

CERTIFICATE OF INCORPORATION

and

MEMORANDUM

and

ARTICLES OF ASSOCIATION

of

BREADLINE AFRICA (RSA)

[Association Incorporated under Section 21]

Re



BREADLINE AFRICA (RSA)

2006/015075/08

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Attention: Bernallope Louis
for MAGI, ORB 2A

REPUBLIC OF SOUTH AFRICA

**COMPANIES ACT, 1973
(SECTION 64)**

**CERTIFICATE OF INCORPORATION OF A COMPANY
NOT HAVING A SHARE CAPITAL**


BREADLINE AFRICA (Pty) Ltd
REGISTRAR OF COMPANIES
VI
2006/015075/08

Regist

iny :

REGISTRAR VAN MAATSKAPPYE EN VAN BEEBOETE KORPORASIES
2006-05-16
REGISTRAR OF COMPANIES AND OF CLOSE CORPORATIONS

THIS IS TO CERTIFY THAT :

BREADLINE AFRICA (RSA)
[Association Incorporated under Section 21]

was this day incorporated under the Companies Act, 1973 (Act No 61 of 1973, as amended), and that the Company is a Company limited by Guarantee, and is incorporated under Section 21 of the Act.

SIGNED and sealed at PRETORIA this 18 day of
in the year Two Thousand and Six (2006).


REGISTRAR OF COMPANIES

REPUBLIC OF SOUTH AFRICA


COMPANIES ACT, 1973

**MEMORANDUM OF ASSOCIATION OF A COMPANY
NOT HAVING A SHARE CAPITAL**

[Section 54(1); and Regulation 17(3)]

BREADLINE AFRICA (RSA)

[Association Incorporated under Section 21]


BREADLINE AFRICA (RSA)
VI
2006/015075/08

1.

NAME

1.1 The name of the Company is :

BREADLINE AFRICA (RSA)
[Association Incorporated under Section 21]

1.2 The name of the Company in the other official language of the Republic is:

None.

1.3 The shortened form of the name of the Company is :

None.

2.

FINANCIAL YEAR

The financial year of the Company shall commence on 1 April in each year, and terminate on 31 March in the succeeding year.

3.

PURPOSE DESCRIBING MAIN BUSINESS

The main purpose of the Company shall be to undertake a range of activities and projects, including the provision of funding and other practical assistance, in order to address conditions of poverty, hunger, homelessness, unemployment, and other deprivation and suffering; including programmes directed to the provision of poverty and disaster relief; the promotion of self-help; skills development; job creation; and the establishment of essential social amenities and services, including health care,

nutritional support, educare, and early child development; and generally to promote and facilitate community-based initiatives to assist poor and needy persons in the Republic.

4.

MAIN OBJECT

The main object of the Company shall be to undertake a range of activities and projects, including the provision of funding and other practical assistance, in order to address conditions of poverty, hunger, homelessness, unemployment, and other deprivation and suffering; including programmes directed to the provision of poverty and disaster relief; the promotion of self-help; skills development; job creation; and the establishment of essential social amenities and services, including health care, nutritional support, educare, and early child development; and generally to promote and facilitate community-based initiatives to assist poor and needy persons in the Republic.

5.

ANCILLARY OBJECTS EXCLUDED

The specific ancillary objects, if any, referred to in Section 33(1) of the Act, which are excluded from the unlimited ancillary objects of the Company, are : **None.**

6.

POWERS

6.1 The specific power, or part of any specific power of the Company, which is excluded from the plenary powers or the Common Powers, as set out in Schedule 2 to the Act is : **Power "(S)".**

6.2 The specific powers or part of any specific powers of the Company set out in

Schedule 2 to the Act, which are qualified under Section 34 of the Act are as follows:

- 6.2.1 **Power (k), which is to be modified to read as follows:**
"To form and to have an interest in any other company or companies having the same or similar objects to this company, for the purpose of acquiring the undertaking, or all or any of the assets or liabilities of such other company or companies, or for any other purpose which may seem directly or indirectly calculated to benefit the company; and to transfer to any such other company or companies the undertaking of this company, comprising all or any of its assets or liabilities."
- 6.2.2 **Power (l) to be modified to read as follows :**
"To amalgamate with any other companies having the same or similar objects to this company".
- 6.2.3 **Power (m) to be modified to read as follows :**
"To take part in the management, supervision and control of the business or operations of any other company or business having the same or similar objects to this company, and to enter into joint ventures or partnerships having the same or similar objects to this company".
- 6.2.4 **Power (n) to be modified to read as follows "**
"To remunerate any person or persons in cash for services rendered in its formation or in the development or conduct of its activities".
- 6.2.5 **Power (o) to read as follows :**
"To make grants and donations in pursuance of its Main Object".
- 6.2.6 **Power (r) to read as follows :**
"To pay staff gratuities and pensions and to establish pension schemes and incentive schemes in respect of its employees".

7.

PRESCRIBED FISCAL CONDITIONS

Anything to the contrary hereinbefore contained or implied notwithstanding, the powers of the Company, excluded and qualified as aforesaid, shall be further subject to due compliance with the conditions stipulated in terms of section 30, and insofar as it may be applicable, in terms of section 18A, of the Income Tax Act No. 58 of 1962, as amended ("the Act"), as read with the Ninth Schedule thereto, in order thereby to facilitate the Company's eligibility for tax-exempt status in terms of section 10(1)(cN); and (to the extent that this may be applicable) its eligibility for the further fiscal benefit envisaged by section 18A of the Act. Such Prescribed Fiscal Conditions as are presently applicable to the Company in terms of the relevant legislation are set forth in Schedule "A" to this Memorandum of Association.

8.

SPECIAL CONDITIONS

The special conditions which apply to the Company, and the requirements additional to those prescribed by the Act for their alteration, are as follows :

- 8.1 The income and property of the Company whencesoever derived shall be applied solely towards the promotion of its Main Object, and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever, to the Members or Directors of the Company, or to its controlling or controlled Company; Provided that nothing herein contained shall prevent the Company from giving financial or other assistance to other approved Public Benefit Organisations to the extent that their activities may likewise promote the Main Object of the Company; nor shall the foregoing prevent the payment in good faith by the Company of reasonable remuneration (commensurate with

services rendered) to any officer or servant of the Company, including a Member or Director, in return for services actually rendered as aforesaid, but subject to due compliance with the fiscal constraints envisaged by Schedule "A" hereto.

- 8.2 Upon its winding-up, deregistration or dissolution, the assets of the Company remaining after the satisfaction of all its liabilities shall be given or transferred to one or more other Associations Incorporated under Section 21, or to some other Public Benefit Organisation having the same or similar objects to those envisaged by the Main Object of the Company, as may be determined by its Members in General Meeting, at or before the time of such dissolution, or failing determination by them, then by the Court, and with the approval of the Commissioner for SA Revenue Service.
- 8.3 Any amendment to this Memorandum and Articles of Association shall be advised and lodged with the Commissioner for SA Revenue Service, and with the Director: Nonprofit Organisations, immediately following its adoption, as required by law.

9.

PRE-INCORPORATION CONTRACTS (IF ANY)

None.

10.

GUARANTEE

- 10.1 The liability of Members is limited to the amount referred to in clause 10.2 hereunder.
- 10.2 Each Member undertakes to contribute to the assets of the Company, an amount

not exceeding TEN RAND (R10,00), in the event of it being wound up, either while such person is a Member or within one year thereafter, for the purpose of payment of the debts and liabilities of the Company contracted before such person ceased to be a Member, and payment of the costs, charges and expenses of the winding-up, and for adjustment of the rights of the contributories amongst themselves.

11.

ASSOCIATION CLAUSE

We, the several persons whose full names, occupations, residential, business and postal addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and respectfully agree to become Members of the Company.

SCHEDULE "A"

PRESCRIBED FISCAL CONDITIONS

[In terms of sections 18A and 30 of the Income Tax Act]

Subject to the Commissioner's approval of the COMPANY (hereinafter referred to as "the Organisation") for purposes of the undermentioned provisions of the Income Tax Act, the Organisation shall be bound to conform to the conditions prescribed by the relevant legislation in respect thereof, as follows, viz :

- 1. As a Public Benefit Organisation, to the extent that it may be approved by the Commissioner for purposes of section 18(A)(1) of the Income Tax Act :**

THE DIRECTORS SHALL :

- 1.1 Ensure that any eligible donations actually paid or transferred to the Organisation, are applied solely to undertake, or to enable other Eligible Beneficiaries to undertake Public Benefit Activities as listed from time to time in Part II of the Ninth Schedule; including the provision of funds or assets to assist other Eligible Beneficiary organisations, institutions, boards or bodies to conduct such Activities, including such as may be determined by the Minister from time to time for purposes of section 18A of the Act. The term "Eligible Beneficiaries" shall include the Government itself, and any provincial administration or local authority contemplated in section 10(1)(a) or (b) of the Income Tax Act.

- 1.2 Ensure that during each year of assessment preceding the year of assessment of the Organisation during which a qualifying donation is received, it distributes or incurs the obligation to distribute at least Seventy-Five Percent (75%) of the funds so received by or accrued to it by way of donations which qualify for a deduction in terms of section 18A of the Income Tax Act; unless the Commissioner upon good cause shown agrees to waive, defer or reduce such obligation to distribute, as contemplated by the proviso to section 18A(1)(b)(ii) of the Act, and in that event, subject to any such conditions as the Commissioner may determine.

- 1.3 Comply with, and have regard to, any such additional requirements as may be prescribed by the Minister from time to time in terms of section 18A(1), or as may be otherwise imposed by the Commissioner in terms of the Act, including any additional requirements prescribed by the Minister as binding upon Eligible Beneficiaries carrying on any specified activity before donations shall be allowed as a deduction for purposes of section 18A.
- 1.4 Ensure that an audit certificate is provided upon submission by the Organisation to the Commissioner of its annual return for each year of assessment, confirming that all donations received or accrued by the Organisation in that year, in respect of which section 18A receipts were issued by the Organisation, were utilised in the manner contemplated by that section.

2. As a Public Benefit Organisation, to the extent that it may be approved by the Commissioner for purposes of section 30 of the Income Tax Act :

THE DIRECTORS SHALL :

- 2.1 Carry on the public benefit activities of the Organisation in a non-profit manner, and with an altruistic or philanthropic intent.
- 2.2 Ensure that no such activity is intended to directly or indirectly promote the economic self-interest of any fiduciary, or employee, of the organisation, otherwise than by way of reasonable remuneration payable to that fiduciary or employee.
- 2.3 Procure that at least Eighty-Five Percent (85%) of such activities, measured as either the cost related to the activities or the time expended in respect thereof, are carried out for the benefit of persons in the Republic, unless the Minister of Finance, having regard to the circumstances of the case, directs otherwise; provided that the cost incurred for the benefit of persons outside the Republic shall be disregarded to the extent of donations received by the Organisation from persons who are not resident in the Republic, and receipts and accruals derived directly or indirectly therefrom, which donations, receipts, and

accruals have not previously been taken into account for purposes of this proviso.

- 2.4 Take reasonable steps to ensure that :
 - 2.4.1 each such activity as is carried on by it is for the benefit of, or is widely accessible to, the general public at large, including any sector thereof (other than small and exclusive groups);
 - 2.4.2 each such activity carried on by it is for the benefit of, or is readily accessible to, the poor and needy; or
 - 2.4.3 at least Eighty-Five Percent (85%) of its funds are derived from donations, grants from any organ of state, or foreign grants.
- 2.5 Comply with such conditions, if any, as the Minister may prescribe by way of regulation to ensure that the activities and resources of the organisation are directed in the furtherance of its objects.
- 2.6 Submit to the Commissioner a copy of the Constitution, Will or other written instrument under which it has been established.
- 2.7 Be required in terms of such Constitution, to have at least three persons, who are not connected persons in relation to each other, to accept the fiduciary responsibility of the organisation, and that no single person directly or indirectly controls the decision making powers of the organisation.
- 2.8 Be prohibited from distributing any of its funds to any person (otherwise than in the course of undertaking any public benefit activity) and be required to utilise its funds solely for the objects for which it has been established, or to invest such funds :
 - 2.8.1 with a financial institution as defined in section 1 of the Financial Services Board Act, 1990 (Act No. 97 of 1990); and/or
 - 2.8.2 in securities listed on a stock exchange as defined in section 1 of the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985) ; and/or

- 2.8.3 in such other prudent investments in financial instruments and assets as the Commissioner may determine after consultation with the Executive Officer of the Financial Services Board and the Director of Non-Profit Organisations;
- provided that the provisions of this sub-paragraph do not prohibit any such organisation from retaining any investment (other than any investment in the form of a business undertaking or trading activity or asset which is used in such business undertaking or trading activity) in the form that it was acquired by way of donation, bequest or inheritance.
- 2.9 Be required on dissolution to transfer its assets to :
- 2.9.1 any similar public benefit organisation which has been approved in terms of section 30(3) of the Income Tax Act;
- 2.9.2 any institution, board or body which is exempt from tax under the provisions of section 10(1)(cA)(i) of that Act, which has as its sole or principal object the carrying on or any public benefit activity; or
- 2.9.3 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) or (b) of that Act.
- 2.10 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 or principal object the carrying on of any public benefit activity) may not impose conditions which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.
- 2.11 Be required to submit to the Commissioner a copy of any amendment to the Constitution, Will or other written instrument under which it was established.

- 2.12 Ensure that it is not knowingly a party to, and does not knowingly permit itself to be used as part of any transaction, operation or scheme of which the sole or main purpose is or was the reduction, postponement or avoidance of liability for any tax, duty or levy, which, but for such transaction, operation or scheme, would have been or would have become payable by any person under the Act or any other Act administered by the Commissioner.
- 2.13 Not pay any remuneration, as defined in the Fourth Schedule to the Income Tax Act, to any employee, office bearer, member 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 has not and will not economically benefit any person in a manner which is not consistent with its objects.
- 2.14 Comply with such reporting requirements as may be determined by the Commissioner.
- 2.15 Take reasonable steps to ensure that the funds which it may provide to any association of persons as contemplated in paragraph (b)(iii) of the definition of "Public Benefit Activities" in section 30 of the Act, are utilised for the purpose for which they are provided.
- 2.16 Take all necessary steps to procure that, within such period as the Commissioner may determine, it is registered in terms of section 13(5) of the Nonprofit Organisations Act, 1997 (Act No. 71 of 1997), and complies with any other requirements imposed in terms of that Act, unless the Commissioner in consultation with the Director of Nonprofit Organisations designated in terms of section 8 of the Nonprofit Organisations Act, 1997, on good cause shown, otherwise directs.
- 2.17 Shall not use its resources directly or indirectly to support, advance or oppose any political party.
- 2.18 Ensure that any books of account, records or other documents relating to its affairs are :

- 2.18.1 where kept in book form, retained and carefully preserved by any person in control of the organisation, for a period of at least four years after the date of the last entry in any such book; or
- 2.18.2 where not kept in book form, are retained and carefully preserved by any person in control of the organisation, for a period of four years after the completion of the transaction, act or operation to which they relate.

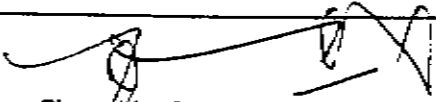
PARTICULARS OF SUBSCRIBER**DATE AND SIGNATURE**

Full Names :

Beverley Ann Gillespie

Occupation :

Allocations Officer

Residential Address :5 Ravenscraig Mews
Ravenscraig Road
Green Point 8051**Business Address :**c/o Salesian Institute
Somerset Road
Green Point 8051**Postal Address :**P O Box 265
Green Point 8051

Signed by Richard Bradley Rosenthal in
in terms of Power of Attorney dated at
Cape Town on 19 April 2006

8th May 2006

PARTICULARS OF WITNESS**DATE AND SIGNATURE OF WITNESS**

Full Names :

Barbara Ann Puttick

Occupation :

Secretary

Residential Address :8C Clifton Terrace
Observatory 7925**Business Address :**4th Floor Tamatave
49 Bellevue Street
Higgovale 8001**Postal Address :**P O Box 3800
Cape Town 8000

8 May 2006

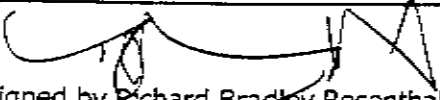
PARTICULARS OF SUBSCRIBER**DATE AND SIGNATURE**

Full Names :

Frances Mary Greathead

Occupation :

Author

Residential Address :C31 Larmenier Village
Vredehoek 8001**Business Address :**C31 Larmenier Village
Vredehoek 8001**Postal Address :**C31 Larmenier Village
Vredehoek 8001
Signed by Richard Bradley Rosenthal in
in terms of Power of Attorney dated at
Cape Town on 3 May 20068th May 2006


PARTICULARS OF WITNESS**DATE AND SIGNATURE OF WITNESS**

Full Names :

Barbara Ann Puttick

Occupation :

Secretary

Residential Address :8C Clifton Terrace
Observatory 7925**Business Address :**4th Floor Tamatave
49 Bellevue Street
Higgovale 8001**Postal Address :**P O Box 3800
Cape Town 8000
8 May 2006