

**Schedule 1**  
PROVISIONS CONCERNING NON-  
PROFIT COMPANIES [[Sch. 1](#) amended  
by [s. 122](#) of [Act No. 3 of 2011](#).]

**1. Directors.**

(1) If a non-profit company has members, the Memorandum of Incorporation must-

(a) set out the basis on which the members choose the directors of the company; and

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(b) if any directors are to be elected by the voting members, provide for the election each year of at least one-third of those elected directors.

(2) If a non-profit company has no members, the Memorandum of Incorporation must set out the basis on which directors are to be appointed by its board, or other persons.

(3) A non-profit company must not provide a loan to, secure a debt or obligation of, or otherwise provide direct or indirect financial assistance to, a director of the company or of a related or inter-related company, or to a person related to any such director.

(4) Sub-item (3) does not prohibit a transaction if it-

(a) is in the ordinary course of the company's business and for fair value;

(b) constitutes an accountable advance to meet-

(i) legal expenses in relation to a matter concerning the company; or

(ii) anticipated expenses to be incurred by the person on behalf of the company;

(c) is to defray the person's expenses for removal at the company's request; or

(d) is in terms of an employee benefit scheme generally available to all employees or a specific class of employees. [Para. (4) amended by s. 122 (a) of [Act No. 3 of 2011](#). (English only)]