



**Companies and Intellectual
Property Commission**

a member of the sba group

Date: 02/08/2021

Our Reference: 112093913

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Sequence: **12**

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RE: Amendment to Company Information

Company Number: 1999/018250/08

**Company Name: BLUE VALLEY GOLF AND COUNTRY ESTATE HOME OWNERS
ASSOCIATION NPC**

We have received a COR15.2 (Amendment of Memorandum of Incorporation) from you dated 30/07/2021.

The Amendment of Memorandum of Incorporation (1) was accepted and placed on file.

Yours truly

Commissioner: CIPC

THN THN

Please Note:

The attached certificate can be validated on the CIPC web site at www.cipc.co.za.

The contents of the attached certificate was electronically transmitted to the South African Revenue Services.



The Companies and Intellectual Property Commission
of South Africa

P.O. BOX 429, PRETORIA, 0001, Republic of South Africa. Docex 256, PRETORIA.

Call Centre Tel 086 100 2472, Website www.cipc.co.za



MEMORANDUM OF INCORPORATION

of

BLUE VALLEY GOLF AND COUNTRY ESTATE HOME OWNERS ASSOCIATION NPC

Registration No: 1999/018250/08

1. DEFINITIONS

1.1 In this Memorandum of Incorporation, the following words shall, unless the context otherwise requires, have the meanings herein after assigned to them:

1.1.1 "Act" means the Companies Act 71 of 2008;

1.1.2 "AGM" means Annual General Meeting as defined in clause 5.1.3;

1.1.3 "Associated Member" means any individual who is 21 (twenty one) years or older, living in the Estate, and who is either a spouse or a common law spouse or a child of a Member who is a natural person;

1.1.4 "Auditors" means the Company's appointed auditors from time to time;

1.1.5 "Board" means the board of Directors of the Company from time to time;

1.1.6 "Chairperson" means the chairperson of the Board, elected in accordance with this Memorandum of Incorporation or if that expression is used with reference to an AGM or a General Meeting or meeting of the Directors at which that person is not present or does not act as Chairperson, the person acting as Chairperson in accordance with the provisions of this Memorandum of Incorporation;

1.1.7 "Company" means Blue Valley Golf and Country Estate Home Owners Association NPC, Registration No:1999/018250/08;

1.1.8 "Company Agents" means any person or body appointed by the Company as an independent contractor in connection with the control and management of the Estate as required in terms of this



- Memorandum of Incorporation including without limitation, security, access control, gardening and related functions, but excluding any function undertaken by the Managing Agent;
- 1.1.9 "Company Rules" means any rules that are related to the compliance of Members made by the Board or proposed by Members and approved by an ordinary resolution of Members.
- 1.1.10 "Conditions of Establishment" means the applicable conditions of establishment as determined by City of Tshwane from time to time;
- 1.1.11 "The Developer" means Mitrajaya Development SA (Pty) Ltd., Registration Number: 1998/018122017;
- 1.1.12 "Directors" means the Directors of the Company who shall for the purposes of the Act, be the Directors of the Company appointed or elected in terms of clause 6 hereof from time to time;
- 1.1.13 "Estate" means the Blue Valley Golf and Country Estate;
- 1.1.14 "Estate Management" means employees appointed by the Company to execute its obligations and objectives.
- 1.1.15 "Facilities Owner" means collectively, the Owner of the Golf Course, Owner of the Clubhouse, Owner of the Tennis and Squash Courts and Owner of the office block;
- 1.1.16 "General Meeting" means any meeting of Members, apart from the AGM
- 1.1.17 "In writing" means written, emailed, printed or lithographed or partly one and partly another, and other modes of representing or producing words in a visible form;
- 1.1.18 "K27" means the road reserve within the Estate;
- 1.1.19 "Managing Agent" means any person or body appointed by the Company to undertake any of the functions of the Company, including, without limitation, the handling of levy accounts and administrative related functions, but excluding any function undertaken by the

Company Agents;

- 1.1.20 "Member" means a person, or persons or an entity referred to in clause 4.7.2.1 of this Memorandum of Incorporation;
- 1.1.21 "Nominations Committee" means the nominations committee referred to in clause 6.1.3.1;
- 1.1.22 "Owner" means any person or persons or entity which is in terms of the Deeds Registries Act 47 of 1937 reflected in the records of the Deeds Office as the registered owner of any Stand on the Property;
- 1.1.23 "Owner of the Golf Course" means the owner of the golf course, putting green and driving range on the Property from time to time, currently being the Developer;
- 1.1.24 "Owner of the Clubhouse" means the owner of the clubhouse on the Property from time to time, currently being the Developer;
- 1.1.25 "Owner of the Tennis and Squash Courts" means the owner of the tennis and squash courts on the Property from time to time, currently being the Developer;
- 1.1.26 "Owner of the stands listed in annexure "A" designated as parks within the Estate" means the owner of these stands from time to time, currently being the Developer;
- 1.1.27 "Owner of the Office Block" means the owner of the office block on Stand 3277 within the Estate, currently being the Developer;
- 1.1.28 "the Property" means the Stands developed on the proclaimed townships of Kosmosdal extension 16, 17, 18, 20-26, 29-33, 37, 38, 39, 40, 55, 56, and 70-80 established on the land referred to in 1.1.28.1 and 1.1.28.2, and any Stands to be developed in further townships to be proclaimed on:
 - 1.1.28.1 Portion 249 (a portion of portion 2), Portion 251 (a portion of portion 2) and Portion 252 (a portion of portion 2) of the Farm Olievenhoutbosch 389, Registration Division JR, Province of Gauteng; and



- 1.1.28.2 Portion 1052 (a portion of portion 19) of the Farm Randjesfontein 405, Registration Division JR, Province Gauteng.
- 1.1.29 "Regulations" means regulations promulgated under the Act, as amended from time to time;
- 1.1.30 "Residential 1 Zoning" means that the density of residential dwellings per one hectare should not exceed 10 dwellings.
- 1.1.31 "Residential 2 Zoning" means that the density of residential dwellings per one hectare should not exceed 20 dwellings.
- 1.1.32 "Stand" means any stand or any sectional Title unit in terms of the Sectional Titles Act 95 of 1986 developed or to be developed on the Property and zoned or to be zoned as Residential 1 Zoning and Residential 2 Zoning Stands, or for business.
- 1.1.33 "Township" means any township developed or to be developed on the Property; and
- 1.1.34 "Vice-Chairperson" means the vice-chairperson of the Board, elected in accordance with this Memorandum of Incorporation.
- 1.2 In this Memorandum of Incorporation, words and expressions that are defined in the Act and/or the Regulations and which are not defined herein shall bear the same meaning in this Memorandum of Incorporation as in the Act and/or Regulations.
- 1.3 References to a Member represented by proxy shall include Members entitled to vote represented by an agent appointed under a general or special power of attorney;
- 1.4 The holder of a general or special power of attorney given by a Member shall be entitled to vote, if duly authorised under that power of attorney to attend and take part in the meetings and proceedings of the Company, whether or not he/she is a Member of the Company;
- 1.5 All references to "Section/s" in this Memorandum of Incorporation refer to the corresponding sections of the Act, unless the context indicates otherwise and



all references to "clauses" are to clauses of this Memorandum of Incorporation:

- 1.6 References to Members entitled to vote present at a meeting or acting in person shall include juristic persons represented by duly authorised representatives;
- 1.7 Any reference to "present at such meeting" or "present at the meeting" will be construed in accordance with the definition of "present at a meeting" in the Act;
- 1.8 The headings are for reference purposes only and shall not affect the interpretation of this Memorandum of Incorporation;
- 1.9 Words in the singular number shall include the plural, and words in the plural number shall include the singular, words importing the masculine gender shall include the female gender, and words importing persons shall include created entities (corporate or not);
- 1.10 If any term is defined within the context of any particular clause in the Memorandum of Incorporation, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this Memorandum of Incorporation, notwithstanding that that term has not been defined in this clause 1;
- 1.11 Save to the extent Item 4(4) of Schedule 5 of the Act may permit this Memorandum of Incorporation to prevail, if the provisions of this Memorandum of Incorporation are in any way inconsistent with the provisions of the Act, the provisions of the Act shall prevail, and this Memorandum of Incorporation shall be read in all respects subject to the Act;
- 1.12 Any reference to an enactment is to that enactment as at the filing date and as amended or re-enacted or replaced from time to time and includes any subordinate legislation made from time to time under such enactment;
- 1.13 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any person, notwithstanding that it is only in clause 1, effect shall be given to it as if it were a substantive provision in the body of the Memorandum of Incorporation;
- 1.14 The rule of construction that a contract shall be interpreted against the party responsible for the drafting or preparation of the contract, shall not apply to



this Memorandum of Incorporation;

- 1.15 The words "include", "including", "in particular", "other" and "otherwise" shall be construed as being by way of example or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding word/s (and as such the *eiusdem generis* rule shall not apply);
- 1.16 Any reference in this Memorandum of Incorporation to any other agreement or document shall be construed as a reference to such other agreement or document as same may have been, or may from time to time be, amended, varied, novated or supplemented;
- 1.17 When a particular number of "business days" is provided for between the happening of one event and another, the number of days must be calculated by:
 - 1.17.1 excluding the day on which the first such event occurs;
 - 1.17.2 including the day on or by which the second event is to occur; and
 - 1.17.3 excluding any official South African public holiday, Saturday or Sunday that falls on or between the days contemplated in clauses 1.17.1 and 1.17.2 respectively.

2. COMPANY ADMINISTRATION

2.1 Incorporation

- 2.1.1 The Company was incorporated on 20 August 1999, and is therefore a pre-existing company incorporated under Section 21 of the Companies Act, 61 of 1973 and recognised under the Act as a Non-Profit Company as if it had been incorporated and registered in terms of the Act, as contemplated in item 2 of the Fifth Schedule to the Act as defined in the Act and is governed by:
 - 2.1.1.1 The unalterable provisions of the Act; and
 - 2.1.1.2 The alterable provisions of the Act subject to the limitations, extensions, variations or substitutions set out in this Memorandum of Incorporation; and



2.1.1.3 The provisions of this Memorandum of Incorporation.

2.2 Shared Responsibilities

2.2.1 The responsibility of maintaining the facilities within the Estate is shared by the following parties:

2.2.1.1 The Owner of the Golf Course is responsible for its maintenance, upkeep and operation.

2.2.1.2 The Owner of the Clubhouse is responsible for its maintenance, upkeep, operation and security.

2.2.1.3 The Owner of the Tennis and Squash Courts is responsible for its maintenance, upkeep, operation and security.

2.2.1.4 The Owner of the the stands listed in annexure "A" designated as parks within the Estate is responsible for their maintenance, upkeep.

2.2.1.5 The Owner of the Office Block is responsible for its maintenance, upkeep, operation and security.

2.2.1.6 The Developer is responsible for maintaining all stands owned by the Developer, the K27 road reserve and any other parks and servitudes owned by the Developer.

2.2.1.7 The Municipality (Tshwane Council) is responsible for maintaining the streetlights, road signs and road markings within the Estate and the infrastructure for the supply of water, sewage and electricity services as well as the ongoing reliable supply of these services to the Estate. This situation may change in future depending on the cost savings and the ability of the municipality to provide such services especially water and electricity. The Company may in future elect to manage the utilities to reduce costs and improve performance e.g. micro grid, back-up power and water and water saving measures.

2.3 Objects and Powers of the Company



- 2.3.1 The Company is responsible for all other matters related to the management of the Estate.
- 2.3.2 The main object of the Company is to carry on the business of controlling and managing common facilities and amenities, including liaising with the parties set in clause 2.2.1 to ensure such parties carry out their responsibilities as set out therein, in respect of the Property and to promote, advance, maintain and protect the communal interest of the Owners and occupiers of the Stands, and in particular, in so promoting such communal interest, to maintain and administer the communal financial interest and obligations of Members and Associated Members, to repair and maintain the landscaping of the private open spaces and parks and the security fence of the Township and to repair and maintain the entrance gates, to ensure acceptable aesthetic, architectural and environmental standards in the said Township and to repair and maintain all internal civil and internal electrical services.
- 2.3.3 Ancillary to the abovementioned object, the Company also has as its object the following:
 - 2.3.3.1 To exercise the rights created and still to be created over the Property and to formulate the rules on the control of buildings, walling, fencing, exterior lighting, signage, aesthetic planning and landscaping of the Property, and to ensure compliance of such rules and by laws by Members.
 - 2.3.3.2 To ensure compliance by Members of the Conditions of Establishment of any Township, building restrictions and requirements, and where necessary to ensure that the local authority enforces such Conditions of Establishment as set out in the conditions of township establishment in terms of section 125 of the Ordinance on Towns and Planning 15 of 1986, in respect of the different townships, as approved by aforementioned local authority.
 - 2.3.3.3 To implement and control the principal concept of development relating to the security, vegetation, continuity, parking, signage and advertising, exterior finishes at all



times and maintenance as detailed by urban designers, landscape architects and ecological planners of the Property.

- 2.3.3.4 To ensure that all Members maintain their Stands in a clean and tidy condition and adhere to the specifications imposed by the urban designers and landscape architects appointed by the Developers of the Township, from time to time, relating to the landscaping and ecological planning of their Stands, it being recorded that on approval of the building plans such specifications and requirements were incorporated. In the event of any Member failing to adhere to the specifications and maintenance of their Stand, the Directors shall be entitled, but not obliged, to perform the necessary acts and services and recover from such Member the costs thereof.
- 2.3.3.5 To consider and only if approved, consent to the proposed subdivision or rezoning of any Stand and to impose such conditions relating to landscaping and aesthetic appearance as they may deem fit.
- 2.3.3.6 To administer the general security arrangements on the Property, with particular reference to controlling access, patrolling, security systems, reaction and response to security incidents and the nature and type of security to be provided from time to time, excluding the security arrangement of any particular building on the Stands or the Members' own security responsibilities and systems.
- 2.3.3.7 Management of the collective interests of all Members, including expenditure applicable to the common property of such Members and the collection of levies for which such Members are liable.
- 2.3.3.8 To maintain the abovementioned infrastructure and to render such other services or to provide such other amenities in the Property as the Directors may from time to time decide.



2.3.3.9 To implement and ensure compliance by Members of a coordinated landscaping and broader development plan for the Property, and relates mainly to street verges and areas of individual Stands falling within building line reserves, and to create such rules as may be necessary in order to ensure compliance by Members with the provisions hereof.

2.3.4 The Company is not subject to any provisions contemplated in Section 15(2)(b).

2.3.5 The purposes and powers of the Company are not subject to any restrictions, limitations or qualifications, as contemplated in Section 19(1)(b)(ii).

2.3.6 Upon dissolution of the Company, its net assets must be distributed in the manner determined in accordance with Item 1(4)b of Schedule 1 of the Act.

2.4 Memorandum of Incorporation and Company Rules

2.4.1 This Memorandum of Incorporation of the Company may be altered or amended only in the manner set out in Section 16, 17 or 152(6)(b);

2.4.2 The Board or Members may propose rules for the Company, as contemplated in Section 15(3) - (5) with regards to the following aspects subject to approval by the Members and any restriction imposed or direction given at an AGM or a General Meeting of the Company or through a resolution as per clause 5.8.7.:

2.4.2.1 The preservation of the environment including the right to control vegetation and the right to prohibit and/or control the erection of fences and satellite and amateur radio antennae/dishes/receivers, whether upon or within the boundaries of any Stand;

2.4.2.2 The security, vegetation, continuity, parking, signage and advertising, exterior finishes, and maintenance of any Stand or building on the Property;

2.4.2.3 The right to prohibit, restrict or control the keeping of any



animal/bird or fish which they may regard as dangerous, obnoxious or a nuisance;

2.4.2.4 The placing or affixing of ornamentation or embellishments to the outside of buildings including the power to remove, or order the removal, or to procure an order for removal of any such objects;

2.4.2.5 The conduct of any person or persons within the Township for the preservation of peace and tranquility and the preventions of nuisance of any nature to any Member;

2.4.2.6 The right of reasonable access to any Stand in order to affect the maintenance of any matters referred to in this Memorandum of Incorporation.

2.4.2.7 The regulation of traffic and speed limits within the Estate and impositions of penalties in respect thereof.

2.4.2.8 The preservation and enhancement of Estate and Members' security, taking due cognisance of changing security threats.

2.4.2.9 Generally, with regards to any other matter which the Board considers necessary from time to time.

2.4.3 For the enforcement of any of the Company Rules in terms hereof, the Directors may:

2.4.3.1 give notice to the Member concerned requiring him to remedy such breach within such reasonable period as the Directors may determine;

2.4.3.2 in the event that a Member does not remedy his breach after the receipt of a notice in terms of 2.4.3.1 above, take or cause to be taken such steps as they may consider necessary to remedy the breach of the Company Rule of which the Member may be guilty, and debit the costs of so doing to the Member concerned which amount shall be deemed to be a debt owing by the Member concerned to the Company,



and/or

- 2.4.3.3 Impose a system of penalties, a list of which will be available at the office of the Company at all times. The amounts of such penalties shall be reviewed and confirmed at an AGM or at a General Meeting of the Company to be held in terms of clause 5.1 or through a written resolution or electronic voting as per clause 5.8.7.; and/or
- 2.4.3.4 take such other action including proceedings in Court, as they may deem fit.
- 2.4.4 In the event of the Directors instituting any legal proceedings against any Member or resident on a Stand for the enforcement of any of the rights of the Company in terms hereof, the Company shall be entitled to recover all legal costs so incurred from the Member concerned, calculated as between attorney and client.
- 2.4.5 In the event of any breach of the Company Rules by a Member or his Associate Members or employees or contractors or his family or guests or lessees, such breach shall be deemed to have been committed by the Member himself, but without prejudice to the foregoing, the Directors may take, or cause to be taken, steps against the person actually committing the breach as they in their discretion may deem fit.
- 2.4.6 In the event of any Member disputing the fact that he has committed a breach of any of the Company Rules, the dispute should be handled as per clause 14 of this Memorandum of Incorporation.
- 2.4.7 Any penalty imposed upon any Member shall be deemed to be a debt due by the Member to the Company and shall be recoverable by ordinary civil process.
- 2.4.8 Notwithstanding anything to the contrary herein contained, the Directors may in the name of the Company enforce the provisions of any Company Rules by civil application or action in a court of competent jurisdiction and any tribunal and for this purpose may appoint such legal practitioners as they may deem fit.



- 2.4.9 The Board of Directors must publish any Company Rules made in terms of Section 15 by delivering a copy of those Company Rules to each Member by email or by hand or which Company Rules will be made available to all Members and will be available at the office of the Company at all times. All Company Rules made by the Board must be ratified by the Members of the Company at the AGM or at a General Meeting or through a written resolution or electronic voting as per clause 5.8.7. following the delivery of the Company Rules to the Members in terms of this clause.
- 2.4.10 Any changes of the Company Rules, after they have been ratified by the Members, must be sanctioned by approval of the Board and approved by the Members according to simple majority either in an AGM or a General Meeting or through a written resolution or electronic voting as per clause 5.8.7.
- 2.4.11 The Company must publish a notice of any alteration of the Memorandum of Incorporation or the Company Rules by delivering a copy of those rules to each Member by email and filing a notice with the Companies Intellectual and Property Commission in accordance with Section 17.
- 2.4.12 Any Company Rules issued by the Directors with regards to conduct of Members or any other matter, in force on the date before this Memorandum of Incorporation is accepted by the Members, will remain of force and effect as if they were issued in terms of this clause 2.4.

3. APPLICATION OF OPTIONAL PROVISIONS OF COMPANIES ACT, 2008

The Company elects to, in terms of Section 34(2) of the Act, appoint an Auditor.

4. MEMBERS

4.1 Members' right to information

- 4.1.1 A Member has the rights to access information set out in Section 26(1). The Directors shall, from time to time, be entitled (but not obliged) to provide extracts of the Board minutes to Members if the Directors consider it necessary. The provision of information should not violate



any government laws or Acts such as Protection of Personal Information Act 4 of 2013, should not introduce any risks to the Estate or Owner and should not divulge personal information.

4.1.2 The Directors must inform Members on all aspects related to the Estate in a transparent way. Emails should be the official channel of communication between the Directors and the Members. The Directors can optionally utilise other additional channels of communication.

4.1.3 The Board should hold at least two information sessions during its term.

4.2 Representation by concurrent proxies

The right of a Member of the Company to appoint (2) two or more persons concurrently as proxies as set out in Section 58(3)(a) is not limited or restricted by this Memorandum of Incorporation.

4.3 Authority of proxy to delegate

The authority of a Member's proxy to delegate the proxy's powers to another person as set out in Section 58(3)(b) is not limited or restricted by this Memorandum of Incorporation.

4.4 Requirement to deliver proxy instrument to the Company

The requirement that a Member must deliver to the Company a copy of the instrument appointing the proxy before that proxy may exercise the Member's rights at a Members' meeting as set out in Section 58(3)(c) is not varied by this Memorandum of Incorporation.

4.5 Deliberative authority of proxy

The authority of the Member's proxy to decide without direction from the Member whether to exercise, or abstain from exercising, any voting right as set out in terms of Section 58(7) is not limited.

4.6 Record date for the exercise of Members rights

If, at any time, the Company's Board of Directors fails to determine a record date, as contemplated in Section 59, the record date for the relevant matter is

to be determined by the Board of Directors in terms of Section 59(3).

4.7 Membership

4.7.1 As contemplated in Item 4(1) of Schedule 1 of the Act, the Company has Members who are all in a single class, being voting Members, each of whom has an equal vote in any matter to be decided on by the Members of the Company.

4.7.2 The following persons will qualify as Members of the Company:

4.7.2.1 Any person or persons who is or are in terms of the Deeds Registries Act reflected in the records of the Deeds Office as the registered owner or owners of any Stand on the Property.

4.7.3 Where any Stand is owned by more than 1 (one) person, or more than 1 (one) entity, all the registered owners of that Stand shall together be deemed to be 1 (one) Member of the Company and have the rights and obligations of 1 (one) Member of the Company; provided however, that all co-owners of any Stand shall be jointly and severally liable for the due performance of any obligation to the Company.

4.7.4 Where multiple dwellings are erected within one stand as part of a Body Corporate within the Estate, then the owner or owners of each dwelling are considered Members of the Company.

4.7.5 A person signing an agreement or offer to purchase a Stand, will by signing such an agreement or offer to purchase apply to become a Member of the Company and upon becoming a registered Owner of a Stand such an application will be successful and the registered Owner will as from that date also be a Member of the Company, and when he ceases to be the owner of any such Stand he shall *ipso facto* cease to be a Member of the Company. The Owner will ensure that the purchase and sale agreement include a provision in terms whereof the purchaser consents to become a Member of the Company by making written application for membership, to the Company.

4.7.6 A person or party taking transfer of more than 1 (one) Stand will be



able to exercise the same number of votes as the number of Stands owned at that time by the person or party at meetings of the Members.

4.7.7 No Member shall let or otherwise part with occupation of his Stand, whether temporarily or otherwise, unless he has agreed in writing with the proposed occupier of such Stand as *astipulatio alteri* in favour of the Company that such occupier shall be bound by all the terms and conditions of this Memorandum of Incorporation, and such written agreement is lodged with the Company prior to the proposed occupier taking occupation of the Stand in question.

4.7.8 No registered Owner of a Stand may resign as a Member of the Company.

4.7.9 The rights and obligations of a Member shall not be transferable, and every Member shall:

4.7.9.1 further to the best of his ability the objects and interest of the Company;

4.7.9.2 observe all Company Rules, provided that nothing contained in this Memorandum of Incorporation of the Company shall prevent a Member from ceding his rights, in respect of the Stand by virtue of such Member being the Owner, as security to the mortgagee of the Member's Stand.

4.8 Duties of Members

4.8.1 Each Member shall:

4.8.1.1 Comply with the Conditions of Establishment of the Township.

4.8.1.2 Abide himself, his Associate Members and any other individuals he is responsible for, by the Memorandum of Incorporation and adhere to the Company Rules.

4.8.1.3 Pay the levies set by the Directors in terms of clause 4.8.2.1 hereof from time to time on due date.



4.8.1.4 Maintain his Stand in a clean and tidy condition and adhere to the provisions and guidelines established by the Directors to the satisfaction of the Directors. Should the Directors be of the opinion that a Member is not complying with this Memorandum of Incorporation, the Directors shall give such Member reasonable notice, depending on the nature of the breach, within which to remedy the breach, failing which, where possible, the Directors shall be entitled to perform the work or services which is required to be done or provided (or to have it done) at the expense of the Member, and shall be entitled to recover all expenditure in connection thereof from the Member, together with interest calculated thereon at prime bank rate of a bank of the Directors' choice, plus 2% (two percent) per annum, for the period date of expenditure to date of repayment. The aforementioned amount shall be added to the Owner's levy account.

4.8.1.5 Obtain the consent of the Directors regarding any building plans before submitting same for approval to the local authority and before commencing with any building, walling, fencing and signage operations, exterior lighting, painting or re-painting of exterior finishings. In the event of a Member being aggrieved by any decisions of the Directors, such dispute shall be first referred to the Estate Management for resolution and if the Member concerned still feels aggrieved by the decision of the Estate Management, then the matter should be escalated to the sub-committee responsible for the aesthetics of buildings within the Estate. If despite it being decided by the sub-committee, the Member further feels aggrieved by such decision, the Member should then take the matter to the Board of Directors. If again, the Member is not satisfied with the decision of the Board of Directors, the Member can require the case to be referred to an architect, whose identity shall be agreed upon by the parties. Should the parties be unable to agree on the identity of such architect within 7 (seven) business days of the declaration of a dispute, the matter shall be referred to the



President of the Institute of Architects for the Province of Gauteng, who shall be requested to appoint an architect for purposes of settling such dispute. The cost of any architect appointed or agreed upon in terms of the provisions of this clause, shall be borne by the party the decision goes against. Any architect so appointed, shall be suitably qualified in Gauteng as an architect with not less than 5 (five) years' experience, whose practice shall be within a radius of 100 (one hundred) Kilometers of the Property.

4.8.1.6 A Member may not take up occupation and/or residence on the Stand until written approval from Tshwane Municipality has been received and submitted to the Estate Management.

4.8.1.7 Allow the employees of the Company to enter on to his Stand for purposes of maintaining the landscaped areas, and to assist such employee/s with access to such areas should this be necessary.

4.8.1.8 Use and enjoy the Properties they own and/or occupy as well as the public areas and open spaces in accordance with their own rights, but as curtailed by the rights of other Members or occupants.

4.8.2 Levies

4.8.2.1 The amount of levies is determined and calculated as per clause 4.8.10 below. The Directors are required to set an annual budget for every financial year (January to December) to meet all the capital and operational expenses which the Directors reasonably anticipate the Company will be put in the attainment of its objects or the pursuit of its business.

4.8.2.2 The budget should be limited to the object of the Company in pursuit of the business of the Company, as set out in the purpose described in the main business of the Company.

4.8.2.3 If the increase in the levies set by the Directors for the next



financial year is greater than the levies of the current financial year by the Consumer Price Index (CPI) plus 4%, then the Directors must set up a resolution for the increase and obtain the approval of the budget and the levies by the Members according to simple majority either in a General Meeting or through a written resolution or electronic voting as per clause 5.8.7.

4.8.2.4 If the increase in the levies set by the Directors for the next financial year is equal to or less than the levies of the current financial year by the Consumer Price Index (CPI) plus 4%, then the Directors do not require the approval of the Members but must share the budget and levies details with the Members.

4.8.2.5 The setting of a special levy for special projects or reserve purposes should be set up as a resolution of the Board and it will require the approval of the Members according to simple majority either in a General Meeting or through a written resolution or electronic voting as per clause 5.8.7.

4.8.3 The Directors shall in not less than 30 (thirty) calendar days prior to the end of each financial year, prepare and serve upon every Member at the email address chosen by him, an estimate in reasonable detail of the amount which shall be required by the Company to meet the expenses during the following financial year, and shall specify separately such estimated deficiency if any, as shall result from the preceding year. The Directors may include in such estimate an amount to be held in reserve to meet anticipated expenditure not of an annual nature.

4.8.4 Each notice to each Member shall specify the contribution payable by that Member to such expense and reserve fund.

4.8.5 Every levy shall be payable in equal monthly instalments as determined, due in advance on the first calendar day of each and every month of each financial year.

4.8.6 In the event of the Directors for any reason whatsoever failing to



prepare and serve the estimate referred to in clause 4.8.3 above timeously, every Member shall until service of such estimate as aforesaid continue to pay the levy previously imposed and shall after such service pay such levy as may be specified in the notice referred to in clause 4.8.3.

- 4.8.7 In the process of preparing the annual budget, the Directors may impose special levies upon the Members for the reserve funds or for the purposes defined in 4.8.2.2 subject to clause 4.8.2.5. The reserve fund shall be at least 50% of the annual levies' income.
- 4.8.8 The Directors shall be empowered in addition to such other rights as the Company may have in law as against its Members to determine the rate of interest from time to time chargeable upon arrear levies, provided that such rate of interest shall not exceed the rate laid down in terms of the National Credit Act No 34 of 2005.
- 4.8.9 Any amount due by a Member by way of levy and interest shall be a debt due by him to the Company. The obligation of a Member to pay a levy and interest shall cease upon his ceasing to be a Member without prejudice to the Company's right to recover arrear levies and interest. No levy paid by a previous Member of the Company shall under any circumstances be repayable by the Company upon the Member ceasing to be a Member. A Member's successor in title to a Stand shall be liable as from the date upon which he becomes a Member pursuant to the transfer of that Stand, to pay the levy and interest thereon attributable to that Stand.
- 4.8.10 In calculating the levy payable by any Member, the levies will be determined by dividing the budgeted expenditure (after deducting non-attributable levy income [including any deficit carried forward from the previous financial year]) by the number of stands, subject thereto that the Directors shall be entitled within their entire discretion to:
- 4.8.10.1 Assign those costs directly attributable to a particular Township and which is also directly attributable to a specific Stand in that Township to the Member owning such Stand.
- 4.8.10.2 Apply a rebate with regards to a Stand that is a sectional

title unit.

- 4.8.10.3 The Directors may in any case where they consider it equitable to do so, assign to any Member any greater or lesser share of the costs as may be reasonable in the circumstances.
- 4.8.10.4 Levies shall not include rates and taxes charged by the local authority applicable to Stands and the Members in their capacities as Owners will be held responsible for the payment of the rates and taxes applicable to their own Stands.
- 4.8.11 All payments made by a Member and received by the Company, shall be allocated firstly towards interest, legal costs and thereafter capital.
- 4.8.12 The Directors must negotiate and agree with the Facilities Owners to set a portion of the levy, referred to as "social Levy" to be paid to the Facilities Owners to be spent on maintaining the facilities the Owners are responsible for as defined in clauses 2.2.1.1, 2.2.1.2, 2.2.1.3 and 2.2.1.4.

In respect of all and any obligation that a Member may incur in terms of this MOI or resolution taken by the board of directors, that Member's stand shall constitute their domicilium citandi et executandi for any and all legal proceedings.

4.9 Clearance Certificate

- 4.9.1 No Member shall transfer his Stand until the Board under the hand of 1 (one) of the Directors has certified that the Member has at date of transfer fulfilled all his financial obligations to the Company. No Stand or any interest therein shall be alienated without the consent of the Company. Such consent shall not be withheld unless:
 - 4.9.1.1 such Member is indebted to the Company in any way in respect of levies or other amounts which the Company may in terms of these presents be entitled to claim from him;
 - 4.9.1.2 the proposed transferee has failed to lodge to the Board, a

written application to become a Member and has failed to agree to be bound by this Memorandum of Incorporation and Company Rules made thereunder; and/or

- 4.9.1.3 such a Member remains in breach of any of the provisions of this Memorandum of Incorporation or any Company Rules after notice from the Directors requiring him to remedy such breach.
- 4.9.2 The Directors in issuing the certificate referred to in clause 4.9 above, shall be entitled to charge a reasonable fee therefore to be determined by the Directors from time to time subject to review by the Company in the AGM or in a General Meeting or through a written resolution or electronic voting as per clause 5.8.7.
- 4.9.3 The provisions of this Memorandum of Incorporation shall be binding upon all Members by, through or under any Member, whatever the nature of such occupation. No Member shall let or otherwise part with occupation of a Stand without the consent of the Company, which consent shall only be withheld if the Company is not satisfied that the proposed occupier of the Stand has complied with provisions of clause 4.7.7.

5. MEMBERS MEETINGS

- 5.1 General Meetings: Requirement to hold meetings
 - 5.1.1 The Company shall within 6 (six) months after the end of each financial year hold an AGM in addition to any other General Meetings during that year and shall specify the meeting as such in the notices in terms of clause 5.4 below calling such meetings.
 - 5.1.2 All other General Meetings other than the AGM, referred to in 5.1.1, shall be called General Meetings.
 - 5.1.3 The AGM must at minimum provide for the following business to be transacted:
 - 5.1.3.1 Directors' Report
 - 5.1.3.2 audited financial statements for the immediately preceding



- financial year;
- 5.1.3.3 appointment of an auditor
- 5.1.3.4 an audit committee report, if an audit committee is established
- 5.1.3.5 election of Directors
- 5.1.3.6 any matters raised by Members, as per clause 5.1.8
- 5.1.4 Any General Meeting can have any business matters to be transacted apart from the items defined in clauses 5.1.3.1 to 5.1.3.5.
- 5.1.5 The agenda of the AGM or any General Meeting is set by the Board.
- 5.1.6 Members can propose resolutions to be part of the agenda of the AGM or a General Meeting. Each resolution must be proposed by a Member and seconded by another Member. The Directors must ensure that the proposed resolutions by Members do not contradict this Memorandum of Incorporation or any other Company Rules or applicable laws, by-laws and regulations.
- 5.1.7 Apart from the requirement to deliver the notice of an AGM or a General meeting to Members as per clause 5.4, the Board is required to inform the Members of the date of the AGM or any General Meeting at least 25 business days before the date of the AGM or any General meeting.
- 5.1.8 Members can submit their proposed resolutions to be included in the AGM or in a General Meeting agenda at any time but no later than 7 (seven) calendar days from the notice date of the AGM or any General Meeting.

5.2 Members' right to demand a meeting

The right of Members to demand a meeting, as set out in Section 61(3), may be exercised by the holders of at least 10% (ten per cent) of the voting rights entitled to be exercised in relation to the matter to be considered at the meeting, despite provisions of that Section.

5.3 Location of Members meetings

The authority of the Board to determine the location of any Members meeting as set out in Section 61(9), is limited or restricted by this Memorandum of Incorporation to the extent that all meetings shall be held within the Republic of South Africa.

5.4 Notice of Members meetings

The minimum number of business days for the Company to deliver notice of a Members' meeting to the Members, as required by Section 62 is as provided for in Section 62(1), being 15 (fifteen) business days.

5.5 Electronic participation in Members meetings

The authority of the Company to conduct a meeting entirely by electronic communication or to provide for participation in a meeting by electronic communication as out in Section 63(2) is not limited or restricted by this Memorandum of Incorporation as long as the electronic communication employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate reasonably effectively on the meeting.

5.6 Quorum for Members meetings

5.6.1 The quorum requirement for a Members meeting to begin, or for a matter to be considered is 10% (ten per cent) of the votes entitled to be exercised in terms of clause 5.9, present in person or by proxy, subject thereto that at least 3 (three) Members are present as determined in Section 64 (3)(a).

5.6.2 If within 30 (thirty) minutes after the appointed time for a meeting to begin, the required quorum has not been met, the time periods allowed for postponement of the meeting in Section 64(4) and (5) apply to the Company without variation.

5.6.3 The authority of the meeting to continue or to consider a matter after the quorum has been met so long as at least 1 (one) Member remains present, as set out in Section 64(9), is not limited or restricted by this Memorandum of Incorporation.

5.7 Adjournment of Members meetings

5.7.1 The Chairperson appointed in terms of clause 6.5, will be authorized to adjourn a meeting of the Members for 7 business days if a quorum has not been reached within 1 (one) hour after the appointed time for the meeting to begin. Adjournment will take place as indicated in Section 64(4) - (13).

5.7.2 The maximum period allowable for an adjournment of a Members' meeting is 20 (twenty) business days after the record date or 60 (sixty) business days after the date which the adjournment occurred.



5.8 Members resolutions

- 5.8.1 For an ordinary resolution to be adopted at a Members' meeting, it must be supported by more than 50% (fifty per cent) of the votes exercised on the resolution, as provided in Section 65(7);
- 5.8.2 For a special resolution to be adopted at a Members' meeting, it must be supported by at least 67% (sixty-seven per cent), in accordance with Section 65(10).;
- 5.8.3 Exercised votes are defined as those excluding abstentions votes and spoiled votes.
- 5.8.4 A special resolution adopted at a Members' meeting is not required for a matter to be determined by the Company, except for the following matters:
 - 5.8.4.1 To amend the Company's Memorandum of Incorporation to the extent required by Section 16(1)(c);
 - 5.8.4.2 To ratify a consolidated revision of a Company's Memorandum of Incorporation, as contemplated in Section 18(1)(b);
 - 5.8.4.3 To ratify actions by the Company or Directors in excess of their authority, as contemplated in Section 20(2);
 - 5.8.4.4 To approve the voluntary winding up in the circumstance contemplated in Section 80(1);
 - 5.8.4.5 To approve the winding up of the Company in the circumstances contemplated in Section 81(1);
 - 5.8.4.6 To approve an application to transfer the registration of the Company to a foreign jurisdiction as contemplated in Section 82(5);
 - 5.8.4.7 To approve any proposed fundamental transaction, to the extent required by Part A of Chapter 5 of the Act, subject to Schedule 1 of the Act; or
- 5.8.5 The Chairperson of the Board shall preside as Chairperson at every



meeting of the Members of the Company;

5.8.6 The Directors can obtain the votes of Members on any single and ordinary resolution in accordance with Section 60.

5.8.7 A resolution which could be voted on at the meeting of Members may instead be submitted for consideration to the Members entitled to exercise voting rights in relation to the resolution and such resolution can be voted on in writing within 20 (twenty) business days after the resolution was submitted to them in accordance with Section 60. For the purposes of this clause, the Board may avail to the Members the use of an electronic voting platform provided the results of such platform will only be adopted if at least 10% (ten per cent) of the Members replied with a vote or participated on such electronic voting platform. For the resolution to be approved, it must be supported by more than 50% (fifty per cent) of the votes exercised on the resolution.

5.8.7.1 Resolutions put for voting to Members using clause 5.8.7 are restricted to ordinary resolutions and exclude resolutions specific to an AGM as defined in clause 5.1.3.

5.9 Votes of Members

At every AGM or General Meeting or a written resolution or electronic voting as per clause 5.8.7.:

5.9.1 Every Member, in person or by proxy and entitled to vote, shall have 1 (one) vote for each Stand registered in his name.

5.9.2 If a Stand is registered in the name of more than one person, then all such co-owners shall jointly have 1 (one) vote. Any of the registered owners can exercise the vote. The Company is not responsible for how the multiple owners agree between themselves on their single vote.

5.9.3 If a Stand is registered in the name of an entity, then the entity must provide a written designation to nominate a person to exercise the vote on behalf of the entity.

5.9.4 Any Member holding undeveloped land in the Township shall have 1 (one) vote for each separate piece of land registered in his name.

- 5.9.5 Save as expressly provided for in this Memorandum of Incorporation, no person other than a Member duly registered and who shall have paid every levy and other sum, if any, which shall be due and payable to the Company in respect of or arising out of his membership, shall be entitled to vote on any question, either personally or by proxy, at any meeting of the Members.
- 5.9.6 At any meeting of the Members, a resolution put to the vote of meeting, shall be decided on a show of hands, unless a poll (before or in the declaration of the result of a show of hands) demanded by the Chairperson or Members referred to in Section 63(7) of the Act, and unless a poll is so demanded, a declaration by the Chairperson that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority of negative, and an entry to that effect in the book containing the minutes of the proceedings of the Company, shall, in the absence of manifest error, be conclusive evidence of the fact, without proof of the number or the proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.
- 5.9.7 If a poll is duly demanded, it shall be taken in such manner as the Chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A scrutineer shall be elected to determine the result of the poll. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairperson of the meeting at which a show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
- 5.9.8 A poll demanded on the election of a Chairperson or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question, shall be taken at such time as the Chairperson of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.
- 5.9.9 Every resolution and every amended resolution proposed for adoption by Members, must be seconded at the meetings, and if not so



seconded, shall be deemed not to have been proposed.

6. DIRECTORS

6.1 Composition of the Board of Directors

6.1.1 The Board of Directors of the Company shall consist of a maximum of 8 (eight) elected Directors. During the term of the Board, the number of Directors should not be fewer than 5 (five).

6.1.2 A Director shall be a Member or an Associate Member of the Company. A Director, however, by accepting the appointment to office as such, shall be deemed to have agreed to be bound by all the provisions of this Memorandum of Incorporation.

6.1.3 If the number of nominees for the position of Directors is less than 8 (eight), then there will be no election and the nominees will be appointed as Directors on the date of the AGM.

6.1.4 If the number of appointed Directors as per clause 6.1.3 is less than 5 (five) then the Directors cannot exercise any duties or have any powers apart from appointing Members or Associated Members to become Directors to ensure that the total number of Directors is at least 5 (five)

6.1.5 If the number of nominees for the position of Directors is more than 8 (eight), then all 8 (eight) Directors will be elected by the Members at the AGM of the Company, as follows:

6.1.5.1 The Board should appoint an independent external company outside of the Estate to handle the nomination process for the positions of Directors in the next Board (the "Nomination Committee").

6.1.5.2 The Board should grant the authority to the Nomination Committee to work with the Estate Management and with the Managing Agent to process and administer the nomination and election process.

6.1.5.3 The Nomination Committee should ensure that in addition to satisfying the qualification and eligibility requirements set out in Section 69 of the Act, to become or remain a director



of the Company, a person must satisfy the following additional eligibility requirements and qualifications:

6.1.5.3.1 be a Member or an Associate Member related to the Member, with voting rights as per clause 5.9.5, of the Company at the time of nomination as Director;

6.1.5.3.2 may not be in breach of any of his/her obligations as a Member of the Company, as stipulated in the Memorandum of Incorporation or the Company Rules; and

6.1.5.3.3 must not have any criminal record.

6.1.5.4 The Nomination Committee is responsible for:

6.1.5.4.1 Sending the communication to homeowners for nomination allowing 7 (seven) calendar days for responding.

6.1.5.4.2 Receiving nomination forms which should include the details of the nominee, their qualifications and experience and reason for their nomination.

6.1.5.4.3 Vetting each nominee as per clause 6.1.5.3.

6.1.5.4.4 Preparing the final list of nominees and communicating it to the homeowners at least 14 calendar days before the date of the AGM.

6.1.5.4.5 Running the voting process by homeowners during the AGM.

6.1.5.4.6 Receiving and analysing the votes from homeowners during the AGM.

6.1.5.4.7 Providing the voting results to the Chair of the AGM for announcement to homeowners.

6.1.5.4.8 Providing a detailed report of the nomination and voting process to the newly elected Board.

6.1.5.5 To ensure the continuity within the Directors of the Board from year to year, if 4 (four) or more of the Directors who completed their term nominate themselves for the next

term, then 3 (three) of these Directors shall be elected to the new Board according to the number of votes being above 50% of the total votes they secured from Members at the AGM. Failing that, the Directors will compete with the other nominees without having the continuity privilege. The remaining Directors will be elected based on the number of votes they secured as nominees from Members at the AGM. The continuity privilege applies to Directors who were elected in the last AGM and completed their term.

6.1.5.6 To ensure the continuity within the Directors of the Board from year to year, if only 3 (three) or fewer of the Directors who completed their term nominate themselves for the next term, then those Directors shall be elected to the new Board as long as they secured more than 50% of the total votes from Members at the AGM. Failing that, the Directors will compete with the other nominees without having the continuity privilege. The remaining Directors will be elected based on the number of votes they secured as nominees from Members at the AGM. The continuity privilege applies to Directors who were elected in the last AGM and completed their term.

6.2 Removal and Rotation of Directors

Save as set out in clause 6.3 below, each Director shall continue to hold office as such from the date of his commencement to office until the next AGM following his said appointment, at which meeting each Director shall be deemed to have retired from office as such but will be eligible for re-election to the Board of Directors at such meeting.

6.3 A Director shall be deemed to have vacated his office as such if:

- 6.3.1 he resigns from his office by notice in writing to the Company or dies;
- 6.3.2 he has been disqualified to act as a Director in terms of the provisions of Sections 69 of the Act;
- 6.3.3 he has been discharged from office under circumstances contemplated

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in Section 70 of the Act;

- 6.3.4 he has been discharged from office under circumstances contemplated in Section 71 of the Act;
- 6.3.5 he becomes of unsound mind;
- 6.3.6 he is absent from more than 2 (two) meetings of the Directors without leave having been granted to him.
- 6.3.7 a vote of no confidence is passed by Members in a General Meeting based on simple majority as per Section 71(1) of the Act or is otherwise removed as per other provisions of the Act.
- 6.3.8 he no longer complies with clause 5.9.5 or clause 6.1.5.3.3.
- 6.3.9 In the case of all Directors vacating office, the departing Directors should arrange for an AGM before vacating office. Failing that, the Managing Agent and Estate Management will be responsible for arranging to hold the AGM.

6.4 Filling Vacancies of the Board

Upon any vacancy occurring in the Board of Directors prior to the next AGM, the vacancy in question shall be filled by a Member or an Associate Member of the Company as follows:

- 6.4.1 If the number of remaining Directors is 5 (five) or more, then it is to the discretion of the remaining Directors to fill the vacancy or not.
- 6.4.2 If the number of remaining Directors is less than 5 (five), then the Directors must fill the vacancies to ensure that the number of Directors is between 5 (five) and 8 (eight), inclusive.
- 6.4.3 The remaining Directors will assess and define the expertise and skills needed to carry out the function of the vacant position or positions in the Board and appoint a Members or Associate Members accordingly.
- 6.4.4 Any Member or Associate Member appointed by the Directors to fill in the vacancy in the Board must satisfy the nomination conditions set out in clause 6.1.3.3.



6.5 Chairperson

- 6.5.1 The Directors will at the first meeting after being appointed as such in terms of clause 6.1.3, elect the Chairperson and a Vice-chairperson from their number to hold office as such for one year until the first Board meeting after the following AGM, where a new Chairperson will be elected
- 6.5.2 The Chairperson and the Vice-chairperson will be elected at the meeting referred to in clause 6.5.1 by a simple majority of Directors' votes.
- 6.5.3 In case of equal votes in electing the Chairperson, the Director with the higher number of votes obtained at the AGM will be elected as Chairperson. In case of equal votes in electing the Vice-chairperson, the Director with the higher number of votes obtained at the AGM will be elected as Vice-chairperson.
- 6.5.4 The Chairperson elected in terms of this clause 6.5, shall hold its office until the AGM next after its said appointment, provided that the office of Chairperson shall so facto be vacated by a Director holding such office upon him ceasing to be a Director for any reason. In the event of any vacancy of the aforesaid office occurring during the term for which the Chairperson is elected, the Vice-chairperson shall immediately act as a replacement in such office, and that such a replacement will only hold office until the following AGM where after a new Chairperson and Vice-chairperson will be elected in accordance with the provisions in this clause 6.5.

6.6 Chairperson to Preside at Meetings

Except as otherwise provided, the Chairperson shall preside at all meetings of the Board and all AGMs or General Meetings of Members and, in the event of his not being present within 5 (five) minutes of the scheduled time for the start of the meeting or in the event of his inability or unwillingness to act, the Vice-chairperson is appointed for the meeting.



7. DIRECTORS' MEETINGS

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, subject to the following provisions:

- 7.1 In accordance with Section 74 of the Act, a decision that could be voted on at a meeting of the Board may instead be adopted by written consent of a majority of the Directors given in person, or by electronic communication, provided that each director has received notice of the matter to be decided.
- 7.2 The right of Directors to demand a meeting of the Board, as set out in Section 73(1), may be exercised by at least 2 (two) of the Directors.
- 7.3 The authority of the Board to conduct a meeting entirely by electronic communication, or to provide participation by electronic communication, as set out in Section 73(3) is not limited or restricted by this Memorandum of Incorporation.
- 7.4 The authority of the Board to determine the manner and form of providing notice of its meetings, as set out in Section 73(4) is not limited or restricted by this Memorandum of Incorporation.
- 7.5 The authority of the Board to proceed with a meeting despite failure or defect in giving notice of the meeting as set out in Section 73(5) is not limited or restricted by this Memorandum of Incorporation.
- 7.6 The quorum necessary for the holding of any meeting of the Directors shall be 4 (four) Directors present.
 - 7.6.1 If the number of Directors on the Board falls below 5 (five), then the quorum necessary for holding a Directors' meeting shall be the number of the remaining Directors.
 - 7.6.2 In the case contemplated by clause 7.6.1, the remaining Directors will cease to perform all functions of the Board apart from filling the vacancies in the Board as detailed in clause 6.4.
- 7.7 Each Director has 1 (one) vote on a matter before the Board.
- 7.8 A simple majority of the votes cast on a resolution is sufficient to approve a

resolution of the Board. The Chairperson will have a casting or a deciding vote in the case of equality of votes for and against any resolution.

8. DIRECTORS COMPENSATION

8.1 The Directors shall be entitled to compensation in respect of all reasonable and bona fide expenses that have been incurred by them respectively, in the execution of their duties as Directors.

8.2 Apart from the above, the Directors shall not be entitled to remuneration for the execution of their duties, except if the Company has so decided by means of a special resolution approved within the previous 2 (two) years at the AGM of the Company and in accordance with item 1(3) of Schedule 1 of the Act.

9. AUTHORITY OF THE BOARD OF DIRECTORS

The authority of the Board to manage and direct the business and affairs of the Company, as set out in Section 66(1) is limited or restricted as follows:

9.1 Powers of Directors

9.1.1 Subject to the express provisions hereof, the Directors shall be responsible for the administration, control, management and services required in the fulfilment of the objects of the Company as defined in clause 2.2 hereof, and to manage and control the business and affairs of the Company. The Directors shall have full powers in the management and direction of such business and affairs including the right of appointment and dismissal of the Managing Agent and Company Agents, may exercise all such powers of the Company and do all such acts on behalf of the Company as may be exercised and done by the Company and as are not by the Act or by this Memorandum of Incorporation required to be exercised or done by the Company in an AGM or a General Meeting, subject, however, to such Company Rules as may have been made by the Company in an AGM or a General Meeting or as may be made by the Directors from time to time.

9.1.1.1 Since the term of the Directors is one year, the continuity in initiatives, strategy and knowledge must be maintained in this changing environment by the Estate Management.



9.1.1.2 The role and function of the Directors is to decide and direct, as part of an oversight role in line with proper governance, while the role and function of Estate Management is to manage the Estate under the direction of the Board, in accordance with the MOI, Rules and strategy, using its own employees and facilities as well as those of the Managing Agent and other Company Agents.

9.2 Employees and Committees

9.2.1 The Board may appoint or dismiss any employee it considers necessary to better achieve the objects of the Company, provided it complies with the applicable legislations.

9.2.2 The authority of the Board to appoint or abolish sub-committees of Directors, and to delegate to any such sub-committee any of the authority as set out in Section 72 (1) of the Act, or to include in any such sub-committee persons who are Members or Associated Members as set out in Section 72 (2) (a) of the Act is not limited or restricted by this Memorandum of Incorporation.

9.2.3 The authority of a sub-committee appointed by the Board, as set out in Section 72 (2) (b) and (c) of the Act may be restricted or limited by the Board when the sub-committee is so established.

9.2.4 Save as specifically provided in this Memorandum of Incorporation, the Directors shall at all times have the right to engage on behalf of the Company the services of a Managing Agent and Company Agents such as guarding services companies, garden maintenance companies, security systems maintenance companies, accountants, auditors, attorneys, advocates, architects, engineers and any other professional firm or person or other employees whatsoever for any reason deemed necessary by the Directors and on such terms as the Directors shall decide.

9.2.5 Subject to any restrictions and direction given at an AGM or a General Meeting of the Company, the powers of the Directors shall include the following:

9.2.5.1 To act as review to approve in principle any design concepts submitted prior to any detailed sketch, plans or working



drawings made, and thereafter approve sketch plans being submitted;

9.2.5.2 To attend to the final approval of any building plans prior to such plans being submitted to the local authority;

9.2.5.3 To appoint for and on behalf of the Company such Managing Agent and Company Agents and employees as they deem fit, in connection with the control, management and administration required in terms of this Memorandum of Incorporation, more particularly for the maintenance of the street verges and areas of individual Stands falling within building line reserves as defined in clause 2.3.3.9 hereof;

9.2.5.4 To delegate to one or more of the Members or Associated Members, such of their powers and duties as they may deem fit, and at any time to revoke such delegation;

9.2.5.5 To make rules for the control, use, safety, cleanliness and aesthetic landscaping of the Property and to determine by rule from time to time promulgated, the security, vegetation, continuity, parking, signage and advertising, exterior finishes and maintenance;

9.2.5.6 To open and operate current accounts and savings accounts with a banking institution or a building society;

9.2.5.7 To purchase, hire or otherwise acquire movable and/or immovable property for use fulfilling the duties imposed on the Directors in terms of this Memorandum of Incorporation;

9.2.5.8 To liaise with the local authority regarding any matter falling under the ambit of this Memorandum of Incorporation, or on behalf of any Member;

9.2.5.9 To utilise the facilities and equipment of the Company for purposes of providing a maintenance service in respect of the individual Stand of any Member relating to such Member's Stand, excluding the area defined in clause 2.3.3.9

hereof, against a remuneration to be determined by the Directors from time to time;

9.2.5.10 To ensure that the Members adhere to the provisions of this Memorandum of Incorporation;

9.2.5.11 To do all things reasonably necessary for the enforcement, management, control and administration devolving upon the Directors in terms of this Memorandum of Incorporation, as more fully set out in this clause with regard to the Company Rules.

9.2.6 The Directors are hereby empowered to establish for administrative expenses of funds sufficient in the opinion of the Directors for the upkeep, control, management and administration required to be performed by the Directors in terms of this Memorandum of Incorporation and for the apposition of such movables and immovables as may be required for purposes of providing the services to be rendered in terms hereof, or for the discharge of any duty imposed upon the Directors in terms hereof.

9.2.7 The utilization of funds by the Directors should be within the shared or approved budget with Members in accordance with clause 4.8.2.2. If the Directors have to overspend on the budget to meet unbudgeted needs by the Estate, then the Directors have the authority to do so if the overspend is less than or equal to 5% (five per cent) of the annual budget. However, if the overspend required is more than 5% (five per cent) of the annual budget, then the Directors must resolve to do so and obtain approval for the resolution from Members based on simple majority, either in a General Meeting or through a written resolution or electronic voting as in accordance with clause 5.8.7.

9.2.8 The Board shall have the right to invite to the Board any person or persons chosen by it for consultative purposes. The invited person or persons shall not be entitled to cast a vote at Directors' meetings, and such invited person or persons need not necessarily be a Member or an Associated Member of the Company.



10. INDEMNIFICATION OF DIRECTORS

- 10.1 The authority of the Company to advance expenses to a Director or to indemnify a Director, in respect of legal proceedings as set out in Section 78(4) is not limited or restricted by this Memorandum of Incorporation.
- 10.2 The authority of the Company to indemnify a Director in respect of any liability, as set out in Section 78(5), is not limited or restricted by this Memorandum of Incorporation.
- 10.3 The authority of the Company to purchase insurance to protect a Company, or a Director, as set out in Section 78(7), is not limited or restricted by this Memorandum of Incorporation.

11. ACCOUNTING RECORDS

- 11.1 The Directors shall cause such accounting records as are prescribed by Section 28 of the Act to be kept. Proper accounting records shall not be deemed to be kept if there are not kept such accounting records as are necessary fairly to present the state of affairs and business of the Company and to explain the transactions and financial position of the trade or business of the Company.
- 11.2 The accounting records shall be kept or be accessible from the registered office of the Company.

12. ANNUAL FINANCIAL STATEMENTS

- 12.1 The Directors shall from time to time, in accordance with Section 29 and 30 of the Act, cause to be prepared and laid before the Company in an AGM such annual financial statements, group annual financial statements and group reports (if any) as are referred to in those Sections.
- 12.2 The annual financial statements of the Company will be audited annually by the Auditor.
- 12.3 A copy of any annual financial statements which are to be laid before the Company at the AGM in terms of Section 30 (3)(d) and 61(8)(a)(ii) of the Act, shall, not less than 21 (twenty one) calendar days before the date of the meeting, be sent electronically to every Member or by hand or by post to the last known address of such a Member.



13. DISCLAIMER RESPONSIBILITY

- 13.1 The Company shall not be liable for any injury to any person, damage to or loss of any property, to whomsoever it may belong, occurring or suffered, upon the Estate regardless of the cause thereof nor shall the Company be responsible for any theft of property occurring on the Estate. Members hereby acknowledge that they shall not, under any circumstances have any claim or right of action whatsoever against the Company for damages, loss or otherwise, nor be entitled to withhold or defer payment of any amount due by them for any reason whatsoever.
- 13.2 The Company, and/or its Managing Agent and Company Agents shall not be liable to any Member or any of the Member's lessees, or their respective employees, agents, servants, invitees or customers or any Member of the public dealing with the Member or any lessee for any injury or loss of any description which the Member or any such other Person aforesaid may suffer or sustain whether directly or indirectly in or about the Estate, regardless of the cause thereof.
- 13.3 Members hereby accept responsibility for and indemnify the Company and its employees, servants, Managing Agent, Company Agents and lawful invitees against all claims by any Person arising from any injury or loss or damage as contemplated in this clause 13.

14. DISPUTE RESOLUTION

- 14.1 Save where it is expressly stated otherwise in this Memorandum of Incorporation, in the event of any dispute arising between a Member and the Directors (as the representative of the Company) as to the construction, meaning or interpretation of any of the provisions of these clauses or as to the rights, obligations or liabilities of the Company or any Member in terms of these clauses, the parties shall forthwith meet to attempt to settle such dispute or difference and failing such settlement within a period of 14 (fourteen) calendar days, then such dispute or difference shall be submitted to and decided by summary arbitration.
- 14.2 The arbitration shall be held -
- 14.2.1 at Sandton, Johannesburg;



- 14.2.2 in a summary manner, that is, on the basis that it shall not be necessary to observe or carry out either the usual formalities or procedures as prescribed by the Arbitration Act or the Strict rules of Evidence; and
 - 14.2.3 as soon as reasonably practicable in the circumstances and with a view to it being contemplated within 21 (twenty one) business days after it is demanded.
- 14.3 The Arbitrator shall be a Person agreed to between the parties to the dispute and failing agreement, a Person nominated for such purpose by the president (or failing him, the secretary) for the time being of the Legal Practice Council (or its successors in title).
- 14.4 The Arbitrator shall determine –
- 14.4.1 the issues submitted to him according to what he considers just and equitable in the circumstances and accordingly shall not be obliged to adhere to the strict rules of the law;
 - 14.4.2 which party shall pay the costs of and incidental to the arbitration or, if each is to contribute, the ratio of their respective contributions.
- 14.5 The Arbitrator shall be deemed to act as an expert and not as an Arbitrator.
- 14.6 The decision of the Arbitrator shall be -
- 14.6.1 final and binding on all parties;
 - 14.6.2 carried into effect; and
 - 14.6.3 capable of being made an Order of any Court of competent jurisdiction.
- 14.7 Nothing in this clause shall preclude any Party from approaching Community Schemes Ombud Service for any dispute resolution.
- 14.8 Nothing in this clause shall preclude any party from approaching a Court of Law to resolve or enforce any provision in terms of the MOI or Rules as adopted from time to time.

