MEMORANDUM OF INCORPORATION

of

MONAGHAN FARM NPC

which is a non-profit company, with not less than 5 (five) Directors

REGISTRATION NUMBER: 2008/001430/08

REGISTRATION DATE: 23 JANUARY 2008

as required in terms of

THE COMPANIES ACT, NO 71 OF 2008

(AS AMENDED)

REVISED 22 AUGUST 2026

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Attached

RULES

REGULATIONS

SCHEDUEL OF FEES AND PENALTIES

1. INTERPRETATION AND DEFINITIONS

1.1. In this MOI, unless the context clearly indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings –

1.1.1. **"Act"** means the Companies Act, No. 71 of 2008, as amended from time to time;

1.1.2. **"alienate"** means the transfer of any right or interest whatsoever in nature in respect of any Erf, unit, part thereof or undivided share therein howsoever arising and whether voluntary or involuntary and includes by way of sale, exchange, donation, deed, intestacy, will, cession, assignment, court order of insolvency, irrespective of whether such alienation is subject to a suspensive or resolutive condition and alienating has a corresponding meaning;

1.1.3. **"Article"** means each separately numbered paragraph of this MOI;

1.1.4. **"Board"** means the board of Directors from time to time of the Association or if there is only one Director, then that Director;

1.1.5. **"Business Day"** means any day other than a Saturday, Sunday or public holiday in the Republic;

1.1.6. **"Chairman"** means the Chairman elected in terms of Article 20.2;

1.1.7. **"Commission"** means the Companies and Intellectual Property Commission established by section 185 of the Act;

1.1.8. **"Company"** means Monaghan Farm NPC, with registration number 2008/001430/07, herein referred to as "the Association";

1.1.9. **"common facilities"** or "common amenities" is a reference to the organic farm facility, stables and equestrian facilities, clubhouse, gymnasium, sports facilities including four tennis courts and a squash court, a private pre-school facility, perimeter security, gatehouse and internal roads sewerage plant, refuse yard and all areas referred to as private open space in the Conditions of Establishment for the Township of Monaghan and all extensions thereof;

1.1.10. **"common property"** means such property of the Association that may be used by all Members or registered in the name of the Association such as the common areas, facilities, servitudes and open spaces on Monaghan Farm;

1.1.11. **“Conditions of Establishment”** means those conditions of establishment issued by the relevant authorities governing the erven on Monaghan Farm.

1.1.12. **“CPI”** means the annual rate of consumer price inflation as published from time to time by Nedbank;

1.1.13. **"Deeds Office"** means the office of the Registrar of Deeds in which jurisdiction ownership of land within Monaghan Farm, is registered;

1.1.14. **"Deeds Registries Act"** means the Deeds Registries Act 47 of 1937;

1.1.15. **"Developer"** means Clewer Development Trust (Registration number IT 4830/2006) or its successors to a right or rights to develop the Property;

1.1.16. **"development"** means, together, the residential and other elements developed, or to be developed, on Monaghan Farm,;

1.1.17. **"development period"** means the period from incorporation of the Company up to the date upon which the Developer ceases to be a registered owner of any land within Monaghan Farm, or 28 February 2019, whichever is the earlier date;

1.1.18. **"Director"** means a member of the Board as contemplated in section 66 of the Act, and includes any person occupying the position of a director, by whatever name designated;

1.1.19. **"Electronic Communication"** has the meaning set out in Section 1 of the Electronic Communication and Transactions Act, Act 25 of 2002, and includes a communication by means of a data message consisting of data generated, sent, received or stored by electronic means including electronic mail (e-mail), fax, SMS and, where applicable, Skype or any other video conferencing communication or electronic virtual platform communication available.;

1.1.20. **“EMP”** means the Environmental Management Plan from time to time in force and effect applicable to the development and Monaghan Farm;.

1.1.21. **"Encumbrance"** means any right of first refusal, purchase right, option or any other restriction of any kind on ownership, transfer, use, possession, receipt of

income from or any other exercise of any attribute of ownership, including any mortgage, pledge, lien or other security interest;

1.1.22. **"Erf"** means any Erf in Monaghan Farm upon which has been, or is to be, erected any house or dwelling, sectional title or residential units, or is being used as common property, and which Erf is capable of registration in the Deeds Office and includes, where practical and unless the context clearly requires the contrary, any subdivision;

1.1.23. **"facilities"** means any facilities of whatsoever nature which have been or may be provided within or on Monaghan Farm including without limitation the amenities, common facilities and such other facilities relating to the entertainment, recreation or otherwise, erected on the common property, the use of which may be exclusive, reserved or conditional;

1.1.24. **“future erven”** means the residential erven, or erf, established in terms of the applicable town planning scheme and situant within that north-east quadrant of Monaghan Farm which is bounded to its west and south by the Jukskei River;

1.1.25. **"improvements"** in respect of land shall include the erection of a house, dwelling or any other structure;

1.1.26. **"Income Tax Act"** means the Income Tax Act 58 of 1962, as amended from time to time;

1.1.27. **"land"** means any Erf on Monaghan Farm, or any approved subdivided portion thereof, including units in any sectional title developments, with or without improvements, excluding the streets;

1.1.28. **"levy contribution"** means the contribution levied upon members, as determined from time to time pursuant to Article 11;

1.1.29. **"local authority"** means the Local Municipality in whose municipal boundaries Monaghan Farm falls;

1.1.30. **"Member"** means a member of the Association and reflected in the records of the Deeds Office as the registered owner of land or of an undivided share in land within Monaghan Farm;

1.1.31. **"Members' Meeting"** means any meeting of the Members and refers collectively to the Annual General Meeting and any Special General Meetings of the Association;

1.1.32. **"Manager"** means the manager of Monaghan Farm appointed from time to time;

1.1.33. **"MOI"** means this Memorandum of Incorporation together with any such amendments thereto from time to time;

1.1.34. **"Monaghan Farm"** means the residential estate on the Property including all facilities, amenities and approved or to be approved activities conducted;

1.1.35. **"month"** means a calendar month;

1.1.36. **"office"** means the registered office of the Association;

1.1.37. **"profit"** includes revenue and capital profits;

1.1.38. **"Property"** means Portion 3 (A portion of portion 2) of the Farm Vlakfontein 494 JQ, as it existed prior to proclamation thereon and shall include the townships proclaimed, or to be proclaimed, thereon;

1.1.39. **"purchaser"** means any person who has acquired rights, regardless as to the nature therein relative to and which gives rise or purports to give rise to an entitlement to occupy land or an undivided share therein forming part of Monaghan Farm;

1.1.40. **"Regulations"** means the Regulations published in terms of the Act from time to time and any reference to a single Regulation shall be a reference to the corresponding Regulation in the Regulations;

1.1.41. **"Republic"** means the Republic of South Africa;

1.1.42. **"scheme"** means any sectional title scheme or development scheme having a fraction assigned to each unit of the scheme, established in terms of the Sectional Titles Act;

1.1.43. **"Section"** means the corresponding section in the Act, or if the section is qualified by a reference to a specific act, the corresponding section in that act;

1.1.44. **"Sectional Titles Act"** means the Sectional Titles Act 95 of 1986, as amended;

1.1.45. **"services"** means the provisions of security, road maintenance, common property facilities and such other utilities and amenities as may be provided to Members at the instance of or with approval of the Board;

1.1.46. **"Solvency and Liquidity Test"** has the meaning attributed thereto in section 4 of the Act;

1.1.47. **"streets"** means the roads that have been constructed on Monaghan Farm including all right of way servitudes;

1.1.48. **"subdivision"** means any subdivision of an Erf and includes any reference to "a subdivided Erf", a "subdivision of an Erf" etc.;

1.1.49. **"tenancy agreement"** means any agreement in respect of any common facility for its lease, tenancy, management, operation or similar purpose

1.1.50. **"town planning scheme"** means the operative town planning scheme applicable to Monaghan Farm and registered by the relevant local authority;

1.1.51. **"township"** means a township proclaimed in terms of the provisions of the Town and Town-planning Ordinance, Transvaal, 15 of 1986, or any replacement legislation;

1.1.52. **"unit"** means a unit in a sectional title scheme (inclusive of the exclusive use areas) with or without outbuildings and situated on its own residential Erf or individual subdivision, tenure or which may be registered in the Deeds Offices.

1.2. In this MOI, unless the context clearly indicates otherwise –

1.2.1. words and expressions defined in the Act and which are not defined herein shall have the meanings given to them in the Act;

1.2.2. a reference to a section of the Act by number refers to the corresponding section of the Act notwithstanding the renumbering of such section after the date on which this MOI is registered;

1.2.3. in any instance where there is a conflict between a provision (be it expressed, implied or tacit) of this MOI and –

1.2.3.1. an alterable or elective provision of the Act, the provision of this MOI shall prevail to the extent of the conflict; and

1.2.3.2. an unalterable or non-elective provision of the Act, the unalterable or non-elective provision of the Act shall prevail to the extent of the conflict, unless the MOI imposes on the Association a higher standard, greater restriction, longer period of time or similarly more onerous

requirement, in which event the relevant provision of this MOI shall prevail to the extent of the conflict;

1.2.4. article headings are for convenience only and are not to be used in its interpretation;

1.2.5. an expression which denotes –

1.2.5.1. any gender includes the other genders;

1.2.5.2. a natural person includes a juristic person and vice versa; and

1.2.5.3. the singular includes the plural and vice versa.

1.2.6. if the due date for performance of any obligation in terms of this MOI is a day which is not a Business Day then (unless otherwise stipulated), the due date for performance of the relevant obligation shall be the immediate succeeding Business Day;

1.2.7. any reference to a notice shall be construed as a reference to a written notice, and shall include a notice which is transmitted electronically in a manner and form permitted in terms of the Act and/or the Regulations.

1.3. Any reference in this MOI to –

1.3.1. **"days"** shall be construed as calendar days unless qualified by the word "business" and when this MOI provides for the happening of one event and another, the number of days must be calculated by:

1.3.1.1. excluding the day on which the first such event occurs;

1.3.1.2. including the day on or by which the second event is to occur;

and, in respect of business days only, shall be adjusted by:

1.3.1.3. excluding any public holiday, Saturday or Sunday that falls on or between the days contemplated in Articles 1.3.1.1 and 1.3.1.2, respectively; and

1.3.1.4. if that day is not a Business Day, then same shall be the first succeeding Business Day;

1.3.2. **"law"** means any law of general application and includes the common law and any statute, constitution, decree, treaty, regulation, directive, ordinance, by-law,

order or any other enactment of legislative measure of government (including local and provincial government) statutory or regulatory body which has the force of law and a reference to any statutory enactment shall be construed as a reference to that enactment as amended or substituted from time to time;

1.3.3. **"writing"** means legible writing and in English and includes printing, typewriting, lithography or any other mechanical process, as well as any electronic communication in a manner and a form permitted in terms of the Act and/or the Regulations.

1.4. The words "include" and "including" mean "include without limitation" and "including without limitation". The use of the words "include" and "including" followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it.

1.5. Unless otherwise provided in this MOI or the Act:

1.5.1. Defined terms appearing herein in title case shall be given their meaning as defined, while the same terms appearing in lower case shall (except where defined in the Act) be interpreted in accordance with the plain English meaning; and

1.5.2. Any words and expressions defined in any Article shall, unless the application of such word or expression is specifically limited to that Article, bear the meaning assigned to such word.

1.6. Where figures are referred to in numerals and in words, and there is any conflict between the two, the words shall prevail, unless the context indicates a contrary intention.

1.7. Any reference herein to "this MOI" shall be construed as a reference to this MOI as amended from time to time.

1.8. Any Schedules attached to this MOI form part of this MOI.

1.9. The standard form of memorandum of incorporation for a Non-Profit Company with Members contained in Annexure 1 of the Regulations to the Act shall not apply to the Association.

1.10. This MOI is in a form unique to the Association, as contemplated in section 13(1)(a)(ii) of the Act.

1.11. This MOI, and any rules of the Association, are binding –

1.11.1. between the Association and each Member;

1.11.2. between or among the Members; and

1.11.3. between the Association and –

1.11.3.1. each Director or prescribed officer of the Association; or

1.11.3.2. any other person serving the Association as a member of a committee of the Board;

in the exercise of their respective functions within the Association.

2. INCORPORATION

The Association –

2.1. is a Non-Profit Company with voting members, incorporated for a public benefit or other object as required by Item 1(3) of Schedule 1 of the Act;

2.2. cannot distribute its income, profits and property to its Incorporators, Members, Directors, Officers or persons related to any of them, except to the extent permitted by Item 1(3) of Schedule 1 to the Companies Act.

2.3. The Association is incorporated in accordance with and governed by –

2.3.1. the unalterable provisions of the Act, save to the extent that this MOI imposes on the Company a higher standard, greater restriction, longer period of time or similarly more onerous requirement; and

2.3.2. the alterable provisions of the Act, subject to the limitations, extensions, variations or substitutions set out in this MOI; and

2.3.3. the other provisions of this MOI.

2.4. It is recorded that the Association may adopt and shall be governed by the following which are recorded in order of precedence:

2.4.1. Rules, formulated in accordance with this MOI, and filed at the Commission; and

2.4.2. Regulations, for the purposes of advancing the objectives of the Association, not requiring filing with the Commission; and

2.4.3. House Rules, not requiring filing with the Commission.

3. POWERS OF THE ASSOCIATION

3.1. The Association has all of the legal powers and capacity of an individual, except to the extent that a juristic person is incapable of exercising any such power, or having any such capacity or this MOI otherwise limits such legal powers and capacity.

3.2. The powers of the Association are further limited as set out in Schedule 1 to the Act, annexed hereto as Annexure 4.

4. MAIN BUSINESS AND OBJECTS

4.1. The main business of the Association is –

4.1.1. to maintain the common property and facilities;

4.1.2. to provide and maintain services (including streets, water, sewerage, storm water and those parts of the electrical reticulation networks not owned by the electricity supply utility) which serve the Erven and/or units situated in Monaghan Farm;

4.1.3. to control the aesthetic appearance of improvements within Monaghan Farm;

4.1.4. to provide and make payment for measures to ensure the security, accessibility, and safety of Monaghan Farm, including its facilities and all persons in Monaghan Farm;

4.1.5. to operate and manage the common facilities; and

4.1.6. any and all activities ancillary and/or necessary in respect of the above business.

4.2. The main object(s) of the Association is to promote the group interests of the Members of the Association, by –

4.2.1. maintaining the common property and facilities;

4.2.2. controlling the aesthetic appearance of improvements within Monaghan Farm;

4.2.3. making, amending, repealing and/or enforcing rules and regulations for Monaghan Farm;

4.2.4. preserving and enhancing the security, aesthetics, common property and the environment for the common good of Monaghan Farm;

4.2.5. protecting the financial interests of the Members in the Monaghan Farm;

4.2.6. providing and maintaining all services (including streets, water, sewerage, storm water and electrical reticulation networks) which serve the Erven and units within Monaghan Farm; and

4.2.7. providing and paying for measures to ensure the security, accessibility and safety of Monaghan Farm and all persons therein.

5. OPTIONAL PROVISIONS OF THE COMPANIES ACT

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

5.2. The Company elects, in terms of section 30(2)(b)(ii), that the financial setatements in respect of any financial year may be either audited voluntarily or independently reviewed as may be required from time-to-time by ordinary resolution of the Members or the Board.

6. SPECIAL CONDITIONS

The special conditions which apply to the Association are –

6.1. the income and property of the Association whencesoever derived shall be applied solely towards the promotion of its main business and objects and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever to the Members of the Association or to a holding company or a subsidiary, provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration to any officer or servant of the Association or to any Member thereof in return for any services actually rendered to the Association;

6.2. The Association shall be wound-up, deregistered or dissolved, subject to Item 1 (4) (a) and (b) of Schedule 1 to the Companies Act, subject further thereto that:

6.2.1. The Members, if any, or the Association's directors if there are no Members, shall by way of special resolutions at or immediately before the time of dissolution; or

6.2.2. Failing which the Court shall determine one or more non-profit companies, registered external non-profit companies carrying on activities within the Republic, voluntary associations or non-profit trusts to which the net assets of the Association shall be distributed.

6.3. Distributions referred to in Article 6.2 above shall only be made to non-profit companies, registered external non-profit companies carrying on activities within the Republic, voluntary associations or non-profit trusts who have been exempt from income tax in terms of section 10 (1) (e) (i) (cc) of the Income Tax Act.

6.4. The Association is not permitted to distribute its funds to any person other than to a similar association of persons.

6.5. Funds available for investment may only be invested with a financial institution as defined in section 1 of the Financial Services Board Act 97 of 1990 and in securities listed on a stock exchange as defined in section 1 of the Stock Exchanges Control Act 1 of 1985.

7. RESOLUTIONS

7.1. Decision by resolution of the Members or Board, as applicable, shall be effected by

7.1.1. ordinary resolution being a resolution requiring that those voting in favour represent a simple majority of those who are present, in person or by proxy, and who are entitled to vote; or

7.1.2. special resolution being a resolution requiring that those voting in favour represent not less than 75% (seventy five percent) of those who are present, in person or by proxy, and entitled to vote; or

7.1.3. unanimous resolution being a resolution requiring that all of the Members (i.e. 100%) vote in favour of the resolution; or

7.2. Resolution may also be effected by Round Robin Resolution. “Round Robin Resolution” means a resolution passed, or which is to be passed, other than at a Board or Members’ Meeting, as applicable, and which was or is voted favourably upon by all those entitled to vote by signing a written resolution in counterparts.

8. FINANCIAL YEAR

The financial year end of the Association is the last day of February of each year.

9. ACCOUNTING RECORDS AND FINANCIAL STATEMENTS

9.1. Notwithstanding the provisions of Article 5 above, the Association shall keep all such accurate and complete accounting records, in English, as are necessary to enable the Association to satisfy its obligations in terms of –

9.1.1. the Act;

9.1.2. the Regulations;

9.1.3. any other law with respect to the preparation of financial statements to which the Association may be subject; and

9.1.4. this MOI.

9.2. The Association shall each year prepare annual financial statements within 6 (six) months after the end of its financial year, or such shorter period as may be appropriate to provide the required notice of an Annual General Meeting.

9.3. The Association shall each year appoint an auditor at its Annual General Meeting. If the Association appoints a firm as its auditor, any change in the composition of the members of that firm shall not by itself create a vacancy in the office of auditor.

9.4. In every financial year the financial statements of the Association shall be audited.

9.5. The duties of the auditors shall be regulated in accordance with Part C of Chapter 3 of the Act, taking into account Regulations 26 to 29 of the Regulations, provided that the auditors shall be obliged to endeavour to finalise their duties within 3 (three) months after the end of the Association's financial year.

9.6. At each Annual General Meeting, the Directors shall lay before the Association the financial statements for the previous financial year, consisting of income statements, cash flows and balance sheets for such previous financial year as well as the financial year immediately preceding such previous financial year, of the Association. The balance sheet for the immediately preceding financial year shall be accompanied by the reports of the Directors and the auditors.

9.7. The annual financial statements shall be prepared on a basis that is not inconsistent with any unalterable provision of the Act, and shall satisfy, as to form and content, the financial reporting standards as determined by the Act.

9.8. The Association shall comply with its relevant obligations with regards to the auditing of the financial statements.

10. MEMBERSHIP AND CLASSES OF MEMBERS

10.1. The Association shall have a single class of members with voting rights.

10.2. Membership of the Association shall be limited to -

10.2.1. any person who is, or persons who are, in terms of the Deeds Registries Act, reflected in the records of the relevant Deeds Office concerned as the registered owner or owners of land within Monaghan Farm, and

10.2.2. the Rhenosterspruit Conservancy who shall have be deemed to be one Member and have the corresponding voting rights of one fully paid-up Member of the Association.

10.2.3. the operators of the school on Erf 289, currently Curro Holdings, who are contractually bound to contribute the equivalent of 12 (twelve) residential levies and who, if fully paid-up, shall be deemed to be 12 (twelve) Members and have the corresponding voting rights in the Association.

10.3. A person who is, or persons who are, reflected in the records of the Deeds Office as the registered owner, or owners, of land within Monaghan Farm, shall, subject to proof to the contrary, be deemed to be the lawful registered owner or joint owners, as the case may be, thereof.

10.4. Where land within Monaghan Farm is owned by more than one person, all the registered owners shall together be deemed to be one Member of the Association and have the rights and obligations of one Member of the Association.

10.5. Concurrently with every offer to purchase land within Monaghan Farm, every prospective purchaser must also consent in the prescribed form to his membership of the Association and in which prescribed form such Member shall also choose a *domicilium citandi et executandi* address (address for service). Thereafter, and upon registration of the land into the name of such prospective purchaser, he shall *ipso facto* become a Member of the Association, and when he ceases to be the owner of land within the Monaghan Farm, he shall *ipso facto* cease to be a Member of the Association.

10.6. In the event of –

10.6.1. land being owned by more that one person, the co-owners concerned shall elect one of their number as liaison person for the land concerned, and shall notify the Association of the name and address of such liaison person;

10.6.2. a Member being a legal entity or a trust, such entity shall nominate a natural person to act as its representative and shall advise the Association of such nomination from time to time. The natural person so nominated shall, in a personal capacity, be liable jointly and severally for the obligations of the Member in terms of this MOI.

10.7. No Member shall part with occupation of his land or any improvements thereon, whether temporarily or otherwise, unless he has agreed with the proposed occupier of the improvement thereon, as a *stipulatio alteri* (a contact for the benefit of a third party) in favour

of the Association, that such occupier shall be bound by all the terms and conditions of this MOI.

10.8. No Member may rezone land or in any way change the use for which land may be utilised whether by way of rezoning, change of land use rights or a consent use or otherwise, irrespective of whether such consent is granted by any lawful authority, without approval of the Association.

10.9. No Member may subdivide or consolidate land, nor erect a second dwelling on land, irrespective of whether any lawful authority grants permission for such subdivision or consolidation or second dwelling, without approval by the Association.

10.10. A registered owner of land may not resign as a Member of the Association;

10.11. The rights and obligations of a Member shall not be transferable and every Member shall:

10.11.1. further, to the best of his ability, the objects and interests of the Association;

10.11.2. observe all rules made by the Association or the Board;

provided that nothing contained in this MOI shall prevent a Member from ceding his rights in terms of this MOI as security to the mortgagee of that Member's land.

10.12. A failure by a Member to observe the provisions of this MOI and all rules made by the Association or the Board, shall render such Member liable to a fine as stipulated in the Rules and determined by the Board from time to time.

10.13. The Association shall be entitled to bind the Members to contribute by way of subscriptions and levies towards the funds of the Association, and to enforce payment of, and to collect and receive from Members, such contributions and levies.

10.14. No Member shall be entitled to any of the privileges of membership of the Association, including the right to vote at a Members' meeting, unless and until he shall have paid every levy contribution together with interest thereon which may be due and payable to the Association from whatsoever cause arising.

10.15. The Association shall keep a register of Members which shall include, as a minimum –

10.15.1. The full names of the Member, or Members if the land is owned by more than one person;

10.15.2. The identity number, or registration number, of the Member, or Members, or, if the Member is, or the Members are, a foreign national, or if the Members are foreign nationals, such Member's, or Members', passport number;

10.15.3. All land registered in the name of the Member, or Members,;

10.15.4. The chosen *domicilium citandi et executandi* (address for service) of such Member, or Members, for purposes of service of any and all legal process; and

10.15.5. An e-mail address, postal address, physical address and/or a fax number, for purposes of forwarding any notice, document or statement, capable of being transmitted electronically, in terms of this MOI or the Act.

10.16. It shall be the Members' obligation to ensure that the information in the register of Members is accurate and true. Should any change occur with regards to that information, the Member, or Members, shall duly communicate such change to the Association, in writing, within 14 (fourteen) days from date of change. Should a Member or Members fail to update their information, then any service at the registered chosen *domicilium citandi et executandi* (address for service) or delivery of notices or documents to the addresses referred to in Article 10.15.5 above, shall be valid.

10.17. The Association shall bear no responsibility for any inaccurate information provided to it by its Members.

10.18. The Developer shall cease to be a Member of the Association when it is no longer the registered owner of land within Monaghan Farm.

11. LEVIES AND CONTRIBUTIONS

11.1. The Board shall from time to time impose levy contributions, upon Members for the purpose of meeting all the expenses which the Association has incurred or to which the Board reasonably anticipates the Association will be liable or will incur (including expenditure of a capital nature) in the pursuance of the main business and objects of the Association and whether by way of –

11.1.1. maintenance, repair, improvement and keeping in good order and condition common facilities, streets, storm water system and public lighting, reception buildings and parking areas, and/or any other common property and/or facilities;

11.1.2. for the payment of all rates and other charges payable by the Association to the local authority in respect of the common property and/or for the services rendered to the Association by the local authority;

11.1.3. for payment of the salaries and/or wages of the employees of the Association; and

11.1.4. generally for the payments of all expenses necessarily or reasonably incurred in connection with the management of the Association and its affairs.

11.2. In pursuance of the main business and objects of the Association, the Board –

11.2.1. shall prepare an itemised estimate of income and expenditure (the "annual budget") in respect of the ensuing financial year, prior to the commencement of such ensuing financial year; and

11.2.2. shall include in the annual budget an amount to be transferred to and held in reserve ("the reserve fund") to meet anticipated future expenditures not of an annual nature, including reasonable provision for the future maintenance, repairs and replacements of capital equipment and the repair of roads and storm-water facilities.

11.3. The Board shall prepare the annual budget for each financial year, and

11.3.1. where application of that budget requires an increase to Members' prevailing levy contributions of not greater than 50% (fifty percent) above CPI, may adopt that budget and impose any concomitant increase to the levy contribution, or

11.3.2. where application of that budget requires an increase to the Members' prevailing levy contribution of greater than 50% (fifty percent) above CPI, shall present that budget together with the proposed increase to the levy contribution for approval, or otherwise, by ordinary resolution of the Member's at the Annual General Meeting.

11.4. The Board shall, whenever it shall consider it appropriate, be entitled to recover all levy contributions from Members from time to time and at the end of each financial year, or as soon thereafter as reasonably possible, notify each Member at the address chosen by him, of the nature and amount of the relevant levy contributions paid and required to be paid by Members and required by the Association to meet the expenses during the following financial year.

11.5. The Board may in its absolute discretion differentiate between one type of scheme to another and may similarly determine that the portion of the total expenses in terms of the annual budget be apportioned in different ratios in respect of differing schemes or units utilised for differing schemes, depending on the nature of the intended or actual use thereof.

11.6. Every levy contribution, shall be payable in such manner as the Board may from time to time determine.

11.7. In the event of the Board, for any reason whatsoever, failing to prepare and serve notice as envisaged in the above Articles 11.4 timeously, every Member shall until receipt of such notice continue to pay the relevant levy contributions previously imposed, and shall after such notice immediately pay such adjusted levy contributions as may be specified in the notice.

11.8. The Board may from time to time propose that special contributions be levied upon all Members in respect of the Association's capital or operating expenses and which special levies shall be imposed only by ordinary resolution of the Members.

11.9. The Board may from time to time levy additional contributions upon specific Members for services provided (for example, but not limited to, the removal of building rubble and the cleaning of land or for non-compliance with the MOI or Rules).

11.10. The Board shall, in addition to such other rights as the Association may have in law as against its Members, determine the rate of interest from time to time chargeable upon levy contributions in arrears provided that such rate of interest shall not exceed the rates laid down in terms of the National Credit Act 34 of 2005, as amended, as if the arrear levy contribution were a money lending transaction as defined in the said Act.

11.11. Any amount due by a Member by way of levy contributions, together with any interest owed by the Member to the Association, shall be a debt due by him to the Association. The obligation of a Member to pay all levy contributions and interest shall cease upon his ceasing to be a Member without prejudice to the Association's rights to recover all arrear levy contributions and interest. No levy contributions or interest paid by a Member shall under any circumstances be repayable by the Association upon his ceasing to be a Member unless so determined by the Board in its sole and absolute discretion. A Member's successors in title shall be liable as from the date upon which he becomes a Member of the Association, to pay the levy contribution and interest thereon attributable to the interest to which he succeeds.

11.12. In calculating the contributions payable by any Member, the Board shall as far as reasonably practical –

11.12.1. assign costs arising directly out of land itself to the Member owning such land or interest thereon;

11.12.2. assign a proportion of costs attributable generally to a particular scheme to the owners of units in that scheme pro-rata to the participation quota of the Member concerned; and

11.12.3. assign those costs for services attributable to Monaghan Farm as a whole, generally to the owners of land equally.

11.13. The Directors shall be empowered to impose penalty levies on owners who have failed to comply with the obligation to build as prescribed in the Rules of the Association, or, as the case may be, in the Deed of Sale by virtue of which the land was obtained which levies shall be payable in addition to levies normally applicable to the land.

11.14. The Developer shall, during the Development Period, make the following contribution to the funds of the Association:

11.14.1. for the period 1 March 2014 to 31 July 2015, R350 000.00 (three hundred and fifty thousand Rand) per month; and

11.14.2. thereafter; an amount equal to the sum of the number of proclaimed residential erven owned by the Developer multiplied by the prevailing normal monthly levy together with any special levy raised from time to time and applicable to each residential erven.

subject thereto that the Developer's contribution shall, during the development period, never be less than R50 000.00 (fifty thousand rand) per month.

11.14.3. Notwithstanding paragraphs 11.14, 11.14.1. and 11.14.2. above, from the date of proclamation of the Proposed Townships Monaghan Extension 8 to Monaghan Extension 17, the Developer of the Proposed Townships of Monaghan Extension 8 to Monaghan Extension 17, shall be exempted to contribute any monthly levy in terms of paragraph 11.1, or contribute any special levy in terms of paragraph 11.8, or contribute any additional contributions as per paragraph 11.9 in respect of each of the Erven owned by the Developer or each of the Erven capable of registration in the Deeds Office in the proposed Townships of Monaghan Extension 8 to Monaghan Extension 17.

11.14.4 Subsequent to the date of proclamation of the Proposed Townships Monaghan Extension 8 to Monaghan Extension 17, any cession or transfer of development rights and obligations from the Developer to another Developer post proclamation in respect of any Erven in the Proposed Townships Monaghan Extension 8 to Monaghan Extension 17, the new Developer will not to be entitled to be exempted to contribute any monthly levy in terms of paragraph 11.1, or contribute any special levy in terms of paragraph 11.8, or contribute any additional contributions as per paragraph 11.9 in respect of each of the Erven owned by the new Developer or any of the Erven held by the new Developer and capable of registration in the Deeds Office in the proposed Townships of Monaghan Extension 8 to Monaghan Extension 17.

11.14.5 Subsequent to the date of proclamation of the Proposed Townships Monaghan Extension 8 to Monaghan Extension 17, and in the event of any development of any of the Erven by the Developer, other than for the installation of bulk services, in the Proposed Monaghan Extension 8 to Extension 17, in that event the Company waive the exemption of levy contributions as set out in paragraph 11.14.3 and the Developer will be liable in respect of the contribution of any monthly levy in terms of paragraph 11.1, or the contribution of any special levy in terms of paragraph 11.8, or the contribution any additional contributions as per paragraph 11.9 in respect of each of the Erven developed and owned by the Developer or each of the developed Erven capable of registration in the Deeds Office in the proposed Townships of Monaghan Extension 8 to Monaghan Extension 17.

11.14.6 Upon the sale and transfer of any Erven by the Developer within the proposed Townships of Monaghan Extensions 8 to Monaghan Extension 17 to any person who is, or persons who are, in terms of the Deeds Registries Act, reflected in the records of the relevant Deeds Office concerned as the registered owner or owners of an Erf within the Townships of Monaghan Extensions 8 to Monaghan Extension 17, will make the registered owner or owners, subject to paragraph 11.14.7, liable to contribute any monthly levy in terms of paragraph 11.1, or contribute any special levy in terms of paragraph 11.8, or contribute any additional contributions as per paragraph 11.9 in respect of each of the Erven owned by that person from date of transfer.

11.14.7 The liability to contribute levies of any person who is, or persons who are, in terms of the Deeds Registries Act, reflected in the records of the relevant Deeds Office concerned as the registered owner or owners of any Erf within Monaghan Extensions 8, 9, 10,11, 12 and 13, will be 75% (seventy-five per centum) of the levy contributions imposed by the Board in terms of paragraph 11.1 on the remaining members of the Company for a period of (5) five years from date the special resolution carries.

11.14.8 Any person who is, or persons who are, in terms of the Deeds Registries Act, reflected in the records of the relevant Deeds Office concerned as the registered owner or owners of any Erf within Monaghan Extensions 8 to Monaghan Extensions 17 will be liable for a full contribution in respect of any special levy contributions imposed by the Board in terms of paragraph 11.8.

11.14.9 No voting rights shall attach to the proclaimed Erven of Proposed Townships of Monaghan Extension 8 to Extension 17 until such time as levies and special levies are payable by any person who is, or persons who are, in terms of the Deeds Registries Act, reflected in the records of the relevant Deeds Office concerned as the registered owner or owners of any Erf within Monaghan Extension 8 to Extension 17.

11.15. From such time as Developer proceeds with development of the future erven whether within the development period or not, Developer shall make contribution to the Association in:

11.15.1. a monthly amount calculated as R20,000 escalated from 1 March 2015 at CPI to the 1st day of the month during which any works on the future erven or their related infrastructure is undertaken escalated further by CPI on each anniversary; plus

11.15.2. any and all costs incurred each month by the Association arising from the works associated with the development of the future erven.

11.16. As from the date of proclamation of such future erven the Developer shall contribute an amount equal to the sum of the number of proclaimed future erven owned by the Developer multiplied by the prevailing normal monthly levy together with any special levy raised from time to time and applicable to each residential erven as calculated from the first day of the month within which proclamation of each of the erven was made; provided that should the Developer develop the future erven in phases, its obligation as set out in 11.15 shall remain in respect of any unproclaimed future erven.

11.17. In the event that the Developer elects to exercise its commercial rights under the approved town planning scheme whether within the development period or not, the Developer shall make a contribution to the Association in terms of 11.15.1 and 11.15.2 above together with a levy equal to one residential levy contribution for each 350 m2 (three hundred and fifty square meters) of floor area, or part thereof, contained in each commercial development.

11.18. The levies in respect of units within a sectional title scheme shall not exceed 50 % (fifty percent) of the normal levy determined by the Board.

11.19. Levy stabilisation fund and re-sale fee

11.19.1. The Board shall establish a Levy Stabilisation Fund. The Levy Stabilisation Fund is to ensure that future levies remain within acceptable levels and that the need for raising any special levies by the Board is reduced.

11.19.2. The Levy Stabilisation Fund shall fall outside of the other levy provisions provided for elsewhere in this Memorandum of Incorporation and the contributions to the Levy Stabilisation Fund shall be funded from the re-sale fee raised in terms of this Article and paid into a separate banking account which the Association shall open and keep with a financial institution.

11.19.3. Any amount standing to the credit of the Levy Stabilisation Fund may only be used to fund expenditure of a capital nature and / or any extraordinary expenditure that may be incurred by the Association in carrying out its business and objects under the provisions of this Memorandum of Incorporation.

11.19.4. It shall be a condition of membership of the Association and for the approval of the re-sale of an erf or unit or interest therein or of a controlling or beneficial interest in

a juristic person or a trust that Members are liable to pay a contribution to the Levy Stabilisation Fund as determined herein below.

11.19.5. The contribution to the Levy Stabilisation Fund is hereinafter referred to as the *re-sale fee*.

11.19.6. The liability of Members to make payment of the re-sale fee is made payable in the event of an erf or unit or interest therein or of a controlling or beneficial interest in a juristic person or a trust being sold. In clarification of the latter instance, the re-sale fee shall be payable in the event of a Member being a juristic person or a trust and a controlling or beneficial interest in such juristic person or trust being sold to a new holder thereof, notwithstanding that the juristic person or the trust has remained the owner of the erf or unit or interest therein.

11.19.7. The re-sale fee shall be a once-off payment in respect of the erf, unit, interest therein, controlling, or beneficial interest and shall be determined as follows:

- 1% (one percent) of the sale price plus VAT on the determined percentage amount; or
- 1% (one percent) of the value plus VAT on the determined percentage amount, in the event of a transaction where no sale price is specified. The sale price shall be the sale price as is evidenced from the agreement of sale, power of attorney to pass transfer or any other relevant document as may be requested by the Association.

The value shall be the value as is evidenced from any relevant document as may be requested by the Association.

Where the sale price or value is subject to VAT, such VAT shall be excluded, and the sale price or value shall be the amount net of VAT.

No deduction or set-off of any amounts whatsoever are allowed to be made in determining the re-sale fee.

11.19.8. The Association shall have the power to determine the re-sale fee and the same shall be payable in circumstances where a transaction, operation or scheme has been entered into with the purpose of circumventing the payment of the re-sale fee. This may include for example, but not be limited to, donations, exchanges or similar disposals.

11.19.9. The Association shall not approve the transfer of an erf or unit or interest therein or the transfer of a controlling or beneficial interest in a juristic person or a trust, unless the re-sale fee has been paid or the payment of the re-sale fee has been secured to the satisfaction of the Board of the Association.

11.19.10. The re-sale fee shall be due, owing and payable on or before the registration of transfer of an erf or unit or interest therein or on or before the transfer of a controlling or beneficial interest in a juristic person or a trust, unless otherwise agreed to in writing by the Board of the Association.

11.19.11. No re-sale fee shall be payable in the event of a transfer of ownership arising from testate or intestate succession or a divorce court order (provided that the transfer is from one spouse to another). In the event of a court ordered execution sale of a unit or a sale of a unit following the liquidation or the sequestration of a member, the Board is empowered to resolve within its sole and absolute discretion on the exemption of the re-sale fee payable. The Board of the Association shall be entitled to determine such further exemptions in its sole and absolute discretion.

11.19.12. Members or any other persons shall not be entitled to a refund of the re-sale fee or of any portion thereof.

11.19.13. Should the re-sale fee require adjustment, the Board of the Association shall present the proposed adjustment for approval or otherwise by special resolution to the Members at an Annual General Meeting.

11.19.14. The provisions of this Memorandum of Incorporation, including Articles 11.10, 11.11 and 16 thereof shall, mutatis mutandis, apply to the re-sale fee.

11.19.15. The provisions of this Article 11.19 shall in no way serve to exclude the payment of any amounts as are provided for in Article 11 of this MOI.

11.19.16. The provisions of this Article 11.19 shall prevail in the event of a conflict with any other provisions contained elsewhere in this MOI, the Rules, the Regulations of the Association or any other policy and procedure documents of the Association which deal with the same subject matter.

11.19.17. A Member undertakes to notify a purchaser of an erf or unit or interest therein or of a controlling or beneficial interest in a juristic person or a trust of the provisions of this Article 11.19. and that the same is a condition of membership of the Association."

12. AMENDMENTS TO THE MOI

12.1. In order to fulfil the requirements for exemption from income tax on levies payable to, or accruing to, the Association, any amendment to this MOI and must be submitted to the Commissioner of the South African Revenue Services.

12.2. The Board is, by ordinary resolution, -

12.2.1. empowered to correct errors substantiated as such from objective evidence or which are self evident errors (including, but without limitation, *ejusdem generis*, spelling, punctuation, reference, grammar or similar defects) in the MOI, and

12.2.2. amend this MOI in compliance with a court order

and shall publish a copy of any such correction effected by the Board on the Association's web-site.

12.3. This MOI may be amended at any time if a special resolution to amend it –

12.3.1. is proposed by –

12.3.1.1. The Board; or

12.3.1.2. Members entitled to exercise at least 10% of the voting rights that may be exercised on such a resolution; and

12.3.2. is adopted at a Members' Meeting.

12.4. Within 10 (ten) business days after an amendment to the MOI has been effected as the Association must file a Notice of Amendment in the form required by Regulation 15, together with all relevant documents as contemplated in Section 16(7) of the Act together with the prescribed fee.

13. THE PROCEDURE FOR MAKING OF RULES

13.1. A rule issued in terms of section 15(3) of the Act

13.1.1. must be consistent with the Act and this MOI, and any such rule that is inconsistent with the Act or this MOI is void to the extent of the inconsistency;

13.1.2. takes effect on a date that is the later of-

13.1.2.1. 10 (ten) business days after the rule is filed with the Commission; or

13.1.2.2. the date, if any, specified in the rule; and

13.1.3. is binding –

13.1.3.1. on an interim basis from the time it takes effect until it is put to a vote at the next Members' Meeting of the Association; and

13.1.3.2. on a permanent basis only if it has been ratified by an special resolution of the Members.

13.2. If a rule that has been filed with the Commission is subsequently –

13.2.1. ratified by the Members, the Association must file a notice of ratification within 5 (five) business days in the prescribed manner and form; or

13.2.2. not ratified when put to a vote –

13.2.2.1. the Association must file a notice of non-ratification within 5 (five) business days after the vote, in the prescribed manner and form; and

13.2.2.2. the Board may not make a substantially similar rule within the ensuing 12 (twelve) months, unless it has been approved in advance by special resolution of the Members.

13.3. Any failure to ratify a rule of the Association does not affect the validity of anything done in terms of that rule during the period that it had an interim effect.

13.4. Where an amendment to the Rules is one to correct self evident errors (including, but without limitation *ejusdem generis*, spelling, punctuation, reference, grammar or similar defects), the Board shall publish a copy of any such correction effected by the Board on the Association's website..

13.5. The Rules of the Association in existence at the time that this MOI is registered at the Commission, shall be binding as if such rules were made in accordance with this MOI and in terms of the Act

14. REGULATIONS, & HOUSE RULES

14.1. The Board may from time to time make, amend or repeal any necessary or incidental regulations relating to the Association, and the authority of the Board in this regard is limited or restricted only in that the Members, by special resolution, may, at a Members' Meeting specifically called for such purpose or in respect of which notice has been given, require that certain regulations be made, amended or repealed by the Board, and/or that any regulations made or amended be entrenched. Any regulation so entrenched shall only be capable of being amended or repealed by the Members of the Association by special resolution.

14.2. Subject to any restriction imposed or direction given at a Members' meeting of the Association, the Board may from time to time make, amend, or repeal house rules to govern matters including –

14.2.1. the means of access to, and the rules by which Members and member of their households, guests or contractors, may gain access, to Monaghan Farm, including the registration of guests and visitors;

14.2.2. the limitation of the number of persons and vehicles able to visit a Member;

14.2.3. the use by Members and their households, guests and lessees of any roads, driveways, water areas and open spaces including the right to prohibit, restrict or control the use of any of the roads, driveways and open spaces on the common property or any portions thereof as may from time to time be necessary or expedient;

14.2.4. the use of parking areas where ever situated;

14.2.5. the use of land;

14.2.6. the placing or fixing of movable objects, including ornamentation or embellishment upon the exterior of a building, including the power to remove any such objects;

14.2.7. the preservation of the environment including the right to control vegetation and the right to prohibit and/or control the erection of fences, whether upon or within the boundaries of any part of Monaghan Farm and/or individual land;

14.2.8. the right to prohibit, restrict or control the keeping of pets in and upon Monaghan Farm and any animal regarded as dangerous or a nuisance;

14.2.9. the conduct of any person within Monaghan Farm for the prevention of nuisances of any nature including disturbing the peace;

14.2.10. the use of all common properties, water areas, entertainment and recreation areas, amenities and facilities including the right to make a reasonable charge for the use thereof;

14.2.11. the furtherance and promotion of the objective of the Association and/or for the better management of the affairs of the Association and/or for the protection and advancement of the interests of Members and/or residents in Monaghan Farm;

14.2.12. standards and guidelines for architectural design of all buildings, outbuildings, structures of any nature, swimming pools, tennis courts and all additions and alterations to any such buildings, outbuildings or structures erected or to be erected in Monaghan Farm, and in particular to control the design of the exterior of such buildings, outbuildings or structures and the materials used on such exteriors to ensure an attractive, aesthetically pleasing character to all the buildings in Monaghan Farm;

14.2.13. the positioning within any land of all buildings, outbuildings, structures of any nature, swimming pools, tennis courts and all additions and alterations thereof;

14.2.14. the standards and guidelines for the design of all site works, buildings, structures, installations and projections on the properties in Monaghan Farm, including aerials, air conditioners, cellphone receptors, pergolas, side- walks, swimming pools, tennis courts, awnings, jacuzzi’s, carports, paved pathways and landscaping features and works as well as the parking of vehicles; and

14.2.15. the access to, or use of, any other services not specifically provided in this Article.

15. PUBLICATION OF RULES, REGULATIONS, & HOUSE RULES

15.1. Rules, Regulations, & House Rules and amendments thereto shall –

15.1.1. be published on the Association's website and a notice of availability of that document, record or statement, summarising its content and satisfying any prescribed requirements, in accordance with Regulation 6 of the Regulations to the Act, shall be delivered to each intended recipient of the document, record or statement, together with instructions for receiving the complete document, record or statement; and

15.1.2. the notice of availability shall be addressed to the respective Member at his address shown in the register of Members; and

15.1.3. be deemed to have been received by the Member to whom it is addressed at the time of delivery thereof, or on the 7th day following the posting thereof (excluding the day upon which it was posted) in the Republic, or in the case of a fax, on the date and time stipulated on the fax transmission report thereof, or in the case of an e-mail, on the date and time recorded by the computer of the Association.

16. ENFORCEMENT & DISPUTE

16.1. For the enforcement of any of the existing or future rules or regulations the Board may –

16.1.1. give notice to any Member requiring him to remedy any such breach within a reasonable period as the Board may determine;

16.1.2. take or cause to be taken such steps as it may consider necessary to remedy any breach of which the Member may be guilty and debit the costs of so doing to the Member concerned;

16.1.3. impose a system of fines or penalties, as the case may be, the amounts of which fines and penalties shall be stipulated in the Regulations, to be determined by the Board; or

16.1.4. take such action including proceedings in court as it may deem necessary.

16.2. In the event of the Board taking any legal steps or instituting any legal proceedings against any Member or resident within Monaghan Farm for the enforcement of this MOI, any of the rules and/or regulations or rights of the Association in terms of this MOI, including the collection of any arrear levies, interest and/or any other debt due by the Members to the Association, the Association shall be entitled to appoint such attorneys and counsel as it deems necessary and to recover all legal costs so incurred from the Member or resident

concerned, calculated as between attorney and own client, and to debit such Member's account with such legal costs accordingly if necessary.

16.3. In the event of any breach of the rules by any Member's household or his guests, contractors or lessees, the Board may take or cause to be taken such steps against the Member personally, or against the person actually committing the breach, as the Board may in its sole discretion deem necessary.

16.4. In the event of any Member disputing the fact that he has committed a breach of any provision of this MOI, or a rule or regulation of the Association, a committee of three persons appointed by the Board for the purpose shall adjudicate upon the issue at such time and in such manner and according to such procedure as the Chairman may direct: Provided that natural justice shall be observed. A person who is not satisfied with the decision of the said committee may appeal to the Board whose decision is final.

16.5. Any fine imposed upon a Member in terms of these Articles shall be deemed to be a debt by the Member to the Association and, if not paid, shall be recoverable by ordinary civil process.

17. MEMBERS' MEETINGS

17.1. The Association elects to hold the following meetings additional to those required by the Act:

17.1.1. The Association shall, within 6 (six) months after the end of each financial year, hold a general meeting of Members, to be referred to as the Annual General Meeting, in addition to any other Members' meetings during that year and shall specify the meeting as such in notices to Members calling such meeting.

17.2. An Annual General Meeting, must, at a minimum, provide for the following business to be transacted:

17.2.1. Presentation and consideration of –

17.2.1.1. the directors' report;

17.2.1.2. the audited financial statements for the immediately preceding financial year; and

17.2.1.3. the auditors' report.

17.2.2. Election of Directors, to the extent required by the Act or this MOI;

17.2.3. The noting of contributions and/or levies for the ensuing financial year; and

17.2.4. Appointment of an auditor for the ensuing financial year; and

17.2.5. Any matters raised by the Members upon at least 7 (seven) days' written notice to the Association.

17.3. The Board may in their discretion decide whether a Members' meeting may be conducted entirely by electronic communication or in person, and if in person, whether one or more Members, or proxies for Members, may participate by electronic communication in all or part of a Members' meeting that is held in person within the precincts of Monaghan Farm at such time and location as the Board may decide.

17.4. All Members' Meetings other than Annual General Meetings shall be called Special General Meetings.

17.5. The Board may whenever it deems fit convene a Special General Meeting and must call such a meeting, in terms of section 61(3) of the Act, if –

17.5.1. one or more written and signed demands for such a meeting are delivered to the Association; and

17.5.2. each such demand describes the specific purpose for which the meeting is proposed; and

17.5.3. 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 percent) of the voting rights entitled to be exercised in relation to the matter proposed to be considered at the meeting.

17.6. The Board may, as an alternative to calling a Special General Meeting, and insofar as is practical and in accordance with the provisions of the Act, -

17.6.1. submit, in compliance with the provisions of section 60 of the Act, a Round Robin Resolution for consideration to the Members entitled to exercise voting rights in relation to the resolution; and

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

17.7. The business required to be discussed during an Annual General Meeting may not be put to vote by Round Robin Resolution.

17.8. Clause deleted. *(by way of Special Resolution at Annual general Meeting 28 August 2021).*

18. NOTICE OF MEMBERS' MEETING

18.1. Notice of Member's meetings shall be in accordance with section 62 of the Companies Act.

18.2. A Members' meeting shall be called by at least 15 (fifteen) Business Days' notice delivered by the Association to all Members entitled to vote or otherwise entitled to receive notice.

18.3. The Association may call a Members' Meeting with less notice but such a Members' Meeting may proceed only if every person who is entitled to exercise voting rights in respect of any item on the meeting agenda –

18.3.1. is present at the Members' meeting; and

18.3.2. votes to waive the required minimum notice of the Members' Meeting.

18.4. A Member entitled to vote who is present at a meeting, either in person or by proxy –

18.4.1. Is regarded as having received or waived notice of the meeting, if at least the required minimum notice was given; and

18.4.2. has a right to –-

18.4.2.1. allege a material defect in the form of notice for a particular item on the agenda for the meeting; and

18.4.2.2. participate in the determination whether to waive the requirements for notice, if at least the required minimum notice was given, or to ratify a defective notice; and

18.4.3. except to the extent set out in Article 18.4.2 is regarded to have waived any right based on an actual or alleged material defect in the notice of the Members' Meeting.

18.5. A notice of a Members' Meeting must be in writing, in plain language and must include –

18.5.1. the date, time and place for the meeting, and the Record Date for the meeting;

18.5.2. the general purpose of the Meeting, and any specific purpose contemplated in Article 17.5.2 , if applicable;

18.5.3. a copy of any proposed resolution of which the Association has received notice, and which is to be considered at the meeting, and a notice of the percentage of voting rights that will be required for that resolution to be adopted;

18.5.4. in the case of an Annual General Meeting of the Association –

18.5.4.1. the financial statements to be presented or a summarised form thereof; and

18.5.4.2. directions for obtaining a copy of the complete annual financial statements for the preceding financial year; and

18.5.5. a reasonably prominent statement that –

18.5.5.1. a Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate in and vote at the meeting in the place of the Member;

18.5.5.2. a proxy need not also be a Member of the Association; and

18.5.5.3. Section 63 (1) requires that meeting participants provide satisfactory identification.

18.6. A meeting may proceed notwithstanding a material defect in the giving of the notice of such meeting, subject to Article 18.7, only if every person who is entitled to exercise voting rights in respect of any item on the meeting agenda is present at the meeting and votes to approve the ratification of the defective notice.

18.7. If a material defect in the form or manner of giving notice of a meeting relates only to one or more particular matters on the agenda for the meeting —-

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

18.7.2. the meeting may proceed to consider a severed matter, if the defective notice in respect of that matter has been ratified.

18.8. An immaterial defect in the form or manner of giving notice of a Members' Meeting, or an accidental or inadvertent failure in the delivery of the notice to any particular Member to whom it was addressed if the Association elects to do so, does not invalidate any action taken at the meeting.

19. CHAIR, QUORUM & VOTING

19.1. The Chairman of the Board shall preside as Chairman at every Members' Meeting. If there is no such Chairman, or if at any Members' Meeting s/he is not present within 15 (fifteen) minutes after the time appointed for holding the Members' Meeting or is unwilling to act as

Chairman, the members entitled to vote which are present shall select a Director present at the Members' Meeting, or if no Director be present at the Members' Meeting, or if all the Directors present decline to take the chair, the Members present and entitled to vote shall select one of their number which is present to be Chairman of the Members' Meeting.

19.2. A meeting may not begin, and a matter to be decided at the meeting may not begin to be considered, unless a quorum has been established such that sufficient persons are present at the meeting (in person or by proxy) to exercise, in aggregate, at least 20 % (twenty percent) of all of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting.

19.3. If within 1 (one) hour after the appointed time for the meeting to begin, –

19.3.1. a quorum for that meeting to begin has not been established, the meeting is postponed without motion, vote or further notice, for 1 (one) week;

19.3.2. a quorum for consideration of a particular matter has not been established –

19.3.2.1. if there is other business on the agenda of the meeting, consideration of that matter may be postponed to a later time in the meeting without motion or vote; or

19.3.2.2. if there is no other business on the agenda of the meeting, the meeting is adjourned for 1 (one) week, without motion or vote.

19.4. A Members' Meeting may not be adjourned beyond the earlier of –-

19.4.1. The date that is 45 (forty five) Business Days after the Record Date; or

19.4.2. the date that is 30 (thirty) Business Days after the date on which the adjournment occurred.

19.5. No further notice is required to be given by the Association of a meeting that is postponed or adjourned for failure to establish a quorum unless the location for the meeting is different from –-

19.5.1. the location of the postponed or adjourned meeting; or

19.5.2. a location announced at the time of adjournment, in the case of an adjourned meeting.

19.6. After a quorum has been established for a meeting, or for a matter to be considered at a meeting, the meeting may not continue, or the matter may not be considered, if the members present, for whichever reason, no longer constitute a quorum.

19.7. At every Members' Meeting:

19.7.1. every Member present in person or by proxy and entitled to vote shall have one vote for each ordinary and special resolution for each land, developed or not, registered in his name;

19.7.2. co-owners having rights or interests in respect of the same land shall, unless otherwise determined by prior resolution of the Board, jointly have one vote for each ordinary and special resolution;

19.7.3. the Developer shall, subject to clause 19.8, have one vote in respect of each residential Erf registered in its name and which number of votes shall, during the development period, be not less than 10 (ten).

19.8. Save as expressly provided for in this MOI and unless specifically permitted otherwise by the Chairman, no person other than a Member duly registered, and who shall have paid every contribution, levy and other sum, if any, which shall be due and payable to the Association in respect of or arising out of his membership, and who is not under suspension, shall be entitled to be present or to vote on any matter either personally or by proxy, at any Members' Meeting.

19.9. No objection shall be raised as to the admissibility of any vote except at the Members' Meeting or adjourned Members' Meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such Members' Meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the Members' Meeting, whose decision shall be final and conclusive.

19.10. All voting shall be done by way of polling conducted forthwith and in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the Members' Meeting. Scrutineers may be appointed by the Chairman to declare the result of the poll and if appointed, their decision, which shall be given by the Chairman of the Members' Meeting, shall be deemed to be the resolution of the Members' Meeting.

19.11. Every resolution and every amendment of a resolution proposed at a Members' Meeting shall be seconded at the meeting and if not so seconded shall be deemed not to have been proposed.

19.12. In the case of equality of votes for and against any resolution, the Chairman shall have a second or casting vote.

19.13. Unless any Member present in person or by proxy at a Members' Meeting shall before the closure of the meeting have objected to –

19.13.1. any declaration made by the Chairman of the meeting as to the result of any voting at the meeting, by poll; and/or

19.13.2. the propriety or validity of the procedure at such a meeting;

such declaration by the Chairman shall be deemed to be a true and correct statement of the voting, and the meeting shall in all respects be deemed to have been properly and validly constituted and conducted, and an entry in the minutes to the effect that any motion has been carried or lost, with or without a record of the number of votes recorded in favour of or against such motion, shall be conclusive evidence of the vote so recorded if such entry confirms the declaration made by the Chairman of the meeting as to the result of any voting at the meeting. All resolutions by the Members must be dated and sequentially numbered in the minutes of the Association.

19.14. In addition to resolutions required by the Act to be approved by special resolution, the following resolutions and/or business shall require approval by the Members by way of a special resolution –

19.14.1. The use or change of use of the common facilities; and

19.14.2. The application for rezoning of private open space as may be required for the provision of infrastructural or communications services.

19.15. The following shall require the approval of the Members by unanimous resolution -

19.15.1. The application for rezoning of proclaimed private open space save as provided for in Article 19.14.2 above; and

19.15.2. Any application for any increase, reduction, or subdivision of the 305 (three hundred and five) erven approved for Residential 1 development on Monaghan Farm.

20. PROXIES

20.1. A Member may be represented at a Members' Meeting by proxy, who need not be a Member of the Association. A proxy shall not be entitled to delegate his authority to act on behalf of the Member to another person. A Member may appoint a single person as proxy or two

persons concurrently as proxies, to act in the alternative should one of them not be able to be present at the meeting, provided that no person shall be entitled to accept and/or be the holder of, more than 5 (five) proxy appointments.

20.2. A proxy shall be appointed on a proxy form ("Proxy Form") prepared for that purpose by the Association and made available for use to appoint proxies.

20.3. The Proxy Form shall be signed by the Member concerned or his duly authorised agent, provided that where a Member is more than one person, a majority of those persons shall sign the Proxy Form on such Member's behalf. Where a Member is a company, the Proxy Form may be signed by the Chairman of the Board of Directors of that Company or by its Secretary, and where an association of persons, by the Secretary thereof, or in the case of a trust, a duly appointed Trustee thereof.

20.4. No proxy form shall be valid after the conclusion of the meeting at which the proxy was to be exercised or such later meeting held due to adjournment.

20.5. The form appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority shall be delivered to the Association 48 (forty eight) hours prior to the Members' Meeting, before the proxy exercises any rights of the Member entitled to vote at a Members' Meeting.

20.6. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Membership in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Association at its Registered Office before the commencement of the Members' Meeting or adjourned Members' Meeting at which the proxy is used.

20.7. If a proxy is received duly signed but with no indication as to how the Person named therein should vote on any issue, the proxy may vote or abstain from voting as he sees fit.

21. RECORD DATE

21.1. If the Board determines the Record Date, it may not be earlier than the date on which the Record Date is determined or more than 10 (ten) Business Days before the date on which the event or action, for which the Record Date is being set, is scheduled to occur.

21.2. If, at any time, the Board fails to determine a Record Date, the Record Date for the relevant matter is –

21.2.1. in the case of a Members' Meeting, the latest date by which the Association is required to deliver to Members entitled to vote, notice of that Members' Meeting; or

21.2.2. the date of the action or event, in any other case.

21.3. The Association must publish a notice of a Record Date for any matter by –

21.3.1. delivering a copy to each Member; and

21.3.2. posting a conspicuous copy of the notice –

21.3.2.1. at its registered office; or

21.3.2.2. on the Association's web-site, if it has one.

22. DIRECTORS, ELECTION OF DIRECTORS AND CASUAL VACANCIES

22.1. There shall be a Board of Directors of the Association which shall (unless otherwise determined by special resolution in general meeting) consist of not less than 5 (five) and not more than 10 (ten) Directors.

22.2. A Director shall be an individual but need not himself be a Member of the Association. A Director, by accepting his appointment to office as such, shall be deemed to have agreed to be bound by all the provisions of this MOI and the rules and regulations of the Association.

22.3. The Developer, during the Development Period, shall be entitled to appoint 2 (two) Directors ("Developer Directors") , which appointed Directors need not be elected by the Members, nor retire, and the Developer shall be entitled from time to time on notice to the Association, to terminate the appointment of any Director appointed by it in and to appoint such other person as a Director of the Association provided that the Developer shall indemnify the Association, its Directors and Members against any claims that a Director, appointed and subsequently removed by the Developer, may have.

22.4. Except in respect of a Developer Director, each of the Directors shall

22.4.1. be elected at an Annual General Meeting and serve as a Director until the second anniversary of the Annual General Meeting at which he/she was elected following which he/she shall be deemed to have reitred from office but shall be eligible for re-election; or

22.4.2. should a vacancy arise prior to an Annual General Meeting, a Director, on an interim basis, may

22.4.2.1. be elected by the members by Round Robin Resolution, or

22.4.2.2. be appointed by the Board,

save that any Director so elected or appointed shall automatically retire at the Annual General Meeting following such election or appointment but shall be eligible for re-election.

22.5. In addition to Article 22.4 above, at least one-third (1/3rd) of the Board, calculated without the inclusion of any Developer Director, shall retire immediately before each Annual General Meeting. Such retiring Directors shall be eligible for re-election.

22.6. There are no general qualifications prescribed by the Association for a Person to serve as a Director in addition to the requirements of the Companies Act.

22.7. No Director shall be entitled to appoint any person as an Alternate Director to himself.

22.8. In any election of Directors (other than appointment by the Board in terms of Article 22.4.2 above of a person in order to fill a casual vacancy which may arise from time to time or the election of such a person by the Members at a subsequent Members' Meeting, or the appointment of a Director by the Developer as contemplated in Article 22.3) the election is to be conducted at an Annual General Meeting, as follows –

22.8.1. The election is to be conducted in order to fill all vacancies on the Board at that time,

22.8.2. The notice in respect of the Annual General Meeting shall set out which Directors are deemed to have, or will be deemed to have, retired and which of them have made themselves available for re-election.

22.8.3. Any Member shall each be entitled to nominate 1 (one) person, including retired Directors who have made themselves available for re-election, to serve as a Director of the Association.

22.8.4. All nominations are to reach the Association at least 30 (thirty) days before the date and time scheduled for the Annual General Meeting to begin. Each nominated person shall provide the Association with his consent in writing to serve as a Director, prior to the commencement of the Annual General Meeting.

22.8.5. Every Member entitled to vote at the meeting may vote, for a number of candidates equal to the number of vacancies at that time, irrespective of the number of candidates appearing on the ballot paper.

22.8.6. Vacancies shall be filled by the candidates who have received the most votes. The aforementioned is illustrated as follows:

22.8.6.1. In the event that there are 3 (three) vacancies, the three candidates who have received the top three amount of votes, shall be appointed.

22.9. No election of a Director shall take effect until he has delivered to the Association a written consent to serve and every candidate who failed to provide the Association with his written consent, shall be disqualified from the elections.

22.10. In the event of a vacancy arising on the Board, the continuing Directors (or sole continuing Director) may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the minimum number fixed by or pursuant to this MOI, the continuing Directors or Director may act only for the purpose of summoning a Members' Meeting or procuring the election or appointment of interim Directors pursuant to Article 22.4.2.

22.11. If there is no Director able and willing to act, then any Member entitled to exercise voting rights in the election of a Director may convene a Members' Meeting for the purpose of appointing Directors.

23. CESSATION OF OFFICE AS DIRECTOR

23.1. The provisions of sections 69, 70 and 71 of the Act apply to the cessation of office as Director and, importantly, a Director shall cease to hold office as such –

23.1.1. immediately when he becomes Ineligible or Disqualified or the Board resolves to remove him on such basis, and in the latter case he has not within the permitted period filed an application for review or has filed such an application but the court has not yet confirmed the removal (during which period he shall be suspended);

23.1.2. when he retires or is deemed to have retired;

23.1.3. when he dies;

23.1.4. when he resigns by written notice to the Association;

23.1.5. if there are more than 3 (three) Directors in office and if the Board determines that he has become incapacitated to the extent that he is unable to perform the functions of a Director, and is unlikely to regain that capacity within a reasonable time, and the Director has not within the permitted period filed an application for

review or has filed such an application but the court has not yet confirmed the removal (during which period he shall be suspended);

23.1.6. if he is declared delinquent by a court, or placed on probation under conditions that are inconsistent with continuing to be a Director of the Association;

23.1.7. if, without condonation of the Board, he is absent for 3 (three) consecutive meetings of the Board and the other Directors by majority decision declare that Director delinquent;

23.1.8. if he is removed by Special Resolution of the Members of the Association;

23.1.9. he files a petition for the surrender of his estate or an application for an administration order, or if he commits an act of insolvency as defined in the insolvency law for the time being in force, or if he makes any arrangement or composition with his creditors generally;

23.1.10. he is otherwise removed in accordance with any provisions of this MOI; or

23.1.11. if he was appointed as a Director by the Developer and the Developer, for whichever reason, ceases to be the registered owner of land in Monaghan Farm.

24. REMUNERATION OF DIRECTORS AND MEMBERS OF BOARD COMMITTEES

24.1. Directors and members of Board Committees, shall be entitled to be reimbursed all reasonable and *bona fide* expenses incurred by them during the performance of their duties as Directors and/or Chairman and/or Vice-Chairman and/or members of Board Committees, as the case may be.

24.2. Save as stated in Article 24, Directors and members of Board Committees shall not be entitled to any remuneration for the performance of their duties in terms hereof, unless the Members of the Association in an Annual General Meeting decide otherwise.

24.3. Notwithstanding any provision to the contrary in this MOI or elsewhere, the Directors and members of Board Committees shall not be entitled to pension benefits, gratuities or allowances.

25. FINANCIAL ASSISTANCE FOR DIRECTORS AND PRESCRIBED OFFICERS AND THEIR RELATED AND INTER-RELATED PARTIES

The Company shall not provide a loan to, secure a debt or obligation of, or otherwise provide direct or indirect financial assistance to, a director of the company or of a related or inter-related company, or to a person related to any such director.

26. GENERAL POWERS AND DUTIES OF DIRECTORS AND ELECTION OF CHAIRMAN AND VICE CHAIRMAN

26.1. The Directors may –

26.1.1. establish and maintain any non-contributory or contributory pension, superannuation, provident and benefit funds for the benefit of; and

26.1.2. give pensions, gratuities and allowances to and make payments for or towards the insurance of,

any persons who are employees or ex-employees (including in respect of indemnity insurance only, the Directors or ex-Directors) of the Association, or of any company which is or was a subsidiary of the Association or is or was in any way allied to or associated with it or any such subsidiary, and the wives, widows, families and dependants of such persons.

26.2. The Board shall be entitled to annually elect from its members a Chairman and a Vice-Chairman and determine the period for which they are to hold office, provided that the offices of the Chairman and Vice-Chairman shall *ipso facto* be vacated by the Director holding such office upon his ceasing to be a Director for any reason.

26.3. The Chairman shall preside at all meetings of the Board and all Members' Meetings and shall perform all duties incidental to the office of the Chairman and such other duties as may be prescribed by the Board from time to time. In the event of an equality of votes, the Chairman shall not have a second and/or casting vote.

26.4. The Vice-Chairman shall assume the powers and duties of the Chairman in the absence of the Chairman or his inability or refusal to act as Chairman, and failing the appointment of a Vice Chairman, a Director nominated by the majority of the remaining Directors of the Board shall perform such duties as may from time to time be assigned to him by the Chairman of the Board.

26.5. The Board may in its discretion from time to time for the purposes of the Association borrow or raise such sums of money from Members of the Association or from such other persons as the Board may determine. The Board may (but shall not be obliged to) further secure the repayment of any sums so raised in such a manner and upon such terms as it may deem fit, whether by the mortgaging of fixed property belonging to or in respect of which the Association has a mortgageable interest or otherwise.

26.6. The Board shall have the right to vary, cancel or modify any of its decisions and resolutions from time to time.

26.7. The Board (and each individual Member of the Board) shall be entitled, but not obliged, -

26.7.1. to engage, on behalf of the Association, the services of accountants, auditors, attorneys, advocates, architects, engineers and/or any other profession, and

26.7.2. to obtain opinions and/or other professional services from such persons relating to the business of the Association only;

as and when the Board (or the individual Director) may deem necessary and/or required, and on such terms as the Board (or the individual Director) may decide. In the event that the Board (or an individual Director), engages such professional persons as aforesaid, the Association shall be liable for payment of such professional persons' accounts.

26.8. The Board shall further have the power –

26.8.1. To require that any works being constructed within Monaghan Farm be supervised to ensure that the provisions of this MOI, the rules and/or regulations of the Association, are complied with and that all work is performed in a proper and workmanlike manner.

26.8.2. To issue architectural design manuals in respect of Monaghan Farm.

26.9. The Board shall be entitled, whenever it considers that the appearance of any land or building within Monaghan Farm and owned by a Member, is unsightly or injurious to the amenities of the surrounding area of Monaghan Farm generally, to serve notice on such Member requiring him to take steps to rectify such unsightly or injurious condition within a stated period.

26.10. Should any Member, on whom notice as contemplated in Article 26.9 has been served, fail to take such steps as may be specified in the notice within the stated period, the Board shall be entitled, but not obliged, on behalf of the Association, to take such steps as may be reasonably required and/or necessary, including legal steps, in order to rectify such unsightly or injurious condition and to recover the costs of doing so from the Member concerned, which costs shall be deemed to be a debt owing by such Member to the Association.

26.11. The Board may from time to time determine the routine maintenance requirements of the common property and instruct a person to attend to such maintenance requirements on behalf of the Association and at its cost.

26.12. The Board shall be obliged to maintain such measures as it deems necessary, in its sole discretion, to ensure the security access to and safety of Monaghan Farm and all persons lawfully therein.

27. BOARD COMMITTEES

27.1. The Directors may appoint any number of Board committees for any period, or once off for a specific purpose, and delegate to such committees any authority of the Board. The members of such committees may include persons who are not Directors, as long as they are not Ineligible or Disqualified to be Directors, who shall not be able to vote at Board meetings.

27.2. No person shall be appointed as a member of a Board committee, if he is Ineligible or Disqualified and any such appointment shall be a nullity. A person who is Ineligible or Disqualified must not consent to be appointed as a member of a Board committee nor act as such a member. A person placed under probation by a court must not serve as a member of a Board committee unless the order of court so permits.

27.3. There are no general qualifications prescribed by the Association for a person to serve as a member of a Board committee in addition to the requirements of the Act.

27.4. A Member of a Board committee shall cease to hold office as such immediately he becomes Ineligible or Disqualified in terms of the Companies Act.

27.5. Committees of the Board may consult with or receive advice from any person, including professional persons. Insofar as may be permissible by the Act, the members of Board Committees shall be entitled to vote at such committee meetings on matters to be decided by such Committee.

27.6. Meetings and other proceedings of a committee of the Board consisting of more than 1 (one) Member shall be governed by the provisions of this MOI regulating the meetings and proceedings of Directors.

28. PERSONAL FINANCIAL INTERESTS OF DIRECTORS

28.1. For the purposes of this Article 28 (*Personal Financial Interests of Directors*), "Director" includes a Prescribed Officer and a person who is a Member of a committee of the Board, irrespective of whether or not the person is also a Member of the Board.

28.2. At any time, a Director may disclose any personal financial interest in advance, by delivering to the Board a notice in Writing setting out the nature and extent of that personal financial

interest, to be used generally by the Association until changed or withdrawn by further Written notice from that Director.

28.3. If a Director has a personal financial interest in respect of a matter to be considered at a meeting of the Board, or knows that a related person has a personal financial interest in the matter, the Director –

28.3.1. must disclose the personal financial interest and its general nature before the matter is considered at the meeting;

28.3.2. must disclose to the meeting any material information relating to the matter, and known to the Director;

28.3.3. may disclose any observations or pertinent insights relating to the matter if requested to do so by the other Directors;

28.3.4. if present at the meeting, must leave the meeting immediately after making any disclosure contemplated in Articles 28.3.2 or 28.3.3;

28.3.5. must not take part in the consideration of the matter, except to the extent contemplated in Articles 28.3.2 or 28.3.3;

28.3.6. while absent from the meeting in terms of this Article 28.3:

28.3.6.1. is to be regarded as being present at the meeting for the purpose of determining whether sufficient Directors are present to constitute a quorum; and

28.3.6.2. is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted; and

28.3.7. must not execute any document on behalf of the Association in relation to the matter unless specifically requested or directed to do so by the Board.

28.4. If a Director acquires a personal financial interest in an agreement or other matter in which the Association has a material interest, or knows that a related person has acquired a personal financial interest in the matter, after the agreement or other matter has been approved by the Association, the Director must promptly disclose to the Board the nature and extent of that personal financial interest, and the material circumstances relating to the Director or related person’s acquisition of that personal financial interest.

28.5. A decision by the Board, or a transaction or agreement approved by the Board is valid despite any personal financial interest of a Director or person related to the Director, only if –

28.5.1. it was approved following the disclosure of the personal financial interest in the manner contemplated in this Article 27; or

28.5.2. despite having been approved without disclosure of that personal financial interest, it has been ratified by an Ordinary Resolution by the Members following disclosure of that personal financial interest or so declared by a court.

28.6. Disclosure of personal financial interests in terms of this Article 28.3 above, does not apply to a Director –

28.6.1. in respect of a decision that may generally affect –

28.6.1.1. all of the Directors of the Association in their capacity as directors;

28.6.1.2. a class of persons, despite the fact that the Director is one member of that classs of persons, unless the only members of that class are the director or persons related or inter-related to the director;

28.6.2. In respect of a proposal to remove that Director from office as contemplated in section 71 of the Act.

29. PROCEEDINGS OF DIRECTORS

29.1. A Director authorised by the Board –

29.1.1. may, at any time, summon a meeting of the Directors; and

29.1.2. must call a meeting of the Directors if required to do so by at least 2 (two) Directors.

29.2. The Directors may determine what period of notice, being not less than 48 (forty eight) hours, shall be given of meetings of Directors and may determine the means of giving such notice, in writing, which may include telephone, fax or Electronic Communication. It shall be necessary to give notice of a meeting of Directors to all Directors even those for the time being absent from South Africa.

29.3. If all of the Directors –

29.3.1. acknowledge actual receipt of the notice; or

29.3.2. are present at a meeting of the Directors; or

29.3.3. waive notice of the meeting,

the meeting may proceed even if the Association failed to give the required notice of that meeting, or there was a defect in the giving of the notice.

29.4. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit provided that they shall meet, as a minimum, at least once every quarter. Unless otherwise resolved by the Board, all Board meetings shall take place at Monaghan Farm.

29.5. A meeting of Directors may be conducted by Electronic Communication and/or one or more Directors may participate in a meeting of Directors by Electronic Communication so long as the Electronic Communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.

29.6. The quorum for a Directors' meeting is established when a majority of the serving Directors are personally present: Provided that, should a Director attend a Board meeting through electronic communication, that Director shall be deemed to have been present at the meeting. In addition, a Director who has authorised another Director, in writing, to attend a meeting and vote thereat on his or behalf, shall be deemed to be present himself.

29.7. The Chairman shall preside as such at all meetings of the Board; Provided that should, at any meeting of the Board, the Chairman not be present within 15 (fifteen) minutes after the time appointed for the holding thereof, then the Vice-Chairman shall act as Chairman at such meeting, provided further that should the Vice-Chairman also not be present within 15 (fifteen) minutes of the time appointed for the holding of such a meeting, those Directors present shall appoint a Chairman from the meeting, who shall thereupon exercise all the powers and duties of the Chairman in relation to that meeting.

29.8. If within 30 (thirty) minutes from the time appointed for the holding of a Board meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same place and time, or at such other place as the Chairman shall appoint, and if at such subsequent meeting the subject to the adjournment, a quorum is not present within half an hour from the time appointed for holding the meeting, the Directors present shall be a quorum.

29.9. Each Director has 1 (one) vote on a matter before the Board and a simple majority of the votes cast on a resolution is sufficient to approve that resolution.

29.10. In the event of an equality of votes for and against any resolution, the Chairman will not have a second or casting vote.

29.11. The Association must keep minutes of the meetings of the Board, and any of its committees, and include in the minutes –

29.11.1. any declaration personal financial interest;

29.11.2. every resolution adopted;.

29.12. Resolutions of the Board are made by simple majority and –-

29.12.1. must be dated and sequentially numbered; and

29.12.2. are effective as of the date of the resolution, unless the resolution states otherwise, subject to Article 28.13 below.

29.13. Any minutes of a meeting, or a resolution, signed by the Chairman of the meeting, or by the Chairman of the next meeting of the Board, are/is evidence of the proceedings of that meeting, or adoption of that resolution, as the case may be.

29.14. A resolution placed before, or submitted to, the Directors outside of a formal Board meeting and signed by all Directors shall be referred to as a Round Robin Resolution of the Directors and be valid in all respects as if it had been duly passed at a meeting of the Board and shall form part of the records of the next Board meeting.

30. COMMON PROPERTY

30.1. The common property in the case of a sectional title scheme within Monaghan Farm, vests in the body corporate of that scheme subject to the powers, obligations and Rules of the Association.

30.2. All common property which vests in the Association is subject to the provisions of this MOI and the Rules.

30.3. Members shall be entitled access to all common property in respect of which the Association holds title or tenancy subject to compliance by Members with the Rules pertaining to such common property.

30.4. The Board may from time to time limit, restrict or suspend access in relation to any such part of the common property, as may, in their sole discretion, be necessary and/or required.

30.5. The Board may make rules relating to access by the general public to certain common property in order to confine the public access to such areas.

30.6. The Board may require any Member to maintain the sidewalk adjacent to his property and in the event of such Member failing to maintain such sidewalk to the satisfaction of the Board, the Board shall be entitled to take such action as may be necessary for the maintenance of such sidewalk and to charge the Member concerned.

30.7. Where the boundary of any one Member's property also constitutes the boundary of Monaghan Farm, such Member shall be obliged to permit the Association to erect upon such Member’s property immediately adjacent to such boundary, such walling or other fencing as the Board may determine. Such Member shall not be entitled to interfere in any manner whatsoever with any such walling or fencing, and shall permit the Association from time-to-time access to such Member’s property in order to inspect such walling or fencing and to effect such repairs as may be necessary from time to time. In the event of such Member wishing to erect his own walling or fencing, he shall be obliged to erect same within the walling or fencing referred to above and subject to such conditions as the Board may lay down to permit the Association access to the boundary walling or fencing concerned.

31. ALIENATION

31.1. No Member shall alienate land or rights thereto until a Director, on the Board’s behalf, has certified that the Member has at date of transfer fulfilled all his financial obligations to the Association.

31.2. No land or any interest therein shall further be alienated without the consent of the Association, which consent shall not be unreasonably withheld –

31.2.1. unless such Member is indebted to the Association in any way in respect of levy, special and/or additional contributions, fines or other penalties, interest or any other debt due which the Association may in terms of this MOI be entitled to claim from him; including the payment of the re-sale fee, unless the payment of the re-sale fee is excempted or the re-sale fee has been secured to the satisfaction of the Board of the Association

31.2.2. the beneficiary of the proposed alienation has agreed to bind himself, to the satisfaction of the Board as a contract to the benefit of the Association, to become a Member of the Association and the commitment thereto is registered on the title deeds of the land.

31.3. Before land is transferred, the Member who has alienated such land shall pay to the Association an administration fee for issuing a clearance certificate in respect of the proposed transfer as may be determined by the Board from time to time and any alienation shall take place prior to or on the date specified in the clearance certificate.

31.4. Any registration of transfer of land into the name of the transferee shall *ipso facto* constitute the transfer of Membership to the transferee.

32. LOSS OF DOCUMENTS

The Association shall not be responsible for the loss in transmission of any cheque, warrant, certificate or (without any limitation *eiusdem generis*) other document sent through the post either to the registered address of any Member or to any other address requested by the Member.

33. NOTICES

33.1. The Association may give notices, documents, records or statements or notices of availability of the aforegoing by personal delivery to the Member or by sending them prepaid through the post or by transmitting them via Electronic Communication.

33.2. Any Member who/which has furnished an electronic address to the Association, by doing so –-

33.2.1. authorises the Association to use Electronic Communication to give notices, documents, records or statements or notices of availability of the aforegoing to him; and

33.2.2. confirms that same can conveniently be printed by the Member within a reasonable time and at a reasonable cost.

33.3. Any notice required to be given by the Association to the Members, and not expressly prohibiting the provisions of this Article from applying, shall be sufficiently given (subject to giving a notice of availability in accordance with Articles 33.1 or 33.2), if given by posting it on the Association's web site until at least the date when the event to which the notice refers occurs.

33.4. Any notice, document, record or statement or notice of availability of the aforegoing sent by the Association shall be deemed to have been delivered on the date and time determined in accordance with Schedule 3 hereto.

33.5. A Member shall be bound by every notice Delivered to the person who was, at the date on which that notice was Delivered or established to the satisfaction of the Directors (as the case may be) as the Member, notwithstanding that the Member may then have been dead or may subsequently have died or have been or become otherwise incapable of acting as a Member.

33.6. The Association shall not be bound to use any method of giving notice, documents, records or statements or notices of availability of the aforegoing, contemplated in the Regulations in respect of which provision is made for deemed delivery, but if the Association does use such a method, the notice, document, record or statement or notice of availability of the aforegoing shall be deemed to be delivered on the day determined in accordance with the Regulations.

33.7. As regards the signature of an Electronic Communication by a Member, it shall be in such form as the Directors may specify to demonstrate that the Electronic Communication is genuine, or failing any such specification by the Directors, it shall be constituted by the Member indicating in the Electronic Communication that it is the Member's intention to use the Electronic Communication as the medium to indicate the Member's approval of the information in, or the Member's signature of the document in or attached to, the Electronic Communication which contains the name of the Member sending it in the body of the Electronic Communication.

34. INDEMNITY

34.1. For the purposes of this Article 34, "Director" includes a former Director, a Prescribed Officer, a person who is a member of a committee of the Board, irrespective of whether or not the person is also a member of the Board.

34.2. The Association may –

34.2.1. not directly or indirectly pay any fine that may be imposed on a Director, or on a Director of a related company, as a consequence of that Director having been convicted of an offence in terms of any national legislation, unless the conviction was based on strict liability;

34.2.2. advance expenses to a Director to defend litigation in any proceedings arising out of the Director's service to the Association; and

34.2.3. directly or indirectly indemnify a Director for –

34.2.3.1. any liability, other than in respect of –

34.2.3.2. any liability arising in terms of Section 77(3)(a), (b) or (c) of the Companies Act or from wilful misconduct or wilful breach of trust on the part of the Director; or

34.2.3.3. any fine contemplated in Article 33.2.1;

34.2.3.4. any expenses contemplated in Article 33.2.2 irrespective of whether it has advanced those expenses, if the proceedings –-

34.2.3.4.1. are abandoned or exculpate the Director; or

34.2.3.4.2. arise in respect of any other liability for which the Association may indemnify the Director in terms of Article 28.2.3.1.

34.3. The Association may purchase insurance to protect –-

34.3.1. a Director against any liability or expenses contemplated in Article 28.2.2 or 28.2.3; or

34.3.2. the Association against any contingency including but not limited to –

34.3.2.1. any expenses –

34.3.2.2. that the Association is permitted to advance in accordance with Article 28.2.2; or

34.3.2.3. for which the Association is permitted to indemnify a Director in accordance with Article 33.2.3.2; or

34.3.2.4. any liability for which the Association is permitted to indemnify a Director in accordance with Article 33.2.3.1.

34.4. The Association is entitled to claim restitution from a Director or of a related company for any money paid directly or indirectly by the Association to or on behalf of that Director in any manner inconsistent with Section 75 of the Act.

34.5. Each and every Member individually shall indemnify and hold harmless the Association against any action by the Member, members of his family or any person within Monaghan Farm at the invitation of or under the control of the Member concerned, whatsoever the nature of such claims and howsoever arising.

34.6. Any person using any of the services, common property and/or facilities of and in Monaghan Farm does so entirely at his own risk and no person shall have any claim against the Association of whatsoever nature arising from such use, nor for anything which may befall any person during the course of such use, whether caused by human or animal agency, natural phenomena or otherwise.

34.7. No person or Member shall have any claim against the Association as a result of fire or any substance, liquid or gas, escaping from the property of the Association and causing damage to any person or property of any Member.

35. ACCEPTANCE OF CESSIONS OF RIGHTS

35.1. The Association shall accept and assume in every instance all rights ceded to it in writing arising from the Sales Agreements entered into between a Member and the Developer and enduring beyond the completion of the first transfer of the erf or unit by the Developer in respect of:

35.1.1. the rights of the Developer to grant or withhold approvals relating to the subsequent use of that erf or unit; and

35.1.2. the rights of the Purchaser relating to the provision by the Developer of common facilities intended for the benefit and enjoyment of all members;

and the Association shall act upon those rights in every instance in a manner consistent with the objectives of the Association and to the collective benefit of its members.

36. ACCEPTANCE OF COMMON FACILITIES

36.1. The Developer undertakes to cause to be delivered to the Association the common facilities further to those transferred and/or completed as at the date of adoption of this MOI being

36.1.1. two tennis courts

36.1.2. one squash court

36.1.3. one gymnasium

36.1.4. 30 stables and equestrian facilities

36.2. The Board may at any time require of the Developer that construction of any of the above-mentioned common facilities be initiated whereupon the Developer shall, within six months, submit all necessary applications for approvals to the relevant authorities and upon receipt of which construction shall commence without unreasonable delay.

36.3. Upon completion of each of the common facilities, the Board shall have the right to require that the common facility be in compliance with the applicable municipal standard, if any, and certified as fit-for-purpose by the relevant architect, engineers(or contractors) whereupon the Association shall, upon request of the Developer, be obliged to take transfer of that common facility in title and/or responsibility for its maintenance and use.

36.4. Following recommendation by the Board, adoption by Special Resolution of the Members, and agreement with the Developer, the nature, number or extent of any of the common facilities may without limitation be amended, substituted, or exchanged save that the consequence of such amendment, substitution, or exchange shall not be inconsistent with the objectives of the Association and shall not result in any substantive diminution of overall benefit to its members.

36.5. The Association may, in the alternative and prior to the commencement of construction of any common facility elect to accept payment from the Developer of an agreed amount in respect and in lieu of that common facility, provided that

36.5.1. within twelve months, those funds are applied to the provision of similar or other recreational facilities of comparable longevity, and

36.5.2. following receipt in full of that agreed amount, the Developer shall be released from its obligation to cause delivery of that common facility to the Association.

36.6. To the extent, if any, that the Developer intends to enter into a tenancy agreement respect of any common facility prior to its delivery to the Association, the Developer shall:

36.6.1. procure the agreement of the Board as to the terms and conditions of that tenancy agreement and, if applicable, the agreement of the Board to assume the rights and

responsibilities of the Developer under the tenancy agreement upon a transfer of title or responsibility for that common facility to the Association; or

36.6.2. provide for the termination of that tenancy agreement upon transfer of title or responsibility for that common facility to the Association.

ANNEXURE 1

Definitions in the Companies Act

"**accounting records**" means information in written or electronic form concerning the financial affairs of a company as required in terms of this Act including, but not limited to, purchase and sales records, general and subsidiary ledgers and other documents and books used in the preparation of financial statements; [1]

"**alternate director**" means a person elected or appointed to serve, as the occasion requires, as a member of the board of a company in substitution for a particular elected or appointed director of that company;

"**annual general meetin**g" means the meeting of a public company required by section 61(7);

"**audit**" has the meaning set out in the Auditing Profession Act, but does not include an "independent review" of annual financial statements, as contemplated in section 30(2)(b)(ii)(bb);

"**auditor**" has the meaning set out in the Auditing Profession Act;

"**Banks Act**" means the Banks Act, 1990 (Act No. 1194 of 1990);

"**board**" means the board of directors of a company;

"**business days**" has the meaning determined in accordance with section 5(3);

"**Commission**" means the Companies and Intellectual Property Commission established by section 185;

"**Commissioner**" means the person appointed to or acting in the office of that name, as contemplated in Section 189;

"**company**" means a juristic person incorporated in terms of this Act, a domesticated company, or a juristic person that, immediately before the effective date—

(a) was registered in terms of the—

(i) Companies Act, 1973 (Act No. 61 of 1973), other than as an external company as defined in that Act; or

(ii) Close Corporations Act, 1984 (Act No. 69 of 1984), if it has subsequently been converted in terms of 0**;**

[1] Regulation 25(3) contains requirements as to what the accounting records must include.

(b) was in existence and recognised as an 'existing company' in terms of the Companies Act, 1973 (Act No. 61 of 1973); or

(c) was deregistered in terms of the Companies Act, 1973 (Act No. 61 of 1973), and has subsequently been re-registered in terms of this Act;

"**Competition Act**", means the Competition Act, 1998 (Act No. 89 of 1998);

"**convertible**" when used in relation to any securities of a company, means securities that may, by their terms, be converted into other securities of the company, including—

(a) any non-voting securities issued by the company and which will become voting securities—

(i) on the happening of a designated event; or

(ii) if the holder of those securities so elects at some time after acquiring them; and

(b) Options to acquire securities to be issued by the company, irrespective of whether those securities may be voting securities, or non-voting securities contemplated in paragraph *(a)*;

"**creditor**" means a person to whom a company is or may become obligated in terms of any liability or other obligation that would be required to be considered by the company if it were applying the solvency and liquidity test set out in section 4;

"**director**" means a member of the board of a company, as contemplated in section 66, or an alternate director of a company and includes any person occupying the position of a director or alternative director, by whatever name designated;

"**effective date**", with reference to any particular provision of this Act, means the date on which that provision came into operation in terms of section 225;

"**electronic communication**" has the meaning set out in section 1 of the Electronic Communications and Transactions Act;

"**Electronic Communications and Transactions Act**" means the Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002);

"**employee share scheme**" has the meaning set out in section 95(1)*(c)*;

"**exchange**" when used as a noun, has the meaning set out in section 1 of the Securities Services Act, 2004 (Act No. 36 of 2004);

"**exercise**", when used in relation to voting rights, includes voting by proxy, nominee, trustee or other person in a similar capacity;

"**ex officio director**" means a person who holds office as a director of a particular company solely as a consequence of that person holding some other office, title, designation or similar status specified in the company's Memorandum of Incorporation;

"**external company**" means a foreign company that is carrying on business, or non-profit activities, as the case may be, within the Republic, subject to section 23(2);

"**financial statement**" includes—

(a) annual financial statements and provisional annual financial statements;

(b) interim or preliminary reports;

(c) group and consolidated financial statements in the case of a group of companies; and

(d) financial information in a circular, prospectus or provisional announcement of results, that an actual or prospective creditor or holder of the company's securities, or the Commission, Panel or other regulatory authority, may reasonably be expected to rely on;

"**group of companies**" means a holding company and all of its subsidiaries;

"**holding company**", in relation to a subsidiary, means a juristic person that controls that subsidiary as a result of any circumstances contemplated in Section 2(2)(a) or 3(1)(a);

"**incorporator**", when used—

(a) with respect to a company incorporated in terms of this Act, means a person who incorporated that company, as contemplated in Section 13; or

(b) with respect to a pre-existing company, means a person who took the relevant actions comparable to those contemplated in Section 13 to bring about the incorporation of that company;

"**individual**" means a natural person;

"**inter-related**", when used in respect of three or more persons, means persons who are related to one another in a linked series of relationships, such that two of the persons are related in a manner contemplated in Section 2(1) and one of them is related to the third in any such manner, and so forth in an unbroken series;

"**juristic person**" includes—

(a) a foreign company; and

(b) a trust, irrespective of whether or not it was established within or outside the Republic;

"**knowing**", "**knowingly**" or "**knows**", when used with respect to a person, and in relation to a particular matter, means that the person either —

(a) had actual knowledge of the matter; or

(b) was in a position in which the person reasonably ought to have —

(i) had actual knowledge;

(ii) investigated the matter to an extent that would have provided the person with actual knowledge; or

(iii) taken other measures which, if taken, could reasonably be expected to have provided the person with actual knowledge of the matter;

"**nominee**" has the meaning set out in Section 1 of the Securities Services Act, 2004 (Act No. 36 of 2004);

"**ordinary resolution**" means a resolution adopted with the support of more than 50% of the voting rights exercised on the resolution, or a higher percentage as contemplated in Section 65(8) at a members' meeting.

"**person**" includes a juristic person;

"**personal financial interest**", when used with respect to any person—

(a) means a direct material interest of that person, of a financial, monetary or economic nature, or to which a monetary value may be attributed; but

(b) does not include any interest held by a person in a unit trust or collective investment scheme in terms of the Collective Investment Schemes Act, 2002 (Act No. 45 of 2002), unless that person has direct control over the investment decisions of that fund or investment;

"**prescribed officer**" means a person who, within a company, performs any function that has been designated by the Minister in terms of Section 66(10);

"**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;

"**public company**" means a profit company that is not a state-owned company, a private company or a personal liability company;

"**record date**" means the date established under Section 59 on which a company determines the identity of its shareholders and their shareholdings for the purposes of this Act;

"**registered office**" means the office of a company, or of an external company, that is registered as required by Section 23;

"**related**", when used in respect of two persons, means persons who are connected to one another in any manner contemplated in Section 2(1)(a) to Section (c*)*;

"**rules**" and "**rules of a company**" means any rules made by a company as contemplated in Section 15(3) to (5);

"**special resolution**" means —

(a) in the case of a company, a resolution adopted with the support of at least 75% of the voting rights exercised on the resolution, or a different percentage as contemplated in section 65(10) at a members' meeting; or

(b) in the case of any other juristic person, a decision by the owner or owners of that person, or by another authorized person, that requires the highest level of support in order to be adopted, in terms of the relevant law under which that juristic person was incorporated;

"**subsidiary**" has the meaning determined in accordance with Section 3;

"**wholly-owned subsidiary**" has the meaning determined in accordance with Section 3(1)(b).

ANNEXURE 2

Directors - Ineligible / disqualified in terms of Section 69(7) and (8) of the Companies Act read with Regulation 39(3)

A person is ineligible to be a Director if the Person –-

is a juristic person;

is an unemancipated minor, or is under a similar legal disability; or

does not satisfy any qualification set out in the MOI.

A person is disqualified to be a Director if –-

a court has prohibited that Person to be a Director, or declared the Person to be delinquent in terms of Section 162, or in terms of Section 47 of the Close Corporations Act, 1984 (Act No. 69 of 1984); or

the Person –-

is an unrehabilitated insolvent;

is prohibited in terms of any public regulation to be a Director;

has been removed from an office of trust, on the grounds of misconduct involving dishonesty; or

has been convicted, in the Republic or elsewhere, and imprisoned without the option of a fine, or fined more than R1 000,00 (one thousand rand) amount, for theft, fraud, forgery, perjury or an offence –-

involving fraud, misrepresentation or dishonesty;

in connection with the promotion, formation or management of a company, or in connection with any act contemplated in subsection (2) or (5); or

under the Companies Act, the Insolvency Act, 1936 (Act No. 24 of 1936), the Close Corporations Act, 1984, the Competition Act, the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001), the Securities Services Act, 2004 (Act No. 36 of 2004), or Chapter 2 of the Prevention and Combating of Corruption Activities Act, 2004 (Act No. 12 of 2004).

ANNEXURE 3

Prescribed Methods of Delivery in the Regulations

Person to whom the document is to be delivered	Method of delivery	Date and Time of Deemed delivery
Any Person	By faxing the notice or a certified copy of the document to the Person, if the Person has a fax number;	On the date and at the time recorded by the fax receiver, unless there is conclusive evidence that it was delivered on a different date or at a different time.
	By sending the notice or a copy of the document by electronic mail, if the Person has an Electronic Address;	On the date and at the time recorded by the computer used by the Company, unless there is conclusive evidence that it was delivered on a different date or at a different time.
	By sending the notice or a certified copy of the document by registered post to the Person's last known address;	On the 7th (seventh) day following the day on which the notice or document was posted as recorded by a post office, unless there is conclusive evidence that it was delivered on a different day.
	By any other means authorised by the High Court; or	In accordance with the order of the High Court.
	By any other method allowed for that Person in terms of the following rows of this Table.	As provided for that method of delivery.
Any natural Person	By handing the notice or a certified copy of the document to the Person, or to any representative authorised in writing to accept service on behalf of the Person;	On the date and at the time recorded on a receipt for the delivery.
	By leaving the notice or a certified copy of the document at the Person's place of residence or business with any other Person who is apparently at least 16 (sixteen) years old and in charge of the premises at the time;	On the date and at the time recorded on a receipt for the delivery.
	By leaving the notice or a certified copy of the document at the Person's place of employment with any Person who is apparently at least 16 (sixteen) years old and apparently in authority.	On the date and at the time recorded on a receipt for the delivery.

A company or similar body corporate	By handing the notice or a certified copy of the document to a responsible employee of the company or body corporate at its registered office or its principal place of business within South Africa;	On the date and at the time recorded on a receipt for the delivery.
	If there is no employee willing to accept service, by affixing the notice or a certified copy of the document to the main door of the office or place of business.	On the date and at the time sworn to by affidavit of the Person who affixed the document, unless there is conclusive evidence that the document was affixed on a different date or at a different time.
The state or a province	By handing the notice or a certified copy of the document to a responsible employee in any office of the State Attorney.	On the date and at the time recorded on a receipt for the delivery.
A municipality	By handing the notice or a certified copy of the document to the town clerk, assistant town clerk or any Person acting on behalf of that Person.	On the date and at the time recorded on a receipt for the delivery.
A trade union	By handing the notice or a certified copy of the document to a responsible employee who is apparently in charge of the main office of the union.	On the date and at the time recorded on a receipt for the delivery.
	If there is no person willing to accept service, by affixing a certified copy of the notice or document to the main door of that office.	On the date and at the time sworn to by affidavit of the Person who affixed the document, unless there is conclusive evidence that the document was affixed on a different date or at a different time.
Employees of the Company	By fixing the notice or certified copy of the document, in a prominent place in the workplace where it can be easily read by employees.	On the date and at the time sworn to by affidavit of the Person who affixed the document, unless there is conclusive evidence that the document was affixed on a different date or at a different time.
A partnership, firm or association	By handing the notice or a certified copy of the document to a Person who is apparently in charge of the premises and apparently at least 16 (sixteen) years of age, at the place of business of the partnership, firm or association;	On the date and at the time recorded on a receipt for the delivery.

If the partnership, firm or association has no place of business, by handing the notice or a certified copy of the document to a partner, the owner of the firm, or the chairman or secretary of the managing or other controlling body of the association, as the case may be.	On the date and at the time recorded on a receipt for the delivery.

ANNEXURE 4

SCHEDULE 1 TO THE COMPANIES ACT

PROVISIONS CONCERNING NON-PROFIT COMPANIES

1 Objects and policies

(1) The Memorandum of Incorporation of a non-profit company must-

(a) set out at least one object of the company, and each such object must be either-

(i) a public benefit object; or

(ii) an object relating to one or more cultural or social activities, or communal or group interests; and

(b) be consistent with the principles set out in sub-items (2) to (9).

(2) A non-profit company-

(a) must apply all of its assets and income, however derived, to advance its stated objects, as set out in its Memorandum of Incorporation; and

(b) subject to paragraph (a), may-

(i) acquire and hold securities issued by a profit company; or

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

(3) A non-profit company 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 company, or who is a member or director, or person appointing a director, of the company, except-

(a) as reasonable-

(i) remuneration for goods delivered or services rendered to, or at the direction of, the company; or

(ii) payment of, or reimbursement for, expenses incurred to advance a stated object of the company;

(b) as a payment of an amount due and payable by the company in terms of a bona fide agreement between the company and that person or another;

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

(d) in respect of any legal obligation binding on the company.

(4) Despite any provision in any law or agreement to the contrary, upon the winding-up or dissolution of a non-profit company-

(a) no past or present member or director of that company, or person appointing a director of that company, is entitled to any part of the net value of the company after its obligations and liabilities have been satisfied; and

(b) the entire net value of the company must be distributed to one or more non-profit companies, registered external non-profit companies carrying on activities within the Republic, voluntary associations or non-profit trusts-

(i) having objects similar to its main object; and

(ii) as determined-

(aa) in terms of the company's Memorandum of Incorporation;

(bb) by its members, if any, or its directors, at or immediately before the time of its dissolution; or

(cc) by the court, if the Memorandum of Incorporation, or the members or directors fail to make such a determination.

(5) The Commission may apply to the court, on behalf of a non-profit company, for a determination contemplated in sub-item (4) (b) (ii) (cc) if the non-profit company has-

(a) no remaining members or directors; and

(b) failed to-

(i) make a determination contemplated in sub-item (4) (b) (ii) (bb); or

(ii) apply to the court for such a determination.

(6) Incorporation as a non-profit company in terms of this Act, or registration as an external non-profit company in terms of this Act, and compliance by either with the provisions of this Act does not necessarily qualify that non-profit company, or external non-profit company, for any particular status, category, classification or treatment in terms of the Income Tax Act, 1962 (Act 58 of 1962), or any other legislation, except to the extent that any such legislation provides otherwise.

(7) Each voting member of a non-profit company has at least one vote.

(8) The vote of each member of a non-profit company is of equal value to the vote of each other voting member on any matter to be determined by vote of the members, except to the extent that the company's Memorandum of Incorporation provides otherwise.

(9) If a non-profit company has members, the requirement in section 24 (4) to maintain a securities register must be read as requiring the company to maintain a membership register.

2 Fundamental transactions

(1) A non-profit company may not-

(a) amalgamate or merge with, or convert to, a profit company; or

(b) dispose of any part of its assets, undertaking or business to a profit company, other than for fair value, except to the extent that such a disposition of an asset occurs in the ordinary course of the activities of the non-profit company.

(2) If a non-profit company has voting members, any proposal to-

(a) dispose of all or the greater part of its assets or undertaking; or

(b) amalgamate or merge with another non-profit company,

must be submitted to the voting members for approval, in a manner comparable to that required of profit companies in accordance with sections 112 and 113, respectively.

(3) Sections 115 and 116, read with the changes required by the context, apply with respect to the approval of a proposal contemplated in sub-item (2).

3 Incorporators of non-profit company

The incorporators of a non-profit company are its-

(a) first directors; and

(b) its first members, if its Memorandum of Incorporation provides for it to have members.

4 Members

(1) A non-profit company is not required to have members, but its Memorandum of Incorporation may provide for it to do so.

(2) If the Memorandum of Incorporation of a non-profit company provides for the company to have members, it-

(a) must not restrict or regulate, or provide for any restriction or regulation of, that membership in any manner that amounts to unfair discrimination in terms of section 9 of the Constitution;

(b) must not presume the membership of any person, regard a person to be a member, or provide for the automatic or ex officio membership of any person, on any basis other than life-time membership awarded to a person-

(i) for service to the company or to the public benefit objects set out in the company's Memorandum of Incorporation; and

(ii) with that person's consent;

(c) may allow for membership to be held by juristic persons, including profit companies;

(d) may provide for no more than two classes of members, that is voting and non-voting members, respectively; and

(e) must set out-

(i) the qualifications for membership;

(ii) the process for applying for membership;

(iii) any initial or periodic cost of membership in any class;

(iv) the rights and obligations, if any, of membership in any class; and

(v) the grounds on which membership may, or will, be suspended or lost.

5 Directors

(1) If a non-profit company has members, the Memorandum of Incorporation must-

(a) set out the basis on which the members choose the directors of the company; and

(b) if any directors are to be elected by the voting members, provide for the election each year of at least one-third of those elected directors.

(2) If a non-profit company has no members, the Memorandum of Incorporation must set out the basis on which directors are to be appointed by its board, or other persons.

(3) A non-profit company must not provide a loan to, secure a debt or obligation of, or otherwise provide direct or indirect financial assistance to, a director of the company or of a related or inter-related company, or to a person related to any such director.

(4) Sub-item (3) does not prohibit a transaction if it-

(a) is in the ordinary course of the company's business and for fair value;

(b) constitutes an accountable advance to meet-

(i) legal expenses in relation to a matter concerning the company; or

(ii) anticipated expenses to be incurred by the person on behalf of the company;

(c) is to defray the person's expenses for removal at the company's request; or

(d) is in terms of an employee benefit scheme generally available to all employees or a specific class of employees.