

Cotlands

Cotlands Constitution

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COTLANDS CONSTITUTION

1 Name

The organisation hereby constituted will be called **COTLANDS** (hereinafter referred to as “the organisation”).

2 Interpretation

- 2.1 In the interpretation of this Constitution, unless contrary to the context, words signifying the singular shall include the plural and vice versa and words signifying the masculine shall include the feminine and neutral.
- 2.2 The headings of this Constitution are for the purposes of reference and do not form part of this Constitution.
- 2.3 Generally, the widest possible interpretation shall be given to the terms and powers and authorities contained herein.
- 2.4 Notwithstanding the omission of any provisions from this Constitution, the organisation may do anything which is reasonable and necessary to enable it to pursue and realise the main and secondary objects.
- 2.5 The “Board” shall mean the Management Board.
- 2.6 The “Governance and Nominations Committee” shall mean the Management Governance and Nominations Committee.

3 Legal Entity

- 3.1 The organisation shall
 - 3.1.1 Exist in its own right, separately from its members and office-bearers.
 - 3.1.2 Continue to exist even when its membership changes and/or there are different office bearers.
 - 3.1.3 Be able to own property and other possessions.
 - 3.1.4 Be able to sue and be sued in its own name.
- 3.2 The Board (see Section 9.3 below) may institute, conduct, defend, compound or abandon any legal proceedings by or against the organisation or its officers, or otherwise concerning the affairs of the organisation.
 - 3.2.1 All legal actions, applications and/or proceedings brought by or against the organisation shall be in the name of the Chairperson of the Board (as defined in Section 9.3 below) on behalf of the organisation, and such Chairperson shall sign and execute all Power of Attorneys and all necessary deeds and documents in the premises for and on behalf of the organisation; as approved by the Board (refer Section 9.3 below).
 - 3.2.2 The Board may refer any claim or demand by or against the organisation to arbitration or for an appropriate dispute resolution process, and has the discretion to perform or refuse to perform the award.

4 Objectives of the Organisation

The organisation's main objectives are:

- 4.1 To independently establish and run play-based learning solutions for children between the ages of birth and 6 (six) years old.
- 4.2 To establish and/ or run play-based learning solutions for children between the ages of birth and six (6) years old, on behalf of or in partnership with other non-profit, public or private organisations; and
- 4.3 To build capacity for or on behalf of other non-profit, public or private organisations to deliver quality play-based early learning solutions.

5 Governing Statutes and Legal Registrations

- 5.1 The organisation is registered as a non-profit organisation in terms of Section 13 of the Non-profit Organisations Act No. 71 of 1997.
- 5.2 The organisation shall carry on its public benefit activities as defined in Section 30(1) of the Income Tax Act No. 58 of 1962 (hereinafter referred to as "the Income Tax Act"):
 - 5.2.1 In a non-profit manner and with an altruistic or philanthropic intent;
 - 5.2.2 Where no such activity is intended to directly promote the economic self-interest of any fiduciary or employee of the organisation, otherwise than by way of reasonable remuneration payable to that fiduciary or employee; and
 - 5.2.3 Where such activity is carried out by the organisation for the benefit of, or is widely accessible to, the sector of the general public referred to in Section 4 above.
- 5.3 The organisation is registered as a partial care facility pursuant to Section 80 of the Children's Act No. 38 of 2005 where toy library depots offer play;
- 5.4 The organisation's non-centre based early childhood development programmes are registered in terms of Section 80 of the Children's Act No. 38 of 2005, to be offered at toy libraries and other community sites not owned by the organisation.

6 Finances and Property

- 6.1 The financial year of the organisation ends on 31 March each year.
- 6.2 The income and property of the organisation however derived will be applied solely towards the promotion of the objectives of the organisation, as set forth in this Constitution, and no portion thereof will be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to any person; except where a legal contract governed by this Constitution creates a right or claim or where organisational policies govern such rights or claims.
- 6.3 All moveable and immovable property of the organisation will be vested in and registered in the name of the organisation itself.
- 6.4 Where the organisation provides funds or assets to any association of persons as contemplated in paragraph 10 of Part 1, the Ninth Schedule of the Income Tax Act, all reasonable steps will be taken to ensure that the funds are utilised for the purpose for which it has been provided.
- 6.5 The organisation may not knowingly be a party to, and may 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 Income Tax Act or any other Act administered by the Commissioner.

- 6.6 The organisation will not use its resources directly or indirectly to support, advance or oppose any political party.

7 Cotlands Organisational Membership

- 7.1 A person who has donated to the organisation the sum of at least R100.00 (one hundred Rand) or its equivalent in kind during a financial year, becomes a member of the organisation. Such membership extends for a period of 6 (six) months after the end of the financial year in which the person has made such a donation.
- 7.2 All members of the Board (as defined in Section 9.3 below) are members of the organisation for as long as they are members of the Board.
- 7.3 All members are entitled to be informed of and to attend the Annual General Meeting (“AGM”) of the organisation and to cast a vote in any matter put to such AGM.
- 7.4 Members shall not have any right, title, interest and claim or demand to any of the monies, property or assets of the organisation, except where a legal contract governed by this Constitution creates a right or claim or where organisational policies govern such rights or claims.
- 7.5 Membership does not involve any member in any personal financial liability in respect of any claim or action against the organisation.

8 Members’ Meetings

8.1 Annual General Meeting (AGM)

8.1.1 An AGM shall be held once in each year, not more than 15 (fifteen) months after the preceding AGM and within 6 (six) months of the end of the financial year.

8.1.2 Meeting protocols for the AGM are defined in Addendum 2 – Meeting Protocols

8.2 Special General Meeting (SGM)

An SGM may be convened at any time by:

8.2.1 The Board, or

8.2.2 2 (two) members of the organisation, seconded by 2 (two) other members of the organisation supported in writing by a further 10 (ten) members of the organisation.

8.2.3 Meeting protocols for an SGM are defined in Addendum 2 – Meeting Protocols

9 Governance Structure

9.1 The Constitution

9.1.1 This Constitution governs the organisation

9.1.1.1 The Board is responsible to ensure that this Constitution is registered with any authority or authorities and to submit

same for registration (if required) as a non-profit company under the Companies Act No. 71 of 2008.

9.2 Decision-making

- 9.2.1 No single person directly or indirectly controls the decision-making powers relating to the organisation. Decision-making responsibility is vested in the AGM and delegated to the Board and its sub-structures as defined in Section 9.3.
- 9.2.2 The Board will have any or all powers which are reasonably necessary to enable it to pursue and achieve the organisations' objectives and may act in any way that is not inconsistent with this Constitution that it considers to be in the best interest of the organisation.
- 9.2.3 The Board has full power and authority to act in any matter or to do anything which could or might be done by the AGM, except in such matters as are in terms of this Constitution, specially reserved to be dealt with at an AGM of members. The Board is responsible to ensure that resolutions of the AGM are effected.

9.3 Management Board ("the Board")

9.3.1 Membership of the Board

- 9.3.1.1 The Board shall comprise a minimum of 8 (eight) members and not exceed 20 (twenty) members.
- 9.3.1.2 Board members may not be personally connected to more than one other member of the Board by blood relationship, marriage or business partnership.
- 9.3.1.3 The term of Board membership is 3 (three) years from the date of appointment to the Board. Board members can serve two consecutive terms (i.e. 6 (six) consecutive years, after which they will be required to step down.
- 9.3.1.4 The CEO is always an executive member of the Board as long as they are in the employment of Cotlands.
- 9.3.1.5 Members of the Board will be elected as defined in Addendum 1 - Elections.

9.3.2 Responsibilities of the Board

- 9.3.2.1 The responsibilities of the Board are defined in more detail in Addendum 4 – Responsibilities of the Management Board and in the Board Mandate Document. Where any discrepancy exists between this Constitution and these other documents, the Constitution shall prevail.
- 9.3.2.2 The Board will ensure effective organisational leadership based on ethical foundations.
- 9.3.2.3 The Board will hold the executive leadership team accountable for the establishment and accomplishment of the organisational mission and strategic objectives and will

actively support the development of the organisation to accomplish this mission.

9.3.2.4 The Board will govern the effective generation, maintenance, storage, disposal, use, recording and reporting of the organisation's resources and funds.

9.3.2.5 The Board will foster health, safety, collaboration and synergy within its stakeholder community.

9.3.2.6 The Board will ensure its own efficacy and development.

9.3.3 Board Meetings

9.3.3.1 Board meeting protocols are defined in Addendum 2 – Meeting Protocols

9.4 The Governance and Nominations Committee

9.4.1 Responsibilities of the Governance and Nominations Committee

9.4.1.1 The Governance and Nominations Committee proposes the constitution of the Board to the AGM each year, as defined in Addendum 1 - Elections.

9.4.1.2 The Governance and Nominations Committee manages the nomination, retirement and disciplinary investigation of Board members.

9.4.1.3 The Governance and Nominations Committee manages the interviewing process for the appointment of a new CEO as required and makes recommendations to the Board in this regard.

9.4.1.4 The Governance and Nominations Committee manages any disciplinary matters which may arise with regard to the CEO.

9.4.1.5 The Governance and Nominations Committee supports the CEO in the discipline of any members of the executive team, approving any notice of enquiry and ensuring that one of the Governance and Nominations Committee members attends any disciplinary hearings in an observer capacity.

9.4.1.6 The Governance and Nominations Committee manages the performance of the Board and disciplinary investigations of any members of the Board, its Sub-Committees and Ad-Hoc Committees.

9.4.2 Governance and Nominations Committee Meetings

9.4.2.1 Governance and Nominations Committee meeting protocols are defined in Addendum 2 – Meeting Protocols

9.5 Sub-Committees:

9.5.1 Responsibilities of Sub-Committees

9.5.1.1 The Sub-Committees of the Board are:

- Audit, Risk and Investment Committee
- Business Development and Marketing Committee
- Organisational Development Committee

9.5.1.2 The Sub-Committees assume delegated permanent responsibility for specific aspects of governance of the organisation as defined in the respective mandates of each Sub-Committee. The Board remains ultimately responsible for

these functions and each Sub-Committee is accountable to the Board.

9.5.2 Sub-Committee Meetings

9.5.2.1 Sub-Committee meeting protocols are defined in Addendum 2 – Meeting Protocols

9.6 Ad-Hoc Committees

9.6.1 Election of Ad-Hoc Committees

9.6.1.1 The Board may appoint Ad-Hoc Committees (comprising of Board members and/or non-Board members), to whom responsibilities may be delegated, in order to perform specific delegated functions.

9.6.1.2 The composition, functions, accountability and chairpersonship of such Ad-Hoc Committees will be determined and minuted at a Board meeting. The Board remains ultimately responsible for these delegated functions and each Ad-Hoc Committee is accountable to the Board.

9.6.2 Ad-Hoc Committee Meetings

9.6.2.1 Ad-Hoc Committee meeting protocols are defined in Addendum 2 – Meeting Protocols

9.7 Cessation of Board, Governance and Nominations Committee or Sub-Committee Membership

9.7.1 The office of a Board, Governance and Nominations Committee or Board Sub-Committee member shall be vacated if a member:

9.7.1.1 Resigns; or

9.7.1.2 Becomes unfit and/or incapable of acting in such capacity; or

9.7.1.3 Would be disqualified, in terms of the Companies Act No. 71 of 2008 or equivalent legislation in force from time to time, from acting as a director of a company; or

9.7.1.4 Is removed by the Board, by resolution adopted by at least three-quarters of its members in office at the time. The Board shall not be obliged to furnish reasons for its decision(s) regarding removal except to the member removed and to the members of the organisation at the AGM.

9.7.1.5 Consistently fails to attend meetings as defined in Addendum 3 – Breaches of attendance standards.

10 Amendments to the Constitution

- 10.1 The terms of this Constitution may be amended by resolution of at least two thirds of the members present at any AGM or SGM, provided the notice requirements, as set out below, have been complied with.
- 10.2 A written notice must be sent to members of the organisation regarding the amendment of the Constitution not less than 14 (fourteen) days before the meeting at which the changes to the Constitution are going to be proposed.
- 10.3 A copy of all amendments to the Constitution (and any other documents that may be required) must be submitted to the Commissioner for the South African Revenue Service and to the director of Nonprofit Organisations.

11 Amalgamation and Dissolution of Cotlands

- 11.1 The organisation may enter into partnership or amalgamate with any person, association or institution, provided such association or institution is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act with the same or similar objectives, or the property of the organisation may, subject to the provisions stated herein, be sold and the organisation wound up, dissolved or reconstructed, by the resolution of not less than two-thirds of votes of the members present in person at an SGM; provided however, that
 - 11.1.1 Not less than 1 (one) month's notice is provided to members of the meeting to consider any such questions of partnership, amalgamation, sale, winding-up, dissolution or reconstruction and that such notice shall clearly set forth the objectives of the meeting; and
 - 11.1.2 After the winding up or dissolution of the organisation and satisfaction of all its debts and liabilities, any remaining assets, will be transferred to any similar public benefit organisation, which has been approved in terms of Section 30 of the Income Tax Act.
 - 11.1.3 Except so far as an SGM shall otherwise determine, the Board shall be the liquidators of the organisation whenever it shall be wound up or reconstructed.

12 Indemnity

- 12.1 Subject to the provisions of any relevant statute, members of the Board and other office bearers shall be indemnified by the organisation for all acts done by them in good faith on its behalf. It shall be the duty of the organisation 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 organisation, provided that such contract or act has been authorised by the Board or Governance and Nominations Committee, as the case may be.
- 12.2 Subject to the provisions of any relevant statute, no member of the Board and/or other office bearer of the organisation shall be liable for the acts, receipts, neglects or defaults of any other member or office bearer, as the case may be, or for any loss, damage or expense suffered by the Board, 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.

13 Disputes

- 13.1 In the event of a serious disagreement between the members of the Board and/or the organisation regarding the interpretation of this Constitution then any 2 (two) Board members or any 5 (five) members of the organisation shall be entitled to declare a dispute. Such declaration shall be in writing, state the issue in dispute, and be addressed to the Board.
- 13.2 The Board shall consider such declaration within 2 (two) weeks of receiving it. Should the Board not be able to resolve the dispute to the satisfaction of the person(s) declaring it, the dispute shall be referred by the Board to a mediator or arbitrator.
- 13.3 Should the dispute be referred to a mediator, the person(s) declaring the dispute and the Board must agree on a suitable mediator and such person(s) (on the one hand) and the Board (on the other hand) shall be liable for the costs of such mediation in equal proportions. The mediator shall be responsible to determine the mediation procedure to be adopted.
- 13.4 In the absence of agreement regarding a mediator or should mediation not resolve the dispute, the dispute may be referred to arbitration by the Board or by any person to the dispute. The arbitrator shall be such suitably qualified person(s) as the person(s) declaring the dispute and the Board may mutually agree. Failing such agreement, each of the parties to the dispute shall be entitled to nominate 1 (one) arbitrator, who shall act jointly with a third person to be nominated by the 2 (two) arbitrators appointed by the parties. The decision of the arbitrator (if only a single arbitrator is appointed) and the decision of the majority of the arbitrators (if 3 (three) arbitrators are appointed) shall be final and binding on the parties.
- 13.5 The arbitration shall be held on an informal basis, and the arbitrator(s) shall have the power to determine the arbitration procedure to be adopted.
- 13.6 The arbitrator may base his/her award not only upon the applicable law but also upon the principles of equity and fairness.
- 13.7 The person(s) declaring the dispute and the Board, beforehand, may agree to share the costs of the arbitration. In the absence of such agreement the arbitrator(s) shall decide which parties shall be liable for the costs.
- 13.8 The decision of the arbitrator(s) shall be final and binding upon all parties and capable of being made an Order of Court on application by any of them.

14 Adoption and Approval

This Constitution was adopted and approved by a two-thirds majority of members present at the Special General Meeting of Cotlands held on the **26th November 2018**.

Signed as a correct record.



Chairperson of the Board
(Duly authorised hereto)

COTLANDS CONSTITUTION – ADDENDUM

Addendum 1 – Elections

1 AGM

1.1 Elects:

- The Auditors
- The Board

2 Board

- 2.1 Should a position on the Board fall vacant (as explained in Section 9.7 of the Constitution), the Board, by resolution adopted by at least two-thirds of its members at a properly constituted Board meeting, may, and if the vacancy reduces the number of members to less than 8 (eight) shall, co-opt a member(s) to fill the vacancy(ies). If such a position also bears sub-committee responsibilities, then the board shall elect a new member to assume those responsibilities. Vacancies are filled following the procedure outlined in Section 2.2 to 2.4 of this addendum.
- 2.2 Members of the organisation may nominate candidates for election to the Board, at any time, in writing. The proposer, seconder and the candidate shall sign the nomination form. Candidates may self-nominate and sign the nomination form as the proposer. Such nominations will be considered by the Governance and Nominations Committee who will make recommendation to the Board at the next Board meeting, provided that the nomination is received no less than 30 (thirty) days before that Board meeting.
- 2.3 The nominated persons' profiles and Governance and Nominations committee recommendations shall be distributed to the members of the Board no less than 7 (seven) days before the Board meeting referred to in Section 2.1 of this addendum.
- 2.4 New Board members shall be elected by the Board, by written ballot.
- 2.5 The Governance and Nominations Committee will present the proposed Board for the following year to the AGM. The list of proposed Board members must be circulated with the notice of the AGM and written objections must be invited from members, to be submitted a minimum of 48 hours before the commencement of the AGM.
- 2.6 The Chairperson, Vice-Chairperson, Secretary and Treasurer of the Board will be elected annually by the Board, by means of written ballot, at the first board meeting after the AGM.

3 Governance and Nominations Committee

- 3.1 The Board will, at the first Board meeting after the AGM, confirm the appointment of the Governance and Nominations Committee consisting of Chairperson, Vice-Chairperson, Treasurer and Chairpersons of the Board Sub-Committees.
- 3.2 The Chairperson and Vice-Chairperson of the Board will automatically hold the same offices on the Governance and Nominations Committee.

4 Sub-Committees

- 4.1 Sub-Committees and their Chairpersons are elected at the first Board meeting after the AGM.
- 4.2 The term of a Sub-Committee Chairperson is 1 (one) year from the date of appointment to the role. Sub-Committee Chairpersons can serve 3 (three) consecutive terms. In special circumstances, it may be appropriate for a member to

serve as Chairperson of a Sub-Committee for longer than 3 (three) consecutive years. In this event the Governance and Nomination Sub-Committee shall consider and may make such recommendation to the Board who may approve an extension of the Chairperson's term for a further year. Such extension of term may be repeated for a maximum of 3 (three) years.

- 4.3 Each Sub-Committee shall comprise a minimum of 5 (five) and a maximum of 7 (seven) members recommended by the CEO.
- 4.4 A minimum of 1 (one) and maximum of 2 (two) members of each Sub-Committee may be employed members of staff.
- 4.5 A minimum of 3 (three) members and the Chairperson of each Sub-Committee shall be members of the Board.
- 4.6 Additional members may be external to the Board or staff of the organisation.
- 4.7 The majority of non-staff members of the Sub-Committee must have demonstrated expertise in the area of responsibility of the Sub-Committee.

5 Ad-Hoc Committees

- 5.1 The composition and chairpersonship of such Ad-Hoc Committees will be determined and minuted at a Board meeting.

COTLANDS CONSTITUTION

Addendum 2 – Meeting Protocols

1 AGM

- 1.1 The Chairperson of the Board, or person nominated by him or her, shall preside at the AGM.
- 1.2 Notice of the day, hour and place of the AGM of the organisation shall be given at least 21 (twenty-one) days before the date fixed for the meeting by an advertisement in a newspaper or such other mechanism approved by the Board.
- 1.3 A quorum shall consist of 10 (ten) members. If within 15 (fifteen) minutes after the time appointed for the meeting, a quorum is not present, the meeting shall be adjourned to the same day in the next week at the same time and place. If that day is a public holiday, then to the next succeeding day. If at such adjourned meeting a quorum is not present within 15 (fifteen) minutes after the time appointed for the meeting, the members present shall be a quorum and shall have full power to act.
- 1.4 Only members shall be entitled to vote at an AGM.
- 1.5 The AGM is responsible to deal with and dispose of the following matters:
- 1.5.1 To confirm the minutes of the previous AGM.
 - 1.5.2 To receive and approve the following reports:
 - Chairperson’s Report
 - CEO’s Report
 - Annual Financial Statements
 - 1.5.3 To elect:
 - The Auditors for the ensuing year
 - The Board (See Addendum 1 - Elections)
 - 1.5.4 To consider resolutions in respect of which at least 14 (fourteen) days’ notice prior to the AGM shall have been given to the Chairperson of the Board.
 - 1.5.5 Any other special business deemed relevant by the Board.

2 SGM

- 2.1 An SGM may be convened by the Board as required and defined in this Constitution.
- 2.2 The Chairperson of the Board, or person nominated by him or her, shall preside at an SGM.
- 2.3 The same procedures in respect to notice and quorum for an AGM apply to an SGM.
- 2.4 An SGM deals with matters specific to the reason for calling the meeting.

3 Board

- 3.1 The Board will meet at least 3 (three) times per year (the period between two consecutive AGMs).
- 3.2 More than 50% (fifty percent) of the members of the Board, including either the Chairperson or the Vice-Chairperson, shall be present at meetings to form a quorum for any meeting.
- 3.3 An emergency Board meeting may be called by the Chairperson of the Board, by the CEO, by the Governance and Nominations Committee or by a minimum of 33% of the members of the Board.
- 3.4 Matters arising at any meeting of the Board shall be decided by a majority of votes whether by a show of hands or by ballot, unless specified in this Constitution. If the votes are equal on an issue, then all the members of the Governance and Nominations Committee have a second vote. If the votes are still equal then the

Chairperson shall require further exploration, in any way or in any time frame deemed appropriate by him or her, of the matter at hand before voting again. If votes remain equal, then the Chairperson shall have the casting vote.

- 3.5 Members of the Board may delegate their power to vote at Board meetings to any other Board member. Such delegation shall be in writing by way of proxy (which shall be in a form acceptable to the Chairperson of the Board and shall be presented at the meeting at which it will be exercised).
- 3.6 The Board will prepare minutes of all meetings in a format approved by the Board. These minutes will include the names of members of the Board members present at each such meeting, apologies received, matters discussed and resolutions proposed, passed and/or not passed at such meetings. Such minutes shall be duly entered in books provided for this purpose. Any such minutes, or an extract therefrom, signed by the Chairperson and Secretary of the relevant meeting shall be received as prima facie evidence of the matter stated in such minutes or extracts.

4 Governance and Nominations Committee

- 4.1 The Governance and Nominations Committee shall meet as required to fulfil their responsibilities.
- 4.2 More than 75% (seventy-five percent) of the members of the Governance and Nominations Committee, including either the Chairperson or the Vice-Chairperson, shall be present at meetings to form a quorum for any meeting. If it is impossible to form a quorum for a Governance and Nominations Committee meeting, then persons who will be absent may ask an alternative Board member to stand in for them.
- 4.3 Governance and Nominations Committee meetings are scheduled by the Chairperson who may delegate this function to the Secretary of the Governance and Nominations Committee.
- 4.4 An emergency Governance and Nominations Committee meeting may be called by the Chairperson of the Governance and Nominations Committee, or by a minimum of 2 members of the Governance and Nominations Committee.
- 4.5 Matters arising at any meeting of the Governance and Nominations Committee shall be decided by a majority of votes whether by a show of hands or by ballot, unless specified in this Constitution. If the votes are equal on an issue, the matter shall be referred to the full Board, if necessary at a Special Board meeting.
- 4.6 Members of the Governance and Nominations Committee may delegate their power to vote at Governance and Nominations Committee meetings to any other Governance and Nominations Committee member. Such delegation shall be in writing by way of proxy (which shall be in a form acceptable to the Chairperson of the Governance and Nominations Committee and shall be presented at the meeting at which it will be exercised).
- 4.7 The Governance and Nominations Committee shall prepare minutes of all meetings in a format approved by the Board. These minutes shall include the names of Governance and Nominations Committee members present at each meeting, apologies received, matters discussed and resolutions proposed, passed and/or not passed at such meetings. Such minutes shall be distributed to the Board as soon as they have been signed off by the Chairperson and also duly entered in books provided for the purpose. Any such minutes, or an extract therefrom, signed by the Chairperson and Secretary of the relevant meeting shall be received as prima facie evidence of the matter stated in such minutes or extracts.

5 Sub-Committees

- 5.1 Each of the Sub-Committees shall meet at least 4 (four) times per year (the period between two consecutive AGMs).
- 5.2 More than 50% (fifty percent) of the members of the Sub-Committee, including either the Chairperson or the Vice-Chairperson, shall be present at meetings to form a quorum for any meeting.
- 5.3 Sub-Committee meetings are scheduled by the Sub-Committee Chairperson who may delegate this function to the Secretary of the Sub-Committee.
- 5.4 An emergency Sub-Committee meeting may be called by the Chairperson of the Sub-Committee, by the Chairperson of the Board or by the CEO.
- 5.5 Any member of the Board may request permission from the Chairperson of the Sub-Committee to attend and have observer status at any Sub-Committee meeting.
- 5.6 Matters arising at any meeting of the Sub-Committee shall be decided by a majority of votes whether by a show of hands or by ballot, unless specified in this Constitution. If the votes are equal on an issue, the Chairperson shall have a casting vote.
- 5.7 Members of a Sub-Committee may delegate their power to vote at Sub-Committee meetings to any other Sub-Committee member. Such delegation shall be in writing by way of proxy (which shall be in a form acceptable to the Chairperson of the Board and shall be presented at the meeting at which it will be exercised).
- 5.8 All Sub-Committees shall prepare minutes of all meetings in a format approved by the Board. These minutes shall include the names of all Sub-Committee members present at each meeting, apologies received, matters discussed and resolutions proposed, passed and/or not passed at such meetings. Such minutes shall be distributed to the Board as soon as they have been signed off by the Chairperson of the Sub-Committee and also duly entered in books provided for this purpose. Any such minutes, or an extract therefrom, signed by the Chairperson and Secretary of the relevant meeting shall be received as prima facie evidence of the matter stated in such minutes or extracts.

6 Ad-Hoc Committees

- 6.1 Ad-Hoc Committees are empowered to perform mandated tasks for the Board or to investigate matters and make recommendations to the Board.
- 6.2 These working committees do not require a quorum.
- 6.3 Ad-Hoc Committees shall meet as frequently as they deem necessary to accomplish the mandates given to them by the Board.
- 6.4 Ad-Hoc Committee meetings are scheduled by the Ad-Hoc Committee Chairperson.
- 6.5 Any member of the Board may request permission from the Chairperson of the Ad-Hoc Committee to attend and have observer status at any Ad-Hoc Committee meeting.
- 6.6 Matters arising at any meeting of the Ad-Hoc Committee shall be decided by a majority of votes whether by a show of hands or by ballot, unless specified in this Constitution. If the votes are equal on an issue, the Chairperson shall have a casting vote.
- 6.7 Members of an Ad-Hoc Committee may delegate their power to vote at Ad-Hoc Committee meetings to any other Ad-Hoc Committee member. Such delegation shall be in writing by way of proxy (which shall be in a form acceptable to the Chairperson of the Board and shall be presented at the meeting at which it will be exercised).
- 6.8 The Board will determine if minutes are required from Ad-Hoc Committee meetings and the standards for such minutes as may be required.

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Addendum 3 – Breaches of Attendance Standards

1 Requests for Date Changes

- 1.1 A Board member may request that the date of a maximum of two Board or Governance and Nominations Committee meetings be changed per annum (the period between two consecutive AGMs) provided that such request is made at least 14 (fourteen) days before the scheduled date of a Governance and Nominations Committee meeting and 28 (twenty-eight) days before the scheduled date of a Board meeting. If no suitable date within 14 days of the scheduled meeting date can be found for the meeting, then the original date shall stand. The Chairperson of the Board may veto the date change and acknowledge the efforts of the Board member as per Section 3.1 of this addendum.
- 1.2 A Sub-Committee member may request that the date of a maximum of two Sub-Committee meetings be changed per annum (the period between two consecutive AGMs) provided that such request is made at least 14 (fourteen) days before the scheduled date of the meeting. If no suitable date within 14 days of the scheduled meeting date can be found for the meeting, then the original date shall stand. The Chairperson of the Sub-Committee may veto the date change and acknowledge the efforts of the Board member as per Section 3.2 of this addendum.

2 Non-Attendance without Apology

- 2.1 Any member of the Board, Governance and Nominations Committee or a Sub-Committee who fails to physically or virtually attend 2 (two) consecutive meetings which they are required to attend, without an apology in writing to the Chairperson or Secretary of the Board, shall automatically cease being a member with effect from the date of the 2nd (second) consecutive meeting and shall be advised thereof in writing by the Secretary of the Board.

3 Non-Attendance with Apology

- 3.1 Any member of the Board who fails to physically or virtually attend 3 (three) consecutive meetings of the Governance and Nominations Committee and/ or Board, even with a written apology, shall automatically cease being a member of the Governance and Nominations Committee and of the Board with effect from the date of the 3rd (third) consecutive meeting and shall be advised thereof in writing by the Secretary of the Board. The Governance and Nominations Committee may recommend to the Board that the provisions of this Section be overridden if the overall conduct and commitment of the Board member warrants such. Efforts in respect of Section 1.1 of this addendum may be considered.
- 3.2 Any member of a Sub-Committee who fails to physically or virtually attend 3 (three) consecutive meetings of the Sub-Committee, even with a written apology, shall automatically cease being a member of the Sub-Committee with effect from the date of the 3rd (third) consecutive meeting and shall be advised thereof in writing by the Secretary of the Board. The Chairperson of the Sub-Committee or the Governance and Nominations Committee may recommend to the Board that this Section be overridden if the overall conduct and commitment of the Sub-Committee member warrants such. Efforts in respect of Section 1.2 of this addendum may be considered.

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Addendum 4 – Responsibilities of the Management Board

1 Responsibilities of the Management Board

- 1.1 The Board will ensure effective organisational leadership based on ethical foundations
- 1.1.1 All members of the Board subscribe to the Department of Social Development Code of Good Practice for South African Non-profit Organisations (2001).
 - 1.1.2 The Board will elect members of the Governance and Nominations Committee and appoint Sub-Committees and Ad-Hoc Committees to whom responsibilities may be delegated as the Board deems fit.
 - 1.1.3 The Board will govern the organisation and all members of the organisation will abide by decisions that are taken by the Board and its Sub-Committees and Ad-Hoc Committees.
 - 1.1.4 The Board will establish and model the ethical foundations of the organisation.
 - 1.1.5 The Board will appoint the Chief Executive Officer (“CEO”) of the organisation in terms of the conditions of employment of the organisation, who in turn will be responsible to run the organisation in accordance with the terms of this Constitution and a job description and performance standards defined and governed by the Board.
 - 1.1.6 The Board will approve the appointment of all members of the executive team of the organisation, as defined in the annually approved Organisational Strategy.
- 1.2 The Board will hold the executive leadership team accountable for the establishment and accomplishment of the organisational mission and strategic objectives and will actively support the development of the organisation to accomplish this mission.
- 1.2.1 The Board will approve any revisions of the Organisational Strategy and ratify same annually, between the AGM and the end of each calendar year.
 - 1.2.2 The Board will approve structuring and development of the organisation aligned with the Organisational Strategy.
 - 1.2.3 The Board will hold the executive team accountable for progress against the strategic plan.
 - 1.2.4 The Board will approve policies, procedures and practices which support the Organisational Strategy and the application of this Constitution.
- 1.3 The Board will govern the effective generation, maintenance, storage, disposal, use, recording and reporting of the organisation’s resources and funds
- 1.3.1 The Board will ensure the financial stability and fiduciary responsibility and accountability of the organisation.
 - 1.3.2 The Board will ensure that the organisation maintains, stores and reports accurate and complete financial accounting records in accordance with the Cotlands Finance Policy, IFRS and statutory requirements.

- 1.3.3 The Board will approve the opening or closing of any bank account in the name of the organisation and monitor transactions on and in respect of such bank account.
 - 1.3.4 The Board will lend, invest or otherwise deal with any monies or funds of the organisation not immediately required for the purposes of the organisation upon such securities and in such manner and on such terms as it may think fit, and from time to time to vary or release such investments for capital purchases or operational requirements. In this regard the Board will act with prudence, integrity and reasonable care and in the best interest of the organisation.
 - 1.3.5 The Board will approve and when necessary revise an annual budget, remuneration structure and a Delegated Authority Structure to govern the allocation of the funds required to adequately support the standards, norms and programmes of the organisation. The Board will hold the executive team accountable for management of the budget and the organisation' funds and resources.
 - 1.3.6 The Board will approve contracts with other bodies or persons for any purposes central or incidental to the organisation's objectives, in accordance with the Delegated Authority Structure and Finance Policy.
 - 1.3.7 The Board will recommend Auditors and a suggested rate of remuneration for the Auditor's services to the AGM.
- 1.4 The Board will foster health, safety, collaboration and synergy within its stakeholder community.
- 1.4.1 The Board will monitor compliance with all appropriate and relevant health and safety standards and ensure that all risks are mitigated, especially with regard to minor and vulnerable beneficiaries.
 - 1.4.2 The Board will promote awareness of all stakeholder communities and drive enhanced stakeholder relationships and collaboration.
 - 1.4.3 The Board will promote industry awareness within the organisation through encouraging research, formal study and effective networking.
- 1.5 The Board will ensure its own efficacy and development.
- 1.5.1 The Board will adhere to and manage its own mandate, structure, composition, conduct and schedule.
 - 1.5.2 The Board will manage the mandate, structure, composition, conduct and schedule of all Board Sub-Committees and Ad-Hoc Committees.
 - 1.5.3 The Board will induct new Board, Sub-Committee and Ad-Hoc Committee members.
 - 1.5.4 The Board will attend meetings as required, participating constructively or tendering apologies and providing proxies were necessary.
 - 1.5.5 The Board will attend Board development sessions as approved by the Governance and Nominations Committee.
 - 1.5.6 The Board will conduct and cooperate with Board assessment,

renewal and feedback processes as defined by the Governance and Nominations Committee.

- 1.5.7 The Board will promote effective communication and collaboration between the Board and its Sub-Committees.
- 1.5.8 The Board will maintain accurate records of all Committee proceedings.