time appointed) and at any adjournment
 thereof.] /
 [give or withhold written consent on my / our behalf to the written
 resolutions to which this form of proxy is attached, as contemplated in
 section 60 of the Act.] /
 [participate in, and speak and vote for me / us at any Members meeting
 held by the Company, or give or withhold written consent on my / our
 behalf in respect of any decision contemplated in section 60 of the Act,
 between the date of this proxy instrument and 20.....]*
 Dated this day of 20.....

Name (in full)

Address

.....

signature

* Delete as applicable

I / We desire to vote as follows:

Resolution No. 1

Resolution No. 2

For	Against	Abstain

(Set out the numbers of the resolutions if more than 1)

Indicate voting preference by placing a mark (either a tick or a cross) in the appropriate block."

- (4) Unless otherwise directed, the proxy will vote or abstain as he/she thinks fit in respect of the Member's Voting Rights.
- (5) The Company may provide the proxy form by electronic communication in a manner and form that may be printed by the Member.

3.21 Representation by concurrent proxies

The right of a Member to appoint two or more persons concurrently as proxies, is restricted and varied by this MOI. The Member may only appoint one person as proxy.

3.22 Authority of proxy to delegate

The authority of a Member's proxy to delegate that proxy's authority to act on behalf of the Member, is restricted and varied by this MOI and subject to any restriction set out in the instrument appointing that proxy.

3.23 Requirement to deliver proxy instrument to the Company

The instrument of proxy appointing a proxy for any particular meeting shall be delivered to the Company at its registered address or by electronic communication not less than 48 hours (or such lesser period as the Directors may determine in relation to any particular meeting) before such meeting is due to take place, failing which the instrument of proxy or power of attorney shall not be treated as valid.

3.24 **Deliberative authority of proxy**

The authority of a Member's proxy to decide without direction from the Member whether to exercise, or abstain from exercising, any voting right of the Member, is restricted and varied by this MOI.

3.25 **Validity of appointment**

- (1) The proxy appointment remains valid only for its intended purpose, provided that it may be revoked at any time by cancellation in writing, or the making of a later inconsistent appointment of another proxy, and delivering a copy of the revocation instrument to the proxy, and to the Company.
- (2) The appointment of a proxy is suspended at any time and to the extent that the Member chooses to act directly and in person in the exercise of any rights as a Member.

3.26 **Record date for exercise of Member rights**

- (1) If, at any time, the Company's Board fails to determine a record date for any action or event, the record date for the relevant matter is:
- (2) In the case of a meeting, the latest date by which the Company is required to give Members notice of that meeting; or
- (3) In any other case, the date of the action or event.

4 Members meetings

4.1 **Requirement to hold meetings**

The Company is not required to hold any Members' meetings other than those specifically required by section 61 and this clause 4, but may do so.

4.2 **Members' right to requisition a meeting**

- (1) The right of Members to requisition the Board to call a Members meeting may be exercised if, in aggregate, written and signed demands for substantially the same purpose are made by the holders of at least 5% [**five percent**] of the Voting Rights entitled to be exercised in relation to the matter to be considered at the meeting, provided that each such demand describes the specific purpose for which the meeting is proposed.
- (2) In addition, any general meeting may be called by two or more Members holding not less than 5% [five percent] of the Voting Rights.

4.3 **Attendance at Members' meetings**

Only Principals of Members, Honorary Fellows and Retired Principals shall be entitled to attend any meeting, except as may be permitted by the Board.

4.4 **Location of Members' meetings**

The Board may determine the location of any Members' meeting which shall be held in the Republic.

4.5 **Calling a Members' meeting**

If the Company is unable to convene a Members' meeting because it has no Directors or because all of its Directors are incapacitated, any Member may convene a meeting.

4.6 **Notice of Members' meetings**

- (1) The minimum number of days for the Company to deliver a notice of a members meeting to the Members is 15 business days before the meeting is to begin or any shorter period agreed on in writing by Members holding not less than 51% of the votes exercisable at such meeting.
- (2) A notice of a meeting must be in writing and include the information set out in sections 62 (3) and 63 (3).

4.7 **Electronic participation in Members' meeting**

The authority of the Company to conduct a Members' meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, provided that 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, is not restricted or varied by this MOI.

4.8 **Quorum for Members' meetings**

- (1) Subject to the provisions of clauses 4.8(2) and 4.8(4) (both inclusive), the quorum requirement for:
 - (a) a Members' meeting to begin is sufficient persons present at the meeting to exercise, in aggregate, at least 9% [nine percent] of all of the Voting Rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and
 - (b) a matter to begin to be considered at the meeting is sufficient persons present at the meeting to exercise, in aggregate, at least 9% [nine percent] of all of the Voting Rights that are entitled to be exercised on that matter at the time the matter is called on the agenda.
- (2) Notwithstanding clause 4.8(1), a meeting may not begin, or a matter be considered, unless at least 15 Members are present in person or by proxy at the meeting and the requirements of clause 4.8(1) are satisfied.
- (3) If, within 30 minutes after the appointed time for a meeting to begin, the requirements of clauses 4.8(1), or 4.8(2) if applicable:
 - (a) for that meeting to begin have not been satisfied, the meeting is postponed without motion, vote or further notice, for one week; and
 - (b) for consideration of a particular matter to begin have not been satisfied:
 - (i) if there is other business on the agenda of the meeting, consideration of that matter may be postponed to a later time in the meeting without motion or vote; or
 - (ii) if there is no other business on the agenda of the meeting, the meeting is adjourned for one week, without motion or vote.

- (4) The person intended to preside at a meeting, where the quorum requirements in clauses 4.8(1), or 4.8(2) if applicable, are not satisfied, may extend the 30 minute limit allowed for a reasonable period on the grounds that:
 - (a) exceptional circumstances affecting weather, transportation or electronic communication have impeded, or are impeding, the ability of members to be present at the meeting; or
 - (b) one or more delayed members have communicated an intention to attend the meeting, and those members, together with others in attendance, would satisfy the quorum requirements; or
 - (c) any other reason such person considers appropriate.
- (5) After a quorum has been established for a meeting, or for a particular matter, the meeting may continue, or the matter may be considered, so long as at least 15 Members with Voting Rights entitled to be exercised at the meeting, or on that matter, is present at the meeting.
- (6) If the quorum requirements in clauses 4.8(1), or 4.8(2) if applicable, have not been satisfied at the time appointed for a postponed meeting to begin, or for an adjourned meeting to resume, the Members present in person or by proxy shall be deemed to constitute a quorum.

4.9 Adjournment of Members' meetings

- (1) Subject to clauses 4.8, 4.9(2) and 4.9(3), a Members' meeting or the consideration of any matter at the meeting, may be adjourned from time to time, on a motion supported by persons entitled to exercise, in aggregate, a majority of the Voting Rights held by all of the persons who are present at the meeting at the time and that are entitled to be exercised on at least one matter remaining on the agenda of the meeting, or on the matter under consideration, as the case may be.
- (2) An adjournment of a meeting, or the consideration of a matter at the meeting, in terms clause 4.9(1), may be either to a fixed time and place or until further notice, as agreed at the meeting.
- (3) A meeting may not be adjourned beyond the earlier of:
 - (a) 60 business days after the record date determined in accordance with clause 3.26; or
 - (b) 30 business days after the date on which the adjournment occurred.

4.10 Members' resolutions

- (1) For an ordinary resolution to be approved by Members, it must be supported by the holders of more than 50% of the Voting Rights exercised on that resolution.
- (2) For a special resolution to be approved by Members, it must be supported by the holders of at least 75% of the Voting Rights exercised on that resolution.

4.11 Voting of Members

- (1) For the purpose of voting by a show of hands or by poll at general meetings or at Branch meetings, every person entitled to attend the meeting shall be entitled to one vote. Proxy voting is permitted. The procedures for regulating the voting shall be in accordance with this MOI.

- (2) A mailed vote shall be taken:
 - (a) where voting by mail is prescribed in this MOI; or
 - (b) where the Board decided that voting by mail is desirable; or
 - (c) at the request of not less than 10 Members being completely separate Firms not having any common Principals at a general meeting; or
 - (d) at the request of not less than two Members being completely separate Firms not having any common Principals at a Branch meeting.
- (3) The Chief Executive Officer shall, within three weeks after any general meeting or meeting of the Board at which it is decided to take a vote by mail, forward by mail to each Mandated Principal voting papers which shall contain the resolution on which the Member is required to vote and the date of the meeting at which it was decided to take the vote. The voting papers shall be returned to the Management in order to reach it not later than six weeks after the aforesaid meeting. If any voting paper is received after the said period it shall not be recognised.
- (4) For the purpose of exercising its right to vote in mailed votes (including the ballot for the election of Members of Board) every Member shall be entitled to a number of votes based on the total number of personnel of the Member in South Africa on the first day of January of the year in which the vote is being exercised, as reported to the Company in terms of the requirements of the Rules.
- (5) A Member shall not be entitled to be represented at any general meeting or Branch meeting nor shall any of its Principals be entitled to vote on any question at any general meeting or branch meeting unless every subscription and other sum (if any) which shall be due and payable to the Company in respect of the Member has been paid.
- (6) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairperson whose decision shall be final and conclusive.
- (7) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairperson of the meeting shall not have a second or casting vote in addition to the deliberate vote to which he may be entitled as a Member or as a representative of a Member. In such a case the matter being voted on will fail.

4.12 **Annual general meeting**

- (1) The Company must hold an annual general meeting:
 - (a) initially, no more than 18 months after its date of incorporation; and
 - (b) thereafter, once in every calendar year, but no more than 15 months after the date of the previous annual general meeting.
- (2) In addition to the requirements of clause 4.12(1), the notice calling an annual general meeting shall include:
 - (a) the financial statements to be presented, or a summarised form thereof; and

- (b) directions for obtaining a copy of the complete annual financial statements for the preceding financial year.
- (3) The agenda at an annual general meeting shall include but shall not be limited to:
 - (a) presentation of the directors' report and annual financial statements for the immediately preceding financial year; and
 - (b) election of directors, to the extent required by the Act or this MOI; and
 - (c) any matters raised by Members, with or without advance notice to the Company.

5 Directors and Officers

5.1 Composition of the Board

- (1) Unless otherwise determined by the Company in a general meeting there shall at no time be less than seven nor more than nine Directors. The majority of the Directors must be residents of the Republic.
- (2) Notwithstanding the provisions of 5.1(1) above limiting the number of Directors to nine, not more than two additional Directors may be appointed to the Board when necessary for the purposes of achieving the aims and objects of the Company. One of the two additional Directors appointed every alternate year must be the Past President of the Council that served before the most recent President.
- (3) Six Directors of the Board must be elected by Members entitled to exercise Voting Rights in such an election to serve for a period detailed in clause 5.3(2)(d)(v).
- (4) Despite anything contained in this MOI, a maximum of one third of the Directors must retire at the Company's Annual General Meeting or other general meetings on an annual basis. Those retiring Directors may be re-elected, provided they are eligible.

5.2 Composition of Board

The Board shall comprise:

- (1) six Members elected as Directors;
- (2) the President of the Council;
- (3) the Vice-President of the Council
- (4) the Past Chairperson of the Board that served before the most recent Chairperson; and
- (5) the Chief Executive Officer.

5.3 Composition of the Council

- (1) The Council shall comprise:
 - (a) the President of the Council;

- (b) the Vice-President of the Council;
- (c) the Past President of the Council that served before the most recent President;
- (d) the Chairperson of each Branch;
- (e) six Members elected by ballot from Registered Principals of Members;
- (f) the Chief Executive Officer; and
- (g) the Council may in its discretion co-opt not more than three additional Members to serve for the Session, one of whom shall be a person not more than 35 years old.

(2) **Appointment of Directors and term**

- (a) Directors of the Board shall be elected as follows:
 - (i) prior to the date when nominations for election of members of the Board are sent to Members the then existing Board shall elect from amongst its membership a President and a Vice-President who shall take office at the next annual general meeting for the ensuing Session and may continue for a second Session;
 - (ii) a President may hold such office for not more than two consecutive Sessions. The Vice-President may hold such office for not more than two consecutive Sessions
- (b) In the event of the death, resignation or deposition of a President, the Board shall, either at a meeting or by mailed vote, appoint the then serving Vice-President as Chairperson for the remainder of the Session. The Chairperson so appointed shall be eligible for election as President or Vice-President respectively for the ensuing Session notwithstanding the provisions of clause 5.3(2)(d)(ii).
- (c) The most recent President shall be a Director of Board for one year.
- (d) Members of the Board shall be elected as follows:
 - (i) Not less than six weeks before every annual general meeting the Board shall cause each Member of the Company to be given an opportunity to nominate Registered Principals of Members of the Company to fill any vacancies of members of Board which occur at the end of the current Session. Should the number of nominations received exceed the number of vacancies, the members to fill the vacancies shall be selected by the Members by secret ballot, the results of which shall be determined by scrutinisers selected by the Board from those members who are not on the list of nominations.
 - (ii) The members of the Board shall be declared elected at the annual general meeting and shall thereupon take office for the ensuing Session.
 - (iii) Any casual vacancy on the Board or any vacancy that is not filled at an annual general meeting may be filled by appointment by the remaining members of the Board, but the Registered Principal appointed to fill such vacancy shall retire from office on the date on

which the member of the Board whose place is so filled would in the ordinary way have retired.

- (iv) The Company may by resolution of a general meeting remove any member of the Board before the expiration of his/her period of office and may by resolution appoint another member in his/her stead but any person so appointed shall retain his/her office so long as the member in whose place he/she is appointed would have held the same if he/she had not been removed.
- (v) Members of the Board, elected by ballot, shall hold office for two consecutive Sessions, whereafter they shall retire unless they be elected as officers of Board for the ensuing Session.
- (vi) Any member of the Board at the expiry of his/her term of office shall be eligible for re-election as a member of the Board.
- (e) The Board shall meet as often as the business of the Company may require, but not less than twice per Session, the first meeting to be within one month after the annual general meeting.
- (f) In the event of a Branch chairperson being unable to attend a Council meeting, he/she may appoint a deputy who may attend in his/her place subject to the approval of Board.
- (g) At least eight weeks before the annual general meeting the Chief Executive Officer shall send to each Member a list of the members of Board, distinguishing the names of those retiring.
- (h) Every Member may nominate one candidate to be elected to serve on the Board. Such candidate shall be a Registered Principal of any Member of the Company. The candidate and the Mandated Principal of the Member making the nomination, must sign each nomination form. The form must be delivered to the Chief Executive Officer at least five weeks before the annual general meeting. The person nominated must agree to serve on the Board and the subscription of the Member of which he/she is a Principal must have been paid.
- (i) At least three weeks before the annual general meeting the Chief Executive Officer shall send to every Member a ballot form. Every Member shall be supplied with the list of nominations. Members may make on each ballot form an "X" against the name of each of the persons for whom the Member wishes to cast votes, subject to the maximum number of votes stipulated on the voting form. The completed forms shall be delivered to the Chief Executive Officer at least 24 hours before the annual general meeting. Spoilt ballot forms will be void.

(3) Disqualification and removal of Directors

- (a) To become or to continue to act as a Director or a prescribed officer of the Company, a person must not be:
 - (i) a juristic person;
 - (ii) an unemancipated minor, or a person under a similar legal disability;
 - (iii) a person who has been declared a delinquent or placed under probation by a court of the Act;

- (iv) an unrehabilitated insolvent;
- (v) prohibited in terms of any public regulation to be a Director;
- (vi) removed from an office of trust, on the grounds of misconduct involving dishonesty;
- (vii) a person who has been convicted, in the Republic or elsewhere, and imprisoned without the option of a fine, or fined more than the prescribed amount, for theft, fraud, forgery, perjury or any offence:
 - (A) involving fraud, misrepresentation or dishonesty;
 - (B) in connection with the promotion, formation or management of a company, or having been appointed or elected as a director or acting as a director, or having been placed under probation by a court;
 - (C) under the Act, the *Insolvency Act, 1936*, the *Close Corporations Act, 1984*, the *Competition Act, 1998*, the *Financial Intelligence Centre Act, 2001*, the *Securities Services Act, 2004*, or Chapter 2 of the *Prevention and Combating of Corruption Activities Act, 2004*;
 - (D) ceases to be a Principal of a Member;
 - (E) fails to attend two consecutive meetings of the Board unless he/she has obtained leave of absence from Board;
 - (F) resigns from office by notice in writing to the Company; or
 - (G) retires or is removed from office in accordance with the provisions of this MOI, then such Director shall vacate the office of Director.

(4) Alternate Directors

- (a) An alternate Director may be elected or removed by the Members entitled to exercise Voting Rights in such an election to act as an alternate Director in such Director's place as the occasion arises and during that Director's absence, provided that such person has been approved for that purpose by a resolution of the Company's Board. An alternate Director shall, be subject in all respects to the terms and conditions applicable to the other Directors, and each alternate Director shall be entitled:
 - (i) to receive notice of all meetings of the Directors or of any committee of the Directors of which the alternate's appointor is a Member;
 - (ii) to attend and vote at any such meetings at which the alternate's appointor is not personally present;
 - (iii) to furnish written consent to adopt a decision which could be voted on at a Board meeting;
 - (iv) to be appointed as an alternate to more than one Director and shall have a vote for each Director for whom such alternate acts, in addition to their own vote, if any; and

- (v) generally, to exercise and discharge all the functions, powers and duties of the alternate's appointor in such appointor's absence as if such alternate were a Director.
- (b) An alternate Director shall cease to be an alternate Director if the alternate's appointor ceases for any reason to be a Director, provided that if any director retires but is re-elected at the same meeting, any appointment made by such director shall remain in force as though the Director had not retired.

(5) **Chairperson of the Board**

The chairperson, shall be the President of the Council, and vice-chairperson, shall be the Vice-President of the Council, who shall preside at meetings of the Board of Directors, shall be appointees designated by the Board. If neither of the chairperson or the vice-chairperson is present or willing to act within 15 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.

(6) **Authority of the Board**

- (a) The authority of the Company's Board to exercise all of the powers and perform any of the functions of the Company and to manage and direct the business and affairs of the Company, is not restricted or varied by this MOI.
- (b) If, at any time, the Company has only one Director, the authority of that Director to act without notice or compliance with any other internal formalities, is not restricted or varied by this MOI.
- (c) The Board shall have power on behalf of the Company to employ such staff and/or services and to hire or otherwise acquire such accommodation, furniture and equipment as may be necessary to carry out the day to day administration of the Company's affairs.
- (d) Questions arising at any Board meetings shall be decided by a majority of votes, except for those cases where this MOI requires four-fifths or two-thirds majority, as the case may be, and, in case of an equality of votes, the chairperson shall have a second or casting vote.
- (e) The Board may appoint representatives to act on behalf of the Company for such purposes and with such power as it may decide.
- (f) The Board may from time to time adopt By-Laws and Code of Conduct for the purpose of regulating matters connected with the Company provided such By-Laws and Code of Conduct shall not be inconsistent with this MOI. Such By-Laws and Code of Conduct shall be considered at a general meeting. If such By-Laws and Code of Conduct shall be approved by not less than a two third majority of those present and entitled to vote at such general meeting then such By-Laws and Code of Conduct shall be in force and a copy of the same shall be sent to each Member of the Company. Any By-Laws and Code of Conduct may from time to time be varied or rescinded in like manner.
- (g) All moneys, bills and notes belonging to the Company shall be paid or deposited with the Company's bankers to an account in the name of the Company. The Chief Executive Officer and at least one member of the Board shall sign cheques on the Company's bankers, until otherwise from time to time resolved upon by Board. The Company's banking account

shall be kept with such banker or bankers as the Board shall from time to time determine.

- (h) If present the Chairperson shall preside at meetings of the Board or, if the office of the Chairperson be vacant, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding a meeting, the Members present shall choose someone from their number to be chairperson of the meeting.
- (i) The Board shall cause proper minutes to be kept of the proceedings of all meetings of the Company and of Board and of all committees and Branches and any such minute of any meeting, if purporting to be signed by the chairperson of such meeting or by the chairperson of the next succeeding meeting, shall be conclusive evidence without further proof of the facts therein stated. Copies of all minutes of committee meetings shall be forwarded to management.

(7) Directors' meetings and committees

- (a) A Director authorised by the Board of the Company:
 - (i) may call a meeting of the Board at any time; and
 - (ii) must call such a meeting if required to do so by at least:
 - (iii) 25% of the Directors, in the case of a Board that has at least 12 members; or
 - (iv) two Directors, in any other case.
- (b) Notwithstanding clause 5.3(7)(a), any Director may call a meeting of Directors if such Director considers there is good reason to do so.
- (c) The authority of the Board to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, provided that 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 reasonably effectively in the meeting, is not restricted or varied by this MOI.
- (d) The authority of the Board to adopt a decision, which could be voted on at a Board meeting, by way of written consent of a majority of the Directors, given in person or by electronic communication, provided that each Director has received notice of the matter to be decided, is not restricted or varied by this MOI. Any decision made in the manner contemplated in this clause has the same effect as if it had been approved by voting at a meeting.
- (e) The Board may determine the form and time for giving notice of its meetings but such a determination must comply with any requirements set out in this MOI or the Company's Rules, provided that no meeting of the Board shall be convened without notice to all of the Directors subject, however, to the provisions of clause 5.3(7)(f).
- (f) The authority of the Board to proceed with a meeting even if there was a failure to give the required notice or there was a defect in the giving of such notice, provided that all of the Directors acknowledge actual receipt of the

notice or are present at the meeting or waive notice of the meeting, is not restricted or varied by this MOI.

- (g) The quorum requirement for a meeting is a majority of Directors.
- (h) Each Director has one vote on a matter and a majority of votes cast on a resolution is sufficient to approve that resolution except for those cases where the MOI requires four-fifths or two-thirds majority as the case may be.
- (i) In the case of an equality of votes, the chairperson of the Board shall have a second or casting vote.

(8) **Directors' power to affect borrowing**

The Company's Board may raise or borrow from time to time for the purposes of the Company, or secure the payment, of such sums as they think fit and may secure the repayment or payment of any such sums by guarantee, bond or mortgage upon all or any of the property or assets of the Company or by the issue of debt instruments or otherwise as they may think fit.

(9) **Director's and alternate Director's remuneration and reimbursement**

- (a) The Directors and alternate Directors shall:
 - (i) not be entitled to receive such remuneration for their services as Directors or alternate Directors of the Company;
 - (ii) be entitled to receive payment of a sum to be determined by the Board in respect of any services or special exertions for any purpose of the Company which the Director or alternate Director may be called upon to perform or make; and
 - (iii) be entitled to reimbursement of all authorised and approved travelling, accommodation, subsistence, and other expenses properly incurred by them in the execution of their duties in or about the business of the Company.

(10) **Indemnification of Directors**

- (a) For purposes of this clause 5.3(10), **Director** includes a former Director, an alternate Director, a prescribed officer or a person who is a member of a committee of a Board of the Company, or of the audit committee of the Company, irrespective of whether or not the person is also a member of the Board.
- (b) The authority of the Company to advance expenses to a Director to defend litigation in any proceedings arising out of the Director's service to the Company and to directly or indirectly indemnify a Director in respect of such expenses if those proceedings are abandoned or exculpate the Director or arise in respect of any liability for which the Company may indemnify the Director, is not restricted or varied by this MOI.
- (c) The authority of the Company to indemnify a Director in respect of any liability for which the Company may indemnify a Director, is not restricted or varied by this MOI.
- (d) The authority of the Company to purchase insurance to protect:

- (i) a Director against any expenses or liability for which the Company may indemnify a director as contemplated in clause 5.3(10)(b) or clause 5.3(10)(c); or
- (ii) 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 as contemplated in clause 5.3(10)(b) or any liability for which the Company is permitted to indemnify a Director as contemplated in clause 5.3(10)(c),

is not restricted or varied by this MOI.

- (e) The Company shall be entitled to claim restitution from a Director or a related Company for any money paid directly or indirectly by the Company to or on behalf of that Director in any manner inconsistent with this clause 5.3(10) or the Act.

(11) Committees of the Board

- (a) The authority of the Company's Board to appoint any number of committees for managing any of the affairs of the Company and to appoint any persons to be members of such committees and to delegate to any such committee any authority of the Board, is not restricted or varied by this MOI.
- (b) Subject to the powers and authorities granted by the Board to any such committee, the authority of any such committee to:
 - (i) include persons who are not Directors, provided that such persons are not ineligible or disqualified from being a Director as contemplated in clause 5.3(3);
 - (ii) consult with or receive advice from any other person; and
 - (iii) exercise the full authority of the board in respect of a matter referred to it,

is not restricted or varied by this MOI.

6 Voting of Directors

Questions arising at any meeting of Directors shall be decided by a majority of votes. Each Director present or represented shall be entitled to exercise one vote.

7 Authentication of documents

7.1 Any Director or any person appointed by the Directors for this purpose shall have power to authenticate any resolutions passed by the Members or the Directors, and any books, records, documents and accounts relating to the Company, and to certify copies thereof or extracts therefrom as true copies or extracts and where any books, records, documents or accounts are elsewhere than at the registered office, the local manager or other officer of the Company having the custody at such other place shall be deemed to be the person appointed by the Directors aforesaid.

7.2 A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of the directors which is certified as such in accordance with the

provisions of clause 7.1 shall be conclusive evidence in favour of all persons dealing with the Company that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

8 Prohibition on Distribution of Income and Property

The income and property of the Company, wheresoever derived, shall be applied solely towards the promotion of its main object and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever, to the Members of the Company, provided that nothing contained herein shall prevent the payment in good faith of reasonable remuneration to any officer, servant or employee of the Company or to any Member thereof in return for any services actually rendered to the Company.

9 Accounts

9.1 The Company's board must keep accurate and complete accounting records required or prescribed by the Act.

9.2 The accounting records must be kept at the registered office of the Company or (subject to the provisions of section 25 of the Act) at such other location within the Republic as the board think fit, and shall at all times be accessible and open to inspection by the Board. Except as provided by the Act or the authority of the Board, no Member (other than a Member who happens to be a Director) has any right to inspect any accounting record or document of the Company.

9.3 The Board must, in accordance with sections 30 and 31 of the Act, cause to be prepared and laid before the Company at its annual general meeting those annual financial statements and reports if any.

9.4 Subject to the provisions of the Act, a copy of the annual financial statements and reports referred to in clause 9.3 must be delivered or sent by post to the registered address of each Member at least 10 business days before the annual general meeting. A Member may give the Company an address for the purposes of receiving electronic communications, in which case a copy of such documents may be delivered electronically to that Member at that address. This clause 9.4 does not require the Company to send or deliver a copy of such documents to any person who is not entitled to receive notice of general meetings of the Company or whose address the Company is not aware of.

10 Conversion of the Company to a profit company, disposal of assets and mergers

10.1 The Company may not amalgamate or merge with, or convert to, a profit company, or 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.

10.2 Any proposal to dispose of all or the greater part of the Company's assets or undertaking or to amalgamate or merge with another non-profit company must be submitted to the Members for approval, in a manner comparable to that required of profit companies in accordance with sections 112 and 113 of the Act, respectively.

10.3 Sections 115 and 116 of the Act, read with the changes required by the context, apply with respect to the approval of a proposal contemplated in clause 10.2 above.

11 Winding-Up

In the event of the Company being wound-up, the liquidator shall after the satisfaction of all its liabilities, transfer the net value to some other company or institution or companies or institutions having objects similar to the Company's main object. This will be determined by the Members of the Company at or before the time of its dissolution or, failing such determination, by the Court.

12 Branches

- 12.1 To promote the interest of Members and to allow for discussion and consideration of local problems and opportunities, Branches may be established in terms of the Rules or as otherwise approved by Board.
- 12.2 Before the commencement of every second Session, each Branch shall convene a general meeting of the Principals of the Members within the local area and shall elect from amongst their own number a chairperson who shall be a Principal and who shall as chairperson become a member of the Board for the ensuing two Sessions. The chairperson of a Branch shall be elected for a maximum of two years at a time. At such meeting such other office bearers, committees and sub-committees as the members deem necessary shall be elected. The election of the chairperson, office bearers, committee members and sub-committee members shall be carried out on the basis of one vote for each Principal present unless before or upon the declaration of the result of the show of hands a mailed vote be demanded by not less than two Members being completely separate Firms not having any common Principals and being represented at the meeting.
- 12.3 Branches may investigate and discuss any matters which they wish, but may take no decisions in the name of the Company. Should they desire any decisions in respect of their wishes to be implemented in the name of the Company, they shall refer such matters to Board who, after due consideration, shall make decisions in the name of the Company.
- 12.4 Branches shall meet as often as deemed necessary by themselves, but not less than three times per Session.
- 12.5 Branches may make such rules of procedure as may be necessary for administrative purposes, provided that in so doing no contravention of this MOI is embodied in such rules and provided further that any such rules are approved by Board.
- 12.6 Distribution of funds to Branches shall be determined annually and approved by a duly authorised committee of the Board.
- 12.7 Financial Statements of Branches shall be submitted to the Chief Executive Officer of the Company annually.

This MOI was adopted by special resolution either at a Members meeting held on _____ or by Members acting other than at a meeting in terms of section 60.