

FORM 2
SOCIETY ACT
CONSTITUTION

(1) **The name of the Society is:** The Townships Project

(2) **The Purpose of the Society is:**

(a) To alleviate extreme poverty in South Africa by lending small amounts of money in the form of loans to poor individuals to enable them to start or expand micro businesses;

(b) To provide basic business skills training to the borrowing individuals;

(c) To engage in a broad fundraising program to solicit donations from Canadians in support of the Society's micro finance activities in South Africa.

3. The purposes of the Society shall be carried out in a non-political, non-partisan and non- sectarian manner.

4. The purposes of the Society shall be carried out without purpose of gain for its members and any income, profits, or other accretions to the Society shall be used in the promotion of the purposes of the Society.

5. In the event of the winding up or dissolution of the Society, the funds and assets remaining after the satisfaction of its debts and liabilities shall be given or transferred to such non-profit organization having purposes similar to those of this Society as determined by the directors of the Society at the time of winding up or dissolution of the Society.

6. Paragraphs 3, 4, 5 and 6 of the Constitution are unalterable in accordance with the *Society Act*.

FORM 2

**SOCIETY ACT
BYLAWS**

The bylaws of the society are those set out in Schedule B to the *Society Act* with the following variations, deletions and additions.

1. To Bylaw 1(1) of “Part 1 – Interpretation” add the following definition:

“registered e-mail address” of a member means the member’s e-mail address as recorded in the register of members.

2. Bylaw 22(3) of “Part 4 – Proceedings at General Meetings” be deleted and new Bylaw 22(3), (4), (5), and (6)” be added:

- (3) In the absence of any member at any general meeting of members such member may, by proxy in writing, appoint a person who is present at such a meeting to vote in the place of such absent member.
- (4) Any person of majority age may act as proxyholder whether or not he or she is entitled on his or her own behalf to be present and to vote at the meeting at which he or she acts as proxyholder.
- (5) The proxy shall be delivered to the secretary-treasurer of the Society before or at the time for holding the meeting at which the person named in the proxy proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- (6) An instrument appointing a proxy may be in the following form, or in any other form that the Directors shall approve;

I, _____ of, _____ in the Province/State of _____, hereby appoint _____, of _____, as my proxy to vote for me and on my behalf at the (annual or special, as the case may be) general meeting of members to be held on the ____ day of _____, 20____, and at any adjournment thereof.

Signed at _____ this ____ day of _____ 20 ____.

3. Bylaws 25(1) and 25(2) of “Part 5 – Directors and Officers” be deleted and new Bylaws 25(1), (2), (3), (4), and (5) be added:

- (1) The president must be both a director and a member.
- (2) The secretary-treasurer must be both a director and a member.
- (3) The number of directors shall be such number, not being less than three or greater than eleven, as may be determined from time to time by ordinary resolution.

- (4) The applicants for incorporation shall be the first directors of the Society and their term of office shall be until the first annual general meeting of members.
 - (5) A director may hold any office or place of profit in the Society in conjunction with his or her office of director for the period and on such terms as the directors determine and, subject to the Society Act, no director shall be disqualified from contracting with the Society by virtue of holding such office or place of profit.
4. Bylaws 26(1) and 26(4) of “Part 5 – Directors and Officers” be revised to:
- (1) Every director shall retire from office at the close of the annual general meeting of members in the year in which his or her term expires, but if no successor is elected and the result is that the number of directors would fall below three, the person previously elected as director continues to hold office until such time as a successor director is elected.
 - (4) The directors may, in their discretion, and prior to such office being filled, determine the term of each office of director, but such term is not to exceed three years.
5. To “Part 5 - Directors and Officers” add new Bylaws 26(5) and (6):
- (5) Unless otherwise determined by the directors, the term of office of a director shall be three years.
 - (6) Where a director is elected by the members at an annual general meeting of members, the director shall take office at the close of such meeting.
6. Bylaw 27(2) of “Part 5 - Directors and Officers” be revised to:
- (2) If a director resigns his or her office or otherwise ceases to hold office prior to the expiration of his or her term of office and the result is that the number of directors would fall below three, the remaining directors must appoint a member to take the place of the former director.
7. To “Part 5 - Directors and Officers” add new Bylaw 27(3):
- (3) A director appointed under either Bylaw 27(1) or Bylaw 27(2) holds office until the conclusion of the next annual general meeting.
8. Bylaw 28(1) and 28(2) of Part 5 “Directors and Officers” are deleted and replaced by new Bylaw 28:
- 28 An act or proceeding of the directors is not invalid merely because there are less than the prescribed number of directors in office.
9. To “Part 5 - Directors and Officers” add new bylaws after Bylaw 30 and the remaining bylaws re-numbered accordingly. New Bylaws 31(1), (2), (3), (4), (5), (6), and (7) to read:

- (1) The Society hereby acknowledges that each and every director and officer of the Society shall be deemed to have assumed office on the express understanding and agreement and condition that every director and officer of the Society and his or her heirs, personal representatives and estate and effects respectively shall from time to time and at all times be indemnified and saved harmless out of the funds of the Society for all amounts and damages which such director or directors or officer or officers sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him, her or them for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him, her or them in or about the execution of the duties of his, her or their offices, and also from and against all other costs, charges and expenses which he, she or they sustain or incur in or about or in relation to the affairs of the Society except costs, charges or such expenses as are incurred by his, her or their own willful negligence or default.
- (2) The Society shall, to the fullest extent permitted by the *Society Act*, indemnify and hold harmless, every person heretofore, now or hereafter serving as a director, officer or agent of the Society and his or her heirs and personal representatives.
- (3) Expenses incurred with respect to any claim, action, suit or proceeding against an officer or director of the Society may be advanced by the Society prior to the final disposition thereof in the discretion of the directors and upon receipt of an undertaking satisfactory in form and amount to the directors by or on behalf of the recipient to repay such amount in the event it is ultimately determined that he or she is not entitled to indemnification hereunder.
- (4) The Society shall apply to the Court for any approval of the Court that may be required to make the indemnities herein effective and enforceable.
- (5) The failure of a director or officer of the Society to comply with the provisions of the *Society Act* or these bylaws shall not invalidate any indemnity to which he or she is entitled under this Part.
- (6) The directors may cause the Society to purchase and maintain insurance for the benefit of any person and his or her heirs and personal representatives against any liability incurred by that person resulting from him or her acting as a director, officer, employee or agent of the Society or as a director or officer of any corporation or society because of his or her relationship to the Society.
- (7) Each director and officer of the Society upon being elected or appointed shall be deemed to have contracted with the Society on the terms of the foregoing indemnities.

10. To “Part 6 – Proceedings of Directors” add new Bylaws 32(5) and (6):

- (5) Any meeting of the directors or any committee may be held, or any director or committee person may participate in any meeting of the

directors or any committee as the case may be, by conference call or similar communication equipment or device provided that all the directors or committee persons entitled to attend such meeting have consented generally or in respect of the particular meeting to conducting the meeting in this manner and so long as all the directors or committee persons so participating in the meeting can hear and respond to one another.

- (6) All such directors or committee persons participating in a meeting referred to in Bylaw 32(5) shall be deemed to be present in person at the stated location of such meeting and, notwithstanding anything to the contrary in these bylaws, shall be entitled to vote by a voice vote recorded by the secretary treasurer of such meeting.

11. Bylaw 35 (former Bylaw 34) of “Part 6 – Proceedings of Directors” be revised to:

- 35 Subject to these bylaws and subject to any rules imposed upon the committee by the directors, the members of a committee may meet and adjourn as they think proper.

12. To “Part 6 – Proceedings of Directors” add new bylaw after Bylaw 35 and the remaining bylaws renumbered accordingly. New Bylaw 36 to read:

- 36 The directors may form a Nominating Committee of the Board in accordance with these bylaws subject to the following considerations:
 - (a) At the first meeting of directors held immediately following each annual general meeting of members, the directors may appoint three of their number to the Nominating Committee of the Board.
 - (b) The Nominating Committee of the Board may nominate candidates for the offices of director at any time such offices are vacant.
 - (c) The Nominating Committee may nominate candidates for the offices of director who, in the opinion of the Nominating Committee, are able to contribute to the operation, leadership, or welfare of the Society by virtue of his or her particular position, office, employment, talent or skill.

13. To “Part 6 – Proceedings of Directors” add new bylaws after Bylaw 36 and the remaining bylaws renumbered accordingly. New Bylaw 37 to read:

- 37 The directors may form an Advisory Council in accordance with these bylaws subject to the following rules:
 - (a) The purpose of the Advisory Council shall be to provide advice and counsel to the directors on issues of Society policy and profile.
 - (b) The directors shall appoint persons to the Advisory Council who, in the opinion of the directors, are considered worthy of such

appointment, and the directors shall determine the terms of each such appointment.

- (c) The directors shall determine the size and specific functions of the Advisory Council.
- (d) The Advisory Council shall not have the legal powers to direct the acts and operations of the Society.
- (e) The Advisory Council shall hold meetings at such time and place as is determined by the directors.

14. Bylaw 61 (former Bylaw 58) of “Part 11 - Notices to Members” be revised to:

- 61 A notice maybe given to a member, either personally, by mail, or by electronic mail to the member at the member’s registered address or registered e-mail address.