

**Lesotho National Development Corporation
(Amendment) Act 2000**



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ACT NO. 7 OF 2000

**Lesotho National Development Corporation
(Amendment) Act 2000**

An Act to amend the Lesotho National Development Corporation Order, 1990¹.

Enacted by the Parliament of Lesotho.

PART I - PRELIMINARY

Short title and commencement

1. This Act may be cited as the Lesotho National Development Corporation (Amendment) Act, 2000 and shall come into operation on the date of its publication in the Gazette.

Interpretation

2. Section 2 of the Principal Law is amended -
 - (a) by inserting the following definitions in their alphabetical order -

““Chief Executive Officer” means the Chief Executive Officer appointed under section 9B;

“shareholder” means a person or entity that has subscribed and paid shares in the Corporation”;
 - (b) by deleting the definition of “Minister” and substituting it with the following -

“Minister” means the Minister responsible for Industry, Trade and Marketing”.

PART II - CONTINUATION OF EXISTENCE OF THE
CORPORATION, ITS PURPOSE, POWERS AND DUTIES

Purpose of the Corporation

3. Section 4 of the Principal Law is amended by -
- (a) deleting subsection (2) and substituting -

“(2) The Corporation shall, in carrying out its purpose, base itself on commercially oriented principles and prepare a programme showing how it proposes to act in that regard”;
 - (b) deleting subsection (3) and substituting -

“The shareholders may issue out general guidelines as to the policy to be applied in carrying out the purposes of the Corporation, and the Board shall give effect to those guidelines through directives to the Corporation’s management”;
 - (c) deleting subsection (4).

Duties and Powers of the Corporation

4. Section 5 of the Principal Law is amended in subsection (1) -
- (a) by deleting “with or without interest, and with or without security” and substituting “with interest and security”;
 - (b) by deleting paragraphs (r), (x), (y) and (z); and
 - (c) in paragraph (aa), by deleting “even though that thing is not expressly included among the things that the Corporation may do under this section”.

Additional powers of the Corporation

5. Section 6 of the Principal Law is amended in subsection (4) -
- (a) by deleting “M1, 000” and substituting “a fine not less than M1, 000 and not exceeding M2, 000”;
 - (b) by deleting “6 months” and substituting “a term of imprisonment not less than 6 months and not exceeding one year”.

PART III - THE COMPOSITION AND PROCEDURE OF THE BOARD OF DIRECTORS**Board of Directors**

6. Section 8 of the Principal Law is amended -
- (a) in subsection (2), by deleting “9 Directors” and substituting “11 Directors”;
 - (b) by deleting subsection (3) and substituting -
“(3) (a) The Directors of the Corporation shall consist of -
 - (i) a representative of the Ministry responsible for Industry, Trade and Marketing who shall be the chairman;
 - (ii) a representative of the Ministry responsible for Finance;
 - (iii) a representative of the Ministry responsible for Development Planning;
 - (iv) a representative of the Ministry responsible for Agriculture, Co-operatives and Land Reclamation;”

- (v) a representative of the Lesotho Chamber of Commerce and Industry;
- (vi) a representative of the Lesotho Tourist Board;
- (vii) a representative of the Lesotho Manufacturers Association;
- (viii) a representative of the Lesotho Consumer Association; and
- (ix) three other members who shall be appointed by the Minister by virtue of -
 - (aa) their holding at least ten percent shares in the Corporation; or
 - (bb) their skills, knowledge and experience in matters relating to the functions of the Corporation.”
- (c) the Directors of the Corporation shall be appointed by the Minister by notice in the Gazette;
- (d) in subsection (4), by deleting -
 - (i) “subsection (3)(d)” wherever it appears and substituting “subsection (3)”; and
 - (ii) “2 years” and substituting “3 years”;
- (e) in subsection (7), by inserting a new paragraph -
 - “(c) if he no longer has links with the Ministry or entity which he represents in the Board”.”;
- (f) in subsection (8) -

- (i) by inserting “appointed under subsection (3)” after “if a Director” in the first line; and
 - (ii) by deleting “subsection (7)(b)” and substituting “subsection (7)”;
- (g) by deleting subsections (9), (10) and (11);
- (h) in subsection (12), by adding, to the proviso at the end of the following “or has been represented in three consecutive meetings”.

Meetings of Board of Directors

7. Section 9 of the Principal Law is amended -

- (a) by deleting subsection (5) and substituting -
“(5) at a meeting of the Board seven members shall constitute a quorum”;
- (b) by deleting subsection (6)(b) and substituting -
“the procedure for any of the committees that may be appointed under section 5(1)(b)”.

Shareholders and Chief Executive Officer

8. Part III of the Principal Law is amended by inserting the following new sections -

“Meetings of shareholders

9A. The shareholders of the Corporation -

- (a) shall hold at least one annual general meeting at which they shall consider -
 - (i) declaration of dividends; and

- (ii) audited financial statements;
- (b) may hold special meetings whenever the circumstances dictate;
- (c) may, where it is necessary to do so, cast their vote with respect to any issue, and the vote of a shareholder shall be equal to the number of shares it holds.

The Chief Executive Officer

9B. (1) The Minister shall, on the advice of the Board, appoint a Chief Executive Officer.

(2) The Chief Executive Officer shall be accountable to the Board of Directors.

(3) The Chief Executive Officer shall be responsible for the day to day management of the Corporation's activities.

(4) If for any reason, the Chief Executive Officer is absent from office for a period not exceeding three months, the Chairman shall, acting on the advice of the Chief Executive, appoint a person to act on his behalf.

(5) If the Chief Executive Officer is absent from office for a period exceeding three months, the chairman shall, acting on the advice of the Board, decide on the appropriate person to act on behalf of the Chief Executive Officer.

(6) The Minister may, acting on the advice of the Board, terminate the appointment of the Chief Executive Officer.”

PART IV - FINANCIAL PROVISIONS

Shares and share capital

9. Section 10 of the Principal Law is amended -
- (a) in subsection (1) -
 - (i) by deleting “M20,000,000” and substituting “M55,000,000”; and
 - (ii) by deleting “M20,000,000 shares” and substituting “M55,000,000 shares”;
 - (b) in subsection (2), by deleting “Board” and substituting “shareholders”;
 - (c) in subsection (3), by deleting “Sixty per cent” and substituting “Majority”;
 - (d) in subsection (4), by deleting-
 - (i) “Board” and substituting “shareholders”; and
 - (ii) “40%”;
 - (e) by inserting the following new subsection (5) -

“(5) Notwithstanding the provisions of section 10(3), the Government may, from time to time, offer its shares to a person, corporation or any other legal entity on such terms as may be determined by the Government in consultation with the other shareholders.”.

Expenditure of Corporation

10. Section 12 of the Principal Law is amended -
- (a) in subsection (1), by deleting -
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“but no Director save for a Managing Director is entitled to the payment of remuneration other than reasonable expenses out of the funds of the Corporation”;

- (b) in subsection (2), by deleting -

“that taking one year with another, its revenues shall be sufficient to meet its expenditures as current account” and substituting “in accordance with commercially oriented Principles”.

Appropriation of income, property and profits

11. Section 14 of the Principal Law is amended -

- (a) by deleting subsection (2) and substituting -

“(2) The shareholders of the Corporation shall declare dividends in accordance with the dividend policy that may be agreed upon from time to time;”

- (b) by inserting the following new subsection -

“(3) A declaration of dividends shall -

- (a) take into account repayment of any debts, amortization of losses, future capital requirements and expansion plans of the Corporation; and
- (b) strike the balance between the need to facilitate a return on investments made and the developmental objective of the Corporation.”.

Powers of Auditor General

12. Section 18 of the Principal Law is amended in subsection (2) by -

- (a) deleting “M1,000” and substituting “not less than M1,000 and not exceeding M2,000”; and
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- (b) deleting “six months” and substituting “not less than six months and not exceeding one year.”

Information to be furnished to Government and Legislature

13. Section 19 of the Principal Law is amended -
- (a) in subsection (1), by inserting in the opening words, after the word “Government” “and any other shareholders of the Corporation”;
- (b) in subsection (2), by deleting “Finance and Planning”.

Liquidation of the Corporation

14. Section 24 of the Principal Law is amended by inserting, at the end of the section -

“following a resolution of the shareholders.”.

NOTE

1. Act No. 13 of 1990
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ACT NO. 9 OF 2000

Hire Purchase (Amendment) Act 2000

An Act to amend the Hire Purchase Act 1974.

Enacted by the Parliament of Lesotho.

Short Title and Commencement

1. This Act may be cited as the Hire Purchase (Amendment) Act 2000 and shall come into operation on the date of its publication in the Gazette, and the Minister may appoint different dates for the coming into operation of the various provisions of the Act.

Application

2. Section 3 of the Principal Act is repealed and the following substituted.

“Application

3. This Act shall not apply to an agreement under which the state is the seller.”

Prospective buyer to be informed of cash price of goods and to be supplied with translation of agreement.

3. Section 4 of the Principal Act is amended by repealing subsection (2).

Agreements to be in writing and copy to be supplied to buyer

4. Section 5 of the Principal Act is amended by repealing -
- (a) subsection (2) and substituting the following subsection:

“(2) the seller shall, immediately after the making of the agreement, provide a copy thereof to the buyer.”
 - (b) subsection (3).

What agreements should contain

5. Section 6 of the Principal Act is amended in subsection (2) by repealing paragraph (a) and substituting the following paragraph -
- “(a) if a person as seller is a party to an agreement which does not substantially comply with the provisions of subsection (1), he commits an offence and is liable on conviction to a fine not less than M2000 (two thousand Maluti) or to imprisonment for a period not less than one year.”

Obligation of seller and buyer to furnish certain information to each other

6. Section 10 of the Principal Act is amended -

- (a) in subsection (1), line 2, by repealing the words “ten cents” and substituting the words:

“such amount as may be prescribed by the Minister in the Regulations”;

- (b) by repealing subsection (4).

Negotiable instruments

7. Section 12 of the Principal Act is amended in subsection (1), by putting a full stop after the word “offence” in line 4 and repealing “and liable on conviction to a fine not exceeding one hundred rand, or to imprisonment not exceeding a period of six months or to both such fine and imprisonment.”

Limitation of seller's right to enforce certain provisions of agreement

8. Section 13 of the Principal Act is amended -

- (a) in paragraph (b) line 8 by deleting “ten” and substituting “four-teen”; and

- (b) by inserting after section 13 the following section:

“13A (1) The seller shall within seven days of the signing of the agreement deliver to the buyer, goods which are the subject of the agreement under this Act.

- (2) delivery made pursuant to subsection (1) of this section shall be made in the presence of the buyer or a person appointed in writing by the buyer.”
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