HILLCREST ADVICE BUREAU AND BURSARY FUND (HABandBF) ("the organisation")

CONSTITUTION

1. Name and body corporate

1.1 The organisation was established in 1972 by three members of the Black Sash Movement.

1.2 In line with its primary objectives, it was named the "Hillcrest Advice Bureau and Bursary Fund".

1.3 Its shortened name is "HABandBF" (hereinafter referred to as "the organisation").

1.4 The organisation shall-
1.4.1 Exist in its own right, separately from its members and office bearers;
1.4.2 Continue to exist even when its membership changes and there are different office bearers;
1.4.3 Be able to own property and other possessions separately from those of its members and office bearers;
1.4.4 Be able to sue and be sued in its own name; and
1.4.5 Be solely responsible for any obligations and liabilities. All members and office bearers are exempt from such obligations and liabilities.

1.5 HABandBF is a non-profit organisation. It operates with a minimum of formalities and administrative costs, and as tax effectively as possible, both in terms of the institution itself and in respect of providing tax benefits to donors.

2. Objectives

2.1 The organisation's main objectives are to empower the Black underprivileged communities around Hillcrest to rise out of poverty through education, and by creating awareness of and providing access to their socio-economic rights. These objectives shall be achieved by, *inter alia* and without limiting the generality of the aforegoing:

2.1.1 Engaging in and assisting with a Community Advice Bureau, to come alongside the poor and needy in a way which empowers, uplifts, builds capacity and promotes independence;

2.1.2 Implementing and/or supporting projects which address needs in education and early childhood development, by providing, *inter alia*, school uniforms and necessary school equipment;

2.1.3 Providing bursaries to deserving underprivileged students to attend educational institutions, including tertiary institutions, on the terms and conditions contained in this document;

2.1.4 Providing poverty relief and disaster relief such as food parcels in cases of need; and

2.1.5 Working with and enabling other people, organisations, and community groups, in order to achieve these objectives.

Initials of all signatories

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2.2 These objectives of the organisation shall be carried out in a non-profit manner, and with an altruistic or philanthropic intent and the activities of the organisation shall be for the benefit of or widely accessible to the general public at large and no such activity shall be intended, directly or indirectly, to promote the economic self-interest of any officer, or employee of the organisation, otherwise than by way of reasonable remuneration payable to that officer, or employee.

3. Powers of the organisation

3.1 The organisation shall have all the legal powers and capacity of an individual necessary to achieve its main and supplementary objectives:

3.1.1 except to the extent necessarily implied by its stated objectives;

3.1.2 except to the extent that a juristic person is incapable of exercising such a power or having such a capacity; and

3.1.3 subject to such restrictive conditions and other limitations or qualifications, as are contained in this constitution.

3.1.4 The powers of the organisation may only be executed in accordance with the main objectives of the organisation.

4. Income and Property

4.1 The organisation will keep a record of all funds it receives and distributes, and everything it owns.

4.2 The organisation shall be entitled to accept revocable and conditional donations provided that:

4.2.1 the organisation may only accept revocable donations where the reason for the revocation is:

4.2.1.1 a material failure to conform to the designated purposes and conditions of such donation; OR

4.2.1.2 any misrepresentation about the tax deductibility thereof in terms of section 18A of the Income Tax Act;

4.3 a donor (other than a donor which is an approved public benefit organisation or an institution or body which is exempt from tax in terms of section 10(1)(cA)(i) of the Income Tax Act, which has as its sole or principal object the carrying on of 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.

4.4 When funds are received by the organisation for purposes of facilitating Skills Development, this funding:

4.4.1 will not qualify for tax-deductibility in terms of s18A of the Income Tax Act;

4.4.2 will attract conditions that apply to the specific type of funding in terms of the Codes, as amended from time to time;

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4.4.3 may only be recognised as such if the donor entity is registered and compliant as an Employer with the relevant SETA, which responsibility falls to the donor entity;

4.4.4 will be receipted with the relevant documentation in terms of the Codes that will accurately record the date of receipt of funds and the identity of the beneficiary.

4.5 When the organisation receives Socio Economic Development ("SED") contributions from a donor entity in order to carry out prescribed activities that fall within the stated objects of the organisation:

4.5.1 If the contribution is the provision of services by or on behalf of an entity to an eligible beneficiary, the value of these services may only be allocated towards the SED points on the entity's B-BBEE Scorecard, and the donor entity will not be issued with a s18A receipt for that value;

4.5.2 If the contribution constitutes a bona fide cash or in-kind donation, the applicable percentage of the donated amount may be allocated towards the SED points of the donor entity's B-BBEE Scorecard, as provided for in the Codes;

4.5.3 Subject to the prevailing regulations, legislation and Codes, the donation may qualify for tax-deductibility in terms of s18A of the Income Tax Act.

4.6 Any property or income of the organisation shall be utilised solely in the furtherance of its aims and objectives, and it shall be prohibited from transferring any portion thereof directly or indirectly in any manner whatsoever so as to profit any person other than by way of the payment in good faith of reasonable remuneration to any officer or employee of the organisation for any service actually rendered to it.

4.7 The organisation may not:

4.7.1 amalgamate or merge with, or convert to, a profit company; or

4.7.2 dispose of any part of its assets, undertaking or business to a profit company, other than for fair value, except to the extent that such a disposal of an asset occurs in the ordinary course of the activities of the company; or

4.7.3 knowingly become a party to or knowingly permit itself to be used as part of, an impermissible avoidance arrangement contemplated in Part IIA of Chapter III, or a transaction, operation or scheme contemplated in section 103(5) of the Income Tax Act.

4.8 A member of the organisation can only get money back from the organisation for expenses that they have paid for on behalf of the organisation.

4.9 Administration costs shall not exceed fifteen percent (15%) of the annual income of the organisation.

4.10 Members or office bearers of the organisation do not have rights over things that belong to the organisation.

5. Membership

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5.1 Any person wishing to become a member may submit a written request to the organisation. Requests shall be considered by the Governing Body ("Board"), which has the right to decide whether to admit the person as a member and shall respond within a reasonable period in writing.

5.2 Notwithstanding 5.1, the Board may in its discretion dispense with this membership process and confirm in its minutes that a person has been admitted as a member.

5.3 There shall be at all times no fewer than three members ("ordinary members") of the organisation who are not also members of the Board.

5.4 The day-to-day running of the organisation will be managed by its ordinary members and operational and financial records maintained for reporting to the Board.

5.5 The Board shall establish levels of authority for the ordinary members and this document shall be annexed to the constitution and updated on an annual basis.

5.6 Members of the organisation should attend its annual general meetings. The quorum required for an AGM is no fewer than three ordinary members and two of the Board members if there are three members of the Board; if there are more than three members of the Board, the quorum required shall be half their number plus one.

5.7 At the annual general meeting, members may exercise their rights to:

5.7.1 Inspect financial records of the organisation;
5.7.2 Vote on the appointments of the Board of the organisation;
5.7.3 Vote on any changes to the Constitution.

5.8 All members of the organisation have to abide by the decisions that are taken by the Board and the policies and procedures of the organisation. Failure to do so may lead to the Board requesting the member's withdrawal from the organisation.

5.9 Members can withdraw from the organisation by submitting written notice to the Board.

6. Board

6.1 The Board will guide the organisation in terms of strategic planning and financial policies. The Board will be made up of not less than 3 members, and it is provided that at least 3 of the committee shall be persons who are not connected persons (as defined in the Income Tax Act ("the Act")) in relation to each other.

6.2 No single person shall directly or indirectly control the decision-making powers of the organisation. The Board may appoint office bearers of the organisation.

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The Board may elect a chairperson, a treasurer, and a secretary from amongst the members.

6.3 Office bearers are elected at the annual general meeting and serve for a period of one year and are eligible for re-election if they so wish.

6.4 Pending the appointment of any successor or successors to a Board member who has ceased to hold office as such, the Board members remaining in office shall be empowered to act in the preservation of and to attend to the formal administration of the association and any decisions of an emergency nature shall be valid as if the stipulated minimum number of members were in office.

6.5 If an office bearer contravenes any of the organisation's policies or procedures the office bearer services may be terminated by the Board.

6.6 If a member of the Board does not attend three Board meetings in a row, without having applied for and obtaining leave of absence from the Board, the members may decide to find a new Board member to take that person's place.

6.7 The Board will meet as often as it decides, subject to clause 8.1. At least two members need to be at a meeting to constitute a quorum if their number is three; and, if more than three, the quorum shall be half of their number plus one. Members shall be given at least seven (7) days' notice of meetings.

6.8 The Board 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.

6.9 A written resolution, signed by sufficient of the Board members to constitute a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted. These resolutions shall be recorded and ratified at a subsequent meeting of the Board at which there is a quorum.

6.10 Minutes will be taken at every meeting to record the Board's decisions. The minutes shall be confirmed as a true record of proceedings, by the next meeting of the Board.

6.11 The organisation has the right to form sub-committees. The decisions that sub-committees take must be reported to the Board. The Board must decide whether to agree to them or not at its next meeting. By agreeing to decisions, the Board ratifies them.

6.12 Neither members nor office bearers will not be held personally liable for any loss suffered by any person as a result of an act or omission which occurs in good faith while the member or office bearer is performing functions for or on behalf of the organisation.

7. Powers of the Board and Ordinary Members

7.1 The Board may take on or delegate the power and authority that it believes it needs to be able to achieve the objectives that are stated in clause 2 of this constitution. Its activities must abide by the law. In particular:

7.1.1 The Board has the power to buy, hire or exchange any property that it needs to achieve its objectives.

7.1.2 The Board has the right to make rules for proper management, including procedure for application, approval and termination of membership, and to decide on the removal from office of any member for good reason.

7.1.3 The Board will decide on the powers and functions of office bearers.

8. Meetings and procedures of the Board

8.1 The Board must hold at least two (2) ordinary meetings each year, at a time and place it shall determine.

8.2 Two (2) members of the Board may call a special meeting. They must give written notice to the other Board members of the date of the proposed meeting not less than seven (7) days before it is due to take place. In that written notice they must also tell other members of the issues to be discussed at the meeting.

8.3 The chairperson shall act as the chairperson of the Board meetings. If the chairperson does not attend the meeting, then members of the Board who are present choose which one of them will chair that meeting. This must be done before the meeting starts.

8.4 There shall be a quorum of at least two (2) Board members whenever a meeting is held. If not, the meeting stands adjourned and at least seven (7) days' written notice of the next meeting must be given to all members. Members attending the next meeting shall constitute a quorum irrespective of their number.

8.5 Decisions shall as far as possible be taken by consensus. If this is not possible, the Board will vote on issues and a majority vote shall be binding (unless otherwise specified in this constitution). If the votes are equal on an issue, then the chairperson has a deciding vote.

8.6 Minutes of all meetings must be kept safe and always be on hand for members to consult.

9. Annual general meetings

9.1 The annual general meeting must be held once every year, after the end of the organisation's financial year. Members must be given at least fourteen (14) days' written notice of the annual general meeting.

9.2 The organisation should deal with the following business, amongst others, at its annual general meeting:

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- Finalise the agenda.
- Record attendance and apologies.
- Confirm previous meeting's minutes, dealing with matters arising.
- Chairperson's report.
- Treasurer's report.
- Changes to the constitution that members may want to make.
- Elect new office bearers.
- General.
- Close the meeting.

9.3 General Meetings

9.3.1 General meetings shall be held as often as necessary.

9.3.2 The Board may at any time convene a general meeting and shall do so upon a request being made in writing to the secretary by members holding in the average of at least 51% of the voting rights.

9.3.3 Meetings shall be convened on at least fourteen (14) days' written or verbal notice to all members.

9.3.4 Written notices of meetings shall indicate the main items of the agenda of the meetings.

9.4 Procedure at Meetings

9.4.1 Unless otherwise provided elsewhere in this constitution, resolutions at general and annual general meetings shall be passed by a majority vote of members present and voting.

9.4.3 Meetings and annual general meetings shall be chaired by the chairperson or if s/he is not present within 5 minutes after the time appointed for holding the meeting or if s/he is unwilling or unable to act as chairperson, another member, elected by a simple majority of those members present for that meeting.

9.4.4 The minutes shall be kept of every general and annual general meeting and shall be recorded and shall, after confirmation by members at the next general or annual general meeting, as the case may be, be signed by the chairperson.

10. Finance

10.1 An accounting officer shall be appointed at the annual general meeting. Their duty is to audit and check on the finances of the organisation.

10.2 The Treasurer shall control the day-to-day finances of the organisation. The Treasurer shall arrange for all funds to be put into a bank account in the name of the organisation. The Treasurer must also keep proper records of all the finances and ensure that financial reporting to donors is done timeously.

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10.3 The financial year of the organisation ends on 31 December.

10.4 The organisation's accounting records and reports must be ready and handed to the Director of Non-profit Organisations within nine months after the financial year end.

10.5 The Organisation shall comply with such reporting requirements as may be determined by the Commissioner for the South African Revenue Service from time to time under section 30(3)(e) of the Act.

10.6 The funds of the organisation shall be used solely to meet or for fill its objectives as in clause 2 above, or for investment for furtherance of these objectives, no funds will be distributed to any person other than in the course of undertaking any 'public benefit activity' (as defined in the Act) and no portion thereof shall be paid or transferred, or indirectly by way of dividend, bonus or otherwise howsoever, to the members or employees, provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration to any officer or servant or employee of the organisation return for services actually rendered to the organisation.

10.7 No activity of the organisation will directly or indirectly promote the economic self-interest of any office-bearer or member of the organisation, otherwise than by reasonable remuneration.

10.8 The organisation shall be prohibited from using its resources directly or indirectly to support, advance or oppose any political party.

11. Conditions for grants of bursaries or scholarships

11.1 If the organisation awards scholarships, bursaries, or subsidies to participants for purposes of Skills Development or SED in terms of the Codes, the provisions of clauses 4.4 or 4.5 shall apply, but all other scholarships, bursaries or awards granted by the organisation will be *bona fide* and be granted to an individual on grounds of objective merit or need.

11.2 No scholarship, bursary or award granted will be:

11.2.1 revocable, otherwise than for reasons of a material failure to conform to the designated purposes and conditions of the scholarship, bursary, or award;

11.2.2 subject to conditions which would enable the donor of the funds of the scholarship, bursary or award or any connected person in relation to the donor, to derive some direct benefit from the application of the scholarship, bursary, or award; or

11.2.3 granted to any person who is or will become an employee of the donor of the funds of the scholarship, bursary or award or the organisation (or any associated institution in relation to the donor or organisation) or any relative of the person, unless circumstances indicate that the scholarship, bursary or award would have been granted to the person or their relative, even if that person had not been an employee of the donor, the organisation or associated institution.

11.3 All decisions regarding the granting of scholarships, bursaries and awards will be made by at least three Board members, none of whom shall be persons who are connected persons in relation to the donors or the person to whom the scholarship, bursary or award is granted.

11.4 All scholarships, bursaries and awards granted in respect of overseas study, research or teaching will be subject to an undertaking by the person to whom the scholarship, bursary or award is granted:

11.4.1 to apply the knowledge obtained from the study, research or teaching immediately after completion thereof, in the Republic for a period of at least the period that the study, research or training was funded by the organisation; or

11.4.2 to refund the full amount of the scholarship, bursary or award should they decide not to apply the knowledge as contemplated in subparagraph 11.4.1 above.

12. Indemnity

12.1 Every member of the Board, chairperson, officer and every other person (whether an officer of the organisation or not) employed by the organisation shall be indemnified out of the funds of the organisation against all liability incurred by them in such capacities, in defending any proceedings, whether civil or criminal, in which judgment is given in their favour, or in which they are acquitted.

12.2 No member, officer or employee of the organisation shall be liable for

12.2.1 loss or expense incurred by the organisation through the insufficiency or deficiency of any security in or upon which any of the monies of the organisation are invested;

12.2.2 any loss or damage arising from the bankruptcy, insolvency or delictual acts of any persons with whom monies, securities or effects shall be deposited;

12.2.3 any loss or damage occasioned by any error of judgment or oversight on his/her part; or

12.2.4 any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his/her office, or in relation thereto,

unless the same happened through his/her own negligence, default, breach of duty or wilful misconduct or wilful breach of trust.

13. Changes to the constitution

13.1 The constitution can be changed at the annual general meeting or a special meeting in terms of this constitution, by a resolution agreed to by not less than two thirds of the members present.

13.2 A written notice must go out not less than fourteen (14) days before the meeting at which the changes to the constitution are going to be proposed. The notice must indicate the proposed changes to the constitution that will be discussed at the meeting.

13.3 No amendments may be made which would have the effect of making the organisation cease to exist.

13.4 A copy of any such amendment:

13.4.1 shall, if the organisation is exempted from payment of normal tax or authorised to issue receipts under s18A of the Act, be sent for their records to the Commissioner for the South African Revenue Services or his authorised representative;

13.4.2 shall, if the organisation is registered as a non-profit organisation, be sent to the Directorate of Non-Profit Organisations.

14. Dissolution/Winding-up

14.1 The organisation shall be dissolved if at least two-thirds of the members present at an annual general meeting, or a special meeting convened in terms of this constitution for the purpose of considering such matter agree to it. A written notice must go out to all members at least fourteen (14) days before the meeting at which dissolution is to be proposed, outlining the reasons for the proposed dissolution.

14.2 When the organisation dissolves, it has to pay off all its debts. After doing this, if there are assets left over, they should not be given to members or office bearers of the organisation. They should be given to another nonprofit organisation that has similar objectives. The organisation's members must decide this as part of the decision to dissolve.

14.3 Such recipient organisations shall be:
14.3.1 Non-profit;
14.3.2 have objects similar to the Company's main object; and
14.3.3 if the Company 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;
14.3.4 if the Company is registered as a NonProfit Organisation; that the organisations are registered as NonProfit Organisations and notice of such

winding up or dissolution be sent to the Directorate of NonProfit Organisations within one month after its completion.

This constitution was approved and accepted by members of HABANDBF at a special general meeting held on the ~~17th~~ 23rd of November 2023.

Chairperson: ______________________

Treasurer: ______________________

Mark Essey: ______________________

Joe Mthembu: ______________________