

HADCA
HOWICK AND DISTRICT COUNCIL FOR THE CARE OF THE AGED
(INCORPORATING THE HOWICK ASSOCIATION FOR THE AGED)
NPO 002-261

CONSTITUTION

1. THE ASSOCIATION

- 1.1 The name of the Association shall be The Howick and District Council for the Care of the Aged, referred to as HADCA.
- 1.2 The Association shall be a body corporate having perpetual succession and a legal existence independent of its members and capable of suing and being sued in its own name.
- 1.3 HADCA's area of operation for which services will be provided and in which contributions shall be collected shall be primarily the Magisterial District of Lions River. HADCA will comply with all relevant laws and regulations.

2. OBJECTS

- 2.1 The principal object of HADCA shall be the provision of residential accommodation for aged persons (persons aged 60 years or more) either by way of sale, endowment, lease or otherwise which may include homes for the aged, sheltered care accommodation and residential units. HADCA as part of this object shall also provide facilities for nursing care, meals where appropriate and such other services as may, from time to time, be considered necessary or desirable.
- 2.2 HADCA's further objects shall be:-
- 2.2.1 To sponsor and provide services to eliminate distress and to meet the needs of aged persons on an entirely non-sectarian basis;
- 2.2.2 To promote the general welfare and happiness of aged persons.
- 2.3 These objects of HADCA shall be carried out in a non-profit manner, and with an altruistic or philanthropic intent and the activities of HADCA shall be for the benefit of or widely accessible to the general public at large.

3. USE OF PROPERTY OR INCOME

- 3.1 Any property or income of HADCA shall be utilised solely in the furtherance of its aims and objects or for investment for furtherance of these objects and it shall be prohibited from transferring any portion thereof directly or indirectly in any manner whatsoever so as to profit any person other than in the course of undertaking any 'public benefit activity' (as defined in the Income Tax Act, 1962 ("the Act") and no portion of the income or property of HADCA shall be paid or transferred, or indirectly by way of dividend, bonus or otherwise howsoever, to the members or employees other than by way of the payment in good faith or reasonable remuneration to any officer or employee of HADCA commensurate with services actually rendered to it.
- 3.2 Any profits derived from transactions with retired or aged persons shall, having regard to the future needs of HADCA, be kept to a minimum.

- 3.3 No activity of HADCA will directly or indirectly promote the economic self-interest of any office-bearer or member of HADCA, otherwise than by reasonable remuneration and HADCA shall be prohibited from using its resources directly or indirectly to support, advance or oppose any political party.

4. MEMBERSHIP

- 4.1 Ordinary membership of HADCA shall be open to all persons interested in the welfare of aged people.
- 4.2 Persons wishing to become ordinary members shall:
- 4.2.1 make application to the Board;
- 4.2.2 become members on acceptance of their application;
- 4.2.3 be deemed to have accepted the terms and conditions of this constitution.
- 4.3 Persons shall be appointed as Life members once they have paid a once-off Life membership fee, to be decided by the Board from time-to-time, and shall thereafter remain a Life member of HADCA until death, without having to pay any further membership fees.
- 4.4 Membership subscriptions for both Ordinary Members and Life Members shall be as determined by the Board of Directors from time to time.
- 4.5 A member who has served as a member of the Board of Directors for a period of not less than 7 years and who, in the opinion of the Board of Directors, has made an outstanding contribution to the management of HADCA, may be appointed at an Annual General Meeting, acting on a recommendation from the Board of Directors, as an Honorary Life Vice-President.
- 4.6 Honorary Membership may be granted by HADCA at its Annual General Meeting and acting on the recommendation of the Board of Directors to any person or persons in recognition of outstanding services to HADCA or to the welfare of aged persons.

5. TERMINATION OF MEMBERSHIP

- 5.1 Membership of HADCA shall cease:
- 5.1.1 upon the member giving written notice of its resignation to HADCA, provided that the membership fees of such member are paid in full;
- 5.1.2 upon the member ceasing to carry out the objectives of HADCA; or
- 5.1.3 upon the member's membership being terminated in accordance with 5.2.
- 5.2 In addition to HADCA's rights in terms of 5.1 HADCA shall terminate or suspend summarily or after such period as it shall fix, any member's membership, if in the opinion of HADCA such member is guilty of conduct which has brought or is likely to bring HADCA or any of its members into disrepute, provided that the member shall be given written reasons by HADCA for the termination or suspension. The member shall also be given an opportunity to appeal against such termination or suspension by the Committee in writing of its intention to appeal not more than 14 days after such termination or suspension. After receipt of such written notice of appeal, a general meeting shall be convened by the Committee. Such general meeting shall have the power to uphold or annul the exclusion.
- 5.3 No refund, whether in whole or part, of any membership fees shall be payable to any member upon termination of membership.

5.4 Membership shall not be transferable.

6. LIMITATION OF RIGHTS AND LIABILITIES OF MEMBERS

- 6.1 Membership of HADCA does not and shall not give any member proprietary right, title or claim nor any interest in the property or assets of HADCA. Such membership shall not incur personal financial liability (other than liability to pay the subscription determined in terms of clause 4 hereof) in respect of any of the debts or liabilities of HADCA.
- 6.2 Members of HADCA, members of the Board of Directors, members of the Executive Committee or any standing or ad hoc committee or any employee provided they have acted bona fide, shall be indemnified against all proceedings, costs and expenses incurred by reason of any act or thing done in the performance of their duties in connection with HADCA.

7. ADMINISTRATION

- 7.1 The affairs of HADCA shall be administered by a Board of Directors whose members shall be elected in accordance with Clause 11.

8. BOARD OF DIRECTORS

- 8.1 The Board of Directors shall comprise the President, who shall be the Chair of the Board, and at least three other elected members provided that at least 3 of the Board members shall be persons who are not connected persons in relation to each other, and further provided that no single person shall directly or indirectly control the decision-making powers of HADCA. In addition, the following shall be ex officio members:- the Chief Executive Officer and the Chairs of each of HADCA's standing committees and Honorary Life Vice Presidents.
- 8.2 The Board of Directors shall elect from their number a Vice Chairman of the Board.
- 8.3 The President or in his absence the Vice Chairman of the Board shall take the chair at every meeting of the Board of Directors.
- 8.4 All questions shall be decided by the vote of the majority of members and at all meetings the Chairman of the meeting shall have a casting as well as a deliberative vote.
- 8.5 A written resolution, signed by sufficient of the Board members to constitute a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted. These resolutions shall be recorded and ratified at a subsequent meeting of the Committee at which there is a quorum.
- 8.6 A member of the Board of Directors shall be deemed to have resigned from the Board if he absents himself from more than three consecutive meetings without leave of absence.
- 8.7 A Board member shall vacate his/her office as such if:
- 8.7.1 he/she resigns;
- 8.7.2 he/she is found to be of unsound mind or a lunatic; or
- 8.7.3 he/she becomes insolvent whether provisionally or finally, voluntarily or under compulsion, or assigns his/her estate for the benefit of or compounds with his/her creditors;

- 8.7.4 he/she becomes disqualified to act as a director of a company in terms of the laws applicable to companies of the Republic of South Africa; ; or
- 8.7.5 he/she is voted out of office by resolution of two-thirds of the members
- 8.8 The Board of Directors may fill a vacancy arising between Annual General Meetings, excluding that of President, by appointing a member of HADCA who shall hold office until the next Annual General Meeting.
- 8.9 The Board of Directors shall be entitled:
- 8.9.1 to co-opt any person with special knowledge or experience to serve on the Board, but persons thus co-opted shall not have a substantive vote;
- 8.9.2 to invite representatives of Government Departments or Provincial or Local Administrations to attend in an advisory capacity.
- 8.10 The Board of Directors shall meet at least three times between Annual General Meetings.
- 8.11 A quorum shall be half the members of the Board excluding the Honorary Life Vice Presidents plus one. Minutes shall be kept at each meeting and confirmed at the next.

9. THE OFFICE OF PRESIDENT

- 9.1 The President shall be elected at an Annual General Meeting for a three year period. If during the three year term of office the President should die, resign or in the opinion of the Board of Directors be unable to perform his duties, the Vice Chairman of the Board shall assume the duties of the President until the next Annual General Meeting. The President shall have the right to call a Special General Meeting of members whenever he deems this to be necessary and shall also be an ex-officio member of any Committee appointed by the Board of Directors or Executive Committee.

10. POWERS OF HADCA AND BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

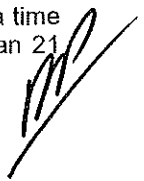
- 10.1 The Board of Directors shall carry out the objects of HADCA in accordance with the Constitution and shall appoint an Executive Committee which shall consist of the President who will also be Chair of the Executive Committee, the Chief executive Officer and such other senior staff as are considered essential for the day-to-day management of HADCA
- 10.2 HADCA shall have the powers necessary to achieve its main and supplementary objects, including, but not limited to, the following which shall be exercised through the Board of Directors:
- 10.2.1 To promote membership;
- 10.2.2 To administer the finances of HADCA;
- 10.2.3 To do r such things as may be conducive to the attainment of its principal objective and to assist other organisations to achieve similar aims amongst the aged;
- 10.2.4 To acquire property or an interest in property, movable as well as immovable, by means of purchases, exchange, donation or otherwise and collect contributions and other monies provided that HADCA shall be prohibited from accepting any donation which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof in terms of section 18A : Provided that a donor (other than a donor which is an approved public benefit organisation or an institution, board or body which is exempt from tax in terms of section 10(1)(cA)(i), which has as its sole object or purpose the carrying out of any public benefit activity) may not impose conditions which could enable

such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation

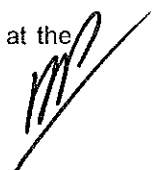
- 10.2.5 To sell, lease or otherwise dispose of any of the assets of HADCA or otherwise deal therewith, including its immovable property;
 - 10.2.6 To hire property, movable or immovable;
 - 10.2.7 To borrow money and secure loans by means of bonds registered against the assets of HADCA;
 - 10.2.8 To lend money on such security as it may deem competent;
 - 10.2.9 To enter into and sign any contracts or documents in the name of HADCA and to institute, conduct, defend, compound or abandon any legal proceedings, provided that no member of the Board of Directors shall have a direct or indirect interest in or benefit from any contract which HADCA may conclude with any other party;
 - 10.2.10 To employ, or terminate the appointment of a Chief Executive Officer to carry on the day to day administration of HADCA, and to delegate such functions and powers to him as the Board may from time to time deem fit and to remunerate him/her, subject to the proviso to 10.2.12;
 - 10.2.11 To appoint, remunerate and terminate the appointment of attorneys, other professional advisers, and such other staff as may be required from time to time provided that HADCA will not pay any remuneration, as defined in the Fourth Schedule of the Act, to any employee, office bearer or other person which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered, and will not economically benefit any person in a manner which is not consistent with its objects
 - 10.2.12 In the event of the auditor resigning, to appoint an auditor to take his place until the next Annual General Meeting;
 - 10.2.13 To appoint such standing or ad hoc committees as it may deem fit and define their functions and powers. Such committees may co-opt other persons in any advisory capacity, who shall not be entitled to a substantive vote. All such committees shall report to the Board of Directors;
 - 10.2.14 To regulate its meetings and the meetings of any sub-committee in such manner as it may decide;
 - 10.2.15 To do all such other acts or things as, in its opinion, are conducive to the attainment of the objects of HADCA,
 - 10.2.16 To co-operate with other organisations and authorities to achieve HADCA's objects.
- 10.3 The Board of Directors may delegate all or any of its Powers as set out in this Constitution to the Executive Committee which shall report to the Board of Directors, provided that the Board of Directors may at any time cancel such delegation in whole or in part in which event such powers shall then revert to the Board of Directors.

11. GENERAL MEETINGS

- 11.1 The Annual General Meeting shall be held once a year not later than 1st October at a time and place to be determined by the Board of Directors which shall give not less than 21 days' notice of such meeting;



- 11.2 At the Annual General Meeting of HADCA, which shall be chaired by the President, or in his absence the Vice Chairman of the Board, the following matters shall be dealt with:
- 11.2.1 A report from the Board of Directors on its activities since the last Annual General meeting;
- 11.2.2 A financial Statement and Balance Sheet for the year;
- 11.2.3 Election of the President, if his three year term of office has expired;
- 11.2.4 Election of the members of the Board of Management to replace those members retiring by rotation in the order of their election as recorded in the minutes of the Annual General Meeting.
- 11.2.5 Appointment of an Auditor;
- 11.2.6 Such other matters as may be decided by an Annual General Meeting. No business shall be transacted at any meeting of which notice was not given in the original notice of the meeting.
- 11.3 No member of the Board of Directors shall hold Office for more than three consecutive years without standing for re-election.
- 11.4 Any member of the Board of Directors, appointed by the Board of Directors to fill a vacancy, will retire at the next Annual General Meeting. All retiring officers shall be eligible for re-election.
- 11.5 Nominations for the Board of Directors shall be submitted in writing to reach the Chief executive Officer not later than ten working days prior to the date fixed for the Annual General Meeting. Each nomination must be supported by a proposer and seconder who are members of HADCA in good standing and must contain a declaration from the person nominated confirming willingness to accept nomination. HADCA members who are employed by HADCA for remuneration and, persons who are residing in accommodation owned by HADCA, may not accept nomination and may not be elected to the Board of Directors;
- 11.6 A Special General Meeting may be called by the President, the Board of Directors or at the written request of not less than fifty members of HADCA, all of whom must be in good standing. Twenty-one days notice of such meeting shall be given;
- 11.7 Notice of an Annual or Special General Meeting shall be given in one newspaper circulating in the area and in such other manner as the Board of Directors may from time to time decide;
- 11.8 The notice convening an Annual or Special General Meeting of HADCA shall state the nature of the business to be transacted;
- 11.9 The quorum at an Annual or Special General Meeting shall be ten members;
- 11.10 Each member in good standing shall be entitled to one vote at any meeting, but the Chairman of the Meeting shall have a casting vote as well as a deliberative vote;
- 11.11 If there is no quorum at any Annual or Special General Meeting the meeting shall stand adjourned for not less than one week to a place and time determined by the Board of Directors. The members attending such adjourned meeting shall constitute a quorum;
- 11.12 Minutes shall be kept of all Annual and Special General Meetings and confirmed at the next General Meeting;



12. FINANCIAL PROVISIONS

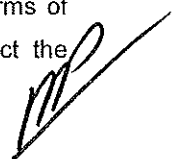
- 12.1 All monies received by HADCA shall be paid into its banking or savings accounts and all withdrawals shall be signed or otherwise securely authorised by not less than two persons authorised by the Board of Directors. No disbursements shall be made without the specific or general authority of the Board of Directors;
- 12.2 Funds available for investment may be invested only in such manner as may be approved by the Board of Directors.
- 12.3 Any immovable property acquired shall be registered in the name of the Howick and District Council for the Care of the Aged.
- 12.4 The Board of Directors shall cause full and true accounts to be kept. Such accounts shall be audited as at 31st March of each year, when the financial year shall end.

13. AMENDMENT OF CONSTITUTION

- 13.1 This Constitution may be amended with the approval of not less than two-thirds of the members present and voting at an Annual or Special General Meeting of which due notice in accordance with this Constitution shall have been given and such notice shall include the text of the proposed alteration, provided that any amendments approved in terms of this section shall if HADCA is exempted from payment of normal tax or authorised to issue receipts under s18A of the Act, be sent to the South African Revenue Services and, if HADCA is registered as a non-profit organization, to the Director Non Profit Organisations;
- 13.2 A notice of motion by a member for the alteration of this Constitution shall be in writing to the Board of Directors of HADCA at least three calendar months before the date of the meeting at which the motion is to be considered.

14. DISSOLUTION OF HADCA

- 14.1 HADCA may be dissolved if at least two-thirds of the members present and voting at an Annual or Special General Meeting are in favour of dissolution;
- 14.2 If, after dissolution of HADCA and after satisfaction of all its debts and liabilities, there remains any property whatsoever, the same shall not be paid or distributed amongst the members of HADCA, but shall be transferred or given to such other Association or Institution nominated by the members in the Republic of Southern Africa:
- 14.2.1 Which are non-profit;
- 14.2.2 which have as their principal object an object similar to that of HADCA;
- 14.2.3 which, if HADCA is exempt from income tax, donations tax and estate duty, under the relevant laws of the country is/are:
- 14.2.3.1 any similar public benefit organisation, which has been approved in terms of section 30 of the Act;
- 14.2.3.2 any institution, board or body which is exempt from income tax in terms of section 10(1)(cA)(i) of the Act, which has its sole or principal object the carrying on of any public benefit activity; or



14.2.3.3

any department of state or administration in the national or provincial or local sphere of government of the Republic, contemplated in section 10(1)(a) of the Act; and

which, if HADCA is registered as a NonProfit Organisation, are themselves registered as NonProfit Organisations.

This constitution was adopted at the Hadca Annual General Meeting held on 25th September, 2014.



Mr M Powell – Chairman Board of Management