
Companies and Intellectual Property Commission

Republic of South Africa

Memorandum of Incorporation

Of

**ASSOCIATION OF CERTIFIED FRAUD EXAMINERS SOUTH AFRICA CHAPTER
NPC**

Registration Number: 1999/014890/08

Hereafter referred to in the rest of this Memorandum of Incorporation as “the Chapter”.

Article 1. Interpretation

In this Memorandum of Incorporation, if any provisions are in any way inconsistent with the unalterable provisions of the Companies Act, the provisions of the Companies Act shall prevail, and unless the context otherwise requires:

- 1.1. “Act” or “Companies Act” – means the Companies Act, No. 71 of 2008 of the Republic of South Africa as amended;
- 1.2. “Association” – means the Association Of Certified Fraud Examiners, Inc, a corporation organized under the laws of the state of Texas, United States of America;
- 1.3. “Chapter” – means the Association Of Certified Fraud Examiners South Africa Chapter NPC, Registration Number: 1999/014890/08;
- 1.4. “MOI” – means this Memorandum of Incorporation;
- 1.5. “Board” – means the Board of Directors of the Chapter;
- 1.6. “CEO” – means the Chief Executive Officer and Executive Director of the Chapter;
- 1.7. “Chairperson” – means the Chairperson of the Board and the President of the Chapter;
- 1.8. “President” – means the Chairperson of the Board;
- 1.9. “Immediate Past President” – means the Individual who fulfilled the role of President immediately prior to the current incumbent;
- 1.10. “Lead Independent Director” – means an independent Director who is elected by the Board to act as Chairperson in the event that the Chairperson is unavailable and who is also known as the Vice-President;
- 1.11. “Vice-President” – means the Lead Independent Director;
- 1.12. “Individual” – means a natural person;

- 1.13. "CFE" – means any Individual who has been awarded the Certified Fraud Examiner credential by the Association and whose membership of the Association and Chapter is in good standing;
- 1.14. "Vote" or "Voting" – means a formal indication of course of action expressed typically by show of hands or ballot;
- 1.15. "Section/s" – means the sections of the Companies Act unless the context indicates otherwise;
- 1.16. Headings are for reference purposes only and shall not affect the interpretation of this MOI;
- 1.17. Words in the singular number shall include the plural, and words in the plural number shall include the singular, words importing the masculine gender shall include the female gender, and words importing persons shall include created entities (corporate or not);
- 1.18. Words that are defined in the Companies Act bear the same meaning in this MOI as in that Act;
- 1.19. If any term is defined within the context of any particular clause in the MOI, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this MOI, notwithstanding that that term has not been defined in this interpretation provision.

Article 2. Objects of the Chapter

The Chapter is a Non-Profit Company with Members with the following main object:

To promote and protect the interests of the Chapter and its Members, to encourage co-operation and to deal with all such matters as may affect their common interests in respect of fraud examination. This object shall be carried out by, *inter alia*:

- 2.1. promoting a high standard of quality, design and workmanship in the fraud examination profession, and providing for the certification of fraud examiners;
- 2.2. providing training and education in respect of fraud examination and investigation;
- 2.3. collecting and disseminating information likely to be of use to the Chapter's Members;
- 2.4. providing opportunities for Members to adhere to the Continuous Professional Education (CPE) requirements set by the Association while ensuring that training can adhere to national and international qualification recognition requirements where so required;
- 2.5. holding Members accountable to the ACFE Code of Ethics and Professional Standards and taking appropriate disciplinary action when required;
- 2.6. promoting the fraud examination profession, by advertisement, publicity campaigns, exhibitions, or otherwise;
- 2.7. promoting, supporting or opposing, as may be deemed expedient, legislative or other measures affecting the interests of the Chapter or its Members;
- 2.8. conferring with the Government, Provincial Administration or local authorities and their departments and all other interested bodies of concern, or likely to be of concern to the Association;
- 2.9. providing legal assistance to Members where deemed necessary;
- 2.10. being a local chapter for the Southern African region of the Association and abiding by the Association's code of ethics; and

- 2.11. affiliating to any association or organisation as may be decided upon by the Chapter from time to time;
- 2.12. establishing, maintaining or assisting in the establishment or maintenance of any fund or committee formed, or which may be formed, for the protection of the interests of the Chapter or its Members, or for the protection and benefit of employees, or for the benefit and protection of the joint interests of employers and employees in the fraud examination profession; and
- 2.13. doing all other lawful things as may be in the interests of the Chapter and its Members.

Article 3. Adoption of Memorandum of Incorporation

This amended MOI was adopted by the Voting Members of the Chapter, in accordance with section 16(1) (c) of the Act.

Article 4. Incorporation

- 4.1. The Chapter was incorporated as a non-profit company, as defined in the Act.
- 4.2. The Chapter was incorporated in accordance with, and is governed by:
 - i) the unalterable provisions of the Act that are applicable to non-profit companies;
 - ii) 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
 - iii) the provisions of this MOI.

Article 5. Objects and Powers of the Chapter

- 5.1. The object of the Chapter is as set out in Article 2 of this MOI, and substantially the whole of the activities of the Chapter shall be directed to the furtherance of its principal object and not for the specific benefit of an individual Member or minority group.
- 5.2. The Chapter shall have all the legal powers and capacity of an individual:
 - i) provided that these powers may only be exercised in pursuing its stated object;
 - ii) except to the extent that a juristic person is incapable of exercising such a power or having such a capacity; and
 - iii) subject to the restrictive conditions and other limitations or qualifications, as are contained in this MOI.
- 5.3. The powers of the Chapter may only be executed in accordance with the main object of the Chapter.
- 5.4. The Chapter may not:
 - i) grant to any Member any direct or indirect personal or private interest in the Chapter;
 - ii) have a share or other interest in any business, profession or occupation carried on by any of its Members;
 - iii) 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 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.

- iv) amalgamate or merge with, or convert to, a profit company; or
- v) 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 the Chapter.

5.5. The Chapter 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.

5.6. No Members and/or Director shall use the Chapter to gain personal benefit in any contract concluded with third parties.

5.7. With respect to companies with objects similar to those of the Chapter, which are within the Republic of South Africa and are approved by the South African Revenue Service in terms of section 30B of the Income Tax Act for the purposes of section 10(1)(d)(iv) of such Act, the Chapter has the power to:

- 5.7.1. Form and to have an interest in such companies;
- 5.7.2. Acquire all or any of the assets or liabilities of such companies
- 5.7.3. Transfer all or any assets or liabilities of this Chapter to such companies;
- 5.7.4. Amalgamate with such companies;
- 5.7.5. Take part in management, supervision and control of such companies.

Article 6. Amending Memorandum of Incorporation

6.1. This MOI of the Chapter may be altered or amended in the manner set out in sections 16, 17, 60 or 152(6) (b), provided that any amendment under section 16 shall require that if the Chapter 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 the amendment.

6.2. The Chapter 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.

Article 7. Members of the Chapter

7.1. As contemplated in Item 4 (1) of Schedule 1 of the Act, the Chapter has Members.

7.2. Any individual who is employed or practices as a fraud examiner or practices in a similar profession and makes a written application to become a Member of the Chapter and who subscribes to the objects of the Chapter can apply to be a Member of the Chapter (“applicant”) where:

- 7.2.1. All applicants are subject to the approval by the Chapter and the Board;
- 7.2.2. An applicant shall not be admitted if they have been expelled from the Chapter, Association or any other chapter of the Association;
- 7.2.3. All applicants shall complete and submit a written application, pay applicable membership fees and agree to be bound by this MOI and the operational guidelines established by the Chapter.

7.3. Members are in two classes:

7.3.1. Voting Members: CFE Members who pay an annual contribution of such amount as the Board may determine from time to time and who are afforded the right to vote; and

7.3.2. Non-Voting Members: Members, who are not CFE Members, who pay an annual contribution of such an amount as the Board may determine from time to time and who are not afforded the right to vote.

7.4. A Member will ipso facto cease to be a Member of the Chapter:

7.4.1. if their estate is finally sequestrated;

7.4.2. if they are placed under curatorship;

7.4.3. if they are removed as a Director by a majority of the Members;

7.4.4. if they are removed as a Member by the Board;

7.5. If a Member resigns, such resignation:

7.5.1. Shall be done so by notice in writing to the Chapter;

7.5.2. Shall only become effective once accepted by the Chapter;

7.5.3. Shall not relieve the resigning Member from the payment of dues for the expired portion of the current financial year, or give any right to rebate for dues paid, or any right to prorated share or any other of the assets of the Chapter.

7.6. An Individual shall cease to be a Member on their death.

7.7. A Member may be fined, suspended, or expelled from the Chapter by the Board for being in arrears with membership fees for more than 60 days, failing to uphold the Code of Ethics and Professional Standards of a Certified Fraud Examiner, acting against the interests of the Chapter or its Members or any other reason which in the opinion of the Board may be reasonable under the circumstances. In such case:

7.7.1. Written notice shall be delivered to the Board and the Member concerned not more than seven days after the date of fining, suspending or expelling;

7.7.2. The Member concerned shall be entitled to appeal to the Association, which will make the final ruling on the matter.

Article 8. Rights of Members

8.1. If, at any time, every Member is also a Director, as contemplated in Section 57 (4), the authority of the Members to act without notice or compliance with any other internal formalities, as set out in that section is not limited or restricted by this MOI.

8.2. The right of a Voting Member to appoint proxies, as set out in Section 58 (3) is limited, restricted or varied as follows:

8.2.1. A Voting Member may only appoint one Individual as a proxy.

8.2.2. A proxy may not delegate the proxy's authority to act on behalf of the Voting Member to another Individual.

8.2.3. The form appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarial certified copy of such power or authority will be deposited at the registered office

of the Chapter not less than twenty-four hours (or such lesser period as the Directors may unanimously determine in relation to any particular meeting) before the time for holding the meeting (including an adjourned meeting) at which the Individual named in the form proposes to vote, and in default the form of proxy will not be treated as valid.

8.2.4. A proxy is not entitled to exercise, or abstain from exercising, any voting right of the Voting Member without direction.

8.2.5. The proxy form submitted will be deemed to be the actual vote of the Voting Member.

8.3. If, at any time the Board fails to determine a record date, as contemplated in section 59, the record date for the relevant matter is as determined in accordance with section 59 (3).

8.4. Members have a right to request access to and have changes made to any of their own personal information kept by the Chapter.

8.5. The Chapter shall not disclose a Member's personal information to any other Member or 3rd party without the written consent from the Member whose personal information is being requested.

8.6. Members may request a list of documents regarding the Chapter from the Chapter's Chief Executive Officer and such documents shall be provided should it be relevant and within the guidelines of the Chapter's policies.

8.7. The Chapter may decline a Member's request for a document regarding the Chapter, should it affect any other Member negatively due to the nature of their work in terms of Section 33 and 36 of the South African Constitution.

Article 9. Member Meetings

9.1. The Chapter is not required to hold any Members' meetings, other than those specifically required by the Companies Act, 2008.

9.2. The right of Voting Members to requisition a meeting, as set out in Section 61 (3), may be exercised by at least 10% of Voting Members, as provided for in that section.

9.3. The Board may determine the location of any Members meeting.

9.4. The Chapter may conduct a meeting entirely by electronic communication, or provide for participation in a meeting by electronic communication, as set out in Section 63.

9.5. The quorum requirement for a Member meeting to begin is 10% of the Voting Members or 30 Voting Members whichever is the lower, provided that there will never be fewer than 3 Voting Members present.

9.6. After a quorum has been established for a meeting, or for a matter to be considered at a meeting, the meeting may continue, or the matter may be considered, so long as at least one Member with voting rights entitled to be exercised at the meeting, or on that matter, is present at the meeting.

9.7. The maximum period allowable for adjournment of a Members meeting is 90 days

9.8. For an ordinary resolution to be adopted at a Members meeting, it must be supported by more than 50% of the Voting Members who voted on the resolution, as provided in Section 65 (7).

9.9. For a special resolution to be adopted at a Members meeting, it must be supported by more than 61% of the Voting Members who voted on the resolution, despite Section 65 (7).

9.10. The Members may consider a matter other than at a meeting, and the Voting Members may, instead of voting to make a decision at a meeting, adopt a decision by written consent of the Voting Members, given in person or by electronic communication, provided that each Voting Member has received notice of the matter to be decided upon. For a resolution to be adopted by written vote of Voting Members it must be supported by:

- i) more than 50% of the total number of Voting Members, in the case of an ordinary resolution; or
- ii) at least 61 % of the total number of Voting Members, 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 Voting Members.

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

Article 10. Appointment and removal: Directors and the Board

10.1. The Board will comprise of a minimum of four and a maximum of fifteen Directors, with no alternate Directors and at least three of the Directors shall not be connected persons' (as defined in the Income Tax Act) in relation to one another.

10.2. Unless otherwise decided by a meeting of Members any casual vacancy occurring in the Board may be filled by the Directors and the Board shall have the power at any time, and from time to time, to co-opt Non-Executive Directors, but not more than 50% of the Board in number, provided that, if the Voting Members do not ratify the appointment of the co-opted Directors at the next opportunity for voting by members, the term of service of the relevant co-opted Director/s shall end at that time.

10.3. Individuals shall satisfy the following requirements in order to be appointed as a Non-Executive Director:

10.3.1. They shall not be a director of any professional body in direct competition of the Chapter;

10.3.2. They shall be a Voting Member in good standing for a minimum of two consecutive years and demonstrate five years of relevant forensic experience, as determined by the Board.

10.4. Only Individuals who are Voting Members in good standing with both the local and the international chapter are eligible to be appointed as an Executive Directors.

10.5. The Chapter shall establish and adopt a nominations policy and procedure which provides standards and requirements for those who are appointed, includes consideration of the skills and qualifications which are needed by the Board at the relevant time, and works toward renewing and strengthening the Board, and a balance between retaining those with institutional memory and adding in those with new ideas.

10.6. Directors shall serve a maximum of six consecutive years, whereafter they shall not be eligible for re-election for two years and Directors shall not serve for more than nine years in total.

10.7. The appointment and resignation of Directors shall be staggered so that at least one third of the Directors retire each year.

10.8. The CEO is appointed *ex officio* and is not subject to a term of office.

- 10.9. Directors shall elect from their own number:
- 10.9.1. The Chairperson of the Board of Directors who is known as the President;
 - 10.9.2. The Lead Independent Director who is known as the Vice-President;
 - 10.9.3. Any other portfolios deemed appropriate by the Board.
- 10.10. The Immediate Past President shall automatically be appointed as a Non-Executive Director as soon as their term as President ends.
- 10.11. Directors may be removed in terms of Section 71 if:
- 10.11.1. They do not perform their duties and obligations in terms of the requirements set out in the Act, this MOI, the Chapter's rules or any as recorded in the Chapter's approved records; or
 - 10.11.2. Their estate is sequestrated or files an application for the surrender of their estate, makes an application for an administration order, or if they are declared insolvent as defined in the insolvency law for the time being in force, or if they make any arrangement or composition with his creditors generally; or
 - 10.11.3. They are found or declared to be of unsound mind; or
 - 10.11.4. They are removed by a resolution of the Chapter as provided in the Chapter rules; or
 - 10.11.5. They resign from office by notice in writing to the Chapter; or
 - 10.11.6. They no longer qualify as a Member; or
 - 10.11.7. They take a leave of absence for more than three consecutive months; or
 - 10.11.8. There is a disciplinary action brought against them and the matter has not been resolved within three months from the action date.

Article 11. Board meetings

- 11.1. The Board shall schedule their meetings in advance, by discussion and agreement at meetings of the Board. For additional/ unplanned meetings of the Board it shall be required that no fewer than 25% of the Directors (or at least two Directors, whichever is greater) shall be required to call an unplanned meeting of the Board.
- 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. The Chapter'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.
- 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:
- 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. The rules for Directors' meetings are as follows:

- 11.5.1. the Directors shall meet together not less often than quarterly for the dispatch of business but shall otherwise regulate their meetings as they think fit;
- 11.5.2. 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;
- 11.5.3. each Director shall have one vote on a matter before the Board, except as provided in 12.10;
- 11.5.4. except as otherwise provided in this document, a majority of the votes cast on a resolution will be sufficient to approve that resolution;
- 11.5.5. in the case of a tied vote, the Chairperson may cast a deciding vote, in addition to their deliberative vote.

11.6. The Board of Directors may consider a matter other than at a meeting, and the Directors may, instead of voting to make a decision at a meeting, adopt a decision by written consent of the Directors, given in person or by electronic communication, provided that each Director has received notice of the matter to be decided upon. For a resolution to be adopted by written vote of Directors it must be supported by more than 75% of the total number of Directors, in the case of an ordinary resolution. 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.

11.7. 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 or (in the view of the Board, a perceived personal interest) in that matter, the relevant Director shall:

- 11.7.1. immediately and in advance of the matter being dealt with, disclose the fact and nature of the personal financial interest or perceived interest;
- 11.7.2. inform the relevant meeting or electronic communication group or mailing list of material information and answer questions concerning the personal financial interest or perceived interest;
- 11.7.3. 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
- 11.7.4. not be entitled to vote on or sign any document in relation to the matter in which the personal financial interest arises.

11.8. The Chapter shall keep minutes of the meetings of the Board, and any of its committees, and include in the minutes:

- 11.8.1. 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
- 11.8.2. 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.

11.9. Copies of the minutes of every meeting shall be dispatched by the person appointed by the Board from time to time, to all Directors within one month of the holding of the meeting.

Article 12. Board Duties

12.1. The duties of the Directors shall include (but not be limited to) the following key areas:

- 12.1.1. having a working understanding of the objects of the Chapter and being familiar with the fundamentals of the projects and programmes in which the Chapter is engaged;

- 12.1.2. keeping informed about the activities of the Chapter and monitoring the organisational affairs, policies and compliance environment of the Chapter;
- 12.1.3. contributing meaningfully and effectively to devising and implementing the medium and long-term strategy of the Chapter;
- 12.1.4. acting in a manner that demonstrates an understanding of the various assurance providers to the Chapter and the Boards' accountability to stakeholders;
- 12.1.5. interrogating the financial statements and determining the financial performance of the Chapter, including its solvency and liquidity;
- 12.1.6. overseeing the Chapter's risk management policy and the implementation and the ongoing monitoring of risk management;
- 12.1.7. overseeing stakeholder policy implementation and reporting to funders and other stakeholders;
- 12.1.8. responding to strategic challenges in a creative, proactive and constructive manner; and
- 12.1.9. interacting with fellow Board members and management in a manner that is beneficial to the work of the Chapter.

Article 13. Accounting Records, Banking

- 13.1. The Directors shall cause accurate and complete records to be kept which enable the Chapter 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 the Chapter through any method or platform as the Directors agree from time to time.
- 13.3. The financial transactions of the Chapter shall be administered via one or more bank accounts which shall be opened in the name of the Chapter.

Article 14. Expenditure And Use Of Resources

- 14.1. The income and property of the Chapter, 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 the Chapter may be paid or transferred, directly or indirectly, to the Directors or persons appointing Directors of the Chapter; provided that this shall not prevent:
 - 14.1.1. the payment in good faith of reasonable remuneration to any officer or servant of the Chapter, for any services rendered to the Chapter;
 - 14.1.2. payment of an amount due and payable by the Chapter in terms of a bona fide agreement between the Chapter 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 the Chapter in order to advance a stated object of the Chapter; or
 - 14.1.4. payment in respect of any legal obligation binding on the Chapter.
- 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 the Chapter 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 the Chapter; and
 - 14.2.3. the provisions of clause 11.7 shall apply to any decision taken regarding remuneration for Directors, officers or their connected persons.
- 14.3. The Chapter shall not provide a loan to, secure a debt or obligation of, or otherwise provide direct or indirect financial assistance to a Director of the Chapter or of a related or inter-related Chapter, or to a person related to any Director, unless it:
- 14.3.1. is in the ordinary course of the Chapter's business and for fair value;
 - 14.3.2. constitutes an accountable advance to meet:
 - 14.3.3. legal expenses in relation to a matter concerning the Chapter; or
 - 14.3.4. anticipated expenses to be incurred by the person on behalf of the Chapter;
 - 14.3.5. is to defray the person's expenses for removal at the Chapter's request; or
 - 14.3.6. 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 the Chapter 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.

Article 15. Annual Financial Statements and Returns

- 15.1. The Chapter does not elect, in terms of section 34 (2), to comply voluntarily with the provisions of Chapter 3 of the Act but the Board may request an audit of the Chapter at its discretion.
- 15.2. The Directors shall, in accordance with sections 29 and 30 of the Act, cause to be prepared and laid before the Members of the Chapter the annual financial statements as are referred to in those sections which annual financial statements shall:
- 15.2.1. be prepared no longer than six months after the end of each financial year;
 - 15.2.2. if audited, include an auditor's report;
 - 15.2.3. include a report by the Directors as to the activities and financial state of the Chapter; and
 - 15.2.4. be approved by the Directors and signed by an authorised Director.
- 15.3. A copy of the annual financial statement shall, at least fifteen days prior to the relevant meeting, be sent to every Member of the Chapter.
- 15.4. The Chapter shall file annual returns:
- 15.4.1. with the Companies and Intellectual Property Commission within thirty business days of each anniversary of its date of incorporation; and
 - 15.4.2. for income tax with the Commissioner for South African Revenue Services,
 - 15.4.3. along with the payment, documents and information which may be required from time to time.

Article 16. Indemnification of Directors

- 16.1. If Directors or officers of the Chapter, or members of any committee of the Chapter:
- 16.1.1. defend any legal proceedings, whether civil or criminal, for any liability or charge arising from their position in or authorised actions on behalf of the Chapter; and

16.1.2. 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 the Chapter against costs arising from the defence of the proceedings and the company may advance to the Director funds to cover the legal costs of defending these proceedings.

16.2. The Chapter will indemnify Directors, officers or employees of the Chapter against personal liability for:

16.2.1. loss or expense incurred by the Chapter through the insufficiency or deficiency of any security in or upon which any of the funds of the Chapter are invested;

16.2.2. loss or damage arising from the bankruptcy, insolvency or delictual acts of any persons with whom monies, securities or effects are deposited; or

16.2.3. loss or damage occasioned by any error of judgment or oversight on their part; or

16.2.4. 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:

16.2.4.1. happened through their own gross negligence, gross default, gross breach of duty or wilful misconduct or wilful breach of trust; or

16.2.4.2. is a fine arising from conviction for an offence (provided that the Chapter 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 the Chapter).

16.3. The Chapter's Board of Directors may purchase insurance to protect the Chapter or Director, officer or employee against any liability for which the Chapter provides an indemnity.

Article 17. Remuneration of and Contracts with Directors

17.1. The Directors shall not be remunerated for their services as Directors but shall serve on the Board on a voluntary basis.

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

17.3. 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 .

17.4. The Chapter may pay any Director who serves on any committee or who devotes special attention to the business of the Chapter, 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.

17.5. Directors shall be entitled to contract with the Chapter and with any entity in which the Chapter 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

17.6. Directors shall be entitled to act in their professional capacity on behalf of the Chapter and perform professional services for the Chapter and to charge a reasonable fee therefor following pre-approval by the Board.

Article 18. Winding up, deregistration or dissolution

18.1. Upon its winding up, deregistration or dissolution no past or present Member or Director of the Chapter, or person appointing a Director of the Chapter, is entitled to any part of the net value of the Chapter, but the assets of the Chapter remaining after the satisfaction of all its liabilities shall be given or transferred to some other organisation or organisations to be determined by the Voting Members of the Chapter at or immediately before the time of its dissolution, or failing determination, by a court and which:

18.1.1. are non-profit,

18.1.2. have objects similar to its main object; and

18.1.3. is another entity approved in terms of section 10(1)(d)(iii) or (iv) of the Income Tax Act; or

if the Chapter is exempt from income tax, donations tax and estate duty, under the relevant laws of the country are public benefit organisations which have been approved in terms of section 30 of the Income Tax Act and are required to use those assets solely for purposes of carrying on one or more public benefit activities.