



ITENITY HOLDINGS CONTRACT

1. FORMATION

The undersigned (Annexure A.) hereby form a Company in, and in accordance with the laws of Republic of South Africa.

2. NAME

The name of the Company shall be “ITENITY HOLDINGS”.

3. FINANCIAL YEAR

The financial year starts on 01 March until the last day of February, e.g. 2019 financial year runs from 1 March 2019 until 29 February 2020.

4. SHAREHOLDER

This refers to a natural person that is 18 years of age and above, or a legally recognized institution. To be recognized as a shareholder, the person or institution must have made a minimum required deposit into Itenity Holdings account as per the agreement during the annual general meeting (AGM). An **active shareholder** is one that is in good-standing.

5. SHAREHOLDER IN GOOD-STANDING

A shareholder in good-standing means:

- Shareholder must be up-to date with the minimum payment requirements as set out during the Itenity Holdings AGM.
 - This means that the shareholder must not miss 3 minimum payments in a single financial year.
 - If the shareholder does not make arrange with the Chief Financial Officer to make a payment within 15 days of missing the third payment, they will be removed as a shareholder and their funds deposited into their account in accordance with the calculations as stipulated in section X.
- Shareholder must not have any criminal record.

6. PURPOSE

Itenity Holdings is a profit generating company. The Company shall invest the assets of the Company for the financial benefit of the shareholders, while following the investment guidelines as agreed upon during the AGM.

7. MANAGING SHAREHOLDERS

Managing shareholders are appointed at the AGM and hold their positions for the duration of the remainder of the current financial year when the AGM was held until the end of the financial year following the AGM. The role of the managing shareholders shall be to run the company in accordance with the resolutions taken during the AGM, no shareholder shall overrule/change the decisions taken at the AGM. The executive roles and responsibilities shall be determined at the AGM. The managing shareholders can call as many meetings during the financial as they deem necessary to run the company. To be nominated as a managing shareholder, the shareholder must be in good standing.

8. ANNUAL GENERAL MEETING (AGM)



This is the meeting where all company shareholders reflect on the company progress, vote on new strategic initiatives and vote on new executive members. Quorums shall be formed for decisions that affect/effect the company if 60% of shareholding is present (either in person or a formal representative) at the scheduled meetings. No decisions taken at the AGM shall be overruled by the executive members or any shareholder.

9. CAPITAL CONTRIBUTIONS

The Shareholders will each make monthly regular contributions as agreed at the AGM by shareholders (See Regulation Contribution 2020). For 2021 financial year, the minimum contribution is **R500** and a maximum of **R3000**

10. VALUATION OF THE SHARES

The current value of the assets of the Shareholders, less the current value of the debts and liabilities of the Shareholders (hereinafter referred to as the "value of the Shareholders ") shall be determined on a monthly basis to determine the value of the total shares.

11. SHAREHOLDER'S SHARE

There shall be maintained a capital plus growth account in the name of each Shareholder. Each Shareholder's contribution to, or capital withdrawal from, the Company shall be credited or debited, respectively, to that Shareholder 's capital account. This account will be maintained and updated on a monthly basis/.

12. BOARD OF DIRECTORS

There will be no explicit board members except as per CIPC in order to meet the legal requirement.

13. SHARING OF PROFITS

The sharing of net profits of the company shall be determined and agreed upon at the AGM and at no other meeting. Each shareholder will receive their share of net profits as per their shareholding at the time of declaration of net profits to be shared.

14. COMPANY FINANCES

The chief executive officer together with the chief financial officer shall, at the AGM, give a detailed financial report of the company. This includes details on company assets, liabilities, revenue and expenses for the current financial year and in comparison to the two previous financial years. This shall be done in accordance to the accounting and auditing standards of South Africa.

15. BANK ACCOUNT

The Company has a bank account. This is the only bank account that shall be used by shareholders to deposit their contributions with an appropriate reference such as name and surname or ID number.

16. CONFLICT OF INTEREST

Shareholders must avoid or declare any conflict (of suspected conflict) of interest at all times.

17. REMOVAL OF A SHAREHOLDER

Any Shareholder may be removed if they do not meet the requirements as stipulated in section 5 of this contract. Written notice of the intent to remove a shareholder will be communicated to the shareholder using the company's regular communication methods, which includes email, sms and whatsapp. The removal shall become effective upon payment of the value of the removed Shareholder's share amount. Refer to



Section 23 for withdrawal fee. Where the fund does not have any liquid assets at the time of removal, there removed shareholder shall give the fund a period of 3 (three) months to make the payment.

18. VOLUNTARY WITHDRAWAL (PARTIAL OR FULL) OF A SHAREHOLDER

Any Shareholder may withdraw from being a shareholder in full or partly, and the company shall continue as an entity. The shareholder withdrawing a part or all of the value of such capital account shall give notice of such intention in writing to the Secretary. A 30 day notice shall be given to the Secretary.

In making payment, the value of the shareholder shall be the value as calculated at the end of the month preceding the month where the notice to withdraw was received, less all debt and penalties.

Upon cancellation, a shareholder must understand that there will be a cancellation penalty; this penalty applies to contributions made in the financial year of withdrawal. A 20% cancellation fee of all contributions made within the current financial year will be charged and no interest earned in the current financial year will be paid to the withdrawing shareholder.

e.g. If the shareholder has an accumulated balance in his account of R10 000 but has contributed R500 a month for six months of the current financial year totaling R3000. There will be no penalty on the R7000 (which includes interest) that was accumulated over the previous financial years other than the 3% administration fee. There will be a 20% penalty fee for the contributions of the current financial year and no interest payable for the current year.

Total accumulated share balance = R10 000
 Previous financial years' accumulated balance = R7 000
 Current financial year's contributions = R3000
 Administration fee = R210 [7000 * 3%]
 Penalty fee = R600 [3000 * 20%]

Total payable to withdrawing shareholder = R9 190.

19. DEATH OR INCAPACITY OF A SHAREHOLDER

In the event of the death or incapacity of a shareholder (or the death or incapacity of the grantor and sole trustee of a revocable living trust), receipt of notice shall be treated with no withdrawal. A lump sum equal to the shareholder's share as calculated at the end of the month preceding the month of death or incapacity shall be reimbursed to the shareholders' elected beneficiaries without any penalties or administration fees.

20. TERMS OF PAYMENT

All payments to shareholders will be a transfer to the shareholder's preferred bank account, not other forms of payment shall be made.

21. FORBIDDEN ACTS

No Shareholder shall:

- Have the right or authority to bind or obligate the company to any extent whatsoever with regard to any matter outside the scope of the company purpose.



- Except as provided in this agreement, without the unanimous consent of all the other Shareholders, assign, transfer, pledge, mortgage, or sell all or part of his or her interest in the company to any other Shareholder or other person whomsoever, or enter into any agreement as the result of which any person or persons not a Shareholder shall become interested in the company.
- Use the company name, credit, or property for other than company purposes.
- Do any act detrimental to the interests of the company or any act that would make it impossible to carry on the business or affairs of the company.

Forbidden acts may lead to removal as the shareholder of the company; this decision will be voted on during the AGM.

This contract with the company shall be binding upon the respective heirs, executors, administrators, and personal representatives of the Shareholders.

The Shareholders have caused this Agreement of company to be executed on the dates indicated (Annexure A.), effective as of the date indicated above.

ANNEXURE A

Initials and Surname:

Signature:

Date:

**ANNEXURE B****BANKING DETAILS**

BANK NAME	ACCOUNT NAME	ACCOUNT TYPE	ACCOUNT NUMBER	REFERENCE
FNB	ITENITY HOLDINGS STOCKVEL	FNB STOCKVEL	62842450182	NAME & SURNAME



ANNEXURE C

CONTACT DETAILS

NAME	CELLPHONE	EMAIL ADDRESS
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