



## **MEMORANDUM OF INCORPORATION**

Company name: **FUTURENEERS CAPITAL PROPRIETARY LIMITED**  
(Registration number 2016/123152/07)

This MOI was adopted by way of Special Resolution on 1 December 2020, in substitution for the existing memorandum of incorporation of the Company, as contemplated in section 16(5)(a) of the Act.

# PART 1 – INTRODUCTION AND INTERPRETATION

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## 1 INTERPRETATION

### Definitions

In this MOI:

- 1.1 words defined in the Act but not defined in this MOI will bear the same meaning, where applicable, in this MOI as in the Act. For ease of reference all defined terms have been capitalised in this MOI (including the relevant definitions contained in the Act);
- 1.2 unless the context requires otherwise:
  - 1.2.1 "**Act**" means the Companies Act, 71 of 2008, as amended from time to time;
  - 1.2.2 "**Board**" means the board of directors of the Company;
  - 1.2.3 "**Board Resolution**" means a resolution approved by a minimum majority vote of 51% (fifty one percent) of the directors;
  - 1.2.4 "**Cash**" means the balance of funds available in a bank account, or such other funds which may be transferred to a bank account and be readily available to pay expenses, make investments or make Distributions;
  - 1.2.5 "**Cash Equivalents**" mean an asset which is not Cash, with a value similar to Cash, which asset may over time be converted to cash with at a value similar to the cash balance, including the offset of an asset against a liability and vice versa;
  - 1.2.6 "**Class Special Resolution**" means a resolution passed by the holders of at least 75% (seventy five percent) of the Voting Rights within the Share class affected by such resolution;
  - 1.2.7 "**Company**" means Futureneers Capital Proprietary Limited (Registration number 2016/123152/07) a private company registered and incorporated under the Companies Act, of Workshop 17, Corner of Tabak and LOuws Streets, Paarl, 7646 and email: admin@futureneers.co;
  - 1.2.8 "**Corresponding Investee Company/(ies)**" means, in relation to Corresponding Investor/s, the Investee Company/(ies) specified in the Corresponding Investors' Class Subscription Agreement and in respect of which the Corresponding Investors enjoy exclusive Economic Benefit;
  - 1.2.9 "**Corresponding Investor**" means, in relation to a Corresponding Investee Company, the investors who funded the Company's equity investment into such Investee Company in terms of the Class Subscription Agreement, so that each holder of "Class 1 Investor Shares" shall be Corresponding Investors to Investee Company 1 and so forth;

- 1.2.10 "**Corresponding Class Investor Shares**" means, in relation to the specific class of Management "A" Shares and Management "B" Shares, the specific class of Investor Shares to which such management shares are linked and related in terms of the Class Subscription Agreement, so that each holder of "Class 1 Investor Shares" shall be Corresponding Investors to Class 1 Management A" Shares and Class 1 Management "B" Shares and so forth;
- 1.2.11 "**Class Investment Committee**" means a committee, the members of which have been nominated by the Holders of a specific class of Investor Share and appointed by the Board and constituted in terms of clause 8 below. For the sake of clarity it is recorded that there will be a separate Class Investment Committee for every class of Investor Share;
- 1.2.12 "**Class Investor Shareholders**" means the Holders of a specific class of Investor Share (available classes 1-100);
- 1.2.13 "**Class Subscription Agreement**" means any written agreement(s) on the issuing of Investor Shares when the initial Holder of such Investor Shares subscribes for them, concluded between the Company, the Management Company and the initial Holder of any Investor Shares issued, subject to clause 10.3.3 and recorded in a separate agreement for every class (1-100) of Investor Share issued. Any reference to the Class Subscription Agreement herein will also include any Class Shareholders Agreement;
- 1.2.14 "**Class Shareholders Agreement**" means an agreement entered into between the Company and the holders of a specific class of Share, over and above to concluding the Class Subscription Agreement;
- 1.2.15 "**Connected Party**" means a connected party as defined in the Income Tax Act;
- 1.2.16 "**Days**" mean business days, unless specifically referred to as calendar days;
- 1.2.17 "**Deliver**" means:
- 1.2.17.1 the manner of delivery described in clause 29; and
  - 1.2.17.2 as permitted by the Act;
- 1.2.18 "**Distribution**" shall bear the meaning ascribed to it in the Act;
- 1.2.19 "**Economic Rights**" mean the rights of a Shareholder to the Economic Benefit;
- 1.2.20 "**Economic Benefit**" means any Distribution, returns or financial benefits received or receivable by the Company from any Investee Company. In addition, Economic Benefit shall also include any proceeds received by Investor Shareholders from selling, exiting or liquidating their Investor Shares in the Company. For the sake of clarity it is recorded that Economic Benefit will include, but is not limited to:

- 1.2.20.1 dividends and dividends in specie; and
- 1.2.20.2 repayment, on a preferential basis, by dividends, or otherwise of the total capital invested; and
- 1.2.20.3 proceeds on the sale, or transfer or liquidation of an investment in an Investee Company; and
- 1.2.20.4 proceeds on the sale, or transfer or liquidation of the Investor Shares; and
- 1.2.20.5 any other benefit which carries a monetary value received or receivable to the benefit of the Company from its investment in the Investee Companies, and ultimately the Investor Shareholders;
- 1.2.21 "**Email Address**" means any email address furnished to the Company by a Holder;
- 1.2.22 "**Equity Shares**" mean Equity Shares as defined by the Income Tax Act, which shares shall have the Economic Rights to share in Distributions by the Company beyond a fixed amount;
- 1.2.23 "**Holders**" means registered holders of Securities;
- 1.2.24 "**Income Tax Act**" means the Income Tax Act 58 of 1962 as amended from time to time;
- 1.2.25 "**Ineligible**" or "**Disqualified**" means any person who is ineligible or disqualified in terms of the Act. For the avoidance of doubt, the definition "**Ineligible**" or "**Disqualified**" shall apply to Directors, members of Board committees and Prescribed Officers;
- 1.2.26 "**Investee Company**" means any company in which the Company holds or has commenced with the process of acquiring an equity interest, whether or not such company is a Qualifying Company or not and "**Investee Companies**" shall be interpreted accordingly;
- 1.2.27 "**Investor Shares**" means the various classes ("1" (one) to "100" (one hundred)) of ordinary no par value shares in the capital of the Company with each class allowing the Holders of such Investor Shares in that class to the exclusive Economic Benefits received or receivable by the Company from the Corresponding Investee Company of such class, after deducting and paying the Management Dividends, and having Voting Rights at 1 (one) vote per share and such further rights and privileges set out in this MOI. The Investor Shares shall be Equity Shares and shall have the right to share in Distributions beyond the fixed amount of the Management Dividends;
- 1.2.28 "**Investor Shareholders**" mean the holders of the Investor Shares, while the Class Investor Shareholders will refer to the holders of a specific class of Investor Share;

- 1.2.29 **"Liquidation Event"** means the liquidation, dissolution, winding up, merger, amalgamation, acquisition, sale, or other disposal of substantially all the assets or Shares of the Company;
- 1.2.30 **"Liquidation Proceeds"** means the proceeds payable by the Company to its Shareholders as a result of any Liquidation Event;
- 1.2.31 **"Management "A" Shares"** mean the various classes ("1" (one) to "100" (one hundred)) of Management "A" Shares in the capital of the Company:
  - 1.2.31.1 allowing the Holders of such Management "A" Shares (in such class of Management "A" Shares) to share and participate in the Economic Benefit of the specific and corresponding class of Investors Shares, limited to the Management Dividend; and
  - 1.2.31.2 having such further rights and privileges set out in this MOI, or to be agreed and recorded in Writing in every Class Subscription Agreement; and
  - 1.2.31.3 has no right to participate beyond a specific amount in Distribution apart from receiving a fixed amount in terms of the Management Dividends; and
  - 1.2.31.4 having no Voting Rights; and
  - 1.2.31.5 not being an Equity Share.
- 1.2.32 **"Management Dividends"** mean the preferential dividends payable to the holders of the Management "A" Shares, before any Distributions of the Economic Benefit can be made to the Investor Shareholders, the details of which shall be determined by the Company, the Management "A" Shareholders and the Class Investor Shareholder and to be recorded in the Class Subscription Agreement for each class of Investor Share to be issued, provided that:
  - 1.2.32.1 any Distributions resulting from such Management Dividends shall be limited to a fixed amount and not be a Distribution beyond such a fixed amount; and
  - 1.2.32.2 the Management Dividends may include an initial dividend deducted from the Subscription Price to be paid by the Investor Shareholder or recurring dividends payable annually by the Company, or a performance related payment, limited to a fixed amount; and
- 1.2.33 **"Management "B" Shares"** mean the various classes ("1" (one) to "100" (one hundred)) of Management "B" Shares in the capital of the Company:
  - 1.2.33.1 having Voting Rights at 10 (ten) votes per share; and

- 1.2.33.2 such further rights and privileges set out in this MOI, or to be agreed and recorded in Writing in every Class Subscription Agreement; and
- 1.2.33.3 having no Economic Rights, unless recorded differently in the Class Subscription Agreement; and
- 1.2.33.4 not being an Equity Share.
- 1.2.34 "**Management Company**" means Futureneers (Pty) Ltd (registration number: 2016/136388/07), a private company registered and incorporated under the Companies Act, of WS17, Corner Tabak and Louws Streets, Paarl. 7646 and email jaco@futureneers.co or its nominees;
- 1.2.35 "**MOI**" means this Memorandum of Incorporation, being the Moi of the Company;
- 1.2.36 "**Ordinary Resolution**" shall bear the meaning ascribed to it in the Companies Act;
- 1.2.37 "**Participation Rights**" mean all the rights and privileges related to a class of share, including the right to receive the Economic Benefits as well as Voting Rights;
- 1.2.38 "**Person**" shall bear the meaning ascribed to it in the Act;
- 1.2.39 "**Qualifying Company**" shall bear the meaning as ascribed to it in Section 12J of the Income Tax Act and "**Qualifying Companies**" shall be interpreted accordingly;
- 1.2.40 "**Regulations**" means regulations published pursuant to the Act;
- 1.2.41 "**Securities**" shall bear the meaning ascribed to it in the Companies Act;
- 1.2.42 "**Section 12J**" means Section 12J of the Income Tax Act, specifically dealing with Venture Capital Companies;
- 1.2.43 "**Shareholders**" means the registered holders of the Shares from time to time;
- 1.2.44 "**Shares**" means the Investor Shares, Management "A" Shares and Management "B" Shares in the capital of the Company, having the rights and privileges set out in this MOI;
- 1.2.45 "**Taxpayer**" means any person, entity or corporate registered with SARS as a taxpayer;
- 1.2.46 "**Special Resolution**" shall bear the meaning ascribed to it in the Act;

- 1.2.47 "**Venture Capital Company**" shall bear the meaning as ascribed to it in Section 12J of the Income Tax Act. For the sake of clarity it is recorded that a Venture Capital Company is an entity registered with SARS and the FSCA to raise capital in accordance with Section 12J of the Income Tax Act and utilise such capital raised to invest in Qualifying Companies and fulfil its core object as described herein;
- 1.2.48 "**Voting Rights**" means the right to vote on a matter to be decided by Shareholders and "**Votes**" shall refer to the number of votes exercisable on that resolution relative to other Voting Shareholders;
- 1.2.49 "**Voting Shareholder**" means a Shareholder with a Voting Right on a particular resolution;
- 1.2.50 "**Writing**" includes Electronic Communication, but with regard to any Holder entitled to vote, only to the extent that such Holder has notified the Company of an Email Address;
- 1.2.51 "**12J Non-Compliant Shares**" means the Shares previously issued to a Shareholder and it becomes evident that the issue of such Shares resulted in the Company not being compliant to the provisions of Section 12J or the issue of such shares resulted in the Company being non-compliant to the requirements set forth from time to time for Venture Capital Companies.

### **Other interpretations**

- 1.3 references to Holders "*represented by proxy*" shall include Holders entitled to vote by representation through an agent appointed under a general or special power of attorney;
- 1.4 references to Holders entitled to vote while "*present*" shall include juristic persons represented by duly authorised representatives or acting in the manner prescribed in the Act;
- 1.5 headings in this MOI are for reference purposes only and shall not affect the interpretation of this MOI;
- 1.6 words in the singular shall include the plural, and words in the plural shall include the singular, words importing the masculine gender shall include the female gender, and words importing persons shall include created entities (corporate or not);
- 1.7 if any term is defined within the context of any particular clause in this MOI, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this MOI, notwithstanding that the term has not been defined in this interpretation provision; and
- 1.8 the rule of construction that a contract shall be interpreted against the party responsible for the drafting or preparation of the contract, shall not apply to this MOI.

## **Conflicts**

- 1.9 Should a conflict occur between a provision in terms of the Act, and a provisions in terms of the MOI or the Class Subscription Agreement, the provisions per the Act shall supersede the conflicted provisions in terms of the MOI or the Class Subscription Agreement, provided that where the Act provides for the Company and its Shareholders, or for Shareholders between them, to agree on terms and conditions otherwise, such provisions recorded in terms of the MOI or the Subscription Agreement shall prevail and supersede the provisions of the Act.
- 1.10 Should a conflict occur between a provision of this MOI and a provision recorded in the Class Subscription Agreement, the provisions recorded in the Class Subscription Agreement shall supersede the conflicted provision in terms of the MOI.

## **2 CALCULATION OF BUSINESS DAYS**

When a particular number of Business Days is provided for between the happening of one event and another in this MOI, the number of days must be calculated by:

- 2.1 excluding the day on which the first such event occurs;
- 2.2 including the day on or by which the second event is to occur; and
- 2.3 excluding any public holiday, Saturday or Sunday that falls on or between the days contemplated in clauses 2.1 and 2.2, respectively.

## **PART 2 – NATURE OF THE COMPANY**

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### **3 PRIVATE COMPANY**

The Company is a Private Company as it:

- 3.1 is a Profit Company;
- 3.2 is prohibited from offering any of its Securities to the public; and
- 3.3 has restrictions on the transferability of its Securities, as set out in herein.

### **4 PURPOSE AND POWERS OF THE COMPANY**

- 4.1 The sole objective of the Company is the management of investments in Qualifying Companies, the Company being designated to be a Venture Capital Company.
- 4.2 Notwithstanding the omission from this MOI of any provision to that effect, the Company may do anything which the Companies Act empowers a company to do if so authorised by its MOI.



## **5 AMENDMENTS TO THIS MOI**

- 5.1 This MOI shall only be amended by way of Special Resolution, unless amended by the Board as authorised by clause 5.2 below.
- 5.2 The Board is empowered to amend this MOI without obtaining a Special Resolution, by:
- 5.2.1 correcting patent errors (including, without limitation, in relation to spelling, punctuation, reference, grammar or similar defects) in this MOI; and/or
  - 5.2.2 decreasing or increasing the number of authorised shares related to any class of Investor Share not yet issued; and/or
  - 5.2.3 decreasing or increasing the number of authorised shares related to the Management "A" and Management "B" Shares; and/or
  - 5.2.4 creating new or further classes of Investor Shares to enable the Company to invest in Investee Companies; and/or
  - 5.2.5 reclassifying any classified Shares that have been authorised, but not yet issued; and/or
  - 5.2.6 amend this MOI as necessary, should the Company's MOI at any point in time not comply to the requirements of a Venture Capital Company and Section 12J, provided that amendments shall be limited to such minimum changes ensuring compliance to the requirements of a Venture Capital Company and Section 12J.

## **6 RULES**

The Board shall not be entitled or authorised to make Rules.

## **Part 3 – SHARES AND FUNDING**

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### **7 AUTHORISED AND ISSUED SECURITIES**

#### **Authorised Share Capital**

- 7.1 The Company is authorised to issue up to a maximum of:
- 7.1.1 100,000,000 (one hundred million) authorised shares of each class of Investor Shares, comprising classes "1" (one) to "100" (one hundred), with each class allowing the Holders of Investor Shares in that class to the exclusive Economic Benefit derived by the Company from the Corresponding Investee Company/ies of such class;

- 7.1.2 100,000,000 (one hundred million) authorised shares of each class of Management "A" Shares, comprising classes "1" (one) to "100" (one hundred), with each class allowing the Holders of such Management "A" Shares in that class to the Management Dividends to be derived by the Company from the Corresponding Class Investor Shares; and
- 7.1.3 100,000,000 (one hundred million) authorised shares of each class of Management "B" Shares, comprising classes "1" (one) to "100" (one hundred), with each class allowing the Holders of such Management "B" Shares in that class to Voting Rights only as described herein.

### **Variation of Share Capital and Rights**

- 7.2 All Securities of a class shall rank *pari passu* in all respects.
- 7.3 By amendment of the MOI in terms of clause 5.1 above, the Board shall have the power to:
  - 7.3.1 amend the authorisation, including increasing or decreasing the number of authorised Shares of any class of Shares;
  - 7.3.2 reclassify any classified Shares that have been authorised, but not yet issued;
- 7.4 All or any of the rights, privileges or conditions for the time being attached to any class of Securities of the Company may (unless otherwise provided by the terms of issue of the Securities of that class) be varied only if approved by way of Class Special Resolution.

### **Issue of Shares**

- 7.5 The Board shall not restrict any Shareholders from subscribing for Shares, unless such subscription shall prejudice the Company's status as a Venture Capital Company and compliance to Section 12J (including, but not limited to the specific requirements stipulated in cause 7.8 below), in which case, no such Holder will be allowed to subscribe for such Shares.
- 7.6 The Board shall have the power to:
  - 7.6.1 Issue authorised Shares; and
  - 7.6.2 Issue options relating to the authorised Shares; and
  - 7.6.3 authorise and issue shares where the Board needs to create further classes of Investor Shares to enable the Company to invest in Investee Companies.
- 7.7 The Board may issue capitalisation Shares or offer a cash payment in *lieu* of awarding a capitalisation Share in accordance with Section 47 of the Act.

## **Compliance to Section 12J**

- 7.8 Subscription for Shares shall always adhere to the requirements of Section 12J of the Income Tax Act and the compliance requirements set forth for Ventire Capital Companies from time to time, and specifically:
- 7.8.1 before the end of the first tax year after the expiry of 48 (forty eight) months after the first Investor Share was issued, no Shareholder may be a Connected Party in relation to the Company; and
  - 7.8.2 before the end of the first tax year after the expiry of 48 (forty eight) months after the first Investor Share was issued, no Taxpayer may hold more than 20% (twenty percent) of the issued Shares of a specific Class of Investor Share; and
  - 7.8.3 no Shareholder, or persons connected to such Shareholder, may at any time have more than 50% (fifty percent) Participation Rights in a Corresponding Investee Company.
- 7.9 No Person shall be allowed to subscribe for Shares should such subscription result in non-compliance to Section 12J in terms of clause 7.8 above.
- 7.10 Should it be concluded that Shares have previously been issued and it is now evident that the issue of such Shares resulted, or now results, in the Company not complying to the requirements of Section 12J in terms of clause 7.8 above (“the **12J Non-Compliant Shares**”):
- 7.10.1 the Board shall take all such necessary steps, and sign all the necessary resolutions required to rectify the situation; and
  - 7.10.2 the 12J Non-Compliant Shares shall be disposed of in terms of the Compulsory Disposal of 12J Non-Compliant Shares process described in clause 10.6 below.

## **Issue of Management Shares**

- 7.11 For every 1 (one) Investor Share to be issued (irrespective of the class of Share), the Company will, at nominal consideration, issue 1 (one) Management "A" Share and 1 (one) Management "B" Shares to the Management Company or its nominees. The issue of the Management "A" and "B" Shares shall not require any Shareholder approval and no Shareholder (apart from the Management Company, or its nominees) shall have a pre-emptive right to subscribe for such shares.
- 7.12 For every class of Investor Share issued, the Company, the Management "A" and "B" Shareholders and the Class Investor Shareholders will determine the Management Dividends payable (if any) and record such rights in detail in the Class Subscription Agreement.

## **Economic Benefit relating to Shares**

- 7.13 Each Investor Share entitles the Holder to:
- 7.13.1 participate with other Investor Shares in its class in any Economic Benefit from the Corresponding Investee Company to the Holders in its class, after paying the Management Dividends in terms of clauses 7.15 and 7.16 below and restricted to the Distributions of Economic Benefits provided for per clause 28 below; and
  - 7.13.2 share with other Holders in its class in the Company's residual Economic Benefit received from the Corresponding Investee Company upon the Company's dissolution, after paying the Management Dividends in terms of clauses 7.15 and 7.16 below.
- 7.14 No Holder of Investor Shares shall be entitled to participate in the Economic Benefit derived by the Company from any Investee Company, unless such Shareholder is a Corresponding Investor in relation to that Investee Company ("the Corresponding Investee Company") and participation will only take place after paying the Management Dividends.
- 7.15 The Management "A" Shares shall, regardless of the number of Management "A" Shares issued by the Company from time to time, entitle its Holders to collectively (and in proportion to their *pro rata* holding of Management "A" Shares compared to other Holders of Management "A" Shares) participate in the Economic Benefit with the particular class of Investor Shares limited to the Management Dividends payable in terms of each Class Subscription Agreement.
- 7.16 Unless agreed and recorded differently in the Class Subscription Agreement, the Management "B" Shares shall not have any Economic Rights.

## **Voting Rights relating to Shares**

- 7.17 Each Investor Share issued by the Company shall entitle its Holder to 1 (one) vote per share in respect of approving any Ordinary Resolution or Special Resolution, provided that unless recorded differently in the Class Subscription Agreement, the Management "A" Shares shall not have any Voting Rights, while the Management "B" Shares shall have 10 (ten) votes per share;
- 7.18 Each Share issued by the Company shall entitle its Holder to vote, on the basis described in clause 7.19 below, on any proposal to amend the preferences, rights, limitations and other terms specifically related to the class of share for which the Holder subscribed, which proposal shall require to be approved by a Class Special Resolution.
- 7.19 In respect of matters requiring a Class Special Resolution, each Holder of a Share in the class in question shall have 1 (one) Vote per share in respect of such matter.

- 7.20 The Holders of the Investor Shares will have the right to nominate the members of the Class Investment Committee for the class of share for which the Holder subscribed, as in terms of clause 8 below. The Class Investment Committee shall not have any Shareholders' Voting Rights.

## 8 CLASS INVESTMENT COMMITTEE

### Members of the Class Investment Committee:

- 8.1 Subject to the provisions of this clause 8, the Shareholders of a specific class of Share shall nominate and the Board shall appoint and constitute an Investment Committee for each class of Investor Share ("**the Class Investment Committee(s)**") in accordance with the provisions of this MOI and as further directed by the Class Subscription Agreement, provided that:
- 8.1.1 the Class Investment Committee shall represent the Shareholders of that specific class of Share at management level and govern and oversee their Economic Benefits to be derived by the Company from subscribing for shares in their Corresponding Class Investee Companies only; and
  - 8.1.2 the Class Investment Committee shall not replace or make any decisions requiring Shareholder approval, as required by the Act or stipulated elsewhere by this MOI.
- 8.2 Unless recorded differently in the Class Subscription Agreement, each Class Investment Committee shall at all times comprise 4 (four) members, to be elected as follows:
- 8.2.1 The Key Individual of the Company will lead and chair all Class Investment Committee meetings ("**the Chair Member**");
  - 8.2.2 One of the Directors of the Company, to be nominated by the Board, will be appointed to the Class Investment Committee ("**the Director Member**");
  - 8.2.3 The Class Investor Shareholders (by 51% majority decision) can nominate 1 (one) member to represent them on the Class Investment Committee, which member may be (but is not required to be) a Class Investor Shareholder ("**the Investor Member**"). Alternatively, the Class Investor Shareholders (by 51% majority decision) may elect that the position of Investor Member, and all the rights and privileges attached to such membership as described in this MOI, be assumed by a Director of the Company, to be nominated by the Board;

- 8.2.4 The Class Investor Shareholders (by 51% majority decision) can further nominate an independent member (a person not connected to the Class Investor Shareholders or the Company) to be appointed as member to the Class Investment Committee ("**the Independent Member**"). Alternatively, the Class Investor Shareholders (by 51% majority decision) may elect that the position of Independent Member, and all the rights and privileges attached to such membership as described in this MOI, be assumed by a Director of the Company, to be nominated by the Board;

**Voting Rights of the Class Investment Committee:**

- 8.3 The Class Investment Committee's Voting Rights will be as follows:
- 8.3.1 The Chair Member: 19% (nineteen percent);
  - 8.3.2 The Director Member: 11% (eleven percent);
  - 8.3.3 The Investor Member (or the Director elected by the Investor Shareholders to fulfil such position): 19% (nineteen percent);
  - 8.3.4 The Independent Member (or the Director elected by the Investor Shareholders to fulfil such position): 51% (fifty one percent).

**Power of Class Investment Committees:**

- 8.4 The Class Investment Committees constituted herein shall have the power, (subject to obtaining final Board approval, which approval may only be withheld, if in the opinion of the Board, the proposed decision is prejudicial or reasonably likely to be prejudicial to the Company or the status or compliance of the Company as a Venture Capital Company or Section 12J) to:
- 8.4.1 consider and monitor any proposed investment in its Corresponding Investee Company;
  - 8.4.2 approve, by a minimum majority vote of 80% (eighty percent) of Class Investment Committee votes, the investment by the Company into the Corresponding Investee Company;
  - 8.4.3 amend, or replace the Corresponding Investee Company subject to approval by a minimum majority vote of 80% (eighty percent) of the Class Investment Committee votes;
  - 8.4.4 approve, by a minimum majority vote of 80% (eighty percent) of Class Investment Committee votes, any sale, disposal or transfer of shares relating to the Company's investment in the Corresponding Investee Company;
  - 8.4.5 approve, by a minimum majority vote of 80% (eighty percent) of Class Investment Committee votes, any re-investment of surplus cash relating to the specific class of Investor Shares.

- 8.4.6 approve, by a minimum majority vote of 51% (fifty one percent) of Class Investment Committee votes, any Distributions to the Class Investor Shareholders;

**Remuneration of the members of the Class Investment Committee:**

- 8.5 Any member nominated to the Class Investment Committee by the Class Investor Shareholder shall not be remunerated by the Company, and should remuneration be payable to such Class Investment Committee member, it will be paid directly to the member by the Class Investor Shareholder who nominated the member, with no right of recovering any costs from the Company, provided that should the Class Investor Shareholders elect and nominate a Director of the Company to fulfil the position of the Investor Member and / or the Independent Member, no directors remuneration will be payable to such Directors either by the Company or the Class Investor Shareholder, unless agreed otherwise and approved by way of Ordinary Resolution.

**9 NO PRE-EMPTION ON ISSUE OF SHARES**

- 9.1 Considering the nature of the Company and the mandate of the Board to raise equity funding from various investors on a regular basis, no Shareholder has a right, before any other Person, to subscribe for Securities in the Company offered from time to time, unless recorded differently in the Class Subscription Agreement, in which case, the specific provisions of the Class Subscription Agreement shall supersede those conflicting provisions of the MOI.
- 9.2 It is specifically recorded that the provisions of clause 9.1 above shall not apply to the issue of the Management "A" and "B" Shares, which shares shall be issued in accordance with the provisions of the MOI to the Management Company, with no other Shareholders, apart from the Management Company, having any rights to subscribe for such shares.
- 9.3 Irrespective of the provisions of this clause 9, the Board shall not restrict any Shareholders from further subscription to Securities in the Company, unless such subscription shall prejudice the Company's status as a Venture Capital Company, in which case the Shareholder will not be entitled to subscribe for furthe Securities.

**10 RESTRICTIONS ON TRANSFERABILITY OF SECURITIES**

**Disposal process to be agreed in each Class Subscription Agreement**

- 10.1 It is specifically recorded that the Shareholders may record in terms of the Class Subscription Agreement the manner in which any transfer or disposal of Shares ("the **Disposal Shares**") may take place between them or between them and the Company, as the case may be.

## **General conditions related to the disposal of Shares**

- 10.2 Unless provided for otherwise in terms of the Class Subscription Agreement, no Shareholder of the Company shall have any pre-emptive rights in respect of the Disposal Shares.
- 10.3 Any disposal or transfer of the Disposal Shares to any Person, shall be subject to the conditions that the transferee:
  - 10.3.1 only disposing or transferring such Disposal Shares in accordance with the provisions of the Class Subscription Agreement (if any); and
  - 10.3.2 undertakes in Writing not to use information obtained by virtue of its shareholding in the Company to operate (or enable any third party to use such information to operate) in competition to the principal business of the Company, or any of its Investee Companies, if any, whilst it is a Shareholder and 2 (two) years thereafter; and
  - 10.3.3 obtain the approval of the Board for the disposal, which approval may only be withheld if the decision is prejudicial or reasonably likely to be prejudicial to the Company or the status of the Company as a Venture Capital Company and compliance to Section 12J.
- 10.4 The transferee of any Shares acquired pursuant to this clause 10 shall pay the securities transfer tax payable.
- 10.5 Notwithstanding anything to the contrary recorded in this clause 10 or the Class Subscription Agreement, no Shareholder may transfer or otherwise dispose of its Shares in the Company for any reason whatsoever, unless the disposing Shareholder (and its transferee) provides the Company and Board with a written indemnity and limitation of liability in terms of which:
  - 10.5.1 the disposing Shareholder indemnifies and holds harmless the Company (including its Shareholders, Directors and employees, in whose favour such indemnity shall constitute a stipulation capable of acceptance in writing at any time) against any claim by the disposing Shareholder (or the transferee) for any loss of expected or received tax benefit associated with any Venture Capital Shares, costs, damages (including, without limitation, indirect, extrinsic, special, penal, punitive, exemplary or consequential loss or damage of any kind), penalties, actions, judgements, suits, expenses, disbursements, fines or other amounts arising, whether directly or indirectly, from such disposal of Shares; and



- 10.5.2 the Company will not, under any circumstances, be liable to the disposing Shareholder (or its transferee) for any costs, claims, damages (including, without limitation, indirect, extrinsic, special, penal, punitive, exemplary or consequential loss or damage of any kind), penalties, actions, judgements, suits, expenses, disbursements, fines or other amounts which the disposing Shareholder (or its transferee) may sustain or suffer (or with which the disposing Shareholder or its transferee may be threatened) as the result of, whether directly or indirectly, the disposal or transfer of the said Shares.

### **Compulsory Disposal of 12J Non-Compliant Shares**

- 10.6 Should any Shares held by a Shareholder at any time become non-compliant to Section 12J in terms of clause 7.10 above (“the 12J Non-Compliant Shares”), the 12J Non-Compliant Shares shall be unbundled by the Company, and a Distribution shall be made to the Holders of such 12J Non-Compliant Shares in Cash or Cash Equivalents, provided that:
- 10.6.1 no shareholder approval, including no approval from the holders of the S12J Non-Compliant Shares, will be required; and
- 10.6.2 no Class Investment Committee approval will be required; and
- 10.6.3 the Distribution shall be approved by the Board; and
- 10.6.4 all other requirements related to Distributions in terms of clause 28 and recorded elsewhere in this MOI are adhered to; and
- 10.6.5 the portion of the 12J Non-Compliant Shares’ Economic Rights vested in, or represented by, shares held by the Company in the Corresponding Class Investee Company, will be unbundled by making a Distribution to the holders of the 12J Non-Compliant shares equal to his/her/its indirect pro-rata Economic Rights to the shares held by the Company in the Corresponding Class Investee Company, provided:
- 10.6.5.1 should any expenses be payable before or as a result of the unbundling transaction, such expenses are to be deducted first, before calculating or making the Distribution; and
- 10.6.5.2 should any Withholding Tax be payable, such tax will be withheld by the Company and paid to SARS, simultaneous with making the Distribution; and
- 10.6.5.3 such Distributions may be made in Cash or Cash Equivalents; and
- 10.6.6 the portion of the 12J Non-Compliant Shares Economic Rights vested in, or represented by other assets and/or liabilities in the Company, will be unbundled by making a Distribution to the holders of the 12J Non-Compliant shares equal to his/her/its pro-rata Economic Rights to such assets and/or liabilities, provided:

- 10.6.6.1 should any expenses be payable before or as a result of the unbundling transaction, such expenses are to be deducted first, before calculating or making the Distribution; and
- 10.6.6.2 should any Withholding Tax be payable, such tax will be withheld by the Company and paid to SARS, simultaneous with making the Distribution.
- 10.6.6.3 such Distributions may be made in Cash or Cash Equivalents.

## **11 CERTIFICATES EVIDENCING ISSUED SECURITIES AND SECURITIES REGISTER**

- 11.1 The Securities issued by the Company shall be evidenced by certificates.
- 11.2 The Company shall maintain a Securities Register with effect from the date of the adoption of this MOI, which shall reflect:
  - 11.2.1 the number of Securities authorised, the number available to be issued and the date of authorisation;
  - 11.2.2 the total number of Securities of a class that have been issued, re-acquired or surrendered to the Company;
  - 11.2.3 the number of Securities of that class that are the subject of options or conversion rights which, if exercised, would require Securities of that class to be issued.
- 11.3 As soon as practicable after:

### **Issuance**

- 11.3.1 issuing any Securities, the Company must enter or cause to be entered in its Securities Register, in respect of every class of Securities evidenced by certificates that it has issued, the:
  - 11.3.1.1 names, addresses and identity numbers of the Persons to who the Securities were issued;
  - 11.3.1.2 Email Addresses of those Persons who have furnished Email Addresses to the Company;
  - 11.3.1.3 number and class of Securities issued to each of the Persons to who the Securities were issued, the date of issue and unique identification numbers;
  - 11.3.1.4 Consideration received for such Securities;
  - 11.3.1.5 total number of Securities of a class held by any Person;

- 11.3.1.6 date on which any such Securities were transferred by the Holder or by operation of law to another Person or re-acquired by or surrendered to the Company;
- 11.3.1.7 number of, and circumstances relating to, any Securities:
  - 11.3.1.7.1 that have been placed in trust as contemplated in section 40(6)(d) of the Act by reason of not having been fully paid for; or
  - 11.3.1.7.2 whose transfer has been restricted;

#### **Re-acquisition or surrender**

- 11.3.2 the re-acquisition or surrender of any Securities, the Company must enter or cause to be entered into its Securities Register, in respect of every class of Securities evidenced by certificates that it has issued, the:
  - 11.3.2.1 date on which the Securities were re-acquired by or surrendered to the Company;
  - 11.3.2.2 distinguishing number or numbers of any certificated Securities re-acquired or surrendered to the Company;
  - 11.3.2.3 Consideration for which the Securities were re-acquired by, or surrendered to the Company; and
  - 11.3.2.4 name of the Person from or by who the Securities were re-acquired or surrendered, as the case may be.

#### **Certificates**

- 11.4 Securities certificates shall be issued in such manner and form as the Board may prescribe from time to time, provided that such certificates must:
  - 11.4.1 state on the face:
    - 11.4.1.1 the name of the Company;
    - 11.4.1.2 the name of the Person to who the Securities were issued;
    - 11.4.1.3 the number and class of Shares and the designation of the series, if any, evidenced by that certificate;
    - 11.4.1.4 a distinctive number for each certificate; and
    - 11.4.1.5 any restriction on the transfer of the Securities evidenced by that certificate;
  - 11.4.2 must be signed by two Persons authorised by the Board by autographic, mechanical or electronic means.

- 11.5 Each class of Shares, and any other Securities, must be distinguished by an appropriate numbering system.
- 11.6 Each Holder shall be entitled to 1 (one) certificate for all the Securities of a particular class registered in his/its name, or to several certificates, each for a part of such Securities.
- 11.7 If a certificate for Securities is defaced, lost or destroyed, it may be renewed, on such terms as to evidence, indemnity and payment of such fee as the Directors think fit, and (in the case of defacement) on delivery of the old certificate to the Company.
- 11.8 A Person:
- 11.8.1 acquires the rights associated with any particular Securities of the Company when that Person's name is entered in the Company's Securities Register as a Person to whom those Securities have been issued or transferred; and
  - 11.8.2 ceases to have the rights associated with any particular Securities of the Company when the transfer to another Person, re-acquisition by the Company, or surrender to the Company of those Securities has been entered in the Company's Securities Register.

## **12 FINANCIAL ASSISTANCE FOR THE ACQUISITION OF SECURITIES**

The Board's powers to provide direct or indirect financial assistance for the acquisition of Securities as contemplated in section 44(2) of the Act are not restricted, provided that such financial assistance is approved by way of Special Resolution.

## **13 PROHIBITION AGAINST SECURITIES BEING HELD BY ONE PERSON FOR THE BENEFICIAL INTEREST OF ANOTHER**

The Company may not permit Securities to be held by, and registered in the name of, one Person for the Beneficial Interest of another.

## **14 INCURRING OF DEBT**

- 14.1 It is specifically recorded that it is not the intention of the Company to incur any short-term or long-term debt, or provide any surety or security for debt, apart from accruing and paying trade creditors or trade accruals payable from time to time resulting from its core objective.
- 14.2 The Board shall therefore not have the power to:
- 14.2.1 incur any debt on behalf of the Company;
  - 14.2.2 issue secured and unsecured debt instruments to which special privileges are to be granted as contemplated in section 43(3) of the Act;
  - 14.2.3 issue secured and unsecured debt instruments as contemplated in section 43(2)(a) of the Act;

- 14.2.4 issue any other secured or unsecured debt instruments;
  - 14.2.5 use any assets, including, but not limited to investments in Investee Companies as security to incur any debt in the Company.
- 14.3 For the sake of clarity it is recorded that the limitations of incurring debt shall only apply in respect of the Company and not apply in respect of the Investee Companies, which entities will be enabled to incur debt in realising their operational activities in accordance with their own memorandums of incorporations and mandates extended to their directors from time to time, which is not subject to the provisions of this MOI.

## **PART 4 – FINANCIAL INFORMATION AND RECORDS**

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### **15 FINANCIAL YEAR**

The financial year of the Company is the first day of June to the last day in May.

### **16 FINANCIAL STATEMENTS**

- 16.1 The Company shall, only to the extent required by the Act or the Regulations, or the FSCA, or, if it elects to be voluntarily audited, have its annual Financial Statements audited or reviewed.
- 16.2 Subject to clause 16.1, the Company shall prepare its Financial Statements in accordance with International Financial Reporting Standards for Small to Medium sized businesses ("IFRS for SME's"), or such alternative accounting policies adopted by the Company from time-to-time which it deems appropriate to account for its investments on SME's and other Investee Companies.

### **17 COMPANY RECORDS**

- 17.1 The Company shall maintain the necessary accounting records, which shall be accessible from its Registered Office.
- 17.2 The Board shall from time to time determine at what times and places and under what conditions, subject to the requirements of the Regulations and laws regulating access to information, the documents which the Holders are entitled to inspect and take copies of, namely:
  - 17.2.1 this MOI;
  - 17.2.2 amendments to this MOI;
  - 17.2.3 records in respect of Directors;
  - 17.2.4 notices and minutes of Shareholders Meetings and Annual General Meetings;
  - 17.2.5 communications generally to Holders;

- 17.2.6 other information and records relevant to Holders.
- 17.3 Apart from the Holders, no other Person, subject to the laws regulating access to information, shall be entitled to inspect any of the documents of the Company (other than the Securities Register) unless expressly authorised in Writing by the Board, or by Ordinary Resolution.
- 17.4 The Company shall notify the Holders of the publication of any annual Financial Statements of the Company, setting out the steps required to obtain a copy of those Financial Statements. If a Holder demands a copy of the annual Financial Statements, the Company shall make same available to such Holder free of charge.

## **PART 5 – SHAREHOLDERS**

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### **18 SHAREHOLDERS MEETINGS**

- 18.1 The Company shall hold a Shareholders Meeting in order to consider one or more resolutions.

#### **Round robin resolutions**

- 18.2 Any resolution that could be voted on at a Shareholders Meeting may instead be:
- 18.2.1 submitted for consideration to the Shareholders entitled to exercise Voting Rights in relation to the resolution; and
  - 18.2.2 voted on in Writing by Shareholders entitled to exercise Voting Rights in relation to the resolution within 20 (twenty) Business Days after the resolution was submitted to them.
- 18.3 A resolution contemplated in clause 18.2:
- 18.3.1 will have been adopted if it is supported by Persons entitled to exercise sufficient Voting Rights for it to have been adopted as an Ordinary or Special Resolution, as the case may be, at a properly constituted Shareholders Meeting; and
  - 18.3.2 if adopted, has the same effect as if it had been approved by voting at a Shareholders Meeting.

#### **Calling of Shareholders Meetings**

- 18.4 A Company must hold a Shareholders Meeting:
- 18.4.1 at any time that the Board is required by the Act or this MOI to refer a matter to Holders entitled to vote for decision; and
  - 18.4.2 whenever required to fill a vacancy on the Board.

- 18.5 Each resolution shall be expressed with sufficient clarity and specificity and accompanied by sufficient information and/or explanatory material to enable a Person who is entitled to vote on the resolution to determine whether to participate in the Shareholders Meeting, if applicable, and to seek to influence the outcome of the vote on the resolution.
- 18.6 Once a resolution has been approved, it may not be challenged or impugned on the ground that it did not comply with the provisions of clause 18.5.
- 18.7 The Board may convene a Shareholders Meeting at any time.

### **Requisition**

- 18.8 A Shareholders Meeting must be convened if one or more Written and signed demands for such a Shareholders Meeting is/are delivered to the Company, and:
- 18.8.1 each such demand describes the specific purpose for which the Shareholders Meeting is proposed; and
- 18.8.2 in aggregate, demands for substantially the same purpose are made and signed by the Holders at the earliest time specified in any of those demands, of at least 10% (ten percent) of the Voting Rights entitled to be exercised in relation to the matter proposed to be considered at the Shareholders Meeting.

### **Location of Shareholders Meeting**

- 18.9 Every Shareholders Meeting shall be held where the Board determines from time to time.
- 18.10 There shall be no limit or restriction on the authority of the Company to conduct a Shareholders Meeting entirely by Electronic Communication, or to provide for participation in a Shareholders Meeting by Electronic Communication, provided that the Electronic Communication employed ordinarily enables all Persons participating in that Shareholders Meeting to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the Shareholders Meeting.

### **Notice requirements**

- 18.11 A Shareholders Meeting shall be called by at least 15 (fifteen) Business Days' notice Delivered by the Company to all Holders entitled to vote or otherwise entitled to receive notice.
- 18.12 A Holder entitled to vote and who is Present at a Shareholders Meeting:
- 18.12.1 is regarded as having received notice of the Shareholders Meeting if at least the required minimum notice was given;
- 18.12.2 has a right to:

- 18.12.2.1 allege a Material defect in the form of notice for a particular item on the agenda for the Shareholders Meeting; and
  - 18.12.2.2 participate in the determination whether to waive the requirements for notice if less than the required minimum notice was given, or to ratify a defective notice;
  - 18.12.3 except to the extent set out in clause 18.12.2 is regarded to have waived any right based on an actual or alleged Material defect in the notice of the Shareholders Meeting.
- 18.13 A notice of a Shareholders Meeting must be in writing, in plain language and must include:
  - 18.13.1 the date, time and place for the Shareholders Meeting, and the Record Date for the Shareholders Meeting;
  - 18.13.2 the general purpose of the Shareholders Meeting, and any specific purpose, if applicable;
  - 18.13.3 a copy of any proposed resolution of which the Company has received notice, and which is to be considered at the Shareholders Meeting, and a notice of the percentage of Voting Rights that will be required for each resolution to be adopted;
  - 18.13.4 if the Company provides for participation in the Shareholders Meeting by Electronic Communication, information regarding the availability of participation in the Shareholders Meeting by Electronic Communication, and provide any necessary information to enable Holders entitled to vote or their proxies to access the available medium or means of Electronic Communication and advise that access to the medium or means of Electronic Communication is at the expense of the Holder entitled to vote or proxy, except to the extent that the Company determines otherwise;
  - 18.13.5 a reasonably prominent statement that:
    - 18.13.5.1 a Holder entitled to attend and vote at the Shareholders Meeting shall be entitled to appoint a proxy to attend, participate in, speak and vote at the Shareholders Meeting in the place of the Holder entitled to vote;
    - 18.13.5.2 a proxy need not be a Holder;
    - 18.13.5.3 participants in a Shareholders Meeting are required to furnish satisfactory identification in terms of section 63(1) of the Act in order to reasonably satisfy the Person presiding at the Shareholders Meeting.



## **Proxies**

- 18.14 A Holder entitled to vote may appoint only 1 (one) proxy to exercise Voting Rights attached to any Securities held by the Holder which entitle him/it to vote.
- 18.15 Any proxy may delegate the authority granted to him/it as proxy, subject to any restriction set out in the form of proxy itself.
- 18.16 A copy of the instrument appointing a proxy must be delivered to the Company, or to any other person on behalf of the Company, before the proxy exercises any rights of the Shareholder at a Shareholders Meeting.
- 18.17 No form appointing a proxy shall be valid after the expiration of 1 (one) year from the date when it was signed unless the form of proxy itself provides for a longer or shorter duration. The appointment is revocable unless the proxy appointment expressly states otherwise, and may be revoked by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The appointment is suspended at any time and to the extent that the Holder entitled to vote chooses to act directly and in person in the exercise of any rights as a Holder entitled to vote.
- 18.18 The form appointing a proxy and the power of attorney or other authority, if any, under which it is signed shall be delivered to the Company not less than 24 (twenty four) hours prior to the time of commencement of the relevant Shareholders Meeting.
- 18.19 Subject to the provisions of the Act, a form appointing a proxy may be in any usual or common form. The Company shall supply a generally standard form of proxy upon request by a Holder entitled to vote.
- 18.20 If a proxy form is received duly signed but with no indication as to how the Person named in that proxy form should vote on any issue, the proxy may vote or abstain from voting as he sees fit unless the proxy form indicates otherwise.

## **Defective notice**

- 18.21 A Shareholders Meeting may proceed notwithstanding a Material defect in the giving of the notice, subject to clause 18.22, only if every Person who is entitled to exercise Voting Rights in respect of each item on the agenda of the Shareholders Meeting is present at the Shareholders Meeting and votes to approve the ratification of the defective notice.
- 18.22 If a Material defect in the form or manner of giving notice of a Shareholders Meeting relates only to one or more particular matters on the agenda for the Shareholders Meeting:
- 18.22.1 any such matter may be severed from the agenda, and the notice remains valid with respect to any remaining matters on the agenda; and
- 18.22.2 the Shareholders Meeting may proceed to consider a severed matter, if the defective notice in respect of that matter has been ratified.

- 18.23 An immaterial defect in the form or manner of Delivering notice of a Shareholders Meeting, or an accidental or inadvertent failure in the Delivery of the notice to any particular Holder to who it was addressed if the Company elects to do so, does not invalidate any action taken at the Shareholders Meeting.

### **Quorum**

- 18.24 Business may be transacted at any Shareholders Meeting only while a quorum is present.

- 18.25 The quorum for a Shareholders Meeting shall be:

18.25.1 sufficient Persons present at the Shareholders Meeting to exercise, in aggregate, 51% (fifty one percent) of all of the Voting Rights that are entitled to be exercised in respect of at least one matter to be decided at the Shareholders Meeting; but

- 18.26 A matter to be decided at the Shareholders Meeting may not begin to be considered unless those who fulfilled the quorum requirements of clause 18.25, continue to be Present.

- 18.27 After a quorum has been established for a Shareholders Meeting, or for a matter to be considered at a Shareholders Meeting, the Shareholders Meeting may continue, or the matter may be considered, so long as at least 1 (one) Person with Voting Rights entitled to be exercised at the Shareholders Meeting, or on that matter, is Present at the Shareholders Meeting.

### **Adjournment**

- 18.28 If within 1 (one) hour from the time appointed for the Shareholders Meeting to commence, a quorum is not present, the Shareholders Meeting shall be postponed, without motion, vote or further notice, subject to clause 18.29, for 1 (one) week to the same day in the next week or, if that day be a public holiday, to the next succeeding day which is not a public holiday, and if at such adjourned Shareholders Meeting a quorum is not present within 1 (one) hour from the time appointed for the Shareholders Meeting, then the Person(s) entitled to vote Present shall be deemed to be the requisite quorum.

- 18.29 No further notice is required to be Delivered by the Company of a Shareholders Meeting that is postponed or adjourned as contemplated in clause 18.28 above, unless the location for the Shareholders Meeting is different from:

18.29.1 the location of the postponed or adjourned Shareholders Meeting; or

18.29.2 a location announced at the time of adjournment, in the case of an adjourned Shareholders Meeting.

- 18.30 A Shareholders Meeting, or the consideration of any matter being debated at the Shareholders Meeting, may be adjourned from time to time without further notice on a motion supported by Persons entitled to exercise, in aggregate, a majority of the Voting Rights:
- 18.30.1 held by all of the Persons who are present at the Shareholders Meeting at the time; and
  - 18.30.2 that are entitled to be exercised on at least one matter remaining on the agenda of the Shareholders Meeting, or on the matter under debate, as the case may be.
- 18.31 Such adjournment may be either to a fixed time and place or until further notice (in which latter case the Company shall Deliver a further notice to Holders), as agreed at the Shareholders Meeting.
- 18.32 A Shareholders Meeting may not be adjourned beyond the earlier of:
- 18.32.1 the date that is 120 (one hundred and twenty) Business Days after the Record Date; or
  - 18.32.2 the date that is 60 (sixty) Business Days after the date on which the adjournment occurred.
- 18.33 The chairperson, if any, of the Board shall preside as chairperson at every Shareholders Meeting. If there is no such chairperson, or if at any Shareholders Meeting he is not present within 15 (fifteen) minutes after the time appointed for holding the Shareholders Meeting or is unwilling to act as chairperson, the Persons entitled to vote which are present shall select a Director present at the Shareholders Meeting, or if no Director is present at the Shareholders Meeting, or if all the Directors present decline to take the chair, the Persons entitled to vote shall select one of their number which is present to be chairperson of the Shareholders Meeting.

## **Voting**

- 18.34 At any Shareholders Meeting a resolution put to the vote shall be decided by a poll, in terms of which every Person entitled to vote who is present at the Shareholders Meeting shall have the number of votes determined in accordance with the Voting Rights associated with the Securities in question.
- 18.35 A poll shall be taken in such manner as the chairperson directs, and the result of the poll shall be deemed to be the resolution of the Shareholders Meeting at which the poll was taken.
- 18.36 Scrutineers may be appointed by the chairperson to declare the result of the poll, and if appointed, their decision, which shall be given by the chairperson of the Shareholders Meeting, shall be deemed to be the resolution of the Shareholders Meeting at which the poll was taken.

- 18.37 In the case of an equality of votes, the chairperson of the Shareholders Meeting at which the poll is taken shall be entitled to a second or casting vote.
- 18.38 No objection shall be raised as to the admissibility of any vote except at the Shareholders Meeting or adjourned Shareholders Meeting at which the vote objected to is, may be given or tendered and every vote not disallowed at such Shareholders Meeting shall be valid for all purposes. Any such objection shall be referred to the chairperson of the Shareholders Meeting, whose decision shall be final and conclusive.

## **Resolutions**

- 18.39 Every resolution of Shareholders is an Ordinary Resolution, a Special Resolution or a Class Special Resolution.
- 18.40 In order to be adopted, an Ordinary Resolution requires the support of more than 50% (fifty percent) of the Voting Rights exercised on the resolution.
- 18.41 In order to be adopted, a Special Resolution requires the support of at least 75% (seventy five percent) of the Voting Rights exercised on the resolution.
- 18.42 In order to be adopted, a Class Special Resolution requires the support of at least 75 (seventy five percent) of the Voting Rights of the Share class that is requested vote on the matter at hand.
- 18.43 For the purpose of absolute clarity:
- 18.43.1 a Class Special Resolution shall only be required:
- 18.43.1.1 as specified and required by this MOI; or
  - 18.43.1.2 as to be recorded in Class Subscription Agreement; or
  - 18.43.1.3 in respect of any resolution attempting to make variations to the Economic Rights related to a specific class of Share; or
  - 18.43.1.4 in respect of any resolution attempting to amend the preferences, rights, limitations and other terms specifically related to the class of Share.
- 18.43.2 all other resolutions shall be Ordinary Resolutions or Special Resolutions and each Share (regardless of its class) shall have 1 (one) Vote on such matters.

## **19 RECORD DATE**

- 19.1 If the Board determines the Record Date, it may not be earlier than the date on which the Record Date is determined or more than 15 (fifteen) Business Days before the date on which the event or action, for which the Record Date is being set, is scheduled to occur.

- 19.2 If, at any time, the Board fails to determine a Record Date in respect of the matter, the Record Date is:
- 19.2.1 in the case of a Shareholders Meeting, the latest date by which the Company is required to Deliver to Holders entitled to vote, notice of that Shareholders Meeting;
  - 19.2.2 in the case of dividends, a date subsequent to the declaration date or confirmation of the dividend, whichever is the later; or
  - 19.2.3 the date of the action or event, in any other case.
- 19.3 The Company must publish a notice of a Record Date for any matter by:
- 19.3.1 Delivering a copy to each Holder; and
  - 19.3.2 posting a conspicuous copy of the notice:
    - 19.3.2.1 at its principal office; and
    - 19.3.2.2 on its website, if it has one

## **PART 6 – DIRECTORS**

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### **20 ELECTION OF DIRECTORS AND CASUAL VACANCIES**

- 20.1 The Board of Directors shall comprise a minimum of 1 (one) member and a maximum of 5 (five) members and shall preferentially be nominated and appointed by the Shareholders from the persons employed or fulfilling the following roles (in the order presented below):
- 20.1.1 a person/(s) registered as Key Individual with the Financial Services Board in relation to the Company;
  - 20.1.2 the person holding the position of Director of the Management Company.
- 20.2 Any failure by the Company at any time to have the minimum number of Directors, does not limit or negate the authority of the Board, or invalidate anything done by the Board or the Company.
- 20.3 Each of the Directors contemplated in clause 20.1 above shall be nominated for election by the Board and shall be elected by the Shareholders at a Shareholders meeting or by way of round robin resolution contemplated in clause 18.2.
- 20.4 The Board shall be entitled, but not obliged, to appoint additional persons representing significant Shareholders as Directors to the Company.

- 20.5 Each Director elected or appointed in accordance with this clause 20 shall serve for an indefinite term, subject to the provisions of the Act pertaining to the cessation of office of a Director.
- 20.6 Notwithstanding anything to contrary contained in this clause 20, for all purposes, the Shareholders by means of Ordinary Resolution shall at all times be entitled to elect the Directors to serve on the Board from time to time.
- 20.7 There are no general qualifications prescribed by the Company for a Person to serve as a Director in addition to the requirements of the Act.
- 20.8 No Director shall be entitled to appoint any Person as an Alternate Director to himself.
- 20.9 No Person shall be elected as a Director if he is Ineligible or Disqualified and any such election shall be a nullity. A Person who is Ineligible or Disqualified must not consent to be elected as a Director nor act as a Director. A Person placed under probation by a court must not serve as a Director unless a valid order of a court so permits.
- 20.10 No election of a Director shall take effect until he/she has delivered to the Company a Written consent to serve in the capacity of a Director.

### **Casual Vacancies**

- 20.11 Any casual vacancy occurring on the Board may be filled by the Board, but the Individual so appointed shall cease to hold office at the termination of the first Shareholders Meeting to be held after the appointment of such Individual as a Director unless he is elected at such Shareholders Meeting.
- 20.12 The continuing Directors (or sole continuing Director) 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 this MOI as a quorum, the continuing Director(s) may act only for the purpose of summoning a Shareholders Meeting or filling vacancies not later than 3 (three) months from the date that the number of Directors falls below the minimum.
- 20.13 If there is no Director able and willing to act, then any Shareholder may convene a Shareholders Meeting for the purpose of appointing Directors.

## **21 CESSATION OF OFFICE AS DIRECTOR**

- 21.1 A Director shall cease to hold office as such:
- 21.1.1 immediately upon becoming Ineligible or Disqualified or the Board resolves to remove him on such basis;
  - 21.1.2 when he dies;
  - 21.1.3 when he resigns by Written notice to the Company;

- 21.1.4 if there is more than 1 (one) Director in office and if the Board determines that he has become incapacitated to the extent that the person is unable to perform the functions of a director, and is unlikely to regain that capacity within a reasonable time;
- 21.1.5 if he is convicted of any offence in terms of any national legislation;
- 21.1.6 if he is declared delinquent by a court, or placed on probation under conditions that are inconsistent with continuing to be a director of the Company;
- 21.1.7 if he is removed by Ordinary Resolution in terms of section 71 of the Act;
- 21.1.8 if there is more than 1 (one) Director in office and if he is removed by resolution of the Board for being negligent or derelict in performing the functions of a Director;
- 21.1.9 he files a petition for the surrender of his estate or an application for an administration order, or if he commits an act of insolvency as defined in the insolvency law for the time being in force, or if he makes any arrangement or composition with his creditors generally;
- 21.1.10 he is otherwise removed in accordance with any provisions of this MOI;
- 21.1.11 he becomes of unsound mind;
- 21.1.12 he absents himself from the meetings of the Directors for a period of 6 (six) months without special leave of absence from the Board, and the Board resolves that his office be vacated; and/or

## **22 REMUNERATION OF DIRECTORS AND MEMBERS OF BOARD COMMITTEES**

### **Remuneration**

- 22.1 The Directors appointed in terms of clause 20.1 above, shall be remunerated by the Management Company, should they also be directors of the Management Company.
- 22.2 Should Directors be appointed independently of the Management Company in terms of clause 20.1 above, they shall be remunerated by the Company, and annual Directors fees will require to be approved by way of Ordinary Resolution.
- 22.3 Any person/(s) nominated by a Class Investor Shareholder to the Class Investment Committee, will be remunerated directly by the Class Investor and earn no further remuneration from the Company for acting as member to the Class Investment Committee.

## **Other capacity**

22.4 A Director may be employed in any other capacity in the Company or as a director or employee of a company controlled by, or itself a Subsidiary of, the Company and in that event, his appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.

## **23 FINANCIAL ASSISTANCE FOR DIRECTORS AND PRESCRIBED OFFICERS AND THEIR RELATED AND INTER-RELATED PARTIES**

23.1 The Board's is not authorised to provide direct or indirect financial assistance as contemplated in section 45(2) of the Act.

## **24 GENERAL POWERS AND DUTIES OF DIRECTORS**

24.1 The Board shall not authorise the Company to engage in, agree to, perform or undertake any matters explicitly reserved for the exclusive approval by the Shareholders in terms of the Act, the provisions of this MOI or specifically recorded in the Class Subscription Agreement.

24.2 Save for such explicit restrictions on the Board's authority in terms of clause 24.1 above, the Board's authority to manage the affairs of the Company shall not be restricted.

## **25 BOARD COMMITTEES**

25.1 The Directors may appoint any number of Board committees and delegate to such committees any authority of the Board, including, but not limited to the Class Investment Committees to be established in terms of clause 8 above.

25.2 The members of any committees contemplated in clause 25.1 may include Persons who are not Directors (as long as they are not Ineligible or Disqualified to be Directors) who shall not be able to vote.

25.3 No Person shall be appointed as a member of a Board committee, if he is Ineligible or Disqualified and any such appointment shall be a nullity. A Person who is Ineligible or Disqualified must not consent to be appointed as a member of a Board committee, nor act as such a member. A Person placed under probation by a court must not serve as a member of a Board committee unless the order of court so permits.

25.4 There are no general qualifications prescribed by the Company for a Person to serve as a member of a Board committee in addition to the requirements of the Act.

25.5 A member of a Board committee shall cease to hold office as such immediately when he becomes Ineligible or Disqualified in terms of the Act.

25.6 Any committee of the Board:

25.6.1 may consult with or receive advice from any person; and



25.6.2 has the full authority of the Board in respect of a matter referred to it.

25.7 Meetings and other proceedings of a committee of the Board consisting of more than 1 (one) member shall be governed by the provisions of this MOI regulating the meetings and proceedings of Directors.

## **26 PROCEEDINGS OF DIRECTORS**

### **Directors' meetings**

26.1 A Director authorised by the Board:

26.1.1 may, at any time, summon a meeting of the Directors; and

26.1.2 must call a meeting of the Directors if required to do so by at least 2 (two) Directors.

26.2 The Directors may determine what period of notice shall be given of meetings of Directors and may determine the means of giving such notice which may include telephone, telefax or Electronic Communication. It shall be necessary to give notice of a meeting of Directors to all Directors, even those for the time being absent from South Africa.

26.3 If all of the Directors:

26.3.1 acknowledge actual receipt of the notice; or

26.3.2 are present at a meeting of the Directors; or

26.3.3 waive notice of the meeting,

the meeting may proceed even if the Company failed to give the required notice of that meeting, or there was a defect in the giving of the notice.

26.4 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.

### **Location of Directors' meetings**

26.5 Every Directors' Meeting shall be held where the Board determines from time to time.

### **Electronic Communication**

26.6 A meeting of Directors may be conducted by Electronic Communication and/or one or more Directors may participate in a meeting of Directors 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.

### **Quorum**

- 26.7 The quorum for a Directors' meeting shall be the majority of the Directors in office from time to time.
- 26.8 The Directors may elect a chairperson of their meetings and determine the period for which he is to hold office but if no such chairperson is elected, or if at any meeting the chairperson is not present within 15 (fifteen) minutes after the time appointed for holding it, the Directors present may choose one of their number to be chairperson of the meeting.

### **Votes**

- 26.9 Each Director has 1 (one) vote on a matter before the Board and a majority of the votes cast on a resolution is sufficient to approve that resolution.
- 26.10 In the case of a tied vote the Director appointed, as the Company's Chairman, or his/her nominee should the Chairman not be present, will have an additional and deciding vote.

### **Minutes and resolutions**

- 26.11 The Company must keep minutes of the meetings of the Board, and any of its committees, and include in the minutes every resolution adopted by the Board.
- 26.12 Resolutions adopted by the Board:
- 26.12.1 must be dated and sequentially numbered; and
  - 26.12.2 are effective as of the date of the resolution, unless the resolution states otherwise.
- 26.13 Any minutes of a meeting, or a resolution, signed by the chairperson of the meeting, or by the chairperson of the next meeting of the Board, are/is evidence of the proceedings of that meeting, or adoption of that resolution, as the case may be. Detailed Resolutions signed by all Directors will be deemed to present the Minutes of the Directors meetings, unless recorded otherwise.
- 26.14 A round robin resolution of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted, provided that each Director in the Republic of South Africa who is able to receive notice, has received notice of the matter to be decided upon.
- 26.15 For the purposes of clause 26.14, a round robin resolution means a resolution passed other than at a meeting of Directors, in respect of which, subject to clause 26.11, all the Directors who may at the time be present in the Republic of South Africa, being not less than a majority of Directors, voted in favour by signing in Writing a resolution in counterparts, within 15 (fifteen) Business Days after the resolution was submitted to them.

## **PART 7 – GENERAL**

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### **27 APPOINTMENT OF SECRETARY**

The Directors shall not be obliged to appoint a company secretary for the Company.

### **28 DISTRIBUTIONS**

28.1 The Company may make Distributions from time to time, provided that:

28.1.1 it is approved by a majority of the Board; and

28.1.2 should the Distribution relate to a specific class of Share, such Distribution is approved by the Class Investment Committee in terms of the provisions of this MOI; and

28.1.3 the Company shall not be entitled to declare or distribute any Distributions to any Holder of Investor Shares unless the Distributions are made from the Economic Benefit derived by the Company from an Investee Company in respect of which such Holder of Investor Shares is a Corresponding Investor and only after paying the Management Dividends; and

28.1.4 any such Distribution:

28.1.4.1 is pursuant to an existing legal obligation of the Company, or a court order; or

28.1.4.2 the Board, by resolution, has authorised the Distribution after considering:

28.1.4.2.1 the tax consequences of the intended Distribution for the Company and its Shareholders;

28.1.4.2.2 the working capital requirements and other imminent investment expenditure pursuant to the Investment Mandate;

28.1.4.2.3 any other factors that the Board acting reasonably deems appropriate for consideration at the time that such Distribution is considered;

28.1.4.3 it reasonably appears that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed Distribution;

28.1.4.4 the Board, by resolution, has acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed Distribution.

and must complete any such Distribution fully within 120 (one hundred and twenty) Business Days after the acknowledgement referred to in clause 28.1.4.4, failing which it must again comply with the provisions of this clause 28.1.

- 28.2 No notice of change of address or instructions as to payment given after the determination of a dividend or other Distribution by the Company in terms of clause 28.1 shall become effective until after the dividend or other Distribution has been made, unless the Board so determines at the time the dividend or other Distribution is approved.

## **29 NOTICES**

- 29.1 The Company may give notices, documents, records or statements or notices of availability of the foregoing by personal delivery to the Holder or by sending them prepaid through the post or by transmitting them by electronic email.
- 29.2 Any Holder who/which has furnished an Email Address to the Company, by doing so:
- 29.2.1 authorises the Company to use Electronic Communication to give notices, documents, records or statements or notices of availability of the foregoing to him/it; and
- 29.2.2 confirms that same can conveniently be printed by the Holder within a reasonable time and at a reasonable cost.
- 29.3 Any notice, document, record or statement or notice of availability of the foregoing sent by the Company shall be deemed to have been delivered on the date and time of being sent by the Company.
- 29.4 A Holder or Person entitled to Securities (or his/her executor) shall be bound by every notice in respect of the Securities Delivered to the Person who was, at the date on which that notice was Delivered, shown in the Securities Register or established to the satisfaction of the Directors (as the case may be) as the Holder of or Person entitled to the Securities, notwithstanding that the Holder or Person entitled to Securities may then have been dead or may subsequently have died or have been or become otherwise incapable of acting in respect of the Securities, and notwithstanding any transfer of the Securities was not registered at that date. The Company shall not be bound to enter any Person in the Securities Register as entitled to any Securities until that Person gives the Company an address for entry on the Securities Register.
- 29.5 The Company shall not be bound to use any method of giving notice, documents, records or statements or notices of availability of the foregoing, contemplated in the Regulations in respect of which provision is made for deemed delivery, but if the Company does use such a method, the notice, document, record or statement or notice of availability of the foregoing shall be deemed to be delivered on the day determined in accordance with the Regulations.
- 29.6 With regard to the signature of an Electronic Communication by a Holder, it shall be in such form as the Directors may specify to demonstrate that the Electronic

Communication is genuine, or failing any such specification by the Directors, it shall be constituted by the Holder indicating in the Electronic Communication that it is the Holder's intention to use the Electronic Communication as the medium to indicate the Holder's approval of the information in, or the Holder's signature of the document in or attached to, the Electronic Communication which contains the name of the Holder sending it in the body of the Electronic Communication.

## 30 INDEMNITY AND INSURANCE

30.1 For the purposes of this clause 30, "**Director**" includes a former Director, a Prescribed Officer, or a person who is a member of a committee of the Board, irrespective of whether or not the person is also a member of the Board.

30.2 The Company may:

30.2.1 not directly or indirectly pay any fine that may be imposed on a Director, or on a Director of a related company, as a consequence of that Director having been convicted of an offence in terms of any national legislation;

30.2.2 advance expenses to a Director to defend litigation in any proceedings arising out of the Director's service to the Company; and

30.2.3 directly or indirectly indemnify a Director for:

30.2.3.1 any liability, other than in respect of:

30.2.3.1.1 any liability arising in terms of section 77(3)(a), (b) or (c) of the Act or from wilful misconduct or wilful breach of trust on the part of the Director; or

30.2.3.1.2 any fine contemplated in clause 30.2.1;

30.2.3.1.3 any expenses contemplated in clause 30.2.2, irrespective of whether it has advanced those expenses, if the proceedings:

30.2.3.1.3.1 are abandoned or exculpate the Director, subject to clause 30.2.3.1.3.3; or

30.2.3.1.3.2 arise in respect of any other liability for which the Company may indemnify the Director in terms of clause 30.2.3.1;

30.2.3.1.3.3 liability in the circumstances contemplated in clause 30.2.3.1.3.1, provided that the Company may demand cession from the Director of the Director's claim for legal costs as awarded by the court/adjudicator or agreed between the litigating parties, as a condition for the

Company's indemnification to the Director for the legal costs incurred by the Director in respect of such proceedings.

30.3 The Company may purchase insurance to protect:

30.3.1 a Director against any liability or expenses contemplated in clause 30.2.2 or 30.2.3; or

30.3.2 the Company against any contingency including but not limited to:

30.3.2.1 any expenses:

30.3.2.1.1 that the Company is permitted to advance in accordance with clause 30.2.2; or

30.3.2.1.2 for which the Company is permitted to indemnify a Director in accordance with clause 30.2.3.1.2; or

30.3.2.2 any liability for which the Company is permitted to indemnify a Director in accordance with clause 30.2.3.1.

30.4 The Company is entitled to claim restitution from a Director or of a related company for any money paid directly or indirectly by the Company to or on behalf of that Director in any manner inconsistent with section 75 of the Act.