

**COMPANIES AND INTELLECTUAL PROPERTIES COMMISSION**

**REPUBLIC OF SOUTH AFRICA**

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In accordance with s 16(1)(c)

**MEMORANDUM OF INCORPORATION**

**OF**

**SOUTHERN AFRICAN ASSOCIATION OF SCIENCE AND TECHNOLOGY CENTRES (RF) NPC**

**Shortened name: SAASTECH (RF) NPC**

**Registration number: 2008/024977/08**

**('the company')**

The company is a Non Profit company with members, and with the following objects:

**To create a Southern African society that has sufficient knowledge and skills in science, numeracy and technology in order to enable it to improve quality of life for its people and compete in the global economy, by:**

- 1. Acting as a coordinative, representative and facilitative forum for science centres;**
- 2. Acting as a voice for science centre networks on issues relating to science, engineering and technology ("SET") communication, education, propagation and engagement;**
- 3. Serving as a vehicle through which science centres can engage with, inform, implement and influence SET and math, science and technology ("MST") policy;**
- 4. Representing the network of science centres and its affiliates in key stakeholder relations; that is, with government, parastatals, industry and in international relations, and with other continental science centre associations in particular;**
- 5. Assisting with establishing science centres in and providing mobile centres to, rural and under-resourced areas;**
- 6. Support and facilitate the linking of the science centres to schools and formal education, the upgrading of science teachers' practical teaching skills, the formation of science clubs at schools and the promotion of careers in science and technology; and**
- 7. Assisting science centres with issues relating to capacity building, resource development and management, evaluation of impact and fund raising.**

**Adoption of Memorandum of Incorporation**

This amended Memorandum of Incorporation was adopted by the members of the company, in accordance with section 16(1)(c) of the Companies Act, 2008 ('the Act'), as evidenced by the special resolution to which it is attached.

*In this Memorandum of Incorporation:*

- a) *A reference to a section by number refers to the corresponding section of the Act; and*
- b) *Words that are defined in the Act bear the same meaning in this memorandum as in the Act.*

## **1. INCORPORATION**

- 1.1 The company was incorporated under section 21 of the Companies Act, 1973, but is now a Non Profit company, as defined in the Act.
- 1.2 The company is governed by:
  - 1.2.1 the unalterable provisions of the Act that are applicable to Non Profit companies;
  - 1.2.2 the alterable provisions of the Act that are applicable to Non Profit companies, subject to
    - 1.2.2.1 any limitation, extension, variation or substitution set out in this Memorandum; and
    - 1.2.2.2 the provisions of this Memorandum of Incorporation.

## **2. OBJECTS AND POWERS OF THE COMPANY**

- 2.1 The objects of the company are as set out on the cover sheet.
- 2.2 The company shall have all the legal powers and capacity of an individual:
  - 2.2.1 except to the extent necessarily implied by its stated objects;
  - 2.2.2 except to the extent that a juristic person is incapable of exercising such a power or having such a capacity; and
  - 2.2.3 subject to such restrictive conditions (as contemplated in section 15(2)(b)) and other limitations or qualifications contained in this Memorandum of Incorporation.
- 2.3 The powers of the company may only be executed in accordance with the main object of the company.
- 2.4 The company may not:
  - 2.4.1 amalgamate or merge with, or convert to, a profit company; or

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

2.5 All of the activities of the company shall be carried out in a non-profit manner and with an altruistic or philanthropic intent and no such activity shall be intended to directly or indirectly promote the economic self-interest of any member, director, officer or employee of the company, otherwise than by way of reasonable remuneration payable to that director, officer or employee.

### **3. MEMORANDUM OF INCORPORATION AND COMPANY RULES**

3.1 This Memorandum of Incorporation of the company may be altered or amended in the manner set out in sections 16, 17, 60 or 152(6)(b), subject to the following:

3.1.1 if the company is exempted from payment of normal tax a copy of any such amendment shall be sent to the Commissioner for the South African Revenue Service or his authorised representative;

3.1.2 if the company is registered as a Non-Profit Organisation then a copy of any amendments shall be sent to the Directorate of Non-Profit Organisations.

3.2 The company's Board of directors may make rules for the company subject to the limitations on the powers of the company set out in this the Memorandum of Incorporation.

3.3 The Board shall publish any rules made by delivering a copy of those rules to each director by ordinary mail, or by electronic communication, provided that the directors concerned have consented to the delivery of such communication by electronic mail.

3.4 The company shall publish a notice of any alteration of the Memorandum of Incorporation or the Rules by delivering a copy of those rules to each director by ordinary mail or electronic mail provided that the directors concerned have consented to the delivery of such communication by electronic mail.

### **4. OPTIONAL PROVISIONS OF THE ACT**

4.1 The company elects, in terms of section 34(2), to comply voluntarily with some of the provisions of Chapter 3 of the Act, in that the company will appoint an auditor, in terms of sections 90 to 93.

### **5. MEMBERS OF THE COMPANY**

5.1 As contemplated in Item 4(1) of Schedule 1 of the Act, the company has members who are all in a single class, being voting members, each of whom has an equal vote in any matter to be decided by the members of the company.

5.2 The members of the company shall be such institutions, organisations, bodies or individuals which support the objectives of the company and satisfy the criteria for

membership determined by the board/members from time to time, as may be elected from time to time in terms of this Memorandum.

- 5.3 Further members may be admitted by the Board: Provided that such admissions are ratified by the members in the following annual general meeting.
- 5.4 Members of the company may be required to contribute subscription fees to the company, in such amounts and at such intervals as may be determined by the board from time to time. If any member fails to pay such fees, and remains in default for 60 days after written notice has been sent to such member, the board shall be entitled, without further notice or process, to suspend or terminate the membership of the relevant member.
- 5.5 Membership is not transferrable.
- 5.6 A member of the company shall cease to be a member:
- 5.6.1 if such member resigns in writing addressed to the chairman of the company or to its secretary at its registered office;
- 5.6.2 if a resolution of a majority of members of the company in general meeting deprives such person of such person's membership;
- 5.6.3 if such member's nomination by the body which such member represents is revoked in writing addressed to the chairman of the company or its secretary at its registered office;
- 5.6.4 if such member dies or is declared insolvent or insane or is convicted of a criminal offence in respect of which a sentence of imprisonment without the option of a fine is imposed; or
- 5.6.5 if such member, being a juristic person, is wound up or placed under judicial management, in any such case provisionally or finally.

## **6. RIGHTS OF MEMBERS**

- 6.1 If, at any time, every member of the Company is also a director of the Company, the authority of the members to act without notice or compliance with any other internal formalities is not limited or restricted by this Memorandum of Incorporation.
- 6.2 The right of a member of the Company to appoint persons concurrently as proxies, as set out in section 58(3)(a) is not limited, restricted or varied by this Memorandum of Incorporation.
- 6.3 The authority of a member's proxy to delegate the proxy's powers to another person, as set out in section 58(3)(b) is not limited or restricted by this Memorandum of Incorporation.
- 6.4 The requirement that a member must deliver to the Company a copy of the instrument appointing a proxy before that proxy may exercise the member's rights at

a members meeting, as set out in section 58(3)(c) is not varied by this Memorandum of Incorporation.

6.5 The authority of a member's proxy to decide without direction from the member whether to exercise, or abstain from exercising any voting right of the member, as set out in section 58(7) is not limited or restricted by this Memorandum of Incorporation.

6.6 Members shall be entitled to receive copies of, and inspect, the annual financial statements and annual report (if any) of the company, from time to time.

6.7 If, at any time, the Company's Board of Directors fails to determine a record date (being the date upon which it is determined which persons are recorded as members of the company), as contemplated in section 59, the record date for the relevant matter is:

6.7.1 in the case of a meeting, the latest date by which the company is required to give members notice of that meeting; or

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

## **7. MEMBERS MEETINGS: CONVENING**

7.1 The company shall convene an annual general meeting of its members once in every calendar year, but no more than 15 months after the date of the previous annual general meeting and no more than 6 months after the expiry of the financial year of the company, or within an extended time allowed by the members by special resolution.

7.2 Members meeting shall also be called:

7.2.1 at any time that the board is required by the Act or this Memorandum of Incorporation to refer a matter to members for decision and the Board determines that it is not appropriate to hold the matter over till the following annual general meeting; or

7.2.2 if the number of directors drops below the minimum required by this memorandum, and the next annual general meeting is more than 2 months from the date upon which the relevant director/s cease/s to act.

7.3 Meetings of members may be called by no fewer than 5 members.

7.4 The Board of directors may determine the location of any members meeting, and the company may hold any such meeting in the Republic or in any foreign country.

7.5 The minimum number of days for the company to deliver a notice of a members meeting to the members shall be 15 business days before the meeting date.

7.6 The company may conduct a meeting entirely by electronic communication, or 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.

## **8. MEMBERS MEETINGS: QUORUM AND VOTING**

- 8.1 The quorum requirement for a members meeting to begin, or for a matter to be considered shall be three members personally present or represented.
- 8.2 If, within one hour after the appointed time for a meeting to begin, the quorum requirements for that meeting to begin have not been satisfied, the meeting shall be automatically postponed without considering any business or item of the agenda for no more than three weeks, subject to the proviso in 8.4. If at such adjourned meeting a quorum is not present within half an hour after the appointed time for the meeting to begin, the members then present shall be deemed to constitute a quorum, provided that any decisions taken at such an adjourned meeting shall be will be reviewed and are required to be ratified at the next quorate meeting of members.
- 8.3 If the quorum requirements for consideration of a particular matter to begin have not been satisfied and:
- 8.3.1 if there is other business on the agenda of the meeting, consideration of that matter may be postponed to a later time in the; or
- 8.3.2 if there is no other business on the agenda of the meeting, the meeting is adjourned for one week.
- 8.4 The rules in 8.2 and 8.3 shall be subject to the proviso that the person intended to preside at a meeting that cannot begin may extend the one-hour limit allowed in for a reasonable period on the grounds that exceptional circumstances affecting weather, transportation or electronic communication have generally impeded or are generally impeding the ability of members to be present at the meeting or one or more particular members, having been delayed, have communicated an intention to attend the meeting, and those members, together with others in attendance, would satisfy the quorum requirements.
- 8.5 After a quorum has been established for a meeting, or for a matter to be considered at a meeting, the meeting may continue, or the matter may be considered, so long as at least one member with voting rights entitled to be exercised at the meeting, or on that matter, is present at the meeting.
- 8.6 The chairperson of the Board of directors or, in his/her absence, the deputy chairperson, shall preside as chairperson at every meeting of the members. If neither the chairperson nor the deputy is present within half an hour after the meeting was to commence, or if neither is willing to act, the members then present shall elect one of their number to act as chairperson for that meeting.
- 8.7 Voting at a meeting will be by show of hands, except for voting to elect the directors and the chairperson and deputy chairperson of the Board, which will be conducted by ballot, in terms of the procedures adopted by the company from time to time.
- 8.8 The chairperson shall not have a casting vote.
- 8.9 For a resolution to be adopted at a members meeting, it must be supported by:
- 8.9.1 in the case of an ordinary resolution, at least 50% of the members who voted on the resolution, and

- 8.9.2 in the case of a special resolution, at least 75 % of the members who voted on the resolution.
- 8.10 For a resolution to be adopted a by written vote of members it must be supported by:
- 8.10.1 in the case of an ordinary resolution, at least 50% of the total number of members, and
- 8.10.2 in the case of a special resolution, at least 75% of the total number of members,

which votes shall be those received within 20 days of the resolution's being submitted to them.

- 8.11 A special resolution is only required for those matters set out in section 65(11), being the amending of the Memorandum of Incorporation, ratifying actions by the company or directors in excess of their authority, approving an application to transfer the registration of the company to a foreign jurisdiction, amalgamating or merging with another non-profit company, approving the voluntary winding up of the company, or disposing of all or a greater part of the assets of the company.

## **9. COMPOSITION OF THE BOARD OF DIRECTORS**

- 9.1 The number of directors shall be a minimum of five (three of whom are not 'connected persons' (as defined in the Income Tax Act) in relation to one another). No single person shall, directly or indirectly, control the decision-making powers of the company.
- 9.2 Paid-up, bona fide members who are individuals, and all full time staff of any juristic member which is paid-up and has been a member for not less than 12 months, shall be eligible to be appointed as directors.
- 9.3 In addition to the appointed directors, the Board may appoint, *ex officio*, such executive directors as the board may deem appropriate from time to time. Such executive directors shall not be entitled to vote, and shall not be counted for purposes of determining the existence of a quorum.
- 9.4 The Board shall have the power at any time and from time to time to appoint any other person as a director either to fill a casual vacancy or as an addition to the board, by virtue of the special knowledge, skills or experience that could be of value to the company. Directors appointed to fill a vacancy shall be ratified or replaced at the next meeting of members. Co-opted directors shall have no vote and shall not be counted for purposes of determining a quorum, and shall serve as such until their appointment is terminated by resolution of the board.
- 9.5 Directors, other than *ex officio* and co-opted directors, shall serve terms of two years each beginning from the date of their appointment, and ending at the annual general meeting in the year in which their period of office ends.
- 9.6 Directors retiring in terms of clause 9.5 shall be eligible for re-election, subject to a maximum of three consecutive terms per director. A director who has served the maximum consecutive terms shall only become eligible for re-election once a two-

year period has elapsed, provided that the members may, by special resolution, agree to appoint a director to continue to serve beyond such maximum term.

**9.7** At each annual general meeting at which directors retire in the manner aforesaid, the members shall, where the number of directors remaining in office has fallen below five, vote for and appoint eligible persons fill the vacated office/s, and may appoint further persons to act as directors.

**9.8** The office of a director shall ipso facto be vacated:

9.8.1 if by one month's written notice to the company, the director resigns from office;

9.8.2 if the director ceases to be a director by virtue of the Act;

9.8.3 if he/she is a director *ex officio* and ceases to occupy the relevant position or office, unless the remaining directors decide otherwise;

9.8.4 if the director is directly or indirectly interested in any contract or proposed contract with the company and fails to declare her/his interest and the nature thereof in the manner required by the Act;

9.8.5 if the director is removed from office by resolution signed by not less than two thirds of the members; or

9.8.6 if the director fails to attend three consecutive meetings of directors, without being excused therefrom by the remaining directors, and the remaining directors resolve to exclude him/her from office.

## **10. AUTHORITY OF THE BOARD OF DIRECTORS**

10.1 The authority of the company's Board of directors to manage and direct the business and affairs of the company, as set out in section 66 (1) is limited or restricted to the extent that the powers of the company are limited in this Memorandum of Incorporation.

## **11. BOARD OF DIRECTORS MEETINGS**

11.1 The company's Board of directors may consider a matter other than at a meeting, and the directors may, instead of voting to make a decision at a meeting, adopt a decision by written consent of the majority of directors, given in person or by electronic communication, provided that each director has received notice of the matter to be decided. A decision so made shall have the same effect as if it had been approved at a meeting.

11.2 The right of the company's directors to requisition a meeting of the Board may be exercised by at least two directors (excluding executive directors and co-opted directors).



- 11.3 The company's Board of directors may conduct a meeting entirely by electronic communication, or 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.
- 11.4 The authority of the company's Board of directors to determine the manner and form of providing notice of its meetings, as set out in section 73(4) is not limited or restricted by this Memorandum of Incorporation.
- 11.5 The company's Board of directors may proceed with a meeting despite a failure or defect in giving notice of the meeting, if all of the directors of the company
- 11.5.1 acknowledge actual receipt of the notice;
- 11.5.2 are present at a meeting; or
- 11.5.3 waive notice of the meeting.
- 11.6 The director appointed as chairperson at the annual general meeting shall preside over all meetings of the board and perform the tasks set out in this memorandum and all the other normal functions of a chairperson of the company. In the event that the chairperson is not present or not able to act, the deputy chairperson shall act in his/her stead. In the event that neither is present or able to act, the directors shall appoint one of their number to act as chairperson for as long as may be required.
- 11.7 The rules for directors' meetings are as follows:
- 11.7.1 The directors shall meet together not less often than quarterly for the dispatch of business, but shall otherwise regulate their meetings as they think fit.
- 11.7.2 The quorum necessary for the transacting of business of the board shall be three directors, provided that executive directors and co-opted directors shall not be counted, for quorum purposes.
- 11.7.3 each director shall have one vote on a matter before the board, except for executive and co-opted directors, who shall not have a vote, and except in the circumstances set out in 11.8;
- 11.7.4 except as otherwise provided in this document, a majority of the votes cast on a resolution will be sufficient to approve that resolution; and
- 11.7.5 in the case of a tied vote the matter being voted on shall fail.
- 11.8 Directors shall
- 11.8.1 disclose in advance,
- 11.8.2 inform the relevant meeting of material information and answer questions concerning,

- 11.8.3 not take part in any consideration of and leave the relevant meeting after disclosure concerning and
- 11.8.4 not be entitled to vote on or sign any document in relation to any matter in which they or any person in relation to whom they are a 'connected person' (as defined in the Income Tax Act), has a personal financial interest.
- 11.9 The Company shall keep minutes of the meetings of the board, and any of its committees, and include in the minutes:
- 11.9.1 any declaration given by notice or made by a director as required by section 75 with reference to the personal financial interests of the director, whether it be an advance declaration of interests, or a specific declaration with reference to a specific matter; and
- 11.9.2 every resolution adopted by the board, which resolutions shall be dated, sequentially numbered, and will be effective from the date of the resolution, unless the resolution states otherwise.
- 11.10 Copies of the minutes of every meeting shall be despatched by the person appointed by the board from time to time, to all directors within 30 days of the holding of the meeting.

## **12. ACCOUNTING RECORDS, BANKING AND RECEIPT OF DONATIONS**

- 12.1 The directors shall cause such accounting records as are prescribed by Section 28 of the Act to be kept.
- 12.2 The accounting records shall be kept in the registered office of the company or at such other place or places as the directors think fit and shall always be open to inspection by the directors.
- 12.3 The financial transactions of the company shall be administered via one or more bank accounts which shall be opened in the name of the company.
- 12.4 The company shall be prohibited from accepting any donation which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any representation with regard to the tax deductibility thereof in terms of section 18A of the Income Tax Act: Provided that a donor (other than a donor which is an approved public benefit organisation or an institution or body which is exempt from tax in terms of section 10(1)(cA)(i) of the Income Tax Act, which has as its sole or principal object the carrying on of any public benefit activity) may not impose conditions which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.

## **13. EXPENDITURE, USE OF RESOURCES AND DIRECTORS REMUNERATION**

- 13.1 The income and property of the company, whencesoever derived, shall be applied solely towards the promotion of its main object or invested and no funds will be

distributed to any person other than in the course of undertaking any 'public benefit activity' (as defined in the Income Tax Act) and no portion of the income or assets of the company may be paid or transferred, directly or indirectly, to the members, directors or persons appointing directors of the company; provided that this shall not prevent:

- 13.1.1 the payment in good faith of reasonable remuneration to any employee of or consultant to the company, for any services rendered to the company.
- 13.1.2 payment of an amount due and payable by the company in terms of a bona fide agreement between the company and that person;
- 13.1.3 payment in respect of any rights of that person, to the extent that such rights are administered by the company in order to advance a stated object of the company; or
- 13.1.4 payment in respect of any legal obligation binding on the company.
- 13.2 No remuneration (as defined in the Fourth Schedule to the Income Tax) shall be paid to any employee, office bearer, member or other person which is excessive, having regard to what is generally considered reasonable in the appropriate sector and in relation to the service rendered, and no person shall be economically benefitted in any way which is not consistent with the objects of the company;
- 13.3 The company shall not provide a loan to, secure a debt or obligation of, or otherwise provide direct or indirect financial assistance to a member or director of the company or of a related or inter-related company, or to a person related to any such member or director, unless it
  - 13.3.1 is in the ordinary course of the company's business and for fair value;
  - 13.3.2 constitutes an accountable advance to meet
    - 13.3.2.1 legal expenses in relation to a matter concerning the company; or
    - 13.3.2.2 anticipated expenses to be incurred by the person on behalf of the company;
  - 13.3.3 is to defray the person's expenses for removal at the company's request; or
  - 13.3.4 is in terms of an employee benefit scheme generally available to all employees or a specific class of employees.
- 13.4 The company shall not use its resources directly or indirectly to support, advance or oppose any political party.
- 13.5 No donations may be made by the company to the members or the directors of the company and donations will only be made in accordance with the main object of the company.
- 13.6 No expenditure shall be incurred by or on behalf of the company except on authority of the board or of the person or persons to whom the board has generally or

specifically delegated the power to authorise expenditure. The Board shall establish and maintain a delegation framework which shall record such delegation of its powers.

- 13.7 The financial transactions of the company shall be administered via one or more bank accounts which shall be opened in the name of the company.
- 13.8 Directors shall not be entitled to be remunerated for their services as such, save in the case of executive directors, but shall be entitled to be reimbursed for such reasonable travel, subsistence and other expenses as may be properly incurred with the authority of the board in the performance of their duties as directors of the company.

#### **14. ANNUAL FINANCIAL STATEMENTS AND RETURNS**

- 14.1 The directors shall cause to be prepared and laid before the members annual financial statements as required by the Act which annual financial statements shall:
- 14.1.1 be prepared within 6 months of the end of each financial year;
  - 14.1.2 be audited voluntarily, as provided in this memorandum;
  - 14.1.3 include an auditor's report;
  - 14.1.4 include a report by the directors as to the activities and financial state of the company; and
  - 14.1.5 be approved by the Board and signed by an authorised director.
- 14.2 A copy of the annual financial statements shall, at least 21 days prior to the relevant meeting, be sent to every member of the company, provided that such copies need not be sent to any member which has indicated that it does not require that a copy is sent to it.
- 14.3 The company shall file annual returns with the Companies and Intellectual Property Commission within 30 business days of each anniversary of its date of incorporation, along with such payment, documents and information as may be required from time to time.

#### **15. NONPROFIT ACT**

- 15.1 The directors may apply for the Company to be registered as a NonProfit Organisation and shall, if so registered, ensure that the company complies with all the requirements of the Nonprofit Organisations Act No.71 of 1997.

#### **16. INDEMNIFICATION OF DIRECTORS**

- 16.1 Every member, director, and officer of the Company, every member of any committee of the Company, and any person employed by the company as auditor,

shall be indemnified by the company against all liability incurred by him as such director, officer or auditor, in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in respect of any proceedings which are abandoned or in connection with any application under Section 77(9) of the Act in which relief is granted to him by the Court.

- 16.2 No director, officer or employee of the company shall be liable for
- 16.2.1 loss or expense incurred by the company through the insufficiency or deficiency of any security in or upon which any of the moneys of the company are invested;
  - 16.2.2 any loss or damage arising from the bankruptcy, insolvency or delictual acts of any persons with whom monies, securities or effects shall be deposited;
  - 16.2.3 any loss or damage occasioned by any error of judgment or oversight on his/her part; or
  - 16.2.4 any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his/her office, or in relation thereto,

unless the same happened through his/her own negligence, default, breach of duty or wilful misconduct or wilful breach of trust.

- 16.3 The authority of the company's Board of directors to advance expenses to a director, or indemnify a director, in respect of the defence of legal proceedings, to indemnify a director in respect of liability and to purchase insurance to protect the Company or a director, as set out in sections 78 (3), 78 (5) and 78 (6), is not limited or restricted by this Memorandum of Incorporation.

## **17. OFFICERS AND COMMITTEES**

- 17.1 The Board of directors may appoint any officers it considers necessary to better achieve the objects of the Company.
- 17.2 The Board of directors may appoint committees of directors, and delegate to any such committee any of the authority of the Board, or include in any such committee persons who are not directors.
- 17.3 The authority of a committee appointed by the company's Board is limited and restricted to the extent that the powers of the company are this Memorandum of Incorporation.

## **18. PATRONS**

- 18.1 With the approval of the members in general meeting, the Board shall be empowered to appoint one or more persons to serve as Patrons of the company. Patrons shall serve without remuneration and upon such terms and conditions as the board may determine from time to time.

## **19. WINDING UP, DE-REGISTRATION OR DISSOLUTION**

19.1 Upon its winding up, deregistration or dissolution no past or present member or director of the company, or person appointing a member or director of the company, is entitled to any part of the net value of the company, but the assets of the company remaining after the satisfaction of all its liabilities shall be given or transferred to some other organisation or organisations to be determined by the members of the company at or before the time of its dissolution, or failing such determination, by the court and which:

19.1.1 are non-profit,

19.1.2 have objects similar to its main object;

19.1.3 if the company is so registered, is/are registered in terms of the Nonprofit Organisations Act, 1997; and

19.1.4 if the company is exempt from income tax, donations tax and estate duty, under the relevant laws of the country is/are:

19.1.4.1 any similar public benefit organisation, which has been approved in terms of section 30 of the Income Tax Act;

19.1.4.2 any institution, board or body which is exempt from income tax in terms of section 10(1)(cA)(i) of the Income Tax Act, which has its sole or principal object the carrying on of any public benefit activity; or

19.1.4.3 any department of state or administration in the national or provincial or local sphere of government of the Republic, contemplated in section 10(1)(a) of the Income Tax Act,

which shall be required to use such assets solely for the purpose of carrying on such public benefit activities as are similar to the objects of the company.