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PBO No.
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Income Tax Reference No.
9316/820/19/1

Date
22 May 2017

The Representative
Neo Youth Foundation
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Dear Sir / Madam

APPLICATION FOR INCOME TAX EXEMPTION APPROVED: NEO YOUTH FOUNDATION

The South African Revenue Service (SARS) would like to confirm that your application for exemption from income tax has been approved as you meet the requirements of a Public Benefit Organisation (PBO) set out in section 30(3) of the Income Tax Act No 58 of 1962 (the Act) from 17 May 2016. Your Income Tax Exemption has been granted in terms of section 10(1)(cN) of the Act. Annual receipts and accruals will therefore be subject to the provisions of section 10(1)(cN) of the Act and accruals and receipts from trading or business activities which fall outside the parameters of section 10(1)(cN) will be subject to tax.

The following exemptions also apply and are limited to:

1. Donations made to or by the PBO are exempt from Donations Tax in terms of section 56(1)(h) of the Income Tax Act.
2. Exemption from the payment of Estate Duty in terms of section 4(h) of the Estate Duty Act No.45 of 1955.

In order to maintain your exempt status, the following conditions must be complied with:

1. Amend the constitution to comply with the provisions of section 30 of the Income Tax Act. The following amendments must be effected to the constitution.
 - a) The activities of the organisation are carried on in a non-profit manner and with an altruistic or philanthropic intent.
 - b) No activity will directly or indirectly promote the economic self-interest of any fiduciary or employee of the organisation otherwise than by way of reasonable remuneration.

- c) At least three persons who accept fiduciary responsibility for the public benefit organisation, will not be connected persons in relation to each other, and no single person directly or indirectly controls the decision making powers relating to such organisation.
- d) No funds will be distributed to any person (other than in the course of undertaking any public benefit activity).
- e) The funds of the public benefit organisation will be used solely for the objects for which it was established.
- f) On dissolution of the public benefit organisation, the remaining assets must be transferred to -
 - i) A public benefit organisation, which has been approved in terms of section 30 of the Act.
 - ii) Any institution, board or body which is exempt from the payment of income tax in terms of section 10(1)(cA)(i) of the Act, which has as its sole or principal object the carrying on of any public benefit activity; or
 - iii) Any department of state or administration in the national or provincial or local sphere of government of the Republic, contemplated in section 10(1)(a) or (b) of the Act.
- g) 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 regard to the tax deductibility thereof in terms of section 18A: Provided that a donor (other than a donor which is an approved public benefit organisation 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 principal object 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.
- h) A copy of all amendments to the constitution will be submitted to the Commissioner for the South African Revenue Service.
- i) No remuneration will be paid 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 and has not and will not economically benefit any person in a manner which is not consistent with its objects.
- j) No resources will be used, directly or indirectly, to support advance or oppose any political party.

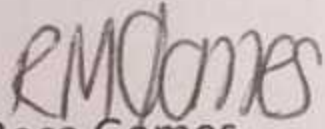
A signed copy of the amended document must be submitted to the Tax Exemption Unit (TEU) within 12 months by:

- Scanning and emailing the document to teu@sars.gov.za or
- Posting these to: PO Box 11955, Hatfield, 0028.

2. Submit an annual Income Tax Return (IT12EI) by the due date as announced annually by SARS. Your IT12EI can be obtained by:
 - a) Registering online at www.sarsefiling.co.za to access, request and submit the IT12EI electronically.
 - b) Calling the SARS Contact Centre on 0800 00 SARS (7277).
 - c) Requesting an IT12EI by contacting the TEU on teu@sars.gov.za or calling (012) 483 1700.
 - d) Requesting an IT12EI by visiting your local SARS branch.
3. The exemption approval as contained in this letter is subject to review on an annual basis by the TEU upon receipt of the annual income tax return.
4. SARS must be informed in writing within 21 days of any change in registered particulars (e.g. Representative, change of name, address, trustee details, office bearers, etc.).
5. This is not an approval in terms of section 18A of the Income Tax Act. No tax deductible receipts may be issued to donors.

For further information or assistance, email your query to teu@sars.gov.za, visit the SARS website www.sars.gov.za, call the TEU on 012 483 1700 or visit the TEU offices. Kindly ensure that you have your ID and tax reference number on hand to enable SARS to assist you.

Sincerely


Rosa Gomes
Tax Exemption Unit

ISSUED ON BEHALF OF THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE