

UKUKHULA TRUST

The University of Cape Town has long been committed to advancing opportunities to black persons for university education and academic advancement. As the oldest tertiary education institution in South Africa, it seeks to make a significant contribution to the societal imperative to address and redress past discrimination and disadvantage.

Motivated by that commitment, and having due regard for the objectives of the Broad-Based Black Economic Empowerment Act (53/2003), UCT and the UCT Foundation created the UKUKHULA TRUST to provide a vehicle for the empowerment of needy black students, and for black staff development. To qualify for participation in BBBEE initiatives under the terms of the Act, it was necessary to create a legally-separate entity that would be fully compliant in terms of its purpose, composition, and modus operandi.

The Ukukhula Trust is an exciting and creative vehicle for firms that are interested in Broad-Based Black Economic Empowerment and skills development to satisfy their objectives in this regard.

THE UKUKHULA TRUST HAS TAKEN AS ITS OBJECTIVES TO:

- Provide a reputable organisation that fulfills all the requirements of a Broad-Based Black Economic Entity in terms of the BBBEE legislation; and
- Enable previously disadvantaged South Africans to benefit from the highest quality tertiary education, thus empowering them for the future.

As an independent body, the Trust has established a long-term fund. This will provide financial and other resources required in order to implement redress measures for the benefit of black persons, in particular, and such other persons as were victims of past discrimination. Such people are eligible to become beneficiaries of a Broad-Based Ownership Scheme duly constituted in accordance with the Broad-Based Black Economic Empowerment Act.

The Trust will apply its income to providing bursaries to students in need of funds to pursue a tertiary education, or to black academics requiring further developmental training. The Trust will be a sustainable empowerment vehicle, and its activities will result in a very broad base of empowered individuals, including the neediest black students, many of whom struggle to find the means to cover their costs of education.

BROAD BASED BEE QUALIFICATIONS

The Trust meets all Broad-Based BEE requirements in that:

- The beneficiaries will all be historically disadvantaged South Africans;
- As individual students are the beneficiaries, it will be very broad based;
- The Trustees meet the requirements for a BBBEE vehicle; and
- As the Trustees are not and will not be remunerated and are not entitled to receive any beneficial interest from the Trust, the beneficial owners are effectively all future bursary holders and UCT staff.

The Trust will not only meet the ownership criteria for Broad-Based BEE; it will also meet the Skills Training and Development criteria, and the Community Development criteria, as specified in the BBBEE Charter.

The Chairperson of the Trust is Dr. Mamphela Ramphele, former Vice Chancellor of the University of Cape Town.

The tasks of selection and monitoring of bursary students, and of accounting and auditing services, will be outsourced by the Trust to the relevant UCT administrative departments, thus constraining Trust administrative costs to the bare minimum.

OPPORTUNITIES FOR PARTNERSHIPS

Ukukhula seeks partnership opportunities with companies and individuals who support its mission to join with it to advance the BBBEE cause through supporting the education of black students and staff.

Tax-beneficial donations can be made to the Trust, for which appropriate tax certificates will be issued. The Trust is also structured so that a company making bursary contributions to the Trust can designate courses of study for which they would like the bursaries to be applied, thus enabling a company to meet the specific development needs they wish the Trust to focus upon. Donor partners can have naming rights for the bursaries resulting from their support (e.g., ABC Company Bursary), and can have an option to employ the students during vacations, provided this meets the needs of both the students and the company. On completion of their studies, donor partners will have an opportunity to interview the students for a job, should they so wish.

Such partnerships might also take the form of BEE-compliant ownership arrangements, when companies create opportunities for previously disadvantaged individuals and organisations to acquire an equity share in the company. The Trust's first act was to participate in a major sponsored share purchase scheme in the energy sector. With the very long-term focus befitting a Trust which supports a 180-year-old institution, Ukukhula is especially keen to deploy its capital with a long investment horizon that focuses upon future returns rather than short-term gains.

Donations that support participation in such ownership schemes thus have a very powerful leveraging effect, as an investment today has the potential to yield a significant payback for many decades to come.

With its broader focus beyond just the areas of ownership and management representation, Ukukhula also offers partnership opportunities in the areas of human resource skills development and socio-economic development. This provides an opportunity for companies to improve their empowerment scores on the various empowerment codes through support of the Ukukhula Trust.

The Ukukhula Trustees will ensure the Trust's continuing compliance with all eligibility and other prescribed requirements of the relevant statutes, those being The Broad-Based Black Economic Empowerment Act, No 53 of 2003, The Income Tax Act, No 58 of 1962, and The Nonprofit Organisations Act, No 71 of 1997.

The Ukukhula Trust would welcome the chance to explore with you partnership opportunities for the mutual benefit of the Trust, its beneficiaries, and your company. The Trust's contact details are listed on the enclosed card, and we would very much appreciate a chance to discuss our potential collaboration.





TRUST REGISTRATION: IT 2143/2009

Physical address

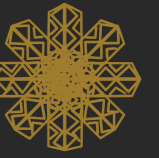
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