

REPUBLIC OF SOUTH AFRICA
COMPANIES ACT, 1973

MEMORANDUM OF ASSOCIATION
OF A COMPANY NOT HAVING A SHARE CAPITAL

Section 54(1); regulation 17(3)

REGISTRATION No.
2002/017057/08

The financial year of the company is from the first day of July to the last day of June of each year.

1 NAME

1.1 The name of the company is:-

**KOGELBERG BIOSPHERE RESERVE
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

1.2 The name of the company in another official language of the Republic is:

**KOGELBERG BIOSFEER RESERVAAT
(VERENIGING INGELYF KRAGTENS ARTIKEL 21)**

2 PURPOSES DESCRIBING MAIN BUSINESS

The main business of the company is :

- Education, training, marketing and publicity of the Kogelberg Biosphere Reserve.
- Supporting and coordinating sustainable development initiatives in the socio-economic, service delivery and conservation fields.
- Promoting and exchanging biosphere reserve research and planning knowledge.

3 MAIN OBJECT

The main object of the company is to manage The Kogelberg Biosphere Reserve in accordance with UNESCO's Man and the Biosphere program.

4 ANCILLARY OBJECTS EXCLUDED

The ancillary objects referred to in Section 33(1) of the Companies Act, 1973 ("the Act") which are excluded from the unlimited ancillary objects of the company are all ancillary objects that are not in accordance with the main object of the company.

5 POWERS

5(a) The specific powers or part of any specific powers which are excluded from the plenary powers of the company as set out in Schedule 2 of the Act are as follows:-

Power(s). The company shall not be entitled to distribute in specie or in kind any of its assets among its members.

5(b) The specific powers or part of any specific powers of the company set out in Schedule 2 to the Act, which are qualified under Section 34 of the Act, are as follows:-

5.1 Powers (a), (b), (d), (f) and (e) will only be exercised in the furtherance of the company's main object.

5.2 Power (g) to be modified to read as follows:

"Funds available for investment may only be invested:

5.2.1 with financial institutions as defined in section 1 of the Financial Institutions (Protection of Funds) Act, 28 of 2001;

5.2.2 in securities listed on a stock exchange as defined in section 1 of the Security Services Act, 2004 36 of 2004; or

5.2.3 in such other prudent investments in financial instruments and assets as the Commissioner: South African Revenue Services ("the Commissioner") may determine after consultation with the Executive Officer of the Financial Services Board and the Director of Non-Profit Organizations,

provided that the provisions of this paragraph shall not prohibit the company 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."

5.3 Power (k) to be modified to read as follows:

"To form and to have an interest in any company (or companies or associations) having the same or similar objects to the company and which is also exempt from income tax in terms of section 10(1)(cN), read with section 30 of the Income Tax Act, No 58 of 1962 ("the Tax Act") for the purpose of acquiring the undertaking or all or any of the assets or liabilities of that company or companies or associations or

for any other purpose which may seem, directly or indirectly, calculated to benefit the company, and to transfer to any such company or companies or associations the undertaking or all or any assets or liabilities of the company.”

5.4 Power (l) to be modified to read as follows:

“To amalgamate with other companies, having the same or similar objects to the company, which are also exempt from income tax in terms of section 10(1)(cN) read with section 30 of the Income Tax Act, or its successor.”

5.5 Power (m) to be modified to read as follows:

“To take part in any management, supervision and control of the business or operations of any other company or business having the same or similar objects as the company and to enter into partnerships having the same or similar objects as the company, provided that such other companies or associations should also be exempt from income tax in terms of section 10(1)(cN) read with section 30 of the Income Tax Act, or its successor”

5.6 Power (n) to be modified to read as follows:

“To remunerate any person or persons in cash or otherwise for services rendered in its formation or in the development of its business; provided that such remuneration shall not be excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered.”

5.7 Power (o) to be modified to read as follows:

“To make donations in the furtherance of the company’s main object (excluding donations to its members and/or directors) to other companies, institutions and organizations having the same or similar objects to that of the company and which is exempt from income tax in terms of section 10(1)(cN) read with section 30 of the Income Tax Act, or its successor.”

5.8 **Power (r) to be modified to read as follows:**

"To pay gratuities and pensions and establish pension schemes and other incentive schemes in respect of its members, officers and employees."

6 **CONDITIONS**

The special conditions, which apply to the company, are as follows:

- 6.1 The income and property of the company howsoever derived shall be applied solely towards the promotion of its main object or be invested and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus, or otherwise whatsoever, to the members of the company or to its holding company or subsidiary or to any person otherwise than in the course of undertaking its public benefit activities: Provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration to any officer or servant of the company or to any member thereof in return of any services actually rendered to the company.
- 6.2 Upon its winding-up, deregistration or dissolution the assets of the company remaining after the satisfaction of all its liabilities, shall be given or transferred to some other association or institution or associations or institutions having objects similar to the company's main object, to be determined by the members of the company at or before the time of its dissolution or, failing such determination, by the court provided that such other association or institutions shall be exempt from income tax in terms of section 10(1)(cN) read with section 30 of the Income Tax Act, or its successor.
- 6.3 The company shall not carry on any business undertaking or trading activity, otherwise than to the extent that:

- 6.3.1 the gross income derived from such business undertaking or trading activity does not exceed the amounts set out in section 30(3)(b) of the Income Tax Act or its successor;
- 6.3.2 the undertaking or activity is:
 - 6.3.2.1 integral and directly related to the sole object of the company; and
 - 6.3.2.2 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.
- 6.3.3 the undertaking or activity, if it does not fall within 6.3.2 because it is not integral and directly related to the sole object of the company, is of an occasional nature and undertaken substantially with assistance on voluntary basis without compensation; or
- 6.3.4 the undertaking or activity is for purposes of income tax exemption approved by the Minister of Finance by notice in the Gazette.
- 6.4 The company is 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 of the Income Tax Act or its successor. 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.
- 6.5 The company shall submit copies of any amendments to its Memorandum or/and Articles of Association to the Commissioner: South African Revenue Services ("SARS") and the Director: Non-profit Organizations.

- 6.6 The company shall not knowingly be a party to or 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 Income Tax Act or any other Act administered by the Commissioner: SARS.
- 6.7 The company shall not pay any remuneration 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.
- 6.8 The company shall comply with such reporting requirements as may be determined by the Commissioner: SARS.
- 6.9 The company shall register in terms of section 13(5) of the Non-profit Organizations Act, 1997 (Act No. 71 of 1997), and comply with any other requirements imposed in terms of that Act.
- 6.10 All financial transactions of the company shall be conducted by means of a banking account.
- 6.11 Any books of account, records or other documents relating to the company must, regardless of whether such documents are kept in book form or not, be retained and carefully preserved by the directors for a period of five years after the date of the last entry in any book or document.

7 GUARANTEE

- 7.1 The liability of members is limited to the amount referred to in paragraph 7.2.
- 7.2 Each member undertakes to contribute to the assets of the Association in the event of it being wound up while he is a member or within one year

afterwards, for payment of the debts and liabilities of the Association contracted before he ceased to be a member, and of the costs, charges and expenses of the winding-up, and for adjustment of the rights of the contributories among themselves (in addition to unpaid levies owing by him to the Association) of an amount of R10,00 (ten rand).