



S.A.T.S. *General Botha* OLD BOYS ASSOCIATION BURSARY FUND

PBO Exemption No 930 037 633

NPO No 091-875

Shortened Name:

SATS GBOBA Bursary Fund

CONSTITUTION

(Version 5 -as amended and adopted by Governing Board June 2020)

Incorporating the dissolved Society of Master Mariners of South Africa Bursary Fund

PBO Exemption No. 930041935

5. ADMINISTRATION AND GOVERNANCE OF THE FUND

5.1 The headquarters and postal address of the Fund shall be as follows: -

Street Address: 39A, Palmer Road, Muizenberg 7945. Western Cape.

Postal Address: P.O. Box 414, Muizenberg, Western Cape, South Africa, 7950

5.2 The BOARD

- 5.2.1** The Fund shall be administered by a Board (“the Board”) serving as its governing body, the members of which shall be elected at the Fund’s Annual General Meeting as detailed in Cl 15 below.
- 5.2.2** The Board shall consist of a minimum of eight members, being a Chairman, Vice-Chairman, Treasurer, Secretary and one other member, an Ex Officio member as referred to in Cl 5.2.3 below, and two members nominated by the Society of Master Mariners of South Africa (“SOMMSA”), who will represent SOMMSA on a tertiary education sub-committee established in terms of Cl 5.2.8.
- 5.2.3** The Chairman, or a committee member of the Cape Town branch of the GBOBA, shall be nominated by the said branch at its Annual General Meeting to serve as an ex officio member of the Board, and as such shall be entitled to attend meetings of the Fund and report on Fund activities to the GBOBA. Such ex officio Board member shall have the right to veto any decision or proposed action of the Board which may conflict with the objectives or interests of the GBOBA. In the event of any such veto, the Board and the GBOBA Committee, shall meet in good faith to resolve the disputed issue and to reach an agreement in the interests of all parties.
- 5.2.4** Should the GBOBA cease to exist the Board may appoint a respected member of the maritime industry to serve as the ex officio Board member and to protect the objectives and interests of the GBOBA heritage.
- 5.2.5** The Board, except for the Fund’s management as set out in Cl 5.2.6 below shall perform their duties on a voluntary basis and as such shall not receive remuneration. However, the Board shall have the discretion to approve reimbursement of direct expenses incurred by any Board member in the carrying out of their duties.
- 5.2.6** The Board may when necessary employ management or administrative staff who will be compensated as necessary on a casual, part-time, or full-time basis. The Board may mandate the Chairman, or EXCO, to select necessary staff as required by the Fund.
- 5.2.7** The Board will meet formally as often as is necessary, but at least twice a year, with such meetings being chaired by the Chairman and conducted in person or by means of conference telephone or similar communication means provided that all members participating in the

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1. NAME OF FUND

- 1.1 The name of the Fund shall be S.A.T.S. *General Botha* Old Boys Association (“GBOBA”) Bursary Fund with the shortened name being “SATS GBOBA Bursary Fund” hereafter referred to as “the Fund”.
- 1.2 The Fund has incorporated the Society of Master Mariners of South Africa Bursary Fund PBO Exemption No 930041935 and reference to this may be made as appropriate in future by the Fund with in certain documentation and/or advertising.

2. LEGAL STATUS

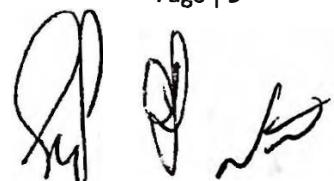
The Fund is constituted as a non-profit Public Benefit Organisation formed to satisfy the objectives as laid out in CL 4. below. It is a body corporate and, such, has its own legal identity which is separate from that of the GBOBA and its members, with the Fund continuing to exist even after its office bearers change.

3. THE INCOME AND THE PROPERTY OF THE FUND

- 3.1 Members of the GBOBA and office bearers of the Fund have no rights to the property or other assets of the Fund solely by being members or office bearers.
- 3.2 The income and property of the Fund shall be used solely for the promotion of its stated objectives and shall not be paid or distributed directly or indirectly to any person employed by the Fund except for remuneration and/or expenses as directed in Cl 4 below.

4. OBJECTIVES OF THE FUND

- 4.1 The principal objective of the Fund is to financially assist students who wish to enter, or who already attend, an approved educational establishment to study towards a maritime career, being students studying or wishing to study at the Lawhill Department of Maritime Studies in the Simon’s Town School, or similar schools, and those studying at tertiary institutions to qualify for admission to the Navigation and/or Engineering Cadet Programme
- 4.2 Alternatively, should it be found by the Board as defined in CL 5.2.1 below that for any reason they cannot satisfy the principal objective as specified in Cl 4.1 above, the Fund may materially support an approved institution which promotes maritime education and/or training.
- 4.3 An important supplementary objective to the principal objective is to provide a successful marine educational and training programme supported by the mentoring and outreach programme to all qualifying students.

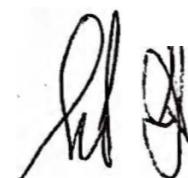


meeting can communicate adequately with one another. All decisions taken by the Board shall be recorded in meeting Minutes. In appropriate circumstances a round-robin resolution can be taken by the Board provided that all members are given due written notice of the resolution to be taken and that the decision is supported by a majority of the Board.

- 5.2.8 The Board may appoint such sub-committees of the Board as are necessary to manage the Fund's activities. Such sub-committees shall report directly to the Board.
- 5.2.9 A quorum for any meeting of the Board shall be five members including members participating in the meeting by electronic means
- 5.2.10 All decisions of the Board will be made by majority vote of the members with the Chairman having both a deliberative and casting vote, or by round-robin resolution, requiring the signed approval by all available members, which approval may be provided by e-mail.
- 5.2.11 The Chairman, or his delegate, shall prepare an Executive Summary Report of the Fund's activity to the Annual General Meeting of the GBOBA held in March each year.
- 5.2.12 In the event of a Board Member resigning or for any reason not be available, or the Board identifying the requirement for a person with specialist skills to advise the Board, the executive committee of the Board may co-opt a replacement member for the period remaining until the Fund's next Annual General Meeting.

5.3 FINANCIAL ADMINISTRATION

- 5.3.1 The Fund's financial year runs from 1st January to 31st. December of each calendar year.
- 5.3.2 Three persons shall be elected at the Fund's Annual General Meeting as Fiduciary Officers as set out in Cl 11 below. These elected persons shall accept fiduciary responsibility for the Fund and who shall actively participate in the administration of the Fund.
- 5.3.3 The Board shall ensure that SARS is advised of any changes to such Fiduciary Officers after each Annual General Meeting.
- 5.3.4 The Fund shall open such bank accounts and investment accounts as may be necessary for the due and proper administration of the Fund, which accounts shall be administered by the Treasurer and nominated account signatories, who will be appointed and confirmed either at a full meeting of the Board or by a round-robin resolution of the Board.
- 5.3.5 The Board shall appoint such auditors, accountants and tax consultants as may be required by the relevant legislation relating to Public Benefit Organisations. The appointments shall be confirmed at the Fund's Annual General Meeting every year. The Fund's auditors shall produce



the appropriate financial statements for the Fund which shall be presented for discussion and approval at the Annual General Meeting following the end of each financial year.

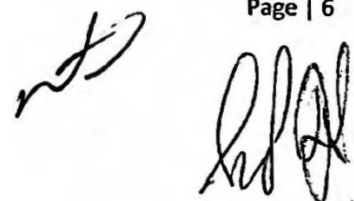
- 5.3.6 The activities of the Fund are carried on in a non-profit manner and with an altruistic or philanthropic intent;
- 5.3.7 No activity will directly or indirectly promote the economic self-interest of any fiduciary or employee of the organisation otherwise than by way of reasonable remuneration.
- 5.3.8 The Fund, as a registered NPO, shall complete and submit the required Department of Social Development annual report as required.

5.4 RETENTION OF RECORDS

The General Manager of the fund and/or the Board Secretary, as the responsible persons, shall ensure that the secretarial, financial and other important documentary records, either in hard copy or digital version, are stored and retained in a safe place as designated by the Board. In due course, older documentation and/or digital records shall be filed in the National Archives or at the Western Cape Archives and Records Service, as appropriate to the Fund.

6. FUND REQUIREMENTS FOR AWARD OF BURSARIES AND/OR MATERIAL INSTITUTIONAL SUPPORT

- 6.1 An award of a bursary or financial assistance shall be made at the sole discretion of the Fund's Exco, appointed in terms of Cl 15.5, on the grounds of each candidate's merit and needs.
- 6.2 The award is irrevocable, except for reasons of material failure by the award recipient to conform to the purposes and conditions of the award.
- 6.3 All awards shall be paid direct to service providers, and no cash or other payment shall be made directly to the recipient.
- 6.4 The Fund reserves the right to attach further conditions to an award in the event of any non-compliance by the recipient.
- 6.5 All recipients must be South African citizens. Specific exceptions can be made by the Board on a case by case basis.
- 6.6 All awards are to be recommended unanimously by a selection committee of at least 2 (two) persons, appointed by the Fund's Exco and not connected in any way to the donor.



- 6.7 A selection criteria document, based on the principles expressed in Cl 4 above, will be drawn up by the Fund’s Exco. This document shall be used for the purposes of accepting bursary candidates and recipient selection, or for the selection of an institution to receive an award and shall be adjusted to the circumstances existing at the time of the selection process.

7. **CAPITAL FUND – LIMITATION OF BENEFITS**

Awards may be made on the condition that the capital of the Fund is maintained at a level necessary to cover the Fund’s commitments and to sustain the Fund’s operations whilst maintaining a minimum reserve of R200 000, or such alternative amount as is determined by the Board and approved at an Annual General Meeting.

8. **DONATIONS**

All donations will be recorded and receipted by the Fund’s Treasurer and acknowledged by the Fund’s Secretary and/or General Manager.

9. **TAXATION OF THE FUND**

- 9.1 The South African Revenue Services (SARS) has granted the Fund Public Benefit Organisation exemption status in terms of S10 (1) (cN) and S56 (1)(h) and (n) of the Income Tax Act and S4(h) of the Estate Duty Act 45 of 1955. In respect of this status all requirements of any tax legislation as laid out in Cl 10. and Cl 11. below will be adhered to by the Fund.

- 9.2 Annual returns of income and accounts (iT 12R1) for the Fund shall be submitted to the Tax Exemption Unit of SARS to ensure that the Fund retains its Public Benefit Organisation status.

10. **AWARD BURSARIES – SARS EXEMPTION CONDITIONS**

The Fund shall ensure that the requirements of the Income Tax Act in respect of the granting of scholarships, bursaries or awards as laid out below are invoked whereby the Fund shall ensure that:

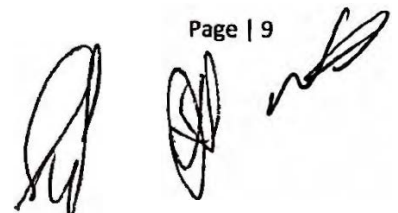
- 10.1 All scholarships, bursaries or awards granted by the organisation are bona fide and are granted to an individual on grounds of objective merit or need;
- 10.2 No scholarship, bursary or award granted will be:



- 10.2.1 Revocable, other than for reasons of a material failure to conform to the designated purposes and condition of the scholarship, bursary or award;
- 10.2.2 subject to conditions which would enable the donor of the funds for the scholarship, bursary or award or any connected person in relation to the donor, to derive direct benefit from the application of the scholarship, bursary or award; or
- 10.2.3 granted to any person who is or will become an employee of the donor of the funds for the scholarship, bursary, or award or the organisation (or any associated institution in relation to the donor or organisation) or any relative of the person unless circumstances indicate that the scholarship, bursary or the award would have been granted to the person or his or her relative even if that person had not been an employee of the donor, organisation or associated institution;
- 10.2.4 the donor of funds for a scholarship, bursary or award may offer employment to any recipient of a scholarship, bursary, or award, 10.2.3 above notwithstanding;
- 10.3 All decisions regarding the granting of scholarships, bursaries and awards shall be made by a duly constituted committee of the Fund consisting of at least two persons who are not connected persons in relation to the donor or the person to whom the scholarship, bursary or award is granted;
- 10.4 All scholarships, bursaries and awards granted in respect of overseas study, research or teaching shall be subject to an undertaking by the person to whom the scholarship, bursary or award is granted –
- 10.4.1 to apply the knowledge obtained from the study, research or teaching immediately after completion thereof in the Republic of South Africa for a period of at least the same period that the study, research or training was funded by the organisation; or
- 10.4.2 to refund the full amount of the scholarship, bursary or award should he or she decide not to apply the knowledge as contemplated in sub-paragraph 10.4.1 above;
11. OPERATIONS OF A PUBLIC BENEFIT ORGANISATION – INCOME TAX ACT REQUIREMENTS
- The requirements of the Income Tax Act in respect of the operations of a Public Benefit Organisation as set out below will be invoked whereby the Fund shall:
- 11.1 have at least three persons acting as Board Members who are not connected persons in relation to each other to accept the fiduciary responsibility for the Fund;



- 11.2 ensure that no single person directly or indirectly controls the decision-making powers relating to the Fund;
- 11.3 prohibit the distribution of any of its funds to any person (otherwise than in the course of undertaking any public benefit activity), and shall utilize its funds solely for the object for which it has been established;
- 11.4 Prohibit acceptance of 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 may not impose conditions which would 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.
- 11.5 Ensure that it is not knowingly a part 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;
- 11.6 Submit to the Commissioner a copy of any amendment to this Constitution;
- 11.7 Not pay any remuneration 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 services rendered;
- 11.8 Comply with such reporting requirements as may be determined by the Commissioner;
- 11.9 Take reasonable steps to ensure that the funds which it may provide to any association of persons contemplated in para 10(iii) of Part 1 of the Ninth Schedule of the Act are utilized for the purpose for which they are provided;
- 11.10 Ensure that the Fund has not and will not use its resources directly or indirectly to support, advance or oppose any political party.
12. DISSOLUTION OF THE FUND
- 12.1 On dissolution of the Fund, the remaining assets must be transferred to either:
- 12.1.1 a public benefit organisation which has been approved in terms of Section 30 of the Act;



12.1.2 any institution, board or body which is exempt from the payment of income tax in terms of Section 10(1) (Ca) (i) of the Act which has as its sole or principal object the carrying on of any public benefit activity; or

12.1.3 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 the Act

13. CHANGES, ALTERATIONS OR AMENDMENTS TO THE FUNDS CONSTITUTION

Proposed amendments to the Constitution of the Fund shall first be approved in principle by the GBOBA at its AGM or at a Special General Meeting of the GBOBA. Thereafter such amended Constitution shall be approved at the Fund's Annual General Meeting before it can be brought into effect.

14. INDEMNITY

14.1 Subject to the provisions of any relevant law, the Board Members or any sub-committee members of the Fund, employees, or Fiduciary Officers of the Fund shall be indemnified by the Fund and the GBOBA for all acts carried out by them in good faith on behalf of the Fund;

14.2 Subject to the provisions of any relevant law, none of the persons referred to in clause 14.1 shall be liable for the acts, receipts, neglects or defaults of any other such person, or for any loss, damage or expense suffered by the Fund which occurs in the execution of his or her office unless arising from his or her dishonesty or failure to exercise due care, diligence and skill as required by law.

15. ANNUAL GENERAL MEETING

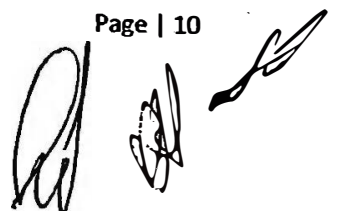
15.1 The Annual General Meeting shall be held within six calendar months of the end of the Fund's financial-year;

15.2 Notice of the Annual General Meeting shall be given to all persons listed in Cl 15.6 below not less than 28 calendar days in advance of such meeting. Notice of any resolutions shall be given not less than 14 days before the meeting.

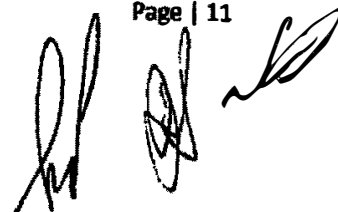
15.3 The following matters shall be dealt with at an Annual General Meeting:

15.3.1 the Chairman's annual report on the activities of the Fund over the previous financial year;

15.3.2 the approval of the audited financial accounts;



- 15.3.3 the election of the five Board Members as provided for in Cl 5.2.2 above including the election of the Chairman, Vice-Chairman, Treasurer and Secretary;**
- 15.3.4 the approval of the budget for the Fund for the following eighteen calendar months;**
- 15.3.5 appointment of the three Fiduciary Officers;**
- 15.3.6 the appointment of the Auditors for the coming financial year;**
- 15.3.7 any other Board proposal or report to be presented or considered and voted upon;**
- 15.3.8 any other proposal received from eligible voters received by the Secretary at least six weeks before the Annual General Meeting so that such proposal(s) may be included on the Agenda;**
- 15.3.9 any other business requiring approval at the Annual General Meeting.**
- 15.4 Any resolution approved should be set out in a manner that will guide, mandate, and enable the Board to carry out the operations of the Fund until the following Annual General Meeting;**
- 15.5 The Executive Committee (“Exco”) for the following year, shall comprise of the Chairman, Vice Chairman, Treasurer, ex officio member, Secretary and General Manager who shall carry out the decisions of the Board within the approved budget. Exco shall be responsible for the development and execution of policies and strategies, as approved by the Board, to achieve the Fund’s objectives;**
- 15.6 The following persons shall have a right to attend the Annual General Meeting and vote on the matters detailed in Cl 15.3 above, each person having a single vote:**
 - 15.6.1 current sponsors or donors,**
 - 15.6.2 current members of the GBOBA,**
 - 15.6.3 the current committee members of SOMMSA,**
 - 15.6.4 current Board and committee members of the Fund,**
 - 15.6.5 Designated founder members, life governors, or past Board members of the Fund (including sub-committee members).**
- 15.7 Invitations may also be extended to the following on an attendance basis only (i.e. without voting rights) to promote the activities of the Fund:**
 - 15.7.1 current bursar parents**



15.7.2 current students (at the discretion of the Board.)

15.7.3 past student bursars.

15.7.2 representatives of institutions that are supported by the Fund,

15.7.3 members of SOMMSA,

15.7.4 other interested parties.

15.8 The Chairman of the Annual General Meeting shall request the invitees listed in Cl 15.7 to leave the meeting should any sensitive or confidential matter need to be discussed.

15.9 Any person entitled to vote as per Cl 15.6 above may grant a written proxy to another person, which proxy shall be emailed or delivered to the Secretary of the Board at least 24 hours before the commencement of the Annual General Meeting. No person may receive more than two such proxies. Each attendee under 15.6 have only one vote.

16. INCORPORATION OF THE SOCIETY OF MASTER MARINERS SOUTH AFRICA BURSARY FUND (SOMMSA FUND) PBO Number 930041935 INTO THE S.A.T.S. GBOBA BURSARY FUND

16.1 The SOMMSA Fund was dissolved in line with the requirements of SARS and all remaining funds were transferred to the Fund and Incorporated therein effective from June 2018.

16.2 The Board of the Fund, following on an approach by the Society of Master Mariners of South Africa Bursary Fund ("the SOMMSA Fund"), entered into a memorandum of understanding (MOU) which is attached as Addendum "A" hereto in terms of which it was agreed that the SOMMSA Fund shall be incorporated into the Fund. The Fund shall pursue the goals and objectives set out in the MOU;

17. Signature page

AMENDED CONSTITUTION AS APPROVED BY THE FUND AGM IN JUNE 2020 AND APPROVED BY THE BOARD IN JUNE 2020 AND SIGNED INTO EFFECT AS BELOW.

Signed at Cape Town on this 26th. day of June 2020

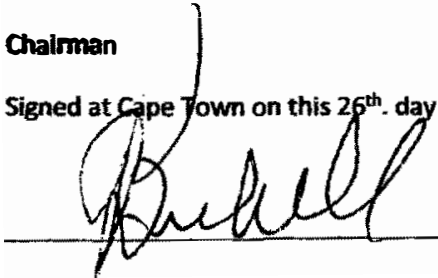


Captain S J Pearson

(4711275012084)

Chairman

Signed at Cape Town on this 26th. day of June 2020



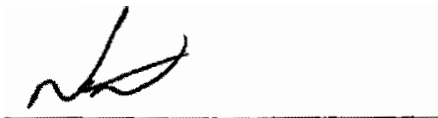
Cpt KH Burchell

(ID 440741 5052 087)

Acting Treasurer

For an on behalf of the S.A.T.S General Botha OBA

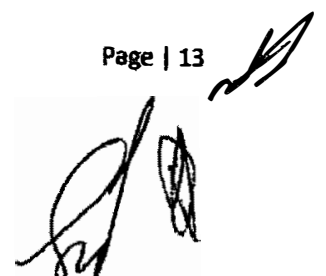
Signed at Cape Town on this 26th. day of June 2020



Cpt AD Nicholas

(ID 511014 5044 098))

Chairman Ex Officio Board Member



18. LIST OF RECORDED AND PREVIOUSLY APPROVED AMENDMENTS TO THE CONSITUTION

- 18.1 Original Constitution for registration as PBO
- 18.2 Version 2 February 2012 – amended as required by SARS
- 18.3 Version 3 September 2012 – further amended as required by SARS
- 18.4 Version 4 June 2018

19. ADDENDUMS TO VERSION 5

- A MOU agreeing to incorporation of SOMMSA Bursary Fund
- B Copy of previously SARS approved Constitution Version Sept 2012.



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