

PRACTICE NOTE 40 of 2015

REMOVAL OF DIRECTOR IN TERMS OF SECTION 71 OF COMPANIES ACT, 71 OF 2008

Based on the number of applications queried due to non-compliance to the requirements as well as objections to the filings where directors are not aware of their removals the companies' attention is brought to the following:

1. A director may be removed by an ordinary resolution adopted at a shareholders meeting by persons entitled to vote in an election of directors; with the following additional supporting documents.
 - (a) Proof that a notice was sent to the director concerned;
 - (b) Attendance register; and
 - (c) Certified copy of the share register
2. When a director is removed by the board on the grounds of being ineligible or disqualified, or due to incapacity, neglect or derelict; the company must have more than 2 directors with the following additional supporting documents:
 - (a) Proof of notice was sent to the director(s) concerned with detailed information stated in Sec 71(4)(a); and
 - (b) Attendance register

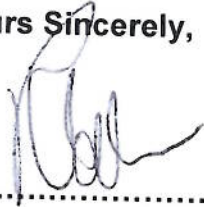
Paragraph 2 above does not apply if the company has fewer than three directors and Sec 71(8) applies whereby the Companies Tribunal may be approached to make a determination. The above requirements are not substituting the current requirements however they add over and above the required documentation for change of directors.

Please note that when the director is disqualified an order of court confirming such disqualification is required and when the director is rehabilitated a court order is also required with the stamp of the Registrar of Court.

Please visit our website www.cipc.co.za click "Maintain your Business" and "Change Directors of Companies" for more information on the changes of directors.

Your co-operation in adhering with the above will result in speed processing of your application, and failure to comply will result in your application being rejected causing unnecessary delays.

Yours Sincerely,



Adv. Rory Voller

CIPC Acting Commissioner

8 /07/2015