Companies and Intellectual Property Commission

Republic of South Africa

Memorandum of Incorporation (“MOI”)

of

LINKS GOLF CLUB (RF) LIMITED

registration number 2006/017924/06, which is a public company and is referred to in this MOI as “the Company”.

The long standard form of MOI for a profit company shall not apply to the Company.

This MOI is in a form unique to the Company, as contemplated in section 13(1)(a)(ii) of the Companies Act 71 of 2008, as amended.

Adoption of MOI

This MOI was adopted by special resolution passed 9 December 2024 and in substitution for the existing memorandum of incorporation of the Company.

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1. **ARTICLE 1 – INTERPRETATION**

In this MOI –

1.1 headings are for the purposes of convenience and reference only and shall not be used in the interpretation of this MOI;

1.2 unless the context clearly indicates a contrary intention, an expression which denotes -

1.2.1 any gender includes the other genders;

1.2.2 a natural person includes an artificial person and *vice versa*;

1.2.3 the singular includes the plural and *vice versa*;

1.3 the following expressions shall, unless the context clearly indicates a contrary intention, bear the following meanings and related expressions shall bear corresponding meanings –

1.3.1 "**Act**" - the Companies Act 71 of 2008;

1.3.2 "**Association**" – the St Francis Links Homeowners Association NPC, registration number 2006/017273/08;

1.3.3 "**beneficial owner**" – in the case of a shareholder who is not a natural person, the natural person who ultimately owns the shareholder or is able to exercise effective control in respect of that shareholder, as contemplated in the Act, the Trust Property Control Act 57 of 1988 and/or the Financial Intelligence Centre Act 38 of 2001, all as amended by the General Laws Amendment Act 22 of 2022;

1.3.4 "**board**" - the board of directors for the time being and from time to time of the Company;

1.3.5 "**body corporate**" – a body corporate as defined in section 1 of the Sectional Titles Act;

1.3.6 "**CIPC**" – the Companies and Intellectual Property Commission established in terms of section 185 of the Act;

1.3.7 "**chart of authority**" – the chart adopted and amended by the board of the Company from time to time, setting forth the levels of authority to make decisions and delegation of authority by the board of its powers, which will likewise apply in respect of the Association and the general manager of the Association. A copy of such document can be accessed on www.stfrancislinks.com;

1.3.8 "**the Club**" – the golf course, club and related facilities managed by the Company for the benefit of the club members;

1.3.9 "**the Company**" – the Links Golf Club (RF) Limited, registration number 2006/017924/06;

1.3.10 "**Committee**" – a committee of the board as appointed on the instruction of and having the delegated authority of the board of the Company and the board of the Association to act in an advisory, consultative and disciplinary capacity related to social and golf activities at the Club;

1.3.11 "**CSOS**" - the Community Schemes Ombud Service established in terms of the Community Schemes Ombud Service Act, 9 of 2011;

1.3.12 "**company rules**" – the governance rules, if any, of the Company as may be formulated by the board in accordance with section 15(3) of the Companies Act and article 2.3 below;

1.3.13 "**compliant**" – in relation to a shareholder means a shareholder who is not in arrears by more than 60 days in respect of any amount due and owing to the Association or the Company;

1.3.14 "**conduct rules**" – rules to regulate the conduct of members of the Club as contemplated in article 9. A copy of the most current conduct rules can be accessed on www.stfrancislinks.com;

1.3.15 "**directors**" - the directors (and where applicable, alternate directors) for the time being and from time to time of the Company;

1.3.16 "**dispose**" - to sell, alienate, transfer, exchange, make over, give, donate, unbundle, distribute, encumber or otherwise dispose (whether by way of, *inter alia*, a donation, a dividend *in specie* or pursuant to the terms of a will, grant of option or any other transaction which has the same economic effect) and the word "disposal" shall bear a corresponding meaning;

1.3.17 "**electronic communication**" – has the meaning set out in section 1 of the Electronic Communications and Transactions Act, 25 of 2002;

1.3.18 "**entity**" – any natural person, association, business, close corporation, company, concern, enterprise, firm, joint venture, partnership, trust, organ of state and/or other undertaking whether or not having legal personality;

1.3.19 "**estate** – the St Francis Links Estate, including all open spaces, the golf course and land within the boundaries of the estate;

1.3.20 "**file**" - when used as a verb, to deliver a document to CIPC in the manner and form, if any, prescribed in the Act or the Regulations for that document;

1.3.21 "**general meetings**" or "**meetings of shareholders**" – meetings of the shareholders of the Company as contemplated in article 5.1.2;

1.3.22 "**good standing**" – in relation to a member means a member who has not been suspended from using the facilities of the Company in terms of the rules of the Club;

1.3.23 "**land**" – any land in the estate, including any subdivision capable of individual ownership, whether such land is improved or not, and any sectional title scheme under the provisions of the Section Titles Act, if a sectional title scheme has been established on any such land;

1.3.24 "**member**" - the individual natural person nominated by the shareholder as the person entitled to exercise the rights and be subject to the obligations of a member of the Club;

1.3.25 "**MOI**" - the memorandum of incorporation of the Company as set out herein, including any schedules;

1.3.26 "**owner**" – a person who is the registered owner of land or any undivided share in land in the estate;

1.3.27 "**parties**" – collectively, the Company, the shareholders, the directors and the prescribed officers, as contemplated in the Act (if any), of the Company and a reference to "party" shall be deemed to be a reference to any of them as the context may require;

1.3.28 "**POPIA**" - the Protection of Personal Information Act, 4 of 2013;

1.3.29 "**prime rate**" - the rate of interest publicly quoted by the Company's bankers, from time to time, as being its prime rate of interest (expressed as a nominal annual compounded monthly in arrear rate), calculated on a 365 day a year basis, irrespective of whether or not the year is a leap year and *prima facie* proved, in the event of there being a dispute in relation thereto, by a certificate signed by any manager of the aforesaid bank (whose appointment, qualification or authority need not be proved);

1.3.30 "**principal member**" – the individual natural person so nominated and appointed by a body corporate, after the opening of a sectional title scheme in respect of a piece of land, or by an owner or co-owners in terms of Addendum A to the Sale Agreement to act for and on behalf of the owner/s in all dealings with the Company and to exercise for and on behalf of such owner/s all shareholder rights and obligations of a shareholder in terms of this MOI, including the exercise of voting rights, and which individual the Company will be entitled to deem to be fully mandated to act as if he/she is the shareholder him/herself, until the authorisation is formally withdrawn by written notice to the Company;

1.3.31 "**Regulations**" – the Companies Regulations promulgated in terms of the Act, as amended from time to time;

1.3.32 "**RSA**" – Republic of South Africa;

1.3.33 "**Sale Agreement**" – the standard form agreement executed by a purchaser in terms of which such purchaser acquires land in the estate and becomes an owner, including all annexes to such document;

1.3.34 "**share**" – an ordinary share in the Company;

1.3.35 "**shareholder**" – a registered owner of shares in the Company and where the context so requires, will be deemed a reference to the relevant principal member nominated by the shareholder;

1.3.36 **"stated objects**" – the objects of the Company as set out in article 2.2 and a reference to "stated object" shall be deemed to be a reference to any of them as the context may require;

1.3.37 **"voting rights**" - in relation to each shareholder, the voting rights exercisable by such shareholder at any relevant date in connection with any relevant matter;

1.4 a reference to a section refers to the corresponding section of the Act;

1.5 words and expressions which are defined and used or have a particular meaning ascribed to them in a particular context in the Act shall, when used in this MOI in a similar context, bear the same meaning unless excluded by the subject or the context, or unless this MOI provides otherwise;

1.6 where any term is defined within the context of a particular article, the term so defined shall, should that term be used elsewhere in this MOI, bear the meaning ascribed to it in that article, unless it is clear from the context that such meaning is to be restricted exclusively to the use of that term within that article;

1.7 any reference to any law, national or provincial legislation, regulation, by-law or other enactment having the force of law (collectively "law") is to such law as at the date on which this MOI is adopted and as amended, re-enacted or substituted from time to time thereafter;

1.8 should any provision contained in a definition be a substantive provision conferring any right or imposing any obligation on any party then, notwithstanding that it is only contained in this interpretation article, effect shall be given to it as if it were a substantive provision in this MOI;

1.9 when any number of days is prescribed, such number shall exclude the first and include the last day unless the last day falls on a day which is not a business day, in which case the last day shall be the next succeeding business day;

1.10 the use of a specific example (whether or not after the word "including" or "such as") shall not be construed as limiting the meaning of the general wording preceding it, (*eiusdem generis* rule) and accordingly wherever the words "includes", "such as" or "including" and/or words of a similar nature are used in this MOI, the words "without limitation" shall be deemed to follow them;

1.11 the rule of construction that the contract shall be interpreted against the party responsible for the drafting or preparation of the agreement (the *contra proferentem* rule) shall not apply;

1.12 all of the schedules, if any, hereto are deemed to be incorporated herein and shall have the same force and effect as if they were contained in the body of this MOI;

1.13 words and/or expressions which have been defined shall bear the same meanings when used in the schedules, if any, hereto;

1.14 a reference to any statutory body or court shall be construed as a reference to that statutory body or court as at the date on which this MOI is adopted and as substituted from time to time thereafter by successor statutory bodies or courts, as the case may be;

1.15 the words "shall", "will" and "must", when used in the context of any obligation or restriction imposed on a party, shall have the same meaning;

1.16 a reference to any legal principle, doctrine or process under South African law shall include a reference to the equivalent or analogous principle, doctrine or process in any other jurisdiction in which the provisions of this MOI may apply or to the laws of which a party may be or become subject;

1.17 a reference to -

1.17.1 "business day" shall be construed as being any day other than a Saturday, Sunday or public holiday in the RSA;

1.17.2 "business hours" shall be construed as being the hours between 07:30 and 16:30 on any business day;

1.17.3 day/s, month/s or year/s shall be construed as day/s, month/s or year/s in the Gregorian calendar;

1.17.4 any written agreement shall be a reference to that agreement as amended, substituted or replaced from time to time in accordance with its terms;

1.18 any communication which is required to be "in writing" shall, to the extent permitted in law, mean legible writing in English and includes, save as otherwise provided in this MOI, a communication which is written or produced by any substitute for writing or which is partly written or partly so produced, and shall include printing, typewriting, lithography, facsimile and electronic mail and any form of electronic communication contemplated in the Electronic Communications and Transactions Act, 25 of 2002;

1.19 no provision shall, unless otherwise provided, constitute a stipulation for the benefit of any person (*stipulatio alteri*);

1.20 should any provision in a definition in this article 1 be a substantive provision conferring any right or imposing any obligation on any person, then notwithstanding that it is only in a definition in this article 1, effect shall be given to it as if it were a substantive provision in this MOI.

2. ARTICLE 2 – INCORPORATION AND NATURE OF COMPANY

2.1 Incorporation

2.1.1 The Company is incorporated, as from the date of incorporation reflected in its registration certificate being 7 June 2006, as a public profit company.

2.1.2 The Company is constituted in terms of section 19(1)(c) in accordance with and governed by -

2.1.2.1 the unalterable provisions of the Act (subject to any higher standards, greater restrictions, longer periods of time or more onerous requirements set out in this MOI in accordance with section 15(2)(a)(iii)); and

2.1.2.2 the alterable provisions of the Act (subject to any negation, restriction, limitation, qualification, extension or other alteration set out in this MOI in accordance with section 15(2)(a)(ii)); and

2.1.2.3 the provisions of this MOI (subject to and in accordance with section 15(2)).

2.2 **Objects and powers of the Company**

2.2.1 The object of the Company is **the acquisition of profit to manage the Club on the estate for the benefit of all shareholders**, and all related or ancillary activities necessary for or incidental to the main object.

2.2.2 The Company is not subject to any restrictive conditions or prohibitions contemplated in section 15(2)(b) or (c).

2.2.3 The legal powers and capacity of the Company are not subject to any restrictions, limitations or qualifications, as contemplated in section 19(1)(b)(ii).

2.2.4 The Company has all of the legal powers and capacity of an individual except to the extent that -

2.2.4.1 the Company, as juristic person, is incapable of exercising any such power or having any such capacity; or

2.2.4.2 this MOI provides otherwise.

2.2.5 The Company is specifically authorised to transact with the Association in any manner approved by the board, including appointing the Association as its agent for any purpose.

2.2.6 Each shareholder of the Company is also a member of the Association. Each shareholder as a member of the Association is liable for the payment of levies and other charges raised by the Association in respect of expenditure incurred by the Association in performing its responsibility to manage the estate for the communal benefit of all members. The Club may act as agent for the Association in collecting any amounts due to the Association as levies and other charges by a shareholder.

2.3 **Memorandum of Incorporation and company rules**

2.3.1 This MOI may be altered or amended only in the manner set out in sections 16, 17 or 152(6)(b) of the Act.

2.3.2 The board's authority to make, amend or repeal any company rules, as contemplated in section 15(3) to 15(5A) of the Act, is not limited or restricted in any way by this MOI.

2.3.3 The board must publish –

2.3.3.1 any company rules made in terms of section 15(3);

2.3.3.2 any alteration of this MOI or the company rules made in terms of section 17(1), pursuant to correcting a patent error or defect existing on the face of the MOI or company rules,

by delivering a notice of the rule/s or alteration to each shareholder and must subsequently file a notice of such rule/s or alteration with CIPC.

2.3.4 A company rule made, amended, published and filed in accordance with article 2.3.3 not being inconsistent with the Act and this MOI –

2.3.4.1 takes effect on the date being 10 business days form the date of filing thereof or the date specified in the rule, whichever it the later;

2.3.4.2 is binding on an interim basis from the date it takes effect until the date it is put to a vote of the shareholders at the next general meeting of shareholders or by way of a written ordinary resolution of shareholders;

2.3.4.3 is binding on a permanent basis only if it has been ratified by an ordinary resolution of shareholders adopted in accordance with article 2.3.4.2 above.

2.4 **Application of optional provisions of the Act**

2.4.1 As the Company's Public Interest Score will exceed 350 in any financial year –

2.4.1.1 the Company's annual financial statements are required to be audited annually and accordingly the Company is required to appoint an auditor annually at the Company's annual general meeting. Due to the affairs of the Company and the Association being inextricably linked and closely aligned, the audit appointment for the Company and the Association shall be the same entity and such auditor shall audit both the Company and the Association;

2.4.1.2 the Company may be required to appoint a Social and Ethics Committee unless exempted from such requirement in accordance with the Act and Regulations. Due to the affairs of the Company and the Association being inextricably linked and closely aligned, should the appointment of a Social and Ethics Committee be mandatorily required for the Company, any committee so appointed shall be deemed to be the Social and Ethics Committee for purposes of any such requirement which may be applicable in respect of the Company.

3. **ARTICLE 3 – SECURITIES OF THE COMPANY**

3.1 **Shares**

3.1.1 The Company is authorised to issue **1600 ordinary shares with a par value of R1.00** each.

3.1.2 The number of ordinary shares issued by the Company shall equate to the number of properties registered in the name of members of the Association on the basis that each piece of land separately registered as such shall entitle the owner of such land to 1 ordinary share in the Company. For the avoidance of doubt, it is recorded that no shares attach to the land owned by and registered in the name of the Association itself.

3.1.3 Shares in the Company can only be acquired when an owner takes transfer of ownership of a piece of land in the estate and no share in the Company is capable of being transferred or registered in the name of any person who is not an owner of land in the estate. Land in the estate cannot be acquired without the person taking transfer of such land also becoming the registered owner of a share in the Company and a member of the Association. Upon a piece of land being transferred, the share associated with such land must also be transferred to the person taking transfer of the land and such transferee will likewise compulsorily become a member of the Association.

3.2 **Rights attaching to shares**

3.2.1 Each share issued by the Company ranks *pari passu* with all other shares in respect of all rights and entitles its holder -

3.2.1.1 to be entered in the securities register of the Company as the registered holder of a share;

3.2.1.2 subject to article 5.6.1 to receive notice of, attend, participate in, speak at and vote on any matter to be considered at, any meeting of shareholders, on the basis that at a meeting of shareholders on a poll each shareholder shall have one vote for each share held;

3.2.1.3 to participate equally with every other share in any distribution to shareholders, whether during the existence of the Company or upon its dissolution;

3.2.1.4 subject to the provisions of this MOI, the right to receive, in proportion to the number of the shares in issue, a share of the total net assets of the Company remaining upon its liquidation; and

3.2.1.5 any other rights attaching to the shares in terms of the Act or any other law, provided that no termination of rights accruing to the shares of any shareholder, whether by operation of any agreement or this MOI, will give rise to the creation of a class of shares; any class of shares may only be created in terms of this MOI by way of a special resolution of the shareholders.

3.2.2 Without a special resolution, the preferences, rights, limitations and other terms of the shares may not be amended. The board's powers in terms of sections 36(3) and (4) are accordingly limited as the following changes in the share capital of the Company may only be authorised by a special resolution of the shareholders of the Company -

3.2.2.1 any increase or decrease in the number of authorised shares of any class of shares;

3.2.2.2 reclassify any classified shares that have been authorised but not issued;

3.2.2.3 classify any unclassified shares that have been authorised but not issued; or

3.2.2.4 determine the preferences, rights, limitations or other terms of shares in a class set out but not specified.

3.2.3 Subject to the provisions, if any, as set out in this MOI, and without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred or special rights, or subject to such restrictions, whether in regards to dividend, voting, return of share capital or otherwise, as the Company may from time to time determine, and the Company may determine that any preference shares shall be issued on the condition that they are, or are at the option of the Company, liable to be redeemed.

3.2.4 The authority of the board to authorise the Company to issue secured or unsecured debt instruments as set out in section 43 (2), is subject to each such issue being made in terms of a general approval granted by ordinary resolution of the shareholders in the two years immediately preceding the issue.

3.2.5 The authority of the board to grant special privileges associated with any debt instruments to be issued by the Company, as set out in section 43 (3), is subject to each such grant being made in terms of a general approval granted by ordinary resolution of the shareholders in the two years immediately preceding the grant.

3.3 **Certificates and register**

3.3.1 Share certificates shall be issued under the authority of the board but only to the owners of property on the estate. All share certificates shall be numbered in numerical progression beginning with the number one and each certificate shall be distinguished by its appropriate number, and by such endorsement as may be applicable in terms of law.

3.3.2 Every person whose name is entered in the register of shareholders shall be entitled to one certificate for the share registered in its name. Every shareholder shall be entitled to one share certificate initially issued free of charge upon it becoming a shareholder, but for every subsequent certificate the directors may make such charge they may think fit from time to time, provided that if a share certificate is defaced, lost or destroyed it may be renewed on payment of such fee and on such terms as to evidence and indemnity as the directors may think fit.

3.3.3 A share certificate registered in the names of two or more persons shall be delivered to the person first named in the register of shareholders (who shall be the person appointed as principal member in terms of article 1.3.30) as holder thereof, and delivery of a certificate for a share to that person shall be sufficient delivery to all joint holders of that share.

3.3.4 Where land is owned -

3.3.4.1 in undivided shares by more than one owner, all the owners of the land as reflected in the deeds office, shall be jointly registered as shareholders on the basis that they shall between them hold one vote per share reflected in such share certificate and shall be obliged to appoint a principal member as contemplated in article 1.3.30. Such co-owners shall be bound jointly and severally by the MOI and the company rules;

3.3.4.2 by sectional title owners of units, where a sectional title register has been opened on the land, the body corporate of that sectional title scheme shall be deemed to be the shareholder on the basis that the owners of units shall collectively between them hold one vote, the body corporate shall be reflected as the shareholder in such share certificate and shall be obliged to appoint a principal member as contemplated in article 1.3.29. The owners of the sectional title units shall be bound jointly and severally by the company rules;

3.3.4.3 by a juristic person, it shall be obliged to appoint a principal member as contemplated in article 1.3.30;

3.3.4.4 by a partnership, multiple heirs or other forms of fractional ownership, shares will be issued in the name of such entity. The entity shall nominate one of its members or partners as the principal member as contemplated in article 1.3.30.

3.3.5 Every shareholder shall be obliged to nominate a member of the Club who shall be the person appointed as principal member in terms of article 1.3.30 and which person shall be liable for the annual golf subscriptions which are payable to the Company and which shall be determined by the board from time to time and all actions or omissions of such principal member shall be attributed to the shareholder nominating such principal member. Any amount due by a member whether in respect of annual golf subscriptions or any other amount falling due for payment under this article, which remains unpaid after the same has fallen due, shall bear interest as from the due date for payment to the date for payment at the prime rate plus 5 percentage points. Such interest shall be calculated and compounded monthly

3.3.6 A shareholder will remain a shareholder for as long as it owns land within the estate and is entered in the register of the Company as a shareholder and termination of membership of the Club is not possible whilst a person remains a registered shareholder.

3.3.7 The board is authorised to allow the Company's issued securities to be held by, and registered in the name of, one person for the beneficial interest of another person, as set out in section 56(1). The Company shall maintain a register of the beneficial owners of the shareholders reflected in the register of shareholders in order to comply with the Company's obligations in terms of the provisions of the General Laws Amendment Act 22 of 2022. Each shareholder shall accordingly be obliged upon becoming a shareholder of the Company to provide the Company with full details of the beneficial owners of the shareholder and to notify the Company forthwith should any of the beneficial owners change or there be any change in the information pertaining to the beneficial owner which is required to be filed with CIPC by the Company.

3.4 **Transferability of shares**

3.4.1 No share shall be transferred to a person who does not own land in the estate and accordingly shares may only be transferred from one owner of land to another owner of land. Shares cannot be owned by a person who does not own land in the estate.

3.4.2 The instrument of transfer of any share of the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until date on which registration of transfer of the land into the name of the transferee occurs at the Deeds Office whereupon the Company shall become obliged to enter the name of the transferee in the register of shareholders in respect of the share.

3.4.3 The directors may suspend the registration of transfers during the 14 days immediately preceding any general meeting of the Company and at any other times, provided that the periods of suspension shall not in any one year exceed 60 days.

3.4.4 The directors may decline to recognise any instrument of transfer unless –

3.4.4.1 the instrument of transfer is accompanied by the certificate evidencing the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;

3.4.4.2 the securities transfer tax on the share transfer has been paid; and

3.4.4.3 it complies with all exchange control requirements as imposed by the South African Reserve Bank from time to time, including any requirement for the endorsement of a share certificate as non-resident where the shares are held by a person not being a tax resident of the RSA.

3.4.5 Every instrument of transfer shall be left at a transfer office of the Company, accompanied by a certificate evidencing the shares to be transferred. Every power of attorney given by a shareholder authorising the transfer of shares, shall, when lodged, produced or exhibited to the Company or any of its proper officers, be deemed as between the Company and the grantor of the power to continue and remain in full force and effect, and the Company may allow that power to be acted upon until such time as express notice in writing of its revocations has been lodged at such of the Company's registered office or transfer office, if any, as the power was lodged, produced or exhibited as aforesaid. The Company shall not be bound to allow the exercise of any act or matter by an agent for a shareholder unless a notarial certified copy of that agent's authority be produced and lodged with the Company.

3.4.6 The executor of the estate of a deceased sole holder of a share shall be the only person recognised by the Company as having any title to the Share. In the case of a share registered in the names of two or more holders, the surviving holders or the executor of the deceased shall be the only persons recognised by the Company as having any title to the share.

3.4.7 Any person becoming entitled to a share in consequence of the death or insolvency of a shareholder shall, upon such evidence being produced as may from time to time be required by the directors, have the right, either to be registered as a shareholder in respect of the share or instead of being registered himself, to make such transfer of the share as the deceased or insolvent could have made, but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or insolvent before the death or insolvency.

3.4.8 The parent or guardian of a minor and the *curator bonis* of a shareholder declared by an order of court to be of unsound mind or any person becoming entitled to shares in consequence of the death or insolvency of any shareholder or by the marriage of any female shareholder or by any lawful means other than by transfer in accordance with this MOI, may, upon producing such evidence as sustains the character in which he proposes to act under this section, or of his title as the directors think sufficient, transfer those shares to himself or any other person, subject to the articles as to transfer herein before contained.

3.4.9 A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other rights to which he would have been entitled if he were the registered holder of the share, except that he shall not, before being registered as a shareholder in respect of a share, be entitled in respect of it to exercise any right conferred by shareholding in relation to meetings of the Company.

3.4.10 Any person who submits proof of his appointment as the executor, administrator, trustee, curator or guardian in respect of the estate of a deceased shareholder of the Company, or of a shareholder whose estate has been sequestrated or of a shareholder who is otherwise under a disability or as the liquidator of juristic person-which is a shareholder of the Company, shall be entered in the Register of shareholders of the Company *nomine officii* and shall thereafter, for all purposes, be deemed to be a shareholder of the Company.

3.4.11 In the event of a sale in execution, deceased estate or any other alienation or disposal of property, the Company has the right to attend to the transfer of the associated share in the Company to the new owner when the underlying property is transferred. The company secretary is hereby authorised to sign any documentation on behalf of the seller and the purchaser. In the event that the underlying share in the Company is not dealt with in any sale agreement between the seller and the purchaser, the share shall be transferred for R1.00.

4. ARTICLE 4 - RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

4.1 Rights

Shareholding in the Company confers on each shareholder the following rights –

4.1.1 to access the information as stipulated in section 26(1) of the Act in the manner as stipulated in that section, provided that any such access shall not include access to the contact details of members in respect of which the Company has a legal duty of confidentiality, whether in terms of POPIA or otherwise, and specifically including where members have not consented to disclosure of email addresses or telephone numbers in the register of members;

4.1.2 to receive notices of, attend and speak at all general meetings of the Company in accordance with the provisions of this MOI;

4.1.3 to vote, either in person or by proxy, at all general meetings of the Company, in accordance with the provisions of this MOI.

4.2 Obligations

4.2.1 Each shareholder shall –

4.2.1.1 ensure that it remains in good standing at all times;

4.2.1.2 abide by and observe all the requirements and obligations imposed on it by the company rules, in any, and the conduct rules.

5. ARTICLE 5 - MEETINGS OF SHAREHOLDERS

5.1 Convening and notices of meetings of shareholders

5.1.1 The Company is not required to hold any general meetings other than those specifically required by the Act or any general meetings which the shareholders determine to hold.

5.1.2 “Annual General Meetings” shall mean those general meetings of shareholders constituted for the purposes contemplated in article 5.1.6 and all other general meetings shall be referred to as special general meetings.

5.1.3 The minimum number of days for the Company to deliver a notice of a general meeting to the shareholders is 15 business days before the date on which the meeting is to begin, as provided for in section 62(1).

5.1.4 The Company may call a meeting of shareholders on shorter notice than required in terms of article 5.1.3, provided that every shareholder entitled to vote in respect of any item on the agenda of the meeting, is present at the meeting and votes to waive the required minimum notice of the meeting.

5.1.5 The Company shall convene by notice an Annual General Meeting once in every calendar year, but no more than 15 months after the date of the previous Annual General Meeting and not later than 6 months after the financial year end of the Company by clearly specifying it as an Annual General Meeting in the notice.

5.1.6 The Annual General Meeting shall deal with the presentation of the annual financial statements, the election of directors, the appointment of the auditors, the sanctioning of distributions to the shareholders and may furthermore deal with any other business laid before it.

5.1.7 The chairperson of the board shall preside as chairperson at every general meeting of the Company. If there is no such chairperson or the chairperson is not present or available, the vice-chairperson shall preside in his stead. Should both the chairperson and the vice-chairperson not be present or available, the shareholders shall elect a shareholder from the shareholders present at the meeting to serve as chairperson of the meeting.

5.1.8 The board has the authority to call a meeting of shareholders at any time in the manner and on the terms prescribed below by this MOI.

5.1.9 The right of shareholders to requisition a meeting, as set out in section 61(3), may be exercised by shareholders holding in the aggregate at least 10% of the voting rights entitled to be exercised in relation to the matter to be considered at the meeting, subject to written, signed demands for a meeting being delivered to the Company; each demand describing the specific purpose for which the meeting is proposed and the demands are for substantially the same purpose.

5.1.10 The board has the authority to determine the location of any shareholders meeting.

5.1.11 The authority of the Company to conduct general meetings entirely by electronic communication, or to provide for participation in a general meeting by electronic communication is not limited or restricted, subject to the provisions of article 5.1.12 below.

5.1.12 If the Company provides for participation in a general meeting by electronic communication –

5.1.12.1 the notice of that meeting must inform shareholders of the availability of that form of participation, and provide any necessary information to enable shareholders to access the available medium or means of electronic communication; and

5.1.12.2 access to the medium or means of electronic communication is at the expense of the shareholder, except to the extent that the Company on determines otherwise.

5.1.13 A notice of a general meeting must be in writing, clearly stating the date, time, place, record date and purpose of/matters to be considered at the meeting. Such notice shall be delivered by electronic mail or electronic publication.

5.1.14 A notice of a general meeting must also include a copy of any proposed resolution to be considered at the meeting and contain a reasonably prominent statement of the shareholders' rights with regards to appointing proxies.

5.1.15 An immaterial defect in the notice of a general meeting or any accidental or inadvertent failure or defect in the delivery of the notice to any particular shareholder, does not invalidate any action taken at the meeting.

5.1.16 A shareholder who is present at the meeting, either in person or represented by proxy, is regarded as having received or waived notice of the meeting, if the minimum notice with a meeting was given, and is recorded to have waived any right based on an actual or alleged material defect in the notice of the meeting, unless such shareholder alleges a material defect in the form of notice for a particular item on the agenda and participates in the determination of whether to waive the requirements for notice or to ratify a defective notice.

5.1.17 A general meeting may proceed notwithstanding a material defect in the giving of the notice, subject to article 5.1.18 below, only if every shareholder who is entitled to exercise voting rights in respect of each item on the agenda of such meeting is present and votes to approve the ratification of the defective notice.

5.1.18 If a material defect in the form or manner of giving notice of a general meeting relates only to one or more particular matters on the agenda for the meeting –

5.1.18.1 any such matter may be severed from the agenda, and the notice remains valid with respect to any remaining matters on the agenda; or

5.1.18.2 the meeting may proceed to consider a severed matter, if the defective notice in respect of that matter has been ratified in terms of article 5.1.17 above.

5.2 **Attendance at general meetings**

5.2.1 Unless otherwise determined in terms of this MOI or the Act, every shareholder shall be entitled to be present at a general meeting or represented by proxy and to participate therein.

5.2.2 In accordance with section 63(1), before any person (whether as shareholder, principal member or proxy) may attend or participate in a general meeting –

5.2.2.1 that person must present reasonably satisfactory identification; and

5.2.2.2 the chairperson or other person presiding over the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder, principal member or as a proxy, has been reasonably verified.

5.2.3 A shareholder may be represented at a general meeting by the principal member, in the case of a shareholder who is not a natural person, or by an individual acting as proxy of such shareholder.

5.3 **Proxies**

5.3.1 A shareholder may at any time by written proxy appointment, appoint any person, including any person who is not a shareholder of the Company, as its proxy to -

5.3.1.1 participate in, speak and vote at, a general meeting on behalf of that shareholder; or

5.3.1.2 give or withhold written consent on behalf of that shareholder to any decision contemplated in article 5.7,

and any such proxy appointment (and any invitation by the Company to appoint a proxy and any form supplied by the Company for the appointment of a proxy) shall be governed by section 58 and this article 5.3.

5.3.2 The board may determine a standard form of proxy appointment and make it available to shareholders on request.

5.3.3 An instrument appointing a proxy remains valid for one year from the date when it was signed, unless such instrument specifically provides for a longer or shorter duration and unless made irrevocable, may be revoked at any time.

5.3.4 If a duly executed proxy instrument does not indicate how the proxy should vote on any issue on the agenda of the general meeting, or any motion tabled at the meeting, the proxy may vote or abstain from voting as he sees fit. For avoidance of doubt, a proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder in his own discretion, except to the extent that the proxy instrument appointing the proxy provides otherwise. A proxy is entitled to vote on the postponement of an agenda item or of the general meeting itself, except to the extent that the proxy instrument appointing the proxy provides otherwise.

5.3.5 A shareholder's proxy does not have authority to delegate the proxy's powers to another person, unless the proxy instrument specifically allows for it, and subject to such delegation of the proxy's powers to another person being reduced to writing and such delegation being delivered to the Company on the same terms as required by article 5.3.6 below.

5.3.6 A shareholder appointing a proxy shall ensure that at any time prior to the proxy exercising any rights of the shareholder appointing such proxy at a general meeting, a duly executed, dated and signed proxy instrument, in a form and manner that complies with the Act or as prescribed by the board, is delivered to the company secretary of the Company or the person presiding as chairperson over the general meeting.

5.3.7 Failure to comply with article 5.3.6 above, will disqualify the proxy from acting on behalf of the shareholder at the relevant general meeting.

5.4 **Record date for exercise of shareholder rights**

5.4.1 The board may, in accordance with section 59, determine and publish a record date for the purpose of determining which shareholders are entitled to -

5.4.1.1 receive a notice of a general meeting;

5.4.1.2 participate in and vote at a general meeting;

5.4.1.3 decide any matter by written consent or by electronic communication; or

5.4.1.4 be allotted or exercise any other rights.

5.4.2 A record date so determined by the board may not be earlier than the date on which the record date is determined or more than 10 business days before the date on which the event or the action for which the record date is being set, is scheduled to occur and must be published to the shareholders.

5.4.3 If, at any time, the board fails to determine the record date for determining shareholder's rights, as contemplated in article 5.4.2, the record date for the relevant matter is, as determined in accordance with section 59 (3) –

5.4.3.1 in the case of a meeting, the latest date by which the Company is required to give notice of that meeting; or

5.4.3.2 the date of the relevant action or event in any other case.

5.5 **Quorum for general meetings**

5.5.1 The quorum for a general meeting to begin shall be shareholders present in person or represented by proxy, holding at least 15% of all the voting rights that are entitled to be exercised on at least one matter to be decided at such meeting, provided further that at least 3 shareholders are present in person at such meeting.

5.5.2 In addition, a matter to be decided at a general meeting may not begin to be considered unless sufficient persons are present in person or represented by proxy at the meeting to exercise, in aggregate, at least 15% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda, provided further that at least 3 shareholders are present in person at such meeting.

5.5.3 If, within half an hour after the appointed time for a general meeting to begin, the requirements for a quorum as stipulated in article 5.5.1 is not met, the meeting is automatically postponed without motion, vote or further notice for one hour.

5.5.4 If, within half an hour of the appointed time for a general meeting to begin, the requirements for a quorum as stipulated in article 5.5.2 are not met for the consideration of an item on the agenda, the item may be postponed to a later time in the meeting without motion or vote, and if there is no other business on the agenda of that meeting or if at that later time the quorum requirements are still not met, the meeting is adjourned for one hour, without motion or vote.

5.5.5 At any such adjourned meeting, if a quorum is still not present after a further half an hour has passed, the shareholders present in person or represented by proxy shall constitute a quorum for all purposes at such meeting.

5.5.6 After a quorum has been established for a general meeting, or for a matter to be considered at a general meeting, the general meeting may continue, or the matter may be considered, provided that shareholders constituting a quorum are present or represented throughout such general meeting.

5.5.7 Notwithstanding the time limit set in articles 5.5.3 and 5.5.4 above, if a general meeting cannot begin due to a deficient quorum, the chairperson of the meeting may extend the time limit for a reasonable period on the grounds that –

5.5.7.1 exceptional circumstances affecting weather, transportation, Electronic Communication etc., have generally impeded or are generally impeding the ability of persons who can vote at the meeting to be present; or

5.5.7.2 one or more particular persons who are entitled to vote at the meeting, having been delayed, have communicated an intention to attend the meeting, and those persons, together with others already in attendance, would satisfy the quorum requirements.

5.6 Voting rights of shareholders

5.6.1 Only compliant shareholders shall be entitled to speak and vote at a general meeting, or to be represented by proxy at a general meeting. For the avoidance of doubt, if a shareholder who is not a natural person is not compliant, the principal member of such shareholder shall not be entitled to speak and vote at a general meeting.

5.6.2 Subject always to article 5.6.1, each shareholder shall have one vote for each piece of land in the estate of which such shareholder is the owner.

5.6.3 Where a piece of land is registered in the name of more than one person, then all such co-owners shall jointly have one vote which must be exercised by their appointed principal member.

5.6.4 Where a sectional title register has been opened on a piece of land, the owners of units shall collectively have one vote to be exercised by the body corporate through its nominated and appointed principal member.

5.6.5 At general meetings, voting shall be by poll (ballot) and each shareholder who is entitled to vote and present or represented by proxy shall have the number of votes determined in accordance with article 5.6.2.

5.6.6 Any objection with regard to the admissibility of any vote, any declaration made by the chairperson of a general meeting with regard to the result of any voting, or with regard to the correctness or validity of the voting procedure followed, must be made prior to closure of the meeting at which such vote took place. Only a shareholder present or represented and entitled to vote on the matter in question, may lodge such an objection, which shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive. Every vote not disallowed at a general meeting shall be valid for all purposes.

5.6.7 The chairperson of a general meeting shall not have a casting/deciding vote in addition to his deliberative vote as a shareholder (if any).

5.6.8 Every resolution of shareholders shall be either an ordinary resolution or a special resolution approved as follows –

5.6.8.1 for an **ordinary resolution** to be adopted at a general meeting, it must be supported by **more than 50% of the voting rights** held by shareholders, present in person or represented by proxy entitled to exercise voting rights on the resolution;

5.6.8.2 for a **special resolution** to be adopted at a general meeting it must be supported by **at least 75% of the voting rights** held by shareholders, present in person or represented by proxy entitled to exercise voting rights on the resolution.

5.6.9 In addition to anything prescribed in the Act as having to be adopted by special resolution, a special resolution shall be required to -

5.6.9.1 amend the MOI or any provision thereof;

5.6.9.2 ratify a consolidated revision of the MOI as contemplated in section 18(1)(b);

5.6.9.3 ratify any actions by the Company or its directors in excess of their authority, as contemplated in section 20(2);

5.6.9.4 approve the voluntary winding-up as contemplated in section 80(1) or the winding-up as contemplated in section 81(1) of the Company;

5.6.9.5 approve any proposed fundamental transaction (as contemplated in chapter 5, Part A of the Act).

5.6.10 The minutes of a general meeting shall be distributed to the board, to be approved by the board as correct, at the first board meeting immediately following the general meeting and shall serve as evidence of the proceedings of that meeting or the adoption of any resolution/s thereat. Any extract from such minutes signed by the chairperson of the board, shall be deemed as evidence of the matters stated in such extract.

5.7 **Shareholders acting other than at a meeting ("round robin resolutions")**

5.7.1 Subject to article 5.7.2, any resolution that could be voted on at a shareholders meeting may instead be submitted for consideration to the shareholders entitled to exercise voting rights in relation to such resolution as contemplated in and in accordance with the provisions of section 60.

5.7.2 Any business of the Company that is required by the Act or this MOI to be conducted at an Annual General Meeting, may not be conducted in the manner contemplated in this article 5.7.

6. ARTICLE 6 - DIRECTORS AND OFFICERS

6.1 Composition

6.1.1 The board of the Company will comprise of no fewer than five (5) and no more than seven (7) directors at all times.

6.1.2 Shareholders may from time to time in a general meeting by special resolution resolve to increase or decrease the size of the board to more or fewer than the number of directors stipulated in article 6.1.1, subject always to the requirements of the Act.

6.1.3 Subject to article 6.1.9, all directors to be appointed to the board shall be elected by the shareholders in general meeting by way of ordinary resolution.

6.1.4 There shall be no *ex officio* directors of the Company in addition to the elected directors.

6.1.5 The chairperson and deputy chairperson of the board shall be elected by the directors at their first meeting after the Annual General Meeting of the Company.

6.1.6 The persons elected to the board of the Company shall be deemed to have been nominated by the shareholders for election as directors of the Association, such election to be voted on at a general meeting of the Association.

6.1.7 Every director elected to the board may nominate any shareholder as his alternate director to act in his stead if he is not able to do so. The appointment of any alternate director has to be approved by a majority of the directors present at the relevant meeting of the board and the person nominated to act as alternate director may not be ineligible to act as a director in terms of the provisions of section 69 or article 6.1.8. Where a director nominates an alternate director, such person shall be deemed to have also been nominated to act as alternate director on the board of the Association for the director nominating him. A person may act as an alternate to more than one director. Where a person is alternate to more than one director or where an alternate director is a director, he shall have a separate vote, on behalf of each director he is representing in addition to his own vote, if any.

6.1.8 There are no general qualifications prescribed by the Association for a person to serve as a director in addition to the requirements in section 69 of the Act, save that (i) only natural persons may serve as directors and (ii) any natural person who is not a member in good standing or a natural person who is a related person (as such term is defined in section 2(1) the Act) of a member who is not in good standing shall not be entitled to serve as a director. No person shall be elected as a director if he is ineligible or disqualified in terms of the Act and any such election shall be null and void. A person who is ineligible or disqualified must not consent to be nominated for election as a director.

6.1.9 The directors shall have the power at any time, and from time to time, to appoint a person as an additional director (a “co-opted director”) to assist the board in meeting its workload, provide any expertise the board may require at a given point in time to fulfil its functions properly or as otherwise deemed necessary and appropriate by the board, provided that the total number of directors shall not at any time exceed the number fixed according to this MOI (whether in terms of article 6.1.1 or 6.1.2) and such co-opted director shall retire from office at the next following Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining which directors are to retire by rotation at such Annual General Meeting.

6.1.10 A director shall vacate his office if –

6.1.10.1 his term of office expires, including where he is subject to rotation in terms of article 6.2 or in the case of a co-opted director at the next following Annual General Meeting;

6.1.10.2 he becomes ineligible to act as a director on any of the grounds set forth in section 69(7) and/or 69(8);

6.1.10.3 any of the other circumstances in section 70(1)(b) apply to such director.

6.2 **Rotation, nomination, election and filling of vacancies**

6.2.1 Directors will be elected for an indefinite term, subject to article 6.2.2.

6.2.2 For purposes of the election described in article 6.1.3 above, the board will each year, prior to the calling for nominations as per article 6.2.5 below -

6.2.2.1 by unanimous resolution determine which directors shall vacate their directorships in order to create vacancies for at least 1/3 (one third), or if their number is not a multiple of 3 then the number nearest to 1/3 (one third), of the number of directors to rotate; and

6.2.2.2 in the event of the board not being able to come to a unanimous resolution in this regard, the required vacancies will be effected by the longest serving director (measured in consecutive years) first vacating his directorship, thereafter the second longest serving director, continuing with this process until the required number of vacancies are created to achieve the required rotation; and

6.2.2.3 in the event that for the last required vacancy one or more directors may have served equal terms (measured in consecutive years), then those directors shall decide among themselves which director shall vacate his position. Should the directors in question fail to reach a decision, then the board will cause a draw of names between such directors, with the drawn name being the director to vacate his directorship; and

6.2.2.4 each director vacating in terms of article 6.2.2.1 to 6.2.2.3 shall be eligible for re-election.

6.2.3 If at any meeting at which an election of directors ought to take place, the offices of the retiring directors are not filled, unless it is expressly resolved by the shareholders not to fill such vacancies, the meeting shall stand adjourned and the provisions of article 5.5 shall apply *mutatis mutandis* to such adjournment. If at such adjourned meeting the vacancies are not filled, the retiring directors shall be deemed to have been re-elected at such adjourned meeting unless a resolution against the re-election of any such director has been put to the meeting and been passed.

6.2.4 Should a vacancy arise on the board –

6.2.4.1 the board shall be entitled to appoint any eligible person as a director to fill such vacancy and serve as a director on a temporary basis, until the vacancy has been filled by an election in terms of this article 6.2.4;

6.2.4.2 an election for a director to fill the vacancy shall be conducted at the earlier of –

6.2.4.2.1 a special general meeting held for this purpose within 6 months of the vacancy arising; or

6.2.4.2.2 the next Annual General Meeting if the notice of the election at such meeting can be timeously done.

6.2.5 The board shall call for the nomination of directors at least 45 business days before the Annual General Meeting of the Company. Fully completed nomination forms together with a curriculum vitae of the candidate and a statement by the candidate regarding his motivation together with key factors for consideration by shareholders of his candidature, must be returned at least 30 days before the Annual General Meeting to enable the circulation of full details of nominated directors to occur with the notice of the Annual General Meeting.

6.3 **Authority**

6.3.1 In accordance with section 66(11) of the Act, any failure by the Company at any time to have the minimum number of directors required by the Act or this MOI, does not limit nor negate the authority of the board, or invalidate anything done by the board or the Association whilst such minimum number is not met.

6.3.2 The authority of the board of directors to manage and direct the business and affairs of the Company is not limited nor restricted by this MOI. As a result, the board of directors has the authority to exercise all of the powers and perform all of the functions of the Company in pursuing its business interests and performing its business activities.

6.4 **Meetings and resolutions of the board**

6.4.1 The board of directors may meet for the dispatch of business, adjourn and otherwise regulate their meetings as they deem fit, subject to the further provisions of this MOI.

6.4.2 The right to call a meeting of the board as contemplated in section 73(1) as read with section 73(2) may be exercised by not less than 3 directors acting collectively.

6.4.3 The board has the authority to determine the manner and form of providing notice of its meetings as set out in section 73(4) provided that no meeting may be convened without notice to all of the directors, and provided further that despite a failure to give notice or a defect in the giving of any notice of a meeting of the board, any meeting of the board may proceed if all of the directors acknowledge actual receipt of the notice or all of the directors are present at the meeting or all of the directors agree to waive notice of the meeting as contemplated in section 73(5).

6.4.4 The authority of the board to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, as set out in section 73(3) of the Act, is not limited or restricted by this MOI, provided the electronic communication facility employed enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.

6.4.5 The quorum requirements for a board meeting to begin is a majority of the directors being present.

6.4.6 If within 30 minutes after the appointed time for a meeting of the board to begin, the requirements for a quorum as stipulated in article 6.4.5 above are not met, the meeting is postponed without motion, vote or further notice, to a date to be determined by the directors present, which date shall not be earlier than 2 business days and not later than 10 business days after the date of the meeting, at the same time and place, or if such place is not available, at such other place as the directors present may elect.

6.4.7 If at the meeting postponed under article 6.4.6 above a quorum is not present within 30 minutes after the time appointed for the meeting to begin, the directors present at that postponed meeting shall constitute a quorum.

6.4.8 At each meeting of the board each director shall have one vote.

6.4.9 A resolution of the board shall be passed if approved by a simple majority of votes of the directors present at a quorate meeting. In the case of a tied vote, the chairperson shall not have a casting/deciding vote and the matter voted on shall be deemed to have failed.

6.4.10 A decision that could be voted on at a meeting of the board may be adopted by written consent of a majority of the directors given in person or by electronic communication, provided each director has received notice of the matter to be decided.

6.5 **Committees of the board and delegation of authority**

6.5.1 The board of directors may appoint any officers of the Company it considers necessary to achieve the objectives of the Company.

6.5.2 The board is authorised to appoint committees of the board, which committees shall each have at least one director serving on such committee and which may otherwise comprise of such persons who are not directors as contemplated in section 72(2) and the board may delegate to such committees any of the authority of the board as contemplated in section 72(1).

6.5.3 The creation of a committee, delegation of any power to a committee, or action taken by a committee, does not alone satisfy or constitute compliance by the directors with the required duty of a director to the Company, as set out in section 76.

6.5.4 The board is further obliged to appoint such statutory committees of the board as are required in terms of the Act, unless an exemption from such appointments applies.

6.5.5 The board may, from time to time, appoint a general manager, which person shall also serve as general manager of the Association, and may confer on such person such power and delegate such authority as more fully detailed in the chart of authority.

6.6 **Directors' financial assistance**

6.6.1 The Company may not provide a loan to secure a debt or obligation of, or otherwise provide direct or indirect financial assistance to a director, prescribed officer, or to a person related to any such director or prescribed officer, unless it constitutes an accountable advance to meet –

6.6.1.1 legal expenses in relation to a matter concerning the Company; or

6.6.1.2 anticipated expenses to be incurred by such person on behalf of the Company; or

6.6.1.3 is to defray the person's expenses incurred at the Company's request.

6.6.2 Directors shall further be entitled to be refunded all reasonable and *bona fide* expenses incurred by them respectively in or about the performances of their duties as directors, as may be approved by the board.

6.7 **Indemnification of directors**

6.7.1 The Company may advance expenses to a director to defend litigation in any proceedings arising out of the director's service to the Company, and may further directly or indirectly indemnify a director for such expenses if the proceedings are abandoned or the proceedings exculpate the director, or if they arise in respect of any liability for which the Company is authorised to indemnify a director in terms of article 6.7.2 below.

6.7.2 The Company may indemnify a director in respect of a liability arising out of performance of his duties and actions taken as director, except to the extent that such liability arises from wilful misconduct or wilful breach of trust, or in the case of the director having –

6.7.2.1 acted in the name of the Company, or performed any action on behalf of the Company, despite knowing that he lacked any and all authority to do so;

6.7.2.2 acted with gross negligence in such a manner that the Company is viewed to have conducted its business recklessly, with intent to defraud any person or for any fraudulent purpose; or

6.7.2.3 been party to any act or omission by the Company despite knowing that the act or omission was calculated to defraud a creditor, employee or shareholder of the Company, or had another fraudulent purpose.

6.7.3 The Company is authorised to purchase insurance to protect –

6.7.3.1 a director against any liability or expenses for which the Company is permitted to indemnify a director in accordance with article 6.7.2 above; or

6.7.3.2 the Company against any contingency including, but not limited to, any expenses or liability indemnification the Company is authorised to award to the directors.

7. **ARTICLE 7 - INDEMNIFICATION OF COMPANY**

7.1 The Company (which for purposes of this article 7 includes its management, officers, employees and agents) is absolved by shareholders with regard to any and all loss or damage suffered by the Company, or against any claims instituted against it for loss or damage, caused by a shareholder (or its family, employees, agents, contractors, sub-contractors, tenants, guests or occupiers of its erf or unit) by way of any unlawful act, negligence (including any act or omission) and/or as a result of any breach of the provisions of this MOI and/or the company rules and/or the conduct rules.

7.2 Each shareholder, to the fullest extent permissible in law, indemnifies the Company (which for purposes of this article 7 includes its management, officers, employees and agents) against any loss or damage suffered by such shareholder (including its family, employees, agents, contractors, sub-contractors, tenants, guests or occupiers of its erf or unit) caused by the Company as a result of any unlawful act, negligence (including any act or omission) and/or as a result of any breach of the provisions of this MOI and/or the company rules [and/or the conduct rules], unless such act or omission or breach was the result of wilful misconduct on the part of the Company.

8. **ARTICLE 8 - DISPUTE RESOLUTION**

8.1 To the extent permissible in law, any dispute between any of the parties who are subject to this MOI with regard to the matters recorded in article 8.2, must first be dealt with by way of the grievance procedure as contained in the conduct rules of the Company before any tribunal, court, third party or regulatory body is approached for an intervention. Should such grievance procedure have been followed and not have resulted in the dispute being resolved, the parties shall then proceed to mediation as contemplated in article 8.3

8.2 In the event of a dispute between any of the parties who are subject to this MOI with regard to –

8.2.1.1 the interpretation of;

8.2.1.2 the effect of;

8.2.1.3 the parties' respective rights or obligations under;

8.2.1.4 the application of;

8.2.1.5 a breach of; and/or

8.2.1.6 the correctness of

this MOI, the company rules or the conduct rules, that dispute, shall be dealt with first by way of the grievance procedure as referred to in article 8.1 and failing the dispute being resolved in terms of such grievance procedure, the parties shall follow a process of mediation.

8.3 The mediation will be held electronically or at the estate and the parties may agree on the mediation procedure and the mediator, and failing such agreement, the mediator will be appointed on their behalf by the chairperson of the Arbitration Foundation of South Africa ("AFSA"), or its successor in title.

8.4 The parties to the dispute will personally attend such mediation proceedings, or, in the case of a juristic person, the principal member for that entity will personally attend the mediation proceedings.

8.5 The parties to the dispute will share equally in the costs and expenses of the mediation, such costs not including costs or expenses incurred by a party for an expert opinion in connection with the mediation. An expert may be appointed by either party at their own cost. Any party appointing an expert must provide sufficient notice to the other party to allow them to appoint their own expert. Copies of any expert opinion must be provided to the mediator and all other parties before the mediation process begins.

8.6 All mediation proceedings, proposed settlements, communications, statements and offers, whether oral or written, made in the course of the mediation by any of the parties or their respective agents, employees, experts and attorneys, are confidential.

8.7 Any and all agreement reached during the course of mediation and reduced to writing and signed by the parties will be binding upon all the parties.

8.8 Nothing contained in this MOI shall preclude any party to the MOI from approaching any other appropriate forum, including the Companies Tribunal established in terms of the Act for an adjudication on the matter if the matter falls within the jurisdiction of such alternative forum, provided the parties have first engaged in *bona fide* negotiation as contemplated in the grievance procedure.

9. ARTICLE 9 - CONDUCT RULES

9.1 The board may delegated to a committee the authority to formulate the conduct rules which are practical rules to assist the Club's board and management in discharging their duties and to ensure that the conduct by members of the Club, their invitees and visitors to the Club are in accordance with the general rules and ethics of Golf RSA and the Rules of Golf as published by the R&A and/or for the advancement of the interests of the members.

9.2 The board and such committee shall be responsible for the enforcement of any of the conduct rules in accordance with the procedures set forth in such rules and may impose and enforce any of the penalties set forth in the conduct rules.