



Companies and Intellectual
Property Commission

a member of the dti group

NOTICE TO CUSTOMERS

(Notice No.3 of 2019)

Explanation on and intention of Practice Notice 1 of 2019

Notice 1 of 2019 is applicable only to changes in the board composition and must be read with this notice and other relevant notices pertaining to change and/or removal of directors.

The rationale behind this notice was informed by the alleged unauthorized changes in the board composition. The changes in the board must always be done in terms of the Act and company's MOI.

Section 66 provides that the business and affairs of the company must be managed by or under the direction of its board. A single director therefore (where a company has more than one), in the absence of a delegation by the board to that effect, does not have authority to act for or on behalf of the company.

Generally the noting of resignation of a director is taken in meetings, therefore an attendance register is required to determine whether quorum and the minutes of the meeting must be signed by the Chairperson. In the event that an extract minutes is submitted and the company has a registered company secretary, the company secretary may also sign in the place of Chairperson.

However were a noting took place other than at meeting (round robin), all directors excluding the resigned director must sign the resolution.

Yours sincerely,

Adv. R. Voller
CIPC COMMISSIONER

21 / 2 / 2018