



Financial Planning
Institute of Southern Africa

THE PROFESSIONAL STANDARD

**Memorandum
of Incorporation
of The Financial
Planning Institute
of Southern
Africa NPC**



Vision

Professional financial planning for all.

Our Mission

The FPI's mission is to advance and promote the pre-eminence and status of financial planning professionals, while at all times acting in the interests of the society (community, constituency) whom the profession serves, by:

1. Improving the quality and accessibility of professional financial planning for all in Southern Africa.
2. Acting as advocate for professional financial planning, building a recognition of the importance and need for such planning by the general public.
3. Providing a framework within which members can achieve qualifications and maintain competence to create greater value for their clients, practices and employers.
4. Ensuring that members maintain the highest ethical standards in the pursuance of their profession.
5. Providing a leadership role within financial services by providing balanced, credible input and commentary to government and the public.
6. Facilitating transformation within the profession.

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1. DEFINITIONS

In this Memorandum of Incorporation, unless the context indicates otherwise:

"Act"	shall mean the Companies Act 71 of 2008, as amended;
"Board of Directors"	shall mean the Board of Directors of FPI and "Board" shall have a similar meaning;
"Board Committee"	shall mean a body or bodies created in terms of section 32 of this Memorandum of Incorporation;
"Business Day"	shall mean any day but excluding Saturdays, Sundays and proclaimed public holidays in the Republic of South Africa, and "day" or "days" shall have a similar meaning;
"Chief Executive Officer"	shall mean the Chief Executive Officer of FPI as appointed to that position from time to time and "CEO" shall have a similar meaning;
"Commission"	shall mean the Companies and Intellectual Property Commission;
"Director"	shall mean a member of the Board of Directors of FPI, appointed or elected in accordance with this Memorandum of Incorporation or FPI Regulations;
"Financial year"	shall mean the twelve month period beginning on 1 January of any one year and ending on 31 December of the same year, or such other twelve month period in a calendar year as the Board may from time to time decide upon;
"FPI"	shall mean the Financial Planning Institute of Southern Africa NPC (Registration number 2004/028055/08), with its shortened name as FPI NPC, a Non-Profit Company incorporated in terms of the Companies Act 71 of 2008, as amended;
"FPI Regulation/s"	shall mean the rules, regulations, codes, standards and other by-laws of FPI as determined by the Board from time to time;
"FPSB"	shall mean The Financial Planning Standards Board Ltd., a membership corporation organised and existing under the General Corporation Law of the State of Delaware, USA;
"Fundamental transactions"	shall mean disposing of all or the greater part of FPI's assets or undertaking, or amalgamating or merging with another non-profit company;
"Good Standing"	shall mean that, at that particular moment in time, the member in question must not be in default of any FPI Regulations nor have been found guilty of any misconduct by a Disciplinary Tribunal which misconduct led to a suspension or termination of his FPI membership (and which ruling is still active and in effect) and must have satisfied all the requirements for recertification as determined by the Board from time to time in a timeous manner;
"Industry"	shall mean the financial planning industry as it is practised by the members, and as prescribed and regulated by the Board and the relevant government departments and other stakeholders;
"King III"	shall mean the revised Code of and Report on Governance Principles in South Africa;
"Member"	shall mean a person who has satisfied the requirements for membership in terms of FPI Regulations, and who has been admitted to membership of FPI and shall include voting and non-voting members as determined by the FPI Regulations from time to time;
"Memorandum"	shall mean this Memorandum of Incorporation of FPI and "MOI" shall have a similar meaning;
"The Company"	shall mean the Financial Planning Institute of Southern Africa NPC (Registration number 2004/028055/08), with its shortened name as FPI NPC, a Non-Profit Company incorporated in terms of the Companies Act 71 of 2008, as amended;
"Volunteer"	shall mean a FPI member or a person who is regarded as a specialist in the Financial Planning Industry who is co-opted or contracted by FPI from time to time. Such person will have no operational authority in terms of FPI but may be tasked to assist the CEO and/or Board Sub-Committees to fulfil certain fieldwork tasks and will report to the CEO and/or relevant Board Sub-Committees;
"Voting Rights"	shall mean the right to exercise a vote at meetings of FPI, and/or during a ballot amongst FPI members in accordance with the provisions of the Memorandum and the membership Regulations.

2. INTERPRETATION OF THIS MEMORANDUM OF INCORPORATION

- 2.1 Words in this Memorandum denoting the singular shall include the plural and vice versa and words denoting the masculine shall include the feminine gender. Words denoting natural persons shall include legal persons.
- 2.2 Where appropriate, meanings ascribed in defined words and expressions in the definition section, shall impose substantive obligations on the parties as provided for in the definition concerned and effect shall be given to it as if it were substantive provisions in the body of this Memorandum, notwithstanding that it is only in the definition section.
- 2.3 The section headings in this Memorandum have been inserted for convenience only and shall not be taken into account in its interpretation.
- 2.4 Words and expressions defined in any section or subsection(s), for the purposes of the section / subsection of which that subsection forms part, bear the meaning assigned to such words and expressions in that section or subsection.
- 2.5 Unless the contrary intention appears a reference to a recital, section, schedule or annex is a reference to a section or recital, schedule or annex to this Memorandum and references to this Memorandum include any recital, schedule or annex.
- 2.6 Unless the contrary intention appears a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.
- 2.7 A reference to a day is to be interpreted to the period of time commencing at midnight and ending 24 (twenty four) hours later.
- 2.8 A reference to a month or a year shall be construed as a calendar month or year, as the case may be.
- 2.9 When any number of days is described in this Memorandum, same shall be reckoned exclusively of the first day and inclusively of the last day unless the last day is not a Business Day in which case the last day shall be the next succeeding Business Day.
- 2.10 A reference to anything (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to any one or more of them.
- 2.11 Any issue not specifically addressed in this Memorandum, shall be governed firstly by the provisions of the Act and thereafter by FPI regulations.
- 2.12 Unless the context clearly indicates otherwise, a person elected, nominated and/or appointed to a position in accordance with this Memorandum shall remain in that position until he is disqualified and/or replaced by his successor in accordance with this Memorandum.

3. INCORPORATION OF FPI

- 3.1 FPI is incorporated as a Non Profit Company with non-shareholding members.
- 3.2 FPI is incorporated in accordance with and governed by:
 - 3.2.1 The unalterable provisions of the Act applicable to Non Profit Companies;
 - 3.2.2 The alterable provisions of the Act applicable to Non Profit Companies, subject to any limitation, extension, variation or substitution set out in this Memorandum; and
 - 3.2.3 The provisions of this Memorandum.

4. MANAGEMENT OF FPI

Board of Directors

- 4.1 The business and affairs of FPI shall be managed by or under the direction of the Board of Directors who may exercise all the powers and perform any of the functions of FPI except to the extent that:
 - 4.1.1 The Act or this Memorandum provides otherwise; or
 - 4.1.2 It is reserved to be exercised by FPI in an Annual, General or Special General Meeting.
- 4.2 Without limiting the general nature of the above authority and powers of the Board, the Board shall be responsible to:
 - 4.2.1 Ensure that FPI is and is seen to be a responsible corporate citizen;
 - 4.2.2 Appreciate that strategy, risk, performance and sustainability are inseparable;
 - 4.2.3 Set strategic direction, on-going monitoring and evaluation and also overall governance of FPI;
 - 4.2.4 Appoint the CEO and to measure the performance of the CEO;
 - 4.2.5 Ensure that the Board and its Committees are evaluated annually;
 - 4.2.6 Ensure that all Directors understand the duties and obligations of Directors as introduced by the Act and King III; and
 - 4.2.7 Ensure that an induction and development program for Directors is implemented.

The Executive:

- 4.3 The CEO is an employee of FPI.
- 4.4 The Board delegates authority for all operational decisions to the CEO, so long as those decisions accomplish the objectives and/or outcomes stated in the Board's policies and stay within the safe boundaries established by limitations set by the Board and this Memorandum of Incorporation for the executive of FPI.
- 4.5 The CEO will therefore be accountable for all operational performance of FPI and will be tasked to ensure the following, but is not limited to:
 - 4.5.1 Ensure that FPI's performance and interaction with its stakeholders is guided by the Constitution and the Bill of Rights;
 - 4.5.2 Appreciate that strategy, risk, performance and sustainability are inseparable;
 - 4.5.3 Identify prescribed officers of FPI and ensuring that these prescribed officers understand their duties and liabilities as prescribed in the Act and King III;
 - 4.5.4 Ensure that FPI has an effective and independent Audit Committee;
 - 4.5.5 Ensure the Board takes responsibility for information technology (IT) governance;
 - 4.5.6 Ensure that FPI complies with applicable laws and considers adherence to nonbinding rules, codes and standards;
 - 4.5.7 Ensure that there is an effective risk-based internal audit and FPI's systems of internal controls are effective;
 - 4.5.8 Ensure the integrity of FPI's integrated report;
 - 4.5.9 Ensure that the Board is assisted by a competent company secretary.

5. PARTICULARS OF FPI

- 5.1 The name of the Company is The Financial Planning Institute of Southern Africa NPC, with its shortened name as FPI NPC.
- 5.2 The official address of FPI shall be as follows:
 - Business Address: 84 Sophia Street, Cnr 11th Avenue, Fairlands, Johannesburg, Gauteng
 - Registered Address: Zeelie Office Park, 381 Ontdekkers Road, Florida Park, Gauteng, 1709
 - Postal address: PO Box 6493, Weltevredenpark, Gauteng, 1715
 - Email address: fpi@fpi.co.za
- 5.3 The Board may amend the abovementioned addresses in its discretion and without having to refer to members in meeting.

6. BUSINESS AND OBJECTIVES OF FPI

The main object and business of FPI is to benefit the public and its stakeholders by being a professional body that:

- 6.1 Offers tiered recognition, certification and membership to the Financial Planning Profession.
- 6.2 Provides members with a network through which they can share knowledge, skill and experience, both nationally and internationally.
- 6.3 Provides members with a professional identity and affords designations in recognition and promotion of such professional identity.
- 6.4 Promotes the Financial Planning Profession.
- 6.5 Improves the quality and accessibility of professional financial planning to the public in Southern Africa.
- 6.6 Acts as advocate for professional financial planning and building a recognition of the importance and need for such planning by the general public.
- 6.7 Establishes a framework within which members can achieve qualifications and maintain competence to create greater value for their clients, practices and employers.
- 6.8 Adopts membership regulations to ensure that members maintain the highest ethical standards in the pursuance of their profession.
- 6.9 Sets, promotes and enforces appropriate standards of competence among members and establishes measures to retain such standards of competence.
- 6.10 Facilitates Continuous Professional Development for members and members of other professions and, where applicable, to charge reasonable fees to persons attending such events.
- 6.11 Insists upon adherence to the FPI Code of Ethics and Practise Standards on the part of members and to preserve and maintain the integrity and status of financial planning professionals and, for this purpose, to:
 - 6.11.1 Take such steps which may be thought necessary to prevent dishonourable conduct and practices by members;

- 6.11.2 Hold enquiries into the conduct of members; and
- 6.11.3 Take disciplinary action against members and impose such penalties as may be appropriate, including termination of their membership and expulsion from FPI.
- 6.12 Maintains and from time to time publishes a list of members.
- 6.13 Co-operates with and, if necessary, assist financially by way of grants or otherwise, those universities, societies and associations that provide education and training for persons wishing to obtain qualifications in the Industry.
- 6.14 Participates in the creation and revision of programmes in support of transformation in the Industry.
- 6.15 Considers and passes comment on actual or draft legislation, policies, rules, directives or practices in the Republic of South Africa or elsewhere affecting the Industry and Financial Planning Profession.
- 6.16 Represents the Financial Planning Profession in submissions to Government, Parliament, regulatory authorities and all other relevant institutions.
- 6.17 Advances the public's knowledge and understanding of Financial Planning.
- 6.18 Disseminates information concerning the work of FPI to all stakeholders.

7. POWER AND AUTHORITY OF THE BOARD

- 7.1 Save as expressly provided for otherwise in this Memorandum, the Board shall be the highest decision making authority of FPI and shall have all the legal powers and capacity as would a natural person and may take any action and make any decision deemed necessary to give effect to the content of this Memorandum and the objectives of FPI as set out herein.
- 7.2 Without in any way derogating from the generality of the power and authority of the Board, the Board shall be entitled to, and without limitation:
 - 7.2.1 Determine and collect joining and annual membership fees;
 - 7.2.2 Accept and take by way of gift and absorb upon any terms the undertaking and assets of any society or body, whether incorporated or not, having objectives similar to those of FPI and to undertake all or such as may be agreed of the liabilities and engagements of any such other society or body but so that the exercise of the powers conferred by this paragraph shall be subject always to the approval in member's meeting by ordinary resolution;
 - 7.2.3 Issue certificates of membership to members and provide for the use of designations by members;
 - 7.2.4 Provide such services, including technical and advisory services, as may promote and further the interest and efficiency of members;
 - 7.2.5 Form local branches and Committees or appoint local representatives in any part of the world with such powers and subject to such conditions as the Board may from time to time determine and to make such grants and contributions (if any) to the same as the Board shall deem fit;
 - 7.2.6 Make and carry out any arrangement for joint working or co-operation with any other society or body, whether incorporated or not, carrying out work similar or complimentary to any work carried out by FPI;
 - 7.2.7 Establish, administer and contribute to any charitable purpose which in the opinion of the Board may tend to promote any of the objectives of FPI or which has objectives similar to those of FPI and to establish and support or aid in the establishment and support of companies, institutions, funds, trusts and schemes for such purposes;
 - 7.2.8 Operate or contract into schemes of regulation and discipline of members and such other persons as agree to be subject to such schemes and, with one or more other professional bodies, to establish and participate in a scheme (whether constituted as an incorporated body or not) for the investigation and discipline in certain circumstances of such persons as may be subject to the scheme pursuant to the procedures of that scheme rather than FPI's own disciplinary scheme;
 - 7.2.9 Lay down requirements and implement procedures (including professional experience, examinations and practical training) to ensure that the requirements for recognition of any professional qualification or designation required in terms of relevant statutes and regulations are, and continue to be, fulfilled;
 - 7.2.10 Implement designations, certification, or licensing procedures for the purposes of the said statutes or regulations;
 - 7.2.11 Co-operate with any third party in relation to the functions of monitoring and enforcement of compliance with the rules or standards of compliance as required of members in relation to functions as required by any statute, regulation or common law;
 - 7.2.12 Take such action as may be necessary to attain, improve and sustain the status, professional image and conduct of its members, their professional designations, occupational qualifications, and the standing and practice of Financial Planning;
 - 7.2.13 Form an association or to affiliate with, or become a member of FPSB or any other institution, society or organisation which can promote the business and objectives of FPI;

- 7.2.14 Prescribe a Code of Ethics and Practise Standards for members, and any other rules for professional qualification, conduct and ethics as may be prescribed by the Board from time to time;
- 7.2.15 Consult and liaise with Government, regulatory authorities or other interested organisations or persons in matters relating to legislation, regulation, directives, rules and interests of FPI, its members, Consumers and the Industry;
- 7.2.16 Accept donations, grants and other monies;
- 7.2.17 Borrow, raise or secure any sum of money required for the business and objectives of FPI upon such terms and on such securities as may be determined by the Board. Without derogating from the generality thereof, to execute a mortgage and/or notarial bond upon all or any of the property of FPI;
- 7.2.18 Purchase, accept, exchange, hire or otherwise acquire any movable or immovable property or any rights and privileges necessary for the business and objectives of FPI;
- 7.2.19 Sell, improve, manage, develop, lease, mortgage, dispose of, or otherwise deal with or encumber all or any part of the property of FPI;
- 7.2.20 Invest the funds of FPI or any portion thereof in such securities and in such manner as the Board may from time to time determine and to vary or transpose such investments at its discretion;
- 7.2.21 Open and operate banking accounts and saving accounts with registered banking institutions;
- 7.2.22 Apply the income and property of FPI, however derived, solely towards the promotion of the business and objectives of FPI as set forth in this Memorandum;
- 7.2.23 Levy fees or subscriptions, and/or financial penalties, and/or interest on its members;
- 7.2.24 Suspend and/or terminate the membership of a member in accordance with the applicable regulations;
- 7.2.25 Appoint the CEO, agents or servants of FPI and to determine their designations, duties, remuneration and responsibilities and to dismiss or suspend all or any of them;
- 7.2.26 Establish or contribute towards a pension fund or scheme and to contribute towards a medical benefit or aid scheme on behalf of employees of FPI upon such terms as approved by the Board of Directors;
- 7.2.27 Make and amend FPI Regulations by general resolution. The Board, in amending and/or making new FPI Regulations, may cover any matter or aspect that it considers necessary or expedient to prescribe for the better execution of this Memorandum and the furtherance of the objectives and business of FPI. Such FPI regulations will become binding when notice thereof had been given to members in such manner as the Board from time to time may decide;
- 7.2.28 Interpret any section of this Memorandum, FPI Regulations made in terms hereof or the Code of Ethics and Professional Standards if any dispute arises as to its meaning. Such interpretation, once approved by simple majority of the Directors and published to the members, shall be binding on all members with immediate effect;
- 7.2.29 Make, amend or repeal any necessary or incidental rules relating to the governance of FPI that are not addressed in the Act or this Memorandum;
- 7.2.30 Appoint Board Committees and other special committees, provided that the members of any such Committees shall be elected in accordance with the Act, this Memorandum or Committee Regulations.
- 7.2.31 Regulate Board Committees and other special committees;
- 7.2.32 Determine, withdraw or modify the power and authority of such Board Committees or other special committees;
- 7.2.33 Dissolve Board Committees or other special committees as deemed necessary by the Board;
- 7.2.34 Create, qualify, admit and designate FPI members;
- 7.2.35 Create and determine members' professional designations;
- 7.2.36 Create categories of membership and affiliations to FPI;
- 7.2.37 Alter, transfer and abolish member's professional designation(s);
- 7.2.38 Suspend or terminate the membership of members in terms of this Memorandum or other regulations governing such actions;
- 7.2.39 Make, vary and repeal FPI Regulations necessary to regulate the business of FPI and matters relating to its Board Committees, other special committees, officers and servants, and to enforce FPI Regulations, provided that FPI Regulations shall not be in conflict with this Memorandum, the objectives and the powers of FPI or the Act;
- 7.2.40 Institute legal proceedings in the name of FPI, to defend or oppose any legal action brought against FPI and to engage the services of legal counsel and to pay its/their fees;
- 7.2.41 Enter into agreements and to authorise the settling of the terms and conditions thereof and the signature of any such agreement or any other document;
- 7.2.42 Generally do whatever the Board deems necessary to enable it to carry out the objectives of FPI and to exercise the powers and to perform the functions and to discharge the duties given to it in the Act or imposed upon it in terms of this Memorandum.

8. APPLICATION AND DISTRIBUTION OF FUNDS AND ASSETS OF FPI

- 8.1 Substantially the whole of FPI's funding must be derived from its members or from an appropriation by the government of the Republic of South Africa in the national, provincial or local sphere.
- 8.2 Substantially the whole of the activities of FPI shall be directed to the furtherance of its objectives and not for the specific benefit of an individual member or minority group.
- 8.3 FPI shall utilise substantially the whole of its funds for the sole or principal object for which it has been established.
- 8.4 No funds or portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise whatsoever by way of profit, to the members, directors, alternate directors, officers, prescribed officers or related persons of FPI, provided that:
 - 8.4.1 Nothing herein contained shall prevent the payment in good faith of reasonable remuneration to any member, Director, alternate Director, officers, prescribed officers or related party of the officer, servant or member of FPI in return for authorised services actually rendered to or on behalf of FPI in furtherance of the objectives of FPI.
- 8.5 FPI shall not distribute any surpluses or gains by way of dividend or otherwise to its members or to any other person.
- 8.6 Should FPI be wound up, a person who has ceased to be a member or the executors, administrators, heirs or assigns of such person, shall in no circumstances have any claim to or against FPI by reason only of such previous membership.
- 8.7 No activity of FPI will directly or indirectly promote the economic self-interest of any fiduciary or employee of FPI otherwise than by way of reasonable remuneration.
- 8.8 FPI may not have a share or other interest in any business, profession or occupation which is carried on by its members.
- 8.9 No member may directly or indirectly have a personal or private interest in FPI.
- 8.10 All costs and expenses lawfully incurred by the Board in connection with the administration of FPI, including but not limited to their remuneration and remuneration for any person employed by FPI, shall be paid from the funds of FPI.
- 8.11 No funds will be distributed to any person other than in the course of activity contemplated in this Memorandum.
- 8.12 No remuneration will be paid to any employee of FPI, office bearer, member or other person which is excessive, having regard to what is generally considered reasonable in the Industry 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 the objects of FPI.

9. ACCOUNTING RECORDS

- 9.1 The financial year of the Company shall be in accordance with the period defined in the definitions above.
- 9.2 FPI shall keep such Accounting Records as are necessary to present the state of affairs and business of FPI and to explain the transaction and financial position of FPI including:
 - 9.2.1 Records showing the assets and liabilities of FPI;
 - 9.2.2 A register of fixed assets showing the respective dates of acquisition and the cost thereof, depreciation, if any, the respective dates of any disposals and the consideration received in respect thereof; and
 - 9.2.3 Records containing entries from day to day in sufficient detail of all cash received and paid out of the matters in respect of which receipts and payments take place.
- 9.3 The books of accounts shall be kept at the business address of FPI or at such other place or places as the Board deem fit and shall always be open to the inspection of the Directors.
- 9.4 The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of FPI shall be open to the inspection of members, not being Directors, and no member (not being a Director) shall have the right of inspecting any account or document of FPI except as conferred by the Act, or authorised by the Board or by FPI in General Meeting.
- 9.5 The Board shall in respect of every financial year of FPI cause Annual Financial Statements to be prepared in accordance with the Act and shall lay them before the Annual General Meeting of FPI in respect of that year.
- 9.6 A redacted copy of the Annual Financial Statements which are to be laid before FPI in Annual General Meeting, shall, not less than 15 (fifteen) business days before the date of that meeting, be sent to every member of FPI, provided that this section shall not require a copy of those documents to be sent to any person of whose email address FPI is not aware of and provided further that such copy may be sent in any electronic format to members able to receive such a copy in such format.
- 9.7 It shall be sufficient for FPI to provide in its notice an electronic link or URL to a website or other secure site where a copy of the Financial Statements and any other relevant documentation may be accessed and downloaded by members.

10. OPTIONAL PROVISIONS OF THE ACT

- 10.1 FPI elects to not voluntarily comply with the provisions of Chapter 3 of the Act except to the extent as set out in this Memorandum.
- 10.2 The Annual Financial Statements of FPI are to be audited and shall:
 - 10.2.1 Include an Auditor's report;
 - 10.2.2 Include a report by the Directors with respect to the state of affairs, the business and surpluses and deficits of FPI, or of the group of companies, if FPI is part of a group, including any matter material for the members to appreciate FPI's state of affairs;
 - 10.2.3 Include any other prescribed information;
 - 10.2.4 Be approved by the Board and signed by an authorised Director; and
 - 10.2.5 Be presented to the first member's meeting after the statements have been approved by the Board.
- 10.3 FPI must appoint a registered Auditor as prescribed by sections 84 and 85 of the Act.
- 10.4 FPI must appoint a person or company to serve as Company Secretary as prescribed in section 85 of the Act.

11. AUDIT COMMITTEE

- 11.1 FPI must appoint an Audit Committee as contemplated in sections 34(2) and 84(1) (c) (ii) of the Act.
- 11.2 The Audit Committee shall:
 - 11.2.1 Comprise at least three members;
 - 11.2.2 Each member must be a Director of FPI, who satisfies any applicable requirements prescribed by the Act and shall:
 - 11.2.2.1 Not be involved in the day-to-day management of FPI's business or have been so involved at any time during the previous financial year;
 - 11.2.2.2 Not be a prescribed officer, or full-time employee, of FPI or another related or inter-related company, or have been such an officer or employee at any time during the previous three financial years; or
 - 11.2.2.3 Not be a material supplier or customer of FPI, such that a reasonable and informed third party would conclude in the circumstances that the integrity, impartiality or objectivity of that Director is compromised by that relationship; and
 - 11.2.2.4 Not be related to any person who falls within any of the criteria set out above;
 - 11.2.3 Fill any vacancy on the Audit Committee within 40 (Forty) business days after the vacancy arises.
- 11.3 The Audit Committee shall fulfil the following duties:
 - 11.3.1 To nominate a registered Auditor for appointment who, in the opinion of the Audit Committee, is independent of FPI;
 - 11.3.2 To determine the fees to be paid to the Auditor and the Auditor's terms of engagement;
 - 11.3.3 To ensure that the appointment of the Auditor complies with the provisions of this Act and any other legislation relating to the appointment of Auditors;
 - 11.3.4 To determine the nature and extent of any non-audit services that the Auditor may provide to FPI, or that the Auditor must not provide to FPI, or a related company;
 - 11.3.5 To pre-approve any proposed agreement with the Auditor for the provision of non-audit services to FPI;
 - 11.3.6 To prepare a report, to be included in the Annual Financial Statements for that financial year;
 - 11.3.7 Comment in any way the Committee considers appropriate on the financial statements, the accounting practices and the internal financial control of FPI;
 - 11.3.8 Receive and deal appropriately with any concerns or complaints, whether from within or outside FPI, or on its own initiative, relating to:
 - 11.3.8.1 The accounting practices and internal audit of FPI;
 - 11.3.8.2 The content or auditing of FPI's financial statements;
 - 11.3.8.3 The internal financial controls of FPI; or
 - 11.3.8.4 Any related matter;
 - 11.3.9 Make submissions to the Board on any matter concerning FPI's accounting policies, financial control, records and reporting; and
 - 11.3.10 Perform such other oversight functions as may be determined by the Board;
 - 11.3.11 Ascertain that the Auditor does not receive any direct or indirect remuneration or other benefit from FPI, except as Auditor, or for rendering other services to FPI, to the extent permitted of the Act;
 - 11.3.12 Consider whether the Auditor's independence may have been prejudiced as a result of any previous appointment as Auditor or having regard to the extent of any consultancy, advisory or other work undertaken by the Auditor for FPI;

- 11.3.13 Consider compliance with other criteria relating to independence or conflict of interest as prescribed by the Independent Regulatory Board for Auditors established by the Auditing Profession Act 26 of 2005, as amended;
- 11.3.14 Ensure that nothing in this section precludes the appointment by FPI at its Annual General Meeting of an Auditor other than one nominated by the Audit Committee, but if such an Auditor is appointed, the appointment is valid only if the Audit Committee is satisfied that the proposed Auditor is independent of FPI;
- 11.3.15 Ensure that neither the appointment nor the duties of an Audit Committee reduce the functions and duties of the Board or the Directors of FPI, except with respect to the appointment, fees and terms of engagement of the Auditor;
- 11.3.16 Ensure that FPI pays all expenses reasonably incurred by its Audit Committee, including, if the Audit Committee considers it appropriate, the fees of any consultant or specialist engaged by the Audit Committee to assist it in the performance of its functions.

12. MEMBERSHIP

Terms and Conditions of membership:

- 12.1 FPI shall have non-shareholding members who are categorized as either voting or non-voting members.
- 12.2 Membership of FPI shall be personal and non-transferable and shall, be subject to inter alia:
 - 12.2.1 Professional designation qualifying criteria set by the Board from time to time;
 - 12.2.2 Successful completion of a recertification process as decided by the Board;
 - 12.2.3 A mandatory annual membership audit;
 - 12.2.4 Observance of the Code of Ethics and Practise Standards;
 - 12.2.5 An annual recertification declaration;
 - 12.2.6 Compliance with Continuous Professional Development requirements;
 - 12.2.7 Payment of such fees and subscriptions as determined by the Board from time to time;
 - 12.2.8 Compliance with FPI Regulations; and
 - 12.2.9 Any such further or amended certification regulations and policies as determined by the Board of Directors from time to time.
- 12.3 Full particulars of FPI membership requirements shall be set out in the various FPI Regulations as determined by the Board of Directors, from time to time.

Categories of membership:

- 12.4 FPI may provide for different categories of members to differentiate between different industries, interest groups, educational and training level, professional functions and the professional conduct requirements of members and, in general, as the Board determines to be in the best interest of the functioning of FPI and the members as a whole.
- 12.5 The categories of membership are:
 - Voting members:
 - 12.5.1 Members who are designated Certified Financial Planners (CFP® professionals) and who are in good standing.
 - Non-voting members:
 - 12.5.2 Other designated members;
 - 12.5.3 Affiliate members;
 - 12.5.4 Honorary or Life members.
- 12.6 FPI may not presume membership of any person or provide for ex officio membership on any basis other than life-time membership awarded to a person for service to FPI subject to that person's consent.
- 12.7 The Board may as it deems fit from time to time in its sole discretion expand, modify or contract:
 - 12.7.1 The categories of membership based on the functional requirements of FPI from time to time and further may provide for accreditation within the various categories to provide for and regulate the professional functions and practice of members and may allocate and/or revoke and/or amend such accreditation; and
 - 12.7.2 The FPI Regulations setting out the terms, conditions and qualifications for membership, the categories and any subcategories of membership, the designations for use by any category of membership, the process for applying for membership, any initial or periodic cost of membership in any category and the rights and obligations, if any, of membership in any category.
- 12.8 Notwithstanding the above, Board may, in considering the application for membership of any individual or entity, impose such additional conditions of membership as the Board may determine in its sole discretion to be in the best interest of FPI and its members.

Voting Rights of members

- 12.9 Any voting member of FPI who is in default with any of the obligations of membership imposed on him or her by virtue of the terms of this Memorandum or FPI Regulations FPI shall automatically be regarded as a 'member not in good standing' and shall not be entitled to attend or vote at any meeting of FPI members or to exercise any of the rights and privileges of membership for as long as such default continues.
- 12.10 Voting shall be conducted on the basis of one vote per member.

Other Rights and Obligations of members:

- 12.11 In addition to the rights to access information set out in section 26 (1) of the Act, a member shall have a right to information as set out in this Memorandum or as determined by the Promotion of Access to Information Act 2 of 2000, as amended.
- 12.12 Members are bound to comply with the provisions of the Memorandum, FPI Regulations, the Code of Ethics and Professional Standards of FPI and shall be subject to the disciplinary sanctions set forth therein.
- 12.13 Specific privileges and obligations accruing to each category of membership referred to above are provided for in the FPI Regulations.
- 12.14 Should a member fail to comply with the obligations placed on him, all privileges accruing to such member in terms of his specific membership category(s) shall automatically be suspended for as long as he fails to comply.
- 12.15 The Board may summarily suspend a member's membership if the Board is of the opinion that such member's continuous behaviour is damaging to FPI and/or its members' image and reputation. The matter shall, simultaneously with such suspension, be referred for investigation in terms of FPI's disciplinary structures who may uphold, overturn or substitute the Board's decision with or without such further conditions as may be deemed appropriate.

13. REGISTER OF MEMBERS

- 13.1 The Board shall maintain a register in which shall be recorded, inter alia, the name of each person and entity admitted to membership of FPI. In the event of any person ceasing to be a member for any reason whatsoever, his name shall be deleted from the register.
- 13.2 FPI may publish a list of the members and any other particulars in respect of the members as the Board may determine.
- 13.3 If the Board shall determine that there shall be different categories of members then separate registers and/or entries may be maintained for each such category.

14. DIRECTORS AND OFFICERS

- 14.1 The Board of Directors is authorised to manage and direct the business and affairs of FPI as set out in this Memorandum.
- 14.2 The Board of Directors of FPI comprises no less than 3 (three) and up to 12 (twelve) Directors of which one third shall be independent persons and each of whom shall be appointed and/or elected:
- 14.2.1 In the manner set out in this Memorandum; and
- 14.2.2 Shall serve for a term as set out in this Memorandum.
- 14.3 In addition to the appointed and nationally elected Directors, the CEO of FPI shall be an ex officio Director of FPI.
- 14.4 Save as set out above, there are no other ex officio Directors of FPI.
- 14.5 In addition to satisfying the qualification and eligibility requirements set out in section 69 of the Act, to become or remain a Director of FPI, a person must satisfy the additional requirements and qualifications set out in this Memorandum.

15. DURATION AND TERM OF OFFICE OF DIRECTORS

- 15.1 Directors shall serve for a term of 3 (three) years or until they are replaced by their successors in accordance with the provisions of this Memorandum.
- 15.2 Directors shall hold office until the assumption of office of their duly elected or appointed successors.
- 15.3 At least one third of nationally elected Directors as provided for in paragraph 16.1 shall be elected by members at the Annual General Meeting of FPI each year.
- 15.4 At least one third of the directors shall rotate annually.
- 15.5 In the absence of agreement by the Board or clarity with regard to 15.3 and 15.4 the Nomination and Compliance Review Committee ("NCR") shall:
- 15.5.1 Determine the rotation of Directors and failing such determination, the initial rotation shall be determined by drawing of lots; and

- 15.5.2 Prescribe arrangements to align and determine terms of Directors during the transition from the previous Memorandum of Incorporation to this Memorandum.
- 15.6 A Director whose term had ended may be eligible for re-election or re-appointment to serve further terms provided that a Director shall, subject to 15.5 above, not hold office for more than 2 (two) consecutive terms of 3 (three) years.
- 15.7 A Director who has served 2 (two) consecutive terms as aforementioned may be eligible for re-election or re-appointment to serve further terms provided he has had at least 3 (three) years during which he did not serve on the Board.

16. COMPOSITION AND ELECTION OF THE BOARD

- 16.1 The Board of Directors shall comprise appointed and nationally elected Directors, of whom one half plus one shall be CFP® professionals.
- 16.2 One half less one of the number of Board members shall be nationally elected Directors who shall all be CFP® professionals and be elected by the general membership of FPI from nominations by at least two members, in accordance with the provisions of this Memorandum.
 - 16.2.1 Nationally elected Directors shall serve for a term as provided in section 15.1 or such shorter term as may be determined at their appointment or until they are replaced by their successors in accordance with these provisions;
 - 16.2.2 In the event that a nationally elected Director resigns, is removed or passes away during his term of office, a successor shall be elected in accordance with the provisions of section 16.2 and serve for the remainder of the term of the Director whose position has become vacant;
- 16.3 One half of the number of Board members shall be appointed Directors who may, but need not all be, members and who shall be appointed by a two thirds majority decision by the Board then consisting of those Directors elected under the provisions of section 16.2, from a list of nominated persons prepared by the Nomination and Compliance Review Committee.
 - 16.3.1 In the event that an appointed Director resigns, is removed or passes away during his term of office, a successor shall be elected in accordance with the provisions of this section 16.3 and serve for the remainder of the term of the Director whose position has become vacant;
 - 16.3.2 If the position of the CEO is vacant when such appointment is due the Board shall not be required to appoint a CEO before appointing any or all of the appointed Directors.
- 16.4 The CEO shall call for a meeting of the Board of Directors within 60 (sixty) days of the conclusion of the Annual General Meeting, inviting only the newly appointed or elected and serving Directors to attend such meeting.
- 16.5 Except for the CEO, all other members of the Board shall be non-executive members, unless it becomes necessary in the sole discretion of the Board to appoint more Executive Directors.

17. TERMINATION AND/OR LOSS OF OFFICE AS DIRECTOR / COMMITTEE MEMBER

- 17.1 Any member of either the Board of Directors, Board Committees or other special committees shall cease to hold office if he:
 - 17.1.1 Resigns his office in writing;
 - 17.1.2 Becomes insolvent, surrenders his estate for a benefit of his creditors, or makes an offer of compromise to his creditors in circumstances where his liabilities exceeds his assets;
 - 17.1.3 Becomes unsound of mind;
 - 17.1.4 Is directly or indirectly interested in any contract with FPI and fails to declare the nature and details of his interest in writing to the Board at the first reasonable opportunity, or having declared such nature and details to the Board and having failed to obtain written permission from the Board, continue with such contract;
 - 17.1.5 Is a member and ceases to be a member of FPI or if his membership is suspended;
 - 17.1.6 Is absent without consent or if his apology is not accepted, for 2 (two) consecutive meetings of the Board of Directors or Board Committees (as the case may be);
 - 17.1.7 Is a defendant, without necessarily having been found guilty, in any criminal proceeding or respondent in a government or regulatory body enquiry involving a charge that contains an element of fraud, theft, money laundering, corruption, racketeering and dishonesty or relates to business or unprofessional conduct;
 - 17.1.8 Is charged, without necessarily having been found guilty, by a disciplinary tribunal of any professional body of contravening the/its code of ethics, code of conduct, professional standards or of unprofessional conduct;
 - 17.1.9 If he is elected as a Director or serves on any Committee of another intermediary body without the

- written consent of the Board of Directors;
- 17.1.10 If, in terms of the Act or in terms of common law, he becomes unfit or disqualified to serve as a Director;
 - 17.1.11 If his actions are, in the opinion of a majority of the Board of Directors, detrimental to FPI or its members.

18. VACANCIES ARISING ON THE BOARD

- 18.1 The Board of Directors are authorised to fill any vacancy on the Board provided the members are notified of such appointment and such appointments are confirmed at the next Annual General Meeting.
- 18.2 Should the number of Directors fall below the minimum number as set out above, the remaining Directors shall not be able to make any decision except as may be necessary for the day to day operation of FPI, until such time as additional Directors have been appointed on the basis as set out in this Memorandum.

19. REMOVAL OF A DIRECTOR/ COMMITTEE MEMBER

- 19.1 Having applied the rules of natural justice the Board of Directors, may, subject to sections 71 and/or section 162 and/or section 76 of the Act, remove any Director from his Directorship before the expiration of his period of office on the grounds detailed in section 17.1 above or in the Act.
- 19.2 Such Director envisaged in 19.1 above may be suspended during the time of an investigation during which period he shall not be entitled to any of his rights or obligations as a Director of FPI.
- 19.3 The provisions of sections 17 and 19 shall apply mutatis mutandis to any member serving on a Board Committee or other special committee of FPI.

20. ELECTION OF CHAIRPERSON AND CHAIRPERSON-ELECT

- 20.1 At its first meeting or whenever thereafter necessary the newly appointed and elected as well as serving Directors shall elect from amongst the Directors a chairperson of the Board of Directors, provided that any candidate for chairperson shall:
 - 20.1.1 Be a CERTIFIED FINANCIAL PLANNER® professional ("CFP® professional"); and
 - 20.1.2 Be a member in good standing; and
 - 20.1.3 Have been a CFP® professional for a continuous period of more than 3 (three) years immediately prior to such election.
- 20.2 No candidate may be nominated without his consent.
- 20.3 The candidate receiving by simple majority the higher number of votes, shall be declared chairperson and members shall be informed accordingly as soon as is practical. If there are more than two candidates and no candidate receives a simple majority of the votes, the candidate receiving the least number of votes shall automatically fail to continue and further rounds of voting shall be held with the remaining candidates until a candidate receives a simple majority of votes.
- 20.4 In the event of a tie between two or more candidates, the CEO or his duly appointed deputy shall draw lots in the presence of all the Directors at the meeting to determine the results.
- 20.5 The elected chairperson shall assume office when the newly elected Board is constituted, which shall always be within 60 (sixty) days from the conclusion of the Annual General Meeting. Such chairperson shall, subject to him not being in conflict with the provisions above:
 - 20.5.1 Remain in office until the following chairperson is elected in terms of this Memorandum;
 - 20.5.2 Remain a Director until the end of the meeting at which the successive Board of Directors is constituted.
- 20.6 In the event of the death, resignation or removal from office of the chairperson, the chairperson-elect shall ex officio assume the office of the chairperson for the remaining period of such office or failing him, the CEO shall immediately call for nominations in order to have a new chairperson elected for the remainder of the term.
- 20.7 The sitting chairperson-elect shall automatically be deemed to be the chairperson elected by the Board unless the Board decides, by majority, that such election as chairperson is not appropriate or if the chairperson-elect declines such election.
- 20.8 At such meeting, as referred to in section 20.1 above, the outgoing chairperson or failing him, the CEO, shall act as chairperson of the meeting until the newly elected chairperson can take his position as chairperson of the Board.
- 20.9 The chairperson of the Board of Directors, may not act for more than two consecutive terms.
- 20.10 Once a chairperson has been elected, a chairperson-elect shall mutatis mutandis be elected from the same ranks and in accordance with the same procedures, qualifications and consequences as those prescribed for a chairperson.
- 20.11 Once the position for chairperson becomes vacant for whatever reason, the chairperson-elect shall automatically be

- eligible for election as chairperson and, in case he declines this eligibility or is not elected as chairperson, be eligible for immediate re-election as chairperson-elect.
- 20.12 The provisions of section 20.11 shall be subject to the chairperson-elect's continued membership of the Board as either a nationally elected director (in terms of section 16.2) or appointed director (in terms of section 16.3) and the Board's decision (as prescribed by Section 20.7).

21. MEETINGS OF DIRECTORS

- 21.1 The new Board of Directors shall be constituted within 60 (sixty) days after the conclusion of the Annual General Meeting.
- 21.2 The Board of Directors is authorised to consider a matter other than at a formal meeting.
- 21.3 A decision may be adopted by "Round Robin" resolution with the approval of the majority of Directors given in person or by electronic communication, provided each Director has received notice of the matter.
- 21.4 The Board of Directors shall convene as frequently as it decides, but at least 3 (three) times each year.
- 21.5 A special meeting of the Board of Directors may be called either:
- 21.5.1 By the chairperson whenever he deems it expedient to do so; or
- 21.5.2 By at least 25% (twenty five percent) of the Board.
- 21.6 The Board of Directors may decide, by simple majority, to facilitate any meeting by using electronic conferencing technology or any other medium through which Directors who are not physically in the same location can fully participate with full video and/or audio facilities instead of convening in person at a specific venue. Directors present in person at such other locations and connected by using the said conferencing technology shall be deemed to be present in person for all purposes envisaged in this Memorandum.
- 21.7 The CEO shall be responsible to give notice of meetings to Board members and shall ensure that Board members are provided with at least 14 (fourteen) days' written notice of any proposed meeting provided that, in the event of business, which is extremely urgent in the opinion of the chairperson, with the written support of 4 (four) other Directors, only 7 (seven) Business Days' notice shall be given, unless the majority of Directors, of which the majority are CFP® professionals, waive such notice in writing.
- 21.8 The Board of Directors may proceed with a meeting despite a failure or defect in giving notice of the meeting, as set in 21.5 above.
- 21.9 In the event of neither the chairperson nor the chairperson elect being present an acting chairperson shall be elected from the Directors present under the interim chairpersonship of the CEO, to preside at the meeting.
- 21.10 All decisions shall be taken by a majority of Directors present. In the event of a deadlock the chairperson, or whoever is presiding, shall have a casting vote in addition to his ordinary vote.
- 21.11 All votes shall be taken by a show of hands or verbal confirmation unless the meeting adopts a motion that a vote is taken by ballot.
- 21.12 The Board of Directors may regulate and adjourn its meeting as it thinks fit.
- 21.13 Any member of the Board of Directors may be reimbursed for reasonable authorised expenses actually incurred in attending any meetings attended at the request of the Board of Directors.
- 21.14 A quorum of the Board of Directors shall consist of at least 50% of the Directors in office and eligible to vote, and of which at least 50% of said Directors shall be CFP® professionals. Any decision taken without the quorum being present shall be null and void.
- 21.15 If within 30 (thirty) minutes after the time appointed for a Board Meeting a quorum is not present, such meeting shall stand adjourned to the same time and place on a day 5 (five) Business Days after the date of the meeting and with written notice by email to all Directors; and
- 21.16 The Directors present at such an adjourned meeting shall be a quorum, irrespective of the number of Directors present.
- 21.17 The votes at a Board Meeting shall be weighted as 1 (one) vote for each Director.
- 21.18 A resolution in writing signed by all the Directors for the time being shall be valid and effectual as if it has been passed at a meeting of the Board, duly convened and held, and may consist of several documents, each signed by all the Directors.
- 21.18.1 Unless otherwise stated in the resolution concerned, it shall be deemed to have been passed upon the date upon which it was signed by the last signatory, and a resolution shall be deemed to have been signed if consent thereto has been given and the message transmitted electronic means and purporting to emanate from the person whose signature to such resolution is required.

22. FINANCIAL ASSISTANCE TO DIRECTORS OR PRESCRIBED OFFICERS

- 22.1 The Company is not authorised to provide financial assistance to a Director or prescribed officer other than in the normal course of employment.

23. DECLARATION OF INTEREST

- 23.1 Subject to the provisions of section 75 of the Act and Declaration of Interest Policy, a Director shall not vote in respect of any contract with FPI he is interested in or any matter arising therefrom.
- 23.2 If a Director has a personal financial interest in respect of a matter to be considered at a meeting of the Board, or knows that a related person has a personal financial or other interest in the matter, the Director:
- 23.2.1 Must disclose the interest and its general nature in writing before the matter is considered at the meeting and such disclosure shall be recorded in a register kept for such purpose;
 - 23.2.2 Must disclose to the meeting any material information relating to the matter and known to the Director;
 - 23.2.3 May disclose any observations or pertinent insights relating to the matter if requested to do so by the other Directors;
 - 23.2.4 If present at the meeting, must leave the meeting immediately after making any disclosure contemplated in above;
 - 23.2.5 Must not take part in the consideration of the matter, except to the extent contemplated above
 - 23.2.6 While absent from the meeting in terms of this subsection:
 - 23.2.6.1 Is to be regarded as being present at the meeting for the purpose of determining whether sufficient Directors are present to constitute the meeting; and
 - 23.2.6.2 Is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted;
 - 23.2.6.3 May not execute any document on behalf of FPI in relation to the matter unless specifically requested or directed to do so by the Board.
- 23.3 Directors and Board Committee members are required to declare personal interests at every meeting to the chairperson of the meeting.

24. MEETINGS OF MEMBERS

Annual General Meeting

- 24.1 The Annual General Meeting ("the AGM") of FPI shall be held on such a day at such a time and venue, as the Board of Directors may determine, but not later than 6 (six) months from the end of the financial year-end. A notice of the meeting together with an agenda shall be forwarded not less than 15 (fifteen) business days in advance to each member in accordance with the provisions of section 30.1 hereof.
- 24.2 The AGM may be held in more than one physical location simultaneously provided that all the locations are linked by using conferencing technology or any other medium through which members who are not physically in the same location as the chairperson can participate fully in the meeting. members present in person at such other location(s) shall be deemed to be present in person for all purposes envisaged in this Memorandum.
- 24.3 The AGM shall deal with and dispose of all matters prescribed by the Act, including:
- 24.3.1 The receiving and consideration of the Annual Financial Statements;
 - 24.3.2 The consideration and approval of the Report of the Board of Directors;
 - 24.3.3 The Audit Committee report;
 - 24.3.4 Appointment of the Auditor for the ensuing financial year;
 - 24.3.5 Appointment of the Audit Committee;
 - 24.3.6 The consideration of any and all other matter of which due notice has been given.
- 24.4 Any member may move resolutions, provided preceding written notice of such resolution, signed by himself and 5 (five) other members, has been received by the CEO at least 15 (fifteen) business days prior to such meeting at the registered office of FPI.
- 24.5 Upon receipt of such notice the CEO shall, in any case where the notice is received before the notice of the meeting is issued, include it in the notice of meeting and shall, in any other case, give notice to the members as quickly

- as possible that such resolution will be proposed. Such resolutions, if adopted, shall be binding on the Board of Directors, subject to the right of the Board of Directors to require the said resolution to be confirmed by the majority of members voting thereon by postal or electronic vote, or by telefax.
- 24.6 The chairperson may with the consent of any meeting at which a quorum is present (and shall if so dictated by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned the provisions of section 64 of the Act shall apply mutatis mutandis to such adjournment.
- 24.7 The Board shall determine the venue for the AGM.
- 24.8 20 (twenty) members in good standing who are present in person or by proxy shall form a quorum.

Special General Meeting

- 24.9 A Special General Meeting shall be called either:
- 24.9.1 By resolution of the Annual General Meeting; or
- 24.9.2 By resolution of the Board of Directors; or
- 24.9.3 At the request in writing of not less than 20 (twenty) FPI members setting forth the terms of the motion to be proposed.
- 24.10 A written notice of a Special General Meeting, including the nature of the business to be transacted, the date, time and venue or venues, shall be given to all FPI members at least 15 (fifteen) business days prior to such meeting.
- 24.11 Resolutions passed at a Special General Meeting shall be referred to the Board of Directors for such actions as may be necessary.

25. PROCEDURE AT MEETINGS OF FPI

- 25.1 The chairperson, or in his absence, the chairperson elect shall take the chair. Where both are absent the meeting shall elect a chairperson from the members of the Board of Directors and, failing any Director being present, from amongst the members in attendance at the meeting.
- 25.2 At all meetings votes shall be taken by a show of hands or verbal confirmation of members unless a poll is demanded by any member immediately before or after the show of hands. Once the chairperson has announced the result of a vote on a show of hands it shall no longer be possible to demand a poll:
- 25.2.1 If a poll is duly demanded it shall be taken in such a manner as the chairperson directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded;
- 25.2.2 A poll demanded on the election of a chairperson or on a question of adjournment shall be taken forthwith;
- 25.2.3 A poll demanded on any other question shall be taken at such time as the chairperson of the meeting directs;
- 25.2.4 The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll is demanded;
- 25.2.5 In the case of a tie, the chairperson shall be entitled to exercise a casting vote.
- 25.3 Subject to any FPI Regulation to the contrary, every voting member shall have 1 (one) vote subject to the conditions set out in this Memorandum.
- 25.4 No member shall under any circumstances be entitled to be present or vote (either as a proxy or in his personal capacity) at any meeting of FPI unless such a member is in good standing and complied with all prescribed FPI Regulations.
- 25.5 Votes may be cast either personally or by written proxy.
- 25.6 The accidental omission to give notice of any meeting to any particular member or members shall not invalidate any resolution passed at any such meeting provided that where no notice has been dispatched to more than 5 (five) per centum of the total membership for whom FPI is in possession of an address, distributed pro rata over the regions, it shall be deemed that proper notice of the meeting has not been given to members.
- 25.7 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

26. MEMBERS' RIGHT TO BE REPRESENTED BY PROXY

- 26.1 A member may appoint any individual as a proxy to participate in, and speak and vote at a meeting of that class of member on behalf of the member or give or withhold written consent on behalf of the member to a decision to be taken by that class, provided that the member may not appoint more than one proxy to exercise voting rights on behalf of that member.
- 26.2 Notwithstanding the provisions of paragraph 26.1 above, a member shall not be entitled to appoint a proxy when considering a resolution as provided for in paragraphs 28.1 to 28.4 below.
- 26.3 A member shall be restricted to the appointment of one proxy per voting member per meeting.
- 26.4 A proxy appointment shall be in writing, dated and signed by the member and remains valid until the conclusion of the meeting to which it relates or any postponement or adjournment thereof, whichever is the later date.
- 26.5 The appointment is revocable unless the proxy appointment expressly states otherwise, and may be revoked by cancelling it in writing and delivering a copy of the revocation instrument to FPI. The appointment is suspended at any time and to the extent that the member entitled to vote chooses to attend at the meeting or to act directly and in person in the exercise of any rights as a member entitled to vote.
- 26.6 The authority of a member's proxy to delegate the proxy's powers to another person and to decide without direction from the member whether to exercise or abstain from exercising any voting right of the member, is limited and restricted.
- 26.7 Unless the instrument appointing a proxy provides otherwise, a member's proxy may decide, without direction from the member, whether to exercise or abstain from exercising any voting right of the member.
- 26.8 The Company shall be entitled to disregard a proxy form or instrument appointing a proxy and to disregard the vote of any proxy or purported proxy, if:
- 26.8.1 The proxy form or instrument of proxy does not comply with the requisite formalities, or with the requirements as to content, as prescribed by FPI from time to time; or
- 26.8.2 The authority of the proxy has been revoked by the member in person or through its authorised representative or through its legal representative.
- 26.9 Any person who is a proxy or purported proxy specified in a proxy form or instrument appointing a proxy which may be disregarded, or the voting of whom may be disregarded, shall not be entitled to attend, participate in, or speak or vote at the meeting of members in question and shall forthwith remove himself from the meeting in question at the request of the chairperson of the meeting.
- 26.10 A copy of the instrument appointing the proxy must be delivered to FPI, before the proxy exercises any rights of the member at a members meeting.

27. ADJOURNMENT OF MEMBERS' MEETINGS

- 27.1 Unless a quorum is present within 30 (thirty) minutes of the time appointed for the meeting, or if the members in attendance fall below the requirement for a quorum as set out above, the meeting shall stand adjourned to the same time, at the same place and on the same day of the next week, and if such day be a public holiday, to the next business day thereafter.
- 27.2 At an adjourned meeting the members present shall form a quorum and shall have full power to transact the business of the meeting which could have been transacted had the meeting been held on the date for which it was called.
- 27.3 Notwithstanding the above, an adjournment of a meeting or consideration of a matter being debated at the meeting may be made to a fixed date, time and place or until further notice.
- 27.4 FPI shall not be required to give further notice of a meeting that is postponed or adjourned unless:
- 27.4.1 Another date, time or place is determined for the adjourned meeting other than as set out in paragraph 27.1; or
- 27.4.2 It is necessary to inform members of the availability of participation in the postponed or adjourned meeting by electronic means; or
- 27.4.3 The meeting has been adjourned "until further notice" in terms of this section of the Memorandum.
- 27.5 At any adjourned meeting the members who are present or represented by proxy and entitled to vote shall constitute a quorum and may proceed to transact the business of the meeting.
- 27.6 No business shall be transacted at any adjourned members' meeting of FPI other than business left unfinished at the meeting from which the adjournment took place.
- 27.7 The adjourned meeting may continue or the matter may be considered, so long as at least one member with voting rights entitled to be exercised at the meeting, or on that matter, is present or represented at the meeting.

28. MEMBERS ACTING OTHER THAN AT A MEETING

- 28.1 Any resolution that could be voted on at a members' meeting may instead be submitted by the Board for consideration by the members entitled to vote and be voted on in writing or electronically within 20 (twenty) business days after the resolution was submitted to them.
- 28.2 A resolution will have been adopted if it is supported in writing or by electronic polling by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary resolution (where an ordinary resolution is required) or a special resolution (where a special resolution is required) at a properly constituted members' meeting and, if adopted, shall have the same effect as if it had been approved by voting at a member meeting.
- 28.3 An election of a Board member that could be conducted at a members' meeting may instead be conducted by written or electronic polling of all of the members entitled to exercise voting rights to elect that Board member.
- 28.4 FPI shall, within 10 (ten) business days after adopting a resolution, or of conducting an election of Board members in terms of the provisions of this clause, deliver a statement describing the results of the vote, consent process or election to members who were entitled to vote on or consent to the resolution, or vote on the election of a Board member, as the case may be.

29. RECORD DATE FOR MEMBERS' MEETINGS

- 29.1 The record date for a member to exercise its rights will be as follows:
 - 29.1.1 In the case of a meeting, the latest date by which FPI is required to give members notice of that meeting; or
 - 29.1.2 The date of the action or event in any other case.

30. NOTICES AND DOMICILLIA

- 30.1 Each member shall notify FPI in writing of at least an electronic mail address, a cellular number, a physical address and a postal address, each of which shall be deemed to be the members' registered address within the meaning of the Memorandum for purposes of any communication with the member, delivery of notices and publication of any information required in terms of this Memorandum and/or the Act.
- 30.2 If a member has not notified FPI of at least the electronic mail address as referred to above, that member shall be deemed to have waived his right to be served with any notice by FPI.
- 30.3 Electronic (e-mail) communication shall be the preferred method of communication with members.
- 30.4 A notice via letter or e-mail may be given by FPI to any member:
 - 30.4.1 Personally; or
 - 30.4.2 By sending it by ordinary post; or
 - 30.4.3 By email.
- 30.5 A notice shall be deemed to have been served:
 - 30.5.1 Within 1 (one) business day after the communication containing the notice was e-mailed to the address for such member on record with FPI; or
 - 30.5.2 Within 7 (seven) business days from the time the communication containing the notice was posted by ordinary mail to the postal address, which FPI has on record for the member.

31. MINUTES AND RESOLUTIONS

- 31.1 Minutes shall be kept of all resolutions and proceedings of Meetings of members, meetings of the Board of Directors, round robin resolutions taken by the Board of Directors and Board Committees.
- 31.2 All minutes and resolutions must be dated, sequentially numbered and retained by pasting it into a minute book or saving it into a backed-up computer file.
- 31.3 An ordinary resolution to be adopted at a members meeting must be supported by at least 50% of the members who voted on the resolution.
- 31.4 A special resolution to be adopted at a members meeting must be supported by at least 75% (seventy-five percent) of the members who voted on the resolution.
- 31.5 A special resolution is required to:
 - 31.5.1 Ratify a considered revision of a company's Memorandum of Incorporation, as contemplated in section 18(1)(b) of the Act;
 - 31.5.2 Ratify actions by FPI or directors in excess of their authority, as contemplated in section 20(2) of the Act;
 - 31.5.3 Approve any proposed fundamental transaction.

32. COMMITTEES

Board Sub-Committees

- 32.1 The Board of Directors may constitute Board Committees as it deems fit from time to time and/or as contemplated in Chapter 3 of the Act and/or as proposed in King III.
- 32.2 The Board may delegate such authority as it deems fit to a Nominations and Compliance Committee with the power of further sub-delegation and may at any time amend or revoke such delegation.
- 32.3 The Board may delegate such authority as it deems fit to a Nominations and Compliance Committee with the power of further sub-delegation and may at any time amend or revoke such delegation.
- 32.4 Board Committees shall act as oversight Committees of the Board and the chairpersons of the Committees shall table a report on behalf of each Board Committee and its activities to the Board as and when so requested by the Board.
- 32.5 The authority and terms of reference for each Board Committee appointed by the Board, shall be stipulated in each Committee's regulations compiled by the Board of Directors.
- 32.6 The Board or CEO may appoint volunteers to assist the Board, CEO and/or Board Committees.

33. FPI REGULATIONS

- 33.1 The Board shall be responsible for drafting and adopting the FPI Regulations.
- 33.2 The Board may from time to time amend the FPI Regulations and such amended or new FPI Regulations shall be binding upon the members.

34. INDEMNITIES

- 34.1 Every member of the Board or of any Committee appointed by the Board and every Officer and employee of FPI shall be indemnified by FPI against claims made against him and any losses and expenses incurred by him in or about the execution of his duties, except claims, losses or expenses arising from his own dishonesty or wilful default.
- 34.2 No member of FPI shall have any claim against FPI, or against a member of the Board or of any Committee appointed by it, or against any officer or employee of FPI, in respect of anything done bona fide by it or them or any of them in the execution of their duties.

35. LIMITATIONS OF LIABILITY

- 35.1 A member shall not have any liability for any commitments undertaken by FPI.
- 35.2 The liability of a member is limited to the payment to FPI of any outstanding fees, subscriptions, contributions or interest and to the settlement of any penalties or other debts to FPI which he may have incurred.

36. AMENDMENTS TO THE MEMORANDUM OF INCORPORATION

- 36.1 The Board of Directors may consider proposed amendments to the Memorandum.
- 36.2 The proposed amendments as aforementioned shall be put to the voting members by way of a motion to be decided upon:
 - 36.2.1 At a General Meeting of members;
 - 36.2.2 At a Special Meeting of members convened for such purpose; or
 - 36.2.3 Or by ballot through an appropriate electronic medium, provided that such electronic medium is capable of providing proof of the sending and receiving as well as the content of the ballot.
- 36.3 An amendment of the Memorandum must be effected by a special resolution filed with the Commission.
- 36.4 An amendment may take the form of a new Memorandum that substitutes the existing Memorandum or contain some or more alterations to the existing Memorandum by:
 - 36.4.1 Changing the name of FPI;
 - 36.4.2 Deleting, altering or replacing any of its provisions;
 - 36.4.3 Inserting any new provisions into the Memorandum; or
 - 36.4.4 Making any combinations of alterations.

- 36.5 Notwithstanding the above, the Board is empowered to take whatever steps necessary (including amending the Memorandum) to ensure that FPI complies with the requirements of the Income Tax Act No 58 of 1962 (as amended) ("the Income Tax Act") as it relates to public benefit organisations approved by the Commissioner in terms of Section 30 and Section 30B of the Income Tax Act.
- 36.6 Furthermore, the Board is empowered to amend the Memorandum by Board resolution without the need of a Special resolution to:
- 36.6.1 Comply with a Court Order;
- 36.6.2 Comply with any legal and/or statutory requirement imposed upon FPI and/or its members from time to time.
- 36.7 The Board or any person authorised by the Board to do so, may alter any of the provisions of this Memorandum to correct any patent errors in spelling, punctuation, reference, grammar or similar defect on the face thereof.
- 36.8 Any amendment of the Memorandum must be submitted to the Commissioner of the South African Revenue Service in terms of the provisions of section 30 of the Income Tax Act.

37. DISSOLUTION AND WINDING-UP

- 37.1 If FPI shall be wound up, deregistered or dissolved, the assets of FPI remaining after the satisfaction of all its liabilities shall be given or transferred to some other association or institution or associations or institutions having objects similar to its main object, to be determined by the FPI members at or before the time of its dissolution or, failing such determination, by a Court of law.
- 37.2 FPI may be wound up by way of a special resolution of members who are present in person or by proxy at a meeting duly convened and constituted for that purpose.
- 37.3 Members shall not have any claim in respect of any surplus that there may be on winding up of FPI.
- 37.4 Upon its being wound up any funds or assets of FPI remaining after the payment of the debts and expenses of FPI and the costs of winding up shall be given or transferred to such other associations, bodies or institutions with objects similar to those of FPI, as the Board shall decide, provided that such associations, bodies or institutions are themselves exempt from liability to pay income tax in terms of section 10(1)(cB)(i)(ff) of the Income Tax Act No 58 of 1962 (as amended) or such associations, bodies or institutions are approved by the Commissioner in terms of section 30 of the Income Tax Act No 58 of 1962 (as amended).

38. DISPUTE RESOLUTION

- 38.1 Any dispute arising out of or in connection with the interpretation, effect, implementation, rights and obligations under, or a breach of the provisions of this Memorandum, and any matter arising out of or in connection with, as well as the rectification thereof, shall be referred for resolution firstly by way of mediation and in the event of that failing, then by way of arbitration. The reference to mediation is a precondition to the parties having the dispute resolved by arbitration.
- 38.2 Within 10 (ten) business days following written notification of a dispute such dispute shall be referred for resolution by way of mediation in accordance with the then current rules of the Arbitration Foundation of Southern Africa ("AFSA"). In the event of the mediation envisaged herein failing in terms of the rules of AFSA, the matter must, within 15 (fifteen) business days thereafter, be referred to arbitration as envisaged in section 38.3 below. The periods for mediation may be lengthened by written agreement between the parties.
- 38.3 Arbitration will be held as an expedited arbitration in Johannesburg, in accordance with the then current rules for expedited arbitration of AFSA by 1 (one) arbitrator appointed by agreement between the disputing parties. If the parties cannot agree on the arbitrator within a period of 10 (ten) business days after the referral of the dispute to arbitration, the arbitrator shall be appointed by the Secretariat of AFSA, who shall administer and manage the arbitration proceedings.
- 38.4 The parties irrevocably agree that any decision in such arbitration proceedings shall be binding on them and shall be carried into effect. Such decision may, at the discretion of any of the parties, be made an order of any court of competent jurisdiction and shall include such order as to costs as the arbitrator deem appropriate.
- 38.5 The provisions of this section 38 shall not preclude any party from access to an appropriate court of law for interim relief in the form of an interdict, mandamus or order for specific performance pending the outcome of an arbitration in terms hereof or in respect of such arbitration or any other form of relief on the basis of facts which are not disputed provided that if a bona fide dispute arises in the course of the proceedings shall be stayed pending an arbitration of the dispute in terms thereof.

39. AMALGAMATION AND FUNDAMENTAL TRANSACTIONS

- 39.1 With the approval by Special Resolution of members who are present in person or by proxy at a general meeting duly convened and constituted for that purpose, FPI may dispose all or any part of its assets or amalgamate or incorporate or join with other professional or membership bodies in the Republic of South Africa or elsewhere, whether or not incorporated by statute, provided those other bodies have objects similar to those of FPI and are exempt from liability to pay income tax in terms of section 10(1)(cB)(i)(ff) of the Income Tax Act No 58 of 1962 (as amended).
- 39.2 For this purpose FPI may take over and assume the assets and liabilities of those professional or membership bodies including books, records, documents and coats of arms or may take over part or all of the assets and liabilities of any such company.

40. COMPLIANCE AND TAX EXEMPTION: SECTION 30B OF THE INCOME TAX ACT (ACT 58 OF 1962, AS AMENDED)

In amplification of that which has been set out above, and in confirmation of the Board's mandate to ensure compliance with all legislative and statutory obligations imposed on FPI, and with a view toward complying with the provisions of Section 30B with regard to the tax exempt status of FPI, and notwithstanding anything to the contrary contained in this Memorandum or FPI Regulations, the following provisions shall take precedence and shall apply without exception:

- 40.1 The Board shall always consist of at least three persons who are not connected persons in relation to each other and who shall accept the fiduciary responsibility of the Company. The aforementioned members of the Board shall submit any amendment of this Memorandum to the Commissioner for the South African Revenue Services within thirty days of the amendment.
- 40.2 No single person shall directly or indirectly control the decision making powers of the Company.
- 40.3 The Company shall not directly or indirectly distribute any of its funds or assets to any person other than in the course of furthering its objectives.
- 40.4 The Company shall utilise substantially the whole of its funds for the principal objectives for which it has been established.
- 40.5 No member shall directly or indirectly have any personal or private interest in the Company.
- 40.6 Substantially the whole of the activities of the Company shall be directed to the furtherance of its principal objectives and not for the specific benefit of an individual or a minority group.
- 40.7 The Company shall not have a share or other interest in any business, profession or occupation which is carried on by its members.
- 40.8 The Company shall not pay any employee, office bearer, member or other person any remuneration which is excessive having regard to what is generally considered reasonable in the sector and in relation to the services rendered.
- 40.9 Substantially the whole of The Company's funding shall be derived from its annual or other long-term members or from an appropriation by the Government of the Republic in the national, provincial or local sphere.
- 40.10 The Company shall as part of its dissolution transfer its assets to:
- 40.10.1 Another Company or public benefit organisation approved by the Commissioner for the South African Revenue Services;
- 40.10.2 An institution, Board or body which is exempt from tax; or
- 40.10.3 The Government of the Republic of South Africa in the national, provincial or local sphere.
- 40.11 The Company shall comply with such reporting requirements as may be determined by the Commissioner for the South African Revenue Services from time to time.
- 40.12 The Company shall not knowingly become a party to or permit itself to be used as part of an impermissible avoidance arrangement contemplated in Part IIA of Chapter III of the Income Tax Act or a transaction, operation or scheme contemplated in Section 103(5) of the Income Tax Act.
- 40.13 The Board is empowered to amend the provisions of this Memorandum should the South African Revenue Service change the requirements to achieve and/or hold tax exempt status or if the Board is of the opinion that tax exempt status is no longer required.



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