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# Constitution

for

## Africa Electric Sport Association

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## 1. NAME, HEADQUARTERS AND BRANCHES OF THE ASSOCIATION

- 1.1. The name of the Association is **Africa Electric Sport Association** (“Association”).
- 1.2. The shortened name is: **AESA**
- 1.3. AESA has the status of a Confederation which is an alliance of National Esports Federations.
- 1.4. For the purposes of this Constitution, Confederation will mean an alliance of National Esports Federations, which are situated at the same continent or at a geographical region, recognized by the International Esports Federation (“IESF”) and a National Esports Federation means a national organization made in an appropriate legal form that complies with national legislation and IESF criteria as the esports controlling body for a single country.
- 1.5. AESA is an Africa continent governing body for Esports and all its disciplines, including but not limited to competitive drone racing (virtual and physical), robotics and coding, which is established by and consists of its members and is registered under the laws of the Republic of South Africa.
- 1.6. AESA’s head office and administrative office is situated in Cape Town, South Africa and may move or open a branch in a different city and country as the Governing Board may decide.

## 2. OBJECTIVES, ACTIVITIES AND RESPONSIBILITIES

The Association is a non-profit organisation established for the following public benefit objectives:

- 2.1. AESA is an independent non-profit company which seeks to break down the barriers of entry to Esports for the youth, particularly the less fortunate.
- 2.2. AESA in parallel, strives to increase the standards of Esports in society, by empowering youths, local ecosystem partners and align

Governments, Ministries and Private Enterprise for a new industry.

- 2.3. Primarily it also seeks to empower youths in 21<sup>st</sup> century digital-skills development by encouraging learning through Play, Problem Solving and Making, using Esports as the vehicle for education transformation. We are also deeply involved in capacity building for Industry 4.0.
- 2.4. AESA is multi-pronged whereby it will bring formal and strategic interventions to build and align the grassroots of Esports with the already established Esports ecosystem to ensure cohesive growth in the sector whilst maintaining an inclusive approach to early childhood development through to young adulthood.
- 2.5. At AESA we believe that the introduction of Esports at an early age with formal policies will help youths on several levels, like digital skills development, social development, community building, to name a few.
- 2.6. We believe once youths are placed on the right track, and they are given the access, the needed support and platforms, there is no limit to what they can achieve for themselves and for the nation.
- 2.7. The youth of any country cannot be ignored in the development and advancement of the country, which is why we are leveraging on our experience in governance and industry, to get as much youth connected with access to learn through Gaming, Coding and Robotics.
- 2.8. To encourage and support individuals, members and National Esports Federations and their affiliates, in the development and coordination of Esports competitions.
- 2.9. To support and harmonize the culture and education with Esports.
- 2.10. To organize its own national, continental or international competitions and to draw up regulations and provisions and ensure their enforcement.
- 2.11. To ensure good governance of National Esports Federations by taking appropriate steps to prevent the infringement of any statutes, regulations, codes of conduct or decisions of AESA or the IESF.

- 2.12. To promote integrity, ethics and fair play with a view to prevent all methods or practices, such as corruption, doping or match manipulation, which might jeopardize the integrity of matches, competitions, players, officials and members or give rise to the abuse of a National Esports Federation.

The Association will conduct its activities in the following manner:

- 2.13. The activities of the Association are carried in a non-profit manner and with altruistic or philanthropic intent.
- 2.14. The Association will conduct its activities in adherence with the principles of good governance as set out in the King IV report.
- 2.15. No activity will directly or indirectly promote the economic self-interest of any Fiduciary or employer of the Association otherwise by way of reasonable remuneration.
- 2.16. No funds will be distributed to any person (Other than during approved remuneration for undertaking any public benefit activity).
- 2.17. The funds of AESA will be used solely for the objective for which it was established.
- 2.18. AESA will not be a party to or does not knowingly permit or has not knowingly permitted itself to be used as part of any transaction, operation, or scheme of which the sole or main purpose is the deduction, postponement, or avoidance of liability for any tax, duty or levy which, but for such transaction, operation or scheme would have been or would have become payable by any person under this act or any other act administered by the commissioner.
- 2.19. No AESA resources will be used directly or indirectly to support, advance, or oppose any political party.
- 2.20. No remuneration will be paid to any employer, office bearer, member, or other person, which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service

rendered and has not and will not economically benefit any person in the manner which is not consistent with its objectives.

- 2.21. No donation will be accepted which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regards to the tax deductibility thereof in terms of section 18A: Provided that a donor (other than a donor which is approved, PBO or an institution, board or body which is exempt from tax in terms of section 10(1)(cA)(i), which has as its sole or principle objective the carrying on of any public benefit activity) may not impose any conditions which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.
- 2.22. A copy of all amendments to the constitution will be submitted to the commissioner for the South African Revenue Service.

To achieve the objectives of the Association, the members from time to time commit to *inter alia* diligently fulfill the following responsibilities:

- 2.23. Align and assist private enterprise activities and government projects at a provincial and national level to ensure cohesion and deeper impact where applicable.
- 2.24. Develop holistic and strategic frameworks to ensure inclusive growth of Esports, which includes Gaming, Coding and Robotics for casual, competitive, amateur, or professional participants.
- 2.25. Build and maintain trusted relationships, closing the gap between all stakeholders in public and private sectors within the digital education space.
- 2.26. Capacity building across all tiers, from new to professional-level Esports participants.
- 2.27. Align relevant ministries to ensure direct economic development, impact, and growth.

- 2.28. Youth advocacy and empowerment through education and entrepreneurial models.
- 2.29. Drive education transformation with 21<sup>st</sup> century Esports solutions and platforms.
- 2.30. Sourcing for scholarships for students for competing and or participating in Esports events.
- 2.31. Provide holistic solutions for Gaming, Coding, Robotics and Drone Racing for teaching and Learning.
- 2.32. to improve Esports constantly and promote it globally in the light of its unifying, educational, cultural, and humanitarian values, particularly through youth and development programs.
- 2.33. to organise its own international competitions.
- 2.34. to draw up regulations and provisions governing Esports in Africa and related matters and to ensure their enforcement.
- 2.35. to control every type of association Esports by taking appropriate steps to prevent infringements of the Statutes, regulations, or decisions of AESA.
- 2.36. to use its efforts to ensure that the Esports is available to and resourced for all who wish to participate, regardless of race, gender or age.
- 2.37. to promote the development of women's involvement and adoption of Esports and the full participation of women at all levels of Esports governance; and
- 2.38. to promote integrity, ethics, and fair play with a view to preventing all methods or practices, such as corruption, doping or match manipulation, which might jeopardise the integrity of matches, competitions, players, officials and member associations.

### 3. LEGAL STATUS

The Association is a body corporate with its own legal identity which is separate from its office-bearers and members. The Association will continue to exist even if the members change.

### 4. INCOME AND PROPERTY OF THE ASSOCIATION

4.1 Members and office-bearers have no rights in the property or other assets of the Association solely by virtue of their being members or office-bearers.

4.2 The income and property of the Association shall be used solely for the promotion of its stated objectives and shall not be paid or distributed directly or indirectly to any person, or to any member of the Association or office-bearers, except as reasonable compensation for services actually rendered to the Association or reimbursement of actual costs or expenses reasonably incurred on behalf of the Association.

4.3 The Association will keep a record of everything it owns.

4.4 The Association will take out insurance on high-value assets, as and when necessary or required by sponsors.

4.5 If staff use private assets to conduct any work for the Association and such use has been authorised, the staff must be reimbursed the replacement value of the asset in the event that such assets are lost, stolen or damaged during the execution of any Association activities.

### 5. TAXATION OF ASSOCIATION

The Association may apply to the Commissioner for the South African Revenue Service for approval as a Public Benefit Organisation in terms of section 30 of the Income Tax Act. Upon approval the provisions set out in **Schedule B** shall bind the Association.

### 6. POWERS OF ASSOCIATION

The Association shall have the same powers as that of a company under the

Companies Act, as amended. Such powers include:

- 6.1 To institute or defend any legal or other proceedings and to settle any claims.
- 6.2 To prudently invest funds of the Association.
- 6.3 To buy, attain, maintain, manage, lease, sell, or in any way deal with property and assets of the Association.
- 6.4 To donate and transfer the property and assets of the Association to public benefit organisations with similar objectives.
- 6.5 To borrow and to use the property or assets of the Association as security for borrowing.
- 6.6 To execute any act or deed in any deeds registry, mining titles or other public office.
- 6.7 To exercise all the management and executive powers ordinarily vested in the Board of Directors of a Company, and
- 6.8 To carry out all the powers and authority of the Association on the African Continent and in any other part of the world.

## 7. THE GOVERNING BOARD

- 7.1 **Powers:** The Governing Board shall manage the affairs of the Association in accordance with the resolutions of members in General Meeting.
- 7.2 **Number and Portfolios:** A minimum of three members shall serve on the Governing Board bearing at least the following portfolios: the President / Chairperson, the Treasurer and the Secretary. The amount of members that may serve on the Governing Board may not exceed fifteen members.
- 7.3 **Election:** All members of the Governing Board shall be members of the Association. The Governing Board shall be elected by the members of

the Association at an Annual General Meeting.

- 7.4 **Term of office:** A member will be elected for a period of four years but may be re-elected at a General Meeting.
- 7.5 **Vacancies:** The Governing Board must, as soon as reasonable possible, appoint someone to fill any vacancy that reduced the number of board members to less than three. The next General Meeting must confirm the office of any board member appointed, otherwise it will lapse.
- 7.6 **Co-option:** The Governing Board may co-opt additional non-voting members as it may consider appropriate.
- 7.7 **Resignation, Disqualification and Removal:** A Governing Board member may resign from office in writing. A Governing Board member shall be disqualified from office upon termination of membership to the Association and becoming incapable by reason of mental illness. A member can be removed from office through a two-thirds resolution of the remaining Governing Board members, consisting of not less than three.
- 7.8 **Delegation of Powers:** The Governing Board may delegate any of its powers or functions to a committee or member(s) of the Association provided that: such delegation and conditions are reflected in the minutes for that meeting, at least one Board member serve on the committee, the Board in advance approves all expenditure incurred by the committee or member, and the Governing Board may revoke the delegation or amend the conditions.
- 7.9 **Procedures at Meetings:** The Governing Board may regulate its meetings and proceedings as it finds fit, subject to the following:
- a. The President / Chairperson shall chair all meetings of the Governing Board.
  - b. Meetings of the Governing Board may be conducted face-to-face or electronically which would allow Governing Board members to

be present and participate through electronic means. Electronic means include any digital communications that include, e-mail and communications via digital platforms. Any virtual meetings may be recorded.

- c. If the Chairperson is not present within fifteen minutes of the appointed time of the meeting, the Vice-Chairperson shall chair such meeting. In both their absence, the Board members present at the meeting shall elect a chairperson for that meeting.
- d. The Chairperson shall convene a meeting of the Governing Board at least quarterly and at the written request of any two members of the Governing Board on at least fourteen calendar days written notices, however meetings may be convened at any reasonable time. An annual general meeting will be convened once a year.
- e. The quorum for a meeting of the Governing Board shall be two-thirds of the serving Governing Board members.
- f. If no quorum is present, the Governing Board may make no decision, except to preserve the assets of the Association and to call a meeting of the general members.
- g. Each Governing Board member present or represented through written proxy shall have one (1) vote.
- h. Questions arising shall be decided by a majority of votes. Should there be an equality of votes the Chairperson shall have a casting or second vote.
- i. Proper minutes and attendance records must be kept of all meetings of the Governing Board. The chairperson for the meeting shall sign the minutes which shall be available at all times for inspection or copying by any member of the Association on two days' notice to the Secretary or the Vice-Secretary.
- j. A resolution signed by all members of the Governing Board shall be as valid as if passed at a duly convened meeting of the

## Governing Board.

- k. The Governing Board may appoint employees upon such lawful terms and conditions as it may deem necessary.
- l. Decisions reached in electronic form are binding, unless specifically revoked.
- m. If an emergency meeting needs to take place, all board members should be informed at least two days beforehand, as well as which subject (s) will be discussed.
- n. If a Governing Board member fails to attend three meetings in a row without justification, the person's membership will be terminated, and the person replaced by someone else.
- o. All communication to board members will be done via e-mail or via MS Teams.

7.10 **Conflicting Interests:** Any actual, potential or perceived conflict of interest on the part of any member of the Governing Board, on a matter pertaining to the Association, must be disclosed in writing to the Governing Board which shall record such conflict of interest in the minutes of the Board meeting. Such member may be requested by the Governing Board to state his/her position in the matter or to respond to pertinent questions but, shall not vote or use his/her influence on the matter and shall not be counted for purposes of determining a quorum for the meeting where the voting takes place.

7.11 **Confidentiality:** All matters pertaining to litigation, security measures, contractual negotiations, employment matters and any other matters deemed confidential by the Governing Board, must be treated as confidential and only the actual decisions may be disclosed to the general public.

7.12 **Signing of contracts:** The Chairperson is responsible for signing the operational partner contracts for any Esports League and or tournament of partnership that it operates. At least three, unrelated members must

accept fiduciary responsibilities for the Association. It being agreed that no single person may directly or indirectly control the decision-making powers related to the Association.

## 8. MEMBERSHIP

- 8.1 **First and Subsequent Members:** The first members of the Association shall sign **Schedule A** of this Constitution. The Governing Board may admit natural persons over eighteen and any organisation which is responsible for, or related to, Esports in its country on the African continent, as members to the Association.
- 8.2 **Conditions and Criteria:** The Governing Board may determine the conditions and criteria for membership. Applications for membership that do not comply with such conditions and criteria may be refused by the Governing Board. Any organization, including any National Esports Federation and every application for membership in general, shall be made in writing and addressed to the Chairman of the Association. Each country may be represented by only one member in the Association. An organization may not apply to become a member of the Association as a National Esports Federation if another National Esports Federation already represents that country as a member.
- 8.3 **Transfer of Membership:** Membership is not transferrable.
- 8.4 **Register of Members:** The Governing Board must keep a register with the names and addresses of all the members.
- 8.5 **Automatic Termination of Membership:** Membership automatically terminates upon the receipt by the Association of a notification of the death of a natural member or dissolution of an organisational member, and written resignation.
- 8.6 **Termination by Governing Board:** Membership terminates if a member is removed by a resolution of the Governing Board. Provided that the member has been given an opportunity to make written or verbal representations at a meeting of the Governing Board pertaining to the proposed termination, and the Board's decision to terminate membership was confirmed by resolution of two-thirds of the members

present at the next General Meeting, otherwise it will lapse.

- 8.7 **Friendly relations:** Members must respect each other's sovereignty. A Member shall not interfere in internal affairs of another national federation, unless requested to do so by such member.

## 9. MEETINGS OF MEMBERSHIP

- 9.1 **Annual General Meetings:** All Annual General Meetings (AGMs) must be held within three months of the Association's financial year-end. At least fourteen days' written notice must be given to all members stating the date, time, place and business of the AGM, which business must include:

- a. The Chairperson's report,
- b. The presentation of the Association's Annual Financial Statements,
- c. The election of Governing Board members,
- d. The appointment of Auditors, and
- e. Other appropriate matters.

- 9.2 **Special General Meetings:** The Governing Board or not less than one-third of the members may call a Special General Meeting of the Association. At least fourteen (14) days' written notice must be given to all members stating the date, time, place and business of the Special General Meeting. If the Board fails to give notice within seven days of the request of one-quarter of the members, such members shall be entitled themselves to give notice of and to convene the meeting.

- 9.3 **Powers of the General Meetings:** The members in a properly convened General Meeting of the Association is the highest decision-making structure of the Association as set out in this Constitution. The members in General Meeting may review, approve or amend any decision taken by the Governing Board but no such resolution of the Association shall nullify any earlier resolution taken by the Governing

Board in accordance with the provisions of this Constitution.

9.4 **Procedures at General Meetings:** The Members may regulate their meetings and proceedings as it finds fit, subject to the following:

- a. The Chairperson shall chair all General Meetings.
- b. General Meetings of the Association may be conducted face-to-face or electronically which would allow members to be present and participate through electronic means.
- c. If the Chairperson is not present within fifteen minutes of the appointed time of the meeting, the Vice-Chairperson shall chair such meeting. In both their absence, the members present at the General Meeting shall elect a chairperson for that meeting.
- d. The quorum for General Meetings of the Association shall be one quarter of the members of the Association.
- e. If a quorum is not present within fifteen minutes of the appointed time of the meeting, the meeting must be adjourned to another date, within fourteen days thereafter. Notice, as provided for under the constitution, must be given to all members of the Association of such adjournment.
- f. If no quorum is present at the reconvened meeting within fifteen minutes of the appointed time, the members present, or represented by proxy, shall deem to constitute a quorum for that meeting.
- g. A resolution put to the vote shall be decided by means of a show of hands or by ballot. A vote by ballot can be demanded by not less than one third the members present, or represented by proxy.
- h. Each member present or represented by proxy shall be entitled to one (1) vote.
- i. Except where this constitution requires a higher threshold,

questions arising shall be decided by a majority of votes. Should there be an equality of votes the Chairperson shall have a casting or second vote.

- j. Proper minutes and attendance records must be kept of all General Meetings. The chairperson must sign the minutes which shall be available at all times for inspection or copying by any member of the Association on two days' notice to the Secretary or the Vice-Secretary.

## 10. NOTICES OF MEETINGS

- 10.1 All notices terms of this constitution must be given to members in writing (personally, post or electronic communication) to the address provided by the members.
- 10.2 The accidental omission to address notices to any member shall not nullify the proceedings of any meeting.
- 10.3 A member present in person at any meeting shall be deemed to have received notice of such meeting.
- 10.4 If posted, notices shall be deemed to have been received seven days after posting.

## 11. FINANCES AND REPORTS

- 11.1 **Bank Account:** The Governing Board must open a bank account in the name of the Association with a registered Bank and all money acquired by the Association, including donations, gifts, contributions and bequests must be paid into the bank account of the Association. All funds may only be applied to support the objectives of the Association and for no other purpose.
- 11.2 **Signing:** Any financial documents requiring signature on behalf of the Association shall be signed by at least two persons authorised by the Governing Board.
- 11.3 **Financial year-end:** The financial year end of the Association shall be

end of February.

- 11.4 **Financial Report:** The Governing Board must ensure that proper records and books of account which fairly reflect the affairs of the Association are kept, and within six months of its financial year a report is compiled by an independent practicing auditor registered in terms of the Auditing Profession Act stating whether or not the financial statements of the Association are consistent with its accounting records, the accounting policies are appropriate and have been appropriately applied with in preparing the financial statements and the Association has complied with the financialprovisions of this constitution.

## 12. AMENDMENTS AND DISSOLUTION:

- 12.1 This Constitution may be amended, the name of the Association may be changed and the Association may be dissolved by resolution of two-thirds of the members present at a General Meeting.
- 12.2 At least twenty-one days' notice of the Meeting stating the nature of the resolution to be proposed must be given to all the members of the Association.
- 12.3 Upon the dissolution of the Association, after all debts and commitments have been paid, any remaining assets shall not be paid to or distributed amongst members, but shall be transferred by donation to some other non- profit organisation which the Governing Board (and failing which themembers in General Meeting) considers appropriate and which has objectives the same or similar to the objectives of the Association, and should the Association be exempt from the payment of any taxes and duties;
- i. Any similar public benefit organization which has been approved in terms of section 30 of the Income Tax Act,
  - ii. Any institution, board or body which is exempt from tax under the provisions of section 10 (1)(cA)(i) of the Income Tax Act, which has its sole or principal object the carrying on of any public benefit activity,

- iii. Any department of state or administration in the national or provincial or local sphere of government of the Republic.

### **13. INDEMNITY**

- 13.1 Subject to the provisions of any relevant law, members, office-bearers or appointed delegates of the Association shall be indemnified by the Association for all acts done by them in good faith on its behalf.
  
- 13.2 Subject to the provisions of any relevant law, no member of the Association or appointed delegates shall be liable for the acts, receipts, neglects or defaults of any other member or office bearer, or for any loss, damage or expense suffered by the Association, which occurs in the execution of the duties of his or her office, unless it arises as a result of his or her dishonesty, or failure to exercise the degree of care, diligence and skill required by law.

**SCHEDULE B****REQUIREMENTS FOR APPROVAL AS PUBLIC BENEFIT ORGANISATIONS**

As provided for in Clause 5 of this Constitution, The Association intends to apply to the Commissioner for SARS for approval as a Public Benefit Organisation in terms of Section 30 of the Income Tax Act. Upon approval the Association shall:

1. Be required to have at least three persons, who are not connected persons in relation to each other, to accept the fiduciary responsibility of the organisation.
2. Ensure that no single person directly or indirectly controls the decision making powers relating to the Association.
3. Is prohibited from distributing any of its funds to any person (otherwise than in the course of undertaking any public benefit activity) and is required to utilise its funds solely for the object for which it has been established.
4. Be prohibited from accepting any donation which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof in terms of section 18A; provided that a donor may not impose conditions which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.
5. Ensure that it is not knowingly a party to, and does not knowingly permit itself to be used as part of any transaction, operation or scheme of which the sole or main purpose is or was the reduction, postponement or avoidance of liability for any tax, duty or levy, which, but for such transaction, operation or scheme, would have been or would have become payable by any person under the Act or any other Act administered by the Commissioner.
6. Submit to the Commissioner a copy of any amendment to this constitution.
7. Not pay any remuneration to any employee, office bearer, member or other person, which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered.

8. Comply with such reporting requirements as may be determined by the Commissioner.
9. Take reasonable steps to ensure that the funds which it may provide to any association of persons as contemplated in paragraph 10(iii) of Part 1 of the Ninth Schedule of the Act are utilised for the purpose for which they are provided.
10. Has not and will not use its resources directly or indirectly to support, advance or oppose any political party.