

**CONSTITUTION
OF
THE CAPE FLATS DEVELOPMENT ASSOCIATION (CAFDA)
002-938NPO**

1. Name

The name of the Association is **THE CAPE FLATS DEVELOPMENT ASSOCIATION**, also known as "**CAFDA**", hereinafter referred to as "**the Association**"

2. Definitions

In this Constitution the following words and/or phrases shall have the following meaning;

"Member" means a natural person who is a member of the Association in terms of Clause 8 of this Constitution

"Corporate members" means a member of the Association, who is not a natural person.

"Western Cape Province", means the Western Cape Province of the Republic of South Africa.

"Governing Body" means all persons elected as members of the Governing Body at the Annual General Meeting of the Association and all persons co-opted onto the Governing Body from time to time, in terms of Clause 9

"NPOA" means the Non-Profit Organisations Act, 1997

"The Republic" means the Republic of South Africa

"Financial Year" means 1 April to 31 March each year

"Day" means a calendar day and shall include weekend days

Unless inconsistent with the context of this Constitution, an expression that denotes;

[a] any gender includes the other gender

[b] the singular includes the plural and vice versa, and

[c] a natural person includes a juristic person and vice versa

3. Foundation and Legal Status

3.1 The Association is a separate legal entity with its own legal identity, which is separate from its members and/or any of the Governing Board

3.2 The Association shall continue to exist even if the members and/or Governing Board change

3.3 The Association is a public, non-profit, non-governmental organisation, established for the objectives that are outlined in this Constitution, in accordance with relevant national and international legislation and best practice.

4. Non-Distributing Character

4.1 The income and property of the Association shall be used solely for the promotion of its stated objectives

4.2 Neither the Governing Board, nor any member, shall have any rights to the property or other assets of the Association, solely by virtue of them being members of the Governing Board or members of the Association

4.3 No portion of the income or property of the Association shall be paid or distributed directly or indirectly to any person (otherwise than in the ordinary course of undertaking any public benefit activity) or to any member of the Governing Board, except if it is done:

4.3.1 in terms of the provisions of this Constitution

4.3.2 as reasonable compensation and/or remuneration for services actually rendered to the Association, and

4.3.3 as reimbursement of actual costs or as reasonable expenses incurred on behalf of the Association

4.4 Upon the termination of the Association, after all debts and commitments have been paid, any remaining assets shall not be paid to or distributed amongst members of the Association or the Governing Board, but shall be transferred by donation to some other non-profit organisation which the Governing Board (failing which the Department of Social Development) considers appropriate and which has as objectives the same and/or similar to the objectives of the Association

4.5 Should the Association become an approved Public Benefit Organisation, its aforesaid remaining assets shall be transferred by donation to a public benefit organisation which has been approved in terms of Section 30 of the Income Tax Act, and which has objectives the same and/or similar to the objectives of the Trust, failing such, any such institution, board or body which is exempt from tax under the provisions of section 10(1)(c)(A), which has as its sole or principal object the carrying on of any public benefit activity, contemplated in section 10(1) (a) or (b), and which has the same and/or similar objectives as the Association.

4.6 The Association intends to apply, or has applied, to the Commissioner for the South African Revenue Service for exemption from appropriate taxes and duties, in compliance with the provisions of the Income Tax Act. In the event that the Association is exempted as aforesaid, the provisions set out in the attached Schedule A shall bind the Association as being an integral part of this Constitution.

5. Vision

Resilient, optimally functioning families and communities that care for, protect and develop their children.

6. Mission

To provide a range of social welfare and development programs and services that promote stable family and community life.

7. Objectives

The primary objectives of the Association are as follows;

7.1 To promote stable families and communities through appropriate social welfare programs and services, inclusive of

- (a) Statutory Services
- (b) Foster Care Services
- (c) Assessment and Reconstruction Services
- (d) Family Re-unification Services
- (e) HIV/AIDS support Services

7.2 To educate, empower and uplift the communities it serves and promote self-reliance through Community Development Programmes, inclusive of

- (a) Skills Development Programs
- (b) Sustainable Livelihood Programs
- (c) Arts and Craft production
- (d) Junior Resource Centre
- (e) Seniors Support Services

A secondary objective of the Association will be;

7.3 To ensure the continuous protection and preservation of the Association's

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indigenous environment and heritage

8. Membership

- 8.1 Membership of the Association shall be open to any adult person (over the age of eighteen)
- 8.2 Membership shall also be open to any corporate organisation willing to support the stated objectives of the Association
- 8.3 The Governing Board shall determine the conditions and criteria for membership. Application for membership that does not comply with such conditions and criteria may be refused by the Governing Board
- 8.4 Any member will be eligible to vote at any meeting of the Association once his or her prescribed membership fee has been paid in full, and only after he or she has, in the case of voting at a Special General Meeting or General Meeting, been a member of the Association for a period of two [2] calendar months, from the date of approval of his or her membership, and in the case of voting at an Annual General Meeting, been a member of the Association for a period of four [4] calendar months, from the date of approval of his or her membership.
- 8.5 A member will only be eligible to vote at any meeting of the Association if he or she is a member in good standing at the time of the relevant meeting. The only proof of this fact shall be an original letter confirming the member's good standing signed and dated no later than one [1] week before the relevant meeting, by the General Manager.
- 8.6 Employees of the Association, whether or not such employees are permanent employees or whether such employees are employed on a fixed term contract, shall have the right to become members of the Association, subject thereto that no employee of the Association shall have any right to vote at any meeting of the Association, or to serve as a member of the Governing Board of the Association, while he or she is an employee of the Association.
- 8.7 The Association's prescribed application form shall be completed and submitted to the General Manager or his/her office or to the address of the Association. In this respect, e-mailed or faxed applications will be acceptable. No application shall be considered by the Governing Board unless the prescribed application form has been completed in all respects

- 8.8 The payment of a membership fee, determined from time to time by the Governing Board, shall be paid at least one [1] week after an applicant has been informed that his/her application for membership has been approved, subject to the Governing Board approving such application at its next meeting
- 8.9 The applicant shall be informed in writing that his/her application for membership has been approved or refused, as the case may be, within two [2] weeks of the relevant meeting of the Governing Board. If the application for membership is refused, full reasons shall be given in writing by the General Manager, on request for reason by the applicant
- 8.10 The General Manager shall maintain a register of all members of the Association, and each member, when approved, shall be given a registration number

8.11 Termination of Membership

Membership shall terminate in the following circumstances;

- 8.11.1 If a member resigns from the Association, which resignation must be in writing and be addressed to the General Manager, and delivered to the address of the Association. In this respect, an e-mailed or faxed resignation will be acceptable
- 8.11.2 If a member has failed to attend two (2) successive Governing Board or Special General Meetings or two successive Annual General Meetings of the Association without giving written prior notice of apology to the General Manager or his/her office. In this respect, any electronic means of communication will be acceptable
- 8.11.3 If a member has been convicted of a criminal offence
- 8.11.4 If a member is committed to a mental institution
- 8.11.5 If a member dies. In this respect, a certified copy of the member's death certificate must be submitted to the General Manager or his/her office.
- No e-mailed or faxed copies will be accepted
- 8.11.6 If a member's annual membership fees have not been paid within sixty [60] days after the said membership became due and payable, subject thereto that the Association has informed all members either by letter, e-mail, fax or

by newsletters of the date on which their annual membership fees are due and payable. The provisions and the assumptions regarding Notices contained in this Constitution, shall apply mutatis mutandis to the letters, e-mails, faxes and newsletters referred to in this Clause

8.11.7 If a member is found guilty of misconduct, any sanctions arising from such conduct, may, among other, include termination or suspension of membership or the member may be expelled from the Association. Before any such sanctions are implemented, the Governing Board shall hold an inquiry, at which inquiry the member shall be offered an opportunity to present her or his case in respect of the charges against him or her.

9. The Governing Board

9.1 Board Composition

9.1.1 The Association shall be managed by a Governing Board consisting of not fewer than nine **(9) members** and not more than thirteen **(13) members** elected by the members of the Association at an Annual General Meeting

9.1.2 Members of the Governing Board elected by members of the Association at the Annual General Meeting, shall serve for a period of three **[3] years**, in furtherance of the sustainability of the Association, through continuity of knowledge, skills and experience

9.1.3 The Governing Board should preferably have the following as members: A Legal professional, Human Resource professional, a Finance professional, Social Worker and two (2) members of the community served. The Governing Board shall make every effort to obtain nominations of such professionals, and shall at the Annual General Meeting where an election of members of the Governing Board is to take place, submit a written report before such election, of their efforts herein.

9.2 Powers and Functions

9.2.1 The affairs of the Association shall be controlled and managed by the Governing Board. The Governing Board shall strategically manage the Association and the day-to-day operational functions shall be managed by the General Manager. Subject to the terms and conditions of this constitution and resolutions of members in a General Meeting, the Governing Board may exercise all the powers necessary for it to carry out its stated objectives effectively. Such powers shall include, but not

be limited to, the General Investment and Administrative Powers set out in the attached **Schedule A**, including limits of authority. The Governing Board shall;

- 9.2.1.1 be obliged to keep minutes of all meetings of the Governing Board and any meetings of the Association. Minutes of such meetings shall be distributed to all members of the Governing Board or the Association, as the case may be, by no later than two[2] weeks after a meeting was held. At each meeting minutes of the previous meeting shall be confirmed and accepted as a true record of the proceedings of the previous meeting, and thereafter signed by the Chairman
- 9.2.1.2 raise funds as required and negotiate subsidies and grants from the Government and/or any statutory authority and/or ^{from} any other source whether within or outside South Africa
- 9.2.1.3 accept donations in money and in kind to be used solely for the purpose intended. The Association will be prohibited from accepting any donation that 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 misrepresentation with regard to the tax deductibility thereof in terms of Section 18A of the Income Tax Act, provided that a donor 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
- 9.2.1.4 to open and conduct a bank account or banking accounts in the name of the Association, and to ensure that all monies received by, for and on behalf of the Association are deposited into the aforementioned bank account or accounts of the Association, as soon as possible after it is received
- 9.2.1.5 to borrow money by overdraft from the bank or by other means and for this purpose to mortgage or pledge the property of the Association
- 9.2.1.6 to undertake such activities as in the opinion of the Governing Board will tend to promote the mission, vision and objectives of the Association
- 9.2.1.7 to sell, acquire and maintain vehicles, machinery, plant, furniture and equipment as may be necessary

- 9.2.1.8 to sell, purchase, acquire and take transfer of property both movable and immovable and to, inter alia, invest in banks and other approved financial institutions and entities, unit trusts, shares and other investments quoted on the Johannesburg Stock Exchange
- 9.2.1.9 to make loans, advances and grants of its funds under such conditions as the Association may approve, such conditions being designed to ensure that assistance is given only to those really in need after due and proper investigation and that assistance will as far as possible achieve the permanent rehabilitation of the persons helped
- 9.2.1.10 to operate either alone or in conjunction with other organisations
- 9.2.1.11 to engage, or discharge staff and set salaries, wages and conditions of service for such staff as may be decided from time to time
- 9.2.1.12 The Governing Board must ensure that the Association does not pay any remuneration to any employee, members of the Governing Board, office bearers or any other person which is excessive, having regard to what is generally considered reasonable in the sector in which the Association operates, and in relation to the services rendered
- 9.2.1.13 The Governing Board must submit to the Commissioner for Inland Revenue a copy of any amendment to the Constitution timously and submit all financial records as required from time to time
- 9.2.1.14 The Governing Board shall appoint a General Manager who shall perform such duties as may from time to time be assigned to him and documented in the job description subject to the control and direction of the Governing Board of the Association
- 9.2.1.15 The Governing Board shall, from time to time establish procedures, systems and policies in respect of the improvement of the administration and management of the business and activities of the Association, including but not limited to its employees, finances, property, etc.

- 9.2.1.16 The Governing Board may conclude arrangements with organisations with whom the Association may be working in close co-operation whereby such organisation are given the opportunity to become members of the Association.
- 9.2.1.17 The Governing Board shall elect a Chairperson, a Deputy-Chairperson, a Treasurer, Deputy-Treasurer and a Secretary, at its first meeting after the Annual General Meeting, from members elected at the Annual General Meeting concerned.
- 9.2.1.18 The Governing Board is empowered by means of a resolution, adopted by a majority of at least three quarters (3/4) of its members in office, to remove any member of the Governing Board, whether such a member was elected, appointed, co-opted or assumed in terms of this Constitution. The Governing Board will not be obliged to furnish reasons for or justify its decision/s regarding the removal of any member of the Governing Board, except to the member removed and to the members of the Governing board, provided that the Governing Board must, prior to adopting any resolution for removal, afford the member facing possible removal a reasonable opportunity to hear and respond to the reasons for the proposed removal, at a hearing before the Governing Board or a person or persons, or Sub-Committee appointed by the Governing board for this purpose
- 9.2.1.19 In terms of Section 38 of the Constitution of South Africa, 1996, [the SA Constitution] the Association is empowered to act on behalf of any group or class of persons and/or on behalf of any person in relation, inter alia, to the exercise or enforcement of the rights set out in Section 38 in particular, and the Bill of Rights in general.
- 9.2.1.20 The Association shall operate and function within the whole of the Republic of South Africa.

9.3 Board Membership

- 9.3.1 Members of the Governing Board shall be elected by the members of the Association at the Annual General Meeting. The names and signatures of persons elected to the Governing Board appear on the attached **Schedule B**.

- 9.3.2 Nominations for elections to the Governing Board shall be done on the Association's prescribed form for this purpose, and shall reach the General Manager no later than 14 [fourteen] calendar days before the date set for the Annual General Meeting. All nominations for election to the Governing Board shall be proposed and seconded in writing on the prescribed form.
- 9.3.3 No person can serve on the Governing Board for more than two [2] consecutive terms. Nothing herein prohibits a person who has served as a member of the Governing Board, to be elected or co-opted as such, after he or she had a break in serving as a member of the Governing Board of not shorter than one [1] year from the date he or she last served as such.
- 9.3.4 Any member of the Governing Board who is absent for two (2) consecutive Governing Board meetings or three (3) Governing Board meetings in a calendar year, without notice of intended absence, shall be deemed to have resigned from the Governing Board
- 9.3.5 The General Manager is an ex officio member of the Governing board
- 9.3.6 Employees of the Association, whether or not such employees are permanent employees, or whether or not such employees are employed on a fixed term contract, shall not be eligible to serve as members of the Governing Board of the Association, while he or she is an employee of the Association.
- 9.4 Board Vacancies**
- 9.4.1 If for any reason whatsoever the number of Governing Board shall fall below nine [9], the remaining Governing board members shall (subject to any provision of this Constitution which designates the manner in which the successor to a Governing board member may be appointed) as soon as practicable assume, appoint or co-opt as many additional Governing Board members as are necessary to make the number up to **nine [9]**, for which purpose the Governing Board shall have the power of assumption, appoint or to co-opt, and until such time as the number of Governing Board have been restored to **nine[9]**, the remaining Governing board members shall be empowered to make valid decisions for and on behalf of the Association

- 9.4.2 The appointment, assumption or co-option of a Governing board member as aforesaid shall be effected by means of a written document, prescribed by the Association, under the hand of the Chairperson or persons with the delegated authority to do so.

9.5 Delegation of Powers

The Governing Board may delegate any or part of its power or functions to a committee(s) or member of the organisation, provided that;

- 9.5.1 Such delegations and conditions are reflected in the minutes of that meeting
- 9.5.2 At least one (1) member of the Governing Body serve on the committee
- 9.5.3 The Governing Body approves, in advance, all expenditure to be incurred by the committee or member
- 9.5.4 The Governing Board may revoke the delegation or amend the conditions of such delegation, as it deems necessary

9.6 Board Meetings and Procedures

- 9.6.1 The Governing Board is to meet at least every second month, but preferably monthly, at a time and place deemed to be convenient to the majority of the members
- 9.6.2 A quorum for a Governing Board meeting shall consist of fifty (50%) of its elected members plus one (1) elected member
- 9.6.3 If no quorum is present, the Governing Board members present may make no decisions, except to preserve the assets of the Association. The meeting shall be postponed for fourteen [14] days and however many members are present at the reconvened meeting shall constitute a quorum
- 9.6.4 Any decision by the Governing Board is carried by means of a resolution adopted by a majority of at least three quarters (3/4) of its members in office
- 9.6.5 Voting at any meeting of the Governing Board shall be by means of a show of hands. Each elected member present at a meeting of the Governing Board is entitled to vote and have one vote, and the majority vote shall carry the resolution of the Governing Board. In the event of a deadlock the Chairperson will have a casting vote

9.6.5 The Chairperson shall sign all resolutions containing all decisions taken at any meeting of the Governing Board of the Association, except for resolutions in respect of matters which the Governing Board in its discretion may decide that the General Manager is authorised to sign.

9.7 Appointment of Sub-Committees

9.7.1 The Governing Board may generally do whatever is necessary to expedite the attainment of the stated mission, vision and objectives of the Association, including appointing sub-committees as required from time to time. However, at least the following sub-committees must be constituted; Finance, Property, Social Welfare and Human Resources.

9.7.2 The Governing Board may determine terms of reference from time to time to delegate such powers and functions as it may think fit to Sub-Committees appointed by it, members of which can be members of the Governing Board or ad-hoc members appointed for their specific contributions

9.7.3 All recommendations of Sub-Committees shall be subject to review and decision by the Governing Board, but no action already taken in good faith by a Sub-Committee in furtherance of the objects of the Association and within the general powers delegated to it, shall be invalidated by any such decision of the Governing Board.

9.8 Powers of the Association in respect of the "A" Shares

9.8.1 It is recorded that the Association has been allocated "A" shares in Business Connexion Group Limited, registration number 1988/005282/06

9.8.2 In this paragraph [5A1], unless the context clearly indicates a contrary intention, the words herein below defined shall have the meanings assigned to them and cognate expressions shall bear corresponding meanings –

9.8.2.1 "A" Shares" meanings the ordinary class "A" shares having a par value of R0.0059 (point zero zero five nine rand) each in the share capital of BCG bearing the rights and privileges as set out in the articles of associates of BCG

9.8.2.2 "BCG" meaning Business Connexion Group Limited, registration number 1988/005282/06, a limited liability public company duly

incorporated in accordance with the laws of South Africa and registered on the main board of the securities exchange owned and operated by JSE Limited, a limited liability public company duly incorporated in the Republic of South Africa.

- 9.8.2.3 "Closing Date" means the 3rd (third) business day following the date upon which the Subscription Agreement becomes unconditional in accordance with its terms;
- 9.8.2.4 "Lock-in Period" means the period commencing on the Closing Date and ending on-
- 5.1.4.1 the 5th (fifth) anniversary of the Closing Date; or
 - 5.1.4.2 the Participation Date, whichever occurs the latest in time;
- 9.8.2.5 "Participation Date" means the "Participation Date" as defined in the Subscription Agreement; and
- 9.8.2.6 "Subscription Agreement" means the share subscription agreement to be entered into between the Association and BCG in terms of which, inter alia, the Association subscribes for and BCG allots and issued to the Association an initial, 1,140,000 (one million one hundred and forty thousand) "A" Shares at a purchase equal to R6,726,00 (six thousand seven hundred and twenty six).
- 9.8.3 Subject to any other restrictions contained herein, the members powers shall include the following-
- 9.8.3.1 borrowing monies either from BCG, or any subsidiary of BCG or from third parties, for the purpose of subscribing for the "A"
 - 9.8.3.2 purchasing and/or subscribing for the "A" Shares, and holding such "A" Shares, for the purpose of giving effect to the objects of the Association as described in paragraph [2] and to selling or otherwise disposing of all or any of the "A" Shares from time to time acquired and/or held by CAFDA, subject to the provisions of the Subscription Agreement and the articles of association of BCG;

9.8.3.3 to enter into all agreements relevant to the Association holding of "A" Shares, including without limitation-

- (a) the Subscription Agreement; and
- (b) one or more agreements to amend or novate the Subscription Agreement ; and

9.8.3.4 exercising voting rights and other rights or benefits attaching to or derived from the "A" Shares.

9.8.4 Notwithstanding any other provision of this clause 5A, the members shall not be entitled to sell, transfer, encumber, cede, pledge, hypothecate, or otherwise alienate the "A" Shares or any rights or interest therein for the duration of the Lock-in period.

9.8.5 During the period that the Association holds any "A" Shares-

9.8.5.1 this Constitution shall not be capable of being amended to the extent that such amendment would result in the Association failing to comply with its obligations to BCG in terms of the Subscription Agreement; and

9.8.5.2 the Association will not have any capacity nor will the members have any power to enter into any transaction relating to the Association which would result in the Association failing to comply with its obligations to BCG in terms of the Subscription Agreement, without the prior written consent of BCG

10. General Meetings and Procedures

10.1 Annual General Meetings

10.1.1 An annual General Meeting of the Association shall be held not later than six (6) months after the end of its financial year. In the event that this is not possible, the Chairperson shall give full reasons for the delay in the Annual Narrative report

10.1.2 The General Manager shall ensure that all members are given at least twenty one (21) days written notice of the date, time and venue of the Annual General Meeting, and the Agenda of the meeting, which shall be included in such notice

- 10.1.3 The Annual General Meeting shall, inter alia, deal with the following:
- 10.1.3.1 Approval of the minutes of the meeting held at the previous AGM
 - 10.1.3.2 Approval of the Annual Report
 - 10.1.3.3. The Chairman's Narrative report
 - 10.1.3.4 The Treasurer's Report and the Audited Financial Statement
 - 10.1.3.5 Approve resolutions put to the meeting
 - 10.1.3.6 Elect members to the Governing Board, whenever Governing Board members have to be elected, in terms of this Constitution.
 - 10.1.3.7 Transacting any other business which may be transacted at an Annual General Meeting.

10.2. Special Meetings

- 10.2.1 A **Special General Meeting** may be called by at least fifty percent (50%) of the members of the Governing Board or by at least thirty percent (30%) of the registered members of the Association on a written requisition signed by all such registered members, addressed to the General Manager, and stating the business that they desire to be considered at such meeting
- 10.2.2 In the event that the percentage of registered members calling for the Special General Meeting results in a number which is not a whole number, then the number shall be rounded off to the next whole number
- 10.2.3 The General Manager shall give at least twenty-one [21] days written notice of the date, time and venue of any such Special General Meeting, at which meeting it shall be competent to deal only with such business as stated in the said requisition. The agenda of such Special Member's Meeting shall be attached to the said notice.
- 10.2.4 The Chairperson may also convene **Special Board Meetings** of not less than one-third (1/3) of the members of the Governing Board to address specific matters, especially those posing a risk to the functioning and sustainability of the Association
- 10.2.5 **Special Sub-Committee Meetings** may also be convened at any time by the Chairperson of a Sub-Committee to address specific matters, especially those posing a risk to the functioning and sustainability of the Association

10.2.6 Special Board and Sub-Committee Meetings shall be convened on not less than forty eight hours (48) written notice to members. The notice shall state the date, time and place of the meeting and the business to be transacted at the meeting

10.3 Voting at Annual General Meetings and Special Meetings

10.3.1 All members present at an Annual General Meeting or Special General Meeting of the Association shall be entitled to one (1) vote each

10.3.2 The Chairperson, or the Deputy Chairperson, if the Chairperson is absent, of the Governing Board shall, in case of deadlock, have a casting vote, in addition to a deliberative one at such Annual General Meeting or Special General Meeting

10.3.3 Corporate Members shall have the right to be represented at any Annual General Meeting or Special General Meeting by a natural person, duly authorised in writing by the corporate member concerned, which shall have one [1] vote for and on behalf of such corporate member

10.3.4 The authorisation of corporate members shall be done on the prescribed form of the Association, the original of which shall be delivered to the offices of the General Manager by no later than seven[7] days before the date of the relevant meeting, failing which such corporate member shall not be entitled to vote at the relevant meeting. No extension shall be granted for delivery of the authorisation, and only the original authorisation shall be accepted

10.3.5 No member, whether a natural or juristic person, shall be entitled to vote at an Annual General Meeting or Special General Meeting by proxy, unless there exist special circumstances under which such member has no other option but to vote by proxy

10.3.6 Subject to the provision relating to a quorum at an Annual General Meeting or Special General meeting, in the event that any member must vote by proxy as aforesaid, then such a member shall apply in writing to be allowed to vote by proxy, to the Governing Board on the prescribed form of the Association for this purpose, the original of which application shall be submitted to the General Manager, at the offices of the Association by no later than seven[7] days after notice was given of the Annual General Meeting or Special General Meeting. No extension shall be granted for delivery of the application to vote by proxy, and only the original application shall be accepted

10.3.7 The Association shall inform the member of the outcome of his or her application to vote by proxy by no later than five [5] days before the date of the relevant Annual General Meeting or Special General Meeting, which outcome can also be conveyed to such member by e-mail or fax.

10.4. Quorum at Annual General Meetings and Special Meetings

10.4.1 Fifty percent (50%) of the registered members of the Association plus one registered member of the Association, present, shall form the quorum at the relevant Annual General Meeting or Special General Meeting, as the case may be

10.4.2 If no quorum is achieved, the Annual General Meeting or the Special General Meeting, as the case may be, shall be postponed for thirty (30) days and however many members are present at the reconvened meeting, shall constitute a quorum

10.4.3 No representation by proxy of any member shall be allowed and be considered, where the issue of whether an Annual General Meeting or Special General meeting is quorate, is decided, whether at the first or second meeting referred to in this Clause.

10.5 Resolutions at Annual General Meetings and Special General Meetings

10.5.1 All draft proposals for consideration at Annual General Meetings or Special General Meetings of the Association must be submitted in writing and must reach the General Manager at least fourteen [14] days before the date fixed for the meeting.

10.5.2 All decisions at any Annual General Meeting or Special General Meeting shall be carried by a normal majority of the members present subject to provisions regarding quorums at any relevant meeting, except decisions in respect of which a decision by a two-thirds majority of the members present shall be required to carry such a decision

10.5.3 The Chairperson and General Manager shall sign all resolutions containing all decisions taken at any Annual General Meeting or Special General Meeting of the Association, except for resolutions regarding decisions in respect of the following matters, which resolutions shall be signed by the majority of the elected members of the Governing Board:

11.5.3.1 Decisions regarding any amendments of this Constitution

11.5.3.2 Decisions regarding the shares in Business Connexion Group Limited

11.5.3.3 Decisions regarding Dissolution and Winding up of the Association

11. Honorary members of the Association and Emeritus members of the Governing Board

11.1 The members in a General Meeting may elect, as honorary members of the Association, any persons who have rendered outstanding service to the Association

11.2 The Governing Board may elect, at its discretion, former Governing Board members as Emeritus Board Members

11.3 Emeritus Board members will have the rights to receive all documents of the Governing Board which are held under confidentiality

11.4 Emeritus Governing Board members will not be entitled to vote.

12. Assets, Liabilities and Restrictions

12.1 The assets and liabilities of the Association shall vest and be registered in the name of the Association. All claims against the Association shall be limited to its assets, and there shall be no personal liability of any of the Members

12.2 Subject to Clause 4 above, no member, Governing Board member or employee of the Association shall have a direct or indirect interest in, or benefit from, any contract which the management may conclude with any company, unless fully disclosed in writing; and in respect of any decision making process, such member, Governing Board member or employee shall recuse himself or herself.

13. Dissolution and winding up of the Association

If and when the Association is dissolved or wound up for any reason, the provisions of Clauses 4.3, 4.4 and where applicable Clause 4.5, of this Constitution.

14. Notices

14.1 All notices provided for in this Constitution shall be sent by mail, fax or Electronic means

14.2 The inadvertent omission to address notice/s to any person will not invalidate the proceedings of any meeting

14.3 If posted, notices will be deemed, unless the contrary is proved, to have been received seven (7) days after the date of posting

- 14.4 If sent by fax or e-mail, notices will be deemed to have been received on the first business day after the date of despatch, unless the contrary is proved
- 14.5 The Governing Board may also in its discretion notify members in any other manner to ensure that members are given proper notice, without derogating from the above.
- 15. Books of Account and Annual Financial Statements**
- 15.1 The Governing Board must ensure that proper books of Accounts as contemplated in Section 17(1) of the NPOA are kept
- 15.2 Financial Statements (including capital and revenue accounts) must be prepared at least once a year, in accordance with International Financial Reporting Standards (IFRS), and must reflect clearly the affairs of the Association
- 15.3 The books of Account and Financial Statements must be audited and certified in the customary manner by an independent, practising and suitably registered auditor.
- 15.4 The Governing Board must ensure that any books of account, records or other documents relating to the Association, where kept in book form, are retained and carefully preserved for a period for five (5) years after the date of the last entry in any such book, or where not kept in book form, are retained and carefully preserved for a period of five (5) years after completion of the transactions, acts or operations to which they relate
- 15.5 A copy of the Annual Financial Statements must be made available to the Director for Non-Profit Organisations
- 15.6 The books and accounts of the Association shall be audited by a registered Auditor
- 15.7 The Auditor shall submit a report at each Annual General meeting.

16. Amendment of the Constitution

This Constitution may be amended by resolution at an Annual General Meeting or Special General Meeting, provided that any changes to the Constitution requires a quorum of at least seventy-five (75) % of all members of the Association present in person or by proxy at such Annual General Meeting of Special General Meeting.

17. Signatures

All cheques, promissory notes, other negotiable instruments and contracts, including letters of appointment of any employee, and any documentation authorising any payments, requiring signature on behalf of the Association must be signed in such manner as the Governing Board resolved from time to time, provided that in the cheques, promissory notes, other negotiable instruments, and any other documentation authorising any payments, must be signed by at least two (2) persons, one of which shall be a member of the Governing Board, which is a Category A signatory, and the other shall be a Category B signatory, being an employee of the Association. Both of these signatories must be duly authorised by the Governing Board in writing. The General Manager in his or her capacity as such, may be one of the signatories.

18. Dissolution

18.1 The Association may be dissolved by resolution of the members at an Annual General Meeting or Special General Meeting of which notice shall have been given, provided notice has been given in terms of this Constitution

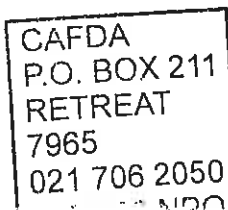
18.2 The subsequent winding up of the Association shall be done in terms of Clauses 4.4 and 4.5 of this Constitution. Any surplus remaining after settling liabilities in the course of winding up of the Association shall be dealt with accordingly.

19 INDEMNITY

19.1 No Governing Board member, any Office Bearer, or members of the Association for the time being and every one of their heirs, executors and administrators shall be answerable for or liable to make good to the Association any loss occasioned or sustained by any cause howsoever arising, save and except such loss as shall be occasioned by such member of the Governing Board's own personal and willful dishonesty.

No member of the Governing Board shall be liable for any act of dishonesty committed by any other member of the Governing Board, unless he was privy thereto

19.2 Subject to the provisions of any relevant statute, the members of the Governing Board shall be indemnified by the Association for all acts done by them in good faith on its behalf. It shall be the duty of the Association to pay all costs and expenses which any such person incurs or becomes liable for as a result of any contract entered into, or act done by any member of the Governing Board, in his or her capacity as member of the Governing Board, in the discharge, in good faith, of his or her duties on behalf of the Association



19.3 The members of the Governing Board shall be indemnified out of and by the Association against all claims and demands of whatsoever kind and nature as may be made upon them by the Constitution. If the members of the Governing Board should bona fide make any payment to any person assumed by them to be thereto entitled hereunder and it be subsequently found that some other person or persons be entitled thereto under this Constitution, such Association shall nevertheless not be responsible for the monies so paid.

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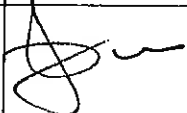
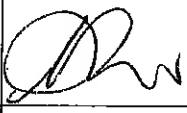
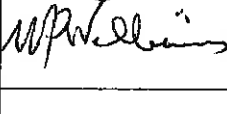
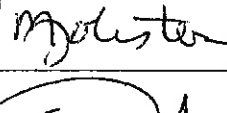
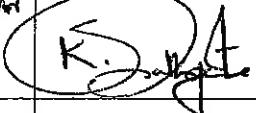
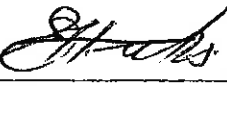
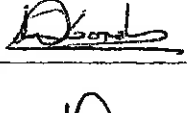
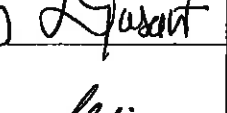
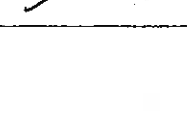
20. CERTIFICATE AND ADOPTION

20.1 We, the undersigned, do hereby certify that the above is the Constitution of the Cape Flats Development Association, with registration number: 002-938 NPO

20.2 We confirm that this Constitution was adopted by a two-thirds majority of members present at an ANNUAL GENERAL MEETING / SPECIAL GENERAL MEETING* of the CAPE FLATS DEVELOPMENT ASSOCIATION, WITH REGISTRATION NUMBER: 002-938 NPO, Held on 26 SEPTEMBER 2013 [date] 18 400 [time] at

FAMILY CENTRE, 8th AVENUE GRASSY PARK [venue].

delete that which is not applicable

FIRST NAMES	SURNAME	POSITION	SIGNATURE	DATE
DERICK	FORTWIN	BOARD MEMBER		27.09.2013
MARK	ROSSouw	BOARD MEMBER		27.09.2013
MARCEL	WILLIAMS	CO-OPTED MEMBER		27.09.2013
MICHAEL	JOHNSTON	BOARD MEMBER		27.09.2013
KEVIN	SOUTHGATE	ACTING CHAIRMAN BOARD MEMBER		27.09.2013
Kevin	HERNANDEZ	Co-Opted Member		27.09.2013
DANIEL	CORNELSON	BOARD MEMBER		27.09.2013
LÉMEEZ	GASANT	BOARD MEMBER (CO-OPTED)		27.09.2013
ANTHONY	MARTIN	BOARD MEMBER		27.09.2013

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