



**Memorandum of incorporation  
of  
Hillcrest Wendy Street Group non-profit company**

## 1. Definitions and interpretation

### 1.1. In this Memorandum of Incorporation, unless the context requires otherwise:

- 1.1.1. a reference to a section number refers to a section of the Companies Act;
- 1.1.2. unless inconsistent with the context, words that are defined in the Companies Act bear the same meaning in this Memorandum of Incorporation;
- 1.1.3. the headings to the clauses are used for reference purposes only and do not affect the terms of this Memorandum of Incorporation.
- 1.1.4. **Board** means the board of Directors from time to time;
- 1.1.5. **Business Day** means any day other than a Saturday, Sunday or official public holiday in South Africa;
- 1.1.6. **CIPC** means the Companies and Intellectual Property Commission (or any successor in title);
- 1.1.7. **Companies Act** means the Companies Act, 2008;
- 1.1.8. **Company** means Hillcrest Wendy Street Group non-profit company (registration number: 2022/809218/08), a non-profit company incorporated in accordance with the laws of South Africa;
- 1.1.9. **Company Distributable Reserves** means:
  - 1.1.9.1. Company Income;
  - 1.1.9.2. less Company Expenses, including any accounting and provisioning for expected, anticipated, or reasonable future Company Expenses;
  - 1.1.9.3. less Company Payments, including any accounting and provisioning for expected, anticipated, or reasonable future Company Payments;
- 1.1.10. **Company Expenses** means all expenses, fees, duties and costs of the Company incurred by the Company in accordance with this MOI;
- 1.1.11. **Company Income** means the income of the Company being all and any amounts accounted for by the Company as income in its books of account received in cash or in kind, whether by virtue of receiving donations or contributions (including but not limited to Monthly Contributions and Initial Contributions), holding shares, or otherwise;
- 1.1.12. **Company Payments** means any and all payments made by the Company in accordance with this MOI which are not Company Expenses, including but not limited to payments relating to taxes, repayment of debts, or the acquisition of assets;
- 1.1.13. **Company Objects** means the vision for and the objects of the Company set out in clause 2.2;
- 1.1.14. **Community** means Hillcrest Avenue and Wendy Avenue in Blairgowrie / Craighall Park, Randburg;
- 1.1.15. **Community Project** has the meaning given to it in clause 2.2.1.2;
- 1.1.16. **Contributors** has the meaning given to it in clause 5.1;
- 1.1.17. **Director** means a member of the Board and his or her alternate, if any;
- 1.1.18. **Chairperson** means the chairperson of the Board from time to time, as appointed in terms of clause 6.5;
- 1.1.19. **Commissioner** means the Commissioner of SARS;
- 1.1.20. **Financial Year** means the period commencing on 1 March and ending on the last day of February each year or such other period determined in accordance with clause 8.3.8;
- 1.1.21. **Income Tax Act** means the Income Tax Act, 1962;
- 1.1.22. **Incorporator** means Sasha Colleen Brown (identity number: 8710 29 0183 082);
- 1.1.23. **Incorporating Directors** means the Directors on the date of adoption of this MOI;
- 1.1.24. **Members** means, subject to section 57(1), the person(s) registered as such in terms of clause 3;

- 1.1.25. **MOI** means this Memorandum of Incorporation;
- 1.1.26. **Monthly Contributions** has the meaning given to it in clause 3.6.1;
- 1.1.27. **Permitted Investments** means investments made by the Directors from time to time in any money-market or similar account with any of the major banks of South Africa;
- 1.1.28. **Project Committee** has the meaning given to it in clause 7.1.2;
- 1.1.29. **Project Plan** has the meaning given to it in clause 7.3.2.1;
- 1.1.30. **Project Manager** has the meaning given to it in clause 7.2;
- 1.1.31. **Qualifying Person** means any person who is:
  - 1.1.31.1. a natural person and resides in the Community; or
  - 1.1.31.2. a trust, company or other body corporate, or statutory body or partnership or association of persons, has a physical premises and presence in the Community;
- 1.1.32. **South Africa** means the Republic of South Africa as constituted from time to time;
- 1.1.33. **SARS** means the South African Revenue Service;
- 1.1.34. **SARS Commissioner** means the Commissioner of SARS; and
- 1.1.35. **Termination Grounds** has the meaning given to it in clause 3.8.1;
- 1.1.36. **TEU** means the Tax Exemption Unit (or its successor in title) of the South African Revenue Service, as constituted from time to time in accordance with the Income Tax Act; and
- 1.1.37. **Upfront Contribution** has the meaning given to it in clause 3.6.1.1.
- 1.2. Any reference in this MOI to:
  - 1.2.1. a clause is, subject to any contrary indication, a reference to a clause of this MOI;
  - 1.2.2. law means any law including common law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other measure of any government, local government, statutory or regulatory body or court having the force of law; and
  - 1.2.3. person means any natural or juristic person, firm, company, corporation, government, state, agency or organ of a state, association, trust or partnership (whether or not having separate legal personality).
- 1.3. Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- 1.4. The headings do not govern or affect the interpretation of this MOI. If any provision in a definition confers rights, or imposes obligations on any Party, effect is given to it as a substantive provision of this MOI.
- 1.5. Unless the context indicates otherwise words denoting gender include all genders or non-binary; reference to a natural person includes a juristic person; the singular includes the plural, and the plural includes the singular.
- 1.6. Any number of days prescribed in this MOI excludes the first day and includes the last day; and any relevant action or notice may be validly done or given on the last day. Unless the context indicates otherwise if the day for payment of any amount or performance of any obligation falls on a day which is not a Business Day, that day will be the next Business Day.
- 1.7. The words including and in particular are without limitation.
- 1.8. Any reference to legislation is to that legislation as at the date of adoption of this MOI, as amended or replaced from time to time. Any reference to a document or instrument includes the document or instrument as ceded, delegated, novated, altered, supplemented or replaced from time to time.
- 1.9. A reference to a Party includes that Party's successors-in-title and permitted assigns.
- 1.10. A time of day is a reference to Johannesburg time.
- 1.11. The rule of interpretation that, in the event of ambiguity, the contract must be interpreted against the party responsible for the drafting of the contract does not apply. The termination of this MOI does not affect those

of its provisions which expressly provide that they will operate after termination, or which must continue to have effect after termination, or which must by implication continue to have effect after termination.

## 2. Incorporation and nature of the Company

### 2.1. Incorporation

- 2.1.1. The Company was incorporated on the date set out in its notice of incorporation as a non-profit company and the Company is:
  - 2.1.1.1. incorporated for a public benefit or other object as required by item 1(1) of Schedule 1 to the Companies Act;
  - 2.1.1.2. operated and governed consistent with the principles set out in items 1(1) to 1(9) of Schedule 1 to the Companies Act; and
  - 2.1.1.3. is prohibited from directly or indirectly distributing any of its funds to any person otherwise than in the course of carrying out its stated objects and to the extent permitted by Item 1(3) of Schedule 1 to the Companies Act and is required to solely utilise its funds for the purpose that it has been established.
- 2.1.2. The Company is constituted subject to:
  - 2.1.2.1. the unalterable provisions of the Companies Act;
  - 2.1.2.2. any provisions set out in this MOI 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 Companies Act;
  - 2.1.2.3. the alterable provisions of the Companies Act, subject to the limitations, extensions, restrictions, variations or substitutions set out in this MOI; and
  - 2.1.2.4. the provisions of this MOI.

### 2.2. Purpose and Objects of the Company

- 2.2.1. The main undertaking of the Company is (**Company Objects**) to carry on a public benefit activity as defined in section 30(1) of the Income Tax Act:
  - 2.2.1.1. in a non-profit manner and with an altruistic or philanthropic intent for the benefit of disadvantaged and underrepresented groups; and
  - 2.2.1.2. which relate to the following focus area (**Community Project**):
    - a. the installation of the Camera System and concluding one or more agreements with one or more third party service providers to install, monitor, and maintain the Camera System;
    - b. any other business as agreed to by the Board and the Members by ordinary resolution, from time to time relating to activities and infrastructure that seek to strengthen the security of the Community;
    - c. on the basis that such activities specifically exclude activities relating to, conducted by, or involving:
      - i. political parties or groups with partisan political affiliations;
      - ii. labour unions;
      - iii. gambling;
      - iv. any activity in contravention of any law;
      - v. any activity which would result in the Company knowingly permitting itself to be used as part of, any transaction, operation or scheme of which the sole or main purpose is the reduction, postponement or avoidance of liability for any tax, duty or levy which, but for such transaction, operation or scheme, would

have been or would have become payable by any person under the Income Tax Act or any other law administered by the Commissioner: South African Revenue Service;

## 2.3. Powers of the Company

### 2.3.1. General powers

2.3.1.1. Subject to clause 2.3.1.2, the Company has all of the legal powers and capacity:

- a. of an individual, to the extent possible; and
- b. to directly or indirectly, alone or with any other person, carry on any business, trade or undertaking consistent with or ancillary to its stated objects but only to the extent that these activities meet the requirements of section 10(1)(cN)(ii)(aa) of the Income Tax Act.

2.3.1.2. Notwithstanding the omission from this MOI of any provision to that effect and subject to clause 2.3.1.2, the Company may do anything which the Companies Act empowers a Non-Profit Company to do if so authorised by its MOI.

### 2.3.2. Restrictive conditions

2.3.2.1. Save for this clause 2.3.1.2. 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.

2.3.2.2. The Company's powers are restricted:

a. Companies Act

as set out in the Companies Act and Regulations (as altered where possible by this MOI);

b. Company Objects

on the basis that:

- i. the Company must apply all of its assets and income, however derived, to advance the Company Objects; and
- ii. no funds may be distributed to any person other than in the furtherance of the Company's objectives or other than in the manner permitted in terms of Schedule 1 of the Companies Act.

### 2.3.3. Benefits for Incorporator, Members, or Directors

The Company must not, directly or indirectly, pay any portion of its income or transfer any of its assets, regardless of how the income or asset was derived, to any person who is or was the Incorporator, or who is a Member or Director, or person appointing a director, of the company,

2.3.3.1. except:

- a. as reasonable:
  - i. remuneration for goods delivered or services rendered to, or at the direction of, the Company; or
  - ii. payment of, or reimbursement for, expenses incurred to advance a stated object of the Company; or
- b. as a payment of an amount due and payable by the Company in terms of a bona fide agreement between the Company and that person or another; or

- c. as a payment relating to any rights of that person, to the extent that such rights are administered by the Company in order to advance a stated Company Object; or
  - d. in respect of any legal obligation binding on the Company,
- 2.3.3.2. subject always to the requirement that any such distribution must not directly or indirectly promote the economic self-interest of any fiduciary or employee of the Company.

**2.4. Amendments or alterations to MOI Company rules**

**2.4.1. Manner of amendment**

This MOI of the Company may be altered or amended:

- 2.4.1.1. in compliance with a court order effected by a resolution of the Board; or
- 2.4.1.2. by the Board with the prior approval of the Members by special resolution.

**2.4.2. Form of amendment**

An amendment contemplated in clause 2.4.1 may take the form of:

- 2.4.2.1. a new MOI in substitution for the existing MOI; or
- 2.4.2.2. one or more alterations to the existing MOI by:
- 2.4.2.3. changing the name of the Company;
- 2.4.2.4. deleting, altering or replacing any of its provisions;
- 2.4.2.5. inserting any new provisions; or
- 2.4.2.6. making any combination of such alterations.

**2.4.3. CIPC Filing**

After amending its MOI, the Company must file a Notice of Amendment with CIPC in accordance with the requirements contemplated in section 16(7) and section 16(8).

**2.4.4. Effective date of amendment**

An amendment to this MOI takes effect:

- 2.4.4.1. 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 CIPC; or
- 2.4.4.2. in any other case, on the later of:
- 2.4.4.3. the date on, and time at, which the Notice of Amendment is filed with the Commission; or
- 2.4.4.4. the date, if any, set out in the Notice of Amendment.

**2.5. Company rules**

- 2.5.1. The Board has 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 Companies Act, by:

- 2.5.1.1. delivering a copy of those rules, or any amendment or repeal thereof, to the Incorporator and each of the Members] by hand, by ordinary mail (at such Incorporator or Member's registered address) or by publishing in the press in a newspaper circulating in the area in which the Company's registered office is located. Alternatively, delivery may be by email, provided that the Incorporator or Member (as applicable) has given the Company an email address for the purposes of receiving communications; and
- 2.5.1.2. filing a copy of those rules, or any amendment or repeal thereof, with the Commission.

- 2.5.2. Any necessary or incidental rules made, amended or repealed as contemplated in clause 2.5:
  - 2.5.2.1. take effect on the later of:
  - 2.5.2.2. ten business days after the rule is filed with the Commission; or
  - 2.5.2.3. the date, if any, specified in the rule; and
  - 2.5.2.4. are binding;
  - 2.5.2.5. 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
  - 2.5.2.6. on a permanent basis only if it has been ratified by the Members by an ordinary resolution at the meeting contemplated in clause 2.5.2.5.

**2.6. Alterations of MOI and Company rules, translations and consolidations of MOI**

**2.6.1. Patent errors**

The 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:

- 2.6.1.1. delivering a notice of the alteration in the manner contemplated in clause 2.5.1.1; and
- 2.6.1.2. filing a notice of the alteration with CIPC.

**2.6.2. Translations**

At any time after having filed its MOI with Commission, the Company may file one or more translations of it, 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.

**2.6.3. Filing consolidated Memorandum**

At any time after having filed its MOI with CIPC, and having subsequently filed one or more alterations or amendments to it, the Company may (or if CIPC requires it to, must) file a consolidated revision of its MOI, as so altered or amended, provided that every such consolidated revision filed with CIPC in terms of clause 2.6.3 must be accompanied by:

- 2.6.3.1. a sworn statement by a Director; or
- 2.6.3.2. a statement by an attorney or notary public,

stating that it is a true, accurate and complete representation of the Company's MOI, as altered or amended up to the date of the statement.

**2.6.4. Business rescue plan**

To the extent necessary to implement an adopted business rescue plan and provided that the business rescue plan was approved by the Members by ordinary resolution, as contemplated in section 152(3)(c), the Practitioner may in terms of section 152(6)(b) amend this MOI to authorise, and determine the preferences, rights, limitations and other terms of, any securities that are not otherwise authorised, but are contemplated to be issued in terms of the business rescue plan, despite any provision of this MOI or of section 16, section 36 or section 37, to the contrary.

**2.7. Application of optional provisions of the Companies Act**

- 2.7.1. The Company, as a private company, does not elect to comply voluntarily with the extended accountability requirements contained in Chapter 3 of the Companies Act.
- 2.7.2. The Company, as a private company, does not voluntarily elect to be and have its securities subject to Parts B and C of Chapter 5 of the Companies Act and the Takeover Regulations.

### 3. **Members and Membership**

#### 3.1. **First Member**

The first Members will be accepted after adoption of this MOI in accordance with this clause 3.

#### 3.2. **Class of Members**

The Company shall have Members constituting a single class, being voting members, each of whom has an equal vote in any matter to be decided by Members of the Company with the Company.

#### 3.3. **Qualification for Membership**

Only a Qualifying Person may become a Member.

#### 3.4. **Application for Membership**

Any Qualifying Person may apply to the Company to become a Member in such form determined by the Board from time to time.

#### 3.5. **Becoming a Member**

3.5.1. Any application by a Qualifying Person for Membership must be approved by the Board and such person will become a Member if they:

3.5.1.1. have agreed in writing to to pay the Upfront Contribution and the Monthly Contributions; and

3.5.1.2. have accepted in writing to become a Member in a form reasonably satisfactory to the Board.

3.5.2. An application may not be approved and a person may not become a Member in any other circumstances.

#### 3.6. **Subscriptions, Upfront Contributions, and Monthly Contributions**

3.6.1. Members are required to pay:

3.6.1.1. an initial amount (**Upfront Contribution**) of R1 970, increasing by the official Consumer Price Index of South Africa annually on 1 January each year; plus

3.6.1.2. monthly subscription fees determined by the Board from time to time, provided that such Monthly Contributions must be based in the on-going costs of maintaining the Company (including but not limited to any obligations it may have in relation to the Camera System) (**Monthly Contributions**).

3.6.2. The Upfront Contributions and Monthly Contributions will be the subscriptions payable by Members and the Board may not prescribe any other subscriptions.

3.6.3. The Members may make contributions in addition to the Upfront Contributions or Monthly Contributions from time to time. Any such contributions will not constitute a subscription for Membership and will be payable in the discretion of the Members.

#### 3.7. **Members' Register**

3.7.1. The Company shall maintain a register of Members (**Members Register**), in accordance with the provisions of section 24(4) of the Companies Act.

3.7.2. The Company shall cause the Members Register to reflect in respect of each Member (and to the extent furnished by the Member):

3.7.2.1. the name of the Member;

3.7.2.2. the Member's business, residential or postal address;

3.7.2.3. the Member's email addresses;

3.7.2.4. the date on which the Person became a Member of the Company and if applicable, the date on which such Member ceased to be a Member of the Company;



3.7.2.5. such other information determined by the Board as required to objectively identify the Member; and

3.7.2.6. any other information prescribed in terms of the Companies Act from time to time.

3.7.3. The Company shall not be bound to enter any Person in the register of Members until such Person provides the Company with an Address for entry in the Members Register.

### 3.8. **Termination of Membership**

3.8.1. A Member shall immediately cease to be a Member of the Company (**Termination Grounds**):

3.8.1.1. in the case of a natural person, if such:

- a. Member has failed to make three consecutive payments of the Monthly Contribution, unless approved otherwise by the Board and the Members by special resolution; or
- b. Member dies; or
- c. Member tenders Written notice of his resignation as a Member to the Directors; or
- d. Member becomes a lunatic or of unsound mind; or
- e. Member's estate is surrendered or sequestrated, whether voluntarily or compulsorily; or
- f. Member commits any act of insolvency; or
- g. Member is removed by special resolution of the Members; or
- h. membership is terminated by the Board on reasonable grounds and the Board furnishes such Member with Written notice of his/her termination.

3.8.1.2. in the case of a Member which is not a natural person, if such:

- a. Member has failed to make three consecutive payments of the Monthly Contribution, unless approved otherwise by the Board and the Members by special resolution; or
- b. Member tenders Written notice of resignation as a Member to the Directors; or
- c. Member is liquidated, wound up or placed under judicial management, whether provisionally or finally and whether compulsorily or voluntarily; or
- d. Member commits any act of insolvency.

3.8.2. To the extent that there are no Members, the Incorporator Directors must immediately nominate a new person for Membership and, if such person accepts such appointment in writing, such person will, thereafter, be a Member and considered as the Incorporator for the purposes of this MOI.

3.8.3. A Member will not be entitled to any refund, reimbursement, or compensation of any nature whatsoever upon termination of their Membership and, by accepting their Membership, waives any claims they may have against the Company, its Directors, officers, committees, or other personnel relating to their Membership or the termination thereof.

### 3.9. **Members' authority to act**

3.9.1. One Member only

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.

3.9.2. Every Member a Director

If at any time, every Member is also a Director as contemplated in section 57(4) of the Companies Act, the authority of the Members to act without notice or compliance with any other internal formalities as set out in section 54 is not limited or restricted by this MOI.

3.9.3. Written resolutions

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:

- 3.9.3.1. the resolution is 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; and
- 3.9.3.2. the resolution is supported by such 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.

3.9.4. Election of Directors by written poll

- 3.9.4.1. An election of a Director that could be conducted at a Members meeting may instead be conducted by written polling of all the Members entitled to exercise voting rights in relation to the election of that Director and present at a meeting (if applicable), as set out in clause 6.4
- 3.9.4.2. Within ten business days after adopting a resolution or conducting a written poll to elect a Director, in terms of clause 3.9.1 or clause 3.9.4, the Company shall deliver a statement describing the results of the vote, consent process or election to every Member who was entitled to vote on or consent to the resolution, or vote in the election of the Director, as the case may be.

## 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 the Companies Act or this clause 4, but may do so.

4.2. **Board's right to call meeting**

The Board may in terms of section 61(1) call a Members meeting at any time.

4.3. **Members' right to requisition a meeting**

A Members meeting must be called by the Directors if requested any of the Members, provided that:

- 4.3.1. a notice containing a purpose and an agenda for the meeting is sent to Members in accordance with clause 4.6; and
- 4.3.2. a meeting to nominate, elect, or remove Directors may only be called by any such Member once in any one calendar year unless a further meeting is requisitioned by at least 33% of the Members for the same purpose.

4.4. **Location of Members meetings**

The authority of the Board to determine the location of any Members meeting and the authority of the Company to hold any such meeting in South Africa or in any foreign country, is not restricted or varied by this MOI.

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**

- 4.6.1. The minimum number of days for the Company to deliver a notice of a Members meeting to the Members is ten business days before the meeting is to begin or 24 hours if agreed on in writing by Members holding not less than 91% of the votes exercisable at such meeting.
- 4.6.2. A notice of a meeting must be in writing and include the information set out in section 62(3) and section 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. Members resolutions**

- 4.8.1. For an ordinary resolution to be approved by Members, it must be supported more than 50% of the Members who have exercised a vote on that resolution .
- 4.8.2. For a special resolution to be approved by Members, it must be supported by at least 75% of the Members who have exercised a vote on that resolution.

**4.9. Votes of Members**

**4.9.1. Number of Votes**

Each Member has one vote.

**4.9.2. Polled votes**

A polled vote must be held on any particular matter to be voted on at a meeting, unless 100% of the exercisable voting rights present vote in favour of a vote by a show of hands.

**4.9.3. Joint holders**

In the case of persons jointly registered as Members, only the vote of the Member of such jointly registered Members who is named first in the Members' register shall be accepted, whether in person or by proxy.

**4.9.4. Juristic representatives**

Any entity who is a Member conferring the right to vote may, by resolution of the directors or other governing body of that entity, authorise one person to act as its representative at any Members meeting. The representative shall be entitled to exercise the same powers as that entity could exercise if it were an individual Member. The Board may require proof to their satisfaction of the appointment or authority of a representative to act.

**4.10. Quorum for Members meetings**

4.10.1. Subject to the provisions of clause 4.10.2 to clause 4.10.6 (both inclusive), the quorum for:

- 4.10.1.1. a Members meeting to begin is sufficient persons present at the meeting to exercise, in aggregate, at least 51% of all of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meetings; and
- 4.10.1.2. a matter to begin to be considered at the meeting is sufficient persons present at the meeting to exercise, in aggregate, at least 51% 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.

4.10.2. Notwithstanding clause 4.10.1, where the Company has more than two Members, a meeting may not begin, or a matter begin to be considered, unless at least three Members are present at the meeting and the requirements of clause 4.10.1 are satisfied.

- 4.10.3. If, within 30 minutes after the appointed time for a meeting to begin, the requirements of clause 4.10.1, or clause 4.10.2 if applicable:
  - 4.10.3.1. for that meeting to begin have not been satisfied, the meeting is postponed without motion, vote or further notice, until the next business day; and
  - 4.10.3.2. for consideration of a particular matter to begin have not been satisfied:
  - 4.10.3.3. 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
  - 4.10.3.4. if there is no other business on the agenda of the meeting, the meeting is adjourned until the next business day, without motion or vote.
- 4.10.4. The chairperson of the Members meeting, as determined in terms of clause 6.5.1.2 to clause 6.5.2.2, where the quorum requirements in clause 4.10.1, or clause 4.10.2 if applicable, are not satisfied, may extend the 30 minute limit allowed for a reasonable period on the grounds that:
  - 4.10.4.1. exceptional circumstances affecting weather, transportation or electronic communication have impeded, or are impeding, the ability of Members to be present at the meeting; or
  - 4.10.4.2. 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
  - 4.10.4.3. any other reason such person considers appropriate.
- 4.10.5. 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 one Member with voting rights entitled to be exercised at the meeting, or on that matter, is present at the meeting.
- 4.10.6. If the quorum requirements in clause 4.10.1, or clause 4.10.2, if applicable, have not been satisfied at the time appointed for a postponed meeting to begin in accordance with clause 4.10.1.1 or for an adjourned meeting to resume in accordance with clause 4.10.1.2, the Members present in person or by proxy will be deemed to constitute a quorum.

#### **4.11. Adjournment of Members meetings**

- 4.11.1. Subject to clause 4.10, clause 4.11.2 and clause 4.11.3, 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.
- 4.11.2. An adjournment of a meeting, or the consideration of a matter at the meeting, in terms of clause 4.6.1, may be either to a fixed time and place or until further notice, as agreed at the meeting.
- 4.11.3. A meeting may not be adjourned beyond the earlier of:
  - 4.11.3.1. 120 business days after the record date determined in accordance with clause 4.17.3; or
  - 4.11.3.2. 60 business days after the date on which the adjournment occurred.

#### **4.12. Proxies and voting under power of attorney**

##### **4.12.1. Appointment of proxy**

A Member may, at any time, appoint any individual, including an individual who is not a Member, as a proxy to:

- 4.12.1.1. participate in, and speak and vote at, a Members meeting on behalf of the Member; or
- 4.12.1.2. give or withhold written consent on behalf of the Member to a decision by Members acting other than at a meeting.

4.12.2. Form of proxy

The instrument that appoints a proxy must:

4.12.2.1. be in writing, dated and signed by the Member; and

4.12.2.2. be given by the person appointing such proxy or by their attorney duly authorised in writing or, if the appointor is a corporation, given by a representative so authorised.

4.12.3. Power of attorney

The holder of a power of attorney from a Member may, if so authorised by the power of attorney, vote for and represent such Member at any meeting of the Company.

4.12.4. Delivery of proxy

Every instrument of proxy, whether for a specified meeting or otherwise, must comply with section 58 of the Companies Act and subject thereto be in the following format, or in such other form as the 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 Company appoint

..... of ..... or failing him or her ..... of ..... or failing him or her the chairperson of the Board or failing him or 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 Companies 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 Companies 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:

For      Against    Abstain

Resolution No. 1

Resolution No. 2

(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."

4.13. **Representation by concurrent proxies**

The right of a Member to appoint two or more persons concurrently as proxies, and to appoint more than one proxy to exercise voting rights attached to different securities held by the Member is not restricted or varied by this MOI.

4.14. **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, subject to any restriction set out in the instrument appointing that proxy, is not restricted or varied by this MOI.

4.15. **Requirement to deliver proxy instrument to the Company**

A copy of the instrument appointing a proxy must be delivered to the Company, or to any other person authorised by the Company to accept the instrument on its behalf, before the person appointed as proxy exercises any rights of the relevant Member.

4.16. **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, except to the extent that the instrument appointing that proxy provides otherwise, is not restricted or varied by this MOI.

4.17. **Validity of appointment**

4.17.1. Revocation

4.17.1.1. 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.

4.17.1.2. A notice of revocation of the proxy instrument or power of attorney appointing a proxy will be effective as of the later of:

4.17.1.3. the date stated in the instrument revoking the proxy appointment, if any; and

4.17.1.4. the date on which the instrument revoking the proxy appointment is received.

4.17.2. Suspension if Member acts directly

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.

4.17.3. Validity of vote in legal incapacity of Member or transfer

A vote given in accordance with the terms of an instrument of proxy or power of attorney appointing a proxy shall be valid notwithstanding the legal incapacity of the Member or the transfer of the securities in respect of which the vote is given, unless notice in writing of such legal incapacity or transfer is received by or on behalf of the Company at any time prior to the time at which the proxy is to exercise the rights of the Member at a particular meeting.

4.18. **Record date for exercise of Member rights**

If, at any time, the Board fails to determine a record date for any action or event, the record date for the relevant matter is:

4.18.1. in the case of a meeting, the latest date by which the Company is required to give Members notice of that meeting; or

4.18.2. in any other case, the date of the action or event.

5. **Contributors**

5.1. **Class of Contributors**

The Company shall be entitled to accept Monthly Contributions from Qualifying Persons who do not also pay Upfront Contributions (**Contributors**).

5.2. **Qualification for Contributor status**

Only a Qualifying Person may become a Contributor.

### 5.3. **Becoming a Member**

- 5.3.1. Any application by a Qualifying Person for Contributor status must be approved by the Board and will become a Contributor if they:
  - 5.3.1.1. have agreed in writing to to pay the Monthly Contributions; and
  - 5.3.1.2. have accepted in writing to become a Contributor in a form reasonably satisfactory to the Board, which acceptance must include, at least, such Contributor agreeing to comply with this MOI.
- 5.3.2. An application may not be approved and a person may not become a Contributor in any other circumstances.

### 5.4. **Subscriptions and Monthly Contributions**

- 5.4.1. Contributors are required to pay Monthly Contributions.
- 5.4.2. The Monthly Contributions will be the subscriptions payable by Contributors and the Board may not prescribe any other subscriptions to Contributors.
- 5.4.3. The Contributors may make contributions in addition to the Monthly Contributions from time to time. Any such contributions will not constitute a subscription for Contributor status and will be payable in the discretion of the Contributor.
- 5.4.4. Nothing in this MOI restricts the Company from accepting any contributions from third parties other than in the form of a Contributor.

### 5.5. **Rights of Contributors**

- 5.5.1. Contributors will have the right to access the monitoring software and monitor the Camera System and any other Community Projects infrastructure or software determined by the Board from time to time.
- 5.5.2. Contributors will not constitute Members and Contributors have no other rights in or against the Company other than as set out in clause 5.5.1.

### 5.6. **Contributors Register**

The Company shall maintain a register of Contributors in a form substantially the same as the Members Register, with the necessary changes.

### 5.7. **Termination of Contributor status**

- 5.7.1. A Contributor shall immediately cease to be a Contributor if they are subject to any of the Termination Grounds.
- 5.7.2. A Contributor will not be entitled to any refund, reimbursement, or compensation of any nature whatsoever upon termination of their Contributor status and, by accepting their Contributor status, waives any claims they may have against the Company, its Directors, officers, committees, or other personnel relating to their Contributor status or the termination thereof.

## 6. **Directors and officers**

### 6.1. **Composition of the Board**

- 6.1.1. The Board must always have not less than one Director and a maximum of five Directors.
- 6.1.2. If the number of Directors falls below the minimum provided in clause 6.1, the remaining Directors must as soon as possible fill the vacancies or call a general meeting for the purpose of filling the vacancies, provided that the failure by the Company to have the minimum number of Directors does not limit or negate the authority of the Board or invalidate anything done by the Board or the Company.

### 6.2. **Right to nominate, remove, and replace Directors**

- 6.2.1. Save for the Incorporating Directors, 100% of the Directors must be nominated by the Members.

- 6.2.2. Any Member will be entitled to nominate a person for election and appointment as a Director:
- 6.2.2.1. on written notice to the Company to that effect; and
  - 6.2.2.2. provided that there are less than five Directors at the date of such nomination.
- 6.2.3. Any Member individually holding or Members collectively holding at least 10% of the exercisable voting interest of the Members may request the removal of a Director.

**6.3. Qualifications for appointment of Directors**

- 6.3.1. A Director must be a resident in the Community.
- 6.3.2. A Director may serve for a maximum of three years, provided that:
- 6.3.2.1. the term of the Incorporating Directors will commence on adoption of this MOI;
  - 6.3.2.2. such person may be re-elected for one additional term;
  - 6.3.2.3. any person who was previously a Director but has not been a Director for a period of three years may be re-elected as a Director.
- 6.3.3. A person need not satisfy any further eligibility requirements or qualifications.

**6.4. Election and appointment of Directors**

- 6.4.1. Save for the Incorporating Directors, all Directors must be elected for appointment or removal by the Members by ordinary resolution.
- 6.4.2. In any election of Directors, the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy.
- 6.4.3. In each vote to fill a vacancy, each voting right entitled to be exercised may be exercised once and the vacancy is filled only if a majority of the voting rights exercised support the candidate.
- 6.4.4. Nothing in this MOI restricts an election of Directors to be conducted by written resolution.

**6.5. Chairperson of the Board**

**6.5.1. Appointment**

- 6.5.1.1. The Board is entitled to elect a Chairperson from one of its number and may determine the period for which such person will hold office.
- 6.5.1.2. The Chairperson will preside over meetings of the Board and the Members (**Meetings**).

**6.5.2. Absent Chairperson**

**6.5.2.1. Meetings where:**

- a. the Board has not elected a chairperson in terms of clause 6.5.1;
- b. the chairperson is not present within 15 minutes after the time appointed for holding the Meeting; or
- c. the chairperson is unwilling to act as chairperson,

will require a chairperson for that meeting to be elected at that meeting (**Chairperson Election**) in terms of clause 6.5.2.2.

**6.5.2.2. Chairperson Elections in the case of:**

- a. a Board meeting, will be an election of a chairperson by the Board of any Director present at that meeting; and
- b. a Members meeting, will be an election of a chairperson by the Members of:
  - i. any Director present at that meeting; or
  - ii. where no Directors are present, any Director present at that meeting.



**6.6. Ex officio Directors**

There are no ex officio Directors in addition to any Directors appointed in terms of this MOI and the elected Directors.

**6.7. Casual vacancies**

The Board does not have the power to fill any vacancy on the Board on a temporary or permanent and all Directors must be nominated, elected, and appointed in terms of clause 6.2.

**6.8. Disqualification from being a Director**

To become or to continue to act as a Director or a prescribed officer of the Company, a person must not be:

- 6.8.1. provides access to the Camera System (or any other Community Project infrastructure determined by the Board) to a person who is not a Qualifying Person;
- 6.8.2. provides access to the Camera System (or any other Community Project infrastructure determined by the Board) to any person other than for purposes of the security and protection of the Community, the Community Projects and promoting the Community Objects;
- 6.8.3. a person who has been accused or found guilty of any corrupt or fraudulent act under any law in the world;
- 6.8.4. a person who, if appointed, would result in prejudice to the Company as determined by the Board acting reasonably;
- 6.8.5. a juristic person;
- 6.8.6. an unemancipated minor, or a person under a similar legal disability;
- 6.8.7. a person who has been declared a delinquent or placed under probation by a court in terms of section 162 or section 47 of the Close Corporations Act, 1984, except to the extent permitted by the order of probation;
- 6.8.8. an unrehabilitated insolvent;
- 6.8.9. prohibited in terms of any public regulation to be a Director;
- 6.8.10. removed from an office of trust, on the grounds of misconduct involving dishonesty;
- 6.8.11. 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 an offence:
- 6.8.12. involving fraud, misrepresentation or dishonesty;
- 6.8.13. in connection with the promotion, formation or management of a company;
- 6.8.14. in connection with having been appointed or elected as a Director or acting as a Director whilst ineligible or disqualified, or whilst having been placed under probation by a court; or
- 6.8.15. under the Companies Act, the Insolvency Act, 1936, the Close Corporations Act, 1984, the Competition Act, 1998, the Financial Intelligence Centre Act, 2001, the Financial Markets Act, 2012, or Chapter 2 of the Prevention and Combating of Corruption Activities Act, 2004.

**6.9. Alternate Directors**

- 6.9.1. An alternate Director may be nominated or removed by any person entitled to nominate a Director in this MOI to act as an alternate to any person nominated by them and the Members and Board will procure that such person is elected and appointed or removed as a Director.
- 6.9.2. An alternate Director shall, except as regards the power to receive remuneration, be subject in all respects to the terms and conditions applicable to the Director on whose behalf the alternate acts, and each alternate Director shall be entitled:
  - 6.9.2.1. to receive notice of all meetings of the Directors or of any committee of the Directors of which the Director on whose behalf the alternate acts is a member;

- 6.9.2.2. to attend and vote at any such meetings at which the Director on whose behalf the alternate acts is not personally present;
- 6.9.2.3. to furnish written consent to adopt a decision which could be voted on at a Board meeting;
- 6.9.2.4. 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 as Director, if any; and
- 6.9.2.5. generally, to exercise and discharge all the functions, powers and duties of the Director on whose behalf the alternate acts in such Director's absence as if such alternate were a Director.

6.9.3. In addition to 6.9.1, an alternate Director shall also cease to be an alternate Director if the Director on whose behalf the alternate acts ceases for any reason to be a Director, but if any Director retires and is re-elected at the same meeting, any appointment made in respect of such Director shall remain in force as though the Director had not retired.

#### 6.10. **Authority of the Board**

- 6.10.1. Subject to clause 2.3.1.2, the authority of the 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.
- 6.10.2. 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.

#### 6.11. **Directors' meetings**

##### 6.11.1. Convening meetings

Any Director may call a meeting of the Board at any time.

##### 6.11.2. Electronic communication

The authority of the Board to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, so long as the electronic communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting, is not restricted or varied by this MOI.

##### 6.11.3. Notices

- 6.11.3.1. 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 6.11.2.
- 6.11.3.2. 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.

##### 6.11.4. Quorum

The quorum requirement for a meeting is a majority of the voting rights of the Directors.

##### 6.11.5. Minutes

- 6.11.5.1. Minutes will be:
  - a. kept of all Directors' meetings;
  - b. settled by the Chairperson at the meeting in question and circulated to all Directors within 30 days following the meeting;
  - c. submitted to the next meeting for approval with or without modification; and
  - d. signed by the Chairperson at that meeting confirming the approval of the meeting.

- 6.11.5.2. A minute, or a certified copy of a minute, signed by the Chairperson or by the Directors present at the meeting will constitute evidence until the contrary is proved of the contents of the minute.

**6.12. Decisions by the Board**

6.12.1. Number of votes

Each Director has one vote on a matter. In the case of a tied vote the Chairperson will not have a deciding vote and the resolution will fail.

6.12.2. Written resolutions

The authority of the Board to adopt a decision, that 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 6.12.2 has the same effect as if it had been approved by voting at a meeting.

6.12.3. Matters requiring majority approval

All matters in this MOI to be approved by the Directors will be approved by majority of the Directors voting in favour of that resolution (either in a meeting or in writing) unless stated otherwise in this clause 6.1.2.

6.12.4. Matters requiring majority approval and the approval of the Members by ordinary resolution

6.12.4.1. Approval of any new business or extending or adopting any new Community Project in addition to the Camera System project.

6.12.4.2. Approval of any business rescue plan.

6.12.4.3. Election of Directors.

6.12.5. Matters requiring majority approval and the approval and the prior written consent of the Members by special resolution

6.12.5.1. Any amendments to the MOI.

6.12.5.2. Removal of Members.

6.12.6. Matters requiring approval of at least 75% of the Directors

6.12.6.1. Incurring any expenditure.

6.12.6.2. Furnishing any guarantees, suretyships, undertakings or indemnities for the obligations of any one or more third parties.

6.12.6.3. Not terminating the Membership of a Member who has failed to make three consecutive payments of the Monthly Contribution not having their Membership terminated.

6.12.7. Matters requiring approval of at least 75% of the Directors and the prior written consent of the Members by special resolution

6.12.7.1. Amending any provision of this MOI other than an to include provisions in the Deed for the purposes of section 30 of the Income Tax.

6.12.7.2. Taking any steps or actions to wind-up or dissolve the Company.

6.12.8. Conflicts of interest and personal financial interests

6.12.8.1. Nature of interest

Directors must recuse themselves from voting at a meeting or approving a written resolution if they;

- a. are being removed as a Director; or
- b. have a personal financial interest (as defined in the Companies Act); or

- c. have a conflict of interest (as the common law applies to director's interests).

6.12.8.2. Process

Before a matter is to be considered, a Director:

- a. must disclose the general nature of any personal financial interest or conflict of interest; and material information relating to matter;
- b. may disclose any observations or pertinent insights on matter if requested by the remaining Directors to do so;
- c. must recuse themselves and must not take part in consideration in voting at a meeting or approving in the case of a written resolution in they have:
  - i. a personal financial interest (as contemplated in the Companies Act); and
  - ii. a conflict of interest in terms of which they are unable to act impartially, in line with their fiduciary duty, or in the interests of the Company (as the common law applies to director's interests).

6.12.8.3. Director approval thresholds

A Director who has recused themselves in terms of this clause 6.12.8 will not be considered when determining whether the necessary threshold of Directors has approved a matter.

**6.13. Directors' compensation and financial assistance**

- 6.13.1. Subject to clause 2.3.3, the authority of the Company to pay reasonable remuneration to the Directors is restricted and the Company may not pay remuneration to Directors. Subject to clause 2.3.3, this clause 6.13 does not restrict the Company from concluded other remunerating arrangements with a Director in a capacity other than as a Director.
- 6.13.2. Save to the extent permitted in item 5(4) of Schedule 1 of the Companies Act, the Company may not provide a loan to, secure a debt or obligation of, or otherwise provide direct or indirect financial assistance to a Director of the Company or a related or inter-related company or to a person related to any such director.

**6.14. Indemnification of Directors**

- 6.14.1. For purposes of this clause 6.14, 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.
- 6.14.2. 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 for 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.
- 6.14.3. 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.
- 6.14.4. The authority of the Company is not restricted or varied by this MOI to purchase insurance to protect:
  - 6.14.4.1. a Director against any liability or expenses for which the Company may indemnify a Director as contemplated in clause 6.14.2 or clause 6.14.3; or
  - 6.14.4.2. 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 6.14.2 or any liability for which the Company is permitted to indemnify a Director as contemplated in clause 6.14.3.

- 6.14.5. 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 6.14 or the Companies Act.

6.15. **Authentication of documents**

- 6.15.1. Any Director, the secretary of the Company 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, accounts and other documents relating to the Company, and to certify copies or extracts from those documents 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 of the documents at such other place shall be deemed to be the person so appointed.
- 6.15.2. A document purporting to be a copy of a resolution of the Directors or the Members or an extract from the minutes of a meeting of the Directors or the Members by which is certified in accordance with clause 6.15.1 is prima facie 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 or the Members.

## 7. **Operation of the Company**

7.1. **Committees of the Board**

- 7.1.1. The authority of the Board to appoint committees is varied in the manner set out below in this clause 7.1.
- 7.1.2. The Board:
- 7.1.2.1. may appoint any number of committees for managing any of the affairs of the Company; and
  - 7.1.2.2. must appoint a committee to oversee the creation and implementation of any Project Plan,
- and the Board may delegate to any such committee any authority of the Board, including a general authority to incur expenditure if such authority is authorised by the Board in terms of this Memorandum of Incorporation (**Project Committee**).
- 7.1.3. Persons who are not Directors:
- 7.1.3.1. may be included on such Project Committees, provided those persons are not ineligible or disqualified from being a Director, as contemplated in clause 6.8 and the Companies Act; and
  - 7.1.3.2. will, unless otherwise determined by the Board, each have a vote on all matters to be decided by the Project Committee on which they sit.
- 7.1.4. Unless otherwise determined by the Board, a Project Committee will be entitled to:
- 7.1.4.1. consult with or receive advice from any other person; and
  - 7.1.4.2. exercise the full authority of the Board in respect of the matter referred to it.

7.2. **Project Manager**

7.2.1. Appointment

- 7.2.1.1. The Directors must procure that, at all times, a suitably qualified person is appointed to develop and oversee a Project Plan (**Project Manager**).
- a. In any period between the exit of one Project Manager and appointment of another or where there is no Project Manager for any reason whatsoever, the Directors will appoint one of their number to undertake such role on an interim basis until such time as a new Project Manager is appointed.

- b. The Project Manager need not be a third party service provider and may be appointed as an employee of the Company or in any similar capacity on a full or other time basis.

7.2.1.2. The Directors must determine the qualification requirements for the Project Manager based on reasonable factors, a Community Project and the Company Objects.

#### 7.2.2. Reporting

The Directors will procure that the Project Manager reports to the Directors or such other Project Committee at such periods required by them regarding, at least:

- 7.2.2.1. the management accounts for the Company;
- 7.2.2.2. the budget for the preceding period and anticipated budget for the next period;
- 7.2.2.3. the implementation of a Project Plan for the preceding period; and
- 7.2.2.4. the key implementation aspects of a Project Plan for the next period.

### 7.3. **Project Plan**

#### 7.3.1. Requirement for a Project Plan

Every Community Project must be established and implemented in accordance with a Project Plan.

#### 7.3.2. Preparation of first Project Plan

As soon as reasonably possible after adoption of this MOI, the Directors will procure that the Project Manager:

- 7.3.2.1. develops a plan and budget for the Community Project(s) setting out at least the next three years (**Rolling Period**) and containing, at least (**Project Plan**):
  - a. the personnel (which may be Members or Directors) implementing the Community Project(s), including each such person's portfolio;
  - b. the budget for the Community Project(s);
  - c. the budget for the capital expenditure for the Community Project(s);
  - d. the budget for the operational expenditure for each Community Project(s);
  - e. the type of infrastructure forming part of any Community Project(s);
  - f. key performance indicators to identify whether any Community Project(s) was a success over that period;
  - g. actual or potential contributors to the Company;
  - h. any personnel requirements of the Company; and
- 7.3.2.2. presents such Project Plan to the Directors or a Project Committee (if applicable) for approval or comment.

#### 7.3.3. Adoption of first plan

The first Project Plan will prepared by the Project Manager as soon as reasonably possible after they are appointed for submission to the Directors for consideration and, if determined by the Directors or a Project Committee (if applicable), approval.

7.3.4. Annual update of Project Plan

- 7.3.4.1. The Project Manager will present an updated Project Plan to the Directors for approval for approval or comment each year at least 60 days before the end each Financial Year or, if applicable, within 30 days of any new Community Project being approved for consideration and, if determined by the Directors or a Project Committee (if applicable), approval at such meeting to cater for the next Rolling Period.
- 7.3.4.2. If the Directors or a Project Committee (if applicable) are unable to agree the updated Project Plan, the Project Manager will continue to implement the last approved Project Plan, with the necessary changes, until such time as an updated Project Plan is approved.

7.4. **Personnel**

The Directors may appoint such other employees, officers, agents, advisors, service providers, or other representatives required by the Company (including but not limited to Members) to ensure the efficient operation of the Company and may delegate to any such personnel any authority of the Board, provided that any authority to incur expenditure must be on the basis that such authority must be authorised by the Board or a Project Committee (if applicable).

7.5. **Expenditure**

7.5.1. Purpose for incurrence of expenditure

Notwithstanding that any Project Plan has been approved by the Board, all Company Expenses, Company Payments, or expenditure or incurrence of liability for the Company of any other nature whatsoever must be incurred in relation to a Community Project.

7.5.2. Approvals for incurrence of expenditure

Notwithstanding that any Project Plan has been approved by the Board, all Company Expenses, Company Payments, or expenditure or incurrence of liability for the Company of any other nature whatsoever must be approved by at least 75% of the Board.

7.5.3. Distributions

The Company may not make distributions of Company Distributable Reserves (or any other funds) to Members.

7.5.4. Permitted Investments

Should any Company Distributable Reserves remain or are projected to remain at the end of any Financial Year (with such determination to be made by the Directors 90 days before the end of the Financial Year), such the Company Distributable Reserves or a portion thereof will be invested as Permitted Investments for use by the Company in accordance with this MOI in subsequent Financial Years.

8. **Transparency and accountability**

8.1. **Confidentiality restrictions**

All rights of access to information in this MOI are subject, at all times, to any confidentiality obligations imposed on the Directors, including but not limited to those pursuant to the Protection of Personal Information Act, 2013.

8.2. **Members access to information**

Members will be provided on request, with:

- 8.2.1. any information to which they are entitled in terms of section 26 of the Companies Act;
- 8.2.2. all reports by the Project Manager to Directors;
- 8.2.3. all financial records of the Company; and
- 8.2.4. any other information of the Company.



### 8.3. Financial records

#### 8.3.1. Financial standards

The Directors will comply with such reporting requirements as may be determined and required by the Companies Act and applicable law.

#### 8.3.2. Notification to and approval by the Members

8.3.2.1. The Company shall notify the Members of the publication of any annual Financial Statements of the Company, setting out the steps required to obtain a copy of those Financial Statements. If a Member demands a copy of the annual Financial Statements, the Company shall make same available to the Members free of charge.

8.3.2.2. The Board must, in accordance with section 30 and section 31 of the Companies Act, cause to be prepared and laid before the Company at the first Members meeting after they have been approved by the Board those annual financial statements and reports and group annual financial statements and reports, if any.

8.3.2.3. Subject to the provisions of the Companies Act, a copy of the annual financial statements and reports referred to in clause 8.3.2.2 must be delivered or sent by post to the registered address of the Members and debt instrument holder at least ten business days after they have been approved by the Board. The Members or debt instrument holder 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 or debt instrument holder at that address. This clause 8.3.2.3 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, or to more than any one of the joint holders of any securities.

#### 8.3.3. Company bank accounts

The Directors will open one or more bank accounts with any bank in the name of the Company to, subject to clause, manage the receipts of and payment by the Company.

#### 8.3.4. Accounting records and reports

The Directors will keep and maintain, in accordance with good governance and such standards applicable to a company of the nature of the Company, provided that they must keep full and accurate accounting records of the financial affairs of the Company (including but not limited to its income, expenditure, assets and liabilities).

#### 8.3.5. Appointment of financial officer or service provider

The Directors may appoint a financial officer, accountants, auditors, or such other qualified experts to fulfil the obligations set out in clause 8.3.6.

#### 8.3.6. Financial statements of the Company

8.3.6.1. Within 6 months after the end of each Financial Year of the Company, the Directors will cause the financial statements to be drawn up and will include a statement of income and expenditure for that Financial year and balance sheet showing the assets, liabilities and financial position of the Company as at the end of that Financial Year.

8.3.6.2. The Directors must arrange for the financial statements to be either audited or independently reviewed.

#### 8.3.7. Preservation of books of account

The Directors will cause to be preserved the Company's books of account, supporting vouchers, income and expenditure statements, balance sheets and accounting officer's reports, in an original or if necessary reproduced form.



8.3.8. Financial Year end

The Financial Year end of the Company may be amended from time to time, subject to obtaining all necessary approvals required by the law.

8.3.9. Retention of records

8.3.9.1. The Directors must retain all records relating that are required to be retained by an entity such as the Company, including but not limited to all documents the Companies Act, Income Tax Act, or any other law.

8.3.9.2. Without limiting clause 8.3.9.1:

- a. the accounting records must be kept at the registered office of the Company or (subject to the provisions of section 25 of the Companies 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 Companies Act, the authority of the Board; and
- b. the Company must maintain adequate records of all revenue received from donations and grants or in terms of any funding contracts or arrangements with any party or Person for a period of at least five years and in relation to any books of account recording the transaction entered into by the Company for at least five years from the date of the last recorded transaction.

## 9. **Winding-up**

9.1. **Approval**

The Company:

9.1.1. may be wound-up if approved by the Board and the Incorporator; and

9.1.2. must be wound-up if it is no longer a going concern (as determined by the Board or by an expert appointed by the Incorporator in the case of a dispute between the Board and which expert's determination will be made as an expert and will be final and binding save in the case of manifest error).

9.2. **Winding-up distribution**

Subject to clause 9.2, pursuant to any decision to wind-up the Company in terms of clause 9.1, the Company will be wound-up and should there remain any assets whatsoever after the satisfaction of all the Company Expenses and Company Payments for which the Company is or will be liable, then such assets will, as determined by the Board, be transferred to an organisation representing the interests of the Community (which need not necessarily only relate to a Community Project).

## 10. **Adoption of MOI**

This MOI was adopted by the Board and Incorporator on \_\_\_\_\_.