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27 Nov 2024

CHIEF DIRECTORATE NON-PROFIT ORGANISATIONS  
DEPT OF SOCIAL DEVELOPMENT

**COMPANIES AND INTELLECTUAL PROPERTIES COMMISSION  
REPUBLIC OF SOUTH AFRICA**

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**In accordance with s 16(1)(c)  
MEMORANDUM OF INCORPORATION  
OF  
SOUTH AFRICAN SOMMELIER ASSOCIATION NPC  
Registration Number:2003/007067/08  
(‘SASA’)**

Recognising the capacity of the South African hospitality and wine industries to transform lives, promote equal access to diverse opportunities through providing a platform for excellence in the hospitality industry in South Africa, SASA was established as a non-profit company with members with the following object:

**To elevate the beverage professional industry by providing training, fostering expertise, and promoting the rich diversity of South African wines and beverages, ultimately striving to showcase our nation's exceptional talents on the international stage, making it shine brightly in the global hospitality community. This object shall be achieved through active commitment to, *inter alia*:**

- **Creating a platform to support the development of beverage professionals;**
- **to transfer and exchange knowledge and skills through collaborative opportunities that foster professional development;**
- **Creating and updating materials and a syllabus for study which complies with international training standards and promotes service excellence;**
- **Accrediting service providers and beverage professionals in South Africa;**
- **Working with and supporting training institutions which educate future beverage professionals in hospitality and related skills;**
- **Providing aid in the form of monetary, educational, advocacy or other grants, for those wishing to take their careers further; and**
- **Promoting equal opportunity for all in South Africa to attain recognised qualifications and access the support, experience, and expertise they need to become knowledgeable, empowered, and self-directing beverage professionals.**

**Adoption of Memorandum of Incorporation**

This amended Memorandum of Incorporation (“MOI”) was adopted by the members of SASA, in accordance with section 16(1)(c) of the Companies Act, 2008 (‘the Act’), as evidenced by the special resolution to which this MOI is annexed.

**Confirmed as so adopted and amended**

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**Chairperson**

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*In this MOI:*

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

## **1. INCORPORATION**

- 1.1 SASA was incorporated as an Association not for Gain under section 21 of the previous Companies Act, but is now a non-profit company, as defined in the Act.
- 1.2 SASA was incorporated in accordance with, and 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 any limitation, extension, variation or substitution set out in this MOI; and
  - 1.2.3 the provisions of this MOI.

## **2. OBJECT AND POWERS OF SASA**

- 2.1 The object of SASA is as set out on the first page of this MOI, and substantially the whole of the activities of SASA must be directed to the furtherance of its principal object and not for the specific benefit of an individual member or minority group.
- 2.2 SASA shall have all the legal powers and capacity of an individual:
  - 2.2.1 provided that these powers may only be exercised in pursuing its stated object;
  - 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 the restrictive conditions and other limitations or qualifications, as are contained in this MOI.
- 2.3 The powers of SASA may only be executed in accordance with the main object of SASA.
- 2.4 SASA may not:
  - 2.4.1 grant to any member any direct or indirect personal or private interest in SASA;
  - 2.4.2 have a share or other interest in any business, profession or occupation carried on by any of its members;
  - 2.4.3 knowingly become a party to, or knowingly permit itself to be used as part of any tax avoidance scheme, being any transaction, operation or scheme of which the sole or main purpose is or was the reduction, postponement or avoidance of liability for any tax duty or levy which would have been or

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would have become payable by any person under the Income Tax Act 58 of 1962, as amended ("the Income Tax Act") or any other Act Administered by the Commissioner for the South African Revenue Services.

- 2.4.4 amalgamate or merge with, or convert to, a profit company; or
- 2.4.5 dispose of any part of its assets, undertaking or business to a profit company, other than for fair value, except to the extent that the disposal of an asset occurs in the ordinary course of the activities of SASA.
- 2.5 SASA will receive substantially the whole of its funding from its annual or other long-term members, or from appropriations by the government of the Republic in the national, provincial or local sphere.

### 3. MEMBERS OF SASA

- 3.1 As contemplated in Item 4(1) of Schedule 1 of the Act, SASA has members who are in either of two classes, being voting and non-voting members, respectively.

- 3.1.1 **Voting membership** shall be available to those natural persons considered sommeliers according to the definition of the International Organisation of Vine and Wine (OIV) resolution OIV-ECO 474-2014:

"A sommelier is a professional from the vitivinicultural and catering sectors (restaurants, wine bars) wineries or other distribution channel that recommend and serve beverages at a professional level. Their field of activity is the service of wine in the catering industry or in establishments selling wine, as well as the provision of specialised advice for those involved in the wine market, by ensuring appropriate presentation and service of products. The sommelier has completed a training course that leads to a university qualification or other certification."

- 3.1.2 **Non-voting membership** shall be available to:

- 3.1.2.1 juristic persons, including any Business Corporation, Wine Producer, Hotel or Hotel Group, Restaurant or Franchise, Lodge, Wine Route or Association, Distributor, institution(s), government ministry or any of its agencies or any other organisation from the hospitality, wine and associated industries that choose to associate with SASA in the accomplishment of its mission and objectives, and accepts an invitation to become a non-voting member; and
- 3.1.2.2 Individual persons who accept an invitation for non-voting membership and are admitted as non-voting members.

- 3.2 Voting and non-voting members shall support the object of SASA in terms of this MOI. SASA reserves the right to either approve or reject any new member application.

- 3.3 A member of SASA shall cease to be a member if:

- 3.3.1 the member fails to pay their yearly membership fees in advance;



- 3.3.2 the member resigns in writing addressed to the chairperson of SASA or to its secretary at its registered office;
- 3.3.3 a resolution of a majority of members of SASA in general meeting deprives the person of their membership;
- 3.3.4 the member dies or is declared insolvent or incapacitated or is convicted of a criminal offence in respect of which a sentence of imprisonment without the option of a fine is imposed; or
- 3.3.5 the member is a juristic person, and business rescue, insolvency, voluntary winding up or deregistration proceedings have begun in respect of that member.
- 3.4 The Board of directors may, in its sole discretion, suspend a member from SASA for a period of one year, provided that the member is given the opportunity to make representations to the Board. Any member who is suspended from SASA shall lose all voting rights they may have previously held and may not participate in SASA activities or competitions for the duration of that member's suspension. The suspended member shall be able to appeal the Board's decision for suspension to the voting members at a meeting of the members, who shall have the deciding vote by ordinary resolution to uphold or overturn the Board's decision.

#### 4. MEMBERSHIP FEES

- 4.1 The Board shall annually determine the dues payable to SASA by the various categories of Members. The Board may designate the dues as payable on a fiscal year, calendar year or other basis. Changes in dues payable to SASA shall be communicated to members by the Board within 14 days of the resolution to adopt the new dues payable and at least 30 days ahead of the new dues taking effect.

#### 5. RIGHTS OF MEMBERS

- 5.1 All voting members in good standing (up to date with fees) shall be entitled to one vote at any meeting of the members, or with respect to every matter to be determined by members.
- 5.2 Members may not appoint proxies to act on their behalf at meetings of SASA provided that:
- 5.2.1 members may not appoint concurrent proxies (one person as a proxy for two people);
- 5.2.2 a member's proxy may not delegate the proxy's powers to another person;
- 5.2.3 unless authorised by the Board in advance, no person may act as proxy for more than two members at any time;
- 5.2.4 a member must deliver to SASA a copy of the instrument appointing a proxy before that proxy may exercise the member's rights at a members meeting;
- 5.2.5 any member intending to vote by proxy shall have the right to terminate the proxy at any time prior to the commencement of the meeting by

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terminating the proxy in writing. a member's proxy may not decide without direction from the member whether to exercise or abstain from exercising any voting right of the member.

- 5.3 SASA shall maintain and keep up to date, in one of the official languages of South Africa, a physical and/or electronic register of the members of SASA and members shall have the right to inspect and copy the information contained in the members' register.

## **6. MEMBERS' MEETINGS: CONVENING**

- 6.1 SASA 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, or within an extended time allowed by the members by unanimous vote.
- 6.2 Members' meetings shall also be called:
- 6.2.1 at any time that the Board is required by the Act or this MOI 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
- 6.2.2 if the number of directors drops below the minimum required by this MOI, and the next annual general meeting is more than two months from the date upon which the relevant director/s cease/s to act.
- 6.3 The right of members to call a meeting may be exercised by more 10% of the voting members, provided that the costs of any unscheduled meeting called by members shall be borne by the members who call the meeting and that the notice calling the meeting shall comply with the requirements of 6.5.
- 6.4 SASA's Board of directors may determine the location and medium of any members meeting and may hold any meeting in any place or using any electronic platform which is agreed upon as suitable.
- 6.5 The minimum number of days for SASA to deliver a notice of a members meeting to the members, shall be 15 business days before the meeting date. The notice of meeting shall include the agenda and the detail of any proposed resolutions to be taken at the meeting.
- 6.6 The accidental omission to give notice of a meeting or of any resolution, or to give any other notification; or present any document required to be given or sent, or the non-receipt of any notice, notification or document by any member or other person entitled to receive the same, shall not invalidate the proceedings, or any resolutions passed at any meeting.
- 6.7 SASA may conduct any meeting entirely by electronic communication or provide for participation in any meeting by electronic communication, so long as the electronic communication facility employed ordinarily enables all

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persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.

## 7. BUSINESS AT MEMBERS' MEETINGS

- 7.1 The Annual General Meeting shall deal with and dispose of all matters prescribed by the Act, including:
- 7.1.1 the consideration of the directors' report;
  - 7.1.2 a decision on the number of directors; and election to office of at least one third of the directors;
  - 7.1.3 if applicable, the consideration of the report of the auditors;
  - 7.1.4 if applicable, the appointment of an auditor
  - 7.1.5 any other business laid before it.
- 7.2 All business laid before any other General Meeting shall be considered special business.

## 8. MEMBERS MEETINGS – QUORUM AND VOTING

- 8.1 The quorum requirement for a members' meeting to begin, or for a matter to be considered is the greater of 30% of voting members or three voting members being present or represented by proxy.
- 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 one week, subject to the proviso in 8.4.
- 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 meeting without motion or vote; or
  - 8.3.2 if there is no other business on the agenda of the meeting,

the meeting is adjourned for one week. The quorum requirements at the adjourned meeting shall be the same as those for the initial meeting.

- 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 including 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

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members, together with others in attendance, would satisfy the quorum requirements.

- 8.5 For a matter to be considered and decided on at a meeting:
- 8.5.1 sufficient voting members for a quorum to be established must be present at the time the matter is decided; and
  - 8.5.2 the matter must have been included in the agenda of the meeting and/or mentioned in the notice of meeting provided that, if any matter raised which members have not had prior notice of and there is any member present who objects to consideration of and voting on the matter in absence of proper notice, 75% of members present shall be required to vote in favour of dealing with the matter at that meeting, for it to proceed.
- 8.6 The maximum period allowable for an adjournment of a members meeting is 30 days from the date of the adjourned meeting or part-meeting.
- 8.7 Meetings of members shall be chaired by the Chairperson or, in their absence, by another Board member elected by the Board to chair that meeting.
- 8.8 The members may consider a matter other than at a meeting, and the members may, instead of voting to make a decision at a meeting, adopt a decision by written consent of the members, given in person or by electronic communication, provided that each member has received notice of the matter to be decided upon. For a resolution to be adopted by written vote of members it must be supported by:
- 8.8.1 more than 50% of the members present or represented by proxy, in the case of an ordinary resolution; or
  - 8.8.2 at least 75% of the voting members present or represented by proxy, in the case of a special resolution.

which votes shall be those received within 15 days of the resolution's being submitted to them. A decision so made shall have the same effect as if it had been approved at a meeting. Each decision so made shall be recorded in writing and included in the record of resolutions of the members.

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

## 9. COMPOSITION OF THE BOARD OF DIRECTORS

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- 9.1 The Board of directors shall consist of a minimum of four persons and a maximum of seven elected to office by the voting members [at least three of whom are not 'connected persons' (as defined in the Income Tax Act) in relation to one another], and provided that at least four of the appointed directors are voting members of SASA who have been voting members for at least one year.
- 9.2 No single person may directly or indirectly control the decision-making powers of SASA.
- 9.3 Directors shall serve terms of two years each beginning from the date of their appointment and shall retire at the meeting of directors following the expiry of each term of office provided that the appointment and resignation of directors shall be staggered so that at least one third of the directors retires each year.
- 9.4 Directors retiring in terms of clause 9.3 shall be eligible for re-appointment for a maximum of two further (total three) consecutive terms of office, but once this maximum is reached must then take a sabbatical of at least one year before they may be re-appointed as directors.
- 9.5 Once a year, in good time before the expiry of terms of office of the relevant directors, electronic notification shall be issued to members indicating which directors' terms will end, which may be elected for a further term of office and if any other of the directors has ceased or will cease to serve. The notice shall include a call for nominations. The Board (or a sub committee appointed by the Board) shall be empowered to vet the nominees for eligibility to serve and shall issue to voting members a shortlist of nominees for voting, either at a meeting or via electronic voting.
- 9.6 If the number of directors falls below the minimum required by clause 9.1 at any time the remaining directors in office shall be empowered to continue to make decisions and govern SASA, while replacement directors are appointed to meet the requirements.
- 9.7 The directors shall have the power at any time to appoint any other person as a director either to fill a casual vacancy or as an addition to the Board, subject to subsequent ratification of the appointment by the members.
- 9.8 The directors shall be entitled to invite to their meetings or to issue standing invitations to participate in board meetings in a support or advisory (non-voting) capacity, such administrative and management staff and/or external experts as they may determine from time to time.
- 9.9 The office of a director shall *ipso facto* be vacated if:
- 9.9.1 the director's term of office ends, and they are not or may not be re-appointed to office;
  - 9.9.2 by one month's written notice to SASA, the director resigns from office;
  - 9.9.3 the director ceases to be a director by virtue of the Act;





- 9.9.4 the director is a director *ex officio* and ceases to occupy the relevant position or office, unless the remaining directors decide otherwise;
- 9.9.5 the director is directly or indirectly interested in any contract or proposed contract with SASA and fails to declare her/his interest and the nature thereof in the manner required by the Act;
- 9.9.6 the director is removed from office in accordance with section 71 of the Act.

## 10. AUTHORITY, VALUES AND DUTIES OF THE BOARD OF DIRECTORS

- 10.1 The authority of SASA's Board of directors to lead and direct the business and affairs of SASA, as set out in section 66 (1) is limited or restricted to the extent that the powers of SASA are limited in this MOI.
- 10.2 In accordance with the Act and the common law of South Africa, each of the directors shall exercise their authority and perform their functions:
- 10.2.1 in good faith towards the other directors, members and the professional beverage directors, and for the purpose for which they were conferred;
- 10.2.2 in the best interests of SASA and in furtherance of the objects, vision and values of SASA; and
- 10.2.3 with the degree of care, skill and diligence that may reasonably be expected of a person:
- 10.2.3.1 carrying out the functions of a director; and
- 10.2.3.2 having the general knowledge, skill and experience of that director.
- 10.3 The directors shall exercise their authority in accordance with the following fundamental values:
- 10.3.1 **Culture:** Establishing and maintaining a cohesive organisation that embodies trust, respect, welcoming of difference of ideas and appreciation of cultural, generational and geographical diversity;
- 10.3.2 **Conscience:** acting with intellectual honesty and independence of mind in the best interests of SASA and all its stakeholders, in accordance with the inclusive stakeholder approach to corporate governance;
- 10.3.3 **Competence:** having the knowledge and skills required for governing SASA effectively. This competence should be continually developed;
- 10.3.4 **Commitment:** diligence in performing duties and devoting sufficient time and energy to the affairs of SASA. Ensuring SASA's performance and compliance requires unwavering dedication and appropriate effort;
- 10.3.5 **Courage:** taking the risks associated with directing and controlling a successful, sustainable non-profit company, as well as acting with integrity in all Board decisions and activities;
- 10.3.6 **Social justice:** promoting and creating equal opportunities accessible to all as a relevant industry body actively engaged in empowering a transformed society; and
- 10.3.7 **Ethics:** embodying good ethics in all SASA engagements, relations and endeavours.



- 10.4 The duties of the directors shall include (but not be limited to) the following key areas:
- 10.4.1 keeping the planning, strategy and work of SASA aligned with the objects of SASA and being familiar with the fundamentals of the projects and programmes in which SASA is engaged;
  - 10.4.2 Monitoring the organizational affairs, policies and compliance environment of SASA;
  - 10.4.3 contributing meaningfully and effectively to devising and implementing the medium and long-term strategy of SASA;
  - 10.4.4 interrogating the budget and financial reports and statements and assessing the financial sustainability of SASA and its status as a going concern;
  - 10.4.5 overseeing the implementation and ongoing monitoring of risk management;
  - 10.4.6 responding to strategic challenges in a creative, proactive and constructive manner;
  - 10.4.7 establishing and maintaining a delegation of authority framework which shall record and detail the extent and nature of the delegation of authority to management; and
  - 10.4.8 interacting with fellow Board members and management in a manner that is beneficial to the work of SASA.

## 11. BOARD OF DIRECTORS' MEETINGS

- 11.1 The Board shall schedule their meetings in advance, by discussion and agreement at meetings of the Board. Additional/ unplanned meetings of the Board may be called upon the written request of two directors OR, where the Board exceeds 12 directors in total, 25% of the directors.
- 11.2 The minimum period of notice required to hold a Board meeting is 10 business days from the date on which the notice is issued. The notice must specify the date, time and place of the meeting and the general nature of the business to be discussed. The notice shall be in writing or by electronic communication.
- 11.3 SASA's Board of directors may 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.

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- 11.4 The Board of directors may proceed with a meeting despite a failure or defect in giving notice of the meeting, if all the directors of SASA:
- 11.4.1 acknowledge actual receipt of the notice;
  - 11.4.2 are present at a meeting; or
  - 11.4.3 waive notice of the meeting.
- 11.5 All directors who are elected voting members as set out in clause 9.1 shall vote to appoint a Chairperson from themselves who, if they are willing and available, shall remain in office for a term of two years before retiring from office of Chairperson for at least one year before they may be re-elected as Chairperson.
- 11.6 The Chairperson shall preside over all meetings of the Board and perform the tasks set out in this MOI and all of the other usual functions of a Chairperson of SASA. If no Chairperson is elected, or if the Chairperson is not present at a meeting within 15 minutes after the time appointed for holding it, the directors present may choose one of their number to preside at that meeting.
- 11.7 At a meeting at least once a year the directors shall disclose any ongoing or current conflict of interests to the other directors. The Chairperson shall facilitate a discussion by the directors of any conflicts so declared and:
- 11.7.1 each director who declares a conflict shall absent themselves from the meeting during the time that the conflict is discussed by the other directors;
  - 11.7.2 the other directors shall consider whether the extent and nature of the conflict is adequately dealt with by the relevant director following the procedure in 11.10 OR whether the director should be requested or required to leave office for the duration of the conflict of interest; and
  - 11.7.3 the minutes shall note the conflicts declared and decisions made by the directors.
- 11.8 The rules for directors' meetings are as follows:
- 11.8.1 the directors shall meet together not less often than four times per year for the dispatch of business but shall otherwise regulate their meetings as they think fit;
  - 11.8.2 the quorum necessary for the transacting of business of the Board shall be three directors or half plus one of the total number of directors, whichever is greater;
  - 11.8.3 each director shall have one vote on a matter before the Board, except as provided in 11.10;
  - 11.8.4 the directors will endeavour to govern by consensus but where consensus cannot be reached a vote will be taken and except as otherwise provided in this document, a majority of the votes cast on a resolution will be sufficient to approve that resolution; and
  - 11.8.5 in the case of a tied vote, the Chairperson may cast a deciding vote, in addition to their deliberative vote.



- 11.9 SASA'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 all the directors, given in person or by electronic communication. For a resolution to be adopted by written vote of directors it must be supported by all of the directors and a decision so made shall have the same effect as if it had been approved at a meeting. Each decision so made shall be recorded in writing and noted in the record of resolutions of directors.
- 11.10 If a matter is placed upon the agenda of a meeting or arises during the course of meetings or correspondence of directors, and any director (or any person in relation to whom a director is a 'connected person' (as defined in the Income Tax Act), has a personal financial interest in that matter, the relevant director shall:
- 11.10.1 immediately and in advance of the matter being dealt with, disclose the fact and nature of the personal financial interest;
  - 11.10.2 inform the relevant meeting or electronic communication group or mailing list of material information and answer questions concerning the personal financial interest;
  - 11.10.3 not take part in any consideration of any matter, and leave the relevant meeting or electronic or email discussion after disclosure of the personal financial interest; and
  - 11.10.4 not be entitled to vote on or sign any document in relation to the matter in which the personal financial interest arises.
- 11.11 SASA shall keep minutes of the meetings of the Board, and any of its committees, and include in the minutes:
- 11.11.1 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
  - 11.11.2 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.
- 11.12 Copies of the minutes of every meeting shall be dispatched by the administration officer or other person appointed by the Board to fulfil the task, to all directors within three working days of the holding of the meeting.

## 12. OFFICERS, COMMITTEES AND STAKEHOLDERS

- 12.1 The Board of directors may appoint any officers it considers necessary to better achieve the objects of SASA.
- 12.2 The Board of directors may appoint executives and managers as may be required to manage the day to day affairs and business of SASA, and the person appointed shall have delegated to them the powers as may be necessary in

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order to fulfil their duties, subject to the limits as may be laid down by the Board from time to time.

- 12.3 It is specifically recorded that managers and administrators may not be appointed as directors of the Board but may participate in board meetings as set out in 9.8.
- 12.4 The Board of directors may appoint committees of directors, and delegate to any committee any of the authority of the Board, and/or include in any committee persons who are not directors.
- 12.5 The authority of a committee appointed by SASA's Board, as set out in section 72 (2)(b) and (c) is limited and restricted to the extent that the powers of SASA are limited by this MOI.
- 12.6 The Board of directors may invite stakeholders as it sees fit to form an advisory council of SASA. The Board may consult with the advisory council on matters of vision, policy and other matters which concern the stakeholders represented by the council from time to time.

### 13. ACCOUNTING RECORDS, BANKING

- 13.1 The directors shall cause accurate and complete records to be kept which enable SASA to satisfy all legal requirements and prepare financial statements and will comply with the reporting requirements as may be determined by the Commissioner from time to time.
- 13.2 The accounting records shall be securely stored and accessible to the directors from the registered office of SASA through any method or platform as the directors agree from time to time.
- 13.3 The financial transactions of SASA shall be administered via one or more bank accounts which shall be opened in the name of SASA.

### 14. EXPENDITURE AND USE OF RESOURCES

- 14.1 The income and property of SASA, however derived, shall be applied solely towards the promotion of its main object (and not for the specific benefit of any individual member or minority group) or invested and no funds will be distributed to any person other than in the course of undertaking of its object and no portion of the income or assets of SASA may be paid or transferred, directly or indirectly, to the directors or persons appointing directors of SASA; provided that this shall not prevent:
- 14.1.1 the payment in good faith of reasonable remuneration to any officer or servant of SASA, for any services rendered to SASA;

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- 14.1.2 payment of an amount due and payable by SASA in terms of a benefit agreement between SASA and that person or another;
- 14.1.3 payment in respect of any rights of that person, to the extent that the rights are administered by SASA in order to advance a stated object of SASA; or
- 14.1.4 payment in respect of any legal obligation binding on SASA.
- 14.2 Remuneration (as defined in the Fourth Schedule to the Income Tax Act) may be paid to any employee, office bearer, director or other person in keeping with the policy of SASA from time to time provided that:
- 14.2.1 no remuneration may be paid if it is excessive, having regard to what is generally considered reasonable in the appropriate sector and in relation to the service rendered;
- 14.2.2 no person shall be economically benefitted in any way which is not consistent with the objects of SASA; and
- 14.2.3 the provisions of clause 11.10 shall apply to any decision taken regarding remuneration for directors, officers or their connected persons.
- 14.3 SASA shall not provide a loan to, secure a debt or obligation of, or otherwise provide direct or indirect financial assistance to a director of SASA or of a related or inter-related Company, or to a person related to any director, unless it:
- 14.3.1 is in the ordinary course of SASA's business and for fair value;
- 14.3.2 constitutes an accountable advance to meet:
- 14.3.2.1 legal expenses in relation to a matter concerning SASA; or
- 14.3.2.2 anticipated expenses to be incurred by the person on behalf of SASA;
- 14.3.3 is to defray the person's expenses for removal at SASA's request; or
- 14.3.4 is in terms of an employee benefit scheme generally available to all employees or a specific class of employees.
- 14.4 No expenditure shall be incurred by or on behalf of SASA 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.

## 15. ANNUAL FINANCIAL STATEMENTS AND RETURNS

- 15.1 The directors shall, in accordance with sections 29 and 30 of the Act, cause to be prepared and laid before the members of SASA the annual financial statements which shall:
- 15.1.1 be prepared no longer than six months after the end of each financial year;
- 15.1.2 if audited, include an auditor's report;
- 15.1.3 include a report by the directors as to the activities and financial state of SASA; and

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15.1.4 be approved by the directors of SASA and signed by an authorised director.

15.2 A copy of the annual financial statement shall, at least fifteen days prior to the relevant meeting, be sent to every member of SASA.

15.3 SASA shall file annual returns:

15.3.1 with the Companies and Intellectual Property Commission within thirty business days of each anniversary of its date of incorporation; and

15.3.2 for income tax with the Commissioner for South African Revenue Services, along with the payment, documents and information which may be required from time to time.

## 16. REMUNERATION OF AND CONTRACTS WITH DIRECTORS

16.1 The directors may be paid a stipend or seating allowance in line with a separate agreement between SASA and the director. The stipend may be paid to a director who attended a meeting as per the roll call or attendance register.

16.2 Directors who are also employees of SASA (i.e. Executive Directors) will not be paid for attending Board meetings or for any other director duties, as they are already remunerated by SASA in terms of their employment contracts.

16.3 Directors may be paid the reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as directors including those of attending and travelling to and from meetings of the directors or of any committee of the directors, as are approved and provided for in the budget.

16.4 SASA may pay any director who serves on any committee or who devotes special attention to the business of SASA, or otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, extra remuneration as they may determine, subject to the provisions clause 14.2 and provided that the remuneration is approved and provided for in the budget.

16.5 Directors may be appointed to act in their professional capacity on behalf of SASA and perform professional services for SASA and to charge a reasonable fee therefor or may contract with SASA and with any entity in which SASA may be interested provided that they may not vote on the contract or on any other matter in which they are interested, directly or indirectly.

## 17. INDEMNIFICATION OF DIRECTORS

17.1 If directors or officers of SASA, or members of any committee of SASA:

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- 17.1.1 defend any legal proceedings, whether civil or criminal, for any liability or charge arising from their position in or authorised actions on behalf of SASA; and
- 17.1.2 judgment is given in their favour, or they are acquitted, or the proceedings are abandoned, or the proceedings are in connection with any application under Section 77(9) of the Act and relief is granted to them by the Court,

they shall be indemnified by SASA against costs arising from the defence of the proceedings and SASA may advance to the director funds to cover the legal costs of defending these proceedings.

- 17.2 SASA will indemnify directors, officers or employees of SASA against personal liability for:

- 17.2.1 loss or expense incurred by SASA through the insufficiency or deficiency of any security in or upon which any of the funds of SASA are invested;
- 17.2.2 loss or damage arising from the bankruptcy, insolvency or delictual acts of any persons with whom monies, securities or effects are deposited; or
- 17.2.3 loss or damage occasioned by any error of judgment or oversight on their part; or
- 17.2.4 other loss, damage or misfortune whatever which happens in the execution of the duties of their office, or in relation thereto,

unless the loss, damage or expense:

- 17.2.4.1 happened through their own gross negligence, gross default, gross breach of duty or wilful misconduct or wilful breach of trust; or
- 17.2.4.2 is a fine arising from conviction for an offence (provided that SASA will indemnify against fines imposed in circumstances where there is no wrongful conduct by the director, officer or employee, but the fine is imposed by law purely because of the officer's position in SASA).

## 18. AMENDING MEMORANDUM OF INCORPORATION

- 18.1 This MOI of SASA may be altered or amended in the manner and for the reasons set out in the Act, provided that any amendment under section 16(1)(c) shall require the following:
- 18.1.1 a special resolution by members, which may take the form of a resolution to substitute an updated MOI for the one which was registered or of making one or more alterations to the MOI and which may include a change of name of SASA;
- 18.1.2 if SASA is exempted from payment of normal tax a copy of any amendment shall be sent to the Commissioner for the South African Revenue Service or their authorised representative within 30 days of its amendment;



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18.1.3 if SASA is registered as a nonprofit organisation, then a copy of any amendments shall be sent to the Directorate of NonProfit Organisations.

18.2 SASA shall publish a notice of any alteration of the MOI made in terms of section 17(1) to correct a patent error in spelling, punctuation, reference, grammar or similar defect, by delivering a copy of these changes to each member by electronic mail provided that the members concerned have consented to the delivery of the communication by electronic mail.

## 19. WINDING UP, DEREGISTRATION OR DISSOLUTION

19.1 Upon its winding up, deregistration or dissolution no past or present member or director of SASA, or person appointing a director of SASA, is entitled to any part of the net value of SASA, but the assets of SASA 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 SASA at or immediately before the time of its dissolution, or failing determination, by a court and which:

19.1.1 are non-profit,

19.1.2 have objects similar to its main object; or

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

19.1.4 if SASA is exempt from income tax, donations tax and estate duty, under the relevant laws of the country is/are an entity as listed below and which shall be required to use the assets solely for the purpose of carrying on public benefit activities similar to those of SASA:

19.1.4.1 a public benefit organisation, approved in terms of section 30 of the Income Tax Act; or

19.1.4.2 an institution, board or body contemplated in section 10(1)(cA)(i), of the Income Tax Act.