Companies Tribunal

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IN THE COMPANIES TRIBUNAL OF THE REPUBLIC OF SOUTH AFRICA

("THE TRIBUNAL")

CASE NO: CT02970/ADJ2026

Ex Parte Application:-

Cotswold Downs Management Association NPC Applicant

Presiding Member: H K Dlepu

Date of Decision:28 October 2026

DECISION AND REASONS

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1. INTRODUCTION

1.1. The Applicant is Cotswold Downs Management Association NPC with registration number 2006/000574/08, a not-for-profit company duly

incorporated according to the company laws of South Africa with its business address at 95 Inanda Road, Hillcrest 3650

1.2. The Applicant is represented by the Director of the Applicant, Jacques Jeffrey De Villiers duly authorized by a resolution dated 23 September 2026.

2. THE APPLICANT'S SUBMISSION

2.1. The Applicant has requested the Companies Tribunal to exempt it from the requirement to have a Social and Ethics Committee (SEC) in terms of section 72(5) of the Companies Act 71 of 2008 read with regulation 43(2)(b) of the regulations and amendments to the Companies Act.

2.2. The Applicant manages 655 houses within the estate; it provides the same function as a Body Corporate. It merely manages the association made up of the homeowners to manage the development or estate.

2.3. In terms of the MOI the Applicant is a non-profit company which is in charge of all administrative and management services to the Applicant, all duties in respect of all defaulting borrowers and arrears, all custodial and data maintenance duties;

2.4. In clause 2 of the Applicant's Memorandum of Incorporation, the membership of the Association consists of all homeowners, and all owners have voting rights.

2.5. All the members have the right to inspect and/or receive annual financial statements of the Association.

2.6. The Applicant's Board of Directors are elected by the owner members. The Board of Directors consists of six (6) directors who are more than adequate to handle all the duties of the Social and Ethics Committee. The Board has been providing adequate reporting for many tears and members have been satisfied with the reporting.

2.7. The Applicant does not have any external stakeholders other than homeowners, who are all members of the Association.

2.8. The basis for the application for exemption is as illustrated in the Applicants affidavit, is to apply for exemption to the Tribunal in terms of Section 72(5) and Regulations 43 of the Companies Act.

2.9. It is not reasonably necessary in the public interest to require the company to have a Social and Ethics Committee if the Board believes it is not in the

public interest to require the NPC to have a Social and Ethics Committee considering that the homeowners are the only members of the NPC.

2.10. In terms of the Companies Act 71 of 2008, Section 72(4) to (10), the Minister by regulation, may prescribe a category of companies that must each have a Social and Ethics Committee (SEC).

3. APPLICABLE LAW

3.1. Section 72(4) of the Companies Act, No. 71 of 2008 (as amended) (**"Companies Act"**) empowers the responsible Minister to prescribe regulations setting out, amongst other things, a category of companies required to have a social and ethics committee.

3.2. Regulation 43(1)(c) to the Companies Act (**"Regulations"**) requires a company to have a appoint a social and ethics committee if it has, in any two of its previous five years, scored above 500 points in terms of Regulation 26(2).

3.3. Regulation 26(2) set out the basis for calculating a company's public interest score. I do not find it necessary to repeat this test here.

3.4. Section 72(5) of the Companies Act entitles a company who is obliged to appoint a social and ethics committee, to apply to the Tribunal for an exemption from such requirement. In order for the Tribunal to be satisfied to grant such exemption, either-

3.4.1. the company is required by some other legislation to have, and does have, some form of a formal mechanism within its structures that substantially performs the function that would otherwise be performed by the social and ethics committee; or

3.4.2. it Is not reasonably necessary in the public interest to require the company to have a social and ethics committee, having regard to the nature and extent of the activities of the company.

4. EVALUATION OF THE FACTS

4.1. The Applicant has elaborated in detail in its affidavit signed by the Director of the Company and the nature of its business.

4.2. The Applicant does not have employees or Executive Directors. The stakeholders of the Applicant are homeowners who will not be prejudiced by not establishing a Social and Ethics Committee (SEC).

4.3. The Applicant's Public interest score is above 500 and is 741 of which 655 are the homeowners or members of the NPC equating to the number of houses in the development and the company managed by the Board.

4.4. The Board is mandated by members and act also as Social and Ethics Committee is providing for by the Social and Ethics Committee of Cotswold Downs Management Association NPC as regulated by Regulation 43(5)

4.5. The Applicant's activities and products have no effect, directly or indirectly on the environment, health, or public safety;

5. FINDINGS

5.1. The Applicant has submitted all the relevant documents, the nature of its business, in terms of Section 72(5) of the Act, it is clear that it is not necessary in the public interest to require the company to have a Social and Ethics Committee.

5.2. If the company is required to appoint the Social and Ethics Committee, it may apply for a ruling by the Tribunal for an exemption under the provision of section 72(5) of the Companies Act.

5.3. The company has in terms of Regulation 142(3) made an Application to the Tribunal by filing:

5.3.1. A supporting affidavit duly commissioned setting out the facts on which the Application is based together with the supporting annexures.

5.3.2. The company has made out a case to be exempted from the appointment of Social and Ethics Committee (SEC) in terms of Section 72(5) of the Act.

6. ORDER

6.1. The Application for an Order for the exemption from the requirement to appoint the Social and Ethics Committee is thereafter granted for the three (3) years in terms of this Order.

Signed on the 28 OCTOBER 2026

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HLALELENI KATHLEEN DLEPU
MEMBER OF THE COMPANIES TRIBUNAL