



VOC FOUNDATION - STIGTING VOC - UMBUTHO VOC  
21 Theresa Avenue, Camps Bay, 8005

CONSTITUTION  
-----

INDEX

CLAUSE HEADINGS

1. BACKGROUND
2. NAME
3. OBJECTIVES
4. LEGAL STATUS AND POWER TO ACT
5. NON-PROFIT DISTRIBUTION CHARACTER
6. POWERS
7. MEMBERSHIP
8. STRUCTURE OF THE FOUNDATION
  - 8.1 The Management Committee
  - 8.2 Election
  - 8.3 Composition
  - 8.4 Management Committee Member Vacating Office
  - 8.5 Procedure at Management Committee Meetings
  - 8.6 Annual General Meetings
  - 8.7 Special General Meetings
  - 8.8 Procedure at Meetings
  - 8.9 Powers and Duties of the Committee
  - 8.10 Notices
9. FINANCIAL MATTERS
  - 9.1 Subscriptions
  - 9.2 Bank Account
  - 9.3 Signatures
  - 9.4 Financial Records
  - 9.5 Annual Narrative Report and Financial Statements
10. AMENDMENTS TO THE CONSTITUTION AND DISSOLUTION
11. INDEMNITY
12. DISPUTES

- Schedule A: Requirements of the Commissioner for the South African Revenue Service
- Schedule B: General Administrative and Investment Powers for Exemption from Taxes and Duties

## 1. BACKGROUND

The VOC Foundation was founded on 16 September 1995 in the Castle of Good Hope, Cape Town by a group of enthusiasts interested in the history of the Dutch East India Company (VOC, 1602-1798), the VOC period at the Cape (1652-1795) and the conservation of VOC artefacts.

The Foundation is registered nationally (SAHRA), provincially (HWC) and locally (City of Cape Town) as a conservation organisation. It is unique in its aims of conservation, education and VOC-heritage tourism, and renders a service unique in the world, co-operating with and augmenting the service of other conservation groups and assisting municipalities, museums, tourism organisations, cultural societies and individuals. The VOC logo, the oldest in the Western world, is locally registered in the Foundation's name. Over the last nineteen years we carried out a number of projects successfully, with various others in the process of completion. Among the former are several educational bus tours, exhibitions, quarterly lectures and newsletters, and building projects, e.g. a memorial to the Hessequa people. We presented a scale model of the VOC slaver *Meermin* to the Slave Lodge Museum for educational purposes, helped SANParks to set up information boards in the West Coast Park, advised consultants with development projects, assisted the police in cases of theft, etc.

Our long-term aims are to establish a database of South African VOC-related information, to support students with bursaries and to establish a chair of VOC studies at a university. Our ultimate aim is to democratise conservation, to help unite private conservation bodies in a non-government organisation like British Heritage in England, to relieve our government's burden and support its work.

## 2. NAME

The Society shall be known as VOC FOUNDATION or STIGTING VOC or UMBUTHO VOC (hereinafter called the Foundation).

## 3. OBJECTIVES

The Foundation is a public, non-profit organisation established for the following sole object:

- 3.1 to ensure the conservation of objects as well as the intangible heritage created by or associated with the Generaale Vereenigde Geotroijeerde Oost-Indische Compagnie (VOC, 1602 - 1798).
- 3.2 to stimulate and promote research about the VOC and its activities nationally and internationally and disseminate information about the same.
- 3.3 to promote VOC-related heritage tourism.

## 4. LEGAL STATUS AND POWER TO ACT

The Foundation is a body corporate with its own legal identity, which is separate from its individual members. The Foundation shall continue to exist even if the members change. The Foundation may own property, enter into contracts, and sue or be sued in its own name.

- 4.1 The Foundation is a juristic person and shall continue to be a distinct and separate legal entity, with the power to acquire, to hold and to alienate property of every description whatsoever, and with capacity to acquire rights and incur obligations and having perpetual succession.
- 4.2 All legal proceedings by and against the Foundation may be brought and defended in the name of the Foundation. The Chairman or a member of the Foundation authorised thereto by the Committee shall have the power to do all such things and to take all such steps as may be necessary for the purpose of instituting or defending legal proceedings brought by or against the Foundation.

4.3 The liability of the members of the Foundation shall be limited to the payment of subscriptions and all persons shall be deemed to contract or deal with the Foundation on this basis.

## 5. NON-PROFIT DISTRIBUTING CHARACTER

5.1 The income and property of the Foundation shall be used solely for the promotion of its stated objectives. The members and the office-bearers shall have no rights to the property or other assets of the Foundation solely by virtue of them being members or office-bearers. No portion of the income or property of the Foundation 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 Foundation or Management Committee, except as:

5.1.1 reasonable compensation for services actually rendered to the Foundation;

5.1.2 reimbursement of actual costs or expenses reasonably incurred on behalf of the Foundation.

5.2 Upon the dissolution of the Foundation, after all debts and commitments have been paid, any remaining assets shall not be paid to or distributed amongst members, but shall be transferred by donation to some other non-profit organisation which the Management Committee (and failing which any division of the High Court) considers appropriate and which has objectives the same or similar to the objectives of the Foundation; and should the Foundation become an approved public benefit organisation:

5.2.1 is a similar public benefit organisation which has been approved in terms of section 30 of the Income Tax Act, or

5.2.2 any institution, board or body which is exempt from tax under the provisions of section 10(1)(cA), which has as its sole or principal object the carrying on of any public benefit activity, or

5.2.3 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) or (b).

5.3 The Foundation intends to apply to the Commissioner for the South African Revenue Service exemption from appropriate taxes and duties. Incompliance with the provisions of the Income Tax Act, the provisions set out in the attached Schedule A shall bind the Foundation and qualify this Constitution.

## 6. POWERS

The Foundation, acting through its Management Committee, or at General Meeting, shall have 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 B.

## 7. MEMBERSHIP

7.1 Membership of the Foundation is open to any person or body that supports the above objectives.

7.2 The Management Committee **may admit** further members from time to time:

7.2.1 Subject to due compliance with any conditions of membership (including payment of any membership fees) which the Management Committee may stipulate from time to time; and

7.2.2 in accordance with the following criteria:

7.3 The Management Committee may suspend or terminate the membership of any member provided that:

7.3.1 At least (14) fourteen days prior written notice is given to all members of the Management Committee of the intention to terminate a membership; and

7.3.2 At least (14) fourteen days prior written notice is given to the member concerned. The notice shall invite the member to make written or verbal representations to the meeting, as the member may consider appropriate.

7.3.3 The decision of the Management Committee to admit an applicant to membership, or to suspend or terminate a membership shall lapse unless

confirmed by a resolution of two thirds of the members of the Foundation present at the next General Meeting.

7.3.4 Neither the Management Committee nor the Foundation shall be required to give reasons for their decisions with respect to membership.

#### 7.4 PATRONS AND HONORARY MEMBERS

The committee may appoint patrons and honorary life members, who shall be exempt from annual subscriptions.

#### 7.5 SILVER MEDAL

The Foundation's Silver Medal, with honorary membership, is awarded in recognition of outstanding contributions by individuals or bodies to the aims of the Foundation, locally and abroad. Candidates are proposed by members.

### 8. STRUCTURE OF THE FOUNDATION

#### 8.1 The Management Committee

##### 8.1.1 Powers

8.1.1.1 The affairs of the Foundation shall be controlled and managed by the Management Committee. Subject to the terms of this constitution and to the resolutions of members in General Meeting, the Management Committee may exercise all the powers of the Foundation.

8.1.1.2 In General Meeting, the Foundation may review, approve or amend any decision taken by the Management Committee but no such resolution of the Foundation shall invalidate any prior action taken by the Management Committee in accordance with the provisions of this Constitution

#### 8.2 Election

8.2.1 The members of the first Management Committee shall be elected at the General Meeting at which this Constitution is adopted, and shall hold office until the first Annual General Meeting after such appointment, when all of them shall resign. At the first Annual General Meeting, a new Management Committee shall be elected. Thereafter, a new Management Committee shall be elected at each succeeding Annual General Meeting.

8.2.2 Resigning Management Committee members shall be eligible for re-election or co-option

8.2.3 Management Committee members shall be members of the Foundation.

#### 8.3 Composition

8.3.1 The Management Committee shall comprise at least seven (7) but not more than ten (10) members. The membership of the Management Committee shall comprise:

8.3.1.1 the Chairperson;

8.3.1.2 the Vice-Chairperson;

8.3.1.3 the Treasurer

8.3.1.4 the Secretary;

8.3.1.5 at least three (3) other persons.

8.3.1.6 The Management Committee may co-opt up to three (3) additional non-voting members, as it may consider appropriate from time to time. The co-opted members shall serve for such period, as the Management Committee considers appropriate.

#### 8.4 Management Committee Member Vacating Office

8.4.1 the office of a Management Committee member shall be vacated if member:

8.4.1.1 resigns; or

8.4.1.2 becomes unfit and/or incapable of acting as such; or

8.4.1.3 would be disqualified, in terms of the Companies Act or equivalent legislation in force from time to time, from acting as a Director of a Company; or

8.4.1.4 is removed by the Management Committee, by resolution adopted by at least

three quarters ( $\frac{3}{4}$ ) of its members in office from time to time, being not less than the required minimum of five 5. The Management Committee shall not be obliged to furnish reasons for its decision/s regarding removal except to the member removed and to the members of the Foundation in General Meeting.

8.4.2 Should a position on the Management Committee fall vacant, the Management Committee, by resolution adopted at least two-thirds ( $\frac{2}{3}$ ) of its members, may (and if the vacancy reduces the number of members to less than seven [7], shall) co-opt a member/s to fill the vacancy/ies. The office of any person so co-opted as member of the Management Committee shall lapse unless confirmed by resolution of members at the next General Meeting.

## 8.5 Procedure at Management Committee Meetings

8.5.1 The Management Committee shall conduct its meetings and regulate its proceedings as it finds convenient, provided that:

8.5.1.1 The Chairperson, or in his or her absence, the Vice-Chairperson, shall chair all meetings of the Management Committee which he or she attends. In the absence of the Chairperson and the Vice-Chairperson, the remaining members of the Management Committee shall elect a chairperson from those attending.

8.5.1.2 The Chairperson shall convene a meeting of the Management Committee, quarterly and at the written request of any two (2) members of the Management Committee and may convene such a meeting at any other time.

8.5.1.3 The quorum necessary for the transaction of any business by the Management Committee shall be two-thirds ( $\frac{2}{3}$ ) of the Management Committee members serving at any given time.

8.5.1.4 At meetings of the Management Committee each member shall have one (1) vote.

8.5.1.5 Questions arising shall be decided by a majority of votes. Should there be an equality of votes the Chairperson shall have a casting or second vote.

8.5.1.6 Proper minutes shall be kept of the proceedings of the Management Committee, and a record of the persons present at each meeting. The minutes shall be signed by the member who chairs the meeting, and shall be available at all times for inspection or copying by any member of the Management Committee, and on two (2) days' notice to the Secretary or his or her deputy, by any member of the Foundation.

8.5.1.7 A resolution signed by all members of the Management Committee shall be as valid as if passed at a duly convened meeting of the Management Committee.

8.5.1.8 The Management Committee may delegate any of its powers to any of its members, or to a special purpose committee. The member, committee, employee or agent to whom such delegation is made shall confirm to any regulations and procedures that may be stipulated by the Management Committee from time to time.

8.5.1.9 The Management Committee may appoint a Chief Executive and other officers and employees, as it may consider necessary from time to time upon such terms and conditions as it may consider appropriate.

## 8.6 General Meetings

### 8.6.1 Annual General Meeting

8.6.1.1 An Annual General Meeting of the Foundation shall be held within a period of fifteen (15) months of the adoption of this Constitution. Subsequent Annual General Meetings shall be held within ninety (90) days of the end of each financial year being 31 December.

8.6.1.2 Notice of the Annual General Meeting shall not be given before the end of January. Annual General Meetings shall be convened by the Chairperson on not less than twenty-one (21) days prior written notice to all members entitled to attend the meeting. This notice shall state the date, time and place of the meeting and in broad terms the business to be transacted at the meeting. The annual general meeting may also conduct any other business, which the meeting by majority vote agree to consider.

- 8.6.1.3 The business of an Annual General Meeting shall include:
  - 8.6.1.3.1 the presentation and adoption of the Annual Report of the Chairperson;
  - 8.6.1.3.2 the consideration of the Annual Financial Statements;
  - 8.6.1.3.3 the election of members to serve on the Management Committee for the following year;
  - 8.6.1.3.4 an independent accountant shall be appointed to audit the financial affairs;
  - 8.6.1.3.5 other matters as may be considered appropriate.
  
- 8.6.2 Other General Meetings
 

In addition to the AGM, at least two other meetings per annum shall be held. Other General Meetings of the Foundation shall be convened at any time by the Chairperson or at the written request of

  - 8.6.2.1 the Management Committee;
  - 8.6.2.2 the lesser of one quarter ( $\frac{1}{4}$ ) or twenty five 25 of the members of the Foundation.
  - 8.6.2.3 Any General Meeting other than the Annual General Meeting shall be convened on not less than twenty one (21) days written notice to all members. The notice shall state the date, time and place of the meeting and in broad terms the business to be transacted at the meeting: provided that: should the Chairperson, having been requested to give such notice, fail to give it within seven (7) days of the request, the persons requesting the meeting shall be entitled themselves to give notice of and to convene the meeting.
  - 8.6.2.4 Special General Meetings
 

A special general meeting, of which not less than fourteen (14) days notice shall be given, shall be called by the chairman or the committee, or in response to a written request, signed by not less than twenty per cent of the total number of members in good standing, within seven days (7) of the receipt by the secretary of such a written request. The notice convening the meeting shall state the business to be discussed and no other business shall be discussed thereat.
  
- 8.6.3 Quorum
  - 8.6.3.1 A quorum constituting a General Meeting of the Foundation shall be the lesser of
    - 8.6.3.1.1 twenty (20) members; or
    - 8.6.3.1.2 one quarter ( $\frac{1}{4}$ ) of the members.
  - 8.6.3.2 Should any General Meeting have been properly convened but no quorum be present, the meeting shall stand adjourned to another date, which shall be within fourteen (14) days thereafter. The notice reflecting such adjournment shall be given to the persons and in the manner provided for in the Constitution. At such reconvened General Meeting, the members then present or represented shall be deemed to constitute a quorum.
  
- 8.6.4 Resolutions and Voting
  - 8.6.4.1 At all General Meetings, a resolution put to the vote shall be decided by means of a show of hands or by ballot. A vote by ballot shall be held only if demanded by the Chairperson or not less than one third ( $\frac{1}{3}$ ) of the persons voting in person or by proxy. The result of the vote shall be the resolution of the meeting.
  - 8.6.4.2 Each member present or represented at such meeting shall be entitled to one (1) vote.
  - 8.6.4.3 Questions arising shall be decided by a majority of votes. Should there be an equality of votes the Chairperson shall have a casting or second vote.
  
- 8.6.5 Minutes
 

Proper minutes shall be kept of the proceedings of all General Meetings, and a record of the persons present at each meeting. The minutes shall be signed by the chairperson of the meeting, and shall be available for inspection or copying by any member on two (2) days notice to the Secretary or his or her deputy.
  
- 8.6.6 Powers

Subject to the provisions of Clause 8.1.1.2 above, a duly convened General Meeting of the Foundation, at which a quorum is present, is competent to carry out all the objectives and to exercise all the powers of the Foundation as set out in the Constitution.

#### 8.8 Procedure at Meetings

- 8.1 The chairman, or if absent any designated member of the committee, shall preside at all meetings.
- 8.2 All voting shall be by a show of hands unless a secret ballot is requested by more than ten members. The chairman shall be entitled to a casting vote.
- 8.3 Voting by proxy shall be permitted.
- 8.4 The quorum at an annual general meeting or special general meeting shall not be less than twenty per cent of the members in good standing. Should this number not be present, a second meeting shall be called within seven (7) days and the number present at that meeting shall constitute a quorum.
- 8.5 Proper records of proceedings shall be kept.

#### 8.9 Powers and Duties of the Committee

- The committee shall
  - 8.9.1 administer the Foundation,
  - 8.9.2 appoint sub-committees, individuals, consultants or professional staff
  - 8.9.3 open and operate bank accounts, invest and deal in monies in such a manner as it may determine in pursuit of the Foundation's aims,
  - 8.9.4 administer assets on behalf of the Foundation,
  - 8.9.5 appoint a bookkeeper / auditor and ensure that proper accounts and records are kept,
  - 8.9.6 ensure that the constitution is upheld,
  - 8.9.7 appoint patrons and honorary members, and award the Foundation's silver medal.

#### 8.10 Notices

- 8.10.1 Notice of all meetings provided for in the Constitution, shall be delivered personally, or sent by prepaid post, to the last address notified by each person concerned to the Foundation, or in any other manner as the Management Committee may declare from time to time.
- 8.10.2 The accidental omission to address notice/s to any person shall not invalidate the proceedings of any meeting.
- 8.10.3 If posted, notices shall be deemed to have been received seven (7) days after posting.

### 9. FINANCIAL MATTERS

#### 9.1 Subscriptions

- 9.1.1 Subscriptions shall be determined by the committee as defined from time to time.
- 9.1.2 Subscriptions for each financial year shall be payable by members before the end of that year.

#### 9.2 Bank Account

The Management Committee shall open a bank account in the name of the Foundation with a registered Bank or Building Society. The Management Committee shall ensure that all moneys received by the Foundation are deposited in the above-mentioned bank account as soon as possible after receipt.

#### 9.3 Signatures

All cheques, promissory notes and other documents requiring signature on behalf of the Foundation shall be signed by two (2) of the Management Committee members.

- 9.4           Financial Year End  
The financial year of the Foundation shall commence on 1 January and end on 31 December of the same year.
- 9.5           Financial Records  
The Management Committee shall ensure that the Foundation keeps proper records and books of account which fairly reflect the affairs of the Foundation
- 9.6           Annual Narrative Report and Financial Statements
- 9.6.1         The Management Committee shall ensure that the Foundation prepares an annual narrative report describing the Foundation's activities and an Annual Financial Statement for each financial year. The Annual Financial Statements shall conform to generally accepted accounting principles and shall include a statement of income and expenditure and a balance sheet of assets and liabilities.
- 9.6.2         Within two (2) months after drawing up the Annual Financial Statements, the Management Committee shall ensure that:
- the Foundation arranges for an accounting officer to certify that the annual financial statements are consistent with the financial records of the Foundation and that its accounting policies are appropriate and have been appropriately applied in the preparation of its financial statements.
- OR
- the books of account and financial statements are audited and certified in the customary manner by an independent practising chartered accountant.
- 9.6.3         A copy of the Annual Financial Statements and annual narrative report shall be made available to all members as soon as possible after the close of the financial year.
10.           AMENDMENTS TO THE CONSTITUTION AND DISSOLUTION
- The terms of this Constitution may be amended, the name of the Foundation may be changed and the Foundation may be dissolved by resolution of sixty six per cent (66%) of the members present at a General Meeting, provided that proper notice of the meeting is given not less than twenty-eight (28) days prior to the date of the Meeting and such notice states the nature of the resolution to be proposed.
11.           INDEMNITY
- 11.1         Subject to the provisions of any relevant statute, members of the Management Committee and other office bearers shall be indemnified by the Foundation for all acts done by them in good faith on its behalf: It shall be the duty of the Foundation 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 him or her, in his or her said capacity, in the discharge, in good faith, of his or her duties on behalf of the Foundation.
- 11.2         Subject to the provisions of any relevant statute, no member of the Management Committee and or other office bearer of the Foundation shall be liable for the acts, receipts, neglects or defaults of any other member or office bearer, or for any loss, damage or expense suffered by the Foundation, which occurs in the execution of the duties of his or her office, unless it arises as a result of his or her dishonesty, or failure to exercise the degree of care, diligence and skill required by law.
12.           DISPUTES

- 12.1 In the event of a serious disagreement between the members of the Management Committee and/or the Foundation regarding the interpretation of this constitution then any two (2) Management Committee members or any five (5) members of the Foundation shall be entitled to declare a dispute. Such declaration shall be in writing, state the issue in dispute, and be addressed to the Management Committee.
- 12.2 The Management Committee shall consider such declaration within two (2) weeks of receiving it. Should the Management Committee not be able to resolve the dispute to the satisfaction of the person(s) declaring it, the dispute shall be referred either to a mediator or arbitrator.
- 12.3. Should the dispute be referred to a mediator, the person(s) declaring the dispute and the Management Committee must agree on a suitable mediator and to the costs of such mediation. A mediator may recommend an appropriate resolution of the dispute.
- 12.4 In the absence of agreement regarding a mediator or should mediation not resolve the dispute, the dispute shall be referred to arbitration. The arbitrator shall be such suitably qualified person/s as the person(s) declaring the dispute and the Management Committee may mutually agree. Alternatively, each of the parties shall be entitled to nominate one arbitrator, who shall act jointly with a third person to be nominated jointly by the respective nominees of the parties; on the basis that a majority decision of the appointed arbitrators shall be final and binding.
- 12.5 The arbitration shall be held on an informal basis, and the arbitrator shall have the power to determine the procedure to be adopted subject to principles of natural justice.
- 12.6 The arbitrator may base her/his award not only upon the applicable law but also upon the principles of equity and fairness.
- 12.7 The person(s) declaring the dispute and the Management Committee, beforehand, may agree to share the costs of the arbitration. In the absence of such agreement the arbitrator shall decide which parties shall be liable for the costs.
- 12.8 The decision of the arbitrator shall be final and binding upon all parties and capable of being made an Order of Court on application by any of them.

END.

L. Hattingh (Chairman)

R. Rode (Secretary)

## SCHEDULE A

### REQUIREMENTS OF THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE FOR EXEMPTION FROM TAXES AND DUTIES

As provided for in Clause 5.3 of this Constitution, the Association intends to apply to the Receiver of Revenue for the exemption from appropriate taxes and duties. In compliance with the anticipated requirements of the Commissioner in respect of such exemptions, the following provisions shall bind the Association:

1. In the case of a PBO seeking an exemption from income and other related taxes only, in terms of section 10(l)(cN) of the Income Tax Act, as amended:

Carry out all its public benefit activities in accordance with section 30 of the Income Tax Act.

Or

In the case of a PBO seeking a section 10(1)(cN) exemption from income and other related taxes and donor deductible status in terms of sections 10(1)(cN) and 18A, respectively, of the Income Tax Act, as amended:

Carry on its public benefit activities in the Republic.

2. Only in the case of a PBO which provides funds solely to any income tax exempt PBO seeking a section 10(1)(cN) exemption from income and other related taxes only and section 18A donor deductible status, as described in section 18A(l)(b) of the Income Tax Act, as amended.

During the year of assessment preceding the year of assessment during which the donation is received, distribute or incur the obligation to so distribute at least 75% of the funds received. Provided that the Minister may on good cause shown and subject to such conditions as he or she may determine, either generally or in a particular instance, waive, defer or reduce the obligation to distribute at least 75% of its funds having regard to the public interest and the purpose for which the relevant organisation wishes to accumulate those funds.

3. Carry on its public benefit activities in a non-profit manner.
4. Comply with such conditions, if any, as the Minister may prescribe by way of regulation to ensure that the activities and resources of the organisation are directed in the furtherance of its objects.
5. Submit to the Commissioner a copy of and a copy of any amendment to the Constitution, Will or other written instrument under which it has been established.
6. Be required to have at least three persons, who are not connected persons in relation to each other, to accept the fiduciary responsibility of the organisation and no other single person directly or indirectly controls the decision making powers relating to that organisation: Provided that the provisions of this sub-paragraph shall not apply in respect of any trust established in terms of a will of any person who died on or before 31 December 2003.
7. In the event of the Association investing funds, invest such funds:
  - 7.1. with a financial institution as defined in section 1 of the Financial Services Board Act, 1990 (Act No. 97 of 1990); and/or
  - 7.2. in securities listed on a stock exchange as defined in section 1 of the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985); and/or
  - 7.3. in such other prudent investments in financial instruments and assets as the

Commissioner may determine after consultation with the Executive Officer of the Financial Services Board and the Director of Non-Profit Organisations; provided that the provisions of this sub-paragraph do not prohibit any such organisation from retaining any investment (other than any investment in the form of a business undertaking or trading activity or asset which is used in such business undertaking or trading activity) in the form that it was acquired by way of donation, bequest or inheritance.

8. Be prohibited from carrying on any business undertaking or trading activity, otherwise than to the extent that:
  - 8.1 the gross income derived from such business undertaking or trading activity does not exceed the greater of:
    - 8.1.1 fifteen per cent (15%) of the gross receipts of such public benefit organisation; or
    - 8.1.2 twenty five thousand Rand (R 25 000);
  - 8.2 the undertaking or activity is:
    - 8.2.1 integral and directly related to the sole object of such public benefit organisation; and
    - 8.2.2 carried out or conducted on a basis substantially the whole of which is directed towards the recovery of cost, and which would not result in unfair competition in relation to taxable entities
  - 8.3 the undertaking or activity, if not integral and directly related to the sole object of such public benefit organisation as contemplated in clause 8.2.1, is of an occasional nature and undertaken substantially with assistance on a voluntary basis without compensation; or
  - 8.4 the undertaking or activity is approved by the Minister by notice in the Gazette, having regard to:
    - 8.4.1 the scope and benevolent nature of the undertaking or activity;
    - 8.4.2 the direct connection and interrelationship of the undertaking or activity with the sole purpose of the public benefit organisation;
    - 8.4.3 the profitability of the undertaking or activity; and
    - 8.4.4 the level of economic distortion that may be caused by the tax-exempt status of the public benefit organisation carrying out the undertaking or activity.
9. 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 misrepresentation with regard to the tax deductibility thereof in terms of section 18A; provided that a donor (other than a donor which is an approved public benefit organisation or an institution, board or body which is exempt from tax in terms of section 10(1)(cA)(i), which has as its sole or principal object the carrying on or 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.
10. Ensure that it is not knowingly a party to, and does not knowingly permit itself to be used as part of 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, but for such transaction, operation or scheme, would have been or would have become payable by any person under the Act or any other Act administered by the Commissioner.
11. Has not and will not pay any remuneration as defined in the Fourth Schedule, to any employee, office bearer, member or other person, which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered and has not and will not economically benefit any person in a manner which is not consistent with its objects.

12. Comply with such reporting requirements as may be determined by the Commissioner.
13. Take reasonable steps to ensure that the funds, which it may provide to any association of persons, as contemplated in section 30(b)(iii) of the Act are utilised for the purpose for which they are provided.
14. Become registered in terms of section 13(5) of the Non-Profit Organisations Act, 1997 (Act No. 71 of 1997), within such period as the Commissioner may determine, and comply with any other requirements imposed in terms of that Act, unless the Commissioner in consultation with the Director or Non-Profit Organisations designated in terms of section 8 of the Non-Profit Organisations Act, 1997, on good cause shown, otherwise directs.
15. Has not and will not use its resources directly or indirectly to support, advance or oppose any political party.
16. Ensure that any books of account, records or other documents relating to its affairs are:
  - 16.1 where kept in book form, retained and carefully preserved by any person in control of the organisation, for a period of at least four years after the date of the last entry in any such book; or
  - 16.2. where not kept in book form, are retained and carefully preserved by any person in control of the organisation, for a period of four years after the completion of the transaction, act or operation to which they relate.

-----

## SCHEDULE B

### GENERAL ADMINISTRATIVE AND INVESTMENT POWERS

1. To employ staff and hire professional and other services.
2. To institute or defund any legal or arbitration proceedings and to settle any claim; made by or against the Association
3. To open and operate accounts with registered banks and building societies.
4. To make and vary investments and re-invest the proceeds of such investments on condition that any investments made by the Association shall be with Financial Institutions as defined in Schedule A Clause 7 above.
5. To accept donations made to the Association and retain them in the form in which they are received, or sell them and re-invest the proceeds.
6. With regard to movable and immovable property and tangible and intangible assets of whatsoever nature:
  - 6.1. to purchase or acquire property and assets;
  - 6.2. to maintain, manage, develop, exchange, lease, sell, or in any way deal with the property and assets of the Association;
  - 6.3. to donate and transfer the property and assets of the Association to organisations with the same or similar objectives and the same exemptions from taxes and duties to those of the Association.
7. To borrow and to use the property or assets of the Association as security for borrowing;
8. To guarantee the performance of contracts or obligations of any person on condition that any such person is primarily engaged in activities which further the objectives of the Association.
9. To execute any act or deed in any deeds registry, mining titles or other public office.
10. To work in collaboration with other organisations and to amalgamate with any organisation with the same or similar objectives and the same exemptions from taxes and duties to those of the Association.
11. To exercise all the management and executive powers that are normally vested in the Board of Directors of a Company.
12. To exercise all the powers and authority of the Association not only in the Republic of South Africa but also in any other part of the world.

-----