

REPUBLIC OF SOUTH AFRICA
COMPANIES ACT, 1973

ARTICLES OF ASSOCIATION OF A COMPANY NOT HAVING
A SHARE CAPITAL

(Section 60(1); Regulation 18)
Registration No. of Company

Name of Company:- CENTRE FOR DEVELOPMENT OF HUMAN
RESOURCES.

(Association incorporated under Section 21

- A. The articles of Table A contained in Schedule 1 to the Companies Act, 1973, shall not apply to the Company.
- B. The Articles of the Company are as follows:-

DEFINITIONS AND CONSTRUCTION:

In these articles :

"the Act" means the Companies Act, 1973;

"foreign committee" means a committee appointed under article 56 of these articles;

"person" includes a body corporate, a company or an association of persons as the case may be;

"director" means the board of directors of the company;

"the office" means the registered office for the time being of the company;

"the Company" means CENTRE FOR DEVELOPMENT OF HUMAN RESOURCES (Association incorporated under Section 21);

"secretary" means any person appointed to perform the duties of the secretary of the Company;

"the Republic" means the Republic of South Africa.

Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Act or any statutory modification thereof in force from time to time.

Words importing any gender include the other genders and words importing the singular number include the plural, and vice versa.

These articles shall be deemed to authorise the company to do anything which the Act empowers a company to do if so authorised by its articles, unless that authority is expressly excluded.

2. MEMBERS:

2. Number There shall be no limit to the number of members of the Company.
3. Admission Regional representative of each region in South Africa shall elect a person to serve as the Chairman of that Region. That person shall also become a member of the company and subscribe to the memorandum of association. These members together with four additional members and such other persons, as the directors shall admit to membership, shall be members of the company.
4. Register of Members. The company shall maintain at its registered office, a register of members of the company, as provided in Section 105 of the Act. The register shall be open to inspection as provided in Section 113 of the Act.

RETIREMENT OF MEMBERS:

5. (a) Any member of the company who wishes to retire shall give notice of his intention in writing to

the secretary, and thereupon his name shall be removed from the register of members and he shall no longer be a member.

(b) The board of directors may in its sole discretion resolve that any members membership in the company shall cease (the board shall not be obliged to furnish any reasons for so resolving).

(c) Furthermore a member's membership shall cease if;

(i) being a natural person, he dies or is declared incapable of managing his own affairs or is declared insolvent (whether provisionally or finally;

or

(ii) not being a natural person is placed under a winding-up or judicial management order (in either case whether provisional or final) or ceases to exist for any reason.

6. No right or privilege of any member shall be in any way transferable or transmissible but all such rights and privileges shall cease upon the member ceasing to be, whether by death or retirement or otherwise.

GENERAL MEETINGS

7. General Meetings. The company shall hold its first

annual general meeting within 18 (EIGHTEEN) months after the date of its incorporation and shall thereafter in each year, hold an annual general meeting; Provided that not more than 15 (FIFTEEN) months shall elapse between the date of one annual general meeting shall be held within 6 (SIX) months after the expiration of the financial year of the company. Provided further that an annual general meeting may be held by agreement and resolution in writing in terms of the provisions of Section 179 of the Act.

8. Other general meetings of the company may be held at any time.
9. Annual General Meetings and other general meetings shall be held at such time and place as the directors shall appoint or at such time and place as is determined if the meetings are convened on the Section 179(4), 181, 182 or 183 of the Act.

NOTICE OF GENERAL MEETINGS:

10. An annual general meeting and a meeting called for the passing of a special resolution shall be called by not less than 21 (TWENTY ONE) clear days notice in writing and any other general meeting shall be called by not less than 14 (FOURTEEN) clear days notice in writing. The notice shall : -

- (a) be exclusive of the day on which it is served and of the day on which it is given;
- (b) Specify the place, the day and the hour of the meeting;
- (c) be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the company, in general meeting, to such persons as are, under these articles, entitled to receive such notices from the company.

Provided that a meeting of the company, shall notwithstanding the fact that it is called by shorter notice than that specified in this article, be deemed to have been duly called if it is so agreed by a majority in number of the members having a right to attend and vote at the meeting being a majority holding not less than 95% (NINETY FIVE PERCENTUM) of the total voting rights of all the members.

11. Omission to give notice. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS:

12. Ordinary and special business: The annual general meetings shall deal with and dispose of all matters prescribed by the Act, the consideration of the annual financial statements, the election of directors and the appointment of an auditor, and may deal with any other business laid before it. All business laid before any other general meeting shall be considered special business.

13. Quorum: No business shall be transacted at any general meeting, unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, a presence in person or by proxy of 60% (SIXTY PERCENTUM) of all members shall be deemed to be a quorum.

14. Failure to obtain quorum. If within an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to a day not earlier than 7 (SEVEN) days and not later than 21 (TWENTY ONE) days after the date of the meeting at the same time and place, and if at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting, the members present in person or by proxy shall be quorum.

15. Notice of Adjournment. (i) Where a meeting has been adjourned as aforesaid, the company shall upon a date not later than 3 (THREE) days after the adjournment, send a written notice to each member of the company stating : -

(a) the date, time and place to which the meeting has been adjourned;

(b) the matter before the meeting when it was adjourned; and

(c) the ground for the adjournment.

(ii) If a compulsory adjournment is granted in terms of Section 192 of the Act then the written notice referred to in (i) hereof, shall, not later than 3 (THREE) days after the adjournment, be published in a newspaper circulating in the province where the registered office of the company is situated.

16. Chairman. The chairman, if any, of the board of shall preside as chairman at every general meeting of the company, or if there is no such chairman, or if he shall not be present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, the directors present shall elect one of their number to be chairman of the meeting.

17. Adjournment.

The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned, the provisions of articles 14 and 15 shall mutatis mutandis apply to such adjournment.

18. (a) Voting on Resolutions.

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or any of the members.

(b) Declaration of Chairman conclusive.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by particular majority, or negatived and an entry to the effect in the book containing the minutes of proceeding of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

19. Taking a poll.

Except as provided for in article 22 if a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. Scrutineers shall be elected to determine the result of the poll.

20. Casting Vote.

In the case of equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

21. When a poll is to be taken.

A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.

22. Validation of resolution not passed at a meeting duly convened.

Subject to the provisions of the Act a resolution in writing signed by all the members for the time being

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entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the company duly convened and held.

VOTES OF MEMBERS:

23. Every member (or if a member is a body corporate, its representative) shall have one vote. On a show of hands, every member present in person or by proxy may vote.

PROXIES

24. Instrument of Proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his agent duly authorised in writing, or, if the appointer is a corporate body, either under seal or under the hand of an officer or agent duly authorised by the body corporate. A proxy need not be a member of the company. The holder of a general or special power of attorney whether he is himself a member or not, given by a member shall be entitled to attend meetings and to vote, if duly authorised under that power to attend and take part in the meetings.

25. Deposit of Instrument.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at the office or at such other place within the Republic as is specified for that purpose in the notice convening the meeting, not less than 48 (FORTY EIGHT) hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be valid. No instrument appointing a proxy shall be valid. No instrument appointing a proxy shall be valid after the expiration of 6 (SIX) months from the date when it was signed unless so specifically stated in the proxy itself, and no proxy shall be used at an adjourned meeting which could not have been used at the original meeting.

26. Forms:

An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances permit:

"CENTRE FOR DEVELOPMENT OF HUMAN RESOURCES"
(Association incorporated under Section 21)

I/(We),
of
.....

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being a member (members) of the abovenamed company,
hereby appoint
of.....
or failing him.....
of
or failing him, the Chairman of the meeting, as my
(our) proxy to vote for me (us) on my (our) behalf at
the annual (special) general meeting of the company to
be held on the day of
and at any adjournment thereof.

In favour of Against Absentions

Resolution to
Resolution to
Resolution to

(Indicate instructions to proxy by way of a cross in
space provided above). Unless otherwise instructed, my
proxy may vote as he thinks fit.

Signed this day of.....

S I G N A T U R E

(Note: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and on a poll vote in his stead, and such proxy need not also be a member of the Company).

27. Proxy irrevocable, except on notice in writing

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation as aforesaid shall have been received by the company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

CORPORATE BODIES ACTING BY REPRESENTATIVES AT MEETINGS

28. Corporate Bodies.

Any corporate body which is a member of the company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporate body which he represents as that corporate body could exercise if it were an individual member of the company.

DIRECTORS29. Number and Qualification.

The number of the directors shall not be less than two the names of the first directors may be determined in writing by a majority of the subscribers of the memorandum. Until directors are appointed, whether or not the directors have been named by a majority of the subscribers of the memorandum, every subscriber of the memorandum shall be deemed for all purposes to be a director of the company.

Neither a director nor an alternate director need be a member to qualify for holding office.

30. Remuneration

The remuneration of the directors shall from time to time be determined by the company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors shall also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection with the affairs of the company.

31. Remuneration for extra services.

If any director be called upon to perform extra services or to make any special exertions in going or residing abroad, or otherwise, for any of the purposes

of the company, the company may remunerate that director either by a fixed sum or otherwise as may be determined, and such remuneration may be either in addition to or in substitution for, the remuneration determined under article 30.

ALTERNATE DIRECTORS:

- 32 (a) Each director shall have the power to nominate any person, who is qualified in terms of the Act, to act as alternate director in his place during his absence or inability to act as such; Provided that the appointment of an alternative director shall be approved by the board and on such appointment being made, the alternate director shall in all respects be subject to the terms, qualifications and conditions existing with reference to the other directors of the company.
- (b) The alternate directors, whilst acting in the stead of the directors who appointed them, shall exercise and discharge all the powers, duties and functions of the directors they represent.
- (c) The appointment of an alternate director shall be revoked and the alternate director shall cease to hold office whenever the director who appointed him ceases to be a director or gives notice to the secretary of the company or the board of directors that the alternate director representing him has ceased to do so.

BORROWING POWERS:33. Directors Powers.

The directors may exercise all the powers of the company to borrow money, and to mortgage or charge its assets or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for debt, liability or obligation of the company or of any third party.

POWERS AND DUTIES OF DIRECTORS

34. The affairs of the company shall be managed by the directors, who may pay all expenses incurred in promoting and incorporating the company, and may exercise all such powers of the company as are not by the Act, or by these articles, required to be exercised by the company in general meeting, subject to these articles, to the provisions of the Act, and to such regulations, not inconsistent, with the aforesaid articles or provisions, as may be prescribed by the company in general meeting, but no regulation prescribed by the Company in general meeting shall invalidate any prior act of the directors which would have been valid if such regulation had not been prescribed.

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MANAGING DIRECTOR

- 35 The directors may from time to time appoint one or more of their body to the office of managing director for such terms and at such remuneration as they may think fit and may revoke such appointment subject to the terms of any agreement entered into in any particular case. A director so appointed shall not, while holding such office, be subject to retirement by rotation, or taken into account in determining the rotation of retirement of directors, but his appointment shall determine if he ceases for any reason to be a director.
36. The directors may from time to time entrust to or confer upon a managing director for the time being, such of the powers and authorities vested in them as they may think fit, and may confer such powers and authorities for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think expedient, and they may confer such powers and authorities either collaterally or to the exclusion of, or in substitution for all or any of the powers and authorities of the directors and may from time to time revoke or vary all or any of such powers and authorities.

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37. Secretary

A secretary may be appointed by the directors for such term, at such remuneration and upon such conditions as they think fit; and any secretary so appointed may be removed by them.

38. Minutes.

The directors shall in terms of Section 204 of the Act, cause minutes to be kept.

(a) of all appointments of officers;

(b) of names of directors present at every meeting of the company and of the directors;

(c) of all resolutions and proceedings at all meetings of the company and of the directors.

Such minutes shall be signed by the Chairman of the meeting at which the proceedings took place or by the chairman of the next succeeding meeting.

FOREIGN COMMITTEES:

39. The directors may from time to time appoint persons resident in a foreign country to be a foreign committee for the company in that country, with such powers and duties as the directors may from time to time determine. The directors may from time to time

establish branch registers of members and transfer offices in foreign countries, close them at any time and may appoint and remove agents for any purposes in any foreign country.

DISQUALIFICATION OF DIRECTORS

40. Disqualification

The office of director shall be vacated if the director-

- (a) becomes prohibited from being a director by reason of any provisions of the Act; or
- (b) without the consent of the company in general meeting hold any other office of profit under the company;
- (c) becomes insolvent or makes any arrangement or composition with his creditors, generally; or
- (d) becomes of unsound mind; or
- (e) resigns his office by notice in writing to the company; or
- (f) is directly or indirectly intested in any contract with the company and fails to declare the nature of his interest in manner required by the Act; or

(g) for more than six (6) months is absent without permission of the directors from meetings of directors held during that period.

A director (or his alternate director as the case may be) subject to declaring his interest in terms of the Act) may vote and be counted in any quorum in respect of any contract or resolution in which he is interested or any matter arising thereout, and if he does so vote, his vote shall be counted. The director or alternate director concerned shall not be liable to account to the company for the profit accruing to him in respect of such contract.

ROTATION OF DIRECTORS

41. Rotation

At the first annual general meeting of the company all the directors shall retire from office, and at the annual general meeting in every subsequent year one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not greater than one-third shall retire from office.

42. Retirement of directors.

The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors

on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

43. Eligible for re-election

A retiring director shall be eligible for re-election.

44. Election

The company at the annual general meeting at which a director retires in the manner aforesaid or at any other general meeting may fill the vacancy by electing a person thereto.

45. Vacancy and Re-election

If at any meeting at which an election of directors ought to take place the offices of the retiring directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the provisions of articles 14 and 15 shall apply mutatis mutandis to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring directors or such of them as have not had their offices filled shall be deemed to have been re-elected at such adjourned meeting unless a resolution for re-election of any such director shall have been put to the meeting and negatived.

46. Increase or reduction of number.

The company may from time to time in general meeting increase or reduce the number of directors, and may

also determine in what rotation such increased or reduced number is to retire from office.

47. Casual Vacancy

Unless the members otherwise determine in general meeting any casual vacancy occurring on the board of directors may be filled by the directors, but the director so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose stead he is appointed, was last elected a director.

48. Appointment of additional director.

The directors shall have power at any time, and from time to time, to appoint a person as an additional director but so that the total number of directors shall not at any time exceed the number fixed according to these articles, and such director shall retire from office at the next following annual general meeting and shall then be eligible for re-election, but shall not be taken into account in determining which directors are to retire by rotation at such meeting.

49. Removal of Director.

The company may by ordinary resolution of which special notice has been given in accordance with Section 220 of the Act, remove any director before the expiration of his period of office notwithstanding anything in these articles or in any agreement between

the company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the company.

50. Appointment of director in place of one removed.

The company may by ordinary resolution appoint another person in place of a director removed from office under the immediately preceding article. Without prejudice to the powers of the directors under article 48, the company in general meeting may appoint any person to be a director either to fill a casual vacancy or as an additional director. The person appointed to fill such a vacancy shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

PROCEEDINGS OF DIRECTORS:

51. Meetings of Directors.

The directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time convene a meeting of the directors.

52. Quorum:

The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be two.

53. Interest in Contracts.

Subject to the provisions of section 234 and 241, inclusive, of the the Act, a director shall not vote in respect of any contract or proposed contract with the company in which he is interested, or any matter arising therefrom, and if he does so vote, his vote shall not be counted.

54. Vacancies.

The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the articles of the company as the necessary quorum of directors, the continuing directors or director may act for the purpose of increasing the number of directors to that number, or of convening a general meeting of the company, but for no other purposes.

55. Chairman

The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but, if no such chairman is elected, or if at any meeting the chairman is not present within five

minutes after the time appointed for holding the same, the directors present may elect one of their number to be chairman at the meeting.

56. Delegation of Powers.

The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit, any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

57. Chairman of Committee

A committee may elect a chairman of its meeting; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the committee members present may elect one of their number to be chairman of the meeting.

58. Meetings of Committee

A committee may meet and adjourn as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes of the committee members present, and in the case of equality of votes the chairman shall have a second or casting vote.

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59. Validity of Acts.

All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

60. Validation of Resolution

A resolution in writing signed by all the directors (or their alternates) for the time being entitled to receive notice of a meeting of the directors, shall be as valid and effectual as if it had been passed as a meeting of the directors duly convened and held.

DIVIDENDS

61. Neither the company nor the directors may declare any dividend.

ACCOUNTING RECORDS

62. The directors shall cause such accounting records as are prescribed by Section 284 of the Act to be kept.

63. The accounting records shall be kept at the registered office of the Company or at such other place of places

as the Directors think fit and shall always be open to inspection by the directors.

64. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the company or any of them shall be open to inspection by members not being directors, and no member (not being a director) shall have any rights of inspecting any accounting records or documents of the company except as conferred by the Act or authorised by the directors or by the company in general meeting.

ANNUAL FINANCIAL STATEMENTS AND INTERIM REPORTS:

65. The directors shall from time to time in accordance with Section 286 and 288 of the Act cause to be prepared and laid before the company in general meeting such annual financial statements, group annual financial statements and group reports (if any) as are referred to in those sections.
66. The directors shall, in accordance with section 303 of the Act, prepare or cause to be prepared interim reports, a copy of which shall be sent to every member of the company and to the Registrar.

67. A copy of any annual financial statements, group annual financial statement and group reports which are to be laid before the company in general meeting, shall not less than twenty one (21) days before the date of the meeting be sent to every member and every holder of debentures of the company, and (if the Act so requires), to the Registrar, provided that this article shall not require a copy of those documents to be sent to any person of whose address the company is not aware.

AUDIT:

68. An auditor shall be appointed in accordance with Chapter X of the Act.

NOTICES:

69. A notice may be given by the company to any member either by advertisement or personally, or by sending it by post in a prepaid letter addressed to such member at his registered address, or (if he has no registered address in the Republic) at the address (if any) within the Republic supplied by him to the company for the giving of notices to him. Any notice which may be given by advertisement shall be inserted in the Gazette and in such newspapers as the directors may from time to time determine.

70. Notice of every general meeting shall be given in any manner authorised.

(a) to every member of the company, except in the in the case of notices to be given personally or sent by post, those members who (having no registered address within the Republic) have not supplied to the company an address within the Republic for the giving of Notices to them;

(b) to the auditor for the time being of the company.

No other person shall be entitled to receive notice of general meetings.

71. Any notice by post shall be deemed to have been served at the time when the letter containing the same was posted, and any notice by advertisement shall be deemed to have been given on the day upon which the advertisement was published in the Gazette and improving the giving of the notice by post, it shall be sufficient to prove that the letter containing the notice was properly addressed and posted.

SPECIAL RESOLUTION

72. The company may by special resolution do anything which in terms of the Act may be done by a company only if authorised by its articles, or only if authorised by its memorandum and/or articles.

ALTERATIONS OF AND AMENDMENT TO MEMORANDUM AND
ARTICLES OF ASSOCIATION:

73. It shall and may be lawful for the members by Special Resolution passed at a general meeting upon due and lawful notice given to add to, repeal, alter, amend, vary or modify the Memorandum and Articles of Association of the Company.