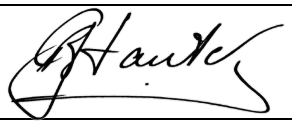
SILVER LAKES
GOLF & WILDLIFE ESTATE

Memorandum of Incorporation of Silver Lakes Homeowners Association NPC

Revision of the Memorandum of Incorporation of Silver Lakes Homeowners Association NPC. Registration Number 1992/004661/08

This set of the Memorandum of Incorporation was adopted by the members of Silver Lakes Homeowners Association, as evidenced by the signature of the Chairperson of the Board of Directors on their behalf.

Name of document	Version	Date approved	Signature of Chairperson
Memorandum of Incorporation		02 April 2026	

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Definitions

A. In this Memorandum of Incorporation, save where the contrary is expressly stated or appears from the context, the following words and / or phrases shall have the following meanings ascribed thereto

a.	"**Association**"	means the Company, Silver Lakes Homeowners Association NPC, and **"HOA"** shall have a cognate meaning;
b.	"**Auditor**"	means the auditors of the Association, being a person accredited to perform an audit in terms of the Auditing Professions Act, No. 26 of 2005;
c.	"**Chairperson**"	means the Chairperson of the Board of Directors;
d.	**"Clearance Certificate"**	means a certificate as envisaged in Sales and transfer of properties (clause 6.5.3);
e.	"**Clubhouse**"	means the Clubhouse complex situated in the Township;
f.	**"Communal Property"**	means property of the Association which Members may use, subject to this MOI and any Rules and / or directives applicable thereto;
g.	**"Community Scheme Ombud Service"**	means the service established in terms of the Community Schemes Act;
h.	**"Community Schemes Act"**	means the Community Schemes Ombud Services Act, No. 9 of 2011, as amended;
i.	"**Companies Act**"	means the Companies Act, No. 71 of 2008, as amended;
j.	**"Debt"**	means any amount howsoever arising, owed by a Member to the Association, including but not limited to amounts owed in respect of levies, special levies, statutory levies, interest, penalties, clubhouse services, golf club services and legal fees on an attorney and own client scale;
k.	**"Deeds Act"**	means the Deeds Registries Act, No. 47 of 1937;
l.	**"Deliver"**	means delivery of any notice, letter and/or other document either physically or electronically to the

		Member at the address recorded in the Association's register of Members;
m.	**"Directors"**	means the Directors of the Association (including any ex-officio and co-opted Directors), who shall for the purpose of the Companies Act be the Directors of the Association, and a reference to the "**Board**" or "**Board of Directors**" shall be to the Directors in meeting;
n.	**"Electoral Committee"**	means a Committee established in accordance with this MOI and the Rules of the Association, to attend to the functions delegated to it by the Board or under this MOI or the Rules;
o.	"**Golf Course**"	means the Golf Course situated in the Township;
p.	"**Management**"	means any person or body appointed by the Board to undertake certain administrative and management functions of the Association;
q.	**"Member"**	means a Member of the Association, as referred to more fully in **Membership and related matters**,
r.	**"Members Meeting"**	means any general meeting of the Members, as contemplated in this MOI;
s.	**"MOI"**	means the Memorandum of Incorporation of the Association;
t.	**"Notice"**	means any Written communication in notification from the Association or its authorised delegate to a member, an individual or entity;
u.	**"POPIA"**	means the Protection of Personal Information Act, No. 4 of 2013, as amended;
v.	**"Resolution"**	means an ordinary resolution or a special resolution as defined in the Companies Act, and adopted or to be adopted at a Members Meeting;
w.	**"Resident"**	means a person living on the estate, including without limitation, a tenant, occupiers, inhabitants, of a property on the estate, who has been officially

registered or not registered;

x.	**"Round Robin Resolution"**	means a resolution submitted to Members for adoption as envisaged in **section 60 of the Companies Act** and **Members Meetings** (clause 5.12.4) of this MOI;
y.	**"Rules"**	means rules made, amended or repealed from time to time by the Board, relating *inter alia* to the management of the Estate and the conduct of the Members, Residents, and their guests, employees and invitees (which Rules shall include without limitation conduct rules and architectural and constructions rules); and "governance rules", which are rules as envisaged in **section 15(3) of the Companies Act**;
z.	**"Sectional Titles Act"**	means the Sectional Titles Act, No. 95 of 1986;
aa.	**"Sectional Titles Schemes Act"**	means the Sectional Titles Schemes Management Act, No. 8 of 2011;
bb.	**"Sectional Title Unit"**	means a unit as described in the Sectional Titles Act, including without limitation primary sections and utility sections;
cc.	**"Special Resolution"**	means a resolution being a resolution adopted at a Members Meeting with the support of at least 75% of the voting rights exercised on the resolution by the Members present;
dd.	**"Township"**	means the Township of Silver Lakes comprising of phases as referred to in the diagrams registered with the Surveyor General as follows: Phase 1 (Silver Lakes): SG No A5867/1992; Phase 2 (Silver Lakes Ext 1): SG No 9521/2000; Phase 2 (Silver Lakes Ext 2): SG No 9522/2000; Phase 2 (Silver Lakes Ext 3): SG No 6337/2001; Phase 2 (Silver Lakes Ext 4): SG No 6338/2001;

		Phase 3 (Willow Acres Ext 3): SG No 2458/2002;
		Phase 3 (Willow Acres Ext 4): SG No 2459/2002;
		(Phase 3 (Willow Acres Ext 3): SG No 2458/2002 and Phase 3 (Willow Acres Ext 4): SG No 2459/2002 shall collectively be known as the '**Game Reserve**' or '**Nature Reserve**'); and
		"**Estate**" shall have a cognate meaning; to Township;
ee.	**"Unit"**	means an erf, whether consolidated or comprising a subdivision, as improved or unimproved and including any outbuildings; or a Sectional Title Unit (excluding any Sectional Title Unit in the Sectional Title Scheme commonly known as Anni-Pad, Scheme No. 75/2006); and whether used for residential or business purposes, or both, and further as may be defined in terms of the applicable Town Planning Scheme with respect to the Township;
ff.	**"Writing" or "Written"**	means written, printed, typewritten, lithographed, telefaxed, electronically or any other process producing words in a visible form.

B. In this MOI, save where the contrary is expressly stated or appears from the context, -

a. words signifying the singular shall include the plural and *vice versa*;

b. words signifying one gender shall include the others;

c. any words defined in the Companies Act and not defined hereunder shall bear the same meaning in this MOI in relation to matters referred to herein;

d. a reference to any Act shall include any amendment thereto or Act in substitution therefore;

e. the headings to the clauses in this Memorandum of Incorporation are for reference purposes only and shall not be taken into account in the interpretation of the provisions in this Memorandum of Incorporation;

f. any reference to days shall be a reference to the days of the week, i.e., Mondays to Sundays, and any reference to business days shall be a reference to the days of the week excluding Saturdays, Sundays and South African public holidays.

g. any reference to being 'present' at a meeting means to be present in person, or able to participate in the meeting by electronic communication, or to be represented by a proxy who is present in person or able to participate in the meeting by electronic communication;

h. any reference to a Member "in good standing" means a status of a Member having no Debts due and payable to the Association, at the date of the determination of the status.

CLAUSES

1 Incorporation and Nature of the Association

1.1 Incorporation

1.1.1 The Association is a non-profit company, as defined in the Companies Act.

1.1.2 The Association is subject to and governed by:

1.1.2.1 the unalterable provisions of the Companies Act, that are applicable to non-profit companies;

1.1.2.2 the alterable provisions of the Companies Act, that are applicable to non-profit companies, subject to any limitation, extension, variation or substitution set out in this MOI.

1.2 Objects and Powers of the Association

1.2.1 The Objects of the Association are those set out in **Incorporation and Nature of the Association (clause 1.2.4)** and, except to the extent necessarily implied by the stated objects, the purposes and powers of the Association are not subject to any restriction, limitation or qualification, or as contemplated in **the Companies Act**.

1.2.2 The Association is not subject to any provision contemplated in section **15 (2)(b) or (c) of the Companies Act**.

1.2.3 Upon dissolution of the Association, its net assets must be distributed in the manner determined in accordance with the provisions of the Companies Act.

1.2.4 The objects of the Association are the following:

1.2.4.1 To serve the community group interests of the Members and to maintain and develop security, aesthetic and environmental standards for the Estate.

1.2.4.2 Develop and promote the short- and long-term sustainability of the residential and wildlife nature of the Estate and all ancillary objects which are necessary to achieve these objects, including the carrying on of operations of the Golf

Course, Clubhouse and Game Reserve situated in the Township;

1.2.5 The Association-

1.2.5.1 must apply all its assets and income, however derived, to advance its stated objects, as set out in this MOI; and

1.2.5.2 subject to **Incorporation and Nature of the Association (clause 1.2.5.1)**, may

1.2.5.2.1 acquire and hold securities issued by a profit company; or

1.2.5.2.2 directly or indirectly, alone or with any other person, carry on any business, trade or undertaking consistent with or ancillary to its stated objects.

1.3 MOI and Rules

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

1.3.2 The authority of the Association's Board of Directors to make Rules for the Association, as contemplated in **section 15 (3) to (5) of the Companies Act** is not limited or restricted in any manner by this MOI.

1.3.3 The Board must publish any Rules made in terms of **section 15 (3) to (5) of the Companies Act** by Delivering a copy of those Rules to each Director and Member.

1.3.4 The Association must publish a notice of any alteration of the MOI or the Rules, made in terms of **section 17 (1) of the Companies Act** by delivering a written copy physically or electronically.

1.3.5 These rules become effective after compliance with the Companies Act as amended (10 days of submission to the relevant authority).

1.4 Optional provisions of the Companies Act, do not apply

The Association does not elect, in terms of **section 34 (2) of the Companies Act**, to comply voluntarily with the provisions of **Chapter 3 of the Companies Act**.

1.5 Members of the Association

The Association 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 by the Members of the Association, subject to the provisions of this MOI.

2 General Provisions

2.1 The Association must not, directly or indirectly, pay any portion of its income or transfer any of its assets, regardless how the income or asset was derived, to any person who is or was an incorporator of the Association, or who is a Member or Director, or person appointing a Director, of the Association, except-

2.1.1 as reasonable remuneration for goods delivered or services rendered to, or at the direction of, the Association; or

2.1.2 payment of, or reimbursement for, expenses incurred to advance a stated object of the Association;

2.1.3 as a payment of an amount due and payable by the Association in terms of a bona fide agreement between the Association and that person or another;

2.1.4 as a payment in respect of any rights of that person, to the extent that such rights are administered by the Association in order to advance a stated object of the Association; or

2.1.5 in respect of any legal obligation binding on the Association.

2.2 Despite any provision in any law or agreement to the contrary, upon the winding-up or dissolution of the Association, only present Members of the Association are entitled to the net value of the Association after its obligations and liabilities have been satisfied.

2.3 Any proposal to dispose of all or the greater part of the assets or undertaking of the Association or to amalgamate or merge with another non-profit company, must be approved by Members in a manner comparable to that required of profit companies in accordance with **section 112 and 113 of the Companies Act**, respectively.

2.4 In terms of the conditions of establishment of the Township, the Association has the right to operate an access control system to verify the identity of all persons entering and exiting the Township in accordance with its main object to enhance the security of all residents. All Members and residents will have free access to the Township on verification of valid identification.

3 Membership and related matters

3.1 Membership of the Association is limited to any person who is, in terms of the Deeds Act, reflected in the records of the deed's registry concerned as the registered owner of a Unit in the Township. A person so reflected as the registered owner of a Unit, subject to proof to the contrary, is deemed to be registered owner thereof.

3.2 A person becomes a Member of the Association upon transfer of a Unit into his name and such membership continues until the Member ceases to be the owner of a Unit unless such Member owns

any other Unit(s).

3.3 In the event of any sale of a Unit, the Member must procure that the following conditions of title are recorded in the offer to purchase and / or deed of sale and brought over in the new title deed in terms of which any purchaser takes title to the relevant Unit:

> *"Every owner of the Unit, or any subdivision thereof, or any interest therein, or any Unit thereon, as defined in the Sectional Titles Act, shall automatically become and shall remain a Member of the Association and be subject to its Memorandum of Incorporation and Rules, until he ceases to be an owner as aforesaid.*
>
> *Neither the Unit nor any subdivision thereof, or any interest therein, nor any Unit thereon, shall be transferred to any person who has not bound himself to the satisfaction of such Association to become a Member of the Association.*
>
> *The owner of the Unit, or any subdivision thereof, or any interest therein, or any Unit thereon as defined in the Sectional Titles Act, shall not be entitled to transfer the Unit or any subdivision thereof, or any interest therein, or any Unit thereon, without a clearance certificate from the Association which certifies that the provisions of the Memorandum of Incorporation of the Association have been complied with.*
>
> *The term "Association" in the aforesaid conditions of title shall mean the Silver Lakes Homeowners Association NPC (1992/004661/08), and the definitions in the Memorandum of Incorporation shall apply to the said conditions."*
>
> *In the event where the Registrar of Deeds require the amendment of such conditions, in any manner in order to effect registration of a Unit, the purchaser hereby agrees to such amendment."*

3.4 Concurrently with every offer to purchase and / or deed of sale in respect of a Unit in the Township, every prospective Member must also sign a consent in the prescribed form wherein he consents to his membership of the Association.

3.5 The fact that a person, legal entity and trust ceases to be a Member of the Association because of the transfer of a Unit to another person, does not release such Member from any liability to the Association in respect of any Debt, the cause of which arose prior to the transfer of such Unit, nor otherwise relieve such erstwhile Member from any other obligations owed to the Association during the period of his membership.

3.6 Where a Unit is owned by more than **1 (one)** person all the registered owners of that Unit are deemed to be collectively **1 (one)** Member of the Association and have the rights and obligations of **1 (one)** Member of the Association; provided however that all co-owners of any Unit are jointly and severally liable for the due performance of any obligation to the Association.

3.7 Where a Unit is owned by more than 1 (one) person, such co-registered owners shall designate 1 (one) of them to represent the others as Member. A power of attorney must be provided to the Association evidencing such authority, without derogating from the rights of such Member to provide a separate authority (proxy) for purposes of any Members Meeting.

3.8 Where a Member is a legal entity (company, close corporation, trust or other entity, whether incorporated or unincorporated) such Member must designate a person to represent it with respect to the Association. A power of attorney must be provided by the legal entity to the Association evidencing the authority of the person, without derogating from the rights of such Member to provide a separate authority (proxy) for purposes of any Members Meeting.

3.9 Where a Member is a legal entity (company, close corporation, trust or other entity, whether incorporated or unincorporated), the shareholders, Directors, Trustees and/or members of such legal entity shall be personally liable, jointly and severally with such Member, for the due performance by the Member of all its obligations in terms of the MOI and/or Rules.

3.10 A registered owner of the Unit may not resign as a Member of the Association.

3.11 The Association will maintain at its registered office, alternatively at the office of Management, a register of Members of the Association as provided in item 1(9) of Schedule 1 to the Companies Act.

3.12 The register of Members will be open to inspection on reasonable notice during normal business hours of the Association. The person or entity must provide, in writing, why the inspection is required. The board may refuse to grant such inspection by giving the reasons for the refusal in writing.

3.13 Each Member will be required to provide the Association with Written details of his service address for physical service, and an email address for email service.

3.14 For purposes of legal action, the physical address of the Unit of a Member will be the *domicilium citandi et executandi* of the Member. If he wishes to change such *domicilium* address he must give Written notice to that effect to the Association. If the said *domicilium* of the Member is changed to an address which is not in Pretoria, the Member agrees to the jurisdiction of the Magistrates Court of Pretoria.

3.15 The *domicilium citandi et executandi* of the Association for purposes of legal action is 27 Muirfield Boulevard, Silver Lakes, 0054.

3.16 The *domicilium citandi et executandi* for any tenant / occupier of a Unit for purposes of legal action is the address of the Unit.

3.17 A Member, and not the Association, remains solely responsible for the accuracy of information concerning such Member and provided to the Association and such Member is liable for all consequences resulting from any inaccurate information furnished.

3.18 The Association shall process personal information of Members, Residents, and other data subjects in accordance with POPIA and shall implement appropriate technical and organisational measures to protect

such information. Members consent to the processing of their personal information for purposes related to the management and administration of the Estate and the Association's functions.

4 Rights and obligations of Members

4.1 Rights of Members

4.1.1 Representation by concurrent proxies

The right of a Member of the Association to appoint persons concurrently as proxies, as set out in **section 58 (3)(a) of the Companies Act** is not limited, restricted or varied by this MOI.

4.1.2 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) of the Companies Act** is not limited or restricted by this MOI.

4.1.3 Requirement to deliver proxy instrument to the Association

The requirement that a Member must deliver to the Association a copy of the instrument appointing a proxy before that proxy may exercise the Member's rights at a Members Meeting, as set out in **section 58 (3)(c) of the Companies Act** is varied by this MOI to the extent that it is preferred that the proxy instrument is delivered 48 hours before the time.

4.1.4 Deliberative authority of proxy

The authority of a Member's proxy to decide without direction from the Member whether to exercise, or abstain from exercising any voting right of the Member, as set out in **section 58 (7) of the Companies Act** is not limited or restricted by this MOI.

4.1.5 Record date for exercise of Member rights

If, at any time, the Association's Board of Directors fails to determine a record date, as contemplated in **section 59 of the Companies Act**, the record date for the relevant matter is as determined in **Members Meetings (clause 5).**

4.2 Obligations of Members

4.2.1 Subject to **Directors and Officers (clause 7)** below, Members must elect Directors as prescribed in clause 7 at a Members Meeting of the Association or by way of Round Robin Resolution, envisaged in **Members Meetings (clause 5.12.3)**.

4.2.2 Members should use their best endeavours to further the interests of the Association in pursuance of its objects. Members must refrain from bringing the Association personnel, office bearers, or any entity or person associated with the Association into disrepute and refrain from

unauthorised use of the trademarks of the Association.

4.2.3 Members must diligently and promptly comply with the obligations imposed in terms of this MOI and observe all provisions of this MOI and the Rules. Members must further take all reasonable steps to ensure compliance therewith by their families, employees, agents, contractors, tenants, visitors, trusted individuals, guests and in the case of any Member who conducts any form of business or profession on or from a Unit, which may only be done with the consent of the Association, his customers, clients, patients or other patrons. Despite the aforesaid, Members are liable at all times for the conduct of –

4.2.3.1 their families, employees, agents, contractors, tenants, visitors, trusted individuals, guests and in the case of any Member who conducts any form of business or profession on or from a Unit, which may only be done with the consent of the Association, his customers, clients, patients or other patrons; or

4.2.3.2 in the case of Members who are juristic persons and Trusts, also their directors, shareholders, members, trustees, beneficiaries and such other representatives and / or related or inter-related persons as may be applicable in the circumstances;

4.2.4 If despite written demand by the Association, a Member fails or refuses to comply with any aspect of the MOI and Rules or to repair and maintain a Unit owned by that Member in a neat and tidy condition and state of good repair, -

4.2.4.1 the Association may remedy the Member's failure and recover the reasonable cost of doing so from that Member; provided that in the case of an emergency, no demand or notice need be given to the Member concerned; and / or

4.2.4.2 the Member shall be liable for a penalty, as determined by the Board from time to time.

4.2.5 A Member must not let or otherwise part with occupation of such Member's Unit, whether temporarily or otherwise, unless such proposed tenant or occupier of the Unit has agreed in Writing –

4.2.5.1 to be bound by and observe the terms and conditions of this MOI including the Rules referred to in **Rules**; and

4.2.5.2 that his or her domicilium *citandi et executandi* for purposes of legal action is the address of the Unit;

4.2.5.3 A Member, not occupying his dwelling or unit, and any person occupying such residence or unit will be bound by the same obligations as though it is a Member occupying such;

such obligations to comprise a *stipulatio alteri* (contract for the benefit of a third party) in favour of the Association, without derogating from the liability and responsibility of the Member for the acts and omissions of such proposed tenant or occupier as referred to in this MOI.

4.2.6 The owner of a Unit may not subdivide or consolidate an erf or erect a second dwelling on the same erf, irrespective of whether consent is granted by any lawful authority, unless the prior and explicit written approval of the Association has been obtained.

4.2.7 The owner of a Unit may not rezone an erf or in any way change the use for which an erf has been zoned, whether by way of rezoning or a consent use or otherwise, irrespective of whether consent is granted by any lawful authority, unless the prior and explicit written approval of the Association has been obtained.

4.2.8 A business, or any part thereof, may not be conducted from a Unit without the prior written consent of the Association having been obtained and provided further that all conditions of this MOI, the Rules of the Association, the relevant town planning scheme and/or title deed have been complied with.

4.2.9 A Member or any other occupier of a Unit may not:

4.2.9.1 Contravene the provisions of any law or by-law relating to the use of a Unit;

4.2.9.2 Contravene the conditions of title applicable to the Unit; or

4.2.9.3 Construct or place any structure or building improvement on a Communal Property, it being the intention that only the Association shall be entitled to do so.

4.2.10 A Member is liable for and must pay to the Association all legal costs and disbursements (on an attorney and own client scale or agreed with the Member) incurred by the Association in enforcing compliance with this MOI, the Rules or the Companies Act.

4.2.11 A Member is obliged to ensure that information of and concerning such Member, and held by the Association, is accurate, up to date and true. Should any change occur with regards to such information, a Member is obliged to duly and within **7 (seven) days** from date of change, inform the Association thereof in Writing.

4.3 The rights and obligations of a Member shall not be capable of being ceded and/or assigned, in whole or in part, nor otherwise be transferable, provided that nothing in this MOI shall prevent a Member from ceding the Member's rights in terms of this MOI as security to the mortgagee of that Member's Unit.

4.4 A Member is not entitled to any of the privileges of membership of the Association, including without limitation the right to vote at a Members Meeting, unless and until the Member has paid every Debt, from whatsoever cause arising, due and payable by the Member to the Association.

5 Members Meetings

5.1 Requirement to hold meetings

The Association is required, in addition to such meetings specifically required by the Companies Act, to hold the Members Meetings contemplated in this MOI.

5.2 Members' right to call a meeting

The right of Members to call a meeting, as set out in **section 61 (3) of the Companies Act**, is not altered by this MOI.

5.3 Location of Members Meetings

The authority of the Association's Board of Directors to determine the location, in person or virtual, of any Members Meeting, and the authority of the Association to hold any such meeting, as set out in section 61 (9) of the Companies Act is not limited or restricted by this MOI.

5.4 Notice of Members Meetings

5.4.1 Each Members Meeting must be called by Written notice of at least **15 (fifteen) business days** before the date set for the Members Meeting concerned.

5.4.2 The notice convening each a Members Meeting must specify the place, and if virtual the manner of it, the day and hour of the Members Meeting and must otherwise contain details of the business, including where relevant, special business, to be conducted at the Members Meeting.

5.4.3 In the event that special business is to be conducted at a Members Meeting, the notice convening the Members Meeting shall contain adequate motivation and information to enable the Members to make an informed decision.

5.4.4 Before any Member may attend or participate in a Members Meeting, that Member must be in good standing as reference in clause B(h), present reasonably satisfactory identification, and if virtual, the identification as established by the board, and the meeting Chairperson must be reasonably satisfied that the right of that person to participate and vote, either as a Member, or as a proxy of a Member, has been reasonably verified.

5.4.5 The record date for Members Meetings will be the last day upon which notice of the Members Meeting may be given.

5.5 Electronic participation in Members Meetings

The authority of the Association to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, as set out in **section 63 of the Companies**

Act, is not limited or restricted by this MOI.

5.6 Quorum for Members Meetings

5.6.1 The quorum requirement for a Members Meeting to begin, is **7% (seven percent)** of the Members of the HOA as at the record date of the Meeting.

5.6.2 A Members Meeting may not begin and a matter to be decided at the Members Meeting may not begin to be considered, unless a quorum is present within **15 (fifteen) minutes** of the time specified for the commencement of the meeting. The meeting Chairperson has the right to extend the **15 (fifteen) minute** period by a reasonable amount of time to allow for exceptional circumstances as described in the Companies Act.

5.6.3 If within **15 (fifteen) minutes**, or such extended time as allowed by the meeting Chairperson, from the time specified for the holding of a Members Meeting, a quorum is not present, the Members Meeting shall be postponed without motion, vote or further notice for **1 (one) week**, at the same place and time. If at the adjourned Members Meeting a quorum is not present within **15 (fifteen) minutes** from the time appointed for holding the Members Meeting, the Members present constitute a quorum.

5.6.4 For the purposes of establishing a quorum, Units registered in the name of the Association is not taken into account and the Association is not considered to be a Member.

5.6.5 After a quorum has been established for a Members Meeting, or for a matter to be considered at a Members Meeting, the Members Meeting may continue, or the matter may be considered, so long as at least **1 (one)** Member with voting rights entitled to be exercised at the Members Meeting, or on that matter, is present at the Members Meeting.

5.7 Adjournment of Members Meetings and Further Provisions

5.7.1 A Members Meeting, or the consideration of any matter being debated at the Members Meeting, may be adjourned from time to time without further notice, subject to **Members Meetings (clause 5.7.2)** below, on a motion supported by Members entitled to exercise, in aggregate, a majority of the voting rights-

5.7.1.1 held by all of the Members who are present at the Members Meeting at the time; and

5.7.1.2 that are entitled to be exercised on at least one matter remaining on the agenda of the Members Meeting, or on the matter under debate, as the case may be.

5.7.2 An adjournment of a Members Meeting, or of consideration of a matter being debated at the Members Meeting, -

5.7.2.1 may be either-

5.7.2.1.1 to a fixed time and place; or

5.7.2.1.2 until further notice,

as agreed at the meeting; and

5.7.2.2 requires that a further notice be given to Members only if the meeting determined that the adjournment was *'until further notice'*, as contemplated in **Members Meetings (clause 5.7.2.1.2)** above.

5.7.3 No business must be transacted at any adjourned Members Meeting other than the business which failed to be transacted at the Members Meeting from which the adjournment took place.

5.8 Maximum period allowed for an adjournment of Members Meetings

The maximum period allowable for an adjournment of a Members Meeting is as set out in **section 64 (12) of the Companies Act**, without variation.

5.9 Proxies

5.9.1 Member may be represented at a Members Meeting by a proxy, who need not be a Member. A Member may appoint only 1 (one) proxy per Unit the Member owns. A proxy may delegate such proxy's vote to another proxy in compliance with the Companies Act.

5.9.2 The Association must provide each Member with a proxy invitation for a specific Members Meeting, which remain valid until the end of the Members Meeting, or any postponement thereof.

5.9.3 In the event of a trust, company or close corporation resolving to authorise a natural person, who is not a related or interrelated person (as defined in the Companies Act), to attend, speak and vote in person or by proxy at a Members Meeting, a written resolution should accompany a duly completed proxy instrument.

5.9.4 The instrument used by Members to appoint a proxy must be in Writing, dated and duly signed by the Member concerned (or such Member's appointed agent duly authorised in Writing).

5.9.5 Proxies will be accepted via a designated Association e-mail address in accordance with the **Electronic Communications and Transactions Act, No. 25 of 2002**.

5.9.6 In addition to **Members Meeting (clauses 5.9.4 and 5.9.5)** above, the Association may provide a platform to Members to submit proxies in the prescribed format via a secure electronic portal.

5.9.7 A proxy instrument, other than the proxy invitation instrument issued by the Association, issued

by a Member remains valid for:

5.9.7.1 **1 (one) year** after the date on which it was signed; or

5.9.7.2 any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in the Companies Act or expires earlier as contemplated in **Members Meetings (clause 5.9.2)** above for proxies issued by the Association.

5.9.8 A proxy invitation issued by the Association remains valid only until the end of the meeting for which it was intended.

5.9.9 The Electoral Committee's ruling on the validity of any proxy instrument is final and binding unless reviewed by a competent authority.

5.9.10 A vote given in accordance with the terms of a proxy shall be valid notwithstanding the death or insolvency of the principal prior to the time of voting, or subsequent revocation of the proxy, provided, however, that no intimation of the death or insolvency, or revocation, should have been received by the Association and the proxy at any time prior to the vote being taken in respect of which the proxy exercise such vote.

5.9.11 In order to accurately determine the authority and rights of the proxy holder, the proxy document should preferably be in the format issued by the Association which may be submitted in printed format or electronically.

5.10 Members resolutions

5.10.1 For an ordinary resolution to be adopted at a Members Meeting, it must be supported by more than **50 (fifty) %** of the voting rights exercised on the resolution by Members present at the Members Meeting.

5.10.2 For a special resolution to be adopted at a Members Meeting, it must be supported by at least **75 (seventy-five) %** of the voting rights exercised on the resolution by Members present at the Members Meeting.

5.10.3 In addition to those matters set out in **section 65 (11) of the Companies Act**, a special resolution adopted at a Members Meeting is required for the following matters to be determined by the Association:

5.10.3.1 The subdividing, sale, purchase or amending the zoning of any immovable property owned by the Association;

5.11 Annual General Meeting ("**AGM**")

5.11.1 The Association must convene and hold an AGM once in every calendar year, but not more

than **15 (fifteen) months** after the previous AGM.

5.11.2 The notice convening the AGM must be Delivered to the Members and must contain an agenda of the business to be conducted, which may include *inter alia* the following business:

5.11.2.1 presentation of the Chairperson's report;

5.11.2.2 presentation of the report by the Audit & Risk Committee;

5.11.2.3 presentation of the report by the Social, Ethics and Governance Committee;

5.11.2.4 presentation of Directors' Reports, Auditor's Report and audited Annual Financial statements for the previous financial year;

5.11.2.5 presentation of the administrative and capital budgets for the next financial year and the determination of levies and the approval thereof;

5.11.2.6 the appointment of the Association's Auditors and the approval of the remuneration payable to the Auditors;

5.11.2.7 the remuneration of the Directors as more fully dealt with in **Directors and Officers**;

5.11.2.8 any other relevant business.

5.12 Extraordinary General Meeting ("**EGM**") and Round Robin Resolutions

5.12.1 The Board may, whenever it deems fit, convene an EGM for dealing with extraordinary or special business not dealt with at an AGM, and must call such a meeting in terms of **section 61(3) of the Companies Act**, if –

5.12.1.1 **1 (one)** or more written and signed demands for such a Members Meeting are delivered to the Association; and

5.12.1.2 each such demand describes the specific purpose for which the Members Meeting is proposed; and

5.12.1.3 in aggregate, demands for substantially the same purposes are made and signed by Members, as of the earliest time specified in any of those demands, of at least **5 (five) %** of the voting rights entitled to be exercised in relation to the matter proposed to be considered at the Members Meeting.

5.12.1.4 In such a case the Board will be obliged to call such meeting within 45 business days after being requested to do so

5.12.2 An EGM may be held at a date, time and place as the Directors may determine, subject to

the provisions of the Companies Act read together with this MOI.

5.12.3 The Board may, as an alternative to calling an EGM or an AGM, and insofar as is practical and in accordance with the provisions of **section 60 of the Companies Act**, -

5.12.3.1 submit a resolution for consideration to the Members entitled to exercise voting rights in relation to the resolution; and

5.12.3.2 such resolution may be voted on in Writing by the Members entitled to exercise voting rights in relation to the resolution within **20 (twenty) business days** after the resolution was submitted to them.

5.12.4 A resolution contemplated in **Members Meetings (clause 5.12.3)** is referred to as a Round Robin Resolution and -

5.12.4.1 will have been adopted if it is supported by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or special resolution, as the case may be, as a properly constituted Members Meeting; and

5.12.4.2 if adopted, has the same effect as if it had been approved at a Members Meeting.

5.12.5 Despite any other provision in this MOI to the contrary, an election of Directors that could be conducted at a Members Meeting, may instead be conducted by written polling to all of the Members entitled to exercise voting rights in relation to the election of Directors.

5.12.6 Within **10 (ten) business days** after adopting a resolution submitted as contemplated in **Members Meetings (clause 5.12.3)**, the Association must deliver a statement describing the results of the vote, consent process or election to every Member who was entitled to vote on or consent to the resolution, or vote in the election of Directors, as the case may be.

5.13 Resolutions and amendments thereof

5.13.1 Every motion and every amended motion proposed for adoption as a resolution by a Members Meeting must be seconded and if not so seconded, must be deemed not to have been proposed.

5.13.2 A motion proposed for adoption may only be amended at a Members Meeting in order to correct a patent error in spelling, punctuation, reference, grammar or similar defect on the face of the document itself.

5.14 Voting

5.14.1 Voting Rights

5.14.1.1 At every Members Meeting, every Member is entitled to vote in person or by proxy [as determined in **Members Meeting (clause 5.9)**] and has **1 (one)** vote for each Unit registered in such Member's name.

5.14.1.2 For the purposes of any vote, the votes of any Units registered in the name of the Association are considered abstentions.

5.14.2 Voting Determination

5.14.2.1 At any Members Meeting a motion put to the vote must be decided on a show of hands unless –

5.14.2.1.1 a poll is proposed by the meeting Chairperson; or

5.14.2.1.2 demand for such vote is made by –

5.14.2.1.2.1 at least five persons having the right to vote on that matter, either as a Member or a proxy representing a Member; or

5.14.2.1.2.2 a person who is, or persons who together are, entitled, as a Member or proxy representing a Member, to exercise at least 10% of the voting rights entitled to be voted on that matter.

5.14.2.2 A poll must be taken in the form of a ballot, which may be done in writing or electronically.

5.14.2.3 Unless a poll is demanded before or on the declaration of the result of a show of hands, a declaration by the meeting Chairperson that a motion has, on a show of hands, been carried or defeated, must be entered in the minute book of the Association and is conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such motion.

5.14.2.4 Voting for a change to the MOI may be done with 1 (one) vote to approve all changes, or where there is any objection, then the changes will be voted on individually.

5.14.2.5 A demand for a poll may be withdrawn.

5.14.2.6 If a poll is demanded, it must be taken in such a manner as the meeting Chairperson directs, and the result of the poll is deemed to be the resolution of the Members Meeting at which the poll was demanded.

5.14.2.7 Scrutineers must be appointed by a show of hands at the Members Meeting to

determine the results of the poll.

5.14.2.8 A poll demanded with respect to any adjournment must be taken forthwith.

5.14.2.9 A poll demanded on any other question must be taken at such time as the meeting Chairperson directs.

5.14.2.10 The demand for a poll must not prevent the continuation of the Members Meeting for the transaction of any business other than the question upon which the poll has been demanded.

5.14.2.11 Unless any Member present in person or by proxy at a Members Meeting, prior to closure of the Members Meeting, objects to the correctness or validity of the procedure at such Members Meeting, the Members Meeting shall in all respects be deemed to have been properly and validly constituted and conducted.

5.14.2.12 For meetings conducted in terms of Section 60 of the Companies Act, the same principle will apply as referred to above but adapted for virtual meetings.

5.15 Conduct of Meetings

5.15.1 The Chairperson of the Board should preside as Chairperson at all Members Meetings. If the Chairperson is not present within 15 (fifteen) minutes of the scheduled time for the start of the Members Meeting or in the event of such Chairperson's inability or unwillingness to act, the Board can appoint one of its directors present at the Members Meeting to fulfil this function. If the Board intends making use of a person other than a Board member to chair the Members Meeting, the Members present shall be afforded the opportunity to nominate and elect the meeting Chairperson by show of hands by ordinary resolution.

5.15.2 The Chairperson must:

5.15.2.1 Maintain order, regulate the orderly expression of views and guide Members and other participants through the business of the Members Meeting in accordance with the conduct of Members Meetings;

5.15.2.2 Ensure that all motions and amendments proposed are within the scope of the notice and powers of the Members Meeting;

5.15.2.3 Ensure that the Association's MOI, Rules, the minute books and any other official documents relevant to the items of business on the agenda are available at the Members Meeting;

5.15.2.4 Act fairly, impartially and courteously to all Members and others entitled to attend the Members Meeting;

5.15.2.5 Ensure that all Members and others entitled to speak are able to express their views about matters contained to the agenda only without unnecessary disturbance or interruption;

5.15.2.6 Adjourn the Members Meeting at the Chairperson's discretion, when it is not able to complete or continue with its business;

5.15.2.7 Make decisions on points of procedure;

5.15.2.8 Settle disputes by giving rulings on points of order;

5.15.2.9 Surrender the chair to a temporary Chairperson for the elections part of the Members Meeting where the Chairperson stands for re-election.

5.16 Minutes of Members Meetings

5.16.1 The Directors shall cause minutes of each Members Meeting to be kept, which minutes must be reduced to writing within **60 (Sixty) days** and certified as correct by the Chairperson at the next Members Meeting.

6 Financial

6.1 Budgets

6.1.1 The Association will prepare separate budgets for the administrative and capital maintenance funds comprising itemised estimates of the anticipated income and expenses for presentation at the AGM.

6.1.2 The budgets shall be sufficient to meet the Association's necessary and other reasonably foreseeable administrative and capital maintenance expenses and shall also cater for annual and otherwise non-recurring costs, including a separate provision in respect of reserve funds, which budgets shall further specify separately the estimated surplus or deficit, if any, carried forward from the preceding financial year.

6.1.3 The administrative fund must be used to fund the day-to-day operating expenses of the Association for a particular financial year.

6.1.4 Subject to the hereinafter stated provisions, the levies payable by the Members will be determined by dividing the net budgeted expenditure by the number of levy paying Units, excluding the Units registered in the name of the Association.

6.1.5 The Association must prepare a written Capital Plan for the improvement, additions and replacement of communal property, for adoption by Members at an AGM, setting out:

6.1.5.1 The capital items expected to require improvement, additions and replacement

within the next **3 (three) years**; and

6.1.5.2 The estimated cost of the improvements, additions and replacement.

6.1.6 The Capital Fund must be used for the cost of improvement, additions and replacement of capital items of the communal property and for any unexpected essential capital costs not budgeted for the current year. The Directors must report to each AGM the extent to which the approved capital maintenance fund had been applied.

6.1.7 The administrative and capital maintenance funds must be accounted for and reported on separately. The Board shall furnish Members with interim accounts of both funds at the end of each quarter. Expenditure of reserve funds must be communicated and duly motivated to Members with at least **30 (thirty) days' notice** prior to incurring the expenditure.

6.1.8 The Directors shall, in their normal administration and management of the Association, not exceed the budgets as approved, nor increase the levies or impose any additional levies or raise any special levies, other than as provided for in **Financial (clause 6.2.1)**, with respect to any non-essential expenditure, unless a due motivation has been made available to Members and such additional levies and/or special levies, as the case may be, have been approved by the Members at a Members Meeting.

6.1.9 The budget must be tabled at the AGM for adoption by the Members, in the form as tabled or with such amendments or modifications and restrictions as the Members may resolve at the AGM.

6.1.10 The budget must be Delivered to Members and copies must be available for collection at the offices of Management not later than **15 (fifteen) business days** prior to the date of the AGM.

6.2 Levies

6.2.1 The Association may, on the authority of a written Board resolution:

6.2.1.1 Increase the contributions due by Members by a maximum of the Consumer Price Index ("**CPI**") at the end of a financial year to take account of anticipated increased liabilities of the Association pending the approval of budgets at a Members Meeting, which increase will remain effective until Members receive notice of the contributions due by them for the next financial year as approved by a Members Meeting; provided that the Directors must give notice of such increased contributions similar to **Financial (clause 6.2.1.3)**. Any difference between the CPI increases and levies approved at a Members Meeting will be adjusted accordingly on Member statements within **30 (thirty) days**.

6.2.1.2 Recover from Members in the form of a specified additional levy any amounts imposed upon the Association by any relevant authority in terms of any

legislation, where such liabilities were not provided for at the time of the approval of the prevailing budget. At least **30 (thirty) days'** notice of the effective date of such additional levy will be given.

6.2.1.3 The Association must advise each Member, in Writing, **30 (thirty) days** before the increase and after ratification at the AGM, of the amount of the levies payable by such Member for the affected financial year, which notice must:

6.2.1.3.1 State that the Member has an obligation to pay the specified contribution and charges; and

6.2.1.3.2 Specify the due date for each payment; and

6.2.1.3.3 State that interest at a rate specified in the notice will be payable on any overdue contributions and charges; and

6.2.1.3.4 Include details of the dispute resolution process that applies in respect of disputed contributions and charges.

6.2.1.4 Members will be obliged to pay any newly imposed levies with effect from the date stipulated in the Written notice as Delivered to the Member, consequent upon the approval of the budget.

6.2.1.5 The annual levies are payable either upfront or in equal monthly instalments, due in advance on the first day of each and every month of each financial year.

6.2.1.6 Additional levies and special levies must similarly be payable over the period indicated by the Association in its Written notice Delivered to Members.

6.2.2 **Differentiated and Weighted Levies**

6.2.2.1 The Directors are entitled to differentiate with regard to the levy responsibility attaching to any Unit and/or to weight the levies payable in respect of any Unit (these rights extending to any additional levies and special levies).

6.2.2.2 In differentiating or weighting as aforesaid, the Directors may have regard to the nature, extent of occupation, type of Unit, use of the Unit (residential and/or business), the zoning of the Unit, the size/composition of the erf and such other relevant criteria as the Directors may in their sole discretion determine,

6.2.2.3 In effecting a determination of differentiated or weighted levies, the Directors may take into account and apply, to the extent deemed relevant, *inter alia* the following principles and prescriptions:

6.2.2.3.1 Whether there are costs that can directly be allocated to a Unit,

and thereby to the Member (as owner of the Unit) in respect of, *inter alia*, municipal and other local authority's service and other charges (which are not provided for in the Unit levies payable by the Member);

6.2.2.3.2 A proportion of the costs relating to the Estate generally should be assigned to all Units (including undeveloped erven) equitably;

6.2.2.3.3 Whether it is necessary to impose additional levies in respect of a Unit due to the zoning of the Unit and / or where any business is conducted on or from the Unit;

6.2.2.3.4 Whether a Sectional Title Unit is a primary section (designed to be used for human occupation) or a utility section (designed not to be used for human occupation, such as a storeroom, workshop, parking garage or other utility area, not being a primary section);

6.2.2.3.5 Whether levies are paid by way of prepayments, cash payments, card payments, and/or payments by debit order;

6.2.2.3.6 disclose such differentiated or weighted levies in the annual budget.

6.2.2.4 The Directors shall exercise their discretion reasonably, taking into account the provisions as herein above set out, and such other relevant criteria as the Directors consider necessary.

6.2.2.5 A Member shall be entitled to Deliver an objection in Writing to the Association within not more than **30 (thirty) days** after delivery of the Written notification of differentiated/weighted levies payable by such Member (as the owner of the affected Unit) and the following further provisions shall apply in respect thereof:

6.2.2.5.1 the Directors shall not entertain any objection which is not received within the aforementioned prescribed period;

6.2.2.5.2 the Directors shall review the determination with respect to the affected levy and take into account the objection received;

6.2.2.5.3 the complainant Member shall be entitled to be provided with the calculation and determination as effected by the Directors;

6.2.2.5.4 the Directors shall convene, as soon as reasonably possible, a meeting with the complainant Member (and should there be more

than 1 (one) complainant, those complainants collectively) and hear such further representations as the complainant Member may wish to make;

6.2.2.5.5 the Directors shall, in consequence of such processes, either reject the complaint (and confirm the determination of the effected levies) or review the determination and Deliver their Written determination to the complainants within30 business days after receipt of such complaint;

6.2.2.5.6 in all events the Directors' determination (whether confirming the determination or revising same), shall be final and binding upon the Association and the affected complainant Member.

6.2.2.6 The aforementioned shall not preclude any Member from approaching a competent court for the review of the Directors' final decision.

6.2.3 Building penalty levies

The Directors shall be empowered to impose penalty levies on Members who have failed to comply with the obligation to build within the prescribed time periods, as contemplated in the Rules, which levies shall be payable in addition to levies normally applicable to a Unit.

6.3 Insurance

The insurance cover of the Association must follow a proper risk assessment and provide adequate cover against replacement value, standard risks, and the CSOS Act prescribed amounts of public liability and fidelity insurance. The Association must obtain a replacement valuation at least every 3 (three) years of all buildings and improvements to the communal property it must insure and adjust the insurance values accordingly.

6.4 Debt

6.4.1 Members are liable for, and must pay interest on any Debt due to the Association, at a rate as published in the notice referred to in Financial (clause 6.2.1.3.3), such interest to be charged from the due date and compounded monthly.

6.4.2 Where payment of any amount raised or Debt is not received in full on or by the due date, including dishonoured debit orders, the Association are, in addition to the levying of interest as stipulated in Financial (clause 6.2.1.3.3), entitled to charge a 10 (ten) % late-penalty fee in respect of the total debt due on each such occurrence, such fee to be added to the levy account. The default may in addition be listed with a recognised credit bureau.

6.4.3 Payments must be allocated as follows: first to outstanding interest, then to legal and collection costs, then to penalties and finally to levies.

6.4.4 Any Member whose Debt is in arrears for a period in excess of **30 (thirty) days** may not proceed with any building construction until the arrear Debts have been settled in full, and no building plans in anticipation of any construction will be approved by the Association until the aforesaid full settlement of Debt.

6.4.5 The Debt will be payable to the Association free of exchange, deduction or commission.

6.4.6 The obligation of a Member to pay levies must terminate upon such Member ceasing to be a Member, without prejudice to the Association's rights to recover any Debt.

6.4.7 Where a Member is in arrears with payment of any Debt the Association is, in addition to the provisions of **Financial (clauses 6.4.1 and 6.4.2)** supra, entitled to enforce such recovery proceedings and exercise such other legal remedies as are available to the Association in terms of the MOI and/or Rules, or at law.

6.4.8 In the event of the Directors seeking legal advice, taking any legal steps and/or implementing any legal proceeding, the Association shall be entitled to recover from the offending Member on an attorney and own client scale the costs thereof, together with all relevant disbursements.

6.4.9 In the event that a Member is in default of a judgement in respect of any Debt, the Association may approach a relevant court of law to declare the Unit owned by the Member specially executable and saleable in order to recover all arrear Debt.

6.4.10 The Board has the right to agree to debt settlement plans with a Member.

6.5 Sales and transfer of properties

6.5.1 A Member's successor in title (to a Unit) must be liable, as from the date upon which the successor becomes a Member pursuant to the transfer of that Unit to such successor, to pay the levies, including any special levies attributable to that Unit with effect from the date of transfer. The Association furthermore reserves the right to equitably adjust and accrue levies and special levies to consolidated or subdivided properties.

6.5.2 In circumstances where a Member has sold or otherwise disposed of a Unit, he is obliged to inform the Management in Writing of the impending transfer, and must confirm the date on which such transfer is registered in the name of the Member's successor in title in order to enable the Association to determine the date of responsibility for payment of levies and any other amounts comprising of a Debt.

6.5.3 A Member may not transfer a Unit without first obtaining a Clearance Certificate from the Association, confirming:

6.5.3.1 the full particulars of the Member's successor in title and acknowledgement that the successor will become a Member of the Association and will adhere to the MOI and all Rules has been furnished;

6.5.3.2 that this MOI and all Rules have been complied with;

6.5.3.3 that all levies (including payment of **3 (three) months** levies in advance) have been paid; and

6.5.3.4 that any other amounts comprising of a Debt have been paid up to the end of the month during which such contemplated registration of transfer of such Unit will take place.

6.5.4 Management is entitled to levy an administration fee (to be determined by the Association from time to time) when issuing any Clearance Certificate and/or consent to allow registration of a mortgage bond over the purchaser/owner's property and similarly, when issuing an extension of the clearance certificate.

6.6 Financial Accounts / Inspection of Document

6.6.1 The Association's audited annual financial statements, register of Members, MOI and Rules, and minutes of Board meetings shall be open for inspection by Members at the office of Management at all reasonable times during normal business hours of the Association, subject to the following provisions:

6.6.1.1 should a Member require copies of documentation which are not prohibited from being reproduced by any relevant legislation or confidentiality provisions, such request for copies shall be submitted to the Directors in Writing, and the Directors shall be entitled to levy a reasonable fee, subject to **section 26 of the Companies Act**, in respect of the administration for such request, including the cost of any copies;

6.6.2 The Directors must procure that the Association's financial account are written up and maintained in accordance with all legal requirements as prescribed in terms of the Companies Act and must otherwise in and about the conduct of the Association's business, ensure compliance with all applicable legislation, whether fiscal or otherwise.

6.6.3 The Auditors must be required to complete the annual audit of the Association within **6 (six) months** of the financial year-end of the Association and must otherwise be entitled to conduct such interim audits and/or examine the accounts of the Association as directed by the Directors.

6.6.4 The appointment and duties of the Auditors must be in conformity with the Companies Act, and the appointment and remuneration of the Auditors are to be made and confirmed at

each AGM.

7 Directors and Officers

7.1 Office of the Directors

7.1.1 The Board of Directors of the Association shall consist of at least **3 (three)** directors and not more than **7 (seven)** directors for the portfolios of Chairperson, Legal, Finance, Security, Environment and Country Club; who shall

7.1.1.1 be elected by the Members at a Members Meeting, or where applicable by way of a Round Robin Resolution;

7.1.1.2 serve for a term as envisaged in **Directors and Officers (clause 7.1.7)**; and

7.1.2 the Chief Executive Officer (CEO) who may be appointed as ex officio Director by the Directors mentioned in 7.1.1.

7.1.3 In addition to satisfying the qualification and eligibility requirements set out in **section 69 of the Companies Act**, to become or remain a Director of the Association, a person must satisfy the additional eligibility requirements and qualifications.

7.1.4 Each elected director of the Association serves for a period as set out in **Directors and Officers (clause 7.1.1.2)**, which requires that at least one-third of the Directors must be elected each year.

7.1.5 A Director must be a natural person, hold suitable expertise as required for the designated portfolio, and except for the ex officio Director, must be a Member of the Association or a duly authorised spouse of such Member or the duly authorised representative of a Member of the Association where such Member is not a natural person, as referred to more fully in **Membership and related matters (clause 3.9)**.

7.1.6 A Director, by acceptance of the Director's appointment to the office as such, is deemed to have agreed to be bound by all the provisions of the MOI and to discharge the fiduciary duties set out in section 76 of the Companies Act, including the duty to act in good faith and for a proper purpose, in the best interests of the Association, and with the degree of care, skill and diligence that may reasonably be expected of a person carrying out the same functions.

7.1.7 Save as set out in **Directors and Officers (clauses 7.1.2 and 7.1.11)**, each Director, except the CEO, will continue to hold office as such from the date of such Director's election until the end of the third AGM following such election, at which Members Meeting and subject to the hereinafter set out provisions, each Director shall be deemed to have retired from office as such but will be eligible for re-election to the Board of Directors. The CEO will hold office

for the duration of the CEO's appointment agreement, and subject to **Directors and Officers (clause 7.5.1)**.

7.1.8 Notwithstanding the provisions of **Directors and Officers (clause 7.1.1)**, the Directors shall be entitled to co-opt **1 (one)** further Director to assist the Board of Directors with respect to any functions in terms of the aforementioned designated portfolios (or such other portfolios as the Directors shall determine), such co-opted Director, to enjoy the same powers and functions as the duly elected Directors, subject however to any such co-opted Director's appointment terminating on the date of the next Members Meeting.

7.1.9 The principle as enunciated in **Directors and Officers (clause 7.1.7)** whereby elected Directors hold office as such for the period as stated, has the effect that there is no obligation on any Director to stand down until such Director's term of office has expired, subject to **Directors and Officers (clause 7.1.5)** above. This does not derogate from the right of any Director to resign, at any time, or to stand down at the AGM following upon the AGM at which the Director was elected.

7.1.10 A Director(s) will be deemed to have vacated such Director's office upon such Director:

7.1.10.1 having become ineligible or disqualified to act as a Director in terms of the Companies Act;

7.1.10.2 being removed from office as provided for in **section 71 of the Companies Act**;

7.1.10.3 being disentitled to exercise a vote in terms of the MOI; and / or

7.1.10.4 having submitted such Director's resignation in Writing to the Association.

7.1.11 Upon any vacancy occurring in the Board of Directors prior to the next AGM, the vacancy in question must be filled by a person nominated and co-opted by the remaining Directors for the time being. A new director must be elected at the next AGM.

7.1.12 Should a vacancy occur in the office of Chairperson, the Board of Directors will elect a new Chairperson from the existing Directors and co-opt a new Director to the portfolio that has then become vacant. A new Director must be elected at the next AGM.

7.1.13 an additional Director to the vacancy, provided that the Director elected to act as Chairperson shall not hold dual portfolios.

7.1.14 The nomination of a Director must be in Writing, in the prescribed format, accompanied by the written consent of the person nominated and delivered to the Association service address by no later than the date as announced by the Association prior to the Members Meeting or a Round Robin Resolution is submitted.

7.1.15 If no nominations to fill the vacancies are received by the closing date for nominations in

terms of **Directors and Officers (clause 7.1.13)**, further nominations may be called by the Electoral Committee.

7.1.16 In an election of Directors, the declaration of the voting results by the meeting Chairperson shall be provisional pending the declaration of the Electoral Committee on the integrity of the election process as provided for in the Rules.

7.1.17 Directors are entitled to reasonable remuneration for services rendered in their capacities as such as determined by the Members at a Members Meeting and are further entitled to be reimbursed in respect of all reasonable and vouched expenses necessarily incurred by them respectively in or about the performance of their duties as Directors.

7.2 Authority of the Board of Directors

The authority of the Association's Board of Directors to manage and direct the business and affairs of the Association, as set out in **section 66 (1) of the Companies Act** is not limited or restricted by this MOI.

7.3 Board of Directors meetings

7.3.1 The authority of the Association's Board of Directors to consider a matter other than at a meeting, as set out in **section 74 of the Companies Act** is not limited or restricted by this MOI.

7.3.2 The right of the Association's Directors to call a meeting of the Board, as set out in **section 73 (1) of the Companies Act** is not limited by this MOI.

7.3.3 The authority of the Association's Board of Directors 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 Companies Act** is not limited or restricted by this MOI.

7.3.4 The authority of the Association's Board of Directors to determine the manner and form of providing notice of its meetings, as set out in **section 73 (4) of the Companies Act** is not limited or restricted by this MOI.

7.3.5 The authority of the Association's Board of Directors to proceed with a meeting despite a failure or defect in giving notice of the meeting, as set out in **section 73 (5) of the Companies Act** is not limited or restricted by this MOI.

7.3.6 The quorum requirement for a Directors' meeting to begin, the voting rights at such a meeting, and the requirements for approval of a resolution at such a meeting, are as set out in **section 73 (5) of the Companies Act**.

7.4 Officers and Committees

7.4.1 The Board of Directors may appoint any officers it considers necessary to better achieve the objects of the Association.

7.4.2 The authority of the Association's Board of Directors to appoint committees of directors, and to delegate to any such committee any of the authority of the Board as set out in **section 72 (1) of the Companies Act**, or to include in any such committee persons who are not directors, as set out in **section 72 (2)(a) of the Companies Act** is not limited or restricted by this MOI.

7.4.3 The authority of a committee appointed by the Association's Board, as set out in **section 72 (2)(b) and (c) of the Companies Act** is not limited or restricted by this MOI.

7.5 Powers and Functions of Directors

Unless otherwise resolved by way of a Special Resolution at any Members Meeting, Directors are authorised and empowered to:

7.5.1 appoint and dismiss the CEO;

7.5.2 delegate powers to the CEO (including the power to appoint and dismiss employees other than senior employees, the latter which will require prior Board approval);

7.5.3 institute legal proceedings to protect the objects and rights of the Association, enforce the MOI and/or Rules and defend any legal proceedings brought against the Association where deemed appropriate by them;

7.5.4 open and conduct banking accounts for purposes of the Association's business;

7.5.5 disburse, from the bank accounts such operational and capital expenditure as approved in the budget and as otherwise may be authorised by an AGM;

7.5.6 enforce compliance with the provisions of this MOI and the Rules and, in the event of non-compliance, to impose sanctions and penalties in terms of the Rules;

7.5.7 enter into contracts necessary for the purposes of the objects of the Association and giving effect to the powers of the Association in its MOI and implementation of this MOI.

7.5.8 Co-opt subject matter experts and other professionals to assist the Board as necessary.

7.5.9 Appoint committees with respect to the following functions:

7.5.9.1 Aesthetics & Architecture;

7.5.9.2 Audit & Risk;

7.5.9.3 Country Club;

7.5.9.4 Electoral Committee;

7.5.9.5 Environment;

7.5.9.6 Golf Committee; (Two Golf Committee Members, as specified in the Golf Club Constitution, may be non-SLHOA members or non-residents.)

7.5.9.7 Health & Safety;

7.5.9.8 Security;

7.5.9.9 Social, Ethics & Governance; and

7.5.9.10 such other committee(s) as deemed necessary by the Board.

7.5.10 Delegate to such committees such powers and authorities as may be considered necessary by the Directors for purposes of fulfilling any functions and exercising the rights and/or discharging the duties imposed upon the Directors.

7.5.11 The appointment of a committee must be affected in Writing with duly defined rights, powers and duties in the form of Terms of Reference to be approved and revised annually by the Board of Directors after the AGM.

7.5.12 Such committees may only function subject to any limitation as to its duration and membership by the Board.

7.5.13 The Directors may, on furnishing reasonable grounds therefor, withdraw or suspend any of the rights, powers, duties and membership so delegated.

7.5.14 The minutes of meetings of each committee must be finalised according to the Terms of Reference.

7.5.15 Each committee should meet as frequently as deemed necessary or as otherwise directed by the Directors.

7.5.16 The Directors must ensure that at least 1 (one) Director serves on each committee except the committee overseeing elections of Directors.

7.6 The remuneration of Directors must be approved at least every 2 (two) years at an AGM by a Special Resolution as per section 66(9) of the Companies Act.

7.7 The Directors may use their discretion in terms of the interpretation and enforcing of the MOI and Rules, which discretion must always be applied in the best interests of the Association.

7.8 The Directors may meet to attend to their business, adjourn, and otherwise regulate their meetings, as they deem in the best interest of the Association, subject to the provisions of the MOI.

7.9 The Chairperson should preside at all meetings of the Board of Directors and in the event of such Chairperson not being present within 15 (fifteen) minutes of the scheduled time for the start of the meeting or in the event of such Chairperson's inability or unwillingness to act, a Chairperson should be appointed by the remaining Directors for such meeting.

7.10 A majority of the Directors must be present at a meeting before a vote may be called at a meeting of the Directors.

7.11 Each Director is entitled to **1 (one)** vote. Any motion passed by the Board of Directors shall be carried by a simple majority. Should there be an equal vote on a matter, the chairperson will have a casting vote.

7.12 Where a Director has a personal interest or a conflict of interest in respect of any matter before the Board, the said Director is entitled to attend any meeting of the Board at which such matter is proposed to be discussed or decided, however, such Director must recuse himself or herself from any deliberations on the issue and not be entitled to vote in respect of the matter in which the Director has a personal interest or conflict of interest.

7.13 Any Director who has such a personal interest or conflict of interest regarding any matter as mentioned in **Directors and Officers (clause 7.12)**, is obliged to disclose such personal interest or conflict of interest to the Board forthwith.

7.14 A resolution signed by the majority the Directors shall be valid in all aspects as if it had been duly passed at a meeting of the Board of Directors.

7.15 Subject to **Directors and Officers (clauses 7.5.2, 7.5.9.10 and 7.16)**, a Director shall not be entitled to appoint any alternate to function in such Director's stead for any purpose nor by proxy or otherwise appoint any other person to fulfil such Director's functions and duties. Despite the aforesaid, a Director may still appoint another Director as proxy to attend and vote at a Director's meeting in such Director's stead.

7.16 A Director may not otherwise delegate or sub-delegate any of such Director's obligations, save as approved by a majority of the (other) Directors.

7.17 The Directors must cause the minutes of each Board Meeting to be kept in accordance with sections **73(6) and 73(7) of the Companies Act**, which minutes of Board meetings must be reduced to Writing within **7 (seven) days**.

7.18 Copies of the minutes of each meeting will be made available to each Director within **14 (fourteen) days** of the meeting to which such minutes relate.

7.19 All minutes of Directors meetings shall, after certification, be placed in the Directors minute book which shall be kept by Management in accordance with the provisions of the Companies Act relating to the keeping of minutes of meetings of directors of companies.

7.20 The Directors' board meetings minute book shall be open for perusal at all reasonable times by any Director, the Auditors and Members.

7.21 Subject to the provisions of this MOI, the proceedings of any Directors' meeting may be conducted in such reasonable manner and form as the Chairperson may direct.

8 Rules

8.1 The Directors may make, amend or repeal Rules as contemplated in this MOI and in **sections 15(3) to 15(5) of the Companies Act**, which Rules may include –

8.1.1 conduct Rules and schedules of transgressions and penalties;

8.1.2 architectural and construction Rules; and

8.1.3 and such other Rules or directives as the Board may deem fit.

8.2 The Directors may make, amend or repeal any Rules by publishing the Rules, amendment or repeal thereof as provided for in **Rules (clause 8.6).**

8.3 Any Rule, or any amendment or repeal thereof, as contemplated in **Rules (clause 8.2)** takes effect –

8.3.1 **10 (Ten) business days** after the Rules is filed in terms of **section 15 (3) (b) of the Companies Act; or**

8.3.2 the date, if any, specified in the Rule.

8.4 Rules, amendments or repeals thereof, will be binding and have validity on an interim basis from the time it takes effect until it is ratified at the next Members Meeting of the Association, and on a permanent basis only if it has been ratified by ordinary resolution at the Members Meeting, as contemplated in section 15(5) of the Companies Act. Any failure to ratify the Rules, amendments or repeals thereof does not affect the validity of anything done in terms of those interim Rules, amendments or repeals during the period that they had an interim effect as provided in the Companies Act.

8.5 If a Rule that has been filed as contemplated in **section 15 (3) (b) of the Companies Act**, is subsequently–

8.5.1 Ratified as contemplated in **Rules (clause 8.4)** above, the Association must file a notice of ratification within **5 (Five) business days**, as prescribed in **section 15 (5) (a) of the Companies Act;** or

8.5.2 not ratified when put to a vote –

8.5.2.1 the Association must file a notice of non-ratification within **5 (Five) business days** after the vote, as prescribed in **section 15 (5) (b) (i)**;

8.5.2.2 the Association's Board may not make a substantially similar Rule within the

ensuing **12 (Twelve) months**, unless it has been approved in advance by ordinary resolution of the Members.

8.6 The Directors shall ensure that Management delivers or otherwise publishes the Rules and Schedule of Transgressions and Penalties in a manner which brings same to the attention of the Members, each Member nevertheless being responsible for ensuring that he is in possession of a current set of Rules obtainable from Management's offices. The Directors shall further ensure that the Rules are filed, as required in **section 15 (3) (b) of the Companies Act**.

8.7 The Directors are responsible for the enforcement of all Rules and Schedule of Transgressions and Penalties and, for this purpose, may impose a system of fines or penalties as they deem fit.

8.8 The Directors are entitled to implement such fines or penalties, in addition to those fines or penalties stipulated in the Schedule of Transgressions and Penalties, in respect of non-compliance with or other breach of the Rules and/or with respect to a breach of the obligations imposed upon Members, visitors and all other classes of entrants to the Estate in terms of this MOI, as determined by the Directors from time to time.

8.8.1 Transgressions: Any act or omission deemed a transgression by the Board whether indicated as a transgression and/or carrying a fine or penalty or not will be subject to the imposition of a fine or penalty or other sanction in the discretion of the Board.

8.8.2 Persistent Transgressions: Persistent transgressions may result in higher fines or penalties and/or legal action at the discretion of the Board.

8.8.3 Fines and Penalties as stipulated in the schedule of transgressions, only serve as a guideline.

8.9 Any fines or penalties levied against Members in terms of the Rules is a Debt due to the Association and added to the levy account and is payable together with the levies due at the commencement of the month following upon the month during which such fine or penalty was imposed.

9 Indemnities

9.1 Every Director and member of Management, is indemnified by the Association against all costs, losses and expenses (inclusive of travelling expenses), which such person or persons may reasonably and necessarily incur or become liable for by reason of any contract entered into or by any act or deed done by such person or persons in good faith in the discharge of their respective duties and obligations to the Association.

9.2 The provisions as set out in **Indemnities (clause 9.1)** also apply insofar as every co-opted Director and member of any committee appointed by the Directors is concerned and the Association indemnifies all such persons accordingly.

9.3 Without prejudice to the generality of the a foregoing, the Association, subject to **section 78 of the**

Companies Act, indemnifies every Director, servant, agent and employee of the Association against all losses of whatsoever nature incurred arising out of any bona fide act, deed or letter done or written by such Director, servant, agent and employee of the Association jointly or severally in connection with the discharge of the duties of such Director, servant, agent and employee of the Association.

9.4 Members conversely indemnify the Association (including Management) and their respective officers, employees and agents in respect of any claims, damages or losses (including costs and interest) suffered or sustained 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 Rules, by the Member, the Member's family, employees, agents, contractors, subcontractors, tenants (and other occupiers of the Unit), guests and visitors (including any customer, client or patient) and which act, omission and/or breach occurs, if relevant, in and about the Estate.

9.5 Every person as a precondition to entry to the Estate, indemnifies and hold harmless the Association (and Management) and their respective officers, employees and agents in respect of any claims, damages or losses including any personal injury or other harm occurring or arising in or about the Estate.

9.6 The Directors are entitled, subject to the provisions of **section 78 of the Companies Act**, to obtain insurances pertaining to any liability or risk which they as Directors may have in performing their duties in respect of the Association.

9.7 The authority of the Association's Board of Directors to advance expenses to a Director, or indemnify a Director, in respect of the defence of legal proceedings, as set out in **section 78 (3) of the Companies Act** is not limited or restricted by this MOI.

9.8 The authority of the Association's Board of Directors to indemnify a director in respect of liability, as set out in **section 78 (5) of the Companies Act** is not limited or restricted by this MOI.

9.9 The authority of the Association's Board of Directors to purchase insurance to protect the Association, or a Director, as set out in **section 78 (6) of the Companies Act** is not limited or restricted by this MOI.

10 Delivery of Notices

10.1 Any notice or other communication in Writing must be Delivered by the Association to the Member either physically or electronically at the address recorded in the Association's register of Members; unless the Member has notified the Association in Writing of any other address for delivery.

10.2 Except in the case of any notice of any Members Meeting, the period of which is prescribed by this MOI, any notice served by registered post is deemed to have been Delivered on the **7th (seventh) day** following dispatch.

10.3 Notwithstanding any provisions to the contrary contained in this MOI, any notice or other written communication served by any other means (by hand, e-mail transmission or other electronic means) shall be deemed to have been duly Delivered on the date of delivery or transmission.

10.4 A notice or other communication dispatched by e-mail or any other form of electronic communication is deemed to be good notice for all purposes, including that of any legal processes.

10.5 Any agreement, which has a legal bearing, between Members and any representative, officer, employee, agent, contractor and director of the Association, must be reduced to writing and signed by both parties and duly authorised and mandated by the board. No verbal agreement with a Member will be binding on the Association.

11 Dispute Resolution

11.1 A Member who disputes that he has committed a breach of any obligation in terms of this MOI and/or the Rules, may be obliged to Deliver a submission as set out in the Rules under Dispute Resolution, in Writing, to the Association.

11.2 Only after a Member has exhausted the remedies provided in the MOI and after the dispute has been submitted by a Member, in terms of Dispute Resolution (clause 11.1) and decided on by the Dispute Resolution Committee, may a Member lodge such a dispute as provided for in the Community Schemes Act and the dispute resolution provisions of the Community Schemes Ombud Services will then apply.

11.3 Neither the Association nor the affected Member is prevented from seeking any urgent or interim relief from a competent Court.