

MEMORANDUM OF INCORPORATION

DIE WATERKLOOF VILLAGE HUISEIENAARSVERENIGING (NPC)

**REGISTRATION NUMBER: 1995/000684/08
(hereinafter referred to as "the Company")**

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1. Definitions

In this Memorandum of Incorporation, the following words and expressions shall, unless the context otherwise requires, have the meanings assigned to them below and related expressions shall bear corresponding meanings:

"Act" or "the Act" – the Companies Act, Act 71 of 2008, as amended and includes its Rules and Schedules to the Act.

"Address" – the address notified by a Member to the Company in accordance with 3.10 hereof.

"Administrative levy" – the levy on the gross purchase price, payable by a member to the Company on alienating an erf.

"Alienate" – selling, exchanging, donating or bequeathing by a Member of his Erf or, in the case of an entity, a disposing of its beneficial ownership or controlling interest in the entity, in the manner aforesaid.

"Annual General Meeting" – the yearly annual meeting of Members referred to in clause 8.1 hereof ("AGM" herein).

"Board" – the collective directors of the Company.

"Business days" – exclude any public holiday, Saturday or Sunday. When, in the MOI a particular number of days is prescribed, it excludes the first day but includes the last day thereof.

"Clearance certificate" – a certificate issued by the Company certifying that all amounts due to the Company by a Member has been fully paid.

"CIPC" – Companies and Intellectual Property Commission.

"Common property" – the undermentioned properties, registered in the name of the Company:

- (a) Portion 58 of Erf 12 Waterkloof Extension 3, Province of Gauteng, in extent 10 278 m², held by the Company under Title Deed No. T32005/1995.
- (b) Portion 13 of Erf 738 in the Township of Waterkloof Ridge, Province of Gauteng, in extent 962 m², held by the Company under Title Deed No. T32005/1995.
- (c) Units 2 and 3 in the Sectional Title Scheme SS Waterkloof Village, Scheme No. 243, held by the Company under Title Deed No. ST85430/1999.
- (d) Portion 12 (a portion of Portion 1) of Erf 738 in the Township of Waterkloof Ridge, Province of Gauteng, in extent 4 m², held by the Company under Title Deed No. T73583/1998.
- (e) Portion 4 of Erf 1970 in the Township of Waterkloof Ridge, Province of Gauteng, in extent 142 m², held by the Company under Title Deed No. T51258/2004.

"Development" – the residential complex known as WATERKLOOF VILLAGE including, the erven, common property, the units in the Sectional Development Scheme and all rental properties.

"Delivery" – the electronic transmitting of a document to a member.

"Director" – a member of the Board and includes any person occupying the position of a director.

“Electronic Communication” – has the meaning set out in section 1 of the Electronic Communications and Transactions Act, 2002.

“Eligible director” – a person qualified to serve as a director according to section 69 of the Act.

“e-mail” – a data message used or intended to be used as a mail message between the originator and addressee in an electronic communication.

“Erf” – the 65 (sixty-five) individual erven established on the Development and the collective units in the Sectional Title Scheme.

“Estate office” – the estate manager’s office in the development.

“File” – delivering a document to the Companies and Intellectual Property Commission [the Companies office].

“Financial statements” – includes the Annual Financial Statements of the Company.

“Financial year” – in respect of the Company, the last day of February of each year.

“Fine” – a sum of money imposed by the Board on a member as punishment for a contravention of a Rule or the MOI.

“Individual units” – the collective units in the Sectional Title Scheme.

“Juristic person” – includes a company incorporated in terms of the Act, a close corporation incorporated in terms of the Close Corporations Act, 1984 or a trust.

“Levies” – include levies, special levies and administrative levies.

“Member” – a Member of the Company, as referred to in clause 3.1 of the MOI.

“MOI” – this Memorandum of Incorporation of the Company.

“Member in good standing” – a member who is not in arrears with any levies, contributions, or other amounts due to the Company and who complies with the provisions of this MOI and the Rules.

“Members meeting” – a general or annual meeting of Members.

“Ordinary Resolution” – a resolution adopted with the support of more than 50% (fifty percent) of the voting rights exercised at a members’ meeting.

“Poll” – the process of voting, as opposed to the voting process by hands, where the number of Members and proxies have the number of votes determined by the voting rights they represent.

“Publish” – to publicise information to Members by any means that can reasonably be expected to bring information to Members’ attention.

“Person” – includes a juristic person.

“Proxy instrument” – the document by which a person is appointed to represent a member in a members meeting.

“Proxy” – the person appointed to represent a member in a members meeting.

“Record date” – the date before a members’ meeting by which the Directors will determine which members are not in good standing to attend a meeting.

“Rental Properties” – means the undermentioned immovable property rented by the Company from the various owners stipulated below:

- (a) Erf 1232 (previously a park) of the Township Waterkloof Extension 2, Registration Division JR, Province of Gauteng, in extent 1,8180 hectares, which Erf is rented from the City of Tshwane Metropolitan Municipality.

- (b) Erf 1279 (previously a park) of the Township Waterkloof Extension 3, Registration Division JR, Province of Gauteng, in extent 1,0934 hectares, which Erf is rented from the City of Tshwane Metropolitan Municipality.
- (c) Portion 21 of Erf 1230 of the Township Waterkloof Extension 2, Registration Division JR, Province of Gauteng, in extent 540 m², which portion is rented from the City of Tshwane Metropolitan Municipality; and
- (d) a portion of the remaining extent of Portion 4 of the Farm Waterkloof, No. 376, Registration Division JR, Province of Gauteng, which lease premises is rented from the Pretoria Country Club.

and any other future rented immovable property.

“Rules” – rules made, amended or repealed by the Board prescribed in section 15[3] and include House Rules, Access Control Security Policy, Conduct Rules and Rules and Guidelines for Home Maintenance and Redevelopment.

“Section” – a section of the Companies Act, Act 71 of 2008.

“Sectional Title Scheme” – SS Waterkloof Village, Scheme No. 243.

“Special Resolution” – a resolution adopted with the support of at least 75% (seventy five percent) of the voting rights exercised at a Members’ Meeting.

“Special levy” – a levy imposed by the Board in terms of clause 4 hereof.

“Unit” – a section shown as such on the approved Sectional Plan in the Sectional Title Scheme.

“Voting rights” – the entitlement of a Member to cast a vote on matters submitted for decision at a Members’ Meeting, subject to the provisions of this MOI and any applicable Rules.

Expressions in the Act shall bear the same meaning in the MOI.

The contra proferentem rule shall not apply in the interpretation of this MOI.

Words in the singular number shall include the plural number and vice versa, words importing the masculine gender shall include the female gender, and words importing natural persons, shall include juristic persons.

2. Incorporation, objects and nature of the Company

- 2.1 The Company is incorporated as a non-profit Company with members, as contemplated in Schedule 1 of the Act, in accordance with, and governed by, the unaltered applicable provisions of the Act, the applicable alterable provisions [subject to those amended/substituted in this MOI].
- 2.2 The Company is a juristic person which has all the legal powers and capacity of an individual except to the extent that a juristic person is incapable of exercising any such power, or having any such capacity.
- 2.3 The Company must apply all its assets and income to advance its stated objectives and subject to the aforesaid, may acquire and hold securities issued by a profit company or carry on a business, trade or undertaking.

- 2.4 Provision is made in the MOI for two classes of members, members with voting rights and members without voting rights.
- 2.5 The provisions of this MOI constitute an agreement between the Company and the Members, between the Members individually and the Company and the Directors.
- 2.6 The MOI does not contain any provision, the amendment of which is either subject to requirements for its amendment in addition to those set out in section 16 or that is prohibited from being amended, as contemplated in section 15(2)(b) or (c).
- 2.7 The company is incorporated as a non-profit company with members to promote and protect the communal interests of the Members of the Company and to maintain high security, aesthetic and environmental standards in the Development, and all ancillary objects, which are necessary to achieve these objects. It is recorded that the development of the whole Development is of a homogenous nature and that notwithstanding the fact that Members hold title to their Erven individually, the Company, through its Board of Directors, shall have all the powers that are necessary to accomplish the fulfilment of all objectives of the Company, including, but not limited to the powers specifically contained in this MOI and the Rules.

3. Membership

- 3.1 Membership of the Company is limited to any owner who is in terms of the Deeds Registries Act reflected as the registered owner of an Erf.
- 3.2 Subject to clause 3.6, the voting rights in the Company vests in its members.
- 3.3 The MOI does not limit or restrict the Company to allow for Membership by juristic persons. If a Member is a juristic person, it shall designate an individual to represent it at Members meetings.
- 3.4 Any Member who transfers an Erf shall cease to be a Member but shall not be released from any liability to the Company incurred prior to such transfer.
- 3.5 If more than one person owns an Erf, all such owners shall be jointly and severally liable for the due performance of any obligation to the Company, but they shall collectively have only one vote in respect of that Erf.
- 3.6 Except in respect of the one designated residential unit in the Sectional Title Scheme, the owners of all other units shall have no voting rights.
- 3.7 The executor of a deceased Member or the trustee of an insolvent Member shall ipso facto become a Member of the Company upon receiving his appointment.
- 3.8 No Member shall be entitled to resign from or otherwise terminate their membership in the Company, except by way of transfer of his Erf.
- 3.9 Where a Member is a juristic person, the directors, trustees, and/or members of such entity shall be personally liable, jointly and severally with the Member, for the due performance of all the Member's obligations in terms of this MOI.

3.10 Each Member:

- shall be required to provide the Company with written details of his/her e-mail address, it being competent for any Member to alter any such service address by written notice to the Company at the estate office;
- shall be deemed to have elected his erf or unit as his chosen domicilium citandi et executandi [place for being summoned and executed upon].

4. Levies

- 4.1 The Directors shall establish and maintain a levy fund for the purposes set out in this paragraph.
- 4.2 The Directors shall not later than 14 (fourteen) days prior to the last day of each financial year, prepare and approve a budget in respect of the levies, special levies and/or additional contributions payable by members during the new financial year, indicating the estimated amounts which shall be required by the Company to meet its necessary and other reasonably foreseeable expenses during the new financial year (including a reasonable provision in respect of reserve funds catering for annual and otherwise non-recurring costs), including without limitation a reasonable provision for future maintenance, repairs and replacements in respect of infrastructure and shall further specify, separately, the estimated surplus or deficit, if any, carried forward from the current financial year of the Company.
- 4.3 The Directors shall determine, in accordance with the criteria hereinafter referred to, a differentiated and/or weighted levy with respect to each Erf or Unit and advise each Member, in writing, prior to the last day of the financial year of the levies, special levies and/or additional contributions payable by such Member for the new financial year, having regard to the size of the Erf and further considering such other relevant criteria as the Directors shall in their discretion determine.
- 4.4 The levies payable by Members shall be determined by the Directors no later than 7 (seven) days before the end of the financial year, for presentation and noting at the next Annual General Meeting of Members. Levies shall be payable monthly in advance, on the first day of each subsequent month.
- 4.5 The budget shall be available for collection by Members at the offices of the Estate Manager not later than 3 (three) days prior to the last day of each financial year of the Company.
 - 4.5.1 The Board may impose a special levy on Members to cover necessary and unforeseen expenses not provided for in the approved budget. The Board may also determine the method and terms of payment of such levy.
 - 4.5.2 At least 10 (ten) days prior to the imposition of the special levy, the Board must notify all Members in writing, setting out full details of the amount, purpose, and reasons for the levy.

- 4.5.3 If at least 20% (twenty percent) of the Members object in writing to the proposed special levy within the notice period, the Board must convene a Members' meeting to decide, by majority vote, whether to ratify the imposition of the special levy.
- 4.5.4 With effect from the date on which the special levies have been approved, Members shall pay the newly imposed levies with effect from the first day of the month following approval until the end of that financial year.
- 4.6 Members shall pay interest on any arrear debt due to the Company, calculated monthly in advance, at the prime overdraft rate of the Company's Bank plus 3 (three) percent.
- 4.7 Where an Erf is owned by more than 1 (one) person all the registered owners of that Erf shall together be deemed to be collectively one Member of the Company and have the rights and obligations of one Member of the Company; provided however that all co-owners of any Erf shall be jointly and severally liable for the due performance of any obligation to the Company.
- 4.8 No Member shall have any rights as or be entitled to any of the privileges of being a Member of the Company unless all Levies and interest thereon in terms and any other sum (if any) which may be due and payable to the Company, from whatsoever cause arising, are paid up in full.
- 4.9 No Member shall be entitled to withhold payment of any levy or other amount owing to the Company, nor shall any Member be entitled to claim any set-off against any amount due to the Company, for any reason whatsoever.

5. Alienation or Letting of an Erf

- 5.1 No Member shall let or otherwise part with occupation of his Erf, whether temporarily or otherwise, unless the proposed tenant or occupier has first agreed in writing to be bound by and to observe the provisions of this MOI and the Rules, such agreement shall constitute a stipulatio alteri (a contract for the benefit of a third party) in favour of the Company. This clause shall not in any way derogate from the Member's liability and responsibility for the acts and omissions of such tenant or occupier.
- 5.2 A member shall not alienate an Erf unless it is a condition of the agreement that the Company has consented to the alienation and the transferee has bound himself in writing, to the satisfaction of the Company, to become on registration of the Erf or transfer of the interest into his name, a Member of the Company.
- 5.3 In the event of there being a dispute as to whether there has been a material change in "beneficial ownership" or in the "controlling interest," then such dispute shall be referred to the Board whose decision shall be final and binding.
- 5.4 A Member shall within 7 (seven) days after alienating his Erf provide the Company of a copy of the deed of sale.

- 5.5 The registration of transfer of an Erf into the name of that transferee shall ipso facto, constitute the transferee as a Member of the Company. The Member shall procure that the following conditions of title are inserted into the deed of sale and title deed of the Erf:

“(a) (i) Die eienaar en sy Opvolgers in Titel is verplig om lid te wees van die Waterkloof Village Huiseienaarsvereniging (Ingelyf in terme van Artikel 21 van die Maatskappye Wet 1973) Nr 95/000684/08 onderhewig aan die Akte van Oprigting (Memorandum of Incorporation) en die reëls wat van tyd tot tyd in terme van klousules 3.19 en 3.20 van die Akte van Oprigting, afgekondig word.

(ii) Die eienaar en sy opvolgers in titel sal nie geregtig wees om enigsins die eiendom te vervreem of oor te dra of op enige wyse met die eiendom te handel of om enige opsie of reg rakende die eiendom te verkoop, te skenk of te verleen sonder die vooraf verkree skriftelike toestemming van die Waterkloof Village Huiseienaarsvereniging nie, welke toestemming nie onredelik weerhou sal word nie.”

- 5.6 The transfer of an Erf to another person shall not relieve the Member of any obligations owed to the Company in respect of the period during which they were a Member.
- 5.7 The owner of an Erf may not subdivide an Erf, erect a second dwelling on the same Erf, rezone an Erf or in any way change the use for which an Erf has been zoned, whether by way of rezoning or a consent use or otherwise, without the prior written approval of the Company.
- 5.8 The Member alienating his Erf shall be liable for an administrative levy, payable prior to the transfer date of such Erf.
- 5.9 An Erf or where applicable, the beneficial ownership, shall not be transferred, without a Clearance Certificate having been obtained and all monies due having been paid by the Member.
- 5.10 The Company shall be entitled to levy an administration fee in respect of the issue of each such Clearance Certificate and similarly in respect of any extended Clearance Certificate.

6. Compliance with this Memorandum of Incorporation and Rules

- 6.1 The Company shall enforce compliance by its Members with its MOI and Rules in such manner as it may deem fit, and, without limiting the foregoing, it may:
- 6.1.1 impose a system of fines or other penalties, as determined by the Board from time to time; and/or,
 - 6.1.2 suspend or limit services; and/or,
 - 6.1.3 take such other lawful steps available to it in law, including steps to remedy any breach by a member and recover the costs of so doing.

7. Amending Memorandum of Incorporation and Rules

- 7.1 If a special resolution is adopted at a members' meeting, or pursuant to the provisions of Clause 8.3, the Company shall file a Form CoR 15.2 notice within fourteen (14) days. The amendment shall become effective as of the filing date.
- 7.2 The Company's Rules, may be amended, deleted or substituted by the Board in accordance with the provisions set out in clause 10.13.

8. Meetings of Members

8.1 Annual General Meeting

- 8.1.1 The Company shall, on direction of the Board, not later than 9 (nine) months after the end of each Financial Year, on 15 days prior notice, hold a General Meeting of Members, to be known and described in the notice as an Annual General Meeting, which meeting shall be held in addition to any other General Meeting during that Financial Year.

8.1.2 Agenda items for Annual General Meetings

The following matters, apart from matters raised by the Board or Members, shall be dealt with at every Annual General Meeting:

- Presentation of the Board's report and the Financial Statements for the immediate previous year.
- the appointment of the auditor for the ensuing year.
- the noting of the Board's approval of the budget and levies for the financial year during which such Meeting takes place.

8.2 General Members Meetings

- 8.2.1 The Board may call a General Members' Meeting at any time.

- 8.2.2 The Board shall be obliged to call a General Members' Meeting if it receives a written demand signed by Members holding at least 10% of the total voting rights clearly stating the specific purpose for which the meeting is proposed.

8.3 Members acting other than at a meeting

- 8.3.1 An ordinary or special resolution that may be voted on at a General members' Meeting may instead be submitted to all Members entitled to exercise voting rights, for consideration and voting. Members shall have 20 (twenty) days from the date of submission to cast their votes in writing.
- 8.3.2 If the resolution is supported by the requisite percentage of voting rights, it shall be deemed to have been approved as if adopted at a General Members Meeting.

8.3.3 The Company shall notify all Members of the outcome of the vote within 10 (ten) days after the expiry of the 20-day voting period.

8.4 Venue of meetings

Members' Meetings shall take place at such accessible venue as determined by the Board.

8.5 Notice of meetings

8.5.1 The Company must deliver notice of a Members Meeting to all members at least 15 days prior to the commencement of a meeting.

8.5.2 The notice calling the meeting must be in writing, specifying:

- the date, time and place of the meeting.
- the general or specific purpose of the meeting.
- a copy of the proposed resolutions and the required percentage voting rights required for its adoption.
- a prominent statement of Members right to appoint a proxy.
- the record date.

8.6 Delivery of notices

A notice may be served by the Company upon any Member, either personally or by sending it by email to such Member's address. The e-mail must be accompanied by a cover message in either case setting out the following information:

- the name, address and telephone number of the sender;
- the name of the Member; and,
- the date of the message.

8.7 Chairing of Member Meetings

The Chairperson of the Board shall preside at all meetings of Members, provided that should he not be present within 10 (ten) minutes after the time appointed for the holding thereof, then the Directors present at such meeting, shall appoint a Chairperson for the meeting who shall thereupon exercise all the powers and duties of the Chairperson in relation to such meeting.

8.8 Conduct of meetings [quorum]

8.8.1 Members in good standing or where applicable, their duly appointed proxies must present reasonable identification and verification before attending a meeting.

8.8.2 Subject to 8.8.3, the quorum for a meeting is at least 20% of all members present in person or represented by proxy at the commencement of a meeting.

- 8.8.3 Subject to 8.8.4, if a quorum is not present within 30 minutes of the appointed time of the meeting, the meeting is postponed until the following week, same location and time of the meeting, without further notice. At such meeting the members present in person or represented by proxy, shall constitute a quorum.
- 8.8.4 Under exceptional circumstances where members are generally impeded to attend a meeting, the Chairperson may extend the meeting for 30 minutes to accommodate them.
- 8.8.5 Matters debated at any meeting may on motion, supported by most persons present or by proxy at the time, be adjourned without further notice, to a determined fixed time.
- 8.8.6 Member meetings shall be conducted in accordance with such procedural rules as may be determined by the Chairperson from time to time.
- 8.8.7 The Company may not conduct a meeting entirely by electronic means unless the Board resolves that exceptional circumstances justify such an arrangement.

8.9 Voting

- 8.9.1 Subject to clause 8.9.3, voting may either be by a show of hands or by poll.
- 8.9.2 If voting is by show of hands, each person present [whether as a member or as a proxy for a member, irrespective of the number of his voting rights], has one vote.
- 8.9.3 If voting is by poll, members or proxies have the number of votes determined with the voting rights they represent.
- 8.9.4 Voting on a particular matter must be by poll if a demand therefor is made by:
- at least 5 of voting members present, in person or by proxy or
 - members and proxies represent at least 10% of the voting rights
- 8.9.5 In the case of an equality of votes, the Chairperson of the General Meeting will be entitled to a second or casting vote.

8.10 Members resolutions

- 8.10.1 Every resolution of Members is either an ordinary resolution or a special resolution.

- 8.10.2 Resolutions must be expressed with sufficient clarity and specificity, accompanied by sufficient clarity or explanatory material to enable voting members to determine whether to partake in the meeting.
- 8.10.3 The Board may propose any resolution for Members' consideration at a Members Meeting or other than at a meeting, in terms of clause 8.3.
- 8.10.4 Any two members with voting rights may propose a resolution for members consideration at the next Members Meeting or other than at a meeting in terms of clause 8.3.
- 8.10.5 Once a resolution has been approved it may not be challenged on the ground that it did not comply with clause 8.10.2
- 8.10.6 Special resolutions are required to amend this MOI, to ratify actions by the Company or directors more than their authority or any fundamental transactions in terms of clause 15.

9. Proxies

- 9.1 A Member may appoint any individual as a proxy to participate in and speak and vote at a Members Meeting or give or withhold consent to a decision sought in terms of clause 8.3.
- 9.2 The appointment ["instrument" in this paragraph] must be in writing, dated, signed and delivered to the company at the estate office, two days before the meeting.
- 9.3 The appointment is revocable unless the instrument expressly states otherwise and if revocable, may be revoked by the member in writing and by delivering a copy of the revocation instrument to the proxy, and the Company.
- 9.4 If the company issues an invitation to members to appoint a proxy, or supplies an instrument for appointing a proxy:
- it must be sent to all members;
 - must bear a reasonable summary of the members rights set out in section 58;
 - must not require the proxy to be irrevocable;
 - contain a statement that it remains valid, except if revoked before exercised, until the end of the meeting;
 - contain adequate blank space preceding the named person to allow the member to write in the name of someone else;
 - provide adequate space for the proxy to vote in favour, against or abstain any resolution[s].

10. Directors

- 10.1 The business of the Company is managed by the Board which has the authority to exercise all the powers and perform all the functions of the Company except to the extent that the Act or the MOI provides otherwise.

- 10.2 The Board shall consist of not less than 4 (four) nor more than 7 (seven) eligible directors.
- 10.3 Each year, one third of the elected directors are to resign and be available, if so indicated, for re-election. The Board shall determine which directors are to resign in terms of this provision.
- 10.4 An eligible and elected person becomes entitled to serve as a Director of the Company when that person has delivered to the Company a written consent to serve as its director.
- 10.5 Any failure by the Company at any time to have the minimum number of Directors required by this MOI, does not limit or negate the authority of the Board, or invalidate anything done by the Board or the Company.
- 10.6 Nomination and voting for the appointment of directors
- 10.6.1 Except for Directors who have resigned in terms of clause 10.3 and are available for re-election, all other nominations for the election of Directors accompanied by a brief personal profile and career summary of the nominee must be submitted in writing to the Estate Office no less than 48 (forty-eight) hours before the commencement of the Members Meeting.
- 10.6.2 If there are more nominees received than vacancies on the Board, the Members will vote on each nominee separately in the order in which their nominations were received at the Estate Office. Those nominees receiving the highest number of votes will be regarded as duly elected, up to the maximum number of vacancies available as determined by the Board.
- 10.6.3 Directors are elected by Members, at any Members Meeting or other than a meeting, in terms of clause 8.3.
- 10.7 Board Committees
- 10.7.1 The Board may appoint any number of Board committees and may delegate to such committees any of the Board's authority.
- 10.7.2 Board committees may include eligible persons who are not directors.
- 10.8 Board Meetings
- 10.8.1 The Chairperson may call a meeting of the Board at any time and must call such a meeting if requested to do so by at least 2 directors
- 10.8.2 The Chairperson may on timeous notice, set the format and time of a meeting.

- 10.8.3 The meeting may be conducted by electronic communication subject to the facility employed, ordinarily enables all participants to communicate with each other effectively.
- 10.8.4 The majority of directors must be present at a meeting before a vote may be called.
- 10.8.5 Each director has one vote. A majority of votes cast on a resolution is sufficient to approve a resolution.
- 10.8.6 The Company must keep minutes of the meeting, including every resolution adopted and every disclosure of a director of his personal interest in a specific matter.
- 10.8.7 Every resolution must be dated and sequentially numbered and is effective from its acceptance, unless otherwise stated.
- 10.8.8 Minutes of each meeting, if accepted by the meeting and signed by the Chairperson at the next meeting, constitutes evidence of the contents thereof.
- 10.8.9 Decisions of the Board, communicated to each director prior to its adoption, may instead be adopted by written consent of a majority of directors.

10.9 Remuneration or financial assistance

The Company shall not, subject to the provisions herein, remunerate or render financial assistance to its directors.

10.10 Disclosure of personal financial interest

In this sub clause:

“related party” means a party married to, or live-in partner of the individual;

“financial interest” means a direct material interest of that individual of a financial monetary interest or economic nature or to which a monetary value could be attributed.

A Director or committee member must disclose his or a related party’s personal financial interest and information in respect of any matter to be considered at a board meeting, and if having made such disclosure, recuse himself from the meeting.

10.11 Standard of conduct

A Director or member of a committee must:

- not use his position, or any information obtained as a director/ committee member, to gain an advantage for him or others; and,
- forthwith communicate to the Board any information that could be material to the Company;
- perform his functions, in good faith and for a proper purpose in the best interest of the Company and with the degree of care, skill and diligence that may be reasonably expected from him;
- has taken reasonable diligent steps to become informed about a matter.

10.12 Liability

A Director or committee member may be held liable to the Company for breach of his fiduciary duties detailed in the Act and incur delictual liability for failing to perform his functions with the necessary degree of care, skill and diligence that may reasonably be expected from him.

10.13 Directors' obligations to maintain, enforce and amend Rules

- 10.13.1 In order to promote and implement the primary and ancillary objects of the Company, to ensure the beneficial management and conduct of the business and governance of the Company and to advance the interests of Members, the Board shall make, amend or repeal Rules by publishing information of amended, repealed or new Rules to all members.
- 10.13.2 The Rules refer to in clause 10.13.1 is binding on an interim basis from its publishing until put to a vote at the next Members Meeting and on its ratification at that meeting, on a permanent basis and must be filed within 10 (ten) days after being published, indicating clearly the extent and effect of the change, and within 10 (ten) days after been put to a ratification vote, confirming its acceptance or refusal.
- 10.13.3 Should a Member (including his employee, a member of his household, contractor, subcontractor, service provider, tenant, agent visitor or guest (including any customer, client or patient) whilst in or about the Development) breach the provisions of this MOI and/or the Rules, it shall be competent for the Company to take such steps as deemed necessary and to levy a fine and/or a penalty against the Member.
- 10.13.4 Any fines/penalties levied against the Members shall be payable together with the levies due at the commencement of the month following upon the month during which such fine or penalty was imposed.

10.14 Vacancies

A person ceases to be a director if:

- his term of office expires;
- resigns or dies;
- becomes incapacitated to perform his duties;
- becomes ineligible or disqualified in terms of section 69;
- is removed by a resolution of the Members or Board subject to, the provisions of prior notice, having been given an opportunity to make presentations and the further provisions of section 71.

10.15 Indemnification

10.15.1 The authority of the Board to:

- advance expenses to a Director or indemnify a Director in respect of the defence of legal proceedings, as set out in section 78(3) is not limited or restricted;
- indemnify a Director in respect of liability as set out in section 78(5) is not limited;
- purchase insurance to protect the Company, or Directors, as set out in section 78(6) is not limited or restricted.

10.15.2 A Director remains personally liable for loss because of his liability arising in terms of section 77[3][a][b] or [c], from wilful misconduct or breach of trust.

11. Financial Year End

The Company's financial year, which is its annual accounting period, ends on the last day of February each year.

12. Accounting and Company Records

12.1 The company must maintain:

- A copy of its MOI, Rules and amendments, record of directors;
- A record of its directors [full names, IDs, occupation, date of election, details of all his directorships, service address];
- Copies of reports tabled at the AGM;
- The Annual financial statements;
- Notices, minutes resolutions at all Members Meetings.

12.2 The Company must keep:

12.2.1 accurate and complete accounting records that satisfy its obligations with respect to the preparation of financial statements; and,

- 12.2.2 such records at, or ensure that they are accessible from, its registered office.
- 12.3 The Company must notify CIPC of the location where its company records are kept by filing a Form CoR 22, in accordance with the requirements of the Act.

13. Financial Statements

- 13.1 Although not required by the Act to have its financial statements audited, the Company elected to have them audited voluntarily.
- 13.2 The Company's financial statements must:
- satisfy the financial reporting standards prescribed;
 - present fairly the affairs and business of the Company;
 - reflect the Company's assets, liabilities, its income and expenditure;
 - be dated, published and state the accounting period;
 - include an auditor's report;
 - bear prominently that it was audited;
 - be presented at its forthcoming AGM.

14. Annual return

The Company must file with CIPC an annual return In Form CoR 30.1 together with a copy of its members' register and a copy of the register of the disclosure of beneficial interest in accordance with section 56 (12) of the Act.

15. Use of the Company's Name and Registration Number

- 15.1 The MOI limits and restricts the Company to withhold its full registered name and registration number to any person on demand and prohibits the Company to misstate its name or registration number in a manner likely to mislead or deceive any person.
- 15.2 The Company shall have its name and registration number mentioned in legible characters in all notices and other official publications of the Company.

16. Fundamental Transactions

Disposals, Mergers and Amalgamations, Dissolutions

- 16.1 The Company is prohibited from:
- amalgamating or merging with or converting to a profit company.
 - disposing any part of its assets, undertaking or business to a profit company, other than for fair value, except to the extent that such a disposition of an asset occurs in the ordinary course of the activities of the Company.
- 16.2 Any proposal to dispose of all or the greater part of its assets or undertaking or amalgamate or merge with another non-profit company shall be subject to the

provisions of sections 80, 115 and 116 and be submitted to the voting members for approval by 75% of the Members.

17. Enhanced Accountability and Transparency

The Company has elected not to comply with the extended accountability requirements set out in Chapter 3 of the Act.

18. Dispute Resolution

- 18.1 In the event that any Member disputes the allegation that they have breached any of the Rules or provisions of this MOI, the Member must refer the dispute to the Chairperson. The Chairperson shall provide a written decision to the Member within 7 (seven) days of receiving the referral.
- 18.2 Should the Member not accept the Chairperson's decision, the Member must, within 7 (seven) days of the decision being communicated to them, refer the dispute to a Committee of the Board. The decision of the Committee shall be final and binding on the Member.
- 18.3 The Committee shall consider the Member's dispute at such time, in such manner, and in accordance with such procedure as the Committee may determine. The Committee must notify the Member in writing of its decision, which shall be final and binding on the Member.
- 18.4 Should the Member fail to adhere to any of the time periods it will be deemed that the Member has accepted the decision.