

**CONSTITUTION**  
**of the**  
**VOLUNTARY ASSOCIATION**  
**known as**  
**THE MOUNTAIN CLUB OF SOUTH AFRICA, HOTTENTOTS HOLLAND SECTION**

Version 1.0 approved at AGM 06.11.2004  
Version 2.0 at AGM 06.12.2014

**Index**

1	Background.....	2
2	Name .....	2
3	Objects.....	2
4	Legal Status.....	2
5	Non-Profit Distributing Character.....	2
6	Powers .....	3
7	Membership .....	3
8	Ordinary Members .....	3
9	Life Membership .....	3
10	Honorary Members .....	3
11	Honorary Vice-President.....	3
12	Junior Members .....	4
13	Committee .....	4
14	General Meetings .....	5
15	Finance .....	5
16	General .....	6
Schedule A	General Administrative And Investment Powers .....	7
Schedule B	Requirements of SARS for Exemption from Taxes and Duties .....	8

## **1 BACKGROUND**

The Mountain Club of South Africa (MCSA) was established in Cape Town in 1891 to further the interests of mountaineering in South Africa and elsewhere and evolved into a national association, with a federal structure.

The Hottentots Holland Section is established as one of the sections within this federation.

## **2 NAME**

The Section shall be called "THE HOTTENTOTS HOLLAND SECTION OF THE MOUNTAIN CLUB OF SOUTH AFRICA"

(hereinafter referred to as the "Section")

## **3 OBJECTS**

The Section is a public, non-profit organisation established for the sole object of promoting the interests of mountaineering, primarily in South Africa, as a recreational pastime and on a non-professional basis conducting all its activities in a manner that is for the benefit of, and widely accessible to, the general public. Without limiting its general nature, the objects shall, inter alia, include:

- 3.1 organise and facilitate mountaineering;
- 3.2 procure and protect real rights in and access to mountains and mountain areas;
- 3.3 initiate and support actions towards protecting the natural beauty and wilderness character of mountains and to promote their effective conservation management;
- 3.4 promote the safety and training of mountaineers;
- 3.5 *provide search and rescue service;*
- 3.6 promote the study of mountains and their environments, the preservation of historical and archaeological sites thereon and the dissemination of information on mountains and mountaineering.

## **4 LEGAL STATUS**

The Section is a body corporate with its own legal identity that is separate from its individual members. The Section shall continue to exist even if the members change. The Section may own property, enter into contracts, and sue or be sued in its own name.

## **5 NON-PROFIT DISTRIBUTING CHARACTER**

- 5.1 The receipts and property of the Section shall be used solely for the promotion of its stated objects. No portion of the income or property of the Section shall be paid or distributed directly or indirectly to any person (otherwise than in the ordinary course of undertaking any public benefit activity) or to any member of the Section or Committee, except as:

- 5.1.1 reasonable compensation for services actually rendered to the Section;
- 5.1.2 reimbursement of actual costs or expenses reasonably incurred on behalf of the Section.

- 5.2 Upon the dissolution of the Section, after all debts and commitments have been paid, any remaining assets shall not be paid to or distributed amongst members, but shall be transferred by donation to the Central Committee of the Mountain Club of South Africa,

failing which, to some other society or association which the Central Committee (and failing which any division of the High Court) considers appropriate, which:

5.2.1 has objects the same or similar to the objects of the Section; and

5.2.2 should the Section be exempt from the payment of any taxes and duties, is also exempt from the same taxes and duties.

5.3 Provided that the Section has applied to the South African Revenue Service for exemption from appropriate taxes and duties, the Section shall comply with the requirements of the South African Revenue Service and the provisions set out in the attached Schedule B shall bind the Section and qualify this Constitution.

## **6 POWERS**

The Section, acting through its Committee, or at Annual General Meetings, shall have all the powers necessary for it to carry out its stated objects effectively. Such powers shall include, but not be limited to, the General Administrative and Investment Powers set out in the attached Schedule A.

## **7 MEMBERSHIP**

7.1 There shall be two classes of members:

7.1.1 Full members

7.1.2 Junior members, elected in accordance with Clause 11

7.2 A full member may be one of the following:

7.2.1 Ordinary member elected in accordance with Clause 7

7.2.2 Life member elected in accordance with Clause 8

7.2.3 Honorary member elected in accordance with Clause 9

7.2.4 Honorary Vice-President elected in accordance with Clause 10

7.3 The subscription shall be as fixed by the Committee from time to time and shall fall due on January 1 of each year. Couples who are both members of the Section, shall be entitled to a joint membership at a reduced subscription. The committee may decide to waive all or some of a member's subscription in cases of financial need.

## **8 ORDINARY MEMBERS**

7.1 Persons who have attained the age of 18 years are eligible for ordinary membership.

7.2 Nominations for ordinary membership of the Section shall be made on the prescribed form, and shall be signed by a proposer and seconder, both of whom shall be full members of at least two years' standing. The election shall be ratified by the Committee.

## **9 LIFE MEMBERSHIP**

No members may be elected to life membership under this constitution. Life Members elected under previous constitutions will retain their life membership. Life members are exempt from the payment of an annual subscription.

## **10 HONORARY MEMBERS**

The Committee shall have the power to elect suitable persons to be Honorary Members of the Section, either temporary or permanent, such Honorary Members being exempt from the payment of an annual subscription.

**11 HONORARY VICE-PRESIDENT**

The Committee shall be empowered to appoint suitable persons as an Honorary Vice-President of the Section, either temporary or permanent, such Honorary Vice-Presidents being exempt from the payment of an annual subscription. Honorary Vice-Presidents shall be appointed on the grounds of outstanding service to the Section, and may be elected to serve on the Committee.

**12 JUNIOR MEMBERS**

- 12.1 A person who has attained the age of 14 years, but not that of 18 years, may be admitted as an Junior Member.
- 12.2 The election of Junior Members shall follow the same course as for Full Members as laid down in Clause 7.
- 12.3 Junior Members shall be entitled to the same privileges as Full Members, save that they shall not be entitled to propose or second any candidate for membership.

**13 COMMITTEE**

- 13.1 The management of the Section's affairs shall be vested in a Committee consisting of a minimum of five (5) and a maximum of nine (9) members.
- 13.2 The Committee shall be elected by the Section at its Annual General Meeting.
  - 13.2.1 Nominations, signed by a proposer and seconder, together with the nominee's signature of acceptance, must be in the hands of the Secretary before the date of the Annual General Meeting.
  - 13.2.2 If the nominations exceed the number of nine (9), the election shall be by show of hands.
  - 13.2.3 In the event of between five (5) and nine (9) nominations having been received before the date of meeting, all nominated members will be considered duly elected.
  - 13.2.4 In the event of less than five (5) nominations having been received before the date of the meeting, the nominated members will be considered duly elected, and additional members shall be elected from those present at the meeting to attain the numbers required in Clause 13.1.
- 13.3 The elected committee members will elect from among its members the following office bearers :
  - 13.3.1 Chairman
  - 13.3.2 Vice-chairman
  - 13.3.3 Secretary
  - 13.3.4 Treasurerand any other office bearers as are required for the management of the sections affairs, such as meets convener, hut convenor, etc.
- 13.4 The Committee shall be empowered to appoint and delegate powers to subcommittees or special representatives.

- 13.5 The Committee shall by a majority of votes have the power to remove from its numbers any member who has failed to attend three consecutive meetings without reasonable excuse, and shall have the power to fill any vacancy occurring in any office or in the Committee pending the Annual General Meeting. The Committee may co-opt members for special purposes.
- 13.6 The Committee shall by a majority of votes have the power to suspend or remove any member from the Membership Roll:  
 13.6.1 whose subscription is not paid by March 31 of the year in which it is due, or whose other indebtedness to the Club is not paid within 3 months from the date upon which such a liability was incurred.  
 13.6.2 whose conduct is, in their opinion, injurious to the standing of the Section or its aims.
- 13.7 A member suspended or removed in terms of clause 13.5 or 13.6 has the right to appeal to the next General Meeting of the Section, provided that the Secretary receives seven (7) days' notice of such an appeal. This meeting shall then confirm or reverse the decision of the Committee, or impose such other disciplinary action as it sees fit.
- 13.8 The Committee shall hold regular meetings at such times or places as the Committee may direct, but the Secretary shall call special meetings of the Committee whenever the urgency of the Section's affairs makes this necessary. The quorum at all meetings of the Committee shall be four (4) members. The Chairman shall have a deliberate and casting vote
- 13.9 At all meetings of members and of the Committee in the absence of the Chairman, the Vice-chairman shall act as Chairman, and have a deliberate and casting vote.
- 13.10 The Secretary shall keep full and proper minutes of all proceedings at each meeting.
- 13.11 The Committee shall produce a Chairman's Annual Report at the Annual General Meeting.

## **14 GENERAL MEETINGS**

- 14.1 The Annual General Meeting of the Section shall be held in November of each year.
- 14.2 The quorum at any General Meeting shall be twelve (12) members. In the event of no quorum being obtained, those members present thirty minutes after the starting time published in the notice convening the General Meeting, shall constitute a quorum.
- 14.3 The Committee may, whenever they think fit, or shall on receipt of a requisition signed by at least six (6) members, convene a special General Meeting. Such a requisition shall express the object or objects for which the meeting is required.
- 14.4 The secretary shall give all members seven (7) days' notice of all meetings: and shall specify the business.
- 14.5 Any meeting may be adjourned to such time and place as the members present may direct.
- 14.6 No rule of the Section shall be revoked or altered and no rule shall be made, save at the Annual General Meeting or a special General Meeting called for this purpose. The notice calling the meeting shall set forth in full the proposed revocation, alteration or new rule

which may be proposed by the Committee or have been expressed in a requisition signed by at least six (6) members and sent to the Secretary.

## **15 FINANCE**

- 15.1 The financial year of the Section shall be from July 1 to June 30.
- 15.2 A banking account shall be operated in the name of the Section and a savings bank account shall be opened if sufficient funds are available to make this practicable. Monies received shall be paid into these accounts. A certain sum, to be decided upon by the Committee, may be held by the Treasurer in cash to meet expenses. The Committee shall appoint signatories to cheques or withdrawal Forms. The committee shall be empowered to expend funds in furtherance of the Section's objects, but shall not expend or pledge any sums in excess of the annual revenue or of any fund raised for a special purpose without the sanction of the General Meeting.
- 15.3 Full and proper accounts shall be kept of all financial transactions of the Section.
- 15.4 The Committee shall ensure that the Section prepares Annual Financial Statements for each financial year.
- 15.5 Prior to the holding of the Annual General Meeting, to be held in terms of Clause 14.1, the Committee shall ensure that an audit has been carried out and that the auditor has issued his report on the Annual Financial Statements.

## **16 GENERAL**

- 16.1 Journals are available on publication to all grades of membership, under such conditions as the committee may from time to time determine. The price of the journal is set by the Committee annually.

\* In terms of the insurance cover of the Hut

## **Schedule A                    General Administrative And Investment Powers**

1.        To employ staff and hire professional and other services.
2.        To institute or defend any legal or arbitration proceedings and to settle any claims made by or against the Section.
3.        To open and maintain accounts with registered banks.
4.        To make and vary investments and re-invest the proceeds of such investments on condition that any investments made by the Section shall be with Financial Institutions as defined in Schedule B, Clause 6 below.
5.        To receive, expend and administer funds and to accept donations made to the Section and retain them in the form in which they are received, or sell them and re-invest the proceeds.
6.        With regard to movable and immovable property and tangible and intangible assets of whatsoever nature:
  - 6.1 to purchase or acquire property and assets;
  - 6.2 to maintain, manage, develop, exchange, lease, sell, or in any way deal with the property and assets of the Section;
  - 6.3 to donate and transfer the property and assets of the Section to organisations with the same or similar objects and the same exemptions from taxes and duties to those of the Section.
7.        To borrow and to use the property or assets of the Section as security for borrowing.
8.        To guarantee the performance of contracts or obligations of any person on condition that any such person is primarily engaged in activities which further the objects of the Section.
9.        To execute any act or deed in any deeds registry, mining titles or other public office.
10.       To work in collaboration with other organisations and to amalgamate with any organisation with the same or similar objects and the same exemptions from taxes and duties to those of the Section.
11.       To exercise all the management and executive powers that are normally vested in the Board of Directors of a Company.
12.       To make, repeal and amend by-laws and regulations (not inconsistent with this Constitution) for the control of any hut, clubhouse or other premises or property of the Section, or for the preservation of any of its assets or generally for the management of the affairs of the Section. All such by-laws and regulations shall be binding upon members until repealed by the Committee or set aside by resolution at an Annual General Meeting of the Section.
13.       To exercise all the powers and authority of the Section not only in the Republic of South Africa but in any other part of the world.
14.       To make loans or grant subsidies to any member on such terms as the Committee deems expedient.

## **Schedule B Requirements of SARS for Exemption from Taxes and Duties**

As provided for in Clause 5.3 of this Constitution, should the Section apply to the South African Revenue Service (SARS) for exemption from appropriate taxes and duties in terms of the Income Tax Act No.58 of 1962 (the Act), it shall comply, where applicable, with the requirements of SARS in respect of such exemptions, as set out below:

1. Carry on all such activities:
  - 1.1 in a non-profit manner and with an altruistic or philanthropic intent, so that no such activity is intended to directly or indirectly promote the economic self-interest of any fiduciary or employee of the Section, otherwise than by way of reasonable remuneration payable to that fiduciary or employee; and
  - 1.2 at least 85 per cent of such activities, measured as either the cost related to the activities or the time expended in respect thereof, are carried out for the benefit of persons in the Republic of South Africa, unless the Minister, having regard to the circumstances of the case, directs otherwise.
2. Carry out each activity:
  - 2.1 for the benefit of, or so that it is widely accessible to, the general public at large, including any sector thereof (other than small and exclusive groups); or
  - 2.2 for the benefit of, or so that it is readily accessible to, the poor and needy; or
  - 2.3 such that the Section be at least 85 per cent funded by donations, grants from any organ of state or any foreign grants.
3. Comply with such conditions, if any, as the Minister may prescribe by way of regulation to ensure that the activities and resources of the Section are directed in the furtherance of its objects.
4. Submit to the Commissioner a copy of any amendment to the Constitution, Will or other written instrument under which it has been established.
5. Be required to have at least three persons, who are not connected persons in relation to each other, to accept the fiduciary responsibility of the Section, and no single person directly or indirectly controls the decision making powers relating to the Section.
6. In the event of the Section investing funds, invest such funds:
  - 6.1 with a financial institution as defined in section 1 of the Financial Services Board Act, Act No. 97 of 1990, as amended; and/or
  - 6.2 in securities listed on a stock exchange as defined in section 1 of the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985), as amended; and/or
  - 6.3 in such other prudent investments in financial instruments and assets as the Commissioner may determine after consultation with the Executive Officer of the Financial Services Board and the Director of Non-Profit Organisations; provided that the provisions of this subparagraph do not prohibit the Section from retaining any investment (other than any



investment in the form of a business undertaking or trading activity or asset which is used in such business undertaking or trading activity) in the form that it was acquired by way of donation, bequest or inheritance.

7. Be prohibited from carrying on any business undertaking or trading activity, otherwise than to the extent that:
  - 7.1 the gross income derived from such business undertaking or trading activity does not exceed the greater of:
    - (i) fifteen percent (15%) of the gross receipts of such public benefit organisation; or
    - (ii) twenty five thousand Rand (R25 000,00);
  - 7.2 the undertaking or activity is:
    - (i) integral and directly related to the sole object of such public benefit organisation; and
    - (ii) carried out or conducted on a basis substantially the whole of which is directed towards the recovery of cost, and which would not result in unfair competition in relation to taxable entities;
  - 7.3 the undertaking or activity, if not integral and directly related to the sole object of such public benefit organisation as contemplated in Clause 7.2(i), is of an occasional nature and undertaken substantially with assistance on a voluntary basis without compensation; or
  - 7.4 the undertaking or activity is approved by the Minister by notice in the Gazette, having regard to:
    - (i) the scope and benevolent nature of the undertaking or activity;
    - (ii) the direct connection and interrelationship of the undertaking or activity with the sole purpose of the public benefit organisation;
    - (iii) the profitability of the undertaking or activity; and
    - (iv) the level of economic distortion that may be caused by the tax-exempt status of the public benefit organisation carrying out the undertaking or activity.
8. Be prohibited from accepting any donation which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof in terms of Section 18A; provided that a donor (other than a donor which is an approved public benefit organisation or an institution, board or body which is exempt from tax in terms of Section 10(1)(cA)(i), which has as its sole or principal object the carrying on or any public benefit activity) may not impose conditions which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.
9. Ensure that it is not knowingly a party to, and does not knowingly permit itself to be used as part of any transaction, operation or scheme of which the sole or main purpose is or was the reduction, postponement or avoidance of liability for any tax, duty or levy, which, but for such transaction, operation or scheme, would have been or would have become payable by any person under the Act or any other Act administered by the Commissioner.
10. Not pay any remuneration as defined in the Fourth Schedule of the Act to any employee, office bearer, member or other person which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered and has not and will not economically benefit any person in a manner which is not consistent with its objects.

11. Comply with such reporting requirements as may be determined by the Commissioner.
12. Take reasonable steps to ensure that the funds which it may provide to any association of persons as contemplated in Section 30(b)(iii) of the Act or any amendment thereof, are utilised for the purpose for which they are provided.
13. Become registered in terms of section 13(5) of the Non-Profit Organisations Act, 1997 (Act No. 71 of 1997), within such period as the Commissioner may determine, and comply with any other requirements imposed in terms of that Act, unless the Commissioner in consultation with the Director or Non-profit Organisations designated in terms of section 8 of the Non-profit Organisations Act, 1997, on good cause shown, otherwise directs;
14. Not and will not use its resources directly or indirectly to support, advance or oppose any political party.